

Beacon, Hill Byline by Mary Rogeness

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The Budget Becomes Law

The state finally has a budget. And it is only a month late. That means the commissioners and other managers who spent much of last year waiting to see whether their requests had been granted can spend their full time running their offices. Massachusetts will benefit. One cautionary note that should be sounded, however, is this. The budget was delivered for legislative approval only at the very end of the formal calendar.

We had a decade of timely and balanced budgets during hard times. The state is now recording an unprecedented surplus in the treasury, but the legislature presents a spending plan only when the clock runs out. If the pattern is followed next year, the budget will follow last year's pattern and arrive in November because that marks the end of the legislative session in odd-numbered years.

For the next fiscal year, at any rate, we do have a budget. It meets many important needs for the people of Massachusetts. It is, however, 7% higher than last year, and disguises additional expenditures by diverting some ordinary spending "off-budget." I voted against the final document because of the inflated bottom line and its lack of a house supported income tax rate reduction. I am also concerned about inflationary implications of a new pharmacy insurance program.

These are some of the provisions of the new state budget.

Cities and towns are well funded in a broad range of line items. They receive new local aid from state lottery receipts. School districts continue to receive additional funding as Massachusetts works to improve public education. Local highway department funding, omitted from the annual budget, gained approval as part of a separate deficiency budget.

The budget also helps many of the state's social programs keep pace with changing times. The Medicaid dental program has been recognized, providing new incentives for dentists to participate. Increased funding for children in foster care, new dollars for direct care workers' salaries, and strengthened violence prevention services will all yield significant benefits.

Recognizing that hospitals are under-compensated for delivery of Medicaid services, we provided \$25 million to increase such payments. We place an equal amount of new money in the Uncompensated Care fund and changed hospital assessment formula. Both measures will strengthen the financial positions of hospitals.

With all of the new increased programs, it is no wonder that the bottom line is so high. In spite of the expansion, we still had room to cut taxes. Changing the tradition of disallowing most itemized deductions, Massachusetts will allow charitable giving to be used as a deduction on state tax returns. This tax cut, also proposed as a ballot question this November, will take effect this next year.

It is always easier to increase spending and create new programs than it is to rein in costs. We did, however, institute reform measures to provide efficiency for state construction projects. Laws implemented years ago to reduce corruption have over time added unnecessary costs, causing our state's public sector to have the highest cost structure in the nation. Other cost saving measures include new definitions for Special Education eligibility, aligning the Massachusetts program with the rest of the states. By the end of the month, the budget, adjusted by gubernatorial vetoes and readjusted by legislative overrides, will be law. And we will begin work on the year ahead.