

# EDITORIAL

## Why doesn't Massachusetts pay her bills?

We all know what happens when we have debts we can't pay. Either we come up with the cash somehow, or we are forced into bankruptcy. If we can't pay our mortgage, we lose our house. If we can't meet the monthly payments, our car is re-possessed. If we are unable to pay our real estate taxes, the town auctions off our land.

What happens when the Commonwealth can't pay its debts? Creditors wait. That's what happens. Small businesses holding state contracts can't meet their payrolls, can't pay their bills and, in some instances, are forced out of business.

Social agencies under contract to the state to provide services to citizens of the Commonwealth face serious consequences when payment of their invoices is delayed 60 to 90 days or more. Those agencies are obliged to pay rent, heat, and electric bills, just as you and I are. And those agencies must meet payrolls so their employees can pay their own rent, heat, and electric bills.

When the state delays paying amounts it owes, social agencies like small businesses, may founder. Agencies on Cape Cod from which Massachusetts contracts to purchase services include Massachusetts Society for Prevention of Cruelty to Children (MSPCC), Big Brothers-Big Sisters of Cape Cod, and Cape Cod Homemaker-Home Health Aide Service, Inc.

Louis Jacobucci, Assistant Regional Administrator for Southeast Region, MSPCC, affirms that payment is often delinquent. "Every year the state exhausts funds which were appropriated for the contracted services we provide. When the state runs out of money, the legislature must pass a supplemental budget before our agency gets paid. Some

years MSPCC has had to invade invested funds to meet its payroll. Because ours is a statewide agency, our payroll is quite large, of course. While we know the money will come, eventually, our expenses continue month-in-and-month-out."

Stuart Peoples, Executive Director of Big Brothers-Big Sisters of Cape Cod, reports that in recent years, payments to his agency, under block grants purchase of service contracts, have come in a more timely manner than previously, but at times in the past, Big Brothers-Big Sisters waited three to four months for its checks from the Commonwealth. "We are now receiving payments shortly after thirty days from the time we mail our invoices," Peoples said.

Carolyn Boviard VanSant, director of Communications of the Smaller Business Association of New England, and Claude Lancome, chairman of the Mass. Prompt Pay Coalition, are asking for public support of a bill now before the Massachusetts House Ways and Means Committee, a bill that would require state agencies to pay their bills on time and to pay interest penalties on amounts overdue.

Thirty-nine states and the federal government have prompt pay laws, but year-after-year, prompt payment bills introduced in the Massachusetts Legislature have died in committee.

According to Mr. Jacobucci, the Mass. Council of Human Service Providers favors passage of the bill. Administrators of MSPCC strongly back passage of the bill. Mr. Peoples said he supports the bill because he feels uncertain about how long he can depend on receiving payments from the state without undue delays.

"We can't withhold service to cases where children are at risk on the basis of delayed payment," said Jacobucci.