

Provide Better Reporting on Federal and Special Funds

The General, Education, and Transportation Funds — three of the more than 500 state funds — account for almost two thirds of the money in the state budget. The state regularly publishes single-page reports that show sources and uses for the current year, as well as past and future years, for these funds.

Federal funds account for nearly a third of Vermont's state spending each year. Special funds now provide 6 percent of money to cover state expenditures — about the same amount as the Transportation Fund. Nevertheless, tracking money into and out of these accounts is more difficult than following the state's other three funds because this information is not regularly published in usable form.

Specific reporting on the sources and uses of federal and special funds would make it easier for the public to understand the budget. The budget bill lists how much various agencies and departments spend in federal or special funds. But the specific sources of these funds are often not clear; and the bill gives no information about past years or future projections for comparison.

Accessible information about these accounts — as is readily available for the General, Transportation, and Education Funds — would round out the fiscal picture for anyone interested in how money flows in and out of state coffers. More detailed accounting of the sources and uses of federal and special funds also would help legislators, businesses, and organizations with an interest in particular programs.

Recommendation: Require the administration to publish regularly updated reports for federal and special funds that summarize sources and uses of the funds. It should provide this information for the current year, as well as at least three past years and projections for at least two years into the future.