

BRUCE LISMAN CANDIDATE FOR GOVERNOR RESPONDS TO CAMPAIGN FOR VERMONT CANDIDATE QUESTIONAIRE

The Vermont State Budget:

1. Context: Joint Fiscal Office data from fiscal 2011 through 2016 shows state spending from state funds (general, transportation, special, tobacco, health care, and fish and wildlife) grew at near 5 percent annually, from \$1.87 billion to \$2.39 billion. This annual growth rate far exceeds those of Vermont's Gross State Product (1.8 percent), population growth (6/10ths of one percent) and the Consumer Price Index (1.55 percent), for example, for the time frame. Further, state spending in the 2017 "as passed" budget is up 3 percent or \$71.4 million pre-budget adjustment. For fiscal 2016, the budget adjustment increased spending by \$25.8 million over the "as passed" budget. These gaps between state spending and the underlying economy have been closed with numerous tax and fee increases during the above time period.

Question: In just six months should you win election you must submit to the legislature a fiscal 2017 Budget Adjustment and fiscal 2018 Budget. To balance these budgets, do you expect your submissions will require net new revenues and if so, in what programmatic areas? If new revenues are necessary, to what revenue sources would you likely turn? Further, given the bottom of the last recession was seven years ago, do you believe Vermont is fiscally positioned to weather the next recession without major cutbacks in state programs and/or tax increases?

<u>LISMAN ANSWER</u>: Our state budget should not be approached as a spending list, rather a strategic plan for how we can best deliver the critical services Vermonters need. From our kids' education, to public health and safety, government is a key partner in many of our most important social contracts.

Vermonters have a generous spirit, and their hard-earned tax dollars are paid to the state with the expectation that they will be used wisely. But despite the best efforts of our dedicated state workers, good intentions are often frustrated by an outmoded

and inefficient bureaucracy that wastes resources. <u>Politicians</u> keep making the same <u>mistake year after year.</u> They spend more than they take in, <u>then scramble to raise</u> <u>revenues</u> to balance the books.

As governor, I will build a strategic budget grounded in thorough, realistic analysis. I believe our government can become more efficient while improving the standard of service. It won't be easy. It will take hard work and perseverance, but I am optimistic that it can be done. Here are the steps that I would take to put Vermont on the path to a sustainable budget.

The first thing I will do is lay out for the <u>public the \$700 million in increased</u> spending that has occurred over the past six (6) years that has required increases in taxes, fees and surcharges.

Here is my budget plan:

- 1. Hold spending increases to 2% per year for the next three years
- 2. Require agency and department heads to collaborate across state government to deliver 1.5% in additional efficiencies
- 3. Move from Vermont Health Connect to the federal exchange (currently costing us \$56 million)
- 4. End the practice of tapping reserves and relying on one-time funds
- 5. Conduct an <u>audit of the Medicaid</u> program
- 6. Require full compliance with best practices for issuing state contracts, ending the practice of sole sourcing which is inexcusable.
- 7. And I will create a culture of hard work and accountability, this will take time but it will provide greater transparency and accountability across state government to re-establish the sadly broken bond between the public sector and private sector.

A strong <u>economy</u> is the foundation for building a more prosperous Vermont and improving our overall quality of life. We must start by addressing state spending.

2. <u>Context</u>: No organization is perfectly efficient including our state government.

Question: Using fiscal 2016 as a baseline inclusive of the \$2.39 billion in state dollar spending, the \$1.25 billion in net education fund spending and the \$1.99 billion in federal fund spending, what do you think is a reasonable financial goal for achieving savings in the state budget which can then be reallocated either to maintain or increase services or returned to taxpayers? In which specific areas of state government do you think the greatest opportunities exist for such savings?

<u>LISMAN ANSWER</u>: Good intentions will not produce good outcomes without a competent administration that follows through with persistence and determination. Vermonters deserve a government that works for them. I will work hard to produce an honest budget that delivers quality programs, reduces spending growth, and avoids irresponsible shortcuts like tapping reserves and using one-time funds.

The first thing I will do is secure patient's personal files related to the dysfunctional operation of the health exchange (Vermont Health Connect), then I will shut down Vermont Health Connect which will yield approximately \$50 million in savings, and transition to the federal exchange to fulfill the ACA's requirement of offering health insurance through an exchange to our citizens.

In my experience in leading others, I believe requiring agency and department heads to collaborate across state government will deliver at least 1.5% in efficiencies.

For years, I have been an outspoken advocate for greater transparency and accountability within our state government. In response to my public calls for accountability, the Governor created the role of Chief of Performance Officer within the Department of Finance. My administration will ensure that this function is allocated the necessary resources in order to publicly disclose all the information it produces about where and how well taxpayer money is spent. Only then will we have a government that is truly accountable to the people and on a path to results-based budgeting.

No other candidate has called for a full <u>audit of Medicaid</u> except for me. Conducting an audit of this program goes hand-in-hand with providing an accountable government. Other states have conducted audits of their Medicaid programs resulting in millions of dollars of savings. We will ensure access to quality care to offer more affordable health insurance choices and options.

My Administration will also require full compliance with best practices for <u>issuing</u> <u>state contracts</u>, ending the <u>inexcusable practice of sole sourcing</u> which is currently taking place.

3. <u>Context</u>: As of June 30, 2015 the unfunded actuarial accrued liabilities of the state employee pension fund, the state employees' retirement benefit fund, the teachers' retirement pension fund and the teachers' post-retirement benefit fund were \$542.6 million, \$1.093 billion, \$1.175 billion and \$1.003 billion respectively. As of June 30, 2010 the funding ratios for the state employees and teachers' pension funds were 81.2 percent and 66.5 percent respectively, falling to 75.1 percent and 58.6 percent respectively as of June 30, 2015.

<u>Question</u>: What ideas do you currently hold to reverse these declining financial trends in the state employees' and teachers' retirement and benefit funds?

<u>LISMAN ANSWER</u>: Part of the reason that pension funds everywhere are falling behind their actuarial assumptions, is that investment returns have declined. Yields on highly rated bonds, which are a cornerstone of pension portfolios, have been cut in half over the past five years.

In order to compensate for declining investment returns, pensions would need to increase current contributions. However, in Vermont, we have increased spending across the state budget so dramatically, that there is no money left to top up pension contributions.

The first thing I would do is to ask the Vermont Pension Board to review its actuarial assumptions and ensure that they are in line with the reality of today's investment climate. The second thing I would do is bring state spending under control so that we could make appropriate contributions to our pension plans. And finally, I would suggest that future contract negotiations reflect a more realistic assumption of what likely future investment gains will be.

Act 46 and Property Taxes

 Context: In January of this year the legislature's education consultant delivered their report entitled <u>Using the Evidence-Based Method to Identify Adequate Spending Levels for Vermont Schools</u>. The Report cost close to \$300,000. The consultant concluded the following:

"Using data for school year 2014-15, the Vermont EB model estimates an adequate funding level of \$1.56 billion or some \$163.9 million (approximately 10%) less than Vermont school districts spent for PK-12 education that year."

Since 2011, education property taxes, net of income sensitivity, have risen by \$121 million to \$1.039 billion despite a decline in the student count of 3,791.

Question: Do you think Act 46 is the policy and legislative initiative that will finally provide real property tax relief? If not, what further proposals might you present to the legislature upon your inauguration?

<u>LISMAN ANSWER</u>: No, there is <u>no evidence that Act 46</u> will result in real property tax relief or produce better outcomes for our students.

While school mergers might be the right choice for some communities, it should not be mandated for all communities.

I am the only candidate who has called for the repeal of Act 46 because it eliminates local control, puts at risk <u>school choice</u>, does not address quality of education, and further confuses the link between the vote a resident takes and the consequence it will have on his or her property taxes.

My proposal will replace Act 46 with a system that restores transparency, reduces overall spending growth, focuses money in the classroom where it belongs, protects school choice, and gives districts greater control over their own budgets and property taxes. My plan will ensure that all students have an equal opportunity to access and education that would allow them to meet state proficiency standards, will provide adequate funds for that purpose and provide schools with measurable benchmarks.

Here are the steps we should take:

- 1. Reduce administrative and central office redundancies.
- 2. Reform special education spending.
- 3. Reduce health care costs.
- 4. Bring transparency to the budget process.
- 5. Make the education finance system more transparent, and simplify the tax calculation.
- 6. Set a realistic five-year goal for cost containment and give local districts the freedom to choice how they will meet those targets.

We can't afford to leave the future of our student's education in the hands of lawmakers who do not do their homework. I will return power to our local communities.

2. <u>Context</u>: The Education Fund was created as part of Act 60 in 1997. Yet, despite the fact that school districts, not the state, negotiate and sign teachers' contracts which then drive the cost of pension benefits, it is the general fund and not the education fund which covers teachers' pension benefit costs. In 2012 the general fund contribution was \$51.7 million, then rising at a 14.2 percent annually rate to \$101 million 2017. As a point of comparison, the entire 2017 general fund contribution to higher education is \$84 million, inclusive of a mere \$700 thousand increase over fiscal 2016.

Question: In order to align the teachers' retirement and benefit costs with those who actually negotiate and determine such benefits, could you support transferring the state's current general fund pension and benefit contributions to the Education Fund and as well transfer to the Education Fund the responsibility for covering future costs in this area?

LISMAN ANSWER: I believe that it is important to connect spending decisions with those who will pay the bill. So it does make sense to incorporate teachers' retirement benefits into contract negotiations with the school districts. This way, voters and their representatives on the school boards will see the cost of pension benefits and negotiate appropriately.

I would go further. In order to have proper transparency and accountability to voters, contract negotiations should be conducted in the open, and voters should not be asked to vote on a school budget before being informed of any tentative agreement or proposals under consideration.

While these measures should make future pension obligations more transparent and fair, we cannot transfer the current unfunded pension liabilities from the general fund to the education fund. Those existing liabilities will need to remain in the General Fund and be sorted out along with the State Employees Retirement fund deficits.

3. Context: Many believed, including legislators voting favorably, that the Act 46 initiatives to consolidate school districts would allow choice districts to merge with their neighbors and still retain choice for their students. Subsequent to the passage of the law, the State Board of Education, relying on an untested legal opinion of their attorney that such mergers are not constitutional, has adopted the policy that choice districts cannot merge with operating districts when common grade levels are in play unless the choice option is abandoned. In the last session, the legislature refused to allow an amendment to Act 46 to clarify this matter though other lawyers have opined that the Board's attorney's opinion stands on weak legal ground.

Question: Should school choice districts be able to merge with operating districts and still retain choice? Will you support a change to the State Board of Education policy now inhibiting this?

<u>LISMAN ANSWER</u>: Yes, school choice districts should be able to merge with operating districts and still retain choice. Yes, I will change the State Board of Education policy that now inhibits choice.

Health Care

Context: The transitions in Vermont under Obama Care and Act 48 have been marked by
massive cost overruns, failed technology projects, no-bid contracts and mismanaged
eligibility determinations, to name a few of the pitfalls. Yet, Vermont has achieved near 97
percent insured coverage during this period, up from 93 percent pre-Obama Care and Act 48

and among the best in the nation. Some Vermonters say stay the course to 100% universal coverage as a top priority with the focus on the Green Mountain Care Board, the establishment of large Accountable Care Organizations and an All-payer funding system. Others say Vermont needs to first fix the operational flaws in the current system before venturing further into the uncharted waters of the further roll-out of Act 48.

Question: What is your view of this duality and where can Vermonters expect your focus to be with regard to health care reform during your first year as Governor?

<u>LISMAN ANSWER</u>: Governor Shumlin's <u>health care and health insurance experiments</u> will come to an end under a Lisman Administration. Everyone agrees that in a perfect world, our health care system would be efficient, innovative and provide high quality care at a reasonable cost

<u>Under Shumlin</u>, Vermont raised the percentage of those with medical insurance up by a few percentage points, but did so at an enormous and unsustainable cost. It didn't have to be that way. We could have covered more people without wasting three (3) years debating a <u>single-payer scheme</u> that was never going to work.

We could have expanded Medicaid coverage without abdicating our responsibility for oversight – who in their right mind would throw open the window for Medicaid expansion without bothering to check eligibility, without having a plan to pay for it, and without any sort of audit to know if they had done a good job?

Rather than <u>being humbled by its failures</u>, the Shumlin Administration is pushing forward on a new scheme to redesign Vermont's health care system. Behind closed doors, the Governor is pushing us towards an "all-payer" model.

This is a complex topic, but my plan is simple:

- 1. Secure patient's personal files.
- 2. Shut down Vermont Health Connect and transition to the federal exchange.
- 3. Audit Medicaid and cut waste.
- 4. Stop the move toward single-payer, government-run health care and health insurance.
- 5. Promote more affordable health insurance options and choices.
- 6. Enact tort reform to put an end to defensive medicine.
- 7. Allow Vermonters to buy insurance from licensed insurers in other states.
- 8. Review the certificate of need (CON) regulations.

I will also slow down the implementation of the <u>"all-payer" model</u> to ensure that patients' rights are protected. The new ACO that will be regulated by Vermont's

<u>Green Mountain Care Board (GMCB)</u>, is an unaccountable body that may or may not be competent to oversee an endeavor of this scale.

You know better than anyone the dangers of rushing into health care reform without careful study.

As Governor, I would take a different course. I would put the interest of consumers first. No administration should make a decision this important without thoroughly understanding the new system and openly explaining it to the public. There are too many questions that still need to be answered.

Health care is a uniquely frustrating topic for so many of us because it has such a big personal impact – both physical, mental, and financial – yet we have so little control over it. Between changes to federal law and the ill-considered experiments of the Shumlin Administration, Vermonters have been subjected to confusing and chaotic disruptions in their health care – it must stop.

I will lead Vermont in a new and better direction. My policies encourage transparency, competition and fairness. Empowering consumers and lifting the veil on pricing will help control health care expenses, and bring the price of insurance back in line with underlying costs.

2. <u>Context</u>: Vermont is an aging population, second oldest in the nation. Many Vermonters and their employers have contributed tens of thousands in Medicare taxes to the Medicare system since the inception of the Medicare tax in 1966. Generally, those now eligible for Medicare are happy with it.

Question: Do you support redirecting the Medicare benefits of Vermont's seniors into the proposed all-payer system and if so, how does this benefit Vermont's seniors over the services they now enjoy?

<u>LISMAN ANSWER</u>: No, as I stated in the previous answer, <u>Governor Shumlin's</u> health care and health insurance experiments will come to an end under a Lisman Administration.

I will do everything in my power to slow the implementation of the "all-payer" model which will authorize the establishment of a single Accountable Care Organization (ACO) which amounts to a near-monopoly. The ACO will be paid a fixed amount per patient under its care and given a set of health outcomes to achieve for the population. The ACO will then have the discretion to provide whatever care it deems suitable, it will be regulated by the Green Mountain Care Board (GMCB), an

unaccountable body that may or may not be competent to oversee an endeavor of this magnitude.

Vermonters know better than anyone the dangers of rushing into health care reform without careful study. As Governor, I would take a different course. I would put the interest of consumers first. No administration should make a decision this important without thoroughly understanding the new system and openly explaining it to the public.

There are too many questions that need to be answered, including the following:

- What is the Green Mountain Care Board's role in the all payer waiver deal?
- Do they have the capability to manage disbursements and evaluate quality of care and outcomes?
- Is the GMCB a reliable partner? The State of Vermont has not been very dependable, particularly when it comes to health care.
- Why isn't the ACO simply dealing directly with the Centers for Medicare & Medicaid Services?
- How would populations be assigned?
- How would people in an assigned population access health care when they are out of state? Who would pay?
- What happens if private insurers or ERISA plans don't want their patients in a capitated ACO environment? Will their patients still be able to access the ACO doctors and facilities on a fee for service basis?
- Who determines reimbursement rates? How transparent will that pricing be?
- Can Medicare patients be assured that their care will be unchanged? Will they
 be able to see the same doctors and access the same level of care that they do
 now?
- An ACO seems to work a lot like an HMO in that patients would be locked into a defined provider network and access to care would be rationed. We are told that ACOs would be held to quality standards in terms of patient outcomes. How are those measures defined? Who creates the definitions? Who monitors the ACOs compliance to those standards? What happens if the ACO does not meet those standards? What recourse does a patient have if she feels her care was substandard?
- What happens if hospitals underestimate the cost of care that they need to provide and end up in deficit? Who pays that cost?
- Will there be an internal audit function to monitor financial performance and compliance?
- How do all of our community health partners, like VNA and SASH, fit into the new system?

These are just some of the important questions that have not been publicly addressed or answered. Vermonters deserve better. I won't put Vermonters through another

disruptive health care reform experiment. We should certainly aspire to a more affordable and rational health care system – which may include some form of ACO. But we should not rush into wholesale changes without making sure we do it properly, and without including Vermonters in the conversation.

As Governor, I will work to build a more affordable and resilient system by engaging both patients, designated agencies, and providers, especially our world class health center at UVM. I think we can make progress by taking steps to reduce regulation, promote transparency and encourage competition so consumers have better and more affordable access to the care they need.

<u>Context</u>: Under the State's push for health care reform, Vermont's health care system is becoming more concentrated with fewer but larger and more powerful players. Health care providers are being steered into a couple of "accountable care organizations" under the roofs of UVM Medical and Dartmouth Hitchcock. The Green Mountain Care Board has been established to regulate hospital budgets and approve rate increases. VtDigger reports in May 2016 that Vermont's two exchange health insurers, BC/BS and MVP, have requested approval from the Green Mountain Care Board for 8.2 and 8.8 percent rate increases respectively. These requests are on top of approved increases for 2015 and 2016 of 7.7 and 5.9 percent for BC/BS and 10.9 and 2.4 percent for MVP.

<u>Question</u>: Should Vermonters worry that the State's reform measures are creating concentrated relationships among a handful of large institutions that are becoming "too big to fail", which will ultimately place the financial interests of these institutions over health care affordability and service choices for Vermonters?

<u>LISMAN ANSWER</u>: Yes, I am very concerned that our health care system is becoming too concentrated. It is moving towards a state-sanctioned monopoly that will be bad for patients. Just recently, <u>VTDigger.org</u> reported that under the new structure, hospital profits have been growing and their administrative salaries continue to rise as patients suffer under higher insurance premiums and out-of-pocket costs.

The move towards the "all-payer" model must be slowed so that we understand what it means for patients. And if strong patient rights cannot be guaranteed under that system, then we must not move forward with it.

I am the only candidate who has vowed to stand up for Vermonters in defense of their health care rights. I am the only one who has said he will slow the move to all-payer, and the only one who has consistently form day one opposed the idea of single payer. <u>Under a Lisman Administration</u>, the move towards greater concentration and state control of health care will stop. We will:

- Repair the private insurance marketplace and restore Vermonters freedom to choose, including the ability to purchase insurance from licensed insurers in other states.
- Promote greater choices to affordable health insurance so that consumers get the coverage and actuarial value that they want at a price that is fair.
- Advocate for the elimination of unreasonable legal and regulatory restraints and invite insurers from other State's to serve Vermont's market to offer more affordable choices and options.
- Advocate for the enactment of tort reform to drive down costs associated with defensive medicine. We need a law that provides a safe harbor for physicians who practice defined evidence-based medicine while ensuring that patients who are harmed are adequately compensated.
- Review the certificate of need regulations that assumes the Vermont's health care system is closed to the outside world. If we had greater capacity than what is immediately demanded by our own populations, we might be able to attract consumers from outside our borders – particularly Canada where long waiting lines for elective procedures and diagnostic imaging are common.

Ethics in State Government

<u>Context</u>: The ethics bill, S.184, as originally introduced by Senator Pollina and prompted by Campaign for Vermont had teeth. It created a code of ethics for legislators and executive branch officials and created a fully staffed ethics commission to investigate and adjudicate violations of this code. The bill had strong support and no opposition. However, S.184 as passed out of the Senate Government Operations Committee is what Senator Pollina himself described as "a shadow of its former self." In the end, after two years of deliberations, S.184 went nowhere.

Yet, during this biennium period, issues of sexual misconduct, unseemly real estate agreements, campaign contributions from EB-5 developers, no-bid contracts by the executive branch, and revolving door employment between government and private entities, among others, occurred.

During deliberations on S.184, the following aspects were considered:

- Should governors and legislators be required to publicly disclose sources of income and other financial interests?
- Should legislators and executive branch employees be prohibited for a transitioning time period from accepting private sector employment with businesses they regulated?

• Should Vermont establish an ethics commission, independent of both the executive and legislative branches, to investigate allegations of ethical misconduct?

Question: As Governor, what would your position be on these aspects of S.184 profiled above?

LISMAN ANSWER: Yes, it is absolutely shameful that Vermont is only one of three states that still does not have ethics standards. Although I am proud that this has become mainstream conversation within the halls of government since Campaign for Vermont started promoting the issue back in 2012. However, talking about it simply isn't good enough, that is why I voluntarily released my personal financial information, last December, to include my interests in companies, boards, and charitable organizations, as part of my pledge to be transparent with Vermont voters. It was a comprehensive and thorough disclosure and I called on all other candidates to do the same; they have not.

As Governor, I will work hard to enact comprehensive ethics standards governing elected officials at the state level. Vermont is one of only three states without such laws.

I will work hard to promote the enactment of **Ethics Standards** that:

- Provides clarity on conflicts of interest.
- Establishes an independent ethics commission to provide guidance and enforcement.
- A two-year revolving door policy.
- Requires financial disclosure of statewide office holders and candidates for those offices.

Together, we can create a more accountable, transparent, and ethical government that truly serves the public. Vermonters are ready for a new direction. I am ready to lead Vermont in a new and better direction.

Energy Policy:

1. <u>Context</u>: The most recent federal Energy Information Administration profile of Vermont's energy consumption (June 16, 2016) shows that Vermont has the lowest consumption of petroleum fuels among the 50 states at 15.9 million barrels, equaling 2/10ths of one percent of the nation's total. Of this total, 21.5 percent is consumed by the residential sector for heating and 58.3 percent for transportation purposes. Of total national carbon dioxide emissions, Vermont is the source of only 1/10th of one percent. In 2013, Vermont's per capita emission of carbon dioxide was third lowest in the nation and trending even lower.

Question: Does our state government's emphasis on the construction of large wind and solar projects make practical sense, especially when the Renewable Energy Credits for such projects are mostly sold? In your administration, what will be the three key energy policy goals and what changes, if any, would you recommend to the Comprehensive Energy Plan (CEP) to address those goals?

<u>LISMAN ANSWER</u>: No, Vermont's energy plan does not make sense. Vermont's energy plan should (1) prioritize the health of our economy while protecting our environment and citizens, (2) it should be transparent and responsive to concerns of local communities, and (3) should be flexible enough to allow us to adapt to future technological advances and changes in the energy landscape.

The Comprehensive Energy Plan, crafted by the Shumlin Administration, is a political document that was marketed to the public as a nation-leading initiative to save the climate, with a target of 90% renewables by 2050.

My Administration will base our plan on thorough analysis, while recognizing that we are often subject to forces beyond our control. Vermont's small size means we can't impose our will on energy markets or the climate, but it does make us able to benefit from agility and flexibility should we chose to capitalize on new opportunities. We will approach state energy policy with the goal of making Vermont more economically prosperous for all Vermonters while protecting the environment.

2. Question: Do you agree neighbors of industrial wind projects in Vermont have legitimate grievances regarding turbine noise, aesthetic and environmental impacts, and loss of peaceful use and enjoyment of their properties? If so, what would you do to ensure their property rights are protected?

<u>LISMAN ANSWER</u>: Yes, the voice of local community's matter. Vermont's pristine environmental beauty is threatened by the rapid development of large industrial size wind and solar projects.

In October of 2015, I <u>called for a two-year moratorium</u> on the development of these industrial projects so we can: balance the value of renewables with the rights of local people to control the future of their communities, tell Vermonters what the cost will be to meet well-intended long-terms goals, and to be honest about the impact we'll have on climate change and Vermont's environment.

3. Question: How will you insure that the benefits of Vermont's energy transformation policy flow to ordinary Vermonters and their communities and are not disproportionately captured by developers and utilities? What measures would you recommend that give the distribution of these benefits transparency in the eyes of Vermonters? Should taxpayer and ratepayer subsidies, for example, that subsidize energy projects become a component of the state's Tax Expenditure Report similar to those profiled for the Vermont Economic Growth Incentive (VEGI) program?

LISMAN ANSWER: My Administration will insist on greater transparency and accountability at the Department of Public Service, and return focus on the best interest of consumers. The Shumlin Administration's approach has been too political, and has benefited energy developers at the expense of local communities. We need an oversight body that is fully accountable to the public, and will give voice to Vermonters' priorities. The organization will be staffed by experts who are free from conflicts of interest and will prioritize consumer affordability and reliability.

There should be complete transparency to taxpayers and ratepayers on both the cost of energy subsidies as well as who the beneficiaries are.

First, energy utility bills should be more transparent, so that ratepayers can easily see the costs of the state's energy policy and programs, so renewable subsidies and Efficiency Vermont charges will be displayed in a clear and simple format.

Secondly, both the renewable subsidies and Efficiency Vermont charges should be calculated reported in aggregate by the state government so that taxpayers and ratepayers can see the results of those programs – who benefited and how much was spent.

4. <u>Context</u>: The CEP establishes a goal of weatherizing 80,000 of the state's homes by 2020. This particular goal looks increasingly out of reach. In fact, the primary focus of Efficiency Vermont is electric consumption rather than reductions in fossil fuel consumption. Vermont's weatherization programs are not strong and broadly available, but buried in the Agency of Human Service and require an income test. Further, we lack statewide on-bill financing for energy efficiency and we are not using existing smart meter systems to their fullest extent to aggressively advance efficiency and conservation.

<u>Question</u>: What will you do to prioritize reduced fossil fuel consumption and change current delivery mechanisms, financing systems, and policies to allow us to reach a variety of

efficiency goals including, but not limited to, weatherization of more than 80,000 homes within the next five years?

<u>LISMAN ANSWER</u>: We should take full advantage of the Hydro-Quebec (HQ) resource. We are fortunate to have access to a competitively-priced, green power source in HQ. Let's contract for as much power as possible to reduce our reliance on fossil fuels.

Supporting the New England Clean Power Link will bring 1,000 MW of clean competitively-priced energy from Canada into the New England grid. Not only will it help ease energy cost pressures in New England, and reduce our regions greenhouse gas footprint, it will also bring an estimated \$900 million in tax and lease payments to Vermont over 40 years. It is a sensible way to make our energy portfolio greener and more affordable without impacting our landscape. While most of the energy will continue on to other New England states, we must ensure that Vermont is able to draw on that resource and further diversify its energy portfolio.

A <u>Lisman</u> Administration will freeze utility surcharges for Efficiency Vermont (EEU). The budget for the EEU has increased by 65% since Shumlin took office. While efficiency improvements are a powerful tool for restraining energy consumption, we must control consumer costs, and take an objective look at whether or not the current efficiency delivery model is operating as effectively as it could.

Strategic Planning

<u>Context</u>: The executive and legislative branches of government have not benefited from any formal, data-driven strategic planning since the Snelling Administration. As a result, initiatives from both branches are frequently reactive to past events or failures rather than to predictable changes and trends. "We govern over the stern," as is often stated.

1. Question: Would you support a cost-efficient State Strategic Planning resource comprised of volunteer non-partisan professionals: economists, demographers, technologists, environmental scientists and other experts to provide context and data to support improved decision-making in both branches of government?

<u>LISMAN ANSWER</u>: Yes, <u>Vermonters deserve a government</u> that considers issues thoughtfully, by identifying and studying the consequences of proposed solutions before jumping into action. They cannot afford expensive mistakes like the poorly designed health care exchange or the shoddily conceived education reform law, Act 46.

We can do better and Vermonters deserve better. As Governor, I will bring accountability and transparency to state government.

2. <u>Question</u>: Where do you stand on a four-year leadership term for both branches and an extended budget planning cycle with an eye towards supporting a more strategic and less reactive approach to governing and the making of law?

<u>LISMAN ANSWER</u>: Most state governments run on a four-year electoral cycle, presumably because it allows for more stability and strategic planning. Having said that, Vermont is a tiny state and under the energetic leadership of a <u>well-prepared</u> governor, change can happen in a much shorter window of time. I would leave it to the people of Vermont to decide on what length of term for public office they think is appropriate.