

# Vermont in Transition:

*A Summary of Social Economic and Environmental Trends*

*A study by*

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*for the*

**Council on the Future of Vermont**

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## Chapter 14: GOVERNANCE, CIVIC ENGAGEMENT AND QUALITY OF LIFE



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## Chapter 14:

# GOVERNANCE, CIVIC ENGAGEMENT and QUALITY of LIFE

Vermonters tend to be independent and civic minded, and this is reflected in government from the local level up through the state's national representation. One of only four states to join the union as an independent republic, Vermont's tradition carries on through third party candidacies and politicians with no party affiliation, including a current U.S. Senator. The state's civic nature comes from its "user friendly size" and rural heritage, both of which contribute to Vermont's social capital and help it steer clear of the type of intense, corrosive political partisanship that is so common in other areas of the country. This sense of a shared community manifests itself in many ways from attendance at Town Meetings to high rates of voluntarism and a part time citizen legislature. In Vermont, all politics are local.

While rooted in the state's tradition of independence and civic participation, the Vermont form of governance might be described as dynamic progressivism. Through government, Vermonters seem quite committed to making both their local communities and the larger world a better place. In fact, a Pew Center study on state governance faulted Vermont, in part, for its overly ambitious attempts to change the world. The rating system gave Vermont a B in 2008 with mixed praise: "Vermont is a national leader in handling small discrete issues and huge global ones. . . It's in that in between territory that the state tends to fall short."<sup>1,2</sup>

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<sup>1</sup> "Grading the States." <http://www.pewcenteronthestates.org/uploadedFiles/Grading-the-States-2008.pdf>, page 89.

<sup>2</sup> The Report Card went on to give Vermont especially bad grades for planning: "Unfortunately, the state is short on formal long-range strategic thinking...the state ought to be able to develop a strategic plan focusing on five- to 10-year outcomes." the report says. "A couple of years back, it looked like progress was being made on this front when Vermont leaders kicked off their so-called 'Strategic Enterprise Initiative.' But even though each agency drew up goals, these were never compiled into a state plan, and most of the agency goals have been tabled or delayed." Ibid.

Lest we focus excessively on "State Government," we need to remind ourselves that the bureaucracy of the State is only the tip of a much larger iceberg. Effective governance is not a product of formal and bureaucratic mechanisms of government alone. The governed, as social scientists remind us, must comply with those who collect our taxes, and agree to abide by the laws enacted by elected officials and administered by the State. But there is another aspect of governance that is equally important—what citizens do voluntarily to supplement and augment the work of formal government. Sometimes this preserves the *status quo* and sometimes brings about change. Unlike formally organized Government (with a capital "G") Vermont has in place a strong network of civic participation to meet constantly changing public needs. Such extensive voluntary participation, according to Alexis de Tocqueville in the 19<sup>th</sup> century, is one of the hallmarks of democratic America, and is still a cornerstone of life in the Vermont tradition.

The voluntary sector, often supported by charitable contributions, serves more diverse functions than those accomplished by government. These generally fall on a continuum between two poles: those functions that supplement the work of the state and those that are strictly based upon service for common interests. In the former, for example, we find volunteer firefighting departments, parent teacher organizations, planning commissions, United Ways, organizations to support rural life, food shelves, and homeless shelters. In larger states, government agencies or departments are likely to perform more of these functions than in a small cohesive state like Vermont. At the other end of the spectrum are the many special interest groups organized to further some cause (e.g., land trusts, advocates for a cure or treatments for a specific disease, Chambers of Commerce, farmer organizations) and those that are clearly outside the realm of governments such as book discussion groups, hiking clubs and religious organizations.

## Trends in Governance and Civic Engagement

*Trend Number 1: Vermont continues to serve as a strong example of active political engagement and participation, and increasingly so for women.*

From the broad national perspective, Vermont compares very favorably to other states in terms of political participation. A recent report on civic health by the Case Foundation ranked Vermont 13<sup>th</sup> for voter turnout for the 2002 and 2004 elections. This puts election turnout in Vermont substantially above the national average and in a similar league with the state's larger neighbors; New Hampshire was ranked 10<sup>th</sup> and Massachusetts 16<sup>th</sup>. In contrast, New York was 47<sup>th</sup>.<sup>3</sup>

Vermont has had a substantially higher rate of voting than the national average over the past three decades (see chart next page). During midterm elections, voter turnout approaches or exceeds the 50% rate of voting typically seen in the national electorate during presidential elections. Over the last three decades, Vermont's voter turnout has been around 30% higher than the national average.

On the state and local level, a 2008 survey conducted by the Center for Rural Studies at UVM confirmed that Vermonters hold great value in the participatory nature and accessibility of government in the state.<sup>4</sup> Over 70% of respondents agreed or strongly agreed that they "value the accessibility of government in Vermont," and 83% agreed with the following statement, "I value the participatory government in Vermont." Nonetheless, two thirds of the Vermonters polled expressed a concern that their fellow citizens were not sufficiently engaged in their local government (see Appendix, chart 14 1).

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<sup>3</sup> "America's Civic Health Index." *The National Conference of Citizenship*. 2006

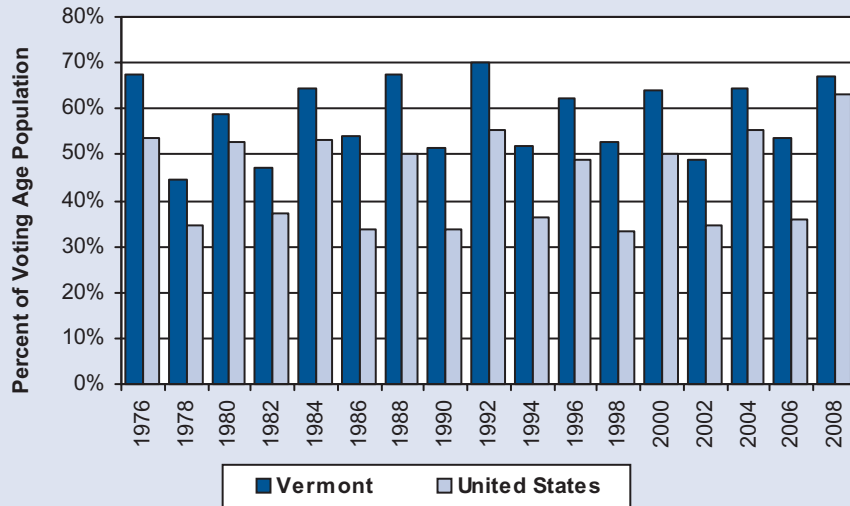
<sup>4</sup> Source: Center for Rural Studies (<http://crs.uvm.edu>) 2008 Council on the Future of Vermont Telephone Survey.

Besides helping to meet the utilitarian and functional needs of the state, civic organizations play an important role in enhancing social cohesion by helping to establish a normative consensus and preserving "moral order" within the state. The civil rights and environmental movements, for example, have helped foster reform, and in so doing have changed the focus of government. The human effort involved in this segment of Vermont is substantial, as is the degree of civic and philanthropic generosity that supports it.

The 246 cities and towns in the state are typically quite small by national standards, and so geographically dispersed and independent that they often rely on volunteer citizens and civic organizations to perform many of the critical functions such as zoning, planning, policing, commissions and athletic supervision. To be sure, there are many paid employees in local governments, but they are given direction by the legions of volunteers who serve on the many town councils, boards, commissions, and committees. As we will see later in the Chapter, there are 733 such units of government in Vermont, up from 682 in 1992. Statewide trend data summarizing historical changes in town governance were not available.

This chapter concludes with a consideration of quality of life, a concept that is difficult to define, but one that is certainly influenced in positive ways by the opportunities for engagements, both public and private, that Vermont offers its citizens. Community, independence, and a measured pace of life, all of which undergird Vermont's quality of life, reflects the state's institutions, its environment and its rural heritage.

### General Election Turnout Vermont and the United States 1976 to 2008



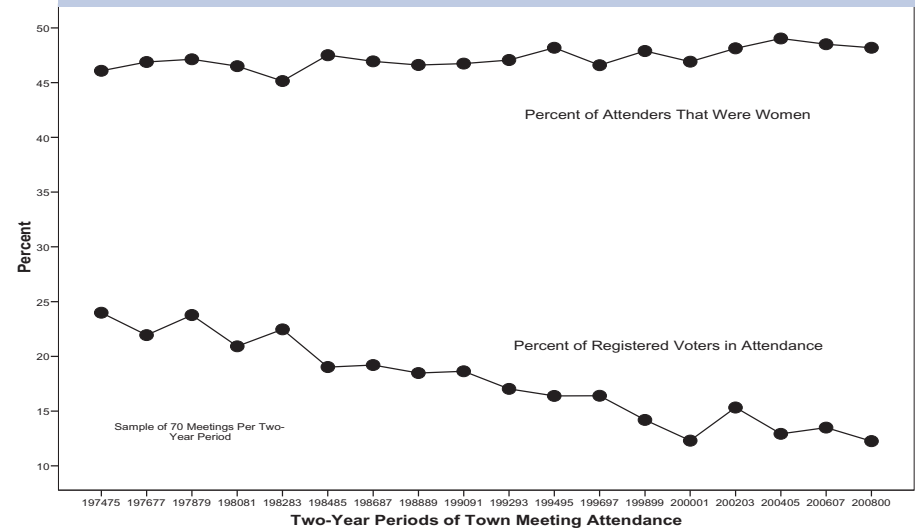
**Source:** "Vermont Voter Registration, Turnout and Absentee Voter Statistics: 1974-2006." <http://vermont-elections.org/elections1/1974to2006RegPop.html>. And *Statistics of the Presidential and Congressional Election*. U.S. House of Representatives, Office of the Clerk.

For over 200 years, the tradition of town meetings has been considered a cornerstone of small town governance in Vermont. While the concept of the local community coming together to decide local issues presents an attractive model of participatory democracy at its best, data indicates that it only functions that way for a minority of Vermonters. In fact, not all towns continue to use the town meeting format, but instead use a hybrid version. Vermont communities now follow one of three models for town meeting day: a floor meeting only; both a floor meeting and Australian balloting (and absentee); or only Australian balloting (and absentee).<sup>5</sup>

Over the past three years, the Secretary of State's office has published turnout data that accounts for these different models, but the range of variability for individual towns is so high as to make simple "averages" misleading.<sup>6</sup> According to UVM Political Scientist Frank Bryan, the two

most significant explanations for the decline in town meeting attendance are the advent of the Australian or secret ballot, and increasing town size. While Australian ballot increases the amount of citizen participation compared to meeting only communities, the degree of direct engagement is sacrificed. Based on statistical sampling, Bryan estimates that average turnout at Vermont Town Meeting was 20.5% during the years 1970-1998.<sup>7</sup> His research has also generated the following chart that displays estimates of town meeting attendance since 1974, as well as a separate line depicting strong participation for women at these meetings.<sup>8</sup> This, he explains, "is the only legislative assembly in America" where women so dominate.<sup>9</sup> Other estimates based on figures supplied by the Secretary of State's office appear in Appendix 14 2, but should be viewed with caution because of problems of representativeness and data collection.

### Vermont Town Meeting Attendance 1974 to 2008



**Source:** Frank M. Bryan, "Real Democracy" (Chicago: University of Chicago Press, 2004) and the Real Democracy Database, <http://uvm.edu/~fbryan>

<sup>5</sup> Australian voting means completing secret ballots.

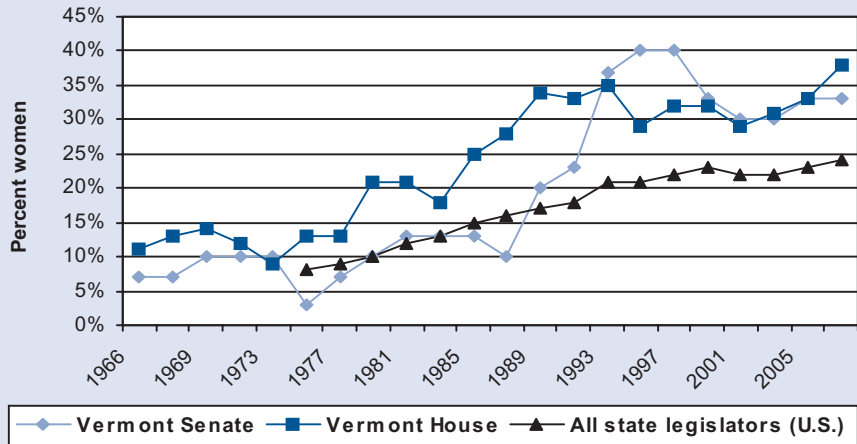
<sup>6</sup> Vermont Secretary of State. <http://vermont-elections.org/elections1/townmeetingturnout.html>

<sup>7</sup> Source: Bryan, Frank and Susan Clark, "All Those in Favor," RavenMark Press, 2005.

<sup>8</sup> Frank M. Bryan, "Real Democracy" (Chicago: University of Chicago Press, 2004) and the Real Democracy Database, <http://uvm.edu/~fbryan>.

<sup>9</sup> Frank M. Bryan, personal correspondence, October 13, 2008.

**Percent of Legislators Who Are Women  
Vermont Senate, House and All State Legislatures  
1966 to 2007**



**Source:**  
[www.niaa.nih.gov/Resources/DatabaseResources/QuickFacts/AlcoholSales/consumption](http://www.niaa.nih.gov/Resources/DatabaseResources/QuickFacts/AlcoholSales/consumption),  
 Center for American Women and Politics, Eagleton Institute of Politics, Rutgers  
 University. [www.cawp.rutgers.edu/Facts3.html](http://www.cawp.rutgers.edu/Facts3.html)

*Trend Number 2: After Republican majorities dominated Vermont politics for many decades, Vermont’s political orientation has become increasingly Democratic.*

While many have noted that Vermont political parties are not as bitterly partisan as in other states, party affiliation is not unimportant and over the past century the Democratic Party has experienced gradual ascendancy within state politics. At the presidential level, a once reliably Republican state has moved firmly to the Democratic column. From 1964-2004, Vermont voted for a Republican 6 out of 7 times through 1988, but since then, it has voted exclusively for Democrats, contributing to Vermont’s national reputation as one of the “bluest” and most liberal states in the country. In the 2008 presidential election, Vermont gave Obama the highest percent of votes (67%) of any of the 48 contiguous states.

A similar shift to the political left occurred among Vermont’s representatives to Congress. Senator Patrick Leahy’s 1974 election marked the first Democrat elected to Congress from Vermont since the Civil War, and he continues to hold that position. The other Senate seat was held by Republican Robert Stafford from 1971 to 1989, after which Republican Jim Jeffords moved into the Senate from the House. His abrupt departure from the Republican Party in 2001 to become an Independent created a national power shift that further contributed to Vermont’s reputation as politically liberal. Today, Bernie Sanders, an independent, has taken over the Senate seat held by Jim Jeffords after serving for a number of years in the U.S. House of Representatives. As a House member, Sanders had been the first Democratic Socialist elected Congress since the Great Depression.

Women also play an increasingly important role in state politics. In recent times, the election of Governor Madeleine Kunin, the first elected female governor in the country, symbolized the changes that were taking place. The chart below shows that Vermont has consistently elected a greater percentage of women to the state legislature than other states. Since 1993, Vermont’s rate of electing women to the legislature has been 8% to 19% greater than the national average. In 2007, Vermont had the highest proportion of female legislators in the country at 37.8%, just ahead of New Hampshire at 35.6%.<sup>10</sup> At the same time, the state has yet to elect a female U.S. Representative or Senator. Also see the key role of women in Vermont’s labor market in Chapter 4 on the Economy.

Electoral Vote Cast for President by Major Political Party Vermont and United States 1964 to 2004												
	1964	1968	1972	1976	1980	1984	1988	1992	1996	2000	2004	2008
Vermont	D	R	R	R	R	R	R	D	D	D	D	D
United States	D	R	R	D	R	R	R	D	D	R	R	D

According to Professor Frank Bryan, the shift from Republican to Democratic dominance did not start with the influx of young liberals into Vermont in the 1960s

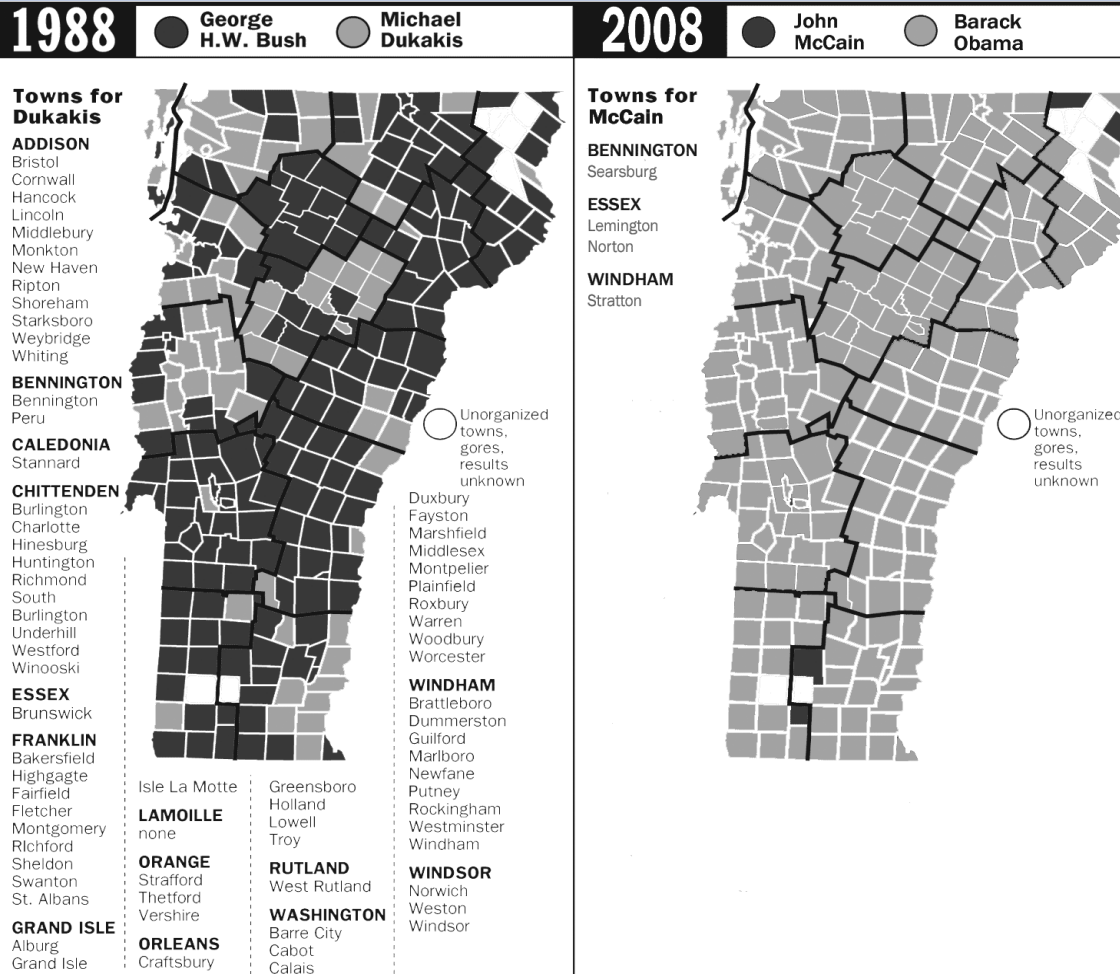
<sup>10</sup> Center for American Women and Politics, Eagleton Institute of Politics, Rutgers University.

and 1970s, but could be traced back to Phil Hoff's election in 1962, the first Democratic Governor in 110 years. "Republicans in Vermont," Bryan argues, "were always more liberal than Republicans elsewhere in the country. The tone set by the national Republican party didn't sit well with Vermonters." The new migrants to Vermont played an important role, but the shift may have been seen a decade earlier.<sup>11</sup>

The seeming hegemony of one party in Vermont is not complete. Even currently with a strong majority in the state legislature, dominance in national representation, and a former democratic governor as national party chair – Vermonters have elected and re elected a Republican Governor and Lieutenant Governor now for several terms.

Since 1854, all but four of the 58 Vermont Governors (Hoff, Salmon, Kunin and Dean) have been Republicans, and all of the Democratic Governors have served since 1963. The ups and downs of party influence in the State Legislature can be

## Votes in the 1988 and 2008 Presidential Elections by Vermont Town



**Source:** [Burlington Free Press](#), October 19, 2008, based on data from the Vermont office of the Secretary of State.

seen in the chart on the next page. The dominance of the Republicans in 1967 is roughly matched by the dominance of Democrats in 2008. The gradual increase in Independents and Progressives, although still small in numbers, is another notable trend.

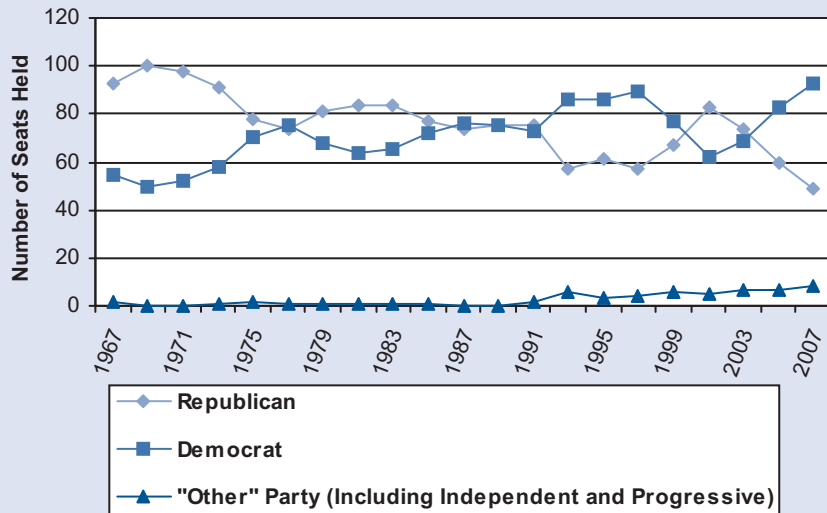
Befitting the state's small size, the total itemized political contributions from Vermonters over the previous (Presidential election) year ranks 47<sup>th</sup> in the nation, one place ahead of the state's population ranking. Vermont's political action committee donations (PAC), ranks near the bottom as well, at 46<sup>th</sup>. Apparently Vermont is not seen as a state in which money can buy the same degree of influence as in other states. In the recent primary election with two strong

Democratic presidential candidates who have consistently out raised their Republican counterparts, Vermont nevertheless came in 1<sup>st</sup> among all 50 states in terms of percent donated to Democrats. Thus, while total political contributions fall in line with the size of the state, those contributions overwhelmingly favored the Democratic Party.<sup>12</sup> See Campaign Finance Summary in the Appendix (14 3).

<sup>11</sup> [Burlington Free Press](#), October 19, 2008. See also Frank Bryan's book, *Yankee Politics in Rural Vermont*, New Hampshire University of New England, 1974.

<sup>12</sup> Center for Responsive Politics. <http://opensecrets.org/states/summary.php?state=VT>

### Vermont House Membership by Party Affiliation Vermont 1966 to 2007



Source: "Vermont House Party Membership."  
<http://www.leg.state.vt.us/HouseClerk/Legislative%20Process.htm>

### Trend Number 3: The relative efficiency of the State's Legislative Branch has dropped over time.

Although state legislatures cannot be cleanly divided between 'full time' and 'part time' entities, larger states tend to have more full time legislative bodies with larger staffs and higher compensation levels. Among our neighbors, the National Conference of State Legislatures identifies the New York and Massachusetts legislatures as being significantly more "intensive" than Vermont's. While Maine is seen as similar to Vermont's, New Hampshire is categorized as "less intensive."<sup>13</sup>

Given the part time nature of the Vermont legislature, there is frequent discussion about how long each session lasts. Over the past two decades the length of the legislative session has fluctuated between 59 days and 94 (see Appendix, 14 4). As can also be seen in the chart in the appendix, the

<sup>13</sup> NCSL Backgrounder: Full- and Part-Time Legislatures. [http://www.ncsl.org/programs/press/2004/backgrounder\\_fullandpart.htm](http://www.ncsl.org/programs/press/2004/backgrounder_fullandpart.htm)

number of days taken to pass an appropriations bill has fluctuated substantially from year to year as well.<sup>14</sup>

Examining the efficiency of a legislature is complicated by many factors, including changes in elected officials as well as changes in the political, judicial, and social environment.<sup>15</sup> Recognizing that no two bills are the same, it is still possible to identify a few general trends among the hundreds of bills that are introduced and passed each year. In the 1959 1960 legislative year, 517 bills were introduced, of which 331 passed—for a "bill passage rate" of 64%. Over the next forty years, the legislature

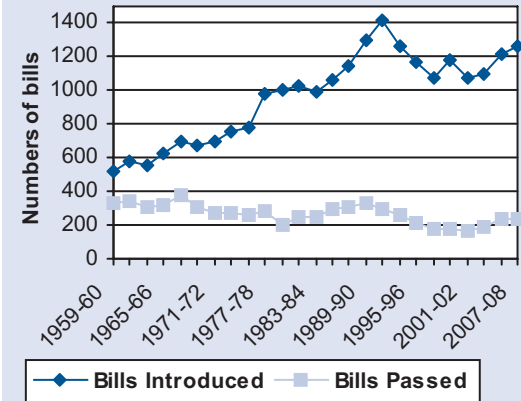
has gradually passed fewer bills, roughly five and a half less each year. At the same time, the number of bills introduced per year has jumped by nearly 32 per year. In the 2007 2008 session 1,268 bills were introduced, of which only 242 were passed: a ratio of 19%. This shift in the ratio of "bills introduced" to "bill passed" may be a sign of increasing partisanship and inefficiency. At the same time, a legislature that blocks "bad" bills from coming into law could also be seen as efficient.

The declining percent of bills passed by the Vermont Legislature cannot be attributed entirely to increased partisanship. Since 2003, a Republican Governor, Jim Douglas, with a Democratic legislature, has had a slightly higher bill passage rate (18.5%) than during Democratic Governor Howard Dean's tenure with a Democratic legislature (17%). This trend towards a lower

<sup>14</sup> <http://www.leg.state.vt.us/HouseClerk/Legislative%20Process.htm>

<sup>15</sup> No significant changes in the Judiciary branch of State Government were identified in this report, and interviews with court officials also reflected the stability of cases which they process. See Appendix 14-5 and 14-6.

### Number of Bills Introduced versus Passed in the Legislature 1959 to 2008

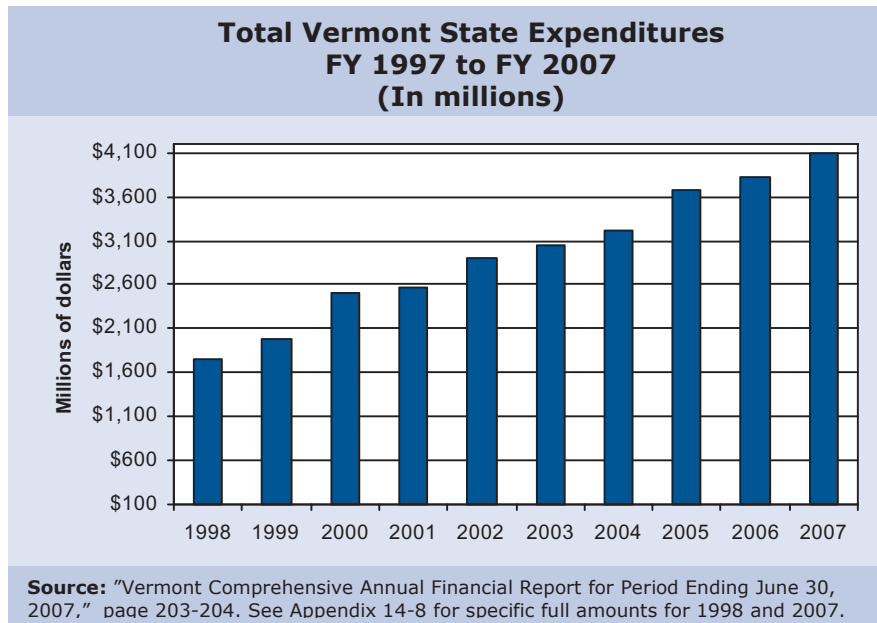


Source:  
[www.leg.state.vt.us/HouseClerk/Legislative%20Process.htm#Appropriations](http://www.leg.state.vt.us/HouseClerk/Legislative%20Process.htm#Appropriations)

pass rate has also been observed at the national level. In the United States Congress, 20 years ago the pass ratio was 7.9%, in the last full session (2005-2007), the ratio was 3.8%. Despite similar trends, the Vermont legislature continues to have a higher pass rate than the U.S. Congress. Of course, this should not be a surprise as the U.S. Congress has more complex and heterogeneous constituencies than the Vermont Legislature.

*Trend Number 4: There has been significant growth in the size and budget of State government and shifts in the sources of revenue.*

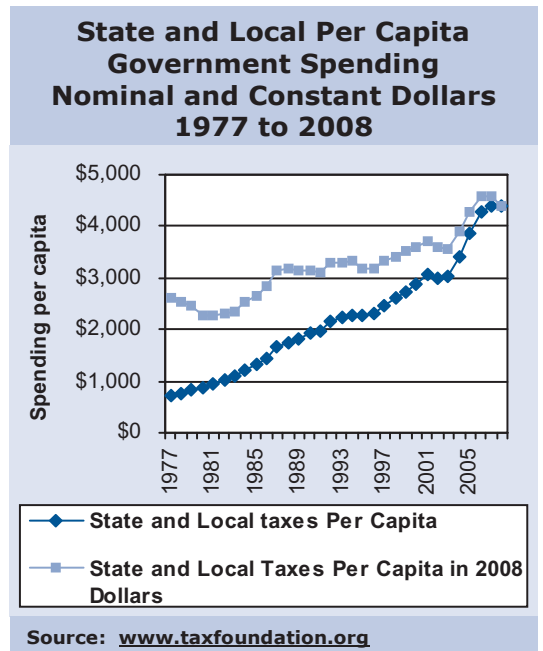
Vermont State expenditures have increased significantly over the past several decades, and so have revenues (see Appendix 14 7). But all categories of expenditures did not go up evenly. The single largest movement within the budget was the inclusion of much higher educational spending by the State as a result of statewide property tax introduced in response to Act 60. The impact of this change can be seen in the growth of general education expenditures, which increased from 18% in 1998 to 39% in 2007 of the state budget (see Appendix 14 8). This movement was so large that it caused the rest of the categories (except for capital outlay) to see a reduction in their share of the budget over the



decade. In this case, rather than focusing on the percentage share of expenditures, a look at the actual expenditures shows a significant increase in the human services category. In fact, within a decade the amount of money spent on human services—over a third of the budget—approximately doubled. The steep growth in total State expenditures is illustrated in the previous chart.

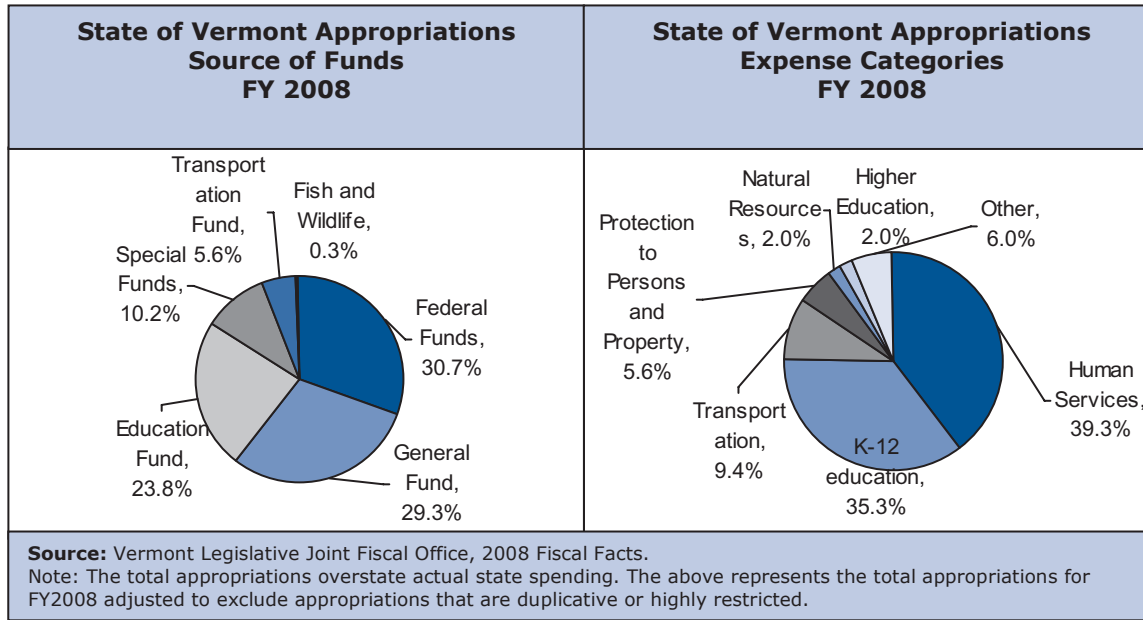
One of the major drivers of the increase in the overall Human Services budget is an increase in the Corrections budget (see Chapter 13, Crime and Corrections). Dramatic jumps in the number of incarcerated prisoners have consumed higher proportions of the State budget. The General Fund Appropriations for the Corrections Department increased from \$38,843,868 to \$113,967,554 in the four years between FY2004 and FY2008. This was a change from about 13% of the total allocation for the Agency of Human Services to 23%. Meanwhile, other parts of that budget fell during the same period, including the proportion going to the Department of Children and Families—from \$118,202,552 to \$80,253,588 (see Appendix 14 9 on Welfare spending). Budget increases for other crime and public safety issues are also substantial, but are listed under the budget of other agencies. State expenditures in the five largest categories are depicted in Appendix, 14 10.

Looked at more precisely, between 1975 and 2005, state expenditures (measured in constant dollars) increased by 134.4%. These increases may seem high, but to put these changes in perspective, they are well below the increase in per capita income for the period. For example, in 1975, Vermont per capita income was \$5,197. By 2005, per capita income in Vermont had increased to \$32,716. Government spending as



a percent of per capita income has remained largely constant at 11%. The percentage has varied between 9.5% and 11% over the last 30 years.<sup>16</sup>

Higher government spending usually leads to growth in more public employment. Over the past decade, the number of executive branch employees has increased by 20%. Within the past five years, public safety—

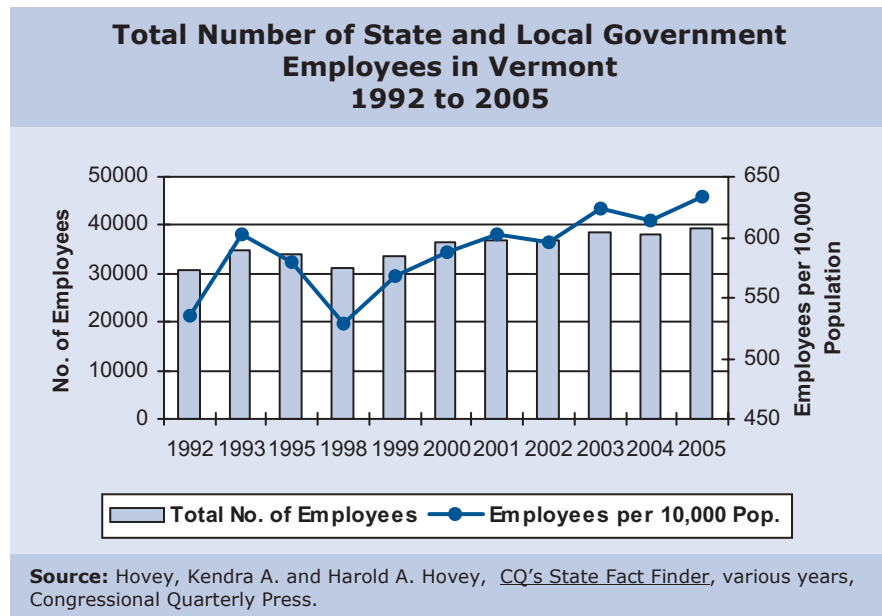


including Corrections—has been among the fastest growing area in state government. The Vermont Department of Corrections alone grew by 16% from 2003 to 2007, adding about 160 new full time equivalent positions. Moving in the opposite direction, the Departments of Labor and Transportation lost about 50 and 31 employees respectively. See Appendix 14 12 and 14 13 for

charts illustrating changes in the number of state employees as well as a 2007 breakdown by agency/department.

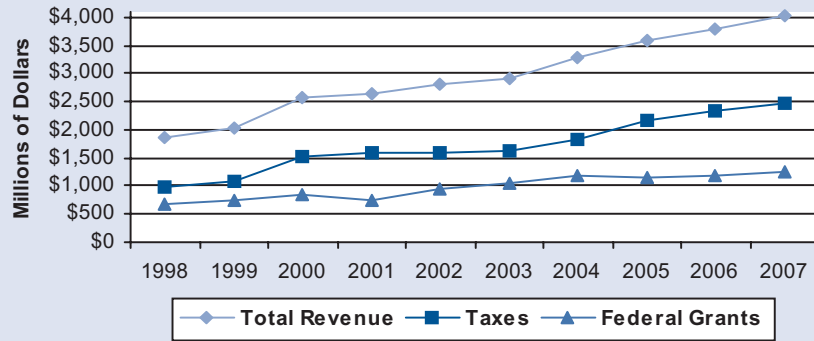
This trend of increasing government employment is not confined to the Executive branch. As we can see in the figure on the left, the total number of state and local government employees has trended up; and since 1998, the number of total employees relative to the size of the population has increased as well. The biggest change in government has occurred at the local level, with a sizable increase in the number of school employees (see Chapter 10 on Education for more detail). For nearly every year that data was available, Vermont's total number of government employees per 10,000 people ranked among the top half of the 50 states. The total number of the various "units of government" in the state (towns, water districts, etc.) has also increased since 1992 so that Vermont now has a total of 733 distinct governmental entities (see Appendix 14 14). Trends in State and local general expenditures are depicted in the Appendix, 14 11.

There has also been a general increase in the use of dedicated funds rather than drawing from the general fund. In the past 10 years, portions of the sales tax, the purchase and use tax, tobacco taxes, and others have all been



<sup>16</sup> U.S. Department of Commerce. Bureau of Economic Analysis. <http://www.bea.gov/regional/spi/default.cfm?satable=summary>

**Vermont State Revenues  
Total and Amount Derived from the Two Largest  
2007 Sources\* (in millions)  
FY 1997 to 2007**



**Source:** "Vermont Comprehensive Annual Financial Report for Period Ending June 30, 2007." \*In 2007, these two sources accounted for 92% of all revenues; in 1998, the proportion was 90%.

dedicated for specific purposes.<sup>17</sup> As a result, the general fund, which is the primary source of funding for health care, human services, education and other major functions of state government, has become increasingly supported by the personal income tax. In 1975, only 37% of the support for the general fund came from the personal income tax, but by 2005, it was 47.6%.<sup>18</sup>

The two pie charts on the previous page offer a comparative analysis of the source of appropriation funds as well as the expense categories.

The growth in state expenditures has been in line with the growth in state revenue. In the accompanying graph above, the state's total revenue grew from 1.8 million dollars in 1998 to just over 4 million dollars in 2007.

The table below shows the specific taxes in place in Vermont and how they have changed since 2000. While 21 separate taxes are listed, 70% of Vermont's revenue is raised from just three sources; the property tax, the income tax and the sales and use tax. The most notable change in this short period is the net statewide property tax, which has grown from 28% of all tax revenues in 2000 to 31% in 2005. Vermont's tax structure is discussed further in Chapter 5, Affordability, but

<sup>17</sup> Legislative Joint Fiscal Office, "2006 Vermont Tax Study," January 16, 2007, pages 1. 3.

<sup>18</sup> Ibid., page 88.

**Revenue Sources in Vermont  
2000 and 2005**

	Fiscal Year 2000		Fiscal Year 2005	
	Millions	%	Millions	%
<b>Taxes on Income</b>				
Income	\$432	26%	\$501	24%
Corporate	51	3	60	3
Estate	14	1	19	1
<b>Taxes on Consumption</b>				
Sales & use	231	14	311	15
Meals, rooms, alcohol	92	6	113	5
Purchase & use	714	4	84	4
Gasoline	62	4	66	3
Insurance premiums	30	2	50	3
Cigarette	24	1	46	2
Diesel	15	1	16	1
Liquor	9	1	13	1
Bank franchise	8	1	9	1
Beverage	5	1	5	1
Electric generation	4	1	3	1
Lottery	19	1	20	1
<b>Taxes on Property</b>				
Net statewide property	467	28	656	31
Property transfer	21	1	45	2
Telephone	10	1	11	1
<b>Other</b>				
Motor vehicle fees	43	3	56	3
General fund, other	29	2	24	1
Transportation fund, other	12	1	16	1
<b>Total</b>	<b>1,649</b>	<b>-</b>	<b>2,122</b>	<b>-</b>

Source: Vermont Tax Study, Volume I, Comparative Analysis, January 16, 2007  
<http://www.leg.state.vt.us/JFO/Reports/2007-01%20Vermont%20Tax%20Study%20-%20Volume%201.pdf>

also see Appendix 14 15 and 14 16, which provide a view of all state and local revenue from the Federal Government for the period of 1992 to 2004.

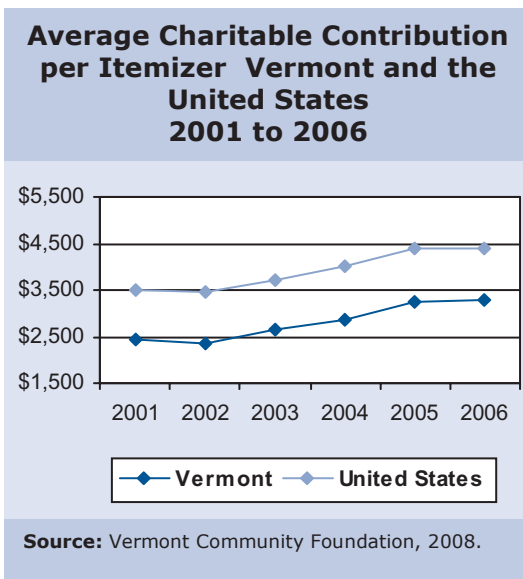
Fines and penalties are missing from the table above, but are high revenue growth areas. Higher growth among these sources was necessary to compensate for federal grants, which grew significantly less than total revenues. The fraction of state revenues from federal grants has declined from 37% of the state budget in 1998 to 31% in 2007, so more state revenues are generated in state. Unfortunately, one of the difficulties in interpreting the state budget is that funds are sometimes shifted from one category to another making it appear that there is an increase or a decrease when neither may be true.<sup>19</sup>

<sup>19</sup> Legislative Joint Fiscal Office, "2006 Vermont Tax Study," January 16, 2007, page 1.

Gross numbers tell only part of the state revenue story. There has also been a trend toward consolidating taxation at the state level. In 1995, approximately 64% of all tax revenue in Vermont was collected by the state with the remainder by local governments. By 2006, 77% of all revenue was collected by the state. “This shift is largely the result of the state education tax implemented in fiscal year 1999.”<sup>20</sup>

*Trend Number 5: Among Vermonters, voluntary financial support for charity is significantly lower than it is in most states, and recent increases are not likely to shift the state’s relative position in the foreseeable future.*

As we have seen repeatedly, many of Vermont’s trends and rates are a consequence of its distinctive demographic profile. So it is with charitable giving. To paraphrase a recent article on the subject: “Which are the nation’s cheapest states? Pick the blue ones.”<sup>21</sup> Conservatives (and states dominated by conservatives) tend to give most generously to charitable causes, particularly to religious causes, the largest single recipient category of charitable giving. Combine this with four other facts: 1) Vermont is one of the “least church’d” states in the nation; 2) African Americans are, relative to their income and wealth, significantly more generous in contributing to charities than are Whites; 3) New England as a whole is relatively miserly compared to the rest of the



country; and 4) rural states and rural communities face additional challenges in securing grants from foundations. These factors work together to contribute to our relatively tightfisted ranking. According to the Vermont Community Foundation, giving in the United States has stood below 2% of the nation’s GDP and well below 2% of personal income for decades. The Vermont Community Foundation also tells us that Vermont has been and continues to be “one of the ten most philanthropically challenged states in the nation,” with an asset base that ranked it among the lowest five (2005).<sup>22</sup>

Most of the giving in Vermont is from individual contributions (90%), not foundations or corporations. This amounted to \$253,000,000 in 2006.<sup>23</sup> While charitable contributions have increased in total by 31% from 2001 to 2006, average individual giving remains 25% below the national average. The average charitable contribution per itemized tax return was \$3,301 in 2006, ranking the state 47<sup>th</sup> of the 50 states, an amount that is only 75% of the national average. According to another system of ranking known as the “generosity index,” which covers 10 years of data, Vermont is 46<sup>th</sup> of the 50 states. If we adjust that data for average income, Vermont’s position over the 10 year period fell from 28<sup>th</sup> to 40<sup>th</sup>. Simply put, Vermont households donate less than the national average at all income levels. The trend is not likely to be reversed by the wealthy leading the way. According to the Vermont Community Foundation, between 1995 and 2004, “...the wealthiest Vermonters (households with incomes over \$200,000) reduced their charitable giving as a percent of their adjusted gross income...from 4.2% to 3.5%.” None of these figures accurately reflect person to person giving or generous acts of charity that are not officially recorded by the IRS or other official data sources.

Two of the most prominent players in Vermont’s philanthropy network are the United Ways and the Vermont Community Foundation, both “umbrella” groups for other organizations. The collected United Ways of Vermont raised \$8.6 million in 2006, close to half of which was raised in Chittenden County, another way in which the state’s largest urban center manifests its demographic and economic hegemony within the state. The

<sup>20</sup> Ibid.

<sup>21</sup> MacDonald, G. Jeffrey, “Who are the nation’s ‘cheapstates’? Try the blue ones,” *Christian Science Monitor*, December 22, 2004.

<sup>22</sup> Vermont Community Foundation, internal documents “Individual Giving” and “Rural Philanthropy and Vermont,” 2008.

<sup>23</sup> Ibid.

\$8.6 million was an increase from \$7.2 million in 2002, a real increase in constant dollars, and an amount that in 2006 was equivalent to about \$14 per person or \$35 per household.

The Vermont Community Foundation is a pooled collection of over 500 charitable funds, with assets of \$167 million at the close of 2007, a significant increase over 1998 when their assets were just under \$50 million. Over the same time period, their grants increased from \$7.1 million to \$12.6 million. One of about 700 Community Foundations in the nation, the IRS considers the Foundation a “public charity” rather than a “private foundation” because they raise such a high proportion of their money from a broad cross section of the public each year.

*Trend Number 6: The number of Vermont charities and foundations has increased significantly since 1996.*

*Vermonters have high rates of volunteering compared to the rest of the nation, and the rates have been fairly steady in recent years.*

For more than a century, America has distinguished itself from Europe by its propensity for active citizen involvement. There is truth in the claim that America is a “nation of joiners.” No problem is too small to not be subject to some form of volunteer effort. With the encouragement of tax laws that privilege nonprofit organizations in addition to a widespread suspicion of government, the nation is home to nearly one million non profit organizations. The National Center for Charitable Statistics, reports there are 5,803 registered nonprofit

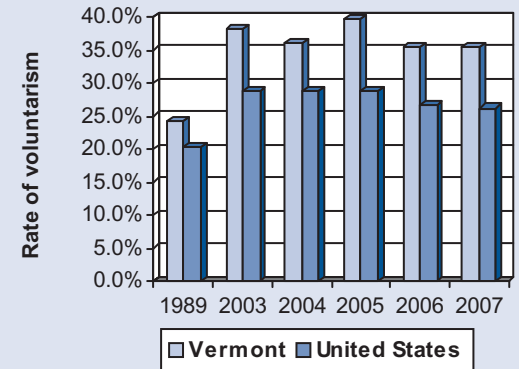
<b>Vermont’s Public Charities and Private Foundations 1996 and 2006</b>			
	<b>1996</b>	<b>2006</b>	<b>% change</b>
501c3 Public charities	2,264	3,614	59.6
501c3 Private foundations	182	354	94.5
Other 501c nonprofit organizations	1,895	1,835	-3.2
All nonprofit organizations <sup>24</sup>	4,341	5,803	33.7

<sup>24</sup> The category of “other” nonprofit organizations listed above includes such entities as labor unions, fraternal associations, business leagues, and political parties. National Center for Charitable Statistics, The Urban Institute, “Number of Nonprofit Organizations in Vermont, 1996-2006,” [www.nccsdataweb.urban.org](http://www.nccsdataweb.urban.org)

organizations in Vermont alone. These numbers are rising yearly, and may be categorized as presented in the table (Vermont’s Public Charities and Private Foundations):<sup>25</sup>

Roughly one out of four Americans volunteer every year, but the percent is significantly higher in Vermont. Since 2003, the rate has been between 36% and 40% of the over age 16 population. This earned Vermont the 8<sup>th</sup> place in the 2007 national ranking.<sup>26</sup> The state’s high rate is also partly due to the demographic make up of Vermont. Liberals are more likely to volunteer than conservatives, White non Hispanics are more likely to volunteer than other ethnic groups, and participation rates increase with education. Given what we have seen in prior chapters, the demographics of Vermont favor high rates of voluntarism.

**Volunteer Rate of the Over Age 16 Population Vermont and United States 1989, 2003 to 2007**



**Source:** Corporation for National and Community Service, “Volunteering in Vermont,” [www.nationalservice.gov](http://www.nationalservice.gov).

Volunteering among both men and women significantly exceed national averages, as do our college students and citizens of every age. Even the average number of hours given by volunteers in Vermont is higher than the national average. While both have been dropping in the past 6 years, the average yearly number of hours per capita is estimated to be 41 hours for Vermont, six hours longer than the national average.<sup>27</sup> Looking only at volunteers over the age of 16, the average is closer to 52 median hours per

<sup>25</sup> Taken together, the nonprofit sector accounts for about 8% of all wages and salaries paid in the United States National Center for Charitable Statistics, The Urban Institute, “Quick Facts About Nonprofits,” [www.urban/prg/statistics/quickfacts.cfm](http://www.urban/prg/statistics/quickfacts.cfm)

<sup>26</sup> Corporation for National and Community Service, “Volunteering in Vermont,” [www.nationalservice.gov](http://www.nationalservice.gov)

<sup>27</sup> Ibid.

year.<sup>28</sup> Nationally, the religiously affiliated organizations are the most common beneficiaries of volunteers, drawing about 35% of all volunteers. Here in Vermont, educational organizations top the list for the largest proportion of the state's volunteers at 32%; religious groups were a distant second at 19%. The third most common area for volunteers is social service associations (14%) and then health organization (10%). The most common volunteer is a 35 44 year old parent who is associated with an organization in which his or her children are involved. Data from the national surveys show that as educational levels increase, the likelihood of volunteering for an educational organization increases.<sup>29</sup> For a list of the distribution of activity categories performed by volunteers, see Appendix, 14 17.

*Trend Number 7: Over the past 15 years, measures of overall "quality of life" of Vermonters reveal more continuity than change, but there is also evidence of decreased optimism.*

This report is replete with quantifiable indicators of trends in many of the most important areas of life in Vermont. But there is more to life than can be encapsulated with statistics alone. Those of us who live in Vermont are often quick to point out to friends and family from other states that it is the "quality of life" that keeps us here. But at most, we have only imperfect measures to justify our claims, and many of these are reported in previous chapters. We assume that if incomes and education levels rise and the physical environment improves, that quality of life also must be improving. Conversely, when crime, illness and poverty rates go up, quality of life must be falling. Almost 20 years ago, the Vermont Business Roundtable contracted with the Social Science Research Center at Saint Michael's College to examine the "quality of life" in Vermont, knowing full well that the objective indicators of life are at best proxies for determining how people really feel about their lives.<sup>30</sup> The goal of what would become a series of four studies separated by 5 years of time was twofold. First, the studies tried to define how Vermonters defined the concept of "quality of life," and second, to track the trends in their subjective judgments of how

well they thought they were doing, especially in light of changing social and economic circumstances. A few selected findings from these four "Pulse of Vermont" studies are summarized below.<sup>31</sup>

People's perceptions of how satisfied Vermonters are with their "life as a whole" have changed little since 1990 (see next chart). In all four surveys, about 80% of the respondents were either "very satisfied" or "satisfied" with their lives, and these results were virtually identical with proportions found in national polls. The fact that Vermonters rate their well being at similar levels to other Americans might seem at odds with much of the objective data which frequently places Vermont as leading the nation in any number of indicators, but the authors suggest the following explanation in their 2005 report:

*...people's satisfaction with life is largely independent of their external environment or objective conditions. To the extent that our material conditions improve, we quickly adapt to the new standard of living and the net effect on life satisfaction may be small. What's more important... are the private aspects of life—such as family relationships and health.*

Vermonters expressed high levels of satisfaction with most of the 11 private domains of life, and these ratings were largely stable over time (e.g., their family and friends, their own educations, the town in which they live, their residence, and the religious and spiritual dimension of their lives). Satisfaction has declined in other areas, however. Vermonters' sense of job security has fallen, as has their satisfaction with wages, and the amount of leisure time they have—the latter falling from 66% satisfied in 1990 to only 54% in 2005.

Satisfaction with the "public" aspect of people's lives raised some concerns. As can be seen in the chart on the next page, the percent of respondents who felt that life in Vermont was "getting better" fell from 35% in 1990 to 19% in 2005 and the percent of Vermonters who felt that life in Vermont was "getting worse" rose from 30% to 37%. Compared to the 1995 study, higher percentages of respondents (71% in 2005) agreed

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<sup>28</sup> Bureau of Labor Statistics, "Volunteering in the United States, 2007," USDL 08-0090.

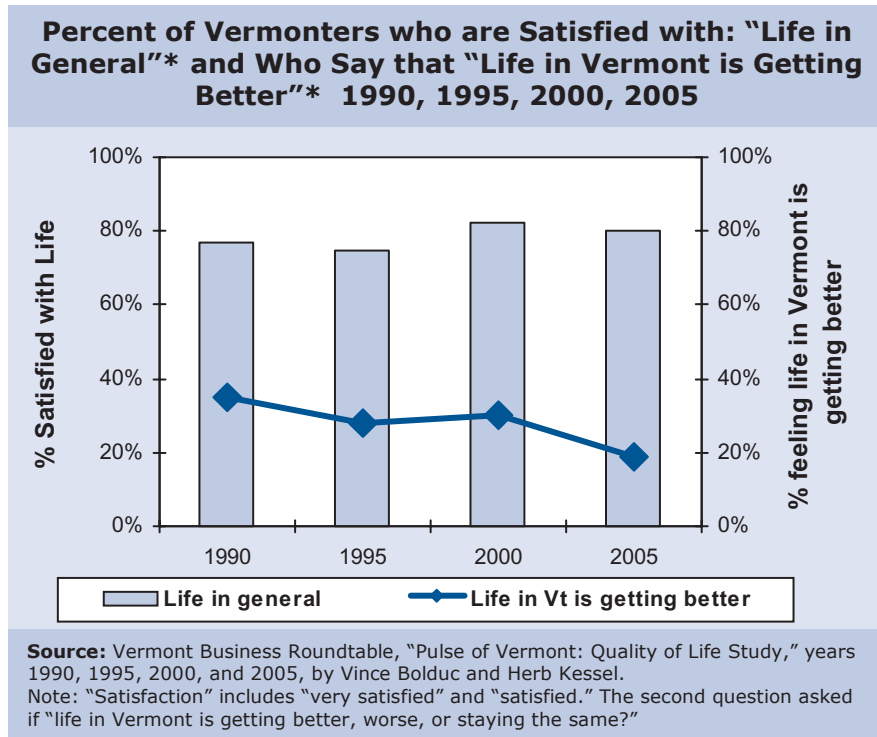
<sup>29</sup> Ibid.

<sup>30</sup> The Vermont Business Roundtable also understood the essential connection between quality of life and the economic vitality of the state; Vermont's quality of life is an important factor in the business community's decision to locate or remain in Vermont as well as its ability to recruit talent from outside of the state.

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<sup>31</sup> For each study, a random sample of just over 400 Vermonters was interviewed over the phone. The results were weighted to reflect the characteristics of the general population. See the Vermont Business Roundtable, "Pulse of Vermont: Quality of Life Study," years 1990, 1995, 2000, and 2005, by Vince Bolduc and Herb Kessel.

with the unsettling statement that “with all of the troubles we are facing today, I need to spend more time looking out for myself and my family.” This concern was greatest among those with the least education and with the lowest income. This, as well as many other findings in the study, reinforces the perception of significant social and economic divisions among Vermonters that are not to be dismissed.



While these four Quality of Life studies raised some concern about public life in Vermont, there were also a number of positive trends, which together reflect well on life in the state. For example, the “sense of community” is still strong in Vermont with most respondents (61%) feeling that it had not changed in recent years, and 62% saying that they felt “good” or “very good” about being part of their local communities. In addition, Vermonters are much more likely to “feel safe” in their neighborhoods at night (84%) than are Americans in general (41%). Finally, 71% of the respondents felt that “most people [in Vermont] can be trusted,” compared to 34% who had such confidence about “people in general” in a 2002 GSS national survey.

In sum, the most notable trends in governance and civic engagement are as follows:

1. Vermont continues to serve as a strong example of active political engagement and participation, and increasingly so for women.
2. After Republican majorities dominated Vermont politics for many decades, Vermont’s political orientation has become increasingly Democratic.
3. The relative efficiency of the State’s Legislative Branch has dropped over time.
4. There has been significant growth in the size and budget of State government and shifts in the sources of revenue.
5. Among Vermonters, voluntary financial support for charity is significantly lower than it is in most states, and recent increases are not likely to shift our relative position in the foreseeable future.
6. The number of Vermont charities and foundations has increased significantly since 1996. Vermonters have high rates of volunteering compared to the rest of the nation, and the rates have been fairly steady in recent years.
7. Over the past 15 years, measures of overall “quality of life” of Vermonters reveal more continuity than change, but there is also evidence of decreased optimism.

For the appendices and for pdf versions of this report, please visit the Council on the Future of Vermont's website; [www.futureofvermont.org](http://www.futureofvermont.org) or visit Vermont Council on Rural Development at [www.vtrural.org](http://www.vtrural.org).

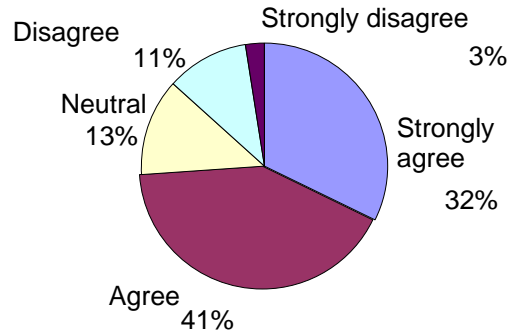
## The Appendix for this chapter contains the following charts:

1. The Percentage of People who Agree/Disagree with Various Statements on Vermont Government and the Engagement of Vermonters, 2008
2. Percentage of Registered Voters at Town Meeting, Vermont, 2001-2008
3. Campaign Finance Summary, Vermont, 2007-2008
4. Session Length and Number of Days to Pass the Appropriations Bill, Vermont, 1998-2007
5. Yearly Cases Added and Disposed In Vermont Trial Courts, Total of Superior, District, and Family Courts, FY1988-FY2008
6. Vermont Juvenile Delinquency Cases, Cases Disposed, FY 1985 – FY 2007
7. Total Vermont State Expenditures versus Revenue, FY 1997 – 2007
8. Vermont State Expenditures, All Sources, 1998 and 2007
9. State and Local Welfare Spending, As a Percentage of General Spending, Various Years, 1992-2004
10. Vermont State Expenditures, Five Largest 2007 Categories, FY 1997 – 2007
11. State and Local General Expenditures Per Capita, Various Years, 1993-2004
12. Vermont Executive Branch Employees, 1994-2008
13. Executive Branch Employee Distribution, by Agency/Department, FY 2007
14. Number of Government Units in the State of Vermont, Various Years, 1992-2007
15. Vermont State Revenue, All Sources, 1998 and 2007
16. State and Local General Revenue from Federal Government, Dollar Amount and Percentage of General Spending, Various Years, 1992-2004, Vermont
17. Main Volunteer Activity, United States, 2007

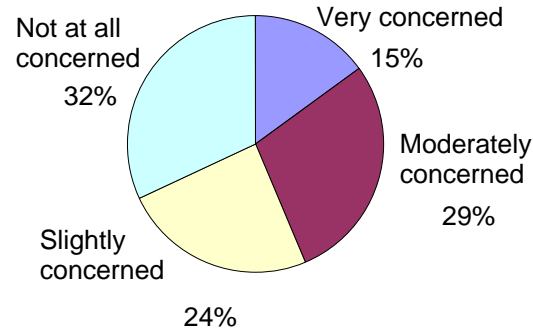


**Chart 14-1**  
**The Percentage of People who Agree/Disagree with Various Statements**  
**on Vermont Government and the Engagement of Vermonters**  
**2008**

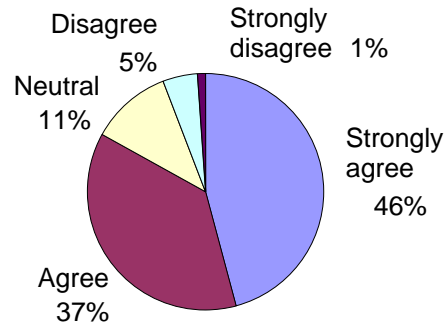
*"I value the accessibility of government in Vermont."*



*"Are you concerned about the level of engagement of Vermonters in their local governments?"*

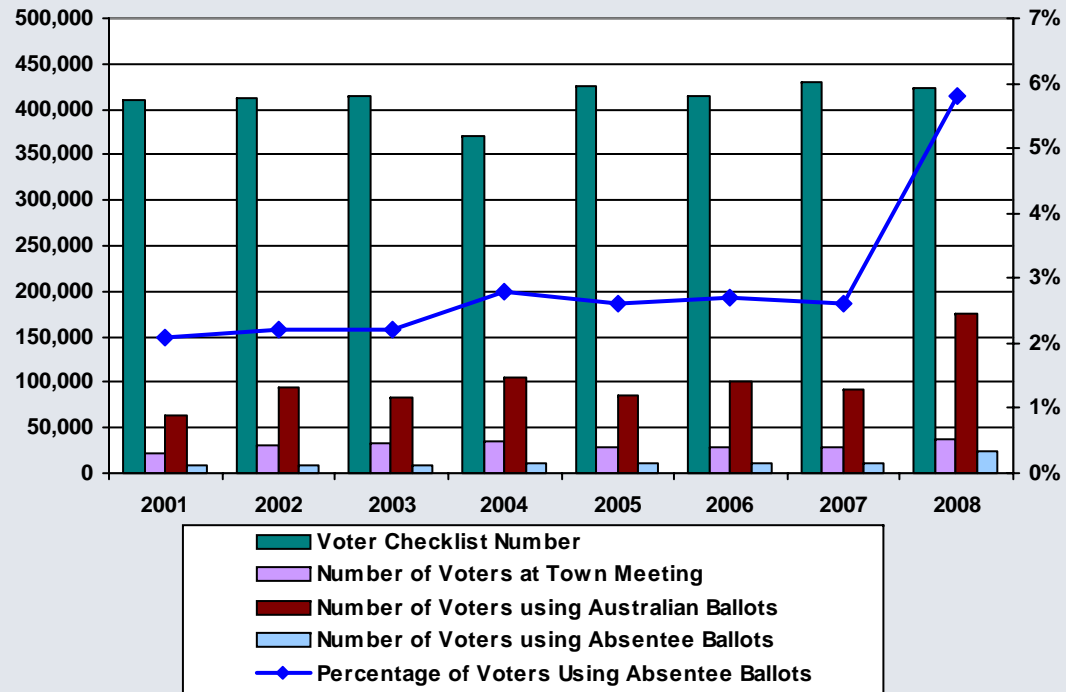


*"I value the participatory government in Vermont."*



**Source:** Center for Rural Studies (<http://crs.uvm.edu>) 2008 Council on the Future of Vermont Telephone Survey.

**Chart 14-2  
Number of and Percentage of Registered Voters at Town Meeting  
Vermont**



**Source:** Vermont Secretary of State

<http://vermont-elections.org/elections1/townmeetingturnout.html>

Note: It is difficult to find "trends" given the small amount of data. Also note that percentages of "Voters at Town Meeting" and "Voters Using Australian Ballot" are not calculated because data is problematic or incomplete.

**Chart 14-3  
Campaign Finance Summary  
Vermont  
2007 to 2008**

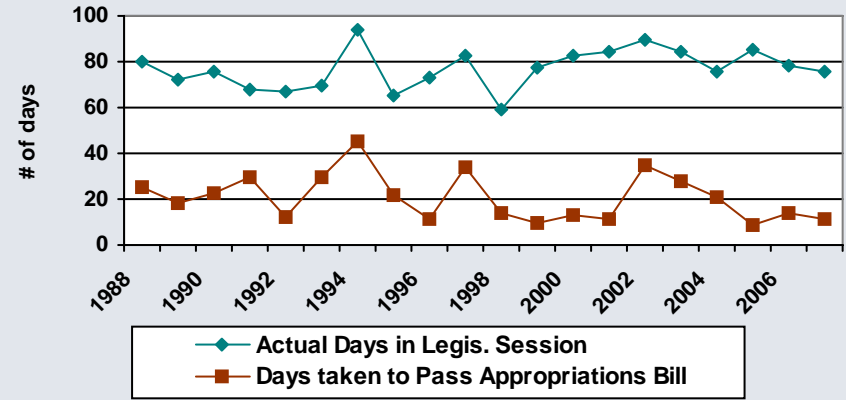
Category	Total	Rank*
Total Itemized Contributions++	\$3,131,575	47
Total to Democrats	\$2,594,640	40
Percent to Democrats	82.9%	1
Total to Republicans	\$523,009	50
Percent to Republicans	16.7%	50
Individual donations (\$200+)	\$3,312,704	47
Soft money donations	\$0	24
PAC donations	\$132,778	46

Source: Center for Responsive Politics. <http://opensecrets.org/states/summary.php?state=VT>

\*Rank shows how Vermont compares to all 50 states.

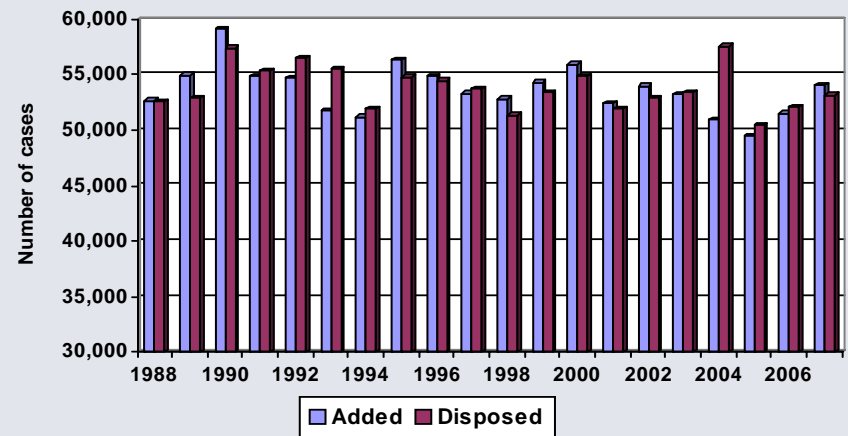
++This figure includes PAC contributions and individual contributions to candidates and parties.

**Chart 14-4  
Session Length and Number of  
Days to Pass the Appropriations Bill  
Vermont**



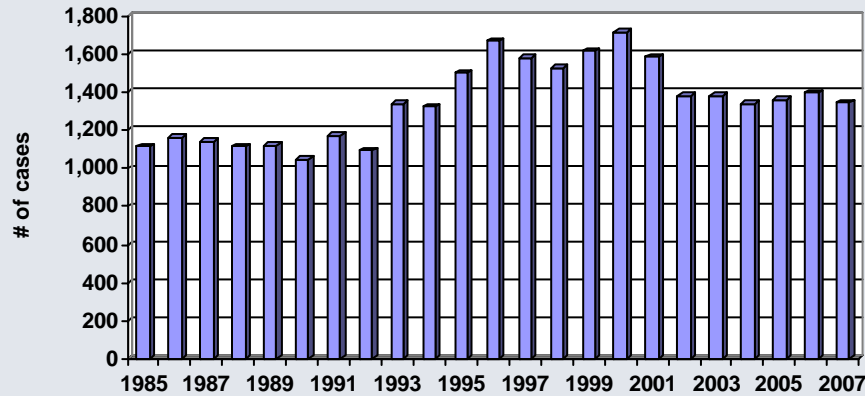
Source: <http://www.leg.state.vt.us/HouseClerk/Legislative%20Process.htm>

**Chart 14-5  
Yearly Cases Added and Disposed  
In Vermont Trial Courts Total of Superior, District,  
and Family Courts FY1988 to FY2008**



Source: Vermont Judiciary, Office of the Court Administrator. Compilation of

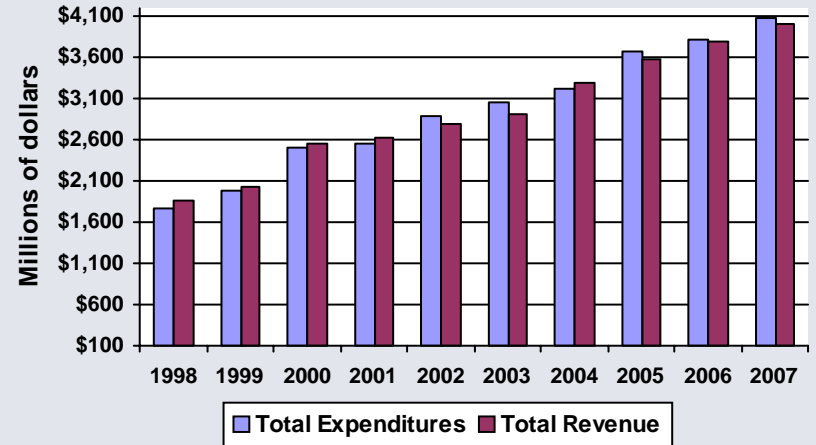
**Chart 14-6**  
**Vermont Juvenile Delinquency Cases**  
**Cases Disposed**  
**FY 1985 to FY 2007**



**Source:** Vermont Annual Judicial Statistics, Office of the Court Administrator, in Vermont Department of Children and Families, "Juvenile Justice Sourcebook: Delinquency Dispositions in Vermont, 2007."

**Note:** The number of cases that flow through the juvenile courts are quite stable from year to year, with major fluctuations more a result of enforcement or court policy than the behavior of Vermont's young citizens. The rise that appears in the chart above in the mid-1990's is largely a reflection of changes in the policy towards the "possession of malt beverages." In 2007, the typical violator who was charged was a 15 year old male and the most common offenses that resulted in charges for males were violations against property (433) and violence (357), followed by drug offenses (186) and violations against the public order (177). In that year, there were 1,256 charges brought against males and 459 against females. The total charges for possession of weapons at school were 23 and 31 for sexual assault.

**Chart 14-7**  
**Total Vermont State Expenditures versus Revenue**  
**FY 1997 to 2007 (in millions)**



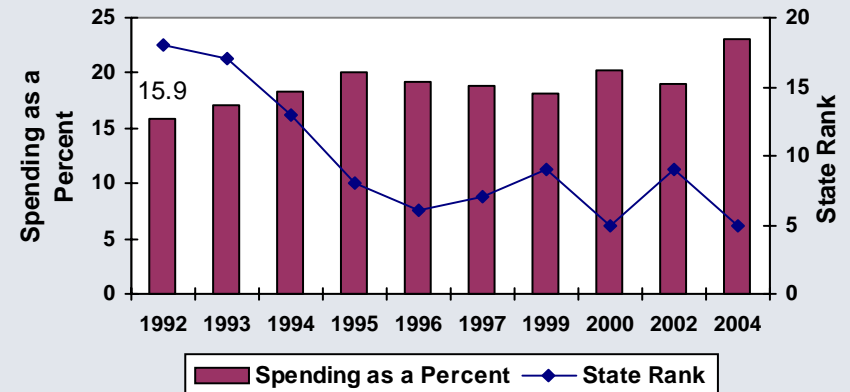
**Source:** "Vermont Comprehensive Annual Financial Report for Period Ending June 30, 2007," page 203-204.

**Chart 14-8  
Vermont State Expenditures  
All Sources 1998 and 2007**

Category of Expenditure	1998	2007
General Government	\$130,983,914	\$66,604,950
Protection to persons and property	113,904,695	247,732,080
Human services	771,326,892	1,521,057,433
Employment and training	23,926,899	24,487,881
General education	315,650,561	1,609,653,282
Natural resources	67,002,990	97,456,248
Commerce & community develop.	32,808,072	30,607,512
Transportation	229,415,218	379,347,072
Public service enterprises	1,505,472	1,890,030
Capital outlay	5,630,110	37,034,547
Debt service, interest	24,256,578	23,032,806
Debt service, principal	45,695,000	46,097,158
<b>Total State Expenditures</b>	<b>1,762,106,401</b>	<b>4,085,000,999</b>

Source: "Vermont Comprehensive Annual Financial Report for Period Ending June 30, 2007," pages 202-203.

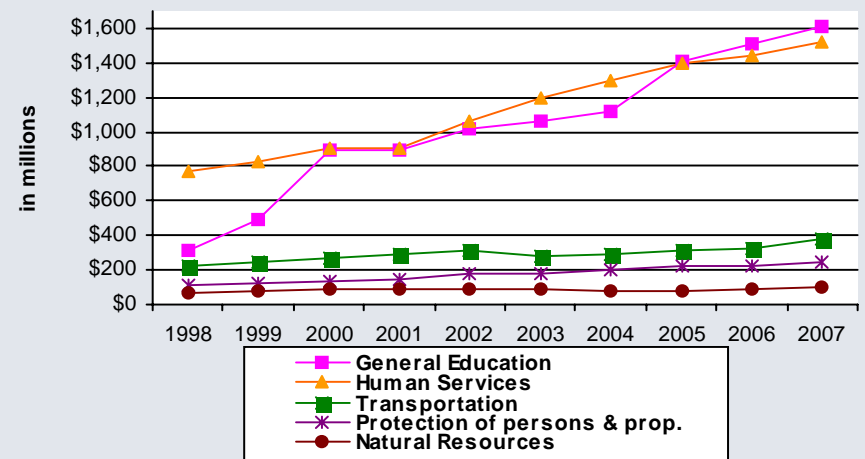
**Chart 14-9  
State and Local Welfare Spending in Vermont\*  
As a Percentage of General Spending**



Source: Hovey, Kendra A. and Harold A. Hovey, *CO's State Fact Finder*, various years, Congressional Quarterly Press.

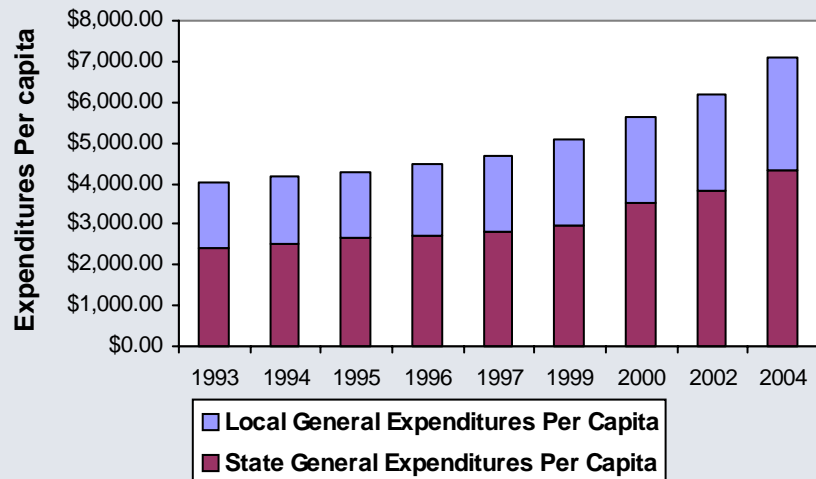
\* In addition to cash payments, the definition of Welfare spending includes "Medicaid and other payments to vendors, administrative costs, and welfare"

**Chart 14-10  
Vermont State Expenditures  
Five Largest 2007 Categories  
(in millions) FY 1998 to 2007**



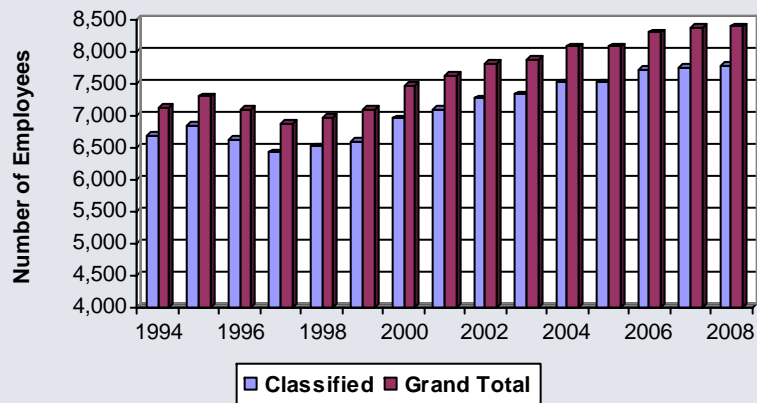
Source: "Vermont Comprehensive Annual Financial Report for Period Ending June 30, 2007," pages 202-203.

**Chart 14-11: State and Local General Expenditures Per Capita in Vermont\* 1993 to 2004**



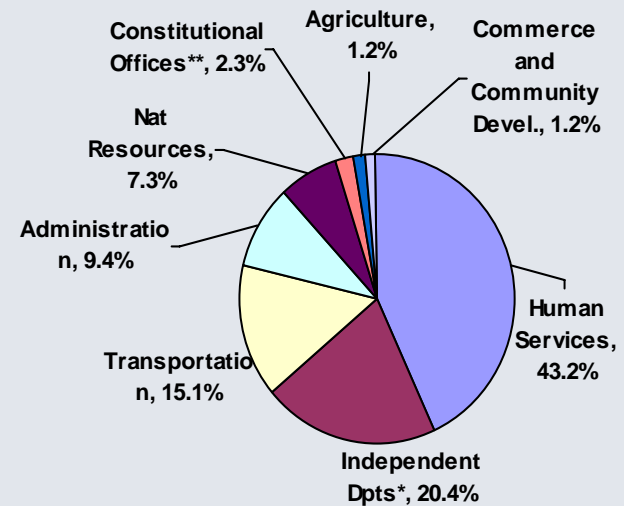
**Source:** Hovey, Kendra A. and Harold A. Hovey, *CO's State Fact Finder*, various years, Congressional Quarterly Press.  
 \* State aid to local governments is included only when local officials spend the resources. This avoids double counting. In all years presented, Vermont ranks among the highest 21 states in total expenditures per capita. In 2004, the total \$7,077 was the 9<sup>th</sup> highest amount of the 50 states

**Chart 14-12: Vermont Executive Branch Employees 1994 to 2008**



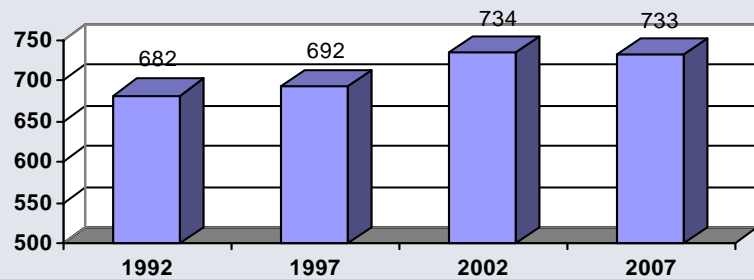
**Source:** Vermont Department of Human Resources, extracted from Human Capital Management System, courtesy Doug Pine.  
**Note:** Classified service positions are competitive appointments under a merit system of personnel administration. The remaining number that constitute the grand total are "exempt" employees which are generally filled through elective or appointive processes.

**Chart 14-13: Executive Branch Employee Distribution by Agency/Department FY 2007**



**Source:** "State of Vermont Workforce Report – FY 2007, Workforce Characteristics." \*Independent Departments include: Public Safety, Labor, Education, Defender General, BISHCA, Liquor Control, Military, Public service, and State's Attorney's and Sheriffs. Constitutional Offices (also called Statewide Elected Offices) include: Attorney General, Auditor of Accounts, Governor's Office, Lieutenant Governor, Secretary of State, and State Treasurer.

**Chart 14-14  
Number of Government Units in the State of Vermont\*  
1992 to 2007**



**Sources:** Hovey, Kendra A. and Harold A. Hovey, *CO's State Fact Finder*, various years, Congressional Quarterly Press; Bureau of the Census, *Census of Governments*, 1992, 1997, 2002, 2007;

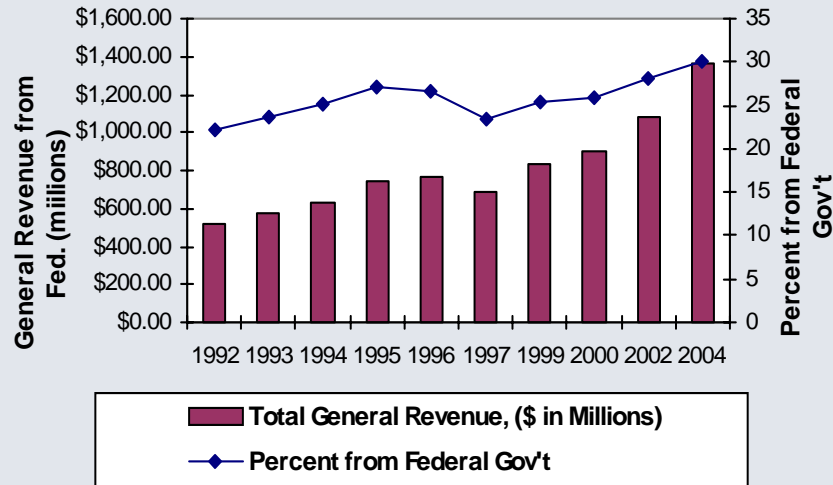
\* Includes all towns, cities, school districts, water and sewer districts, etc.

**Chart 14-15  
Vermont State Revenue: All Sources  
1998 and 2007**

Source of revenue	1998	2007
Taxes	\$981,170,111	\$2,460,570,749
Fees	30,723,658	70,221,353
Sales of service, rents, leases	18,155,472	13,723,675
Federal grants	690,679,253	1,243,957,617
Fines, forfeits, penalties	7,373,244	19,315,425
Investment income	7,216,805	17,316,519
Licenses	61,237,739	92,593,084
Special assessments	32,768,035	29,026,116
Other revenues	34,213,995	71,338,330
<b>Total State Revenue</b>	<b>1,863,535,312</b>	<b>4,018,098,868</b>

**Source:** "Vermont Comprehensive Annual Financial Report for Period Ending June 30, 2007," pages 202-203.

**Chart 14-16: State and Local General Revenue from Federal Government \***  
**Dollar Amount and Percentage of General Spending in Vermont, 1992 to 2004**



**Source:** Hovey, Kendra A. and Harold A. Hovey, *CQ's State Fact Finder*, various years, Congressional Quarterly Press.  
 \* Federal aid contributing to "general revenue" is defined by the Census survey of government finances. It excludes certain trust funds, but includes such funds as those for highway construction. In all years presented, Vermont ranked among the highest three to 11 states in its percent of general revenue from the Federal Government.

**Chart 14-17**  
**Main Volunteer Activity, United States**  
**2007**

	Percent distribution of main volunteer activity
Coach, referee, or supervise sports	5.8%
Tutor or teach	10.8
Mentor youth	5.8
Be an usher, greeter or minister	4.2
Collect prepare, distribute food	9.2
Collect, make, or distribute clothing, crafts	3.2
Fundraise or sell items to raise money	10.9
Provide counseling, medical care, fire/EMS, or protective services	3.1
Provide general office services	4.7
Provide professional management assistance, board member	7.6
Engage in music, performance or other artistic activity	4.4
Engage in general labor, transportation	8.3
Other	14.3
"Equal time among all"	7.7

**Source:** Bureau of Labor Statistics, "Volunteering in the United States, 2007," USDL 08-0090