



Rainy days won't go away **Boston Herald editorial**

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Enforcing fiscal discipline on Beacon Hill has always been a bit of a crap shoot. Preparation for the next fiscal crisis ought not be left to chance.

House Speaker Tom Finneran gathered business leaders at the State House yesterday to tout his plan to amend the Constitution with a requirement that 1 percent of state revenues be set aside in a stabilization fund. It deserves the support of the Constitutional Convention.

According to the Massachusetts Taxpayers Foundation, in fiscal year 1991 just some \$59 million was set aside in the rainy day fund. By fiscal year 2001, the fund had grown to some \$2.3 billion, reflecting an average annual deposit of some \$230 million.

Under the Finneran plan, based on recent revenue estimates, a more conservative \$150 million would be taken off the top of state revenues each year and set aside.

Although Finneran laments that reserves were spent too quickly to ease the recent fiscal crisis - before the state's rainy day turned into a deluge - at least the money was used as intended, cushioning the impact of a severe revenue drop. In fiscal year 2002, some \$1.4 billion in reserves was withdrawn and spent. In fiscal 2003, some \$240 million in reserves were used to plug the budget hole.

There's nothing inconsistent about supporting tax cuts and Finneran's savings goal, as some contend. Prudent management - and the state's economic health - demand both.