**TOWN MEETING LEGISLATIVE REPORT**

**Rep. Cynthia Browning**

***Arlington, Manchester, Sandgate, & Sunderland***

**\*\*\* NOTE: UPDATES ON MANY OF THESE ISSUES ARE IN MY JULY LEGISLATIVE REPORT ALSO POSTED ON THIS WEBSITE \*\*\***

**Please feel free to contact me with questions, criticisms, or comments on the issues discussed below and any others. In each topic section the objective material is in regular font, and *my perspective is* *in* *italics like this.* My contact information and office hours are at the end of the report, and also ---**

***\*\*\* IMPORTANT ANNOUNCEMENTS ON THE BACK PAGE \*\*\****

**EDUCATION PROPERTY TAXES.**

**The legislature has not yet set the base education property tax rates because we do not yet have all the necessary data. However, as of right now it looks as if the average education property tax rate will increase by perhaps 4 cents, however depending on how the data comes in -- it could be less. The actual property tax rates in particular towns are the result of a number of factors, but the primary driver is rising education spending. Unfortunately for most of us this means that the direction of change will likely be upwards.**

***As I have noted many times before, I believe that the state is using the Education Fund to cover some costs that either are not education or are not approved by district voters. This means the education property tax rates are higher than they otherwise would be. I will continue to work to remove these illegitimate costs from the Education Fund to keep property taxes down.***

**EDUCATION PUPIL “WEIGHTS”.**

**Within the Vermont education finance system the actual numbers of students in a district is weighted for particular cost factors before being used in the calculation of education spending per “equalized pupil”. This then enters into the determination of the education property tax rate for a district, which then factors into the per pupil cost and a district’s education property tax rates. So these weights can really matter.**

**The existing weights that have been in use for perhaps 20 years are intended to represent the fact that some kinds of students may cost more to educate than others – for instance, high school students need more teachers than kindergarteners. But the weights were somewhat arbitrary, without a solid basis in a study of actual costs. The recent study looked at actual variations of costs**

**across districts and types of students, and came up with estimates of what the weights should actually be.**

**The conclusion of the recent study was that the weight for students living in poverty should be much higher than it is -- the recommendation is to go from the existing weight of 0.25 to around 3. For English language learners, the weight should be increased from .20 to around 1.5. There is also the addition of new weights to reflect higher costs for educating students in very rural areas, and an adjustment to how the costs of students at different levels are weighted.**

**The study also uses a statistical analysis based on existing data to estimate the effects of these new weights on the education property tax rates of different districts. In some cases there would be only minor adjustments, but in others there would be significant increases and decreases in such rates due to the weights.**

***It is important that the weights being used reflect the actual variations in costs in order to ensure equal access to quality education for all Vermont students. However, it is also important that the new weights be phased in gradually in some way or offset with other changes to avoid significant property tax increases in districts that have done nothing to deserve them, which would create another kind of inequity. So it is not clear how these new weights may be integrated into our existing system.***

**RENTER REBATE PROGRAM.**

**This program has provided refundable credits to eligible low income Vermont renters for some years now. However, only one third of the people who are eligible have been applying for this support and processing the applications is very time-consuming due to the complexity of the forms. Therefore in H.934 the House has reformed this program to make it easier for both applicants and the Department of Taxes. The income form will be easier and no landlord’s certificate will be required. We expect that the reforms will result in more people receiving these credits more easily and additional funding to cover this is also provided. The bill has passed over to the Senate for consideration.**

***These are useful reforms to a program important to low income renters. I am hoping that in the future we can also reform the programs that support homeowners in paying their property taxes to make them more useful to Vermonters.***

**GLOBAL WARMING SOLUTIONS.**

**This bill H.688 requires that the government of the state of Vermont develop specific plans for achieving our Comprehensive Energy Plan goals for reducing greenhouse gas emissions to mitigate climate change. This will be done by a special new climate change board. The bill will make it mandatory that we reach these goals through these plans, and provide that Vermonters could sue the state if we don’t. The plans and rules developed will affect many aspects of our economic activities in order to reduce fossil fuel use. This bill has now passed to the Senate for consideration.**

***I voted for this bill because I agree that Global Warming is one of the central environmental challenges before us, for people and for the entire ecology within which we live our lives. I agree that the state should develop clear plans to achieve our stated goals. However, I am concerned that under this bill plans and rules would be put in place without further action by the legislature – I don’t think that plans that are this important and far-reaching should be put on autopilot like that. I also don’t believe that the provisions about citizens’ suits are really needed, as people can already sue like this. It is useful to realize as well that Vermont’s carbon footprint is pretty small in total. This does not relieve us of our responsibility to take actions to reduce it, but we must ensure that disruptive changes are properly designed and funded to support our communities in the adjustment. I hope that the bill will be made more practical going forward.***

**LEGALIZATION OF CANNABIS FOR COMMERCIAL RECREATIONAL SALE.**

**S.54 is a bill that sets up a legal market for commercial recreational sales of cannabis that will be regulated and taxed. There will be a special board that establishes rules of all kinds and issues licenses to cultivate, manufacture, sell, and so forth. There will be license fees and an excise tax of 14% plus the regular sales tax of 6%. A municipality would have to vote affirmatively to allow a retail cannabis store in the town, but for other cannabis activities there would have to be a vote to opt out of them. The bill is intended to provide Vermonters with a safe and legal source of cannabis and to reduce the activities of the black market. Another goal is to fund prevention programs with some of the new tax revenue to protect our young people from using this or any other drug or substance. Part of the excise tax revenue would be used to fund programs to prevent substance abuse. The sales tax revenue would go into the Education Fund but the state has directed that it be used only for after school programs rather than for regular education spending or lowering property tax rates. The bill has gone out of the House for Senate re-consideration.**

***While I was open to supporting this bill* *I became so concerned about a number of aspects that I could not support it. I feel very strongly that any municipality that allows a retail cannabis store should be allowed to charge a 2% local option sales tax to cover any extra law enforcement or other costs associated with it. If this is not allowed, I am concerned that few municipalities will allow retail, with the result that we do not diminish the black market after all. In addition, the new cannabis board will not be allowed to require information about ALL the owners involved in the new businesses, including those of affiliates and financing entities. I think that this leaves the door open to organized crime to get a foothold in this new industry.***

**ACT 250 REFORM.**

**The bill H.926 contains an attempt to reform Vermont’s central land use regulation program, which is called Act 250 after the original legislation. Under current law certain kinds of projects**

**have to go through the Act 250 process, which is an additional layer of evaluation on top of local regulations and other state permits. This bill adds new criteria for projects under Act 250 jurisdiction to meet that concern climate change considerations, and also expand jurisdiction to include projects affecting critical natural resources. Projects in some downtown or village areas would no longer have to go through Act 250, so that it would be easier to further develop areas that already have supporting infrastructure. The bill has now passed over to the Senate for consideration.**

***As an environmentalist I was eager to see if we could update Act 250 to include our current concerns. However, I found that the new provisions were so vague that it would be hard for Vermonters to satisfy them. I found that the concentration of development in downtown areas may***

***not work out because many of those are in flood-prone areas and some have degraded waterways, which can affect the ability to undertake further development that involves increases in wastewater released. And I don’t see much reduction in the complexity of the Act 250 application process.***

**PAID FAMILY & MEDICAL LEAVE VETO SUSTAINING VOTE.**

**Paid Family and Medical Leave (PFML) is an important benefit that should be available to Vermonters. PFML means the ability of a worker to take paid leave for a new baby, to care for sick relative, or to care for themselves should they be sick or injured.**

**The Legislative Paid Family and Medical Leave Program H.107 resulted from a conference committee between the House and Senate, and the Governor vetoed it. The compromise version has 12 weeks paid leave for a new baby and 8 weeks of paid leave for caring for a sick family member financed by a small payroll tax. The benefit would be 90% of pay up to a certain level and 50% above that. Workers who already have better benefits from their employers would be exempt from the tax and the program. A separate voluntary program would provide six weeks paid leave if a worker themselves is ill or injured would have to be purchased separately by paying a premium.**

**Relatively few Vermonters would use the benefits funded by the mandatory payroll tax – perhaps 6,000 a year. The program will cost around $30 million, at a time when the state has not properly funded health care, mental health care, or pensions. The low payroll tax rate in the bill will be re-set every year as needed: it may rise if cost estimates are inaccurate or if there is a recession. More Vermonters need the paid leave for taking care of themselves that are voluntary and cost extra in this program.**

**The Governor’s PFML proposal is for 6 weeks of paid leave for a new baby, for caring for a family member, or for taking care of oneself. This is at 60% pay replacement. These benefits are now already going to be provided to Vermont state employees, with the state paying their premiums. The plan is that access will be made available to any Vermont business or worker who wants these benefits at the same premium cost.**

***The Governor’s program is superior to the Legislative proposal because it does not impose a payroll tax on all Vermonters to provide a benefit that some may not want. The premium may be higher than the payroll tax, but only those who want the benefit will pay for it. I believe that the most***

***effective and equitable way to provide this coverage is to start with a modest, voluntary program, and then build on it. With that approach working Vermonters who want this kind of insurance will be able to get it at a reasonable cost, while all will not be burdened by a mandatory payroll tax to fund a program for some with uncertain future costs. The Governor has already put the program with PFML benefits in place for Vermont state employees, and these benefits will also be available to other working Vermonters at the same premium cost. I support that approach. I could not vote for the Legislative version of PFML in H.107 because it is too costly to taxpayers, at a time when we have not properly funded important existing state programs. I voted to sustain his veto.*** ***I hope we can work together to build the Administration’s plan into an important benefit for all who want it.***

**MINIMUM WAGE VETO OVERRIDE VOTE.**

**The bill S.23 will increase the current minimum wage of $10.96 to $11.75 in 2021 and to $12.55 in 2021.The state of Vermont has increased the minimum wage every year since 2014 from $8.73 to $10.96 in 2020. Increases according to inflation would have continued under current law, so without S.23 minimum wage workers would have continued to see increases of around 25 cents a year.**

***I supported the increases beginning in 2014 because they were moderate and cautious. But I cannot support the additional increases currently proposed in S.23 as it is too much more too soon. To go to $12.55 by 2022 is a large increase compared to $8.73, although part of that is inflation. It will be difficult for small businesses in many parts of the state to absorb this increase in costs without reducing hours and sometimes cutting jobs or reducing new hires. When all the interactions are taken into account, I think that the benefits to those who may receive a raise in hourly wage have been overstated and the potential costs to businesses and their workers have been understated. The result may be that many Vermonters the policy was intended to help may not see the promised benefits because they will have reduced working hours, lost benefits, and higher taxes. These factors can leave workers without the increase in purchasing power that the policy is intended to create. This is especially true for single mothers, whose loss of benefits can partly or entirely offset the raise received.***

***Businesses in rural areas of the state will find it more difficult to survive.*** ***There is no allowance in the bill for regional variation – it is very hard for businesses in the more rural parts of the state to raise prices or otherwise absorb this increase, given competition from New Hampshire and from on-line corporations. Remember such increases in costs are ON TOP of a series of increases beginning in 2014, which businesses have already had to absorb in various ways. More businesses will have a reason to substitute machinery for workers as workers are more expensive, which will mean fewer jobs.***

***There is also no recession trigger – no way to halt the wage increases if we slip into a recession. So we may be raising wages just as the economy slows down, with the result that more Vermonters will lose their jobs. The developing effects of the novel coronavirus now make slower growth or even a recession more likely.***

***Therefore I voted to sustain the Governor’s veto of S.23, and I am disappointed that his veto was***

***overridden. A more certain way to help low income Vermonters would be to increase the Earned Income Tax Credit and to increase child care subsidies.***

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**[\*\*\* NOTE: NO LEGISLATIVE OFFICE HOURS DURING THE COVID19 EMERGENCY. PLEASE CALL OR WRITE FOR A CONVERSATION OR MEETING]**

***\*\*\* SPEAKING UP \*\*\* by Cynthia Browning***

***I will be running for re-election for one of the two seats of Bennington-4, the district including Arlington, Manchester, Sandgate, and most of Sunderland. If I am so fortunate as to be re-elected, I may also be running for Speaker of the House for the January 2021 session.***

***The Speaker is elected by a majority of representatives to run the legislative process of the House. The Speaker influences membership of House Committees, controls the flow of work through those committees and through the full House, presides over the sessions in the House chamber, and negotiates with the Governor and Senate leadership over the final forms of bills that will pass into law.***

***I find that under current leadership in Montpelier politics and ideology often dominate reality. Policies are formed based on pre-determined political promises and rhetoric, rather than developed out of an open examination of the facts and evidence surrounding a particular problem.***

***We elect people to positions of power through a political process of communication among candidates and voters. How well it works depends on the people participating. A political process that brings people together is more effective in solving problems and taking advantage of opportunities than divisiveness that drives people apart. We should leave divisive election politics at the door of the state house, and work together to develop reality-based policies that will really work. Policies based on unrealistic promises, special interests, or maneuvering to make opponents look bad are unlikely to succeed in solving our problems. Good government based on both principles and pragmatism is always good politics.***

***There continue to be grave deficiencies in the effectiveness, transparency, and accountability of state spending and of the state tax system. We continue to struggle to reform our education finance system to ensure both quality education and control of property tax increases. We continue to struggle to formulate economic development policies that will truly strengthen our economy and our communities while still protecting our environment. We continue to struggle to put the state employees’ and teachers’ retirement systems onto a path towards full funding. These growing liabilities are taking more resources from both the budget and the capital bill, and limit the state’s ability to provide Vermonters with the services that they deserve. We must save these pension systems from any possibility of insolvency and protect taxpayers from undue burdens.***

***These challenges all have an economic dimension. As an economist I believe that as Speaker I could make a contribution to the development of creative solutions that are grounded in reality and common sense. As an experienced legislator I believe that as Speaker I could work with all the elected state representatives to operate the House openly, fairly, and firmly in service to Vermont. As an Arlington Select Board member as Speaker I would bring a strong local perspective to the state legislative proceedings.***

***But first I have to get re-elected. If you would like to contact me about legislative issues, if you would like to sign my petition to get on the ballot, or if you would like my Town Meeting Legislative Report, please refer to my contact information and office hours on the page just above.***