

## Campaign for Vermont's Candidates' Forum

Campaign for Vermont (CFV) would be pleased to have your response to the following questions on six critical issue areas facing Vermonters this election season. Questions have been prepared by Campaign for Vermont staff and volunteers and reviewed for substance, fairness, importance and non-partisanship by the following volunteers: Bill Schubart, Neale Lunderville, David Coates and Bill Gilbert. The same questions have been submitted to the top five major party gubernatorial candidates. We ask that you limit your response to any specific question to 400 words. The response deadline is Monday, July 18 and should be emailed to CFV at [info@campaignforvermont.org](mailto:info@campaignforvermont.org).

CFV will place these questions and your responses on our website with links to our Face Book page. Questions and responses will be sent to our over 5,000 email subscribers. CFV is financially committed to advertizing this forum broadly across social media. On Face Book, there will be a monitored dialogue format for discussion of these issues open to our partners, newsletter followers, the public and your campaign. The discussion will be strictly monitored to assure that the conversation is respectful, devoid of attacks on personality or party affiliation, and focused on issues.

### **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?

2. Context: 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?

3. Context: 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.

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

### **Act 46 and Property Taxes**

1. Context: In January of this year the legislature's education consultant delivered their report entitled Using the Evidence-Based Method to Identify Adequate Spending Levels for Vermont Schools. 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?

2. Context: 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?

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?

## **Health Care**

1. 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?

2. Context: 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?

3. Context: 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.

Question: 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?

## **Ethics in State Government**

Context: 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?

### **Energy Policy:**

1. Context: 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 1/10<sup>th</sup> 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?

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?
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?
4. Context: 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.

Question: 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?

### **Strategic Planning**

Context: 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?
2. Question: 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?