

Vermont Clean Water Board Special Meeting Agenda

Date/Time: Monday, April 19, 2021 4:00-4:50 pm

Location: [Microsoft Teams Meeting](#) – Meeting will be recorded and [posted online](#)

Details and supporting materials available at: <https://dec.vermont.gov/water-investment/cwi/board/meetings>

1. **Welcome** **4:00–4:05 pm**
Susanne Young, Secretary of Administration and Clean Water Board Chair
 - a. Welcome and review agenda

2. **Review [H. 439, An act relating to making appropriations for the support of government](#), as passed the House on March 26, 2021** **4:05–4:25 pm**
Julie Moore, Secretary of Natural Resources
Susanne Young, Secretary of Administration

Topic: removal of Ways & Means tax as a dedicated annual source of general fund revenue to the Clean Water Fund for FY22-FY26 (section excerpted in attachment)
 - a. History and purpose of dedicated source of general fund revenue
 - b. Impact on FY22 budget and projects
 - c. Overview of American Rescue Plan water/sewer proposals for awareness (legislature/administration)
 - d. Administration Response

3. **Questions/Discussion/Possible Action** **4:25–4:40 pm**
Full Board

4. **Public Comment** **4:40 pm**

5. **Adjourn** **4:50 pm**

Supporting Materials:

1. Appropriations Bill (H.439) Excerpt Annotated

| | |
|-----------------------|------------------|
| General fund | 81,032,078 |
| Transportation fund | 521,606 |
| ARRA funds | 481,460 |
| TIB debt service fund | <u>2,505,863</u> |
| Total | 84,541,007 |

Sec. B.1001 Total debt service

Source of funds

| | |
|-----------------------|------------------|
| General fund | 81,032,078 |
| Transportation fund | 521,606 |
| ARRA funds | 481,460 |
| TIB debt service fund | <u>2,505,863</u> |
| Total | 84,541,007 |

Sec. B.1100 VERMONT'S FUTURE – RESERVATION AND

ALLOCATION OF AMERICAN RESCUE PLAN ACT –

CORONAVIRUS STATE FISCAL RECOVERY FUNDS

(a) To respond to the health emergency and make investments in a Vermont COVID-19 recovery plan to support Vermonters' lifelong well-being, vibrant local communities, the Vermont economy, and the infrastructure of the State, the following reservations and allocations are made from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund. These

allocations shall guide appropriation of these funds in the 2021 legislative session and in subsequent sessions.

(1) \$250,000,000 for investments in the health and well-being of families and small businesses to create an equitable, resilient Vermont;

(2) \$150,000,000 for increasing broadband access statewide;

(3) \$100,000,000 for the Clean Water Fund for eligible expenditures on necessary investments in water and sewer infrastructure;

(4) \$100,000,000 for State information technology systems to purchase and upgrade technology platforms, systems, and cybersecurity services used by agencies and departments to carry out their statutory functions to increase Vermonters' online access and to improve functions and operations of Vermont's government;

(5) \$50,000,000 to address COVID-19's negative economic impacts through workforce training and development; and

(6) the remainder of funds, outside of these allocations and not appropriated in the 2021 legislation session, shall be reserved for appropriation and allocation on eligible expenditures in the 2022 legislative session.

Sec. B.1101 APPROPRIATION OF AMERICAN RESCUE PLAN ACT

FUNDS FOR TECHNOLOGY MODERNIZATION

(a) In fiscal year 2022, and to be carried forward as needed, \$61,913,000 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State

Reserves \$100M
of American
Rescue Plan Act
funds for Water/
Sewer Investment

Sec. D.103 AMERICAN RESCUE PLAN ACT OF 2021 – CORONAVIRUS

STATE FISCAL RECOVERY FUND TRANSFERS

(a) In fiscal year 2022, the following transfers are made from the American Rescue Plan Act (ARPA) of 2021 - Coronavirus State Fiscal Recovery Fund to the funds specified. These transfers are made as a result of insufficient revenue being collected during the course of the coronavirus pandemic to maintain the services provided by these funds

| | |
|---|--------------------|
| <u>(1) to Fund 21270, the Forest Parks Revolving Fund:</u> | <u>\$2,050,000</u> |
| <u>(2) to Fund 21260, the Act 250 Permit Fund:</u> | <u>\$1,000,000</u> |
| <u>(3) to Fund 21901, the Fire Prevention Special Fund:</u> | <u>\$500,000</u> |
| <u>(4) to Fund 21145, the Victims Compensation Fund:</u> | <u>\$1,190,000</u> |

(b) In fiscal year 2022, the following transfers are made from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund to the funds specified. All expenditures of funds made as a result of these transfer shall be consistent with federal guidance and requirements that pertain to these ARPA monies in response to the coronavirus pandemic.

| | |
|--|---------------------|
| <u>(1) To the Brownfields Revitalization Fund established by 10 V.S.A. § 6654:</u> | <u>\$11,000,000</u> |
| <u>(2) To the Clean Energy Development Fund (21991) established by 30 V.S.A. § 8015. Funding of proposed projects are subject to review by the Joint Energy Committee.</u> | <u>\$10,000,000</u> |

(3) To Fund 21575, the Downtown Transportation and Related Capital Improvement established by 24 V.S.A. § 2796: \$1,500,000

(c) In fiscal year 2022, \$100,000,000 is transferred to the Clean Water Fund established in 10 V.S.A. § 1388 from the funds provided to the State by the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund for authorized expenditures on necessary investment in water and sewer infrastructure and are within the reservation and allocation target established in Sec. B.1100 of this act. Funds transferred under this section shall remain in the Clean Water Fund for expenditure, subject to appropriation, for the time period allowed by federal law for the Coronavirus State Fiscal Recovery Fund.

Transfers
\$100M into the
Clean Water
Fund for water
and sewer
infrastructure
investment

Sec. D.104 FISCAL YEAR 2022; GLOBAL COMMITMENT PROGRAM

GENERAL FUND REVERSION

(a) In fiscal year 2022, the amount of \$66,000,000 shall be reverted to the General Fund from the general funds appropriated in Sec. B. 301 of this act for the Global Commitment program.

Sec. D.105 FISCAL YEAR 2022; GENERAL FUND TEMPORARY

RESERVE

(a) In fiscal year 2022, \$38,000,000 of General Fund is reserved for legislative allocation to existing General Fund reserves or appropriation for budget adjustment, including offsets that may be required due to federal relief fund guidance.

the position cap with the goal of maximizing resources to the greatest benefit of Vermont taxpayers.

* * *

(7) This Pilot shall sunset on ~~July 1, 2021~~ July 1, 2023, unless extended or modified by the General Assembly.

Sec. E.100.2 10 V.S.A. § 1388 is amended to read:

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the Clean Water Fund to be administered by the Secretary of Administration. The Fund shall consist of:

(1) revenues from the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a;

(2) other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration;

(3) the unclaimed beverage container deposits (escheats) remitted to the State under chapter 53 of this title; and

~~(4) six percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225; and~~

~~(5)~~(4) other revenues dedicated for deposit into the Fund by the General Assembly.

Repeals the
Meals and
Rooms Tax
from the
Clean Water
Fund
(Effective
July 1, 2021)

(b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5, unexpended balances and any earnings shall remain in the Fund from year to year.

Sec. E.100.3 32 V.S.A. § 435 is amended to read:

§ 435. GENERAL FUND

(a) There is established the General Fund that shall be the basic operating fund of the State. The General Fund shall be used to finance all expenditures for which no special revenues have otherwise been provided by law.

(b) The General Fund shall be composed of revenues from the following sources:

* * *

(7) ~~69~~ 75 percent of the meals and rooms taxes levied pursuant to chapter 225 of this title;

* * *

Sec. E.100.4 10 V.S.A. § 1388 is amended to read:

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the Clean Water Fund to be administered by the Secretary of Administration. The Fund shall consist of:

(1) revenues from the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a;

Increases the Amount of Meals & Rooms Tax going to the General Fund (Effective July 1, 2021)

(2) other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration;

(3) the unclaimed beverage container deposits (escheats) remitted to the State under chapter 53 of this title; and

(4) six percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225; and

~~(4)~~(5) other revenues dedicated for deposit into the Fund by the General Assembly.

(b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5, unexpended balances and any earnings shall remain in the Fund from year to year.

Sec. E.100.5 32 V.S.A. § 435 is amended to read:

§ 435. GENERAL FUND

(a) There is established the General Fund that shall be the basic operating fund of the State. The General Fund shall be used to finance all expenditures for which no special revenues have otherwise been provided by law.

(b) The General Fund shall be composed of revenues from the following sources:

* * *

Returns 6%
of the Meals
and Rooms
Tax to the
Clean water
fund
(effective
date
7/1/2026)

Reduces the
Meals and
Rooms Tax
going to the
General
Fund by 6%
(effective
date
7/1/2026)

(7) ~~75~~ 69 percent of the meals and rooms taxes levied pursuant to
chapter 225 of this title;

* * *

Sec. E. 100.6 DEPARTMENT OF FISH AND WILDLIFE AND LIQUOR
AND LOTTERY BODY-WORN CAMERA POLICY AND
DEPLOYMENT

The Departments of Fish and Wildlife and of Liquor Control shall only deploy the use of body cameras after appropriate training of staff and the adoptions of policies on use and retention of records. The departments shall identify the ongoing cost and funding source for training, data storage and redaction and report these findings to the Joint Fiscal and the Joint Justice Oversight Committees on or before September 15, 2021. There shall be no requirement for these departments to purchase or maintain body cameras without full funding being provided. The Secretary of Administration shall provide a report to the House and Senate Committees on Appropriations and on Government Operations on or before February 15, 2022 on the status of use of body cameras in these departments.

Sec. E.103 12 V.S.A. 5601(f) is amended to read:

(f) The limitations in subsection (e) of this section do not apply to claims against the State of Vermont to the extent that there exists coverage under a

not otherwise receive a salary increase in fiscal year 2021, a one-time cash payment equivalent to the value of a 1.9 percent increase on their fiscal year 2020 salary.

(b) The Judicial Branch is authorized to provide judicial officers whose salaries are set pursuant to 32 V.S.A. §§ 1003, 1141–1142, who did not otherwise receive a salary increase in fiscal year 2021, a one-time cash payment equivalent to the value of a 1.9 percent increase on their fiscal year 2020 salary.

* * * Effective Dates * * *

Sec. G.100 EFFECTIVE DATES

(a) Secs. C.100 through C.106 (Fiscal Year 2021 adjustments) and Sec. F.112 (Judiciary onetime payments authorized) shall take effect upon passage.

(b) Secs. E. 100.2 (Clean Water Fund) and E.100.3 (General Fund) shall take effect July 1, 2021.

(c) Secs. E.100.4 (reversion of rooms and meals to Clean Water Fund,) and E.100.5 (removal of rooms and meals tax from General Fund), shall take effect on July 1, 2026.

(d) All remaining sections shall take effect on July 1, 2021.

Effective Dates
for the Meals
and Rooms tax
Change