

**JOURNAL OF THE JOINT ASSEMBLY
OF THE
STATE OF VERMONT
ADJOURNED SESSION, 2024**

IN JOINT ASSEMBLY, JANUARY 4, 2024

2:00 P.M.

The Senate and House of Representatives met in the Hall of the House of Representatives pursuant to a Joint Resolution which was read by the Clerk and is as follows:

J.R.S. 32. Joint resolution to provide for a Joint Assembly to receive the State-of-the-State message from the Governor.

Resolved by the Senate and House of Representatives:

That the two Houses meet in Joint Assembly on Thursday, January 4, 2024, at two o'clock in the afternoon to receive the State-of-the-State message from the Governor.

Presiding Officer

Honorable David E. Zuckerman, President of the Senate, in the Chair.

Clerk

John H. Bloomer, Jr., Secretary of the Senate, Clerk.

Committee Appointed

Senator Philip E. Baruth of Chittenden-Central District moved that a Committee of three Senators and three Representatives be appointed by the Chair to wait upon His Excellency, the Governor, and inform him that the Joint Assembly was now convened for the purpose of receiving his State-of-the-State message.

Which was agreed to.

The Chair appointed as members of such Committee:

Senator Philip E. Baruth, of Chittenden-Central District
Senator Alison H. Clarkson, of Windsor District
Senator Randolph D. Brock, of Franklin District
Representative Jessica C. Brumsted, of Shelburne
Representative Francis M. McFaun, of Barre Town
Representative Kelly M. Pajala, of Londonderry

The Committee performed the duty assigned to it and appeared within the Joint Assembly accompanied by His Excellency, Philip B. Scott, who delivered the following message:

Governor's State-of-the-State Message

“Mr. President, Madam Speaker, Mr. Chief Justice, Members of the General Assembly, and fellow Vermonters:

“In his second Inaugural Address, Governor Weeks talked about recovering from the Flood of 1927. He said, “The common watchwords” were “progress and rehabilitation,” noting the true spirit of Vermont is its “indomitable courage in a time of adversity.” And that “the faith and valor of Vermonters has turned catastrophe into opportunity.”

“Progress and rehabilitation. Catastrophe into opportunity.

“From the first struggles of the pandemic to the rising waters of July and December, and a once in a century opportunity to revitalize our communities – the indomitable courage of Vermonters is as strong as ever.

“This session, let’s honor their resilience and strength, kindness and generosity – not only in flood recovery, but by working together to address persistent problems, like demographics, housing, affordability, and recent increases in violence and crime.

“To meet this moment, we are going to have to prioritize, set aside good things that are less urgent, and rise above the toxic polarization of America’s political parties to focus our work directly on these fundamental issues.

“If we do, we’ll turn catastrophe into opportunity once more.

“President Clinton’s advisor James Carville famously said, “It’s the economy, stupid.”

“Now, I’m not calling anyone stupid, but I think you’ll get my point that in Vermont, we could insert “demographics” in place of “economy.”

“I get asked all the time, even by some of you, “where did all the workers go?”

“So let me share three numbers from your Joint Fiscal Office that tell you everything you need to know: 14,000, 28,000 and 48,000. As of 2022, we have 14,000 fewer kids under the age of 18 than we did in 2010. During that same period, we have 28,000 fewer adults ages 40 to 54, which is the core of our workforce. And we have 48,000 more over the age of 65. This is all within just 12 years, but this is nothing new. It’s been happening for decades.

“Let that sink in for a moment.

“As the JFO points out, this can mean higher per pupil costs, declines in income and sales tax revenue, and increased demand for services like healthcare.

“They conclude, if nothing changes, and I quote, “Vermont’s ratio of older residents to working-aged people will continue to rise, placing a greater burden on workers to support both young and old.”

“If this sounds familiar, it’s because you heard it from me in 2017, when I said, “The biggest obstacle we face to economic sustainability, is a shrinking workforce.” In 2018, I said demographic trends are, “shifting the tax burden onto fewer and fewer people.” Again in 2020, I said, “Our demographic crisis is, without question, the greatest challenge we face as a state.”

“Unfortunately, it hasn’t gotten any better. It continues to be an issue we must solve to meet today’s obligations, and make every investment needed for the future.

“And to have any chance of reversing our demographic trends, there are three issues we can’t ignore: public safety, affordability, and housing.

“These challenges are urgent, immediate, and we must address them this session.

“For as long as I can remember, our safe, close-knit communities, and the peace of mind healthy cities and towns provide, have been integral to keeping and attracting families to our state.

“But with crime rising in too many places, I fear many see the Vermont they know, slipping away.

“A growing number of headlines share news of the latest murder, drug-related shooting, and small businesses struggling with increasing vandalism and theft.

“Here’s the thing, it’s not just the headlines. According to reports from the Council of State Governments, in 2017 Vermont had the second lowest property crime and second lowest violent crime rates in the nation. By 2022, we had dropped to 18th and eighth.

“And in the last 10 years, violent crime reported to police increased 56%, aggravated assault by 65%, sexual assault by 76%, and homicide by 166%. We cannot deny these trends.

“When those who victimize others are put back on the streets, hours after being apprehended only to reoffend again and again, Vermonters question law enforcement, prosecutors, our courts, and they question the wisdom of the work done here in this building.

“Now, I want to give credit where credit is due: We’ve made progress on justice reform and treating addiction as the public health crisis it is.

“But when spiking crime rates make it clear that not all the changes have been effective, we have a responsibility to take a step back and consider other strategies.

“We must make a real effort this session to solidify our place as the safest state in the country and reverse the increases we’re seeing – both for the people we serve and the victims of these crimes.

“We must also acknowledge our crisis of affordability is making it difficult to address public safety, as well as other areas like education and healthcare. And the high cost of everyday life in Vermont is dulling the tools we’ve put in place to keep and attract working families.

“In three weeks, I’ll present my budget for Fiscal Year 2025, and it will be a much different picture than previous years. “Sobering” comes to mind.

“With historic one-time federal aid ending, another large increase in our pension obligation, and last year’s spending decisions catching up to us, we are back to where we were several years ago with difficult decisions to be made.

“For many of you, this will be the first time you’ll work on a budget without hundreds of millions of dollars in surplus. For others, it’s déjà vu.

“Once again, we’ll face the discomfort of saying “no,” choosing between many good things, and maintaining the discipline to focus on what Vermonters need most.

“I continue to believe we need to keep our spending within existing revenue. So in full transparency, you can expect my budget will increase by about 3%.

“I know from experience, many of you view 3% growth as an “austerity” approach.

“So it’s important to know that with this increase, and after meeting our obligations, we have *very little* money left. So, if you go higher, we will be spending more than we’re taking in, leading to higher taxes and fees, adding to the burden Vermonters are already feeling.

“I’m sure you’re aware the federal government just announced its increase for those on social security, which was 3.2%. So if our seniors are expected to manage to that, it seems as though we should do the same.

“Now, I’m a realist, and I know you have a super majority. You’ve proven the final budget, and the growing burden of taxes, fees and other policy-driven costs, is in your hands.

“So all I can do is make my case, which is the same case I’ve made to Vermonters since I first ran for governor. What I hear from people every day is they can’t afford to pay more, or even what they are paying now.

“So this year, let’s do what’s best for them, and live within their means.

“Unfortunately, the cost of our Pre-K through 12 education system has already grown beyond the means of many.

“As you know, it’s about to grow even more. Because if nothing changes, we’ll see an estimated 18.5% increase in statewide property tax bills. And that’s after we use a \$37 million Education Fund surplus to buy rates down.

“In total, this would be a quarter billion-dollar tax increase on Vermonters. For a family with a \$250,000 home, their bill could go up by \$650 a year. And with a \$400,000 home, you could pay an additional \$1,000.

“Before you brush this off because of income sensitivity, remember the vast majority will still see an increase. And renters don’t typically pay property taxes directly, but if a landlord receives a \$1,000 increase on their four-unit building, I’m pretty sure it’ll be passed on to those who live there.

“So think about those folks who are just barely getting by – living paycheck to paycheck, already deciding what bills to pay and what to do without. Or the working parents, who need every extra penny so their kids can go to summer camp. Or the small business owner rebuilding after the flood, working hard just to stay open.

“They’re all going to struggle to figure out how to pay for this. Not to mention inflation that’s still making everything more expensive. Or future burdens like the payroll tax you passed last year, that will take effect in July. Or the 20% increase in DMV fees that began three days ago – both over my, and some of your, objections (just not enough of you). Concern about taxes, fees and increased costs *is* a concern about people.

“I appreciate the optimism I’ve heard from some of you, who think we can just buy it down. Some even committed to getting it down to 2%, or lower. So to be clear, that would cost \$225 million.

“And from the average person’s perspective, it doesn’t matter which pocket the money comes from, whether it’s the property tax, income tax, or some other creative combination – it’s still going to hurt.

“Keep in mind, the Education Fund is now more than \$2.1 billion dollars. With fewer than 83,000 Pre-K through 12 students, we’re spending about \$25,000 a year per student, among the very highest in the country. And that might be okay with me if we were leading in student performance. But in several areas, we’re in the middle of the pack, according to the U.S. Department of Education.

“Please know, this is not a critique of our teachers or our students. It’s the result of an education infrastructure that is too large for the number it serves, so not enough money is making it to the kids.

“Unfortunately, there’s no quick fix to this. But we could discuss ideas I’ve put on the table before, like additional consolidation or classroom size targets, addressing healthcare and retirement costs, moving to a statewide teacher contract, or capping property tax growth. And I’m sure you have ideas on how to contain spending as well.

“I believe we all want better education outcomes for our kids, and to have a system our seniors, families and young workers can afford. So let’s work together to address the affordability issues we can control and restore the size of the working class so there are more people to pay taxes, and more kids in our schools.

“To do that, we need to jumpstart housing in the areas that need it most.

“Because this crisis is not only holding us back when it comes to filling jobs and refilling our schools – it’s hurting Vermonters here right now. Due to a lack of housing, and our tax and regulatory policies, rents and purchase prices are far too high, and rising.

“Decades of studies and data show it’s too expensive, too complicated and too slow to buy, rehab and build in Vermont.

“Since March of 2020, we’ve invested over \$500 million to fix vacant units, construct new homes and expand shelter capacity. This is unprecedented. And it’s on top of the \$37 million dollar housing bond we passed in 2017, which at the time was the biggest investment we’d ever made.

“We have made progress, and it far exceeds what we were doing 10 years ago. But \$500 million is a lot of money, so we need to be honest about what we’re getting, why it costs so much, and how to lower it.

“Overall, we’re seeing about 2,200 residential units permitted each year. About one-third of these, around 700, are state funded. Census data and vacancy rates show that to meet current demand and create a healthy market that puts downward pressure on prices, we need 6,800 units right now. Most of our funding goes to homes that cost, on average, \$450,000 per unit to develop. \$450,000! So that’s \$3 billion in public and private funding, just to fill the gap we have today.

“With these costs in mind, I think most of us would agree, something’s got to change.

“Last year I said, “we won’t be able to make the most of this opportunity if we don’t address the decades-old regulations holding us back.” While we took some steps, I know many of you would agree, we need to do a lot more.

“The fact is, Act 250 did exactly what it was intended to do. It slowed down growth, and in some cases, stopped it altogether. But it was enacted at a time when we were growing way too fast. Today we face a different reality – one where families desperately need homes, and communities need reinvestment.

“There’s an expression: “If nothing changes, then nothing will really change.” In our case, that means if nothing changes, things will continue to get worse.

“We’ve committed the funds, and laid the groundwork, but if we don’t truly address Act 250, we won’t solve our housing crisis.

“Every single one of you, and the people you represent, need a voice in this debate. This issue is too important and too consequential for two committees, and a couple of special interest groups, to control the outcome.

“If we make commonsense improvements, we can give young families the decent, affordable homes they need. We can offer seniors a chance to enjoy retirement, without the burden of a large home they can’t afford. And we can put homeless Vermonters in real homes, not over-priced hotel rooms we can’t afford.

“By jumpstarting housing for working families, we can revitalize communities, refill our schools, and make our neighborhoods more inviting in all 14 counties. We can help solve the challenges we face – funding healthcare and education, climate change mitigation, I.T. infrastructure, and so much more.

“Housing is key, and it’s something we can do right now. So let’s work together and get more families in homes faster, and at a cost they can afford.

“My friends, I’ve now spent about 20 minutes talking about the significant challenges we face. There’s no doubt, we have a lot of hard work ahead.

“But there’s also a lot of good things happening.

“Like the opening of Beta Technologies’ new production facility, leading the revolution in electric aviation, adding to our green economy. The opportunity we have with the federal CHIPS Act to build an innovative Tech Hub and expand semiconductor manufacturing. The work of our refugee resettlement office, which along with many partners, has helped 500 refugees get settled, contributing to our communities, workforce and economy, while pursuing the American dream.

“Or how about the ten Vermont businesses that ranked among the nation’s fastest growing companies. And Killington broke ground on an infrastructure project that will boost the economy throughout the region.

“We should also be proud of our work together to help anchor employers, like Chroma in Bellows Falls and Ethan Allen in the Northeast Kingdom, and hundreds of small businesses with flood recovery so they could reopen, stay open, grow and thrive. And this weekend, the 93-mile Lamoille Valley Rail Trail will be fully open, after crews worked quickly to repair the damage caused by the July storms.

“These are just some of the many reasons I’m still incredibly optimistic about our future.

“Another reason is because I see a path where we can reverse our downward trends if we prioritize these urgent crises.

“That’s why we’ve already shared many of our proposals in these three areas.

“Now, I know these aren’t the only challenges we face, and there are many others, like addiction, healthcare costs, and climate change mitigation, where we need to – and *will* – continue our work.

“But public safety, affordability, and housing are the issues that demand our immediate attention, because Vermonters are seeing, feeling, and living them every single day. And they’re critical to reversing our demographic trends.

“So, while the lobbyists and advocates will have their agendas, and being an election year, political parties and partisans will have theirs as well, we owe it to Vermonters to put all that aside and make real progress on public safety,

affordability, and housing needs – because these issues don’t discriminate based on your party affiliation.

“We’ve already laid the foundation – literally in many cases – to help revitalize communities across the state. With \$1 billion from ARPA, we’ve invested in over 500 initiatives in 160 towns and cities in all 14 counties. From big capital projects to small renovations, what they all have in common is an investment in the basic tools a community needs to keep from falling behind and spark momentum for more good work.

“So following through on each of our federally funded investments, including what we’ve allocated for state match, is one of the most important actions we can take this session.

“We are also aligning this work with flood recovery, and the new federal dollars that come with it, to help more places restore their vitality and expand economic security.

“Catastrophe into opportunity.

“Imagine what neighborhoods in our communities could look like with the old, run-down houses renovated; front yards decorated for the holidays; a swing set and a sandbox in the backyard.

“The neighborhood buzzing with the chatter of kids out sliding (or “sledding,” for those of you who are confused).

“Imagine seeing those empty classrooms filled with children again.

“Younger families shopping in town, getting their car, lawnmower, bike, or chainsaw serviced at their local shop, and then those small businesses going on to support their community by sponsoring local events and youth programs.

“More workers to lessen the burden of property taxes and healthcare costs.

“Good jobs and opportunity – a hopefulness that defeats despair, and helps reduce addiction and the crime it causes.

“We can get there, but we must follow through on what we started. We have to learn the lessons of the last few years, refocus on what’s working, and be honest about what’s not. If we do, we will turn the tide and lift all communities in every corner of our state.

“Most importantly, I’m optimistic about our future because of the people of Vermont.

“On the morning of July 11, a flood-damaged grocery store in Windsor County was filled with neighbors mucking out. And they didn’t stop there. With rows of undamaged produce and perishables, locals acted quickly to distribute it to those in need. Donating coolers and time, they helped hundreds of their neighbors by delivering food to a senior center, mobile home park, the local food shelf, and more. Even when they had to jump on an ATV to get over downed trees and washed-out roads.

“A few days later in Barre, Bob Nelson opened his hardware store, still without power and surrounded by damaged shelves and destroyed inventory. He wanted his neighbors to have what they needed to clean up their homes and businesses.

“30 miles away in Caledonia County, eight- and 10-year-old Andee and Allie Ackerman started their own business, a lemonade stand, giving every single penny of the \$700 they made to help the Hardwick House of Pizza.

“Weeks later in Johnson, at Highland Heights Mobile Home Park where several residents lost everything, you could see a community who rallied to support one another. From those who spent weeks trying to find help for a long-time neighbor in crisis, to park owners Ken and Martha Harvey who moved damaged homes, cleaned up lots, and filled out FEMA paperwork. They could tell you where every single homeowner was and kept tabs on them to help if needed.

“This is “Vermont Strong.”

“It’s the incredible resilience found in our sense of community. It’s the “faith and valor” Governor Weeks described.

“And it’s not just during floods.

“In St. Albans, Shawn Careau wanted to offer a helping hand. So as the owner of a downtown restaurant, he began taping receipts for free meals on his front window for folks to claim – as he put it, with no questions asked. Patrons at the restaurant saw this and started chipping in, adding more meals to the window. Warm food on a cold day, dinner out for those who otherwise might not be able to afford it, that’s what community looks like. No one asked Shawn to do this, he saw a way to use his skills to help his neighbors and he and his customers stepped up.

“So did families in Coventry. After learning the school playground wasn’t safe, they didn’t sit back and wait for someone else to fix the problem. They worked to provide a few swings and other basics, and then rallied support to

help finish the job. With everyone pulling in the same direction, in a matter of weeks, they had rebuilt better than before.

“Sometimes, it’s the little things that make the biggest difference.

“A few years ago, the residents of Wallingford were looking for a way to strengthen their town. Many of us might think that means new sidewalks or a business expanding. But in Wallingford, they kept coming back to the simple idea of just getting together. So, they brought back “Wallingford Day.” A day to celebrate who they are, reconnect with neighbors with food trucks and fireworks, art shows and auctions, music and dancing. Most importantly, it’s a day set aside to be together, a reminder that it takes effort to build community.

“Folks in Guilford also wanted to reconnect and decided to refresh an old idea. After the Civil War, grange halls became an important part of civic life in agricultural areas across the country. A place to get together, hear candidates speak, and work to solve the issues of the day. As small farms and membership dwindled, underused grange halls could be found all over the U.S. So in Guilford, they worked to bring this historic community space back to life. These days, you can see their renovated grange hall bustling with students, full of people for Thanksgiving dinner, the Apple Pie social, or raising money for a neighbor in need.

“At a time when so much of our interaction is by text, email, social media, or Zoom, just being in the same place, at the same time, and seeing people face to face can help make the world a better place for all of us.

“Folks in East Calais knew this about their General Store. For over a century, it was a local gathering spot – somewhere to get a coffee or sandwich, catch up with your neighbors, get your news and maybe a little gossip as well. So when they were about to lose it, residents formed a Trust to purchase the building and keep this local hub alive. Nearly five years later, through pandemic and floods, the East Calais General Store reopened its doors in October.

“Many of these projects have benefited from government funding, and that’s an important role we can play. But the reality is, no grant or earmark would bring these initiatives to life on their own. Neither government, nor money, build community. People do.

“Many of those I just mentioned are here today. If they could please rise, if able, so we can thank them. And I know, there are thousands of others like them across our state, who step up for their community, each and every day. By the way, if you want the Ackerman sisters’ lemonade, or to meet some of these folks, stop by the office afterwards.

“President Biden has said, “good communities are built by thousands of small acts of decency...”

“To me, it’s our decency to one another, where we as Americans and Vermonters find our greatest strength.

“I’ve seen this my entire life. I saw it in my dad and in my mom, and in the people of my hometown when he passed away. I’ve seen it in teachers and classmates, co-workers, friends, neighbors, colleagues in the legislature and dedicated state employees. Like many of you, I’ve tried to pass it on to my kids.

“President Coolidge said Vermonters are, “pioneers who almost beggared themselves to serve others...”

”That’s the Vermont I know. Those are the people I know.

“Basic human decency, giving a helping hand to others around us, even to those we don’t agree with, or even like that much. This is the foundation, the bedrock of our communities.

“But traditions and values must be exercised and nurtured to be passed along to the next generation.

“Dick DeGray woke up before dawn for a decade to water the 200 flowerpots that brightened up downtown Brattleboro. No one asked him to do it, and because he started at 3:00 in the morning, not many knew he did and took this good deed for granted. Now in his seventies, he’s looking to hang up his watering can.

“So, the question is, who’s going to water the flowers?

“Across the state from Alburgh to Vernon, Island Pond to Bennington, and everywhere in-between, there are things, large and small, that build community and give these places character and identity.

“So, I want to talk directly to Vermonters, what is it for you? Is it the flowers or lights during the holidays? The senior center or playground? Youth sports or the local theater? Food pantries or meals on wheels? The good work done by the Rotary, Elks, Moose or Lions club, VFW and American legion?

“Whatever it is, if it matters to you, it’s time to step up, get involved, and make sure it remains for years to come.

“Take Brenda Greika, a 35-year state employee, now retired. Tomorrow is her 70th birthday, but she’s not asking for it to be about her. She’s planned a full day of shopping, eating and entertainment in downtown Montpelier.

“All she wants is for people to support these local businesses who were devastated by the flood. And by the way, you’re all invited. Remember, no gifts, just bring your credit card!

“It’s clear there are many people doing this good work. But they can’t do it on their own. It takes all of us.

“So, it’s up to you to find something. Plant a tree, mentor a kid, coach a team, volunteer for your local fire department or rescue squad. Or sign up for the National Guard, which has been essential to our state emergencies and national security. We desperately need them, and they need more of you.

“Because the reality is, that *thing*, that tradition, or cause, or service that means something to you, won’t last if no one carries it on.

“It’s about action, not apathy. Dedication, not destiny.

“The progress we’ve made in the short 246 years since our nation’s founding is not a coincidence of history. The burden of citizenship, and all who aspire to it, is the work to fulfill the promise of a more perfect union. This is the great gamble of our republic – that everyday Americans, and everyday Vermonters, will show up, do the work, and carry out those “small acts of decency” that build community.

“That’s the most important work of all. It’s the antidote, the cure, to the hate and poison of partisanship – red versus blue; you versus me; us versus them; and the constant conflict we see on social media or cable news.

“Strengthening our communities, connecting with our neighbors, doing our part, however big or small, is how we prove there is a better way.

“As I’ve shared today, many people in our communities are setting the example for us, their elected officials.

“The Harvey’s didn’t care whether residents were Republicans or Democrats when they helped them get back on their feet. Up in St. Albans, Shawn isn’t asking what policies you support before you get your meal. It doesn’t matter who you voted for when using the community center in Guilford, or to enjoy Wallingford Day.

“So let’s choose to follow their example, reject partisanship, and do what’s best for the people we’re here to serve.

“Show up and do the work, so we don’t lose what makes Vermont so special.

“Focus on the things that strengthen our communities, so all parts of our state can build upon their character and fulfill their potential.

“And together, all of us in this room and across the state will meet this moment, and all that comes next.”

Dissolution

The Governor, having completed the delivery of his message, was escorted from the Hall by the Committee appointed by the Chair.

The purpose for which the Joint Assembly was convened having been accomplished, the Chair then declared the Joint Assembly dissolved.

JOHN H. BLOOMER, JR.
Secretary of the Senate
Clerk of the Joint Assembly