



**GENERAL ASSEMBLY**  
**STATE OF VERMONT**  
LEGISLATIVE JOINT FISCAL COMMITTEE

Tuesday, April 14, 2020

Minutes

Video Conference Meeting

Members present: Representatives Ancel, Fagan, Hooper, Lippert, and Toll, and Senators Ashe, Cummings, Kitchel, Sears, and Westman.

Other Attendees: Adam Greshin, Joint Fiscal Staff, as well as various viewers on live stream.

Senator Cummings, Chair, called the meeting to order at 12:05 p.m. Representative Fagan moved to approve the minutes of the November 4, 2019 meeting, and on a roll call vote of 9-0-1 with Senator Kitchel absent at the time of the vote, the Committee passed the motion and approved the minutes.

1. Administration's Updates – a. COVID-19-related Spending to Date

Adam Greshin, Commissioner, Department of Finance & Management, stated that the Administration was focusing on the latest economic information for FY 2020, from the State and Legislature's economists, noting the \$420 million revenue loss due to COVID-19. Half of the estimated revenue loss was anticipated to be due to tax receipts deferred to FY 2021, and \$190 million was considered a loss to the State.

Commissioner Greshin stated that the Administration was currently finalizing a memorandum to agencies and departments explaining two Executive Branch initiatives. The first was an exercise to gather supplemental budget adjustment information of proposed uses for COVID-19 Relief Funds (CRF), and a plan on how to use the funds toward recovery from the COVID-19 emergency.

The second initiative was focused on Executive Branch operating budgets to map out where agencies and departments were seeing upward pressures, and whether existing resources could be redirected toward those pressures. Representative Toll asked if the Administration anticipated being able to fill all gaps within the agencies and departments or whether there would be a provision for possible rescissions. Commissioner Greshin responded the Administration was hoping to avoid rescissions but had not ruled that option out.

In responding to Senator Kitchel's question, Commissioner Greshin stated that the Administration has been careful to track expenses related to COVID-19 and would share that

information with the Committee. Direction to agencies and departments encouraged the usage of existing resources, including the Agency of Human Services utilizing available spending authority. Other departments, such as the Department of Public Safety, without additional spending authority or resources were using anticipated FEMA funds through the excess receipts process. Senator Kitchel asked how the Administration envisioned compiling the ideas for the usage of CRF money from the Executive Branch and the Legislature into a cohesive and unilaterally agreed-upon spending plan toward Vermont's economic recovery from COVID-19. The Commissioner responded that the request to agencies and departments was to gather all possible ideas for consideration before presenting to the Legislature and agreeing on a path forward.

Representative Hooper asked what near-term expenses the Administration anticipated. Commissioner Greshin responded that the expenses for the initial surge of demand for supplies such as masks had leveled off State, but the usage would depend on the COVID-19 cases and demand. Representative Hooper commended the Administration for its quick and nimble response to the COVID-19 emergency and then she requested that the larger issues and decisions be made available to the Legislature prior to delivery to the press. Representative Toll inquired if Commissioner Greshin would be the liaison for the Administration in presenting a mutually agreed-upon spending plan to the Committee. The Commissioner agreed to get back to the Committee on an answer.

Senator Ashe stated there was concern from the Legislature on the Department of Labor's plan for available call takers for its unemployment division (UI). The Senator then inquired whether the impending federal funds from the CARES Act, for additional funding to unemployment recipients, could be used to boost the capacity of the Department. Commissioner Greshin stated he would get back to the Committee with more information, but he stressed that the Administration had not used funding as a limiting factor for increasing the UI call center. Senator Ashe suggested that the Department double or triple the number of call takers and have a back-up plan if the recently developed but virtually untested system for self-employed individuals seeking federal UI assistance system fails given the very high volumes expected to access this new system when it goes live. Representative Ancel agreed with Senator Ashe regarding the UI call center as a high concern for the public. Then Representative Ancel commented that prior communication before making revenue decisions, such as delaying or abating tax payments, was important to share and discuss with the Legislature. The Commissioner assured the Committee that the Administration would make its best effort to share with the Committee any decisions prior to implementation.

Senator Sears commended the interim Commissioner Harrington and his staff at the Department of Labor for their incredible work in unprecedented times. Senator Kitchel asked when the Administration anticipated the \$1.25 billion CRF funding would be available to the State, along with basic guideline for the expenditure of the funds. Commissioner Greshin explained that the U.S. Treasury had requested of all States to express interest in the CRF funding by April 17 with distribution of half of the CRF funds immediately and the remainder of the funds by April 24. The Commissioner suggested the State Treasurer would have additional information for the receipt of funds with the funds being transmitted through that office. He

added that the Administration was referring to the initial instructions within the CARES Act legislation with the three stipulations for expenditure of funds.

Senator Westman commented that timing for the release of CRF funding was a factor for many Vermonters such as workers within hospitals where reductions of staff through layoffs and furloughs were in process. Additionally, some providers were reducing the amount of pay to workers by as much as 20%. The Senator emphasized that organizations dependent on the CRF funding should have a certain timetable for expectation of funds. Commissioner Greshin informed the Committee that within the CARES Act, an estimated \$54 million would flow directly to Vermont health care providers relatively soon through designation of a total of \$30 billion to all U.S. providers announced recently. There was still no guidance on the remaining \$70 billion from the total \$100 billion package to providers.

In responding to Representative Lippert, the Commissioner explained there were three components of funding to Vermont from education relief funds: The Governor's Education Relief Fund of approximately \$4.5 million that could be disbursed at the discretion of the Governor; a higher education component of over \$20 million paid directly to the institutions; and \$30 million to primary and secondary schools disbursed through a formula. Senator Ashe followed up with a question on the Administration's plans for the \$4.5 million and whether the Legislature would be involved in the decision. Commissioner Greshin responded the Governor planned to work with the Legislature before making any decisions, and that the guidelines for the funding was broad.

#### b. FY 2020 Budget Adjustment

Commissioner Greshin stated the Administration planned to send a memo out to agencies and departments within the next week or two on the Governor's initiatives discussed earlier in the meeting. In addition, the Administration had asked agencies and departments to be mindful of discretionary spending in the interim. In responding to Representative Toll, the Commissioner stated the Administration planned to have an FY 2020 Budget Adjustment proposal by mid to late May.

#### 2. Committee Discussion – a. Coronavirus Relief Fund process issues: acceptance and use

The Committee discussed its role moving forward with the COVID-19 emergency, including an inventory of all COVID-19 expenses and CRF funding disbursements through the Committee as a clearinghouse of information; review and acceptance of the \$1.25 billion CARES Act grant to the State; observation and oversight of rescissions, and incoming and outgoing funds. It was noted that the Committee was the bipartisan legislative body that traditionally had been charged with overseeing the finances of the State. The Committee would request a list of all federal funding coming into the State for COVID-19.

Senator Ashe requested the Joint Fiscal Office research the value of more funding if it were available to the Department of Labor to address the backlog of UI cases as a back-up plan if the Administration was not able to move quick enough for demand. Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office, stated the Office would follow the Committee's instruction to

discover how much of the issue was resources and how much was structural with the Department and put together a plan of action.

The Committee agreed to send a letter to the Governor through the Chair with the Committee's concerns on the adequacy and risks of the UI system.

The Committee agreed to next meet on Monday, April 20, 2020 at 10:00 a.m., and adjourned at 1:14 p.m.

Respectfully Submitted,

Theresa Utton-Jerman  
Legislative Joint Fiscal Office