THE BEACON HILL
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Better than most expected

The Making of the Welfare Budget

On October 7, the Executive Office of Human Services sent its amended version of the Welfare Department's budget request for the fiscal year beginning July 1, 1978 to the state's Office of Administration and Finance. With few exceptions, Human Services complied with Welfare's proposals to expand exisiting programs in the areas of assistance payments and medical assistance and to create new ones in social services. Yet to occur are the actions A&F Secretary John Buckley and Governor Michael Dukakis will take and Human Services Secretary Jerald Stevens' response.

13% increase

Of primary interest to welfare recipients and advocates are the following recommendations: a 5.43% cost-of-living increase for AFDC and General Relief recipients beginning January 1, 1979; a re-calculation of general relief eligibility enabling a partial reinstatement of those cut from the rolls in 1975; funds for a sliding fee scale for day care eligibility allowing welfare families just over the cut-off point to participate; and more money for adoption services and foster care programs. Still more funds were requested to create new protective service programs for abused children and battered women and to strengthen others (a belated commitment on the parts of welfare and human service officials). All told, Human Services recommended a 13% increase for welfare over the current year's appropriations.

The "line" on why the welfare budget came in high is based on reasons of "need" but state house sources speculate otherwise. Some say that programmatically the welfare budget has been squeezed to its limit, making further cutbacks impossible in good conscience. The management explanation is that since the Governor did not order a 5% budget reduction again this year, the department felt that it had the "flexibility" to make heretofor unreasonable requests.

...And the Same Old Song

One of the Welfare requests that Human Services did not go along with was restoration of hospital and long term coverage in the general relief medical assistance account. The official interpretation is that Human Services' Stevens views the matter as a tax, not a health, issue. More likely, Welfare Commissioner Alexander Sharp was playing the Good Guy --by "requesting" the money--to Stevens' Bad Guy, the point being to take some of the heat off of Sharp. The two played the same game last year when Sharp "requested" a cost-of-living increase for welfare recipients, only to have Stevens "reject" it.

Higher revenues forecast

Prominently mentioned was the fiscal assumption that state revenues would be higher, substantiated by the recent release of public documents. According to the October 15, 1977 *Report of the Advisory Board on Revenue Sources and the State Economy,* revenues will be up $28 million over the August 15 estimate of the Department of Corporations and Taxation. The Board also mentioned another estimate which pegged the increase at $95 million. In addition, the Comptroller's office has just made available preliminary findings on expenditures and revenues for the last fiscal year which includes a $43 million higher opening balance, or surplus, for the current year than was expected. The Comptroller's report also indicates that there will be several additional million dollars available which is currently being held in an accounts payable reserve.

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