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Manage government to need, not just money

By Jack Hoffman, VTDigger.org, October 27, 2011

One of the good things to come out of Tropical Storm Irene was seeing the state respond to human needs. Individuals, businesses, government, and other institutions all had a similar reaction to the crisis: they jumped in with both feet and did what they could to help their fellow Vermonters.

The moment, unfortunately, was fleeting. A month after Irene struck, the Shumlin administration was back into manage-to-the-money mode, building a state budget based on how much money is likely to be available, not on what will be needed to meet Vermonters needs for the coming year. Because it now looks like Vermont will have \$75 million-\$80 million less next year than even a conservative estimate of need, Administration Secretary Jeb Spaulding has asked all agencies and departments to prepare baseline budgets 4 percent below this year's appropriation.

We need new thinking and a new approach.

If manage-to-the-money had guided our response to Irene, we would have had two choices: delay repairs until the money came in or take money from existing programs to pay for the damage caused by Irene. We could have told people who use Route 4 or Route 107 to wait until next June to see if there was any money left over to rebuild those roads. Or we could have cancelled school (or Medicaid services) and reallocated those funds to road and bridge repair.

Needless to say, we didn't do either of those things. We put people first and responded to their need for help, recognizing that we'd have sort out how best to raise the money later.

We need to put people first again in our state budget process. That's not to say that we should ignore affordability. But the budget should be a means to an end. It should be one of the primary tools we use to create the state we want to live in, a state with the kind of broad middle class Governor Shumlin promised to rebuild.

With manage-to-the-money, which has dominated Vermont's budget process for far too long, balancing the budget with available revenue—regardless of economic circumstances or the needs of the state—has become the end. As a result, we're spending less this year for basic General Fund programs and services than we did last year even as Vermonters' need for state services has increased, and the administration is looking to cut even more next year.

The effects of this kind of squeeze aren't dramatic right away, but the cracks are beginning to show. Vtdigger reported earlier this year that the state had fallen way behind in investigating [elderly abuse complaints](#) because of staffing cutbacks. A couple of years ago, flu vaccinations were hampered by reduction at the [Vermont Health Department](#).

And if we take a broader look at the state's well being, which is how we should be gauging government performance, we see that things are moving in the wrong direction. New [data](#) from the U.S. Census Bureau show that median household income in Vermont has fallen, and poverty has increased. Looking at other indicators: the number of families relying on foods stamps—Vermont's 3SquaresVT program—is up, and so is the number of households qualifying for Vermont's Reach Up program.

The administration should be developing a budget that will turn those numbers around, a budget that will start to deliver on the governor's promise to rebuild Vermont's middle class. A balanced budget serves no one if it's

not adequate to the job, just as half a bridge or half a road can't honestly be called flood recovery.

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Posted by Sarah Lyons on October 31, 2011 at 9:43 am