



Potential Legislative Conflicts Around Pensions

Updated June 24, 2021

Perhaps the most contentious issue of the 2021 legislative session was pension funds. The state treasurer and other leaders on the Vermont Pension Investment Committee and elsewhere brought this issue forward at the start of the session. A proposal from the House Government Operations Committee (and the Speaker) followed that would start to address the issue with both taxpayer dollars and benefit changes to reduce the deficit. This proposal was quickly disparaged by the VSEA and NEA as well as other union activists. The plan was abandoned and a summer study committee was ordered, guaranteeing that the issue would sit another year and the deficit would grow further.

Campaign for Vermont has been committed to government transparency, ethics, and open government officials. In this light, we were curious what conflicts of interest legislators might have when it comes to pensions and how those conflicts might impact a legislator's opinion or voting preference on a pension bill. To be clear, the passed by the legislature this year does not address benefits, however it does allow for several legislators to serve on the summer task force that will be bringing recommendations back to the legislature. We are hoping this work will shed some light on who should and should not serve on that task force.

Research Question:

How many legislators have conflicts of interest around pension funds and how significant are they?

Methodology:

Campaign for Vermont reviewed legislative bios, candidate websites, financial disclosure forms, and campaign finance filings (2018-2020) for all 180 legislators to get as clear of a picture as possible about where potential conflicts might arise.

Findings:

1. We found that 51 legislators had some sort of potential conflict. That is more than 25% of people serving in the legislature. Most of these conflicts were either large campaign donations, active employment for the legislator/spouse in a public school or state government, or the legislator/spouse was receiving pension benefits from the state employee or teacher pension funds.
2. The distribution of these conflicts is more concerning than the actual number. Fifteen members of the Senate had some level of conflict, which is a full half of that legislative body.



3. The NEA and VSEA donated \$31,672 to legislators over the past two years.
4. Key legislators on committees that deal with pensions have potential conflicts.
 - a. Jane Kitchel (Chair of the Senate Appropriations Committee) did not receive any campaign contributions but is a retired state employee and is receiving pension benefits.
 - b. Ann Cummings (Chair of the Senate Finance Committee) received \$780 dollars from the NEA in October of 2020.
 - c. Mark MacDonald (Vice Chair of the Senate Finance Committee) received over \$1500 from the NEA and he is a retired teacher receiving pension benefits.
 - d. Anthony Pollina (Vice Chair of the Senate Government Operations Committee) received \$780 from the NEA.

Detailed findings can be found in Appendix B.

Recommendations:

Determining how much influence household income and campaign contributions will have on how a legislator approaches or votes on an issue is a difficult thing to assess and it will vary greatly from person to person. For this reason, we would prefer to error on the side of caution, however there are practical limitations to this as well. We can't, for example, reasonably expect half of the Senate to recuse themselves because they might have a conflict of interest.

To try to address some of these issues, we have broken our recommendations into two distinct sets: one to address the pension task force membership, and a second to address voting conflicts when a pension benefits bill comes to the floor.

For the pension task force we recommend selecting legislators without any potential conflicts where at all possible. This includes legislators who themselves or their spouse is an active state employee or public school teacher or they have received campaign contributions from the NEA, VSEA, or other state employee or teachers union. The one exception we might make to this is for retired state employees or teachers with extensive human resources or financial expertise.

We expect this pension task force to come back to the legislature in January with recommendations for benefit changes. When it comes to voting on a bill that contains benefits for state employees and teachers, the most immediate conflict is legislators who themselves are an active state employee or teacher, or whose spouse or domestic partner are an active state employee or teacher. This is because the types of benefit changes being contemplated have the greatest potential to impact active employees directly. This group of legislators should recuse themselves when pension benefit bills come up for vote.

The second tier of voting conflicts is legislators who have received campaign contributions from unions that represent groups covered under the public pension plans we are talking about. This is difficult because ideally we would say that any campaign donation has the potential to create a conflict but



because so many legislators have received donations from unions we would accept a donation threshold instead as a trigger for recusal. In light of this, we recommend any legislator who has received \$1,000 or more collectively in the current campaign cycle (2020-2021) from unions representing employees covered under Vermont's public pension plans recuse themselves.

This does not preclude legislators who have received less than that from recusing themselves if they feel the donations represent an undue influence or they are concerned about the appearance of impropriety. In fact, we would encourage legislators to reach out to their respective ethics panels in the House and Senate if they are worried they might have a conflict in this area.

The third tier of potential conflicts is with legislators who themselves or whose spouse/domestic partner is a retired state employee or teacher and is receiving pension benefits. We believe this group has less of a conflict than the other two groups because none of the plans that have been proposed impact existing state employees directly. However, even if it wouldn't change their benefits, existing retirees may have sympathy for current employees situation or they may have friends that haven't retired yet that could be impacted. Still, we don't feel the potential for these conflicts rises to the level requiring recusal unless an individual legislator deems it necessary. Because each person's situation is different, we would encourage legislators to reach out to their respective ethics panels if they think they might have an issue.

Recommendations for specific legislators can be found in Appendix A.

Conclusion:

Campaign for Vermont is dedicated to transparent open government as the foundation for the prosperity and vitality of our state. As such, we hope that legislators will consider the potential conflicts of interest they may have on pension benefits as well as other issues. Our goal in presenting this information is to make the public more aware, but also to make legislators more aware of conflicts (real or perceived) they might not have considered. We believe this awareness leads to better decision making and better outcomes for Vermonters.



Appendix A

Recommendation Matrix

Senators	Recommendations	
	Task Force	Voting
Senator Becca Balint	No	Recuse
Senator Philip Baruth	No	
Senator Joe Benning	No	Recuse
Senator Christopher Bray		
Senator Randy Brock		
Senator Brian Campion		
Senator Thomas Chittenden	No	Recuse
Senator Alison Clarkson		
Senator Brian Collamore		
Senator Ann Cummings	No	Seek Advice
Senator Ruth Hardy		
Senator Cheryl Hooker	No	Recuse
Senator Russ Ingalls		
Senator Jane Kitchel	No	Seek Advice
Senator Virginia "Ginny" Lyons	No	Seek Advice
Senator Mark A. MacDonald	No	Recuse
Senator Dick Mazza		
Senator Dick McCormack		
Senator Alice W. Nitka		
Senator Corey Parent		
Senator Christopher A. Pearson	No	Recuse
Senator Andrew Perchlik	No	Seek Advice
Senator Anthony Pollina	No	Seek Advice
Senator Kesha Ram		
Senator Dick Sears Jr.		
Senator Michael Sirotkin	No	Seek Advice
Senator Robert Starr	No	Recuse
Senator Joshua Terenzini		
Senator Richard Westman		
Senator Jeanette K. White	No	Seek Advice



Representatives	Recommendations	
	Task Force	Voting
David Yacovone	No	Seek Advice
Theresa Wood	No	Seek Advice
Tommy Walz	No	Recuse
Tom Terenzini	No	Seek Advice
Robert Hooper	No	Seek Advice
Diane Lanpher	No	Seek Advice
Mary Howard	No	Recuse
Kathryn Webb	No	Seek Advice
Peter Anthony	No	Recuse
Sarah "Sarita" Austin	No	Seek Advice
John L. Bartholomew	No	Seek Advice
Representative Lynn Batchelor	No	Seek Advice
Matthew Birong	No	Seek Advice
Alyssa Black	No	Seek Advice
Representative Seth Bongartz	No	Recuse
Representative Erin Brady	No	Recuse
Representative R. Scott Campbell	No	Recuse
Representative Kevin "Coach" Christie	No	Recuse
Representative Harold "Hal" Colston	No	Seek Advice
Representative Katherine "Kari" Dolan	No	Recuse
Representative Kate Donnally	No	Recuse
Representative Caleb Elder	No	Seek Advice
Representative Alice M. Emmons	No	Recuse
Representative Kenneth Goslant	No	Recuse
Representative Paul Martin	No	Recuse
Representative Michael McCarthy	No	Seek Advice
Representative James McCullough	No	Seek Advice
Representative Kristi Morris	No	Recuse
Representative William Notte	No	Seek Advice
Representative Avram Patt	No	Recuse
Representative Larry Satcowitz	No	Seek Advice
Representative Katherine Sims	No	Seek Advice
Representative Taylor Small	No	Seek Advice
Representative Maida Townsend	No	Seek Advice

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Representative Joseph "Chip" Troiano	No	Recuse
Representative Kirk White	No	Seek Advice

Only legislators with recommendations are listed above. If there are no recommended actions for a legislator, they will not appear in the list above.



Appendix B

Conflict Matrix

Senators	Legislator		Campaign		Spouse/Significant Other	
	State Emp.	Teacher	NEA	VSEA	State Emp.	Teacher
Becca Balint			\$ 1,280			
Joe Benning						Active
Thomas Chittenden						Active
Ann Cummings			\$ 780			
Cheryl Hooker		Retired	\$ 1,430	\$ 1,430		Retired
Jane Kitchel	Retired					
Virginia "Ginny" Lyons			\$ 905			
Mark A. MacDonald		Retired	\$ 1,560			
Christopher A. Pearson						Active
Andrew Perchlik			\$ 780			
Anthony Pollina			\$ 780			
Michael Sirotkin			\$ 535			
Robert Starr			\$ 1,092			
Jeanette K. White			\$ 780			

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Representatives	Legislator		Campaign		Spouse/Significant Other	
	State Emp.	Teacher	NEA	VSEA	State Emp.	Teacher
David Yacovone	Former*					
Theresa Wood	Retired					
Tommy Walz		Retired	\$ 1,040	\$ 500		Retired
Tom Terenzini	Retired					
Robert Hooper	Retired					
Diane Lanpher	Former*		\$ 500			
Mary Howard	Retired		\$ 1,040	\$ 500		
Kathryn Webb		Retired				
Peter Anthony			\$ 1,040	\$ 500		
Sarah "Sarita" Austin		Retired				
John L. Bartholomew			\$ 728			
Lynn Batchelor	Retired					
Matthew Birong			\$ 500			
Alyssa Black			\$ 728			
Seth Bongartz			\$ 728	\$ 500		Retired
Erin Brady		Active	\$ 728		Active	
R. Scott Campbell			\$ 1,040	\$ 500		
Kevin "Coach" Christie		Active				
Harold "Hal" Colston			\$ 728			
Katherine "Kari" Dolan	Active					
Kate Donnally					Active	
Caleb Elder				\$ 520		
Alice M. Emmons			\$ 1,040	\$ 500		Retired
Kenneth Goslant					Active	
Paul Martin					Active	
Michael McCarthy			\$ 1,040			
James McCullough			\$ 700			
Kristi Morris			\$ 1,040	\$ 500		
William Notte			\$ 728			
Avram Patt			\$ 1,040			
Larry Satcowitz			\$ 728			
Katherine Sims			\$ 728			
Taylor Small			\$ 728			
Maida Townsend		Retired				
Joseph "Chip" Troiano			\$ 1,040			
Kirk White			\$ 728			

*Legislators listed as "Former" were previously employed but are not drawing down pension benefits.