

LT. GOVERNOR ZUCKERMAN

AUGUST 2017 NEWSLETTER

During the last few months in my conversations with constituents the topics have inevitably moved to money, budgets, worries about healthcare, affordability of college and fears around retirement and social security. In the next few days, lawmakers in Montpelier will be authorizing the Governor's budget cuts to align spending with revenue forecasts, likely deepening these concerns. I am very concerned about the impacts of additional cuts.

**BY STATUTE, OUR VERMONT BUDGET SHOULD
"RECOGNIZE EVERY PERSON'S NEED FOR
HEALTH, HOUSING, DIGNIFIED WORK,
EDUCATION, FOOD, SOCIAL SECURITY, AND A
HEALTHY ENVIRONMENT (32V.S.A. § 306A)."**

Despite numerous annual cuts to the projected need, Vermont still experiences revenue gaps. As this process gets underway I encourage lawmakers to look at our budget through the lens of our State statute (above). We must also address our revenue shortfalls by exploring new ways to generate funds. Finally, just as you do in your own family, the state must prioritize our spending.

Looming federal budget cuts make our need for action even greater. Health care expenditures continue to rise in an unsustainable fashion, draining precious resources. Quality, affordable child care is unavailable to many, higher education is unaffordable, and many Vermonters are working in jobs that don't pay enough to support their families. Let's use this opportunity to set Vermont on the path toward prosperity by focusing on where we want to be 5-10 years in the future and finding equitable ways to get there.

You will find more details on the back. If you have thoughts or are impacted by these proposals I encourage you to contact your legislators and share your stories or ideas. You can find their contact information at <https://legislative.vermont.gov>.



UPCOMING EVENTS

August 18 7:00PM

Lake Monster Baseball Game
Centennial Field, Burlington

August 21 7:00PM

Building Resilience Panel
Bugbee Senior Center, 252 N.
Main Street, White River Jct.

August 30 11:30AM

Vermont Agricultural Hall of
Fame Luncheon
Champlain Valley Expo, Essex

August 31 12:00PM

Vermont Farm Bureau
Summer Picnic
Des Marais Farm, Brandon

September 4 4:00-7:00PM

Labor Day Celebration with
Senator Sanders
Middlebury Green

September 6 12:00PM

Vermont Edition with Jane
Lindholm on VPR

September 7

7:00AM Live with Charlie,
Ernie & Lisa on WVMT

1:30PM Moderating "Renewing
the Farm, Forest & Working
Lands Economy" at the
Climate Economy Frontier
Conference, Burlington

**For a complete list of
events please visit the
calendar on our website:
LtGov.vermont.gov**

TAX REFORM

Property taxes are crippling many working families. Vermonters should be bearing this burden equally, based on income. In order for the state to meet the needs of all Vermonters we must move toward a fair tax system where everyone pays equally. For some perspective, from 2012-2015 earners making under \$100,000 saw their income rise by an average of only 3% while those making over \$100,000 saw an average increase of 21%. High end earners pay a much lower percent of income for other taxes such as sales and use. By not addressing tax reform, due to political fear of the topic of raising taxes, the state is forced to raise revenue through fees. This is inherently unfair to low-income, working and middle-class Vermonters since these fees represent a greater percentage of their earnings.

MINIMUM WAGE STUDY COMMITTEE

Vermont's current minimum wage is not a livable wage. It falls drastically short of meeting Vermonters basic needs budget (see below). In an effort to move toward a more livable wage, the legislature voted to create a study committee tasked with researching options on how to raise the minimum wage to \$15 per hour, look at what other states are doing, and propose a path forward. At its first meeting, on August 10th, the committee spent 6 hours understanding the landscape, how raising the wage could positively and negatively impact working Vermonters, and the relationship between wages and benefits such as child care. As Vermonters earn more it will cost us all less in needed state services and it will generate more economic activity in our local economy. You can find committee members, the schedule of meetings, and documents presented by visiting the legislative website (<https://legislative.vermont.gov>), clicking on Committees, then Study Committees on the far right, then Minimum Wage Study Committee.

BASIC NEEDS BUDGET

Every two years the Joint Fiscal Office calculates the hourly wage required meet the basic needs of different family configurations. The state statute used to determine this amount is based on very conservative assumptions. For instance, the food category is calculated with zero meals out, housing costs are based on fair market rental rates, there is no allocation for entertainment, and it assumes the employer is providing health care.

Here are three examples of the hourly wage required to meet basic needs from the 2016 report.

Family Type	Urban	Rural
Single Person	\$17.64	\$15.76
Single Person with 1 child	\$29.50	\$25.11
Two Adults with no children	\$13.54	\$12.51
Two Adults with two children	\$21.97	\$20.35

This information provides a lens of the minimum salary levels we should be working toward. It also highlights why so many Vermonters are struggling to make ends meet. For more information on this or to read the detailed report visit: www.leg.state.vt.us/ifo, click on Subjects, then Basic Needs Budget.