



**Week 19 - May 21, 2021**

# THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis  
of the issues in Montpelier



*This is the final weekly newsletter for the 2021 legislative session. We will send out a recap of the session next week.*

## **DONE!**

The Vermont legislature is in the final hours of the 2021 session. On Thursday evening the budget conferees virtually shook hands on their [report](#) on H.439, the FY2022 budget bill. While legislative leaders had previously targeted Tuesday as the date for closing out the budget negotiations, a disagreement over how to fund retired teacher health care obligations (OPEB) delayed a final agreement. After

several proposals and counter-proposals the conferees reserved \$150 million in General Funds and \$14 million in Education Funds for pension and OPEB obligations. Separately, the legislature this year established a Pension Task Force to look at the issue of state employee and teacher pensions. The compromise gives the task force time to do their work. Beyond that the \$7.35 billion FY2022 budget allocates nearly \$600 million in American Rescue Plan Act (ARPA) funds, including \$190 million for housing, \$150 million for broadband and \$66 million for IT modernization. [Click here](#) for the highlights of the FY2022 budget. While budget negotiators hammered out the final details of the FY2022 budget, the House and Senate spent long hours on the floor working to get other bills across the finish line. The House and Senate are expected to approve the conference committee report on the budget and adjourn soon thereafter.

Both bodies are expected to sign off on an adjournment resolution that would allow, but not require, the legislature to return in October if Congress passes an infrastructure stimulus bill. This would allow the legislature to return in order to allocate those funds before the start of the 2022 legislative session. A veto session has been scheduled for June 23-24, when the the legislature could attempt to override the governor's action on any bills he vetoes. After a very long 14 months of legislating remotely, the pending adjournment looks like a more normal end to a legislative session. Legislators and their staff are exhausted from long hours on zoom and looking forward to a potentially more normal in-person session when they return in January, 2022. Details on what an in-person session will look like post COVID-19 are still being hammered out by joint legislative committees.

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## **DIRECT-TO-CONSUMER MOTOR VEHICLE SALES (S.47)**

This week the Senate concurred with the House Proposal of Amendment to S.47, the bill that proposes to allow certain non-franchised ZEV manufacturers to sell vehicles directly to consumers and service them in Vermont. The bill also strengthens the motor vehicle franchise law to prevent franchised manufacturers

from competing against their franchised dealers. [Click here](#) for the text of the bill as it passed the House and Senate. The bill now goes to the governor who is expected to sign it.

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### **TRANSPORTATION BILL (H.433)**

This week the House and Senate adopted the Committee of Conference report for H.433, An act relating to the Transportation Program and miscellaneous changes to laws related to transportation. The bill now goes to the governor who is expected to sign it. The bill contains funding for and in some cases programmatic changes to various vehicle incentive programs to expand the EV market in Vermont, including the Incentive Program for New PEVs, MileageSmart, Emissions Repairs and Replace Your Ride Program, among others. [Click here](#) for the text of H.433 as it passed the House and Senate.

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### **DMV MISCELLANEOUS BILL (S.86)**

Last week the House and Senate reached agreement on and passed S.86, An act relating to miscellaneous changes to laws related to vehicles and vessels. The bill now goes to the governor for his signature. The bill contains numerous amendments to DMV laws related to motorboats, motor vehicles, snowmobiles and ATVs. [Click here](#) for the version of the bill as it passed the House and Senate.

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### **BROADBAND**

Both chambers signed off on a new version of the broadband bill, H.360, that House-Senate conferees came up with earlier in the week. The bill establishes a five person Vermont Community Broadband Board that will award grants to

intermunicipal Communication Union Districts and small communications carriers for the build out of broadband infrastructure. If adopted, the FY2022 budget bill, H.439, will appropriate \$150 million for that purpose.

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## **PUPIL WEIGHTING**

On Tuesday, the House voted unanimously to approve their version of S.13, a bill that creates a legislative task force charged with designing an implementation plan for an updated public school education funding formula. The updated formula was recommended in the Pupil Weighting Factors Report authored by the University of Vermont and Rutgers University in 2019. The report documented conclusively that although Vermont has a constitutional obligation to provide all students with equitable educational opportunities, the actual costs for educating children from varying circumstances have not been taken into account under the current formula. This includes children who attend small schools, children from rural areas, economically disadvantaged children and children who are English language learners. Because the funding formula does not address the actual needs of these student populations, and because districts that serve them that spend over a certain threshold are penalized, these districts have a lack of taxing capacity and are unable to provide necessary resources for their students.

The Senate-passed version of S.13 created a broader scope of considerations for the task force to take into account. Advocates for an updated formula opposed the broadness of the bill as it didn't bind the task force to create a plan to implement the recommendations of the report. The House-passed version of S.13 is more narrow in scope and requires that the task force consider how to integrate the weighting calculations from the report with Vermont's equalized pupil calculations, excess spending threshold and yield calculations. Notably, the House Ways and Means Committee also added a provision to suspend the excess spending threshold for FY22 and FY23. Under Act 68, a district with an education spending amount per equalized pupil that exceeds the designated spending threshold incurs an additional tax for the amount over the threshold. The excess spending

threshold is a cost containment measure to discourage overspending by school districts. Many districts that are underweighted consistently exceed this threshold when they attempt to spend more to make up for their underweighted pupil count under the current weighting formula.

The Senate Education committee finally agreed to concur with the House amendments on Wednesday, and the full Senate voted unanimously to approve the bill. S.13 now heads to the governor's desk. He has indicated that he has concerns over the suspension of the excess spending threshold. If the bill passes, the task force will begin meeting no later than June 1 of this year.