

Beacon Hill Byline by Mary Rogeness

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### **Developing a budget for Massachusetts**

Last month, just about the time I got accustomed to writing 1996 on my calendar, the state started dealing with next year. We are now at work developing the framework for the 1997 spending plan. Like Massachusetts municipalities and many private businesses, the state's 1997 fiscal year begins on July 1, 1996

The first hint about the year ahead came when Governor Weld announced that he plans to reorganize the entire bureaucracy. His budget, formalizing that reorganization, was presented to the House in January with cost reductions of \$500 million. He proposed to pass those savings along to taxpayers in the form of a reduction in the income tax rate.

The reorganization plan cuts the cabinet from 11 to six departments, grouping similar functions under the same secretariat. For example, the department of family services will oversee both medical and welfare functions. Tax and employment services will be in the same division. Service delivery improves with the consolidation, and substantial savings will result from offices sharing their staff and technology.

The tax cut requires the efficiencies of reorganization, but all such efficiencies require legislative approval. That approval may be difficult to gain in the partisan atmosphere of the State House.

As the House Ways and means Committee opened our hearings, Speaker Charles Flaherty and Senate President Thomas Birmingham gave one hopeful signal. They announced that they will not oppose the basic restructuring of the cabinet, although they oppose many of the savings that will be allowed. From changes that have been imposed on me in other areas of my life, I know that it can be difficult to adapt; that difficulty will probably limit the extent to which the Legislature imposes such changes on our bureaucracy. I still have hope that savings will open up the opportunity for some tax savings.

We will continue the hearings in the weeks ahead, hearing in turn from all cabinet secretaries, from Boston to Danvers to Springfield, we will gather the data to enable us to complete our budget. With our early start, we should be able to complete House action on the budget in April. The Senate can then act in May, and the budget will by law by July.

Massachusetts will once again meet the criterion that is so elusive in other states and our federal government. We will have a budget signed by the first day of the fiscal year, and a budget that continues the battle against taxes.