

House Leader: "Day Of Reckoning" Is Postponed Under \$22.93 Budget Deal

By Michael P. Norton, State House News Service

STATE HOUSE, BOSTON, JULY 18, 2002.....House and Senate negotiators Thursday afternoon filed a \$22.93 billion budget that substantially spends down the state's reserves and raises taxes to prevent many of the most feared cuts in government services.

Despite plummeting tax collections, the plan boosts spending slightly over the last fiscal year, using tax hikes worth \$1.14 billion, grabbing \$800 million in cash reserves, and imposing \$80 million in fees.

House budget chief John Rogers (D-Norwood) said the plan contains major spending cuts that will lead to "hundreds" of layoffs, but Rogers said negotiators avoided making the deepest possible cuts in education, the judiciary and at the major human service agencies. The budget cuts health benefits next April to 50,000 people considered long-term unemployed, and imposes fees on certain nursing home patients.

"There's no great options in this whole thing," Rogers said. "We submitted a balanced budget today."

The budget and tax bills will be put before the House and Senate for up-or-down votes Friday. Rogers said House members, during a private caucus this week, said they are comfortable voting on the bill if they have at least 24 hours to review it. "There shouldn't be any surprises," Rogers said.

In May, the House approved a \$22.9 billion budget. Last month, the Senate okayed a \$23.1 billion spending plan. Simultaneously, Acting Gov. Jane Swift announced that nearly \$600 million in tax revenues would not materialize this year, and called on lawmakers to reduce their spending plans.

Rogers said nearly \$300 million in spending cuts are "obscured" by other legislative maneuvering intended to balance the budget. And he said the use of \$1.2 billion in non-recurring, one-time revenue sources leaves the budget structurally imbalanced and delays difficult decisions about spending.

Unless Swift vetoes \$300 million in spending and lawmakers let her vetoes stand, the state's rainy day fund, which stood at \$2.3 billion just over a year ago, will be drawn down to \$170 million. Additional tax hikes will be difficult to justify. And lawmakers don't appear eager to cut spending anymore.

"You just postpone the day of reckoning and that's exactly what we're doing," Rogers said.

The deal means the new governor elected in November is going to inherit significant budget problems, barring an unexpected surge

in the economy, which would boost tax revenues.

State tax receipts fell by a record \$2.5 billion, or 15 percent in the last fiscal year and are not expected to rebound strongly soon. That has made it very difficult to balance the budget in the face of strong demands to preserve programs and pressure not to raise taxes too much on workers who are also struggling.

After resisting for four years, the House and Senate agreed to appropriate \$3.8 million to finance the campaigns of Clean Elections candidates who have agreed to operate within spending and fundraising limits. The funds are likely to satisfy claims from candidates who have not given up on the voter-approved reform. The budget calls for voters in November to again be heard on public campaign finance, and lawmakers drained \$20 million from an existing Clean Elections fund to spend on other programs.

"Many members of the House and Senate wanted some level of finality to this issue," Rogers said.

The budget preserves methadone clinic services to recovering heroin addicts, which Montigny called a victory for the Senate.

Montigny said he supports using reserve funds and tobacco settlement money to prevent deeper cuts to health care and human service programs. He said he hopes Swift doesn't slash more from services, and instead pushes a plan to save money by trimming Lottery prizes.

"If there's an alternative, we're going to use it," he said. "You do not fool around with some of these populations we've been trying to protect."

The budget, Montigny said, would force layoffs, but like Rogers he could not say how many.

Rogers said the budget bill eliminates 80 percent of the so-called earmarks that individual lawmakers depend on to make sure policy priorities and local projects secure financing. Swift has urged legislators to resist earmarking so that state agency managers will have more flexibility to manage limited budgets.

The budget bill spends all of the \$300 million in revenues the state expects to collect this fiscal year as part of its legal settlement with tobacco companies over the public health costs of treating smokers. Of that money, \$30 million will be tied to a fund that pays for treatment of the uninsured and \$120 million to the state's effort to ensure health coverage for income-eligible children and seniors. ■

Dole Receives Award...

Continued from Page 1

She works as a counselor in the Bunker Hill Community College Outreach Program, where she has served since 1979. She also teaches counseling courses in the college's division of continuing education.

Dole is currently completing a doctorate in public higher education administration at UMass Boston.

Raymond C. Lemieux (1931-1987), Professor of Economics at STCC, was a Massachusetts Community College Council treasurer, negotiator, grievance coordinator, and Health & Welfare trustee. His service and dedication to higher education, to the Massachusetts community college system, and to the MCCC / MTA / NEA immeasurably enhanced the lives of those around him.

- Service to higher education and the labor movement in the quest for improved working conditions and high standards of professional excellence.

- Demonstration of leadership in MCCC and higher education.

- Exemplification of the concerned and caring approach of Raymond C. Lemieux, much of whose life was dedicated to the betterment of faculty and professional staff. ■



Geri Curley, BHCC addresses MTA Delegation in Pre-convention Meeting

MCCC Buys Office...

Continued from Page 1

As the lease for the current office space at Drury Square was nearing expiration after three years, an investigation into the possibility of buying was undertaken. The organization found itself in sound fiscal condition, and the current cost of real estate in the Worcester area seemed inviting. Operating costs of the new location compare favorably to the costs of renting, with the attraction of equity building. Worcester will be a central and accessible location for the statewide MCCC. ■

House Budget. Mid July

(slightly edited for fit)

House, No. 5300 Community Colleges

7502-0100	For Berkshire Community College	\$9,129,385
7503-0100	For Bristol Community College	\$14,683,380
7504-0100	For Cape Cod Community College	\$10,751,842
7504-0101	For the operation of an environmental technology, education, and job training partnership through the Cape Cod Community College;	\$111,994
	Toxics Use Reduction Fund	100.00%
7505-0100	For Greenfield Community College	\$8,807,887
7506-0100	For Holyoke Community College; provided further, that funds may be expended for the operation of the Holyoke Home Information Center	\$17,340,886
7507-0100	For Massachusetts Bay Community College	\$13,522,666
7508-0100	For Massasoit Community College; provided, that not less than \$274,700 shall be expended for the operation of Christo's II Culinary Arts Center	\$19,123,451
7509-0100	For Mount Wachusett Community	\$10,861,718
7510-0100	For Northern Essex Community College	\$17,918,257
7511-0100	For North Shore Community College, including the post secondary programs of the Essex Agricultural and Technical Institute operated by North Shore Community College	\$19,547,214
7512-0100	For Quinsigamond Community	\$14,128,975
7514-0100	For Springfield Technical Community College	\$22,265,843
7514-0102	For the Massachusetts Center for Telecommunications and Information Technology through the Springfield Technical Community College Assistance Corporation	\$535,206
7515-0100	For Roxbury Community College	\$10,431,310
7515-0120	For the operation of the Reggie Lewis Track and Athletic Center at Roxbury Community College	\$774,278
7515-0121	For the Reggie Lewis Track and Athletic Center at Roxbury Community College	\$523,100
	Reggie Lewis Track and Athletic Center Fund	100.00%
7516-0100	For Middlesex Community College	\$18,202,731
7518-0100	For Bunker Hill Community College; provided, that \$135,000 shall be obligated for the life focus center	\$18,578,863
7520-0424	For a health and welfare reserve for eligible personnel employed at the community and state colleges	\$3,182,263

Strategic Action Committee Report: Preparing For Stormy Days Ahead

By Joseph T. LeBlanc, MCCC Vice President

These are challenging times for the legislature, which pulled every rabbit out of its hat in enacting the Commonwealth's FY 03 budget.

At press time, the budget has been sent to Acting Gov. Jane Swift, who has vetoed the \$1.12 billion tax increase (guaranteed to be overridden) and some \$355 million in other spending, including all four-year college and university collective bargaining agreements. It's now up to Speaker of the House Thomas Finneran to schedule override votes on July 31.

After several years of budget surpluses, it's been a tough year on Beacon Hill. State revenues dropped by a record amount last year, leaving the House and Senate budgets off by about \$650 million. Medicaid and other health care costs have eaten up most new state revenues, as MassHealth enrollment has jumped from 690,000 five years ago to about 1 million today.

Pension funding has been cut by \$130 million, as proposed by Acting Gov. Swift. In a move this union opposed, the state has extended the period for paying its unfunded pension liability, shifting the burden on future taxpayers. The FY 03 budget, while technically balanced, draws on additional reserves, draining this account to \$150 million (more if Swift's vetoes are allowed to stand). The situation is bad, and next year may be worse unless the economy improves and state revenues increase more than most economists are predicting.

The MCCC has responded as well as possible to the fiscal crisis, lobbying furiously and negotiating a contract extension to avoid a zero year. The following is a scorecard of recent MCCC and SAC activity on Beacon Hill:

- Our health insurance contribution rate stayed at 85/15 until Acting Governor Swift vetoed funding and offered a three-tiered system with increases to 20 or 25 percent depending on your salary. Earlier this year, Speaker Finneran favored an increase to 80/20. To make matters worse, several newspaper columnists attacked the benefit, taking a point raised by the Massachusetts

Taxpayers Foundation, which referred to our health insurance benefit as an example of one of ten "untapped savings opportunities". (MTF Bulletin, June 27, 2002)

In the end, you have made hundreds of phone calls in May and June and July and played a big role in amending the House budget to restore the rate to 85/15. At press time, we are unsure if we will defeat what is worst attack on this benefit in a decade.

- College budgets have been cut by 2.5 percent over the final FY 02 figures. Our State House Rally, Lobby Day and your calls helped lobby the legislature to adopt Speaker Finneran's tax package. Without the tax increases, college budgets would have been cut by 10 percent or more. With higher fees adopted at most colleges last year, college budgets will be tight but not devastating.

Two additional budget cuts include a 52 percent reduction (reduced even more by Swift's recent vetoes) in library materials funding and a 64 percent cut in Community College Workforce Training.

- We did not succeed in amending the early retirement law, which, unless amended, will freeze new hiring (in the positions vacated by retirees) for two years. The Conference Committee did not include Sen. Stan Rosenberg's backfill amendment in their version of the budget. While such provisions have been loosely enforced in previous early retirement laws, this one has the potential to slow hiring of much-needed faculty and professional staff. We will be watching this one closely over the next few months.

- A bill to fund our recently ratified contract extension will be costed out at the BHE and filed by the Acting Governor in early fall. The Strategic Action Committee and our lobbyists will lobby to fund this bill when the legislature meets in informal session.

In our next column, look for news about a Congressional campaign to repeal the Government Pension Offset and Windfall Elimination Provision as well as a new NEA campaign to pass a progressive federal welfare reform law. And don't forget that Massachusetts governor's race...stay tuned. ■