



THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS SENATE
SENATE COMMITTEE ON WAYS & MEANS
STATE HOUSE • BOSTON, MA 02133

SENATOR STEVEN PANAGIOTAKOS
FIRST MIDDLESEX DISTRICT

CHAIRMAN
SENATE COMMITTEE ON WAYS & MEANS

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May 19, 2010

Dear Colleagues,

While Massachusetts is showing some positive signs of a recovery from the “Great Recession”, our outlook still has to be very cautious. Recently, there has been some small growth in the job market, a moderate increase in consumer spending and the beginnings of stabilization in the housing market.

However, we still have a 9.3% unemployment rate, foreclosures and credit defaults are running at all time highs and state revenues remains anemic. Over the past eighteen months, we have steadied the ship of state but we are still in turbulent waters. Therefore, we must continue to make difficult choices so that we might bring forth a budget that lives within the taxpayers’ means.

This budget will not rely on any new taxes nor any money from the Stabilization “Rainy Day” Fund. We will have to live within the natural ebb and flow of our existing revenue streams. The Stabilization Fund must be protected at all costs because it is our only insurance against any midyear drops in revenue or unanticipated spending exposures.

Although this recession has forced painful but necessary cuts throughout state services and other tough decisions, the Legislature and the Governor have worked together to meet these unprecedented challenges and strategically position the Commonwealth to take advantage of the recovery to come. In fact, during the course of this fiscal year, all three credit reporting agencies have reaffirmed our bond rating, citing the expedited and comprehensive way that we have managed through this very difficult time, saving the Commonwealth tens of millions of dollars in interest payments and borrowing costs.

Just as Massachusetts families have had to tighten their belts and do without, so will the branches, agencies, departments, commissions and programs that make up our state government. At all levels of state and municipal government we will be challenged to do more with less.

Unfortunately, this will be the case for the foreseeable future. We have come to a point where the private sector is having great trouble affording the public sector. It will take large increases in private sector economic development and job creation to change this conflicting paradigm.

Although state government cannot create private sector investments and jobs, it can create the fertile field for them to grow. The challenge is, therefore, job creation. Without it, we stay mired in the mud of a recession. With it, we have a clear road to a better future for all.

In closing, I want to thank you for the competency, courage and thoroughness in which you have dealt with the difficult issues that our Commonwealth has faced. On a personal note, your friendship will be something that I will always remember and cherish.

For the Committee,

A handwritten signature in black ink, appearing to read 'S. Panagiotakos', with a large, stylized flourish extending to the right.

Steven C. Panagiotakos
Chairman
Senate Committee on Ways and Means