



**State of Vermont**  
**Agency of Administration**  
**Department of Finance & Management**  
Pavilion Office Building  
109 State Street  
Montpelier, VT 05609-0201  
[www.finance.vermont.gov](http://www.finance.vermont.gov)

[phone] 802-828-2376  
[fax] 802-828-2428

*Jim Reardon, Commissioner*

**TO:** Government Accountability Committee  
Joint Fiscal Committee

**cc:** Steve Klein, Joint Fiscal Office  
Nathan Lavery, Joint Fiscal Office

**FROM:** Jim Reardon, Commissioner of Finance and Management

**DATE:** October 19, 2010

**RE:** Challenges for Change Working Document – Current Administration Working Allocation to Date

A handwritten signature in black ink, appearing to read "Jim B. Reardon".

Attached you will find a Challenge for Change Working Document. This working document is to inform you of the Administration's current allocations to date compared to the estimated savings contained in Act 146 of the 2009-2010 Session of the Vermont General Assembly. Considerable progress has been made, but more work is required to meet the savings targets specified. Approximately \$3.1 million remains unallocated at this time. Although a significant portion of the Act 146 estimated savings has been allocated, please do not confuse allocations with savings. More work is required to ensure that these allocations indeed translate to sustainable ongoing savings in FY 2011 and beyond.

I hope to have the entire targeted savings allocated by early November. Of the \$23.8 million allocated to the Agency of Human Services (AHS), \$4.9 million has been allocated by Finance and Management to AHS-Global Commitment to serve as bridge funding, until other savings can be identified that will be sustainable in FY 2012.

Should you have any questions, please contact Jim Reardon, Commissioner of Finance and Management at 828-6449 or by e-mail at [jim.reardon@state.vt.us](mailto:jim.reardon@state.vt.us).

Working Document

Challenges for Change: Summary of Net Spending Reductions

10/12/2010

	GF Target	May 11		Oct 12	
		Act 146 Estimated Savings Gross	GF share	Current Admin Working Allocation to Date Gross	GF share
<b>Charter Units</b>	2,000,000	2,000,000	2,000,000	2,000,000	919,604
<b>Performance Contracts</b>	2,600,000	2,600,000	2,600,000	2,709,927	2,600,000
<b>Regulatory</b>	360,000	125,000	125,000	360,000	360,000
<b>Economic Development</b>	3,030,000	965,600	965,600	965,600	965,600
<b>Human Services</b>					
AHS-GC F&M Allocation - FY10 Carryforward				15,185,950	4,943,026
OVHA Care Coordination		652,000	232,568	652,000	212,030
OVHA - 340B critical care hosp -FQHC outpatient		1,000,000	356,700	1,000,000	325,200
OVHA Clinical Utilization Review Board		4,000,000	1,426,800	4,000,000	1,300,800
OVHA DAIL - Nursing Home Utilization Reduction		5,000,000	1,783,500	5,000,000	1,626,000
DCF - Creative Workforce Solutions		1,300,000	1,040,000	1,300,000	1,040,000
DCF - Integrated Family Services		4,600,000	2,235,000	5,200,000	2,447,864
DCF -General Assistance Vocational Rehab				150,000	150,000
DCF - Reach-Up Intensive Family Engagement		0	0	420,000	420,000
DCF Office of Child Support		0	0	0	0
DCF Modernization		26,100	26,100	26,100	26,100
DCF CDD - Childrens integrated services		100,000	100,000	100,000	100,000
MH - forensic evalution		200,000	200,000	200,000	200,000
Designated Agency Challenge Ideas		6,730,669	3,162,963	6,139,088	1,996,432
RFP - Community Driven Initiatives		2,000,000	2,000,000	2,000,000	2,000,000
Corrections (Challenges +S.292)		6,028,548	6,028,548	7,028,548	7,028,548
<b>Total Agency of Human Services</b>	23,816,000	31,637,317	18,592,179	48,401,686	23,816,000
<b>Education</b>	6,070,000	17,330,000	6,070,000	17,330,000	6,070,000
<b>TOTAL Current Working Allocation</b>	<b>37,876,000</b>	<b>54,657,917</b>	<b>30,352,779</b>	<b>71,767,213</b>	<b>34,731,204</b>
<b>Act 146 Target</b>					<b>37,876,000</b>
<b>Remaining Unallocated / Unidentified</b>					<b>3,144,796</b>

Notes

(Detail Below)

(Statewide)

Environmental Conservation  
Office of Water Programs

(Detail Below)

\* 2%/1% reduction (\$4.1m/\$1.5m state)/ SFI and other changes

EFMAP Investment: \$2 million

\* Combined impact of S.292 and Challenges. EFMAP Investment: \$3.1m

GF transfer to EF

Note: Assumes \$5.1m of non-GF investments from EFMAP (as noted above)

\* \$1.0 million GF moved from Designated Agencies line to Corrections for reduction in seriously functionally impaired in Corrections (impact is in Corrections budget).

Working Document - Current Administration Working Allocation to Date - 10/12/2010

<b><u>Charter Units:</u></b>	
FPR - Forestry	161,000
FPR - Parks	<u>212,000</u>
FPR - Subtotal	373,000
Tax Dept.	36,000
Statewide In-State Travel	247,870
Statewide - Postage	<u>262,734</u>
Total Charter Allocation	919,604

<b>Commerce and Community Development (ACCD)</b>	
Administration	78,820
Economic, Housing and Community Development	435,486
Downtown Transportation and Capital Improvement Fund	16,034
Tourism and Marketing	210,222
Agriculture	54,818
AHS - DCF - Office of Economic Opportunity	15,691
Labor	
Programs	66,241
Next Generation Initiative Workforce Education Training Fund	65,025
Adult Technical Education Program	20,525
Information and Innovation (DII)	<u>2,738</u>
Total Economic Development	965,600