

37162ONE BALDWIN STREET
MONTPELIER, VT 05633-5701

PHONE: (802) 828-2295
FAX: (802) 828-2483
WEBSITE: www.leg.state.vt.us/jfo/

SEN. SUSAN BARTLETT, CHAIR
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REP. SHAP SMITH
SEN. DIANE SNELLING, CLERK
REP. RICHARD WESTMAN

STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

MINUTES

Friday, October 3, 2008

Members Present: Senators Bartlett, Shumlin and Snelling. Representatives Bostic, Heath, Obuchowski, Smith and Westman.

Other attendees: Representative Carolyn Branagan, Legislative Joint Fiscal Committee staff, Administration officials, various advocacy and lobbyist groups, and members of the media.

1. CONVENE MEETING AND APPROVE MINUTES:

Senator Susan Bartlett, Chair, called the meeting to order at 9:36 a.m. and asked for a moment of silence for David Janawicz, Chief State House Security Officer. The Committee then approved the August 22, 2008 and August 27, 2008 minutes with a motion by Representative Martha Heath and a second by Senator Diane Snelling.

2. FISCAL OFFICER'S REPORT:

Stephen Klein, Chief Fiscal Officer, gave an update on the projected FY2010 deficit in Medicaid and Medicaid-related programs (Issue Brief, dated 10/2/08). He gave a brief overview of other areas of importance (Fiscal Officer's Report, dated 10/3/08). The Chair was pleased with the good news that revenues from September exceeded forecasts and asked whether downgrades in November were still projected. Mr. Klein explained the November budget review was dependent on the October withholding, rooms and meals and sales revenues.

Mr. Klein, in responding to Representative Don Bostic's question, stated revenue estimates were based on the previous higher fuel price projections and may give Vermont a budgetary advantage since the fuel prices were dropping, but on the downside, the stock market declines will have a negative effect.

Representative Heath inquired on the status of the TD Banknorth tax obligation case and the negotiations on future settlement money. Mr. Klein explained the Administration was currently working on those negotiations and waiting for the courts to determine an amount and a time frame for available funds.

3. GREAT BAY HYDRO LAND DONATION GRANT PROPOSAL:

The Chair invited Commissioner Wayne LaRoche, Department of Fish & Wildlife, Commissioner Jonathan Wood and General Counsel Meghan Purvee of the Department of Forests, Parks & Recreation, and Secretary George Crombie of the Agency of Natural Resources to explain the revised grant proposal (JFO #2322 revised).

Representative Michael Obuchowski reminded the Committee that this was the second time the Agency submitted a proposal, and that the first proposal was agreed to despite his concerns. He asked why Great Bay Hydro had changed its position on the sale price to include an additional \$18,000. Commissioner Wood offered that the deal had not changed greatly but Great Bay was under the impression that the total agreed-upon price was \$500,000. However, because the appraised value of the land to be sold was below the agreed-upon price, Great Bay asked to reduce the value of their donation of the 10-acre riparian land by \$18,000 to make up the difference.

Representative Obuchowski inquired as to how much of an exemption from Capital Gains tax would Great Bay realize from the sale. Commissioner Wood and Ms. Purvee stated that their understanding was that Great Bay may plan to file the sale under a 1031 like-kind exchange and reinvest the money into another land deal acquisition, and if that were to occur, Great Bay would not pay a Capital Gains tax. Ms. Purvee offered that it was her belief that Great Bay Hydro was planning on reinvesting in Vermont but was uncertain of those details.

The Chair queried the Secretary whether the revised proposal was a good deal for Vermont. He affirmed that it was a fair deal in comparing other negotiations in the past with private entities, and, taking into account the added safeguards and potential advantages to Vermonters. Representative Obuchowski asked if the original proposal could be consummated. Commissioner Wood confirmed that the original proposal could be floated to Great Bay again but in the spirit of the original negotiation price, the department has tried to initiate the proposed additional land deal to close the appraisal gap for fairness.

Ms. Price, on the direction of Representative Obuchowski, explained the reason for there not being a signed purchase and sales agreement and why the original contract expired. Representative Obuchowski proposed that the Department find a middle ground for the contract negotiations, and commended the staff for its due diligence, but emphasized he could not vote for the revised proposal. The Secretary assured the Committee that he would communicate its concerns to Great Bay and return to the Committee with an update.

Commissioner Wood stressed the importance of the fishing access sites. He also informed the Committee that those sites were currently being leased on a month-to-month basis, but there was a history of a lease failure that initiated restricted access by Great Bay to the sites and, therefore, access to personal camps. He emphasized that he would not allow, during any negotiations, that the agency be held hostage. Representative Obuchowski asserted that during negotiations the importance of being a good neighbor be stressed to Great Bay.

Representative Heath reaffirmed the question that the current negotiations hinged on the additional land deal for \$18,000, and Representative Obuchowski vouched that was correct.

Representative Obuchowski reiterated that he would stand by the original proposal, but was not comfortable with the additional \$18,000 in the revised proposal.

The Chair asked for a motion to accept the revised version of the grant proposal, which included the additional \$18,000. No motion declared, therefore the revised proposal was not accepted. Senator Snelling asked for clarification on how the original proposal would be reintroduced to Great Bay Hydro without losing the opportunity of the land deal. The Secretary put forth that the Agency would return and express to Great Bay the Committee's strong message for consummating the original grant proposal.

Representative Richard Westman moved to reaffirm the Committee's position on the original grant proposal (April 28, 2008), and that the Secretary keep the Committee updated on the progress of negotiations with Great Bay Hydro. The motion passed.

The Chair echoed her appreciation for the work of the Agency. Representative Heath and Senator Bartlett thanked Representative Obuchowski for his diligence on the issue.

4.a. PRELIMINARY PLAN FOR LEVELS OF FUNDING OF PAY ACT:

Commissioner Reardon explained that the Department had done some preliminary analysis on the funding of the Pay Act but more conclusive figures would be given during the Committee's November meeting. A gap of \$1.4 million in specific areas of Corrections, Defender General, State's Attorneys and Public Safety is projected. In the area of Judiciary, the Commissioner indicated his belief that the amount of \$230,000 from the FY 2009 Pay Act was sufficient. He apologized for a possible oversight by the Department for funding of the non-salary component of the Pay Act, which is used for state benefits, such as dependent care, tuition reimbursement and contract negotiation. The estimated cost of the non-salary component is \$597,000 and will be added to the budget adjustment discussion.

Commissioner Reardon identified a possible General Health Plan Premium Holiday that could potentially generate \$1.3 million to help close the gap on the Pay Act. The Commissioner remarked that the numbers still needed to be quantified, and echoed that more conclusive numbers would be detailed at the Committee's November meeting. Although the Pay Act was unfunded, it is the belief of the Administration that several departments could absorb the cost. The Chair asked for the high projection of the shortfall. Commissioner Reardon stated that the top side was \$4 million of general fund absorption for the departments.

4.b. STATUS OF PUBLIC SAFETY BUDGETS:

Commissioner Thomas Tremblay handed out information explaining the anticipated shortfalls. The Chair inquired as to the impact on coverage and/or the need for overtime with the vacancies due to illness, injury, and military activations. The Commissioner deduced that vacancies did reduce some level of costs but there was an impact that the Department would have to backfill.

Representative Obuchowski inquired on how far behind in accounts payable departments were and how soon invoices were being paid. Commissioner Reardon responded that the Administrations policy states that invoices inputted into the system within 10 days of receipt and

receiving all necessary authorizations are paid within 20 to 30 days. Some invoices require a shorter turn-around time for payment, but funds get encumbered when invoices are inputted into the system. Representative Obuchowski asked whether some departments were intentionally behind in paying bills to offset deficits. Commissioner Reardon asserted that his department was watching for any untimely payment of invoices and has also sent out periodical reminders of the 30-day payment policy.

Commissioner Tremblay concluded his report with an explanation and update on a three-year Cops Myth Audit Settlement. The original audit settlement amount was \$1.1 million, but through negotiations, that settlement amount was reduced to \$144,000. Commissioners Tremblay and Reardon stressed the importance of paying the current settlement amount as all appeals have been exhausted. Commissioner Reardon confessed that approval was given to the Department of Public Safety to issue a check for the \$144,000, and that expenditure would need addressing in budget adjustment discussions.

Representative Heath inquired if the Department of Public Safety had a sense of whether it would meet budget targets. Commissioner Tremblay responded that it was too early to give an accurate figure and meeting those targets would partly depend on how busy the Department would be within the next couple of months.

4.c. STATUS OF LOW-INCOME HEATING ENERGY ASSISTANCE PROGRAM (LIHEAP):

Commissioner Stephen Dale, Department for Children & Families (DCF) introduced Richard Moffi, Director of LIHEAP, and Dave Cohen, Fiscal Operations Manager for DCF. A document was handed out showing the projected benefits and budget amounts of LIHEAP for the upcoming heating season, and Commissioner Dale commented that federal actions have helped to alleviate the current heating pressures.

The Chair asked whether the Department kept track of applications just over the eligibility amount to demonstrate benefit cliffs for future discussions. Mr. Moffi responded that his division kept all denial data and was able to track to the dollar. Representative Heath requested the raw data be organized by category with totals reflecting eligibility gaps, family size, age, and whether disabled.

Representative Obuchowski reflected on how households not eligible for LIHEAP are arranged in terms of basic needs indicators. Senator Bartlett encouraged media and advocates to communicate more broadly the flexibility and portability of LIHEAP benefits, so that at-risk Vermonters understood that benefits could be combined to create a type of home share situation.

Senator Shumlin queried whether the \$4.19 a gallon price assumption for LIHEAP was locked in or would it fluctuate with the market. Commissioner Dale confirmed that the price could fluctuate and it was not known whether that estimated price was a good conservative projection or whether the market would surpass it during the heating months. The current estimates have benefit amounts set to the \$4.19 amount and estimate coverage of 60% of clients' fuel costs during the heating season. If the fuel price decreases, benefit coverage is maintained or increases, but if the price rises, the coverage amount would decrease.

Mr. Moffi responded to Senator Bartlett's question that LIHEAP benefits are prepaid as a lump sum to fuel dealers, and that payments to fuel dealers were scheduled to be sent out November 15, 2008. He mentioned that some fuel dealers offer prepay discounts, which the state attempts to take advantage of, but audits on fuel contracts have not been consistent and therefore discounts have been missed.

Senator Peter Shumlin suggested a better shopping system for the state's LIHEAP program to capture a better price. Commissioner Dale explained his department studied the issue through a hired consultant in 2007 (Energy Assistance Leveraging Options, 3/26/008, Mark Wolfe). The report highlighted many challenges for fuel dealers delivering to very rural areas; therefore, it was emphasized how important it was to keep those dealers within contract discussions. In addition, the consultant documented that most local fuel dealers had an exceptional track record assisting customers with fair payment terms on their remaining fuel amount (40%) not covered by the state. Commissioner Dale noted that the report would be sent to the Committee.

Senator Bartlett maintained that fuel dealers have taken on the role as bankers for some Vermonters not able to keep up with the increasing heating costs. She complimented the dealers for doing an exceptional job of keeping Vermonters warm, but due to the economic downturn and increased fuel prices, they may not have the capacity to ensure everyone is covered; it is therefore important that LIHEAP funds get to dealers earlier. Senator Shumlin stated that discussions on how fuel is contracted should continue at another meeting.

Representative Heath requested a letter be sent to the Vermont Congressional Delegation, thanking them for working so hard on LIHEAP funding for Vermont, which the Committee agreed to. Mr. Moffi responded to Representative Shap Smith's question that the federal LIHEAP funds are guaranteed for one year. Representative Smith noted a similar federal funding action in 2003 that infused funds into Medicaid for one year. States found themselves relying on funds going forward, and therefore scrambling to make up for the loss when the federal funds were not reinstated. Mr. Klein offered that the concern over continuation of the benefits would be addressed in the Vermont Congressional Delegation "thank you" letter.

Commissioner Dale, responding to Representative Obuchowski, stated the Department has maintained its current level of LIHEAP coverage. The challenge for communities will be to protect those Vermonters that are unable to pay for the additional 40% of their heating bills not covered by LIHEAP. The Department is working on creative strategies such as tapping into a small pool of money in the General Assistance Program, and planning with Emergency Management for worst-case scenarios. Commissioner Dale further detailed for Representative Obuchowski that the Department through its normal channels and the General Assistance Program's Home Heating Fuel Assistance Hotline (1-800-479-6151) would be well equipped to handle emergency heating crises during times of high demand. He complimented the Vermont Community Action Councils and the utilities on the good job of building emergency funds for at-risk Vermonters, and commended the Northeast Governors Association and the Vermont Congressional Delegation for working in a bipartisan effort to secure LIHEAP funds.

4.d. DIRECT DEPOSIT & ELECTRONIC PAY NOTICES:

Commissioner David Herlihy of the Department of Human Resources and Deputy Commissioner Susan Zeller of the Department of Finance & Management distributed information and reviewed concerns of the electronic pay notices. The Chair explained that the Legislature, during FY2009 budget reduction discussions, found significant cost savings in moving to electronic pay notices and that saved in effect the equivalent of one state position. The Chair pointed out that the Vermont State Employees Association (VSEA) and others, including the media, were involved in those discussions.

Senator Shumlin asserted that Legislators be included in the opt-out provision of the direct deposits, as some legislators have unusual situations. Deputy Commissioner Zeller responded to Representative Westman's question that calculations of savings were based on nine months at 100% of the employee base. Representative Westman clarified, and Deputy Commissioner Zeller agreed, that even though the expectation is that savings will never get to the entire 100% goal, in fact, there are still significant savings for moving to direct deposit and electronic pay notices. Commissioner Herlihy maintained that a draft policy has been shared with VSEA that includes a provision for state employees, after providing documentation showing denial of banking from two institutions or a membership of a religious sect disallowing the use of technology, to opt out of the process.

AGENDA CHANGE:

The Chair announced that due to members' time constraints, the order of the agenda was subject to change.

4.g. REVENUE COMMITTEE REPORT:

Commissioner Thomas Pelham of the Department of Taxes, Commissioner Reardon and Stephen Wark, Director of Consumer Affairs and Public Information for the Department of Public Service were introduced. Commissioner Pelham announced that the Revenue Committee has determined there are in fact opportunities to organize the revenue streams better to save money and that an audit report for Judiciary reveals two areas. The first in traffic ticket processing. The Revenue Committee is still attempting to identify savings since allotted staff time is not fully known, but initial estimates due indicate a potential position savings. Another cost-saving measure within traffic ticket processing is addressing the issue of legibility of police officers' handwriting.

Commissioner Pelham referred to a second area of savings within Judiciary as the re-licensing procedure within the Board of Bar Examiners, generating \$500,000 a year in revenue. The Commissioner projected that his department could accomplish the procedure readily and easily, but savings were not yet known. The Revenue Committee does not believe there is much opportunity for savings within the District Courts.

Commissioner Pelham explained areas of savings found within the Secretary of State's office of professional regulation. An estimated 30,000 fees are collected annually, totaling \$3.3 million in revenue, and his department estimates a cost of \$7,500 to maintain a lock box for the funds. TD Banknorth quoted \$11,600 to do the same. Another area of savings involves an annual 95,000 business filing fees collected, totaling \$3.2 million in revenue. TD Banknorth quoted \$28,000 to maintain a lock box for the funds, and Commissioner Pelham's department maintains

it can achieve the same for \$23,000. The Department would use down times to tackle these areas, such as the non-tax-filing season.

Commissioner Pelham offered that in late March, the Revenue Committee, in working with the Public Managers Group, will have a matrix of enforcement tools for state government available to JFC for consideration. The Revenue Committee also anticipated information on two other department audit reports, including the Department of Labor during that same time period.

7. FOOD AND FUEL FUNDING INITIATIVES:

Commissioner Reardon and Mr. Wark handed out a summary on the Food and Fuel Partnership Taskforce initiatives and funding needs. Commissioner Reardon explained the intention of the update is to garner support from the Committee to proceed with the Taskforce's proposal.

Representative Smith questioned whether the funding recommendations included a consensus of all the interested parties. The Chair explained that not all the interested parties were comfortable with the current funding recommendations but seemed to be more comfortable than at the start of the discussions.

Maria Belliveau, Legislative Associate Fiscal Officer, handed out information on state median income levels and the federal poverty guidelines with an explanation. Senator Shumlin commented that the developments in LIHEAP were reassuring, but it should be recognized that the people who will fall through the cracks were undoubtedly the homeless. He encouraged the Taskforce to include in its discussions a conversation with the Vermont Adjutant General on the use of National Guard resources and potentially providing assistance to homeless shelters, such as blankets. Through discussions with shelters, Senator Shumlin expressed concern of a significant increase of homeless already, even though Vermont has not reached its coldest season. He suggested that \$500,000 be available to local shelters through the Office of Economic Opportunity (OEO) for the impending homeless crisis. Local shelters should submit a plan to OEO on how best to address its homeless issue.

Mr. Wark agreed with Senator Shumlin's concern, but Commissioner Reardon cautioned on the use of unallocated funds in ensuring a minimum amount of impact to the caseload reserve. The Chair offered that the Taskforce met yesterday and appointed a subcommittee to address the homeless issue and return to the Taskforce in two weeks with a plan. She suggested that Senator Shumlin be added to that subcommittee by the administration.

It was decided that OEO would deliver a message to the local shelters to submit their anticipated needs to the subcommittee as soon as possible. This would give the subcommittee time to review the proposals and deliver its plan to the Taskforce within the two-week time frame. Senator Shumlin accepted the appointment to the subcommittee. The Chair suggested that money could be moved to the homeless initiative during the Emergency Board and JFC's November meeting, if needed. Mr. Wark announced that a statewide meeting of the leaders of homeless shelters will occur on October 23.

The Chair declared that the Taskforce would present its proposal on the homeless to the Emergency Board at the scheduled November 18th meeting. Senator Shumlin echoed his earlier proposal to add \$500,000 to the homeless reserve fund now with the caveat that JFC would deliberate at its November meeting. Mr. Klein clarified that the title "Homeless Reserve Fund" would be added to the list of Taskforce funding initiatives but a question mark would be inserted instead of a dollar amount until the Taskforce had considered the subcommittee report.

The Chair asked for a motion of conceptual agreement on the proposed funding for the Taskforce initiatives. Senator Shumlin made the motion, but Representative Obuchowski questioned how quickly the initiatives would be available. Commissioner Reardon stated some were already active but others were awaiting the Committee's approval for implementation. Representative Obuchowski emphasized that he would assume all the initiatives would be active by October 31, 2008. All the Committee members voted in favor of the motion, except Representative Smith.

5. POLICY FOR DISBURSEMENT OF MONIES FROM THE TRAUMATIC BRAIN INJURY (TBI) FUND:

Commissioner Joan Senecal and Erin Weaver, TBI Program Director of the Department of Aging, Disabilities & Independent Living handed out a revised draft five-year plan on the TBI fund. Ms. Weaver gave an overview of the history and actions of the Legislature, and Commissioner Senecal explained the revised draft five-year plan. Representative Obuchowski thanked both the Commissioner and JFC staff for their efforts on the TBI issue and suggested the fund have a one-to-one match to make the money flow quicker. Commissioner Senecal agreed with the suggestion and commented that the matches would have to be in cash to be consistent with other funds.

The Chair invited David Mulholland, President/CEO of Community Neuro-Rehabilitation, Inc., to comment on the proposed five-year plan. Mr. Mulholland read and handed out his comments.

Representative Obuchowski moved that the proposed five-year plan be accepted with a change on page three from a two-to-one match of funds, to a one-to-one match of funds. Senator Snelling seconded the motion. The motion with the additional change was agreed to.

4.f. HUMAN SERVICES CASELOAD RESERVE TRANSFER:

Commissioner Reardon referred to a previously sent enclosure to the Committee explaining activity involving the Human Services Caseload Reserve.

4.e. Preliminary FY2009 Budget Adjustment Update:

Commissioner Reardon gave an indication that departments would have more conclusive figures for budget adjustment calculations within two weeks. A projected deficit of \$8 million for transportation had been reduced to \$4 million by the FY2009 rescission package, leaving \$4 million to address. In addition, transportation revenues were down \$1.7 million, which might require further actions. Other pressures include an estimated \$1.2 million obligation for the Town Highway Emergency Program from Federal Emergency Management Assistance of Vermont disaster mitigation. The Administration has given permission to the Agency of

Transportation to pay out funds with anticipation of federal funds. A lack of \$800,000 in Town Highway Emergency Funds could have a negative impact on the state transportation fund.

Commissioner Reardon echoed his earlier testimony on LIHEAP that funds from corrections may need to be transferred in anticipation of federal funds. In the Agency of Human Services budget, corrections could have a potential \$600,000 shortfall, but it was too early to determine. There is an \$8 million shortfall in the FY2009 budget due to a recent federal decision to decline recertification of the Vermont State Hospital. Other discussions in November during the Emergency Board meeting would include budgetary pressures in TANF.

4.c. STATUS OF LIHEAP (additional testimony):

Michael Sirotnik for Vermont Council on Elders was invited to testify on the homeless and LIHEAP issue. Senator Bartlett asked for additional information to understand better the financial pressures of the elderly and disabled that are just outside of the eligibility guidelines, and what the estimated cost was to fund that gap.

Mr. Sirotnik remarked that concerns of high fuel prices started to develop in June. A meeting occurred in July, with Commissioner Dale, Mr. Moffi, Ken Gordon of the Northeast Kingdom on the Council of Aging, Inc., and representatives from AARP and AAA, for the purpose of addressing issues the elderly and the disabled face this winter. Proposals from the meeting included an inflation factor for income guidelines and to disallow Medicare Part B premium amounts from the income guidelines.

Mr. Sirotnik estimated that if eligibility guidelines allowed an additional \$100 a month in income, then approximately 700 families would then be eligible for LIHEAP benefits. He offered to work with DCF to gather more concise data. The Chair then directed the Department to work with the JFC staff on projections for the Committee to consider before the November meeting. Mr. Sirotnik suggested that individuals or families just over the eligibility guidelines could be included in a smaller LIHEAP benefit.

Representative Obuchowski asked if there was flexibility in the time line of delivering benefits. The Chair and Mr. Sirotnik agreed there was a fair amount of flexibility to disburse benefits. Representative Bostic showed surprise to hear that the additional eligibility guideline of \$100 a month would produce such a large amount of coverage. Representative Heath questioned how additional benefits could be included at a later date, when a fuel price is predetermined and fixed for the season, without afflicting hardship on the poorest of the poor. Mr. Klein agreed and offered that most decisions would need to be made this Fall. The Chair stated that a conversation of all the pros and cons would be important, and Representative Heath agreed.

The Chair then recessed the meeting at approximately 2:00 p.m. to convene the Special Committee on Nuclear Energy Analysis.

The Chair reconvened the Legislative Joint Fiscal Committee at approximately 3:53 p.m. to finish agenda items.

6. UPDATE ON VERMONT BANKING IMPLICATIONS FROM NATIONAL BANKING CLIMATE AND FEDERAL ACTIONS:

Chris D'Elia, President of the Vermont Bankers Association gave the background of the stock market crisis, during the last couple weeks. Vermont's banks are in relatively good shape but if the crisis continues, it will eventually be difficult for them to recapitalize loan portfolios. Vermont is seeing a slippage in consumer confidence, which only exacerbates the problem. To increase the consumer's confidence, it was helpful that the Federal Bailout Plan (Emergency Economic Stabilization Act of 2008, H.R. 1424, passed today with a 201 to 177 margin, in the House) included an increase of FDIC secured banking coverage to \$250,000.

Senator Snelling inquired as to how Vermont banks were affected by the lack of available credit. Mr. D'Elia answered that the effects were minimal, but some Vermont banks rely heavily on recapitalizing loans, and the lack of credit from the market crisis would have a direct effect on them, if the credit freezes did not ease up.

Mr. D'Elia warned that it was uncertain if the federal bailout would prevent a deeper recession. Other state banking counterparts were seeing freezes in credit areas such as car loans, business loans, and state loans. Representative Bostic highlighted a radio ad from a Vermont local bank asserting that it was not associated with any larger national banks, and encouraged consumers to utilize its loan programs. Mr. D'Elia explained that Vermont local banks have always worked hard to conduct business in a responsible manner and because of that, Vermont is in a better position than other states.

Senator Bartlett asked for an educated guess as to when loans will free up with the passage of the federal bailout legislation. Mr. D'Elia hinted that it would take a couple of weeks for the federal banking system to be at full capacity again. The Vermont Banking Association had hopes of the bailout stimulating and easing the credit markets sooner.

Mr. D'Elia offered to send a section-by-section analysis of the federal bailout legislation (attachment sent to members after meeting). In answering the Chair's question of whether the bailout would stop the housing foreclosure issue, he explained there was a piece within the legislation to help stave off the foreclosure issue, but in viewing the Federal Housing Act of 2008 (S.3221), it was unfortunate that it did not address the people at the verge of foreclosure but instead, it just targeted relief to people already within the foreclosure process. Mr. D'Elia certified that there was a provision mentioned by Representative Heath in the bailout legislation, that gave discretionary rights to the Secretary to buy down interest/mortgage loans, but Vermont did not have the foreclosure problem seen nationally, and were due to more traditional reasons, such as loss of income and divorce. Mr. D'Elia admitted that there were some Vermonters that the federal legislation would not be able to help, since they were beyond their ability to pay even a conventional mortgage.

MEETING ADJOURNED AT APPROXIMATELY 4:30 P.M.

OTHER REPORTS & INFORMATIONAL HANDOUTS NOT DISCUSSED:

1. Capital Debt Affordability Advisory Committee Report
2. Position Report

3. Global Commitment Appropriations Transfer Report
4. VISION Update
5. Letter to Vermont's Congressional Delegation on Stimulus Package

Respectfully Submitted,

Theresa Utton-Jerman, Legislative Joint Fiscal Staff