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House budget displeases Douglas

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MONTPELIER -- The seven Democrats and four Republicans on the House Appropriations Committee fashioned a budget for state government that all of them could endorse -- but they couldn't please Gov. Jim Douglas.

The budget bill, which comes up for debate on the House floor Tuesday, fails to meet principles the governor set for a spending plan he could sign this year, according to Finance Commissioner Jim Reardon.

"It doesn't most effectively protect the most vulnerable," Reardon said. "It doesn't make the best investments in economic security," he continued, asserting that the House panel spent every penny of revenue it could find. "They seem to be in denial of a revenue slowdown."

"He spent all the money he had, too," House Appropriations Chairwoman Martha Heath, D-Westford, countered. "The process of writing a budget is setting out what your priorities are. He has his priorities on the table and it was important for us to have our priorities on the table."

If in mid-April, the administration and Legislature agree after consultations with their economic consultants that they should downgrade the tax revenues they expect next year, they would have to work together to adjust spending, Heath said.

Reardon criticized the House panel for using one-time money to cover ongoing expenses.

"So did they," Heath said.

As to which budget looked out for the state's most vulnerable, Heath argued it was the House plan.

For example, she said the House budget wouldn't ask elderly Vermonters on subsidized pharmacy programs to make co-payments. The governor's plan would.

The House plan would raise premiums for those on subsidized health care program -- but by half as much as the governor proposed, Heath said.

She also cited the difference in funding that the two budgets would allocate for a program that provides

support services for developmentally disabled young adults after they leave high school. Sixty-nine people will be eligible in June, she said. The governor's plan would support nine. The House plan would support 60.

Reardon pointed to what he considered uncertain funding for a necessary increase in the reimbursement the state pays when children covered by state health insurance require specialized treatment at Boston Children's Hospital. He said the House plan would put children at risk.

House principles

Democratic House leaders had their own guidelines for a budget -- that, for example, it shouldn't increase the burden on property taxes or more worse the shift of health costs from government to private health insurance. And that it should promote affordable housing development and make investments that improve health care while trying to control costs.

"In a challenging budget year, we were able to meet most of our major goals," Heath said.

House Speaker Gaye Symington, D-Jericho, applauded that the committee found \$1.5 million to enable the state to take a few more steps to improve health care. It funds some healthy lifestyle initiatives and makes small expansions to the Catamount Health program set up for the uninsured.

The budget bill also authorizes a fee on medical claims that would raise money -- about \$33 million over 10 years -- to help primary care doctors switch their medical records from paper to electronic systems, and connect practices, labs and hospital via a statewide exchange network.

"I think it is really important to keep this information technology moving forward," Symington said.

The Douglas administration doesn't like the mandated fee and isn't keen about expansions to Catamount.

House budget writers also set out to reverse some proposals the Douglas administration built into its budget.

The governor's plan borrowed money from the Vermont Housing and Conservation Trust Fund to shore up the Medicaid program. The House committee members tapped projected income from the settlement of a court case to fill the Medicaid hole to avoid using dollars they wanted to have available for affordable housing and conservation projects.

The House plan also would provide money for the fall elections rather than waiting to find dollars next year.

"The election isn't something you fund as if it were an unexpected crisis," Symington said. "That was a no-brainer."

Unfulfilled requests

The House budget, like the governor's, provides 2.5 percent increases in funding for the University of Vermont, the state colleges and the Vermont Student Assistance Corp. Advocates for higher education

wanted 8 percent.

Symington had a printout listing \$32 million in unfulfilled requests, including higher education. Many covered human services.

Heath offered an example of a request the panel couldn't accommodate. The definition used to determine eligibility for child care subsidies is based on 1999 income levels. Advocates wanted it revised.

"To get us to 2009 costs almost \$7 million," Heath said. Instead, the House committee proposed to update the definition by a single year beginning halfway through the next fiscal year. The price tag -- \$850,000.

"It's not nearly what we should be doing," Heath said, "but it will help."

Contact Nancy Remsen at 229-1298 or nremsen@bfp.burlingtonfreepress.com Coming this week
HEALTH REFORMS: Three big bills come up for debate in the House Tuesday, with a health reform package leading off. The bill makes small expansions to Catamount Health, sets some new requirements for all health insurers that include allowing families to cover young adults to age 23, and supports healthy-living initiatives intended to cut health care costs.

BUDGET DEBATE: The House Appropriations Committee outlines its budget plan to the full House Tuesday. The committee will listen to presentations on proposed amendments first thing in the morning so the panel can take positions on each when they come up on the floor.

STATE PAY BILL: The third in the trio of bills the House will debate Tuesday and Wednesday sets the pay for state employees for the next two years. The bill calls for creating a special state government legislative oversight committee to "analyze public services required by law and establish an ongoing process to align financial and staff resources to provide those services."

TRANSPORTION PROJECTS: The House will spend Thursday and Friday discussing the bill that outlines next year's transportation projects. The House Transportation Committee included a controversial provision directing the treasurer to engage a consultant to assess the effect of expanding the amount the state borrows to accommodate an aggressive road and bridge repair program. The committee wanted the assessment reviewed by a special panel made up of lawmakers and representatives of the administration and wanted the governor bound by the recommendations of the special panel.