



STATE OF VERMONT
GENERAL ASSEMBLY
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Wednesday, November 9, 2022

[Meeting available by LIVE Stream](#)

12/12/2022 10:59 AM

- 10:00 a.m. Call to order and approve minutes of September 21, 2022 [**Approved**]
- 10:05 a.m. A. VT Employment Growth Incentive Program –Proposed Enhanced Incentive Cap Increase
[**Action Postponed at 9/21/22 Meeting – Request Withdrawn**] [[Letter to Withdraw Request](#)]
- 10:10 a.m. B. Federal Single Audit Review [[FY21 Audit Report](#)] [[FY21 Audit Findings](#)]
Tim Ashe, Deputy State Auditor
- 10:20 a.m. C. Regional Dispatch Funding [Plan Report](#) [**Approved**] [[CVPSA Support Letter](#)]
Jennifer Morrison, Commissioner, Department of Public Safety
- 10:40 a.m. D. Administrations Updates
1. ARPA – SFR Lost Revenue Update
Douglas Farnham, Deputy Secretary, Agency of Administration
- 11:00 a.m. 2. Emergency Rental Assistance Program and Transitional Housing
[[JFO Grant#3034](#)] [[ERA Situation Report](#)] [[Community Engagement Summary](#)]
Douglas Farnham
Dr. Harry Chen, Interim Commissioner, and
Katarina Lisaius, Senior Advisor to the Commissioner, Dept. for Children & Families
- 11:20 a.m. 3. Workforce Recruitment and Retention Incentive Grant Program
[[Presentation](#)] [**Approved**]
Ena Backus, Director of Health Care Reform, Agency of Human Services
- 11:40 a.m. 4. Pension and Other Post-Employment Benefits – Payroll Assessment – [Status](#)
Adam Greshin, Commissioner, Department of Finance & Management
- 11:50 a.m. F. [JFO #3125](#) – One (1) limited-service position, Policy Advisor, to Agency of Human Services, Adult Protective Services to review legal procedures and statutory language for the development and review of new and existing program areas within APS. Funded with previously approved grant #2986 through 9/30/2023. [**Approved**]
John Gordon, APS Director, Dept. of Disabilities, Aging & Independent Living
- 12:00 p.m. G. Fiscal Officer’s [Report](#)
Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office
- 12:05 p.m. Adjourn

Agenda Citations

A. VT EMPLOYMENT GROWTH INCENTIVE PROGRAM – ENHANCED INCENTIVE CAP

Cite: [32 V.S.A. Sec. 3334](#)

(a) The Council may increase the value of an incentive for a business that is located in a labor market area in which:

- (1) the average annual unemployment rate is greater than the average annual unemployment rate for the State; or
- (2) the average annual wage is less than the average annual wage for the State.

(b) In each calendar year, the amount by which the Council may increase the value of all incentives pursuant to this section is:

- (1) \$1,500,000.00 for one or more initial approvals; and
- (2) \$1,000,000.00 for one or more final approvals.

(c) The Council may increase the cap imposed in subdivision (b)(2) of this section by not more than \$500,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee.

(d) In evaluating the Governor's request, the Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections.

(e) The Council shall provide the Committee with testimony, documentation, company-specific data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for return on investment to the State.

(f) The purpose of the enhanced incentive for a business in a qualifying labor market area is to increase job growth in economically disadvantaged regions of the State, as provided in subsection (a) of this section.

B. FEDERAL SINGLE AUDIT REVIEW

Cite: [Act 172 of Sec. E.100.5 of 2015](#) further directed by [JFC Subcommittee on 9/15/2016](#)

(a) At its July 2016 meeting, the Joint Fiscal Committee shall review the fiscal year 2015 Federal Single Audit. In doing so, the Committee shall consider the following:

- (1) the audit findings of significant deficiencies, particularly those programs where material weaknesses are identified that result in an adverse opinion for the State;
- (2) the Administration's response to such findings;
- (3) any repeat findings which were made;
- (4) specific plans for remediation of any audit deficiencies; and
- (5) any implications for the fiscal year 2016 audit and implications for governmental operations generally.

***Note: The Joint Fiscal Committee, consistent with the direction of Sec. E.100.5 of Act 172 of 2016 will continue to annually receive a presentation on the Federal Single Audit at its July or September meeting.*

C. REGIONAL DISPATCH FUNDING

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

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.

* * *

D. ADMINISTRATIONS UPDATES

2. EMERGENCY RENTAL ASSISTANCE PROGRAM AND TRANSITIONAL HOUSING

Joint Fiscal Committee Motion and Distribution Plan - 2/11/2021

Senator Kitchel moves to approve Grant #3034 \$200,000,000 to the VT Agency of Administration from the US Dept. of the Treasury, Emergency Rental Assistance Program and five limited service positions as follows:

1. Agencies are allocated the funds consistent with the following distribution plan:

A. PROPOSED DISTRIBUTION PLAN (GRANTS BUDGET):

i. \$110,000,000.00 to AOA to grant to the Vermont State Housing Authority (VSHA) to implement a modified version of their existing Rental Housing Stabilization Program (RHSP). This program will be implemented via a MOA between AOA, VSHA, and DHCD. It is further provided that the Agencies shall establish procedures that housing units assisted with ERAP funding follows VT's Life Safety Code requirements; and procedures to ensure rent is not increased, as a result of receiving ERAP funding for the period of assistance. The participating landlords shall be encouraged to engage in weatherization activities and programs.

ii. \$12,700,000.00 to PSD to implement a modified version of their existing utility assistance program. This would include creation of two limited service positions; a Consumer Affairs and Information Specialist and a Benefits Program Administrator.

iii. \$15,000,000.00 to AHS to assist homeless individuals, those exiting homelessness, and implement other such programming as becomes allowable under federal guidance. This would include creation of two limited service positions; a Financial Manager II, and a Community Services Program Manager.

iv. \$9,000,000.00 to DHCD for "other housing services" as defined by the Act, which pending Treasury Guidance, may include tenant and landlord counseling and mediation services such as those administered by Vermont Legal Aid, and the Vermont Landlord's Association, and to other programs which may become viable upon further guidance from the U.S. Treasury. This would include creation of one limited service position; a Grants Specialist.

v. \$53,300,00.00 to AOA to hold in reserve to allocate to programs in need of additional funds, and/or to programs which may become viable pursuant to evolving U.S. Treasury guidance.

B. Any expenditures from the \$53,300,000 held in reserve at the Agency of Administration may only be spent based on legislative appropriation.

C. Any reallocations between and among subsections i through iv must be approved by the Joint Fiscal Committee.

3. PREMIUM PAY FOR WORKFORCE RECRUITMENT AND RETENTION

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

(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.

* * *

(f) Allocations. Of the funds made available in subsection (e) of this section, \$45,000,000 shall be allocated for a first round of funding, to be made available to the eligible employers identified in subsection (b) of this section. The remaining \$15,000,000 shall be reserved for a second round of funding pending identification of a set of additional health care and social service provider employers with a demonstrated need for the recruitment and retention incentive grant funding, as recommended by the Agency of Human Services and accepted by the General Assembly, or by the Joint Fiscal Committee if the General Assembly is not in session, except that the Agency is authorized to access all or a portion of the reserved funding to the extent that a funding deficiency is identified when meeting the needs of the first round of eligible employers.

* * *

4. PENSION AND OTHER POST-EMPLOYMENT BENEFITS – PAYROLL ASSESSMENT

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

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:

* * *

(c) \$10,000,000 is appropriated from the General Fund to the Agency of Administration for State Employees fiscal year 2023 transitional employer contribution to be distributed as needed to departments and agencies if approved by the Commissioner of Finance and Management to fund the fiscal year 2023 payroll assessment necessary to meet the State employees' pension and other post-employment benefits resulting from any changes to these programs enacted in the 2022 legislative session. The Commissioner shall report to the Joint Fiscal Committee at its November 2022 meeting on the status of this appropriation.

F. ACCEPTANCE OF GRANTS

Cite: [32 V.S.A. Sec. 5](#)

(a) Definitions. As used in this section:

* * *

(b) Executive Branch approval.

(1) Approval required. A State agency shall not accept the original of any grant, gift, loan, or any sum of money, or thing of value except as follows:

(A) the State agency is granted approval pursuant to this subsection; or

(B) Joint Fiscal Committee policies adopted pursuant to subsection (e) of this section do not require a State agency to obtain approval.

(2) Governor review. The Governor shall review each grant, gift, loan, or any sum of money, or thing of value and shall send a copy of the approval or rejection to the Joint Fiscal Committee through the Joint Fiscal Office together with the following information with respect to these items:

(A) the source and value;

(B) the legal and referenced title, in the case of a grant;

- (C) the costs, direct and indirect, for the present and future years;
- (D) the receiving department or program, or both;
- (E) a brief statement of purpose; and
- (F) any impact on existing programs if there is a rejection.

* * *

Reports

FY 2022 ANNUAL PAY ACT REPORT

[Report Link](#)

[Cite: 3 V.S.A. § 2281](#)

The Department of Finance and Management is created in the Agency of Administration and is charged with all powers and duties assigned to it by law, including the following:

* * *

(4) To report on an annual basis to the Joint Fiscal Committee at its November meetings on the allocation of funds contained in the annual pay acts and the allocation of funds in the annual appropriations act which relate to those annual pay acts. The report shall include the formula for computing these funds, the basis for the formula, and the distribution of the different funding sources among state agencies. The report shall also be submitted to the members of the House and Senate Committees on Government Operations and Appropriations. 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.

* * *

EXCESS RECEIPTS

[Report Link](#)

[32 V.S.A. § 511](#)

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.

SPECIAL FUNDS; ORGANIZATION AND MANAGEMENT

[Report Link](#)

[32 V.S.A. Sec. 588](#)

All special funds shall be organized and managed in accordance with the provisions of this section.

- (1) Purpose and identification. Each special fund shall be established for a specific purpose, identified by a unique name, and managed on the State Central Accounting System under the control of the Commissioner with the actual monies held under the authority and responsibility of the State Treasurer.
- (2) Receipts. Each special fund shall consist of receipts specified upon its creation and of transfers from other funds as authorized by the General Assembly or by the Secretary of Administration or the Emergency Board pursuant to section 706 of this title.

* * *

(6) Accounting and reporting.

(A) Each special fund shall be accounted for under the direction of the Commissioner, and the balance at the end of the prior fiscal year shall be reported to the Joint Fiscal Committee on or before December 1 of each year.

(B) In addition, the Commissioner shall annually report a list of any special funds created during the fiscal year. The list shall furnish for each fund: its name; authorization; and revenue source or sources. The report for the prior fiscal year shall be submitted to the General Assembly through the Joint Fiscal Committee on or before December 1 of each year.

VERMONT CAMPAIGN FINANCE GRANTS; AMOUNTS; TIMING

[NONE]

17 V.S.A. § 2985

(a)(1) The Secretary of State shall make grants from the Secretary of State Services Fund in separate grants for the primary and general election periods to candidates who have qualified for Vermont campaign finance grants under this subchapter.

* * *

(2) To cover any campaign finance grants to candidates who have qualified under this subchapter, the Secretary of State shall report to the Commissioner of Finance and Management, who shall anticipate receipts to the Services Fund and issue warrants to pay for those grants. The Commissioner shall report any such anticipated receipts and warrants issued under this subdivision to the Joint Fiscal Committee on or before December 1 of the year in which the warrants were issued.

* * *

EXECUTIVE BRANCH FEES AND FUND DEFICITS; PROPOSED INCREASES AND FOREGONE REVENUE; REPORT

[\[Report Link\]](#)

Sec. E.106 of Act 185 of 2022

(a) According to the report submitted by the Commissioner of Finance and Management pursuant to 2021 Acts and Resolves No. 74, Sec. E.106, \$22,000,000 in revenue was foregone in one fiscal year due to lack of inflationary increases in certain fees, including Agency of Transportation fees.

*(b) On or before November 15, 2022, the **Commissioner of Finance and Management** shall submit an inventory of all existing fees within State government to the Joint Fiscal Committee in Excel format. This inventory shall include all fees collected by the Executive Branch, the Attorney General, and the State Treasurer, as well as fees collected by the Judicial Branch. For fees within the Judicial Branch, the Commissioner shall have the assistance of the State Court Administrator. The fee inventory shall contain the following information for each fee in existence on the preceding July 1:*

- (1) the statutory authorization and termination date if any;
- (2) its current rate or amount and the date this was last set or adjusted by the General Assembly or by the Joint Fiscal Committee;
- (3) the fund into which its revenues are deposited;
- (4) the revenues derived from it in each of the two previous fiscal years and an estimate of what will be collected in the current fiscal year; and
- (5) in the case of licensing and registration fees, whether the fee is collected annually, biennially, or on some other set time frame.

* * *

[\[Report TWO\]](#)

(c) On or before November 15, 2022, the **Secretary of State** shall submit an inventory of its existing fees to the Joint Fiscal Committee in Excel format. The fee inventory shall contain the following information for each fee in existence on the preceding July 1:

- (1) the statutory authorization and termination date if any;
- (2) its current rate or amount and the date this was last set or adjusted by the General Assembly or by the Joint Fiscal Committee;
- (3) the fund into which its revenues are deposited;
- (4) the revenues derived from it in each of the two previous fiscal years and an estimate of what will be collected in the current fiscal year; and
- (5) in the case of licensing and registration fees, whether the fee is collected annually, biennially, or on some other set time frame.

(d) On or before November 15, 2022, the Commissioner of Finance and Management shall provide a list of all funds to the Joint Fiscal Committee for which one or both of the following conditions are true:

(A) the fund was in a deficit at the end of the most recent fiscal year or is expected to be in a deficit at the end of the current fiscal year; or

(B) general funds were needed in any of the last three years to address a fund deficit or to support the related operating costs of programs supported by the fund.

(e) On or before January 15, 2023, the Commissioner of Finance and Management shall submit a report to the General Assembly that provides a list of programs by department where the fees do not fully cover the cost of providing the service or regulatory function.

GLOBAL COMMITMENT FUND

[Report Link](#)

[33 V.S.A. Sec. 1901e](#)

(a) The Global Commitment Fund is created in the Treasury as a special fund. The Fund shall consist of the revenues received by the Treasurer as payment of the actuarially certified premium from the Agency of Human Services to the managed care organization within the Department of Vermont Health Access for the purpose of providing services under the Global Commitment to Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

* * *

(c) Annually on or before October 1, the agency shall provide a detailed report to the joint fiscal committee that describes the managed care organization's investments under Term and Condition 57 of the Global Commitment to Health Medicaid Section 1115 waiver, including the amount of the investment and the agency or departments authorized to make the investment.

TAX COMPUTER SYSTEM MODERNIZATION FUND

[Report Link](#)

[Sec. E.111.1 of Act 11 \(H.16\) of SS2018](#)

(a) Creation of fund.

(1) There is established the tax computer system modernization special fund to consist of:

(2) Balances in the Fund shall be administered by the Department of Taxes and used for the exclusive purposes of funding: A) ancillary development of information technology systems necessary for implementation and

continued operation of the data warehouse project; B) payments due to the vendor under the data warehouse project contract; C) enhanced compliance costs related to the data warehouse project; D) planning for an integrated tax system solution, including present-day analysis of business case and business requirements, requests for proposals and due diligence; E) implementation of tax types and any additional data warehouse modules into the selected integrated tax system solution; F) a micro-simulation model for use by the Department of Taxes and the Joint Fiscal Office; and G) implementation of an ancillary scanning system to enhance the operation of tax types incorporated into the integrated tax system solution. All balances in the Fund at the end of any fiscal year shall be carried forward and remain part of the Fund. Interest earned by the Fund shall be deposited into the Fund. This Fund is established in the State Treasury pursuant to 32 V.S.A. chapter 7, subchapter 5.

* * *

(c) Transfer.

(1) Twenty percent of the tax receipts received pursuant to subdivision (a)(1)(A) of this section after payment to the vendor under the data warehouse contract shall be transferred to the General Fund annually for the duration of that contract. Thereafter, 20 percent of the tax receipts received pursuant to subdivision (a)(1)(A) shall be transferred to the Fund which would receive the underlying tax receipts annually until the expiration of the Tax Computer System Modernization Fund.

(2) Twenty percent of the incremental tax receipts calculated pursuant to subdivision (a)(1)(C) shall be transferred to the Fund which would receive the underlying tax receipts annually until the expiration of the Tax Computer Modernization Fund.

(d) Fund to terminate.

(1) This Fund shall terminate on July 1, 2024, provided that all amounts due pursuant to contract with the vendor of an integrated tax solution referenced in subdivision (a)(1)(C) of this section have been paid and any unexpended unencumbered balance in the Fund shall be transferred to the General Fund.

(e) The Commissioner of Taxes shall report to the Joint Fiscal Committee on fund receipts at or prior to the November Joint Fiscal Committee meeting each year until the Fund is terminated.

PARTICULAR PROCEEDINGS AND ACTIVITIES; PERSONNEL

[Report Link](#)

Cite: [30 V.S.A. Sec. 20](#)

(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:

* * *

(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 (Small Grants)

[Report Link](#)

Cite: 32 V.S.A. § 5

(a) Definitions. As used in this section:

* * *

(b) Executive Branch approval.

(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.

* * *