



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON GENERAL,
HOUSING, AND MILITARY AFFAIRS

MEMORANDUM

To: Representative Mary Hooper, Chair, House Committee on Appropriations
From: Representative Thomas Stevens, Chair, House Committee on General,
Housing, and Military Affairs
Date: February 19, 2021
Subject: Provisions in the Governor's Proposed FY 2022 State Budget

Thank you for the opportunity to review the provisions of the Governor's Proposed FY 2022 State Budget that relate to this Committee's subject area. After testimony and careful consideration of these provisions, the Committee voted to adopt the following recommendations:

Sec. B.1100(a)(2)(A) and (C) FY 2022 One-Time General Fund Appropriations

The Governor's Recommended FY 2022 Budget proposes to appropriate \$4,000,000.00 to the Department for Children and Families, Office of Economic Opportunity, Home Weatherization Assistance Program to be used in FY 2022 and FY 2023, including up to \$150,000.00 for vermiculite remediation and home repair as part of home weatherization. The Governor's Recommended FY 2022 Budget also proposes to appropriate \$16,000,000.00 to the Agency of Administration for distribution to the Vermont Housing Finance Agency for use in its Vermont Weatherization Agency for Rapid Mobilization and Savings (VtWARMS). The Committee supports both proposals.

Sec. B.1100(a)(5)(C) and (D) FY 2022 One-Time General Fund Appropriations

The Governor's Recommended FY 2022 Budget proposes to appropriate \$5,000,000.00 to the Department of Housing and Community Development to establish the Better Places Program. The Governor's Recommended FY 2022 Budget also proposes to appropriate \$3,000,000.00 to the Department of Housing and Community Development for the Vermont Housing Investment Program. The Committee voted to support the appropriation for the Better Places Program. Provided that the General Assembly passes additional legislation that will provide ongoing statutory base funding for that Program, the Committee also supports the appropriation for the Vermont Housing Investment Program.

Sec. B.1100(a)(6)(B) FY 2022 One-Time General Fund Appropriations

The Governor's Recommended FY 2022 Budget proposes to appropriate \$45,000.00 to the Department of Liquor and Lottery for the purchase of body cameras.

The Committee understands that an appropriation for the Department of Liquor and Lottery to obtain body cameras has been included in the Budget Adjustment Act and therefore supports the removal of this appropriation from the FY 2022 Budget.

Sec. B.1100(a)(12) FY 2022 One-Time General Fund Appropriations

The Governor's Recommended FY 2022 Budget proposes to appropriate \$20,000,000.00 to the Vermont Housing and Conservation Board for use in affordable housing initiatives. The Committee supports this proposal with the following amendment to the language (new language is shown in bold):

(12) \$20,000,000 to the Vermont Housing and Conservation Board to be used primarily for affordable housing initiatives. Up to \$5,000,000 of this amount may be used for conservation projects and Farm and Forest Viability Program activities that support the rural economy.

Sec. B.1100.1(a) FY 2022 One-Time Downtown Transportation and Related Capital Improvement Fund (21575) Appropriations

The Governor's Recommended FY 2022 Budget proposes to appropriate \$5,000,000.00 to the Department of Housing and Community Development to support the Downtown Transportation Fund. The Committee does not have a position on this proposal.

Sec. D.100(a)(2) Appropriations; Property Transfer Tax

The Governor's Recommended FY 2022 Budget proposes to appropriate \$10,804,840.00 from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board, and to further transfer any additional amounts in the Trust Fund from the Property Transfer Tax and Clean Water surcharge into the General Fund. The Committee supports this appropriation in conjunction with the \$20,000,000.00 in one-time funds that are appropriated to the Vermont Housing and Conservation Board under Sec. B.1100(a)(12). The Committee also supports the use of one-time funds during FY 2022 to provide additional support for municipal and regional planning grants. In future years, the Committee recommends that the Vermont Housing and Conservation Board's appropriation from the Trust Fund revert to the full amount of 50% of the revenue from the Property Transfer Tax and that the related municipal grants be restored to the full level of statutory funding as well.

Sec. D.101(b)(1) Fund Transfers, Reversions, and Reserves

The Governor's Recommended FY 2022 Budget proposes a reversion to the General Fund of \$22,750,000.00 from the Liquor Control Enterprise Fund and \$3,000,000.00 from the Education Fund. The reversion from the Education Fund reflects anticipated revenue from Keno. The Committee supports the reversion from the Liquor Control Enterprise Fund but opposes the proposed reversion from the Education Fund. The Committee is open to considering the Governor's proposed expansion of the State Lottery to include new games such as Keno. However, the Committee does not feel that the State Budget is the appropriate vehicle for this proposal because of the significant policy questions that attend such an expansion. Instead, the Committee believes that the

proposal should be presented to the committees of jurisdiction as a separate legislative proposal and would welcome the Governor's doing that.

Sec. E.215 Military – Administration

The Governor's Recommended FY 2022 Budget proposes to appropriate \$1,319,834.00 to the Vermont Student Assistance Corporation for the National Guard Tuition Benefit Program. The Committee supports this proposal.

Sec. E.219 Military – Veterans' Affairs

The Governor's Recommended FY 2022 Budget proposes appropriating various amounts for the Vermont Medal Program; the Governor's Veterans' Advisory Council; the Veteran's Day Parade; the Military, Family, and Community Network; and the American Legion Boys' and Girls' State programs. The Committee supports each of these proposed appropriations.

Sec. E.236 Powers and Duties of Board of Liquor and Lottery

The Governor's Recommended FY 2022 Budget proposes amendments to 31 V.S.A. § 651 that would permit the State Lottery to begin selling online games, begin conducting sports betting, permit the sale of lottery products in bars and restaurants, and permit the purchase of lottery products with a debit card or by electronic transfer. As stated in relation the reversion from the Education Fund proposed in Sec. D.101(b)(1), the Committee does not support the inclusion of the proposed language in the State Budget because of the significant policy questions related to each of the proposed changes. The Committee would prefer that these proposals be presented to the committees of jurisdiction as part of a separate legislative proposal and would welcome the Governor's doing that.

Sec. E.236.1 Multijurisdictional Lottery Games

The Governor's Recommended FY 2022 Budget proposes to amend 31 V.S.A. § 652 to increase the number of multijurisdictional lotteries that the State Lottery can participate in from four to eight and to permit the State Lottery to participate in international lotteries. As noted previously, the Committee does not support the inclusion of these proposed changes in the State Budget because of the significant policy questions related to each of them. The Committee would prefer that these proposals be presented to the committees of jurisdiction as part of a separate legislative proposal and would welcome the Governor's doing that.

Sec. E.318.2 Child Care Financial Assistance Program

The Governor's Recommended FY 2022 Budget proposes allocating \$3,000,000.00 of anticipated revenue from Keno for increasing the subsidy to child care providers or increasing the State's child care capacity, or both. While the Committee supports the goal of increasing child care capacity and the subsidies of child care providers, the Committee does not support the inclusion of this proposal in the State Budget because it is predicated on authorizing the State Lottery to begin operating Keno without an opportunity for the committees of jurisdiction to consider the proposal and the related policy implications. The Committee would welcome the Governor's presenting this proposal to the committees of jurisdiction as part of a separate legislative proposal.

Sec. E.321 General Assistance Housing

The Governor's Recommended FY 2022 Budget proposes to transition away from a motel voucher program to a community-based response to housing crises, by shifting the General Assistance housing budget to the Office of Economic Opportunity for FY 2022 and by providing that the General Assistance Program will no longer provide temporary or emergency housing as of October 1, 2021. The Committee believes that while there is much potential in this regional approach, it will be unsustainable for many community service providers without significant capitalization.

The testimony that the Committee took on this issue indicates that the transition timeline proposed by the Administration may be overly optimistic and transitions proposed for the summer and fall might have to be delayed or extended due to the pandemic. In addition, many community providers indicated that too much remains unclear as to how this transition will work.

The Committee understands that the intention of the proposed change is to increase access to emergency housing services. However, it is hesitant to endorse the proposal without clearer direction from the Department and additional input from community providers. Therefore, the Committee proposes delaying the transition by one year and replacing the proposed language with a requirement that the Administration dedicate resources during FY 2022 to the intensive planning process necessary to successfully accomplish this transition in FY 2023.

Sec. E.325 Department for Children and Families – Office of Economic Opportunity

The Governor's Recommended FY 2022 Budget proposes to allocate \$12,917,460.00 to community agencies for homeless assistance. The Committee generally supports this language but does not support the appropriation amount for the reasons set forth in relation to the proposal under Sec. E.321.

Sec. E.326 Department for Children and Families – OEO – Weatherization Assistance

The Governor's Recommended FY 2022 Budget proposes allocating \$750,000.00 of the amount appropriated for weatherization assistance to be used for the replacement and repair of home heating equipment. The Committee supports this proposal.

Additional Matters

The Committee also supports additional funding for Pathways Vermont in order to allow Pathways to expand its programs statewide. Two proposals to accomplish this were presented to the Committee. The first is a \$1,100,000.00 appropriation with a \$1,400,000.00 Medicaid match, and the second is an appropriation of \$2,500,000.00 in one-time funds. The Committee prefers that the expansion be accomplished through a \$1,100,000.00 appropriation with a Medicaid match as a commitment to fund the program in future fiscal years.

The Committee also supports the Governor's proposed appropriation of \$1,000,000.00 to the Department of Housing and Community Development for the base funding for the Vermont Housing Investment Program. The Committee's support of this appropriation is conditioned on the enactment of necessary related legislation.