A Framework for Progress: Investing in Vermont’s people, infrastructure, and good government

2019 REPORT CARD

1. Ensure that work pays and families meet their basic needs.

- **Make work pay.**
  - Different versions of the minimum wage bill (S. 23) passed each house. The Senate’s final proposal raised the hourly wage to $12.20 by 2021 and then by the rate of inflation thereafter. The House’s version raised the wage by 2.25 times the rate of inflation until the wage reaches $15, and then by the rate of inflation thereafter. The two sides could not reach agreement and failed to send a bill to the governor.
  - The administration did not propose a minimum wage increase.
  - The final budget (Act 72 of 2019) adjusted the Child Care Financial Assistance Program’s eligibility scale so that qualified families retain more of the benefit as they earn more income.

- **Ensure family economic security.**
  - The enacted budget included an additional $5.8 million for the Child Care Financial Assistance Program (CCFAP). The funds will be used to expand assistance for currently eligible families and increase pre-school and school-age reimbursements to 2014 market rates, but these reimbursements still fall short of the state’s guidelines.
  - The final budget included the following increases: $5.2 million for mental health care and developmental services; $2.1 million for home and community service providers in the Choices for Care program; and $1.1 million to provide basic dental services for adults.

- **Hold the line on health care.**
  - The final budget increased Reach Up funding by $2.5 million to raise monthly benefits that had not been changed since 2004. However, the new benefit level will cover only about half of the amount required for a family to meet its basic needs in 2008.

2. Build for the future by making smart, evidence-based investments in programs and infrastructure.

- **Improve Vermont’s education system.**
  - The budget included $600,000 in one-time funding for early childhood education (ECE), half for workers for continuing education or retention/hiring bonuses, and half to improve the curriculum for certain credentials related to early education.
  - The budget also included $70,000 in one-time funds to provide career support to New Americans.
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- **Increase public investment in infrastructure.**
  - While there were no significant changes to the transportation funding system, the final budget did include additional investments in electric vehicles and charging stations totaling $2.9 million.
  - The budget directed six percent of the Meals and Rooms tax (about $11.8 million in fiscal 2021) to the Clean Water Fund, which could help address these systems.

- **Fully fund the Vermont Housing and Conservation Board (VHCB) and increase the Vermont Rental Subsidy Program.**
  - VHCB continues to see their statutorily allocated funding diverted, a loss of more than $11 million for fiscal 2020. An additional $4.6 million was allocated in the capital bill to offset some of that loss.

3. Make state government more effective by increasing public engagement, fairness, and transparency.

- **Create an infrastructure for public engagement.**
  - The administration provided five year spending projections, but they were not transparent or consensus estimates with the Legislature.

- **Include long-range planning in the budget process to weather volatility.**
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- **Fund state services equitably.**
  - A bill was introduced to study an education income tax, but no further action was taken. The Tax Structure Commission created in 2018 is tasked with exploring the education funding system.
  - The administration has provided a Current Services Budget for the last three fiscal years. While it is more detailed than those of previous administrations, it still does not reflect where the state is falling short of its obligations.