



## **Basic Needs Budget Technical Advisory Committee**

Report Prepared Pursuant to 2023 Acts and Resolves No. 54

### **Study Committee Members**

*Senator Alison Clarkson, Chair*

*Representative Ashley Bartley*

*Senator Richard Westman*

*Representative Elizabeth Burrows*

*Ellen Kabler, Executive Director, Vermont Sustainable  
Jobs Fund*

*Erinn Larkin, Society for Human Resources  
Management, Vermont State Council*

*Elizabeth Scharf, Director of Community Economic  
Development, Capstone Community Action*

*Sean Sheehan, Director of Special Projects,  
Agency of Human Services*

*November 2023*

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## Executive Summary

Act 54 (2023) established the Basic Needs Budget Technical Advisory Committee to review the methodology used in constructing the basic needs budget, pursuant to 2 V.S.A. § 526. This report summarizes the work of the Committee and the methodological changes it recommends.

Over the course of five meetings, the Committee reviewed the assumptions and methodology currently used to prepare the report. The Committee believes that this review and proposed methodological update comes at an important time; many Vermonters face a statewide housing shortage, that has been intensified inflation and an increase in the number of short-term rentals. These factors, in turn, have affected where in the state Vermonters can live and what types of housing units they can afford. The changing housing environment then impacts how Vermonters spend in other categories, especially transportation.

The Committee also believes that the shifting technological landscape has affected spending in Vermont. Remote work and electronic education at home have risen in prevalence over the past few years. This has resulted in Vermonters having greater flexibility in where they can live geographically, but also affects their spending in many categories, especially household expenses and telecommunications. Recognizing the importance of both, the Committee recommends methodological updates that reflect the current technological landscape and household needs.

The Committee views child care access and affordability as an important factor that influences both where Vermonters choose to live and where they can afford to live. The recent expansion of subsidies, a result of Act 76 (2023), will come into effect in 2024. These subsidies will be incorporated into the next iteration of the Basic Needs Budgets and Livable Wage Report.

To ensure that the basic needs budget reflects current economic realities like the housing shortage, the Committee recommends that the General Assembly convene a Technical Advisory Committee once every six years to review the assumptions made and methodology used in the Basic Needs Budgets and Livable Wage Report.

Based on the testimony it received and discussions it held this summer and fall, the Committee recommends technical changes to the following components of the basic needs budget:

- Food
- Child care
- Clothing and Household Expenses
- Telecommunications
- Personal Expenses
- Personal Care Products

The Committee also recommends changes to the assumptions around household configurations and the methodology used to calculate the official livable wage.

The last Basic Needs Budget Technical Advisory Council convened in 2008, as authorized by Act 202 (2008). That committee made several changes to the basic needs budget methodology, but it has not

been formally reviewed or updated through a technical advisory process since then. All methodological changes since 2008 were requested by the Joint Fiscal Office (JFO) and approved by the Joint Fiscal Committee.<sup>1</sup> Because it had been nearly 15 years since a technical advisory committee reviewed the assumptions and methodology, JFO recommended in the 2022 Basic Needs Budgets and Livable Wage Report that a technical advisory committee be established to recommend updates to the Joint Fiscal Committee and General Assembly.<sup>2</sup>

The methodology used for the Basic Needs Budgets and Livable Wage report is built on the methodology described in the November 9, 1999, Livable Income Study Committee report. Over the years, the methodology has been modified by statutory changes made by the General Assembly and by changes adopted by the Joint Fiscal Committee (JFC).

Basic needs budgets and the livable wage are calculated using certain assumptions and are meant to provide an estimate of the cost to live in Vermont. They are not meant to be a mandate, but simply another source of comparative data for Vermont employers and policy makers to use when considering wage levels.

As outlined in the 2022 Basic Needs Budgets and Livable Wage Report, the 2022 Vermont livable wage is \$15.33 per hour. This is calculated based on the needs of a two-adult household without children.<sup>3</sup> JFO is tasked with writing the report every two years and will publish the 2024 report on January 15, 2025. The next report will incorporate any changes recommended by the Technical Advisory Committee that the Joint Fiscal Committee adopts, along with any statutory changes made during the 2024 legislative session. A summary of the Committee's recommendations is on the following page.

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<sup>1</sup> The Joint Fiscal Committee has authority to make changes relating to public policy changes, data availability, or any other factors that have had an impact on any aspects of the methodology pursuant to 2 V.S.A. § 526(d)

<sup>2</sup> <https://ljfo.vermont.gov/assets/Subjects/Basic-Needs-Budgets/8924c89cea/2022-Basic-Needs-Budget-and-Livable-Wage-report-FINAL-1-17-2023.pdf>

<sup>3</sup> Per 2 V.S.A. § 526(a)(3) the livable wage is the average of the urban and rural livable wages as calculated for a household with two wage earners and no children, in a one-bedroom rental unit.

### Summary of Committee Recommendations

Assumption/Methodology Component	Summary of Recommendations
<i>Joint Fiscal Committee Approval Required</i>	
Food	<ul style="list-style-type: none"> <li>• Average food budgets of males and females for single adult households rather than assume they are female.</li> <li>• Shift from the current 10-year average differential to a 5-year average regional differential.</li> </ul>
Child care	<ul style="list-style-type: none"> <li>• Consider the expanded childcare subsidies from Act 76 (2023) as a public good rather than public assistance and include them in the calculations.</li> </ul>
Clothing and Household Expenses	<ul style="list-style-type: none"> <li>• Include the cost of owning a computer and amortize that cost over a 3-year period.</li> </ul>
Telecommunications	<ul style="list-style-type: none"> <li>• Consider a cellular phone a basic need rather than the current approach of using a weighted average between cellular phone and landline use.</li> </ul>
Personal Expenses	<ul style="list-style-type: none"> <li>• Rename this spending category “miscellaneous expenses.”</li> <li>• Update the daily budget to \$5.00 per adult and \$2.50 per child and grow by inflation moving forward.</li> </ul>
Personal Care Products	<ul style="list-style-type: none"> <li>• Add a new spending component to the report for personal care products like toothpaste, shampoo, and other personal hygiene products.</li> </ul>
Household Configurations	<ul style="list-style-type: none"> <li>• Add a single adult in shared housing configuration to the report.</li> <li>• Remove the two adult, two children, one wage earner family configuration.</li> </ul>
<i>Statutory Modification Required</i>	
Household Configurations	<ul style="list-style-type: none"> <li>• Make the single adult in shared housing the basis for the official livable wage in future reports.</li> </ul>
Urban and Rural	<ul style="list-style-type: none"> <li>• Publish two official livable wages, one for urban areas and one for rural areas, rather than averaging the two and providing one figure.</li> </ul>

## Enabling Legislation

Act 54 (2023), “an act relating to the Vermont basic needs budget,” established a Technical Advisory Committee to review the methodology used in constructing the basic needs budget, pursuant to 2 V.S.A. § 526. The act reads:

### Sec. 1. BASIC NEEDS BUDGET TECHNICAL ADVISORY COMMITTEE; REPORT

(a) Creation. The Basic Needs Budget Technical Advisory Committee is created to update the methodology utilized in calculating the basic needs budget pursuant to 2 V.S.A. § 526.

(b) Membership. The Committee shall be composed of the following members:

(1) two current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House;

(2) two current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

(4) one member, appointed by the Vermont Sustainable Jobs Fund;

(5) one member, appointed by the Society for Human Resources Management, Vermont State Council; and

(6) one member, appointed by Capstone Community Action.

(c) Duties.

(1)(A) On or before November 1, 2023, the Committee shall study the topics set forth in subdivision (B) of this subdivision (1) and submit a written report to the Joint Fiscal Committee, the House Committee on General and Housing, and the Senate Committee on Economic Development, Housing and General Affairs that details the Committee’s findings and provides recommendations for revisions to the methodology for determining the basic needs budget pursuant to 2 V.S.A. § 526. The report may also include recommendations for legislative action.

(B) In preparing the report required pursuant to subdivision (A) of this subdivision (1), the Committee shall study the following topics:

(i) the current methodology for calculating the basic needs budget and determining what constitutes a livable wage;

(ii) potential changes to the methodology for calculating the basic needs budget and determining what constitutes a livable wage, including the identification of not more than seven household configurations to be utilized in future determinations of the basic needs budget and livable wage; and

(iii) potential changes to 2 V.S.A. § 526 to account for public policy changes, data availability, or any other factors that have had an impact on any aspects of the basic needs budget calculation or the cost to Vermonters of basic needs as that term is defined in 2 V.S.A. § 526(a)(1).

(2) The Committee shall:

(A) take testimony from subject-matter experts to assist with data analysis and methodological considerations; and

(B) take testimony from a variety of stakeholders, including employers and employees and organizations that represent employers and employees.

(d) Assistance. The Committee shall have the administrative and technical assistance of the Joint Fiscal Office, the technical assistance of the Department of Labor’s Economic and Labor Market Information Division, and the legal assistance of the Office of Legislative Counsel.

(e) Meetings.

(1) The Joint Fiscal Office shall call the first meeting of the Committee to occur on or before August 15, 2023.

(2) The Committee shall select a chair from among its legislative members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Committee shall cease to exist on January 30, 2025.

(f) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than five meetings.

(2) Other members of the Committee who are not State employees shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than five meetings.

(g) Appropriations.

(1) The sum of \$7,000.00 is appropriated to the General Assembly from the General Fund in fiscal year 2024 for per diem compensation and reimbursement of expenses for members of the Committee.

(2) The sum of \$10,000.00 is appropriated to the Joint Fiscal Office from the General Fund in fiscal year 2024 for costs related to retaining experts and other services provided to the Committee by the Joint Fiscal Office.

## Sec. 2. 2025 BASIC NEEDS BUDGET REPORT; METHODOLOGY

Notwithstanding any provision of 2 V.S.A. § 526(c) to the contrary, in preparing the basic needs budget report due January 15, 2025, the Joint Fiscal Office shall utilize the methodology and household configurations recommended by the Basic Needs Budget Technical Advisory Committee established pursuant to Sec. 1 of this act.

## Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2023



## Component Review and Recommendations

The Committee reviewed all components and assumptions of the basic needs budget. Below is an overview of the Committee's review process and an explanation of its recommendations.

### Basic Needs Budget Assumptions

#### *Household Configurations and Size*

The Committee reviewed the current demographics of Vermont to ensure that the family configurations and assumptions about households used in the report still align with the actual makeup of Vermont households. This included investigating the number of households with two adults living together as roommates.

**The Committee recommends that a new household configuration, a single person in shared housing, be added to the Basic Needs Budgets Report and be used to calculate the official livable wage. Including the new family configuration would require JFC approval and changing the family configuration used for the official livable wage would require a statutory change.** The current report assumes that two-adult households are comprised of spouses or partners, in a one-bedroom rental unit – it does not account for individuals living with roommates. The Committee took testimony on single adults living in shared housing and determined that it should be accounted for and be used to calculate the official livable wage in future reports.

**The Committee also recommends removing the two-adult household with one wage earner and two children configuration. This recommendation would require JFC approval.** This is recommended because of the recent Child Care Financial Assistance Program (CCFAP) subsidy eligibility change that goes into effect on October 1, 2024. This subsidy will be incorporated into the child care line in the 2024 Basic Needs Budgets Report. Based on income assumptions, all family configurations with children in the report are expected to qualify for CCFAP subsidies. With the inclusion of the new child care subsidy, the budget for the two-adult household with one wage earner and two children configuration will converge with the estimated budget and livable wage for households with two wage-earning adults and two children.

#### *Urban and Rural Budgets*

Current statute requires the presentation of a basic needs budget that differentiates between urban and rural cost of living. The livable wage is then calculated by averaging the two budgets together. The Committee received testimony that outlined specific areas where the geographic distinction affects estimated expenses. Housing, transportation, and child care spending all vary between urban and rural areas. These components comprise a significant portion of the overall budgets.

The Committee believes that the evolving housing landscape in Vermont has a significant effect on housing and transportation costs. The statewide housing shortage along with the effects of inflation have put financial pressure on Vermonters that affects both what they can afford to purchase and where they can afford to live. The Committee believes that it is important to bear these conditions in mind when considering geographic differentiation in the report.

The Committee discussed other options for regional distinctions in the report, including expanding to three geographic regions and removing geographic distinctions altogether so that the report would reflect the overall Vermont average. Due to data limitations that would make it difficult to expand to three regions and the desire to maintain some geographic distinction, the Committee ultimately decided to maintain the current delineation.

Currently, statute requires that the official livable wage be the average of the urban and rural livable wages for the family configuration of two adults with no children. Because of this, the official livable wage is neither representative of the livable wage for a household in an urban area nor the livable wage for a household in a rural area. **Therefore, the Committee recommends that future reports include two official livable wages; one for urban areas and one for rural areas. This recommendation would require a statutory change.**

### **Component Review and Additional Recommendations for JFC Approval:**

#### ***Food***

The Committee reviewed the current methodology for determining food costs for the basic needs budget. **They do not recommend any changes to the assumption that households spend what is equivalent to the moderate food plan as published by the United States Department of Agriculture (USDA) and the Consumer Expenditure Survey (CES).**

The basic needs budgets report has historically assumed that the individual in the single adult household configuration is a female. **The Committee recommends that the methodology be updated so that single households reflect an average between the male and female budget for a single adult household. Two adult households will not be affected by this change.**

The USDA food budget results show that, on average, males have higher food costs than females. While, according to testimony the Committee received, adults in single parent households are typically female, single adult households without children are more evenly split between males and females. Averaging the estimated food budgets of single males and females will result in a slightly higher food cost assumption.

The Committee also recommends that the regional adjustment used in the report be updated. Data from the USDA is published on a national level. JFO then uses the CES to adjust the national figures to the Northeast region. Historically, the food component has been adjusted by a 10-year average differential between the amount spent on food nationally compared to the Northeast. **The Committee recommends changing this to a 5-year average differential based on testimony that illustrated that, in recent years, food spending in the Northeast has increased at a higher rate than it has nationally.** Shifting to a 5-year differential will more accurately reflect consumer food spending in Vermont.

#### ***Housing***

**The Committee reviewed the current methodology for calculating housing costs and does not recommend any changes.** The existing methodology relies on the Fair Market Rent Survey conducted by the U.S. Department of Housing and Urban Development (HUD). This survey is conducted annually and is used for federal housing voucher programs. The survey determines rents at the 40<sup>th</sup> percentile by county across the country. The report assumes that single and two adult

households without children live in a one-bedroom rental while all other family types live in two-bedroom rentals. The newly added family configuration of a single adult in shared housing will assume a two-bedroom rental.

While the Committee does not recommend a change in the housing methodology it understands that access to affordable housing is an important challenge for Vermonters. The shortage of available housing stock, rent inflation, and prevalence of short-term rentals have put financial pressure on Vermonters and affect the types of rentals they can afford and where in Vermont they can live. These pressures have a cascading effect, impacting other spending categories such as transportation, child care, and telecommunications.

### *Transportation*

**The Committee does not recommend changing the methodology used to calculate transportation budgets.** JFO did, however, provide testimony detailing the shortcomings of a particular data source currently used in the calculations – the National Household Transportation Survey (NHTS) conducted by the Federal Highway Administration (FHWA). The results of the survey are unreliable, in part because it was last published in 2017 and in part because it had a poor sample size in Vermont. JFO spoke with representatives at the FHWA who conduct the survey. The representatives stated that going forward the report will be updated every two years rather than once every eight years, meaning that more current results will be available for future reports. Nonetheless, challenges with small sample sizes may persist.

JFO provided testimony to the Committee relating to data “add-ons,” that FHWA makes available to entities that would like the survey to include more robust sample sizes in their regions. FHWA requires a minimum sample size of 1,000 households and charges \$275 per household to purchase an “add-on.” This is a pool funding opportunity. The pool for the 2024 survey is closed, meaning that the next opportunity for such an “add-on” will be the 2026 survey. The results for this survey and the “add-ons” would be available in 2027. This means that the next two reports would not utilize the more robust sample size, if purchased. Due to the cost and long wait period the Committee did not consider the “add-on” to be a viable solution for this data issue.

The Committee also considered changing the source of data altogether, from the NHTS to the transportation costs outlined in the CES (which is currently used by the Massachusetts Institute of Technology (MIT) for its Living Wage Calculator). This data is updated annually but would require making regional adjustments to the national level data to better reflect transportation spending in the Northeast. This option was not considered an improvement to the existing methodology; it is less Vermont-specific than the NHTS, despite being updated on an annual basis, and does not differentiate between urban and rural areas.

The Committee ultimately opted to recommend maintaining the existing methodology with full knowledge of the existing shortcomings. This recommendation was made with the knowledge that the NHTS will be conducted more frequently going forward and came after considering the value of having data specific to Vermont and the importance of differentiating between urban and rural areas.

### *Health and Dental Care*

**The Committee does not recommend changing the methodology used to calculate health and dental care costs.** JFO provided testimony detailing the data sources and assumptions used in determining the types of insurance plans, premium rates, levels of employee contributions, and out-of-pocket costs used in the report. The Committee felt these existing methodologies were appropriate, given the available data and information.

### *Child Care*

**The Committee does not recommend changes to the current methodology for calculating child care costs.** This methodology relies on market surveys by county for child care rates at both licensed care centers and registered home providers. The surveys are conducted by the Vermont Department for Children and Families. This methodology allows for both urban and rural cost estimates and accounts for differences in rates between the two types of providers.

The Committee had a robust discussion on whether to include the new child care subsidies that were adopted as part of Act 76 (2023), “an act relating to child care, early education, workers’ compensation, and unemployment insurance.” Act 76 expanded child care subsidies to families with incomes of up to 575% of federal poverty guidelines. The discussion centered on whether these subsidies should be considered public assistance, which is generally not included in Basic Needs Budget estimates.

The Committee observed that budgets for child care spending would decrease because of the subsidies, which in turn would put downward pressure on livable wages. However, given that all family configurations would qualify for the subsidies, including them will better reflect what the households would expect to spend on child care. **The Committee recommends that the current methodology continue to be used and that the subsidies be included.**

### *Clothing and Household Expenses*

Current methodology for this component does not include the cost of a computer. The existing methodology uses the CES, which includes household expenses. Because the report assumes that families rent rather than own their homes, expenses for appliances and miscellaneous household equipment are not factored into the budget. The CES includes expenses related to owning a computer within the miscellaneous household equipment category that has not historically been included in the Vermont Basic Needs Budgets.

However, the Committee determined that a computer should be considered a basic need. JFO proposed taking the cost of a base model computer and amortizing it into a monthly expense over three years. JFO did not recommend any other changes to the methodology. **The Committee agreed and recommends that a three-year amortized cost of a base model computer be incorporated into the next basic needs budget.**

The Committee also reviewed the specific CES tables, and the target income groups used in the tables. It does not recommend any changes to those at this time.

### *Telecommunications*

The Committee took testimony on the current methodology for calculating telecommunications expenses. This category includes expenses for a telephone and home internet service. The current methodology applies a blended average to landline and cellular phone expenses in the CES using the results from the National Center for Health Statistics. The Center releases telephone usage by state for cellular phones, landlines, and a blend of the two. Since 2008, when the last technical advisory committee was convened, cellular phone usage has proliferated and now is the most common use type.

The Committee also took testimony showing that cellular phone plans are more expensive than landline plans, meaning that the current methodology – which uses a weighted average of the two – was depressing the budget for spending in this category. **The Committee recommends that future reports assume expenses for cellular phones only and eliminate the weighted average approach.**

### *Personal Expenses*

The Committee reviewed and discussed the current methodology used to calculate personal expenses. The 1999 Livable Income Study Committee report set personal expenses at \$2.00 per day per adult and \$1.00 per day per child. Since then, personal expense amounts have been increased using the Consumer Price Index (CPI) to reflect current day dollars. In the 2022 report, personal expenses were \$3.51 per day per adult and \$1.75 per day per child. The amounts set in 1999 reflected what the study committee considered to be a reasonable budget for miscellaneous expenses, such as a coffee or newspaper.

**The Committee recommends two changes to the personal expenses spending category.** The first is to rename this category to miscellaneous expenses to avoid confusion with the newly added personal care products expense category. The second is to reset the per day allowance to \$5.00 for adults and \$2.50 for children. This spending category is for expenses that do not fit neatly into other standard categories of expenses. With recent inflation the Committee viewed an update as appropriate.

### *Rental Insurance, Term Life Insurance, Savings*

**The Committee reviewed but does not recommend changes to the methodologies for calculating the rental insurance, life insurance, and savings components.**

The Committee had a robust discussion about the savings rate, which currently is currently assumed to be five percent. This rate is consistent with previous reports and will match the default five percent paycheck deduction the Vermont Saves program makes and directs toward the retirement savings plans of program participants. The Committee views the Vermont Saves program, which automatically enrolls workers who do not have access to a retirement plan through their employer in a Roth IRA account, as an important tool that will help Vermonters save the amount considered a basic need.

## *Taxes*

**The Committee does not recommend any changes to the methodology for taxes, which uses current tax law to determine a household's tax liability.** The Committee took testimony related to tax credits after a conversation on whether their inclusion amounted to public assistance, which the methodology typically excludes. Removing tax credits would increase tax expenses for family configurations that are eligible for those credits. The increase in tax expenses would in turn require larger budgets to cover basic needs and result in higher livable wages. The Committee determined that tax credits should continue to be included, as they reflect the existing State and federal tax code. Their inclusion also reflects the real conditions Vermonters experience. It should be noted that the Committee did have concerns that tax credits are reflected as a lump sum on tax returns while the basic needs budgets reflect ongoing monthly expenses.

## **New Component**

### *Personal Care Products*

Currently, there is no line item for personal care expenses such as hygiene products, shaving needs, cosmetics and bath needs, and electronic personal care products. JFO recommended the addition of this category, based on the estimates provided in the CES, to ensure that these expenses are accounted for going forward. This proposal included the recommendation that the same CES and income ranges used for calculating clothing and household expenses be used.

**The Committee agreed and recommends adding a spending category for personal care products.**

## Appendix A

### A.1. Agenda Topics and List of Witnesses

All documents presented and reviewed by the Committee are publicly available on the Joint Fiscal Office website: <https://ljfo.vermont.gov/committees-and-studies/basic-needs-budget-technical-advisory-committee>.

#### Agenda Topics

September 13, 2023: <https://ljfo.vermont.gov/committees-and-studies/basic-needs-budget-technical-advisory-committee/meetings/2023-09-13>

- Welcome and Organization
- Creation and Reason for the Basic Needs Budget
- Walkthrough of Act 54
- Introduction to Methodology and Makeup of the Report
- Original Study and Purpose of the Basic Needs Budget
- What is the Purpose of the Basic Needs Budget?
- Work Plan and Future Meeting Dates

September 22, 2023: <https://ljfo.vermont.gov/committees-and-studies/basic-needs-budget-technical-advisory-committee/meetings/2023-09-22>

- Methodology and Technical Commentary
- Family Configurations, Assumptions, and Demographics
- Review of Health and Dental Care Component
- Committee Discussion

October 5, 2023: <https://ljfo.vermont.gov/committees-and-studies/basic-needs-budget-technical-advisory-committee/meetings/2023-10-05>

- Component Review
- Committee Discussion

October 20, 2023: <https://ljfo.vermont.gov/committees-and-studies/basic-needs-budget-technical-advisory-committee/meetings/2023-10-20>

- Overview of Related Issues not Requiring Formal Review
- Component Review and Discussion
- Review of Committee Recommendations

October 31, 2023: <https://ljfo.vermont.gov/committees-and-studies/basic-needs-budget-technical-advisory-committee/meetings/2023-10-31>

- Committee Discussion
- Report Adoption

**List of Witnesses****Joint Fiscal Office**

- Patrick Titterton, Senior Fiscal Analyst
- Emily Byrne, Deputy Fiscal Officer
- Nolan Langweil, Principal Fiscal Analyst
- Joyce Manchester, Senior Economist/Associate Fiscal Officer

**Office of Legislative Counsel**

- Damien Leonard, Legislative Counsel

**Other Experts**

- Doug Hoffer, State Auditor
- Ellen Kahler, Executive Director, Vermont Sustainable Jobs Fund
- Tom Kavet, President, Kavet, Rockler & Associates
- Stephanie Yu, Executive Director, Public Assets Institute



## Appendix B

2 V.S.A. § 526. Basic needs budget and Livable Wage; report

(a) For the purposes of this section:

(1) "Basic needs" means the essentials needed to run a household, including food, housing, transportation, child care, utilities, health and dental care, taxes, rental and life insurance, personal expenses, and savings.

(2) "Basic needs budget" is the amount of money needed by a Vermont household to maintain a basic standard of living, calculated using current State and federal data sources for the costs of basic needs.

(3) "Livable wage" means the hourly wage required for a full-time worker to pay for one-half of the Basic Needs Budget for a two-person household with no children and employer-assisted health insurance averaged for both urban and rural areas.

(b) On or before January 15 of each new legislative biennium, beginning in 2009, the Joint Fiscal Office shall report the calculated Basic Needs Budgets of various representative household configurations and the calculated Livable Wage for the previous year. This calculation may serve as an additional indicator of wage and other economic conditions in the State and shall not be considered official State guidance on wages or other forms of compensation.

(c) The methodology for calculating Basic Needs Budgets shall be built on methodology described in the November 9, 1999 Livable Income Study Committee report, modified as appropriate by any statutory changes made by the General Assembly and subsequent modifications adopted by the Joint Fiscal Committee under subsection (d) of this section.

(d) The Joint Fiscal Committee may adopt modifications to the methodology used to determine the Basic Needs Budget calculations under subsection (c) of this section to account for public policy changes, data availability, or any other factors that have had an impact on any aspects of the methodology. Changes or revisions in methodology adopted by the Committee shall be effective no later than November in the year preceding the release of the report. (Added 2005, No. 59, § 1; amended 2007, No. 202 (Adj. Sess.), § 1; 2019, No. 144 (Adj. Session), §11(c) (redesignated from 2 V.S.A. §505).)