

Jobs, Affordability and Quality of Life

By Governor Peter Shumlin

We have our work cut out for us this legislative biennium. Too many hardworking Vermonters who are proud members of the middle class are left with a feeling that they are treading water or, worse, dipping below the surface. The only way to reverse that trend is by pursuing policies that grow jobs, expand affordability and preserve our quality of life. That's exactly what my agenda for progress will do.

As always, it starts with jobs and economic opportunity. I am proposing that we boost funding to Vermont's job growth incentive program, which through its most recent round of funding is helping companies from Bennington to Newport create over 550 new jobs, with an average yearly salary of more than \$50,000. That's progress we can and should build on.

Vermont may be small but it is packed with natural beauty that attracts visitors from all over the northeast. By playing to our strengths, we can build on the 30,000 plus jobs already supported by our tourism industry. A big part of that is cleaning up Lake Champlain, which alone accounts for hundreds of millions of dollars in economic activity each year. In addition, I am proposing that we take some revenue above anticipated Meals and Rooms tax receipts and invest it in increased tourism and marketing support. It's a budget neutral way to invest in Vermont's competitive advantage.

From social media start-up Ello in Burlington to worldwide data management leader Global Z in Bennington, Vermont has a burgeoning tech and manufacturing industry that we must support and foster. To help companies like these attract the skilled workers they need to prosper, we're partnering with Vermont Technical College and employers to help kids get a free Associates Degree in Engineering. Through a combination of existing State and new private financial support, Vermont kids will earn their degree at no cost, we'll keep more young people in the state, and employers will have a pipeline of skilled workers from which to choose.

These steps, combined with others and the proposals I've already outlined to harness the job growth potential of the clean energy industry, will spur economic activity throughout our state.

More jobs and economic opportunity is only part of the equation. We also need to attack head on the two biggest factors that hold back Vermonters' incomes: health care costs and property taxes. On health care, we have an aggressive plan to cut costs by making Vermont the first state in the country to pay for quality rather than quantity, investing in the success shown by the Blueprint for Health in lowering costs while providing quality care, and strengthening the Green Mountain Care Board so it can regulate health care like the public good it is. We'll also pursue policies to reduce by half the yearly \$150 million cost shift, brought on by inadequate Medicaid reimbursement rates, that drives up private insurance premiums for Vermont families and employers.

On school spending and property taxes, Vermonters are demanding action, and I intend to be part of the solution. I will propose to put a moratorium on any new legislation that adds costs, phase out incentives that encourage schools so small quality begins to suffer, target

construction aid to encourage locally-initiated consolidation and work to develop tailored performance targets with real consequences for failing to meet them. When it comes to school spending and property taxes, there are no simple solutions. This is my plea: listen to all ideas, do not judge them too soon and be willing to embrace change. I promise to do the same.

Finally, we have our budget. Closing the gap brought on by slower-than expected revenue growth that is affecting the country as whole made this the most challenging budget I have had to develop. To meet that challenge and put the state on a more sustainable footing, my budget continues to practice fiscal responsibility; reduces reliance on one-time funds; restructures some state programs while making difficult cuts to others; invests in areas of critical need, like continuing the fight against opiate addiction and protecting our children; and raises some revenue by closing a loophole most states don't allow.

It is an extraordinary privilege to govern this state. I feel passionately that the agenda I have outlined will address the challenges we face. But I know I don't have all the answers. I look forward to listening to other ideas this session. Working together, we will make lasting progress for jobs, our kids, our quality of life and our environment.