

## Supplemental BAA Language

### **Sec. X1.** FISCAL YEAR 2019 ONE-TIME APPROPRIATIONS FROM THE GENERAL FUND

(a) Department of Public Safety: \$1,500,000 for School Safety Grants.

(b) Agency of Digital Services:

(1) \$1,800,000 to be apportioned as follows:

(A) \$1,300,000 for firewalls;

(B) \$500,000 to invest in hardware for the data storage of State devices

(c) Department of Health: \$1,300,000 to establish a program to test for lead content in schools' drinking water.

(d) State Treasurer: \$22,200,000 to repay-in-full to the General Fund the Retired Teachers' Health and Medical Benefits Fund interfund loan obligation authorized by 16 V.S.A. § 1944b(e).

(e) \$3,293,817 to the Treasurer as an additional contribution, above the Actuarily Determined Employer Contribution, to the Vermont Teachers' Retirement Fund, established pursuant to 16 V.S.A. § 1944. This amount reflects the VSTRS board of Trustees' request for fiscal year 2020. It shall be paid in fiscal year 2019.

**EXPLANATION:** One-time appropriations for fiscal year 2019 to strengthen Vermont's digital infrastructure, to protect Vermont's children, and to forgive the Retired Teachers' Health and Medical Benefits Fund interfund loan obligation to the General Fund.

**Sec. X2.** 2017 Acts and Resolves No. 84, as amended by 2018 Act and Resolves No. 190, Sec. 26, is further amended to read:

(a) Creation. There is created the School Safety and Security Capital Grant Program to be administered by the Department of Public Safety to enhance safety and security in Vermont schools, as defined in 16 V.S.A. § 3447 and in approved independent schools, as defined in 16 V.S.A. Sec. 11(a)(20). The amount appropriated in Sec. X.1(a) of this act shall be used to fund this Program.

**EXPLANATION:** Necessary statutory change to allow the one-time appropriation in Sec. X1(a) of this Act to include approved independent schools.

**Sec. X3.** 32 V.S.A. § 308c is amended to read:

(a) There is hereby created within the General Fund a General Fund Balance Reserve, also known as the "Rainy Day Reserve." After satisfying the requirements of section 308 of this title, and after other reserve requirements have been met, any remaining unreserved and undesignated

end of fiscal year General Fund surplus shall be reserved in the General Fund Balance Reserve. The General Fund Balance Reserve shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year without legislative authorization.

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(3) Of the funds that would otherwise be reserved in the General Fund Balance Reserve under this subsection, 50 percent of any such funds shall be reserved as necessary and transferred from the General Fund to the Vermont State Employees' Post-Employment Benefits Trust Fund established by 3 V.S.A. Sec. 479a. ~~Retired Teachers' Health and Medical Benefits Fund established by 16 V.S.A. § 1944b to reduce any outstanding balance of any interfund loan authorized by the State Treasurer from the General Fund. Upon joint determination by the Commissioner of Finance and Management and the State Treasurer that there is no longer any outstanding balance, no further transfers in accordance with this subdivision shall occur.~~

**EXPLANATION:** Language modified to reflect payment-in-full of OPEB interfund loan and to make additional contributions to the VSERS OPEB fund.

**Sec. X4** 16 V.S.A. § 1944b is amended to read:

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(d) Interest earned shall remain in the Benefits Fund, and all balances remaining at the end of a fiscal year shall be carried over to the following year; ~~provided, however, that any amounts received in repayment of interfund loans established under subsection (e) of this section may be reinvested by the State Treasurer.~~

~~(e)(1) Notwithstanding any provision to the contrary, the State Treasurer is authorized to use interfund loans from the General Fund for payment into the Benefits Fund, which monies shall be identified exclusively for the purposes of payments of retired teacher health and medical benefits pursuant to this section. Any monies borrowed through an interfund loan pursuant to this section shall be paid from monies in the Benefits Fund or from other funds legally available for this purpose. It is the intent of the General Assembly to appropriate sufficient General Fund revenue, after consideration of all other revenue and disbursements, such that the interfund loan shall be paid in full on or before June 30, 2023. The Governor shall include in the annual budget request an amount sufficient to repay any interfund borrowing according to a schedule developed by the State Treasurer. The State Treasurer shall pay the interest and principal as due in accordance with authority granted under 32 V.S.A. § 902(b). The State Treasurer shall assess a~~

rate of interest on the outstanding balance of the interfund loan comparable to the rate paid by private depositories of the State's monies, or to the yield available on investments made pursuant to 32 V.S.A. § 433. No interfund loans made under this authority shall, in the aggregate, exceed \$28,500,000.00. [REPEALED]

(2) For the purposes of this chapter, calculation of the interfund loan limit shall include long-term receivables and payables but shall not include accruals for federal reimbursement of employer group waiver plan receivables pursuant to subdivision 1944b(b)(1) of this title, receivables due from local school systems pursuant to section 1944d of this title, or any short-term accruals. [REPEALED]

(f) (c) It is the intent of the General Assembly to appropriate the required contributions necessary to pay retired teacher health and medical benefits by combining annual increases in base appropriations, but not from the Education Fund, and surplus revenues as they become available, so that the full cost of retired teacher health and medical benefits payments shall be met in base appropriations by fiscal year 2023. To the extent that other revenue sources are identified, the General Fund obligation shall not be reduced, until all annual disbursements to repay the interfund loan in subsection (e) of this section are satisfied. Contributions to the Benefits Fund shall be irrevocable and it shall be impossible at any time prior to the satisfaction of all liabilities, with respect to employees and their beneficiaries, for any part of the corpus or income of the Benefits Fund to be used for, or diverted to, purposes other than the payment of retiree postemployment benefits to members and their beneficiaries and reasonable expenses of administering the Benefits Fund and related benefit plans.

(g) The Treasurer shall report on the status of the interfund loan balance allowed under this section as part of the annual budget presentation to the General Assembly. [REPEALED]

**EXPLANATION:** Statutory change retiring the Retired Teachers' Health and Medical Benefits Fund interfund loan obligation to the General Fund.

**Sec. X5. EFFECTIVE DATES**

(a) Sections X1 through X4, and this section shall take effect on passage.