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Legislature Must Focus on the Fundamentals

At the start of every legislative session since being elected Lt. Governor, I've urged legislators to evaluate every proposal based on whether it helps our economy, improves efficiencies or reduces costs. If the answer to any of those questions is "yes," then I suggested they put it on the front burner. If the answer is "no," I suggested it go on the back burner.

Last November, Vermonters once again said they want lawmakers to focus on the economy, fix property taxes, and mend a broken health care system. Each time they claim to hear the message "loud and clear," and for a while, it even seems like they take it to heart. Unfortunately, they haven't followed through.

The Legislature has an opportunity this winter to get back to the fiscal fundamentals. We're all in this together, so I'll start the discussion by offering my priorities for the upcoming legislative session.

Set a Clear Standard

First, the Legislature needs to set a clear standard for all legislation. If a proposal responsibly decreases the costs of living and doing business in Vermont, they should pass it. If it increases costs in any way and leaves us open to financial uncertainty, they should set it aside.

We don't have to abandon our values in order to get our budget back in line. We can manage state spending without cutting off services to Vermont's most vulnerable populations or weakening environmental protections. We can be both fiscally responsible and socially responsible – and we must be both in order to create the economic growth necessary to make longer-term investments in Vermont.

For example, investing in training programs tailored to current job openings is a powerful form of public assistance that helps give Vermonters the skills they need to seize those opportunities and transition to economic independence.

Truly Balance the Budget

Second, the Legislature needs to truly balance the budget. That means setting limits. For the last six years, our economy has been growing at about 2 percent each year. Meanwhile, state spending has been growing at a rate of about 5 percent each year. Last year alone, the Legislature passed a budget that raised over \$50 million in taxes. Despite this new tax revenue, they're already facing a \$40 million budget deficit, which is likely to grow.

State spending should never grow faster than growth in the economy and budgets should be built on conservative revenue projections. Legislators should also stop relying on one-time

money to plug budget holes, and continue to challenge agencies, departments and programs to change their business models in ways that streamline services, improve outcomes and reduce costs.

Hold the Line on Taxes and Fees

To be clear, the Legislature should not raise taxes or fees this year. Legislators need to view the state's present fiscal challenges in the context of all of the taxes and fees they've raised in the previous six fiscal years.

The total impacts of six years of new taxes, higher fees and new programs have made Vermont unaffordable for too many. Working families cannot sustain these increases year after year. We need to give them a break.

Prioritize Investments in Pro-Growth Policies

Finally, the Legislature should prioritize spending in pro-growth areas like job training, higher education, technical education and road and telecommunications infrastructure.

Budgeting is about making choices, and some of these choices will be difficult. To make Vermont affordable and get our middle class growing again, state government must have the discipline to live within its means – just like families have to do.

There will always be issues which are important to some, such as legalizing marijuana, taxing sugary beverages, or imposing a new “carbon tax” on fuels. The politics of an election year is an added distraction. However, as public servants, the Legislature must have a more disciplined focus on the fiscal and economic fundamentals. This will have a far more positive impact on the lives of Vermonters.

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