

## MEMORANDUM

**TO:** Joint Fiscal Committee  
**FROM:** Adam Greshin  
**DATE:** July 17, 2023  
**RE:** Excess Receipts Report – 32 VSA Sec 511

Pursuant to 32 VSA Sec 511, attached please find a report on Excess Receipts approved for expenditure through the third quarter of FY 2023 (1/1/2023 through 3/31/2023). The full text of the governing statute is provided at the end of this memo.

### Review Process

The Administration completes an extensive review prior to approving expenditure of excess receipts. The form required of departments can be found at: <http://finance.vermont.gov/forms/budget>. The review ensures approval does not overstep statutory guidelines. Requests that overstep statutory guidelines are either denied and/or held for the legislative budget process.

Departments are required to provide written answers to the following questions (although only the response to the first question is entered into the VISION database):

- Reason funds are available?
- Are additional funds anticipated from the same source available in this fiscal year and above the current appropriation?
- Is this increase one-time or ongoing?
- Why were funds not fully budgeted during budget development?
  - What is the current year appropriation or grant amount approved by the Joint Fiscal Committee for this fiscal year, from this source of funds for this purpose?
- If these are ongoing funds, will funds from this source be fully budgeted and appropriated next fiscal year?
- Were excess receipts requested from this source in the preceding two fiscal years? If so, explain why they were not budgeted.
- Are these excess receipts being received from another department (i.e., interdepartmental transfers)? If so, are they appropriated in that department or will excess receipts be required there as well?
- Relationship, if any, to the Budget Adjustment Act?



- Can excess receipts be used to reduce the expenditure of State funds?
- **Will excess receipts establish or increase the scope of a program, committing the State at any time to expend State funds?** [The form notes that in such instances, legislative approval is required.]
- For what, specifically, will excess receipts be used? What is the impact on programs if this excess receipt request is not approved?
- Are any of the excess receipts to be used for your department's administrative staff or operating expenses? If so, explain.
- Do the excess receipts have a matching fund requirement? If so, in which budget is the match found?
- If excess receipts are earned federal receipts, are the excess receipts being spent in the same (federal) program where they are earned? If not, explain.
- Have the excess receipts been received and deposited? If not, what date are funds expected?
- If approved, when will the expenditure first occur?

The VISION entry normally includes only the response to the first question – why are additional receipts available? However, for any individual Excess Receipt Request, the paper copy of the form with the full department response can be provided.

### **Broad Categories of Excess Receipt Requests**

Requests for expenditure of excess receipts generally fall into several broad categories:

**Coronavirus Relief Fund:** This category temporarily exists to capture the expenses eligible for reimbursement under the U.S. Treasury's guidelines for the Coronavirus Relief Fund established under Sec. 5001 of the Coronavirus Aid, Relief and Economic Security (CARES) Act, Public Law 116-136 of 2020.

**FEMA Interdepartmental Transfer Fund:** This category temporarily exists to capture the expenses eligible for reimbursement by the Federal Emergency Management Agency under the 2020 Coronavirus Pandemic.

**Other COVID-19 Related:** This category temporarily exists to capture receipts received related to the 2020 Coronavirus Pandemic. Other federal funding sources related to the 2020 Coronavirus Pandemic (ex. FEMA direct to Public Safety, CARES Act (non-CRF), CAA with CRRSAA, and the PPP Act) are included in this category.

**Federal Funds:** Departments estimate their likely federal receipts in the fall for the upcoming budget year, meaning the estimate is as much as nine-months old at the start of the budget year, and another 12 months older by the end of the budgeted fiscal year. Interim developments may mean the budgeted federal spending authority is insufficient, either because the federal award for an existing grant has been increased or spending authority from grants from earlier federal fiscal years can be used in the current year. Additionally, extraordinary events – such as the federal American Recovery and Reinvestment Act (ARRA) or federal aid to Vermont due to Tropical Storm Irene – may cause large, unanticipated spikes in federal receipts.

**Interdepartmental Transfers:** It is not uncommon for one department within state government (“Department A”) to purchase services from another department (“Department B”). In that instance, Department A budgets these expenditures just as they would any other type of expenditure: by type of expenditure and by the source of revenue that will fund these expenditures. Department B also budgets these expenditures, and identifies the source of revenue as “interdepartmental transfers.” This process results in a small amount of “double-booking” of spending authority but ensures that both departments have the necessary spending authority. In many cases, at the time of budget development, Department A has not yet decided from where to purchase the services in question, so Department B does not budget the interdepartmental transfer revenues. When Department A moves forward to contract for services with Department B after the budget has closed, then Department B must request an Excess Receipts approval for the additional spending authority to perform the services.

**Other:** Over 200 special funds exist under State law in which are deposited fees, user charges, penalties, specified taxes, etc. Departments estimate how much they will collect each year for each of these special funds, and base their spending plans accordingly. Actual collections may be higher than the original budget. Excess receipts may also be used in an instance where prior-year special fund spending authority was not utilized and needs to be created again in the subsequent year (similar to a carry-forward). In addition to restrictions in the excess receipts statute, each special fund has its own statutory restrictions that put guardrails around the use of special fund revenues.

### **Attached Report:**

The attached report is a cumulative list of approved excess receipt requests for the first quarter of the current fiscal year. It includes ALL the data entered in VISION for that transaction, including:

- Transaction date
- Appropriation name and “DeptID”
- Agency/Department name
- Fund source – name and fund number
- Amount
- Comments in response to the question: “Why are funds available?” (VISION allows for a limited number of characters per cell entry.)

The data are split into the six broad categories of requests discussed with sorting by transaction date, DeptID, fund name, and amount.

### **Governing Statute:**

#### **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.*

**FY 2023 Excess Receipts Report - Q3 with COVID19 categories - Run 7/17/23**

| Agency/Dept Name                                      | Appropriation Name             | Appropriation Deptid | Date      | Fund  | Fund Name                      | Amount            | Comments  |
|---|--------------------------------|----------------------|-----------|-------|--------------------------------|-------------------|---|
| Military  | MIL Admin/TAGO                 | 2150010000           | 1/24/2023 | 21501 | FEMA IDT Fund                  | 50,000            | Funding is requested for the 100% FEMA share for eligible activities related to the COVID-19 response (Presidential declared disaster DR-3437). Funds will be used to reallocate FEMA related expenditures to fund 21501.                                   |
| Corrections   | Correc-Correctional Services   | 3480004000           | 1/26/2023 | 21501 | FEMA IDT Fund                  | 88,670            | This request will allow DOC to reclass FEMA expenses from FY22 that were processed without the program code (37731) and submit to FEMA for reimbursement.   |
| <b>Subtotal FEMA IDT Fund (21501) Excess Receipts</b> |                                |                      |           |       |                                | <b>138,670</b>    |   |
| Children and Families                                 | DCF-Reach up Rental Assist     | 3440892207           | 1/15/2023 | 22044 | Emergency Rental Assist - ERA2 | 10,114,261        | Award from US Treasury  |
| Corrections   | Corrections - Justice Reinvest | 3480007000           | 1/13/2023 | 22044 | Emergency Rental Assist - ERA2 | 958,470           | SFY23 program expenditures are eligible for ERAP funds per the attached program assessment prepared by Guidehouse and signed by Dep. Sec. Farnham, and AHS Dep. Sec. Daloz.   |
| <b>Subtotal Other COVID19-Related Excess Receipts</b> |                                |                      |           |       |                                | <b>11,072,731</b> |   |
| Judiciary   | Judiciary Appropriation        | 2120000000           | 3/29/2023 | 22005 | Federal Revenue Fund           | 350,000           | Under-estimated FY16 needs - multi-year grants.   |
| Transportation Agency                                 | Department of Motor Vehicles   | 8100002100           | 3/27/2023 | 20135 | Transportation FHWA Fund       | 79,071            | Funds are available from JFO0003028 - Highway Use Tax Evasion (HUTE) Grant.   |
| Children and Families                                 | DCFS - Child Development       | 3440030000           | 3/17/2023 | 22005 | Federal Revenue Fund           | 15,000,000        | (1) ARPA funding sources not fully budgeted in SFY23 base including \$6.5M CCDF, \$1.5M Stabilization, \$0.125M IDEA-PART C, \$0.125M CBCAP. (2) Preschool Development Grant (PDG) Year 1 prorated budget for SFY23 \$3M.                                   |
| Vermont Department of Health                          | Public Health Appropriation    | 3420021000           | 3/9/2023  | 22005 | Federal Revenue Fund           | 23,000,000        | Through 12/31/2022 federal spending in Dept. of Health's public health approp. is on track to exceed available spending authority for FY23. This is due to the number of supplemental federal grants awarded directly or indirectly related to the COVID-19 |

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|--------------------------------|-------------------------------|----------------------|-----------|-------|--------------------------|------------|---|
| State's Attorneys and Sheriffs | Sheriffs                      | 2130200000           | 3/3/2023  | 22005 | Federal Revenue Fund     | 14,333     | The FY20 ESACs have not yet been accepted because it is impermissible for agencies to have direct access to their Equitable Sharing Funds. The funds must be maintained by each agency's respective county/jurisdiction,  |
| Public Safety                  | DPS-Criminal Justice Services | 2140020000           | 2/28/2023 | 22005 | Federal Revenue Fund     | 90,000     | DPS applied for a new grant - 2022 SMART FY 2022 Support for Adam Walsh Act Implementation Grant Program - in May 2022. The grant was awarded in FY 2023 - spending was authorized by the USDOJ on 1.26.2023.   |
| Transportation Agency          | Better Back Roads Program     | 8100005800           | 2/28/2023 | 20135 | Transportation FHWA Fund | 500,000    | The Municipal Mitigation Grant Program provides grants to municipalities for assistance in mitigating/reducing water pollution associated with existing roads and road maintenance activities.  |
| Public Service Department      | PSD-VCBB                      | 2240020000           | 2/19/2023 | 22005 | Federal Revenue Fund     | 325,000    | Per Act 74 the Norther Boarder Regional Commission Grant (NBRC) was moved to the Vermont Community Broadband Boad (VCBB). Until now the VCBB had not been prepared to utilize the NBRC grant.   |
| Agriculture, Food&Mrkts Agency | Ag Food Markets - Clean Water | 2200160000           | 2/15/2023 | 22005 | Federal Revenue Fund     | 1,100,000  | Federal agreements with NRCS.   |
| Children and Families          | DCFS - 3Squares VT Cashout    | 3440070000           | 2/15/2023 | 22005 | Federal Revenue Fund     | 24,122,188 | Continuation of USDA program expansions and extensions including the revised Thrifty Food Plan tables, used to calculate household benefits, and the time-limited approval to issue maximum allotments to eligible families.                                      |
| Public Safety                  | Forensic Laboratory           | 2140090000           | 1/26/2023 | 22005 | Federal Revenue Fund     | 340,000    | In December 2021, the Department of Justice (DOJ) awarded DPS Coverdell_21 & DNA_21 grants totaling \$633,043 for the period of performance 10.1.21 to 9.30.23. Their unspent balance is \$473,590. In September 2022, DPS was awarded \$639,259 for Coverdell_22 |

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|---|--------------------------------|----------------------|-----------|-------|---------------------------|--------------------|---|
| Disabilities Aging Ind. Living  | Vocational Rehab Grants        | 3460040000           | 1/23/2023 | 22005 | Federal Revenue Fund      | 5,000,000          | Higher than planned VR Section 110 earned receipts due to supplemental reallocation award both from last year carried into this SFY and the current Federal Fiscal Year reallocation.   |
| Public Safety   | DPS-Emergency Management       | 2140030000           | 1/13/2023 | 22005 | Federal Revenue Fund      | 135,558,392        | Public Assistance funding made available to the State of Vermont from Major Disaster Declaration DR-4532 COVID-19 Pandemic. This is the amount currently obligated by FEMA, per Melissa Austin 1/11/2023.   |
| Children and Families   | DCFS - LIHEAP                  | 3440090000           | 1/12/2023 | 22005 | Federal Revenue Fund      | 3,000,000          | Additional earnings applied to existing LIHEAP Block Grant in excess of ERR #44. Due to the cyclical nature of award distribution & the return of unused funds, spending authority needed to process the full benefits early in the year limits access to the |
| Disabilities Aging Ind. Living  | Advocacy & Indep Living Grants | 3460020000           | 1/11/2023 | 22005 | Federal Revenue Fund      | 9,351,914          | Higher than estimated federal receipts for Area Agency on Aging Title III awards (IIIB, C1) and other smaller federal sources. Vermont has received additional Title III funding due to the pandemic  |
| Disabilities Aging Ind. Living  | DBVI Grants                    | 3460030000           | 1/11/2023 | 22005 | Federal Revenue Fund      | 610,295            | Higher than planned DBVI Section 110 earned receipts due to supplemental re-allocation award both from last year carried into this SFY and the current Federal Fiscal Year re-allocation.   |
| <b>Subtotal Federal Funds (Including "Regular" ARRA) Excess Receipts (Excluding COVID-19-Related)</b> |                                |                      |           |       |                           | <b>218,441,192</b> |   |
| Defender General's Office   | Public Defense                 | 2110000100           | 44998     | 21500 | Inter-Unit Transfers Fund | 150,000            | FY19 the legislature appropriated \$150,000 for the Family Support Program, not in the ODG budget as had been done previously, but in DCF's budget with instruction to transfer it to ODG (Sec. B317).  |
| Criminal Justice Council  | Criminal Justice Trng Council  | 2170010000           | 44958     | 21500 | Inter-Unit Transfers Fund | 490,976            | Please see attached agreement amendment   |
| Agriculture, Food&Mrkts Agency  | Ag Food Markets - Clean Water  | 2200160000           | 44938     | 21500 | Inter-Unit Transfers Fund | 1,000,000          | MOA with VT Dept of Conservation.   |

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|----------------------------|--------------------------------|----------------------|-------|-------|---------------------------|-----------|---|
| Public Service Department  | Regulation & Energy Efficiency | 2240000000           | 44994 | 21500 | Inter-Unit Transfers Fund | 175,000   | Act 185 of 2022 noted positions that would be eligible for ARPA Administrative Funding. There were 5 positions listed for the Public Service Department.  |
| Public Service Department  | PSD-VCBB                       | 2240020000           | 44950 | 21500 | Inter-Unit Transfers Fund | 122,860   | Act 185 of 2022 noted positions that would be eligible for ARPA Administrative Funding. One of the positions listed for Vermont Community Broadband Board (VCBB) has been deemed eligible for this funding.                                   |
| Fish & Wildlife            | FW Support & Field Services    | 6120000000           | 45014 | 21500 | Inter-Unit Transfers Fund | 170,000   | American Rescue Plan Act and Vermont Act 74 of 2021.  |
| Housing & Comm Development | Housing & Community Developmnt | 7110010000           | 44979 | 21500 | Inter-Unit Transfers Fund | 914,840   | In Act 74 (FY22 Big Bill) Section G.801(a), \$6.5 million ARPA was appropriated to the Agency of Administration to address the statewide costs of administering these (ARPA) funds, including the costs of related limited service positions. |
| Economic Development       | Economic Development           | 7120010000           | 45009 | 21500 | Inter-Unit Transfers Fund | 50,000    | Funds available through IDT from DFR per email agreement  |
| Finance & Management-FMS   | Finance & Mgmt - FinOps        | 1115001000           | 45006 | 21500 | Inter-Unit Transfers Fund | 30,454    | ARPA funds for admin support  |
| Human Services Agency      | Secretary's Office Admin Costs | 3400001000           | 45014 | 21500 | Inter-Unit Transfers Fund | 200,000   | Allocated indirect costs under the ERAP program   |
| Children and Families      | DCFS - OEO Ofc of Economic Opp | 3440100000           | 44991 | 21500 | Inter-Unit Transfers Fund | 100,000   | OEO has 1 Limited service position that will be funded by IDT via MOU with ELC funds from VDH (\$100K per year). This position was approved by JFO via JFO #3118  |
| Children and Families      | DCFS Admin & Support Services  | 3440010000           | 44937 | 21500 | Inter-Unit Transfers Fund | 300,000   | For projected expenses supporting Refugee Resettlement Program exceeding base budget, specific to account code 600110, given ongoing increased demand for these services.   |
| Children and Families      | DCFS - OEO Ofc of Economic Opp | 3440100000           | 44935 | 21500 | Inter-Unit Transfers Fund | (298,000) | Programmatic preference to shift spending authority within DCF divisions for 3 limited service positions funded by ARPA SFR via AOA. This net \$0 request will change the appropriation dept. ID, only  |



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|---|---------------------------|----------------------|-----------|-------|--------------------------------|------------------|---|
| Children and Families                       | DCFS - OEO Weatherization | 3440110000           | 44935     | 21500 | Inter-Unit Transfers Fund      | 298,000          | Programmatic preference to shift spending authority within DCF divisions for 3 limited service positions funded by ARPA SFR via AOA. This net \$0 request will change the appropriation dept. ID, only  |
| Green Mountain Care Board                   | Green Mountain Care Board | 3330010000           | 44931     | 21500 | Inter-Unit Transfers Fund      | 604,600          | GMCB has an MOU with DVHA (attached) for services under GMCB's Onpoint contract.  |
| <b>Subtotal Interdepartmental Transfers</b> |                           |                      |           |       |                                | <b>4,308,731</b> |   |
| Judiciary                                   | Judiciary Appropriation   | 2120000000           | 3/29/2023 | 21584 | Surplus Property               | 1,432            | Payment from surplus for auction of furniture for JUD67   |
| Forests, Parks & Recreation                 | Lands Administration      | 6130040000           | 3/29/2023 | 21550 | Lands and Facilities Trust Fd  | 79,059           | FPR budgets roughly 5% of the market value of the LFTF as part of its budget annually. During the last two fiscal years over \$80k that was budgeted and was not spent - but was committed. FY21Balance:\$40,120 FY22 Balance:\$42,265                    |
| Buildings & Gen Serv-Gov'tal                | BGS-Information Centers   | 1150400000           | 2/28/2023 | 21936 | Information Center Revenues    | 75,000           | Receipts come from Advertisement marketing panels placed in Information Centers around the State  |
| Housing & Comm Development                  | HCD-Downtown Projects     | 7110892201           | 2/22/2023 | 21575 | Downtown Trans & Capital Impro | 3,334,269        | Act 74 Dec. B. 1103 (a)(1) In fiscal year 2022 appropriated \$3,500,000 from the Downtown Transportation and Related Capital Improvement fund established by 24 V.S.A. § 2796 to the Department of Housing and Community Development to design, engineer, |
| Libraries                                   | Department of Libraries   | 1130030000           | 2/13/2023 | 21015 | Elva S Smith Bequest           | 30,000           | These funds are available due to donations/gifts made to the Department of Libraries over the years that have not been spent.   |
| Libraries                                   | Department of Libraries   | 1130030000           | 2/13/2023 | 21825 | Memorial Gifts                 | 43               | These funds are available due to donations/gifts made to the Department of Libraries over the years that have not been spent.   |
| Libraries                                   | Department of Libraries   | 1130030000           | 2/13/2023 | 21870 | Misc Special Revenue           | 143,000          | These funds are available due to donations/gifts made to the Department of Libraries over the years that have not been spent.   |

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|--|-------------------------------|----------------------|-----------|-------|-------------------------------|--------------------|---|
| Offender Work Program                      | Admin - VT Offender Work Prog | 3675001000           | 2/8/2023  | 21584 | Surplus Property              | 329                | Surplus property sales  |
| Fish & Wildlife                            | FW Support & Field Services   | 6120000000           | 2/8/2023  | 21894 | Green Mtn Cons Camp Endowment | 12,000             | These funds are available due to a cash balance in the GMCC Endowment Fund.   |
| Public Safety                              | DPS-State Police              | 2140010000           | 1/26/2023 | 22055 | Equitable Sharing US Treasury | 200,000            | Evidence Forfeiture funds are made available from drug seizures shared by participating agencies  |
| Public Safety                              | DPS-Fire Safety               | 2140040000           | 1/26/2023 | 21584 | Surplus Property              | 15,000             | These funds are available from auction proceeds   |
| Children and Families                      | DCFS - Child Development      | 3440030000           | 1/24/2023 | 21185 | Children's Trust Fund         | 35,930             | Cash receipts revenue balances from SFY22 from an income tax check-off program collected by the Department of Taxes then transferred to DCF.  |
| Children and Families                      | DCFS - OEO Weatherization     | 3440110000           | 1/24/2023 | 21908 | Misc Grants Fund              | 125,000            | Award from Vermont Low Income Trust for Electricity (VLITE)   |
| Military                                   | MIL Vet Affairs Office        | 2150050000           | 1/10/2023 | 21924 | Vermont Veterans Fund         | 1,400              | Proceeds from tax return donations to the Vermont Veterans Fund. Funds are used to issue grants to local organizations providing support and assistance to veterans and their families. |
| <b>Subtotal Other Fund Excess Receipts</b> |                               |                      |           |       |                               | <b>4,052,461</b>   |   |
| <b>TOTAL:</b>                              |                               |                      |           |       |                               | <b>238,013,785</b> |   |