

2020 FINAL LEGISLATIVE REPORT 2020

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Arlington, Manchester, Sandgate, & Sunderland

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 statement that I am running for re-election and my contact information are at the end of this report.*

The Legislature finally adjourned at the end of September after passing a full year budget for the current fiscal year and allocating Federal Coronavirus Relief Funds to Vermonters, along with other legislation. Below is a report that reflects updates since my August Report.

COVID19 POLICY ACTIONS.

Early on in the COVID19 pandemic and recession the Legislature passed laws to protect Vermonters from the immediate effects as much as we could at the time. Legislation to temporarily halt evictions and foreclosures and to allow for municipalities to meet and function remotely passed. Special Federal assistance supplemented regular Unemployment Insurance, and there was also assistance for the self-employed and for businesses.

Since then we have also provided hazard pay for certain categories of workers and coverage from workers' compensation should front line workers come down with COVID19.

The most recent allocations of Federal dollars provide grants to hospitals, health care providers, businesses, farms, housing, food assistance, child care providers, broadband service, and more. This will provide essential support to Vermonters. Go to the Agency of Commerce and Community Development website at accd.vermont.gov/covid-19 for information about applications and about which agencies are administering different grant programs. The main criterion for eligibility is losses due the pandemic lockdown and recession.

None of these support programs have worked perfectly or gone far enough. But many people have been helped. In the next session we will looking at what more can be done for those still unemployed, for businesses and farms still struggling, for child care facilities, and for schools.

BUDGET

The Legislature adjourned in June after passing a first quarter state budget and allocating federal Coronavirus Relief Funds to Vermonters. The Governor and the Legislature completed a full year budget in September based on updated revenue forecasts.

We were able to balance the Fiscal Year 2021 budget with spending reductions, Federal Funds, and tax revenue on 2019. The following year looks very challenging indeed since there may be no added Federal Funds and the economy is still in the pandemic recession, which likely means lower tax revenue.

I voted for the final full year budget to allocate the remaining Federal Funds to struggling Vermonters and to fund state functions. I had voted against the earlier first quarter budget because it contained pay raises for highly paid state employees and put in place a mechanism for future pay raises for legislators. I don't believe this is appropriate when so many Vermonters are struggling.

We will not be able to have full economic recovery until the COVID19 pandemic is under control. Even though Vermont has done very well limiting the number of cases, other areas are struggling, and it is now clear that our economic activity is not going to go back to where we were soon, especially in terms of tourism and hospitality and anything involving large gatherings. I think we need to prepare plans to deal with a prolonged slowdown. As we look to the future, we could use state borrowing to finance larger investments in high speed internet connections, housing, energy efficiency and conservation, renewable energy, water pollution prevention, and preventive health care. Such investments will support economic activity and jobs and also create capacities that will improve our productivity and quality of life going forward. If unemployment stays quite high for a long period, we may need to develop some kind of state community service work program for young people like the Vermont Youth Conservation Corps on a larger scale.

We need to be pro-active so that we are building the new world that we want, rather than passively reacting to unfolding crises. The COVID19 pandemic and recession have shown us again the inequities and inefficiencies of our current economy. We have to work harder to fulfill the promise of equal opportunity for all Vermonters. We have to work harder to build a healthy economy full of healthy people within a healthy environment.

EDUCATION PROPERTY TAXES.

The Legislature has raised education property tax rates: the average Homestead rate will rise about 4.3 cents and the Non-Homestead rate will rise 4.8 cents. The actual property tax rates in particular towns are the result of a number of factors, but the primary driver is rising education spending. This increase is based on the increase in education spending approved by voters in March, right before the pandemic and economic lockdown really hit. Even with this increase there will be a substantial deficit in the Education Fund unless state tax revenues recover faster than now seems likely. This gap will be filled with tax revenues, state borrowing of various kinds, and/or federal funds if they become available for this purpose.

It is most unfortunate that the Legislature has raised education property tax rates because raising taxes during a recession damages economic activity. Vermonters who are struggling cannot pay even more in property taxes. I believe that tax rates should have been left at last year's level, with state tax revenues or borrowing making up the difference. Rep. Kathleen James of Manchester voted to raise education property tax rates. She also voted against my amendment calling for a renewed commitment to future reform of the Education Finance system. Failure to reform this system is one of the biggest recent policy blunders. I believe her votes go against the interests of the voters in our communities.

As I have noted many times before, I believe that the state is using the Education Fund to cover some \$200 million in 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. We also need to look at how education funds are distributed to districts, as we now know that the weights applied to different kinds of students are flawed and inequitable.

POLICE REFORMS.

Vermont has continued to address issues related to equal protection and justice by passing several laws with various reforms. The bill S.219 will require state police to wear body cameras and prohibit law enforcement officers from using chokeholds and other similar restraint techniques.

S.124 addresses changes to policing policies and training. It will require law enforcement agencies hiring an officer from another department to request their performance reviews. It will also add civilian members to the Criminal Justice Training Council, including a mental health crisis worker and a person chosen by the NAACP.

S.119 establishes statewide standards for the use of deadly force in order to ensure that law enforcement is accountable to the citizens of Vermont. Some of the language is already in police departments' policies, but now it is in law. The bill will require officers to consider factors such as language barriers or mental impairment when deciding whether to use force. It will also ban the use of "prohibited restraints" such as choke holds under most circumstances.

Ensuring community safety is and always will be an ongoing process. I am sure that the provisions in these bills may be revised in the future based on experience and feedback from all stakeholders. We must support law enforcement in their work to keep us safe, and to hold us accountable for our behavior, but we must hold them accountable for their behavior in that endeavor as well.

The recent tragic deaths and social unrest have shown us how far we have to go as a nation to fulfill the promise of equal justice and equal protection before the law. We must work together to realize the promise that all people are created equal. We must transcend the divisions that separate us – we have so much in common. If everyone doesn't have justice, no one really has justice. If everyone doesn't have freedom and security, no one has freedom and security.

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 council. The bill will make it mandatory that we reach such goals through these plans. The plans and rules developed will affect many aspects of our economic activities in order to reduce fossil fuel use.

That bill passed the House and was sent to the Senate. The Senate removed the funding and staffing and sent the bill back, although apparently the money will be restored in the Budget currently in development.

I voted for this bill in the House 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 enough 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. 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.

Aside from the provisions of this bill, I support using future state borrowing to finance continuing and expanded investments in energy efficiency and conservation, renewable energy, and reduction of fossil fuel use overall. We can now see from the real time evidence of the economic slowdown from the pandemic that if we change our behavior we can change our fossil fuel use and change the levels of pollution. It is also clear that air pollution affects our lungs in ways which make diseases like COVID19 worse.

Ultimately this bill passed over the Governor's veto, and I did vote for it again. We can make changes in the legislation and improve the way in which the programs and plans will be developed and implemented.

ACT 250 REFORM.

As it passed the House the bill H.926 contained 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. The House bill added new criteria for projects under Act 250 jurisdiction to meet that concern climate change considerations, and also expanded 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 passed over to the Senate. At first they removed all the changes except for loosening the regulations for downtown development. Then a different version was created that changed the way recreational trails were regulated and put in place provisions to lessen fragmentation of forested areas. This final version passed both chambers, but the Governor vetoed it out of disappointment that it did not address the other issues with Act 250. This veto occurred after the Legislature had already adjourned, so there was no attempt at override.

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 in the House version of the bill 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 didn't see much reduction in the complexity of the Act 250 application process, except for lessening the amount of public participation, and I don't think that is a good thing. I voted against the bill in the House.

I voted for the final version with just provisions about trails and forests, but it was vetoed. This issue of Act 250 reform will be on the agenda for the next Legislature. Sometimes it takes several tries to get something right.

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.

There were competing versions of PFML before the legislature this year. The Governor put in place a voluntary program for state employees that would be available to all Vermonters, but the full implementation of this has not yet taken place. His veto of the Legislature's more generous

mandatory program was sustained. Ironically, if either of these programs had actually been in place during the COVID19 pandemic Vermonters likely would not have benefited from the supplementary Federal supports for those who needed to stay home to care for others or to quarantine.

The Legislature's 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 had 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 have been 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 like the one we have now. More Vermonters need the paid leave for taking care of themselves that is voluntary and costs extra in this program. During a recession like this one the payroll taxes for these programs would have to go up as payroll shrinks with rising unemployment.

The Governor's PFML proposal was 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. Although the disruption and uncertainty of the COVID19 situation has put the implementation on hold temporarily, these benefits will eventually 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 approach of putting the program with PFML benefits in place for Vermont state employees, and then making the benefits available to other working Vermonters at the same premium cost is a good one. I could not vote for the Legislative version of PFML in H.107 because it was too costly to taxpayers, at a time when we have not properly funded important existing state programs. I voted to sustain the veto. I hope we can work together to build the Administration's plan into an important benefit for all who want it going forward.

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 2022. 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 might have continued to see increases of around 25 cents

a year. There is no trigger mechanism to delay the wage increase in case of a recession. This bill passed the Legislature over the Governor's veto.

I supported the increases beginning in 2014 because they were moderate and cautious. But I cannot support the additional increases in S.23 as it is too much more too soon. It will be difficult for small businesses in many parts of the state to absorb this increase in costs without reducing hours, cutting jobs, and/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 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. 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.

We are now in a recession due to the economic effects of the COVID19 restrictions. So we will be raising wages significantly while the economy is slow and our small businesses are struggling to recover, with the result that more Vermonters may lose their jobs.

I voted to sustain the Governor's veto of S.23. More reliable ways to help low income Vermonters would be to increase the Earned Income Tax Credit and to increase child care subsidies.

COMMERCIAL CANNABIS INDUSTRY.

S.54 would create a legal market for Cannabis with regulation and taxes and a special Cannabis Control Board to develop and impose regulations. License fees and tax rates would be set to finance the regulations put in place. Municipalities will have to vote to opt in to hosting retail cannabis businesses. There is an excise tax of 14 percent and a 6 percent sales tax. Some of the revenue will be used for substance abuse prevention. A limit for THC concentration is set, and products aimed at children are banned. Guidelines for advertising will be set later. Roadside saliva testing for the presence of THC in a driver suspected of DUI will be allowed with a warrant.

Vermont already has a Medical Marijuana program and it is legal for Vermonters to grow cannabis for their own use.

This bill took a long time to go through the entire process, culminating in a Committee of Conference to reconcile the differing versions of the two chambers. Ultimately the Governor allowed the bill to go into effect without his signature.

While I was open to supporting legislation to establish a Commercial Cannabis industry, I could not support this particular bill. I would have liked stronger measures to support small growers and to prevent giant out of state corporations from taking over the industry. I would like to see this new industry required to use renewable energy as much as possible and to minimize the use of chemicals in growing and processing. I am disappointed the advertising was not banned.

I would actually like to have seen a different approach in which recreational cannabis products could be purchased only through licensed clubs and licensed cooperatives.

RUNNING FOR RE-ELECTION:

I am running for re-election to one of the two seats representing Arlington, Manchester, Sandgate and part of Sunderland in the Vermont House. As we face a public health crisis and uncertain economic conditions my expertise as an economist and my experience as a legislator are more important than ever. We must meet the challenges of dealing with the effects of COVID19 while also taking advantage of the opportunity to invest in productive capacities to serve Vermonters.

I am running as an Independent because the House Democratic Leadership has proven to be unable to tolerate a representative who insists that policies be based on reality and that the rules of our democratic process be followed, and who faithfully votes in the interests of her constituents rather than giving in to party demands or personal political ambition.

I ask for your vote as one of the two representatives for this district because our communities need a voice in Montpelier with the expertise and independence to support policies that will work and to oppose policies that are ill-advised. I will be working for effective Economic Development policies, Education Finance Reform, Balanced Energy Policies, Environmental Protection, Expansion of Broadband, and Community Health, Safety, and Justice.

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Due to the situation with the COVID19 virus I am not currently holding my Legislative Office Hours on Saturdays. Feel free to contact me to set up a telephone conversation or a physically distant meeting!