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1 CHAIRPERSON JAMES: Mr. Mercado?

2 MR. MCCAULEY: Mr. McCauley. Mr. Mercado
3 is absent.

4 CHAIRPERSON JAMES: Mr. Mercado is not
5 here, okay. Mr. McCauley?

6 MR. MCCAULEY: Thank you very much, Madame
7 Chairperson and members of the Commission. My name is
8 Francis X. McCauley, I reside at [] in the City of
9 Quincy. Quincy is a city of 88,000 people and is a
10 suburb of Boston and it's the birthplace of the sixth
11 and second presidents of the United States, John Adams
12 and John Quincy Adams.

13 For over 24 years, I have served the City
14 of Quincy in elected office. I'm presently serving as
15 a member of the city council and from 1982 through
16 1989, was Mayor of Quincy.

17 In November 1980, the citizens of
18 Massachusetts overwhelmingly voted in favor of a
19 property tax limitation plan known as Proposition 2«. .
20 This plan severely restricts the amount of revenue to
21 be raised from real and personal property taxes.

22 The City of Quincy was particularly hard
23 hit by the provisions of this act. To bring the city
24 into compliance, the city was forced to reduce the

1 amount to be raised from property taxes over a three
2 year period from \$67 million in fiscal year in 1981, to
3 \$46 million in fiscal year 1984, a reduction of \$21
4 million or 31 percent.

5 It became apparent that with the
6 implementation of Proposition 2«, the city would have
7 to rely on other sources of revenue. One of these
8 sources was revenues generated by the operation of the
9 state lottery. The Massachusetts State Lottery became
10 operational in 1972 and has proven to be one of the
11 most efficient operations in the country.

12 Cities and towns in the Commonwealth of
13 Massachusetts have derived increasing amounts of
14 revenues from Lottery operations. For fiscal years
15 1990 through 1998, the City of Quincy has received
16 \$47,829,600 from Lottery revenues. The percentage of
17 revenues received from the Lottery, to total state
18 revenues received from all sources, has increased from
19 \$4,250,000 or 12 percent in fiscal year 1990, to
20 \$7,400,000 or 21.3 percent, for fiscal 1998.

21 The City of Quincy has recently embarked on
22 a \$73 million program to upgrade school facilities.
23 The success of this program, which will not be
24 completed until well into the 21st century, will depend

1 on continued growth of state aid, of which Lottery
2 revenues are an important component.

3 Thank you very much, Madame Chairperson and
4 members of the Commission.

5 CHAIRPERSON JAMES: Thank you.