

Times Argus

This is a printer friendly version of an article from www.timesargus.com
To print this article open the file menu and choose Print.

[Back](#)

Article published Mar 30, 2008

State spending should reflect Vermonters' needs

Jack Hoffman
Senior analyst for Public Assets Institute

When the Vermont House starts debating the 2009 state budget this week, wouldn't it be great if most Vermonters knew what they were talking about?

Imagine there already had been a string of events, starting with the governor's budget address in January, that laid out for people the size of the projected 2009 deficit and the options for dealing with it

Imagine that elected leaders already had held a series of forums – in person, on television and on the Internet – to explain that the state was likely to slide into recession by the end of the year, that more people would be needing government services, but that thanks to Vermont's rainy day funds the state would be able to get through this rough patch and provide help when people needed it most.

Imagine that the governor had been reminding people of a five-year plan the Legislature and the administration had developed early in his tenure and that he had been talking about the steps needed to complete work on that plan. He might have said, for example, he was recommending additional revenue for the statewide broadband network and the state health care system to keep those projects on schedule. He might have pointed out the importance of completing the projects, despite the economic slowdown, because they would make Vermont stronger coming out of the recession.

That could be the budget process in Vermont. The annual budget debates in the House and Senate could take place against a broad backdrop of public discussions about Vermonters' priorities and where the state should be headed in the next five and 10 years. The public doesn't need to get into the weeds of the budget and help determine Medicaid reimbursements rates or highway paving priorities. The governor and Legislature are elected to do that.

But the budget debate should be more than incomprehensible squabbling over line items. The budget reflects the state's concrete action on policies and priorities, which the public should help to shape.

Unfortunately, that's not what we'll get when the House debates the budget. We'll hear, as we did from the governor in January, that the proposed budget is balanced. It's as if balancing the budget is the only purpose, and the priorities that the budget is funding – and what Vermonters will lose with budget cuts – are secondary.

To be sure, Vermonters want a balanced budget. But in recent years, balancing the budget has

been a lopsided exercise commonly know as "managing to the money." The available revenue, as determined by the vagaries of the economy, dictates the size of the budget and shapes the priorities.

The administration and the Legislature have the capacity to exert more control than that. They don't have to be limited by the current revenue forecast. If the demand for services exceeds immediate tax collections, which is typically the case during recession, Vermont created rainy day funds for just that situation. If Vermonters have decided they want their roads paved, their bridges maintained and a modern telecommunications network built – provided their political leaders explained in advance what the costs and benefits would be – they understand they will have to pay the bill.

At the very least, they deserve to have a say in whether to curtail services or fulfill commitments – that is, whether to manage to the money or make additional revenue available.

There's a worn out cliché public officials love to use when talking about the state budget, especially in tough times like these. They liken the process to Vermonters sitting around the kitchen table, struggling to balance the family checkbook.

The state budget is not the family checkbook, and government's role is not to cut back as families often must do when the economy falters. When families are struggling, government should do more, not less. Unlike many families, government can raise additional revenue or dip into reserves – rainy day funds – to get through the rough periods. When the economy improves and people can fend better for themselves, then government can pull back and start replenishing the reserves for the next recession.

Jack Hoffman is a senior policy analyst for Public Assets Institute. A new report on the state budget can be found at www.publicassets.org.
