



STATE OF VERMONT
OFFICE OF THE SENATE PRESIDENT PRO TEM
115 STATE STREET – STATEHOUSE
MONTPELIER, VT 05609-1001

May 16, 2018

Governor Scott:

Thank you for your letter indicating that you are calling the Legislature back for a special session. Before offering some specific responses, I'd like to emphasize the following points on behalf of the Senate:

- * There is no reason for a special session; you should sign the budget and tax bills into law.**
- * We do not support paying for state government on a credit card.**
- * We support saving taxpayers \$100 million by paying down pension obligations.**
- * We continue to oppose your Administration's proposal to mandate teacher and staff cuts based on arbitrary ratios.**
- * We will not participate in behind-closed-doors negotiating meetings that bypass the legislative process.**
- * The Legislature, not the Executive Branch, will determine the manner in which the special session is conducted.**

I offer the following observations to your letter in order to help you understand the Senate's position on the budget and tax bills.

1. It is not too late for you to sign both the budget and tax bills. As you know the Senate passed the budget 29-0. When the most conservative Republican and the most liberal Progressive and everyone in between vote for a budget it is a very powerful statement. It suggests the budget has struck all the right notes - modest growth (less than your own proposed budget), positive investments (rebuilding our mental health and family court systems, increasing child care subsidies, etc.), and a reversal of your budget's most unfathomable cuts (services to individuals with severe physical disabilities like quadriplegia and severe development disabilities, for example). In addition, the budget paid down \$35 million of our pension obligations, which will save taxpayers \$100 million over time.

2. Your insistence on "governing on a credit card" is bad fiscal policy. The tax bill, H.911, is as equally deserving as the budget of your signature. It passed through the Senate with a strong majority of your party's members voting in favor, and that was for good reason. The bill reduces income taxes by approximately \$30 million compared to current law. The residential base property tax rate grows at roughly the same rate as the

modest growth in education spending supported by local voters on Town Meeting Day. Using the amount of one time money you wish to use to fulfill your political veto pledge is both unprecedented in terms of the scale of “governing on a credit card” it represents, but it is also unwise, as the use of one-time money could be much better spent.

3. The Legislature’s plan saves taxpayers \$100 million over time; your plan saves nothing. Which represents sound fiscal management - your plan to use \$33 million of one-time funds to artificially buy down education tax rates on a credit card, or to use the same amount to pay down our pension debt and save taxpayers \$100 million? Your strategy saves \$0, the Legislature’s saves \$100 million. We ask you to show fiscal discipline and save taxpayers real money.

4. Your practice of vetoing the budget is bad governance. There have been just two budget vetoes in Vermont history, and this year should not mark the third. If it does, you will have been responsible for two of the three budget vetoes in Vermont history. While some on your political staff will resort to Twitter (where you indicated you would veto the Senate budget) to level silly charges against members of the majority, what makes it so upside-down is that the criticisms are, by extension, against virtually all the legislative members of your own party. In the Senate alone, all seven Republican members voted for the budget, and a large majority voted for the tax bill. It’s worth noting that last year’s budget also passed unanimously.

5. We are heartened to read that after a productive legislative session you believe there is just "one remaining area where there is not yet agreement" between you and the Legislature. If by this statement you are signaling your intent to sign all other pieces of legislation sent to your desk, this is good news indeed for the State of Vermont. The minimum wage and paid family leave bills will go a long way toward improving the economic well-being of tens of thousands of working Vermonters, while allowing Vermonters to be at home, when needed, to care for family members or for maternity leave. S.197 and S.105 will hold polluters and corporations with consumer-unfriendly practices accountable. S.289 enacts strong net neutrality protections into Vermont law to guarantee Vermonters have a free and fair internet. H.764 prohibits massive data firms from charging fees when Vermonters need to place credit freezes, often because of the firms’ own carelessness. Can you confirm that it is indeed your intent to sign these and all other bills passed this year into law?

6. We were surprised to learn from your letter that you are unaware of H.897, the special education reform bill that passed both chambers and is on the way to your desk. The Legislature identified the need for reform in this area several years ago and H.897 is the result of a thorough investigation of our special education delivery system and a thoughtful approach for moving forward. We are pleased you dropped your arbitrary, mandatory teacher and staff reductions plan when the public found it unpalatable. Special education savings then remained the most significant savings opportunity that needed legislation to realize, and H.897 accomplishes that. Moving forward, I hope your team will review communications you share with the press for such

inaccuracies lest the press and public be denied important information concerning the joint work of the Legislature and the Agency of Education.

7. Your office owes the Joint Fiscal Office an apology. Your letter refers to the five-year “plan” which you distributed in sketch form in the closing days of the legislative session. Indicative of its hasty preparation, it was riddled with factual errors including double counting special education savings and use of incorrect growth assumptions. Our Joint Fiscal Office deserves thanks from the Administration for pointing out these significant mistakes. Our JFO didn’t need to alert your Fifth Floor staff of these mistakes but did so out of a sense of collegiality and a history of cooperation. They are committed to public discourse founded upon the facts. Unfortunately your Chief-of-Staff Jason Gibbs accused the non-partisan JFO of playing partisan politics. The only time I’ve observed such disrespect toward non-partisan government analysts is from President Trump and some extremists in the current Congressional majority in their abhorrent treatment of the Congressional Budget Office. As a longtime legislator yourself, you know how important it is to respect the integrity of our non-partisan staff. I am calling on your office to apologize to the staff of the Joint Fiscal Office so any work between now and the next legislative session will be free from the cloud Jason Gibbs has cast over our dedicated non-partisan staff.

8. The Senate has displayed unprecedented bipartisanship this biennium. I take great pride in the work of the Senate, and am pleased that the legislation we have passed has in almost every instance been favorably voted upon unanimously. While you and your team like to describe the legislative leadership as engaging in “partisan politics” (most recently in your speech in Brattleboro previewing your “plan”), the votes in the Senate belie your claim. 30-0 is not partisan. 29-0 is not partisan. 26-3 is not partisan. It is the amazing bipartisan quality of our work in the Senate this year which makes your possible vetoes of the budget and tax bills so dispiriting.

9. The Senate will conduct its business in public setting, not behind closed doors. The Senate is not interested in behind-closed-doors sessions with you and your staff to circumvent the Legislature’s normal processes. Whatever work needs to occur in the special session should be done in House and Senate committees, open to the public and the press. The Administration is invited to participate at all times.

10. Your Administration, we believe, is facing the consequences of its disengaged approach to governing. The Legislative session began in the first week of January, and for the next four months the Legislature worked with Agency-level state officials and other interested parties to develop important legislation that will improve the well-being of the state. For the second year in a row, the Fifth Floor dropped in at the zero hour and attempted to render the previous four months of work meaningless. This represents a serious departure from decades of cooperative work between the Executive and Legislative branches. Hopefully in 2019 the Administration, regardless of the outcome of the November election, will break this two year pattern.

While we will not participate in closed-door negotiations that bypass the Legislature, the Senate leadership team (the Pro Tem, Majority Leader, Assistant Majority Leader, and Third Member of the Committee on Committees) would like to meet with you as we do throughout the session to discuss the logistics of the upcoming special session. Either of the times on Monday you indicated in your letter work for us, so just let us know which you prefer and we will lock it in.

Respectfully,

Tim Ashe
President Pro Tempore
Vermont Senate