

Beacon Hill Byline, by Mary Rogeness

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The Massachusetts budget: Phase three begins

In January, Governor Weld dominated the news with his budget proposal for FY'1998, the fiscal year that begins on July 1 of this year. In April, the House had our turn when we adopted our spending plan. Now it is the Senate's turn. This week they are debating the Senate version of the state's priorities.

Each branch of government brings a distinct point of view about the spending priorities of the commonwealth. The House continues the recent thrust of removing non-budgetary items from the budget document, while the Senate clings to the Massachusetts tradition of adopting policy through the budget. Here is a status report of Phase III, the Senate version of the budget.

While the House rejected tax cuts as items that should be considered as separate legislation, the Senate included several cuts in the budget. Deductions for some student loan payments, an increase in the deduction for young children and tax relief for senior citizens and veterans. Bills to address all of those tax cuts are currently under consideration by the Taxation Committee, and the progress of those bills may be the determining factor of whether they remain in the state budget. The future of county government is another issue taken up by the Senate budget after being ignored in the House.

The senate budget orders all major county government functions to be assumed by the state after January 1, 1998. Speaker Finneran states that such a massive change of responsibility should be fully considered, taking into account of all the county liabilities that the state would inherit.

Tax receipts have been significantly higher than earlier projections, giving the Senate more flexibility to spend. The Senate proposes to use some of the unanticipated growth to make final payments on the emergency bonding that kept the state afloat during the Dukakis administration. The House, in a separate piece of legislation, advocates using the same dollars to fund capital projects, thereby keeping them from becoming bonded obligations.

Both houses have produced budgets with similar bottom lines. The \$18.3 billion amount is well within the means of the Massachusetts coffers, a situation that would have surprised the public only 10 years ago. The conservative approach to state expenses has become routine in the '90s, a point of pride for legislators and a fact that lowers the cost of government by raising the Massachusetts credit rating.

The Senate will pass its budget this week. Then comes the final analysis, At that point; the House, and Senate bills must be reconciled, and the process rests on six individuals. Two Democrats and one Republican are selected from each body, and they will spend days and long nights talking, negotiating and compromising to present a unified, single document to guide government operations for the coming year.

If all goes according to plan, Massachusetts, for the seventh consecutive year, will have a budget that is on time and on target. In a time when states such as New York and California are struggling to produce any kind of budget it feels great to have our outstanding accomplishment become annual tradition.