



STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE

Memorandum

TO: Joint Fiscal Committee Members

FROM: Maria Belliveau, Associate Fiscal Officer

DATE: August 13, 2009

SUBJECT: Administration's Choices for Care Rescission Proposal

The rescission proposal submitted by the Administration to the Joint Fiscal Committee at the August 5, 2009 meeting included a provision to reduce FY 2009 carryforward for the Choices for Care program by \$731,372 general funds, a total reduction of \$2,434,660 when considering the federal funds.

The Administration's description of this reduction has created some confusion. The proposal stated that "This is a base reduction of \$731,372 that will be covered by carry forward funds in the long term care program. There is no programmatic impact." The Joint Fiscal Committee requested further detail on this reduction and was told that the \$731,372 was the general fund amount remaining in the Choices for Care program at the end of FY 2009. These funds were not spent in FY 2009 and are, therefore, available to be carried forward into FY 2010. The Administration's plan is to revert these funds to the general fund in order to address the current \$28 million revenue downgrade. Reverting these FY 2009 funds will not impact the FY 2010 appropriation for the Choices for Care program.

The FY 2010 appropriation is based on the caseload estimate prior to the identification of any FY 2009 carry forward funds. If caseloads remain at FY 2009 levels there may be some remaining funds in the program at the end of FY 2010. While the administration clearly intends to reduce the base appropriation for the Choices for Care program consistent with this carry forward in 2011 and may have a FY 2010 budget adjustment proposal, these actions will be proposed when the legislature convenes and are not part of this rescission approval process. The legislature will make final decisions on the FY 2010 and FY 2011 appropriations for the Choices for Care program through the budget adjustment and FY 2011 budget deliberations.