Montpelier Notes,  An occasional email for Pownal and Woodford residents. If you would prefer not to receive these notes please reply to botzow@sover.net and I'll remove you from the list. If you would like to be added please let me know. I do not give your email address to others. --Bill Botzow

July 14, 2010

Hello All,

My End Of Session Report for the 2010 legislature is below. It is a summary I put together with the help of colleagues in the House to give an overview of many of the issues we worked on and their resolution. While it does not cover every bill that passed, it gives a picture of the depth and breadth of the legislature’s work.

While the legislature is not in session, please be in touch with me at home. I look forward to helping with your issues with the state whenever I can. In the off months I work from home with occasional trips north for meetings.

All the very best to you and your families. I hope you are enjoying summer and I look forward to seeing you in the months ahead.

Stay in touch,

Bill

Rep. Bill Botzow

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#### **End of Session 2010 Legislative Report**

#### **State Representative Bill Botzow**

*Dear Friends and Neighbors,*

*The 2010 legislative session has ended and while there were extraordinary challenges as we worked to address the current deep recession, there were also many achievements. The following report will give you an overview of what we accomplished this year. If you would like more detail or have questions or concerns, please let me know. I can best be reached at 447-7717 or* *botzow@sover.net**. My mailing address is 1225 South Stream Road, Bennington, VT 05201.*

*I greatly appreciate the support you have shown me as your State Representative. The many conversations we have had in person, on the telephone, at meetings and by email have guided me in my work for you. While the choices we make are never easy, they are best when informed by all of your points of view. It is a great honor and privilege to serve Pownal and Woodford and work to do my best for our communities and Vermont. Thank you for your help in doing so.*

*Sincerely,*

*Bill Botzow*

**The Budget**

The biggest challenge in the 2010 legislative session was the coming year’s (FY2011) state budget. For the last three years the global recession has affected Vermont families, businesses and the budget. The FY2011 budget required difficult choices to resolve a $154 million gap between revenues and expenditures while meeting basic needs, investing in the future and strengthening communities while positioning Vermont for a solid economic recovery.

The FY2011 budget gap came from projected declines in Federal Stimulus funds and in state tax revenues, growth in Medicaid and health care costs, growth in retirement expenses, and structural pressures in state government. We were able to work through these difficulties. The 2011 state budget makes investments in the health, well being and dignity of Vermonters. We restored the Administration’s proposed cuts to home-based services that keep elderly Vermonters and people with disabilities in their homes. By sustaining programs for seniors and the disabled, our neighbors can continue to live at home with dignity and avoid the extraordinary cost of nursing home care and parents of children with disabilities can maintain employment, knowing their children are in good care.

            Many Vermonters are sharing the burden of budget reductions. State employees and legislators took pay cuts. Teachers made changes to their retirement plans which saved Vermont $15 million. Participants in Catamount Health will pay higher deductibles. Grants throughout state government will see reductions.

            To improve Vermont’s financial stability, the FY2011 budget invests in tax policies that promote business investment, encourages business growth, collects back taxes, and saves significant funds by improving Medicaid integrity.

            The FY2011 budget also reduces a projected FY2012 budget deficit from $250 million to $122 million. We saved in retirement costs for teachers and state employees for this year, and each year going forward. We provided a portion of the funding to replace the expensive and inadequate Vermont State Hospital. We began a new budgeting process in Challenges for Change that reduces costs by $30 plus million this coming year and more in the future while improving government effectiveness and results. This budget reflects our means as well as Vermont’s community values.

**A Stronger Vermont Economy**

Our actions will create jobs and more broadband throughout Vermont.  Act 74, our jobs bill, invests almost $9 million in federal stimulus funds in broadband, agriculture, workforce training, access to capital for business, and many worthwhile projects.

Also, new policies make business and commerce more equitable and efficient. This includes a difficult but workable solution for the unemployment insurance trust fund, strengthened rights for home owners in associations and condominiums, fair labor laws that ensure proper classification of employees for workers’ compensation, strengthening the VT Seal of Quality, and support for Farm-to-Plate grants and the Buy Local movement.

Additionally, the credit card bill will help merchants and consumers by encouraging competition among credit card companies and allow merchants to decide for themselves whether to accept credit cards for purchases under $10, responding to the fact that they often lose money on small credit card transactions due to high credit card fees. Non-profits will be strengthened by prohibiting discrimination against drivers who are volunteers.  Furthermore, we created a new Benefit Corporation structure for businesses which would allow them to both maximize profits and make business decisions based on the greater good of the community.

As our economy works to rebound, we have set in place many of these measures to put Vermonters back to work, strengthen our telecommunications infrastructure, and help businesses thrive in Vermont.

**Unemployment Insurance**

We have known since January, 2009 that our Unemployment Insurance Trust Fund would run out of money by early in 2010. We have been working since then to find a workable solution.

The primary cause of the imbalance is that the premiums paid by employers have not changed since 1983, while our benefits to unemployed workers have slowly risen along with our average wage. In good times with low unemployment, this was not a problem, but when the current recession hit with full force, the fund was rapidly depleted.

Business interests said they could not afford to pay the full cost of bringing the fund back, and labor interests said that it is unfair to ask laid-off workers to suffer cuts to benefits that scarcely cover basic needs. In 2009, we made an upward adjustment to the “taxable wage base” on which premiums are paid, moving from $8,000 to $10,000. This helped to stanch the bleeding, but it was only a temporary relief.

This winter, after long negotiations between competing interests, a compromise was reached by all sides. The agreement called for some reductions in benefits (a one-week waiting period, some exclusions for serious misconduct, and some recalculations of eligibility and duration of benefits). We raised the taxable wage base to $13,000 in 2011 and to $16,000 in 2012. Many measures in the compromise will be favorably adjusted when the trust fund regains solvency and full adequacy, but we will not get there for at least five years.

**Transportation**

Vermont will invest almost $600 million on transportation projects in fiscal year 2011. This is the largest transportation bill in many years because of federal stimulus money.  It will create many local jobs and improve our roads and bridges for residents and visitors.  As well as state and federal roads and structures, we have provided extra money for our towns to repair municipal roads and bridges.

A large federal grant for high speed rail will improve the current Amtrak route and another federal transportation planning grant focuses on developing the western corridor from New York through Bennington to Rutland and Burlington for passenger rail and improved freight. Bridges and paving continue as priorities, however the number of bridges in need of significant work is large and growing and will require many years of investment with strong oversight.

**Unified Approach to State Law Enforcement**

A unified approach to all law enforcement will better protect Vermonters. Increased demands on law enforcement and limited budgets led to new legislation that coordinates and consolidates police services. The commissioners of public safety, motor vehicles, liquor control and fish and wildlife signed a memorandum of understanding (MOU) in January that recognizes the need to maximize collective resources by improving efficiencies, reducing redundancies and implementing better coordination, communication and strategic planning.  The core mission of each agency will be maintained. A Vermont Task Force will facilitate collaboration in day-to-day operations among the agencies by streamlining information involving various levels of statewide law enforcement.  The legislature codified the MOU into state law to ensure that long-term benefits would continue.

**Moving the Primary Election date**

Vermont received notice earlier this year that we were not in compliance with federal election law. Federal law requires states to send absentee ballots 45 days before an election to overseas voters. With our largest deployment of Vermont soldiers since World War II, the legislature moved the primary election to the 4th Tuesday in August. This provides the necessary extra time before the November General Election to receive ballots from overseas.

**Supporting Our National Guard**

Vermonters strongly support the 1,500 Vermonters from across the Green Mountain State deployed and at home  and the legislature has made every attempt to ensure our servicemen and women do not have to worry about their families while they serve our nation.

The House and Senate passed Act 69, the Military Parents’ Rights Act, which protects parental rights of military members when they are absent from their children’s lives due to orders. The bill expedites court processes and custody hearings, requires the non-deploying parent to facilitate contact between the child and deployed parent, and stipulates that a permanent loss of custody cannot be based solely on deployment. If you have a family member deployed overseas and need financial or resource assistance, please call the Vermont Veteran and Family Outreach 24-hour hotline: (888) 607-8773.

**Clean Water Bills**

This year, the legislature passed Act 110 designed to protect our waterways. The bill addresses pollution control measures for the waters of the state. It addresses phosphorus which finds its way into our lakes and streams from runoff from increasingly developed land and from concentrated agricultural operations.  Measures include keeping livestock out of streams, tightening rules for altering streams, maximizing funds for farms to implement conservation practices, and requiring the Better Back Roads program to develop better standards to mitigate erosion and runoff.

The bill also addresses expensive after-the-fact clean up of rivers and streams due to erosion, runoff and resulting flood hazards by providing incentives to municipalities to establish bylaws to protect river corridors. Act 110 is an “enabling act” that allows and encourages but does not mandate that municipalities establish buffer zones along waterways.

Act 145 makes the land records process more transparent by including “well shadows” information. Now notice is required if the location of a well or wastewater facilities will have an impact on a neighboring parcel. This bill was amended to allow seasonal placement of outdoor picnic tables at small stores without adding septic capacity. This will help small businesses that want to serve food.

**Sportsmen**

The legislature passed three bills designed to encourage fishing and hunting.

Act 64 re-authorizes reciprocal fishing licenses on Lake Champlain. Without reciprocal fishing agreements an angler would have to have a license from both New York and Vermont or know where the border was in the middle of the lake. The reciprocal license allows those with a Vermont license to fish in New York and vice versa.

Act 120, gives prospective hunters an opportunity to try hunting before making the investment needed in equipment and hunter safety course. This act allows a licensed hunter to accompany a mentee on a hunt. A great deal of responsibility is put on the mentor. The experience of other states with similar law shows that safety issues have not arisen and the number of hunting licenses has increased.

Act 122 provides for a youth hunting weekend for deer and turkey. It is also aimed at increasing the number of young hunters.

**Corrections**

Several Corrections policy changes passed this session hold offenders accountable while creating opportunities for them to safely return home. Ensuring that offenders receive support and supervision when re-entering our communities prevents crime and reduces re-incarceration. Reducing the number of incarcerated offenders reduces the number of prisoners that we pay to house out of state and saves money. Protecting communities from violent offenders comes first. The crime rate in Vermont is low and we all want it to be lower. Changes to corrections policies will use resources more effectively in achieving these goals. Nonviolent offenders who have completed required programming for rehabilitation may be released from incarceration earlier. The commissioner may request that some offenders who have been successful on probation will be released from supervision by the judiciary. At the discretion of law enforcement and the judiciary, nonviolent offenders will be diverted from prison to community justice centers and reparative boards, or to drug treatment. Investments in community justice centers and other community services creates the capacity to support and supervise offenders.

**The Capital Bill**

The capital bill invests the state’s bonded dollars in state and municipal infrastructure. This year $71 million will be invested to create jobs, improve government functions and facilitate economic development. The legislation allocates funds for construction or renovation of state buildings and parks, municipal water supply and wastewater treatment projects, rural fire protection, fish hatcheries, and environmental protection projects.

This year the Bennington state office complex will be renovated and rebuilt with a geothermal system for heating and cooling. Planning for a new state health lab in Colchester will move forward. The bill also allocates the requisite money for interest on the state share of the Pownal Wastewater project while the state continues to pay down the principal. This year we allocated funding to the Vermont Housing and Conservation Board for affordable and supportive housing projects. The legislature will also continue grants to municipalities and non-profit organizations for community infrastructure that support education, recreation, and cultural activities. Funds also support the Vermont Telecommunications Authority’s work to extend high speed internet service throughout the state. Funding is provided for emergency school projects or school consolidation and we continue to pay down the backlog of prior commitments to school construction projects. The legislature rejected the governor’s recommendation to shift the burden of school construction to the education fund and the town property tax.

**Supporting Families**

The legislature worked very hard to protect and improve services for Vermonters, especially children, seniors and Vermonters with disabilities who need some help to live safely and with dignity.

Act 97 will help children in the foster care system find permanent homes with a grandparent or other relative. It will allow federal funding to be used to provide financial support for a child when a member of the extended family takes permanent guardianship of that child.

Act 87 encourages after-school programs and school-operated summer educational or recreational programs to make use of available federal funds to provide nutritious snacks or meals to participants.

Act 88 updates our seasonal fuel assistance and crisis fuel assistance program eligibility. This program provides needy Vermonters with assistance for purchasing essential home heating fuel.The new law raises the maximum eligible household income so that more people will be eligible for assistance.

Act 82 raises the fine from $100 to $200 for illegally parking in spaces reserved for those with disabilities which helps many families more fully participate in the community.

**Education**

The house passed a number of education bills that focus on cost savings, educational quality and school safety. Act 106 asks independent colleges to develop harassment policies. Act 87 helps schools develop nutritional programs. Act 133 charges a PreK-16 council to develop ways to increase college aspirations and completion rates.

Act 153 encourages school districts to develop more efficient governance and encourages voluntary school consolidation. The bill permits districts who find it is in their collective interest to merge to receive incentives and technical assistance to facilitate merger. It leaves decisions in the hands of the district, removes barriers to merger, and allows districts to design for efficiencies. Act 153 also allows children with learning disabilities to participate in graduation activities with their peers without losing access to continued educational opportunities as long as they complete educational requirements.

The education section of Challenges for Change (Act 146) maintains local control for our schools and prohibits a one size fits all decision.  Our schools have responded in the past and we have confidence that they will make the best decisions for their communities in these difficult times as they chose the efficiencies that are best for them.

**Natural Resources**

The legislature took several significant steps to protect our environment, grow local jobs, save Vermonters money, and invest in our future.

Act 159, an Act Relating to Renewable Energy, invests in a clean energy future. It builds on last year's initiative which allowed many small renewable energy developers to sell power at a fair and consistent price. This year the legislature improved the permitting process for renewable energy projects. Smaller projects will be able to use a simplified permitting process, and larger projects will see a better defined permitting path. The act also provides price stability for farmers in the Cow Power program and it allows the Vermont Air Guard to develop a significant solar project through a simplified net metering process.

Act 79 addresses a fast-growing and hazardous portion of the waste stream, electronic devices, such as computers, monitors, TVs, printers, and cell phones. Joining 20 other states, the bill requires manufacturers of these electronic devices to pay a fee to the Agency of Natural Resources, according to market share, to fund free, convenient collection sites around Vermont by the year 2012. These products contain lead, mercury, and other hazardous substances.

Act 94 helps owners of older wood boilers replace them with cleaner burning models by using the five-year settlement funds of $360,000 per year that Vermont received from the air pollution case against American Electric Service Corporation This voluntary program will help Vermonters who own older boilers buy new heating units that meet current emissions requirements.

Act 93 provides standards for the operation of salvage yards and guidance to salvage yard operators. By March 2011 the Agency of Natural Resources will provide requirements for siting, operating and closing salvage yards including setbacks from wetlands and water supplies. The bill includes training for salvage yard operators.

**Health Care**

The legislature continued to advance health care reform in Act 128. The bill moves us toward a single system of health care by authorizing Vermont’s health care reform commission to hire a consultant to produce at least three single system designs. The designs will include a publicly financed and government-administered plan, a plan offering choice between private insurance and a government-run plan and a plan or plans with greater emphasis on private insurance. The designs take into consideration federal reforms and meet a list of principles and goals that stress fairness, equitable and sustainable financing, and equal access for all. For example, Vermonters need access to a comprehensive, quality health care system where you can choose your primary care providers. The system should continually improve and its leaders should continually eliminate unnecessary costs. Every developed country in the world, whether single- or multi-payer, publicly or privately run, faces unsustainable increases in costs. Act 128 also furthers Vermont’s ongoing reform efforts since improving the way health care is delivered and reducing costs are key to building strong communities. The Blueprint for Health is at the heart of reform efforts. It organizes care around the patient, the primary care provider and a “community health team” that could include a nurse, nutritionist, behavior specialist, or other specialist. The team is the patient’s “medical home” and supported by electronic health records, works to keep the patient healthy. Instead of getting paid per procedure, the participating practice receives a per-member-per-month fee to support its work. This model has been proven to lower costs by reducing emergency room visits and hospital admissions.

**Protecting Home Ownership**

Vermont has seen increases in the rate of home foreclosures. Federal law requires that lenders consider modification of the terms of principal residence home mortgages when the borrowers are 60 days behind in their payments. When the federal law is followed, more than half the homeowners going into foreclosure are able to remain in their homes. Based on 2009 foreclosure filings, this would allow as many as 1,000 Vermont families to remain in their homes.

Act 132 requires banks to set up mediation for homeowners with whom they intend to file foreclosure.  Mediations will be conducted by Vermont attorneys who have been trained in foreclosure prevention and loss mitigation by the Vermont Bar Association.  Mediators will make sure that a variety of home foreclosure prevention tools are explored including application of the federal Home Affordable Modification Program.

One of the biggest challenges to avoiding foreclosure is getting homeowners to answer the complaint and appear in court.  As many as 80 or 90% of foreclosure defendants fail to appear and lose their houses to the bank by default. Anyone facing foreclosure should follow the court procedure and request mediation with their lender.

**Protecting renter’s security deposits**

Act 129 promotes fairness for landlords and tenants on repayment of security deposits and rent.  It allows tenants to cash reimbursement checks and, if they have a disagreement with the landlord about the withheld amount, seek an agreement.  For a landlord, if a renter only pays a portion of their rent, the landlord may cash that check and still be able to pursue the balance of the rent.

**Mobile home ownership**

Act 140 clarifies ownership of mobile homes, as well as rent-to-own agreements. I was the lead sponsor of this bill. Rules and regulations surrounding mobile homes have been notoriously confusing. The bill unties some of the knots and sets a foundation for further strengthening of ownership regulations in the future as uniform law is developed from state to state. It can be difficult to track ownership of mobile homes especially in installment plan and rent-to-own sales. This negatively impacts renters, owners, mobile home park owners and municipalities that must track property taxes for the home. Many homes are owned, and the pad upon which they sit is rented from a mobile home park owner. The mobile homes themselves have, in the past, been considered personal property at times and real estate at others.  The laws governing renting and those for ownership assign responsibility for property differently. Act 140 will help provide clear criteria for ownership. That will give municipalities an easier way to track ownership for assigning and collecting property taxes.

Mobile and manufactured homes and mobile home parks are one of our most important housing categories. They are an important component of our housing stock and have been in a sort of legal limbo for years.  By taking care of some major aspects of this situation, we are going a long way toward settling MHP communities, providing important guidance to owners and sellers and giving our municipalities tools to maintain proper records.

**Challenges for Change**

The legislature initiated “Challenges For Change” as an innovative approach to address the state budget crisis.  Facing the $154 million gap in the state budget and the mounting social pressures of the recession requires leadership from all branches of government – legislative, executive and judicial – to work together to find new ways of achieving desired outcomes. The Challenges for Change bill, changes the way government spends taxpayer dollars to provide services, by establishing an outcome-based budgeting process for government accountability.

The Challenges process began in January when the legislature and administration agreed to work together to achieve $38 million in savings through new initiatives for delivering services. In February, the Administration presented its ideas for savings and outcomes to the Legislature, and the Legislature carefully reviewed the proposals and accepted statutory changes it believed appropriately achieved the defined outcomes and could save money.

The Challenges for Change bill did not incorporate all of the governor’s proposals. The legislature did not agree to take local control away from Vermont communities by mandating statewide school consolidation. We declined to compromise Vermont's environment by allowing for a pre-determined permitting process, nor for conditional exemptions as suggested by the administration. The legislature said no to the administration's proposal to undermine our regional planning commissions and economic development corporations, which are critical to job creation.

The bill did embrace a number of innovative proposals for change that the administration presented. The House endorsed proposals for performance-based contracting, establishing appropriate budget targets for school boards, reducing nursing home beds and keeping seniors in residential care settings, reducing health care costs and expanding the Vermont Blueprint for Health, and reducing the number of non-violent offenders in prison. These changes amounted to some $30 million in savings without drastic cuts to services that Vermonters depend on. The process will continue in the future, and new ideas for change are encouraged from state employees as well as the public at large.

**Miscellaneous Tax Bill**

Although Vermont faced a $154 million dollar budget gap in January, the budget was balanced without any increases in sales, income or property tax rates. In January the administration forecast a two-cent increase in base property tax rates.  The legislature avoided the tax hike, saving property tax payers 20 million dollars statewide. The legislature also continued its two-year plan to reduce top marginal income tax rates. To avoid broad based tax hikes as most other states are passing, the tax writing committees recommended and the legislature accepted stricter eligibility standards for recipients of homeowner property tax adjustments. The House and Senate also approved a full pass-through of the higher federal production deduction, which should help many local businesses and spur business investment and job growth in Vermont. We also substantially increased capital gains exemptions for Vermont businesses. The estate tax exemption also climbed by more than a third to $2,750,000. These actions will help Vermont families and our economy.

**Fee Bill**
Each year the Fee bill adjusts approximately 1/3 of the fees that are charged for permits, licenses and other charges that are not defined as taxes.  A fee bears a direct relationship to a provided service. This year the fee bill raised approximately $443,000. The bill contains BISHCA fees that apply to a variety of licensed mortgagors, commercial lenders, and other financial service providers. As these services proliferate, the complexity of regulating them has increased. The bill also addressed fees that the Department of Environmental Conservation (DEC) charges for air, water supply and waste water disposal permits.

The bill also contains fees related to elevator safety, boiler inspections, agricultural monitoring, fingerprinting and more. There are significant new fees for salvage yard operators that vary depending on the level of activity.  The revenue will fund a new position to bring salvage yards into compliance with environmental laws.

**Agriculture**

Act 158 combined many initiatives to spur agricultural development. It establishes a Livestock Care Standards Advisory Council. The council will provide policy recommendations regarding the care, handling and well-being of livestock in the state and build on Vermont’s reputation for the quality and availability of local food.

The bill also establishes an Agriculture Development Board and Director. The work of an agriculture development director and an agriculture development board will be to recognize and coordinate agriculture initiatives such as farm to school, community supported agriculture, farmer’s markets, pick your own operations, ag-tourism sites, food venture kitchens and others. The board will coordinate the recommendations of the Farm-to-Plate 10 year development plan we established last year. The bill also improves slaughter house operations, better defines animal rescue operations and rules on importing animals into Vermont.

**Judicial Restructuring**

Act 154 restructures the Judiciary into a unified system and achieves $1 million in savings in the FY 11 budget. In 1974 the Vermont Constitution was amended to provide the Supreme Court with management of all the state’s courts. Statutory amendments creating a truly unified judiciary system passed the House in 1977.  Senate inaction at that time, however, left the Supreme Court with a fragmented rather than a unified judiciary. The judicial restructuring bill consolidates the existing Family, district, superior, environmental and probate courts into a single Unified Superior Court with family, criminal, civil, environmental and probate divisions. The courts will continue to operate in all 14 of our counties. All court staff will be state employees under the management of the court administrator. The bill also keeps side judges and a probate judge in Bennington County.