Massachusetts faces a budget deficit that Governor Mitt Romney estimates at $3 billion for the 2004 fiscal year, beginning July 1. How this problem is resolved will dramatically affect the future of public education, our healthcare system, our social safety net, every family that pays taxes, and the future of our economy. State policymakers are currently struggling to balance the budget. Now it's your turn. This list of government spending is not exhaustive; there are more than 700 line items in the budget. But these five areas—plus the "untouchable" commitments to pensions and debt service—represent 95 percent of state spending. Some of these savings aren't impacts listed here are estimates, because of "ripple effects" elsewhere in the budget that can't be precisely calculated.

The worksheet below shows where your tax dollars are spent, presents cuts and other savings options that policy makers have proposed, and lets you implement these or other ideas to try to close the $3 billion budget gap.

**2004 budget worksheet**

**BUDGET CATEGORY**

**Health Care** – $8.078 billion total

The pie chart provides health care revenue for every six residents of the state, including low-income children and adults, as well as nursing home care for senior citizens. Just over half of all Medicaid spending is reimbursed by the federal government—other measures will be needed, in other words, each dollar the state spends brings in only 50 cents in federal cut taxes. Healthcare spending also covers the state’s share of health care costs for state employees.

**Education** – $4.970 billion total

Spending helps pay for K-12 education and also funds state colleges and community college system. Most education funding—53%—goes directly to cities and towns to use in their school budgets. Other funding is targeted to specific areas, such as early childhood education or special education. Expenditure of students in higher education are Massachusetts residents.

**Public safety and courts** – $2.122 billion total

The Executive Office of Public Safety funds programs ranging from community policing to the state's court system. This category also includes funding for the operations of the district attorneys and attorney general, as well as funding for the state’s courts.

**Human services and elders** – $4.551 billion total

Spending in this area funds a range of programs running from services for the disabled to home health care. The portion of the budget devoted to human services has fallen from 25% over the past decade, partly due to a big drop in welfare rolls.

**Local aid** – $12.737 billion total

In addition to local education aid, cities and towns receive state funds to help pay for local services such as police and fire protection. Nearly all of this funding—about $3.3 billion—goes directly to cities and towns. State colleges—$32.2 billion, students—$43.5 billion.

**OTHER REVENUE POSSIBILITIES**

- Raise gasoline tax 1¢ per gallon
- Make alcohol subject to the 5% sales tax
- Increase the sales tax from 5% to 6%
- Increase fees at registries of deeds; for example, recording a mortgage changed from $20 to $150.
- Increase the state income tax to 6%
- Make sales tax withholding mandatory for all employers (chiefly teachers, firefighters, and police)
- Cut the state income tax to 5%
- Eliminate the state sales tax for groceries
- Increase the state sales tax to 6%
- Close the sales tax loophole on lottery winnings
- Increase the state sales tax on luxury goods
- Increase the state sales tax on tobacco

**Total cuts**

**What will you cut in the budget?**

You'll need to suggest new revenue to bridge the gap.

Governor Romney and the Legislature have already given you a start by implementing some $360 million in new fees and closing corporate loopholes. But, if you assume those measures will be continued and the forecast is for another $3 billion in cuts, your portion of the $3 billion gap shrinks to $2.64 billion. Keep in mind, though, that small revenue increases are a calculated:

**Your suggestions — other revenue**

Sales taxes on food hit low-income people harder, while tax hikes on gasoline might have beneficial environmental effects. Then there’s the matter of caseload reduction, which some estimate could bring in a $300 million into the state, though at the expense of lottery proceeds. And, of course, all of that represents money lost by gamblers.

Write your ideas for raising money.

Mail completed form to: The Boston Globe Editorial page—Budget worksheet P.O. Box 2378 Boston, MA 02107-2378

**Feel free to add comments**