



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

Wednesday, December 9, 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 9:30 a.m., and Senator Westman moved to approve the minutes of November 14 and 20, 2020. Senator Sears seconded the motion and the Committee approved the motion and the minutes.

A. Administration's Fiscal Updates—1. Status of Wastewater and Water Supply Arrearages

Adam Greshin, Commissioner, Department of Finance and Management, reviewed the status of the wastewater and water supply arrearages. He explained that out of the \$500,000 appropriation, \$487,000 was committed to grants and expenses. The Department of Public Service had disbursed \$282,000 in grants thus far, with \$177,000 waiting for utility review and \$28,000 needed for expenses to the Department. Commissioner Greshin offered to reach out to the Department of Public Service to ask them to review any roadblocks that potential grantees may be experiencing due to COVID-19 and other issues.

2. Status of Coronavirus Relief Fund (CRF) Allocation and Expenditure

Commissioner Greshin gave the status of total allocated and expended CRF referring to a [tracking sheet](#) submitted and explained there was an estimated \$21,991,053.14 available CRF for reallocation. The Commissioner responded to questions on available reallocations within the Department of Labor for unemployment insurance, the Agency of Education for pre-k-12, and the Department of Corrections for hazard pay.

B. CRF Requests for Reallocation

Commissioner Greshin summarized the requests submitted, starting with request #7 to the Agency of Administration for contingent reallocation authority of CRF, which are currently encumbered but may become unencumbered during the CRF reconciliation process and into calendar year 2021. He explained that the amount of the request was to be determined as better information on Federal Emergency Management Administration (FEMA) reimbursement and CRF allocations become available or additional CARES Act funds are appropriated to the State.

The Committee showed concerns for request #7 as premature in the absence of a full review of the needs of Vermonters. However, they agreed with the type of mechanism that was required to allow for flexibility for future unallocated CRF.

The Commissioner then reviewed all the requests. Douglas Farnham, Chief Operational Officer, Agency of Administration, assisted with questions regarding the three process categories for request #7: *1) costs associated with FEMA claims; 2) eligible payroll expenses incurred during the covered period (March 1, 2020 to December 30, 2020); and 3) compliance and monitoring costs incurred by the State of Vermont in calendar year 2021. Any additional funds would be made available to the Department of Labor for reimbursement of claims expenditures per Act 154 Sec. B.1108(d).*

Anson Tebbetts, Secretary, Agency of Agriculture, Food & Markets, responded to questions regarding request #1, totaling \$1,750,000, to the Agency of Agriculture, Food and Markets for grants to eligible businesses that applied to the working lands program. Sarah Squirrel, Commissioner, Department of Mental Health, responded to questions regarding request #3, totaling \$3,200,000, to the Agency of Human Services for additional Hazard Pay to frontline mental health, substance use, and developmental disability staff at Designated Agencies and Specialized Service Agencies.

Senator Kitchel moved to approve requests #2, totaling \$2,100,000, to the Department of Financial Regulation for eligible employees to receive Hazard Pay Grants; and #4, totaling \$975,000, to the Military Department for additional funding to support various National Guard missions through December 30, 2020 in response to COVID-19. Representative Ancel seconded the motion, and the Committee voted 10–0 to support the motion and approve the requests.

Senator Kitchel then moved to not approve the following requests:

- Request #1, totaling \$1,750,000, to Agency of Agriculture, Food and Markets for grants to eligible businesses that applied to the working lands program.
- Request #3, totaling \$3,200,000, to Agency of Human Services for additional Hazard Pay to frontline mental health, substance use, and developmental disability staff at Designated Agencies and Specialized Service Agencies.
- Request #5, totaling \$6,000,000, to Agency of Administration to cover the estimated expense of denied FEMA claims.
- Request #6, totaling \$10,000,000, to Agency of Commerce and Community Development and the Department of Taxes for an increase in funding to meet Expanded Economic Development Grants for businesses not included in the Accommodations and Food Services sectors (per NAICS).

Susanne Young, Secretary, Agency of Administration, and Joan Goldstein, Commissioner, Department of Economic Development, responded to questions and raised the issue of timing to get grants out the door before the end of the year.

Senator Kitchel amended her motion to “disapprove” requests #1, #3, #5, and #6 with the understanding that the Administration can resubmit any of the requests prior to the end of the year, and Representative Ancel seconded the motion. The Committee discussed the motion and the impacts and

additional options of disapproving the requests with Mr. Farnham, Commissioner Goldstein, and Secretary Young, who responded to questions and comments from the Committee.

The Committee then passed Senator Kitchel's amended motion and disapproved the requests with a 9–1–0 roll call. Representative Fagan voted no on the motion.

Commissioner Greshin and Mr. Farnham clarified the intent of request #7 and a committee discussion ensued on the process of allocating unexpended CRF at the end of the year and allowing the Administration the flexibility to reallocate funds to an area of need rather than all funds reverting to the Unemployment Insurance fund. Senator Kitchel asked if the Administration was prepared to amend its proposal to narrow the area of CRF expenditure. Representative Hooper further clarified that the categories "compliance" and "monitoring" within the original request be reviewed in the Governor's recommended FY 2021 budget adjustment by the Legislature and the Federal Emergency Management Administration (FEMA) category be included in the revised request.

Commissioner Greshin [substituted the Administration's request #7](#) to focus areas of expenditure to: *1) costs associated with FEMA claims; and 2) eligible payroll expenses incurred during the covered period (March 1, 2020 to December 30, 2020). Any additional funds would be made available to the Department of Labor for reimbursement of claims expenditures per Act 154 Sec. B.1108(d).*

Representative Toll moved to approve the Administration's revised request #7, and Representative Ancel seconded the motion. The Committee approved the motion and the request with a 10–0 roll call.

C. Grants—JFO #3028 - \$90,455.00 *to the VT Department of Motor Vehicles from the Federal Highway Association to increase the amount of tax revenue available for highway programs by increasing highway use tax compliance efforts with emphasis on motor fuel taxes. This request does not stem from the State or federal response to the COVID-19 pandemic.*

Alicia Carusona, Tax Field Auditor III, Department of Motor Vehicles, reviewed the grant and responded to questions from the Committee. Senator Kitchel explained that she requested the grant be held for Committee action because of the COVID-19-related funds. She then moved to approve the grant, and Senator Westman seconded the motion. The Committee approved the motion and the grant with a 10–0 roll call.

The Committee, having no further business, adjourned at 12:25 p.m. and agreed to meet on December 21, 2020 or before.

Respectfully Submitted,

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

Link to recording: <https://www.youtube.com/watch?v=4uv5eru0Ukg>