

THE BEACON HILL
UPDATE
MONITORING STATE ACTIVITIES
AFFECTING LOW INCOME PEOPLE

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Who will benefit?

Seven Ways to Spend the Surplus

The anticipated \$200 million budget surplus for the current fiscal year has generated intense competition between different interest groups for the funds. There are at least six surplus use proposals currently before the legislature that, if funded in their entirety, would cost over \$600 million. In addition, there are an estimated \$40 million in unmet human service needs which Governor Dukakis omitted from his version of the budget.

The Governor and many legislators are proposing that the bulk of the funds, \$150 million, be spent on a new school aid distribution designed to provide more money to older, poorer communities. A second proposal, sponsored by Rep. Charles Flaherty, would fully fund, at a cost of \$83 million, the state takeover of the court costs in one year instead of the five proposed by the Cox Commission and supported by Governor Dukakis. Two other proposals mentioned in conjunction with full court funding would spend the remaining surplus on increased aid through either the existing school aid or lottery formulas.

Also, two serious tax cut proposals exist that would use substantial portions of the surplus. Massachusetts Fair Share's Property Tax Rebate bill, the so-called "circuit breaker" which would provide rebates to low and middle income property owners and tenants, would cost \$150 million if fully funded. And the repeal of the 7.5% income tax surcharge would reportedly reduce state revenues by \$96 million next year. Clearly, not all of these programs can be funded.

Heavy lobbying

The three most visible surplus spending lobbying efforts center around court takeover, school aid redistribution and circuit-

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UNMET HUMAN SERVICE NEEDS

At a recent meeting of the Human Services Coalition, advocates listed critical human service needs not included in the budget. They were: \$5 million for additional Home Care in the Department of Elder Affairs; \$7-10 million for aftercare programs in the Department of Mental Health; \$5 million for an alcoholism program in the Department of Mental Health; \$1-3 million for care and maintenance of children in the Department of Public Welfare; \$2 million for the General Relief Scorecard; and \$15 million for partial restoration of General Relief medical care.

Also included in the list could be an additional \$35 million to fully restore G.R. and \$3.5 million for public housing operating and maintenance.

breaker. Rep. Flaherty argues that full takeover should be done now to avoid the possibility that the state will have a change of heart before full funding is accomplished. His plan has already received a favorable vote in the House. Opponents claim the move would be wasteful and chaotic.

The education proposal would provide the most substantial tax relief, argues sponsoring Rep. James Collins, since 66% of each property tax dollars goes to education. He adds that the courts will force Mass. to redistribute aid soon if it is not done voluntarily. The plan is supported by the traditionally powerful education lobby. Opponents say school committees will expand school budgets and not lower property taxes.

Fair Share lobbyist Judy Meredith says that the circuit breaker approach, which primarily aids single family homeowners in the \$7-20,000 net income range, is the only way to guarantee relief to hard pressed residents of older urban areas. Fair Share's action oriented neighborhood groups are lobbying hard for

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