



Week 16 - May 1, 2020

THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis
of the issues in Montpelier



Please visit [our website](#) for our in-depth reporting on COVID-19 throughout the United States. This site is courtesy of [Leonine FOCUS](#), our 50-state legislative regulatory, tracking and reporting service. The site is frequently updated and includes information on executive orders, legislation, regulation, tax deadlines and more from across the country.

MAY DAY

For the third week in a row Governor Phil Scott [announced](#) further steps toward opening the state's economy during his Friday morning press conference. The latest measure would allow crews of up to 10 people on outdoor work sites, and on

unoccupied construction sites. It also allows manufacturing and distribution facilities to operate with up to 10 people. The order will allow construction, manufacturing and distribution operations to open in full on May 11. All of the above work activities must follow strict social distancing and other safety [guidelines](#). It is not a requirement for the general public to wear masks. However, businesses, non-profits and government entities can require employees and customers to wear them. All mass-transit riders will also be required to wear masks.

Scott cautioned that while health indicators continue to improve, the state will still proceed with caution as businesses start to reopen. He noted that neighboring states are all still dealing with serious outbreaks of COVID-19, and that Vermont is still very much at risk if serious safety protocols are not followed. As part of the effort to mitigate risk while reopening the state, Governor Scott and state officials have announced efforts to ramp up testing and contact tracing, mirroring efforts that have proven effective in other parts of the world.

As the legislative session moves into May the focus remains squarely on the COVID-19 crisis. However, lawmakers are starting the process of developing a budget adjustment to finish out FY2020 and begin FY2021. Lawmakers will need to continue to meet throughout the summer and fall to build the full year FY2021 budget. While news on the health front continues to improve both the administration and legislature are keenly aware of the monumental challenge they face as the state begins the long road to recovery.

STATE REVENUES TANK

This week lawmakers got their first glimpse of the devastating impact the COVID-19 pandemic will have on state revenues next fiscal year. The legislature's economist Tom Kavet projects state revenues will be down \$143.6 million for the current fiscal year ending in June and down another \$427 million for the next fiscal year starting in July. Full of references to testing, social distancing and epidemiological models, Kavet's [testimony](#) sounded more like an update from the

Health Department than the legislative economist. As Kavet put it, “current economic conditions are dominated by epidemiological and federal policy events with massive economic consequences, not business cycle economic imbalances in need of correction.”

While Vermont is slated to get federal stimulus funds that could offset some of these losses, the exact amount Vermont will get and how the funds may be used is unknown at this time, according to Kavet. Recent federal guidance states that “revenue replacement is not a permissible use” for the \$1.25 billion Vermont received from the federal CARES Act. Every state in the nation is trying to get Congress to remove this restriction but for now it means the state cannot use the federal funds to backfill these revenue holes.

STATE BUDGET BILLS

The significant revenue downgrade sent the budget writing committees back to the drawing board. On Thursday, the House and Senate Appropriations Committees reviewed a Joint Fiscal Office (JFO) outline of some issues that need to be addressed in the two budget bills that the committees will start working on next week:

- **FY2020 BAA2 & Fiscal Year Closeout Bill.** The first bill is an unprecedented second FY2020 Budget Adjustment Bill for the current fiscal year that ends on June 30th. This [JFO summary](#) flags issues that will likely be addressed in this bill, including some COVID-19 related new spending from federal funds for higher education, broadband and agriculture. The administration is expected to unveil its draft BAA2 bill in the House Appropriations Committee next Wednesday morning.
- **Skinny Start Budget FY2021.** Due to the uncertainty in the revenue forecasts for the fiscal year starting in July, as well as the uncertainty surrounding how federal stimulus funds can be spent, there is general agreement between lawmakers and the Scott Administration to create a

budget only for the first quarter of FY2021, or for the months of July, August and September 2020. This bill is expected to contain approximately 25 percent or less of the funding that would be in a full year budget. Here is a [list of items](#) identified by JFO to date that will need to be addressed in the “Skinny Start” budget bill.

HOUSE ACTION

The full House met remotely twice this week to approve legislation dealing with the fallout from the COVID-19 crisis. On Wednesday the House approved an extension of their declaration of emergency until May 31, 2020. This allows the House to continue meeting and voting remotely, as the members established previously that the governor’s emergency declaration doesn’t dictate how the House operates. The House gave final approval to [S.182](#), a bill that grants more flexibility to emergency medical service providers and workers such as plumbers and electricians. S.182 also requires the Department of Financial Regulation (DFR) to enforce the provisions in existing law that require insurance companies to reimburse ambulance service providers instead of patients. It also allows sheriff’s departments to access emergency funding for the duration of the pandemic. This week the House also passed [S.333](#), which places a moratorium on evictions for the duration of the COVID-19 state of emergency, and [S.344](#), which gives towns the authority to extend property tax deadlines and waive fees associated with late payments due to the pandemic.

TESTING AND PHASES

On Wednesday Governor Scott and Health Commissioner Levine had some good news to share: Vermont had zero new positive test results for COVID-19. They also announced that the State will begin ramping up its testing and contact tracing program in an effort to identify, contain and suppress COVID-19 outbreaks. The

new, phased-in approach will eventually see Vermont conducting 7,500 tests a week.

- **Phase one** will increase testing for vulnerable populations and health care workers in settings where outbreaks have been concentrated.
- **Phase two** will focus testing resources on populations that are considered essential to restarting priority sectors of the economy, while continuing to focus on health care workers, as well as child care providers.
- **Phase three** would further expand testing to these aforementioned populations and will also allow for testing of certain Vermonters who are under the mandatory 14-day quarantine as an option to reduce the quarantine time period.

The governor also [announced](#) the creation of the Vermont Enhanced Testing and Tracing Task Force, composed of experts from the Department of Health and Agencies of Human Services and Digital Services. They will assist in monitoring new developments and recommend new strategies going forward.
