

STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

TO: Jeb Spaulding, Secretary of Administration
Agency and Department Heads

FROM: Senator Jane Kitchel, Chair, Senate Appropriations Committee
Representative Martha Heath, Chair, House Appropriations Committee

DATE: December 28, 2011

SUBJECT: FY 2013 Budget Testimony before House and Senate Appropriations Committees

NEW EXPECTATIONS - RESULTS-BASED PROGRAM BUDGETS

As in past years, the Chairs of the House and Senate Appropriations Committees disseminate a memorandum to agency and department heads detailing legislative expectations for budget presentations. We view FY 2013 as the first year of transition in transforming both the Legislature and Administration approach to the budget. The goal is that by FY2015 all agencies and departments will present the budget in a **Results-Based Program** format supported by the new budget system. We hope you share our belief that this approach will support the best policy making and resource allocation for the state, as well as help to demystify the budget process for the public.

To that end, expect both Appropriations Committees to focus on program performance. Please provide the committees with a summary sheet that responds to the following questions:

- What key functions are performed by your department? Why?
- What are the programs your department administers? Include baseline information about numbers served, current budget and funding mix etc.
- What are the measures of program outcomes relative to goals? current data?
- Is there anything you would do differently to achieve these goals?
- Can you allocate the funding in your appropriations by program?

We want to take this opportunity to recognize and thank agency and administration staff for the thoughtful and committed process they have been engaged in to bid and develop the new budget system. There will be challenges both technically and culturally in implementing our new system, but we expect the new system to be a useful tool for both management and program staff, not just a necessary evil to meet legislative budget documentation requirements. We expect

this system will support best practices in budgeting and accounting and further consistency in these principles statewide.

DOCUMENTATION STAYS THE SAME FOR NOW

The Commissioner or Director of each department should present budget testimony which is brief, concise and leaves sufficient time for questions and discussion. Budget testimony and support materials should relate to the Governor's recommended budgets.

Copies - We still need **three-hole punched** copies – **15** for the House, **10** for the Senate – of all supporting budget documents.

Point Person - The appropriations committees delegate responsibilities for specific areas of the budget to individual committee members, or subcommittees, in order to obtain detailed information which they use when making recommendations to the committee as a whole during the mark-up process. Department heads will be asked to meet, or correspond by E-mail or telephone, with the appropriate committee member to answer specific questions. Additional follow-up information requests made by a committee member should be provided within one week, whenever possible. **Please** submit a copy of any follow up documents to the relevant staff person for the committee so that they are added to our permanent budget file.

Crosswalk Spreadsheet (i. e. the ups and downs) - Please provide a brief update on the significant changes or initiatives between FY12 and the FY 2013 appropriation request. **This is NEW-** Context is very helpful, for any significant change we would like information about the program's base budget in the comments section. For example...."we are recommending a \$1M increase in the appropriation for the STARS program. We presently spend \$20M on this program designed to improve the quality of childcare in Vermont".

Federal Funding – Given the uncertainty of federal funding, please identify federal funding sources that are or are likely to be reduced or eliminated in FY 2013. Please include detail on any significant change in federal funding including information about the size and duration of federal grants that are included in the budgets. If there is a major initiative funded with federal funds the committees would like to know the funding plan for the initiative once the federal funds are no longer available.

Impact on Vermonters – The committees request a brief statement describing the impacts of funding changes. Please include information regarding what populations are affected and to what extent, any cost sharing requirement or any cost shifting, any impact on waiting lists or other programs, and any offsets or alternatives that may mitigate the impacts.

Position Changes and Vacancy Savings – The committee would like to understand how services provided by each department will be impacted by any budgeted vacancy savings target, and any position reductions or increases included in the proposed budget.

Grants - The committees would like a summary of the grants that are distributed from each appropriation to community and non-profit organizations and changes in these grant amounts from FY 2012 to FY 2013.

Carry forward Funds – For each appropriation please provide a summary of the amount of carry forward funds that were available at the end of FY 2011 and the anticipated level of carry forward funds projected for FY 2012.

LAST BUT NOT LEAST - BDS FORMS AND REPORTS

FY 2013 will be the last year of BDS reports (hooray!!! It's a miracle!!!)

For the standard SR05 Budget Request Summary and CR03L Position Detail Reports, please provide the **House** Appropriations Committee with **fifteen (15)** copies of these reports and please provide the **Senate** Appropriations Committee with **three (3)** copies.

In order to conserve paper we are requesting that you prepare a notebook containing **one (1)** copy of the CR18 form, the interdepartmental transfer form, the grant form, and the federal receipts form to be submitted to the committee staff person in the House and Senate. These forms need **not** to be submitted to each committee member individually.

QUESTIONS?

Please call the staff at Joint Fiscal Office with any questions. The staff assignments, extensions and email addresses are included below for electronic submission of information.

House Appropriations Committee

Maria Belliveau, 828-5971,
mbelliveau@leg.state.vt.us

Theresa Utton-Jerman, 828-5767,
tutton@leg.state.vt.us


Senate Appropriations

Stephanie Barrett, 828-5973,
sbarrett@leg.state.vt.us

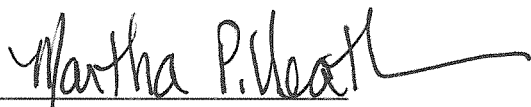
Rebecca Buck, 828-5969
rbuck@leg.state.vt.us

Stephen Klein, the Chief Legislative Fiscal Officer will be working with the committees as needed over the course of the legislative session.

Thank you in advance for your attention to these matters.



Jane Kitchel
Chair, Senate Appropriations



Martha Heath
Chair, House Appropriations