

2018 Town Meeting Report

Representative Kitty Toll

Cabot- Danville - Peacham



It is an honor and a pleasure to serve as your Representative in Montpelier. We are mid-way through the session and included are highlights of legislation that have passed or are being considered.

-Kitty Toll

For additional information on bills or actions taken by the House or Senate or standing committee please visit: legislature.vermont.gov. These are live pages and are updated regularly.

Fiscal Year 2019 Budget

State law requires the Governor to deliver his Budget Address to a Joint Session of the Legislature in January. The House Appropriations Committee then builds a budget for the Legislature to consider and ultimately pass. Heads of Vermont Agencies and Departments testified before Appropriations in January and February to relate details and defend the proposals set forth by the Administration. To involve Vermonters in the process and give them the chance to voice opinions on the Governor's proposals, the Committee held nine public hearings across the state. Over 200 Vermonters shared their thoughts and concerns regarding proposed investments and reductions.

Highlights of initiatives as recommended by the Governor, include investments in community outreach for those experiencing addiction and suffering from mental illness; an economic development plan to encourage people to move to Vermont and to build the economy; services to infants and families impacted by opioids; expanded dental benefits for children; and benefits for Vermonters serving in the military. Reductions in the Governor's recommended budget include eliminating cost sharing benefits to help working Vermonters pay health care premiums; eliminating the attendant care programs serving those with disabilities; reducing developmental disability services by \$4 million; reducing Agency of Human Services grants by \$4 million; and reducing payments to primary care doctors and hospitals. For complete details visit: <http://finance.vermont.gov/budget/budget-recommendations/operating-budget/fy2019>.

The Appropriations Committee is on schedule to pass its recommended budget just after Town Meeting week. As the Chair of House Appropriations, I am fully committed to working to create a responsible budget that is balanced, focuses on the needs of Vermonters, and keeps the issue of affordability in the forefront of the decision-making process. A monetary analysis for all new programs has been implemented to ensure that there is a clear understanding of the impact of future costs to Vermonters. The House will send the Senate a balanced budget to consider and that continues to support and strengthen a strong and healthy Vermont.

Vermont's Pension Liabilities

Underfunding of Vermont's pensions in the 1990's and early 2000's, commonly referred to as "the sins of the past," combined with the impacts of the Great Recession, has created significant financial pressures particularly in the teachers' retirement system. Additionally, during this same period the state failed to have a plan in place to adequately fund retiree health care. To begin to reverse this situation, the Legislature took action in 2007 by funding the annual required contribution (ARC) for both the state employees and teachers' system at more than 100% each year and continues to do so annually. Prior to the action in 2007, the last time the ARC was fully funded was in 1989. From 1991 to 2000, the highest annual contribution was 79.8% and the lowest was 38.4%. In 2014, a comprehensive change to health care was made to create a sustainable funding plan that will save taxpayers millions each year, totaling \$480 million by 2038. This year, the state will budget over \$120 million for the teachers' retirement system and retiree health care costs to keep pace with dollars needed to be fully funded by 2038.

It is critical for the financial health of the State that our AAA rating is not jeopardized. While rating agencies see the State's pension liabilities as high, they also recognize that the State has an aggressive plan in place to fund the pensions and fully pay down the unfunded liabilities, "the sins of the past," by 2038. In addition to fully funding the ARC, both state employees and teachers have agreed to increase their contributions to the pension plans. State employees agreed to increase their contributions in 2010 and again in 2016. In 2017, state employees paid \$8.4 million in increased contributions compared to what they would have paid based on agreements prior to 2010 and this savings will occur each year. Teachers agreed to push out the age of retirement and increase their contributions in 2009, saving more than \$15 million per year for Vermont taxpayers. Teachers also agreed to an increase in employee contributions for non-vested employees, effective in 2016. These changes will save Vermont taxpayers \$1.3 billion between 2010 and 2038.

This legislative update was not paid for at government expense. Paid for by Rep. Catherine Toll.

Education

Education Financing - The House Ways and Means Committee continues to diligently work on a proposal to change the current method of financing Vermont's education system. It is the goal of the committee to create a new method that is fair to all taxpayers, and that is more transparent and less complicated than the current formula. A change to education financing would be the first major change in two decades. The Committee held a public hearing on February 21 in Montpelier for Vermonters to express thoughts and opinions on an initial proposal. The Committee aims to move away from a reliance on the property tax and move toward the ability to pay. There are many pieces of this legislation that are still under consideration and the committee hopes to have a bill on the floor of the House for debate just after the Town Meeting break.

Special Education - Prior to Town Meeting break, the House Education Committee unanimously passed a bill that would revamp how Vermont delivers and pays for special education. The provisions in the bill would roll out over five years and ultimately improve services and save money. This new service model would coincide with a new funding model based on the total number of all students in a school system. The goal is to provide more flexibility in how money and services are targeted, reduce paperwork and reporting requirements, and offer professional support and training to better help students needing extra support. Vermont schools will spend less overall on special education and experience better results.

Three independent studies have all concluded that Vermont spends significantly more than many states on special education with no better results for the investment. On average, the amount spent by Vermont's supervisory unions and school districts, per special education student, is \$21,840. This is 1½ - 2 times greater than other states. The bill removes many of the strict rules governing the use of education funds and allows schools to use funding in ways that utilize best practices. To read all of the relevant studies, please visit the House Education Committee's web page.

State Bonded Dollars for Clean Water Projects

The Legislature is working to assist in the coordination of millions of dollars devoted to clean water projects ranging from sewer or treatment plant upgrades to roadside ditching, crop land set asides, stream buffer easements or farmyard drainage projects. For decades the waters of Vermont have slowly degraded. It will take decades to reverse that trend. In the current year the legislature has put aside \$21.9 million in bonded dollars toward these projects with \$23.5 million allocated for FY 2019.

Unclaimed Property

The State Treasurer's Office is responsible for reuniting Vermonters with lost financial property. Currently, there is over \$80 million in unclaimed property waiting to be returned. Financial property becomes "unclaimed" after a business or non-profit entity loses contact with a customer for a period of years. Last year, over \$5.6 million was returned to more than 15,200 rightful owners. There is no charge to claim funds through the State Treasurer's Office. Common types of unclaimed property may include:

- Bank accounts and safe deposit box contents
- Uncashed checks and wages
- Utility deposits and escrow accounts

Search at MissingMoney.Vermont.gov or call (802) 828-2407

Net Neutrality

Net neutrality requires that Internet service providers be mandated to treat all data on the Internet in an equal manner. Net neutrality would prohibit Internet Services providers the ability to charge differently by website, platform, user, application, method of communication, content, or type of supporting equipment. Following actions by the U.S. President, the Vermont House and Senate have made it a priority to pass legislation to ensure Vermonters have equal access to information and resources on the Internet and that service providers are unable to block, reduce the speed, or charge for use of websites and other online content. The Senate has passed S.289, a bill that provides important net neutrality protections for Vermonters and the House will continue to work on the bill after the Town Meeting break.

Campaign Finance Law for Social Media Advertising

The 2016 election showed that online political advertising exploded across the country, including in the state of Vermont. These types of online advertisements make it difficult, if not impossible, to appropriately identify who has paid for political advertisements. Existing Vermont campaign finance law, while addressing online ads, does not address all issues. H.828 will not only provide clarity to candidates about how to appropriately identify who has paid for online political advertisements, but will also help combat disinformation by making sure that the public is aware of the source behind political advertisements.

Agriculture - Economic Development

The House Agriculture and Forestry Committee has been exploring opportunities for farmers to add additional revenue-generating activities to their existing enterprise. Currently, inconsistencies in town zoning across the state make it difficult for some farmers to set up farm-related businesses on site. The House passed legislation that will make it easier for farmers to add agriculture-related accessory businesses to their operations. H.663 creates a consistent baseline of permitted ag-enterprise activities across Vermont to help our farms stay viable. The bill also removes confusion so farmers know which on-farm activities are permissible.

Two categories of on-farm businesses are authorized under the bill: businesses involving storage, preparation, processing and/or sale of qualifying products, as long as more than 50% of total annual sales are from qualifying products that are principally produced on the farm where the business is located; and educational, recreational or social events that feature agricultural practices or qualifying products or both. The bill is now before the Senate for further consideration.

Please contact me if you have any questions, concerns, or considerations.

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