

H. 439 – FY 2020 Budget Bill

Highlights of Senate Appropriations Committee Proposed Amendment

Overview: This budget appropriates a total of \$7.17 billion to meet the ongoing costs of operating state government including the programs providing services and benefits to Vermonters, and to make investments in Vermont's infrastructure and human capital from the federal funds available from the American Rescue Plan Act (ARPA) and the CARES Act (CRF).

ARPA State Fiscal Relief Fund: \$478.5 million

These appropriations are in a separate G section of the Bill, organized as follows:

Health, Wellbeing and Justice: \$27.5 million

- G. 200 Health and Wellbeing \$11.1 million
- G. 201 Justice System - \$16.4 million

Workforce, Higher Education and Economic Development: \$132.7 million

- G. 300 Workforce Investments - \$23 million
- G. 301 Higher Education Stabilization - \$53.2 million
- G. 302 Economic Development - \$56.5 million

Housing: \$18.5 million (plus \$40m GF and \$51m Emergency Rental for \$109.5m total)

- G. 400 – total all funds for housing - \$91 million

Connectivity, Broadband and Technology Modernization: \$153.8 million

- G. 500 Connectivity & Broadband - \$101.8 million (and intent for \$50 million more)
- G. 501 State Technology Modernization - \$52 million

Climate Action Investments: \$31 million (and intent for \$100 million for Climate Action Plan)

- G. 600 – total for weatherization and MileageSmart

Clean Water Investments: \$115 million

- G.700 – total for Clean Water, including \$15 million for Capital Bill projects

Reserves over half of the flexible ARPA funds for the 2022 session

\$515 million – ARPA State Financial Relief

\$113 million – ARPA Capital Funds

\$628 million

KEY BUDGET ELEMENTS

Shores up critical provider systems. The budget funds a 3 percent increase to mental health, developmental disabilities and Choice for Care providers and a \$1.50/day increase to ACCS rates to address increased wage and operating costs.

Adds \$2.7 million GF to increase the Reach Up benefit to the 2021 standard of need, an increase of \$132/mo. bringing a 3-member household benefit to \$832 or to \$857 in Chittenden County.

Provides base funding to address the court-related workload backlog due to the pandemic and a base increase to Judiciary to reflect revenue loss and the VLRB decision

Funds Child Care Program increases included in H.171.

Includes \$41 million to support the Homeless Transition plan developed by the work group.

Provides the Vermont State College system with funding for the recommended transformation plan in ARPA and adds \$5 million GF to the VSC base appropriation.

One-time GF is used to shore up several special funds including Forests and Parks, Act 250, and Fire Safety. Also \$9.5 million GF is sent to the Environmental Contingency Fund, of which \$4.5 million is allocated for PCB testing in schools in addition to \$500,000 GF dedicated to the Vermont Department of Health for the PCB testing in schools.

Adds several special fund reviews triggered by projected structural deficits, this includes the programs covered by criminal justice fees, fines and surcharges, and the E-911 system.

Retirement Obligations

Fully funds the Actuarially Determined Employer Contribution (ADEC) for State employees' and State teachers' pensions. The ADEC and OPEB funding provided totals \$343 million and of this total \$250 million is from the GF which is 14% of the GF available annually.

Funds the "normal" OPEB/ health care costs for currently employed teachers from the Education Fund consistent with the way the "normal" costs of pensions are funded.

Reserves \$150 million GF for pension underfunding and provides \$200,000 for the Pension Task Force that is being created to make recommendations for consideration next session.

<i>\$s in millions</i>	FY19	FY20	FY21	FY22
Total Budget (unduplicated appropriations)	\$5,958.0	\$6,330.5	\$7,360.6	\$7,175.3
select sources below (remainder of budget is from Education and Special fund sources)				
General Fund (state)	\$1,596.5	\$1,607.3	\$1,734.5	\$1,808.9
Federal Funds (all other fed lines)	\$2,025.3	\$2,090.6	\$2,164.5	\$2,307.8
Fed - Coronavirus Relief Funds (CRF)*	\$0.0	\$185.4	\$911.1	\$0.0
Fed - ARPA State Fiscal Recovery	\$0.0	\$0.0	\$63.0	\$474.9

*CRF was also allocated and reverted through JFC processes including \$225m at acceptance