



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee members
From: Daniel Dickerson, Fiscal Analyst **DWD**
Date: April 5, 2019
Subject: Grant Request – JFO #2958

Enclosed please find one (1) item, which the Joint Fiscal Office has received from the Administration.

JFO #2958 – The Vermont Military Department is requesting authorization to accept energy efficiency rebates of up to \$50,000 per year, between FY19 and FY21, for projects that incorporate energy efficiency improvements. The Department previously received authorization to accept rebates from Efficiency Vermont in its FY18 budget request. The Department would now like general authorization to accept rebates up to \$50,000 from any utility vendors that offer the rebates. Because most projects for which the Department might be eligible to receive rebates are federally funded, the rebates would not be available for general State use, but would instead remain in a special fund for use with subsequent federally-funded projects, per the Department's agreement with the National Guard Bureau (NGR 5-1).

[JFO received 3/29/19]

Please review the enclosed materials and notify the Joint Fiscal Office (Daniel Dickerson at (802) 828-2472; ddickerson@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by April 19, 2019 we will assume that you agree to consider as final the Governor's acceptance of these requests.

State of Vermont
 Department of Finance & Management
 109 State Street, Pavilion Building
 Montpelier, VT 05620-0401



[phone] 802-828-2376
 [fax] 802-828-2428

RECEIVED

MAR 29 2019

JOINT FISCAL OFFICE

**STATE OF VERMONT
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

Grant Summary:	To allow for receipt of rebates for energy efficiency improvements from several utility vendors as may become available.				
Date:	3/15/2019				
Department:	Military 2150040000				
Legal Title of Grant:	Rebates for Energy Efficiency Improvements from Green Mtn Power, VT Gas Systems, Efficiency VT and others as may become available				
Federal Catalog #:					
Grant/Donor Name and Address:	Green Mtn Power, VT Gas Systems, Efficiency VT and others as may become available				
Grant Period:	From:	7/1/2018	To:	6/30/2023	
Grant/Donation	Estimated \$50,000 annually				
	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$50,000	\$50,000	\$50,000	\$	
Position Information:	# Positions	Explanation/Comments			
	0				
Additional Comments:					
Department of Finance & Management					(Initial)
Secretary of Administration					(Initial)
Sent To Joint Fiscal Office				3/27/19	Date

3/15/19



TO: Finance & Management Budget Analyst

March 6, 2019

Subject: Grant Request to Receive Energy Rebates

Request review and approval of the proposed AA-1. The purpose of this Budget Grant Authorization is to allow for receipt of Rebates for Energy Efficiency Improvements from several utility vendors, Green Mountain Power, Vermont Gas Systems, Efficiency VT, and others as they may become available. The current grant authority is specific to Efficiency Vermont and this request is to broaden the list of vendors the Military Department is authorized to accept rebates from. The current \$50,000 annual grant amount is not proposed to change.

These rebates generally occur after the fact for Energy Saving and Efficiency projects at Military Department facilities statewide. The projects are constructed for their long-term benefit whether these rebates are available or not. The Rebate Funds are received on a project by project basis that varies depending on scope of the project. Most of the project funding is with Federal Funds based on availability, so Budget Grant Authorization amounts are a projected average but not guaranteed. Funds received as rebates through these utility vendors must be returned to the funding source that originated the work in accordance with the Federal-State Master Cooperative Agreement. Accepting these rebates allows the project dollars to go much further, which in-turn generates more long-term savings.

The Military Department currently has rebates available from utility vendors other than Efficiency Vermont, pending grant approval.

**Kenneth W.
Gragg Jr.**

Kenneth W. Gragg Jr.

Deputy Adjutant General

State of Vermont Military Department

Digitally signed by Kenneth W. Gragg Jr.
DN: cn=Kenneth W. Gragg Jr., o=State of
Vermont - Military Department, ou=Deputy
Adjutant General,
email=ken.gragg@vermont.gov, c=US
Date: 2019.03.06 08:22:31 -05'00'

STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

BASIC GRANT INFORMATION				
1. Agency:	Administration			
2. Department:	Military			
3. Program:	Facilities Energy Efficiency Projects Rebates			
4. Legal Title of Grant:	Rebates for Energy Efficiency Improvements from Green Mtn Power, VT Gas Systems, Efficiency VT, and others as may become available			
5. Federal Catalog #:				
6. Grant/Donor Name and Address: Green Mtn Power, VT Gas Systems, Efficiency VT, and others as may become available				
7. Grant Period:	From:	7/1/2018	To:	6/30/2023
8. Purpose of Grant: The purpose of this Budget Grant Authorization is to allow for receipt of Rebates for Energy Efficiency Improvements from several utility vendors, Green Mtn Power, VT Gas Systems, Efficiency VT, and others as may become available. These funds are in general after the fact rebates for Energy Saving and Efficiency projects at Military Dept facilities statewide that are constructed for their long term benefit whether these rebates are available or not. These Rebate Funds are received on a project by project basis that varies depending on Federal Funds availability so Budget Grant Authorization amounts are a projected average but not guaranteed. Funds received as rebates through these utility vendors must be returned to availability in the account that originated the work in accordance with the Federal-State Master Cooperative Agreement.				
9. Impact on existing program if grant is not Accepted: Without acceptance of these rebates the Military Department would essentially be wasting opportunity to receive additional Non-Appropriated funds to accomplish further Military Facilities improvements.				
10. BUDGET INFORMATION				
	SFY 1	SFY 2	SFY 3	Comments
Expenditures:	FY 2019	FY 2020	FY 2021	
Personal Services	\$	\$	\$	
Operating Expenses	\$50,000	\$50,000	\$50,000	
Grants	\$	\$	\$	
Total	\$	\$	\$	
Revenues:				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$	\$	\$	
Federal Funds:	\$	\$	\$	
(Direct Costs)	\$	\$	\$	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:	\$	\$	\$	
Grant (source energy efficiency rebates)	\$50,000	\$50,000	\$50,000	
Total	\$	\$	\$	



STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

Appropriation No:	2150040000	Amount:	\$50,000
			\$
			\$
			\$
			\$
			\$
			\$
		Total	\$50,000

PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts? Yes No
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.
 Appointing Authority Name: _____ Agreed by: _____ (initial)

12. Limited Service Position Information:	# Positions	Title
Total Positions		

12a. Equipment and space for these positions: Is presently available. Can be obtained with available funds.

13. AUTHORIZATION AGENCY/DEPARTMENT

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):

Signature: Kenneth W. Gragg Jr.	<small>Digitally signed by Kenneth W. Gragg Jr. DN: cn=Kenneth W. Gragg Jr., o=State of Vermont, Military Department, ou=Deputy Adjutant General, email=k.w.gragg@vermont.gov, c=US Date: 2019.06.06 16:20:48 -0500</small>	Date: 3/6/2019
Title: Deputy Adjutant General		
Signature:		Date:
Title:		

14. SECRETARY OF ADMINISTRATION

Approved: _____ (Secretary or designee signature) **Date:** 3/18/19

15. ACTION BY GOVERNOR

Accepted _____ (Governor's signature) **Date:** 3/23/19

Rejected

16. DOCUMENTATION REQUIRED

Required GRANT Documentation

<input checked="" type="checkbox"/> Request Memo	<input type="checkbox"/> Notice of Donation (if any)
<input type="checkbox"/> Dept. project approval (if applicable)	<input type="checkbox"/> Grant (Project) Timeline (if applicable)
<input type="checkbox"/> Notice of Award	<input type="checkbox"/> Request for Extension (if applicable)
<input type="checkbox"/> Grant Agreement	<input type="checkbox"/> Form AA-1PN attached (if applicable)

STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

<input type="checkbox"/> Grant Budget	
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End Form AA-1

(*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).

FY18 Efficiency Vermont
Rebate authorization

Fiscal Year 2018 Budget Development Form - Military Department (02150)

	General \$\$	Special \$\$	Federal \$\$	Total \$\$
Approp #1 Admin (2150010000): FY 2017 Approp	1,150,435			1,150,435
Increase in Personal Services - salaries, benefits and Workers Comp	47,827			47,827
Increase in operating expenses and supplies	12,907			12,907
Subtotal of increases/decreases	60,734	0	0	60,734
FY 2018 Governor Recommend	1,211,169	0	0	1,211,169
	5.28%			5.28%
Approp #2 Air Services (2150020000): FY 2017 Approp	552,185		5,927,112	6,479,297
Military Leave Cap for Fire Fighters not reimbursed by Feds - Pay Cap for Real Property Team not reimbursed by Feds	41,000			41,000
Increase in Personal Services Salary and Benefits - cost of living, steps and benefits	14,843		0	14,843
Increase in Personal Services Salary and Benefits - cost of living, steps and benefits	0		99,385	99,385
Decrease for Vacancy Savings based on 4%	(10,454)			(10,454)
Increase in Personal Services - Temp staff at STARBASE			21,662	21,662
Decrease in operating expenses and supplies - Fed			(30,812)	(30,812)
Decrease in operating expenses and supplies - GF	(13,841)			(13,841)
Subtotal of increases/decreases	31,548	0	90,235	121,783
FY 2018 Governor Recommend	583,733	0	6,017,347	6,601,080
	5.71%		1.52%	1.88%
Approp #3 Army Service (2150030000): FY 2017 Approp			17,523,770	17,523,770
Increase in Personal Services - \$22.1k annual salary and benefits adjustments, \$87.4K salary and benefits for temp staff			209,096	209,096
Decrease of Construction Contracts for completion of North Hyde Park facility			(4,398,743)	(4,398,743)
Subtotal of increases/decreases	0	0	(4,189,647)	(4,189,647)
FY 2018 Governor Recommend	0	0	13,334,123	13,334,123
			-23.91%	-23.91%
Approp #4 Bldg Maint. (2150040000): FY 2017 Approp	1,512,374	10,000		1,522,374
Personal Services - Increase due to annual salary and benefits adjustments	14,775			14,775
Increase in Personal Services - Temp staff	26,110			26,110
Decrease for Vacancy Savings based on 4%	(19,822)			(19,822)
Decrease in operating expense and supplies	(12,617)			(12,617)
Efficiency Vermont Grant		50,000		50,000
	8,446	50,000	0	58,446
FY 2018 Governor Recommend	1,520,820	60,000	0	1,580,820
	0.56%			
Approp #5 Veterans Affairs (2150050000): FY 2017 Approp	794,156	109,718	1,523,840	2,427,714
Increase in Personal Services - salaries, benefits and Workers Comp	12,534			12,534
Decrease in Personal Services - salaries, benefits and Workers Comp		(2,592)	(7,784)	(10,376)
Increase in Personal Services - Temp Summer staff at Veterans Cemetery		35,266		35,266
Decreased Operating Expenses in GF	(12,012)			(12,012)
Increase Operating Expenses in Fed			7,513	7,513
Decrease Operating Expenses in Special Fund (Cemetery)		(17,082)		(17,082)
Grant for Veterans Cemetery Expansion is completed			(1,423,840)	(1,423,840)
Subtotal of increases/decreases	522	15,592	(1,424,111)	(1,407,997)
FY 2018 Governor Recommend	794,678	125,310	99,729	1,019,717
	0.07%	14.21%	-93.46%	-58.00%
Military Department FY 2017 Appropriation	4,009,150	119,718	24,974,722	29,103,590
TOTAL INCREASES/DECREASES	101,250	65,592	(5,523,523)	(5,356,681)
Military Department FY 2018 Governor Recommend	4,110,400	185,310	19,451,199	23,746,909
	2.53%	54.79%	-22.12%	-18.41%

requirements listed in the appropriate line of the approved activity budget or financial plan in the applicable Appendices. The grantee must request reimbursement under the terms of the applicable Appendices in the reported accounts unless they have approval to move the expenditures to other MCA accounts.

11-9. Accounting for Rebates, Credits, Discounts and Refunds

The grantee, when receiving any funds for rebates, credits, discounts and refunds, shall return to the grantor the Federal proportional share based upon the matching percentage of the earning CA appendix. This will be accomplished by applying the appropriate credit on the Standard Form 270. In those cases where the grantee receives an aggregate payment that crosses more than one CA appendix, the grantee will coordinate with the grantor as to the best way to credit these funds. The grantee shall promptly, but at least quarterly, remit interest earned on advances to the grantor. The grantee may keep interest amounts of \$100.00 per year for administrative expenses.

11-10. Final Accounting and Settlement

a. Some Agreements/Appendices cannot be liquidated of all obligations made during the period of fund availability. Some disbursements, both Federal and State, are made months and sometimes years after fund availability has expired. However, a CA cannot be closed out until all outstanding obligations have been paid or, with justification, cancelled by the USPFO. Timely close out of Grant officers is a key internal control measure.

b. Within 90 days after the end of the federal fiscal year, or upon termination or closeout of an Agreement, whichever is earlier, the grantee shall provide to the USPFO, a final accounting of all funding and disbursements under the agreement for the fiscal year.

c. If un-liquidated claims and un-disbursed obligations arising from the grantee's performance of the agreement appendix will remain 90 days or more after the close of the fiscal year, the grantee shall provide to the USPFO (NLT 31 Dec) a written request to keep the agreement appendix funding open. The request will include a consolidated, detailed listing of all un-cleared obligations and a projected timetable (date) for their liquidation and disbursement. The USPFO shall then set an appropriate new timetable for the grantee to submit final accounting and settlement. Subsequent requests will be submitted by the grantee every 90 days or so thereafter as long as there are un-liquidated claims or un-disbursed obligations. The USPFO, with proper justification, can choose to not extend the timetable and require that the remaining agreement appendix funding be de-obligated.

d. Costs incurred in a fiscal year which are not disclosed by the grantee within 90 days of the end of the Federal fiscal year shall not be eligible for reimbursement by NGB. The USPFO may extend the 90 day limit for good cause shown.

e. The USPFO shall close out the agreement or appendix for a specific fiscal year when it has been determined that all applicable administrative and financial actions have been completed, but not until all such actions have been completed.

11-11. Records

a. The grantee, the USPFO and the Assistant USPSO for Air (Fiscal) shall make records and accounts pertaining to the CA available for inspection by auditors and other authorized Government officials as required.

b. All financial and programmatic records, supporting documents, statistical records, and other records of the grantee which are pertinent to the CA shall be retained for six years and three months from the ending date of the CA. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or for a minimum of six years and three months whichever is later.

Daniel Dickerson

From: Gragg, Ken <Ken.Gragg@vermont.gov>
Sent: Thursday, April 04, 2019 9:20 AM
To: Daniel Dickerson
Cc: Aronowitz, Jason
Subject: RE: Approved Grant
Attachments: Military FY 18 Budget Proposal -Legislative Package.pdf; ngr 5-1.pdf

Dan,

I will address each item below.

1. I can't find the original AA-1 request. However, I've included the FY2018 Budget Development sheet that shows the request under appropriation 2150040000 (SF) for \$50K. The line item specifically indicates Efficiency Vermont rebates. This was passed in the 2018 Budget Bill.
2. I agree with your thought of requesting a more general category of energy efficiency improvements.
3. I've included NGR 5-1. Page 23, para 11-9 discusses rebates, credits, etc.
4. You are correct. I misspoke. The rebate is posted to a special fund in appropriation 2150040000 for reuse.

Thanks for the assistance and let me know if I need to do anything.

Kenneth W. Gragg Jr.
Deputy Adjutant General
Office of the Adjutant General
789 Vt. National Guard Road
Colchester, Vermont 05446
802-338-3124 (Office)
802-310-3456 (Cell)
Ken.gragg@vermont.gov

From: Daniel Dickerson <ddickerson@leg.state.vt.us>
Sent: Wednesday, April 03, 2019 5:55 PM
To: Gragg, Ken <Ken.Gragg@vermont.gov>
Cc: Aronowitz, Jason <Jason.Aronowitz@vermont.gov>
Subject: RE: Approved Grant

Hi Ken,

Thanks for that information. I have a few follow-up questions.

1. Your memo, included with the grant materials, stated that you already had authority to accept rebates from Efficiency Vermont. Could you identify when and how you received this authority? Was it through the JFC approval process? I went back through my records and could not find that approval.
2. In your memo, you also state that you would like to broaden the list of vendors from whom you would like to be able to accept rebates, and you go on to name a few. I am wondering if it would be clearer to request general authority to accept rebates for energy efficiency improvements and not muddy the water by naming specific vendors. Or might it be better to just seek approval to accept rebates on a project by project basis? How many of these projects are there each year for which you might be eligible for rebates?

3. Could you send me the section of the Federal-State master agreement that identifies how rebates can be used? I would like to include it as an attachment when I send the materials to JFC.
4. I don't think that the funding would remain in a general fund appropriation, because that would imply that it is available for general State uses. Wouldn't it stay in the stated Dept. ID as a subset of an appropriation of federal funding?

Feel free to call me if you think that would be more helpful. 828-2472.

Thanks
Dan

Daniel Dickerson
Fiscal Analyst / Business Manager
Vermont Legislative Joint Fiscal Office
One Baldwin Street | Montpelier, VT 05633-5701
802.828.2472

From: Gragg, Ken [<mailto:Ken.Gragg@vermont.gov>]
Sent: Tuesday, April 02, 2019 8:03 AM
To: Daniel Dickerson
Cc: Aronowitz, Jason
Subject: Re: Approved Grant

Good morning Dan,

The funding stays with appropriation 2150040000, General Fund. The rebates get repurposed to additional projects that have a federal match.

Ken

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From: Daniel Dickerson <ddickerson@leg.state.vt.us>
Sent: Monday, April 1, 2019 4:54:10 PM
To: Gragg, Ken
Cc: Aronowitz, Jason
Subject: RE: Approved Grant

Hi Ken,

Do these rebates stay with the state or do they go back to the federal government? The paperwork makes it sound like rebates have to go back to the original funding source, which would imply that they don't stay with the State since these projects are federally funded. Can you clarify?

Thanks
Dan

Daniel Dickerson
Fiscal Analyst / Business Manager

Vermont Legislative Joint Fiscal Office
One Baldwin Street | Montpelier, VT 05633-5701
802.828.2472

From: Gilhuly, Christine [<mailto:Christine.Gilhuly@vermont.gov>]
Sent: Wednesday, March 27, 2019 11:06 AM
To: Gragg, Ken
Cc: Aronowitz, Jason; Johnson, Jaye; Daniel Dickerson
Subject: Approved Grant

Good afternoon,

Attached please find the approved grant for *Rebates for Energy Efficiency Improvements, etc.*

Please be advised that the original is on route to Dan Dickerson at the JFO.

Thank you,

Chrissy Gilhuly

State of Vermont | Office of the Commissioner, Department of Finance and Management
109 State Street, 5th Floor | Montpelier, VT 05609

christine.gilhuly@vermont.gov

ph: (802) 828-2376