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SEN. RICHARD SEARS, JR.
SEN. PETER SHUMLIN
REP. SHAP SMITH
SEN. DIANE SNELLING, CLERK
REP. RICHARD WESTMAN

STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

MINUTES

Friday, December 19, 2008

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

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

1. Call to Order and

The Chair called the meeting to order at 9:58 a.m. and asked Joint Fiscal staff to explain the first agenda item.

2. – 3. Presentation of Thirteen Grants

Nathan Lavery, Fiscal Analyst of the Joint Fiscal Office, referred to 13 grants listed on the agenda. Grant #2360 (\$2,000,000 grant from Substance Abuse and Mental Health Services Administration (SAMHSA) to the Agency of Human Services – Department of Mental Health.) has the largest amount of matching state funds at \$163,000. Representative Obuchowski inquired whether the state funds to match grant #2360 were available.

Charlie Bliss, Department of Mental Health, answered that the matching funds for grant #2360 were currently available. Each year, state matching funds are verified before the grants are submitted to the federal government.

In response to Representative Obuchowski's question on grant #2360, Bob Greenwood of the State Justice Institute explained that almost all languages were used by interpreters within the court system.

The Chair inquired about grant #2356 (\$333,002 grant from the U.S. Department of Justice (DOJ) to the Judiciary – Court Administrator's Office). Karen Gennette of the Court Administrator's office explained the grant is for the court treatment program in Washington County; ongoing funding for the juvenile court coordinator in Franklin County; and the rest of the funding is for training, and for other communities to find alternatives to the criminal justice system and incarceration.

The Chair then queried information on grant #2357 (\$212,408 grant from the U.S. Department of Justice (DOJ) to the Judiciary – Court Administrator’s Office). Ms. Gennette explained the grant was to support a new e-filing system for domestic abuse cases.

Representative Obuchowski asked about grant #2364 (\$12,000 grant from the National Governor’s Association to the Agency of Human Services – Department for Children and Families) as it referenced the Building Bright Futures program, which was within the Administration’s proposed FY 2009 rescission plan for reductions. A representative of the Department for Children & Family Services (DCF) was not available to explain the grant. Senator Bartlett volunteered information that the Building Bright Futures Council would still exist if the rescission was accepted to disburse the grant. Representative Obuchowski asked that additional information from the department be provided prior to deliberation on the grant. Mr. Lavery offered that he would continue to communicate with Commissioner Stephen Dale of DCF for information.

Representative Obuchowski inquired about how the grantor of grant #2365 (\$19,140 donation from the Vermont Veterinary Medical Association (VVMA) to the Agency of Agriculture, Food and Markets) was funded. Dr. Matthew Wood, the Assistant State Veterinarian for the Agency, explained that the Vermont Veterinary Medical Association was funded through meeting enrollments, dues from the national organization members, public donations and donations, from the national veterinary medical association. The grant application is to cover a response trailer required by the Pet Evacuation Act in cases for direct response when disasters such as, Hurricane Katrina occurred.

Representative Obuchowski moved that the Committee approve all of the grants (13) except grant #2364 (all JFO grants are listed with brief description on the 12/19/08 JFC agenda). Representative Heath seconded the motion. Mr. Lavery offered that the Administration would be contacted to inquire about more information on grant #2364 (grant descriptions on 12/19/08 agenda). The Committee agreed.

4. Committee Discussion/Action on the Administration’s Proposed FY 2009 Rescission Plan

Senator Sears apologized for missing some of the testimony on the rescission plan but as Chair of the Senate Judiciary Committee, he had an obligation to finalize a report to the 2009 legislature. He showed concern for the homeowners’ tax rebate program reduction proposal as many of his constituents did not receive property tax bills prior to the September deadline to file for an appeal.

Senator Sears voiced a second concern of the consolidation of the parole offices as it was already apparent that there was a lack of coordination in that area. Senator Sears suggested that any proposals of reductions to corrections should be heard by the Corrections Oversight Committee. Representative Heath offered that the leases to the buildings had expired, and the Committee needed to make a decision or the Department of Corrections would need to find suitable office space quickly. The Chair stated that

Senator Sears' concern for the parole offices was valid, and the Committee would discuss this during recess.

The Chair explained to the attendees that the Committee would take a recess to come to agreement on what portion of the Administration's proposed rescission plan it felt comfortable accepting. She commented that there were no simple or easy answers with the sizable economic downturn Vermont was facing, and the consequences are not known.

Senator Sears asked that the minutes of the meeting reflect that the Committee's intent is that people from Orange and Addison Counties would not have to go to Burlington to see a parole officer as it was not necessary to have an office to give supervision to clients. Parole officers may need to make house calls in those counties. The Committee agreed with Senator Sears' request.

The Chair recessed the meeting at 10:20 a.m.

The Chair reconvened the meeting at 11:21 a.m. and asked for a motion on the Administration's proposed FY 2009 rescission plan. Senator Shumlin moved to reject the proposed rescission plan and Representative Bostic seconded the motion. The Committee unanimously rejected the proposed rescission plan.

Representative Smith thanked Commissioner Reardon for working with the Committee and for all the hard work performed. He commented that the most compelling testimony was from the disabled community, the parents needing the child care subsidy, and the micro businesses, which led the Committee to agreeing on the following changes to the rejected rescission plan: (See handout titled: JFC Alternative to Governor Proposed FY 2009 Rescission Plan).

Commissioner Reardon asked and received confirmation on whether the Committee could recess so he could confer with the Governor on the alternative proposal. He clarified that the alternative proposal set forth by the Committee included that employees of the Judiciary and Legislative branch making a salary of over \$60,000 a year take a 5% reduction in wages through furloughs.

Continued Grant Consideration

Mr. Lavery was asked to explain information received on grant #2364. A conversation with Commissioner Dale of DCF clarified the funding of the grant that the state match of \$10,000 was not necessary to receive the benefits, and that the Vermont Poverty Council, which includes legislative members, would be included in the disbursement decisions of the grant. Senator Shumlin moved to accept grant #2364 with the understanding that the state matching funds would not be expended. Representative Heath seconded the motion. The Committee approved the grant.

The Chair recessed the meeting at 11:40 a.m.

The Chair reconvened the meeting at 12:25 pm. Commissioner Reardon presented three documents that included a draft motion (see motion dated 12/19/08 for FY 2009 rescission plan #2 for details), a revised General Fund rescission plan #2 itemized list (titled FY 2009 Rescission Plan #2 v.3), and a detailed section-by-section reduction packet.

The Chair asked for a motion on the revised proposed FY 2009 rescission plan #2. Senator Sears moved to approve the draft motion for plan #2 v.3 of rescissions. Representative Heath seconded the motion. Senator Shumlin thanked the Chair and Representative Heath for the hard work performed over the last couple of weeks and the dedication of the Committee to come to agreement with the Administration. He commented that he was moved by the outpouring of the public on the proposed reduction plan and that the Legislature would continue to work with the Vermont Congressional Delegation to minimize the impact of the economic downturn on Vermonters.

Senator Shumlin vowed to work in a bipartisan fashion to come up with a creative way to address the economic issues Vermont faces and to not harm the most vulnerable. He pointed out that it was important to address the economic issues as Governor Richard Snelling did during his tenure during tough economic times, to come up with a greater plan for the future rather than moving through quarter to quarter.

The Committee approved the motion. Commissioner Reardon thanked the Committee for working with the Administration to achieve a reduction plan and offered that he would have preferred to agree on the total proposed package of reductions of \$66 million. An Emergency Board meeting was announced for January 2009 but was date uncertain. Commissioner Reardon stated that the state would be confronted with another \$46 million in reductions for FY 2009. He encouraged the public to share ideas to solve Vermont's fiscal crisis with the Administration or Legislature, and he thanked the Committee and the Joint Fiscal staff for the hard work performed.

The Chair adjourned the meeting at 12:30 p.m.

Respectfully Submitted,

Theresa Utton-Jerman, Joint Fiscal Office