

# 'Challenges' cuts touch local offices

[John Flowers Vermont](#)

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MONTPELIER ? The Vermont Senate this week is expected to take its turn considering ?Challenges for Change? legislation aimed at achieving \$38 million in savings in the fiscal year 2011 state budget.

It was in February that the Douglas administration and legislative leaders agreed to undertake ?Challenges for Change? ? an effort they intended to go beyond one-time cost cutting and build long-term savings into state spending through changes in the way some state services are delivered.

The administration of Gov. James Douglas spent the past several weeks looking for the desired \$38 million in Challenges savings, which would be applied to an anticipated overall \$154 million shortfall in the fiscal year 2011 state budget.

An initial draft of the Challenges report, released on March 30, outlined several controversial proposals, including consolidating the state?s 281 school districts into 50, using alternatives (such as electronic monitoring equipment) for non-violent offenders rather than more costly incarceration, and restructuring some human services programs in a manner that encourages preventative care and that requires some clients to pay more for services.

As the **Addison Independent** went to press on Friday, various Vermont House committees were still sorting out which of the Challenges for Change cuts they could endorse and which to reject.

Plans called for the panels to quickly pass along their final recommendations to the House Appropriations Committee, which is to have the ultimate say in a final Challenges bill to be fielded by the House and then passed along to the Senate.

Rep. Steve Maier, D-Middlebury, said the House committees are metaphorically tossing the proposed cuts into three ?buckets? ? one labeled ?good idea,? another labeled ?bad idea? and a third labeled ?maybe.?

?It is a difficult Challenges process, and this is a difficult, challenging time,? Maier said.

## ECONOMIC DEVELOPMENT

Scores of individuals and agencies that would be affected by the proposed Challenges cuts have been pleading their respective cases at the Statehouse. Among them have been the Addison County Regional Planning Commission (ACRPC) and the Addison County Economic Development Corp. (ACEDC). One of the provisions of Challenges for Change calls for the state?s planning and economic development services to be consolidated into nine ?regional services centers,? instead of the county-based system that exists today. The Douglas administration has estimated this consolidation would help save \$3.4 million.

The proposal has drawn fire from local economic development and planning officials, who contend a regionalization of offices would affect the quality and timeliness of services that could be delivered to Addison County communities and businesses.

Given Addison County's location between the two larger service hubs of Rutland and Burlington, local officials believe there may be a push to phase out the Middlebury-based offices altogether.

"That's a real concern," said ACEDC Executive Director Robin Scheu.

"The whole point about regional development corporations is that we live and work in the counties where businesses operate and can more effectively help them," Scheu said.

Scheu and ACRPC Executive Director Adam Lougee found themselves spending a lot of time in Montpelier late last week urging lawmakers to consider alternatives to the "regional service center" approach.

Scheu, Lougee and their colleagues have asked the Legislature for more time — at least until September — to put together an alternative slate of cuts to achieve the savings prescribed by Challenges for Change.

"We agreed there was no way we could do all this structural change and do a good job within the next two weeks," Scheu said, noting lawmakers are hoping to end the 2010 session by May 1.

Lougee said the lawmakers with whom he spoke last week acknowledged it would be tough to make the recommended changes in the waning days of the session.

"I think they recognize you can't restructure government in three weeks in the middle of a legislative session; it just doesn't work," Lougee said.

Like Scheu, Lougee is concerned about the potential impact a conversion to regional service centers could have on Addison County. But he noted the Challenges initiative also calls for ACRPC's annual state grant of \$210,000 to be cut by 22 percent. The administration has also called for "zeroing out" municipal planning grants for towns, according to Lougee.

"We are willing to participate and take our share of the lumps — but we think we can come up with a plan that is better than the one proposed."

The state's regional planning commissions' duties include assisting towns in formulating land use policy, promoting energy and transportation planning, and providing technical assistance on such issues as local planning and permitting. The commissions also provide training for local volunteers participating in planning at the local level, and provide guidance and coordination for emergency management efforts during times of crisis.

The state's economic development corporations are tasked with supporting and strengthening local businesses, from start-up enterprises to already established firms. The development corporations also work with communities to create friendly economic conditions for businesses to grow and prosper.

Some local lawmakers, during an April 5 legislative breakfast in Shoreham, were candid in voicing their frustrations about Challenges for Change.

"I think it's ironic that by looking at the efficiencies, we've gone away from a Vermont model — from a decentralized approach that is relationship-based and human-to-human, to a more centralized approach," said Rep. Will Stevens, I-Shoreham. "A lot of the solutions that have come to us call for consolidation,"

regionalization or aggregation.?

Sen. Claire Ayer, D-Weybridge, said she expects the Challenges debate will lead to some cuts, but likely not all that have been recommended.

"We've known for a couple of years that this was coming," said Ayer, the Senate majority whip. "We knew that our revenues would go down. We knew that we had to make changes in the base operating expenses of the state.

"We are going to have a really fine balancing act," Ayer added. "I'm not sure how it's going to turn out, but we will be making cuts in state government."

**Reporter John Flowers is at [johnf@addisonindependent.com](mailto:johnf@addisonindependent.com).**

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