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**STATE OF VERMONT**  
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**MEMORANDUM**

**To:** Representative Kitty Toll, Chair, House Committee on Appropriations

**From:** Representative Janet Ancel, Chair, House Committee on Ways & Means

**Date:** March 1, 2017

**Subject:** FY2018 State Budget - Policy Committees Review

Representative Toll,

Thank you for giving us a chance to comment on sections of the Governor's proposed budget that impact revenue.

As we discussed, a recommendation for funding the housing initiative has been introduced in the Senate as a standalone bill.

We agree with the use of funds from the tax modernization fund and will be recommending an adjustment in the allocation, which is set by statute, from 80/20 to 60/40.

We've taken testimony on the transfer of the employer assessment from the Department of Labor to the Tax Department. There are reasonable arguments in favor of this change but our committee is concerned about access to data on the employer assessment. We also believe there is a better fit with Labor since employers have regular contact with this department. While we don't necessarily oppose this change, we would prefer that it be handled through a Ways and Means Committee bill than in the budget.