

Beacon Hill Byline by Mary Rogeness

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## **Budgeting for Y2K**

This is not a story about the common use of "Y2K" to denote the computer compatibility crisis facing us when the calendar changes to the twenty-first century, but about the transition to our state's Y2K, the fiscal year 2000. That year begins July 1, a deadline that is unlikely to be met by the legislature. Here is a readiness report on the Massachusetts budget.

First, the good news. The House passed a budget in May, and Senate followed with a budget in early June. Both budgets that approve spending of approximately the same amount, approximately \$20.8 billion.

Next, the bad news. The budgets are very different documents, promoting differing priorities and philosophies. Both budgets fund important activities, but in many instances they fund different activities. A conference committee containing three members from each branch of the legislature will now deal with the blending of the documents into one unified spending plan for Massachusetts. These are some of the issues to be settled.

Tax policy. Both branches provide increased deductions for children. The House budget also reduces the income tax rate to 5.75% while the Senate keeps the income tax rate at 5.95% and offers targeted tax cuts for tenants and certain elderly taxpayers.

MBTA funding. Western Massachusetts does not benefit from the MBTA, but we pay for its funding with our tax dollars. The House tackled this "budget buster" by changing from the inefficient retroactive funding to a model of forward funding. We establish a formula that assesses more served metropolitan committees and requires the transit authority to increase its self-funding of operations. Regaining control of MBTA expenditures is a high priority for the house, and the senate budget does not deal with any changes.

Senior Pharmacy program. Spending on this necessary item was increased in both budgets, but the senate triples new spending to \$100 million. Conferees will now have to consider the availability of the tobacco settlement money used in senate funding calculations to determine how much new spending we can afford.

Beyond the policy issues mentioned above, I'll mention two inconsistencies in the budgets. Both have been brought to my attention by advocates for the affected programs, and they illustrate on a small scale the issues that will have to be addressed by our conference committee of six members.

Our fire departments need funding of a Hazardous Materials (HazMat) account. The house funded the account at \$2.7 million. The senate cut that funding to \$1.1 million, effectively gutting the program. As you would expect, our state's emergency service workers need the higher amount.

CASA (Court Appointed Special Advocates) has a need that is smaller, but just as critical. The program provides volunteers who represent the interests of children in court proceedings. It needs only an additional \$82,000, but that funding that is included in the senate budget only.

The conference committee met for the first time on Monday. It is likely to need substantial time to deal with all line items that are not exactly the same in both budgets. If the July 1 deadline is not met, state government will continue to function with monthly appropriations of one twelfth of the budget. If irreconcilable differences remain, issues can be held over once the basic budget agreement is reached. Whatever happens, we are starting so early that Massachusetts should pass the landmark Y2K well before the computers and the calendars of the world change to 2000.