


MEMORANDUM

TO: Joint Fiscal Committee
FROM: Adam Greshin, Commissioner of Finance & Management 
DATE: November 8, 2017
RE: Excess Receipts Report – 32 VSA Sec 511

In accordance with 32 VSA Sec 511, please find attached the report on Excess Receipts approved for expenditure through the first quarter of FY 2018 (7/1/2017 through 6/30/18). The full text of the governing statute is provided at the end of this memo.

Review Process

The Administration goes through an extensive application and approval process for allowing expenditure of excess receipts. The form required of departments can be found at: http://finance.vermont.gov/sites/finance/files/pdf/forms/budget/Excess_Receipts_Form.doc (at <http://finance.vermont.gov/forms> under the “Budget” category). The form requires information to ensure that the approval does not overstep statutory guidelines. Requests that overstep the statutory guidelines are denied, and/or where appropriate are held for the legislative budget process.

Departments are required to provide written answers to the following questions (although only the response to the first question is entered into the VISION database):

- Reason funds are available?
- Do you anticipate additional funds from the same source available in this fiscal year and above current appropriation?
- Is this increase one-time or at an ongoing level?
- Why were funds not fully budgeted during budget development?
 - What is the current year appropriation or grant amount approved by the Joint Fiscal Committee for this fiscal year, from this source of funds for this purpose?
- If these are ongoing funds, will funds from this source be fully budgeted and appropriated next fiscal year?
- Were excess receipts requested from this source in the preceding two fiscal years? If so, explain why they were not budgeted?
- Are these excess receipts being received from another department (i.e., interdepartmental transfers)? If so, are they appropriated in that department or will excess receipts be required there as well?



- Relationship, if any, to the Budget Adjustment Act?
- Can excess receipts be used to reduce the expenditure of State funds?
- **Will excess receipts establish or increase the scope of a program, committing the State at any time to expend State funds?** [The form notes that in such instances, legislative approval is required.]
- What specifically will excess receipts be used for? What is the impact on programs if this excess receipt request is not approved?
- Are any of the excess receipts to be used for your department's administrative, staff or operating expenses? If so, explain.
- Is there any matching fund requirement due to excess receipts? If so, where is the match found in your budget?
- If excess receipts are earned federal receipts, is excess receipt being spent in the same (federal) program where the excess receipts are earned? If not, explain.
- Has the excess receipt been received and deposited? If no, what date are funds expected?
- If approved, when will the expenditure of this excess receipt first occur?

The VISION entry normally includes only the response to the first question – why are additional receipts available? However, for any individual Excess Receipt Request, we can provide the full paper copy of the form, listing all the department's responses.

Broad Categories of Excess Receipt Requests

Requests for expenditure of excess receipts generally fall into several broad categories:

Interdepartmental Transfers: It is not uncommon for one State department (“Department A”) to purchase services from another State department (“Department B”). In that instance, Department A budgets these expenditures just as they would any other type of expenditure: by type of expenditure and by the source of revenue that will fund these expenditures. Department B also budgets these expenditures, and identifies the source of revenue as “interdepartmental transfers.” This process results in a small amount of “double-booking” of spending authority but ensures that both departments have the necessary spending authority. In many cases, at the time of budget development, Department A has not yet decided from where to purchase the services in question, so Department B does not budget the interdepartmental transfer revenues. When Department A moves forward to contract for services with Department B after the budget has closed, then Department B must request an Excess Receipts approval for the additional spending authority to perform the services.

Federal Funds: Departments estimate their likely federal receipts in the fall for the upcoming budget year, meaning the estimate is as much as nine-months old at the start of the budget year, and another 12 months older by the end of the budgeted fiscal year. As a result, more recent developments may mean that the budgeted federal spending authority is insufficient, either because the current federal award for an existing grant has been increased, or there is spending authority from grants from earlier federal fiscal years that can be used in the current year. Additionally, extraordinary events – such as the federal American Recovery and Reinvestment Act (ARRA) or federal aid to Vermont due to Tropical Storm Irene – may cause large – and unanticipated -- spikes in federal receipts.

Other: There are over 200 different special funds created under State law, in which are deposited fees, user charges, penalties, specified taxes, etc. Departments estimate how much they will collect each year for each of these special funds, and base their spending plans accordingly. However, for the same reasons noted above, the actual collections for these revenues may be higher than the original budget. Excess receipts may also be used in an instance where prior-year special fund spending authority was not utilized and needs to be created again in the subsequent year (similar to a carry-forward). It should be noted that in addition to the restrictions in the excess receipts statute, each special fund has its own statutory restrictions that prevent the funds being used for other than their intended purposes and programs.

Attached Report:

The attached report is a cumulative list of approved excess receipt requests for the current fiscal year. It includes ALL the data entered in VISION for that transaction, including:

- Agency/Department name
- Appropriation name and “DeptID”
- Transaction date
- Fund source – name and fund number
- Amount
- Comments in response to question: “Why are funds available?” (VISION allows for a limited number of characters per cell entry.)

The data are sorted into the three broad categories of requests discussed above.

Governing Statute:

32 V.S.A. § 511. EXCESS RECEIPTS

If any receipts including federal receipts exceed the appropriated amounts, the receipts may be allocated and expended on the approval of the commissioner of finance and management. If, however, the expenditure of those receipts will establish or increase the scope of the program, which establishment or increase will at any time commit the state to the expenditure of state funds, they may only be expended upon the approval of the legislature. Excess federal receipts, whenever possible, shall be utilized to reduce the expenditure of state funds. The commissioner of finance and management shall report to the joint fiscal committee quarterly with a cumulative list and explanation of the allocation and expenditure of such excess receipts.

FY 2018 Excess Receipts Report - Q1 Cumulative - Run 11-02-2017

Agency/Dept Name	Appropriation Name	Appropriation	Date	Fund	Fund Name	Amount	Comments
Transportation Agency	Rail	8100002300	7/11/2017	20150	Transportation FEMA Fund	2,711,105	Funds available for four Rail projects.
Transportation Agency	Rail	8100002300	8/30/2017	20183	ARRA FRA Fund	436,612	Funds from project "Vermont Rehabilitation - Redistribution Funds"
Children and Families	DCFS - OEO Weatherization	3440110000	9/22/2017	22005	Federal Revenue Fund	254,954	Fed funds from LIHEAP that are allowed to be transferred to Weatherization clients who qualify for federal assistance. Weatherization transferring special funds to LIHEAP to use for clients who qualify for state assistance.
Forests, Parks & Recreation	Lands Administration	6130040000	7/25/2017	22005	Federal Revenue Fund	2,200,000	Federal funds awarded through the Federal Forest Legacy program for the acquisition of properties in Windham County.
Military	MIL Vet Affairs Office	2150050000	8/18/2017	22005	Federal Revenue Fund	26,700	Re-establishment of Federal funds allotted to Vermont for multi-year federally funded Veterans Cemetery Expansion vendor contract.
Subtotal Federal Funds (Including "Regular" ARRA) Excess Receipts						5,629,371	
Transportation Agency	Rail	8100002300	8/3/2017	21500	Inter-Unit Transfers Fund	272,829	Funds from FEMA disaster DR4178
Transportation Agency	Better Back Roads Program	8100005800	7/25/2017	21500	Inter-Unit Transfers Fund	1,400,000	Funds are available from Sec. 11(c) of Act 84 of 2017.
Tourism & Marketing	Dept. of Tourism & Marketing	7130000000	8/30/2017	21500	Inter-Unit Transfers Fund	25,625	FY17 Remaining cash balance of one-time appropriation
Commerce & Community Dev Agency	Administration Division	7100000000	9/15/2017	21500	Inter-Unit Transfers Fund	60,223	LIDAR project for CT River Basin funded with dollars from AOT, Clean Water Fund, etc.
Commerce & Community Dev Agency	Administration Division	7100000000	7/25/2017	21500	Inter-Unit Transfers Fund	10,119	Unspent balance from original Capital Bill Orthophoto program funds transferred to ACCD in FY16, from FY17, now carrying into FY18.

FY 2018 Excess Receipts Report - Q1 Cumulative - Run 11-02-2017

Agency/Dept Name	Appropriation Name	Appropriation	Date	Fund	Fund Name	Amount	Comments
Forests, Parks & Recreation	Parks	6130030000	7/28/2017	21500	Inter-Unit Transfers Fund	51,617	Funds available from MOA's with other state departments.
Forests, Parks & Recreation	Forestry	6130020000	7/28/2017	21500	Inter-Unit Transfers Fund	20,000	Funds available from MOA's with other state departments.
Forests, Parks & Recreation	Forestry	6130020000	7/28/2017	21500	Inter-Unit Transfers Fund	10,000	Funds available from MOA's with other state departments.
Forests, Parks & Recreation	Forestry	6130020000	7/28/2017	21500	Inter-Unit Transfers Fund	115,000	Funds available from MOA's with other state departments.
Forests, Parks & Recreation	Forestry	6130020000	7/28/2017	21500	Inter-Unit Transfers Fund	40,000	Funds available from MOA's with other state departments.
Forests, Parks & Recreation	Administration	6130010000	7/28/2017	21500	Inter-Unit Transfers Fund	300,000	FEMA funds from VTrans
Liquor Control	DLC - Enforcement & Licensing	2300002000	8/31/2017	21500	Inter-Unit Transfers Fund	125,000	One-time transfer from Health Dept's VT Regional Prevention Partnership
Agriculture, Food&Mrkts Agency	Ag Resource Mngmnt	2200040000	7/25/2017	21500	Inter-Unit Transfers Fund	110,000	Funds for Aaron Moore position that has been transferred to the Agency of Agriculture, Food & Markets.
Criminal Justice Trng Council	Criminal Justice Trng Council	2170010000	9/28/2017	21500	Inter-Unit Transfers Fund	75,000	Funding from MOU with AOT to cover payroll expenses for Chris Conway who was hired to develop and maintain statewide advanced levels of officer training and certification
State's Attorneys and Sheriffs	Sheriffs	2130200000	8/10/2017	21500	Inter-Unit Transfers Fund	16,643	Funds from DOC for oversight and funding of the electronic monitoring pilot program.
Attorney General's Office	Court Diversion	2100002000	7/19/2017	21500	Inter-Unit Transfers Fund	30,382	Funds from MOU between Court Diversion Program and the Dept of Health.
Sergeant at Arms' Office	Sergeant at Arms	1230001000	8/4/2017	21500	Inter-Unit Transfers Fund	10,000	Funds from room rentals.
Joint Fiscal Office	Joint Fiscal Committee/Office	1220000000	8/7/2017	21500	Inter-Unit Transfers Fund	69,438	Funds to perform IT project review and oversight and report to Legislature per '16 Capital Act. Carry forward of funds was authorized in '18 Capital Act.

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Agency/Dept Name	Appropriation Name	Appropriation	Date	Fund	Fund Name	Amount	Comments
Joint Fiscal Office	Joint Fiscal Committee/Office	1220000000	8/7/2017	21500	Inter-Unit Transfers Fund	250,000	Funds to perform IT project review and oversight and report to Legislature per '16 Capital Act. Carry forward of funds was authorized in '18 Capital Act.
Administration Agency	Secretary of Administration	1100010000	8/24/2017	21500	Inter-Unit Transfers Fund	25,000	Fund available from MOU between SOA and DVHA in regards to SIM grant.
Subtotal Interdepartmental Transfers						3,016,875	
Human Resources-Gov'tal	DHR - VTNR Operations	1120080000	9/15/2017	21005	FMS System Development Fund	127,990	Contract agreement between DHR and KPMG-requirements gathering and documentation.
Public Safety	DPS-Emergency Management	2140030000	9/19/2017	21025	Radiological Emerg Response	28,995	MOU between VEM & VT Yankee for RERP preparedness for FY17 & FY18.
Children and Families	DCFS - LIHEAP	3440090000	9/22/2017	21235	Home Weatherization Assist	254,954	Fed funds from LIHEAP that are allowed to be transferred to Weatherization clients who qualify for federal assistance. Weatherization transferring special funds to LIHEAP to use for clients who qualify for state assistance.
Environmental Conservation	Management & Support Services	6140020000	8/3/2017	21475	Natural Resources Mgmnt	159,701	Amount of match that is budgeted for the EcoAmeriCorps grant from the Dept of Health.
Forests, Parks & Recreation	Lands Administration	6130040000	7/25/2017	21475	Natural Resources Mgmnt	50,000	Funds from VHCB for long-range management projects, in addition completion of past year projects is anticipated to occur in FY18.
Transportation Agency	Finance & Administration Div	8100000100	7/26/2017	21525	Conference Fees & Donations	2,358	Funds from registration fees associated with the NE Regional LTAP Conference.
Forests, Parks & Recreation	Administration	6130010000	7/28/2017	21525	Conference Fees & Donations	13,608	Funds from a grant with the American Forest Foundation for Project Learning Tree educational work.
Liquor Control	DLC - Enforcement & Licensing	2300002000	9/6/2017	21525	Conference Fees & Donations	1,800	Funds received in May for FY2018 refusal Skills Trainings in July and August

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Agency/Dept Name	Appropriation Name	Appropriation	Date	Fund	Fund Name	Amount	Comments
Forests, Parks & Recreation	Administration	6130010000	7/25/2017	21550	Lands and Facilities Trust Fd	225,000	Funds from license, special use permit, and timber sales.
Public Safety	DPS-Emergency Management	2140030000	8/17/2017	21555	Emergency Relief & Assist Fd	60,994	Title 20: Internal Security and Public Safety
Forests, Parks & Recreation	Forestry	6130020000	7/25/2017	21584	Surplus Property	3,150	Funds from the sale of assets.
Public Safety	DPS-Emergency Management	2140030000	8/10/2017	21584	Surplus Property	14,922	Funds from the sale of items at surplus property auction
Buildings & Gen Serv-Capital	BGS-Various Property Sales	0904300250	8/15/2017	21613	BGS-Sale of State Land	9,404	Replenish spending authority as of 6/30/17
Agriculture, Food&Mrkts Agency	VT Ag & Environmental Lab	2200150000	9/26/2017	21668	AF&M-Feed Seeds & Fertilizer	450,000	Product (feed,fertilizer, pesticide & lime) registration fees
Agriculture, Food&Mrkts Agency	Ag Development Division	2200030000	9/22/2017	21682	AF&M-Eastern States Building	190,200	Commission receipts from PY's
Buildings & Gen Serv-Capital	VT Expo major Maint 51/14(a)	1305100141	8/31/2017	21682	AF&M-Eastern States Building	25,000	Additional spending authority to cover additional expenses at the Big E
Buildings & Gen Serv-Capital	VT Expo major Maint 51/14(a)	1305100141	8/18/2017	21682	AF&M-Eastern States Building	95,883	Replenish spending authority as of 6/30/17
Forests, Parks & Recreation	Vt Youth Conservation Corps	6130080000	7/25/2017	21779	FPR-Youth Conservation Corps	300,000	Funds from MOA between FPR and VYCC in which VYCC will reimburse FPR for all cash assistance before the end of FY18.
Sergeant at Arms' Office	Sergeant at Arms	1230001000	8/4/2017	21870	Misc Special Revenue	10,000	Funds from room rentals.
Agriculture, Food&Mrkts Agency	Ag Development Division	2200030000	7/25/2017	21889	Risk Manage Ag Producers	31,098	Grant from VT Low Income Trust for Electricity accepted through JFO via #2688.
Judiciary	Judiciary Appropriation	2120000000	8/10/2017	21908	Misc Grants Fund	69,500	FY18 Grant Award
Judiciary	Judiciary Appropriation	2120000000	7/19/2017	21908	Misc Grants Fund	10,231	Additional earnings based on actual eligible expenses in grant programs.
Military	MIL Vet Affairs Office	2150050000	9/19/2017	21924	Vermont Veterans Fund	50,540	Proceeds from tax return donations

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Military	MIL Vet Affairs Office	2150050000	9/15/2017	21924	Vermont Veterans Fund	42,160	Proceeds from tax return donations
Economic Development	STEM Incentive	7120891702	8/31/2017	21992	Next Generation Initiative Fnd	27,900	One-time appropriation FY2017 special fund remaining balance carry forward
Economic Development	STEM Incentive	7120891602	8/31/2017	21992	Next Generation Initiative Fnd	120,600	One-time appropriation FY2017 special fund remaining balance carry forward
Transportation Agency-Prop	Central Garage	8110000200	8/3/2017	57100	Highway Garage Fund	25,922	Funds from balance in the equipment replacement account at the end of FY17.
Subtotal Special Fund Excess Receipts						2,401,909	
TOTAL:						11,048,155	