



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

Thursday, July 28, 2022

Minutes

Hybrid Meeting: Room 24 and Videoconference

Members present: Representatives Ancel, Fagan, Hooper, and Kornheiser and Senators Baruth, Kitchel, Sears, and Westman. (Representative Briglin listened via videoconference)

Other attendees: Senators Lyons and Sirotkin, and Representative Marcotte via videoconference, Joint Fiscal Office and Administration staff, and various viewers in-person and through live streaming.

The Chair called the meeting to order at 12:07 p.m., and Senator Westman moved to adopt the minutes of November 17, 2021. Representative Sears seconded the motion, and the Committee accepted the motion and adopted the minutes.

A. July 2022 Economic Review and Revenue [Forecast Update](#)

Tom Kavet, Legislature's Economist, Kavet, Rockler & Associates, LLC, reviewed the July 2022 Economic Review and Revenue Forecast with the Committee.

B. Administration's Fiscal Updates – 1. FY 2022 preliminary close-out **{30:00}**

Adam Greshin, Commissioner, and Hardy Merrill, Deputy Commissioner, Department of Finance and Management, explained the preliminary FY 2022 [General Fund](#), [Education Fund](#), and [Transportation Fund](#) closeout documents. Mr. Merrill stated that \$86 million of unallocated General Fund operating surplus totaling \$177.44 million had been appropriated. The remaining \$91.4 million of unallocated funds was available for appropriation in FY23 and was above the amount in the July 2022 consensus revenue forecast.

Commissioner Greshin explained the Transportation Fund had less than anticipated funding available in the FY22 ending balance, totaling at \$15.3 million. The Education Fund ended with \$77.58 million of unallocated funds available in FY23.

2. Fund transfers, reversions, reserves ([Unencumbered Balances](#)) **{41:12}**

Mr. Merrill reviewed the final FY 2022 receipts available to the General Fund and explained the actual transfer amount for unclaimed property was more than double the original estimate. The Secretary of State Services was within range of \$100,000 of its estimate, and the Attorney General's Office fees and reimbursements was below its \$2 million estimate at \$357,677.

**C. Global Commitment/Medicaid – 1. Global Commitment and Medicaid Close-out {43:24}**

Richard Donahey, Chief Fiscal Officer, Agency of Human Services, gave a [presentation](#) on the Agency's FY 2022 closeout. The Agency proposed expenditures from the \$76.7 million carryforward in the FY22 Budget Adjustment (BAA) included continued backfilling of Global Commitment Investments in Institutes of Mental Disease (IMD), the Agency's FY23 pay act obligation, and ongoing and anticipated provider stabilization needs. A significant amount of federal COVID-19 funds continued to be available within the Agency for programs.

Mr. Donahey completed testimony with a summary and highlights of the Agency's FY22 closeout and noted that the biggest areas of underspending were in the Department of Disabilities, Aging, and Independent Living, and divisions of the Department for Children and Families: Child Development, Family Services, and Office of Economic Opportunity. Senator Kitchel commented that the \$2.7 million available carryforward obligation for Justice Reinvestment within the Department of Corrections (DOC) was important. Mr. Donahey agreed of the importance for the obligation and further explained that the Agency was not able to utilize the appropriation in FY22 that would add a new division within the DOC for Justice Reinvestment. However, the Agency plans to propose the use of the funds as carryforward in the FY23 BAA for use in future budgets. Representative Hooper asked for an explanation in written form to the Committee on the reason the DOC was not able to utilize the funds in FY22. {[AHS response](#)}

Senator Sears requested a breakdown on the DCF carryforward funding. Mr. Donahey responded that there was \$7 million of underspending in DCF's Child Development Division primarily from an unanticipated decrease in caseloads and utilization due to the pandemic. The Division of Family Services \$5 million underspending was mostly due to administrative vacancy savings from challenges hiring staff and reduced demand for substitute care services. The Office of Economic Opportunity's underspending was predominately due to available Federal Emergency Management Agency (FEMA) substitute funding for GF and some delayed projects. Mr. Donahey suggested the Agency follow up with Representative Fagan on the Rutland visiting nursing association reimbursement for its sustained loss for administering staffing for the Choice for Care Program.

**2. Medicaid Year-end Report {59:14}**

Nolan Langweil, Senior Fiscal Analyst, Joint Fiscal Office, reviewed the Medicaid Year-end Report as delivered to the Emergency Board earlier in the day.

**3. Global Commitment Waiver Update {1:03:15}**

The Chair explained that the Agency was asked to give a high-level presentation on the State's newly approved Global Commitment Waiver application.

Ashley Berliner, Director of Health Care Policy, Department of Vermont Health Access, and Tracy O'Connell, Financial Director IV, Agency of Human Service, reviewed the Agency's update on the Global Commitment Waiver via videoconferencing. Ms. Berliner gave a presentation of the unprecedented flexibility and funding of the new Waiver granted by the Centers for Medicare and Medicaid Services (CMS). Representative Fagan asked what the budget neutrality adjustments were based upon for calculating increases to provider rates, and Ms. Berliner responded it was based on a formula using per member per month. Senator Kitchel

commented that Vermont had over \$100 million of investment spending that was supported by Medicaid and would benefit greatly from the new Waiver. With the new Waiver and the increase in funding capacity, the State could make investments without concern of exceeding capacity.

Representative Kornheiser asked if the Waiver changes impacted commercial provider rates. Ms. Berliner responded that the rule eliminates a barrier to raising rates but the specific question on impacts was a policy question for the Legislature. The Waiver agreement allows Vermont to provide coverage for substance use disorder to those Vermonters not previously eligible under Medicaid. Representative Kornheiser inquired if Vermonters would access the expanded coverage through the Hub and Spoke program. Ms. Berliner explained the design of the new program would extend beyond the Hub and Spoke program. The Chair asked for the estimated number of additional people who are likely eligible for the new program coverage. Ms. O'Connell responded there were currently an estimated \$11,000 Vermonters annually who were either not insured or underinsured for substance use disorder.

Ms. Berliner detailed other areas of coverage under the new and expanded Medicaid Waiver including permanent supportive housing and mental health financial wraps. Ms. O'Connell indicated she would provide the estimated number of Vermonters who would be eligible for the expanded mental health coverage per Representative Hooper's request. Representative Kornheiser and Senator Sears agreed that the Committee and other legislators would benefit from a more in-depth review of the new and expanded Waiver benefits. The Chair offered that there may be a more comprehensive review of the new Waiver in the future. Senator Sears asked for additional information at the comprehensive review of the new Waiver for the impacts to the Brattleboro Retreat and if there were Vermonters who would lose mental health services.

#### D. VT Economic Development Authority – Short-Term Forgivable Loan Program {1:28:45}

Cassie Polhemus, Executive Director, and Peter Samson, Chief Lending Officer, Vermont Economic Development Authority (VEDA) [gave an update](#) on the implementation and guidelines of VEDA's short-term forgivable loan program to businesses eligible for COVID-19 pandemic relief. Senator Kitchel asked for clarity on those resources targeted toward the expansion of businesses. Ms. Polhemus responded that those businesses eligible for funding had lost the opportunity to expand because of COVID-19 disruptions. Those businesses also had very thin profit margins which were further diminished during the pandemic.

Senator Kitchel recognized Representative Michael Marcotte, Chair, House Committee on Commerce, and Senator Michael Sirotkin, Chair, Senate Committee on Economic Development listening to testimony via videoconference. Representative Kornheiser inquired if the Program had flexibility for manufacturers adapting to supply chain challenges through the expansion of a business model. Ms. Polhemus explained that manufacturers are not excluded from the Program but must meet the strict federal guideline of a 22.5 percent threshold for a reduction in operating costs. Representative Fagan commented on the restaurant challenges in his area of the State struggling with workforce shortages.

Representative Ancel asked whether the Program was able to respond to the major issues that businesses were struggling with from the effects of the Pandemic: supply chain disruptions, inflation, and workforce shortages. She commented that the intension of the update on the

Program was not for the Committee to approve VEDA's Program implementation plan and inquired if the Committee could affect change in the plan through its comments. The Chair explained that the statutory language stated that VEDA and the Joint Fiscal Office (JFO) were tasked to collaborate on developing a Program. VEDA was directed by the legislation to provide an opportunity for the Joint Fiscal Committee and the House and Senate Commerce and Economic Development Committees to review the Program plan, but the Committees had no authority to approve or disapprove it. The Chair proposed that VEDA continue conversations for an additional two weeks with JFO and the Chairs of the House and Senate subject matter committees to come to an agreement on the Program plan. Ms. Polhemus agreed to pursue conversations with the JFO staff and Chairs Marcotte and Sirotkin in the next couple weeks to try to reach a consensus before moving forward with the Program.

The Committee had a discussion of process and statutory language intent related to the Program. Senator Kitchel summarized the discussion and concerns of the Committee and offered that the Chairs of the subject matter committees were the best suited to explain the intent of the Legislature on the use of the funds and program planning. Representative Ancel agreed with giving Chairs Marcotte and Sirotkin deference on advising VEDA on the Program and encouraged the Department and the Chairs to work until there was consensus. Representative Marcotte explained that it was important to not make the funds for the Program too stringent to ensure their use. Senator Sirotkin stated that he was confident that the concerned parties would come to consensus within two weeks with the assistance of the JFO staff.

E. Grants – 1. Agency of Commerce and Community Development {2:03:18}

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).

Joan Goldstein, Commissioner, Department of Economic Development, explained the Vermont Economic Development Authority (VEDA) was designated to implement the program. Representative Hooper asked if the Agency had been successful in reaching small businesses of socially and economically disadvantaged small business as prescribed by the Committee during acceptance of Grant JFO #3074. Commissioner Goldstein explained the grant had a specific minimum amount of funding to be used toward the socially and economically disadvantaged business community for the State to receive an additional incentive payment. Ms. Polhemus added the businesses that qualified for the funds had under ten employees. Representative Briglin asked if the program funds were recyclable investments or evergreen funds. Commissioner Goldstein responded the funds were forever available investments.

Senator Kitchel moved to accept JFO grant #3111 of \$57,947,977 to Vermont from the U.S. Treasury State Small Business Credit Initiative (SSBCI). The Agency of Commerce and Community Development (ACCD) is the participating jurisdiction. The Vermont Economic Development Authority (VEDA) will be the implementing entity. Representative Fagan seconded the motion, and the Committee approved the motion to accept JFO #3111 on a roll call vote of 10-0-1.

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. {2:12:05}*

Alex Farrell, Deputy Commissioner, Department of Housing and Community Development, explained the grant position via videoconference. Senator Sears moved to approve one (1) limited-service position in the VT Agency of Commerce and Community Development, Department of Housing and Community Development under a grant from the U.S. Department of Housing and Urban Development. Senator Baruth seconded the motion, and the Committee approved the motion to accept JFO #3108 on a roll call vote of 10-0-1

2. Consent grants for action: {2:14:30}

The Chair requested that the following three grants be voted together, having been sent to the Committee members in advance of the meeting for review and comment.

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.

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.

The Committee asked for clarity on the Sunshine Lady organization and Laura V. Trieschmann, State Historic Preservation Officer, Agency of Commerce and Community Development, gave a review of the organization and the grant.

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.

Senator Cummings moved to accept grants #3099, #3100, and #3101, and Representative Ancel seconded the motion. The Committee approved the motion to accept JFO #3099, #3100, and #3101 on a roll call vote of 10-0-1.

3. Agency of Natural Resources {2:17:27}

Representative Kornheiser asked for general information on limited-service positions. Senator Kitchel offered that limited-service positions had the same benefits, and retirement as full-time classified State employees unlike temporary positions that have no option for benefits.

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, provided a [presentation](#) on the following two position requests:

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.*

b. [JFO #3103](#) – *Eleven (11) limited-service positions to the VT Agency of Natural Resources, Department 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.*

Representative Ancel inquired if the Agency would be able to fill the positions requested. Ms. Gendron stated that the Agency was optimistic in filling the positions. Ms. Pallito added that the Agency modified job descriptions and duties to create easier-to-fill entry level positions and current senior level staff work on the more advance areas of projects. In addition, the Department of Human Resources assisted the Agency in creating multi-level positions where qualifications and abilities of the applicant could be adjusted to the needs of a position.

Senator Sears asked whether there was funding available for homeowners affected by the contamination of PFOAs in their drinking water. Mr. Kamman responded that under the drinking water area of the IJJA funding, there was a 100% forgivable loan program that was available to public water systems but probably not individual homeowners. Senator Sears asked for further information on the designated of a contaminated site within the town of Bennington and homeowners' eligibility to meet the federal standards for switching from a well to municipal water or digging a new well. Ms. Gendron indicated the Agency would follow up with the Senator on his concerns.

Senator Westman asked for information on the healthy homes program. Ms. Gendron responded that 800 of the 1,200 applications received would be served through the available funding.

Senator Kitchel moved to approve both grants #3102 and #3103, and Representative Ancel seconded the motion. The Committee approved the motion to accept JFO #3102 and #3103 on a roll call vote of 10-0-1.

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 (IJJA) is expected to increase the Department workload by 30-50% over the next 5 years. Positions funded through 9/30/2026. {2:38:00}*

Joseph Flynn, Secretary, and Michele Boomhower, Division Director, Policy, Planning & Intermodal Development, and Ann L. Gammell, Chief Engineer, Highway Division, Agency of Transportation, reviewed a [summary and timeline](#) of the grant.

Senator Kitchel moved to approve twenty-six (26) limited-service positions in the VT Agency of Transportation from the Federal Highway Administration under grants from the Investment Infrastructure and Jobs Act (IJJA). Senator Westman seconded the motion, and the Committee approved the motion to accept JFO #3107 on a roll call vote of 10-0-1.

4. [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. {2:47:23}*

Abby Willard, Agriculture Development Division Director, Agency of Agriculture, reviewed the grant via videoconference.

Senator Westman moved to approve four (4) limited-service positions in the VT Agency Agriculture, Department of Food and Markets under grants from the U.S. Department of Agriculture (USDA) funded by the American Rescue Plan Act (ARPA). Representative Kornheiser seconded the motion, and the Committee approved the motion to accept JFO #3106 on a roll call vote of 10-0-1.

5. 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.*

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. {2:52:52}*

There was no department staff available to review the grants. Dan Dickerson, Senior Fiscal Analyst, Joint Fiscal Office, assisted the Committee with information on grants #3104 and #3105. Representative Fagan announced he would abstain from the vote of JFO #3104 because he was a member of the Starbase board.

Senator Kitchel moved to approve both JFO #3104 and #3105, and Senator Baruth seconded the motion and then reminisced of his time building and launching a rocket with his daughter. The Committee approved the motion to accept JFO #3105 on a roll call vote of 9-0-2.

6. Agency of Human Services {2:58:23}

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.*

Ashley Berliner, Director of Health Care Policy, Department of Vermont Health Access, reviewed the grant. In responding to Senator Kitchel, Ms. Berliner stated the request included the means to bring the State into compliance with the federal regulations according to a 3-year corrective action plan for conflict free case management.

Senator Cummings moved to approve one (1) limited-service position in the VT Agency of Human Services, Department of Vermont Health Access under a grant from the ARPA Medicaid Home and Community Based enhanced funding opportunity. Representative Kornheiser seconded the motion, and the Committee approved the motion to accept JFO #3109 on a roll call vote of 9-0-2.

The Committee moved to the Fiscal Officer's report and skipped the next grant request.

**F. Fiscal Officer's Report {3:03:30}**

Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office, gave the highlights of the report, focusing on the Office's performance survey and staff changes. Representative Fagan asked for information on SAMHSA grants. Ms. Benham explained that increased funds for grants operate transparently because of the excess receipts request process and required quarterly reporting.

The Committee moved back to the last agenda item

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.*

Agency staff were not available to review the grant. The Committee, having reviewed the grant individually, decided to act upon it.

Senator Kitchel moved to approve two (2) limited-service positions in the VT Agency of Human Services, Department of Disabilities, Aging and Independent Living under a grant from the Centers for Disease Control and Prevention. Senator Westman seconded the motion, and the Committee approved the motion to accept JFO #3110 on a roll call vote of 10-0-1.

Senator Westman moved to recess the Committee for Executive Session regarding a personnel matter, and Representative Kornheiser seconded the motion. The Committee agreed and moved into Executive Session at 3:20 p.m. on a roll call of 10-0-1. **{3:15:45}**

The Committee adjourned from executive session at 3:47 p.m. and returned to the Committee meeting. The Chair explained the details of the executive session and adjourned the Committee meeting at 3:50 p.m.

Respectfully submitted,  
Theresa Utton-Jerman, Senior Staff Associate  
Joint Fiscal Office

Link to recording: [https://www.youtube.com/watch?v=v\\_3ibApC2jA](https://www.youtube.com/watch?v=v_3ibApC2jA)