

Here is a list of bills debated and voted through the House this week.

**H.R. 18 House resolution relating to passenger rail service to Montreal**

**H.R. 19 House resolution relating to intercity passenger rail connecting New York to the Western Corridor of Vermont**

**H.R. 20 House resolution relating to support of Agency of Transportation's TIGER grant application for Western Corridor rail improvements**

These three interrelated resolutions are part of the legislature's continuing efforts to support rail in Vermont, especially on the west side of the state.

**H. 552 An act relating to raising the Vermont minimum wage**

The minimum wage bill was debated extensively on Tuesday and passed on a 87 to 57 vote. I supported the bill after reviewing the analysis prepared by the Legislature's economist Tom Kavet. Here's a link to the report <http://www.leg.state.vt.us/jfo/reports/Memo%20Minimum%20Wage%20031314.pdf> . One of the best ways to help the economy is to support the low income workers. This reduces state supports needed to help low income workers which saves taxes, puts money into the economy and supports businesses because the money will likely be immediately spent in local businesses.

Here are the opening remarks from Rep. Jean O'Sullivan who reported the House General Committee's recommendation to pass the bill.

"H.552 entitled "An act relating to raising the Vermont minimum wage" was considered by your Committee on General, Housing and Military Affairs. The bill in its original form, directed Vermont minimum wage to be increased to \$12.50 effective January 1, 2015.

Your committee held extensive day and evening public hearings. The committee had the benefit of a study by the Joint Fiscal Office conducted by Tom Kavet. This study looked at the measurable consequences of raising the Vermont minimum wage to either \$12.50 or \$10.00 effective January 1, 2015.

We found that 20,000 Vermonters are working at 31,000 jobs paying under \$10.00, illustrating the fact that the lowest wages are paid mostly to part time workers. The living wage as calculated by the Joint Fiscal Office is \$12.48 for a couple both working full time.

We found that half of these hard working Vermonters:

- usually find 40 hours of work no matter how many jobs it takes

- are women
- earn half of the family income
- and that State and federal programs help bridge the gap between minimum wage and living wage.

It is your committee's recommendation that the bill be amended by striking out all after the enacting clause and inserting in lieu the following:

In the first part minimum wage is increased to \$10.10 effective January 1, 2015. Starting in January 1, 2016 the cost of living as in the underlying bill will be applied to that year and all subsequent years thereafter. The tipped minimum wage was changed to always be one half the current minimum wage.

The second part of the bill creates a study to look at all the impacts of moving minimum wage to a living wage.

Who wins when we increase the minimum wage to \$10.10 in 2015?

- 20,000 hard working Vermonters
- 7000 children
- younger workers
- the Vermont economy
- Vermont tax payers

In the Fiscal Note from the Joint Fiscal Office it quotes Kavet:

“The preliminary impacts indicate that a \$10.00 minimum wage increase on January 1, 2015 would result in about 250 fewer jobs (or an equivalent reduction in hours), less than 0.1% of total employment, and aggregate income gains to low wage workers of approximately \$30 million. As some of these workers transition away from state benefits and pay more in taxes, the net fiscal gain to the state is about \$3 million. The reduction in federal transfer payments as a result of lower federal aid participation, however, could result in approximately \$5 million in reduced Medicaid, EITC, SNAP and other payments to the state.”

Where does the \$30 million go? Directly back into the Vermont economy. This is a population that is still not at a living wage. They need to spend every paycheck.

The State benefits: ...the net fiscal gain to the State is about \$3 million. Approximately \$1 million would come from increased taxes and \$2 million from benefits.

Though only 16% of this population, Vermonters 22 and under gain getting the full benefit of the \$1.20/hr raise. At a time when they are working to get into school, pay for school or start a career, this can help them. These are the very folks we are encouraging to stay in state.

What sectors of the Vermont economy are going to be most affected by the increase? The 15,908 employers who have the 31,000 jobs paying under \$10 to 20,000 hard working Vermonters. This shows why the Kavet study refers to this as a “negligible effect” because the increase is spread out over 15,908 employers. 12,600 of these hard working Vermonters are spread out over 8150. The remaining 7,400 are spread out over 7758 employers.

- 8% healthcare/social assistant (4099)
- 8% educational services (1125)
- 4% Administration/Waste Management (1206)
- 3% Manufacturing (1328)

Why one year and not “stepped in over time?” In Kavet’s Summary and Recommendations it says: “We find that a minimum wage increase to \$10.00 would probably have negligible, if any, negative aggregate economic consequences and could be an important component in advancing some of the lowest income workers towards a livable income...”

As you spread out the increase over time you lose purchasing power due to inflation. Increasing in 2015 it is a \$1.20 raise. In 2016 it becomes a \$.95 increase and over three years it is \$.72. If a raise of \$1.20 in 2015 to 1% of our workforce results in “...negligible, if any, negative aggregate economic consequences.” Why wouldn’t we agree with the recommendations, give these hard working Vermonters a raise, put \$30 million back into the Vermont economy and save taxpayers \$3 million?

That is why your committee voted to make the effective date 2015.

Equally important is the study to detail the impact that raising the minimum wage to the livable wage would have on:

- Low wage working Vermonters
- Vermont businesses and jobs
- State and federal benefits
- Vermont’s economy as a whole.

The main debate on the bill was an amendment to phase the increase over three years which was not accepted 63 to 82. Another amendment modifying the study sections was accepted 144 to 1. I voted with the majority in both cases. The \$10.10 is not excessive, won’t come into effect until

next year and is a good starting position for what will be a negotiation with the Senate and the Governor who prefer a phase in.

#### **H. 878 An act relating to prevailing wages**

This bill applies to state construction contracts and will level the playing field for Vermont companies bidding on projects. The Davis Bacon wage determination is a calculation that includes and combines an average wage and an average cost of certain benefits. Contractors who bid on jobs that have federal dollars attached already submit their bids with this calculation. This aligns contracts bid out that are state capital budget only.

The Davis Bacon wage determination is the minimum wage per job type and the cost of fringe benefits, which can be life insurance, health insurance, pension, vacation, holidays, sick leave, and other benefits, as defined by the USDOL. Currently, on projects higher than \$100K, a contractor who does not offer benefits can use the Vermont prevailing wage which does not include benefits would have an advantage over a contractor who does offer benefits to its employees. The bill passed 95 to 52 and I voted yes. Davis Bacon wage levels mean better trained workers, higher retention rate of workers, and better supervision which leads to a more productive work force. I heard that companies using Davis Bacon guidelines have historically proven to be more efficient and that makes them competitive.

#### **S. 223 An act relating to regulating the making of pension loans**

My House Commerce Committee recommended and passed unanimously last week a Senate bill that prohibits inappropriate "pension loans", a new and insidious practice. Every year it seems we have to pass a law to shut down a new scheme designed to take advantage of people. This new practice charges high fees and interest and effectively strips a person's pension from them. Appropriate pension lending will still be possible. AARP, the State Treasurer, Beth Pearce, the Attorney General and the Department of Financial Regulation all supported the bill. Here is the findings language.

#### **FINDINGS**

It is the intent of the Vermont General Assembly to prohibit unlawful and predatory lending practices that target retirement pension proceeds. The General Assembly intends to ensure that practices which unfairly disrupt or interfere with retirees' abilities to manage their pension income will be treated as unlawful lending and will be subject to applicable Vermont State laws.

#### **S. 100 An act relating to forest integrity**

The forestry sector of our economy is impacted when large tracts of woodland are broken up into small parcels. This bill takes first steps to improve forestry practices by calling for a report “assessing the current and projected effects of fragmentation on Vermont’s forestlands, and providing recommendations, including regulatory and non-regulatory mechanisms, and legislation if appropriate, for how to best protect the integrity of Vermont’s forestlands and preserve large blocks of contiguous forestland.” The findings say:

(1) Vermont’s forests are a unique resource that provides habitat for wildlife, a renewable resource for human use, jobs for Vermonters in timber and other forest-related industries, and economic development through a productive forest products industry.

(2) Large areas of contiguous forest are essential for quality wildlife habitat, to preserve Vermont’s scenic qualities, to implement best practices in forest management, and to ensure the continued economic productivity of Vermont’s diverse forest products industry.

(3) The division of forests into lots for house sites or other construction fragments Vermont’s forests and reduces their value as wildlife habitat, for forest industries, and to Vermont’s tourist economy.

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Now that crossover has passed we are spending more time in committee working on Senate bills. Here are a few committee reports on bills that will likely be coming to the floor for a vote soon.

### **Human Services by Rep. Patsy French**

S.247 relates to the regulation of Vermont’s dispensaries of marijuana for symptom relief (Vermont does not have “medical marijuana” –we have “marijuana for symptom relief”). Marijuana is not prescribed for a patient; rather a doctor must certify that a patient has a qualifying condition or qualifying symptoms. The patient presents that certification to the Department of Public Safety when that individual applies to become a “registered patient” who will then be exempt from arrest or prosecution under Vermont law for possession of the allowed amount of marijuana and from seizure of marijuana, marijuana-infused products, and marijuana-related supplies. In 2011 we added the concept of dispensaries so there would be a legal way for a registered patient to get marijuana.

The senate-passed version of S.247 proposes a number of changes to current law. They include exempting a terminally ill patient from having to have a six month relationship with a certifying health care provider; adding naturopathic physicians to the definition of “health care professional”; requesting rule making on standards for approval or denial of an application to be a registered caregiver of a registered patient; allowing a dispensary to deliver the product to the registered patient or registered caregiver after rules establishing protocols for safe delivery have been adopted by the Department of Public Safety; raising the limit of usable marijuana that a

dispensary can have per registered patient using that dispensary; raising the number of allowed dispensaries; and changing the frequency of required financial audits. The committee is also considering whether or not to add PTSD as a qualifying condition and whether we can remove barriers which prevent Vermont children who experience intractable seizures from having access to a product which has been shown elsewhere to provide significant relief.

### **Judiciary by Rep. Linda Waite-Simpson**

The House Judiciary Committee continued its consideration of S.295: An act relating to pretrial services, risk assessments, and criminal justice programs. As part of our deliberations, we attended Dr. Doug Marlowe's theory on why it is necessary to re-think our current criminal justice drug policies. Dr. Marlowe presented a very nuanced and complex continuum theory of people who intersect with the criminal justice system. He believes that there are both risks that tend to produce crime (criminogenic) and clinical needs that should be assessed. As we examine people's interaction with the criminal justice system, the combination of criminogenic risk and clinical needs should direct both the volume of resources invested as well as where these resources are invested. Resources consist of everything from community supervision, day programs, recovery centers and community justice centers to non-therapeutic interventions like drug education and anger management to incarceration with intense re-entry supports.

Most of the tools we are using today over diagnose clinical needs and under diagnose criminogenic risk, which then leads us to make decisions to put scarce resources toward those that need it the least. Dr. Marlowe's theory is that we have been investing our limited resources on the easiest targets – those with low risk of repeating their criminal behavior and with low need for clinical intervention. He believes that we will get better results in dealing with recidivism if we invest our resources in the high risk, high need groups or the high risk, low need and low risk, high need groups.

The range of possible interventions should be guided by these assessments and should include everything from pre-arrest options to incarceration options to re-entry options. For example, we have been putting intense resources in to drug *addicts* by ensuring their access to treatment and although this group certainly needs access to treatment, it is the substance *abuser* with behavior that is higher on the criminogenic scale (anti-social behavior, disregard for consequences) who is more likely to reoffend. Community supervision with consequences that are swift and tailored to prevent reoffending is the appropriate response, not short jail terms where they are interacting with very high risk offenders.

Dr. Marlowe is asking us to answer the critical question, "What are the goals of the criminal justice center? Are the goals determinant (retribution) or are they indeterminate (effective treatment to achieve rehabilitation)?" If we decide as a society that we want to rehabilitate offenders and reduce recidivism, then we need to use assessment tools and intervention models that will be successful. What we are doing now is not as effective as it should be in achieving a reduced recidivism rate.

## **Education Redistricting Bill**

This bill moved from the House Education Committee to House Ways and Means Committee. At the end of last week they voted the bill out of committee. Here are comments from Rep. Janet Ancel

“Ways and Means voted the Education Governance bill (H.883) out 9-2 Friday afternoon. The summary in the Vermont School Board Association newsletter may be helpful (see below). Our committee spent many hours on the bill and came to agree with the House Education Committee that governance changes were needed but that we also need to proceed cautiously. Most public hearings tell you what you already know. The public hearing on H.883 was different. Early in the week, we could not have gotten a bill out of our committee. After the hearing, many members became convinced that, as difficult as it is, we need to grapple with a system that isn't delivering equal educational opportunity in a cost-effective way.

Here's the summary:

### **House Ways & Means Committee Passes Modified Governance Bill by Vermont School Boards Association**

“For the past two weeks, the House Ways and Means Committee has been taking testimony on H.883, an act relating to expanded prekindergarten – grade 12 school districts. Witnesses included the Secretary of Education, the chair of the State Board of Education, and several members of each of our associations. On Wednesday of this week, the Ways and Means Committee hosted a joint public hearing with the House Education Committee at the State House.

At the hearing, witnesses in favor of the bill testified that it would create more educational equity, better cost efficiencies across districts, and conditions for more stable, high quality educational leadership. Opponents expressed concerns about loss of local control, community connection to schools, and democratic participation in education. Overall, there were more witnesses who testified in favor of H.883. For a more in-depth summary of the hearing, read the [VTDigger.org article here](#).

The Ways and Means Committee spent much of Thursday and Friday evaluating changes that could be made to H.883 that would streamline the process and garner more support in the House. On Friday afternoon, the committee voted 9-2-0 to pass a [modified version of the bill](#), which would leave intact the provisions and incentives of Act 153 and 156 related to voluntary merger until July 1, 2017. The Ways and Means version of the bill also creates a Design Team, which would have the authority to develop a statewide plan that would result in the creation of no fewer than 45 and no greater than 55 prekindergarten-grade 12 supervisory districts. The Design Team would be charged with conducting no fewer than ten public hearings around the state and consulting with school board members and other interested individuals in order to inform its creation of the statewide plan. It would then submit a preliminary plan to the General

Assembly for their review on or before April 1, 2016. The Design Team would then conduct further public hearings and consultation on the preliminary plan and make necessary adjustments so that it is able to submit a final plan to the General Assembly on or before January 1, 2017. The final statewide plan submitted to the General Assembly will include a detailed process and timeline whereby the transition to prekindergarten-grade 12 districts will be complete by July 1, 2020. Unless the General Assembly acts to “disapprove the plan,” it shall go into effect July 1, 2017. The bill states that “to the extent feasible”, any district that forms a RED prior to July 1, 2017 shall not be realigned under the statewide plan. The bill will now be moving to the House Appropriations Committee and then to the House Floor for consideration.”

Though this proposal and process takes years, I see this as a very big issue and look forward to your comments.

Stay in touch,

Bill

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