

JOINT FISCAL OFFICE SUMMARY
June 7, 2018
PRELIMINARY REVIEW

Vermont Constitution – Chapter II, Sec. 27 [Drawing Money from Treasury]
“No money shall be drawn out of the Treasury, unless first appropriated by act of legislation.”

If There Is No Budget In Place On July 1

1. Debt service will be paid per statute – 32 V.S.A. § 902(b).
2. The Emergency Board, made up of the money chairs and the Governor, has limited authority to make expenditures or transfer funds under 32 V.S.A. § 133. Outside of the Emergency Board, the Executive Branch can only transfer \$50k across budget lines within an agency, department, or other unit of State government. The Emergency Board has broad transfer authority and could redirect these funds.
3. The FY 2019 Pay Act (Act 191) funds salary increases and associated costs included in the negotiated contract and for exempt employees. If there is no budget on July 1, the Pay Act funds might be available to support on-going operations of the State with E-Board approval. However, the amount of these funds is very limited.
4. Carryforward authority allows unspent funds from prior years to be used in FY 2019, upon approval of the Secretary of Administration, per Sec. 42 of Act 87 of 2018 (the Budget Adjustment). This carryforward spending authority, and any authority to approve grants and excess receipts, could be used to cover some expenses, but is limited to its original purpose.
5. The Judiciary and the Legislature have their own carryforward and Pay Act. This would provide funding for a very limited time period.
6. When funds and spending authority run out there would be no money to support government operations, including payments to program providers, beneficiaries, contractors, and other entities that receive state funding.
7. Pursuant to Chapter II, Section 27 of the Vermont Constitution, if there is no appropriation there would be no authority to spend funds. This includes general, transportation, federal, and other special funds.