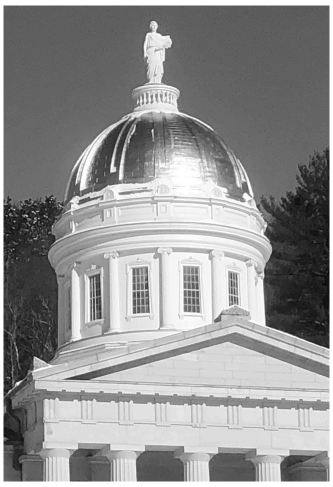
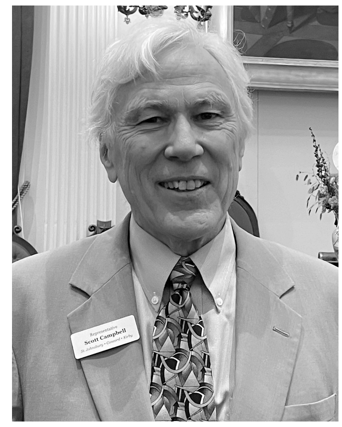


# Representative Scott Campbell
## St. Johnsbury, Concord, Kirby
# 2023 Session Report
## July 2023

*"Freedom and Unity"*



REP. CAMPBELL

**A Review of the Veto Session**

Governor Phil Scott vetoed nine bills in the 2023 session, including the must-pass "Big Bill," the budget for Fiscal Year 2024, which started July 1, 2023. His veto letters cited objections about overspending and increased fees and taxes.

At the veto session on June 20, the Legislature overrode five of those vetos: the budget (H.494); the child care bill (H.217); the annual OPR (Office of Professional Regulation) bill (H.305); and charter-change bills for Brattleboro (H.386) and Burlington (H.509), which he opposed on policy grounds. Vermonters deserve an explanation.

Let's unpack the Governor's objections about overspending and increased fees and taxes.

First, "fees" are paid by users of specific services. "Taxes" are paid by everyone to support general government. Costs for professional licenses and automobile registration, for example, are "fees." Income taxes are "taxes." The budget passed by the Legislature includes some long-overdue fee increases to keep pace with inflation, but it does not raise general taxes.

As for "overspending," the Legislature's total budget is only about 2.2% higher than what the Governor recommended in January. I think the real issue is the Legislature's spending priorities differ from the Governor's.

A leading difference is how much to invest in child care. The Governor proposed an incremental increase in funding, but significant investment is needed to solve this chronic and economically crippling problem. Parents can't work if they can't find or can't afford child care. Businesses can't function without reliable employees.

Recognizing that such investment requires raising new revenue, the Legislature included a payroll tax in H.217: 0.11% for employees and 0.33% for employers. At an annual wage of $50,000, for example, the cost to a worker is $55 per year and to their employer it's $115. No one likes a new tax, but I believe this is a case where it's warranted.

The Legislature's budget also rearranged spending in order to increase long-needed base support for nursing homes, primary care and dental practices, residential care homes, adult day providers, and the regional designated and specialized service agencies that provide life-saving mental health and developmental disability services to Vermonters. Many of these vital services have seen little or no increase in years. The Governor may consider this overspending but I would beg to differ.

I also disagree with his view on fee increases for OPR and DMV. User fees are supposed to support these services. But fees have not increased for several years, resulting in structural deficits. The Governor's budget recommended covering those deficits with transfers from the General Fund, but that just creates a bigger problem in future years as deficits build and fees lag further behind costs — which in my view is not fiscally prudent.

(A sixth veto the Legislature successfully overrode in May was S.5, the Affordable Heat Act. I have written extensively about it so I won't go into it here. See https://www.campbellforvermont.com.)

Governor Scott frequently invokes affordability as his key policy goal. I think it's fair to say he defines "affordability" as restraining the cost of government and otherwise not moving too fast to upset the status quo.

I would define "affordability" as long-term prosperity for all Vermonters. I think the key to attracting and retaining young working families (which the Governor also wants) is strategic investments in the infrastructure, worker supports, economic adaptation, and amenities that make people want to live, work and grow their businesses here.

What do I mean by strategic investments?

Infrastructure: housing (across the income spectrum); transportation (roads, transit, walkable towns); broadband internet.

Worker supports: livable wage; child care; benefits (such as paid family and medical leave, stalled this year but will try again next).

Economic adaptation: online retail; automation, robots, artificial intelligence; climate crisis and energy transition.

Amenities: health care (affordable, accessible); recreation (such as LVRT); arts and culture.

I doubt Governor Scott would argue against any of these. But I and a majority of my colleagues in the Legislature believe more action is needed than apparently the Governor is comfortable with.

With the veto-override votes this year, the majority party has made ourselves accountable for charting a more aggressive course. The minority can just say nay, and some members do. The majority, especially a "super" majority, is responsible for moving legislation and setting policy. None of us can see the future, but I can say that I and my colleagues believe fervently that the policies we are implementing will create the conditions for a better future for all Vermonters.

*[printed in the Caledonian-Record, July XX.]*

**End of General Session Review**

The 2023 legislative session adjourned Friday night, May 12, at midnight. The breadth and volume of work always amazes me, but I think this year was even more than usual. In any case it's far too much to cover here, so I offer these highlights.

Child Care. Everyone recognizes the need to greatly improve affordability and accessibility of child care. This year, the Legislature passed a bill (H.217, incorporating S.56) that finally takes a giant step to achieving this. It increases subsidies significantly for low- and middle-income families through the Child Care Financial Assistance Program, and supports both center- and home-based child care providers with substantial rate increases. Total costs are about $120 million per year, paid for through a payroll tax of 0.44%, of which 0.11% will be paid by employees (that calculates to $44 per year for someone earning $40,000).

Housing. The omnibus housing bill, S.100, significantly reduces permit and zoning obstacles to building and retrofitting housing. It increases minimum density requirements especially in areas with municipal sewer and water, loosens Act 250 restrictions on housing development, and reduces parking requirements per dwelling unit. The bill also calls for better integrated local and regional planning, and for recommendations to improve energy code compliance (currently energy codes are mandatory, but lack oversight).

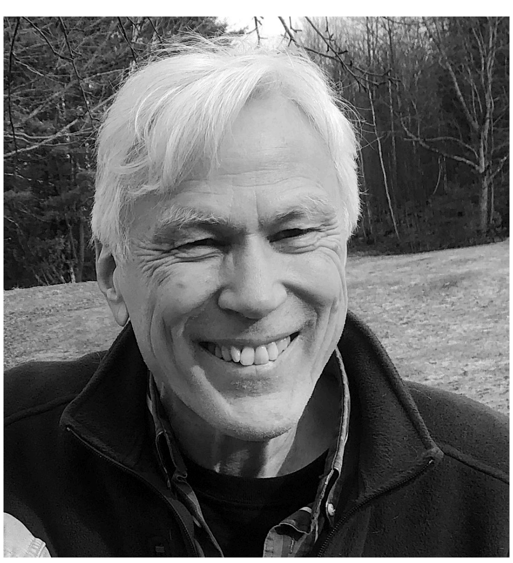
Housing investments in the budget. Since March 2020 and including the FY24 budget (H.494) just passed, housing supply investments total more than $500 million, and housing support services (nursing, shelter, family, etc.) total more than $550 million. These are more ten times greater per year than pre-COVID budgets. It will take time for all this investment to result in actual homes and apartments. It will not alleviate the imminent homelessness crisis as the federally funded motel voucher program expires this month and next; however, the Administration appears to be finally scrambling to address it.

Workforce. This year's workforce bill, H.484, was folded into the budget (H.494). It includes $74 million in investments in a variety of programs, including tuition assistance and forgivable loans for training in critical occupations (nursing, mental health, teaching, construction trades, etc.); rural business relocation and expansion supports; diary, ag and forestry supports; and more. This year the Legislature also authorized a number of interstate compacts in health care and mental health specialties; these allow licensed practitioners to work in member states without obtaining separate state-by-state licenses.

Climate change preparation. The year's major climate bill is the Affordable Heat Act, S.5. So much has already been said about this bill, unfortunately much of it misleading and even downright false. What the bill does is authorize the Public Utility Commission to begin designing a system to help households and businesses reduce reliance on fossil-fuel heating, primarily through subsidies to support weatherization and non-fossil heating equipment. Subsidies are funded through a marketplace of "clean heat credits." The bill requires fuel importers to obtain credits in proportion to the volume of fuel they import, either through implementing "clean heat measures" or acquiring credits from others. The PUC is explicitly required to limit price impacts and balance all costs and benefits. Before the system can be implemented it must be vetted, adjusted and approved in legislation by the next Legislature and Governor in 2025.

Gov. Scott vetoed S.5, and the Legislature overrode his veto last week. Contrary to the Governor's rhetoric, this bill is not about "punishing" Vermonters. It is about adjusting to the inevitable transition — already underway — to far less fossil-fuel dependence in heating our buildings. It is a transition that will take years, perhaps decades. It will not be — it cannot be — entirely cost-free. But further delay only raises costs, increases disruption, and threatens the very folks all of us are most trying to protect: those closest to the edge economically.

*[printed in the Caledonian-Record, May 22.]*



It is a privilege and an honor to serve as one of your two State Representatives in Montpelier.
Thank you for the opportunity.

Scott

*Feel free to contact me anytime about whatever concerns you. Email is best. I am happy to meet in person too!*

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