

ONE BALDWIN STREET
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SEN. PETER SHUMLIN
REP. SHAP SMITH
SEN. DIANE SNELLING, CLERK
REP. RICHARD WESTMAN

STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

MINUTES

Wednesday, December 17, 2008

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

Others present: Joint Fiscal and Administration staff, some members of the Legislature, various advocacy groups and media.

1. Call to Order and Consideration of Grants

The Chair called the meeting to order at 1:20 p.m. and opened by explaining the nine grants up for consideration needed to be expedited since some federal match programs may not be available in the future. Representative Heath moved grant #2358 (Fuel Oil Donation from Saputo Cheese Factory) and #2359 (Department for Children & Families Grant), and the committee approved them. The seven other grants would be considered at the next meeting on Friday, December 19, 2008.

2. Discussion on Committee Process

The Chair explained a new rule for consideration for committee members to be procedurally allowed to vote by telephone during inclement weather. The Committee would decide on the rule at a later meeting if needed.

3. Response to Committee Inquiry of the 1990 – 1992 Budget Deficit

Sara Teachout, Fiscal Analyst for the Joint Fiscal Office explained a handout (exhibit 3). Senator Bartlett and Representative Westman spoke about that former time period of tough decisions represented in the handout.

4. Presentation of Administration's FY 2009 Proposed Transportation Rescissions

David Dill, Secretary of Transportation, explained a document he handed out (exhibit 4.a.) and a previously supplied handout from the December 16, 2008 meeting (exhibit 3.c. of 12/16/08). Representative Westman questioned line 17 of the current rescission plan document by commenting that there were concerns from legislators on the rail reduction (savings from Amtrak reconfiguration) having large policy implications. Secretary Dill defended the reduction as an important decision to minimize the impact of the budget shortfalls. Representative Westman stated that he was not comfortable

making reductions in the rail or the town highway program (see line 4) without input from the entire legislature. He advised that the Committee could take action on the first of the two payments for rail by holding the January payment and then allowing the full Legislature to decide on the April payment. Representative Heath agreed with Representative Westman and commented that the Rutland delegation and multiple members of the Democratic Caucus had voiced concerns on the town highway cuts included in the proposed transportation reduction plan.

The Chair offered that transportation could be one of the areas that may receive assistance from a federal stimulus package and agreed that the January 2009 payment for rail and town highway should be held until more information is known.

Representative Heath moved to reject the Administration's proposed FY 2009 transportation rescission plan and that the Secretary of Transportation resubmit a plan that includes the changes Representative Westman had outlined on rail and the town highway reductions. The Committee agreed.

Secretary Dill handed out and explained a revised rescission proposal (exhibit 4.b.), excluding Amtrak rail, town highway grant programs, and town highway general aid programs as previously presented, for the Committee's consideration. Senator Shumlin moved the revised transportation rescission plan. The Chair asked the Secretary to make it clear to the towns that the January 2009 payment would be withheld. Secretary Dill stated the towns would be notified, and that the Administration may still include the two rejected reduction proposals in the FY 2009 budget adjustment act for discussion. Representative Westman seconded the motion. The Committee approved the motion.

Senator Shumlin announced that a unified states' letter had been signed by 30 states thus far, suggesting to Congress that the backbone of any federal stimulus package should include transportation funding. The letter would be forwarded to Congress as soon as the remaining states had the opportunity to sign.

5. Continued Presentation of Administration's Proposed FY 2009 Rescission Plan

James Reardon, Commissioner of the Department of Finance & Management, continued the overview started at the previous meeting on December 16, 2008, using the same rescission plan handouts (exhibits 3a and 3b of 12/16/08). Stephen Dale, Commissioner of the Department for Children & Families (DCF), joined Commissioner Reardon.

Commissioner Reardon announced that the Administration may have additional information by the end of the day on the Judiciary Branch's reduction plan. The Commissioners continued an overview of the DCF reductions. Representative Heath asked that the reduction amounts and the impact statements for all the rescissions be provided in a single spreadsheet.

Senator Bartlett clarified that the grant amount for the DCF transportation program was an average of the total amount of funding for the program instead of the amount paid out to individuals. Commissioner Dale agreed.

Commissioner Reardon explained the Department of Corrections reductions. Two closures, including the Middlebury and Chelsea parole field offices, were included in the reductions. Representative Heath asked that impacts of the reductions to corrections including the parole office closures and the reductions in force could be posted for public viewing. Commissioner Reardon agreed.

The Chair stopped the presentation at 4:00 p.m. and adjourned the meeting to open the previously scheduled public hearing on the Administration's proposed FY 2009 rescission plan.

Respectfully Submitted,

Theresa Utton-Jerman, Joint Fiscal Office