

Journal of the Joint Assembly

IN JOINT ASSEMBLY, JANUARY 12, 2012

2:00 P.M.

The Senate and House of Representatives met in the Hall of the House of Representatives pursuant to a joint resolution which was read by the Clerk and is as follows:

J.R.S. 34. Joint resolution to provide for a Joint Assembly to hear the budget message of the Governor.

Resolved by the Senate and House of Representatives:

That the two Houses meet in Joint Assembly on Thursday, January 12, 2012, at two o'clock in the afternoon to receive the budget message of the Governor.

Presiding Officer

Honorable Philip B. Scott., President of the Senate, in the Chair.

Clerk

John H. Bloomer, Jr., Secretary of the Senate, Clerk.

Committee Appointed

Senator John F. Campbell of Windsor District moved that a Committee of three Senators and three Representatives be appointed by the Chair to wait upon His Excellency, the Governor of the State of Vermont, to inform him that the Joint Assembly is now convened and to escort the Governor to the Chamber to deliver his budget message.

Which was agreed to.

The Chair appointed as members of the Committee:

Senator Anne E. Cummings, of Washington District
Senator M. Jane Kitchel, of Caledonia District
Senator Kevin J. Mullin, of Rutland District

Representative Betty A. Nuovo, of Middlebury
Representative Brian K. Savage, of Swanton
Representative Sarah R. Edwards, of Brattleboro

The Committee performed the duty assigned to it and appeared within the Joint Assembly accompanied by His Excellency, Governor Peter E. Shumlin, who delivered the following message.

Governor's Budget Message

“Members of the General Assembly, distinguished guests, fellow Vermonters:

“Thank you for getting to work so quickly. This is the earliest budget address in a decade, enabling us to accomplish the important work Vermonters sent us to do and adjourn in a timely fashion. Since my budget is being presented before the official revenue forecast is updated, refinements may be required if projections change significantly.

“Today, I present a budget that makes the necessary choices to match our spending with Vermonters’ ability to pay. This is a balanced budget that protects our most vulnerable, strategically invests new dollars in making Vermont the education state, and builds on our strong jobs future.

“Last year, we made tough choices to close a \$176 million gap. Today, I present a budget that closes a \$51 million shortfall without raising broad-based taxes on hardworking Vermonters who continue to struggle to make ends meet. This budget also preserves programs for Vermont’s most vulnerable: our seniors, Vermonters with disabilities, our children, and those who live in poverty.

“We face two challenges this year: to rebuild this state better than Irene found us, and to continue to build our bright jobs future. To those who say we can’t do both at the same time, I say: we must.

“We start by getting credit to entrepreneurs when they need it most. In partnership with Treasurer Beth Pearce, we are asking the legislature to increase the state’s moral obligation support for VEDA by up to \$30 million.

“Next, with over 600 historic buildings in our downtowns flooded by Irene, many Vermonters who were put out of work are counting on us. I am proposing an additional \$500,000 in downtown tax credits. Each dollar leverages 16 additional dollars in job creation, and every million dollars creates 110 new jobs.

“For the municipalities hit by Irene, I recommend we provide assistance in two ways: first, my budget increases the state match for town highways on the federal aid system. Second, for those towns whose storm damage completely overwhelms their ability to pay, the state will pay your entire share of the FEMA match. My message to towns is clear: we stand with you all the way as we rebuild together.

“Many individuals and communities are facing tough decisions about whether to rebuild in flood plains. The FEMA buyout program only covers 75 percent of the pre-disaster property value. The goal is for the state to cover the remaining 25 percent where needed. Through the Vermont Housing and Conservation Board we will provide a minimum of \$2 million in matching funds for Vermonters who seek buyouts for destroyed homes and towns who seek flood mitigation.

“Vermont’s transportation infrastructure pre-Irene was crumbling before our eyes. We will take the lessons from Irene to rebuild our roads, bridges, and rail stronger, faster, and more affordably. My budget proposes the largest transportation program in Vermont history by adding \$45 million to desperately needed paving and bridge projects. It also increases town highway aid by \$1.5 million, the first such increase in six years.

“We must turn the devastating flooding at our state office complex into opportunity by building efficient, effective, green state workspace for the future.

“The following principles must inform our decisions as we consider how to rebuild:

“One, when making capital investments of taxpayer dollars of this magnitude in real estate, facts really matter: weighing the cost of each of our options is critical.

“Two, with more intense storms looming large in our climate change future, our investments must be protected from getting washed away by future storms.

“Three, we will use this opportunity to co-locate and integrate state agencies that share a common mission.

“I recommend the following actions:

“First, it should be clear from the effective collaboration of the past four months that the Agencies of Transportation, Natural Resources, and Commerce be co-located and integrated on a permanent basis. It makes sense to consolidate them in space that we are currently leasing at National Life in Montpelier.

“Second, the Department of Education is currently functioning in two different locations in central Vermont, inhibiting efficiency and collaboration. I recommend relocating the Department of Education to the office building being proposed in the heart of Barre by Mayor Lauzon, Representative Poirier and others. This action will help revitalize Barre’s downtown and return it to a vibrant center for commerce and job creation.

“Third, the Agency of Human Services is scattered between Washington and Chittenden Counties. This inhibits our ability to provide seamless and integrated service to the people who need state government most. I ask you to support me in reuniting AHS into one location in central Vermont.

“My first choice is to unite them in Waterbury. Before we make that decision, we must first ensure that we can keep it dry and modernize the workspace affordably.

“Rebuilding in Waterbury would be ideal. My administration, working with the legislature, will move as quickly as we possibly can, as our architects and engineers develop the multiple scenarios under consideration.

“Whatever the outcome, it is unlikely that the significant costs incurred will be entirely covered by FEMA or insurance. That’s why I am requesting that the House and Senate Institutions Committees redirect \$18 million of previously approved projects to help cover the investments that lie ahead.

“Irene has also delivered an opportunity to create an outstanding mental health system for Vermont.

“We will not return to the State Hospital, whose decrepit condition did not dignify our most vulnerable Vermonters or high quality of care provided by our state employees. Since that fateful August day when we evacuated the hospital, we have worked tirelessly with our mental health community – state employees, community providers, hospitals and designated agencies, to put in place a plan to address our short-term crisis and design a long-term solution.

“Guided by the simple principle that quality care for the patient is our top priority, we will expand community services, increase peer services, enhance hospital care regionally, and build a new state of the art facility.

“In our effort to achieve mental health parity, it is inexcusable that we require patients seeking acute care for mental illness to travel far from home to receive it. Our plan allows for acute care and community-based care in multiple locations throughout Vermont to keep patients close to home.

“While we should be proud of our collective response since our hospital was flooded, let us not forget that we remain in a crisis situation. While we have been fortunate to avert disaster or loss of life thus far, that could change at any moment.

“I appreciate your commitment to address this emergency in an expedited fashion. Your authorization of the acute care beds at the Brattleboro Retreat, Rutland Regional, and in Windsor County cannot happen soon enough. Vermont’s taxpayers will be relieved to learn that most of these costs will likely be paid for by FEMA. We must also break ground on our new state 16-bed state operated facility in central Vermont this summer. I am counting on you to put a bill on my desk by February 17 that implements this plan and moves us from crisis management to quality care.

“Some critics have argued that this session we must limit any discretionary spending to only Irene-incurred expenses. I say: we must not pit Vermonters against Vermonters. We must not say to our low-income seniors in Springfield that we can’t provide heating assistance to keep them warm this winter because Irene did not impact them directly. We must not tell small businesses in the Northeast Kingdom that they don’t deserve support or a struggling dairy farmer in Swanton that we can’t help them stay in farming because they were not impacted by Irene. Pitting Vermonter against Vermonter is not the Vermont way, it’s not Vermont Strong, and we must not do it.

“Building the best education system in the country will create jobs.

“My budget proposal includes a \$282 million appropriation to the Education Fund. For the second year in a row, we are increasing Education Fund dollars, this year by \$6 million, in our effort to hold the line on property taxes.

“Recognizing that in recent years, Vermonters gathering at town meeting have chosen to spend more per pupil than almost any other state in America, I commend our local school boards for holding the line on new spending over the past two years and urge them to do it again. Rising property taxes continue to be a tremendous burden for Vermonters struggling in this recovery, and a failure by local boards to hold the line again will result in unacceptable property tax increases. As student enrollment continues to decline, we are finally seeing a downward trend in the number of teachers and staff, which should make level funding our school budgets even more achievable.

“I am a strong supporter of local control. I firmly believe that we in Montpelier should never live under the illusion that we should decide which schools stay open and which schools consolidate. However, we can save money and retain local control by cutting administrative costs and consolidating supervisory unions. Senator Kevin Mullin has proposed consolidating our 60 supervisory unions, reducing bureaucracy and saving taxpayers roughly \$9 million each year. This bold proposal deserves your consideration.

“Your recently released school funding study demonstrates that, through Act 68, Vermont has found more success than any other state in converting the regressive property tax into fair education funding.

“Now is our time to move on from the old battles about whether our financing system works. The opportunity now is to partner with our locally controlled education community to do the more important and difficult job of enhancing creativity and quality for every student.

“Our challenge is two-fold. First, despite our progress in achieving equity, educational achievement continues to stubbornly track family income. Second, our delivery system leans too heavily on the rigid model that time spent together in class with blackboard and pencil will collectively result in acquisition of skills for our diversity of learners.

“From early education to higher education and technical school, we have among the most innovative offerings in the country. By creating a seamless system that allows each student to take advantage of these offerings, we will achieve excellence. However, we have to have the courage to do some things differently.

“We must start by elevating the Commissioner of Education to the Secretary of Education, appointed by the governor.

“We must also continue to partner with our local communities to expand access to pre-K education. Last year, we lifted the cap that gives every community equal access to quality pre-K education. Continuing to build universal pre-K in Vermont will assure a strong start for every student.

“Flexibility is critical for all students, and I strongly believe that expanding our limited school choice to all of our public high schools in Vermont will enhance innovation. Additionally, allowing high school juniors and seniors to take college courses for college credit wherever they choose will make higher education more affordable for low- and middle-income, first-generation students. This flexibility, with the money following the student, should be available to all high school juniors and seniors in Vermont.

“In my travels to businesses across the state, I hear consistently a similar story: businesses are hiring, but they can’t find enough Vermonters with skills in science, technology, engineering, and mathematics.

“To address this growing problem, I propose an \$8 million innovation investment in the University of Vermont and the Vermont State Colleges. This one-time investment from the Higher Education Trust Fund will still leave the fund ten percent higher than last year.

“Under my proposal, the University of Vermont will use its one-time investment of \$4 million to undertake the following:

1. Expand successful university-industry partnerships, giving seniors the opportunity to get hands-on job experience with businesses and nonprofits.
2. Create an international center of excellence in complex systems at UVM that will enhance economic growth. The new multi-million dollar Sandia National Laboratory is just one example of the kind of innovation this investment will stimulate.
3. Develop a program that facilitates the re-entry of critically needed science and engineering professionals back into our workforce. By targeting women who have temporarily left their fields, often to raise families, we can help retain already skilled workers.

“The Vermont State Colleges will use its \$4 million to:

1. Allow more high school students to enroll full-time in college during their senior year, saving their families money and getting a head start on finishing a college degree.
2. Create an applied educational institute supporting the renaissance in the agricultural and food production sectors.
3. Improve access to CCV and VTC in southern Vermont by supporting a consolidated academic center in downtown Brattleboro. Both CCV and VTC School of Nursing now operate in antiquated leased space; this investment will be an economic shot in the arm for downtown Brattleboro, which has been hit hard by fires and floods.

“We hear a lot about the need to invest in innovation and the future workforce; this is an opportunity to back our words with action, and I urge you to support these initiatives.

“To build jobs, we know that strong, coordinated marketing of the Green Mountain State led by the Department of Tourism and Marketing, works. Leaf

peepers poured into Vermont despite Irene. To keep our tourism industry vibrant, my budget fully funds our marketing efforts.

“Manufacturing in Vermont is showing signs of life. I have asked Secretary Lawrence Miller to lead an Advanced Manufacturing Initiative that will bring together education, industry, labor, and government to make recommendations about how to advance the manufacturing gains we are making.

“One way to grow jobs is to make sure our permit process is predictable, transparent and timely. Secretary Markowitz and Natural Resources Board Chair Shems have been holding public meetings around the state, hearing from hundreds of Vermonters about what works and what should be improved in our permit process.

“The message is clear: we need more efficiency and transparency. Under Act 250, when an applicant or neighborhood group makes their case before the local environmental commission, that should count for something. I ask the legislature to require the environmental court to use the commission’s record of the hearing to settle an appeal, avoiding the costly and inefficient process of starting all over again.

“Stewardship of our natural resources requires us to manage our wildlife and habitat by promoting hunting and fishing. Hunters and anglers have been the backbone of Vermont’s fish and wildlife conservation efforts for many years.

“Unfortunately, over the last seven years, General Fund dollars appropriated to the department have plummeted by almost 60 percent. As a lifelong hunter, I know firsthand how important hunting and fishing is to Vermont’s quality of life and economic success. It is clear to me that we can no longer rely solely on revenue from hunting and fishing licenses to adequately support our fish and wildlife resources. That is why my budget includes a 150 percent increase to \$2.4 million to Fish and Wildlife, an investment that leverages nearly \$8 million in federal dollars to ensure a bright future for Vermont’s sportsmen and women.

“One year into our war on recidivism, we are seeing progress. Despite corrections spending doubling in the past decade, at an average cost of \$48,000 per year per inmate, our incarcerated population is finally declining and is now at the same level as eight years ago. Our progress represents a \$2.5 million savings since last year.

“I propose reinvesting half of these savings to deliver on our promise of providing housing, counseling, job training, drug and alcohol prevention and treatment to non-violent offenders who have completed their sentences. This will add 93 community based treatment beds to help us win the war.

“Our fight against prescription opiate addiction is directly related to our war on recidivism. There are three components to addressing this growing epidemic.

“The first, as I outlined last week, is giving law enforcement access to the Prescription Drug Monitoring System.

“Second, our Department of Health is creating a cutting edge system that will increase substance abuse treatment for the many Vermonters who desperately need it.

“Third, we will work with prescribers to help them implement best practices to responsibly dispense addictive opiates.

“A final word about my budget proposal: last year at this podium, I called on the legislature to raise our reserves to eight percent as soon as we return to better times. As the first step toward that goal, I am recommending a down payment of \$3.1 million to the stabilization fund. Should revenues exceed our forecasts in future years, I will insist that we go the rest of the way to fulfill this commitment.

“I know I have outlined an ambitious agenda to rebuild our state while we create a better economic future for all Vermonters. While I believe strongly in the principles and proposals I have outlined today, I also welcome your suggestions for improvement. This year, as last, we will work together in a bipartisan spirit to do our best for the state we love.

“Thank you, let’s get to work.”

Dissolution

The Governor, having completed the delivery of his message, was escorted from the Hall by the committee appointed by the Chair.

The purpose for which the Joint Assembly was convened having been accomplished, the Chair then declared the Joint Assembly dissolved.

JOHN H. BLOOMER, JR.
Secretary of the Senate
Clerk of the Joint Assembly