

H. 924: FY 2019 House Budget Highlights – March 2018

<i>(in millions)</i>				House Proposed Budget			Gov Prop
	FY 2017	FY 2018	1 yr %	FY2019	1 yr %	5 yr %	1 yr %
	Final	BAA+Chgs	Growth	Budget	Growth	Growth	Growth
General Fund (GF)	\$1,539.9	\$1,555.1	1.0%	\$1,597.3	2.7%	2.9%	2.7%
All State Funds	\$2,455.2	\$2,479.5	1.0%	\$2,509.7	1.2%	2.3%	2.0%
Grand Total (unduplicated)	\$5,755.5	\$5,781.9	0.5%	\$5,844.7	1.1%	2.0%	1.7%

Overview:

- Provides a balanced budget within existing revenues: Second consecutive budget where 1 year growth rate is below five year average GF spending rate. (FY 2019: 2.7% below 2.9%). All State funds spending of 1.2% is below the FY 2018 forecasted Gross State Product rate of 3.7% and below the Governor’s growth rate target 2.36%.
- Reduces reliance on one time funding in several ways:
 - Reduces reliance on Global Commitment GF carryforward from \$2.75 million to \$1.5 million.
 - Begins smoothing Financial Regulation funds, reserves \$2m (plus FY19 upgrades) for FY 2020 to level the even-year dip.
 - Protects and strengthens GF reserves: Statutory 5% reserves full; Barring current year revenue decline, brings Rainy Day Fund from \$12.5M to \$14.5M (plus any FY18 surplus); Caseload Reserve level is at \$100.4M; and the 27/53rd reserve at \$12.5M.
 - FY2019 reserves in total are projected to be \$205M this approximately 11% of the combined spending in the GF and State Health Care Resources Fund.
- Adds \$10M from tobacco settlement funds to the teachers’ retirement fund to help address the longstanding unfunded pension liability.
- Fully funds the GF transfer to the Education Fund.

Key actions and funding for vulnerable Vermonters

- **Primary Care**
 - Fully restore tuition loan repayment funding to attract primary care providers to Vermont
 - Restores 1/2 of the primary care case management payment proposed for elimination by the administration.
- **Substance Use Disorders/Mental Health**
 - Sets up a new Substance Use Disorder Response Fund using \$14M from one time Tobacco Settlement funds to be used over the next four years for a variety of programming needs.

- Adds funding for community based initiatives; creates additional supported housing; and expands the peer warm line to 24/7 to reduce emergency room use.
- **Economic Support and Child Care**
 - Fully funds keeping the subsidy current with FPL income levels, maintains new grant program for providers with high percentage of infants and toddlers and subsidy clients.
 - Adds funding for Individual Development Accounts (IDAs).
 - Requires a calculation of the value of the parent child center network services and requires a report on the Reach Up ratable reduction for legislative review next year.
- **Aging and Disabilities**
 - Fully funds the developmental disabilities services caseload projected need by adding \$4.33M (\$2M GF).
 - Choices for Care: Provides 2% increase for home health across all services and a 2% increase for Area Agencies on Aging and Adult Day Centers through Choices for Care.
 - Restores funding for attendant care for severely disabled individuals with transition of beneficiaries to alternate service programs where appropriate.
- **Other Government Operations**
 - Makes investments in the Justice System.
 - Funds Climate Commission initiatives: wood stove replacement, energy efficiency in state buildings, acceleration of weatherization programs, a de-carbonization mechanisms study, and electrification initiatives.
- **Economic Development**
 - Allows Treasurer to utilize \$5M revolving state funds to expand weatherization activities statewide.
 - Uses one time funds to increase Working Lands Program funding to \$700k from proposed level of \$594k.
 - Funds the Vermont graduate placement and Small Business Recruitment initiative in the H.919.
 - Funds the Think Vermont initiative in H.767.
 - Adds state marketing funds in the base of the Dept. of Economic Development.
 - Adds funds for Micro-Business development support.
- **Higher Education**
 - Funds expanded National Guard Vermont public college and university tuition benefit.
 - Provides the final payment of \$350k for the unification of Johnson and Lyndon State colleges in Northern Vermont University.
 - Provides one-time funding to higher education institutions: \$1M to the Vermont State Colleges and \$500k to UVM.