Beacon Hill Byline by Mary Rogeness February 29, 1998

Explaining the Long Term Debt Committee

Last year I served on the House Ways and Means Committee, a position that people respect. In fact, it is quite often referred to by an expanded title, "The Powerful Ways and Means Committee." Since then I have accepted a seat on a new committee, a committee with the cumbersome name, The House Committee on Long Term Debt and Capital Expenditures. I'd like to explain the role of this new committee and the reason I wanted to exchange one committee for the other.

The function of Ways and Means is straightforward. It approves the expenditures needed to operate the state. It's like allocating the money to operate a household, and the function is indeed a powerful duty.

Beyond that day-to-day budgeting, the legislature has one other important financial responsibility. I t approves bonds, large commitments of public money to build prisons and courthouses, buy park land or modernize highways.

Traditionally the legislature approved the bonds and left the scheduling of actual expenditures to the governor's office. That practice freed the legislature from accountability for the fiscal soundness of some of our bonding initiatives. It also left open the possibility that a governor might authorize expenditures beyond the state's affordability.

Change to the comfortable traditional arrangement came when Tom Finneran became speaker of the house, although the first signs of change came with Weld-Cellucci administration policies. The early nineties found the state's finances in disarray. One aspect of reordering the fiscal state of the state was a disciplined approach to bond expenditures. A cap of $900 million per year was established, apportioned throughout various functions.

Speaker Finneran was chairman of the Ways and Means Committee during those years. His committee imposed fiscal responsibility on the membership in the budgeting process. At the same time he saw the necessity to extend that discipline to bond authorizations.

In its first year of operation the new committee has taken this approach to new bond requests. When the office of community development (for example) presented a new housing bond, the committee looked at old bonds that have not been spent, new request and the state's bond cap as it relates to housing needs. Administrators were asked to retract some of their prior bonds or "de-authorize" them. The new bond thereby became both a larger and more realistic obligation for Massachusetts to assume.

In earlier years the legislature might have authorized higher expenditures knowing that the state could never afford to fund them. It was similar to a family having high limit on a credit card, knowing it cannot afford to carry that much debt.

I look forward to participating with my colleagues in this newly defined legislative committee. For now, the committee works quietly without fanfare. But maybe, someday, it will gain the designation of the Powerful House Long Term Debt and Capital Expenditures Committee.