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Sent: Tuesday, March 31, 2015 5:37 PM

To: Allen, Susan; Clasen, Michael; Coriell, Scott; Davis, Austin; Green, Geoff; Johnson, Harriet; Johnson, Justin; Kunin, Lisa; London, Sarah; Miller, Elizabeth; Miller, Lawrence; Mishaan, Jessica; Nease, Floyd; Richards, Alyson; Spaulding, Susan; Trombley, Shana; GPS; Byrne, Emily

Subject: Confidential Exec Priv: Daily Legislative Report for Tuesday, March 31

House Reconvenes at 9:30 AM

Senate Reconvenes at 1:00 PM

HOUSE:

Bill Passed

- [H.478](#) An act relating to approval of the adoption and codification of the charter of the Town of Royalton
- [S.98](#) An act relating to captive insurance companies (In concurrence WITH proposal of Amendment)

Passed Second Reading Today, Third Reading Tomorrow

- [H.11](#) An act relating to the membership of the Commission on Alzheimer's Disease and Related Disorders (WITH Amendment)
- [H.117](#) An act relating to creating a Division for Telecommunications and Connectivity within the Department of Public Service (WITH Amendment)
- [S.13](#) An act relating to the Vermont Sex Offender Registry (Proposal of Amendment Agreed to)

Bill Postponed until tomorrow:

- [H.361](#) An act relating to making amendments to education funding, education spending, and education governance

Bill Referred

- [S.18](#) An act relating to privacy protection. To the committee on Judiciary
- [S.141](#) An act relating to possession of firearms. To the committee on Judiciary.

SENATE:

Bill Passed in Concurrence with Proposal of Amendment:

- [H.240](#), An act relating to miscellaneous technical corrections to laws governing motor vehicles, motorboats, and other vehicles. Back to House to consider amendment.

Consideration Postponed:

- [S.20](#), An act relating to establishing and regulating licensed dental practitioners

Third Reading Refused:

- [S.133](#), An act relating to an employee's use of benefits. The Sodexo bill failed 12 yeas - 14 nays.

Bills Referred:

- [H.108](#), act relating to electrical installations. To the Committee on Economic Development, Housing & General Affairs
- [H.135](#), An act relating to authorizing the Vermont Department of Health to charge fees necessary to support Vermont's status as a Nuclear Regulatory Commission Agreement State. To the Committee on Finance.
- [H.488](#), An act relating to the State's Transportation Program and miscellaneous changes to laws related to transportation. To the Committee on Transportation

Passed Senate Committee:

- [H. 86](#), An act relating to the Uniform Interstate Family Support.
- [H.256](#), An act relating to disposal of property following an eviction, and fair housing and public accommodations.

COMMITTEE INTEL:

- Senate Ed seems to be going well, overall. Rebecca and Ann Cummings met last night, and it seems very clear they will be doing the Governor's proposal plus some version of Baruth's proposal. They said they won't even discuss the cap.

House Ways and Means:

- Committee is considering various [packages of revenue](#) to support health care initiatives.
- Multiple absent committee members so a vote likely won't be taken until Wednesday or Thursday. Committee will convene at 8:45 a.m. tomorrow to see if enough members show up.

DEMOCRATIC CAUCUS:

- Alice Emmons outlined the Capital Bill, which will be on the floor as soon as Water Bill and Education Bill are done. Alice outlined some of the big pieces in the bill, such as the Ag/ANR lab, restoring Building Communities Grants, continuing the moratorium on school construction funding (although there will be a study to look at this issue going forward), \$300,000 for school mergers, some funding for water quality. There were a couple of questions about one-time funding in this bill; Alice said that's not unusual.
- Water Bill: there will be procedural steps to get the final amendment (Fish and Wildlife's final version) on the floor. They talked about the fees and property transfer tax. Expecting two amendments: One to do away with the current use provision, the other to eliminate the funding sources and use the Housing and Conservation Trust Fund to cover the costs. Little to no discussion of current use issues; funding proposal seemed unpopular.
- Education Bill: Endless (literally over an hour) of description of the what's in the bill, and questions about specifics. There was concern about the cap, and consolidation.

REPUBLICAN CAUCUS:

Capital budget:

- \$18.2 million of General Fund deficit absorbed by capital bill.

- For instance Approps decreased VHCB budget by \$2 million and capital bill increased it by that much.
- Caucus made point to clarify this is an example of using one time funds.
- Rep. Browning talked about the prevailing wage piece.
 - She announced to the caucus that \$1 million in bonding will cost \$1.3 million a year in costs because of interest, etc.
 - So \$2 million in prevailing wage per year could cost \$2.6 million per year additional.

Education bill:

- Ed committee did a walk-through of what they will present tomorrow on the floor.
- Strike language not in H.361.
- Section on prohibiting towns from paying out of state tuition except under certain circumstances, got some attention in caucus.
- Buxton amendment supported by committee offers a more flexible cap where if a district spends more than the statewide average the spending increase cap is less. Districts who spend less than the average are given more room for increases.
 - Her amendment would also allow, in calculating the cap, districts to calculate growth rate based either on the total district education spending amount or the district spending per pupil. Schools with rapidly increasing enrollment would want to base growth rate on per pupil.
 - If a budget is approved a district that exceeds a cap, the budget would be deemed to have failed. A district would be permitted to appeal the amount of the cap to AOE.
- Komline will offer amendment to allow mandates if funded from GF.

Water Bill:

- Republicans may make a move to strip the section on enforcement considered by House Judiciary. All republicans on that committee voted against the provision.

DCF Budget:

- Ken Schatz testified on the DCF budget today in Senate Health and Welfare
- Members were concerned about cuts to LIHEAP and weatherization
- Discussion went to homelessness briefly and there was discussion of the relevant \$300,000 in reductions in funding for the emergency shelter and homelessness
- Outlined 3 Squares expected improvements
- Sen. Lyons asked if they were considering restructuring to provide better services to which Ken responded that that has happened enough, but he is willing to make adjustments to provide better results

Department of Liquor Control in Senate Finance:

Michael Hogan from the Department of Liquor Control was in Senate Economic Development today to S.138 and discuss his budget. His testimony on S.138 was limited and mostly parroted Sen. Westman who proceeded him focusing on changes to rules around serving alcohol at special events and on manufacturers premises. There was no discussion on the sale of fortified wine. He reported currently via taxes the department contributes 23 Million dollars to the general fund in addition to a typical 800K to 1 Million depending. For the FY16 budget the department had

requested 8.5 Million, but reduced their request by 135,000. This reduction came because originally when drafting the budget the department wanted 5 new employees, they then limited their request to 3. There is no wiggle room beyond that; many employees are in the place they are by statute, such as the 3 education staff currently employed. Only Senators Mullin and Balint were present and Mullin asked all of the questions. Overall the revenue is growing at 4.5% and the bottom line is growing at the same rate as revenue. If the economy takes another slump or small dip, this will obviously affect these projections.

Commissioner Pallito testified on behalf of Department of Corrections. The Chair asked him to highlight the changes in the Governor's Recommend and make comments on the House As Passed bill:

Community High School

- The committee discussed the Ed fund transfer regarding the closing of a few of the sites in the facilities and the field.
- Differing values of inmates going to education programs.
- Ability to do personalize learning who have failed in traditional system is one of the best things we can do to help them out.
- Discussion of policy changes that could be made like the timing of meals and programming so inmates can participate in school classes.
- How Adult Basic Ed is not up to the same standard as CHSV.
- There has been no testimony of parole officers regarding their observations of field programs.

Sen. Sears - Asked have we got to the point where the low hanging fruit is gone? Are we at a point that other than detention there isn't much to get out? Commissioner - Yes.

Windsor Facility

- Salvation Farms at Windsor – Discussion that the delay in Salvation Farms was before the discussion of Windsor closing.
- Day for day good time does save money.
- The Committee received many letters stating the inmates past their minimum could and should be released regardless of housing needs.
- The Windsor closure is part of JFO's "list of cuts".
- Commissioner will not fill positions at Windsor until the legislature makes the final passage of the bill.
- Sen Sears stated he wanted to put an end to the discussion of Windsor and find other ways to make up the cuts to the General Fund.
- Discussion of home detention and monitoring through the Sherriff's as a way to reduce costs.
- Pre-trial

As more pressure was put on the Commissioner regarding the choices the Gov Rec made, he stated DOC was asked to provide a level funded budget with pressures of salaries and contracts, then we have to make risky choices to make cuts to meet the budget exercise and targets.

DOC's portion of the \$10.8 million labor savings

- What is your portion - 10.8 million?
 - We continue to work with the 5th floor on this on an Agency wide basis.
 - Sears - I don't know how corrections can do this?
 - Sears would like to talk to Commissioner about what this would mean? Reduce prison, parole staff? He would like to have a better understanding.
- SAC will ask Sec. Justin Johnson to come in and discuss the methodology of portioning out the cuts and what will happen next.
- DCF should not have any cuts and should be held harmless.
- 35 central office at DOC were cut during the Douglas administration and DOC never got any of those positions back.

Brief discussion of Video conferencing and what has been discussed to-date with Judiciary, Defender General and State's Attorney.