

## **Re-Envisioning State Budget & Revenue Policy**

### **Addressing people's needs and rights through strengthening democracy**

*Vermont Workers' Center, Put People First Campaign, December 2012*

Over the past decade, inequality in Vermont has increased significantly, and many residents are struggling to obtain adequate housing, food, jobs, education, and healthcare, on top of facing a degrading environment. Public services and jobs have been cut, as budget shortfalls produced by political decisions are used to sideline peoples' needs and rights. The budget process is just an exercise in balancing spending with available revenues.

The People's Budget Campaign, which is part of the Put People First initiative, proposes a new approach to budget and revenue policy, based on human rights principles. Rather than adjusting the budget to match a revenue estimate, the budget would start with an assessment of people's fundamental needs and then seek to fund the services required to meet those needs. The focus is on people rather than money. Moreover, in a real democracy the people must be able to participate in decisions about how their needs and rights are addressed.

The legislature passed this put-people-first approach into law in its 2012 session. The purpose of the state budget is now "to address the needs of the people of Vermont in a way that advances human dignity and equity." The new law also requires the Administration to "develop a process for public participation in the development of budget goals, as well as general prioritization and evaluation of spending and revenue initiatives" (Sec. E.100.1 32 V.S.A. § 306a).

While the People's Budget Campaign acknowledges the Administration's initial efforts to respond to the participation requirement by holding two public hearings, we are mindful that perfunctory public hearings are a poor surrogate for a serious public participation process. In fact, in light of the Governor's recent public remarks on budget and revenue policy, it is obvious that the public input solicited at the hearings has not received any real consideration. Even though scores of participants demanded a needs-based budget focused on advancing equity, the Governor continues to put money over people in his approach to the budget. This focus gives increasing urgency to participants' call for real democracy, including a meaningful process of direct public participation in the development of our state's fiscal policy.

In September 2012, the People's Budget Campaign submitted a detailed proposal for embedding public participation and needs assessments in the state's budget process, informed by an extensive review of budgeting reforms elsewhere.

The People's Budget Campaign calls on the Administration and the Legislature to take the following actions in the next six months:

1. Prepare an accessible and easy-to-understand version of the budget and related documents to increase transparency and enable inclusive participation.
2. Create a formal, continuous process of public participation in the development of the state's budget.
  - a. Set up an independent committee to design the participation process.
  - b. Ensure that participation takes place in an ongoing series of community meetings that are inclusive and enable all communities to discuss, propose and prioritize spending and revenue measures. This should be a continuous process of participation that builds toward the adoption of a budget based on our communities' needs.
3. Create full accountability to the public participation process by requiring the governor's budget proposal to be clearly tied to goals and initiatives identified in the public participation process. Budget and revenue policy must seek to meet the goals put forward in the participatory process and include necessary revenue measures.
4. Carry out a needs assessment that measures unmet needs and rights in all Vermont communities.
  - a. Set up an independent committee to collect comprehensive data and assesses progress on the state of needs and rights in all Vermont communities.
  - b. Formally integrate a needs assessment into the budget process to ensure that revenue and spending decisions are based on people's fundamental needs and rights.

These are the initial steps needed to re-envision a state budget process that advances the well-being, equity and dignity of our communities.

