

Peter Shumlin
Governor

State of Vermont
OFFICE OF THE GOVERNOR

Commissioner/Deputy - F&M
(Initial & date)

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM

BILL NUMBER: H.47
TITLE OF BILL: An Act relatign to fiscal year 2013 budget adjustment
AFFECTED DEPT: Finance & Management
CONTACT PERSON IN AFFECTED DEPT: Jim Reardon

Department/Analyst doing this review: Finance & Mgmnt, Sue Zeller/Otto Trautz (Analyst)

Date of this review: 2/25/2013

upon introduction upon passage of 1st body passed both bodies, final review for Gov signature upon request of Gov, Sec Admin

RECOMMENDED POSITION:

Support Oppose Remain Neutral Support with Modification (see #8 blow)

NOTE: UNLESS THERE IS REASON TO DO OTHERWISE, BILL REVIEWS BY FINANCE & MANAGEMENT MAY BE LIMITED TO ITEM 4, COSTS & PROGRAM IMPLICATIONS.

- SUMMARY OF THIS BILL AND ISSUES ADDRESSED: FY 2013 budget adjustment
- IS THERE A NEED FOR THIS BILL? (Including relationship to Governor’s priorities; or significant problems that will be solved) yes
- WHAT ARE LIKELY TO BE THE FISCAL & PROGRAMMATIC IMPLICATIONS FOR THIS BILL (THIS DEPT.)?[(a) fiscal impact – appropriations, costs/expenditures; revenues, fees/tax credits (b) program and administrative impact and problems, in this or future years]
- WHAT MIGHT BE THE FISCAL & PROGRAMMATIC IMPLICATIONS FOR OTHER DEPTS. IN STATE GOV’T?
- WHAT MIGHT BE THE FISCAL & PROGRAMMATIC IMPLICATIONS FOR OTHER OUTSIDE STATE GOV’T? (Public, municipalities, business, organizations, etc.) Very few changes were made to the Governor's Recommendations.

APPROPRIATION CHANGES: Total General Fund (GF) appropriation change was a reduction of \$243k. The Transportation Fund appropriations were increased by \$1.1 million with an offset to federal funds. The largest appropriation change, a reduction of \$13.9M in federal funds under the Global Commitment appropriation, was a correction to remove the incorrectly included FY 2012 carryforward.

REVENUE/TRANSFERS CHANGES: On the transfer and revenue side of GF, a direct applications (transfers to GF from other funds) were reduced by \$190k; these funds were unused monies originally intended for capital purposes and therefore, the Legislature redirected these funds to the capital bill. A tranfer from GF to the Transportation Fund of \$4.37 million, representing approximately 50% of the DMV/HP settlement, was added by the Legislature, with agreement from the Administration. Language changes were also few, the most notable being a limitation of the authority of the Department of Information & Innovation over IT to the Executive Branch only (Legislative Council asserted separation of powers). These revenue/transfer changes to GF leave \$4.32 million less to carry forward to FY 2014 than planned in the FY 2014 Governor's Recommended budget, but will be made up in FY 2014 by not needing to tranfer \$4.37 million to the Tranportation Fund.

6. POTTER STAKEHOLDERS:

PRIMARY ADVOCATES AND WHY:

PRIMARY OPPONENTS AND WHY:

7. RATIONALE FOR RECOMMENDATION: Very few changes from Governor's Recommend BAA; there were some changes requested by the Administration after submission. Recommend the Governor sign the BAA Bill (H.47).

8. MODIFICATION TO RECOMMEND SUPPORT (not a rewrite; simple changes that would change recommendation):

Place the electronic review in WORD folder in "Budman:keep:Bill reviews 2013 session"- "save as" title use bill number (H.## or S.##), so they will sort themselves in the folder.

E-mail to Harriet, cc to Jim R., Jeb Spaulding, Mike Clasen, Sue Zeller, and Matt Riven

Bill review for Gov signature – 2013 H.47 – FY 2013 Budget Adjustment

ONLY SECTIONS IN THE LANGUAGE PARTS OF THE BILL THAT ARE DIFFERENT FROM GOVERNOR'S ORIGINAL RECOMMEND

Sec. 55. FUND TRANSFERS:

EXPLANATION OF DIFF FROM GOV REC: The House removed \$190K transfer from the Waterfront Preservation Special Fund to the General Fund, so that the \$190K can be reallocated as part of the Capital Bill. OK.

Sec. 61. **AUTHORITY TO REDUCE FISCAL YEAR 2013 APPROPRIATIONS IN RESPONSE TO TRANSPORTATION**

FUND REVENUES

(a) The secretary of transportation, with the approval of the secretary of administration, may reduce fiscal year 2013 transportation fund appropriations, other than appropriations for the town highway state aid, structures, and class 2 roadway programs, for the purpose of aligning appropriations to the final fiscal year 2013 transportation fund revenues.

EXPLANATION OF DIFF FROM GOV REC: Removed because a reduction in the FY 2013 TF revenue forecast was dealt with in the Senate version of the FY 2013 BAA.

Sec. 67. Sec. B.209 of No. 162 of the Acts of the 2011 Adj. Sess. (2012) is amended to read:

Sec. B.209 Public safety - state police

Personal services	44,109,260
Operating expenses	7,043,093
Grants	6,860,000
Total	58,012,353

Source of funds

General fund	20,087,245
Transportation fund	25,238,498
Special funds	2,585,518
Federal funds	9,011,627
Interdepartmental transfers	1,089,465
Total	58,012,353

EXPLANATION OF DIFF FROM GOV REC: Section removed. This appropriation is adjusted in Sec 11.

Sec. 53.1. Sec. B.1109 of No. 162 of the Acts of the 2011 Adj. Sess. (2012) is added to read:

Sec. B.1109 ONE-TIME VERMONT VETERANS' HOME MANAGEMENT REVIEW APPROPRIATION

(a) The Secretary of Administration shall contract for an independent review of the management and operations of the Vermont Veterans' Home established in accordance with 20 V.S.A chapter 87. The review shall be designed to develop and make recommendations in the following areas: projected medium- and long-term demand for services and the implications for the service mission of the Veterans' Home; fiscal management practices, appropriate levels of staffing, and alternative governance structures. The review shall be completed on or before October 30, 2013. The amount of \$20,000 in general funds is appropriated to the Secretary of Administration for this purpose. Upon completion the Secretary of Administration shall submit the review to the Veterans' Home Board of Trustees, the Vermont State Employees' Association (VSEA), and the Joint Fiscal Committee.

EXPLANATION OF DIFF FROM GOV REC: Added by Senate incl. \$20K GF FY 2013 appropriation to Sec Admin for contract to do management/operations review. OK.

Sec. 72. 22 V.S.A. § 901 is amended to read:

§ 901. DEPARTMENT OF INFORMATION AND INNOVATION

(a) The department of information and innovation, created in 3 V.S.A. § 2283b, shall have all the responsibilities assigned to it by law, including the following:

* * *

- (12) not later than July 1, 2013, to adopt rules requiring the auditing and updating of state websites; ~~and~~
(13) to review and approve in accordance with agency of administration policies all new information technology position requests and new information technology classifications within state government; ~~and~~
(14) upon request from the general assembly or the judicial branch, to consult with or provide technical support and services to the general assembly or the judicial branch regarding information technology and information security.
(b) As used in this section, "state government" means the agencies of the executive branch of state government.

EXPLANATION OF DIFF FROM GOV REC: Added by the House. Limits authority of DII to the Executive Branch. Leg Council is asserting the importance of "separation of powers".

Sec. 73. 3 V.S.A. § 2222(a)(10) is amended to read:

(10) The ~~secretary~~ Secretary shall annually submit to the ~~general assembly~~ General Assembly a five-year information technology and information security plan which indicates the anticipated information technology activities of the ~~legislative, executive, and judicial branches~~ Executive Branch of state government. For purposes of this section, "information technology activities" shall mean:

* * *

EXPLANATION OF DIFF FROM GOV REC: Added by the House. Limits authority of DII to the Executive Branch. Leg Council is asserting the importance of "separation of powers".

Sec. 88.1. Sec. E.330 of No. 162 of the Acts of the 2011 Adj. Sess. (2012) is added to read:

Sec. E.330 Disabilities, aging, and independent living - advocacy and independent living grants

(a) The department of disabilities, aging, and independent living shall grant \$150,000 of the funds appropriated in Sec. B.330 as amended to Advancing Excellence – Local Area Network for Excellence for an initiative to reduce the use of antipsychotic drugs in Vermont nursing homes. Performance measures for the initiative shall include:

(1) reduction in inappropriate antipsychotic drug use, and reduction of Vermont overall rate of antipsychotic drug use;

(2) reduction in resident on resident altercations;

(3) increase in staff confidence and competence in caring for people with dementia.

EXPLANATION OF DIFF FROM GOV REC: Added by Senate. Specifies what DAIL would do anyway. OK.

Sec. 89 Sec. E.333 of No. 162 of the Acts of the 2011 Adj. Sess. (2012) is added to read:

Sec. E.333 Disabilities, aging, and independent living – developmental services

(a) The department of disabilities, aging, and independent living shall manage the developmental services program within the amount appropriated in fiscal year 2013, as amended by acts of the 2013 session, and may take appropriate steps to modify the State System of Care Plan during fiscal year 2013 if the funding requests for individuals who meet the funding criteria set forth in the Plan exceed the appropriated amount. No less than 20 business days before implementing a modification pursuant to this section, the commissioner of disabilities, aging, and independent living shall submit the proposed modification to the advisory committee established pursuant to 18 V.S.A. § 8733 for advice and recommendations.

(b) Any modifications to the State System of Care Plan made pursuant to this section shall be consistent with 18 V.S.A. chapter 204A and shall remain in effect until an annual revision or a new three-year plan is adopted pursuant to 18 V.S.A. § 8725, whichever occurs first.

EXPLANATION OF DIFF FROM GOV REC: Language provided by DAIL and negotiated through the Senate and House further amendment after the House objected to original attempt. OK.

Sec. 97. 32 V.S.A. Sec. 309(a)(1) is amended to read:

(1) Activities proposed for funding by general obligation debt financing shall be restricted to tangible capital investments, but may include the planning, ~~and~~ design and engineering directly associated with a tangible capital investment.

EXPLANATION OF DIFF FROM GOV REC: Sec 97 is effective 7/1/14 (see Effective Dates Section 100). For FY 2013 and 2014, engineering is an authorized Capital expenditure, as the Administration had proposed. The House Committee on Corrections and Institutions will examine what engineering costs should be funded by Capital funds, and what by the General Fund – specifically, salaries for state and private employees. OK.

Sec. 99 IRENE RECOVERY SUPPORT; EMERGENCY RELIEF AND ASSISTANCE FUND

(a) Notwithstanding 20 V.S.A. Sec. 45, there is appropriated in fiscal year 2013, \$255,200 from the Emergency Relief and Assistance Fund (ERAF), to the Department for Children and Families, Office of Economic Opportunity, to be granted to the Central Vermont Community Action Council (CVCAC). The CVCAC will hire construction coordinators and volunteer coordinators to continue Irene recovery efforts that have been supported by a Department of Labor grant.

EXPLANATION OF DIFF FROM GOV REC: Added at request of Administration to permit continuation of Irene reconstruction and recovery efforts. OK.