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Change is a challenge

As the Legislature undertook its work this year, it faced the daunting challenge of filling a \$154 million budget gap, and yet legislative leaders showed a curious lack of urgency or concern.

One of the reasons was that many of the tough decisions that awaited both the Legislature and the Douglas administration had been obscured by a bewildering fog. The fog was called Challenges for Change.

Challenges for Change was the name given to a plan for reorganizing state government to achieve new efficiencies through new technology, reorganization, and consolidation. The plan, developed by consultants, was adopted by the Legislature in February, and it promised to eliminate \$38 million from the budget.

There were skeptics. What precisely was being proposed? Vague promises of consolidation and efficiency were bruited about. In the background the Douglas administration was working with state agencies to fashion new ways of doing business.

In past years the budget process worked differently. Gov. James Douglas proposed a budget that targeted a range of agencies for cuts, prompting opposition from Democrats who came to the defense of specific agencies. Eventually, with much controversy, a sort of compromise emerged or, as occurred last year, the Legislature adopted its budget over the governor's veto.

This year the cuts are taking shape within the fog of the process known as Challenges for Change. The Challenges process is separate from the regular budget process, and because it is happening in the fog, controversy has been muted, allowing for that curious lack of urgency from legislative leaders.

Now the fog is beginning to lift, and the controversy is growing. Last week the administration began to provide additional details of the kind of changes it is contemplating.

The Challenges for Change process sought to skirt the ordinary budget process by approaching the budget on the basis of what are called "outcomes." It started with a budget outcome — the state would have to make do with \$38 million less. Working backwards from that outcome, the agencies and the Legislature had to find solutions.

House Speaker Shap Smith notes now that many of the administration's proposals cannot occur without statutory changes enacted by the Legislature. And in some areas those changes will not be forthcoming.

The Challenges process has thrust upon the Legislature changes that individually it would probably never contemplate. It appears that the administration is proposing severe consolidation of the permit process within the Agency of Natural Resources, including voluntary certification of compliance with environmental regulations. Douglas has long sought to weaken environmental regulation, and this topsy-turvy budgeting process may give him a vehicle for doing so — unless the Legislature intervenes.

Education proposals that would speed school consolidation for greater administrative efficiency and greater economies of scale are not likely to pass muster with the Legislature. In any event, it is hard to tease out the savings to the state budget that would have followed from changes in local education spending.

Some of the startling changes proposed by the Douglas administration come in the area of economic development, where some of the state's innovative and relatively low-cost programs would get the ax. The Council on Rural Development, for example, would lose its \$47,000 state appropriation, though the office brings more than that to the state in foundation and federal money. It has proven to be an important catalyst for change within communities around Vermont, including Rutland where the Creative Economy initiatives represent an important spin-off of the council's work.

The plan also envisions the consolidation of a variety of economic development programs, including economic development corporations and regional planning commissions. Is doing away with regional planning commissions really a good idea? The commissions are an important source of information and joint action throughout the state.

The response to caviling about individual spending cuts is to say that something must be cut and that all cuts are painful. But by assuming \$38 million in cuts even before it is understood that the cuts are wise is to swing one's blade with a blindfold on. Now the blindfold is coming off. Time is running short for the Legislature in assessing whether these changes are for real and whether they make sense. Legislators don't want to approve changes shrouded in mystification. Details must be forthcoming.
