

## **2017 Inaugural Address**

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...To achieve this vision, we need to focus on four major policy areas.

First, we will continue to combat the opiate epidemic, with the urgency we would any other health crisis.

Second, we're going to revitalize our approach to economic development.

Third, we must transform our education system. Finally, we have to build sustainable budgets that enable us to achieve these goals...

...There is no better way to grow our economy, and create more opportunity, than through our schools.

We spend 1.6 billion annually on K through 12 education -- about 19,000 dollars per student, which is one of the highest in the country. However, we're not yet an education destination for young families.

If we want a system that draws people to Vermont, we can't be paralyzed by fear of change... and we have been. How else can we justify spending so little on early education -- and higher education -- while we spend 25 percent of our entire state budget on the K through 12 system?

Investment in early education is a proven approach to reducing special education and health care costs. And our level of support for state colleges and universities ranks one of the lowest in the nation.

That's why we must rethink our entire education spectrum. Everything from early childhood education and graduate school to tech programs, workforce training and adult learning. We can revitalize the entire system, so we no longer have to accept rising taxes and compromises in the quality of our children's education.

I ask everyone to overcome this fear of change. We must be bold, together. I'm challenging our school boards to envision a world where you can focus your time on improving the quality of a school, instead of worrying about budgets, and tax rates you don't control.

I'm challenging our superintendents to think creatively about how to optimize resources. And, principals to imagine a system that lets you focus on fostering excellence, instead of worrying about building management

I'm challenging our teachers to think of a world where you are free to teach to the child, not the test; you are promoted on merit instead of seniority; and there is never a cap on what you can earn.

And, I'm challenging our early educators and higher education community to be passionate, positive advocates for change.

We all understand this system was formed over many decades... The pace of reform may feel slow... But, we can't stop pushing. If we are innovative, and are willing to change... we can have the best education system in the country - and perhaps one of the best in the world - with what we already spend. If you don't share this goal - if you don't believe we can achieve this - you are holding us back, at a time when we must all press forward...

## **2017 Budget Address**

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...In my Inaugural address, I outlined a vision where we build the best education system in the country, making economic growth the focus of each effort we undertake, and create opportunity for all Vermonters...

...Today I present a balanced budget that does not increase taxes or fees; does not make program cuts that impact Vermonters in need; and matches base spending with base revenue, not one-time funds, to avoid future shortfalls. In fact, base spending in the General Fund for the next fiscal year will be below base spending for the current one.

I deliver this balanced budget while investing in economic development, education and training, and housing for all Vermonters. My budget makes important investments in fighting opiate addiction, and cleaning up our impaired waterways.

I am proposing to fund our pension obligations at their full recommended annual levels and will set aside reserve accounts to ensure we can respond to changes from Washington. And, my budget takes more steps to address inefficiencies and challenges in funding our education system, while creating greater opportunity for our children.

This year, I will not propose a tax or fee bill, but instead offer modest tax relief to help working families and create jobs. Frankly, I would have liked to go further with broad-based income tax cuts for Vermonters, but given the budget challenges we face, holding the line on tax increases is a fair approach.

Finally, my budget creates the framework for an effective and productive state government for decades to come...

...In my Inaugural address, I shared a vision for a more innovative and unified education system that sets higher standards, and turns Vermont into an education destination for families. I believe we can reach these goals without spending more, but only if we are finally willing to act boldly.

It will take courage, and compromise. But we can make more transformative changes to our education system this year.

First, we need to have an honest discussion, listen to each other, and work to find common ground. Because our current system is not working to the best of its capacity for our kids, parents, teachers, administrators or taxpayers.

Our teachers and support staff work hard, and are dedicated to helping our children learn. They have nurtured a system based on teaching our students well, and providing diverse learning experiences. And our school boards have worked to maintain quality, while slowing the increase in costs.

But they are confined by a rigid, antiquated and inefficient structure that isn't evolving as quickly as technology, society and fiscal realities demand.

Teachers face challenges today that my generation never dreamed of. Opiates have impacted our schools the same way they've impacted every corner of our communities. And students are entering school with unique needs and growing behavioral challenges.

With these changes, and so many more, it's clear we need a new approach. Today's kids require a different learning model, one that is nimble and more deeply connected to the world around us.

We must also be honest about how we distribute funding. Our schools have 20,000 fewer kids than they did 20 years ago. We can no longer afford to allow so much of the nearly \$19,000 we spend for each K-through-12 student to be diverted away from the child and toward empty spaces and overhead costs.

This structural inefficiency also leaves too little of our \$1.6 billion education commitment for investments in early care, higher education, and trades training. And, we can no longer ask property tax payers to pay more every year for education without offering better efficiency, and better outcomes.

If we are willing to rethink how we do things – and if we have the courage to align overhead costs with the size of our student population, wherever we can – we can create the best education system in the nation, give our kids the brightest possible future, and attract more families to Vermont for a stronger economy.

To start us on this new path, I'm proposing a realignment of priorities and spending that allows us to unify the system from early care to higher education and trades training. Here's the bottom line: For the future of our kids, for our teachers and for our economic well-being, we need to act.

Numerous reports show Vermont is among the least affordable states for child care. This is not just an education issue, it's a workforce issue that undermines the security of families and slows our growth.

For example, a woman from Peacham worked full-time in the dairy industry when she and her husband had their first child. She had planned to go back to work, hoping for the security of two incomes. But when they found child care would eat up her entire paycheck, it made more sense for her to stay home.

This demonstrates why investing in high-quality care and early learning serves as an economic driver in supporting working parents and the businesses that employ them. It also dramatically reduces future costs in healthcare, special education, and corrections.

That's why I'm proposing we increase investment in early care and pre-K by \$9.6 million.

My budget directs \$7.5 million of this to the Child Care Financial Assistance Program. I'm also proposing investment in competitive grants supporting early care and pre-K. We'll invest \$1 million in full-day preK programs for high-poverty kids. And propose a \$600,000 grant for the development of a model that helps childcare providers share services.

We further localize this effort with \$500,000 for pilot programs at the municipal level. This will spur ideas like unique scholarship opportunities, or grants that expand the number of spots available, and to help make quality child care centers more affordable.

With additional investments in innovation, modernization, and distance learning in our K-through-12 system, I hope to inspire fresh thinking in our classrooms, fund technology and training for school districts, and connect every school in Vermont with high-speed Internet access.

To promote more interest in science, technology, engineering and math (STEM) – as well as traditional trades – I've proposed grants to support coding camps, and boost Career Technical Education programs.

This is an area I, personally, am very passionate about. When I first entered college, it was to be a tech education teacher. Being able to build something from nothing always inspired me. So, it is especially meaningful for me to propose investments that will provide young Vermonters with more career and technical experience.

With these programs, we can train a new generation of skilled contractors, engineers, and scientists.

Another area where Vermont consistently ranks as one of lowest in the nation is in our level of support for state colleges and universities.

We have approximately 40,000 students in our higher education system. That's 40,000 soon-to-be professionals, who choose to be in Vermont. Whether they grew up here, or were drawn from out of state, we need more of them to stay after graduation. So, let's partner with our colleges and universities in this effort.

My budget proposes a base increase of \$4 million to Vermont State Colleges. In return, I'm asking them to use this additional funding to support my strategic goals.

They will work with employers to align degree programs with market demands, to keep tuition increases below inflation through Fiscal Year 2021, and to continue to find cost savings while meeting established performance measures.

I am also proposing an annual increase of \$1 million in base appropriations for both the University of Vermont and VSAC, to get more low and middle-income Vermonters the opportunities they need.

Finally, I propose an additional \$500,000 to fund scholarships for Vermont National Guard members to attend Vermont colleges and universities. This is one small way we can show our gratitude to the men and women who defend our freedoms.

If we are going to have the most valuable early care through higher education system, we must manage education spending in a unified way. This is the first step in better aligning programs, eliminating inefficiencies, and measuring results across the entire system.

With this goal in mind, my budget moves spending for higher education, retired teachers' health care and normal liability for teachers' retirement to the Education Fund.

In future fiscal years, we will transfer early care and Pre-K funding, to the Education Fund as well.

To cover these costs, I'm proposing to increase the General Fund transfer to the Education Fund by nearly \$86 million above statutorily recommended levels.

In addition, I'm proposing two savings measures that will help offset the investments I've outlined. These measures will keep property taxes level for the first time in years.

First, I'm proposing parity in what teachers and state employees contribute toward the cost of their health care. State employees currently pay 20 percent of their healthcare premiums, and most private sector workers pay even more. By comparison, teachers currently pay about 15 percent.

By establishing parity among these public employees – asking everyone to pay 20 percent – we can generate \$15 million in savings per year. And with most teachers' contracts expiring on June 30th, I will seek legislation requiring new contracts include this change.

Second, I am asking school districts to level-fund – including tuition to other public and independent schools – at Fiscal Year 17 levels. Vermonters need immediate relief from rising taxes and the high costs of living that make Vermont unaffordable for many.

I want to be very clear, I'm not asking school districts for anything more than what I've asked from state government. We will be tightening our belts in Montpelier and rethinking every program and service at every level - looking to reduce overhead costs and streamline services across all agencies and departments. And we are committed to working with you to see this change through. But we must see it through.

I have a deep appreciation for the work school boards have done to curb costs over the past few years. It is admirable, often thankless, service to our communities.

I also know how difficult it will be to adjust to level funding in advance of voting on Town Meeting Day.

That's why I'm proposing to set May 23 as a special statewide election on local school budgets. This gives local school boards three additional months to develop level funded budgets.

Finally, I am asking the Legislature to move quickly on these actions, to give school boards time to make these adjustments.

Believe me when I say I know these are incredibly strong measures. But over the last 20 years, student counts have continuously dropped. Costs have continued to rise faster than our ability to pay. And property taxes have become one of the biggest contributors to our crisis of affordability.

We must accelerate our work to align the size of the system with the number of students we are serving. If we don't, we will have to settle for higher taxes and fewer educational options. And I refuse to settle for either.

This challenge is real and the need to act is urgent.

I talked with a woman who works at an area hospital. A full-time worker who, in her fifties, was moving back in with her parents, who - in their seventies - still couldn't retire. She had to make this move because neither she, nor her parents, could afford their property taxes on their own.

So, I'm asking you to remember: Vermonters need this. Please don't instinctively lock up with resistance to change. I promised to make the difficult choices to put Vermont on a more sustainable path. And this is one of them.

By taking these steps we can keep property tax rates level, and we'll make it possible for a more comprehensive approach to the entire early care-through-college spectrum.

If you have the courage to join me in support of these measures, we will ensure our children are getting high-quality early care; our Pre-K-through-12 students get an education that better prepares them for success; and, we'll give both college and non-college bound students the opportunity to be trained for today's marketplace.

Together, we will begin the difficult work of making our education system the most efficient, productive and valuable economic development tool we have. We'll rebuild our workforce, attract families seeking world-class education, and retain the best and the brightest from our schools.

We can do this, if we look past next year to a future that provides every Vermont child the best opportunity for success in the most efficient and innovative system in the nation.

Structural reform and strategic investment in education has long-term benefits to other critical systems, like healthcare and human services. And, the reforms I'm proposing to the Education Fund also allow us to balance the budget without making deep and painful cuts to services...

As part of our investment in higher education, Vermont State Colleges will convene a summit in the next 60 days with substance abuse treatment professionals, and our higher education institutions. They will identify ways to increase the number of treatment counselors, with coursework starting next fall.

As we work to end addiction, we cannot forget the most undeserving victims of this crisis: Children of addicted parents. A new report this month found the number of young children entering custody with the Department for Children and Families rose 41 percent in two years.

We now have an entire generation of young Vermonters suffering the effects of their parents' drug use.

Just last week, my team met with a loving mother whose family adopted one of these children as an infant. Her son - now in fifth grade - has been lost in an education system that's not prepared to meet

the needs of kids like him. We owe it to him – we owe it to all of them – to make this right. We need to learn more, and find better ways to support these kids, and their families...

...To further support workforce development, the additional \$1 million we're investing in VSAC will be directly applied to its grant program for adults seeking non-degree education and training. And we'll increase trades training through the Vermont Training Fund by \$200,000...

## **2018 State of the State Address**

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Having fiscal discipline means facing facts.

We know our school population is shrinking. We've lost nearly 30,000 students in the last 20 years. Yet staffing levels and costs continue to rise, and property taxes continue to overburden families and businesses.

Today, we spend \$1.6 billion to educate 76,000 students. These children are our future engineers, educators, and technicians; our future leaders, parents, and citizens.

Think about it: If I came to you with a check every year for \$1.6 billion and asked you to educate the same number of students, I'd dare say that our system would look much different – and be much stronger, more nimble and more responsive to every child – than it is today. It would be the envy of our nation, and one of the best economic development tools we could ever have.

If we work together to transform our K through 12 system, based on the needs of our kids and not nostalgia, we can invest much more in early care and learning, technical education, workforce readiness training, and higher education without raising the price tag on Vermonters.

We made some progress towards this Cradle-to-Career vision last year, increasing investments in our Child Care Financial Assistance Program by \$2.5 million and in the Vermont State College System by \$3 million.

And in our work to lower costs while protecting programs for our kids, we reached an agreement to return \$13 million to taxpayers through healthcare premium savings.

This year, we have an even more urgent need to act and I look forward to working with you to find solutions. Because if we don't, we face a significant statewide property tax increase.

We cannot let this happen. Vermonters can't afford it, the state cannot sustain it, and I will not accept it...

...Access to post-secondary training and retraining is important for all Vermonters, and my budget address will outline a plan to expand Adult Technical Education and other proposals to better serve the current needs of workers and our businesses...

## **2018 Budget Address**

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...This is the benefit of having a clearly defined strategic plan and a budget that supports this approach...

...It's why it modernizes our employment growth incentive, provides tax relief for retirees with low incomes, includes new incentives to revitalize homes in our downtowns, and calls on us to work together to transform our education system and how we pay for it...

...As I've said, training and attracting people to fill our jobs and our schools, support our businesses and broaden our tax base should be the top priority of every elected official.

In addition to our housing package, there is a lot we can do to grow our workforce.

In my State of the State, I highlighted more than 300 good jobs that businesses need to fill, today. At the same time, nearly 50 percent of Vermonters who graduate from high school don't go on to college or post-secondary training.

It's my hope that every Vermonter, regardless of background or interest, has a path to meaningful employment. Whether studying for a PHD, LNA or CDL – all Vermonters deserve the chance to get ahead. So, let's work together to bridge this gap.

To increase availability of technical and trades education, while working with businesses to fill positions in targeted sectors, I'll ask you to commit \$500,000 to purchase training equipment, fit up new space, and expand adult career and technical education, across the state.

There's also a lot we can do by redeploying existing resources. This includes how we support retirement-age Vermonters who want to remain in the workforce. These folks have so much to offer from mentoring young employees to institutional knowledge in virtually every field. With our workforce challenges, helping those looking to stay engaged and employed is a must.

So, we'll expand the Senior Community Service Employment Program, and dedicate nearly a third of the Vermont Strong Internship fund to provide training for those seniors who want to return to work...

...Across Vermont, many school boards have been working to manage budgets, mitigate tax increases and provide students more value for every dollar of the \$1.6 billion we currently spend.

We all want every child, regardless of district, to receive the best education possible. But we must be honest about whether we're achieving that vision.

The Brigham decision and Act 60 were both about equal access to education funding. But after two decades, opportunities, outcomes and funding remain alarmingly unequal.

We have some schools offering a wide range of foreign languages, environmental studies, coding, cutting-edge science, technology and engineering classes. Not to mention, sports, drama and music programs. And we have other schools that can't offer any of these opportunities...

We have districts which trimmed programs for kids to restrain budget growth to one, two or three percent each year, only to learn their tax rates are going up eight, nine or 10 percent because others have increased spending dramatically.

We have statewide test results that suggest the substantial increase in education spending over the last 20 years has not closed the achievement gaps in our schools.

And, year after year, Vermonters have endured property tax rate increases they cannot afford.

It's time to accept reality.

Due to the steady decrease in student population, the current funding mechanism is weakening the very system it was meant to strengthen.

With only 76,000 students in an education infrastructure built for well over 100,000, inefficiency prevents us from investing more in educational programs for our kids even as taxes skyrocket.

Friends, for our kids, communities, educators, economy and our future, we must do better.

We know the challenge. We're losing, on average, six workers from our workforce and three students from our schools, every single day.

It's why the Legislature passed Act 46, which – through difficult discussions – has positioned many districts to take the next essential steps. But we must accelerate this work.

Our goal should be to reach an agreement this session that meets the following objectives:

First, we must contain costs to eliminate the current deficit and achieve savings that will expand over time and prevent costs from growing faster than wages.

Second, we must establish a statewide funding system that is fully transparent, easily understood and truly equitable for every child.

Third, we need to provide districts the flexibility, tools and incentives they need to make sure consolidations improve outcomes for children and save money.

And finally, working with school boards, superintendents and unions, we should chart a course that steadily moves us from an average of 1 adult for every 4 students to having 1 adult for every 5 students, over the next 5 years – using the natural retirement and attrition of the current workforce.

Changing the average ratio by one, would save us well over \$100 million each year, once complete. And, we would still have the lowest ratio in the nation.

The scope of this challenge means all ideas must be on the table. To start this discussion, my team identified more than a dozen reforms with \$75 million in potential savings, which we've shared with you.

The fact is, there are multiple paths to achieve the needed savings. So, I look forward to hearing your ideas as well, and forming the best path to eliminate the existing deficit.

This work must be driven by our vision for the future, not our memories of the past.

Just as we did when we formed union high schools more than a half century ago, if we put what "can be" ahead of what "was," we can take an enormous step forward.

If we have the courage to discuss all options with civility and respect, and are willing to listen and learn from each other, we can save millions of dollars, invest in creating the best Cradle-to-Career system in the nation, give our kids the brightest possible future, and attract more families to all areas of Vermont.

We started down this path last year, by increasing the appropriation to the Vermont State Colleges and making our child care assistance program available to more families.

We'll continue these investments this year. And we'll make more by directing the Vermont Training Program to increase funding to train early childcare professionals... and by investing more in Career Technical Education, and scholarships that will put more members of the National Guard into our colleges and universities.

We know investment in these areas brings long term benefits for our kids, families and economy. But to make more, we must have the courage to reform our K-12 education system, and we must act now.

## 2019 Inaugural Address

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...Where all kids get a quality education, with the same opportunity, to achieve their full potential. And where we do all we can to provide for our neighbors who need us most, when they need us most. An affordable Vermont, with opportunity and economic growth, with great schools in every corner of the state and policies that benefit all Vermonters. This can be our legacy...

...Despite these challenges, we have so much to offer and so much to be hopeful for. We're one of the safest, healthiest states in the country. We have a good education system, which I believe we can make the very best, and we have a culture and lifestyle that is second to none...

...Second, we'll continue to transform our education system, going from good to the very best in the country, supporting and educating every child from cradle to career.

Many of us here today have heard countless debates about education but far too often it's been about something other than the kids themselves. From tax payers to teachers, the fate of buildings and debt, old districts and new districts and rates and rebates.

This has created a fear of change that's handcuffed us to the status quo and distracted from the single most important purpose of our schools: educating our kids.

We must have the courage to make the conversation about giving every child the best possible chance at a good future. And the truth is: not all of them are getting equal opportunities.

Here is just one example of what students are facing:

Now, I want to be clear: these are real middle schools in Vermont, but I'm going to call them School A and School B.

Students at each are taught language arts, math, science and social studies. But School A has advanced math like Algebra I. School B does not.

School A has 20 sections of art. School B has one.

School A offers multiple French classes. School B doesn't have any foreign languages.

School A has band, chorus, music, health education, industrial arts and family and consumer sciences. School B doesn't offer a single one of these.

You might be surprised to hear that these aren't schools from opposite ends of the state. These two middle schools feed into the very same high school.

This is not an isolated case: It's happening across Vermont, so we must continue to address the inequality that exists.

I've heard you and believe me: I recognize that change of this magnitude takes time.

But in the near term, I believe the best opportunity for progress is in early care and learning—to give all kids, regardless of their background, a strong foundation.

We've taken important steps. Let's build on it this year by working together to give every child an equal chance at success.

Last fall, I identified a new revenue source to put toward these initiatives, which I'll detail in my budget address.

If we can work together on a high-quality child care system that's affordable and accessible—along with a stronger education system—we could set Vermont apart from other states as an education destination for families.

We can, and will, debate on policy—and that's ok—but let's focus on the merits of our ideas. Let's not resort to scare tactics. Let's roll up our sleeves and make change that gives all our kids an equal shot at success, that puts their interests above special interests, and builds them—hands down—the best cradle-to-career education system in the country.

...Collectively, we have a lot of good ideas, so let's act on them together.

Let's build the best education system in the country and nurture a business climate that keeps and creates good jobs, so we can better compete with other states...

### **2019 Budget Address**

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...Two weeks ago, I asked you to consider the power of transforming the good education system we have now to the very best in the country.

Combined with our quality of life, good jobs and working to make Vermont more affordable, this could be the most effective economic development tool we could ever ask for.

It's an alignment of assets and priorities to accomplish what most of us have told our constituents we would do: give every family, in every community, the chance to succeed and prosper.

It would also enhance our brand. Unfortunately, marketing our state as the safe, healthy and beautiful place we are isn't enough anymore. If it was, we'd be seeing our labor force and communities growing instead of shrinking.

We have to distinguish ourselves, and what better way than as the state with the best education in America.

Think about how powerful this will be—really think about it. Imagine what it would mean for our kids, our communities and our state. Imagine what it would mean for our economy. And imagine what it would mean for the ability of future generations to solve problems and help people.

But we must do more than imagine it—we must have the courage to make real change, together. As our demographics demonstrate, we can't afford to do things the way we've always done them—not if we want to maintain services, revitalize every county and invest more in our priorities.

We must continue our work to transform our system. So, let's keep moving forward.

I know you have thoughts on how to do this as well, but to get the conversation started, here are some ideas to consider:

First, I propose we invest an additional \$7 million into our child care system to make it more accessible and affordable for low-income and working families.

If you'll work with me to modernize our tax system, in response to the Supreme Court's Wayfair decision, we can improve compliance and fund these investments in child care without raising property taxes.

To help more people pursue education and training opportunities outside the traditional college track—and earn credentials too—my budget increases funding for VSAC's Non-Degree Grant program by over \$1 million.

Last year, we committed \$400,000 from the Capital Bill for programs and equipment to increase training opportunities for adults looking for new skills. It's been successful, so let's do it again this year.

And we'll continue to increase our support for higher education, so my budget proposes \$700,000 for UVM to replace declining Medicaid revenue and \$3.2 million more to Vermont State Colleges.

With this funding, the State Colleges will stop a planned three percent tuition increase on Vermonters for this coming school year.

It will also support the creation of an associate degree program, delivered in at least three tech centers throughout the state, where students earn the first year of their degree as a high school senior and the second as a Vermont State College student.

If we keep the focus on our kids and the good we can do for them, we can continue to strengthen our system, giving every kid the best possible education and the tools to reach their full potential, from cradle to career...

...In every corner of our state, there are communities, businesses and non-profits – large and small – ready to grow, but good jobs go unfilled because we need more working-age people. That should alarm each of us in this room, but we can work together to change it.

We can change it by creating the greatest cradle-to-career education system in the nation.

We can change it by investing in housing, downtowns and our environment to make Vermont an affordable and attractive place to live. And we can change it by reaching potential Vermonters and showing them a clear path to move to our state.

I'm pleased we moved forward on some smaller initiatives last year, like your remote worker program, Returnships and the "Stay to Stay" pilot, all focused on growing our workforce...

...The fact is: every new worker we recruit to live here allows a business, a community, a school and tax revenue to grow.

We cannot lose sight of this fact.

If we want to fund more early education or science and technology for kids, we need more taxpayers, not more taxes...

## **2020 State of the State Address**

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...We've also expanded our view of education, because building the best education system in the nation is one of the greatest economic development tools we could ask for. Rather than just thinking K-12, we've broadened our focus from cradle to career.

Together, we've increased state funding for child care by about \$10 million and invested \$5 million more in higher ed. And we've added nearly \$1.5 million for career and trades training.

But here too we must move more quickly. The disparity from school to school, and district to district, is a growing problem. It's unfair to taxpayers, and fundamentally unfair to our kids for their educational opportunities to be determined by where they live.

We need to be honest. Costs are rising, yet opportunities for too many kids are declining in too many parts of the state. And so is student performance in areas like reading and math. Reversing this trend has

been the driving force behind each of my education proposals. And this year, my budget will once again increase investment in the cradle-to-career continuum.

We'll also support the work of the Agency of Education to improve performance, and—if you're ready—I'm still willing to have a discussion on how to direct more of our current spending to our kids instead of letting it be consumed by the growing inefficiency of an outdated system.

In addition, I propose to you today that we begin creating a universal afterschool network that ensures every child has access to enrichment opportunities outside of current classroom time, and to align the students' day with the length of the workday. A few thoughts on this:

First, it's based on a successful model from Iceland focused on preventing drug use as well as improving academic and social outcomes. And the evidence is clear: Kids who participate in afterschool activities and programs do better in school and in life than kids who don't.

Second, a universal program expands choices for every kid—it doesn't limit them. And it would be voluntary. Those who currently go home to their families, or participate in drama, music, sports, debate, or older kids who choose to work could all continue to do so.

Third, it supports working parents by reducing the logistical and financial burden of afterschool care.

Finally, we're not recreating the wheel, but we are creating more equity. Many schools already have afterschool options through organizations like the YMCA and others, but it's far from universal.

There are a lot of details to consider on an issue like this. And I fully recognize that as we put the many challenges of Act 46 behind us, one size will not fit all. That's why I've asked Education Committee Chairs Representative Webb and Senator Baruth to give this idea some genuine consideration. It's my hope we can work together to deliver a plan by the end of the year that puts us on a path toward universal afterschool programs without raising property tax rates.

## **2020 Budget Address**

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...In the Education Fund, based on estimates from districts, we project spending to total over \$1.8 billion, an \$87 million, 5% increase over the current year.

Unfortunately, we're seeing spending, property taxes, as well as inequity, continue to increase while educational opportunities, student performance and the number of kids continue to decrease. Since Act 60 was passed, we've lost 26,000 students from our K-12 public schools while education spending has more than doubled...

...For example, we can help babies from high-risk families when they arrive home as newborns.

By investing \$1 million more in our newborn home visiting program, we can cover roughly a quarter of all the babies born each year, giving these parents the support they need to build a better foundation for their kids. This model has improved the health of babies and moms, reduced costs of child protection, special education, substance abuse and criminal justice services down the road, and put families on a path to economic self-sufficiency.

Coupled with the universal afterschool network I proposed in the State of the State, and expanding mental health services in schools, we can prevent serious problems before they develop and give every child the hope and opportunity they need and deserve...

...Apprenticeships are great opportunities for Vermonters to earn while they learn, gaining the specific job skills they need in a wide range of industries with an average wage after completion of over \$20 an hour. These programs are industry-driven, allowing employers to recruit for good jobs they have available. But there's an opportunity and need to do more.

That's why I've directed the Department of Labor to work with the Vermont State Colleges and tech centers throughout the state to double the number of apprentices by 2023.

To further increase training, I've also asked DOL and the Agency of Education to work with the State Colleges to align our Adult Education and Adult CTE system with CCV, VTC, our tech centers and regional stakeholders. This will create a seamless pathway from school to training to work. It brings together those who need new skills to get a good job and businesses looking for employees. It will also help State Colleges expand their reach into our communities.

If you're willing to look at things differently and move with urgency, we can have a unified, statewide training program next year.

While these will be valuable steps, we need to do more to keep our high school and college graduates here contributing to our communities...

## **2021 Inaugural Address**

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...The challenge facing those of us in Montpelier is to learn from these lessons, accept that old answers are not the solutions we need for the future and take full advantage of the opportunity before us. And we can't put this work off because there will be a point not so long from now when this pandemic is just a bad memory, where the temptation to do things the way we've always done them will be strong because it's easy.

It's happened before, like after the Great Recession and Tropical Storm Irene, where we got a lot done without getting tied up in red tape or politics. But when the economy improved for some, and as homes, roads and bridges were repaired, we soon went back to our old ways, leaving the creativity that led to better government and better outcomes behind.

My fellow Vermonters, we cannot let this happen again. If we do, the systemic problems we faced before COVID-19—where politics and economic policies favor one region over another; an education system where your ZIP Code determines your opportunities; unsustainable increases in property taxes and healthcare costs; and more—will be there waiting for us, bigger and deeper than before.

Instead, let's use the tools we've gained to attract more people, more investment and more jobs to all areas of Vermont. Let's finally build the best, most flexible education system in the country, from cradle to career. And let's use this new capacity and knowledge—the lessons of a nimble, effective government—to strengthen our programs and get better results while facing significant budget challenges.

The road ahead offers us an incredible opportunity to set the state back on a path where every county can have a vibrant, resilient economy; where every community and every family has the tools needed to be economically secure; and where every new generation has a better chance than the one that came before...

...Now, recovering from this pandemic and fully restarting our economy won't be possible until all our kids are safely back in the classroom. We know that's where they learn best and how important it is for their social and mental health. That's why I was pleased to hear President-elect Biden say he supports

reopening the nation's schools and hopes to accomplish this within the first 100 days of his administration. Here again, I believe Vermont can lead the way.

But we need to be honest: We have a lot of work to do to help every child recover from the learning opportunities that were lost. So, I've asked the Agency of Education, the Department of Health—working closely with school districts, teachers and pediatricians—to develop a plan to safely get every child in every district back into the classroom full-time before the end of the school year, and hopefully sometime in April. The fact is: We have some of the best conditions in the world to begin this work. For our children and their future, we must reestablish full in-person instruction, routines and relationships as soon as possible.

Looking further ahead, we need to do more to give every child access to an equal education. Despite the nearly \$2 billion we spend educating 83,000 students, we know there are drastic differences from district to district and not all kids get off to the same start. To me, this is the most glaring example of inequity that exists in our state and it cuts directly across regional, economic and racial lines. We must fix this, and we should start by making sure all kids have a solid foundation. That's why I've made investing in childcare a top priority...

Since I came to office, we've added about \$10 million to programs that help lower-income families pay for childcare and early education—an increase of more than 30%. Throughout the emergency, we've made sure providers stayed open so families had somewhere to turn when they went back to work. We created regional hubs to support parents while schools operated remotely. And in total, we've invested over \$40 million in COVID relief funds for childcare—efforts that earned national recognition.

Adding to this, my budget will propose a property tax exemption for licensed preschool programs.

Now, while these investments are important, there are also improvements we can make in state government to get better results. That's why I'm proposing to organize all the state's child development work within the Agency of Education. This move will break down another unnecessary bureaucratic silo. It will finally unite the state's experts on childcare, preschool, K-12 and technical education, which is long overdue. And it will give us a clear picture of the impact of these investments to deliver better, more coordinated service for our kids, parents, childcare centers and taxpayers. And our providers should know: We'll respect the role of private centers and preschools.

We can also strengthen every kid's foundation with a stronger focus on literacy. So, we'll ask districts to put plans in place that help us measure and improve in this important area of learning. And finally, I'll ask the Legislature to consider how to use the lessons of remote learning to give school districts, students and families more educational choices, like the option of a foreign language or a computer coding class taught from a classroom in another part of the state.

Here's the bottom line: I believe we have a moral imperative to transform our education system to ensure every student has the same chance to succeed and equal opportunities. It could be more comprehensive and more nimble with more choices and better outcomes for every student from cradle to career. To achieve this, we need the courage to rethink how we're delivering education, because with the money we spend today, all our kids could have more opportunities. As we move forward, this must be our goal...

## 2021 Budget Address

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...In the two years before I came to office, General Fund spending was growing at an average of about 3.75% a year. In the three years after, we held annual spending growth to about 1%, including two years without raising a single tax or fee.

It's important to remember, we did this while increasing investment in our downtowns and villages, housing, childcare, higher education, clean water, addressing climate change and more. We did it while improving the health of our UI Trust Fund and lowering rates for employers. And we did it while paying down debt in several areas and expanding reserves...

...And the federal funds we've received have been a critical lifeline, injecting billions into our economy to keep the doors of our hospitals, businesses, non-profits and childcare centers open.

All of this has allowed me to present a balanced budget to you today totaling \$6.83 billion, which doesn't increase taxes, raise existing fees or cut essential services. It includes \$123 million over two years in state capital construction; \$680 million in roads, bridges and other transportation projects; \$1.99 billion in General Fund spending; and \$1.89 billion for Pre-K-12 education.

We've also fully funded our retirement obligations this year. You should know, to do so, we needed \$103 million more than last year, for a total payment of \$381 million...

...I'm confident with continued focus and effort, we can also grow our workforce.

That's why my budget includes \$500,000 to help the Department of Labor create a new tool to better connect job seekers with training programs, educational opportunities and good jobs. And we'll continue to support VSAC's Advancement Grants with an investment totaling \$2.9 million giving workers practical, hands-on training for good jobs that don't require college degrees...

... Our efforts to grow the workforce are tied directly to building the best education system in the country, from cradle to career – from affordable childcare for working parents and the draw of great public schools for young families with kids, to giving Vermonters the skills and training needed for good jobs, which helps businesses grow...

...Similarly, with a change to our tax code we can level the playing field for Pre-K providers. Currently some programs are housed in tax-exempt schools and others in taxable properties, putting them on unequal footing. So, let's exempt all of them from educational property taxes. This will reduce budget pressures on these programs, which can result in lower costs and more options for parents.

And I'll once again propose we expand the lottery, generating as much as \$3 million more each year by allowing new games like Keno in bars and restaurants, which we should dedicate to childcare...

... As I said two weeks ago, we have a moral imperative to rethink how we're spending the nearly \$2 billion that goes to PreK-12 and transform the system to give every student, the same chance to succeed.

This year that has to include tackling the impact of remote learning on our kids. So, the Agency of Education and Department of Health are working with school leaders on how to measure, and then address, the developmental gaps students might have.

This is critical work, and we can also invest one-time money for longer-term improvements.

There is no doubt our schools have and will continue to experience budget pressures in responding to this pandemic. However, with the federal funds we have, I'm confident we can fully fund school budgets

and make progress on school building maintenance that's been deferred over the last two decades – all without raising statewide property tax rates.

We have the resources to do this, and we have the obligation to follow through for the people we serve...

...We all know our state college system has been on an unsustainable trajectory for many years.

Since coming to office, I've repeatedly proposed increased funding for the Vermont State Colleges – sometimes these requests were met and other times we settled for less. But you, the Legislature, have shown a renewed interest and I'm a willing partner.

So, my budget proposes \$20 million in addition to their \$30-million base appropriation, giving Vermont State Colleges a total of \$139 million in state and federal funds in two years.

We do, however, have to be realistic. Like our pension system, our state colleges need restructuring as well. It's my hope the State College Board, in partnership with the Legislature, will continue working to address the underlying structural issues we face.

Because this is a one-year bridge, with one-time money, and we know this level of funding is not sustainable.

Healthy families and safe communities are critical to a strong economy, so seeing Vermonters struggle with food insecurity during the pandemic has been troubling.

While we have more work to do, we acted quickly and have fed over 64,000 households through the SEOC and delivered over one million meals to those experiencing homelessness with the help of partners.

One of those initiatives, the Everyone Eats Program, has not only supported those in need but has provided income for hard-hit restaurants, farmers and other food producers. That's why I've requested an additional \$3.2 million in Budget Adjustment to keep this important program going while we continue to recover...

## **2022 State of the State Address**

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...The hardest part of addressing our workforce shortage is that it is so intertwined with other big challenges, from affordability and education to our economy and recovery. Each problem makes the others harder to solve, creating a vicious cycle that's been difficult to break.

Specifically, I believe our high cost of living has contributed to a declining workforce and stunted our growth. As we lose Vermonters who cannot afford to live, do business, or even retire here, that burden – from taxes and utility rates to healthcare and education costs – falls on fewer and fewer of us, making life even less affordable.

With fewer working families comes fewer kids in our schools. But lower enrollment hasn't meant lower costs and from district to district, kids are not offered the same opportunities, like foreign languages, AP courses, or electives. And with fewer school offerings, it is hard to attract families, workers, and jobs to those communities.

Fewer workers and fewer students mean our businesses struggle to fill the jobs they need to survive, deepening the economic divide from region to region.

And for years, state budgets and policies failed to adapt to this reality...

Next, let's put a greater focus on trades training. And here's why:

We all know we need more nurses and healthcare workers. And as I previewed with Senator Sanders and Senator Balint earlier this week, I will propose investments in this area. But if we don't have enough CDL drivers, mechanics and technicians, hospital staff won't get to work; there will be issues getting the life-saving equipment and supplies we need; and we will see fewer EMTs available to get patients to emergency rooms. If we don't have enough carpenters, plumbers and electricians, or heating, ventilation, air handling and refrigeration techs, there are fewer to construct and maintain the facilities in our healthcare system or build homes for the workers we are trying to attract.

If we make smart changes to current policy, we can open the door to Career and Technical Education, giving kids multiple paths to a lucrative career and filling these crucial jobs.

But more importantly, we need to do more to encourage students to pursue these programs. And I can say from my own personal experience, it is not easy to choose the CTE track, even when it is your passion.

For far too long, we have not done enough to point students toward these great opportunities to build a real future for themselves. It is time we end the stigma around CTE. Because the fact is, many of the smartest, most successful people I know are in the trades.

So, let's all recognize that it is just as important, valuable, and impressive to become an electrician, welder or EMT as it is to go to Stanford, Dartmouth or Harvard...

...As I have said many times, if we build the strongest Cradle to Career education system in the country, it will be one of the best economic development tools we could ask for.

And this means looking beyond a preK-12 system. We have worked together to increase the State's investment in childcare by over 30% since I took office. To build on that, I will propose changes to our Childcare Financial Assistance program to increase access to quality care and learning.

And alongside this focus, two years ago at my request, we started down a path toward universal afterschool and summer programs. Last year we joined Senator Sanders, schools and private partners to take some big leaps forward. Through our Summer Matters initiative, we added 30,000 more summer camp slots and about 240 more weeks of programming. And we will do it again because we should be offering these opportunities to young Vermonters, year-round.

This initiative came at a time when our kids desperately needed to reconnect with friends, get outside and just have fun.

Because we must acknowledge that many of the difficult decisions we made to keep people safe before vaccines, while necessary at the time, had negative effects. These are the real-life consequences we must consider when thinking about returning to restrictive pandemic measures.

Just look at our hospitals, where many patients are sicker and getting admitted because of deferred care. Or our mental health system, where demand for crisis services has never been higher.

And when it comes to our kids, who lost out on months of full in-person instruction, not to mention music, drama, sports, field trips, dances and all those normal interactions we took for granted, this pandemic has taken a significant toll.

The strain was far too much for some, sending them to the ER for mental health needs. And while it was less severe for others, the grief was still felt.

Last spring, I heard directly from students about the impact of hybrid learning. A 13-year-old from Fair Haven put it best: She said, “Not being able to enjoy school and socialize with friends has made a lot of us feel lonely and down.” And she asked me to “bring back some enjoyable activities so students will look forward to going to school.”

From academics to extra curriculars, we have a lot of ground to make up. So, the Agency of Education, Department of Mental Health and schools are putting \$285 million in recovery dollars to work to address social, emotional and educational gaps.

I know teachers, parents, school nurses and administrators are working harder than ever to make up for these losses, all while dealing with high case counts. I thank every single one of them. I know it is not easy, but it is so much better for students to be back in school.

Please know, we are in this together and for the sake of our kids, we must keep moving forward...

...This is what can be achieved this session: Major additions to our education system that make it the best in the nation. Good jobs and an affordable cost of living, so families can prosper. And safe and healthy communities with thriving town centers that – along with our incredible natural resources – offer the best quality of life in the nation...

...The best education system in the country; resilient kids and thriving families; clean water, and a healthier planet; strong communities with good jobs, affordable homes, and vibrant downtowns in every corner of our state...

## **2022 Budget Address**

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...We have, within our grasp, the chance to combine good ideas, thoughtful legislation and unprecedented financial resources into a better, brighter future: Where there are good jobs, affordable homes and every community is thriving; where every kid is getting the best education, whether they go to the largest school or the smallest; where families keep more of what they earn; and where a healthy and vibrant economy in all 14 counties allows us to protect the vulnerable and invest in the things we care about most.

My friends, the budget I present to you today was built with these outcomes in mind and to make the most of this historic moment.

In total, this budget invests a record \$7.7 billion without raising taxes and, in fact, returns money to taxpayers.

But I want to take some time to talk through what this means because it is probably the most complex budget we have ever built.

It starts with our usual State funds, including \$2 billion in the General Fund, \$326 million in our Transportation Fund, and \$1.9 billion in the Education Fund.

We are in the second year of a two-year Capital Bill, so while we will propose a few changes, the great work of last year will move forward.

We also start this year with a \$234 million General Fund surplus and a more than \$90 million surplus in the Education Fund.

And that's the easy part. Then, we have the Coronavirus Capital Projects Fund, the Infrastructure Investment and Jobs Act funding, ESSER 1, ESSER 2, ESSER 3, and hundreds of millions in other one-time federal funding...

Let's start by helping more workers with internships and training.

First, I'll add \$1 million to the State's internship program, assisting employers with wages, and supporting workers who are learning new skills for a future career.

We'll add another \$1 million to VSAC's Advancement Grants, which help adults enroll in training programs without the expense of a college degree and put people into careers with higher wages like LNAs, EMTs, line workers, and web programmers.

And we can improve how we connect employers with Career and Technical Education students and others looking for work. Right now, resources are spread across different partners, opportunities are missed, and positions go unfilled. A unified approach, using local experts to help navigate the system will put more Vermonters into available jobs. That's why my budget invests \$2.7 million to pilot this workforce network in Barre, Bennington, Brattleboro, Burlington, Rutland and St. Johnsbury. And if it works, we should expand it statewide.

We all know there is an urgent need in healthcare, which is why I asked for \$15 million in budget adjustment to keep more nurses here, and directed \$18 million in existing funds to train, retain and recruit healthcare and mental health workers.

You will also see a tax credit for nurses, as well as childcare workers, in the tax relief package I will talk about in a few minutes.

But as I have said before, if we don't focus on the trades, we won't have people to maintain our hospitals, transport goods, build homes, pave roads or do the work we need to support our communities.

So, my budget dedicates \$10 million to reduce education costs for those working towards jobs in the trades, like CDL drivers, plumbers and welders, as well as a nursing degree.

And we are using half a million dollars of federal aid given to the Agency of Education last year to begin offering courses at some CTE centers. This will give students the skills they need to enter the electric aviation and electric vehicle sectors setting them up for high-paying careers with some of Vermont's most innovative employers...

...Here is what this relief package can do:

For a retired couple with an adjusted gross income of less than \$65,000, including social security and a military pension, they will go from owing about \$1,000 dollars in State income tax to zero. A single early-childhood educator making \$18 dollars an hour won't have to pay a dime of Vermont income tax. And no young worker will pay taxes on their student loan interest.

If you work with me to pass this package, we will help tens of thousands of Vermonters keep more of what they earn.

And with a \$90 million surplus in the Education Fund, we can provide property taxpayers a rebate on what they overpaid. So, let's return half of this surplus – \$45 million – to Vermonters this year.

And let's agree on how best to use the other half to equip our tech centers to support more students, with more courses, and more skills for 21st century jobs. Because this is the time to get creative, to think big, and to point students towards trades training and the lucrative careers it leads to.

On top of the CTE initiatives I have already talked about, we will use existing federal funds to encourage more students to choose this path. And let's use remote learning tools to make it easier for CTE students to participate in on-the-job opportunities during the day.

Better integrating and normalizing trades training and tech ed is an area of tremendous importance to me, and to our state, and I look forward to working with you on this essential reform of our education system.

In addition, investing more in the University of Vermont will strengthen our workforce. Each year, over 1,000 new skilled workers come out of UVM to fill Vermont jobs in key areas like nursing, agriculture, and engineering. More than half of them came from other states but decided to stay. And I think it's important to note that UVM hasn't raised tuition in three years in order to help students. So, for the first time in 14 years, I am asking to increase UVM's base budget by \$10 million.

Our state colleges are equally important to our communities and workforce, so it's critical for the system to continue to adapt. In our last two budgets, we appropriated \$183 million to the Vermont State Colleges. They also received more than \$40 million in direct payments from the Feds. This year, I dedicated another \$5 million to their base budget for a total of more than \$41 million.

To put this in perspective, this is \$16 million higher than it was in 2017, when my administration proposed the most significant base increase the State Colleges had seen in nearly a decade.

And we should continue the successful 802 Opportunity initiative, which has already helped nearly 1,500 low-income Vermonters take classes and get training at CCV for free. If we add another \$1.5 million, we can increase eligibility so that more Vermonters can learn the skills they need for good jobs.

...Turning now to preK-12, this has been one of the most turbulent stretches we have faced. There is no doubt it has been difficult, but we will get through it.

We are going to continue to help school districts respond to the current environment so we can keep kids in the classroom. And I want to thank everyone involved for continuing to put our kids first.

I know schools are not in recovery mode yet, but that time will come very soon, and we must be ready to focus fully on reversing social, emotional and academic losses.

Fortunately, nearly \$400 million in federal ESSER funds have been dedicated to preK-12, which is on top of the nearly \$2 billion we invest each year.

Much of this money has gone directly to schools. The Agency of Education is also partnering with them to help students by strengthening mental health services and increasing afterschool and summer camp offerings. And this year, we will do more to reverse academic losses, by providing additional learning resources to schools and families.

But one-size is not going to fit all. We need to continue to be nimble and responsive to changes. And as with all aspects of our pandemic response, we need to work together to apply what we learn to make our education system even better and more resilient for the months and years ahead....

## 2023 Inaugural Address

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...Just imagine what it could look like:

A future where workers and families from Newport to Newfane have equal access to education, childcare, afterschool programs, quality healthcare, good jobs, and decent affordable housing.

Where vibrant communities include “mom and pop” stores, restaurants and taverns and broadband, which some of us in New England might call “wicked-fast.”

Where our largest cities and our smallest towns have safe welcoming neighborhoods, healthy downtowns, and reliable and resilient infrastructure.

A reality where the costs of living and tax burden don’t grow faster than paychecks, so families keep more of what they earn, move up, and enjoy the quality of life they’ve worked so hard for.

A better, brighter future in every county, every community and every home.

And it is within our reach...

...Pairing decent affordable housing with the best education system in the country is a critical way for us to revitalize every region.

With these tools, we can attract more who want to live, work and raise families in the healthiest and safest state in the country with the very best opportunities for their kids, from cradle to career.

Now, I know how that sounds. It’s a big goal.

But part of what makes me so confident is that we could do it with the \$2 billion we spend today to educate about 80,000 kids.

This year, I’ll once again propose continued expansion in childcare and pre-K programs. As we recover from the pandemic, let’s do more to reverse learning loss, support quality standards, and strengthen the social and emotional health of students and staff. We will build on our work with Senator Sanders by devoting federal funds to afterschool and summer programs with a focus on trades training. And we’ll help schools expand computer science, like cybersecurity and coding, and support scholarships in areas with critical workforce shortages.

From pre-school to afterschool, tech ed and trades training to adult education, we must continue our work to build a more flexible system – one that gives every child – regardless of where they live – more choices and better outcomes...

...That includes our effort to increase the number of workers and reverse our demographics.

Long before the pandemic, this was our biggest challenge. But the last two years put the number of people leaving the workforce on steroids.

In 2019, we were moving in the right direction, but still had about 3,300 fewer workers than we did in 2009. Unfortunately, our most recent data shows a gap of 22,500. That’s right. The gap is nearly seven times what it was in 2019.

There is no one solution. That's why we must look at every proposal and understand if, and how, it will increase the number of people working in Vermont or help bring new Vermonters here. It's about staying focused and having the commitment to chip away at this problem.

This is what we have been doing with investments in tech centers, expanding internships and apprenticeships, and building adult training programs that help people learn new skills for better paying jobs. The budget I'll present in two weeks will continue to invest in our workforce.

But we can't just train our way out of this. It's not as simple as just getting the unemployed back to work, because there are currently about three job openings for every one unemployed Vermonter.

Everything I've talked about today – from making Vermont more affordable, building more housing, creating the best education system in the country, and ensuring safe, clean, healthy communities – all these things are necessary to keep and attract more people.

And more people means more workers, more homeowners, more students in our schools, more volunteers in our communities, more customers for small businesses, and importantly, more taxpayers, so we don't need to raise taxes.

So, let's continue to make this a priority this session because it's the key to being able to invest in all the things we need and want, and to giving every region of the state more opportunity to grow and prosper...

## **2023 Budget Address**

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...Because of the extraordinary moment we are in, this is undoubtedly the most significant budget I have presented in my time as Governor.

It's also the biggest and most complex.

So let's get right to it and talk numbers.

Across all funds, this is an \$8.4 billion budget, with \$2.3 billion in the General Fund; \$2.1 billion in the Education Fund; and \$335 million in the Transportation Fund.

And as we do every year, we've fully funded our pension and retirement obligations, which this year took \$444 million.

Then there's the Capital Bill, which funds State infrastructure, totaling \$108 million of borrowed money over the next two years. At a time when interest rates are high and we have one-time dollars, it's important we're careful about what we put on the credit card.

Another thing to keep in mind: we're still making our way through the billion dollars in ARPA funds allocated over the last two years for broadband; water, sewer and stormwater; climate change; housing, and economic revitalization...

...This investment in childcare – done in a way that makes Vermont more affordable, not less – plays a role in growing our workforce.

But as I've said, there is no single solution to our workforce shortage. So my budget also dedicates new funding to help us educate, train, retain, and recruit more workers.

When I came to office, the State was investing \$25 million a year to the Vermont State College system. From the start, I proposed increases, and you've championed many as well. Fast forward to today, and with the \$2.5 million more I'm proposing, our annual investment could grow to \$48 million.

The State Colleges are important to our regional economies, so they need to be financially sound. And to be candid, some of the decisions they've made, and will need to make, will be tough to swallow. But they're adjusting to the realities of today, and are better positioned than ever, to prepare our future workforce. So, to help them finish this transition, I'll also dedicate an additional \$9 million in one-time bridge funding, and \$10 million for transitional infrastructure.

And with another \$10 million, we can launch a two-year pilot that reduces CCV tuition by 50% for those programs targeted to the specific fields we know are in demand, including childcare and education, accounting, IT, engineering and more.

To sum it all up, I'm proposing \$78.2 million across all funds to our State Colleges.

We should also continue to support UVM's Upskill Vermont Scholarship, and free tuition through VSAC's 802 Opportunity program, with a total of \$6.4 million this year to give low-income Vermonters free courses, helping them gain new skills for good jobs.

Last year, we worked together to create a scholarship program to help make trades education more affordable, opening new career opportunities for students and adults in every county. It's been successful, so we should make this \$1 million investment ongoing...

...We can also do more outside our education system to increase the number of workers.

We should continue helping employers train future workers with another \$1 million through our internship program.

Let's also invest \$5 million in the Vermont Training Program to meet the increased demand from companies across the state, and to bring more federal CHIPS and Science Act dollars to Vermont, supporting President Biden's goal to grow semiconductor jobs.

And I propose we continue investing in recruitment tools that help attract more people, like our relocated worker program...

## **2024 State of the State Address**

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...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...

...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...

...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...

## **2024 Budget Address**

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...This work, especially when it comes to affordability, starts with the budget I'm presenting, which totals \$8.6 billion across all funds: \$353 million for transportation, \$2.4 billion for education, and \$2.3 billion in the General Fund.

Now, I want to talk a little more about the 3.57% growth in the General Fund, because regardless of what you might think or hear, it's not arbitrary. I didn't just pick it out of a hat. It is what we can do within available revenue, without new or higher taxes and fees.

I'm sure it's no surprise to you, given the growing burden they already face, I don't support asking Vermonters to pay more. To me, it does matter how much money we have. Because every penny we spend comes out of the pockets of the people who live, work and invest in Vermont...

...While this is important work, job number one for addressing affordability and sustainability is to bring more working families to our state. Remember those three numbers I shared in the State of the State? 14, 28 and 48? 14,000 fewer kids, 28,000 fewer in their prime working age, and 48,000 more over the age of 65. Those numbers make a big difference, whether it's healthcare, education, or overall costs to our systems.

Until we address demographics, we will continue to struggle.

While we fix these fundamentals, we'll need to constantly look for ways to contain costs and improve outcomes.

That includes education, where taxpayers could see their property tax bills rise by an estimated 17.3%.

Vermonters can't afford this increase. And when you consider it comes with stagnant or declining enrollment, and troubling test scores, none of us should be okay with it.

But we have to be honest, it is not something we can simply buy down, or take from another pocket. Because getting it to 2% as some of you have suggested, would take about \$213 million.

So, we need to work with school boards, administrators, parents, and teachers, because the reality is, changes need to be made before budgets pass.

At a minimum, we need to address the factors that fuel these increases year after year, even if it won't reduce costs this year. I truly believe if we'd acted on any of the proposals I put forward in 2017, or 2018, or 2019, we'd be better off today.

As I said, I'm willing to discuss any of those past ideas, from rightsizing schools and classrooms to better addressing healthcare and retirement costs to property tax caps and adjustments, or more. And maybe we need to revisit – and undo – some of the things we have done that added to school pressures. Or rethink the funding formula.

But I'm not naïve. Without a willing partner, I'm sure any proposal I put on the table will be used to drive divisive attacks and headline clicks, and we won't get anything done.

To be clear, I'm here, ready to work on these ideas, or any of yours, whenever you are, to contain costs and improve outcomes. So for those who understand the challenges at hand, who recognize this is not a political issue, it's a people issue, and agree the trajectory we're on is not sustainable or good for our kids, let's work together.

And it's not just about cost containment, because there are opportunities to better serve students within existing resources.

National and state tests show less than half of our third and fourth graders are reading at grade level. And the results are similar when it comes to math. So we're proposing new strategies and more tools to improve reading levels, strengthen training, and refocus on proven techniques to help teachers and students.

We can also make real progress on Career and Technical Education.

For years, I've been proud to stand here and talk about my own trades education. CTE is a good way to give kids hands-on experience, a deeper set of skills, and multiple paths to a great career. But we can't do that if kids have to wait until high school before choosing one path or the other, without ever having been exposed to the possibility of a career in the trades.

So let's get to them earlier and show them the opportunities. If we fund CTE centers directly, we can put an end to the competition between sending students to schools and tech centers for students and tuition dollars. We can eliminate the barriers keeping kids out of programs because their center happens to be full. And we can show students the variety of careers and skills available by making sure everyone, regardless of track, has the chance to explore tech courses and real career opportunities.

There's no doubt we need more tradespeople, more construction and healthcare workers, auto and aviation techs, IT professionals, and more, just to keep all the things we count on going.

We also know a large number of students graduate from high school and don't pursue further training. With CTE, we can set them on a better path with jobs waiting and local businesses willing to hire them on the spot.

We're already working with many of you on literacy and CTE and I truly appreciate the collaboration. Because we owe it to our kids to give them the tools they need to succeed in the future.

A nation-leading cradle-to-career education system is essential to keeping and attracting more working families and revitalizing communities throughout the state. So is making sure we solidify our place as the safest state in the country...

Here's the important part: All this hard work – from making Vermont more affordable and improving our healthcare and education systems, to maintaining our reputation as the safest state in the nation and

housing that meets the needs and budgets of working families – this is how we keep and attract the people we need to reverse our demographic trends, revitalize our communities, and restore economic equity and opportunity in every corner of our state.

And while I haven't detailed this today, this budget includes ongoing investment for workforce, as well as economic and community development, which also support these goals.

It's these fundamentals that help us do all the things we need to do, to have welcoming, strong communities, invest in the social issues we care about, and support the people of our state so they can all lead healthy, safe, and independent lives, full of opportunity...

...I don't think there will be a lot of disagreement about what's in this budget. The disagreement will lie in what's not in it. But pretending we can fund everything isn't realistic.

We have to be honest, just pushing more and more money at problems and needs, hasn't always equaled progress. Not in education, pensions, state colleges, housing, homelessness, and other areas where we've funded, but have not fixed, the problem.

I believe there is a better way...