



## Lawmakers Still Hung Up on Closeout Budget

*Katie Lannan / 10/30/19 4:50 PM*

STATE HOUSE, BOSTON, OCT. 30, 2019.....A day before the state comptroller's deadline to file a report closing the books on the fiscal year that ended in June, the House and Senate adjourned for the day without taking any action on an outstanding closeout budget with a bottom line of more than \$700 million.

The branches have each passed bills proposing how to allocate the fiscal 2019 surplus. The Senate acted most recently, meaning the bill is now before the House, but the procedure the Senate used to advance the bill created an [impasse](#) between the two branches, and now appears to be further delaying an already late-arriving bill.

The Senate's move means the bill may need to move again through the House Ways and Means Committee, and it has not surfaced in any of the three House sessions this week, or be re-approved by the Senate.

Asked if she'd consider voting again on the bill to resolve the hangup, or if she considered the bill to be in the House's court, Senate President Karen Spilka said, "Well, the bill is right now in the House, so clearly the ball is there."

"I have a lot of faith that they'll work it out, we'll work it out, and we will get this resolved," Spilka told the News Service after Wednesday's Senate session.

The House passed its supplemental budget -- a \$723 million spending bill that included a \$37 million tax break for businesses -- on Oct. 17, a little more than a month after it was filed by Gov. Charlie Baker.

The Senate followed suit on Oct. 24, agreeing to \$780 million in spending and dropping the tax provision that would decouple Massachusetts from the federal tax code to allow businesses to continue deducting interest.

Instead of the typical process of substituting new text for the bill that arrived from the House, the Senate reported on the House bill "in part," creating a new bill while keeping parts of the original House bill in committee. A Senate Ways and Means Committee spokesman said Tuesday the move ensures "flexibility should any other spending issues arise that can be handled separately from the supplemental budget."

If the supplemental budget were to return to House floor for another vote, it could open the door for additional debate on the issue of businesses deducting interest, which sparked some [controversy](#) during the initial vote.

Rep. Paul Donato, a member of Speaker Robert DeLeo's leadership team who presided over Wednesday's session, said the House was "going to wait to see whether or not there's an opportunity for both of us to get together."

He did not indicate if either branch was planning to act first on the bill.

"Tomorrow is a little bit of a deadline -- well, if you will, a 'deadline,'" Donato said, putting air quotes around the word. "We're just trying to make it so we can really start moving forward on a number of bills."

The House and Senate have also recently formed conference committees to reconcile competing educating finance and children's health bills.

On Tuesday, Comptroller Andrew Maylor wrote to lawmakers, reminding them that Oct. 31 is his deadline to file the state's annual Statutory Basis Financial Report closing the books on spending and revenue for the last fiscal year, and assigning a price tag to late action.

In a letter on Tuesday, Maylor said that when the budget bill is eventually signed by Gov. Charlie Baker, it will take about 14 days to compile the final financial report and have it reviewed by the state's independent audit firm, currently KPMG. As part of his work, Maylor is required to certify and report the state's consolidated net surplus at the same time as he issues the financial report, and the surplus certification determines if the budget is balanced and if there's any amount to be transferred to the rainy day account.

Basing his calculations on the financial report being issued on Nov. 15, Maylor projected forgone interest on expected stabilization fund revenues of more than \$500,000, an amount he estimated will increase by more than \$30,000 each day beyond Nov. 15.

"We need to get fiscal year '19 behind us and resolve it, and we need to focus on this fiscal year," Spilka said. "It's a good fiscal practice to close out the year, but I know the House is aware of that, the Senate is aware of that, and we'll get this resolved."

[Chris Lisinski contributed reporting]

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