



## **Vermont Workers' Center**

### **Overview of People's Budget Bill 2013**

#### **Background**

According to Vermont statute, the purpose of the state budget is “to address the needs of the people of Vermont in a way that advances human dignity and equity.” This new law, passed in the 2012 legislative session, also requires “a process for public participation in the development of budget goals, as well as general prioritization and evaluation of spending and revenue initiatives” (32 V.S.A. § 306a).

While the administration made an attempt to include public participation in the development of the governor's budget proposal—holding two public hearings last fall—this effort cannot credibly be characterized as constituting “meaningful” public participation as the law envisions. Similarly, the administration's current services budget, published in January 2013, does little to shed light on the amount of spending needed to maintain state services at least at current levels.

The governor's FY-2014 budget proposal evidences a recommitment to the manage-to-the-money approach that continues to undermine the dignity and equity of Vermont residents by increasing the regressivity of the tax system and heaping additional hardship on those least able to weather it. There is a serious disconnect between the state's budget policies and the realities of people's lives. We need the budget process to start with an assessment of people's needs and a meaningful process of public participation, as envisioned by the new statutory mandate. That's why this year we are introducing a People's Budget bill that advances public participation and needs assessments.

#### **What is meaningful public participation?**

In a real democracy, people must be able to participate in budgeting and revenue decisions. That's why meaningful and direct public participation should be formally included in the budget process, rather than just haphazardly organized by interest groups. Each year the public should be able to review and recommend budget goals as well as specific spending and revenue initiatives. This can happen in facilitated regional community meetings. Delegates from those meetings can then work together to develop statewide recommendations from the regional proposals, present these to the administration and legislature, and monitor how these recommendations are incorporated in the budget.

### **Why should we assess needs?**

Over the past decade, inequality in Vermont has increased significantly, and many residents are struggling to obtain adequate housing, food, jobs, education and healthcare. More than 1 in 5 young children lives in poverty. Too many people in our state are unable to live a life with dignity. Yet our budget process is not much more than an annual exercise in balancing spending with available revenues. We are losing ground in ensuring people's well-being. Rather than adjusting the budget to match a revenue estimate, a People's Budget would start with an assessment of fundamental needs and then seek to fund the services required to meet those needs. The focus would be on people first rather than money first.

### **What will the People's Budget bill do?**

The People's Budget Bill 2013 takes initial steps toward including needs assessments and public participation in the annual budget process. This is not an entirely novel endeavor: the state transportation system already does a better job than state government generally of incorporating needs assessment and public participation into at least a part of the agency's charge, i.e. the question of which highway projects to prioritize. The People's Budget Bill 2013 seeks to expand this approach by establishing:

- Two regional pilot projects to initiate the development of an ongoing process for broad-based public participation in the development of the state budget. The pilots will result in reports to the Legislature that will help with expansion of the participation process into other regions.
- A statewide needs assessment panel that will collect and analyze quantitative and qualitative data and report on the state of fundamental needs in Vermont in order to inform the preparation of the state budget.