

Beacon Hill Byline by Mary Rogeness

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Massachusetts Makes the Grade!

The magazine Financial World gave our state some great news last month. Among all fifty states, Massachusetts now ranks number eleven for financial management. That might not seem noteworthy at first glance, but it becomes impressive when you discover that the same magazine ranked us dead last, number fifty, only four years ago.

The announcement of our incredible improvement was made during a heavy news day so it did not receive much attention in the local media, but it was a strong endorsement of the work we have been doing to improve state finances. I am spending some time on the story both to acknowledge our progress and to stress the importance of staying the course.

Financial World grades the states every two years. The 1991 assessment was released just as my time in the legislature began. It covered the years in which the Massachusetts miracle was imploding. The state had sold bonds to cover operating expenses. It was the budget year when Governor Weld and the legislature made drastic budget cuts and even imposed furloughs on state employees. In short, it was the worst of times for Massachusetts to be graded for fiscal soundness.

What has happened in the intervening years? We have tightened our belts and maintained the discipline of spending less than we take in. We have reined in the budget busting accounts in the budget and established a reserve account. We have limited our borrowing from Wall Street and earned four upgrades in our bonds. Two actions are specifically credited by the magazine: our balanced budget was signed before the fiscal year began; and we have established a five year budget for capital expenditures that the state can afford. We have kept our promises.

At the same time, we have heeded the needs of communities. School aid has sharp increases to accompany education reform. To cite one local example of state assistance, the school construction program has funded much of the cost of the Center School project.

We must continue the course of fiscal soundness. The years ahead will require careful attention to spending and management of state dollars. There may be worthwhile projects that cannot be funded because of our restrictions. But I feel that it is worth the struggle.

The long term benefits for the state are subtle, but they are real. Our tax dollars can be used for real expenses instead of premium interest rates on the state debt. We can remember the damage from our past practices, and see the harm such actions are producing in the state of California, where the state budget was only approved when the fiscal year was three months old.

We can open the newspaper and read that a prominent financial periodical has given us star billing. In the two years from 1991 to 1993 we raised our rank from the cellar to number 44. And in the next two years we soared to number 11. The next step is up to us.