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**Testimony on Current Services Budget for Appropriations Public Hearings
February 2016**

Outline of talking points (see sample fleshed-out statement below);

- Briefly describe VIA's presentations on a moral economy
- Mention VIA clergy's meeting with Gov. Shumlin and Secretary Johnson
- Express gratitude for the Current Services Budget that was produced
- Suggest that a different kind of Current Services Budget, that shows the true cost of *fully funding* programs, would be more useful
- Give an example
- Point out that if the public and experts know these numbers, we can help lawmakers to decide what to do with programs and their funding, and not leave all the agonizing decisions solely up to them
- Let them know that VIA will be submitting language that we would like placed in the 2017 budget that defines a Current Services Budget as one that provides the numbers that fully fund programs, and to produce this budget by Oct. 1.

Sample statement (2 minutes)

During this past summer and fall, Vermont Interfaith Action travelled throughout the state to conduct 11 presentations in 9 regions to over 450 people on what we call a "moral economy" – our term for fiscal and economic policy that creates opportunities for all Vermonters to make ends meet and support their families.

Following this speaking tour, we met with Governor Shumlin and Secretary of Administration Justin Johnson to ask them to take a first manageable step toward the moral economy we envision by publicly publishing a Current Services Budget.

We are grateful that they agreed to this request and did include their definition of a Current Services Budget on page 10 of the Governor's budget presented to the legislature in January.

Basically this version shows what it would cost to level fund the current budget into 2017.

Our definition of a Current Services Budget, one that we feel would be more useful, would reveal the costs of programs to which the state has committed, if they were fully funded according to statute.

For example, in statute, one of the purposes of the Reach Up program is to "Improve the well-being of children...by providing for their immediate basic needs, including food, housing and clothing."

In practice, the state calculates the basic needs of each Reach Up-eligible family according to family size and other factors. But the benefit paid is not this basic needs

amount. Instead, the benefit amount is based on the funding the state has budgeted for the program. What that means for Reach Up families is that they get just under half the amount the state has determined they need to meet their basic needs. What we would like to see in a Current Services Budget is what it would cost to pay a benefit that fully meets these families' needs.

We ask for these numbers not so that we will denounce lawmakers or the administration for making tough budget decisions, but so that ordinary people and experts from advocacy organizations can help you make these tough decisions. Maybe we should scale back our aspirations for some of these programs, or cut them out altogether, or find alternative ways to provide them, or raise more money to pay for them. There are a variety of solutions we could pursue – but unless we have the actual numbers, we don't even know what the discussion should be about.

In the next few days, Vermont Interfaith Action will submit language to the Appropriations Committee to require the Administration to produce a Current Services Budget that reveals the cost of fully funding programs, and to complete this task by October 1 of each year. We thank you for your consideration of this request.

Current Services Budget (per 2012 Act 162 § E.100.2 (b))

A current services budget measures how much it will cost the State in an upcoming budget period to deliver the same quantity and quality of services being delivered in the current budget period. A current services budget takes into account the impact of factors such as: inflation and other changes in the per-person cost of providing the programs and services; any expected changes in the number of people utilizing those services and benefits due to population growth or other factors; any previously enacted changes that have not been phased in, ongoing formula-based adjustments, and other factors that would require statutory changes to undo; and collective bargaining agreements.

A current services budget does not take into account the impact of factors such as: proposed new policy or policy changes not yet enacted; new programmatic initiatives; and proposed new revenue or tax receipts.

See General Fund Overview on page 14 for additional information.

FY 2017 Current Services Budget				
	FY 2016 As Passed Budget	FY 2017 Current Services Budget	FY 2017 Governor's Recommend	Difference
Projected Revenues				
Current Law Revenues (Jan. 19, 2016 - E-board)	1,425.24	1,473.50	1,473.50	-
Direct Apps and Reversions	33.67	39.18	39.18	-
Mutual Fund Fee Increase	-	-	13.20	13.20
Excess Property Transfer Tax	10.66	-	11.14	11.14
VEDA debt forgiveness (estimate)	(0.05)	(0.05)	(0.05)	-
Rainy Day fund Used	4.30	-	-	-
Tax Data Warehouse	-	0.99	0.99	-
Total Projected Revenue	1,473.82	1,513.61	1,537.96	24.34
Projected Expenditures				
General Government	42.17	42.30	42.30	-
Renter/Homeowner Rebate & Use Tax Reimbursement	36.09	34.64	34.64	-
Protection	132.23	139.60	139.60	-
Human Services	655.02	696.45	696.45	-
Pregnant persons between 138% & 213% to the Exchange	-	-	(2.25)	(2.25)
Update Involuntary Medication Policy	-	-	(2.28)	(2.28)
Medicaid Rate Increases	-	-	4.84	4.84
Opioid Addiction Services	-	-	0.34	0.34
Veterans' Home	5.48	5.92	5.92	-
GMCB	2.34	3.13	3.13	-
All Payer Model	-	-	0.29	0.29
RSVP/Commission on Women	0.50	0.50	0.50	-
Labor	3.26	3.31	3.31	-
Education, Teachers Retirement & Health Care	98.25	110.31	110.31	-
Transfer to the Education Fund	303.34	305.90	305.90	-
Higher Education	83.28	83.28	83.28	-
Natural Resources	27.66	27.11	27.11	-
Commerce and Community Development	15.57	15.82	15.82	-
Debt Service	67.34	71.12	71.12	-
One time Appropriations	(6.73)	0.50	0.50	-
Pay Act - Steps	4.00	4.73	4.73	-
Video Arraignment	-	-	0.10	0.10
Tax IT Security & Building Security	-	-	1.35	1.35
Total Projected Expenditures	1,469.80	1,544.64	1,547.02	2.39
Allocate Expenditures to the State Health Care Resources Fund		(10.78)	(27.80)	(17.02)
Total (shortfall)/Surplus	4.02	(20.25)	18.73	38.98
Transfers & Reserves				
To Next Generation Fund	(2.99)	(2.99)	(2.99)	-
Additional Next Generation Investments	-	-	(1.88)	(1.88)
To Enterprise Fund	-	-	(0.50)	(0.50)
Stabilization Reserve	(1.03)	(3.06)	(3.06)	-
Reserved for Current 53rd Week Medicaid Costs	-	(10.30)	(10.30)	-
Subtotal Transfers & Reserves	(4.02)	(13.36)	(18.73)	(5.37)
Grand Total	(0.00)	(33.61)	(0.00)	33.61