

By Mr. Early of Worcester, petition of the Massachusetts Taxpayers Foundation, Inc., Joseph D. Early and George L. Sacco, Jr., relative to improving certain procedures in the preparation of state budgets. Ways and Means (joint).

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Four.

AN ACT TO IMPROVE THE STATE BUDGET PROCESS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 3 of chapter 29 of the General Laws, as
2 most recently amended by chapter 757 of the acts of 1962, is
3 hereby amended by adding the following sentence: —

4 Every such officer shall include with his statement to the
5 budget director an additional statement justifying his request for
6 permanent, temporary and part-time positions in the ensuing
7 year in relation to the projected work to be performed by his
8 office or agency, and such additional statement shall also include
9 information relative to the number of such positions and the
10 work performed in previous years.

1 SECTION 2. Said chapter 29 of the General Laws is hereby
2 further amended by striking out section 6, as most recently
3 amended by chapter 757 of the acts of 1962, and inserting in
4 place thereof the following: —

5 *Section 6.* The budget director shall study and review all
6 estimates and requests for appropriations and other authoriza-
7 tions for expenditures of state funds filed with him as provided
8 by sections three and four, and shall make such investigations as
9 will enable him to prepare a budget for the governor, setting
10 forth such recommendations as the governor shall determine

11 upon. The governor may call upon the comptroller for informa-
12 tion relative to finances and for assistance in the preparation of
13 the budget. The budget shall be submitted by the governor to the
14 general court annually within three weeks after the general court
15 convenes in regular session, and it shall embody all estimates,
16 requests and recommendations for appropriations, distributions
17 of state collected revenues or other authorizations for expendi-
18 tures by the commonwealth in accordance with existing law. The
19 budget shall be classified and designated so as to show separately
20 estimates and recommendations for:— (a) expenses of ad-
21 ministration, operation and maintenance; (b) deficiencies or
22 overdrafts in appropriations of former years; (c) new construc-
23 tion, additions, improvements and other capital outlays;
24 (d) interest on the public debt and sinking fund and serial bond
25 requirements; and (e) all requests and proposals for expenditures
26 for new *programs* (projects) and other undertakings; and shall
27 include in detail definite recommendations of the governor
28 relative to the amounts which should be appropriated therefor
29 and the form in which the recommended appropriations should
30 appear in the general appropriation bill. Appropriation items
31 shall, to the fullest possible extent, conform with the programs
32 of the several offices and departments as defined by the secretary
33 of administration with the advice of agency heads or other
34 officers responsible for their administration. The budget shall
35 show the estimated revenue of each office, department or
36 undertaking and the number of permanent positions proposed to
37 be authorized. The budget shall also contain information relative
38 to the number of persons to be served or the number of actions
39 to be taken by each office, department or undertaking in the
40 current and the ensuing fiscal years and such other information
41 as may be held to explain the anticipated results of the proposed
42 expenditures. The budget shall include a sum payable from the
43 general fund equal to one-half of the amount necessary for
44 payment for personal services and other expenses for or on
45 account of the enforcement of the laws relating to game and
46 inland fisheries. The budget shall also include definite recommen-
47 dations of the governor for financing the expenditures recom-
48 mended, and the relative amounts to be raised from ordinary

49 revenue, direct taxes or loans. All appropriations based upon the
50 budget to be paid from taxes or revenue shall be incorporated in
51 a single bill to be designated the general appropriation bill. With
52 the budget the governor shall submit to the general court such
53 messages, statements or supplemental data relative thereto as he
54 deems expedient, and from time to time during the session of the
55 general court he may submit supplemental messages on recom-
56 mendations relative to appropriations, revenues and loans.

1 SECTION 3. Chapter 29 of the General Laws is hereby
2 amended by inserting after section 5 the following new sec-
3 tions: -

4 *Section 6A.* There shall be in the department of administra-
5 tion and finance, but in no way subject to its control, a board of
6 revenue estimates, in this and the following three sections called
7 the board. The board shall consist of one person appointed by
8 the senate president who need not be a member of the senate, to
9 serve for a term of two years, one person appointed by the
10 speaker who need not be a member of the house of representa-
11 tives, to serve for a term of two years, the chairman of the joint
12 committee on taxation or his designee, the chairman of the board
13 of economic advisors, the secretary of administration or his
14 designee, one person appointed by the governor to serve for a
15 term of three years, and one person appointed by the governor,
16 with the approval of the senate president and the speaker of the
17 house, to serve as chairman of the board for a term of three
18 years. Members of the board shall serve without compensation
19 but shall be paid their necessary expenses incurred in the
20 performance of their duties. The board may employ a director of
21 research and such technical experts and other assistants as may
22 be required in the performance of its duties.

23 *Section 6B.* It shall be the primary function of the board to
24 prepare and submit to the governor and to the general court, as
25 hereinafter provided, official estimates of revenues of the
26 commonwealth to be used in the preparation of executive
27 budgets and legislative appropriation bills. At the request of the
28 governor or of the joint committee on taxation, the board shall
29 also provide estimates of probable receipts from proposed new

30 revenue measures or proposed changes in existing laws. In the
31 conduct of its economic studies and the preparation of its
32 estimates, the board shall give particular attention to the effects
33 of taxes currently imposed by the commonwealth on the general
34 level of economic activity on specific industries and on individual
35 taxpayers within the state. It may from time to time and, at the
36 request of the governor, shall recommend such changes in the
37 rates or forms of taxes and other sources of revenue, or in the
38 proportions of revenue to be derived from the several forms of
39 state taxation, as will, in its judgment, be most conducive to the
40 welfare and the economic prosperity of the state.

41 *Section 6C.* On or before December first of each year, the
42 board shall submit to the governor and to the house and senate
43 committee on ways and means an annual report on state revenues
44 which shall contain (a) its estimates of the probable receipts of
45 the commonwealth from each existing tax source and from
46 grants-in-aid and revenue distributions from the federal govern-
47 ment in its ensuing fiscal year, (b) any revisions which it deems
48 necessary in previous estimates for the current fiscal year, (c) a
49 summary of the economic data and any other information on
50 which its estimates are based, and (d) any recommendations for
51 changes in the revenue laws of the commonwealth together with
52 proposed legislation to carry its recommendations into effect.
53 The board shall also review and report on the availability of
54 programs of federal reimbursement and the probable percentage
55 basis of reimbursement. All estimates of tax receipts shall be of
56 net collections, after refunds and other charges, and shall be
57 based on laws, rules and regulations in effect or to be in effect
58 during the period of collection.

59 On or before March first, and again on or before June first, the
60 board shall, in like manner, submit any revisions of its previous
61 estimates for the current or the ensuing fiscal year.

62 On or before July first the board shall determine and report to
63 the governor a maximum total amount of tax revenue which, in
64 the judgment of the board, will be available for the annual
65 budget for the ensuing fiscal year together with any supplement-
66 ary budgets for the current year. In making such determination,
67 the board shall take into account the impact of existing state

68 taxes, the probable economic growth of the state in the ensuing
69 year, and anticipated changes in federal and local taxes.

70 *Section 6D.* No recommendation for appropriations shall be
71 made by the governor to the general court in any annual budget,
72 supplementary budget or deficiency budget which will require
73 revenues from taxation or from grants-in-aid or revenue distribu-
74 tions from the federal government exceeding the most recent
75 estimates of the board unless it is accompanied by proposed
76 legislation to provide additional sources of revenue sufficient,
77 with other revenues, to finance the proposed appropriations.

