

An Act relating to a People's Budget for Vermont

Subject: People's Budget

Statement of Purpose: This bill: 1) clarifies that the purpose of the state budget is to ensure the well-being of all Vermonters by meeting their fundamental needs; 2) establishes human rights principles as the foundation of spending and revenue proposals within the budget process; 3) requires to raise in a sustainable way the resources necessary to meet Vermonters' needs; 4) requires the development of a framework for fiscal accountability and transparency with measurable goals and indicators; 5) requires the development and implementation of a process for meaningful public participation in the budget process; 6) sets Fiscal Year 2015 as the first budget year to meet the provisions of this act; and 7) requires publication of a People's Budget report as part of the Fiscal Year 2014 budget process.

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Sec. 1 32 VSA § 306a is added to read:

(a) Purpose of the state budget.

The state budget seeks to meet the fundamental needs of all Vermonters in a way that advances human dignity and equity among Vermonters. Spending and revenue policies will strive to ensure every person's right to health, housing, dignified work, education, food, social security, and a healthy environment. These are recognized as universal public goods that the state, in conjunction with the federal government, shall seek to guarantee for all Vermonters. Spending and revenue policies will seek to eliminate poverty and disadvantage and achieve equity among all Vermonters; foster a sustainable economy that protects the environment; and be developed as part of a publicly transparent and accountable process with direct participation from Vermont residents.

(b) Principles for the state budget. Budget and revenue policies will be developed, enacted, and implemented consistent with the human rights principles of universality, equity, transparency, accountability, and participation:

(1) Universality: Based on shared public values, Vermont will ensure that adequate resources are raised and spent to meet all Vermonters' needs, including health care, housing, good jobs, education, food, education, social security, and a healthy environment.

(2) Equity: State fiscal policy will raise and distribute resources in an equitable way, with particular attention to meeting the needs of those who are disadvantaged or vulnerable.

(3) Transparency: Processes within government will be open to public scrutiny and will enable Vermont residents to see easily how public institutions and processes are managed and run, and will ensure that budget information is readily accessible and comprehensible.

(4) Accountability: The state will set up mechanisms that enable its residents to hold both the public and private sectors accountable for meeting people's needs and protecting human rights.

(5) Participation: The state will support meaningful public participation in decisions about how Vermonters' needs are met, especially as part of the budget and revenue process.

(c) Available resources.

Each year the state budget will provide for the well-being of all Vermonters and will raise resources required to meet the needs addressed in the budget. The state will first ensure the effective and efficient use of existing funds as described in (d) below and, as needed, use available reserves, raise additional revenue, or borrow funds to pay for the budget plan. In addition to the principles described above, revenue measures will also be based on the principles of sustainability and stability.

(d) Development of goals and indicators.

(1) Based on the principles in (b) above, the state will develop an accountability and transparency framework with measurable goals and outcomes for the state budget in the key areas of human needs, including health, housing, work, education, food, and social security. Indicators that accurately measure human needs will be developed for each goal. Each budget line item will include a statement of the progress that has been made and is projected to make toward meeting agreed upon goals, as measured by the indicator system. State agencies will use the indicator system to monitor and report on actual expenditures. A written assessment of the progress made by each spending initiative toward agreed upon goals will be part of the budget process.

(2) The Administration will develop and publish annually for public review by September 1 a current services budget providing the public with an estimate of what the current year's budget is projected to cost in the next fiscal year.

(e) Public participation. The Administration will develop a process for public participation in the development of budget goals, as well as in the proposal, prioritization and evaluation of spending initiatives. The process will include regular regional community meetings and the creation of a citizens' board to guide the public process. The public process will start with the participatory development of goals, based on the principles in (b) above no later than September 1, 2012. The complete process of public participation shall start no later than September 1, 2013, to support the development of the Fiscal Year 2015 budget.

(f) Implementation. Beginning with the Fiscal Year 2015 budget, the Administration will develop and deliver the state's annual budget as a "People's Budget" that meets the provisions of this act. The Administration will produce a People's Budget report with the Fiscal Year 2014 budget. That report shall assess the progress made by the budgets of Fiscal Year 2012 and 2013 and 2014 in meeting human needs, measured against the principles in (b) above.

Sec. 2 Effective date

The act will take effect upon passage.