



STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

Thursday, November 21, 2013

Minutes

Members present: Representatives Ancel, Branagan, Heath, Johnson, and Sharpe, and Senators Ashe, Kitchel, Sears and Snelling.

Other Attendees: Administration, Joint Fiscal Office, and Legislative Council staff, and various media, lobbyists, advocacy groups, and members of the public.

The Joint Transportation Oversight Committee convened at 9:00 a.m. and Brian Searles, Secretary, Agency of Transportation, gave an overview of the items up for action.

The Joint Transportation Oversight Committee, under the statutory authority of 19 V.S.A. § 26(b), approved a motion to reject the offer of \$411,000 for the 1775 Shelburne Road property in South Burlington and, further, that Vermont Transportation (VTRANS) prepare draft legislation for inclusion in the FY 2014 Budget Adjustment Act authorizing VTRANS to list the property with a real estate broker and convey the property by warranty deed.

The Committee approved JFO #2641 – the Western Corridor Rail Rehabilitation Project. Senator Mazza chaired the Committee. The Committee then adjourned at 9:15 a.m.

A Special Committee convened at 9:25 a.m. by the Chair, Representative Heath, which included the Joint Fiscal Committee and the Chairs of the House and Senate Transportation Committees, with Representative Brennan absent and Senator Mazza present. The Special Committee convened on the grounds of 19 V.S.A. § 10g(i) in consideration of the approval for the Western Corridor Rail Rehabilitation Project grant (JFO #2641).

Brian Searles, Secretary, Agency of Transportation, distributed information on the grant and gave an overview of the project details. The Joint Fiscal Office provided information on the procedure for approving the grant. After Committee consideration of the testimony and materials, Senator Kitchel moved to approve the grant, and Representative Sharpe seconded the motion. The Committee accepted the motion.

The Special Committee adjourned at 9:35 a.m. and the Joint Fiscal Committee convened its meeting.

A. Call to Order and Approve Minutes

The Chair, Representative Heath, called the meeting to order at 9:45 a.m., Representative Ancel moved to accept the minutes of September 11, 2013, and Representative Johnson seconded the motion. The Committee adopted the minutes.

B. Joint Fiscal Office Updates – 1. Fiscal Officer's Report

Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office (JFO), provided the fiscal officers report and a draft budget for the JFO. He focused on the Office budget document that reflected a one-time expense of \$80,000 to the Department of Taxes for JFO's share of the new tax estimation system. The system would enable the JFO to have the ability to analyze tax data separately from the Department through a linked access to the system. Mr. Klein stated it was unknown what additional costs there could be for health care financing. The JFO budget had a 1.3% base budget increase with an annualization for the new revenue position. There was \$20,000 set aside for additional health care reform expenses.

Senator Ashe asked if the JFO survey's performance indicators fluctuation for non-partisanship had led to any conclusion from the office. Mr. Klein responded that the slightest change in numbers could move percentages. In the previous biennium, the minority party expressed concern for being underserved and requested a dedicated staff. This year, the office made a strong effort to amend that issue and was hopeful its efforts would be reflected in the next survey. Representative Heath agreed with Mr. Klein that the Office went out of its way to ensure the minority party received all the information it requested. Mr. Klein added that the Office dedicated some of Stephanie Barrett's time in support of the House minority party caucus, and, in addition, the Office increased its meetings with the House minority leadership to review support.

Representative Ancel inquired if the response rate had increased because of the ability to complete the survey online, and if so, what the response rates were for House and Senate surveys. Sara Teachout, Senior Fiscal Analyst, Joint Fiscal Office, replied that the ability to complete the surveys online made a measurable difference, and she offered to send that information to the Committee. Mr. Klein added that another evaluation in response to the recent legislative briefing would be sent out to members in the next few days.

Representative Heath commented that the JFO budget format was reflective of the direction in which the appropriations committees were moving, which was a results-based accountability format. Senator Ashe inquired what the FY2015 JFO budget pressures may be for health care. Mr. Klein explained that if the Legislature requests the Office to research costs associated with a change from premiums to single-payer health care, there would be significant costs associated with that research.

Representative Heath inquired if there was carryforward from the previous budget to cover any costs associated with FY2014. Mr. Klein responded the JFO budget had \$80,000 of carryforward that was used to cover the cost of the tax system, and an additional amount of about \$37,000 would be held over for discussion with the Administration about reversions to the General Fund as one-time funds.

Representative Ancel moved to recommend the draft JFO budget to the House Committee on Appropriations, and Representative Johnson seconded the motion. The Committee approved the motion.

2. Education Fund Outlook

Mark Perrault, Senior Fiscal Analyst, Joint Fiscal Office, distributed information on the most recent education fund outlook. On December 1, 2013, the Commissioner of Taxes was prepared to make a formal recommendation to the Legislature for the FY2015 proposed tax rates based on a consensus outlook between the Department and the JFO. A more accurate reflection of education funding would not be known until February 2014, but assumptions from the Agency of Education forecasted a 3.8% growth in spending for the next fiscal year. The previous year was 5.1%, but even with the lower growth rate, it would still imply a \$57 million increase in spending.

Mr. Perrault explained that last year the Education Fund had a \$19 million surplus to fill the budget gap, but this year there would be no surplus to fill the gap. Adding increased pressure to the tax rate was the education grand list that could possibly have negative growth until FY2017. Mr. Perrault stated that recently the Commissioner of Taxes indicated to the House Committee on Ways and Means that the recommendation to increase the education property tax rate may be 3-7% cents. He referred to two graphs distributed earlier, and announced that for the first time the residential property tax rate would exceed the nonresidential property tax rate, which triggers a provision in statute that allowed the Commissioner additional flexibility in setting the rate between the three property tax classes.

Mr. Perrault explained that there was \$1.25 million added to the General Fund transfer and \$11.8 million of one-time funds was available from the supplemental property tax relief fund that could be used to reduce the property tax rates in FY2015. Also, the Tax Department reported for the first time that the base education amount, that was inflation driven, would see a reduction. This change would not change the amount of taxes collected but the spending amount to the base rate would be larger, translating into higher rates.* Education enrollment continues to decline overall in Vermont schools but has slowed to a one-half percent instead of one percent in a year.

Representative Sharpe asked for an overview of what the residential and nonresidential grand list looked like, and Mr. Perrault stated he would provide something to the member. Senator Ashe inquired what source of data was causing the estimates for the grand list to show a negative growth in the next two years. Mr. Perrault explained that the information was based on forecast numbers from Tom Kavet but the decline was very small and almost flat. It also showed that there would be normal growth moving forward. Senator Kitchel asked what the overall school spending estimates were for 2015. Mr. Perrault stated that the Agency of Education calculation of school spending showed an increase by 3.8% or \$57 million. Representative Heath queried how the Agency calculated the estimates. Mr. Perrault explained that the Agency used estimates through trends and spending in individual towns but could change depending on school and teacher negotiated contracts. Senator Ashe requested that Mr. Perrault work with Nolan Langweil of the Joint Fiscal Office to identify the growth in education funding projections that were attributable to health care costs and report back to the Committee. He explained that there was concern over the expansion of health care to bus drivers, substitute teachers, and other part-time or temporary workers that could affect town budgets.

*** Note:** *We learned, subsequent to the JFC meeting, that the reported base education amount was incorrect. Consequently, the Commissioner of Taxes issued a second letter with revised consensus education tax rates based on the correct base education amount.

3. Discussion on Draft Statutory Purposes for Tax Expenditures

Sara Teachout, Senior Fiscal Analyst, Joint Fiscal Office, distributed the latest draft of the statutory purposes for tax expenditures list. She explained the changes since the last meeting and informed the Committee that the Legislative Council had created a draft bill along with its recommendations for the Committee to present to the Legislature as mandated by Sec. 5 of Act 73 of 2013 which amended 32 V.S.A. § 312 of the statutes. Representative Heath suggested the Committee meet one more time to discuss its final recommendations and draft bill in the early part of the 2014 legislative session. Senator Ashe commented that the standing committees of jurisdiction should develop the final language of the bill, and he asked if it were too late to introduce a bill this session. Representative Ancel clarified that the draft bill presented to the House Committee on Ways and Means and the Senate Committee on Finance would be a working draft that the two standing committees could revise and work from to create the final version introduced to the Legislature. Peter Griffin, Legislative Counsel, responded to Senator Ashe's question stating that it was late in the process but there was an exception for the standing committees to go to the Rules Committee for approval to introduce bills, or a standing committee could use an existing bill as a vehicle. He added that there was a significant amount of language to the draft bill—approximately 30 pages. Mr. Griffin stated that the deadline for all drafting requests for the Senate, including committee bills, was December 13, 2013. Senator Ashe proposed that the JFO and the Legislative Council continue to work on the draft bill and send revisions to the Committee through the same process as grant requests to meet the December deadline for introduction of new legislation.

Representative Sharpe commented that he thought it would be a mistake to not move forward with the draft language, and he suggested the Committee accept Senator Ashe's proposal. Representative Heath agreed with the suggestion. The Committee agreed to complete its recommendation and draft bill through the same process as grant requests, and allow either the Senate Finance Committee or Senator Ashe to introduce the bill. Senator Ashe made a final suggestion to have the JFO version of the bill be sent to the Committee to work from rather than the actual draft bill for ease of understanding.

C. Lottery Commission Report on Keno Games

Greg Smith, Executive Director, Vermont Lottery Commission, distributed the report from the Lottery Commission and his written testimony. Representative Heath asked if the Lottery Commission had a recommendation. Mr. Smith responded that the report was based on legislation requesting information on specific questions asked by the Legislature. Senator Sears clarified that the intent of the language for the report was to gather more information after the discord from the conversation on break-open tickets. In addition, the Legislature found it worthwhile to explore other revenue areas to enhance the Education Fund. Representative Heath asked the Senator what the Legislature's intent had been to have the report sent before the Joint Fiscal Committee. Senator Sears responded that there was a compromise by the members of the Legislature that voted to have the JFC receive the report, with the option of producing legislation in time for the 2014 session.

Representative Heath asked if the Lottery Commission planned to move forward with introducing the game of Keno without the Legislature's consent. Mr. Smith responded that the Commission preferred to have the support of the Legislature and the Administration before moving forward. He added that the new game could be ready by next summer to be introduced to the public if it were generally supported. Senator Ashe agreed that Keno had a unique game structure and that the Commission should wait for support from the Legislature before instituting the game. He then asked for data and analysis on the people that played lottery games, such as player income, amount spent on games, types of games played, age of players, and demographics of players. Mr. Smith referenced the information in the Commission's Report that included data from 2008 and 2012 surveys. He stated he would send the most recent survey [2012] to the Committee. Representative Sharpe commented that he had reservations about changing the current structure of games. Senator Kitchel offered that the committees of jurisdiction would have a chance to weigh in and vet the proposal during the 2014 legislative session.

D. Grant Approval - JFO#2646: [\$300,000 grant from the U.S. Department of Justice to the Vermont Judiciary. These funds will be used in Windham County to implement a domestic violence docket that will enhance services to victims of domestic violence. One (1) limited service position is associated with this request.]

Patricia Gable, State Court Administrator, summarized the grant. The model for the grant came from a former domestic violence court program that tied a judge between a related case from family court and criminal court. It was successful until the State's Attorney withdrew from cooperation with the program. The courts conducted two types of evaluations to better understand why the program failed. One internal evaluation tried to determine what could have been done to avoid the withdrawal of the State's Attorney and what could have been done better for the coordination of the program. The second evaluation compared different types of recidivism rates with the Integrated Domestic Violence (IDV) court that was studied and documented through Max Schuleter of the Vermont Center for Justice Research.

The court administration had subsequently developed a protocol for grants to go before the Supreme Court to ask questions, such as what are the impacts on the public, staff, the court system and State government. Future grants should include the flexibility of equal access to justice within all the courts with a more regional planning ability.

Senator Sears showed his disappointment for the IDV court leaving Bennington, and commented on the potential causes of the IDV program ending. He questioned the proposed increase in the budget from the previous \$35K in Bennington to \$150K in the new location. Senator Kichel commented that she appreciated the presentation because it allowed the conversation around the issues involving the State's lack of consistency and sustainability for funding the program. She moved to accept the grant, and Representative Johnson seconded the motion. The Committee agreed to accept the motion with Senators Ashe and Sears voting no.

E. Housing Subsidy Evaluation and Report

Angus Chaney, Director of Housing, Agency of Human Services (AHS), distributed a summary of the House Subsidy Evaluation process and its subsequent report and appendix of the AHS housing inventory. He explained that the Agency's initial question was "How was housing currently defined within the programs of the Agency of Human Services?" The Agency was

currently dedicating \$34 million for its housing programs, and it had requested from those programs the data that would give the actual amount spent and results of the programs for 2013. From there, the Agency assessed whether there was consistency in how programs were being evaluated.

Mr. Chaney referred to page 5 in the report and reviewed the Agency's seven strategies for supporting Vermont housing. A question arose on how the Agency could borrow from the Results Based Accountability (RBA) model to achieve consistency within the measures for evaluating the program's performance. Appendix B of the report evaluated the State's seven housing rental subsidy programs. Five of the programs' primary functions were housing subsidy and two had only a component of subsidy. Questions about the programs included whether they were temporary or permanent, and what the intended and capped length of stay was for the participants. Sequestration had impacted overall Agency programs in a way that made it harder to transition people off subsidy but State housing programs were taking some of the pressure off those areas.

Senator Ashe inquired if Mr. Chaney was aware of areas of the Agency's budget that would need backfilling in the FY2014 Budget Adjustment (BAA) from federal cuts, such as sequestration. Mr. Chaney responded that he was unaware of any proposed BAA proposals for the Agency. Senator Ashe asked that if the Agency could fill specific lost federal funding, what would be at the top of the list. Mr. Chaney explained that if the Agency had increased funding from the State, he would reward programs that had met the task of developing good measures and outcomes and had real results showing a positive performance, thereby reinforcing the merits of those programs.

Senator Kitchel referred to the recommendations on page 15, under "Subsidies," of the report and asked what the intent and implications were for avoiding creating future "siloes" subsidy programs. Mr. Chaney explained that the intent was to brainstorm ways to cost-share between the existing subsidy programs that have a history of low costs and good results to better leveraging funds.

F. Green Mountain Care Board and Department of Financial Regulation Bill Back Update

Al Gobeille, Chair, Susan Barrett, Executive Director, Michael Donafrio, General Counsel, Green Mountain Care Board (GMCB), introduced themselves to the Committee. Mr. Gobeille explained the current status of the Board and how bill back fit into its functions. The GMCB has three main functions. One was regulation of Vermont's health care industry through means, such as the approval of Certificate of Needs (CON), hospital budget review, and insurance rate review. In order for the GMCB to deliver those services, it has the authority to bill back to the organizations it regulates. A second area was innovation of the health care system through payment and delivery system reform. The third was an evaluation process for testing models and pilots the Board creates, and the eventual evaluation of the financial viability of the Green Mountain Care proposal as required under Act 48 of 2011. The GMCB could utilize the bill back process for its needs to complete its mission.

Senator Kitchel asked for clarification of which functions the GMCB has the authority to bill back, and what were the parameters. Mr. Donafrio explained that the statutory authorization for the Board was broad. Representative Sharpe showed concern for information requested during the previous September Committee meeting along with prior Board representatives that alluded to the Board not following the statutory percentages of the bill back language. Senator Ashe reiterated that concern but added that follow-up legislation allowed for the reality of how the Board billed back for

its work. Mr. Gobeille stated that there had been issues in the past with the percentages due to income streams funding a system that the Board was moving away from. Senator Kitchel reiterated the request for information at the September Committee meeting from the previous GMCB staff. Representative Ancel added that one of the components of the information request was a full report on what the Board's full authority was and the legislation that amended the Board's authority during the previous session.

G. Administration's Fiscal Updates – 1. LIHEAP Update

Richard Moffi, Fuel Assistance Program Chief, Department for Children & Families, presented the Low Income Heating and Energy Assistance Program (LIHEAP) update. Mr. Moffi explained that there was \$16 million released in the first two quarters of the LIHEAP block grant, and 21,000 plus households received a benefit. The Department was able to process the grants daily, and then transfer the funds by the evening to the bank. This enabled the fuel dealer to receive the payment electronically by the next morning. The average full season benefit was \$780, just below the target benefit of \$797. Oil, propane, and kerosene clients that were in the Margin-Over-Rack (MOR) program covered 31% of the benefit households.

Senator Kitchel asked how many fuel dealers had stayed with the program, and Representative Ancel queried how many households were affected by the loss of dealers. Mr. Moffi responded that there were thirteen dealers owned by nine separate companies that left the program, affecting 6% or 1,500 clients. The Department was working, as of the prior week, with 750 clients to find a new dealer. The most challenging clients have been propane customers but the number has reduced from 335 to fewer than 200 clients.

Senator Sears commented that a fuel dealer in his area stated that he left the program because he had concerns for charging non-discount customers a higher rate to recoup the loss from discounted customers. Mr. Moffi stated that could in fact happen if the dealer wanted to maintain its level of income. By analyzing the data on all thirteen dealers, it was estimated that the dealers would need to raise 2/10 of a penny to cover the contracted rate of their LIHEAP clients. Jeb Spaulding, Secretary, Agency of Administration, commented that the revised discounted program was allowing the Department to buy a minimum of 200K gallons of additional fuel for eligible Vermonters, and 157 or 90% of dealers stayed with the program. Representative Ancel asked what the deadline was for the client to find a new dealer to receive the benefit. Mr. Moffi responded that there was no deadline and that no customers would be dropped from the program because they did not have a dealer.

2. Veterans' Home Update – Jeb Spaulding, Secretary, Agency of Administration

Jeb Spaulding, Secretary, Agency of Administration, gave an update on the Vermont Veterans' Home (VVH). He explained that in the past few months there had been positive momentum to VVH. The facility has retained its license from the Centers for Medicare and Medicaid Services (CMS), and its census had increased to over 150. He cautioned that there was still work to be done that could require additional State financial support in the FY2014 Budget Adjustment Act (BAA) and the FY2015 State Budget. Additionally, even if the facility reaches its full census, it may still need State support to sustain itself over the next couple of years.

Senator Sears commended the Administration for its work that had led to the VVH's positive progress. Secretary Spaulding stated that the VVH management, board and staff communication and relations had significantly improved over the past few months but the

Administration hoped to propose some changes to the statutes on staffing to further improve the financial viability of the facility. The Administration was negotiating with the Vermont State Employees' Association (VSEA) to bring a mutually agreed-upon proposal to the Legislature for final approval.

Senator Kitchel suggested that some veterans may not be aware of the resources of the facility and of their eligibility. The VVH should be marketed through the veterans' community as available to veterans and family members. Secretary Spaulding offered that within the Administration's proposed statutory changes, VVH senior positions would be converted to exempt positions. One of those converted positions would be an outreach coordinator to draw in veterans to the VVH. Representative Sharpe asked if the issue of converting some staff from full-time to part-time had been resolved. Secretary Spaulding responded that the Administration and the VSEA were in the process of working out the details but there was no disagreement from any of the parties that the VVH should have some part-time staff to alleviate some of the financial burden. The concern from staff was to ensure that the quality of care would not diminish due to this change.

3. FY2014 Budget Adjustment Pressures, and FY2015 Budget Development System & Process

Jim Reardon, Commissioner, Department of Finance & Management, gave an update on the FY2014 BAA pressures and the FY2015 revised budget development system and process. He explained that within the FY2014 BAA, the Homeowners Rebate Program would need additional funding, and Debt Service came in \$400K above estimates. Other pressures were the costs associated with transporting clients to the State Hospital by Sheriffs, and the increased Medicaid program estimate of \$4.4 million to \$6.4 million, plus \$1.5 million for autism temporary support services. A constant increase in the detainee population in corrections was creating ongoing budget pressures. The Rutland pesticide cleanup costs would be approximately \$.25 million. An area for savings was in a lower amount than estimated in the four pay period health insurance rate holiday to State employees. The Commissioner closed by stating that the FY2015 budget instructions had been sent to the agencies and departments, asking them to level fund their budgets, and the Department was at the final stages of its budget discussions with those agencies and departments. The Department had also completed its public hearings on State budget concerns.

H. Geographic Information System report on the Sustainability of the Program

David Brotzman, Executive Director, The Vermont Center for Geographic Information System (VCGIS), summarized his report and the VCGIS fiscal concerns. Currently VCGIS's budget was made up of about 40% of project grants. The current six staff of VCGIS were not able to work on project grants as well as support State entities. The VCGIS was sustained by a large federal grant for broadband mapping that would end in September 2014. If an alternative to this loss of funding was not discovered, then it was evident that there would be staff reductions in the organization.

Mr. Brotzman explained that in 2012, VCGIS became aware of losing its federal grant in 2014. The organization developed three strategic planning sessions to reassess its mission and the fiscal impacts of losing its biggest grant. The VCGIS' board requested that Mr. Brotzman pursue the possibility of a merger with the Department of Information and Innovation (DII). The projected savings to the organization with the merger was at least \$74K a year. The benefit to the public was continued and sustained free access to statewide data.

Representative Ancel asked for clarification on whether VCGIS could operate on fewer funds and be more efficient in its work to accomplish its goals. Mr. Brotzman stated that was not possible because the organization would lose half its staff and limit its ability to perform all the work that demand produced. Representative Ancel inquired if VCGIS would be able to sustain itself if project funds continue at the current amount. Mr. Brotzman stated yes but it was anticipated to decline in future years. Senator Ashe asked how many states had a similar organization as VCGI, and of those, how many were associated with their state universities as a quasi-state entity. Mr. Brotzman responded there were 50 states with an organization similar to VCGI and only about two were still affiliated with their state universities. Most geographic information system organizations had appended themselves to their state information technology departments. Senator Ashe commented that VCGI and Vermont Telecommunications Authority (VTA) both did mapping and were contemplating their futures. He suggested that the State not perpetuate duplication when deciding the futures of those two entities.

Senator Kitchel asked if the estimated savings around the merger proposal was a net after all the costs allocations to VCGI. Mr. Brotzman agreed there was a net savings. Representative Sharpe inquired if VCGI had released the copyrights for its work on the tax imagery program it inherited. Mr. Brotzman responded it had released them and made them available online for free to the public, but the State still owned the material. Representative Heath commented that the estimates were not reasonable if pay and benefits were projected as a constant since those numbers change through State bargaining. She suggested VCGI work with the Administrations finance team to get better estimates for its FY2015 budget testimony.

I. State Hospital Staffing and Capacity Recommendation - a. Staffing

Senator Sally Fox, Chair, Mental Health Oversight Committee, and Senator Ginny Lyons, Chair, Health Care Oversight Committee, summarized the staffing and capacity of the State Hospital report recommendations. Senator Fox stated the conclusion of the two Committees was to recommend that the State Hospital be fully funded at 25 beds. In addition, the plan to recruit, hire, and train staff should be accelerated to allow for a quicker opening. The joint committee recommendations were decided under the following assumptions: the State would continue to fully support the current mental health community system; the Morrisville treatment center would close and the Fletcher Allen Hospital beds would not be available once the new State Hospital opened; and all the beds in the Brattleboro Retreat and the Rutland facility would be fully operational. Senator Fox commented that the State should be cognizant that the known capacity numbers may not be actual complete numbers of all people seeking or in need of treatment.

Senator Lyons explained that the report recommendations were difficult to determine without the acuity of the patients involved. The joint committees requested a plan from the Department on the appropriate staffing levels based on best practices and after reviewing current certifications and standards for patient treatment and staff training.

Senator Fox offered a final recommendation that the Department have a contingency for overflow if the facility reached capacity. The Committee had a discussion on the State's investment to community-based services, future capacity demand, and transitioning enough experienced staff with new staff to the State Hospital.

Senator Kitchel brought up the issue of Sheriffs supervising patients because of a lack of beds available, which created additional costs as well as lagged medical treatment for the patient. Senator Fox added that there were people waiting in correctional systems for an available treatment bed as well. She stressed the need to move quickly to transition people to the new facility.

b. Capacity

Paul Dupre, Commissioner, and Frank Reed, Deputy Commissioner, Department of Mental Health, gave an update on the current status of the State's mental health capacity of level one beds. The Brattleboro Retreat had finished its renovations and had a capacity of 14 beds; the Rutland Regional Medical Center had a capacity of 6 beds; Fletcher Allen Hospital had 7 State contracted beds; and the Morrisville facility, at Copley Hospital, had an 8 bed capacity.

Commissioner Dupre agreed with the joint committee report on the capacity of the new State Hospital of 25 beds. He added that the Department would recommend in its FY2015 budget for an additional 3-6 overflow beds as a contingency plan. Representative Heath asked for the Department's vision for opening the new facility and the plan for staffing it. Commissioner Dupre explained that the Department had analyzed timelines for the opening of the State Hospital from best case scenario developed in partnership with the Department of Buildings and General Services (BGS). By May 15, some staff could be moved into the new facility for training and setup; by June 15, the punch list would be finished; within a week, the Licensing and Protection Agency would inspect and license the facility; and the new facility would then be ready to open the end of June or beginning of July. At that juncture, the 8 patients and the staff of Green Mountain Care would be transferred to the new facility. By early to mid-July, the facility would have enough trained staff to cover a total of 16 beds. Finally, by August 18, the full 25 beds would be ready for occupancy.

Commissioner Dupre stated that the aforementioned scenario was very ambitious because of all the paperwork and negotiations involved in all the pieces of the health care system. However, the Department did agree with the joint committees' report that the facility should open sooner rather than later to alleviate pressures on hospital emergency rooms and correctional facilities. He cautioned the committees that safety could become an issue if the project was rushed, and he suggested that a more realistic target would be early September to open at full capacity. In responding to Representative Heath's question, Commissioner Dupre stated the Department would work with Fletcher Allen Hospital to continue to keep beds open until the facility was at full capacity, and to achieve an earlier timeline for having 25 beds available.

Senator Kitchel asked if the electronic health records system would be different from what the Department had currently been using. Commissioner Dupree responded that the current system would not be able to meet the needs of the new hospital. He stated that the Department had been negotiating a partnership between Fletcher Allen to use their same, larger system. Senator Kitchel inquired if key positions for the facility were filled, including the medical director. Commissioner Dupree responded that those positions' contracts were under negotiation, and it was anticipated that an announcement on the medical director would be forthcoming in a week, and then in place by December. Representative Heath asked if the Department had enough vacant positions in addition to the ones approved by the Legislature to staff the new facility. Mr. Reed explained there were enough for the initial soft opening for 16 beds but additional positions would need to be created for direct care workers, such as nurses and psychiatric personnel. Additional positions for services for the pharmacy, food, administrative quality care personnel, and infectious disease specialists to

monitor the hospital would be needed as well. Mr. Reed suggested the Committee review the addendum to the report dated November 19, 2013 to the joint committees for additional staffing details.

J. Recommendations from the Joint Corrections Oversight Committee on Home Detention and Home Confinement

Representative Heath spoke for the Joint Corrections Oversight Committee as one of its members. She explained that the Committee did not have a recommendation at this time. The Committee adjourned at 1:20 p.m.

Respectfully Submitted,

Theresa Utton-Jerman
Legislative Joint Fiscal Office