



A TALE OF EIGHT CITIES & TOWNS

Proposition 2½ has created a new culture for local government in Massachusetts.

It has changed the way local government does business. Officials must look carefully at every spending item. And as a result, most local governments have become leaner and more efficient.

Seeking voter approval for property tax hikes above 2.5 percent does lend them a legitimacy they lacked before Proposition 2½, but many local officials find the process overwhelming, especially in small towns with overworked volunteers. Proposition 2½ gives local voters unprecedented power over the direction of their municipal government.

CommonWealth picked eight cities and towns across the state, ranging from the wealthy suburb of Brookline to an economically depressed North Adams to chart the impact of Proposition 2½ on local spending and municipal government.

Although Prop 2½ is seen as choking off local revenue, seven of the eight communities actually saw increases in their municipal budgets in real dollars from 1981 to 1995. Only Worcester saw a decrease over that period, of 1.5 percent.

The highest budget increases were in two completely different communities: The budget of the prosperous suburb of Acton increased 35 percent in real dollars from fiscal 1981 to 1995, and the economically depressed city of Springfield had a budget increase of 47 percent.

Per capita spending in all communities except Worcester also increased in real dollars from 1981 to 1995 (using 1992 population estimates).

Haverhill, one of the cities with the greatest increases in spending, spends the most per person on local government: expressed in 1981 dollars the figure would be

\$1,441 for 1995. Springfield is a close second, spending \$1,391 per person in 1995, an increase from \$956 in 1981. Brookline, with a slight decrease in population, spent \$1,379 per person in 1995.

In Acton, spending went from \$885 per person in 1981 to about \$1,156 per person in fiscal 1995. In Worcester, per capita spending declined slightly, from \$1,129 per person in 1981 to \$1,101 in 1995. Despite the increase in real terms of municipal budgets, many officials maintain that Proposition 2½ does not allow them to keep up with increases in the costs of providing local services.

And the degree to which local officials in the communities we studied are still hostile to Proposition 2½ depends on how much their community has been helped by the state.

CITIES GET MORE AID

In Brookline, where state aid only pays for 8 percent of the fiscal 1995 budget, many town officials would just as soon see Proposition 2½ repealed. When asked what she would do to reform the law, Brookline Selectman Ronny Sydney was blunt: "I'd probably throw it out."

In North Adams, where the state paid for 53 percent of the local budget in fiscal 1995, (according to data provided by the state Department of Revenue's Division of Local Services) and in Springfield, where the state provides 43 percent of the fiscal 1995 budget, officials still support the law.

"I think the framers of Proposition 2½ were right on target," said Springfield Mayor Michael Albano, who describes himself as a liberal Democrat. "There was waste in the municipal governments."

With limited local tax increases, officials do not have an unrestricted revenue stream from property taxes.

As a result, any major increase in gov-

The effects of
Prop 2½ vary
widely around
the state.

BY DAVID TYLER