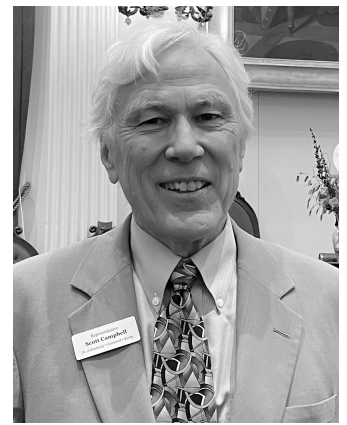


Representative Scott Campbell St. Johnsbury, Concord, Kirby Legislative Report Town Meeting March 2024



REP. CAMPBELL

"Freedom and Unity"

How It All Works

Quick civics refresher. The Legislature takes an (unpaid) break for Town Meeting week. We're nine weeks into a scheduled 18-week session.

By the end of the week after break, bills must be passed out of all committees except Appropriations to be ready for a vote on the floor and to "cross over" from House to Senate and vice versa.

Then bills must pass committees and floor votes in the other body. Differences between the two versions, if any, must be worked out after that.

So as of Town Meeting break, nothing is final. But much is in process — a long process! This report will focus on House initiatives.

Leading Statewide Issues

Here are a few big issues in front of us.

- Education funding
- Public Safety
- Flood recovery and resilience
- Housing development
- Workforce and business supports

We also must balance the budget, as we tackle these and other priorities, and work with less federal funding and state tax receipts. Let's start there.

Balancing the Budget

During the pandemic, Vermont received an enormous amount of federal money. That funding is now spent or obligated, and the House is making sure every last federal dollar is used effectively to create a more resilient Vermont. We are also coming to grips with new cost pressures and needs.

The budget adjustment process—and now the FY25 budget process—are shaped by three realities. First, unlike in recent years, we do not have pandemic federal funds to rely on. Second, we're still trying to help our neighbors in flood-stricken communities. Third, the committee's review of proposed state agency budgets reveals underfunded and fragile organizations in need of critical support. This translates to workforce shortages, agencies that can't provide the services Vermonters need, upward pressure on wages for state workers, and IT systems so outdated they make it hard for employees to do their jobs. In several cases, we're leaving tens of millions of federal dollars on the table because we have not invested in core systems that would make us eligible to access those dollars.

Despite the challenges, we're celebrating significant success stories. For example, Vermont is on track to push high-speed internet access to all corners of the state. Flood damage was less severe than it might have been due to previous investments in resilience. Families across the state are signing up

to access new childcare subsidies, the result of last year's historic legislation.

As we grapple with this year's budget challenges, we're working hard to put dollars behind our priorities. The House budget will make sound investments to enhance the stability and effectiveness of state government, while making sure we fund strategic priorities like flood recovery, housing, public safety and climate resilience. Our goal is to create a budget that meets the needs of Vermonters, at a cost they can afford. We are taking care to make sure Vermont is a place all people can thrive, not just the select few.

Education Funding

To recap the "perfect storm" of factors driving up school budgets: staffing to meet ongoing student social and mental health needs, supported by federal funds during covid, now require local funding; 16% rise in health insurance premiums; necessary pay increases for teachers and staff; long-deferred maintenance and construction; distorted grand list assessments due to spike in property values; past Ed tax increases kept artificially low due to unexpected Ed fund surpluses (sales and other taxes); and long-overdue adjustments to pupil weighting factors in Ed tax calculations. That last factor was Act 127.

The adjustments in Act 127 affect the share of the statewide funding pool each district receives. Those that receive less than under the old weights must either reduce budgets or increase their Ed tax. The Act included a 5% cap on increases to the Ed tax with the intention of cushioning the transition for about a third of districts whose normal budgets would have required big Ed tax increases.

But the perfect storm meant no district's budget was normal — all hit the 5% cap. In that case, a district would have to reduce its budget a lot to see even a small reduction in local Ed tax. No good.

The Legislature and the Administration agreed to repeal the 5% cap and replace it with a penny-per-percent reduction for those districts receiving less from the pool. Locally, St. Johnsbury has a 1% drop in its share of the Ed fund and will get a 1-cent reduction in whatever increase in the Ed tax rate would otherwise be required by its approved budget. Kingdom East will get 8% more from the Ed fund than under the old weights (no Ed tax adjustment), and Northeast Kingdom Choice has no change.

Bottom line, local districts vote budgets, which added together are paid from the Ed fund pool, and the Legislature must set the rate (the "yield") to pay for it. House Ed Committee is exploring wholesale changes to education funding, as well as stepping up school construction aid and strategies to maintain quality in our education system while curbing costs.

Public Safety

House Judiciary Committee has taken up several bills connected to crime and the conditions that contribute to the sense that Vermonters are not as safe as we were just a few years ago.

The two most effective crime deterrents are: 1) a high probability of being caught, and 2) certain and quick consequences for criminal activity. The chance of getting caught depends on the presence and availability of law enforcement. The certainty and immediacy of consequences depends on a well-functioning, well-resourced criminal justice system including courts, prosecutors, defenders, victim advocates, and restorative justice providers.

The Legislature’s primary lever to address the issue is the state budget. The Judiciary Committee continues to work with the Appropriations Committee to ensure that all vital elements of the justice system have sufficient resources. This work will enable cases to be heard in a timely fashion so that individuals are being held accountable for their actions as soon as possible.

In addition to advocating for properly resourced criminal justice entities, we’ve voted several public safety-related bills out of the House and on to the Senate.

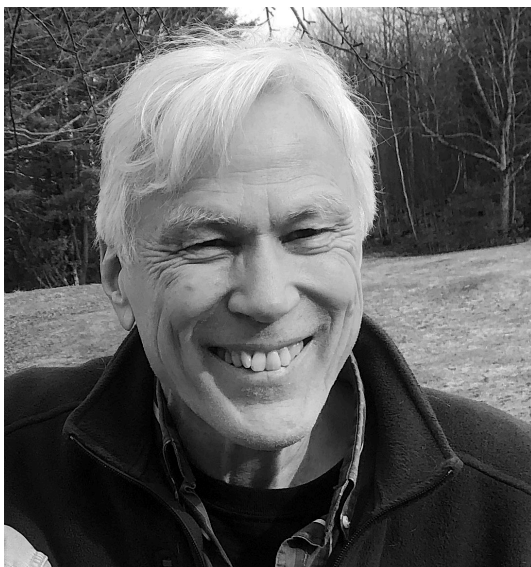
Flood Recovery and Resilience

Last summer's floods damaged or destroyed buildings and infrastructure in more than 100 towns (fortunately not much in our towns). Local volunteers and town and state employees jumped in to help immediately as much as they could. But money is also needed. The fastest way to direct significant resources to where it's needed most is the mid-fiscal-year budget adjustment act (BAA).

Unfortunately the Governor's recommended BAA only included funding for state buildings and infrastructure. Town and individual losses were left to be covered by those concerned.

The Legislature's BAA that passed on Friday, March 1, almost doubled flood recovery funding and targeted it to towns and individuals.

After Irene in 2011, we rebuilt more resilient structures, and those structures survived well last year. More intense and more frequent storms are almost certainly now the norm. We have a lot more infrastructure to make more resilient. This is part of the economic impact of the climate disruption.



Housing

The state has invested hundreds of millions of dollars in housing over the last several years. But we still have a housing shortage, affecting everyone from potential new employees to the homeless.

The Legislature's BAA added more funding for shelter housing and refugee support services.

The Governor's budget for Fiscal Year 2025 (starting July 1, 2024) eliminated about 90% of housing funding. But we still have a shortage, and the Legislature will try to restore funding.

One issue I've been working on is improving energy code compliance and adopting a residential building code. (Did you know we have a mandatory energy code but no residential building code?) I was on a legislative summer study committee on energy code compliance and introduced a bill implementing most of its recommendations. Unfortunately the bill will not get a vote this year. But the Div. of Fire Safety, which handles commercial building codes, is now considering a residential building code in order to access federal funding.

Workforce and Business Supports

Another perennial goal is finding ways to support workforce and businesses. Some funding was added in the BAA for adult education and skilled nursing training. Most of the work will be in the FY25 budget that will be decided after break.

My Committee: Transportation

House Transportation Committee voted out our "T-Bill" on Thursday, Feb. 29. It will go to the Appropriations Committee for further consideration and then to the floor, and after that to the Senate. As with most budgets (including the BAA and each year's annual budget) it mostly tracks with what the Governor recommends.

T-Fund revenues are running lower than projected, mostly due to less gas tax receipts — and that mostly due to higher efficiency vehicles, and to a lesser extent to electric vehicles. The committee last week heard a progress report on VTrans' proposal to start a "mileage-based user fee" on EVs. Such a plan is still most likely two years away.

The changes we did make to the bill were to add more money to support town highway costs.

See detailed House Committee reports at CampbellForVermont.com

Join me for Saturday breakfast "office hour"!
March 16 & May 18, 8 AM —
Kitchen Counter Cafe, Railroad St, St J
April 20, 8 AM —
Mooselook Diner, Rte 2, Concord

It is a privilege and an honor to serve as one of your two State Representatives in Montpelier.

Thank you for the opportunity.

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