



STATE OF VERMONT
GENERAL ASSEMBLY
LEGISLATIVE JOINT FISCAL COMMITTEE

Wednesday, November 9, 2022
Minutes, Approved 12/14/2022
Hybrid Meeting: Room 24 and [Videoconference](#)

Members present: Representatives Ancel, Briglin, Fagan, Hooper, and Kornheiser and Senators Baruth, Cummings, Kitchel, Sears via videoconference, and Westman.

Other attendees: Joint Fiscal Office and Administration staff, and various viewers in-person and through live streaming.

The Chair called the meeting to order at 10:00 a.m., and Representative Fagan moved to adopt the minutes of September 21, 2022. Senator Westman seconded the motion, and Senator Kitchel abstained from the vote because she was absent from the September meeting. The Committee adopted the minutes.

A. VT Employment Growth Incentive Program –Proposed Enhanced Incentive Cap Increase – Withdrawal of Request. {1:35}

The Chair informed the Committee that, after its September meeting where the Committee had delayed action on a request from the Governor to increase the Labor Market Area Enhanced Incentive Cap, the [request had been withdrawn](#).

B. Federal Single Audit Review {2:55}

Tim Ashe, Deputy State Auditor, reviewed, via videoconference, the [FY 2021 Single Audit Report](#), and the [FY 2021 Single Audit Summary Schedule of Prior Year Findings](#). He noted there was a significant increase in material weaknesses since the previous audit. A notable pressure for State agencies and departments in reconciling deficiencies, are staffing shortages within the financial and business offices. Representative Fagan asked about the reasons for staffing shortages. Mr. Ashe explained that the pandemic had caused the largest reason for staffing and program disruptions. Senator Kitchel asked about the areas of repeat findings. Mr. Ashe confirmed the three repeat findings were in the Unemployment Insurance (UI) program, the Children's Health Insurance Program (CHIP), and within the Medicaid cluster of findings. Representative Briglin asked if outdated technology had caused challenges within the system of government. Mr. Ashe responded that the UI program was in the process of developing a more modern system, but it will take time to implement. In the meantime, a plan between the Departments of Labor, and Finance and Management should be developed for meeting audit compliance.

C. Regional Dispatch Funding {16:52}

Jennifer Morrison, Commissioner, Department of Public Safety, reviewed the regional dispatch funding plan report. The request includes two contracted positions, and the flexibility to reassign funds to another Agency in the case that one of the initial five projects in phase one of the plan are unable to meet the criteria of the grant plan. The Commissioner provided information on the current high vacancy rate at the two PSAPs operated by DPS and the complexity of multi-agency dispatch as a reason cited by staff for such high turnover.

Senator Baruth asked for clarification on the amount of \$230,000 in additional funds within the proposal. The Commissioner explained that if one of the initial projects is not ready to move forward when funding is available, the additional funds may be needed to supplement the available funds toward another project that is ready.

Senator Sears asked why the proposed funding for the Rutland is low compared to other agencies and its large workload. Commissioner Morrison explained that the Department is unsure why Rutland had requested a low amount of funding. However, the Department was aware that Rutland had also received a grant from the U.S. Department of Homeland Security (USDHS). The Commissioner also explained that the Rutland project was in its earliest stages but very important in providing relief to the Westminster PSAP.

Senator Sears expressed concern for the large amount of funding requested by the City of Montpelier and its project readiness. Commissioner Morrison explained that the Department has its own concerns and plans to research the City's proposal further before approving the project for funding.

Representative Kornheiser inquired of the criteria used for scoring and evaluating the proposals. Commissioner Morrison explained the Regional Dispatch Working Group (RDWG) had followed the USDHS grant application process guidelines. The Commissioner will follow-up with the Representative with the RDWG scoring criteria. Representative Kornheiser asked how the grants would enhance the States level of dispatch coverage sufficiently. The Commissioner explained that the plan funding is seed money to begin projects. The Working Group is also tasked to deliver recommendations for long-term funding for the next phase of the plan. Representative Kornheiser asked how the phase one seed money will fit into a long-term plan to ensure the entire State had dispatch coverage. Commissioner Morrison responded that there is disparity under the current system and the new plan would enable a more equitable system of coverage.

Commissioner Morrison offered that the Department was putting forth a staggered approach to avoid chaos of all eleven projects coming online at once. Representative Fagan asked for the consequences if the Committee deferred action on the plan until the Legislature convened. The Commissioner commented that the State had moved the furthest it ever had in its plan for regional dispatch services. She then explained that delaying action on the plan would create issues with retaining current staff and recruiting additional staff for Vermont's Public Safety Answering Points (PSAPs).

The Committee discussed the various pieces of the motion for clarity and consensus.

Senator Kitchel moved to approve the expenditure of up to \$2,500,000 in the Regional Dispatch Facility grant plan from the funds appropriated in Sec. B.1100 (b)(2) of Act 185 of 2022. Of that sum, \$260,000 will be for project management and technical expertise contract services, and the remainder for projects that are compliant with the requirements established in the request for proposal issued by the Department of Public Safety. Senator Westman seconded the motion. Senator Sears asked for a follow-up document to the Committee that showed the disbursement of funds for projects. He then commented that he was not able to vote according to rules but supported the motion. Representative Fagan called the role and announced the vote as 8-0-2, with Representative Ancel absent.

D. Administrations Updates – 1. American Rescue Plan Act (ARPA) – State Fiscal Recovery Fund (SFR) Lost Revenue Update {1:18:04}

Douglas Farnham, Deputy Secretary, Agency of Administration, reviewed the American Rescue Plan Act and State Fiscal Recovery Fund lost revenue update. Representative Briglin asked if there could be more flexibility with federal funds to accomplish the intent of the Act 172 of 2022, an act relating to Municipal Energy Resilience Initiatives. Mr. Farnham responded that with the additional guidance from the U.S. Treasury, which allows for more flexibility with the federal funds, the Legislature could amend the eligibility requirements for programs within Act 172.

The Chair asked for clarification on the timeline for allocation and use of the federal funds. Mr. Farnham explained that the federal funds need to be obligated by December 31, 2024 and expended by December 31, 2026. Any decisions by the Legislature on funding should be finalized by the end of December 2024. The Chair expressed concern for staffing with the workload generated by the federal funds. Mr. Farnham stated the Administration will monitor current limited-service staff and contractors and hire additional staff, if needed, to ensure the State meets federal requirements for the funding.

2. Emergency Rental Assistance Program and Transitional Housing {1:38:46}

Deputy Secretary Farnham, and Dr. Harry Chen, Interim Commissioner, Department for Children and Families, reviewed the Emergency Rental Assistance (ERA) Situation Report and accompanying documentation regarding the ERA Program (ERAP). The Chair explained the opportunity for possible committee action at a subsequent meeting, sometime in December, on a potential ERAP proposal by the Administration. She added that the subject matter committees were scheduled to review the proposal on November 18.

Senator Kitchel asked for clarification on the two amounts of \$15 million for ERAP. Mr. Farnham explained that \$15 million of General Funds had been appropriated by the Legislature for emergency housing. Another \$15 million of ERA funds was appropriated for the Reach-up program but only \$10.5 to \$11 million would be needed for the purposes of that program. An adjustment to the Reach-up program will be reflected in the Governor's Recommended FY23 Budget Adjustment (BAA).

Commissioner Chen explained that during the Administration's fourteen regional meetings, the Vermont community partners assisted in the development of a priority list for ERAP and transitional housing federal funds. Representative Hooper inquired if there was a plan for

Vermonters without housing during the winter months. Commissioner Chen responded that the General Assistance adverse weather funding would be used to increase shelter capacity. Senator Kitchel expressed concern that shelters were already full, and some of the ERAP funding may need to be given to various organizations to increase housing capacity. Commissioner Chen agreed and added that a component of the plan is to expand shelter capacity around the State. Katarina Lisaius, Senior Advisor to the Commissioner, Department for Children & Families, clarified existing funding for ERAP and additional funding within DCF's base budget. Representative Hooper requested that the plan proposal, when submitted, include the bigger picture of existing and proposed funding for ERAP. Mr. Farnham recommend the use of federal funds prior to using any General Funds.

The Chair requested that the community engagement process summary be shared with the subject matter committees that are scheduled to conduct public hearings on the proposed housing plan. Representative Kornheiser asked for additional information on medium and long-term housing investments. The Chair suggested the proposal include more details on medium and long-term affordable housing investments which reflects component five of the plan and the use of the potential \$10 million. Mr. Farnham added that the Administration thought it important to separate the medium and long-term investments over a three- to- five-year lifespan, during the unique housing circumstances the State is facing.

3. Workforce Recruitment and Retention Incentive Grant Program {2:13:50}

Ena Backus, Director of Health Care Reform, Agency of Human Services, participating virtually, reviewed the Workforce Recruitment and Retention Incentive Grant Program proposal. Senator Kitchel asked for clarification of those qualified in the second round of the Premium Pay funding. Ms. Backus responded that applicants not eligible or who did not receive funding in the first round would be eligible in the second round of funding to expand the number of eligible providers.

Senator Cummings asked for the definition of a high-tech independent home nursing provider. Ms. Backus explained that they give very specialized services to individuals in their homes. Senator Baruth asked for clarification on the eligibility for those that did not apply in the first round. Ms. Backus explained the Agency was creating a new list of providers but if the Committee believed the intent of the Act was to include those providers in the first round that did not apply, the Agency would readjust to include those applicants. Senator Baruth suggested it would be more equitable for providers to continue to be eligible in the second round if they did not apply in the first round. Representative Hooper commented that the General Assembly was explicit on the language for eligibility after positive feedback from community partners on the outcomes of the program. Ms. Backus offered that the Agency did reach out to the very few that did not apply in the first round, and to send additional data to show the positive feedback on the program thus far. Senator Kitchel added that flexibility in recruitment was important for long-term capacity and if funding was available, there may be an opportunity to provide long-term strategic investments in the eligibility of the provider workforce through the FY23 BAA.

The Chair asked for clarification on why the four groups listed in the second round of funding were chosen. Ms. Backus explained that the list reflected what the Agency heard from the Health Care Workforce Advisory Committee and the Health Care Reform Working Group. The Chair

asked about limiting the support to dental offices that did not serve Medicaid patients. Ms. Backus replied that the AHS interpretation is that this would be more restrictive than Act 83 of 2022.

{2:37:05} Senator Westman moved to approve the Agency of Human Services proposal to expand the list of eligible providers to include primary care practices, dentist offices or facilities, high-tech independent home nursing providers, and therapeutic community residences as defined in 33 V.S.A. § 7102 that did not receive funding in the first round. Senator Baruth seconded the motion, and the Committee approved the motion on a roll call vote of 8-0-2.

4. Pension and Other Post-Employment Benefits – Payroll Assessment – Status {2:38:23}
Adam Greshin, Commissioner, Department of Finance and Management, reviewed the status report. There were no questions from the committee.

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. {2:42:10}*
There were no questions from the Committee to John Gordon, APS Director, Department of Disabilities, Aging & Independent Living, who was available virtually.

Senator Baruth moved to approve the grant and Representative Kornheiser seconded the motion. The Committee approved the motion and the grant on a roll call vote of 8-0-2.

G. Fiscal Officer’s Report {2:43:55}

Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office, provided highlights of the Fiscal Officer’s Report explaining the Office was working through a large list of legislative studies. The Office had hired a new fiscal analyst, Ted Barnett, that would be starting Monday with the revenue team. There were two positions under recruitment in the Office. One is for a session-only committee staff for the Senate Committee on Appropriations, and the second is a permanent Fiscal Editor and Big Bill Coordinator.

The Chair commented that a meeting would be scheduled in December to respond to the Administration proposal for ERAP.

The Committee adjourned at 12:46 p.m.

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

Link to recording: <https://www.youtube.com/watch?v=ALLXtM4chqQ>