



# WEEKLY LEGISLATIVE REPORT

The Vermont League of Cities and Towns' **Weekly Legislative Report** is published each Friday during Vermont's legislative session.

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## INSIDE THIS ISSUE:

FY18 Budget Goes to the Floor.....	1	Legislative Testimony.....	5
Vital Records.....	2	Summary of New Bills.....	5
Upcoming Advocacy Webinar.....	4	Town Fair 2017 Survey.....	5

## House Appropriations Sends FY18 Budget to the Floor

Today, Friday, the House passed [H.518](#), the “big” (budget) bill for FY18 on a voice vote, an event that has not happened in recent memory. The House Appropriations Committee has been working on the budget all session – within the constraints established by the governor in his budget address last January that he would not sign a bill that resulted in raised taxes or fees. Thus, the committee had to work within existing funding to close what was at one time a \$70-million budget gap, and fund state obligations for the coming year while remaining cognizant of potential budget cuts in federal money that may need to be addressed as a result of a President Trump budget.

The committee also had to make funding choices that would limit Education Fund uses to those allowed under current statute and would retain the local decision-making authority that school districts and voters have today. The bill anticipates \$5 million in additional revenue from redoubled efforts at the Tax Department to collect taxes. The bill would fund the statutory reserve fund at 5 percent and grow the rainy day fund to \$10 million. The committee largely accomplished those objectives.

The FY18 budget spreadsheet is posted [here](#).

Falling in line with the governor’s no new taxes or fees commitment, the Miscellaneous Tax Bill ([H.516](#)) that the House Ways and Means Committee delivered to the House floor raised no new taxes but only directed the Tax Department to focus on collecting taxes due. As a result, H.516 passed the House on a vote of 138 to 0. That committee has declined to vote to support proposals in other bills that would increase taxes or fees.

Federal dollars make up more than one-third of Vermont’s budget. How the Congress responds to President Trump’s proposals to cut funding for domestic programs – many of which are sources of program money in Vermont – will be tremendously important for the state. Last week, Senate President Pro Tem Tim Ashe asked senators to pencil in time for a special legislative session during the last two weeks of October (i.e., after the start of the federal fiscal year on October 1) to address any fall-out from passage of a federal budget.

In Vermont, the House Appropriations Committee rejected the governor's proposals to shift new obligations to the Education Fund (teachers' retirement, retired teachers' health insurance, all early childhood, and higher education). The governor's recommendation for higher education was to fund \$89,710,000 from the Education Fund. Instead, the Appropriations Committee used General Fund and Global Commitment Fund money for an appropriation of \$88,165,922. An effort on Thursday to eliminate a seven-member pre-K to 12 Education Spending Study Committee failed on the floor because, according to one House representative, "we don't need another education study committee." Since 2002, consultants and associations have completed various education financing studies, including a [2016 report](#) by Picus Odden and Associates on adequate spending levels for Vermont schools that clocked in at 291 pages.

The governor's budget recommended total pre-K-12 education spending for FY18 at \$2,251,865,597. The House recommendation is \$2,215,665,597, of which \$1,607,377,184 is from the Education Fund, \$136,958,720 is from federal funds, \$435,885,217 is from the General Fund; and the balance comes from a variety of other sources.

H.518 incorporates the money in the Transportation Capital Bill, which we wrote about in [Weekly Legislative Report No. 5](#).

The FY18 budget of \$5,814.4 billion is a one percent increase from the FY17 budget of \$5,764.4 billion (including budget adjustments to the FY 2017 figure) and a 0.8 percent growth rate in state funds.

Language in H 518 states that if, during FY18, federal funds available to the state are converted to block grants or abolished under their current title in federal law and re-established under a new federal title, "the governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated." He may spend the money for no more than 45 days prior to legislative or Joint Fiscal Committee approval.

The table on page 3 shows items of interest to local officials.

## Vital Records

On Wednesday, the House passed [H.111](#), a bill that would comprehensively amend the way in which vital records are handled in Vermont. Vital records are those official records related to birth, death, marriage, civil union and divorce, and dissolution or annulment. The legislation is the outgrowth of work by the 2016 Vital Records Summer Study Committee and originated in the House Government Operations Committee.

After July 1, 2018, H.111 would require the State Registrar of Vital Records (who is the supervisor of the Office of Vital Records in the Department of Health) to operate a statewide registration system that would be the sole official repository of data from birth and death certificates registered on or after January 1, 1909, and would include a searchable index to vital records. Effective July 1, 2018, town clerks would no longer register birth and death certificates. They would, however, continue to issue marriage licenses and register marriage and civil union certificates and maintain original birth and death certificates in the town offices that were registered before July 1, 2018. [continued on page 4]

<b>H.518: The Appropriations (big) Bill (in millions)</b>			
<b>Budget Line Item and Section Number</b>	<b>FY17 Final As Passed</b>	<b>FY18 Governor's Recommend</b>	<b>FY18 House Recommend</b>
(GF) Homeowner Rebate, Municipal <sup>1</sup> (B 137)	\$16.2	\$16.6	\$16.6
(GF) Renter Rebate, Municipal <sup>2</sup> (B 138)	3.42	10.5	10.5
(EF) Reappraisal and Listing Payments (B 139)	3.43	3.43	3.43
(GF) Current Use – Municipal <sup>3</sup> (B 140)	15.02	15.28	15.28
(LOT) PILOT State Buildings <sup>4</sup> (B 142, E 142)	7.20	7.20	7.60
(LOT) PILOT Montpelier <sup>4</sup> (B 143, E 143))	0.18	0.18	0.18
(LOT) PILOT Corrections Facilities <sup>4</sup> (B 144, E 144)	0.04	0.04	0.04
(GF) Special Investigative Units (B 206)	1.84	1.99	1.99
(GF) Transfer to Education Fund <sup>5</sup> (B 513, E 513)	305.9	400.7	314.7
(GF) Teachers' Retirement System <sup>6</sup> (B 514)	78.56	84.7	83.8
(GF) Retired Teachers' Health Benefits <sup>7</sup> (B 515)	22.4	26.6	27.6
(GF, inter-dept. transfer) PILOT – ANR Lands <sup>8</sup> (B 701, E 701)	2.38	2.49	2.49
Municipal Planning Grants (D 100)	0.46	0.46	0.46
(TF) Town Highway Structures <sup>9</sup> (B 911)	6.33	6.33	6.33
(TF, federal funds) Local Technical Assistance (Vt. Better Roads) (B 912)	0.39	0.40	0.40
(TF) Class 2 Paving and Rehabilitation (B 913)	7.65	7.25	7.25
(TF, TIB, federal funds) Town Bridge Grants (B 914)	20.0	15.7	15.7
(TF) Town Highway Aid Program (B 915)	25.98	25.98	25.98
(TF) Town Highway Aid Program – Class 1 Supplemental (B 916)	0.13	0.13	0.13
(TF) State Aid for Nonfederal Disasters (B 917)	1.15	1.15	1.15
(federal funds) State Aid for Federal Disasters (B 918)	1.28	0.18	0.18
(TF, special, federal funds, inter-dept. transfer) Municipal Mitigation Grant Program (B 919)	2.91	8.18	8.18
Total Local Highway Aid	65.82	65.3	65.3
<b>TOTAL</b>	<b>522.85</b>	<b>635.47</b>	<b>549.97</b>

Sources of funds noted are General Fund (GF), Education Fund (EF), Local Option Taxes (LOT), Transportation Fund (TF), and Transportation Infrastructure Bond (TIB).

- Homeowner Rebates as passed in 2016 equaled \$16.2 million. That amount was reduced to \$15.6 in the Budget Adjustment Act, Act 3.
- Renter Rebate as passed in 2016 equaled \$3.1 million GF and \$7.3 million EF. That number was increased in Act 3 to \$3.4 million GF and \$8.0 million EF. The recommended EF contribution for FY18 is \$7.4 million.
- Municipal Current Use as passed in 2016 equaled \$15.32 million GF. That number was reduced in Act 68 to \$15.02.
- Amounts are all from local options tax sharing (PILOT Special Fund) and no state monies.
- GF transfer is required by statute to increase by New England economic project cumulative price index for government purchases (16 V.S.A. § 4025(a)(2)). The House reduced the Governor's recommend figure by \$86 million as higher education obligations will not be transferred to the Education Fund.
- The Governor's recommend to transfer Teachers' Retirement to the EF and pay \$8.3 out of the EF was rejected.
- The Governor's recommend to transfer retired teachers' healthcare to the EF was rejected except for \$100.00, keeping that funding source potentially on the table.
- The new calculation is the result of a summer study committee recommendation looking at long term and equitable funding for ANR Lands PILOT payments.
- Includes state and federal aid only, no local match.

Only town clerks and the state registrar would be authorized to issue certified and non-certified copies of birth and death certificates registered on or after July 1, 2018, and certified copies of birth and death certificates registered prior to July 1, 2018, from the statewide registration system unless an exception applied. The bill would also direct the state registrar to operate a Vital Records Alert System to track and prevent fraud, to match birth and death records, and prescribe the contents and form of vital record reports, certificates, and related applications and documents. H.111 would transfer from the Probate Court to the state registrar the responsibility to address applications for amending birth and death certificates and issuing new birth certificates in the event of a change of sex or due to formerly non-gender-neutral nomenclature for parents on reports of birth, or to issue a delayed birth certificate.

H.111 would continue to allow town clerks or auditors to publish in the town report non-confidential information and statistics concerning births, marriages, and deaths of residents during the preceding calendar year.

The bill would provide for fines of up to \$10,000 for knowingly making false statements about vital records or unknowingly owning, selling, or falsifying them. It would establish that social security information, prior marriage and legal guardianship information, and other designated private information would be exempt from public inspection and copying and also not be subject to discovery or subpoena in a civil action.

An amendment to H.111 that was requested by town and city clerks and adopted on Wednesday would clarify that town clerks or other issuing agents could print and maintain for public inspection non-certified copies of birth and death certificates. After July 1, 2018, the statewide registration system would also automatically notify the town clerk of a registrant's birth or death, or of a correction or amendment of a birth or death certificate registered in the system. Current law provides for fines of up to \$100 if a clerk fails to transmit copies of a marriage certificate. The amendment to the bill would provide for the Commissioner of Health or hearing officer, after a contested case hearing, to impose penalties for violations of certain sections of the revised law.

H.111 now goes to the Senate Government Operations Committee.

## Upcoming Advocacy Webinar

The next in VLCT Advocacy's series of monthly one-hour webinars will take place on Monday, April 3, beginning at noon. Topics will include energy planning, the capital budget bill ([H.519](#)), and the appropriations bill ([H.518](#)). The webinar will include sufficient time for Advocacy staff to answer your questions.

Register online at [www.vlct.org/eventscalendar](http://www.vlct.org/eventscalendar). Remember, you only need to register *once* to be signed up for each of the monthly webinars. We will send an email with instructions and the link to join 24 hours in advance (as well as one hour in advance) of each webinar. If you do not see the email in your inbox, please check your spam filter.

## VLCT Legislative Testimony

Testimony by VLCT Advocacy staff in the State House this week included:

**Committee**

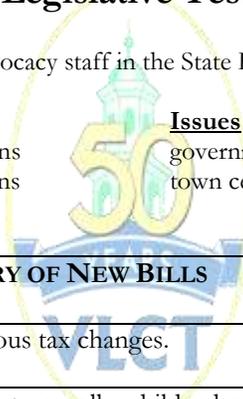
House Government Operations

Senate Government Operations

**Issues**

governmental ethical conduct ([S.8](#))

town cemetery funds ([H.5](#))



BILL NUMBER	SUMMARY OF NEW BILLS	CURRENT LOCATION
<a href="#">H.516</a>	Would make a number of miscellaneous tax changes.	Passed House; in Senate
<a href="#">H.517</a>	Would facilitate the ability of families to enroll a child, who is three or four years of age or is five years of age but is not yet enrolled in kindergarten, in a public pre-K education program or a private high-quality child development program; and establish the responsibility for regulatory oversight of public pre-K education programs and private high-quality child development programs.	House Human Services
<a href="#">H.518</a>	Appropriations Bill. Would make appropriations in support of government for the fiscal year beginning on July 1, 2017.	Passed House; in Senate
<a href="#">H.519</a>	Capital Budget Bill. Would authorize bonding, appropriate capital funds, and address miscellaneous related items.	House Appropriations
<a href="#">S.141</a>	Would establish a common definition of “independent contractor” for the workers’ compensation and unemployment insurance statutes.	Senate Economic Development, Housing and General Affairs

### Town Fair 2017 Training Sessions

If you have any suggestions for training sessions for Town Fair 2017, scheduled for October 4 and 5 at the Killington Grand Hotel in Killington, please take this short survey, <https://www.surveymonkey.com/r/TownFair2017Training>. Thank you!