

## MEMORANDUM

**TO:** Joint Fiscal Committee  
**FROM:** Jim Reardon, Commissioner of Finance & Management  
**DATE:** October 16, 2015  
**RE:** Excess Receipts Report – 32 VSA Sec 511

In accordance with 32 VSA Sec 511, please find attached the report on Excess Receipts approved for expenditure during the first quarter of FY 2016 (7/1/2015 through 9/30/15). The full text of the governing statute is provided at the end of this memo.

### Review Process

The Administration goes through an extensive application and approval process for allowing expenditure of excess receipts. The form required of departments can be found at: [http://finance.vermont.gov/sites/finance/files/pdf/forms/budget/Excess\\_Receipts\\_Form.doc](http://finance.vermont.gov/sites/finance/files/pdf/forms/budget/Excess_Receipts_Form.doc) (at <http://finance.vermont.gov/forms> under the “Budget” category). The form requires information to ensure that the approval does not overstep statutory guidelines. Requests that overstep the statutory guidelines are denied, and/or where appropriate are held for the legislative budget process.

Departments are required to provide written answers to the following questions (although only the response to the first question is entered into the VISION database):

- Reason funds are available?
- Do you anticipate additional funds from the same source available in this fiscal year and above current appropriation?
- Is this increase one-time or at an ongoing level?
- Why were funds not fully budgeted during budget development?
  - What is the current year appropriation or grant amount approved by the Joint Fiscal Committee for this fiscal year, from this source of funds for this purpose?
- If these are ongoing funds, will funds from this source be fully budgeted and appropriated next fiscal year?
- Were excess receipts requested from this source in the preceding two fiscal years? If so, explain why they were not budgeted?
- Are these excess receipts being received from another department (i.e., interdepartmental transfers)? If so, are they appropriated in that department or will excess receipts be required there as well?



- Relationship, if any, to the Budget Adjustment Act?
- Can excess receipts be used to reduce the expenditure of State funds?
- **Will excess receipts establish or increase the scope of a program, committing the State at any time to expend State funds?** [The form notes that in such instances, legislative approval is required.]
- What specifically will excess receipts be used for? What is the impact on programs if this excess receipt request is not approved?
- Are any of the excess receipts to be used for your department's administrative, staff or operating expenses? If so, explain.
- Is there any matching fund requirement due to excess receipts? If so, where is the match found in your budget?
- If excess receipts are earned federal receipts, is excess receipt being spent in the same (federal) program where the excess receipts are earned? If not, explain.
- Has the excess receipt been received and deposited? If no, what date are funds expected?
- If approved, when will the expenditure of this excess receipt first occur?

The VISION entry normally includes only the response to the first question – why are additional receipts available? However, for any individual Excess Receipt Request, we can provide the full paper copy of the form, listing all the department's responses.

### **Broad Categories of Excess Receipt Requests**

Requests for expenditure of excess receipts generally fall into several broad categories:

**Interdepartmental Transfers:** It is not uncommon for one State department (“Department A”) to purchase services from another State department (“Department B”). In that instance, Department A budgets these expenditures just as they would any other type of expenditure: by type of expenditure and by the source of revenue that will fund these expenditures. Department B also budgets these expenditures, and identifies the source of revenue as “interdepartmental transfers.” This process results in a small amount of “double-booking” of spending authority but ensures that both departments have the necessary spending authority. In many cases, at the time of budget development, Department A has not yet decided from where to purchase the services in question, so Department B does not budget the interdepartmental transfer revenues. When Department A moves forward to contract for services with Department B after the budget has closed, then Department B must request an Excess Receipts approval for the additional spending authority to perform the services.

**Federal Funds:** Departments estimate their likely federal receipts in the fall for the upcoming budget year, meaning the estimate is as much as nine-months old at the start of the budget year, and another 12 months older by the end of the budgeted fiscal year. As a result, more recent developments may mean that the budgeted federal spending authority is insufficient, either because the current federal award for an existing grant has been increased, or there is spending authority from grants from earlier federal fiscal years that can be used in the current year. Additionally, extraordinary events – such as the federal American Recovery and Reinvestment Act (ARRA) or federal aid to Vermont due to Tropical Storm Irene – may cause large – and unanticipated -- spikes in federal receipts.

**Other:** There are over 200 different special funds created under State law, in which are deposited fees, user charges, penalties, specified taxes, etc. Departments estimate how much they will collect each year for each of these special funds, and base their spending plans accordingly. However, for the same reasons noted above, the actual collections for these revenues may be higher than the original budget. Excess receipts may also be used in an instance where prior-year special fund spending authority was not utilized and needs to be created again in the subsequent year (similar to a carry-forward). It should be noted that in addition to the restrictions in the excess receipts statute, each special fund has its own statutory restrictions that prevent the funds being used for other than their intended purposes and programs.

**Attached Report:**

The attached report is a cumulative list of approved excess receipt requests for the current fiscal year. It includes ALL the data entered in VISION for that transaction, including:

- Agency/Department name
- Appropriation name and “DeptID”
- Transaction date
- Fund source – name and fund number
- Amount
- Comments in response to question: “Why are funds available?” (VISION allows for a limited number of characters per cell entry.)

The data are sorted into the three broad categories of requests discussed above.

**Governing Statute:**

**32 V.S.A. § 511. EXCESS RECEIPTS**

*If any receipts including federal receipts exceed the appropriated amounts, the receipts may be allocated and expended on the approval of the commissioner of finance and management. If, however, the expenditure of those receipts will establish or increase the scope of the program, which establishment or increase will at any time commit the state to the expenditure of state funds, they may only be expended upon the approval of the legislature. Excess federal receipts, whenever possible, shall be utilized to reduce the expenditure of state funds. The commissioner of finance and management shall report to the joint fiscal committee quarterly with a cumulative list and explanation of the allocation and expenditure of such excess receipts.*

**FY 2016 Excess Receipts Report - Q1 Cumulative - Run 10-15-2015**

VT_EXCESS_RECEIPT_RPT							
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Agency/Dept Name	Appropriation Name	Appropriation Deptid	Date	Fund	Fund Name	Amount	Comments
<b>Federal Funds (including "Regular" ARRA) Excess Receipts:</b>							
Commerce & Community Dev Agency	Administration Division	7100000000	8/31/2015	22005	Federal Revenue Fund	108,933.00	Carryforward from FY15 for unspent Northern Borders Regional Commission Grant
Forests, Parks & Recreation	Lands Administration	6130040000	7/31/2015	22005	Federal Revenue Fund	1,900,000.00	from Forest Legacy Program for acquisition of Molly's Falls Pond, 5 Peaks, and Dowsville
Public Service Department	Regulation & Energy Efficiency	2240000000	8/26/2015	22005	Federal Revenue Fund	1,023,000.00	Will be used to support prior Federal Grants awarded to VTA which no longer exists; all assets revenues and obligations are assumed by the Public Service Dept
Agriculture, Food&Mrkts Agency	Food Safety/Consumer Assurance	2200020000	8/10/2015	22005	Federal Revenue Fund	80,683.14	Remaining grant funding from the FDA approved in JFO #2710 dated 11/13/14
Public Service Department	Regulation & Energy Efficiency	2240000000	7/28/2015	22040	ARRA Federal Fund	455,167.42	ARRA dollars contracted to VEIC were returned to the department.
Public Service Department	Regulation & Energy Efficiency	2240000000	7/28/2015	22041	ARRA-SEP-Revolving Loan	1,100,000.00	ARRA revolving loan program, started in 2011
<b>Subtotal Federal Funds (Including "Regular" ARRA) Excess Receipts</b>						<b>4,667,783.56</b>	
<b>Interdepartmental Transfer Excess Receipts</b>							
Transportation Agency	Maintenance & Ops Bureau	8100002000	8/26/2015	21500	Inter-Unit Transfers Fund	100,904.00	Funds are available from Disaster - FEMA - 4207-VR-VT
Transportation Agency	Maintenance & Ops Bureau	8100002000	8/10/2015	21500	Inter-Unit Transfers Fund	103,859.07	Funds are available from an MOU between AOT and DPS.
Transportation Agency	Policy and Planning	8100002200	8/10/2015	21500	Inter-Unit Transfers Fund	20,000.00	Funds are available from an MOU between VTRANS and VDHCD acting through ACCD and represent VDHCD's commitment to the Strong Communities, Better Connections Program Grant.
Transportation Agency	Rail	8100002300	8/3/2015	21500	Inter-Unit Transfers Fund	500,000.00	Funds available from FEMA disasters DR 4140 & DR 4178.
Transportation Agency	Maintenance & Ops Bureau	8100002000	7/31/2015	21500	Inter-Unit Transfers Fund	250,958.42	available from Disaster FEMA-4163-DR-VT received via MOU/grant agreement from Division of Emergency management and Homeland security
Tourism & Marketing	Dept. of Tourism & Marketing	7130000000	8/31/2015	21500	Inter-Unit Transfers Fund	200,000.00	Act 51, 2015 session Sec.G.10(a)(3) economic development marketing
Commerce & Community Dev Agency	Administration Division	7100000000	8/31/2015	21500	Inter-Unit Transfers Fund	100,000.00	Act 51, 2015 session Sec.G.10(a)(2) Quebec Initiative
Forests, Parks & Recreation	Lands Administration	6130040000	8/10/2015	21500	Inter-Unit Transfers Fund	50,000.00	VHCD provides funding for long-range management projects, in addition completion of past year projects is anticipated to occur in 2016
Forests, Parks & Recreation	Forestry	6130020000	7/31/2015	21500	Inter-Unit Transfers Fund	100,000.00	funds available from F&W through NRCS grant funding
Forests, Parks & Recreation	Administration	6130010000	7/31/2015	21500	Inter-Unit Transfers Fund	300,000.00	Fema disaster funds received from VTRANS - spring 2012, Irene, summer 2013
Children and Families	DCFS - LIHEAP	3440090000	8/31/2015	21500	Inter-Unit Transfers Fund	3,840,000.00	One-Time appropriated GF Waterfall funds set aside for LIHEAP benefits and administration; 03440891501. [Act 58 Sec. C.108(1)]
Children and Families	DCFS Admin & Support Services	3440010000	8/31/2015	21500	Inter-Unit Transfers Fund	1,160,000.00	One-Time appropriated GF Waterfall funds set aside for LIHEAP benefits and administration; 03440891501. [Act 58 Sec. C.108(1)]
Agriculture, Food&Mrkts Agency	Ag Development Division	2200030000	8/10/2015	21500	Inter-Unit Transfers Fund	7,000.00	MOU with the Agency of Commerce & Community Development
Attorney General's Office	Attorney General's Office	2100001000	7/14/2015	21500	Inter-Unit Transfers Fund	100,000.00	Funds are available per H.490 (Act 58), Sec. E.139(a)
Buildings & Gen Serv-Capital	BGS - Various Proj 51/2(b)	1305100022	7/21/2015	21500	Inter-Unit Transfers Fund	5,433,185.30	Replenish spending authority as of 6/30/15
Buildings & Gen Serv-Capital	Judiciary ADA Compliance 15	1502600051	7/21/2015	21500	Inter-Unit Transfers Fund	4,974,831.00	Acts of 2015 Capital Bill Sec. 5(b)(3) Money for Lamoille County Courthouse building renovations appropriate to Judiciary. BGS is managing the construction of this project.
<b>Subtotal Interdepartmental Transfers</b>						<b>17,240,737.79</b>	
<b>Special Fund Excess Receipts:</b>							
Commerce & Community Dev Agency	Administration Division	7100000000	7/14/2015	21328	Vt Center for Geographic Infor	66,520.00	Unspent FY15 funds originating from the transfer of VCGL, Inc to ACCD

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VT_EXCESS_RECEIPT_RPT		46					
Agency/Dept Name	Appropriation Name	Appropriation Depltd	Date	Fund	Fund Name	Amount	Comments
Attorney General's Office	Attorney General's Office	2100001000	7/14/2015	21372	AG-Tobacco Settlement	97,000.00	Receipts available from attorney fees collected pursuant to the original Tobacco Settlement or other specific and approved settlements and are used for one-time infrastructure or other special needs costs of the
Forests, Parks & Recreation	Administration	6130010000	7/31/2015	21440	All Terrain Vehicles	155,000.00	funds are available from ATV fines and registrations
Environmental Conservation	Water Programs Appropriaion	6140040000	8/10/2015	21475	Natural Resources Mgmnt	180,000.00	Received additional funds to continue on-going projects for another
Forests, Parks & Recreation	Forestry	6130020000	7/31/2015	21525	Conference Fees & Donations	8,766.00	finds available from Project Learning Tree workshop fees and grants and Urban Community Forestry workshop fees and misc grants and donations including Arbor Day donations
Forests, Parks & Recreation	Administration	6130010000	7/31/2015	21525	Conference Fees & Donations	11,391.00	finds available from Project Learning Tree workshop fees and grants and Urban Community Forestry workshop fees and misc grants and donations including Arbor Day donations
Forests, Parks & Recreation	Administration	6130010000	7/31/2015	21550	Lands and Facilities Trust Fd	150,000.00	funds available from license, special use permit and timber sales
Public Safety	DPS-Emergency Management	2140030000	7/28/2015	21555	Emergency Relief & Assist Fd	195,000.00	This funding is granted to locals for completing Public Assistance
Forests, Parks & Recreation	Forestry	6130020000	7/31/2015	21584	Surplus Property	2,067.10	available from proceeds received from the sale of assets
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	1150400000	8/31/2015	21603	Motorist Aid Refreshment Prog	180,000.00	Funds from motorists paid at Info Centers as donations for coffee. Funds to be used to offset the cost of coffee as well as the costs associated with running the Info Centers.
Buildings & Gen Serv-Gov'tal	BGS- Recycling Efforts	1150060000	8/31/2015	21604	BGS-Recycling Efforts	20,000.00	Funds are collected from the disposition of recycling materials. The proceeds are deposited into the fund and can be used for recycling efforts statewide.
Buildings & Gen Serv-Capital	BGS-Various Property Sales	0904300250	7/21/2015	21613	BGS-Sale of State Land	9,403.51	Sale of Misc properties marketing expenses. Replenish spending authority from 6/30/15
Buildings & Gen Serv-Capital	VT Expo major Maint 51/14(a)	1305100141	7/21/2015	21682	AF&M-Eastern States Building	78,488.32	Replenish spending authority as of 6/30/15
Forests, Parks & Recreation	Vt Youth Conservation Corps	6130080000	7/31/2015	21779	FPR-Youth Conservation Corps	300,000.00	cash assistance MOA between VYCC and FPR
Environmental Conservation	Water Programs Appropriaion	6140040000	8/10/2015	21786	Streamgauging Fees	42,235.00	Received additional funds to continue on-going projects for another
Human Services Agency	Develop Disabilities Council	3400009000	7/30/2015	21870	Misc Special Revenue	2,000.00	This specially-funded donation will help defray expenses for the Vt Leadership Series trainings taking place during SFY15.
Public Service Department	Regulation & Energy Efficiency	2240000000	7/8/2015	21899	Connectivity Fund	4,114,729.50	Funds to support VTA transferred cash balances, current and future contract obligations, and operational costs.
Judiciary	Judiciary Appropriation	2120000000	8/31/2015	21908	Misc Grants Fund	50,000.00	Unspent in FY15
Attorney General's Office	Court Diversion	2100002000	7/14/2015	21908	Misc Grants Fund	65,700.00	Funds are available from a Reclaiming Futures grant from Portland State University to improve the juvenile justice system in VT.
Health	Public Health Appropriation	3420021000	8/31/2015	21912	Evidence-Based Educ & Advertis	164,550.00	Annual receipts for special fund 21912 are greater than appropriations from the fund.
Children and Families	DCFS Admin & Support Services	3440010000	8/31/2015	21965	Animal Spay/Neutering Fund	80,000.00	Funds for Vermont Spaying & Neutering Program (VSNIP) that DCF acquired from Agriculture in SFY12 per Act 57 (S.0074).
Economic Development	STEM Incentive	7120891502	7/14/2015	21992	Next Generation Initiative Fnd	121,500.00	Carry Forward from FY2014 and FY2015
Economic Development	STEM Incentive 14	7120891402	7/14/2015	21992	Next Generation Initiative Fnd	14,100.00	Carry Forward from FY2014 and FY2015
Transportation Agency-Prop	Central Garage	8110000200	7/31/2015	57100	Highway Garage Fund	166,020.73	unexpended balance int he equipment replacement account at the end of FY14
<b>Subtotal Special Fund Excess Receipts</b>						<b>6,274,471</b>	
<b>TOTAL:</b>						<b>28,182,993</b>	