

BUDGET MONITOR

The FY 2009 Conference Committee Budget

OVERVIEW

The budget crafted by the conference committee and approved by the House and Senate on July 3 spends more than the amounts previously recommended by the House, the Senate, and the Governor. In several areas, including public health and education, the conference committee recommended total spending amounts higher than those proposed by the House or the Senate. Because the Senate funded some accounts at higher levels while the House was higher on other accounts, in areas where the conference committee frequently chose the higher spending levels on individual accounts, the total would exceed the total recommendation from each branch.

There were also items in which each branch earmarked funding for specific items and the conference committee chose to include funding for earmarks from both branches. In these cases, the total funding for particular line items could exceed the amount recommended by each branch.

The Conference Committee budget totals \$33.2 billion including “off-budget” expenditures, such as automatic transfers of funding to programs including the state pension fund, the school building assistance fund, and the MBTA.

The Conference Committee balances its budget with a substantial use of Stabilization (Rainy Day) Fund money and other temporary fixes. (For details see the Revenue section of this *Budget Monitor*, page 28).

This *Budget Monitor* examines spending in each area of the budget, describing the conference committee decisions and how they relate to the proposals contained in the House and Senate budgets and to spending in prior years.

Table of Contents:	
Overview.....	1
Local Aid.....	2
K-12 Education.....	2
Higher Education.....	4
Early Education and Care.....	5
Income Supports.....	7
Health Care.....	8
Elder Affairs.....	13
Public Health.....	14
Mental Health.....	16
Developmental Services.....	17
Social Services.....	18
Other Human Services.....	18
Environmental Affairs.....	19
Economic Development.....	21
Housing.....	22
Public Safety & Corrections.....	23
Transportation.....	24
Judiciary.....	25
District Attorneys.....	25
Attorney General.....	26
Group Insurance.....	26
Debt Service.....	27
Revenue.....	28
Pensions.....	28
Budget by Program Area.....	30

The Conference Committee budget appropriates \$1.3473 billion for unrestricted local aid to cities and towns in FY 2009. This follows the higher House recommendation of \$1.3472 billion instead of the Senate recommendation of \$1.344.6 a \$2.0 million increase from FY2008 GAA. This total does not include aid for specific purposes, such as education.

FY 2008 GAA	\$ 1,345,296,219
FY 2009 House	\$ 1,347,296,219
FY 2009 Senate	\$ 1,344,688,719
FY 2009 Conference	\$ 1,347,296,219

***FY 2009 Conference and FY 2008 GAA
Difference*** **\$ 2,000,000**

The Conference Committee budget adopts the higher House appropriation for Payment in Lieu of Taxes (PILOT) which cities and towns receive from the state for housing state buildings and land in their municipality. The Conference Committee budget allocates \$30.3 million (as compared to the Senate appropriation of \$28.3 million) a \$2.0 million or 7 percent increase from FY2008 GAA. In addition, the Conference Committee follows the higher House recommendation of \$2.2 million for Local Share of Racing Revenue distributed to each city and town in which racing is conducted. This represents level funding from FY2008 GAA. The Senate had recommended \$1.59 million reflecting a possible decrease in estimated racing revenue.

In both FY 2007 and FY 2008, Lottery revenues failed to meet the projections on which the budget was based, forcing the state to transfer money from the General Fund to cover the shortfalls. For FY 2009, the Conference Committee anticipates this event covering the difference from the General Fund to level fund Lottery Aid to

cities and towns. The House proposal had created a new “Hold Harmless Lottery Aid Fund” but this was not included in the Senate proposal and was not included in the Conference Committee budget. Lottery revenues are assumed to be \$810.9 million and an additional \$124.2 million from the General Fund will level-fund Lottery Aid at \$935.03 million.

Additional Assistance to cities and towns is funded at \$379.7 million, as included in both the House and Senate budgets, and represents level funding from FY2008 GAA.

K-12 EDUCATION

The FY 2009 Conference Committee budget includes \$4.9378 billion for K-12 Education, a \$330.7 million increase over the FY 2008 GAA. This total includes Chapter 70 aid, other K-12 education aid and \$702.0 million for School Building Assistance (SBA). Unlike most appropriations, which are determined via the budget process using money from the General Fund, SBA has a dedicated revenue stream, 1 percent of the sales tax, determined by statute.

FY 2008 GAA	\$ 4,937,792,932
FY 2009 House	\$ 5,259,532,110
FY 2009 Senate	\$ 5,260,322,561
FY 2009 Conference	\$ 5,268,489,317

***FY 2009 Conference and FY 2008 GAA
Difference*** **\$ 330,696,385**

Chapter 70

Chapter 70 Aid is provided to cities and towns for public education purposes. This budget provides \$3.9488 billion in Chapter 70 Aid, a \$223.2 million or 6.0 percent increase from FY 2008 GAA.

FY 2008 GAA	\$ 3,725,671,328
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FY 2009 House	\$ 3,948,824,061
FY 2009 Senate	\$ 3,948,824,061
FY 2009 Conference	\$ 3,948,824,061

FY 2009 Conference and FY 2008 GAA Difference **\$ 223,152,733**

The Conference Committee appropriates the same level of funding for Chapter 70 Aid that was recommended by both the Senate and House proposals.

FY 2009 is the third year of education funding reform, which implemented a new formula for determining Chapter 70 Aid to be phased in over five fiscal years. (See the *Budget Monitor* for the Governor’s budget at:

<http://www.massbudget.org/FY09GovProposal.pdf>.

Other K-12 Education Funding

The Conference Committee budget provides \$617.7 million in funding for other K-12 initiatives, including grant programs and administration. This is an increase of \$40.2 million over the FY 2008 GAA.

FY 2008 GAA	\$ 577,421,604
FY 2009 House	\$ 608,708,049
FY 2009 Senate	\$ 609,498,500
FY 2009 Conference	\$ 617,665,256

FY 2009 Conference and FY 2008 GAA Difference **\$ 40,243,652**

The final Conference Committee appropriation is higher than both of the earlier proposals – \$8.2 million more than the Senate proposal and \$8.9 million more than the House proposal.

The following are the Conference Committee’s resolutions to some of the

significant differences between the two earlier proposals:

- This budget allocates \$230.0 million for the special education circuit breaker program, \$2.0 million more than the Senate recommendation and \$2.2 million more than the House recommendation. The Conference Committee adopts components from both proposals and also adopts the higher recommendation in areas where the two proposals differed. The \$230.0 million appropriation is a \$10.0 million increase over FY 2008 GAA funding.
- The Conference Committee budget includes \$13.4 million for MCAS Low-Scoring Student Support, a figure that is \$2.3 million higher than the Senate proposal and approximately \$114,030 higher than the House proposal because this budget adopts every earmark proposed by the two proposals.
- The Conference Committee adopts the higher Senate recommendation of \$79.8 million for charter school reimbursements, \$1.7 million more than the House recommendation. This is a \$6.0 million increase over FY 2008 GAA funding.
- This budget adopts the higher House recommendation of \$2.5 million for leadership academies for principals and superintendents, which is \$1.5 million higher than the Senate recommendation. This is a \$1.0 million increase from FY 2008 funding.
- The Conference Committee adopts the Senate’s recommendation of \$5.6 million for after-school and

out-of-school grants, which is \$550,000 higher than the House recommendation. This is a \$3.6 million increase over FY 2008 GAA funding. These grants are used to support programs that offer cultural and enrichment activities not otherwise provided during the school day.

- This budget includes \$400,000 for a new grant program that was proposed by the House but not included in the Senate proposal. These grants will be used to lower the size of classrooms in grades K-3, starting with kindergarten in FY 2009.
- The Conference Committee budget also adopts the Senate's proposal to create a new Bullying Prevention Program, allocating \$250,000 towards this line-item.

The following are the Conference Committee's appropriations for programs that were highlighted by the Governor as education priorities:

- A total of \$17.5 million for extended learning time grants, which are used by school districts to implement longer school days or school years at selected schools. Both the Senate and the House recommended this level of funding, which is a \$4.5 million increase from the FY 2008 GAA appropriation of \$13.0 million. These grants, however, were part of the Governor's education initiatives and his budget doubled funding to \$26.0 million; this would have provided nearly 9,000 students with an extended school day and funded

10 summer semester programming grants.

- This budget includes \$33.8 million for Kindergarten Expansion Grants to transition half-day kindergarten programs into full-day programs. This is the same funding recommended by the Senate (\$3000 more than recommended by the House) and the same amount appropriated in the FY 2008 GAA. Again, the Governor highlighted these grants as an education priority and recommended \$42.4 million to expand over 400 kindergarten programs.
- The Conference Committee appropriates \$9.2 million for targeted intervention in underperforming or at risk school districts, nearly the same level of funding provided in FY 2008. Similarly, the House had recommended \$9.0 million and the Senate had recommended \$9.3 million for this line-item. The Governor's budget, in contrast, had proposed \$13.8 million – a 50% increase over FY 2008 funding.

HIGHER EDUCATION

The Conference Committee budget appropriates \$1.1050 billion for public higher education, a \$50.2 million increase over FY 2008 GAA funding.

FY 2008 GAA	\$ 1,054,737,621
FY 2009 House	\$ 1,098,302,356
FY 2009 Senate	\$ 1,103,763,163
FY 2009 Conference	\$ 1,104,981,163

FY 2009 Conference and FY 2008 GAA
Difference **\$ 50,243,542**



The Conference Committee appropriation for public higher education is \$1.2 million higher than the Senate proposal and \$6.7 million higher than the House proposal. The Conference Committee total is higher than the earlier proposals for two reasons.

First, this budget incorporates components from both proposals. The Conference Committee budget includes \$496.4 million for the University of Massachusetts (UMass) system, \$968,000 more than the Senate proposal and \$3.1 million more than the House proposal. This budget adopts all but one earmark recommended by the two budgets for this line-item, creating a higher total appropriation.

Second, the Conference Committee adopts the highest recommendation in every area in which the two proposals differed:

- The Conference Committee adopts the Senate’s recommendation and appropriates \$6.5 million for the Department of Higher Education, \$2.2 million more than recommended by the House. This budget also earmarks \$2.0 million for the dual enrollment grants and \$2.0 million for the Massachusetts Nursing and Allied health workforce Development Initiative, compared to the \$1.0 million earmarked for each program in the House proposal. Like the Senate, the Conference Committee earmarks \$250,000 for a text-messaging emergency notification system at UMass and all of the state and community colleges.
- This budget adopts the higher Senate recommendation of \$14.7 million for the Massachusetts

Maritime Academy, which is \$554,000 more than was proposed by the House.

- The Conference Committee budget includes \$1.9 million for the Toxics Use Reduction Institute at the University of Massachusetts at Lowell, the same amount proposed by the House and \$250,000 more than was proposed by the Senate.
- This budget adopts the higher Senate recommendation of \$467,500 for the New England Board of Higher Education, \$100,000 more than the House recommendation.

Like the Senate, the Conference Committee funds the Edward J. Collins, Jr. Center for Public Management at the McCormack Graduate School of Policy Studies at the University of Massachusetts at Boston as a separate line-item with an appropriation of \$541,000. The House proposal had included this same amount of funding as an earmark within the University of Massachusetts account.

EARLY EDUCATION AND CARE

Funding for Early Education and Care in the Conference Committee budget totals \$590.1 million, an increase of \$53.7 million or 10.0 percent over the FY 2008 GAA.

FY 2008 GAA	\$ 536,452,420
FY 2009 House	\$ 589,745,819
FY 2009 Senate	\$ 588,766,554
FY 2009 Conference	\$ 590,118,235

FY 2009 Conference and FY 2008 GAA Difference **\$ 53,665,815**

The Conference Committee budget for the Department of Early Education and Care is \$372,000 higher than the final House budget

and \$1.4 million higher than the final Senate budget. The state has three major child care programs: income-eligible child care, TAFDC child care and supportive child care.

Like the House budget, the Conference Committee budget includes \$213.6 million for income-eligible child care. Income-eligible child care serves lower-income families with children up to 13 years of age. This program received \$209.8 million in the FY 2008 GAA. During the course of the year, \$3.1 million was transferred from the Child Care Rate Reserve to fund salary adjustments for early education and care workers. Therefore, the proposal is \$700,000 or less than a percent higher than FY 2008 current spending. The Conference Committee did not adopt a proposal offered by the Senate to shift \$21.4 million to this account from the TAFDC child care account, for a total of \$234.9 million. (More information is available at: <http://www.massbudget.org/FY09SWMBudgetMonitor.pdf>.)

Like the House proposal, the Conference Committee budget includes \$197.7 million for TAFDC child care. TAFDC (Transitional Aid to Families with Dependent Children) child care serves families who are currently receiving or recently received TAFDC benefits. This program was funded at \$166.9 million in the FY 2008 GAA. During the course of the year, \$3.1 million was transferred from the Child Care Rate Reserve to fund salary increases for early education and care workers under this program.

The Conference proposal is \$21.4 million above the Senate proposal because the Senate proposed shifting that amount out of the TAFDC child care account and into

the income-eligible child care account. The Conference Committee did not adopt this proposal. (More information is available at: <http://www.massbudget.org/FY09SWMBudgetMonitor.pdf>.)

The Conference Committee budget includes \$79.1 million for Supportive Child Care, the same level proposed by the House and Senate. In FY 2008, the program received \$67.3 million. During the fiscal year, \$731,000 was transferred from the Child Care Rate Reserve to fund salary increases for early education and care workers under this program. Therefore, the proposal is \$11.1 million, or 16.3 percent higher than FY 2008 current spending. This account serves families receiving services from the Department of Social Services (DSS). Since FY 2007, the state has had a policy of providing child care for all families involved with DSS who need such care.

The Conference Committee adopts the House funding level of \$4.6 million for professional development, \$900,000 above the FY 2008 level (after accounting for \$600,000 included in FY 2007 that was shifted to FY 2008). The Governor and the Senate allocated \$4.3 million and \$3.7 million respectively. This funding helps early childhood education and care providers to pursue professional development courses and to obtain associates and bachelors degrees.

Two initiatives funded at the same level by the House and Senate, and not subject to change in conference, include:

- Funding for the “Universal Pre-Kindergarten Program” was increased by \$5.0 million, from \$7.1 million in FY 2008 to \$12.1 million in FY 2009. This program provides

grants to pre-schools to increase the quality and to improve families' access to them. The Governor recommended an increase of \$15 million over FY 2008 GAA, for a total of \$22.1 million in FY 2009.

- The Child Care Rate Reserve was funded at \$5.0 million. The Governor did not allocate funding for this reserve. In FY 2008 GAA, \$7.0 million was allocated to this reserve. The reserve is used to fund increases for early education and care workers' salaries, benefits and professional development stipends.

Like the earlier proposals, the Conference Committee budget provides level funding for two programs:

- The Mass. Family Networks program is funded at \$5.4 million. Mass. Family Networks provides educational services (including family literacy activities) and family supports (including home visits, developmental screenings and parent support groups) to families with infants and toddlers.
- The Reach Out and Read Program is funded at \$1.0 million. Reach Out and Read trains pediatricians and nurses to advise parents about the importance of reading aloud to their children and provides books for medical professionals to distribute to children at pediatric checkups.

INCOME SUPPORT PROGRAMS

The Conference Committee provides \$638.8 million for income supports, an increase of \$39.9 million or 6.7 percent over the FY 2008 GAA.

FY 2008 GAA	\$ 598,932,022
FY 2009 House	\$ 641,843,262
FY 2009 Senate	\$ 637,545,610
FY 2009 Conference	\$ 638,795,610

FY 2009 Conference and FY 2008 GAA
Difference **\$ 39,863,588**

The Conference Committee adopts the House and Senate recommendation to increase funding for the TAFDC (Transitional Aid to Families with Dependent Children) program from \$274.5 million in FY 2008 to \$302.7 million in FY 2009, due to a growing caseload. The Governor recommended a budget of \$291.4 million for this account.

The Conference Committee's allocation for the Emergency Aid to Elders, the Disabled and Children (EAEDC) program, of \$72.5 million, is \$3.4 million above the Governor's recommendation and \$500,000 above the Senate recommendation. However, the proposal is \$2.4 million below the House recommendation. The EAEDC program provides cash and limited medical benefits to about 17,000 individuals per year. The program received \$69.9 million in FY 2008 GAA.

The Conference Committee budget increases funding for Employment Services Program (ESP) over both the House and Senate versions to \$27.7 million (\$558,000 over the FY 2008 GAA). This funding level is \$500,000 higher than all the earlier proposals, in order to make up for a projected loss of federal revenue, which is usually used for employment services. The ESP is available to individuals who are receiving cash assistance grants under TAFDC. Like the earlier proposals, the Conference Committee budget indicates that \$7.0 million will be available in FY 2009 from federal reimbursements for specific

education and job training/readiness services for food stamp recipients.

HEALTH CARE

The FY 2009 Conference Committee budget allocates \$10.4409 billion for health care programs. This is \$1.0695 billion more than in the FY 2008 GAA – an increase of 11.4 percent.

FY 2008 GAA	\$ 9,371,356,330
FY 2009 House	\$ 10,386,150,582
FY 2009 Senate	\$ 10,400,123,632
FY 2009 Conference	\$ 10,440,923,358

FY 2009 Conference and FY 2008 GAA Difference **\$ 1,069,567,028**

In this *Budget Monitor*, we divide our analysis of Health Care into several sections. "Medicaid/MassHealth" includes Medicaid/MassHealth line items, the funding for the Medicare "Clawback," as well as administrative costs associated with the Executive Office and the Office of Medicaid. It also includes the reserve designated for funding costs associated with the *Rosie D.* settlement. "Pharmacy Programs" include the Prescription Advantage program administered by the Department of Elder Affairs. The totals for "Other Health Care Programs" include the Children's Medical Security Plan program, and grants to encourage primary care practice. "Health Care Finance" includes line item appropriations for administrative costs associated with the implementation of health care reform, the costs of the Division of Health Care Finance and Policy, the Health Care Quality and Cost Council, and the costs of certain new health care cost containment initiatives. In the FY 2008 budget, there was also funding for some of health reform administration through a transfer from the

off-budget Medical Security Trust Fund. "Health Care Transfer Spending (Health Reform)" includes funding transferred from the General Fund into a variety of "off-budget" special trust funds that are used to finance a large portion of the Commonwealth's health care programming – particularly the costs associated with the implementation of health reform.

Health Care Programs				
<i>(in Millions of Dollars)</i>				
	FY 2008 GAA	FY 2009 House	FY 2009 Senate	FY 2009 Conference
Medicaid/MassHealth	8,207.9	8,622.3	8,612.7	8,652.5
Pharmacy Programs	60.5	57.6	57.5	57.5
Other Health Care Programs	16.9	18.2	18.2	18.2
Health Care Finance	15.6	21.9	23.0	24.5
Sub-Total Line Item Appropriations	8,300.9	8,720.0	8,711.5	8,752.8
Medical Assistance Trust*	251.0	346.0	346.0	346.0
Essential Community Provider Trust	28.0	28.0	25.0	25.0
Commonwealth Care Trust**	789.7	1,292.1	1,292.6	1,292.1
Medical Security Trust	1.8	0.0	0.0	0.0
e-Health Institute Trust	0.0	0.0	25.0	25.0
Sub-Total Transfer Appropriations	1,070.4	1,666.1	1,688.6	1,688.1
Total	9,371.4	10,386.2	10,400.0	10,440.9

* In FY 2008, estimated spending out of the Medical Assistance Trust Fund includes significant one-time spending, including retroactive payments to providers of approximately \$375 million. The totals in this chart do not include this spending.
** Estimated spending for FY 2008 from the Commonwealth Care Trust may be at least \$1,073.2 million, but only \$977.0 million has been transferred so far from the General Fund. In FY 2009, \$174.6 million in tobacco tax revenue will go directly into the Commonwealth Care Trust Fund. That pre-budget transfer is included in these totals.

Medicaid/MassHealth

The Conference Committee budget includes \$8.6525 billion for Medicaid/MassHealth programs, a 5.4 percent increase over funding in the FY 2008 GAA. The House had proposed \$8.6223 billion, and the Senate had proposed \$8.6127 billion. One of the significant increases in the FY 2009 budget is in MassHealth funding for mental health services for children and adolescents under the provisions of the settlement known as *Rosie D. v. Romney*. The Conference Committee includes \$25.0 million for these services. Although there was no funding for this in the FY 2008

GAA, during the course of FY 2008, the Legislature appropriated \$7.8 million into a reserve account to begin payments for these mental health screenings and treatment services. Because the program is still in its beginning stages, the \$25.0 million is only an estimate of what the actual costs might be for FY 2009.

Another initiative in the MassHealth budget is the “Community First” program, a program first proposed by the Governor. The Conference Committee budget includes \$20.0 million for this Community First program, the amount recommended by the Senate. The Community First initiative is an attempt to target elders and adults with disabilities who are in nursing homes or are at risk of nursing home placement. It provides more flexible and community-based long term care services. This program is awaiting federal approval of a Medicaid waiver. Of the total for Community First, \$5.0 million is earmarked to fund costs associated with the *Rolland v. Cellucci* settlement. Under this settlement, approximately 640 individuals with mental retardation or developmental disabilities living in Massachusetts nursing homes may be moved into community settings. Neither the House nor Senate budget proposals included earmark language providing funding for this class action settlement.

Another component of long-term care funding is an earmark within the Senior Care program of MassHealth for increases in rates for nursing homes. The House had earmarked \$45.0 million of its recommended \$2.1669 billion. The Senate recommended \$2.1583 billion, but had earmarked \$45.0 million for a nursing home rate increase to fund labor costs, only if there was funding remaining due to decreased utilization. The Conference Committee budget includes \$2.1759 billion

for Senior Care, and follows the Senate’s earmark language stating that this targeted funding would be available only if there were decreased utilization. There is also a \$5.0 million earmark to maintain the personal needs allowance at \$72.80 per month (the amount in the FY 2008 budget). The Senate budget included this increase; the House budget had only a \$2.0 million increase which would have dropped the personal needs allowance to \$65.00 per month.

Another area where the House and Senate budget proposals had differed was in the funding enrollment and outreach grants. These funds, which are distributed to community-based organizations, support local initiatives to assist people with enrollment in the Commonwealth’s various publicly-funded health care programs. The Senate had eliminated funding for these grants, but the Conference Committee follows the House recommendation and level-funded them at \$3.5 million.

Within the MassHealth administrative line item, the Conference Committee earmarks \$250,000 to create an Office of Health Equity within the Executive Office of Health and Human Services. The House created this office, but did not provide funding; the Senate also created the office, and earmarked money for the work of a health disparities council. In the Conference Committee budget, the Executive Office is tasked with working to reduce disparities in health care, presumably under the auspices of the Office of Health Equity. The Conference Committee budget funds the MassHealth Managed Care line item at \$3.1411 billion. The House had recommended \$3.1311 billion, and the Senate had recommended \$3.1305 billion. The budget includes \$6.0 million as recommended by the Senate in an earmark for rates to certain hospitals that have a

“disproportionate share” of low-income patients, \$10.0 million earmarked for certain pediatric hospitals, and \$2.0 million earmarked for Holyoke Hospital.

In the MassHealth Indemnity/Third Party Liability line item, the Conference Committee recommends \$1.5498 billion, compared to the House recommendation of \$1.5436 billion, and the Senate recommendation of \$1.5416 billion. The line item language includes a Senate recommendation for a \$5.0 million earmark for a “medical home” demonstration project, in order to provide family-centered care for persons with chronic medical needs. The language also includes \$10.0 million in an earmark for increased rates for community health centers.

There were several line items in which there were essentially no differences in the totals recommended by the House and the Senate. The Conference Committee totals include:

- \$111.9 million for the CommonHealth program
- \$122.7 million for MassHealth Basic
- \$5.5 million for the MassHealth Breast and Cervical Cancer program
- \$211.1 million for the Family Assistance Plan
- \$40.3 million for the Premium Assistance Plan
- \$5.2 million for the Insurance Partnership
- \$19.4 million for Healthy Start

- \$16.6 million for the MassHealth HIV program
- \$304.6 million for MassHealth Essential

The Conference Committee budget also includes an outside section allowing dentists to limit the number of patients with MassHealth insurance coverage in their caseloads. This provision – which was included in the FY 2008 GAA – is a strategy to increase the number of dental providers participating in the program. This language was included in the Senate budget proposal, but not in the House proposal.

Pharmacy Programs

The Conference Committee recommends \$57.5 million for the Prescription Advantage program, the same (lower) amount recommended by the Senate. There is conflicting language in the line item description and an outside section of the budget about the discretion the Department of Elder Affairs has prior to increasing cost-sharing requirements in the program. The line item states that the Legislature must give its approval for such increases, whereas the outside section states only that the Legislature must be given notice. The Conference Committee budget does, however, follow the Senate by including language that the program offer ongoing open enrollment.

Although not included in these totals here, there is new funding within the Department of Public Health for \$500,000 to encourage medical professionals to improve the cost-effectiveness of their prescription drug use. (See the “Public Health” section of this *Budget Monitor*.)

Other Health Care

Like both the House and the Senate, the Conference Committee budget includes \$16.5 million for the Children's Medical Security Plan. This should be sufficient to maintain the expected caseload.

The Conference Committee also includes level-funding of \$1.7 million for a program within the Executive Office of Health and Human Services for community health center-based grants to encourage health professionals to choose primary care practice. One of the challenges in ensuring universal access to health care has been a chronic shortage of primary care providers. These grants provide for loan forgiveness and other incentives to encourage physicians and other clinicians to practice in community health care settings. Presumably, this program would work in conjunction with a new primary care recruitment and loan forgiveness program funded for \$850,000 within the Department of Public Health. (See the "Public Health" section of this *Budget Monitor*.)

Health Care Finance

The Conference Committee budget includes a new \$1.5 million reserve as recommended by the Senate to fund the implementation of various health care cost containment initiatives.

This new funding is particularly directed towards supporting inter-agency cooperation for developing technology or other systems to encourage efficiency in health care delivery.

Both the House and the Senate had recommended \$1.9 million for the Health Care Quality and Cost Council, and the

Conference Committee follows a Senate recommendation to add \$100,000 to this total in retained revenues.

The Conference Committee follows the Senate recommendation to fund the Division of Health Care Finance and Policy at \$17.5 million. Included in this recommendation is an earmark proposed by the Senate for \$500,000 to fund a report on factors contributing to health care cost growth.

The Conference Committee budget includes \$2.4 million in a reserve for Hale Hospital in Haverhill. This is the amount recommended by the House, while the Senate had recommended only \$1.0 million.

Health Care Transfer Spending/Health Reform

Most of health reform is financed through what is commonly referred to as "off-budget" spending; the Commonwealth does not pay for much of its health reform initiative through the line item appropriations in the budget. Off-budget spending is actually transfers from the General Fund into special trust funds. These funds are then available for spending, without further appropriation by the Legislature.

New in FY 2009 is the creation of an e-Health Institute Trust, a proposal originally from the Senate. The Conference Committee follows the Senate recommendation, and funds this trust with \$25.0 million. The purpose of this Institute would be to improve the efficiency of the health care delivery with the development of statewide electronic health records system.

Fiscal Year 2008 saw a dramatic change in the Commonwealth's health care programming, with the implementation of the first full year of the state's health reform legislation.

Like in the Medicaid/MassHealth program, there are significant federal funds that contribute to the costs of the Commonwealth's health reform. Although the exact level of available federal funding is not yet known, the federal government typically reimburses Massachusetts for half of the costs of its health care programs for low-income people.

The Commonwealth Care Trust Fund pays for the Commonwealth Care health insurance program, certain provider rates, and the costs of the Health Safety Net. An outside section of the budget transfers \$1.1176 billion from the General Fund into this trust. The budget also assumes that \$174.6 million in new tobacco tax revenue (resulting from the recent one dollar increase in the cigarette tax) will be transferred directly in the Commonwealth Care Trust Fund, bringing the total FY 2009 deposit into this fund to \$1.2921 billion. This is the same total recommended by both the House and the Senate.

The FY 2009 transfer is an increase of \$502.9 million from the transfer of \$789.7 million in the FY 2008 GAA. (Since the passage of the FY 2008 GAA, an additional \$187.3 million has been transferred into this fund. It is possible that final spending will be even greater than this total as the costs of health reform have been higher than initially projected).

In addition to funding for the Commonwealth Care insurance program

and provider reimbursements, the Commonwealth Care Trust Fund transfer includes funding for the Health Safety Net (formerly the uncompensated care pool). The Health Safety Net is funded with state funds, federal funds, and \$160 million assessments from both hospitals and insurance providers.

The FY 2008 GAA included \$33.9 million transferred from the Commonwealth Care Trust Fund to the Health Safety Net Trust, for total projected spending of \$353.9 million. Actual FY 2008 costs are expected to be closer to \$517 million. The Conference Committee budget (like the budgets from the House and the Senate) includes \$63.0 million from state funds for the Health Safety Net, projecting total spending of approximately \$453.0 million.

It is also noteworthy that the FY 2008 GAA had anticipated \$23.6 million in revenue to the fund from employers' contributions through the "fair share assessment." Actual revenues from this assessment will be closer to only \$6.0 million. Moreover, the administrative costs associated with implementing the fair share assessment would be subtracted from this revenue. The FY 2009 budget anticipates only \$5.0 million in available revenue from this assessment.

The FY 2009 Conference Committee budget also includes a transfer of \$346.0 million from the General Fund into the Medical Assistance Trust Fund, in order to make supplemental payments to certain publicly-funded health care providers. This is the same amount proposed by the House and the Senate. The Conference Committee specifies that the amount over \$251.0 million to be transferred into this trust fund would be contingent upon the state's General Fund being reimbursed by federal

and other sources for the full cost of any increased transfer.

The Conference Committee budget also includes \$25.0 million transferred into the Essential Community Provider Trust. This is the amount recommended by the Senate, but is \$3.0 million less than in the FY 2008 GAA, and also \$3.0 less than the amount recommended by the House. This fund provides grants to hospitals or community health centers that provide health care to low-income persons across the Commonwealth.

ELDER AFFAIRS

The FY 2009 Conference Committee budget includes \$238.6 million for elder services, \$6.3 million or 2.7 percent increase over the FY 2008 GAA. Not included in these totals are the Prescription Advantage pharmacy program and MassHealth programs for elders, such as the Senior Care Plans and nursing homes. For a discussion of these programs, see the “Health Care Programs” section of this *Budget Monitor*.

FY 2008 GAA	\$ 232,277,232
FY 2009 House	\$ 237,572,979
FY 2009 Senate	\$ 237,676,460
FY 2009 Conference	\$ 238,607,460

FY 2009 Conference and FY 2008 GAA Difference **\$ 6,330,228**

The Conference Committee budget includes \$147.1 million for elder home care, including \$106.7 million for purchase services, and \$40.4 million for case management and administration. This is slightly higher than was recommended by the House, and is the same amount recommended by the Senate. It is likely that this amount will simply be enough to

cover the costs of the current program. Language in the budget includes geriatric mental health services as a covered benefit in the elder home care program. Nevertheless, there is also separate funding for a geriatric mental health services program (level-funded at \$225,000).

Also included in the Conference Committee budget is \$16.2 million for elder protective services. This is the same amount as recommended by the Senate, which was slightly higher than the House recommendation. Included in this total is the continuation of \$800,000 earmarked for a money management program. Funding in the FY 2008 GAA was \$15.0 million. The FY 2009 total is approximately seven percent above projected FY 2009 maintenance costs.

The Conference Committee continued funding the family caregivers program at \$250,000. The House had recommended slightly more, but the Senate had not included any funding for this program.

The senior lunch program receives \$6.8 million, which looks like a 7.6 percent increase over the funding level in the FY 2008 GAA, but which is actually less than projected maintenance costs for FY 2009.

The councils on aging receive \$8.6 million, an amount that is 9.3 percent more than in the FY 2008 GAA, but in between the recommendations presented by the House and the Senate.

The Conference Committee elder affairs budget also includes:

- \$48.2 million for the enhanced community options program (following the Senate recommendation, and 1.7 percent more than in the FY 2008 GAA).

- \$4.2 million for supported senior housing (also following the Senate recommendation, and just above the FY 2008 GAA).
- \$2.8 million for the congregate housing program (more than recommended by either the House or the Senate, and 6.3 percent above funding in the FY 2008 GAA)
- \$450,000 for the homeless elder placement program (following the Senate’s recommendation, and \$100,000 more than in the FY 2008 GAA).

PUBLIC HEALTH

The budget passed by the Conference Committee included \$594.8 million for public health, a \$40.4 million dollar – 7.3 percent – increase over funding in the FY 2008 GAA.

FY 2008 GAA	\$ 554,388,520
FY 2009 House	\$ 581,906,167
FY 2009 Senate	\$ 583,139,245
FY 2009 Conference	\$ 594,807,780

FY 2009 Conference and FY 2008 GAA
Difference **\$ 40,419,260**

The Conference Committee expanded funding for both hospital-based public health programming and non-hospital based programming compared to the House and Senate budget proposals. The final Conference Committee budget includes \$165.6 million for hospital-based public health programs – a 6.7 percent increase over the FY 2008 GAA, and \$429.2 million for non-hospital based

programming – a 7.5 percent increase over the FY 2008 GAA.

Even though funding for public health has grown over the past few years, it is still important to remember that the FY 2009 Conference Committee public health budget is more than seven percent less than funding in FY 2001, when adjusted for inflation. In other words, cuts to public health programs were so deep during the beginning part of the current decade; support for public health programming has not yet recovered.

The Conference Committee budget includes a few new public health initiatives for FY 2009. The Conference Committee included two programs first introduced by the Senate: an “academic detailing” program that educates health care professionals on the cost-effective use of prescription medications and a primary care recruitment and loan forgiveness program (\$850,000). Presumably, this public health program would work in coordination with the community-health center-based primary care recruitment and loan forgiveness program operated out of the Executive Office of Health and Human Services (\$1.7 million, included in the “health care” totals in this *Budget Monitor*.)

What is notable about these two public health initiatives is that they may reflect a new commitment on the part of the Commonwealth to not only to focus on health care cost containment, but also to recognize that support for public health programming is integral to health care cost control.

One set of public health programs that received an increase in funding in the FY 2009 Conference Committee budget is programming associated with violence

prevention. Domestic violence and sexual assault prevention jumped from \$3.9 million in the FY 2008 GAA to \$6.4 million in the Conference Committee budget. The House recommended been \$5.1 million, and the Senate recommended \$5.3 million.

Similarly, funding for youth violence prevention (two line items – one in the Department of Public Health and one in the Executive Office of Health and Human Services) increased from \$7.7 million in the FY 2008 GAA to \$9.3 million in the Conference Committee budget. The House recommendation for these services was \$8.0 million, and the Senate recommendation was \$8.9 million, but the Conference Committee recommendation includes funded for all of the earmarks identified by either the House or the Senate.

Health promotion and disease prevention, an omnibus line item that includes funding for a wide assortment of health education, screening, prevention and treatment programs, received \$14.7 million in the Conference Committee budget. The House had recommended \$13.6 million, the Senate had recommended \$14.4 million, and funding in the FY 2008 GAA was \$14.2 million. In addition to these programs, there is also an additional \$350,000 allocated for shaken baby syndrome prevention. This is the same amount of funding as was in the FY 2008 GAA.

Certain other programs received funding that is more than in the FY 2008 GAA, but these increased funding levels are little more than sufficient for maintaining the FY 2008 level of service. Early intervention services, for example, were funded at \$42.7 million in the FY 2008 GAA. The Conference Committee total is

\$49.4 million, following the recommendation from the Senate.

Although on the surface this seems to be an annual increase of 15.7 percent, because of increased costs associated with a growing caseload of young children with significant disabilities, particularly those on the autism spectrum, this FY 2009 total may represent no more than an increase of \$1.0 million over FY 2009 projected maintenance costs.

Likewise, funding for immunizations grows from \$48.8 million in the FY 2008 GAA to \$51.6 million in the FY 2009 Conference Committee budget. This funding total, which was also recommended by the House and Senate, will simply cover the increased cost of purchasing the vaccines.

There are some public health programs for which FY 2009 funding is significantly different from past funding levels. One of the programs most dramatically cut during years past was the Commonwealth's anti-smoking program.

In spite of recent efforts to incorporate smoking cessation programs into the state's Medicaid program (see the "Health Care" section of this *Budget Monitor*), the Conference Committee budget only level-funds smoking cessation programs at \$12.8 million, adopting a lower funding amount recommended by the Senate. This amount would not allow these services to keep pace with inflation, and is almost eighty percent below funding levels in FY 2001 (adjusted for inflation).

Also significantly below FY 2001 levels in the FY 2009 Conference Committee public health budget is funding for school health services. The Conference Committee recommends \$17.5 million for school health services, earmarking \$15.0 million for school-based health centers and school

nurses. This is slightly more than either the House or Senate recommendations, with slightly different configurations of additional programmatic earmarks.

Included in the total is the continuation of previous years' \$300,000 in funding for mental health and substance abuse services in school-based health centers. Once again, it is important to remember that in FY 2001 there was \$55.4 million for school health services, when adjusted for inflation.

Unlike smoking prevention and school health services, the Commonwealth has expanded funding for substance abuse treatment services substantially since FY 2001. The FY 2009 Conference Committee budget includes \$90.6 million for substance abuse programming. The Conference Committee budget continues \$5.0 million in a separate line item recommended by the House for step-down recovery services for substance abusers. This program provides clinical stabilization services to persons coming out of detoxification facilities, and provides an alternative to the hospital emergency room for services. The Conference Committee also includes \$5.0 million in a separate line item for a new program to create secure treatment facilities for opiate addicts.

MENTAL HEALTH

The FY 2009 Conference Committee budget includes \$685.4 million for mental health services, an \$18.0 million or 2.7 percent increase over funding in the FY 2008 GAA.

FY 2008 GAA	\$ 667,406,853
FY 2009 House	\$ 683,806,827
FY 2009 Senate	\$ 685,190,505
FY 2009 Conference	\$ 685,440,505

FY 2009 Conference and FY 2008 GAA **Difference** **\$ 18,033,652**

The Conference Committee budget for mental health services includes essentially level-funding for mental health services, in large part because the increased costs associated with staffing the Commonwealth's mental health facilities. This budget includes \$76.2 million for child and adolescent services (the amount recommended by the Senate), which includes \$2.8 million for the child psychiatry access project.

The budget also includes \$322.1 million for adult mental health and support services (more than recommended by either the House or the Senate). This total includes \$11.0 million in earmarks, including \$3.3 million earmarked for the homeless mentally ill and \$1.9 million for mental health research.

In addition to earmarked funding, there is also a separate line item for statewide homeless support services. The Conference Committee budget includes \$22.5 million for these services, compared to \$22.4 million in the FY 2008 GAA.

The final recommendation essentially follows the Senate's budget, but adds \$50,000 to cover the cost of an earmark recommended by the House but not by the Senate.

During FY 2008, the Commonwealth began the implementation of expanded mental health screening under the MassHealth program, associated with what is known as the "Rosie D." settlement. This settlement will ultimately require the significant

expansion of mental health services for children, starting with universal mental health screenings. The funding for this program is included in the “Health Care” section of this *Budget Monitor*.

**DEVELOPMENTAL SERVICES
(FORMERLY DEPARTMENT OF
MENTAL RETARDATION)**

The FY 2009 Conference Committee budget includes \$1.2729 billion for the Department of Developmental Services (formerly the Department of Mental Retardation), a \$46.5 million increase from the FY 2008 GAA.

FY 2008 GAA	\$ 1,226,416,406
FY 2009 House	\$ 1,272,787,491
FY 2009 Senate	\$ 1,267,637,624
FY 2009 Conference	\$ 1,272,887,624

<i>FY 2009 Conference and FY 2008 GAA</i>	
Difference	\$ 46,471,218

The Conference Committee decided to adopt the Senate’s plan to change the name of the Department of Mental Retardation to the Department of Developmental Services.

The Conference Committee budget for the Department of Developmental Services appropriates \$100,000 more than the House proposal and \$5.3 million more than the Senate proposal.

(In some cases, the Conference Committee adopted components from both the House and Senate budgets, creating a total that is higher than each one.) The Conference Committee reconciled the following differences between the two proposals:

- The Conference Committee funds services for families with autistic children at \$6.3 million, \$3.0 million over the FY 2008 GAA. This is \$200,000 higher than the Senate’s recommendation and \$843,000 higher than the House recommendation.
- Funding for community residential supports totals \$569.6 million in the Conference Committee budget, \$600,000 more than the Senate proposal and \$227,000 higher than the House proposal. This account was funded at \$547.8 million in the FY 2008 GAA. During the course of the year, \$8.6 million was transferred from the Human Services Rate Reserve. Therefore, the proposal is \$13.2 million, or 2.4 percent higher than FY 2008 current spending.

The Conference Committee appropriated \$56.1 million for respite supports, \$100,000 higher than the Senate recommendation and \$800,000 higher than the House recommendation. This appropriation is \$1.1 million or 1.9 percent higher than the FY 2008 funding level.

SOCIAL SERVICES

The Conference Committee budget includes \$836.5 million for the Department of Social Services (DSS). This represents a \$36.4 million or 4.5 percent increase over the FY 2008 GAA.

FY 2008 GAA	\$ 800,095,093
FY 2009 House	\$ 836,191,340
FY 2009 Senate	\$ 830,563,886
FY 2009 Conference	\$ 836,477,528

<i>FY 2009 Conference and FY 2008 GAA</i>	
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Difference **\$ 36,382,435**

The overall Conference Committee budget for Social Services is higher than the House and Senate budgets by \$286,000 and \$5.9 million respectively. The Conference Committee reconciled the following differences:

- Like the House budget, the Conference Committee budget included a new line item for \$5.0 million to improve service delivery to children under the care of the Department of Social Services.
- The Conference Committee budget allocates \$313.8 million for an account that funds family supports, including stabilization, adoption and foster care services. The Governor and the House budgets allocated \$314.0 million for this account, while the Senate provided \$313.0 million. This account was funded at \$293.7 million in the FY 2008 GAA.
- The Conference Committee budget funds domestic violence shelter and support services within the Department of Social Services at \$23.5 million, which is \$454,000 over the FY 2008 GAA. This is \$100,000 higher than the Senate’s recommendation and \$501,000 higher than the House recommendation. The Governor allocated \$22.6 million for these services.

Two programs areas funded at the same level by the House and Senate, and not subject to conference, include:

- Like the House and Senate proposals, the Conference

Committee allocates \$157.3 million for DSS social workers, \$3.8 million below the Governor’s recommendation. This is \$1.7 million more than actual spending in FY 2008, which includes an appropriation of \$147.3 million and an allocation from the Collective Bargaining Rate Reserve of \$8.3 million.

- Like the earlier proposals, the Conference Committee budget includes \$229.6 million for Group Care Services. This is \$74,000 less than actual spending in FY 2008, which includes an appropriation of \$228.2 million and an allocation from the Humans Services Reserve of \$1.4 million. This program provides community-based services to children who would otherwise be placed in residential settings.

OTHER HUMAN SERVICES

The Conference Committee provides \$629.0 million for “Other Human Services,” an increase of \$25.1 million or 4.2 percent over the FY 2008 GAA.

The category in this Budget Monitor called “Other Human Services” includes numerous departments, including Veterans Affairs, the Soldiers' Homes, Mass. Commission for the Blind, Mass. Rehabilitation Commission, Mass. Commission for the Deaf and Hard of Hearing, the Dept. of Youth Services, administrative costs for the Department of Transitional Assistance, and certain programs within the Executive Office of Health and Human Services.

FY 2008 GAA	\$ 603,915,347
FY 2009 House	\$ 627,045,292
FY 2009 Senate	\$ 624,157,597



FY 2009 Conference **\$ 628,990,935**

FY 2009 Conference and FY 2008 GAA
Difference **\$ 25,075,588**

The overall Conference budget for “Other Human Services” is higher than the House and Senate budgets by \$1.9 million and \$4.8 million, respectively. The Conference Committee reconciled the following differences between the two proposals:

- The Conference budget increases funding for veterans, which includes the Department of Veterans’ Services, the state’s soldiers’ homes, veteran’s benefits and services for homeless veterans, by \$8.4 million over the FY 2008 GAA. The increased funding is needed to cover the costs of a \$3.1 million shortfall in FY 2008 as well as higher caseloads and health insurance premiums. The proposal is \$322,000 higher than the final House proposal and \$961,000 higher than the Senate proposal.
- The Conference Committee budget includes \$163.1 million for the Department of Youth Services (DYS), which matches the Senate recommendation and exceeds the House recommendation by \$48,000. The proposal is \$1.9 million or 1.2 percent more than actual spending in FY 2008, which includes \$849,000 from the Human Services Reserve, spread across three DYS programs.
- Like the earlier proposals, the Conference Committee budget level funded the Human Services Rate Reserve at \$23.0 million. This reserve will fund wage increases for low-wage human

services workers across the state’s numerous human services departments. In FY 2008, this reserve was also funded at \$23.0 million.

Like the Senate budget, the Conference Committee budget includes \$900,000 more than the House for the four regional food banks in Massachusetts, bringing the total to \$12.0 million. The House allocated \$11.1 million for the food banks. In FY 2008, \$11.0 million was allocated to this account.

ENVIRONMENTAL AFFAIRS

The Conference Committee report recommends spending \$229.3 million on environmental programs, an increase of \$12.6 million or 5.8 percent over the FY 2008 GAA.

FY 2008 GAA	\$ 216,723,269
FY 2009 House	\$ 227,468,245
FY 2009 Senate	\$ 218,535,221
FY 2009 Conference	\$ 229,302,960

FY 2009 Conference and FY 2008 GAA
Difference **\$ 12,579,691**

The environmental budget approved by the conference committee is \$1.8 million higher than the budget passed by the House and \$10.8 million higher than the final Senate budget.

The final Conference Committee budget is larger than the individual chamber’s recommendations because it incorporates earmarks for specific programs that were identified separately in the House and Senate budgets.

The environment budget passed by the Senate had fewer earmarks than the final House budget, therefore total spending recommended by the Conference Committee budget exceeds the Senate's recommended spending by a higher amount than it does the House budget. For example, the Conference Committee recommends:

- \$7.8 million for the Executive Office of Environmental Affairs (EOEA), which exceeds the House budget by \$263,308 and the Senate budget by \$299,201. In this case, the increases are due to the consolidation of earmarks into the final budget;
- \$7.4 million for the management of Department of Conservation and Recreation (DCR). This level is \$725,776 higher than the Senate amount and \$260,000 higher than the House amount. Some of this difference is the result of incorporating all of the earmarks into one account and increasing the bottom line to reflect the addition of the earmarks. Within this line-item the House also increased the DCR bottom-line by \$440,000 so that the agency could develop resource management plans to manage state parks and facilities more efficiently. The Senate earmarked \$100,000 for this activity. The final Conference Committee report includes the \$100,000 earmark but also contains House language requiring that the DCR report on any recommendations it believes will improve the ways in which DCR manages its resources.

- \$4.3 million for beaches. The Conference Committee budget incorporates recommendations contained in either the House or the Senate budgets and is \$283,025 greater than the Senate budget and \$50,000 greater than the House budget.

In his environment budget the Governor proposed consolidating many of the parks and recreation programs into fewer accounts. This proposal, outlined in our *Budget Monitor* on the Governor's budget was not adopted by either the House or Senate. Included within parks and recreation funding are:

- \$26.0 million for state parks which is \$3.4 million higher than the Senate's budget, almost \$500,000 less than the House appropriation and over \$700,000 more than the Governor's request.
- \$29.7 million in funding for urban parks. This is \$2.7 million larger than the Senate request and slightly under \$100,000 less than the House budget and in line with the Governor's request.
- \$1.6 million for the Central Artery parks, which is identical to the House request and \$232,959 above the amount recommended by the Senate. The Senate recommended funding these parks at the same level as in FY 2008 GAA. The Governor, who recommended merging the central artery parks within the urban parks account, recommended funding them at \$1.4 million.

- \$6.0 million for retained revenue account for state parks and recreation facilities, an increase of \$1.5 million. This is identical to the Senate’s request; the House recommended keeping the retained revenue at the FY 2008 GAA level of \$4.5 million.
- \$1.0 million for snow and ice removal on DCR parkways. This is the amount appropriated in FY 2008 and recommended by the Senate. It is \$300,000 less than the amount agreed to in the House budget. In FY 2008, the legislature added \$2.3 million in supplemental appropriations to this account so that by the end of the fiscal year the state had provided \$3.3 million to DCR to remove snow and ice from its parkways.

In other environment accounts:

- The Conference report did not include the \$250,000 in the House budget that would provide grants for the testing of plant-based pharmaceuticals.
- The Conference Committee did include \$250,000 requested by the Governor and included in the Senate budget for the natural heritage and endangered species program.

ECONOMIC DEVELOPMENT

The Conference Committee budget appropriates \$210.1 million for Economic Development, a \$20.0 million or 10.5 percent increase from the FY 2008 GAA.

FY 2008 GAA	\$ 190,088,069
FY 2009 House	\$ 227,164,482
FY 2009 Senate	\$ 180,546,923
FY 2009 Conference	\$ 210,125,814

FY 2009 Conference and FY 2008 GAA Difference **\$ 20,037,745**

The final Conference Committee appropriation is \$29.6 million higher than the Senate proposal and \$17.0 million lower than House proposal.

The Massachusetts Office of Travel & Tourism and the Workforce Development Grants line-items are two of the largest accounts within economic development. This budget includes \$11.0 million for Workforce Development Grants, an appropriation that is \$3.5 million higher than the Senate proposal and slightly (\$246,000) lower than House proposal.

The Conference Committee appropriates \$37.1 million for the Massachusetts Office of Travel & Tourism, an \$8.9 million increase from FY 2008 funding. This total is \$2.9 higher than the House budget and \$14.4 higher than the Senate budget as the Conference Committee incorporates numerous earmarks from both proposals. Like the Senate proposal, this budget does not provide any funding for the following new grant programs that were introduced in the House proposal:

- Intersection Biotech Workforce Grants; the House allocated \$3.0 million.
- Life Sciences Biotech Workforce Training Grants; in comparison, the House budget recommended \$2.5 million.

- Pediatric Stem Cell Research Grants; the House allocated \$2.5 million.
- Massachusetts-Israel Research and Business Exchange; the House proposal included \$1.0 million.

million in earmarks and the Senate funded the Department at \$10.0 million including \$1.9 million in earmarks. The conference committee incorporated earmarks from the separate House and Senate budgets resulting in a higher overall total for this account.

HOUSING

The Conference Committee budget recommends spending \$150.2 million on housing programs in FY 2009, an increase of \$22.1 million, or 17.3 percent, over the FY 2008 GAA.

FY 2008 GAA	\$ 128,066,159
FY 2009 House	\$ 148,671,345
FY 2009 Senate	\$ 147,215,241
FY 2009 Conference	\$ 150,194,681

FY 2009 Conference and FY 2008 GAA Difference **\$ 22,128,522**

The Conference Committee budget provides \$1.5 million more for housing programs than the final House budget and \$3.0 million more than the Senate’s recommendation. The Conference Committee budget is higher than those passed by the individual chambers because it incorporates programs that were only funded in the House budget or only funded in the Senate budget. By including all or most of these earmarks, the Conference Committee budget recommends funding housing programs at a higher total than the original budgets approved by the House and the Senate.

- The Conference Committee provided \$12.2 million for the Department of Housing and Community Development (DHCD). The House funded DHCD at \$11.1 million with \$3.1

- Similarly, the Conference Committee budget was also several hundred thousand dollars higher than the final House and Senate budgets for the line-item that provides \$2.2 million for the operation of housing community education centers in the state. The Conference Committee incorporated earmarks in both the House and Senate budgets and provides the education centers with \$1.9 million in discretionary grant money, the level recommended by the Senate but larger than the \$1.6 included in the House budget.

In funding subsidies for public housing authorities, the Conference Committee split the difference between the House level of \$67.0 million and the Senate’s of \$66.0 million to provide the authorities with \$66.5 million in funding. This gives the authorities an increase of \$6.5 million to provide the same level of services as the last fiscal year.

The Governor, in his budget request, had asked for \$73.0 million so that housing authorities had additional funding to begin addressing a backlog in maintenance at many housing sites.

The Conference Committee adopted the Senate’s final numbers, which were higher than the House recommendations, in a number of rental voucher programs. The Conference Committee provided:

- \$33.0 million for the Massachusetts Rental Voucher Program (MRVP) which is \$100,000 greater than the House recommendation. Over the course of FY 2008 DHCD used the \$30.0 million it was appropriated to meet current obligations as well as to expand the MRVP program. It is likely that the FY 2009 increase of \$3.0 million will not be sufficient to meet these increased obligations through the entire fiscal year.
- \$4.0 million in rental subsidies for clients of the former Department of Mental Retardation renamed the Department of Developmental Services. This level is \$300,000 above the funding recommended by the House.
- \$5.5 million for Rental Assistance for Families in Transition (RAFT). This is \$250,000 more than the funding recommended in the House budget.

The final Conference Committee budget includes a new initiative requested by the Governor and included in the House and Senate budget proposals that provides \$8.25 million in new funding recommended by the Interagency Commission to End Homelessness (Commission). MassHousing will provide a match of \$1.75 million for a total of \$10.0 million. The funds will be placed in reserve until a plan is developed by DHCD in conjunction with the Commission. The money will be used to help homeless individuals and families get housing and to prevent individuals and families from falling into homelessness.

The Conference Committee budget does not include funding for the Low Income Housing Energy Assistance Program

(LIHEAP). This fuel assistance program, which is usually funded in supplemental appropriations in the fall of each year, received \$15.0 million in FY 2008.

PUBLIC SAFETY & CORRECTIONS

The FY 2009 Conference Committee budget includes \$1.5755 billion for Public Safety & Corrections, a \$112.1 million increase from the FY 2008 GAA.

FY 2008 GAA	\$ 1,463,358,402
FY 2009 House	\$ 1,581,112,627
FY 2009 Senate	\$ 1,569,356,817
FY 2009 Conference	\$ 1,575,498,399

<i>FY 2009 Conference and FY 2008 GAA</i>	
Difference	\$ 112,139,997

The Conference Committee budget for Public Safety & Corrections appropriates \$5.6 million less than the House proposal and \$6.1 million more than the Senate proposal. The Conference Committee reconciled the following differences between the two proposals:

- The Senate appropriated \$4.9 million for the Sex Offender Registry Board, approximately \$900,000 more than the House recommendation. This budget adopts the higher Senate recommendation.
- The Senate proposal included \$5.0 million for state police overtime, half of the \$10.0 million included in the House proposal. The Conference Committee budget adopts the lower Senate recommendation.
- The Senate recommended \$16.8 million for the Department of Fire Services, whereas the House recommended \$18.4 million. The Conference Committee appropriates

\$19.4 million, a total higher than both proposals because it adopts all of the earmarks recommended by the two proposals.

- The Conference Committee appropriated \$57.5 million for the Registry of Motor Vehicles, \$1.0 million more than the Senate recommendation and approximately \$600,000 less than the House recommendation.
- The Conference Committee budget included \$530.5 million for the Department of Correction Facility Operations, which is \$150,000 higher than the Senate proposal and \$1.2 million lower than the House proposal.

The final Conference Committee budget kept funding for two of the Governor’s public safety initiatives at the same level recommended by both the Senate and House. The municipal police grant program is funded at \$4.0 million, compared to the Governor’s proposal of \$8.0 million. The Shannon Grants Program is funded at \$13.0 million, \$2.0 less than the \$15.0 million recommended by the Governor. This budget, like the House and Senate proposals, did not adopt the Governor’s recommendation to transfer all County Sheriffs to the state accounting system.

TRANSPORTATION

The Conference Committee budget for transportation is \$919.0 million an \$11.9 million or 1.3 percent increase over the FY2008 GAA. This FY 2009 transportation budget total includes \$768.0 million for the MBTA. Funding for MBTA is considered off-budget because 20 percent

of all sales tax revenue is allocated to MBTA pre-budget.

FY 2008 GAA	\$ 907,055,572
FY 2009 House	\$ 919,484,586
FY 2009 Senate	\$ 917,285,501
FY 2009 Conference	\$ 919,035,501

FY 2009 Conference and FY 2008 GAA Difference **\$ 11,979,929**

The Conference Committee funded contract assistance to the Commonwealth’s 16 regional transit authorities (RTA) at \$57.8 million which is slightly higher than the Senate allocation of \$56.6 million but \$3.2 million less than the House budget. This represents a \$5.6 million or 10.8 percent increase over FY 2008 GAA.

The Conference Committee budget funds snow and ice removal at \$20.0 million which was what both the House and Senate recommended and represents level funding from FY2008GAA. The Conference Committee adopted the Senate recommendation to allocate \$2.0 million for the snow and ice removal reserve fund which both the Governor and House did not fund – a \$2.0 million or 50 percent cut from FY2008 GAA. The reserve line-item includes language requiring reporting and accountability for how and why funds are expended.

JUDICIARY

The FY 2009 Conference Committee budget includes \$824.6 million for the Judiciary, a \$54.3 million increase from the FY 2008 GAA.

FY 2008 GAA	\$ 770,296,012
FY 2009 House	\$ 821,675,587
FY 2009 Senate	\$ 819,287,367
FY 2009 Conference	\$ 824,589,660

FY 2009 Conference and FY 2008 GAA

Difference \$ 54,293,648

The Conference Committee budget for the Judiciary is \$2.9 million higher than the House proposal and \$5.3 million higher than the Senate proposal.

There are several reasons why this budget is higher than both of the earlier proposals.

First, the Conference Committee adopted the higher Senate appropriations of \$140.3 million for the private counsel compensation fund (the House recommended \$139.2 million), \$66.1 million for the court security program (the House recommended \$64.5 million), and \$11.1 million for the Massachusetts Legal Assistance Corporation (the House recommended \$11.0 million).

The Conference Committee budget also incorporated components from both the House and Senate proposals for the Commissioner of Probation, creating a total (\$142.3 million) that is \$1.7 million higher than the House proposal and \$4.3 million higher than the Senate proposal. Finally, the Conference Committee did not adopt the Governor's and Senate proposal to reform the judiciary funding system by consolidating line-items and providing the Office of the Chief Justice for Administration and Management with the ability to distribute funds among the courts.

Like the House proposal, this budget continues to fund each line-item individually. However, the House proposed funding these line-items, which include the superior, district, municipal, juvenile, housing, and probate courts, at FY 2008 GAA levels. The Conference Committee budget appropriates more funding to all of these line-items than was recommended by the House, which

contributes to its overall higher budget for the Judiciary.

DISTRICT ATTORNEYS

The Conference Committee appropriates \$102.2 million to the District Attorneys for FY 2009, a \$6.0 million increase from the FY 2008 GAA.

FY 2008 GAA	\$ 96,146,577
FY 2009 House	\$ 101,300,492
FY 2009 Senate	\$ 101,805,021
FY 2009 Conference	\$ 102,183,303

<i>FY 2009 Conference and FY 2008 GAA</i>	
Difference	\$ 6,036,726

The final Conference Committee budget for the District Attorneys is higher than both the House and Senate proposals because the Conference Committee adopted the highest recommendation in every area in which the two budgets differed.

The Conference Committee also adopted the Senate's proposal to create a new 'Experienced District Attorney' retention program. This new line-item contains an initial \$500,000 appropriation and will be distributed among the 11 district attorneys' offices for salary increases for assistant district attorneys with more than three years experience, with no more than \$100,000 going to any one office.

ATTORNEY GENERAL

The FY 2009 Conference Committee budget includes \$43.6 million for the Attorney General, a \$2.3 million increase from the FY 2008 GAA.

FY 2008 GAA	\$ 41,228,214
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FY 2009 House	\$ 43,184,738
FY 2009 Senate	\$ 43,679,951
FY 2009 Conference	\$ 43,576,710

FY 2009 Conference and FY 2008 GAA Difference **\$ 2,348,496**

The Conference Committee budget for the Attorney General is approximately \$100,000 less than the Senate proposal and approximately \$400,000 more than the House proposal. The Senate and House proposed the same level of funding for half of the Attorney General line-items and, in areas where the two budgets differed, the Conference Committee often adopted the higher recommendation.

The Senate and House budgets differed most significantly in how earmarks were funded within the Office of the Attorney General account. The Conference Committee budget includes all three of the earmarks that were proposed by both the Senate and the House, as well as three of the seven earmarks that were proposed only by the Senate.

GROUP INSURANCE

The Group Insurance Commission (GIC) provides health care benefits for state employees and retirees, as well as for the employees of some cities and towns. The FY 2009 Conference Committee budget appropriates \$1.2997 billion to the GIC, a \$125.0 million or 10.6 percent increase from the FY 2008 GAA.

For technical reasons (discussed below), this is an overstatement of the actual increase in spending.

FY 2008 GAA	\$ 1,174,689,284
FY 2009 House	\$ 1,305,080,204
FY 2009 Senate	\$ 1,307,795,388
FY 2009 Conference	\$ 1,299,729,152

FY 2009 Conference and FY 2008 GAA Difference **\$ 125,039,868**

The majority of GIC appropriations are spent on three accounts. The first covers the cost of providing benefits to current employees and some retirees. FY 2008 GAA funding for this account totaled \$736.9 million. The Conference Committee budget appropriates \$830.9 million, which would appear to be a \$94.1 million or 12.8 percent increase in spending.

However, several municipalities and other public employers have joined the GIC since last July, when legislation was enacted allowing them to join the state’s health insurance plan. The GIC anticipates spending \$25.1 million in FY 2009 for health insurance premiums for the new participants. The state will then be reimbursed over the course of the year by these public employers. Therefore, to make a meaningful comparison to FY 2008 funding for this account, we must subtract the \$25.1 million in reimbursements from the \$830.9 million appropriated in this budget, leaving \$805.8 million. The difference between FY 2008 funding of \$736.9 million and the adjusted FY 2009 figure of \$805.8 million is \$68.9 million, or a 9.4 percent increase in spending.

We should also adjust the entire GIC budget of \$1.2997 billion for the \$25.1 million in anticipated reimbursements. By using the adjusted FY 2009 figure of \$1.2746 billion, we get the actual increase in funding from FY 2008 – \$99.9 million or 8.5 percent. The final Conference Committee appropriation for the entire GIC budget is lower than both the Senate and House proposals – \$8.1 million less than was recommended by the Senate and \$5.4 million less than was recommended by the House.



The two proposals differed in how the three largest GIC accounts were funded. The Conference Committee budget appropriates \$830.9 million to the first account, which covers the cost of providing benefits to current employees and some retirees. This is \$8.1 million less than the Senate proposal but \$3.0 million more than the House proposal.

The second largest account within the GIC is for the State Retiree Trust Fund, which was created to set aside funds for retirees' future health care costs. Funding for this account in this budget totals \$372.0 million; this is the same amount allocated by the Senate and \$2.5 million less than was allocated by the House.

The third account covers the costs of providing benefits to retired municipal teachers. The Conference Committee appropriates \$84.6 million for this account, the same amount recommended by the Senate and \$6.0 million less recommended by the House.

Like the Senate and House proposals, the Conference Committee budget does not change how employee contributions to insurance premiums are calculated. The Governor's budget proposed shifting approximately \$51.0 million of health insurance costs onto employees by establishing employees' contributions based on their salary levels.

(For details see the *Budget Monitor* on the Governor's proposal at: <http://www.massbudget.org/FY09GovProposal.pdf>.)

DEBT SERVICE

The FY 2009 Conference Committee budget includes \$1.9829 billion for Debt

Service, a \$30.8 million or 1.6 percent increase from the FY 2008 GAA.

FY 2008 GAA	\$ 1,952,103,701
FY 2009 House	\$ 2,001,635,000
FY 2009 Senate	\$ 1,982,899,000
FY 2009 Conference	\$ 1,982,899,000

<i>FY 2009 Conference and FY 2008 GAA</i>	
Difference	\$ 30,795,299

Debt Service includes four line-items: Consolidated Long-Term debt service, Central Artery & Tunnel debt service, Short-Term debt service, and Grant Anticipation Notes debt service.

The Conference Committee appropriates the same amount of funding towards Debt Service that was recommended by the Senate proposal, which is \$18.7 million less than was recommended by the House proposal. Both proposals appropriated the same amount of funding towards Central Artery & Tunnel and Grant Anticipation Notes debt service. The Senate, however, allocated \$9.2 million less towards Consolidated Long-Term debt service and \$9.5 million less towards Short-Term debt service than was allocated by the House. The Conference Committee adopts the lower Senate figures for these line-items.

The Conference Committee's final appropriation of \$1.8063 billion for Consolidated Long-Term debt service is a \$37.3 million, or 2.1 percent, increase over the FY 2008 GAA. The allocation of \$28.7 million for Short-Term debt service costs is an \$11.8 million, or 69.5 percent, increase over the FY 2008 appropriation. The significant increase for Short-Term debt service is driven by the current year's increased use of short term debt instruments necessitated by cash flow issues.

REVENUE

The Conference Committee balances its budget with a substantial use of one-time funding from the Stabilization Fund (“Rainy Day Fund”). The budget withdraws \$310.0 million from this fund, transfers approximately \$91.0 million in interest earned by the fund, and forgoes a statutorily required deposit into the fund of approximately \$108.0 million. This is a total of approximately \$509.0 million from the Stabilization Fund.

The Conference Committee budget also assumes that approximately \$175.0 million in increased excise taxes on cigarettes will be available to fund a portion of the Commonwealth’s health reform law. Of this total, \$29.5 million will be available only in the first year of implementation, and therefore should be considered to be one-time revenue.

The Conference Committee budget counts on \$291.0 million in revenue associated with changes in corporate taxation. This total consists of \$188.0 million in revenue generated the implementation of combined reporting, \$101.0 million generated by so-called “check-the-box” conformity, and \$2.0 million generated with clarification of the earned income tax credit. The corporate tax reform legislation is more fully explained in a July 1 *MassBudget Brief* that be reached at this link: <http://massbudget.org/article.php?id=640>

The budget also counts on \$157.3 million in increased revenues associated with tax changes, enforcement and efficiencies in tax collection at the Department of Revenue, and there are various outside sections in the Conference Committee budget that specify these changes. These include changes in lien filings, wage

enforcement efforts, and certain tobacco tax reforms.

The Conference Committee budget also assumes that the Commonwealth will forgo approximately \$10.0 million associated with tax incentives for the life sciences.

PENSIONS

The FY 2009 Conference Committee budget includes \$1.4650 billion for pensions, a \$66.4 million or 4.7 percent increase from the FY 2008 GAA.

FY 2008 GAA	\$1,398,600,000
FY 2009 House	\$1,465,000,000
FY 2009 Senate	\$1,465,000,000
FY 2009 Conference	\$1,465,000,000

<i>FY 2009 Conference and FY 2008 GAA Difference</i>	\$ 66,400,000
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The Conference Committee followed House and Senate and adopted a proposal that will increase pension payments for current and future state retirees by \$120 per year. The increase for state retirees will come from a change in the pension income level used to determine their cost of living adjustments (COLAS). For more information on pensions see the Senate *Budget Monitor* at: <http://massbudget.org/FY09SenateBudgetMonitor.pdf>.

Language in the Conference Committee budget, as in the House and Senate proposals, pushes the costs into the future. This would be accomplished by extending the current payment schedule the state is following in order to fully fund its pension system. Currently, the state is required by law to make increasing payments each year to pay down its unfunded liabilities for current and future state retirees’ pensions by 2023. The Legislature would extend this

schedule out to 2026 to cover the increased liability resulting from their proposal.

Budget by Program Area

(in Millions of Dollars)

Program Area ¹	FY 2008		FY 2009			Conference vs. FY 2008 GAA		Conference vs. FY 2008 Current	
	GAA	Current	House	Senate	Conf. Cmte.				
Budgeted Appropriations	28,234.6	29,099.3	30,084.7	30,151.4	30,130.2	1,895.6	6.7%	1,030.9	3.5%
Line-Item Appropriations	25,873.1	26,509.0	27,262.0	27,155.8	27,297.7	1,424.6	5.5%	788.7	3.0%
Outside Section Appropriations	2,361.5	2,590.3	2,822.7	2,995.6	2,832.5	471.0	19.9%	242.2	9.4%
Pre-Budget Transfers from General Fund²	2,789.3	2,789.3	3,109.6	2,935.0	3,109.6	320.3	11.5%	320.3	11.5%
TOTAL APPROPRIATIONS AND TRANSFERS	31,023.9	31,888.6	33,194.3	33,086.4	33,239.8	2,215.9	7.1%	1,351.2	4.2%
Local Aid - Lottery	935.0	935.0	935.0	935.0	935.0	0.0	0.0%	0.0	0.0%
Line-Item Appropriations	0.0	0.0	0.0	0.0	0.0	0.0		0.0	
Outside Section Appropriations	935.0	935.0	935.0	935.0	935.0	0.0	0.0%	0.0	0.0%
Local Aid - Additional Assistance & PILOT	410.3	410.3	412.3	409.7	412.3	2.0	0.5%	2.0	0.5%
K-12 Education (Chapter 70)	3,725.7	3,725.7	3,948.8	3,948.8	3,948.8	223.2	6.0%	223.2	6.0%
K-12 Education (non-Chapter 70)	1,212.1	1,214.9	1,310.7	1,311.5	1,319.7	107.5	8.9%	104.8	8.6%
Line-Item Appropriations	577.4	580.2	608.7	609.5	617.7	40.2	7.0%	37.5	6.5%
Pre-Budget Transfer to School Building Assistance	634.7	634.7	702.0	702.0	702.0	67.3	10.6%	67.3	10.6%
Higher Education	1,054.7	1,091.1	1,098.3	1,103.8	1,105.0	50.2	4.8%	13.9	1.3%
Early Education and Care	536.5	551.2	589.7	588.8	590.1	53.7	10.0%	38.9	7.1%
Income Supports	598.9	620.2	641.8	637.5	638.8	39.9	6.7%	18.6	3.0%
Health Care ³	9,371.4	9,643.0	10,386.2	10,400.1	10,440.9	1,069.6	11.4%	797.9	8.3%
Line-Item Appropriations	8,300.9	8,355.3	8,720.0	8,711.6	8,752.8	451.9	5.4%	397.5	4.8%
Outside Section Appropriations	1,070.4	1,287.8	1,491.6	1,688.6	1,513.6	443.1	41.4%	225.8	17.5%
Pre-Budget Transfer to Commonwealth Care TF	0.0	0.0	174.6	0.0	174.6	174.6		174.6	
Elder Affairs	232.3	232.9	237.6	237.7	238.6	6.3	2.7%	5.7	2.4%
Public Health	554.4	561.6	581.9	583.1	594.8	40.4	7.3%	33.2	5.9%
Mental Health	667.4	667.4	683.8	685.2	685.4	18.0	2.7%	18.0	2.7%
Mental Retardation/Developmental Services	1,226.4	1,229.4	1,272.8	1,267.6	1,272.9	46.5	3.8%	43.4	3.5%
Social Services	800.1	807.6	836.2	830.6	836.5	36.4	4.5%	28.9	3.6%
Other Human Services ⁴	603.9	614.6	627.0	624.2	629.0	25.1	4.2%	14.4	2.3%
Environmental Affairs	216.7	225.8	227.5	218.5	229.3	12.6	5.8%	3.5	1.5%
Economic Development	190.1	223.5	227.2	180.5	210.1	20.0	10.5%	(13.3)	-6.0%
Line-Item Appropriations	177.3	210.7	205.6	180.5	198.2	20.9	11.8%	(12.5)	-5.9%
Outside Section Appropriations	12.8	12.8	21.6	0.0	11.9	(0.9)	-6.7%	(0.9)	-6.7%
Housing	128.1	149.6	148.7	147.2	150.2	22.1	17.3%	0.6	0.4%
Transportation	907.1	999.5	919.5	917.3	919.0	12.0	1.3%	(80.5)	-8.1%
Line-Item Appropriations	151.1	243.5	151.5	149.3	151.0	(0.0)	0.0%	(92.5)	-38.0%
Pre-Budget Transfer to MBTA	756.0	756.0	768.0	768.0	768.0	12.0	1.6%	12.0	1.6%
Public Safety & Corrections	1,463.4	1,609.6	1,581.1	1,569.4	1,575.5	112.1	7.7%	(34.1)	-2.1%
Judiciary	770.3	819.9	821.7	819.3	824.6	54.3	7.0%	4.7	0.6%
District Attorneys	96.1	101.7	101.3	101.8	102.2	6.0	6.3%	0.5	0.5%
Attorney General	41.2	41.2	43.2	43.7	43.6	2.3	5.7%	2.3	5.7%
Libraries	32.5	32.9	34.3	33.8	34.3	1.9	5.8%	1.5	4.5%
Group Insurance	1,174.7	1,217.1	1,305.1	1,307.8	1,299.7	125.0	10.6%	82.6	6.8%
Line-Item Appropriations	831.4	862.4	930.6	935.8	927.7	96.3	11.6%	65.3	7.6%
Outside Section Appropriations	343.2	354.7	374.5	372.0	372.0	28.8	8.4%	17.3	4.9%
Other Administrative	724.0	812.1	756.1	735.6	755.5	31.5	4.3%	(56.6)	-7.0%
Debt Service	1,952.1	1,952.1	2,001.6	1,982.9	1,982.9	30.8	1.6%	30.8	1.6%
Pensions	1,398.6	1,398.6	1,465.0	1,465.0	1,465.0	66.4	4.7%	66.4	4.7%
Line-Item Appropriations	0.0	0.0	0.0	0.0	0.0	0.0		0.0	
Pre-Budget Transfer for Pensions	1,398.6	1,398.6	1,465.0	1,465.0	1,465.0	66.4	4.7%	66.4	4.7%
Total Appropriations and Transfers	31,023.9	31,888.6	33,194.3	33,086.4	33,239.8	2,215.9	7.1%	1,351.2	4.2%
Total with accounting adjustment ⁵			33,099.3	32,991.4	33,144.8				

- The comparisons account for changes associated with consolidations or moving programs from one department to another.
- By law, prior to the appropriations process, the state allocates certain shares of revenue to the state pension fund, the school building assistance fund, and the Massachusetts Bay Transit Authority. The House and Conference Committee budgets also presume that revenues raised from increases in the cigarette tax would go directly to the Commonwealth Care Trust Fund to pay for health reform.
- Health Care includes Medicaid/MassHealth, other state health programs, the elder pharmacy program, health care finance, the Health Safety Net and other costs associated with health reform. See also pre-budgeted transfer of tobacco tax dollars into Commonwealth Care Trust Fund. The House, SWM, Senate and Conference Committee add \$95 million that is included in these totals, but there is no net state cost associated with this increase.
- Other Human Services includes numerous departments, including Veterans Affairs, Mass. Commission for the Blind, Mass. Rehabilitation Commission, Mass. Commission for the Deaf and Hard of Hearing, the Soldiers' Homes, the Dept. of Youth Services, administrative costs for the Department of Transitional Assistance, and certain programs directly within the Executive Office of Health and Human Services. The FY 2008 GAA includes the total for the human service rate reserve, but the FY 2008 Current figure distributes that amount among the various human service agencies.
- As explained in note 3, this adjustment provides an alternate total for comparison. We subtract the increased health transfer that has no net state cost from the House, Senate and Conference Committee budget totals.