



Week 10 - March 18, 2022

THE VERMONT STATEHOUSE INSIDER

Weekly politics & analysis
of the issues in Montpelier



Gordon Wisbach

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CROSSOVER 2.0

The House Appropriations Committee worked long hours throughout the week to try and finalize their version of the FY2023 budget bill. Their work on the budget was slowed by an unusually long queue of spending-laden policy bills that required budget approval. While it is

normal for a handful of policy bills to include appropriations – often related to economic development, healthcare or other big-ticket items – the number of non-budget bills that include appropriations is definitely elevated this year. This is in part due to the surplus of funding available as a result of a strong General Fund and hundreds of millions in American Rescue Plan Act (ARPA) dollars.

By Friday it was unclear whether the committee would meet its goal of completing its work on the FY2023 budget bill by the end of the day.

The FY2023 budget and associated bills make major investments in state technology modernization, higher education, the creative sector, workforce development, addiction recovery, addressing climate change via clean water and energy efficiency programs, housing and many other programs.

While there are many important initiatives in the FY2023 budget, there was one interesting development worth noting this week relating to how the state manages information technology. In the final days of budget deliberations, the House Appropriations Committee revived a proposal from last year to create a “state IT modernization fund” that would be dedicated to funding state government technology upgrades. The idea was first proposed by the Agency of Digital Services in 2021 but was not approved during that legislative session. The House Appropriations Committee is considering adding language to the FY2023 budget to create the fund and including an appropriation of \$67 million. \$50 million would be dedicated to the modernization of the unemployment insurance system and the department of motor vehicles mainframe, two major projects Governor Scott proposed. The rest of the funding would be used to fund various IT projects throughout state government. There remain some questions as to whether the two major projects are ARPA eligible and if they are, whether they would have to be funded separately from the IT modernization fund. If that is the case, the IT modernization fund would be established with a \$16 million appropriation.

The House Appropriations Committee also has possession of the FY2023 Transportation Bill, which includes significant increases in funding for key programs like paving and bridge maintenance and clean transportation initiatives. Overall, the program development portion of the Transportation Bill is up 31 percent over FY2022.

The Transportation Bill spending increases represent a commitment by the administration and legislature to ramp up the maintenance of state infrastructure and also the anticipation of being able to increase transportation funding over the better part of the next decade as a result of the Infrastructure Investment and Jobs Act (IIJA). Unlike other COVID-19 era federal funding bills, IIJA is appropriated through the traditional transportation funding formula, which usually requires a state match. While the state appears to be in good shape for the match in FY2023, there are concerns about the state’s ability to provide a match in future fiscal years. The House Transportation and Appropriations committees indicated it is a top priority to draw down all the IIJA funding available to the state and are continuing to explore options to increase state matching funds in future years.

As of Friday afternoon, the House Corrections and Institutions Committee was hard at work finalizing its proposal for the FY2022-FY2023 Capital Budget Adjustment Act. When the FY2022-FY2023 Capital Budget passed during the 2021 legislative session the state did not have the benefit of the considerable amount of money made available to it from the federal IJA. The committee is poised to, among other things, appropriate \$21.5 million to the Department of Public Service for use in analyzing where additional cell service is needed in the state and grants for building cell sites in such areas.

TRANSPORTATION BILL

This week the House Transportation and House Ways and Means Committees advanced H.736, An act relating to the Transportation Program and miscellaneous changes to laws related to transportation. Here is a link to a Section-By-Section summary of H.736. There are significant investments in encouraging Vermonters to purchase electric vehicles and electric vehicle infrastructure. The bill still needs to be approved by the House Committee on Appropriations before heading to the House floor for a vote.

HYDROFLUOROCARBONS EMISSIONS

This week the House passed H.523, an act relating to reducing hydrofluorocarbons emissions. VADA supports the bill because the House removed new car and truck sale requirements. The bill was referred to the Senate Natural Resources & Energy Committee.

MERCURY LAMPS

This week the House passed H.500, an act relating to prohibiting the sale of mercury lamps in the state. The bill was referred to the Senate Natural Resources & Energy Committee.

DMV MISCELLANEOUS BILL

Earlier this session the Senate passed S.280, an act relating to miscellaneous changes to laws related to vehicles. The bill has been pending in the House Transportation Committee which will likely take the bill up in the next week or two.