

Beacon Hill Byline by Mary Rogeness

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The Road to Reform

When Governor Romney campaigned for office, he said he could save hundreds of millions of state dollars by changing spending patterns in state government. Once he was in office, we all found that revenues failed to meet the modest projections for state revenue, so significant reductions were necessary to balance the budget. The cuts were moderated by the last year's structural changes to state agencies, though the legislature rejected other reforms.

This year Governor Romney has again proposed reforms to state government. The publication of the House budget this week will provide a first look at the legislative response to those proposals. Here are some of the significant reforms, their effects on the overall budget and predictions on their acceptance by the legislature.

The proposal that will benefit most people is the governor's re-structuring of the school building assistance program, commonly known as SBA. Hundreds of schools throughout the state are awaiting promised state aid for school construction or renovation projects. Local examples are the Wolf Swamp and Blueberry Hill projects that were completed last year, though they are still years away from receiving the promised state participation in paying the bill.

Governor Romney proposed that the state pay for these long term capital projects through state bonding, rather than the current practice that pays them in the operating budget. That change, combined with overdue construction reforms, would achieve two goals. Towns like ours would receive immediate relief for 60% of the bonding cost. And the shift to state bonding would save \$150 million of operating dollars that could be directed to other budget priorities.

Will the legislature accept the plan? Hints have come recently from Treasurer Cahill's office. The treasurer is briefing Democrat legislators this week about a bonding plan that sounds very similar to the governor's. This may be a time when we can make giant strides so long as we don't care who gets the credit.

The second attempt at reform will save millions and add hundreds of millions of dollars for one-time use. But it may have a rockier road. As he did last year, Governor Romney has proposed combining the Mass Turnpike Authority and Mass Highway operations under a single department. As they did last year, house leaders are indicating "thumbs down" on the highway merger.

The Pike operates a 130-mile stretch of interstate highway. The road is well maintained, but the Authority has complete independence from all state control and a cost structure much higher than the interstate roads that are maintained by Mass Highway. Combining the operations would allow creation of a single administrative structure, remove the need for a new Turnpike maintenance facility and save at least \$20 million in annual operating cost. In addition, converting turnpike bonds to general obligation debt would free up \$190 million for one-time use, the annual bond payment that must be held in reserve under the present structure.

Last year saw reform in some agency organizational setups. This year we may have some reform to school building assistance. And maybe next year, with the third time being the charm, Turnpike and Mass Highway operations will be combined. And the combination will allow our tax dollars to restore more needed services to the people of Massachusetts. That hope and expectation keeps me working each week.