

END OF SESSION REPORT

Representative Linda Joy Sullivan



My Committee Assignment:
Commerce and Economic Development
(Room 35; House Seat 48)
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The House Committee on Commerce and Economic Development considers matters relating to business organizations, including banking, insurance, corporations, workforce development, unemployment and workers' compensation insurance, and the industrial and internal development of the state, but excluding matters relating to transportation, utilities, telecommunications, and energy.

These matters, while often technical, are of critical importance to your day to day life. I welcome your feedback, support or suggestions! The best ideas often come from people working in the field. Your feedback makes government better, so please send it along. Thank you!

Linda Joy

LEGISLATURE ADJOURNS (at least for the moment!)

The 2017 Vermont legislative session ended after a series of intense late-night sessions. Unfortunately, meeting upon meeting between House Speaker Mitzi Johnson, Senate leader Tim Ashe, and Governor Phil Scott failed to find a compromise on the Governor's \$26 million teacher healthcare proposal. The Governor's closing remarks to the Legislature expressed disappointment, and he later vetoed both the state budget and the so-called "yield" bill which funds education costs.

Due to a federal Obamacare requirement mandating the taxing of high end "Cadillac plans," all Vermont teacher healthcare plans were contemplated to change dramatically this year. Many districts have already concluded negotiations resulting in revised plans, but many still have not. Under the Governor's plan, teachers' healthcare benefits would be negotiated between the State and the NEA, leaving all other parts of the teachers' collective bargaining to be negotiated at the local school district level. The Governor projected a \$75 million premium savings (new plans are less expensive, but have higher deductibles), but would allocate about \$49 million of these savings to be put into employee "healthcare savings" accounts in order to keep teachers and school employees at the same position as if the deductibles had stayed the same. The Governor's plan assumes a resulting \$26 million tax savings.

The NEA and House and Senate leadership held steadfast in their opposition to the change. A stalemate resulted, and the key issue now will be whether the Governor's veto will be sustained. The state budget must be enacted by July 1 in order to avert a shutdown. This would prove disastrous to Vermonters.

If the education financing bill is not signed and the "yield" numbers not set, more dire results:

- Non-Residential property rate will be set at \$1.59
- Homestead and income rates will not be able to be assigned, resulting in a massive \$425 million hole in the Education Fund.

BUDGET HIGHLIGHTS

(vetoed even though it passed overwhelmingly!)

The budget the House passed (almost unanimously, receiving only one NO vote) was left largely intact by the Senate. Here are some of the highlights:

- 1.5% General Fund spending growth was kept below the FY2018 forecasted revenue growth of 3.7% and below the 2% projected Gross State Product growth.
- One new position for tech training and education was created and funding was provided to help employers with employee job placement.
- Provided up to \$15M to cover a potential one-time FY 2018 revenue downgrade due to corporate tax refunds.
- Maintained a required 5% in reserves.
- Increased the "Rainy Day" Fund from \$6.8M to \$7.3M, with additional funding possible at the close of FY2017 and FY2018
- Committed \$3.88 million to the Vermont State Colleges System, to include \$880,000 for the merger of Johnson and Lyndon state colleges.
- Provided a badly needed \$9.3 million increase for the state's mental health system.
- Allocated \$2.5 million to improve access to child care.
- Created a \$35 million bond authority to create affordable housing (a proposal that originated with the Governor).
- Achieved a \$5 million reduction through direction of the Secretary of Administration to cut costs across state government in the coming fiscal year.



TO POT OR NOT TO POT
(That is the question!)

At the end of session, the Governor vetoed S.22 which would have legalized marijuana in Vermont for personal use on July 1, 2018. S.22 also set up a commission to look at potentially changing to a regulated style model. The Governor has indicated to the Legislature his suggestions for potential compromise. In other words, there is a possibility that by the time we get back to Montpelier, the Governor and the leadership of the House and Senate will have agreed to a new version acceptable to all.

When we look at cannabis legalization, regulation and taxation, we are constrained by the unknown, the Federal government and the business influence of organized crime. While it is still illegal to distribute and sell under the Bill, the Commission should focus fully on the infiltration of this organized illegal business and how it has already found its ways into the school system through gangs and other means throughout the State of Vermont.

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE
(My Committee!)

This Session, my Committee – the House Commerce and Economic Development Committee – was hard at work. One of our bills, S.135 was passed by the House, containing the following important features:

- Removed Act 250 constraints from certain Priority Housing Projects
- Allowed the formation of Rural Economic Development Infrastructure Districts
- Established the Green Mountain Secure Retirement Plan for employees at businesses not offering retirement plans
- Funded efforts to assess Vermont's current workforce education and training, workforce development strategies, and resource allocations
- Established a Minimum Wage and Benefits Cliff Study
- Increased Downtown Tax Credits
- Expanded Tax Increment Financing Districts

S.136 was also approved by the Legislature. The Bill was sent to a Committee of Conference for negotiation. Unfortunately, in order to achieve agreement between the House and Senate, several important consumer protections featured in the House bill were removed, including regulation of consumer credit card debt collection practices, consumer credit protection for vulnerable populations and consumer auto-renewal contracts.

Vermont faces special challenges when it comes to economic development. There are also opportunities that must be tapped into. Improvements in telecommunications coverage must be a priority as well as investing in transportation infrastructure. Without this investment, we will have a difficult time moving past the issue of attracting young professionals and businesses to the State of Vermont. Focusing on policies that foster economic activity across the state by supporting the prosperity of businesses that are already should complement the offering of special subsidies to entice corporations' entry into Vermont.

ACCOMODATIONS FOR PREGNANT EMPLOYEES
(Approved and signed!)

H.136 requires employers to provide a reasonable accommodation for an employee's pregnancy-related condition, unless the accommodation would impose an undue hardship on the employer. Effective Date: January 1, 2018.

ETHICS
(Of Course!)

This bill is a modest attempt at establishing laws, rules and procedures for targeting possible conflicts of interest among Vermont elected and appointed officials. The legislation attempts to close the revolving door between public service and private entities. What does that mean? People can no longer go from regulating an industry to immediately work for that industry without a required waiting period. The bill establishes the requirements for disclosure of income sources for elected officials. An ethics commission is being established to evaluate complaints. Complaints rising to the level of investigation will be referred to the appropriate enforcement agency. This is an important piece of legislature to have more transparent government for the public interest and more closely monitoring special interests.

It continues to be a tremendous honor to represent the people and community of Bennington-Rutland (Danby, Dorset, Landgrove, Mt. Tabor and Peru), and I thank you for your continued confidence in my work.

As always, if any of the Legislature's work is of interest to you, if you have any questions or concerns about government programs or services, or any ideas or feedback on legislation, please don't hesitate to contact me.

I look forward to continuing to work for you to make our government more responsive and effective through the remainder of the Legislative Session. Thank you!

-Rep. Linda Joy Sullivan



NEXT YEAR WORRIES
(Time to gear up for next January!)

The 2018 legislative session promises to be just as active, even though it is an election year. Some of the higher profile legislative debates will likely address:

- State budget adjustments necessary to counteract federal funding reductions.
- A proposed minimum wage increase to \$15 per hour.
- Act 250 revisions
- Clean water (Lake Champlain remediation) funding

These next several months are the time for us to talk about your ideas for legislative priorities. Please continue to email me and I would love to see you at my constituent business meetings. Visit my Contact Page at my website – www.lindajoyullivan4vermont.com -- for the current meeting information.

Thank you for allowing me to represent you in Montpelier. Let's Talk!