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Rainy day amendment gets initial OK Measure step closer to 2006 state vote

By Raphael Lewis
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The Massachusetts Legislature overwhelmingly approved a proposed constitutional amendment yesterday to safeguard the state's rainy-day reserves by earmarking 1 percent of tax revenues each year for the fund, marking a major victory for its chief sponsor, House Speaker Thomas M. Finneran.

The measure, which must also be approved in the next legislative session before appearing on the November 2006 statewide ballot, passed 181 to 12 in a joint session of the Legislature, prompting Finneran to predict its easy passage at next year's Constitutional Convention, when lawmakers also consider a proposed ban of same-sex marriage.

"This was, I think, a very big step forward for Massachusetts," a triumphant Finneran said in an interview after the vote. "It's a serious proposal, and it's reflective now of about 14 or 15 years of some pretty hard fiscal experience, going back to 1991, up until the present. I think this is an essential tool for the fiscal well-being of Massachusetts, and to the extent that we can assist the fiscal well-being, you actually improve the quality of life for 6 million people.

"I put this very high on the list" of career accomplishments, he said.

Finneran argues that the provision would guarantee a financial cushion for the state when the financial cycle swings into a downturn. First, it would require lawmakers to set aside 1 percent of state revenues for the rainy day fund, or roughly \$160-million a year. Then, it would require a three-fifths majority in both the House and the Senate if lawmakers want to spend more than 50 percent of the rainy day fund's value.

The fund, which hit a peak of \$2.3 billion in June 2001, has decreased dramatically during the past three years, as deep drops in tax revenues forced lawmakers to dip into reserves, rather than hike taxes or cut popular programs and services.

Michael J. Widmer -- president of the Massachusetts Taxpayers Foundation, a business-backed watchdog group -- lauded the Legislature for having the foresight to provide for leaner times.

"This is one of the most important steps the state can take to ensure its long-term fiscal stability," he said.

Finneran exerted plenty of muscle to shepherd his pet bill through yesterday, including a prolonged effort to block a vote on an amendment measure that would require the Legislature to make sure that all citizens have access to health insurance coverage.

Finneran, an opponent of the healthcare proposal, threatened to add a rider to that measure that would have effectively killed it unless backers agreed to allow for a vote on the rainy day legislation first. Backers of the healthcare bill agreed, but only after Finneran, his lieutenants, and Republicans promised not to interfere with a vote on the matter next Wednesday. The healthcare measure has more than enough backers to make it through to next year's constitutional convention, all sides agreed.

"The speaker committed to not interfering in any way with the healthcare vote from happening next Wednesday, so we took him at his word," said Representative Ruth B. Baiser, a Newton Democrat.

Finneran said it was a worthwhile trade. "This is what happens," he said. "You don't always win around here."

Healthcare advocates said they were still very worried that Finneran would not live up to his promise, as occurred during the same-sex marriage debate this spring, when the speaker offered a surprise amendment in the opening minutes of debate, less than 12 hours after pledging to avoid any such trickery.

It's by no means certain that voters would ultimately approve the proposed constitutional amendment if it did make it to the voting booth. In 2000, there was a ballot question that would have mandated universal healthcare coverage by July 2002 and would have established stringent controls on health maintenance organizations, including a requirement limiting the amount of money spent on executive pay and administration. Voters turned back the question by a margin of 52 percent to 48 percent, after the HMO industry spent about \$5 million on television advertisements panning the measure.

Currently, about 10 percent of state residents, or between 500,000 and 600,000, have no health insurance coverage, and the number grows by scores daily. The advocacy group Health Care For All estimates that about 78,000 children are among the uninsured, and about 45 new children join that group daily.

In the late 1990s, the Legislature passed laws to ensure that all children in the state have insurance coverage, but over the past few years, as a fiscal crisis has devastated state spending and created a \$3 billion deficit, such programs have

only received about half of the dollars necessary to get children off the waiting list.

In addition to taking up the universal health care measure yesterday, the Legislature also soundly rejected a proposed constitutional amendment that would have called for the elimination of the Governor's Executive Council. Established in 1628 as a check on the power of the colonial governor, the nine-member body consumes roughly \$400,000 annually and has seen its main responsibilities reduced to approving judicial appointments.