



STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

Wednesday, February 6, 2013

Minutes

Members present: Representatives Ancel and Heath, and Senators Ashe, Campbell, Kitchel, Sears, and Snelling.

Other Attendees: Joint Fiscal Office, and Legislative Council staff

Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office, called the meeting to order and asked for nominations for Chair of the Joint Fiscal Committee. Senator Kitchel nominated Rep. Heath and Senator Campbell seconded the motion with no other nominations presented. The nominations were closed on a motion from Senator Kitchel, and Representative Heath was elected Chair of the committee.

Representative Heath, Chair, asked for nominations for vice-chair. Representative Ancel nominated Senator Kitchel with no other nominations presented. The nominations were closed on a motion from Senator Ashe, and Senator Kitchel was elected vice-chair of the committee.

Representative Heath asked for nominations for clerk. Senator Campbell nominated Senator Ashe and Senator Ashe nominated Senator Snelling, whereby Senator Campbell withdrew his nomination. The nominations were closed on a motion from Senator Kitchel, and Senator Snelling was elected clerk.

The Chair turned to the agenda.

Grant Process Overview

Nathan Lavery, Fiscal Analyst, Joint Fiscal Office, referred to the January 2013 Legislative Joint Fiscal and Office proposed policies and gave an overview of the grant review process and expedited grant review process. Representative Ancel expressed concern for the web portal board fees submitted for approval from the Joint Fiscal Committee through the grant process and requested that the fee requests always be put on the JFC next meeting agenda. Mr. Lavery stated that that type of change may need to be done statutorily and the committee agreed further investigation into the issue was necessary [22 V.S.A. § 953(c)].

Senator Kitchel suggested that large grants that are programmatic be sent to the standing committees of jurisdiction for comments. Representative Heath added that this be done as a matter of practice not policy. Senator Kitchel suggested a \$100k - \$200k threshold. Senator Snelling suggested using a similar process such as rules. Representative Heath asked that the process be

reflected in the minutes. It was decided that “The Joint Fiscal Office will send a copy of all grants and donations to the standing committees of jurisdiction for comment.”

Representative Ancel requested that if the statutory language allowed for interpretation, web portal board fee proposals become standing requests from the committee to always be scheduled at the next JFC agenda for review. Representative Ancel requested that a policy be drafted for the July 2013 meeting on this issue but in the interim, the standing request be utilized. The committee agreed with Representative Ancel’s request.

Approve Committee and Office Policies

The Chair asked if the Committee had questions on the proposed Committee and Office Policies. Senator Ashe referred to page 3 of the proposed policies [2 V.S.A. § 503(b)(1)] and expressed concern for the fiscal office servicing committees other than its statutory committees due to office capacity. Senator Kitchel agreed and stated that the issue had the potential of having the office’s statutory committees wait for services. Mr. Klein added that fiscal notes were increasingly in demand but there was no policy that requested standing committees or individuals to first seek the approval of the JFC before submitting a request. Representative Ancel stated that House Ways & Means and House Appropriations Committees made a practice of having the committees of jurisdiction weigh in on specific money bills, and it was important those committees had information from the fiscal office. Representative Heath agreed and added that there was a grey area with individual members who request services from the fiscal office and how those are managed. Representative Ancel had concerns about sufficient staff for increasing demands of tax and revenue issues in the future.

Senator Ashe referred to page 7, paragraph 5 of the proposed policies that suggested all requests for services from the fiscal office be directed through the JFC chair. He commented that the policy did not appear to be used and asked the thoughts of the fiscal officer and chair. Mr. Klein responded that the office could tighten up its conformity with using the policy. Representative Heath requested the office tighten how fiscal requests are handled by conforming more closely to the JFC policy as written.

Mr. Klein gave an overview of amendments to the proposed policies, citing page 8, paragraph 12 that was adopted at the November 15, 2012 meeting. Senator Snelling moved to approve the proposed Legislative Joint Fiscal Committee and Joint Fiscal Office policies, and the committee approved the motion.

Committee Budget Overview and Recommendation to the Appropriations Committees

Mr. Lavery distributed a document, the FY2014 proposed Joint Fiscal Office Budget Request, and summarized changes from the previous fiscal year. He mentioned that \$20,000 had been set aside for possible health care reform expenses. Senator Kitchel inquired whether the office would need to contract some of that work and Mr. Lavery responded yes and that an intern was currently being utilized. Representative Ancel asked what was built into Tom Kavet’s (legislative economist) contract, such as money committee requests. Mr. Klein stated those requests were included in the contract at an ad hoc rate for revenue forecast testimony and at an hourly rate for other issues. Representative Ancel asked what the base estimate was for Mr. Kavet’s contract. Mr. Lavery answered that it was about \$70,000 a year and \$30,000 for ad hoc services.

Mr. Lavery explained \$65,000 had been set aside for the Results First initiative until the Legislature decided the details on the initiative. Senator Snelling questioned whether PEW was being paid for its services. Mr. Klein responded that the funds were to be used for the office's expenses for project research, and that PEW was not charging the state for its services.

Senator Ashe expressed concerns that Deb Brighton, contractor for the office, was now working both for the Legislature and as an employee of the Department of Taxes. Mr. Klein clarified that Ms. Brighton has a long history of a nonpartisan work ethic between the Legislature and the Administration. Both contracts jointly stated that if Ms. Brighton were actively working for both entities at the same time, that they would split the costs where a project was jointly requested. The Legislature has vulnerability in this area because there would be no easy way to replace her with her intense knowledge of how the education funding system works. Representative Ancel agreed and stated the Legislature may be exposed at some point with not having an employee with the ability to do the same type of research as Ms. Brighton. Senator Sears expressed concern for the Legislature relying on the Administration rather than legislative resources, and inquired whether the office was comfortable with the budget proposed to cover all the demands of the Legislature. Mr. Klein explained that the two areas of weakness within the fiscal office were estimating tax data and revenue analysis. Representative Ancel requested that the office draft a plan to address the estimated risk. Mr. Klein added that even if additional staff is hired to meet the needs of this gap, it could potentially take time to bring the person up to speed on the expectations of the position.

Senator Campbell moved to recommend the FY2014 proposed Joint Fiscal Committee budget to the appropriations committees as presented. The Committee accepted the motion.

Respectfully Submitted,

Theresa Utton-Jerman
Joint Fiscal Office