

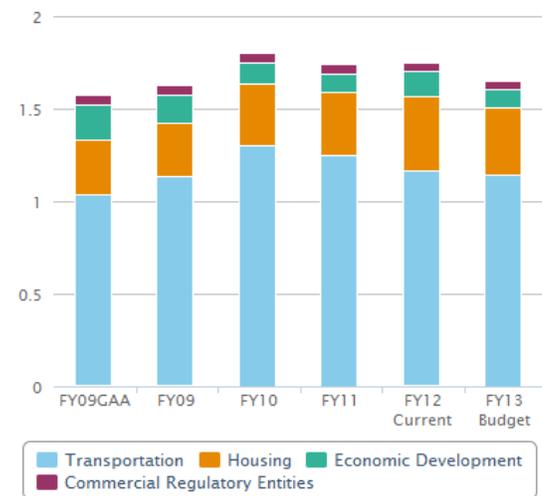
## INFRASTRUCTURE, HOUSING & ECONOMIC DEVELOPMENT

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
<b>Infra., Hsg. &amp; Econ. Dvt</b>	<b>1,571,073,215</b>	<b>1,724,909,102</b>	<b>1,656,886,747</b>	<b>1,654,068,692</b>	<b>1,651,269,872</b>
Commercial Regulatory Entities	55,019,010	49,392,218	49,824,686	49,870,392	50,130,390
Economic Development	184,674,618	133,682,553	97,290,289	93,992,579	96,505,085
Housing	295,446,879	398,292,907	374,081,590	369,515,539	364,044,215
Transportation	1,035,932,708	1,143,541,424	1,135,690,182	1,140,690,182	1,140,590,182

The Fiscal Year (FY) 2013 budget decreases funding for programs within the *MassBudget* category of Infrastructure, Housing & Economic Development by \$73.6 million from current FY 2012 levels. Much of this reduction, however, is driven by a one-time deposit of \$38.0 million into the Infrastructure Development Fund in FY 2012 that is not replicated for FY 2013.

The FY 2013 budget significantly cuts funding for and restricts low-income families’ access to the Emergency Assistance (EA) shelter while providing some additional funding for several housing programs, including household assistance within the HomeBASE program, the Massachusetts Rental Voucher Program (MRVP), Residential Assistance to Families in Transition (RAFT) and funding for local housing authorities.

Billions of Dollars (2013 Dollars)



The FY 2013 budget funds transportation-related line items just slightly below FY 2012 levels, with the majority funding operations and debt service costs at the MBTA.

### Economic Development

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
<b>Economic Development</b>	<b>184,674,618</b>	<b>133,682,553</b>	<b>97,290,289</b>	<b>93,992,579</b>	<b>96,505,085</b>

The FY 2013 budget funds economic development programs at \$37.2 million below current FY 2012 levels. This reduction from FY 2012 is driven by a one-time deposit of \$38.0 million into the **Infrastructure Development Fund** in FY 2012. If it weren’t for this one-time increase in FY 2012, the FY 2013 budget would actually show a slight increase of \$773,000 million over FY 2012. Please see the comprehensive line item table at the end of this section for specific detail.

The FY 2013 budget for **Summer Jobs for At-Risk Youth** is funded at \$3.0 million, a reduction of \$10.0 million from current FY 2012 levels. A straight comparison to FY 2012 is somewhat complicated, however, since an additional \$6.0 million was added to this program in a May 2012 supplemental budget, increasing the FY 2012 current appropriation to \$13.0 million. This program funds summer jobs spanning parts of two fiscal years, and it often receives additional money through supplemental budgets in the spring.

The FY 2013 budget maintains a reorganization of economic development programs that was initiated through the FY 2012 budget.<sup>1</sup> A new agency, the **Massachusetts Marketing Partnership (MMP)**, now coordinates efforts to promote the state domestically and internationally as an attractive, competitive, and innovative state in which to do businesses. The FY 2013 budget increases total funding for the MMP by \$5.2 million. For detail on related line items, please see the note “MMP” in the table at the end of this subcategory.

This year’s economic development reorganization also identified the **Massachusetts Office of Business Development (MOBD)** as the lead business development agency, and the FY 2013 budget continues this arrangement, increasing funding by \$93,000.

The FY 2013 budget includes outside language directing \$15.0 million of surplus funds coming out of FY 2012, if any, to go into the **Massachusetts Life Sciences Investment Fund**. Since this proposal is contingent upon the existence of sufficient surplus money at the end of FY 2012, it does not show up in *MassBudget* totals.

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<sup>1</sup> For more detail on the FY 2012 reorganizations please see *MassBudget’s Budget Monitor: The Fiscal Year 2012 General Appropriations Act* available online at: [http://www.massbudget.org/report\\_window.php?loc=FY12\\_GAA.html](http://www.massbudget.org/report_window.php?loc=FY12_GAA.html)

**ECONOMIC DEVELOPMENT LINE ITEMS**

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0640-0300	MA Cultural Council Grants	6,199,866	6,527,624	6,254,109	6,527,624	
1100-1560	MA Development Finance Agency	440,693	0	0	0	
1599-1977	I-Cubed Assist. Assembly Square Re:	2,165,500	3,462,325	3,462,325	3,462,325	
2511-0100	Dept. of Agricultural Resources	4,334,469	4,644,591	4,557,151	4,857,151	
7002-0010	Executive Office of Housing & Ec. Dev	410,140	437,278	446,520	437,278	
7002-0012	Summer Jobs for At-Risk Youth	13,000,000	8,609,158	3,000,000	3,000,000	see text above
7002-0017	Housing & Ec. Dev. IT Costs	2,067,930	2,976,536	2,976,536	2,976,536	
7002-0020	Workforce Development Grants	0	0	1,000,000	750,000	
7003-0100	Exec. Office of Labor & Work. Dev.	726,875	761,109	884,042	858,649	
7003-0170	Labor and Workforce Development I	240,284	240,643	227,297	227,297	
7003-0200	Department of Labor Standards	1,920,041	2,128,283	2,128,283	2,045,243	
7003-0201	Dept. Labor Standards Licensing Fee	452,850	438,744	452,850	452,850	
7003-0500	Economic Stabilization Trust	19,106,544	19,395,217	19,114,446	19,114,446	
7003-0605	MA Manufacturing Extension Partner	1,125,000	1,225,000	325,000	1,225,000	
7003-0702	Individual Training Grants	1,600,000	0	500,000	0	
7003-0803	One-Stop Career Centers	4,494,467	4,752,323	4,494,467	4,494,467	
7003-0900	Department of Labor Relations	1,805,890	1,871,409	2,034,605	2,005,872	
7003-0901	Summer Jobs Matching Funds	100,000	0	100,000	100,000	
7003-0935	CB Process Reform	0	0	0	0	
7003-1206	Mass Service Alliance	0	1,625,000	250,000	1,625,000	
7006-0000	Office of Consumer Affairs & Busine:	768,208	798,409	846,160	846,160	
7007-0150	Regional Ec. Dev. Grants	450,000	850,000	1,000,000	950,000	
7007-0300	MA Office of Business Development	1,624,028	1,717,393	1,717,393	1,717,393	
7007-0500	Biotech Research Institute	200,000	250,000	200,000	250,000	
7007-0800	Small Business Dev. UMass Amherst	704,286	1,254,286	704,286	1,254,286	
7007-0801	Microlending	200,000	200,000	0	200,000	
7007-0802	Year Up	100,000	0	0	0	
7007-0951	Commonwealth Zoological Corporati	3,500,000	0	0	0	shift to 7007-0952
7007-0952	Commonwealth Zoological Corporati	0	3,750,000	3,800,000	3,600,000	shift from 7007-0951
7008-0900	MA Office of Travel and Tourism	2,040,167	3,064,562	7,217,109	7,217,109	MMP
7008-1000	Local Tourist Councils Financial Assi	6,000,000	6,000,000	6,000,000	6,000,000	MMP
7008-1300	Massachusetts International Trade	100,000	110,400	100,000	110,400	MMP
PB6	Workforce Training Fund	19,855,315	20,200,000	20,200,000	20,200,000	
1595-6583	Infra. Dev. Fund (operating transfer)	37,950,000	0	0	0	

Note: MMP = Massachusetts Marketing Partnership

**Housing**

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
<b>Housing</b>	295,446,879	398,292,907	374,081,590	369,515,539	364,044,215

The Legislature's housing budget for FY 2013 lowers funding for and restricts low-income homeless families' access to shelter while increasing funding for programs that could help these families secure permanent housing. Families living at or below of 115 percent of poverty who are homeless or at risk of becoming homeless are eligible to received shelter and support through the Emergency Assistance (EA) program. Several years ago the state adopted a Housing First policy to reduce low-income

families living in shelters by expanding their access to permanent housing. While previous budgets have attempted to restrict low-income homeless families' access to EA, the FY 2013 budget specifically denies low-income families access to shelter unless they meet certain criteria. It is also questionable whether the additional housing resources included in the FY 2013 budget, some of which are limited to \$4,000 of assistance for no more than 12 months, will be sufficient to help these families to remain in housing over the long term.

With the onset of the Great Recession, many low-income families lost their jobs and housing and turned to the state's Emergency Assistance (EA) program for shelter and support. This rising demand increased state spending on EA and has required that the state house some of these families in hotels and motels because the state-supported shelters are full. The FY 2010 budget tried to reduce state spending on EA by lowering eligibility for families from those living at or below 130 percent of poverty to the current threshold of 115 percent. The FY 2012 budget cut funding for EA and lowered eligibility further by requiring that most EA-eligible families be denied access to shelter and instead receive help from the newly-created HomeBASE program that provides rental assistance and one-time housing supports for homeless families eligible for EA. Many of these families could no longer stay in shelters unless they were unable to find housing elsewhere.

Despite the state's efforts to reduce eligibility and cut funding for EA in FY 2012, demand for shelter continued to increase as few of the families served by EA were earning the incomes necessary to secure permanent housing. As the number of eligible families applying for EA and HomeBASE grew, the Legislature was required to increase funding above the FY 2012 General Appropriations Act (GAA) for EA by \$39.7 million to \$137.5 million and by \$27.9 million for HomeBASE for a total of \$66.5 million. Even with these increases, the Department of Housing and Community Development (DHCD) closed HomeBASE in late October 2011 to all new families seeking rental assistance and currently only provides EA shelter to low-income homeless families who are eligible for assistance.

The budget passed by the Legislature for FY 2013 restricts access even further than the previous fiscal year for low-income homeless families seeking shelter and assistance from the state (see discussion below). The FY 2013 budget provides \$364.0 million for housing programs which is \$34.2 million less than the current budget for FY 2012. This budget reduces funding for homeless shelters by \$40.8 million below the FY 2012 current budget while increasing funding for several affordable housing programs by \$33.4 million. The Legislature's budget does not include funding for the **Low Income Home Energy Assistance Program (LIHEAP)** which received \$21.2 million in FY 2012. The initial budget at the start of each fiscal year generally does not include funding for this program. Instead, the Legislature often funds LIHEAP in a mid-year appropriation as winter approaches.

### Family Homelessness and Housing Supports Line Items

Line Item	FY 2012 GAA	FY 2012 Current	FY 2013 Governor	FY 2013 Budget	FY13 Budget - FY 12 Current
<b>Total EA + EA - Hotels and Motels</b>	<b>97,797,200</b>	<b>137,497,836</b>	<b>100,368,742</b>	<b>96,679,154</b>	<b>(40,818,682)</b>
<i>Emergency Assistance (7004-0101)</i>	97,797,200	137,497,836	100,368,742	80,042,354	(57,455,482)
<i>EA - Hotels and Motels (7004-0103)</i>	0	0	0	16,636,800	16,636,800
<b>Total Selected Housing Supports</b>	<b>137,321,732</b>	<b>165,220,829</b>	<b>204,705,696</b>	<b>198,634,371</b>	<b>33,413,542</b>
<i>HomeBASE (7004-0108)</i>	38,561,732	66,460,829	83,374,371	83,374,371	16,913,542
<i>MRVP (7004-9024)</i>	36,000,000	36,000,000	46,040,000	42,000,000	6,000,000
<i>RAFT (7004-9316)</i>	260,000	260,000	8,760,000	8,760,000	8,500,000
<i>Public Housing Subsidies (7004-9005)</i>	62,500,000	62,500,000	66,531,325	64,500,000	2,000,000
<b>Total for Family Homelessness and Housing Supports Line Items</b>	<b>235,118,932</b>	<b>302,718,665</b>	<b>305,074,438</b>	<b>295,313,525</b>	<b>(7,405,140)</b>

As noted above, the Legislature's budget recommends cutting funding EA, which provides shelter and services to low-income homeless families, by \$40.8 million below the FY 2012 current budget and restricts those families' access to shelters. Currently most homeless families living at or below 115 percent of poverty can move into EA shelters until they find housing. Under the FY 2013 budget only those families who lose housing for specific reasons, described below, can live in shelters. Other families who are currently eligible for EA will have access to certain housing supports but if these families are unable to find housing they will no longer have shelters to turn to in order to avoid becoming homeless. The highlights of the Legislature's budget on EA include:

- Providing \$96.7 million which, as noted above, is significantly below the \$137.5 the FY 2012 current budget. The FY 2013 budget adopted the House's proposal to split EA funding into two accounts. The primary EA account provides \$80.0 million to fund family shelters while a new account provides \$16.6 million to support families who are living in hotels and motels, because the family shelters are full.
- Limiting shelter access to a narrow category of families including those who must leave their housing due to domestic violence, fire or other natural disaster, if they are evicted because of, among other things, foreclosure, loss of income or disability, or because the housing they are living in, for which they are not the primary leaseholder, is deemed unhealthy or unsafe. All families who do not fit into these limited categories will no longer be allowed to stay in the EA shelters. Under these new restrictions, for instance, a family who is living with another family and is asked to leave even though the living situation is neither unsafe nor unhealthy could not move into an EA shelter.
- While the final budget for FY 2013 does not include a limit on the amount of time a family can stay in shelter, as the Governor and the House budget had recommended, it does include the Senate's restriction that families living in shelters longer than 32 weeks will be denied access to the HomeBASE program.
- Requires the Department of Housing and Community Development (DHCD) to provide monthly reports to the Legislature noting how many families were denied shelter under the

new rules who would have been eligible in FY 2012 and the types of services these families received to help them secure permanent housing.

While the FY 2013 budget cuts funding for shelter by \$40.8 million, it increases funding for housing support programs by \$33.4 million in an effort to help these families to secure permanent housing including:

- \$16.9 million more for **HomeBASE** to \$83.4 million. Currently, HomeBASE provides 3 years of rental assistance or 1 year of household assistance, of \$4,000 per 12 month period, to families who are eligible for EA. The FY 2013 budget only provides the multi-year rental assistance to families who enrolled in the program prior to October 2011 when DHCD closed the program to new families. In addition, the FY 2013 budget decreases the period that families receive this assistance to 2 years from 3 years in current law. New families applying for HomeBASE in FY 2013 would only receive 12 months of household assistance of up to \$4,000 which could include helping these families pay rent. Any family receiving \$4,000 through HomeBASE will not be eligible for assistance through Residential Assistance for Families in Transition (RAFT – see below) during the same 12 month period. As noted before, is questionable whether \$4,000 in assistance limited to 12 months will be sufficient to help many of these families, who earn very little income, stay in housing over the long term.
- \$6.0 million more for **MRVP**, which provides low-income renters living at or below 200 percent of poverty with vouchers to subsidize their rent, to a total of \$42.0 million. The FY 2013 budget requires that the increase in funding create no fewer than 500 new vouchers. While the House budget prioritized that the new vouchers be for families living in shelters so that they can move into permanent housing, the final budget does not include this directive.
- \$8.5 million increase for **RAFT** to \$8.8 million. RAFT provides low-income families who are homeless or at risk of becoming homeless with up to \$4,000 in one-time funding to help them stay in existing housing or move into new housing. The FY 2013 budget requires that 90 percent of RAFT funds be provided to families living at or below 30 percent of the area median income and that priority be given to families who qualify for EA and might otherwise become homeless without the assistance. The budget requires that agencies providing RAFT payments must find that those payments will be sufficient to prevent a family from becoming homeless.
- \$2.0 million increase for subsidies to **local housing authorities** to \$64.5 million. The budget encourages these authorities to use some of the increased funding to repair family units to increase housing available for homeless families.

**HOUSING LINE ITEMS**

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0940-0101	Fair Housing Assistance Type I Retail	2,030,380	2,129,547	2,118,911	2,118,911	
7004-0002	Springfield Friends of the Homeless	100,000	0	0	0	
7004-0099	Department of Housing and Commun	6,752,317	6,821,165	6,984,734	7,289,734	
7004-0100	Operation of Homeless Programs	4,970,557	5,355,239	5,355,239	5,240,310	
7004-0101	Emergency Assistance - Family Shelt	137,497,836	88,923,588	96,679,154	80,042,354	
7004-0102	Homeless Individuals Assistance	37,963,331	37,963,331	40,498,335	40,450,335	
7004-0103	Homeless Family EA Shelter Overflow	0	16,636,800	0	16,636,800	
7004-0104	Home and Healthy for Good	1,200,000	1,400,000	1,400,000	1,400,000	
7004-0108	Massachusetts Short Term Housing T	66,460,829	83,374,371	90,787,766	83,374,371	
7004-1000	Supplemental Funding for Low Inconr	21,187,407	0	0	0	
7004-3036	Housing Services and Counseling	1,495,996	1,495,996	1,495,996	1,495,996	
7004-3045	Tenancy Preservation Program	250,000	250,000	500,000	350,000	
7004-4314	Service Coordinators Program	350,401	350,401	350,401	350,401	
7004-9005	Subsidies to Public Housing Authorit	62,500,000	64,500,000	62,500,000	64,500,000	
7004-9024	Massachusetts Rental Voucher Progr	36,000,000	46,040,000	42,000,000	42,000,000	
7004-9030	Alternative Housing Voucher Program	3,450,000	3,450,000	3,450,000	3,450,000	
7004-9033	Rental Subsidy Program for Departme	4,000,000	4,500,000	4,000,000	4,000,000	
7004-9315*	Low-Income Housing Tax Credit Fee F	2,323,853	2,131,153	2,535,003	2,535,003	
7004-9316	Residential Assistance for Families	260,000	8,760,000	8,760,000	8,760,000	
7004-9317	Individual Development Account Proj	0	0	100,000	50,000	
1595-6585	Low Income Housing Tax Credit Fund	9,500,000	0	0	0	

\*House totals adjusted to include totals from collective bargaining agreements.

**Transportation**

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
<b>Transportation</b>	1,035,932,708	1,143,541,424	1,135,690,182	1,140,690,182	1,140,590,182

The FY 2013 budget for transportation is slightly below current FY 2012 levels. It is important to note that this seemingly modest cut is somewhat greater when considered in the context of inflation and rising costs.

The large majority of this funding, \$946.8 million, goes to fund the **Massachusetts Bay Transit Authority (MBTA)**, both for debt service costs and to help support annual operating costs (see line item details below). A much smaller amount, \$18.5 million, is provided to the state's 14 **Regional Transit Authorities**.

The remaining significant portion state transportation funding (\$166.6 million) is provided to the **Massachusetts Transportation Trust Fund (MTTF)**. The MTTF helps fund Massachusetts Department of Transportation (MassDOT) functions. These functions include maintaining and improving state

roads, highways, and bridges; maintaining and improving airports and rail and transit lines; administering the Registry of Motor Vehicles (RMV); and covering specific transportation-related debt service costs. This annual transfer of funds to MassDOT through the MTF represents only a portion of the total MassDOT budget, which receives additional funds from highway and bridge tolls, gas and sales tax revenues, RMV fees, and other sources.

It is important to note that a significant portion of the state's transportation-related capital spending shows up in separate debt service accounts, the largest of which is the **Consolidated Long-Term Debt Service** line item. For FY 2013, 43.5 percent of this \$2.01 billion account is projected to cover transportation-related debt.

**TRANSPORTATION LINE ITEMS**

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
PB1	MBTA State & Local Cont. Trust (pre-budge	779,606,555	786,800,000	786,800,000	786,800,000	<i>see text above</i>
1595-6368	Mass. Trans. Trust Fund (op. trans.)	180,126,756	165,191,136	166,691,136	166,591,136	
1595-6369	MBTA (operating transfer)	160,000,000	160,000,000	160,000,000	160,000,000	<i>see text above</i>
1595-6370	Regional Transit Authorities (op. trans.)	15,000,000	15,000,000	18,500,000	18,500,000	
1595-6379	Merit Rating Board (operating transfer)	8,808,113	8,699,046	8,699,046	8,699,046	

**Commercial Regulatory Entities**

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
<b>Commercial Regulatory Entities</b>	55,019,010	49,392,218	49,824,686	49,870,392	50,130,390

## COMMERCIAL REGULATORY ENTITIES LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0610-0050	Alcoholic Beverages Control Commis	1,993,336	2,181,737	2,060,249	2,203,192	
0610-0051	Alcoholic Beverages Control Commis	171,664	208,862	208,862	208,862	
0610-0060	Alcoholic Beverages Control Commis	100,000	150,000	0	150,000	
1599-4278	CB Reserve ABCC	9,848	0	0	0	
2100-0012	Department of Public Utilities	7,611,781	7,719,936	7,736,332	7,736,332	
2100-0013	Transportation Oversight Division	375,051	379,717	687,335	683,309	
2100-0014	Energy Facilities Siting Board Retain	50,000	50,000	50,000	50,000	
2100-0015	Unified Carrier Registration Retaine	2,300,000	2,329,861	2,300,000	2,300,000	
2100-0016	Steam Distribution Oversight	300,000	101,040	100,000	101,040	
7006-0010	Division of Banks	13,203,351	13,975,451	13,975,451	13,975,451	
7006-0011	Loan Originator Administration and	2,650,000	2,650,000	2,650,000	2,650,000	
7006-0020	Division of Insurance	11,731,274	12,351,044	12,351,044	12,351,044	
7006-0040	Division of Professional Licensure	2,272,285	2,474,874	2,474,874	2,474,874	
7006-0043	Home Improvement Contractors Reta	500,000	500,000	500,000	500,000	
7006-0060	Division of Standards	700,397	749,534	779,493	749,534	
7006-0066	Item Pricing Inspections	160,372	0	160,372	160,372	
7006-0067	Weights and Measures Law Enforcer	58,751	225,000	58,751	58,751	
7006-0068	Motor Vehicle Repair Shop Licensin	360,000	360,000	360,000	360,000	
7006-0071	Department of Telecommunications	2,703,732	2,877,507	2,877,507	2,877,507	
7006-0110	State Racing Commission	1,600,253	0	0	0	
7006-0151	Proprietary Schools Oversight	540,123	540,123	540,123	540,123	