

Legislative Leadership Proposal- House and Senate may modify as necessary

JFO and F&M Combined Working List of Potential Reductions and Revenue Ideas To Close FY09 GF Gap

Working list: not positions of any participant and are subject to additions, reductions, and estimate changes

Proposed Target - working target

24,500,000 24,500,000

Legislative Leadership DRAFT

Principles

The list is from the House passed budget position
Agreed on House passed revenue to date
Legislative and Judicial reductions to be scaled

Revenues	Est Amount	Legislative Proposal	Comments
Healthcare Bill		944,564	redirect revenue to cover 1/2 way on premiums
Renewal of Staples Contract	125,000	125,000	Contract rebate
Restitution Fund	2,500,000	2,000,000	No back cases, no new expenditures from the fund, limit all new domestic violence expenditures to S.357, sweep fund balance
Agriculture	80,000	80,000	Small transfers from a variety of special funds
VT Veterans Home - Rate Settlements	500,000	500,000	One time Special Fund application to General Fund
Special funds balances	300,000	200,000	Level fund Petroleum Clean Up Fund expenditures.
Universal Service Fund - E911 answering	1,000,000	1,000,000	\$1.04m fund all 26 Emergency Communication Dispatchers thru E911
Universal Service Fund (reduce TF in DPS)-			\$1m swap to reduce TF pressure-
Accelerate FY10 fee bill	1,800,000	1,800,000	Secretary of State Corp fees and Securities related fees in BISCHA
Catamount Employer Assessment	350,000	already in	Index to Catamount Premium/ Healthcare CPI - assume 5% on \$7m base
Special Ed Medicaid Special Fund	1,000,000	500,000	Pay Corrections High School of VT & Other from Medicaid Special Fund
PILOT	224,000	224,000	Move Montpelier and DOC/PILOT expenditure to PILOT Special Fund
	7,879,000	7,373,564	

Judiciary and Legislative Branches

Legislature +/- 2%	200,000	200,000	
Judiciary +/- 2%	500,000	500,000	
Judiciary pay act		220,000	reduction to pay act
Judiciary eliminate duplicative Probate Courts-			Statwide examination of court system
	700,000	920,000	

Executive Branchwide

Positions:			
Savings Target 250 position reduction	1,790,838	1,790,838	6 months, House = 3 mos, Admin = 5 mos
Additional 200 positions for 6 months (477,577 x 6)	-2,865,342		How? Attrition, RIFS, Freeze, targets (example media pos, field service directors, managers, education service coordinators/consultants, other)
Media Positions		250,000	Reduction of 3-4 special/executive/principle assistant exempt positions
Salary adjustments <i>no '09 savings</i>		included	Freeze reclassifications for 1yr. - pressure reduction
Salary adjustments <i>no '09 savings</i>		included	Cap Exempts at \$60K, for Exempts below \$60K, 3.5% or up to \$28.85/hr
Operating Expenditures			
Travel reduction	973,627	973,627	25% from all travel - executive branch: GF and GF equiv Base is \$8.6m
Video production unit - in house			Contract savings by bringing production in-house.
Logo merchandise - reduce or eliminate	40,000	60,000	Reduce logo knickknacks, calendars, etc. - <u>higher estimate</u>
	5,669,807	3,074,465	

General Government & Protection

Regional Marketing Program Grants	150,000		Eliminate grant program
Regional Library - St J/Berlin	250,000		Close 2 remaining regional libraries
Tax - DII Mainframe Processing	17,750	17,750	Efficiencies in use of services
Tax -BGS Postage Costs	22,000	22,000	One less tax notification - Act 185
Finance and Management - Payroll changes	50,030	50,030	Elimination of paper employee pay advices, postage and printing
Finance and Management - 100% Direct deposit	16,777	16,777	No checks 100% direct deposited -need legislative action
Defender General - Public Defense	58,000	58,000	Software related savings - use equipment revolving fund
State's Attorneys	55,000	55,000	Increase vacancy savings
Agriculture-	22,300		Do not fund new slots in the 2+2 program
	641,857	219,557	

Human Services

Inflationary increases			
Inflationary Incr to Mental Health Designated Agencies	467,490		\$1.15 gross - Limit inflation factor to 1.25%
Inflationary Incr to Develop Serv Designated Agencies	664,398		\$1.63 gross - Limit inflation factor to 1.25%
Inflationary Incr to Substance Abuse Designated Agencies	47,102		\$115k gross - Limit inflation factor to 1.25%
Inflationary Increases to Nursing Homes	670,725	670,725	\$1.65 gross - 50% - need legislative action

Medicaid

Hospital reimbursement	1,016,250	1,016,250	\$2.5m gross - \$8m incr within budget - Funded \$8m on Medicaid Waterfall
Cross-Over Claims	934,077		\$2.3m gross - <u>reduction in claims payments</u>
Increase Home Health	81,300	81,300	\$200k gross Home Health in budget- funded \$1m on Medicaid Waterfall
VHAP/SCHIP/DrD premiums - program on expend	171,034		\$424k gross - program expenditure impact of higher premiums
VHAP/SCHIP/DrD premiums - revenue impact	773,530		\$2m gross - <u>New revenue from higher premiums</u>

Rx Co-pays	2,317,112		\$3.7 gross, new \$3-\$7/script copays in Rx programs
Medicare Part D wrap - state only	7,170,000		End all state only funded Rx programs - 8/12 of the year

Chiropractic coverage	204,573		\$503k gross - Do not reinstate coverage under Medicaid
Catamount Income disregards	1,500,000	1,750,000	Maximize Federal financial participation - Increase estimate
HC Bill - preexisting conditions & pregnancy		650,000	Fund this from tobacco trust fund in FY09

AHS Secretary's Office -Regional Partnerships	352,000	176,000	Reduce grants to local organizations used to convene meetings for discussions
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VDH - program transitions to Catamount			Review existing programs for potential transition
Health Improvement - AHEC Operations	50,000		VDH shall examine Does not backfill FY08 onetime funds
DCF - Family Services - Prevent Child Abuse	40,000		Do not backfill FY08 one-time funds
DCF - Family Services - Post Adoption Services	40,000		Do not backfill FY08 one-time funds
DCF - Family Services - Learning Together	26,000		Do not backfill FY08 one-time funds
DCF - Family Services - Teen Centers	40,000		Do not backfill FY08 one-time funds
DCF - Family Services - Kids on the block	2,000		Do not backfill FY08 one-time funds
DCF - Family Services - Mentoring	100,000		Do not backfill FY08 one-time funds
DCF - Child Dev. - Bright Futures	50,000		Do not backfill FY08 one-time funds
DCF - Child Dev. Eliminate Bright Futures Coordinators	524,000	262,000	Non-state employees who coordinate local groups for input - AHS staff can perform this function
DCF - Child Dev. -	852,658		No adjustment to eligibility scale (1999 to 2000) - Reduce subsidies for unqualified but deemed at risk -
DCF - Child Dev.	500,000	500,000	Fund w/ Caseload Reserve in FY09
DCF - QEO - microbusiness	23,000		Do not backfill FY08 onetime funds
DAIL - June Grads	305,135	457,703	\$750k gross - Budget funded 30 grads - (43% of proj need) - Fund 45 slots from Caseload reserve in FY09
DAIL Advocacy and Independent Living -Triple A's	100,000	100,000	Do not backfill FY08 onetime funds (2.5% inflation remains)
Corrections	-1,413,082		Close St Albans and send all out of state - \$5m annualized
Corrections			Administrative probation for misdemeanors
Corrections			Allow probationers to be assigned to work crews
Corrections			Transitional housing on corrections facilities grounds
Corrections			Transportation - dedicated transport unit and video conferences
	20,435,466	5,663,978	
	19,067,466	5,663,978	Adjusted for Wrap/Copay double count
Labor K-12 and Higher Ed			
Labor - Reduce Workforce Ed Training Fund programs	47,000	47,000	Reduction
Ed - Early Education program reduction	-100,000		Personnel and operating reductions
UVM	1,056,796		Level Fund to FY08 or application of Higher Ed Trust Fund
VSC	630,405		Level Fund to FY08 or application of Higher Ed Trust Fund
VSAC	478,844		Level Fund to FY08 or application of Higher Ed Trust Fund
Application from Higher Ed Trust Fund		2,266,045	value of 2.5% increase
VSC - Endowment Fund	100,000		Do not backfill FY08 onetime fds - or application of Higher Ed Trust Fd
	2,413,045	2,313,045	
ANR & ACCD			
ANR	13,500	13,500	Reduce temp services
ANR	20,000	20,000	Delay PC & Server Replacement.
ANR	10,000	10,000	Cut the Leadership Management Program
F&W	-27,000		Marketing/promo position
F&W	30,000	30,000	Reduce number of seasonal employees.
F&W	50,000	50,000	Reduce marketing and print advertisements
F&W	125,000	125,000	Delay purchase of vehicles and equipment
FPR	88,000	88,000	delay vehicle and equipment purchase
Agency of Commerce & Community Dev	750,000	500,000	4.5% reduction all GF and SF funded programs - Reductions will be specified by legislature
Quadcentennial - Lake Champlain	50,000		Do not backfill FY08 onetime funds
RDC	75,000		Do not backfill FY08 onetime funds
Energy Efficiency loans VEDA/VHFA	600,000	600,000	Reduction
Council on Arts	23,640		Level fund to FY '08
Vt Symphony	3,059		Level fund to FY '08
Humanities Council	4,640		Level fund to FY '08
VT Historical Society	30,708		Level fund to FY '08
VHCB - reduction	4,000,000	1,000,000	29% reduction from level fund - amount funded = \$10.1m
Next Generation - scholarship/workforce dev/loan repay	4,000,000	1,000,000	48.1% reduction to Next Generation FY09 initial funding target
	9,900,547	3,436,500	
Other			
Teachers retirement		1,500,000	Fund on settlement contingent
		1,500,000	
Appropriation Reductions Total	38,392,722	17,127,545	
Grand Total Revenue and Appropriations	46,271,722	24,501,109	100.0% 1,109
FY08 Waterfall -			
1) First \$2 million for transportation		2,000,000	
2) Next \$2 million equally split to level fund VHCB and fully fund Next Generation		2,000,000	
3) Next up to \$6 million for LIHEAP as needed		6,000,000	
4) Remainder to be held for budget adjustment needs		remainder for BAA	
		10,000,000	