

# **06.30.10 - FY11 Budget Signing**

**Governor Deval L. Patrick  
FY2011 Budget Signing  
State House, Boston, MA  
Wednesday, June 30, 2010  
Address as prepared**

Good afternoon and thank you for coming.

Today, I am signing a \$27.6 billion budget for Fiscal Year 2011, which starts tomorrow. For the fourth consecutive year, our budget is balanced, responsible and on time -- not something many other states can say.

For that achievement, I want to thank the Legislature and my team for effectively responding to challenging and quickly changing circumstances, and doing the hard work required to get this done thoughtfully and on time.

Thankfully, the private sector economy is improving. Jobs numbers, home sales, retail and downtown office space leasing are all up. Business confidence is surging. People are getting back to work. Although there is much more to do, and many more people still need jobs and a way forward for themselves and their families, we can see light at the end of a long, dark tunnel - and we are seeing it sooner than much of the rest of the country. That is very good news for the Commonwealth and her residents.

But because tax revenues are largely based on the past and not the present, this budget is still very difficult. Overall, the budget has grown only 2-tenths of one percent. This continues a trend of slow budget growth of less than 1.2 percent in the last four years, as compared to average growth of over 4 percent in years before. In fact, this budget is smaller than the pre-recession budget.

Our budget reflects the difficult economic times. Already during this recession, we have solved a budget gap of more than \$12 billion. That has meant that we have cut many worthy programs and services, eliminated over 2600 state jobs, frozen or cut wages, negotiated concessions from state employee unions, squeezed efficiencies out of every corner of government, and passed important reforms to save millions.

This budget contains no new taxes. It also contains none of the so-called FMAP money that we - like nearly 30 other states - had included in our initial proposal. As a result, I have vetoed \$457.6 million of the Legislature's proposed budget. The pain is widespread and will require state agencies, cities and towns, not-for-profits and working families across the state to do more with less. If Congress in the end approves the extension of FMAP, unemployment insurance and other supports that people need in a time of economic distress like this, we will be able to restore many of these difficult cuts, and I will file a supplemental budget accordingly.

Local aid and state support for public schools have been reduced 4 percent and 3.1 percent, respectively. These are perhaps the most difficult spending levels to approve. However, we continue to work with the Legislature on reforms that will enable cities and towns to save money to make up for these cuts. One measure that every community can take immediately is to move municipal retirees to Medicare, and off of municipal retirement programs. Our Division of Local Services can refer communities to others who have done this without harming the level of benefits to retirees.

In a couple of cases, I have returned items in the budget for amendment. For example, in public safety, the budget that reached my desk would have required closing at least one prison and the curtailment of vital State Police units including those focused on fighting gang violence and drugs across the Commonwealth. We have a plan in the budget I sign today that would prevent that from happening.

I have also by amendment proposed a plan to continue health care coverage for 24,000 fully-documented, tax-paying immigrants currently enrolled in the Bridge Program for at least the next six months. If Congress approves additional federal stimulus, those residents would be covered for the remainder of the fiscal year. In any event, they are covered under national health care reform.

There are some important reforms in this budget as well, including the following:

We bar the use of state funds to pay for lobbyists;

We require all state contracts and spending to be available and accessible to all citizens on a new state Website, much as we do now with stimulus spending, and we require all tax credits to be equally transparent;

We continue our commitment to consolidating IT services across state government, where we believe there are significant savings;

We require that all state and county offices be open and staffed on the Suffolk County Holidays, Bunker Hill and Evacuation day;

We establish an Anti-Fraud Task Force to screen all state programs for abuse and fraud, in concert with the AG, the IG and Auditor's office; and

We institute a discipline that permits only a portion of capital gains tax receipts to be used in the operating budget, all the balance to be deposited into the Rainy Day Fund for future rainy days - something we have been working on for some time.

I want to acknowledge and thank the ANF Secretary Jay Gonzalez and his exceptional team for their creativity and thoroughness. You have served the people of the Commonwealth well.

And to the people of the Commonwealth, now is the time for us all to pull together and to work together on meeting the needs of those who need government the most, by finding the most creative solutions in partnership to keep our communities strong.