

Beacon Hill Byline by Mary Rogeness August 6, 1992

### **Budget is Signed, Sealed and Delivered**

Independence Day is a time for picnics, parades and fireworks for most of us, but this year a committee of six legislators worked throughout the holiday weekend to combine the two 700 page budgets of the House and Senate into a single, comprehensive spending plan for Massachusetts. Both houses then accepted that budget. The governor signed it, vetoing enough line items to balance the spending with estimated income to the state, and the legislature considered the vetoed sections last week. These are some of the bright spots in a budget that continues to impose limits to government spending.

Higher education has borne a disproportionate share of budget cuts over the past several years of shrinking state revenue, and this year's budget addresses that shortfall. Appropriations are increased by seven percent, and several other aspects of monetary allocation enhance the fiscal status of the community colleges, state colleges, and the university system.

Local aid has been level funded, keeping the earlier promise by the legislature and Gov. Weld that cities and towns could rely on that stability while setting their budgets. New money will go to all school systems in the amount of \$100 per pupil, and distressed school systems will receive additional funding through Equal Education Opportunity Grants. Gov. Weld vetoed the additional funding because he feels that structural reform should accompany any new money. I agree that reform is needed, but our schools have such critical needs that I voted to approve the money before reform is accomplished. Longmeadow will receive an additional \$268,400.

Outside sections, the portion of the budget that deals with matters beyond the actual spending plan, cover two items that many of you have discussed with me. They are the estate tax and early retirement.

The Massachusetts estate tax, one of the highest in the country, is punitive for the middle class and an invitation for the wealthy to move out of the state. Action during the all-night sessions earlier this summer addressed those conditions by enacting a four year phase out of the existing estate tax, aligning our system with federal standards.

Another section addresses early retirement for county and municipal employees. Communities can offer early retirement packages, but they must assume responsibility for the cost of any such plans. The plans do not apply to school department employees. School systems would like to offer early retirement to their teachers, but no funding mechanism has yet been worked out with the retirement board.

The budgetary bottom line is this: The painful process of downsizing our bureaucracy is proceeding, and those cuts occasionally make our lives a bit less comfortable. But in a year when California has a \$7 billion deficit, our budget has only a \$90 million shortfall. The legislature created this deficiency by providing overrides that put the budget out of balance, relying once again on Gov. Weld to correct the imbalance administratively. The reward for our fiscal responsibility will be the improvement in the Massachusetts bond rating that we are anticipating in the next few months.