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Jim Reardon, Commissioner

TO: Government Accountability Committee
Joint Fiscal Committee

cc: Steve Klein, Joint Fiscal Office
Nathan Lavery, Joint Fiscal Office

FROM: Jim Reardon, Commissioner of Finance and Management

DATE: October 19, 2010

RE: Challenges for Change Working Document – Current Administration Working Allocation to Date

Attached you will find a Challenge for Change Working Document. This working document is to inform you of the Administration's current allocations to date compared to the estimated savings contained in Act 146 of the 2009-2010 Session of the Vermont General Assembly. Considerable progress has been made, but more work is required to meet the savings targets specified. Approximately \$3.1 million remains unallocated at this time. Although a significant portion of the Act 146 estimated savings has been allocated, please do not confuse allocations with savings. More work is required to ensure that these allocations indeed translate to sustainable ongoing savings in FY 2011 and beyond.

I hope to have the entire targeted savings allocated by early November. Of the \$23.8 million allocated to the Agency of Human Services (AHS), \$4.9 million has been allocated by Finance and Management to AHS-Global Commitment to serve as bridge funding, until other savings can be identified that will be sustainable in FY 2012.

Should you have any questions, please contact Jim Reardon, Commissioner of Finance and Management at 828-6449 or by e-mail at jim.reardon@state.vt.us.

Working Document

10/12/2010

Challenges for Change: Summary of Net Spending Reductions

	GF Target	May 11		Oct 12	
		Act 146 Estimated Savings Gross	GF share	Current Admin Working Allocation to Date Gross	GF share
Charter Units	2,000,000	2,000,000	2,000,000	2,000,000	919,604
Performance Contracts	2,600,000	2,600,000	2,600,000	2,709,927	2,600,000
Regulatory	360,000	125,000	125,000	360,000	360,000
Economic Development	3,030,000	965,600	965,600	965,600	965,600
Human Services				15,185,950	4,943,026
AHS-GC F&M Allocation - FY10 Carryforward		652,000	232,568	652,000	212,030
OVHA Care Coordination		1,000,000	356,700	1,000,000	325,200
OVHA - 340B critical care hosp - FQHC outpatient		4,000,000	1,426,800	4,000,000	1,300,800
OVHA Clinical Utilization Review Board		5,000,000	1,783,500	5,000,000	1,626,000
OVHA DAIL - Nursing Home Utilization Reduction		1,300,000	1,040,000	1,300,000	1,040,000
DCF - Creative Workforce Solutions		4,600,000	2,235,000	5,200,000	2,447,854
DCF - Integrated Family Services				150,000	150,000
DCF - General Assistance Vocational Rehab		0	0	420,000	420,000
DCF - Reach-Up - Intensive Family Engagement		0	0	0	0
DCF Office of Child Support		26,100	26,100	26,100	26,100
DCF Modernization		100,000	100,000	100,000	100,000
DCF CDD - Childrens integrated services		200,000	200,000	200,000	200,000
MH - forensic evaluation		6,730,669	3,162,963	6,139,088	1,996,432
Designated Agency Challenge Ideas		2,000,000	2,000,000	2,000,000	2,000,000
RFP - Community Driven Initiatives		6,028,548	6,028,548	7,028,548	7,028,548
Corrections (Challenges +S.292)					
Total Agency of Human Services	23,816,000	31,637,317	18,592,179	48,401,686	23,816,000
Education	6,070,000	17,330,000	6,070,000	17,330,000	6,070,000
TOTAL	37,876,000	54,657,917	30,352,779	71,767,213	34,731,204
					37,876,000
					3,144,796

Notes

(Detail Below)

(Statewide)

Environmental Conservation
Office of Water Programs

(Detail Below)

-one-time bridge

23%/1% reduction (\$4.1m/\$1.5m state)/ SFI and other changes
EFMAP Investment: \$2 million

Combined impact of S.292 and Challenges. EFMAP Investment: \$3.1m

GF transfer to EF

* \$1.0 million GF moved from Designated Agencies line to Corrections for reduction in seriously functionally impaired in Corrections (Impact is in Corrections budget).

Note: Assumes \$5.1m of non-GF investments from EFMAP (as noted above)

Working Document - Current Administration Working Allocation to Date - 10/12/2010

<u>Charter Units:</u>	
FPR - Forestry	161,000
FPR - Parks	<u>212,000</u>
FPR - Subtotal	373,000
Tax Dept.	36,000
Statewide In-State Travel	247,870
Statewide - Postage	<u>262,734</u>
Total Charter Allocation	919,604

Commerce and Community Development (ACCD)	
Administration	78,820
Economic, Housing and Community Development	435,486
Downtown Transportation and Capital Improvement Fund	16,034
Tourism and Marketing	210,222
Agriculture	54,818
AHS - DCF - Office of Economic Opportunity	15,691
Labor	
Programs	66,241
Next Generation Initiative Workforce Education Training Fund	65,025
Adult Technical Education Program	20,525
Information and Innovation (DII)	<u>2,738</u>
Total Economic Development	965,600