

Week 4 - January 29, 2021

THE VERMONT **STATEHOUSE INSIDER**

Weekly politics & analysis
of the issues in Montpelier



THE BIG BILL

On Tuesday, Governor Scott unveiled a proposed \$6.83 billion budget for FY22 (July 1, 2021-June 30, 2022). The governor highlighted the challenges the state has faced since the pandemic reached Vermont almost a year ago, but emphasized that his budget does not increase taxes, raise fees or cut essential government services. As is the tradition, the budget address was delivered to a joint session of the House and Senate, albeit virtually on the part of all concerned, with the governor speaking from his office in Montpelier due to the pandemic.

The governor's proposed budget includes \$123 million in capital construction projects; \$680 million in roads, bridges and other transportation projects; \$1.99

billion in General Fund spending; and \$1.89 billion for Pre-K-12 education. The budget includes \$210 million in one-time funding for a variety of initiatives such as \$20 million for broadband expansion, \$25 million for weatherization projects and \$20 million for the state college system. The governor also said his proposal fully funds retirement obligations this year for \$381 million. This comes on the heels of a controversial report from Vermont State Treasurer Beth Pearce recommending a reduction in pension benefits for teachers and state employees. A new analysis projects the system's unfunded liability growing by about \$600 million.

Beyond the budget a prominent story this week was a [letter](#) to the media, signed by over 50 prominent Vermonters calling on the Vermont press corps to examine gender bias and racism in reporting. The letter, which was signed by former governors Madeleine Kunin, Howard Dean and Peter Shumlin among many others highlights examples of gender bias in Vermont's political reporting. The letter asks the press corps to engage in conversations about how they can do better.

VADA TESTIMONY

Marilyn Miller, Executive Director of VADA, Bob Cody, President of VADA and lobbyist Clare Buckley testified in the House Commerce and Economic Development Committee on Friday. Marilyn Miller provided an overview of VADA with an emphasis on automotive technology programs and the AUTO CAP program which provides a forum to resolve consumer complaints involving VADA members. Bob Cody provided information about the economic impact of auto dealers in Vermont, reviewed the most recent Auto Outlook report and discussed the value of the franchise law. There were a few questions about direct to consumer sales of automobiles and Chair Michael Marcotte, R-Coventry, said the committee will review the study the Agency of Transportation just completed on the subject. [Here is a link](#) to the documents VADA provided to the committee.

DIRECT TO CONSUMER VEHICLE SALES BILL

This week two bills addressing direct to consumer motor vehicle sales by manufacturers were introduced in the Vermont House and Senate. [H.155](#), An Act Relating to Motor Vehicle Manufacturers and Motor Vehicle Warranty or Service Facilities, authorizes manufacturers that exclusively manufacture or assemble zero electric vehicles to own a warranty and service facility in Vermont under certain circumstances. The manufacturer must be a licensed dealer and meet other requirements. Rep. George Till, D-Jericho is the lead sponsor of the bill with 14 other House members signing on. [S.47](#), is an identical bill introduced in the Senate by lead sponsor Sen. Andrew Perchlik, D-Washington, along with four Senate co-sponsors. The bills were referred to the House and Senate Transportation Committees.

BUDGET ADJUSTMENT

On Friday, the House passed the FY21 budget adjustment bill, H.138. The bill makes various adjustments to the state budget in the current fiscal year. Notably \$3.6 million in general funds are appropriated to the Vermont State Colleges for COVID-19 costs. The bill also appropriates \$1 million to the Agency of Natural Resources to get technical assistance to implement the Global Warming Solutions Act, which was enacted last year when lawmakers overrode the governor's veto. [Here is a summary](#) of the bill.

BROADBAND

On Tuesday legislative counsel gave the members of the House Energy and Technology Committee an overview of a [draft bill](#) that is aimed at expanding broadband connectivity in Vermont. A central feature of the draft legislation is the creation of the "Vermont Community Broadband Authority." In many ways the Authority would function similar to the former Vermont Telecommunications Authority (VTA), which the legislature "mothballed" several years ago. When it was

shut down the VTA's responsibilities concerning enhancing broadband connectivity were transferred to the Department of Public Service. There is some feeling now that a new stand alone entity is needed and the Department should not serve both as a regulator of broadband services and a promoter of broadband connectivity. The committee will be taking further testimony concerning the draft legislation next week.

AUDIO ONLY HEALTH CARE SERVICES

During the 2020 legislative session the General Assembly enacted legislation requiring the Department of Financial Regulation (DFR) to issue emergency rules requiring health insurers to provide coverage for health care services provided by telephone. This activity was in response to the COVID-19 emergency and the initial directive that health care providers cease providing in person health care for all but emergency health care services. Those rules will expire this summer.

The House Health Care committee is now considering the possibility of continuing the coverage mandate for audio only services after the COVID-19 emergency ends. The issue was teed up by a report from a working group of stakeholders convened by DFR that recommends making the coverage mandate permanent. While there was consensus amongst the stakeholders about continuing the coverage mandate, they did not agree on whether health care providers should be paid the same amount for audio only services as they get paid for in person service. The House Health Care Committee took testimony on the subject this week and will continue to do so next week.

DIRECT TO CONSUMER VEHICLE SALES REPORT

The Senate Transportation Committee will take testimony from the various government officials involved in the [Direct To Consumer Vehicle Sales Report](#) completed on December 15 next Wednesday, February 3.

AOT BUDGET

Joe Flynn, Secretary of the Agency of Transportation, presented the details of the agency's FY22 budget to the Senate Transportation Committee this week. The budget includes a proposed transportation fund appropriation for EV incentives (\$2 million), VT Replace Your Ride Program (\$1.5 million), EV Education and Outreach (\$250,000), EV Sales Incentives for Dealers and Salesforce (\$250,000) and EV charging infrastructure (\$1 million). The Secretary's full budget presentation can be found [here](#).

OTHER VADA BILLS INTRODUCED

[H.123](#), **An act relating to a vehicle miles traveled tax for plug-in electric vehicles** - This bill proposes to create a vehicle miles traveled tax applicable to plug-in electric vehicles.

[H.125](#), **An act relating to motor vehicle lease buyouts and registration fee refunds** - This bill proposes to allow for the lessee of a motor vehicle to receive a registration fee refund when buying out the lease in certain circumstances.