



Romney's budget lays out priorities

By Stephen J. Adams

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Creating a budget is about setting priorities.

Between 1995 and 2000, during the stock market bubble, state spending ballooned from \$16.3 billion to \$21.8 billion. If the budget had grown by inflation and population growth it would have stood at just \$18.9 billion. Instead, as the money poured in, Beacon Hill added an extra \$2.8 billion in annual spending. That additional spending came from deliberate decisions to grow government.

One of the biggest was the decision to expand Medicaid. Lost in much of the hullabaloo about rising health care costs is the simple fact that most of the state's rising Medicaid budget comes from expanding eligibility. By 2000, Medicaid enrollment had grown by 50 percent over 1996 levels.

According to analyses produced by the Massachusetts Taxpayers Foundation, nearly 60 percent of the cost increases in Medicaid between 1997 and 2002 were driven by expanding eligibility, not underlying costs of health care. Today one in six Massachusetts citizens receive Medicaid support. However laudable this goal, it is not sustainable within current revenues.

During the gravy days of stock market-induced tax revenues, state government added other permanent costs.

Between 1996 and 2002 higher education saw a nearly 40 percent hike in state spending, as did state employee health insurance. Our fabled court system enjoyed a 44 percent increase in spending. But the real champion high hurdler was school building assistance. The state's bill for local school construction more than doubled from \$180 million in 1996 to \$365 million in 2002. That rivals the pace of Medicaid growth during the same period.

In these and in numerous other ways, Beacon Hill set its priorities by expanding government services and putting more local government expenses onto the plate of state taxpayers. And they did so knowing full well that the revenue growth supporting the new spending was unsustainable.

Gov. Mitt Romney's budget lets stand many of the commitments Beacon Hill made before he arrived.

He is letting stand the Medicaid eligibility expansions, but he is asking that those in the health care system pay a larger share. He is giving state aid to education a free pass and leaving untouched police salaries. But he wants local governments to tighten their belts in other areas just as will state government. The governor will continue to grow human service spending for the most vulnerable citizens but he wants to be able to restructure the service delivery system to send more money to direct services and less to bureaucratic overhead.

Romney wants to eliminate the Pacheco Law and let competitive bidding bring down the cost of state services while increasing quality. He wants to reorganize state bureaucracy to eliminate redundancies and unnecessary administrative costs like the MDC, the Boston Municipal Court and the Massachusetts Turnpike Authority.

Romney's court reforms will transform the judicial system from a patronage haven for the politically connected to a legal system adjudicating disputes efficiently and equitably across the Commonwealth.

Even the governor's new revenue proposals, and there are many, establish priorities. Like them or not, at least most of the proposed fees hikes and new levies have a

logical nexus to the associated spending. An increase in assessments to HMOs, hospitals and Medicaid recipients will go toward supporting health care costs. Higher tuition will pay to keep the state colleges open.

The Legislature prefers an income tax hike where the money is more fungible. Last year's tax hike, the largest in state history, is paying for things like vacation time accruals for former Senate President Birmingham's staff, police details and the salary of former House Majority Leader Nagel, the new clerk magistrate in the new Ware court.

Through his budget, the Governor is asking the Legislature to stick to its past commitments to citizens in need and to local schools over the interests of the state bureaucracy. Romney's priority is changing the culture of governance in Massachusetts. His budget seeks to move Massachusetts away from a culture in which citizens work to keep state government afloat to one in which state government works for its citizens.

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