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STATE OF VERMONT
GENERAL ASSEMBLY
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Updated 7-28-2022 at 4:33 p.m.

Thursday, July 28, 2022

[Meeting available by LIVE Stream](#)

- 12:00 p.m. Call to order and approve minutes of November 17, 2021 [**Approved**]
- 12:05 p.m. A. July 2022 Economic Review and [Revenue Forecast Update](#)
Tom Kavet, Legislature's Economist, Kavet, Rockler & Associates, LLC
- 12:35 p.m. B. Administrations Fiscal Updates
Adam Greshin, Commissioner, and
Hardy Merrill, Deputy Commissioner, Department of Finance & Management
1. FY 2022 preliminary close-out: [Education](#), [General](#), and [Transportation](#) Fund
 2. Fund transfers, reversions, reserves ([unencumbered balances](#)) report
[cite: [D.101 of H.740 of 2022](#) and further amended by [H.740 of 2022](#)]
- 12:45 p.m. C. Global Commitment/Medicaid
1. Global Commitment and Medicaid Close-out [[presentation](#)]
Richard Donahey, Chief Fiscal Officer, Agency of Human Service
 2. Medicaid Year-end [Report](#) [cite: [32 V.S.A. Sec. 305a.](#)]
Nolan Langweil, Senior Fiscal Analyst, Joint Fiscal Office
 3. Global Commitment [Waiver Update](#)
Ashley Berliner, Director of Health Care Policy, Dept. of Vermont Health Access
Tracy O'Connell, Financial Director IV, Agency of Human Services
- 1:15 p.m. D. VEDAs Short-Term Forgivable Loan [Program update](#) [Cite: [Sec. 47 of Act 183 of 2022](#)]
Cassie Polhemus, Executive Director, and
Peter Samson, Chief Lending Officer, Vermont Economic Development Authority
- 1:25 p.m. E. Grants [[Cite: 32 V.S.A. § 5](#)]
1. Agency of Commerce and Community Development
 - a. [JFO #3111](#) – is an updated application and full acceptance request for grant [JFO #3074](#), which is the \$57,947,977.00 awarded to Vermont through the U.S. Treasury State Small Business Credit Initiative (SSBCI). The attached packet contains the updated AA-1 followed by the original request. The original request begins on page 31 of the grant packet. [JFO #3111 Received July 26, 2022] ([Approved participation 11/17/2021](#) for JFO #3074) [**Approved**]
Joan Goldstein, Commissioner, Department of Economic Development^{IP}
Cassie Polhemus, Executive Director, VT Economic Development Authority^{IP}

1:40 p.m.

- b. [JFO #3108](#) – One (1) limited-service position to the VT Agency of Commerce and Community Development, Dept of Housing and Community Development from the U.S. Dept of Housing and Urban Development. Environmental Specialist I will maintain HUD grant compliance for new programs. **[Approved]**

Joan Goldstein, Commissioner, Department of Economic Development

Alex Farrell, Deputy Commissioner, Department of Housing and Community Development

1:50 p.m.

2. *Consent items for action [witnesses are present for questions]*

- a. [JFO #3099](#) – \$105,228 to the Agency of Natural Resources, Department of Environmental Conservation from the National Fish and Wildlife Foundation to create water resource maps and provide education about the mapping tool in the Connecticut River Basin, Vermont. *[Received 6/23/2022]* **[Approved]**

Laura Lapierre, Program Lead, and

Lindsay Carey, Federal Grant Manager, Agency of Natural Resources

- b. [JFO #3100](#) – \$25,000 to the Agency of Commerce and Community Development, VT Division for Historic Preservation from the Sunshine Lady Humanitarian Grants Program for the operations of the VT 250th Anniversary Commission’s public outreach efforts in preparation for the commemorative activities, educational programming and events planned between 2025-2027. *[Received 6/23/2022]* **[Approved]**

Laura V. Trieschmann, State Historic Preservation Officer Agency of Commerce and Community Development

- c. [JFO #3101](#) – \$250,000 to the Vermont Agency of Human Services, Department of Mental Health from the Substance Abuse and Mental Health Services Administration. This is a planning grant and funds will be used for improvements to Vermont’s 988 suicide crisis and prevention service. *[Received July 18, 2022]* **[Approved]**

Alison Krompf, Deputy Commissioner, and

Samantha Sweet, Department of Mental Health

1:55 p.m.

3. Agency of Natural Resources **[presentation]**

- a. [JFO #3102](#) – Thirty-one (31) limited-service positions to the VT Agency of Natural Resources, Dept. of Environmental Conservation. Positions funded through the Investment Infrastructure and Jobs Act (IIJA), also called the Bipartisan Infrastructure Law (BIL), for existing programs. The final page of the attached packet provides a summary table of the thirty-one (31) positions with expected end dates and brief program timelines. *[Received July 26, 2022]* **[Approved]**

2:10 p.m.

- b. [JFO #3103](#) – Eleven (11) limited-service positions to the VT Agency of Natural Resources, Dept. of Environmental Conservation. Positions funded through the American Rescue Plan Act. Funding is specifically for the administering of Healthy Homes Initiative; 3-Acre Stormwater permit financial support program and the regulatory review capacity needs for housing projects funded with ARPA dollars. Position details in the attached packet. The final page provides a summary table of positions, end dates and brief program timelines. *[Received July 26, 2022]* **[Approved]**

Maggie Gendron, Deputy Secretary, Agency of Natural Resources

*Neil Kamman, Director, Water Investment Division, and
Joanna Pallito, Financial Director, Administration and Innovation Division,
Department of Environmental Conservation*

- 2:20 p.m. 4. [JFO #3107](#) – Twenty-six (26) limited-service positions to the VT Agency Transportation from the Federal Highway Administration. Funding through the Investment Infrastructure and Jobs Act (IIJA) is expected to increase the Department workload by 30-50% over the next 5 years. Positions funded through 9/30/2026. [Received July 26, 2022] [[Memo and Timeline](#)] [**Approved**]
- Joseph Flynn, Secretary, and
Michele Boomhower, Division Director, Policy, Planning & Intermodal Dev., and
Ann L. Gammell, Chief Engineer, Highway Division, Agency of Transportation*
- 2:30 p.m. 5. [JFO #3106](#) – Four (4) limited-service positions to the VT Agency of Agriculture, Dept. of Food and Markets. Positions funded through the American Rescue Plan Act. Additional ARPA investments and ongoing grant awards require staffing to continue to support these opportunities. The following positions are funded through 9/29/2026: Two (2) Agriculture Development Specialist I; One (1) Agriculture Development Specialist II; One (1) Dairy Business Innovation Center Lead. [Received July 26, 2022] [**Approved**]
- Abby Willard, Agri. Development Division Director, Agency of Agriculture*
- 2:40p.m. 6. Department of Military
- a. [JFO #3104](#) – One (1) limited-service position within the Vermont Military Department titled Administrative Assistant A. This position would be housed within the Department’s Starbase program and is being requested in order to share some responsibilities with the Starbase Administrator. This position previously existed but when the incumbent left in 2017 the position was not rehired. The position will be fully funded with federal dollars through the existing cooperative agreement with the U.S. Department of Defense. [Received July 26, 2022] [**Approved**]
- 2:50 p.m. b. [JFO #3105](#) – One (1) limited-service position within the Vermont Military Department titled Military Energy Manager. This position would be housed within the Department’s Construction and Facilities Maintenance Office (CFMO) and is being requested to oversee the Energy Efficiency and Resiliency Program. These responsibilities were previously performed by a federal employee, but due to federal personnel reductions the State will now need to fulfill these responsibilities. The position will be fully funded with federal dollars through the existing cooperative agreement with the U.S. Department of Defense. [Received July 26, 2022] [**Approved**]
- 3:00 p.m. 7. Agency of Human Services
- a. [JFO #3109](#) – One (1) limited-service position to the VT Agency of Human Services, Department of Vermont Health Access. The Health Care Assistant Administrator II will manage grants and contracts from the expected increase in ARPA Medicaid funds. These funds will be reinvested into Home and Community Based Medicaid programs. The position is funded through 3/31/2024. [Received July 26, 2022] [**Approved**]
- Ashley Berliner, Director of Health Care Policy, DVHA*

- 3:10 p.m. b. [JFO #3110](#) – Two (2) limited-service position to the VT Agency of Human Services, Department of Disabilities, Aging and Independent Living. Two (2) limited-service positions, Aging and Disabilities Quality and Program Specialists funded through 7/31/2024. Positions will provide technical assistance to long-term care facilities to prevent or manage Covid-19. [Received July 26, 2022] [**Approved**]
- 3:20 p.m. F. Fiscal Officer’s [Report](#)
Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office
- 3:25 p.m. G. Executive Session regarding a review of a proposed salary adjustment for legislative director
Arlene Donovan, Director of Human Resources, Office of Human Resources [**Approved**]
- 3:45 p.m. Adjourn (Next Meetings: September 21, 2022 and November 9, 2022)

The Emergency Board will meet at 10:00 a.m., Governor’s Ceremonial Office, State House, for the consensus forecast presentation. Meeting Documents can be found [HERE](#).

See next page for citations

Statutory References to Agenda Items

Fund Transfers, Reversions, Reserves (unencumbered balance report)

Cite: [Sec. D.101 of Act 74 of 2021](#) and further amended by [H.740 of 2022](#)

* * *

(2) The following estimated amounts, which may be all or a portion of unencumbered fund balances, shall be transferred from the following funds to the General Fund. *The Commissioner of Finance and Management shall report to the Joint Fiscal Committee at its July meeting the final amounts transferred from each fund and certify that such transfers will not impair the agency, office, or department reliant upon each fund from meeting its statutory requirements.*

* * *

Official State Revenue Estimate (Year-end Medicaid)

Cite: [32 V.S.A. Sec. 305a](#).

* * *

(c)(1)(A) The January estimates shall include estimated caseloads and estimated per-member per-month expenditures for the current and next succeeding fiscal years for each Medicaid enrollment group as defined by the Agency and the Joint Fiscal Office for State Health Care Assistance Programs or premium assistance programs supported by the State Health Care Resources and Global Commitment Funds, and for the programs under any Medicaid Section 1115 waiver.

* * *

(2) *In July, the Administration and the Joint Fiscal Office shall make a report to the Emergency Board on the most recently ended fiscal year for all Medicaid and Medicaid-related programs, including caseload and expenditure information for each Medicaid eligibility group. Based on this report, the Emergency Board may adopt revised estimates for the current fiscal year and estimates for the next succeeding fiscal year. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.*

* * *

VEDA Short-term Forgivable Loans

Cite: [Sec. 47 of Act 183 of 2022](#)

(a) Creation. The Vermont Economic Development Authority shall create a Short-Term Forgivable Loan Program to support Vermont businesses experiencing continued working capital shortfalls as a result of the COVID-19 public health emergency.

* * *

(f) Guidelines.

(1) The Vermont Economic Development Authority shall consult with the Joint Fiscal Office to develop guidelines and approval processes for the VEDA Short-Term Forgivable Loan Program, which shall address how the Authority will determine that a business has a current, ongoing need for financial support due to the COVID-19 pandemic and on what basis the Authority will adjust the amount of loans after considering the business's ongoing needs.

(2) The Authority shall submit the proposed guidelines and processes to the Joint Fiscal Committee and the chairs of the relevant legislative committees of jurisdiction prior to accepting applications for loans through the Program.

* * *

§ 5. Acceptance of grants

Cite: 32 V.S.A. § 5

(a) Definitions. As used in this section:

* * *

(3) Legislative review.

(A) The Governor's approval in subdivision (b)(2) of this section shall be final, except as follows:

(i) When the General Assembly is not in session, within 30 days of receipt of the copy of an approval and related information required under subdivision (b)(2) of this section, a member of the Committee requests such grant, gift, loan, sum of money, or thing of value be placed on the Committee's agenda; or

(ii) When the General Assembly is in session, within 30 days of receipt of the copy of an approval and related information required under subdivision (b)(2) of this section, a member of the Committee requests that such grant, gift, loan, sum of money, or thing of value be held for legislative approval. If a copy of an approval and related information is received when the General Assembly is in session, but before the members of the Joint Fiscal Committee are appointed, one of the statutorily appointed members of the Committee may request to hold a grant for legislative approval. Legislative approval under this subdivision may be granted by legislation or resolution.

(B) In the event of a request to hold a grant made pursuant to subdivision (3) of this subsection (b), the grant shall not be accepted until approved by the Joint Fiscal Committee or the General Assembly.

* * *

(d) Limited service position.

(1) *The Joint Fiscal Committee is authorized to approve a limited service position request in conjunction with a grant if the position is explicitly stated for a specific purpose in the grant. A limited service position request shall also include a certification from the appointing authority to the Joint Fiscal Committee that there exists equipment and housing for the position or that funds are available to purchase equipment and housing for the position.*

(2) For the Executive Branch, the position request is approved pursuant to the process set forth in subsection (b) of this section. For the Legislative and Judicial Branches, the position request is approved pursuant to the process set forth in subsection (c) of this section.

(3) The position shall terminate with the expiration of the grant funding unless otherwise funded by an act of the General Assembly.

Reports

Regional Dispatch Funding

Cite: [Sec. B.1100 of Act 185 of 2022](#)

[Report Update Link](#)

Sec. B.1100 FISCAL YEAR 2023 ONE-TIME GENERAL FUND APPROPRIATIONS

(a) In fiscal year 2023, funds are appropriated from the General Fund for new and ongoing initiatives as follows:

* * *

(b) \$11,000,000 is appropriated from the General Fund to the Department of Public Safety for regional dispatch funding. The funds are subject to the following conditions:

(1) \$4,500,000 shall be held in reserve until the report required by Sec. E.209.1 of this act is submitted and further approval to expend the funds is granted by the General Assembly.

(2) \$6,500,000 to provide grants to regional dispatch facilities upon approval of the Joint Fiscal Committee subsequent to review of a Regional Dispatch Facility grant plan submitted by the Commissioner of Public Safety. The plan shall include the extent to which federal funding sources may be available for regional dispatch.

* * *

Particular proceedings and activities; personnel

[ANR Report Link](#)

Cite: [30 V.S.A. § 20](#)

PSD

(a)(1) The Board or the Department of Public Service may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services:

* * *

(2) The agency of natural resources may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific or engineering services to:

* * *

(C) assist the Board or the Department of Public Service in any proceedings described in subdivisions (b)(9) (Federal Energy Regulatory Commission) and (11) (Nuclear Regulatory Commission) of this section. Allocation of agency of natural resources costs under this subdivision (C) shall be in the same manner as provided under subdivisions (b)(9) and (11) of this section. *The agency of natural resources shall report annually to the joint fiscal committee all costs incurred and expenditures charged under the authority of this subsection with respect to proceedings under subdivision (b)(9) of this section and the purpose for which such costs were incurred and expenditures made.*

* * *

(b) Proceedings, including appeals therefrom, for which additional personnel may be retained are:

* * *

(9) Proceedings at the Federal Energy Regulatory Commission which involve Vermont utilities or which may affect the interests of the State of Vermont. Costs under this subdivision shall be charged to the involved electric or natural gas companies pursuant to subsection 21(a) of this title. In cases where the proceeding is generic in nature the costs shall be allocated to electric or natural gas companies in proportion to the benefits sought for the customers of such companies from such advocacy. *The Public Service Board and the Department of Public Service shall report quarterly to the Joint Fiscal Committee all costs incurred and expenditures charged under the authority of this subsection, and the purpose for which such costs were incurred, and expenditures made.*

* * *

Acceptance of grants and procedures (Small Grants)

Cite: [32 V.S.A. § 314](#)

[Report Link](#)

* * *

(4) Exceptions.

* * *

(B)(i) Notification required. The receiving agency shall promptly notify the Secretary of Administration and Joint Fiscal Office of the source, value, and purpose of any items received under this subdivision; provided, however, that no notification is required for an item received under this subdivision with a value of less than \$1,500.00.

* * *

(ii) The Joint Fiscal Office shall report all items received under this subdivision to the Joint Fiscal Committee quarterly. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

* * *

§ 511. Excess receipts

[Report Link](#)

Cite: [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 General Assembly. 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.* The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this section.

Complex Litigation Special Fund Annual Report

[3 V.S.A. § 167a. COMPLEX LITIGATION SPECIAL FUND](#)

[Report Link](#)

(a) There is established the Complex Litigation Special Fund pursuant to 32 V.S.A. chapter 7, subchapter 5 to be available for expenditure by the Attorney General, as annually appropriated or authorized pursuant to 32 V.S.A. § 511, to pay nonroutine expenses, not otherwise budgeted, incurred in the investigation, prosecution, and defense of complex civil and criminal litigation. These expenses may include, for example, costs incurred for expert witnesses and for support staff and technology needed to review and manage voluminous documents in discovery and at trial in complex cases.

* * *

(d) The Attorney General shall submit a report of the amount and purpose of expenditures from the Fund at the close of each fiscal year to the Joint Fiscal Committee annually on or before September 1. As part of the annual budget submission, the Attorney General shall include a projection of the Fund balance for the current fiscal year and upcoming fiscal year and may recommend appropriations as needed consistent with the purpose of the Fund.

Legislative Report: Update on Premium Pay for Workforce Recruitment and Retention

Cite: [Sec. 72 of Act 83 of 2022](#)

[Report Link](#)

WORKFORCE RECRUITMENT AND RETENTION INCENTIVE GRANT FUNDING FOR EMPLOYEES OF ELIGIBLE HEALTH CARE AND SOCIAL SERVICE EMPLOYERS

(a)(1) Program established. The Secretary of Human Services shall establish a workforce recruitment and retention incentive grant program for employees of eligible employers, as defined in this section. Eligible employers may apply for a grant within the grant application period determined by the Secretary.

* * *

(g) Reporting requirements.

(1) On or before April 15, 2022, the Secretary of Human Services shall report to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare regarding the status of implementation of the workforce recruitment and retention incentive grant program.

(2) On or before July 1, 2022, the Secretary shall provide an update on the program to the Joint Fiscal Committee, including the amount of funding distributed to date, the amount of funding remaining for distribution, and any anticipated funding deficiency for the first round of grants based on the remaining need.

Medicaid Global Commitment; Appropriations; Transfer; Report

Cite: [Sec. 301.2 of Act 74 of 2021](#)

[Report Link #1](#)

[Report Link #2](#)

(a) In order to facilitate the end-of-year closeout for fiscal year 2022, the Secretary of Human Services, with approval from the Secretary of Administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside the Agency of Human Services. At least three business days prior to any transfer, the Agency shall submit to the Joint Fiscal Office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the Joint Fiscal Committee for review at the September 2022 meeting. The purpose of this section is to provide the Agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

MEDICAID HOME- AND COMMUNITY-BASED SERVICES (HCBS) PLAN

Cite: Sec. 72a of Act 83 of 2022 as amended by Sec. C.105 of Act 185 of 2022

[Report Link](#)

(a) Pursuant to Sec. 9817 of the American Rescue Plan Act (ARPA), in ~~October 2021~~ February 2022, the State submitted a home- and community-based services (HCBS) spending plan to the Centers for Medicare and Medicaid Services. This plan currently totals \$146,600,000, consisting of the following major components:

* * *

(b) The Agency of Human Services (AHS) is authorized to transfer General Fund appropriations made in fiscal year 2022 in the Global Commitment line to a new, one-time General Fund HCBS appropriation departmental ID. The amount transferred shall be not greater than the amount accounted for in fiscal year 2022 as a result of the 10 percent match rate allowed under ARPA Sec. 9817. The estimate of this transfer is between \$65,000,000 and \$69,000,000. Up to \$7,540,128 of the funds transferred and appropriated in this subsection may be used in fiscal year 2022 as State matching funds in 2021 Acts and Resolves No. 74, Sec. B.301 for the \$17,136,654 HCBS Global Commitment rate increases provided in 2021 Acts and Resolves No. 74. AHS shall report to the Joint Fiscal Committee in July 2022 on the actual amount transferred pursuant to this authority and the amount expended as the state match for all the HCBS plan expenditures in fiscal year 2022. Funds transferred and appropriated under this subsection shall carry forward until expended and may only be used as state matching funds for the HCBS plan.

* * *

(e) In fiscal year 2023, a total of \$71,239,891 is appropriated from the Global Commitment Fund to AHS to meet the objectives of the HCBS plan. This appropriation consists of \$17,136,654 as appropriated in 2021 Acts and Resolves No. 74 for a three percent rate increase to HCBS providers, including the assistive community care rates and children integrated services rates, and the following appropriations in distinct one-time departmental IDs:

* * *

(f) The Global Commitment Fund appropriated in subsection (e) of this section may be obligated in fiscal year 2023 for the purposes of bringing HCBS plan spending authority forward into fiscal year 2024. The funds appropriated in subsections (b), (c), and (e) of this section may be transferred on a net-neutral basis in fiscal year 2023 in the same manner as the Global Commitment appropriations in Sec. E.301 of H.740 of 2022. The Agency shall report to the Joint Fiscal Committee in September 2023 on transfers of appropriations made and final amounts expended by each department in fiscal year 2023 and any obligated funds carried forward to be expended in fiscal year 2024.