

Beacon Hill is averse to real reform

By Stephen J. Adams

April 14, 2003

The House and Senate have had Governor Romney's budget to kick around for seven weeks so far, and kick they have.

At a recent speaking engagement the kindest thing Senate President Travaglini could say of the Governor's proposals is that they are "unworkable."

Legislative committees have held numerous hearings and empanelled several task forces. Advertised as fact-finding efforts to uncover ways to meet the state's massive budget imbalance, they have been little more than choreographed attacks on Romney's budget-balancing proposals. Precious few alternatives for budget savings were heard.

By using the interval since the Governor's budget to engineer a new tax hike, the legislature is squandering time better used making the Governor's reforms more workable.

Shrinking the human service bureaucracy will create savings and better services. The courts are full of wasteful patronage that can be sharply trimmed. Competitive bidding will produce lower cost and higher quality public services. State employees should pay a larger share of their health insurance. If the legislature objects to the governor's approach to achieving these savings, they should offer their own.

Instead, the Finneran/Travaglini good-cop, bad-cop budgets will be choreographed to scare citizens into supporting another large tax hike.

Soon we will learn that it is not Governor Romney's reforms that legislators abhor, but reform itself. Here is what to expect from House and Senate budget deliberations:

- Deep cuts in Medicaid sustaining the governor's cuts and adding more of their own.
- Deep cuts in non-education local aid
- Freezing education reform the legislature will let schools keep the money from ed reform (state aid has doubled in 10 years) and freeze the reforms including MCAS, charter schools and bi-lingual education.
- Deep cuts in social services few if any of the 215 state offices will be closed.
- Pay hikes for Speaker Finneran's closest lieutenants.

Here's what *not* to expect from the House and Senate budgets:

- Repeal of the Pacheco law or any proposals for outsourcing government services— Massachusetts is to remain the only state in the nation that virtually outlaws competitively bidding public services, foregoing millions in permanent savings.
- Elimination of the Metropolitan District Commission maintaining two state park agencies.
- Merging the Turnpike Authority into MassHighway \$30 million in annual savings and \$190 million in one-time revenues foregone.

- Increasing state employee share of health insurance why should state employees pay more than 15% of their health insurance costs? Because most Massachusetts citizens do and it would free up \$80 million every year.
- Streamlining court operations and returning management of the courts to the courts passing up \$40 million in permanent savings from restructuring and cutting patronage jobs.
- Elimination of police details and Quinn bill bonuses \$40 million plus.
- Reducing bureaucracy at human service agencies for \$90 million in savings and better service for families in need.

The real difference between Governor Romney's budget and the legislature's plan is on whom the budget cuts fall. The crimes of omission and commission listed above will add up to a budget designed to shield public employees and patronage havens from budget cuts at the expense of local governments, the state's neediest citizens and in the end, taxpayers.

The excuses legislators will use to defend their doomsday budget are equally predictable. "Reforms won't create enough savings." "One-time revenues are gimmicks." "Restructuring of programs and agencies won't create savings this year." These are lame dodges. The governor may have been reaching to suggest that structural reforms could produce more than \$2 billion in savings in one year. But even if they bring \$600 million or even \$300 million, the reforms are worth pursuing. One-time savings are only a gimmick if not accompanied by reforms that produce permanent savings later. The governor's proposals for one-time revenues can buy Massachusetts precious time to implement his bureaucracy-shrinking that will create a permanent shift in the states' spending pattern.

The dance to a doomsday budget and a new round of tax hikes is not inevitable. Legislators need only be reminded for whom they are working. As you mail off your contribution to the bloated state bureaucracy tomorrow, why not send a note to your representative that you'd like next year's tax bite to be smaller, not larger. *Stephen J. Adams is President and CEO of Pioneer Institute a Massachusetts public policy think tank.*