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## *The Rosenberg Report*

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Hello again!

As promised, here is some information on the Senate Ways and Means fiscal 2004 budget report released today. I'm not going to try to sugarcoat it – this is a tough budget. It's definitely the toughest anyone currently on Beacon Hill has ever faced and it is probably the toughest since the Great Depression.

The Senate Ways and Means report contains no new broad-based taxes or expanded gambling initiatives. It meets the state's projected \$3 billion shortfall through difficult and painful, but fairly distributed cuts, a few increased fees and a series of responsible reforms designed to achieve maximum efficiency. The Senate is attempting, above all else, to build a budget that protects the core mission of state government.

As you know, the state budget is a massive and complicated document. We are still in the process of sorting out the finer details and will report back to you on some of those next month. In the meantime, please feel free to check out the budget on-line <http://www.state.ma.us/legis/04budget/senate/swm.htm> and take a look at the Senate's reform package I've highlighted below. As always, I appreciate your thoughts. [www.stanrosenberg.com/form.html](http://www.stanrosenberg.com/form.html)

Yours,



### *Responsible Reforms*

Since taking office, Governor Romney and his administration has called upon state government to reform itself as the best way to meet the fiscal '04 budget shortfall. The Senate has not shirked from this challenge, and has, in fact, embraced the spirit of reform. As Senate President Robert Travaglini (D-East Boston) has said, there are no sacred cows in this budget; the status quo is not an option. Below are a few of the major reform proposals put forward today by the Senate Ways and Means Committee. All of these measures are designed to continue delivering the many of state government's core services.

**Prescription advantage/bulk purchasing** – The Senate is proposing to restore the Prescription Advantage program for seniors and low-income people with disabilities, to

create a public bulk-purchasing drug program. The Senate budget allocates \$96 million to finance the program, but also calls for such reforms as increasing co-payments and limiting the program's open enrollment period.

The Senate's bulk-purchasing drug program initiative calls for the state to use its purchasing power to leverage the price of prescriptions with drug companies. The Senate initiative creates a public pharmacy benefits manager – called a PBM – that will result in deep discounts off the average wholesale price for prescriptions, saving taxpayers at least \$8 million in its first year with greater savings projected in future years.

**Courts and government lawyer hiring practices** – The Senate is proposing a plan to save up to \$9 million that state government agencies spend on private, outside lawyers by instituting the following changes:

- 1) Require all agency hiring of outside lawyers to be approved in advance by the governor's chief legal counsel;
- 2) Require competitive public bidding for agency hiring of outside lawyers;
- 3) Require the Secretary of Administration and Finance to issue detailed reports twice a year on all government contracts with private lawyers.

With these proposals, the Senate is signaling its desire to give the Romney administration the appropriate tools to reform this area of state government, one of the first he identified as being rife with inefficiency.

The Senate is also proposing a number of reforms for the Massachusetts judicial system, which reflect recommendations by the Monan Committee, a group of experienced management professionals and attorneys who recently reviewed the operation of the courts. The Senate's initiative consists of three major reforms:

- 1) Replace the Trial Court's position of Chief Justice for Administration and Management with a professional Chief Administrator who will oversee a single administrative office for the Courts. This Chief Administrator will report to the Judicial Council, which consists of the chief judges of all the court departments.
- 2) Establish a Court Reform Advisory Board consisting of lawyers, business experts and experts in public administration to provide advice and support for administrative and management reform;
- 3) Reform Superior Court judge rotation to longer, one-year rotation cycles, rather than the current inefficient system of monthly judge rotation between courts.

**Health and Human Services** – This Senate initiative carries out a long-standing Senate commitment to improve the delivery of Health and Human Services. It streamlines

bureaucracy, improves service delivery and increases access for the more than one million children, adults and families who look to state government for these essential services.

The Senate reform arranges the current 15 agencies into five service categories, which will share a common charge—“one stop shopping for families and individuals.” These include:

- Office for Children, Youth and Families
- Office of Health Services
- Office of Disabilities and Community Services
- Office of Elder Services
- Veterans Services

The current system is fragmented and results in agencies competing for resources and questioning who is responsible for certain clients. The Senate’s model, as constructed by Senate Ways and Means Chairwoman Therese Murray (D-Plymouth), spotlights the client and allows more coordinated management of their cases. Agencies will open lines of communication, seek partnerships, leverage new dollars and maximize federal reimbursement for costs. The amount of red tape a client faces will also be minimized.

The new HHS offices will maintain their own accounts and target missions, but will operate with a shared vision for serving clients quicker and more efficiently. The Romney administration has already embraced many of these concepts.

**Public safety** – The Senate Public Safety initiative would reorganize and expand DNA testing, autopsies and other forensic services utilized by District Attorneys in criminal prosecutions. These tests are currently conducted by numerous public and private labs, both in the Commonwealth and out-of-state.

The Senate plan calls for the creation of a new independent agency, the Department of Forensic Sciences, to coordinate and maximize the delivery of forensic services by the Chief Medical Examiner, the State Police Crime Lab, the Department of Health Crime Lab, the UMass Toxicology Lab and other labs. Such an agency would be more accountable and efficient by setting up integrated units and reducing duplicate functions.

In an independent needs assessment report conducted last year, the National Forensic Science Technology Center found that Massachusetts forensic sciences suffer a critical lack of resources because crime labs are so disconnected. The Center concluded the gravest shortfall was in the rising demand for DNA analysis and called for the immediate doubling of resources. Here's why:

\* The State Police Lab can handle only 20% of criminal cases requiring DNA analysis. (State Police Lab-February 2003 figures)

\* The lack of capacity in DNA testing hinders investigators' ability to solve crimes with "cold hits" by comparing crime scene evidence with samples of suspects in the National DNA

Convicted Offender Database and other databases.

The Senate initiative expands the State Police Crime Lab's capacity for DNA testing. This investment will save money:

\* In-house testing costs \$540 per sample compared to more than \$1,000 per sample for private-lab testing. The savings could allow District Attorneys to hire more prosecutors and victim advocates.

\* When prosecutors use private labs for DNA testing, they also need to pay expert witness fees. With in-house testing, crime lab analysts testify without any added cost to the state.

### *Municipal items*

I know a lot of municipal officials receive this newsletter, so below you will find a brief summary of items contained in the \$22.5 billion budget that are of special interest to municipalities.

These numbers represent the Senate's spending priorities only, and will not necessarily be the final appropriation. The full Senate is expected to begin its budget debate May 27th. A House-Senate conference committee will then reconcile any differences between the two branches before sending a final budget to the governor. Fiscal year 2004 begins July 1st.

I hope you find this information helpful.

### **Local aid**

\* **Direct Local Aid (Lottery Distribution):** \$661.3 million. Under the distribution formula, the following communities in my district would receive the following amounts:

- Amherst \$6,883,094
- Belchertown \$1,316,398
- Bernardston \$223,551
- Buckland \$232,150
- Colrain \$196,429
- Deerfield \$421,939
- Erving \$54,375
- Gill \$185,131
- Greenfield \$2,656,246
- Hadley \$280,365
- Hatfield \$268,720
- Leverett \$153,710
- Leyden \$61,869
- Montague \$1,050,583
- New Salem \$79,036

- Northampton \$3,60,946
- Northfield \$259,157
- Pelham \$129,327
- Shelburne \$224,115
- Shutesbury \$127,296
- South Hadley \$2,189,688
- Sunderland \$402,993
- Wendell \$109,541
- Whately \$106,535

\* **Chapter 70:** \$3.1 billion. Under the Chapter 70 distribution formula, the following communities in my district would receive the following amounts.

- Amherst \$4,947,229
- Belchertown \$8,716,396
- Buckland \$6,735
- Deerfield \$644,325
- Erving \$259,134
- Greenfield \$8,625,218
- Hadley \$627,107
- Hatfield \$568,032
- Leverett \$229,662
- Northampton \$6,787,367
- Pelham \$119,306
- Shutesbury \$484,188
- South Hadley \$5,215,010
- Sunderland \$833,349
- Whately \$131,453

**CHAPTER 70: Regional Schools**

Amherst-Pelham.....	\$9,244,885	Franklin County.....	\$1,983,184
Frontier.....	\$2,613,407	Gill-Montague.....	\$5,837,026
Hampshire.....	\$2,383,522	Ralph C. Mahar.....	\$4,113,302
Mohawk Trail.....	\$6,206,762	New Salem-Wendell.....	\$628,802
Northampton-Smith.....	\$773,527	Pioneer.....	\$3,808,395

\* **Payment In Lieu Of Taxes (PILOT) Program:** \$10 million, \$2 million more than the House proposal, for reimbursements to cities and towns hosting state-owned, tax-exempt property.

\* **Safe Drinking Water Program:** \$1.5 million. This amount continues the funding for this program, which finances the monitoring of water quality and compliance with the federal Safe Drinking Water Act.

\* **Local Housing Authorities:** \$27.6 million, about \$3.5 million more than the House and administration proposals.

## Public education

\* **School Building Assistance:** \$21.9 million for new construction for fiscal '04. This figure is the same as the House proposal.

\* **Regional School Transportation:** \$30 million, \$3.6 million more than the House proposal.

\* **Universal Breakfast Program:** \$2 million. This is the same as the House proposal.

\* **Kindergarten Development Grants:** \$19.5 million for grants to enhance full-day kindergarten programs and to provide support for half-day programs looking to move to full-day.

## Criminal justice and public safety

\* **Community Policing:** \$20 million for community policing programs designed to boost the number of police officers on neighborhood beats. This is the same as the House proposal.

## Municipal relief package

To help communities cope with local aid and Chapter 70 cuts, the Senate Ways and Means Committee is making the following recommendations:

- ✓ Recognizing the continued need to ensure public safety, the Committee has recommended a new \$40 million appropriation dedicated to offsetting losses in state aid for local fire, police, and emergency medical services. Revenue for this program will be generated by a “first responder” surcharge on premiums for homeowner insurance and commercial multiperil policies.
- ✓ A \$7 million education aid shortfall reserve creates a way to ameliorate financial problems.
- ✓ The budget adjusts the charter school tuition formula by excluding capital costs in the calculation of average spending. This change brings charter school tuition in line with actual operating costs of sending districts.
- ✓ The elimination of mandatory tuberculosis testing for school employees, which experts agree has no impact on the incidence of tuberculosis, cuts out an unnecessary cost of districts.
- ✓ The Committee is working with members of the Senate to review unnecessary and costly state mandates, and will recommend a broader municipal relief bill in the coming weeks.

- ✓ A Senate working group would be established to develop legislation to reform local contribution requirements associated with Chapter 70 and to assure that similar communities get similar aid from the State. The Committee charges this group with the responsibility to recommend legislation by September 15, 2003.