



VPA LEGISLATIVE UPDATE #6

February 17, 2009

American Recovery and Reinvestment Act of 2009

Today President Obama is scheduled to sign the \$787 billion economic stimulus package passed by Congress on Friday. The final version is smaller and includes more tax cuts than initially proposed. It consists roughly of 65% spending – including \$44 billion in increased federal aid to states – and 35% tax cuts. Vermont is expected to receive more than \$600 million in direct federal funding, and additional funds through competitive grant programs and tax reductions. It is also estimated that, of 3.5 million new jobs created nationally over the next two years, 8,000 will be in Vermont. According to Senator Leahy: “This bill is a good match for Vermont’s job needs today, and it will help pave the way for the jobs of the future. It includes tax reductions for working families and for businesses, it will improve our economic infrastructure, and it will relieve Vermont’s state budget deficit.” Some of the funding Vermont is expected to receive includes:

- \$250 million in Medicaid funding
- \$78 million in state fiscal stabilization funds
- \$125.8 million in highway funding
- \$5.7 million in transit funding
- \$39 million in clean water and safe drinking water (revolving) funds
- \$12 million in housing program funds (public housing, HOME, homelessness prevention)
- \$22 million through the state energy program
- \$17 million in weatherization assistance

For more detailed information, check our delegation websites, and the ProPublica website: (www.propublica.org).

Smith/Shumlin Proposal to Eliminate ACCD

As reported last week by Louis Porter of the Vermont Press Bureau and Nancy Remsen of the Burlington Free Press, leaders of the House (Smith) and Senate (Shumlin) propose to eliminate the Agency of Commerce and Community Development. The details are sketchy – a bill has not yet been introduced – but essentially the Department of Economic Development would be combined with the Department of Labor, the work of the Department of Tourism would be contracted out, and the functions of the Department of Housing & Community Affairs would be farmed out to the Vermont Housing Finance Agency and the Vermont Housing and Conservation Board. The Division for Historic Preservation would come under the Department of Buildings and General Services. No specifics yet regarding what would happen to the Downtown Program or remaining planning functions within DHCA.

This is being touted as a “surgical reorganization” that would save around \$1.2 million and eliminate 35 positions, and better support economic development. The VSEA has objected to moving state services into the private sector. The proposal will be taken up by Senate Economic Development, headed by Senator Illuzzi – possibly as early as Thursday – and by House Commerce. This is expected to be a hot topic at Friday’s Legislative Committee meeting. We’ll try to find out more, and keep you posted.

Permit Reform

The Governor's permit reform proposal doesn't appear to be gaining any ground in the Legislature, but there is talk in the Statehouse about relaxing state and local permitting processes for federal stimulus package projects – including Act 250 exemptions for state highway projects. Federal regulations would apply but, as pointed out by our own Peg Elmer in an opinion piece in Sunday's Times Argus/Rutland Herald, the National Environmental Policy Act alone may not be sufficient, and the projects on VTrans and VLCT lists that are ready to go exceed available stimulus funding. There is concern that economic stimulus is being used once again as an excuse to set aside Vermont's longstanding environmental protections. To read Peg's article:

(<http://www.timesargus.com/article/20090215/FEATURES05/902150312/1014>),

This Week at the State House

(<http://www.leg.state.vt.us/schedule/schedule2.cfm>)

Not surprisingly, the federal stimulus package shows up on a number of committee agendas this week. David Dill, Secretary of VTrans, will be meeting with H. Government Operations and H. and S. Transportation Committees on Friday. The two committees will also be meeting jointly on Wednesday to hear from local officials – Wednesday is **Local Government Day** at the legislature. Several committees are scheduled to hear from VLCT and local reps throughout the day.

H. Appropriations is finishing up its work on the FY09 budget adjustment bill, which is expected to go to the floor this week. S. Appropriations continues to work on the FY10 budget – including a joint meeting with H. Appropriations on Wednesday (Room 11) to review proposed staff reductions – and is scheduled to take up FY09 budget adjustments on Friday. Both H. and S. Institutions are receiving input on the FY10 capital budget, including VANR's capital programs. The miscellaneous tax bill is scheduled for markup in H. Ways & Means, while S. Finance will be reviewing executive branch fee bills as proposed by the Administration and as passed last week by the House (H.136). They will also be hearing from Senator Illuzzi on Tuesday regarding bills currently under consideration in S. Economic Development, Housing and General Affairs.

Illuzzi's committee is scheduled to spend much of the week on the "Entrepreneurship Manifesto & Revitalization of Vermont's Economy," to include testimony on Thursday from the Vermont Home Builders regarding permitting issues. As noted, they may also be scheduling work sessions on the leadership's proposal to eliminate ACCD.

H. Natural Resources & Energy is focusing this week on the decommissioning of Vermont Yankee, while S. Natural Resources continues to take testimony on clean energy assessment districts (S.54), and other proposed environmental bills.

Public Hearings:

Tuesday, February 17, 2009, 7pm–9 pm, Well of the House
House and Senate Committees on Agriculture – The Future of Vermont Food & Farming

Tuesday, February 24, 2009, 9am–12 pm, Room 11
House Committee on Appropriations – FY 2010 State Budget

Wednesday, February 25, 2009, 2:30 pm–4:30 pm, Room 11
House Committee on Appropriations – FY 2010 State Budget

Bills of Interest:

<http://www.leg.state.vt.us/database/database2.cfm>

Bills "released for introduction": House – 231, Senate–92. Of note:

H.210 Judicial bureau enforcement, state environmental violations

H.225 TIF districts, eliminates requirements for 5-yr borrowing, voter approval of entire package

H.221 Economic stimulus bill (includes Urban Homestead, Opportunity Zones)

Bill Updates:

H.28 Temporary wastewater system permits – passed House 2/13/09

H.136 Executive branch fees – passed House 2/6/09, now in S. Finance

S.57 Municipal regulation of water capacity – voted out of S. Gov Ops (5-0-0), notice calendar

VPA Reminders:

VPA Legislative Committee Meeting, Friday, 9:00 am VLCT – all are welcome!

Comments on S.64 (Growth Centers) S.65 (Neighborhoods) requested by Thursday through VPA listserv.

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