



GENERAL ASSEMBLY
STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

Thursday, October 22, 2020

Minutes

Videoconference

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

Other attendees: Joint Fiscal Office and Administration staff, and various viewers on live stream.

Senator Cummings, Chair, called the meeting to order at 10:00 a.m. Senator Westman moved to approve the minutes of August 27, 2020, and Senator Kitchel seconded the motion. The minutes were passed unanimously.

A. Sunsetting of Vermont's High Extended Benefits Period

Michael Harrington, Commissioner, Department of Labor, reviewed a [memorandum](#) submitted to the Committee on September 28, 2020, explaining that Vermont was no longer eligible for "High Extended Benefits" due to the State hitting a trigger of the federal guidelines on the number of people claiming to be out of work. This translates to Vermonters currently claiming Unemployment Benefits (UI) not being able to receive the additional \$300 of weekly benefits. Commissioner Harrington raised the issue that with the pandemic, historical questions asked of claimants were not relevant to the current data captured for federal regulations making the number of UI claimants incorrect. He showed concern for the additional reduction in benefits to claimants as the CARES Act funding expired in addition to this loss of funding to claimants.

B. Administrations Fiscal Updates—1. General Fund and Transportation Fund Balance Reserves, and 2. 27/53 Reserve

Adam Greshin, Commissioner, Department of Finance and Management, summarized a [memorandum](#) dated October 9, 2020, with General Fund Reserve (Rainy Day Fund) and the Transportation Fund Reserve balances, as well as a [memorandum](#) explaining the 27th State Pay Period and 53rd Medicaid Payment Reserve schedule, dated September 30, 2020. The current Administration planned to request in the FY 2022 State budget \$1.76 million for the 53rd week of Medicaid payments and \$1.9 million for the 27th State pay period to achieve full funding of the funds.

3. Report on JFC-approved CRF expenditures.

Commissioner Greshin gave the status of the approved Coronavirus Relief Funds (CRF) expenditures referring to a [chart of all CRF allocations approved by the Committee](#). Sarah Clark, Chief Financial Officer for the Agency of Human Services, responded to Senator Ashe's question that the

actual total of CRF expenditure to the Brattleboro Retreat by the Agency's spending authority through Excess Receipts and the Committee's CRF allocation was \$6,543,000. Representative Hooper asked for a [spreadsheet](#) from the Agency showing the Retreat's CRF allocations. Ms. Clark explained that the Retreat would need to go through the application process for the Health Care Stabilization Reserve for additional funds.

Commissioner Greshin explained there was approximately \$11.5 million in unallocated CRF for economic development grants. Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office, clarified that there was \$1.45 million in unallocated funds that the Committee would need to approve toward either the economic development grants or another area. Commissioner Greshin stated that legislation during 2020 allocated \$15 million to the grants, which left the fiscal mandate \$3.5 million out of balance.

4. FY 2022 Budget Instructions and Fiscal Challenges

Commissioner Greshin referred to the [FY 2022 Budget Instructions](#) to Departments on October 19, 2020 that asked for budgets to be level funded and to submit a contingency list if revenue exceeded projections. The Commissioner explained that the Administration projected a \$180 million budget gap for FY 2022 including \$30–\$40 million of additional retirement funding requirements.

5. CRF Reallocation Request—a. Health Care Provider Stabilization Funds for Program Administration

Commissioner Greshin summarized the Administration's request for reallocation of \$680,000 of CRF health care provider stabilization funds for program administration and referred to a [memorandum](#) explaining the request dated October 19, 2020. Ms. Clark responded to questions from the Committee on the use of Maximus to provide the additional administrative support, such as a call center, for the second phase of the program.

Senator Kitchel moved to approve the Administration's request to reallocate \$680,000 of CRF for program administration of the Health Care Provider Stabilization program, and Representative Fagan seconded the motion. The Committee approved the motion unanimously.

D. Federal Single Audit Review Report

Andrew Stein, Vermont's Deputy State Auditor, reviewed and responded to questions regarding the context for the Federal Single Audit and referred to a [document submitted](#) to the Committee with FY 2019 Federal Single Audit Findings.

E. Fiscal Officer's Report

Mr. Klein reviewed the highlights of his [Fiscal Officer's Report](#), explaining the space issues the Legislature may face in the 2021 session. Leadership was considering discussing a possible agenda item to explain this at the December 3 All Legislative Briefing.

Mr. Klein stated that of the \$1.25 Billion of CRF received by the federal government, \$550 million had been distributed from the treasury. With the large amount of unallocated CRF, more will go out in the coming weeks. The Office was working toward solutions for reallocation alternatives of

the remaining funds in the event the funds were likely to have not been distributed prior to their expiration on December 31, 2020.

1. Medicaid Update

Stephanie Barrett, Associate Fiscal Officer, Joint Fiscal Office, explained that as of Monday there was a surplus of \$11 million in Medicaid funds with \$7.5 million from drug rebates. An area to monitor was a recent trend for claims expenditures of \$3.5 million below projections with caseload trending up within the Department of Vermont Health Access.

F. Interim Report on Steps to Improve Communication and Relations with Employees at the Brattleboro Retreat

Senator Ashe explained the context for the agenda item included for Committee discussion. He suggested that members on the Committee who were also members on the Health Reform Oversight Committee should continue to ask questions regarding the issue with the Brattleboro Retreat.

On a personal privilege, Representative Lippert announced that there had been over 1,000 Vermonters taking advantage of the \$2.3 million in CRF allocated to the Vermont State Colleges for free enrollment, courses, or recertifications.

The Committee confirmed its next meeting of November 5, and Mr. Klein suggested including a conversation on the CRF reallocation issue.

There was no further business or questions, and the Committee adjourned at 12:00 noon.

Respectfully Submitted,

Theresa Utton-Jerman, Senior Staff Associate
Legislative Joint Fiscal Office