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The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1008

August 16, 2004

House of Representatives
State House
Boston, MA 02133

Dear Colleague:

The 183rd session of the Massachusetts Legislature convened as our country prepared to go to war and adjourned as our citizens prepare to elect the next president. The years 2003 and 2004 played host to scores of events which brought sweeping economic, social, and political consequences at home and abroad. It was, in short, a period of historic change.

Here in Massachusetts, our legislative proceedings began with the swearing-in of Governor Romney and a drastic shortfall in the FY'03 budget. Recognizing the gravity of the state's fiscal situation, members moved quickly and decisively to protect our most vulnerable citizens from the ravages of disproportionate cuts and expanded the Governor's authority to make unilateral budget reductions. Members refused to engage in the practice of politics-as-usual and, instead, led a bipartisan effort to preserve the programs that make Massachusetts an ideal place to live, work, and raise a family.

Faltering state, national, and global economies continued to threaten the Commonwealth's essential services and test members' resolve throughout FY'04 and FY'05 budget deliberations. In what may be termed the session's crowning achievement, members swiftly closed budget deficits totaling more than \$4 billion without raising taxes or relying on fiscal gimmicks. Members initiated real reforms that fundamentally restructured and streamlined state government. Members also made the difficult choices now so as not to burden future generations. And despite scarce revenues, members continued to fund the public services that most improve a person's quality of life: education, health care, and economic development.

The Legislature maintained its dedication to public education during the past session by providing a total of \$8 billion in state funds to Chapter 70, the Special Education Circuit Breaker, and the reformed School Building Assistance program. We worked to continue support for full-day kindergarten and early literacy programs, distributed \$64.4 million to regional school transportation services, and directed \$1.5 billion to the state's colleges and universities to fund such initiatives as collective bargaining agreements and workforce development grants. Additionally, we confirmed our commitment to education reform by allocating a total of \$24.1 million for targeted MCAS remediation efforts in underperforming school districts.

To ensure that the state's health care industry retains its global preeminence, the Legislature rejected more than \$70 million in funding cuts to hospitals proposed by the Governor in 2004. Because these institutions play a crucial role in meeting the needs of uninsured individuals, members provided a total of \$1.5 billion to the uncompensated care pool in the past session so that front line facilities can continue to serve as health care safety nets across the state. In the FY'05 budget, we included \$56 million for Community Health Center payments, \$11.7 million in disproportionate share payments to high public payer acute hospitals, and \$10 million in DSH payments to pediatric hospitals.

In an effort to counteract the loss of more than 170,000 jobs in Massachusetts since 2001, the Legislature passed legislation to create high-paying, knowledge based jobs and generate millions in revenue. The multi-faceted \$100 million plan encourages growth in emerging technologies and scientific industries through capital formation, regional development, and stability in regulation and taxation. By 2010, emerging technologies stand to create 100,000 jobs and generate approximately \$320 million in additional income tax revenue. Members wisely developed a far-reaching solution to a national problem: stimulate local economies, develop quality job opportunities, and expand the tax base so that Massachusetts can meet the needs of all its citizens.

Since January 1, 2003, the House of Representatives has met in session 232 times and taken 890 roll call votes. Committees have held countless hours of public hearings on thousands of legislative proposals. To date, 294 bills have been signed into law. The enclosed document serves as a sampling of some of this work.

When session convened on New Year's Day nearly two years ago, Father Drennen stood at the rostrum of our historic chamber and remarked on the challenges facing those of us gathered in the room and the six million citizens of Massachusetts. He said eloquently and rightly that, given the state of local, national, and world affairs, there was no room for mediocrity.

During these difficult times, I thank you for rejecting mediocrity and embracing excellence in all that we have tried to do. It has been an honor and a pleasure to serve with you throughout the 183rd session of the Massachusetts Legislature.

Sincerely yours,



THOMAS M. FINNERAN
Speaker of the House

183RD GENERAL COURT: LEGISLATIVE ACCOMPLISHMENTS

FY'04 & FY'05 Budgets: Honest, Transparent, & Balanced in Record Time

➤ *Responsible Reform*

- ✓ Integrated state's parks system by combining Metropolitan District Commission with Department of Environmental Management, forming new Department of Conservation & Recreation.
- ✓ Streamlined state's 16 health and human services agencies into user-friendly system of four groups, thereby reducing bureaucracy and increasing efficiency.
- ✓ Established Executive Office of Economic Development to focus economic strategy at highest levels of government by coordinating policy for Department of Business & Technology, Office of Consumer Affairs & Business Regulation, and Department of Labor.
- ✓ Tightened regulations surrounding Quinn Bill accord.
- ✓ Reconfigured Board of Higher Education to enhance accountability and effectiveness.
- ✓ Reorganized Commonwealth's court system, making it easier to transfer funds and personnel to courthouses in greatest need of assistance.
- ✓ Required Governor to implement Legislature's uncompensated care pool reforms and draft new ones in effort to find better ways to manage the care of uninsured.
- ✓ Addressed medical malpractice crisis by lowering prejudgment interest applicable to claims from 12% to rate of interest tied to 52-week average rate of Treasury bills plus 4%.
- ✓ Initiated Chapter 40R Smart Growth Zoning District reforms to create more housing and protect open space.

➤ *No New Taxes*

- ✓ Refused to raise taxes on state's six million citizens despite need to close historic budget gaps.
- ✓ Recognized that revenues generated from putting more citizens to work—rather than imposing new taxes—offered best solution to fiscal crisis.

➤ *Balanced*

- ✓ Met constitutional obligation to balance the budget by making difficult decisions required of real leaders.
- ✓ \$4 billion deficit bridged by reforms, reserves, and reductions *now* so as not to burden future generations *later*.

➤ *Honest & Transparent*

- ✓ Declined to sugarcoat severity of fiscal crisis and rejected exaggerated revenue estimates, easy fixes, and accounting gimmicks that prevent real solutions.

- ✓ Welcomed public input and scrutiny through public hearing process and, for first time in history of Commonwealth, provided real-time internet access to FY'05 debate and proceedings.
- ***On Time***
 - ✓ FY'04 & FY'05 budgets balanced and on time.
 - ✓ Promptness allows those who administer and depend on state services to better prepare and plan for unavoidable cuts.

Real Reform for Real Challenges

- ***Transportation Reorganization: Chapter 196 of the Acts of 2004***
 - ✓ Strengthens and coordinates transportation agencies without making taxpayers responsible for \$2.5 billion in Turnpike debt, raiding reserves to balance the budget, or proposing service cuts to toll payers.
 - ✓ Takes first steps towards identifying transportation finance needs and developing long-term funding sources.
 - ✓ Requires all agencies and authorities to implement cost-savings initiatives.
- ***School Building Assistance Modernization: Chapter 208 of the Acts of 2004***
 - ✓ Reforms \$8 billion budget-buster by moving spending for school building off-budget and placing it in hands of new, independent authority.
 - ✓ Ensures constant funding for 56 year-old program by dedicating a penny of the sales tax to school construction.
 - ✓ Clears the wait list for current projects in 3.5 years, honors previously-approved reimbursement rates, and lifts moratorium on new projects in July 2007, beginning responsible pay-as-you-go financing rather than bonding for state's share of building costs.
- ***Construction Reform: Chapter 193 of the Acts of 2004***
 - ✓ Most significant reform package in 25 years combines private sector efficiency with public sector openness to reduce \$3 billion statewide construction costs by 10% and jumpstart stalled projects.
 - ✓ All public building projects valued at \$5 million or more can use "construction manager at risk" method to make contractors responsible for financing cost overruns, not taxpayers.
 - ✓ Adopts highly-regarded "design-build" delivery system for road and bridge projects to reduce the duration of construction periods.
- ***Unemployment Insurance Changes: Chapter 142 of the Acts of 2003***
 - ✓ Rescues system from insolvency by fairly distributing cost reforms among employers and employees.
 - ✓ Generates additional \$250 million per year in employer contributions by raising taxable wage base from \$10,800 to \$14,000 for first time since 1991.
 - ✓ Requires monthly balance reports to better track trust fund's solvency and stronger fraud provisions save state more than \$5 million.
 - ✓ Decreases number of benefit weeks from 30 to 26, bringing Massachusetts in line with 49 other states, but triggers increase when unemployment rises above 5.1%.

Jobs, Jobs, & More Jobs

- ***Economic Stimulus & Job Creation Package: Chapter 141 of the Acts of 2003***
 - ✓ Legislature takes decisive, immediate action to help return Massachusetts to prosperity of the 1990s after unrelenting recession strikes local, national, and global economies.
 - ✓ \$100 million plan encourages growth in jobs of tomorrow: Biotechnology, defense and homeland security, advanced materials, plastics and polymers, information technology, and medical devices and development.
 - ✓ Directs state funds leveraged through private investment and matched by federal dollars to businesses in every corner of the state.
 - ✓ Stands to put thousands of hard-working individuals back to work in high-paying jobs, give families financial security, and supply state with revenues necessary to invest in future of its citizens.

Initiating a Lifetime of Learning

- ***Early Childhood Education and Care Reform: Chapter 146 of the Acts of 2004***
 - ✓ Authorizes the restructuring and consolidation of existing state education and care programs under new, elevated, independent Department of Early Education and Care.
 - ✓ Moves Commonwealth closer to universal access to first-rate preschool for all children and picks up where Education Reform Act of 1993 left off.
 - ✓ FY'05 budget lays groundwork for year-long transition of administrative functions and expansion of high-quality, accessible preschool.

Prescribing Relief from the High Cost of Prescription Drugs

- ***Prescription Advantage: Providing 80,000 Seniors with Access to Affordable Drugs***
 - ✓ FY'04 budget saves first-in-the-nation prescription drug insurance plan from elimination by fully-funding program at \$96.4 million and re-opens enrollment.
 - ✓ FY'05 budget increases program's appropriation by \$14 million, bringing its total to \$110 million, thereby avoiding increases in premiums, deductibles, and co-payments.
 - ✓ Open enrollment period from September 1 through September 30, 2004.
 - ✓ \$5 million in co-pay relief for enrollees under 188% of Federal Poverty Level.
- ***Faster Pharmacy: Chapter 133 of the Acts of 2003***
 - ✓ Permits electronic transmission of prescriptions to increase patient safety, enhance physician and pharmacist efficiency, and reduce health care costs.

- ✓ E-prescribe entails entering prescriptions into electronic medical record which automatically verifies dosage information, potential drug interaction issues, and patient drug history.
- ***MassMedline: Pharmacy Hotline Helps with High Costs, Changes to Medicare***
 - ✓ Public-private partnership between state and Massachusetts College of Pharmacy & Health Sciences assists state residents with all prescription drug expenditures.
 - ✓ Trained pharmacists offer advice on reactions to drug interactions, where indigent can fill prescriptions at low or no cost, and how to use new Medicare discount card.
 - ✓ Helps 13,000 individuals save \$8 million on prescription drugs.
 - ✓ 61% of callers reported receiving at least one free medication through MassMedline.

Home Sweet Home: Making Owning a Home More Affordable

- ***Comprehensive Affordable Housing Legislation***
 - ✓ Recognizing economic and social costs of state's affordable housing shortage, House passes detailed package to make American Dream of owning a home a reality for more Massachusetts residents.
 - ✓ Changes to 40B—the state's affordable housing law responsible for creating 35,000 housing units since its inception—address local concerns without curbing law's effectiveness.
 - ✓ “Soft Second Loan Program” continues as state subsidizes payments on interest-only second mortgage for first-time homebuyers, helping 7,000 low and moderate income families in 275 communities buy a home.
 - ✓ \$100 million five year extension of state tax credits to affordable housing developers furthers effort to keep existing units affordable as well as create new ones.
 - ✓ Disability bond bill provides \$200 million to build housing for severely disabled, issue loans for handicap access modifications and development of community-based housing for elders, and programs aimed at reducing homelessness.

Preparing Today to Prosper Tomorrow

- ***Permanent Rainy Day Fund: H.4691, An Act to Provide Stable Revenues***
 - ✓ Amendment to state constitution would safeguard reserves by earmarking 1% of tax revenues each year for the Rainy Day Fund and require three-fifths majority vote to spend more than 50% of the fund's value.
 - ✓ Recognizing that financial cushions during periods of recession help to avoid tax increases and program cuts, state's top business leaders endorse the amendment while the Legislature overwhelmingly approves the measure by a vote of 181-12.

Assisting First-Responders: Our Municipal Partners

➤ ***Municipal Relief: Chapter 46 of the Acts of 2003***

- ✓ In midst of worst fiscal crisis since Great Depression, Legislature lends helping hand to state's first-responders: Municipal officials.
- ✓ To offset unavoidable reductions in local aid, cities and towns receive menu of 30 to 40 options aimed at increasing flexibility and providing tools to continue police and fire protection, quality education, and other essential services uninterrupted.
- ✓ Revenue enhancements, reprieve from restrictive state regulations, and opportunities for community development also assist cities and towns of Massachusetts.

Improving Public Safety

➤ ***Assault Weapons Ban: Chapter 150 of the Acts of 2004***

- ✓ Steps up public safety without harming responsible gun owner rights as federal weapons ban stalls in Congress.
- ✓ Prohibits sale of semiautomatic assault weapons such as AK-47, Uzi, and shotguns with certain accessories.
- ✓ Increases length of gun licenses from 4 years to 6, grants new review board power to restore licenses to people convicted of certain misdemeanors, and establishes 90-day grace period for expired firearm identification cards and licenses to carry.
- ✓ Wins backing of public safety advocates, gun-rights supporters, and law-enforcement groups.

➤ ***Fighting Fire: H.4550, An Act to Improve Fire Safety in the Commonwealth***

- ✓ Expands and reforms state's fire safety laws in wake of tragic Rhode Island nightclub fire.
- ✓ Requires all nightclubs with occupancies greater than 100 to be equipped with automatic sprinklers in three years and creates stiffer penalties for code violations.
- ✓ Provides tax depreciation schedule and further investigation into lower insurance rates to reduce economic burdens on small business owners.
- ✓ Dedicates more than \$11.5 million in new money to improve fire inspector training, fire fighter equipment, and fire safety education.
- ✓ \$10 million centerpiece—"Firefighting Equipment Grant Program"—recognizes that empty fire departments cannot fight fires and calls for population-based competitive grant process that awards communities funds to purchase new equipment and/or supplement staff salaries.

➤ ***Tougher Drunk Driving Law: Chapter 28 of the Acts of 2003***

- ✓ Deems drivers with blood alcohol level of .08 or higher as legally impaired.
- ✓ Aims to reduce number of drunk-driving fatalities in Massachusetts while increasing number of drunk-driving convictions.
- ✓ Increases license suspension period for refusing Breathalyzer from 120 days to 180 days and directs offenders into drug-treatment abuse programs.

- ✓ Qualifies state for \$2 million incentive grant from federal Department of Transportation.
- ✓ Protects Commonwealth's future federal highway funding; officials estimate appropriation will total \$5.4 million in 2005 and grow to \$21.6 million in 2007.
- ***Expanding DNA Database: Chapter 107 of the Acts of 2003***
 - ✓ Triples size of database that stores DNA samples of youth and adult offenders from 20,000 to 60,000.
 - ✓ Requires incarcerated as well as paroled criminals to submit samples.
 - ✓ Helps identify criminals sooner in their careers and prevent future serious crimes.
 - ✓ Serves to exonerate innocent and identify guilty.

Securing the State in a Changed World

- ***New Committee on Homeland Security Combats Terrorism, July 2003***
 - ✓ Created to review all legislation relative to homeland security and prepare legislation to reduce vulnerabilities and prevent attacks.
 - ✓ In post-9/11 world, stays in contact with federal government and closely examines potential threats like allowing Liquefied Natural Gas Tankers into state's harbors.

Remembering Our Veterans

- ***Making More Veterans Eligible for State Benefits: Chapter 116 of the Acts of 2004***
 - ✓ Amends definition of veteran, bringing it more in line with standards for federal veterans' benefits, thereby making more veterans eligible for state assistance.
 - ✓ Approximately 54,000 veterans qualify for: State veterans assistance program, in-state college tuition exemptions, real estate abatements, preference for civil service jobs, and veterans' license plates.
 - ✓ Primarily impacts those who served between 1975 and 1990 and small number who served between 1946 and 1950.
 - ✓ Prerequisites for benefits: At least 180 days of military service and honorable discharge.

Focus on Energy

- ***Improving New England's Electric Grid: Chapter 249 of the Acts of 2004***
 - ✓ Responds to August 2003 blackout across Northeast by enabling electric companies to form regulated transmission affiliates with all rights and obligations of an electric company.
 - ✓ Electric companies can now create a transmission subsidiary focused solely on planning, construction, and operation of transmission assets.

Paying Their Fair Share: Closing Corporate Tax Loopholes

- ***Working to Eliminate Corporate Tax Evasion: Chapter 262 of the Acts of 2004***
 - ✓ Projected annual savings runs anywhere from \$90 million to \$150 million as state reduces ways corporations can skirt tax laws.
 - ✓ Combination of “enforcement mechanisms” allows state to collect unpaid taxes during severe recession.
 - ✓ Largest Loophole Closing: Businesses can no longer shield income from sale of subsidiaries by setting up—and benefiting from tax advantages of—Massachusetts Business Trust Holding Company.

Protecting Our Environment

- ***Oil Spill Prevention: Chapter 251 of the Acts of 2004***
 - ✓ Bipartisan commission writes comprehensive legislation to stop devastating oil spills like the April 2003 Buzzards Bay catastrophe in which 55,000 gallons of oil contaminated 93 miles of shoreline, killed more than 400 birds, and closed 180 acres of shell fish beds.
 - ✓ Establishes strict civil administrative penalties to dissuade companies from cutting environmental corners.
 - ✓ Allows Secretary of Environmental Affairs to designate areas containing unique navigational obstacles, habitat for endangered species, and fishing industries as “areas of special interest” in which special navigational rules apply.
 - ✓ Creates Oil Spill Prevention & Response Trust Fund by imposing two-cents-per-barrel fee on petroleum products so that companies, not taxpayers, pay for costs associated with spills.

Safeguarding Borrowers by Putting a Stop to Predatory Lending

- ***Prohibiting Abusive Practices in Lending: Chapter 268 of the Acts of 2004***
 - ✓ Strikes appropriate balance between protecting state’s borrowers and allowing reputable lenders to continue to do business in the Commonwealth.
 - ✓ Clearly defines terms of “high cost mortgage loans” and requires borrowers to obtain credit counseling before closing on one.
 - ✓ Limits financing of points and fees to prevent equity stripping and bans lenders from increasing interest rates due to borrower default.
 - ✓ Insulates borrowers of conventional home mortgages from egregious practices like loan “flipping.”

Valuable Capital Investment: Building Better Infrastructure, Courthouses

➤ ***Transportation Bond Bill: Chapter 291 of the Acts of 2004***

- ✓ \$2.5 billion authorization bill devotes considerable attention to state's public transportation network, with nearly \$875 million dedicated to expansion, enhancement, and renovation projects.
- ✓ Mindful of municipalities, increases commitment to Statewide Road & Bridge Program by \$50 million to \$450 million and extends program from 2005 to 2012.
- ✓ PWED grants jump from \$20 million to \$25 million
- ✓ \$30 million directed to transit-oriented development projects that promote work-live communities.

➤ ***Courthouse Bond Bill: H.4760, An Act Providing for Improvements to Facilities***

- ✓ Comprehensive \$1.2 billion spending bill addresses pressing capital needs identified by special House Committee on Courthouse Construction & Funding.
- ✓ \$791 million dedicated to building new courthouses across the state.
- ✓ \$271 million directed to pay for renovations and additions to existing facilities.
- ✓ \$150 million provided for compliance with laws relative to handicap accessibility and security improvements.

Saving Lives

➤ ***Banning Smoking in the Workplace: Chapter 137 of the Acts of 2004***

- ✓ Massachusetts becomes sixth state to ban smoking in the workplace to protect workers from health hazards associated with secondhand smoke.
- ✓ Required all businesses with one or more employees to go smoke-free by July 5, 2004.
- ✓ Includes exemptions for private membership clubs and "cigar" bars.
- ✓ Directs Department of Public Health to create commission to help implement and enforce ban.

➤ ***"Safe Haven" Law: Chapter 227 of the Acts of 2004***

- ✓ Massachusetts becomes 47th state to pass legislation aimed at preventing parents fearful of prosecution from unsafely abandoning their infants.
- ✓ Allows parents to anonymously leave newborns less than seven days old at hospitals, police departments, and fire stations without facing legal retribution or automatically relinquishing parental rights.
- ✓ Requires Department of Social Services to take immediate custody of infant and place newborn safely into foster care.