# **2022 End of Session Report**

# Rep. Jana Brown

## Chittenden-1 | Richmond



The 2021–2022 biennium is adjourned! We began our work remotely, legislating via Zoom at the height of the pandemic, and returned to the statehouse in January of this year. Through it all, every committee meeting and floor debate has been available to the public livestreamed and posted on the General Assembly website. In this report, you'll find highlights of our busy 2022 session. It's an honor to serve as your state representative. Please stay in touch.

- Jana Brown

# A Balanced and Transformative State Budget

The FY2023 state budget (<u>H.740</u>) totals \$8.3 billion, a 5 percent increase over the current fiscal year. The budget honors the commitment the legislature made at the beginning of the pandemic: to support Vermonters, their families, and their communities across all 14 counties, and to leave no one behind in a strong statewide recovery.

That commitment includes investing \$453.7 million in federal COVID relief in five broad areas: Economy, Workforce, and Communities; Housing; Broadband Connectivity; Climate Action; and Clean Water. Those investments, added to FY2022 investments, complete the allocations of the \$1.2 billion received through the federal American Rescue Plan Act.

The budget includes a long-overdue rate increase of 8 percent to community mental health providers, designated agencies, specialized service agencies, and home health care providers. And it provides millions to support substance abuse disorder prevention and recovery.

We're investing \$96 million in broadband projects and \$137.8 million in community, workforce and economic development. The University of Vermont base budget is increased by \$10 million, the first increase in 14 years. The Vermont State College System also has a base increase of \$10 million, plus \$14.9 million to serve as a "bridge" in their ongoing transition to fiscal and operational stability. Childcare coverage is expanded by \$4.9 million for working families within the Child Care Financial Assistance Program.

This year's investments in housing programs, including the "missing middle" and manufactured housing, tally \$90 million. Transformational climate and water initiatives include \$80 million for weatherization and \$45 million for municipal energy resilience grants. There is also \$8 million for advanced metering infrastructure and over \$60 million for more electrification initiatives.

As always, it is a balanced budget.

To see all budget documents, go to: https://lifo.vermont.gov/subjects/appropriations-and-budget /fy-2023

#### **Workforce and Economic Development**

**S.11** is a significant workforce and economic development bill that addresses the negative economic impacts of COVID-19 on employers, workers and families and creates opportunities to grow Vermont's economy for the future.

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The bill creates or enhances programs to increase workforce participation, and to reinforce and sustain workers in nursing, mental health care, childcare, and the trades. It includes scholarships, forgivable loans, education, training, and internship programs.

S.11 helps Vermonters. It provides for economic development programs to support businesses and municipalities, sick leave related to COVID-19, tax credits, and assists specific sectors, including the creative economy.

In total, \$113.5 million is appropriated using ARPA, General and Education Funds to achieve these goals. Highlights include:

- Forgivable loans for businesses (\$19 million)
- Support for creative economy (\$9 million)
- Nursing and healthcare (\$12.5 million)
- Support for trades (\$4.5 million)
- COVID paid family leave (\$15.18 million)
- Unemployment insurance (\$8 million)
- Encourage new Vermonters (\$5.93 million)
  Community recovery and revitalization grant program (\$10 million)
  - Downtown and village tax credit (\$2.45 million)
- Continuation of Everyone Eats (\$1.3 million)

# Supporting Career and Technical Education

Vermont has suffered a shortage of workers with trade and technical certifications, such as builders, truck drivers, nursing assistants, electricians and plumbers. In response to this need, the legislature has prioritized support for Vermont's Career and Technical Education centers (CTEs).

For the building trades, a \$15 million fund was created in **S.11** to allow CTEs to purchase and rehabilitate blighted properties as part of students' learning experience. Scholarships have been funded for adult CTE students, as well as high school students, who wish to take CTE



*Our statehouse in spring (IStock | Ralweis)* 

classes outside of school hours (similar to the "dual enrollment" that allows high schoolers to take college courses). Finally, the legislature has recognized that the current system of funding CTEs can leave these programs under-prioritized and under-funded. A study was created in <u>S.287</u> that aims to ensure that Vermont's CTE programs are well-resourced and governed into the future.

# **Creating a Child Tax Credit**

The federal child tax credit puts money directly into the wallets and checkbooks of families with children. It's credited with helping people pay rent and buy food, reducing food insecurity by 25 percent. For parents with more income, the credit has helped with mortgage payments and credit card, student loan, and car debt.

**<u>H.510</u>** creates a new Vermont Child Tax Credit. It will give \$1,000 per year to parents and guardians for every qualifying child five years of age or younger. The bill increases the Child and Dependent Care Credit to 72 percent of federal CDCC, and increases our Vermont Earned Income Tax Credit to 38% of federal EITC — making us the highest state EITC in the country.

H.510 also included an increase in the Social Security tax exemption to improve on changes we made three years ago.

# **Health Insurance Savings for Vermonters**

Vermonters have an opportunity to see significant savings on health insurance because of extended subsidies under the American Rescue Plan Act (ARPA). Those directly enrolled in the individual market can roll over to Vermont Health Connect with no change in benefits and gain the advantage of federal subsidies. Between \$58–\$76 million is available to Vermonters for plan year 2023. Check out the <u>Vermont Health Connect</u> page to learn more about potential savings.

#### **Universal Access to Broadband**

Last year, we passed **H.360**, dedicating \$150 million of federal stimulus funds to the construction of publicly controlled broadband infrastructure in the most underserved parts of the state. The Vermont Community Broadband Board, established by H.360, has already distributed the \$150 million in preconstruction and construction grants to all nine of Vermont's <u>Communication Union Districts</u>. This year, we've allocated an additional \$95 million of ARPA funds to support this infrastructure build. These funds will be supplemented by an additional \$100+ million from the Infrastructure Investment Jobs Act funds in the next year with the aim of reaching every Vermont household with affordable, high-speed internet.

### **Expanding Safe and Affordable Housing**

Given Vermont's critical housing needs, bolstering our housing stock is a top priority. Through federal COVID relief funds, over \$42 million was earmarked this year in <u>S.210</u> and <u>S.226</u> to help Vermont renters and homeowners. With this funding, we were able to:

- Dedicate \$20 million toward forgivable loans to property owners to bring rental properties not up to code back online, plus incentivize the construction of new Accessory Dwelling Units.
- Direct \$22 million to subsidize new construction to lower costs for middle-income homebuyers, plus \$1 million to the Vermont Housing Finance Agency (VHFA) for down payment grants for first-generation homebuyers. Repair and improvement grants will also be available for manufactured homes.
- Reform zoning laws, expand tax credits, and create pilot projects to encourage denser development and more vibrant town centers.
- Create an Advisory Land Access Board, composed of representatives of groups that have faced historic discrimination in land and home ownership.
- Extend additional protections from discrimination and harassment for renters and homebuyers.
- Create a statewide contractor registry to protect against consumer fraud in residential construction projects with a value of over \$10,000.

Overall, these investments — which, when combined with mid-year budget adjustments dedicated to emergency shelter and low-income housing, total over \$90 million — send a clear message to Vermonters that we're doing everything we can, and teaming up with whomever we can, to provide more safe, healthy and affordable housing as soon as we can.

#### **Setting the Property Tax Rate**

**H.737** fully funds Vermont's PreK–12 education system and reduces education property taxes by \$35 million. Due to an unprecedented \$95.7 million surplus in our Education Fund, we were able to return \$20 million to taxpayers while also funding universal school meals for 2022–2023 (\$29 million), PCB remediation in our schools (\$22 million), and new investments in our public pensions. We're also creating a new program through our career and technical education centers that will teach students the construction trades by rehabbing housing (\$15 million).

Despite strong statewide growth in education spending, the yield bill projects an average homestead tax rate of \$1.385, significantly lower than last year's rate.

# **CONTACT INFORMATION**

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To read bills, watch floor debates, and follow committee meetings go to: legislature.vermont.gov.