



The Commonwealth of Massachusetts

MASSACHUSETTS STATE SENATE
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Committees
Senate Committee on Ways and Means, Chair

Dear Colleagues:

In recent years, we have been tasked with building spending plans that minimize cuts to our neediest constituents while continuing to invest in education, housing, workforce development, and in our communities. As legislators, we have been tirelessly committed to a thorough review of our investments to allow greater transparency and smarter financial planning for the future. Our conscious commitment to the fiscal health of Massachusetts has increased our efficiency and built our reserves, earning us one of the top bond ratings in the nation and translating into monetary savings through lower interest rates.

Fiscal year 2013 will mark the fifth year of unprecedented fiscal challenges. Although our economy has seen modest growth, it is as important now as ever before to continue our fiscal prudence. We will once again rise to this challenge with a balanced approach of creative solutions lowering our dependence on one time revenues and combining ongoing revenue initiatives and spending reductions to close a \$1.4 billion budget gap.

This fiscal year we saw a projected revenue increase of 4.47%. Although the number is small, it is still a sign of a slow but steady recovery. This budget heeds to the call of our constituency and does not rely on any tax increases despite increased spending commitments such as retiree benefits, health care, education, and local aid.

In fiscal year 2012, the legislature established an expedited process for cities and towns to realize tens of millions of dollars of savings through municipal health care reform. This year's spending plan continues our unfaltering commitment to cities, towns, and school districts by proposing a \$275 million increase in local aid over fiscal year 2012. An investment in our communities is an investment in programs that improve infrastructure, put people to work, and strengthen our economy. In the face of persistent unemployment and slow job growth, this budget makes an investment in the future of our economy. By investing in ways to better connect our public higher education system to our workforce needs, we aim to meet the demands of the growing job sectors.

The budget we have crafted is balanced, making smart investments while preserving services for the residents most in need. Most importantly, the budget reflects a commitment to the future of Massachusetts, ensuring that the investments we make today will make for a better tomorrow for our children and our grandchildren.

Thank you for your dedication and leadership as we continue to make progress and come out of this recession. Your pledge to reform and support new industries that strengthen and improve our businesses is moving us in the right direction. With the right priorities, we will continue to see improvement.

For the Committee,

A handwritten signature in blue ink that reads "Stephen M. Brewer".

Stephen M. Brewer, Chairman
Senate Committee on Ways and Means