



Week 10 - March 19, 2021

THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis
of the issues in Montpelier



MARCH MADNESS

The House Appropriations Committee (HAC) worked long hours this week to finalize the FY2022 budget. Friday was the crossover deadline for all money bills and the budget, transportation and capital bills all needed to pass out of their respective committees in the House. The HAC spent a fair amount of time looking for opportunities to utilize new American Rescue Plan Act (ARPA) funding from the federal government. HAC was operating with the understanding that upward of \$1 billion is available for consideration in the state budget.

There is more flexibility with ARPA funds than allowed for in any previous federal stimulus plan, including a spending deadline of December 31, 2024. While there is

more flexibility with the ARPA funds, HAC maintained a goal of not increasing base funding. The committee also grappled with making decisions while the federal guidance around ARPA is still being analyzed by state officials.

The HAC budget proposal includes a few significant uses of ARPA funds, notably for the Vermont State Colleges System, broadband expansion, housing and state IT infrastructure modernization. By the end of the day on Friday the committee gave informal approval to the budget bill and will take the weekend to review it before a formal vote. The committee is expected to vote on the budget on Monday. The bill's next stop is the House floor where it will likely be approved by the end of the week. Upon approval it will go to the Senate for consideration.

The Senate will have more time than the House to determine how to incorporate ARPA funding into the FY2022 budget. The administration is expected to offer its own proposal for how to spend ARPA funds.

The somewhat monumental effort to appropriate ARPA funding blurs the outlook for the legislative timeline. Before the pandemic, the General Assembly normally adjourned mid-May. In 2020, the legislature met for the better part of the year, working until July 1, and reconvening in August for a fall session that ended at the beginning of October. In 2021, the effort to allocate ARPA funding could extend the session well into June, or lead to a reconvening later in the year, or both.

While HAC worked on the FY2022 budget bill, the Senate Appropriations Committee passed H.315, the expedited COVID-19 relief bill. The full Senate gave preliminary approval to the bill on Friday. H.315 includes funding for: the Agency of Natural Resources for projects such as Brownfield remediation; the Agency of Commerce and Community Development for a business relief recovery fund program and microbusiness grants; the Vermont Housing and Conservation Board for affordable housing initiatives; higher education through the Vermont State Colleges System; the Agency of Human Services for emergency outreach and peer support; and to the Agency of Education for initiatives such as school indoor air quality, literacy and mental health support, among other things.

Governor Phil Scott said last week that due to an increasing supply of COVID-19 vaccines, Vermont would be able to meet and exceed President Joe Biden's goal of expanding vaccine eligibility to the general adult population by May 1. On Friday, Governor Scott announced all remaining adult age bands would become eligible for vaccination registration on the following timeline:

- 60+ March 25
- 50+ March 29
- 40+ April 5
- 30+ April 12
- 16+ April 19

Governor Scott estimates all Vermonters 16 years of age and older who want to be vaccinated will have the opportunity by July 1. Additionally, the governor announced that beginning March 24, bars and clubs will be allowed to open in accordance with the state's capacity, seating and distancing requirements for restaurants. The governor expects to outline a more detailed plan to return the state to normalcy by July in the next two to three weeks.

TRANSPORTATION BILL

Late last week the House Transportation Committee advanced H.433, An act relating to the Transportation Program and miscellaneous changes to laws related to transportation. [Click here](#) to see the full text of H.433. This week the House Appropriations Committee advanced the bill and it will be up for action on the House floor early next week. [Click here](#) for a spreadsheet outlining the one-time funds the House Transportation Committee added on top of the increases the governor proposed to various programs including New PEV incentives, MileageSmart and emission repair. The House Transportation Committee removed the governor's proposed \$250,000 for dealer incentives and training because they believed the need can be met with existing resources.

DIRECT TO CONSUMER MOTOR VEHICLES (S.47)

On Friday, the Senate voted unanimously by voice vote to pass S.47, the bill that proposes to allow a “non-franchised zero emissions motor vehicle manufacturer,” like Tesla, to become a registered dealer with the Department of Motor Vehicles (DMV) to sell vehicles directly to Vermonters and directly own and operate a warranty and service center in Vermont. The bill also contains provisions that strengthen the motor vehicle franchise law to prevent franchised manufacturers from competing against their franchised dealers. Finally, the bill states that the General Assembly intends to consider additional amendments to the motor vehicle franchise law in 2022, and sets up a process whereby any person interested in proposing amendments to the franchise law may file them with DMV by December 1, 2021. DMV then has to compile all the proposals it receives and report to various committees by January 15, 2022. [Click here](#) for a link to the Senate Journal for Thursday, March 18, with the text of the Senate-passed version of S.47 starting on page 249. The bill will now go to the House for consideration.

BROADBAND

With the recent enactment of ARPA the Energy and Technology Committee agreed to increase the total funding request in H.360, the omnibus broadband bill, from \$30 million to \$200 million. The HAC ultimately [agreed](#) to increase the broadband appropriation to \$150 million, representing the most significant investment in broadband expansion the state has ever seen. H.360 largely excludes private providers from contributing to broadband deployment and instead focuses on propping up Communication Union Districts (CUDs).

HIGHER EDUCATION

This week House Speaker Jill Krowinski, D-Burlington, announced an \$84 million higher education package designed to stabilize the Vermont State Colleges System and provide financial support to Vermonters continuing their education or gaining skills to get a new job. [Click here](#) for the proposal. The package includes:

- For the Vermont State Colleges - \$61.5 million in one-time funds and \$5 million in the base
For the University of Vermont - \$7.2 million in one-time funds for COVID-19 related items
For the Vermont Student Assistance Corporation - \$8.1 million total in one-time funds spent over three years for Advancement Grants, aspiration grants and 802 Opportunity Scholarships
For primary care physician and nurse scholarships - \$2-3 million total in one-time funds spent over 2-3 years and matched with Global Commitment federal funds