

The Commonwealth of Massachusetts

STATEMENT OF JAMES F. BURKE, CHAIRMAN OF
THE SENATE COMMITTEE ON WAYS AND MEANS
RELATIVE TO GENERAL APPROPRIATION
BILL, HOUSE NO. 4810, AMENDED.

Ordered printed as Senate document.

SENATE, June 22, 1967.

THE FOLLOWING IS THE TEXT OF THE BUDGET STATEMENT BY
SENATOR JAMES F. BURKE, CHAIRMAN, SENATE WAYS AND MEANS.

Mr. President:

The Committee on Ways and Means presents herewith its recommendations for the General Appropriation for fiscal year 1968. This bill totals \$825,374,770. This is a reduction of \$830,919 from the bill as reported by the House and reduction from the Governor's recommendations of \$11,939,495.

The balance sheet that is appended to this document will show the fiscal projection for the coming year. While it is not a constitutional nor statutory requirement that the Legislature report a balanced budget, the Committee feels that reporting out a balanced budget is essential.

This we have done.

We have consulted with the Governor's fiscal advisors—the departments—and Legislative fiscal advisors to arrive at these figures. Our analysis and evaluation has been based—upon the needs of the Commonwealth and comparison with available revenue.

As you are well aware, estimating revenue is an art—not a

science. There are no formulas or test tubes that we can use that will indicate exactly what state revenue will be. The best yardsticks available to us have been used and we are confident that the revenue estimates will be reached.

We have made reductions in certain areas based upon presentation of facts to us. It is only a short few weeks ago that your Committee received this Budget from the House. This is both a curse and a virtue. The shortness of time forces your Committee to lengthy and arduous committee work and perhaps absence from the Chamber; however, the virtue is that more accurate estimates of unexpended balances can be reported to us from the various departments allowing more accurate appropriations.

We have reduced the appropriation for the emotionally disturbed children based upon information brought to our attention that in the current year, because there were not available spaces for the number of emotionally disturbed children that are budgeted for, there will be a \$2 million carry over into the next fiscal year.

This amount will be added to our recommendation contained herein. Thus this program will be able to expend \$8 million for the next fiscal year. Similarly, the polio vaccine program carried forward a balance allowing the 1968 budget to be equal to the prior year appropriation.

One of the major concerns of the committee has been the implementation of our recent mental health reorganization. Your committee in this budget implements the massive reorganization of the Department of Mental Health by providing appropriations to seven regions throughout the State.

This realignment of accounts was a tremendous task.

Over 15,000 employees and 110 institutions and agencies including schools for the retarded, comprehensive mental health centers, mental health clinics, childrens' clinics and preschool nurseries, had to be reassigned to their geographical region.

I should like to express the Committee's appreciation to the Executive Office for Administration and Finance and especially the Budget Bureau and the Bureau of Personnel for their efforts in this undertaking.

By this action the Department of Mental Health will have legislative backing to proceed at a rapid rate to implement this outstanding program.

In the area of Education, your Committee has lived up to its responsibilities in carrying forward the objectives of the Willis-Harrington report. It has provided for orderly development of the Board of Education, the Board of Higher Education, and the Advisory Council on Education.

The Committee has increased the colleges and University budgets by \$1,050,000 over the recommendations of the House. The evaluation and analysis of the budgets of the various institutions of public higher education indicated that enrollments for next year will exceed 50,000 students.

This we have provided for.

The Committee is also aware that the demand and numbers of students in public higher education is going to increase greatly in the fiscal '69 budget.

Relative to the administration of higher education facilities, I should like to insert a word of caution and warning to the trustees of our various autonomous agencies.

The Legislature, under fiscal autonomy, has given extensive freedom of operation to these trustees and also has placed upon them a great deal of fiscal responsibilities. Recent cases have been brought to our attention whereby transfers for purchases and untimely pay raises have caused deficiencies in payrolls. Similarly, failure of communication to the Executive Department has caused confusion relative to needs and programs for the students.

Not only education but other departments and agencies of the Commonwealth must live within appropriations. This is mandated by the General Laws and the policy and practice of the Legislature.

In the past year, the Legislature has been presented with four major deficiency bills. This cannot and shall not continue. It makes a mockery and farce out of budgets and fiscal responsibilities.

The Commonwealth has over fifty thousand full-time employees. By far, the majority do an excellent job. They are dedicated and hardworking people. It is a minority that causes the public to view with confusion — if not hostility — the operation of state government.

We are anxious to raise the values and standards of State service. This can only be done with the cooperation of all state employees. The committee is dedicated to improving the situation of state employees.

During the past recess of the Legislature, we undertook a study and analysis of permanent and temporary employees and will recommend shortly legislation to correct this chronic problem. We are also aware of the difficulties of the lower grade classified personnel, who in this inflationary period are laboring under an economic burden.

We are hopeful that this situation also will be corrected in this session.

The committee feels that this budget as submitted, is adequate to provide essential and necessary services for the coming fiscal year. Our balance sheet shows a very small and insignificant surplus with which to face the next year.

I personally do not think that our existing revenue programs can carry us through the next year, except on this precarious basis. Increases in programs or costs might well cause fiscal disaster. Sound and prudent fiscal management should call for an increased tax program this year. The committee experiences a sense of helplessness — if not futility — in being prevented in recommending new taxes by our Constitution.

I cite as an example of the problems that must be faced next year, the retirement of authorized but unissued notes of the special capital outlay program of \$4 million which must be paid. There are many other cases of "built-in" increases which are not known at this time but which I am sure we shall face.

As you are well aware, there has been tremendous increases in commissions and boards in the last few years. These are in response to the needs and demands of the public. Taken individually, these activities do not seem large when they are being created and do not seem to cost a great deal. However, taken collectively with the inherent jobs and equipment and rent and expenses, the cost is tremendous. We should exercise caution in adding new services until we are sure that we can pay for the old.

The committee has examined each and every item in this budget in a very short time. I reiterate it is a sound and adequate budget.

It is in balance.

I hope that the Committee's recommendations are adopted.

(See Table On Following Page)

GENERAL FUND

<i>State Purposes</i>	<i>1967</i>	<i>1966</i>
	<i>Actual &</i>	<i>Estimate</i>
	<i>Estimated</i>	<i>Estimate</i>
<i>Sources of Revenue</i>		
Balance, beginning of year	\$ 24,522,228	\$ 25,207,868
Departmental Revenue	76,122,011	88,856,414
Taxes	269,600,000	280,183,000
Transfers from Other Funds	18,000,000	20,094,641
Other Revenue	94,328	94,144
Reversions	6,500,000	
Transfer from debt service reserve	1,512,422	
TOTAL	\$396,350,989	\$414,436,067
 <i>Appropriations</i>		
Maintenance, State purposes	\$369,928,450	\$408,654,724
Transfer to other funds	1,211,671	1,503,012
Authorized non-appropriated expenditures	3,000	3,000
TOTAL	371,143,121	410,160,736
Balance, end of year	25,207,868	4,275,331
	\$396,350,989	\$414,436,067

