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**SENATE PASSES OVERHAUL OF STATE FINANCES, INCLUDING MOORE AMENDMENT
TO POST BUSINESS IMPACT STATEMENTS ONLINE**

Boston – Senator Michael O. Moore (D-Millbury) on Thursday voted for legislation to make significant, fundamental changes in how state government operates by updating the Commonwealth’s finance laws and implementing performance measurement requirements for government agencies and programs to improve efficiency, transparency and accountability. The measure passed the Senate unanimously. The legislation requires government to use data to regularly evaluate the productivity, successes and failures of agencies and programs, and it establishes a special commission to make decisions about the ongoing need for existing state agencies and boards based on their core missions and performance.

“Now more than ever, we must take bold steps towards ensuring that every single taxpayer dollar is spent as wisely and efficiently as possible. There is no room for waste,” said Sen. Moore. “This legislation will put Massachusetts at the forefront of ensuring that state programs are constantly re-evaluated for effectiveness and value. I was also very pleased that the Senate adopted my amendment to require the posting of full business impact statements regarding state regulations online, so that businesses and members of the public have easier access to that information.”

Sen. Moore filed an amendment to the bill – which passed the Senate, and was included in the final language – to require the posting of all business impact statements online. The current statute regarding notification of proposed regulations and business impact statements require that only an *overview* of the business impact statement be made available online; Massachusetts businesses can only access, view and copy the entire business impact statement for a proposed regulation by physically going to the Office of the Secretary of State in Boston. Sen. Moore’s successful amendment will require the Secretary to post online the *full text* of a business impact statement already produced by the agency rather than simply an overview.

The bill pushes government agencies toward more efficient electronic accounting and reporting with the elimination of outdated paper-based systems, and it moves the Commonwealth away from traditional “maintenance”-based budgeting with a requirement for “zero”-based budgeting.

In zero-based budgeting, instead of relying on the previous year’s budget as a starting point, a budget starts from zero and builds to a number that reflects the input from performance measures and an evaluation of current needs and functions.

During debate on the Senate floor Thursday, an amendment to the bill was passed which will require

the Governor to file a zero-based state budget starting in fiscal year 2017 for the first year and then at least once every four years after that. Sen. Moore also voted in favor of a successful amendment requiring the Governor to develop, on a biennial basis, a plan to maximize the personnel efficiencies of the Commonwealth, to control personnel costs, and to detail the number of state employees and related costs. This document must then be filed with the House and Senate Ways and Means Committees.

Some states, including Washington, Utah and Virginia, are finding great success in moving toward a process of building their budgets from zero, rather than basing each year's budget on the preceding year's figures.

Other provisions in the bill include:

- Requiring quarterly cash flow reports to compare actual spending and revenue in a reporting period with the estimates previously made for that period and analyzing the discrepancies;
- Setting the state's debt limit at \$17.07 billion starting the first day of fiscal year 2012;
- Requiring an independent debt affordability study to be performed before the Governor sets a bond cap and issues bonds for a particular fiscal year, and requiring that report to be publicly available online; and
- To start distributing unrestricted local aid monthly rather than quarterly beginning in fiscal year 2013 to help cities and towns better identify their available cash flow and reduce the state's reliance on short-term borrowing to support cash flow.

The finance reform legislation, when filed by Senate President Therese Murray (D-Plymouth) on April 28, received high praise from business groups, including the Associated Industries of Massachusetts, which called the plan "a significant and constructive contribution toward reshaping state government to meet the challenges of our times," and the Massachusetts Competitive Partnership, which applauded the Senate President for bringing "this level of accountability" and said the legislation "will help make our Commonwealth much more effective and efficient in the future."

The bill now goes to the House of Representatives.

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