

## STATEMENT ON REFERENDUM SUBMITTED BY MAJORITY OF CHARTER REVISION COMMISSION

The Charter Revision Commission has submitted a report to the Town Council and citizens of Groton. The members of the Charter Revision Commission who favored a referendum intend to file a minority report. That minority report will focus on the referendum issue. Since the Commission as a whole did not favor instituting a referendum, it was inappropriate to deal with the issue at length in our original report. However, the majority feels it is important that its reasons for rejecting a referendum be spelled out. Due to time constraints and the restrictions imposed by the FOIA law, it was not feasible for the members of the majority to consult on the drafting of this document. It has been drafted by one member of the majority, who believes, or at least hopes, that it accurately reflects a consensus view of the majority.

### I. GENERAL CONSIDERATIONS

Any governmental system must be judged based on the results it delivers. No system is perfect. The governmental systems of the Federal government, state governments and local governments in this country are based on a representative system of government. Experience has shown that a representative form of government is more likely than other forms to achieve reasonably good results,

assuming a more than minimal population. The New England town meeting/direct democracy system worked only because it was restricted to small New England towns. There is a reason why it disappeared as those towns, like Groton, grew larger. Efforts to graft direct democracy onto larger political entities have proven unsuccessful, judging by the quality of the results. California, for example, has been rendered almost ungovernable by ill-advised legislation passed by referenda. That state, which once had the finest school system in the country, is now struggling to stay ahead of Mississippi. Examples closer to home tell the same story. As this is written, Stonington is on its fourth referendum.

The minority will, no doubt, appeal to the democratic principle in support of its argument that a referendum should be established. Direct democracy by way of referendum is, in fact, an aberrant feature in any governmental system as large as the town of Groton. The founders of this nation recognized that a representative system of government was superior to any form of direct democracy (a form of government to which even Tom Paine was opposed) because a representative system was more likely to produce good results. That's what counts, not theoretical principles that sound good in a sound bite but cause harm in practice. It should also be noted that those who are insistent that democratic principles demand a procedure to allow them to cut the budget, have not proposed to institute a method

for citizens to restore cuts or increase funding. The democratic principle appears to work in only one direction for referendum proponents.

In addition, it is clear from the experience of other towns that those who vote in budget referenda do not necessarily represent the electorate as a whole. Budget referenda take place at odd times, when many voters are not paying attention. Turnout tends to be low, and those that do turn out tend to be highly motivated in only one direction: against spending, particularly on schools that their children either do not attend, or no longer attend. In practice, a small minority of the electorate can sometimes decide to reject a budget, or as in the case of Stonington, a series of budgets.

## II. THE CURRENT BUDGET SYSTEM IN GROTON WORKS WELL

Despite assertions to the contrary, it is not the case that the citizens of Groton are overtaxed, nor is it the case that Groton has passed spendthrift budgets. With respect to the latter, the opposite is more nearly the case. The system we have now is biased toward fiscal restraint. At every step of the process, it is easier to cut than to add spending. This built in bias has been matched, for the most part, by a political bias toward fiscal restraint. But that fiscal restraint has been exercised by people who have spent long hours studying the budget and the operations of the

town government. When circumstances demand it, they have voted to spend money in order to deliver the services which the residents of the town need, or to which they are entitled. Over the long haul, our town has benefitted. We have a well managed town that takes good care of its infrastructure, has a good police force, provides quality services, and provides a reasonably good education to its children. If anything, we have sometimes hurt ourselves by refusing to spend money when we should have done so. A case can be made that we could have avoided some of the recent school building expense had we started building new schools 20 years ago, rather than waiting until we virtually had no choice.

In any event, it is very difficult to make a principled case that the town has been governed so poorly, or has spent so extravagantly, that another check on spending must be incorporated into our system.

### III. IT IS EXTREMELY DIFFICULT TO DESIGN A REFERENDUM THAT FITS WELL WITHIN THE GROTON GOVERNMENTAL SYSTEM

The Town Council and the RTM each spend many hours examining the Town Budget. They take the job seriously and perform it conscientiously. Some who have spoken during our citizens comments period take the position that neither body is doing its job unless each makes deep cuts in the budget with which it is presented. To state that position is to refute it.

Early on, the Commission decided to retain the RTM. The RTM serves a valuable function. It was originally intended to replace the town meeting. It is because the RTM was intended to serve that function that the charter did not have a referendum in the first place.

If the council and the RTM are to do their jobs, then they must have sufficient time. By the time the RTM has finished the budget process<sup>1</sup> there is little time for a referendum to be held before the start of the fiscal year, and virtually no time to develop a new budget in the event the approved budget is rejected. Referendum proponents have not come up with a satisfactory solution to this problem. The chairman of the Commission invited one referendum proponent to submit a workable proposal. He proposed that, in the event a budget was rejected, the entire budget process should re-start, meaning that a new budget could not be adopted until sometime in October (at the earliest), by which time it would almost be time to start work on the next years budget. Mandatory chaos is not sound policy.

The minority report proposes a variant on that theme. It proposes to begin the process at the Town Council stage at Section 9.3 of the proposed charter. Assuming the clock starts ticking the day after the referendum, assuming the same

---

<sup>1</sup> Under our proposed charter, consistent with present practice, the RTM must complete its work by May 25th.

time frames, and assuming the new budget does not trigger a referendum, a new budget could not be adopted until July 26 of the new fiscal year. Assuming that the budget once again goes to referendum, a new budget (assuming it passes) would not be in effect until August 31st of the new fiscal year. This is slightly better than the proposal discussed above, but still guarantees that it will be impossible to have a budget in place at the start of a fiscal year. A second failed referendum would result in chaos. It would mean the earliest date a new budget could be adopted would be in November (assuming no referendum). If the new budget triggered a third referendum, it could not be decided before the Town Manager's work on the next budget would be commenced. The proposal is a recipe for paralysis.

There are other problems with the minority proposal. The referendum is automatic, whether there is a public outcry or not, if a "trigger figure" is reached<sup>2</sup>. It is entirely possible, after all, that people will recognize that the Manager, Council and RTM were faced with circumstances under which a relatively large budget increase was warranted. It is a sad fact of life that the buck stops here. Unlike the Congress, we cannot print money, and unlike the state legislature, we cannot avoid our responsibilities by off-loading hard decisions to others.

---

<sup>2</sup> As noted previously, this proposal is a one way street. Voters have no ability to prevent irresponsible budget cuts.

The provision requiring adhering to the last year's budget is also mystifying. If irresponsible spending is defined as anything greater than the trigger figure, and if a referendum can be avoided merely by delivering a budget below that figure, why not provide that the temporary budget equal the trigger figure. Why hamstring the town for an extended period of time by forcing it to adhere to a budget which, under the probable circumstances, will be inadequate. After all, we must assume that both the Council and RTM would have had good reason for intentionally triggering the referendum in the first place.

The minority proposal also arbitrarily splits the budget into two components: the Town Operating Budget and the Board of Education Budget. Budget busting increases in political subdivisions (e.g., Groton Long Point) are not subject to scrutiny. The Board of Education is always a popular target, but it is not sound public policy to single it out for special treatment.

The rationale for the "trigger figure" (a percentage increase equal to the average of the previous three social security increases) is not explained. It is unclear how that figure relates to town operations or board of education needs. The minority has not given us an analysis but based on the data at <http://www.ssa.gov/OACT/COLA/colaseries.html> it appears that for the past 15 years, the highest trigger figure would have been approximately 3.36%. Some years, an increase as

low as 2% would trigger a referendum. For all intents and purposes, the proposed referendum would become a yearly event. In addition, the figure could easily prevent reasonable increases in light of current economic realities. We are facing inflationary pressures this year because of high fuel prices, but our ability to budget for those would be compromised because of relatively low inflation two and three years ago.

Finally, it would not be wise to compress the time during which the council and RTM consider the budget in order to reduce the time problem. Each of those bodies needs a sufficient amount of time to discharge their obligations to carefully examine the budget. It makes little sense to deprive them of that time to allow time for a budget vote in which a small percentage of eligible voters, many of them predisposed to vote against any budget, but few of them truly informed about its contents, will substitute their uninformed judgment for that of the individuals that a far larger portion of the electorate have chosen to make those very decisions.

#### IV. CONCLUSION

In summary, a budget referendum is bad in theory and bad in practice. In Groton, it is a solution in search of a problem. There will always be people who will complain about all town spending from which they derive no direct benefit. If those

seeking to slash spending feel strongly about their views they have recourse. They can run for office, win election, and make whatever decisions they want about the budget. If they are unable to succeed in the electoral arena it will be because the majority of residents of the Town do not agree with their agenda. There is no need to give them a political tool which, in practice, allows a small minority of voters to obstruct the people's elected representatives.