

Finneran renews call for permanent state rainy day fund

By Associated Press
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BOSTON - House Speaker [Thomas Finneran](#) renewed his call Tuesday for a permanent state rainy day fund, saying lawmakers should look to the past two decades if they need proof of the importance of the fund.

The proposed amendment to the state constitution is set to come up for debate Wednesday when lawmakers meet in a joint session to debate other proposed amendments, from a requirement that the state create a universal health care program to a plan extending lawmakers' terms from two to four years.

Other amendments would abolish the Governor's Council, call for the election of judges, and require two-year budgets instead of annual spending plans.

Another would let the governor appoint replacements if more than one-third of Senate or House members are killed in a terrorist attack. The replacements would have to come from the same district and be of the same political party as the lawmakers they replace.

Finneran said there's ample evidence of the importance of a rainy day fund.

In the late 1980s and early 1990s, when Massachusetts' economy collapsed, the state relied on tax hikes, deep cuts and borrowing to dig its way out of the hole.

During the boom of the mid and late 1990s, lawmakers built up a rainy day fund, hoping to cushion the next crunch, said Finneran, D-Boston. When the economy collapsed again, the state was able to dip into the fiscal shock absorber, and avoid deep borrowing.

Requiring lawmakers to funnel one percent of revenues into the rainy day fund during boom years would help smooth out of the peaks and valleys of the fiscal cycle, Finneran said.

Critics say the proposal would make it more difficult to return money to taxpayers in the form of tax cuts during boom times.