



The Governor's Budget Release: Earlier is Better

by Paul Cillo and Jack Hoffman

Everyone who is part of the state budgeting process needs timely information. The Vermont Legislature can gain precious time for itself — and for the public — by moving up the deadline for the annual release of the governor's budget.

Each session of the Vermont Legislature begins in January, and soon after lawmakers have gathered in Montpelier, the governor delivers the budget address to a joint assembly of the House and Senate. This address marks the first time legislators and the public get to see how much the governor is proposing to spend and for what purposes.

Approving a budget is one of the Legislature's most important jobs. Without a budget passed by both the House and Senate, state government cannot operate. Nevertheless, Vermont's citizen Legislature is expected to do this critical job in a relatively short time.

By statute, the governor is required to present the budget by the third Tuesday of each legislative session. Depending on when New Year's falls, that date can be as early as the 17th or as late as the 29th. In 2008, the deadline for the budget address will be Jan. 22, and the governor announced recently that that would be the date of his speech and the release of his plan for spending more than \$4 billion in the next fiscal year.

Given the usual pressure for the Legislature to adjourn by early spring, that won't give legislators or the public enough time to review the governor's proposal and respond with their own priorities for spending the taxpayers' money.

End-of-session pressure marginalizes most lawmakers and citizens.

In Vermont, the legislative part of the budget process typically begins in the House. The House Appropriations Committee takes up the governor's budget as soon as it is delivered. The committee hears public testimony, questions administration officials, and reworks some of the governor's priorities. The full House then debates and votes on the bill and passes it on to the Senate, where it goes through a similar process. After the Senate adopts its version of the Appropriations Bill, the two chambers have to resolve their differences and come to a compromise. The compromise bill must ultimately be approved by the full House and full Senate. Typically, that occurs in the final hours of the final day of the session.

Rarely is an Appropriations Bill vetoed by the governor. As the House and Senate Appropriations committees are making their adjustments, administration officials closely monitor the changes from the governor's proposal and work to keep them to a minimum. The bill, which is typically the last to be voted on each session, is in fact a compromise among the House, the Senate, and the governor.

The administration has more than six months to prepare the spending plan. However, that work is done without any direct input from citizens. The budget address is the first time both lawmakers and the public get to see what the governor wants to do. And only then do voters and advocates get to weigh in on the proposal; that process takes place in the Legislature.

A plan to spend more than \$4 billion is a lot to digest — even for experienced legislators. But by late April or early May, the pressure begins to build for the Legislature to wrap up its work and adjourn for the year. The governor, regardless of political party, is typically among the first to start calling for the Legislature to go home, often citing the daily or weekly cost of keeping the session going. The pressure to adjourn creates a fast-paced, end-of-session process that leaves most legislators and citizens out of the important decision-making. Beginning the budget process earlier in the session would relieve some of the late-session pressure and make the process more accessible to citizens.

Recommendation: Move the deadline for the budget address to the second week of the session.

The statute establishing the deadline for the governor’s budget address that took effect in 1988 reads:

32VSA§ 306. Budget report

The governor shall submit to the general assembly, not later than the third Tuesday of every annual session, a budget which shall embody his or her estimates, requests and recommendations for appropriations or other authorizations for expenditures from the state treasury.

Over the past 20 years, there have been four different governors. While all four governors have operated under the same statutory requirement, the governors prior to 2002 typically submitted their budgets well in advance of the deadline. By doing so, they started the legislative budget process earlier in the session. The sessions on average were shorter.

Figure 1. Budget Address and Legislative Session Length
(calendar days - rounded to next whole day)

	Budget Address (avg. days into session)	Average Session Length	Percent of Session until Budget Address
2002-2007	17	141	12%
1988-2001	6	131	5%
20 years	9	134	7%

Source: Public Assets Institute analysis of House Clerk’s office data

As **Figure 1** shows, from 1988 to 2001, the sitting governors submitted their budgets to the Legislature on average on the sixth calendar day of the session. From 2002 to 2007, the governor’s budget was submitted on the 17th day — 11 days later. Coincidentally, the sessions have lasted longer, on average, in the past six years than in the previous 14. As the chart shows, the average length of the session from 2002 to 2007 was 10 days longer than the average session from 1988 to 2001. Also, the percentage of the session that has elapsed by the time the governor delivers the budget has more than doubled in recent years.

Moving the deadline for the budget address to the second week of the session would give the Legislature and the public crucial additional time. The first few days of the session are taken up in organizing activities, especially at the opening of a new biennial session when newly elected members are getting their bearings. But by the second week, most legislators are eager to get down to business. There is no need for them to wait another week before they see the budget. And, as in the past, the governor can always deliver it sooner.

Recommendation: Release the official revenue forecast sooner.

The official estimate of how much revenue the state expects to collect for the year — the revenue forecast — is revised each Jan. 15 and updated on July 15. This is when the administration and the Legislature meet to agree on this figure, which is used in deciding how much money is available for the budget.

Past administrations have released their budgets in advance of the January revenue forecast (**Figure 2**). In those years, lawmakers adjusted spending plans when the revenue estimates were released. In recent years, the January adjustment has been an increase

over the previous estimate rather than a decrease. That may explain why the budget address has gotten later: the upward adjustments make it a bit easier for the administration to balance the budget.

If the governor wants this revenue estimate available before releasing the administration's budget proposal, then the deadline for the official revenue forecast should be moved up, too.

If the revenue revision were done in the first week of January, the budget address deadline could be moved from the third Tuesday of the session to the first Tuesday after the opening day, which would be at the start of the second week of each session. If this practice were in place for 2008, the governor's budget could be delivered one week earlier — Jan. 15 instead of the Jan. 22.

Figure 2. Budget Address and Legislative Session Data

Year	Session Start	Gov. Budget Address	Governor	Budget Address	Session Length	
				(calender days into session)	Legislative Days	Calender Days
2008	Jan. 8	Jan. 22	Douglas	15	n/a	n/a
2007	Jan. 3	Jan. 23	Douglas	21	76	130
2006	Jan. 3	Jan. 17	Douglas	15	78	128
2005	Jan. 5	Jan. 19	Douglas	15	85	151
2004	Jan. 6	Jan. 20	Douglas	15	76	136
2003	Jan. 8	Jan. 23	Douglas	16	84	143
2002	Jan. 8	Jan. 22	Dean	15	90	157
2001	Jan. 3	Jan. 11	Dean	9	84	151
2000	Jan. 4	Jan. 4	Dean	1	83	133
1999	Jan. 6	Jan. 7	Dean	2	77	130
1998	Jan. 6	Jan. 6	Dean	1	59	106
1997	Jan. 8	Jan. 14	Dean	7	83	157
1996	Jan. 3	Jan. 3	Dean	1	73	122
1995	Jan. 4	Jan. 11	Dean	8	65	107
1994	Jan. 4	Jan. 7	Dean	4	94	159
1993	Jan. 6	Jan. 13	Dean	8	70	130
1992	Jan. 7	Jan. 9	Dean	3	67	110
1991	Jan. 9	Jan. 18	Snelling	10	68	130
1990	Jan. 3	Jan. 9	Kunin	7	76	133
1989	Jan. 4	Jan. 12	Kunin	9	72	123
1988	Jan. 5	Jan. 7	Kunin	3	80	136

Source: House Clerk and Sergeant-at-Arms offices

Public Assets Institute



PO Box 942, Montpelier, Vermont 05601
802-223-6677
www.publicassets.org

The Public Assets Institute is a non-partisan nonprofit that supports democracy by helping citizens understand and keep informed about what their government is doing, especially how it is raising and spending money and using other public assets.