



VPA LEGISLATIVE UPDATE #13

April 28, 2009

The “Great Recession”

Expectedly dire news hit the headlines on Friday – Vermont’s economy, like that of the rest of the country, is in the proverbial toilet. Lowlights of the revenue forecast presented by team Carr and Kavet to the Legislature on Friday:

- Recession has now lasted 17 months; expected to bottom out in the next three to six months.
- General Fund: \$14.6 million short in current year; \$43.4 million shortfall projected in 2010.
- Transportation Fund: \$3.9 million short in current year; \$7.8 million shortfall next year.
- 15,000 jobs lost in Vermont since November 2007, in all sectors except health care and private education.
- Unemployment rate at 7.2% – expected to reach 9% in 2010 – the highest in 30 years.
- Residential construction, down 70%, has ground to a halt.

What it means – a scramble to identify additional budget cuts and revenue sources in the FY10 budget (H.441), now in conference committee. A meeting was scheduled today between House and Senate leadership, the Governor and the Lt. Governor to negotiate the framework for a budget that hopefully everyone can agree to. Conference committee members who have to make the hard decisions over the next few days include, for the House, Representatives Heath, Larson and Morley and, for the Senate, Senators Bartlett, Sears and Snelling.

Upcoming: **“US Economy: Game Over”** – a presentation from Futurist Edward Jaffee to House Ways & Means, scheduled for Friday, 8:30 am. Can it get any worse?

The current status of other money bills:

- H.232 FY09 Budget Adjustments – passed both chambers, delivered to the Governor on Thursday
- H.438 Transportation Bill – passed both chambers, delivered to the Governor today
- H.442 Tax (Revenue) Bill – in conference committee (H–Ancel, Condon, Obuchowski; S–Cummings, Carris, Hartwell)
- H.445 Capital Bill – passed both chambers, delivered to the Governor today

The End is Nigh

Given that all the action is now in conference committee, or behind the scenes, it’s hurry up and wait for floor votes. Committee schedules this week are light or nonexistent. Economic development bills (S.313 and S.137) are still in play in the Senate – Senator Lyons was scheduled to present her committee’s proposed changes to S.137 today to the Senate Economic Development Committee, which is also considering S.313 as passed by the House. It’s been reported that Senator Illuzzi has suffered a detached retina, leaving Senator Miller, at least temporarily, in charge. Also:

- Senate Natural Resources is looking at the renewable energy bill (H.446) passed by the House last week.
- House Government Ops may vote out the landscape architect licensing bill, passed by the Senate, tomorrow.

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**Don’t swear on the air under a 5-4 US
Supreme Court decision issued today...**

Switcheroo –60 votes in US Senate?!