

FOR IMMEDIATE RELEASE

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Lt. Governor Phil Scott issued the following statement in response to Governor Peter Shumlin's budget address:

"I was encouraged to hear the Governor acknowledge the fact that we are, and have been, spending beyond our means. There was a lot of information in the speech, and it will take some time to gather the facts before delving into too many specific details. For example, during the speech I was having difficulty adding up the cuts proposed versus the additional taxes levied.

"There were a number of areas within the speech where I do have concerns, one being that, while I agree we have a structural problem with the Medicaid cost shift, I'm hesitant to fund the "fix" through a payroll tax. Opening the door to even a small increase will, in my opinion, lead us to further tax growth. Once that seed is planted, we have a tendency in this building to over-fertilize, and I fear there will be further proposals to increase taxes on Vermonters and small Vermont businesses, who are already struggling to make ends meet. I am also concerned the Governor may be overly optimistic in regard to negotiating \$9 million in savings with the Vermont State Employees Association, as well as the sustainability of leveraging state dollars in order to receive what could be one-time federal money.

"However, growing partnerships with Vermont businesses which will in turn grow the workforce, forging a new partnership with Vermont Technical College, and imposing a moratorium on unfunded school mandates are good first steps toward turning the receding fiscal tide.

"Affordability, finding ways to grow our economy, and listening to Vermonters must be our top priorities from this day forward. This is something I've been talking about for a number of years, and I am thankful that it seems the Governor is in agreement."