

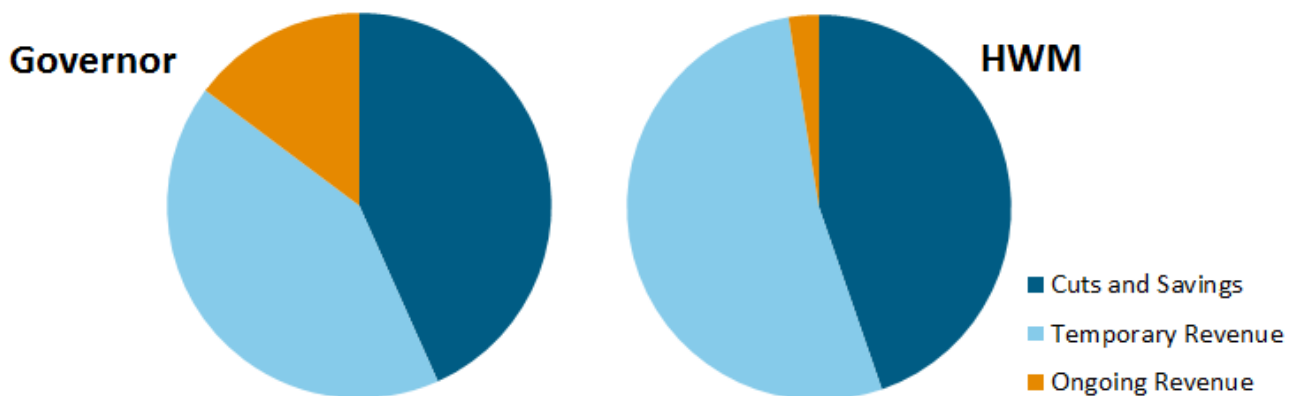
## The House Ways and Means Budget for Fiscal Year 2013

On April 11, the House Committee on Ways and Means (HWM) released its budget proposal for Fiscal Year 2013 (FY 2013).

To address the state's \$1.3 billion budget gap, the proposal calls for:

- 1) Approximately \$685 million in temporary revenue – including \$400 million from the state Stabilization Fund (the "rainy day" fund).
- 2) Cuts and savings of nearly \$600 million.

The pie charts below show how this approach to filling the budget gap compares with the Governor's earlier proposal.



There are no new taxes in the HWM budget. A small amount of new, ongoing revenue (colored orange above) is made available through enhanced tax enforcement and increased fees, but unlike the Governor – who proposed increasing the cigarette tax and ending the sales tax exemption for candy and soda – the House Ways and Means Committee would not raise any revenue from new taxes.

The HWM budget does include a significant amount of temporary revenue (colored light blue). Some of that revenue was also in the Governor's plan, including \$400 million from the "rainy day" fund and the deferral of a corporate tax break worth \$45 million.

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There is also \$140 million in temporary revenue that was not in the Governor's Budget. The bulk of that comes from cancelling a requirement that \$100 million be left unused during the fiscal year (and carried over into the FY 2014 budget.)

On the spending side (colored dark blue), the HWM budget includes a few funding increases, but also some significant new cuts – on top of the \$3 billion in cuts and savings which have been enacted over the last four years.<sup>1</sup> Notably, **Early Education & Care** and **Public Health** will receive less money than they did in FY 2012.

These are clear cuts – simple reductions in the number of available dollars – but a number of other programs are being cut *relative to their maintenance needs*. For instance, even though **MassHealth** is slated to receive a 4.8% increase in funding for FY 2013, this 4.8% is not enough to cover the real growth in inflation and enrollment. **MassHealth** is actually receiving \$300 million less than would be required for the program to continue in its present form for another year.

Among the programs receiving increased funding is respite family support, which helps the families of people with developmental disabilities. **K-12 education** aid is also being increased, but part of this increase has the effect of making the funding formula more regressive.

The sections that follow analyze the House Ways and Means Committee's budget in greater detail, but it is important to keep in mind the bigger fiscal story – which is not just about one year's budget deficit but about the regular deficits that the Commonwealth has been facing for many years now.

There are two basic reasons that Massachusetts continues to find itself in a fiscal crisis.

- 1) The lingering effects of the Great Recession, which has sapped state revenues even as it has increased the number of people relying on core safety net services.
- 2) The structural budget problems that the state has faced since cutting taxes in the late 1990s. Those tax cuts and other declines in tax receipts over the last fifteen years cost the state over \$3 billion in annual revenue.<sup>2</sup>

These are some of the broader forces that have shaped the HWM FY 2013 budget as a whole, and with it the many, specific proposals that we analyze in the sections that follow.

<sup>1</sup> See *MassBudget's*, "Fiscal Fallout," available at [http://www.massbudget.org/report\\_window.php?loc=Final\\_Cuts\\_20July\\_2011.html](http://www.massbudget.org/report_window.php?loc=Final_Cuts_20July_2011.html).

<sup>2</sup> For more detail, see footnote 2 of *Massbudget's* FY13 Budget Preview, available at [http://massbudget.org/report\\_window.php?loc=fy13\\_budget\\_preview.html](http://massbudget.org/report_window.php?loc=fy13_budget_preview.html).

BUDGET BY CATEGORY AND SUBCATEGORY (millions)	FY 2009 GAA (inflated)	FY 2012 Current	FY 2013 Gov.	FY 2013 HWM	FY 2013 HWM - FY 2013 Gov.	FY 2013 HWM - FY 2012 Current
<b>Education</b>	<b>7,425.2</b>	<b>6,641.9</b>	<b>6,880.4</b>	<b>6,880.5</b>	<b>0.1</b>	<b>238.6</b>
Early Education & Care	630.3	506.8	499.0	498.4	(0.7)	(8.5)
Higher Education	1,168.5	954.7	1,011.6	1,004.3	(7.3)	49.6
K-12: Chapter 70 Aid	4,217.5	3,990.8	4,136.1	4,154.6	18.5	163.8
K-12: Non-Chapter 70 Aid	659.1	511.4	534.5	533.9	(0.6)	22.5
K-12: School Building	749.8	678.1	699.2	689.4	(9.8)	11.3
<b>Environment &amp; Recreation</b>	<b>227.2</b>	<b>162.3</b>	<b>180.7</b>	<b>164.3</b>	<b>(16.4)</b>	<b>2.0</b>
Environment	95.8	72.0	84.5	73.1	(11.4)	1.1
Fish & Game	22.7	18.8	19.7	19.2	(0.5)	0.5
Parks & Recreation	108.7	71.5	76.5	72.0	(4.5)	0.5
<b>Health Care*</b>	<b>13,801.6</b>	<b>14,466.7</b>	<b>15,234.5</b>	<b>15,160.2</b>	<b>(74.3)</b>	<b>693.5</b>
MassHealth (Medicaid) & Health Reform	11,096.7	11,922.0	12,695.0	12,662.1	(32.9)	740.0
Mental Health	732.1	651.0	666.0	663.9	(2.0)	12.9
Public Health	635.0	523.7	528.3	503.2	(25.1)	(20.5)
State Employee Health Insurance*	1,337.8	1,370.0	1,345.2	1,331.0	(14.2)	(39.0)
<b>Human Services</b>	<b>3,746.1</b>	<b>3,408.1</b>	<b>3,498.0</b>	<b>3,485.0</b>	<b>(13.0)</b>	<b>76.9</b>
Children, Youth & Families	1,067.6	890.1	929.2	906.3	(22.8)	16.2
Disability Services	1,441.7	1,382.5	1,423.5	1,434.8	11.3	52.3
Elder Services	254.8	218.8	218.7	220.9	2.2	2.2
Transitional Assistance	829.2	774.5	785.1	783.2	(2.0)	8.6
Other Human Services	152.8	142.2	141.6	139.8	(1.8)	(2.4)
<b>Infrastructure, Housing &amp; Economic Development</b>	<b>1,561.6</b>	<b>1,682.9</b>	<b>1,645.9</b>	<b>1,633.6</b>	<b>(12.4)</b>	<b>(49.3)</b>
Commercial Regulatory Entities	55.0	49.4	49.2	49.3	0.1	(0.1)
Economic Development	184.7	127.7	94.9	85.7	(9.2)	(42.0)
Housing	295.4	371.1	374.9	371.6	(3.3)	0.5
Transportation	1,026.5	1,134.7	1,127.0	1,127.0	0.0	(7.7)
<b>Law &amp; Public Safety</b>	<b>2,723.6</b>	<b>2,318.7</b>	<b>2,387.7</b>	<b>2,336.4</b>	<b>(51.3)</b>	<b>17.7</b>
Courts & Legal Assistance	699.7	597.6	627.5	618.0	(9.5)	20.4
Law Enforcement	445.3	326.2	345.1	332.1	(13.0)	5.8
Prisons, Probation & Parole	1,365.1	1,204.7	1,226.9	1,199.2	(27.7)	(5.5)
Prosecutors	156.0	138.1	138.5	139.4	0.9	1.3
Other Law & Public Safety	57.5	52.0	49.7	47.7	(2.0)	(4.3)
<b>Local Aid</b>	<b>1,438.3</b>	<b>936.5</b>	<b>867.3</b>	<b>931.4</b>	<b>64.2</b>	<b>(5.0)</b>
General Local Aid	1,404.3	899.0	834.0	899.0	65.0	0.0
Other Local Aid	34.1	37.5	33.3	32.4	(0.9)	(5.1)
<b>Other</b>	<b>4,497.1</b>	<b>4,336.0</b>	<b>4,535.3</b>	<b>4,542.8</b>	<b>7.5</b>	<b>206.8</b>
Constitutional Officers	95.5	69.7	75.4	75.0	(0.5)	5.3
Debt Service	2,216.6	2,255.5	2,428.7	2,419.6	(9.1)	164.2
Executive & Legislative	73.9	67.9	66.4	66.5	0.1	(1.4)
Libraries	36.4	21.5	21.6	21.7	0.1	0.2
Pensions	1,564.7	1,478.0	1,552.0	1,552.0	0.0	74.0
Other	510.1	443.5	391.1	408.0	16.9	(35.5)
<b>Total Appropriations and Transfers</b>	<b>35,420.8</b>	<b>33,953.1</b>	<b>35,229.9</b>	<b>35,134.3</b>	<b>(95.6)</b>	<b>1,181.2</b>

\* In order to make an accurate comparison across fiscal years, this total includes an adjustment to account for the increased use of the Group Insurance Commission.

NOTES:

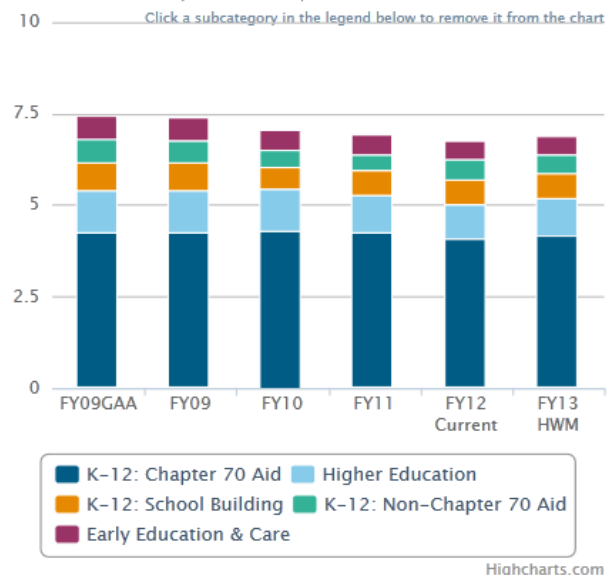
The FY 2012 Current total includes funding in the GAA plus any supplemental budgets passed during the year. The FY 2013 budget includes adjustments to allow for

## EDUCATION

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Education</b>	7,425,231,565	6,641,930,788	6,880,431,310	6,880,540,624	109,314	238,609,836
<b>Early Education &amp; Care</b>	630,273,131	506,848,267	499,028,560	498,360,420	(668,140)	(8,487,847)
<b>Higher Education</b>	1,168,525,324	954,706,702	1,011,606,463	1,004,293,045	(7,313,418)	49,586,343
<b>K-12: Chapter 70 Aid</b>	4,217,523,807	3,990,812,680	4,136,091,547	4,154,611,977	18,520,430	163,799,297
<b>K-12: Non-Chapter 70 Aid</b>	659,120,982	511,419,739	534,504,740	533,875,182	(629,558)	22,455,443
<b>K-12: School Building</b>	749,788,322	678,143,400	699,200,000	689,400,000	(9,800,000)	11,256,600

Under the House Ways and Means (HWM) Fiscal Year (FY) 2013 budget proposal, the broad *MassBudget* category of Education would see an increase of \$238.6 million over current FY 2012 levels. Total funding for Education is almost identical to the total from Governor's budget, although distribution among education programs differs across these proposals. Of the HWM budget's proposed increase, \$163.8 million comes as new Chapter 70 education aid, most of which is driven by state law, but part of which results from a new \$40 per pupil minimum increase provision not included in the Governor's budget. The HWM proposal includes \$11.3 million for a new Homeless Student Transportation line item, which is not funded by the Governor. Conversely, the HWM budget does not fund several of the Governor's proposed new K-12 grant programs for schools in Gateway Cities. The HWM budget proposes some governance reforms to the community college system that are similar to, yet not as comprehensive as, reforms proposed in the Governor's budget.

Billions of Dollars (2013 Dollars)



### Early Education & Care

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Early Education &amp; Care</b>	630,273,131	506,848,267	499,028,560	498,360,420	(668,140)	(8,487,847)

The FY 2013 House Ways and Means budget matches the Governor's proposal of \$434.7 million for child care subsidies, a decrease of \$8.1 million from FY 2012 levels. Most of the funding within Early Education & Care funds three separate child care programs: 1) **TANF-Related Child Care** for children

of families served by or transitioning from Transitional Aid to Families with Dependent Children (TAFDC); 2) **Supportive Child Care** for children in Department of Children and Families (DCF) care; and 3) **Low-Income Child Care** for other children of low-income working families. For the third year running the Governor proposed consolidation of these categories, which would empower the Department of Early Education & Care (EEC) to transfer money across these accounts at will. The HWM budget keeps the categories distinct, maintaining current procedures that require EEC to provide documentation to the House and Senate Ways and Means committees 30 days before making any transfer.

The table below shows the HWM's proposed appropriation for the three programs in comparison to the Governor's proposal and FY 2012. TANF-Related Child Care receives the biggest cut, almost \$7 million. EEC projects that this level of funding will be insufficient in FY 2013. Because this is an entitlement program, funds will need to be added during the year if there is a shortfall. This could be accomplished through a transfer from the Low-Income Child Care program or through a legislative increase.

#### Child Care Subsidy Line Items

Line Item	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 13 GOV Separated Out	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12
<b>Supportive Child Care (3000-3050)</b>	84,473,123	77,448,576	0	77,330,875	77,330,875	0	(117,701)
<b>TANF-Related Child Care (3000-4050)</b>	211,200,952	132,458,313	0	125,495,740	125,495,740	0	(6,962,573)
<b>Low-Income Child Care (3000-4060)</b>	228,102,391	232,897,940	434,697,067	231,870,452	231,870,452	0	(1,027,488)
<b>TOTAL</b>	523,776,466	442,804,829	434,697,067	434,697,067	434,697,067	0	(8,107,762)

Low-Income Child Care also suffers a reduction of \$1 million. Access for new income-eligible families has been closed for most of FY 2012 and the HWM's proposal will continue to exclude new families for FY 2013. The waitlist for Low-Income Child Care, already over 30,000 families, will likely continue to grow in FY 2013.

The HWM budget also proposes a 25% (\$200,000) reduction to the Reach Out and Read Program compared to FY 2012. The Governor's proposal level funded this program at \$800,000. Reach Out and Read promotes early literacy and school readiness by partnering with doctors to give out free books and encourage families to read together.

The HWM budget breaks from the Governor's Gateway Cities Education Agenda by not including the new \$575,000 **Gateway Cities Early Literacy Programs** line item. The program would target professional development to family child care providers and other family members. This program is administered by the Executive Office of Education and therefore does not show up within the *MassBudget* subcategory of Early Education & Care.

Most other accounts within Early Education & Care received small increases or decreases compared to current FY 2012 levels. It is worth noting that even small increases in nominal terms are often insufficient to keep pace with inflation and are tantamount to a cut.

## Early Education and Care Line Items

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
3000-1000	Dept. of Early Ed & Care Admin.	11,683,491	12,183,705	11,963,571	
3000-2000	Access Management	5,933,862	5,933,862	5,933,862	
3000-2050	Children's Trust Fund	1,026,106	1,082,028	1,065,473	
3000-3050	Supportive Child Care	77,448,576	0	77,330,875	Gov includes in 4060
3000-4050	TANF Related Child Care	132,458,313	0	125,495,740	Gov includes in 4060
3000-4060	Low-Income Child Care	232,897,940	434,697,067	231,870,452	Gov includes 3050 & 4050
3000-5000	Head Start	7,500,000	7,500,000	7,500,000	
3000-5075	Universal Pre-Kindergarten	7,500,000	7,500,000	7,500,000	
3000-6075	Early Childhood Mental Health	750,000	750,000	750,000	
3000-7000	Healthy Families Home Visiting	10,463,346	10,395,265	10,185,557	
3000-7050	Family Support and Engagement	18,386,633	18,186,633	18,164,890	
3000-7070	Reach Out and Read Program	800,000	800,000	600,000	

## K-12: Chapter 70 Aid

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>K-12: Chapter 70 Aid</b>	4,217,523,807	3,990,812,680	4,136,091,547	4,154,611,977	18,520,430	163,799,297

The FY 2013 HWM budget funds **Chapter 70 education aid** to cities, towns, and regional school districts at \$4.15 billion, which is \$18.5 million greater than the Governor's proposal and \$163.8 million above current FY 2012 levels.

The Governor's Chapter 70 proposal, which served as the basis for the HWM proposal, roughly funded the formula outlined in state law, using updated enrollment, inflation, and municipal revenue growth factor measures, helping school districts keep up with the rising cost of providing baseline services.<sup>3</sup> The Governor's proposal (and the HWM proposal) also partially phased in one of the reforms planned as part of the FY 2007 budget – reducing by 15 percent the gap between a district's preliminary contribution and its target for those districts that are currently above their targets.<sup>4</sup> This partial phase-in results in a little more than \$10 million in additional Chapter 70 aid for these districts. Fully phasing in effort reduction for these communities, bringing their required contributions down to their targets, would cost roughly an additional \$110 million in Chapter 70 aid.

Additionally, however, the HWM budget builds onto the Governor's proposal by adding a provision that guarantees each school district a minimum \$40 per pupil increase over their FY 2012 aid allocation.

<sup>3</sup> For more information on the Governor's FY 2013 Chapter 70 proposal, please see the K-12: Chapter 70 Aid section of MassBudget's recent FY 2013 Governor's Budget Budget Monitor, available online at:

[http://www.massbudget.org/report\\_window.php?loc=budget\\_monitor\\_governor\\_fy13.php](http://www.massbudget.org/report_window.php?loc=budget_monitor_governor_fy13.php)

<sup>4</sup> For more information on the 2007 reform plan, please see the November 2006 MassBudget paper *Public School Funding in Massachusetts: Where We Are, What Has Changed, and Options Ahead*, available here:

[http://www.massbudget.org/file\\_storage/documents/Public\\_School\\_Funding-Where\\_We\\_Are\\_What\\_Has\\_Changed\\_-\\_FINAL.pdf](http://www.massbudget.org/file_storage/documents/Public_School_Funding-Where_We_Are_What_Has_Changed_-_FINAL.pdf)

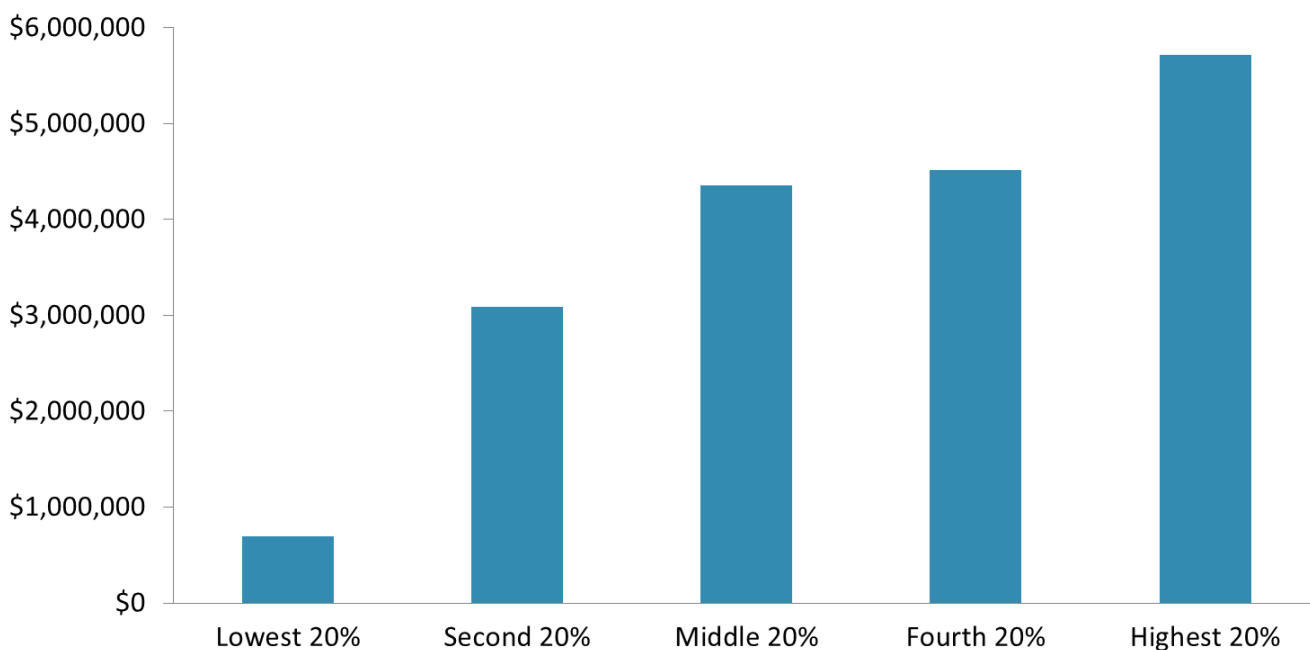


This added minimum increase provision results in an extra \$18.5 million for Chapter 70 aid over the Governor's proposal. While increasing education aid statewide will help offset cuts of recent years, spending this additional money through a minimum increase across-the-board raises distributional concerns. The Chapter 70 formula is designed to consider varying needs of different student populations and the varying ability of cities and towns to raise local tax revenue. Across-the-board increases do not account for these wide variations in communities across the Commonwealth. For more information on how the Chapter 70 formula works, please see *Demystifying the Chapter 70 Formula*, available [HERE](#).

The graph below shows the HWM distribution of this additional \$18.5 million above the Governor's proposal and breaks it out based on wealth using the state's combined measure of local property and income wealth designed for calculating required contributions. For this analysis we cluster all Massachusetts districts into five wealth quintiles, with least wealthy communities on the left-hand side ("Lowest 20%") and the most wealthy communities on the right ("Highest 20%"). As the graph shows, the HWM budget's minimum \$40 per pupil increase provision distributes more of this money to higher-wealth districts than to lower-wealth ones.

## Regressive Impact of HWM \$40 Per Pupil Increase Provision

Distribution of \$18.5 million increase of HWM Chapter 70 proposal over Governor's proposal  
Districts clustered by Combined Effort Yield (measuring community property wealth and incomes) per pupil, FY 2010



Finally, this statewide year-to-year increase looks somewhat smaller when Education Jobs Fund revenue is built into FY 2012 and FY 2013 amounts. The Education Jobs Fund is a federal stimulus program that provided money to Massachusetts schools for use in FY 2011, FY 2012, and the first quarter of FY 2013 – money that was distributed through the Chapter 70 formula. Of a total \$200.5 million grant amount for these three years, \$66.6 million was used in FY 2011 and \$116.7 million has been claimed for FY 2012, leaving a projected \$17.2 million for use during the first quarter of FY 2013. After combining this federal revenue with the HWM proposal's state contribution, the total amount

available to districts for FY 2013 (\$4.17 billion) represents an increase of \$64.3 million over total amounts for FY 2012 (\$4.11 billion).

## K-12: Non-Chapter 70 Aid

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>K-12: Non-Chapter 70 Aid</b>	659,120,982	511,419,739	534,504,740	533,875,182	(629,558)	22,455,443

The HWM budget funds non-Chapter 70 programs for elementary and secondary education at \$533.9 million, which is very close to the Governor's proposal and \$22.5 million above current FY 2012 levels. Most of the programs within the *MassBudget* category of K-12: Non Chapter 70 Aid are grant programs distributed to individual schools and/or school districts to advance specific priority initiatives. The HWM budget provides funding for three new programs, cuts funding for several important programs, and provides modest increases to a few others. For more detail please see the comprehensive line item table at the end of this subcategory.

The HWM budget funds a few new K-12 education programs. They are:

- **Homeless Student Transportation** funded at \$11.3 million. Federal law provides that homeless students living in temporary housing outside of a city or town where the family lived prior to becoming homeless may choose to remain enrolled in the school district of origin. The federal law requires that transportation be provided so that students can continue attending the school district of origin, and this new line item, not included in the Governor's budget, would help reimburse host and sending school districts for these transportation-related costs.
- **Programs for English Language Learners in Gateway Cities**, for summer English learning camps for students who are not yet fluent in English, funded at \$2.6 million. This funding level is \$1.2 million below the Governor's proposal. The Governor's budget included funding for three other new initiatives to support schools in gateway cities, which were not funded in the HWM budget. These programs were **Gateway Cities Student Support Centers**, **Gateway Cities Career Academies**, and **Gateway Cities Early Literacy Programs**.
- **Financial Literacy Programs**, for competitive grants that fund high school financial literacy programs, funded at \$250,000. This initiative is not funded in the Governor's proposal. The program would begin with a 3 year pilot in 10 public high schools, with participation in the pilot limited to schools in gateway cities.
- **Advanced Placement (AP) STEM** funded at \$1.0 million to fund a competitive grant program designed to increase participation and success in high school Advanced Placement courses that prepare students for work in science, technology, engineering, and mathematics. This funding level is \$1.4 million below the Governor's proposal of \$2.4 million.

Several programs receive cuts under the HWM proposal. Among these are:

- **Adult Basic Education (ABE)**, which is cut \$1.5 million from current FY 2012 levels. The Governor proposed level funding. ABE received \$3.0 million a FY 2012 supplemental budget,



bringing funding for these educational programs for adult learners – including GED, basic literacy, English for speakers of other languages, and citizenship classes – up to its current level of \$30.7 million. The HWM proposal represents a 12.4 percent cut from FY 2009 GAA inflation-adjusted levels.

- **METCO**, which is cut \$1.0 million from current FY 2012 levels. The Governor proposed level funding.
- **Connecting Activities** – providing summer work opportunities for high school students – which is cut \$750,000 from current FY 2012 levels. The Governor proposed slightly above level funding.
- **MCAS Low-Scoring Student Support**, which is cut \$480,000 from current FY 2012 levels. The Governor proposed level funding.
- **Youth-Build Grants**, which is cut \$300,000 from current FY 2012 levels. The Governor proposed an increase of \$700,000 over FY 2012 levels.

Additionally, the HWM budget shifts the \$1.0 million **Temporary Emergency Food Assistance** line item (7051-0015) into the **Emergency Food Assistance Program** (2511-0105) as an earmark.

A few programs under the HWM proposal receive increases over current FY 2012 levels. These include funding:

- The **Special Education Circuit Breaker** at \$221.6 million, an increase of \$8.5 million over FY 2012. The Governor proposed essentially level funding from FY 2012. Even with this one-year increase, the HWM proposal represents a 9.8 percent cut from the FY 2009 GAA inflation-adjusted level of \$245.7 million.
- **Regional School Transportation** at \$45.4 million, an increase of \$1.9 million over the FY 2012. The Governor proposed level funding. Even with this one-year increase, the HWM proposal represents a 30.6 percent cut from the FY 2009 GAA inflation-adjusted level of \$65.5 million.
- **Kindergarten Expansion Grants** at \$24.9 million, an increase of \$2.0 million over FY 2012 levels. The Governor proposed funding these grants at an additional \$1.0 million over the HWM proposal.

The HWM budget proposes \$3.9 million, level funding from the current FY 2012 budget, for three literacy-related programs – **Bay State Reading Institute**, **Literacy Programs**, and **Reading Recovery**. The Governor proposed rolling Bay State Reading into Literacy Programs, and total funding for all three was also level under the Governor’s proposal. Without adjusting for inflation, the real value of funding for these programs continues to decline. The HWM proposals combined represent a 15 percent cut from FY 2009 GAA inflation-adjusted funding levels.

**K-12: NON-CHAPTER 70 AID LINE ITEMS**

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
1233-2401	Smart Growth School Costs (40S)	363,699	0	0	
7009-1700	Education IT Costs	7,800,454	11,401,909	8,761,548	
7009-6379	Office of the Secretary of Education	726,986	939,759	748,015	
7009-6400	Gateway Cities ELL Programs	0	3,750,000	2,600,000	
7009-6401	Gateway Cities Student Counselors	0	3,640,000	0	
7009-6402	Gateway Cities Career Academies	0	1,008,000	0	
7009-6403	Gateway Cities Early Lit. Programs	0	575,000	0	
7009-6404	Innovation Fund	0	1,000,000	0	
7010-0005	DESE	12,767,009	13,424,188	13,036,906	
7010-0012	METCO	17,642,582	17,642,582	16,642,582	
7010-0020	Bay State Reading Institute	400,000	0	400,000	<i>Gov rolled into 7010-0033</i>
7010-0033	Literacy Programs	3,147,940	3,547,940	3,147,940	
7027-0019	Connecting Activities	2,750,000	2,770,000	2,000,000	
7027-1004	English Language Acquisition	364,937	364,937	364,937	
7028-0031	School-Age in Institutions & Correctic	7,345,373	7,432,061	7,412,903	
7030-1002	Kindergarten Expansion Grants	22,948,947	25,948,947	24,948,947	
7030-1005	Targeted Tutorial Literacy Program	400,000	400,000	400,000	
7035-0002	Adult Basic Education	30,702,108	30,707,455	29,173,112	
7035-0005	Homeless Student Transportation	0	0	11,300,000	
7035-0006	Regional School Transportation	43,521,000	43,521,000	45,442,445	
7035-0007	Non-Resident Pupil Transportation	400,000	400,000	200,000	
7035-0035	Advanced Placement STEM	0	2,400,000	1,000,000	
7051-0015	Temporary Emergency Food Assist.	1,000,000	1,000,000	0	<i>earmarked in 2511-0105</i>
7053-1909	School Lunch Program	5,426,986	5,426,986	5,426,986	
7053-1925	School Breakfast Program	4,121,215	4,121,215	4,121,216	
7061-0012	SPED Circuit Breaker	213,119,160	213,150,377	221,575,000	
7061-0029	Office of EQE	939,083	1,710,118	949,289	
7061-0033	Public School Military Mitigation	1,300,000	0	0	
7061-0928	Financial Literacy Program	0	0	250,000	
7061-9010	Charter School Reimbursement	71,554,914	71,454,914	71,554,914	
7061-9200	Education Technology Program	861,405	898,474	872,383	
7061-9400	Student and School Assessment	24,362,278	24,403,482	24,371,335	
7061-9404	MCAS Low-Scoring Student Support	9,575,175	9,575,175	9,094,804	
7061-9408	Underperforming Schools	6,740,746	9,323,711	7,650,410	
7061-9412	Extended Learning Time Grants	13,918,030	14,918,030	13,918,030	
7061-9600	Concur. Enroll. for Disabled Students	400,000	400,000	400,000	
7061-9601	Teacher Certification Retained Rev.	1,367,409	1,405,317	1,405,317	
7061-9611	After-School & Out-of-School Grants	1,410,000	1,410,000	1,410,000	
7061-9614	Alternative Education Grants	146,140	146,140	0	
7061-9626	Youth-Build Grants	1,300,000	2,000,000	1,000,000	
7061-9634	Mentoring Matching Grants	250,000	250,000	250,000	
7061-9804	Teacher Content Training	746,162	737,022	746,162	
7061-9810	Regionalization Bonus	300,000	0	0	
7066-0024	Schools of Excellence	1,300,000	1,300,000	1,300,000	

## K-12: School Building

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>K-12: School Building</b>	749,788,322	678,143,400	699,200,000	689,400,000	(9,800,000)	11,256,600

The HWM budget projects a contribution to the School Modernization and Reconstruction Trust (SMART) of \$689.4 million, which is higher than current FY 2012 levels but below the Governor's projection. Each year the Commonwealth is required to contribute to this trust an amount equal to one out of every 6.25 cents brought in through the state sales tax. Both the HWM and the Governor's budgets project increases in sales tax receipts due to anticipated economic recovery during FY 2013. The Governor's projection is \$9.8 million higher, however, because of his proposed elimination of the sales tax exemption for candy and soda.

## Higher Education

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Higher Education</b>	1,168,525,324	954,706,702	1,011,606,463	1,004,293,045	(7,313,418)	49,586,343

The FY 2013 HWM proposal funds the full *MassBudget* category of Higher Education at \$1.0 billion, an increase above the current FY 2012 funding level of \$954.7 million. The additional funding in FY 2013 almost entirely reflects costs faced by the colleges and universities to pay for salary adjustments set by recent collective bargaining agreements. The HWM proposal for FY 2013 would represent an inflation-adjusted cut of 14 percent from pre-recession levels (FY 2009 GAA). Cuts are even deeper when looked at over the last decade, with proposed FY 2013 funding representing a 30 percent cut from FY 2001.

Starting in FY 2012, all campuses of public higher education began retaining tuition payments from out-of-state students, rather than remitting that revenue back to the state. *MassBudget* adjusts upwards the campus allocations by these projected amounts so that one can compare reasonably the level of resources available at an individual campus to that of previous years when this tuition was remitted to the state.

As with the Governor's proposal, the HWM proposal includes \$49.2 million in collective bargaining accounts that cover labor costs at each of the campuses. While this spending shows up in separate reserve accounts, where possible *MassBudget* builds these dollars into campus totals in order to reflect more accurately the level of state budget resources being used to run these campuses (\$5.7 million for line item 1599-4419 goes towards a bargaining unit covering both state universities and community colleges and cannot be broken out at the time of publication). The table below summarizes funding totals for each of these campus types.

## Higher Education Funding by Campus Type

Campus Type	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
UMass	534,117,612	431,619,082	457,396,792	456,696,792	(700,000)	25,077,710
State Universities	237,709,898	195,008,769	205,544,970	205,544,970	0	10,536,201
Community Colleges	260,982,434	213,788,728	228,155,573	217,747,857	(10,407,716)	3,959,129
<b>TOTAL</b>	<b>1,032,809,944</b>	<b>840,416,579</b>	<b>891,097,335</b>	<b>879,989,619</b>	<b>(11,107,716)</b>	<b>39,573,040</b>

NOTE: Campus appropriations reflect MassBudget adjustments, including amounts for tuition retention and collective bargaining.

The HWM and Governor's proposals for **community colleges** differ both in terms of overall funding levels and in terms of policy reforms advanced through the budget. The Governor proposed significant changes to the state's community college system, centralizing budget and leadership control over community colleges under the Board of Higher Education (BHE). The Governor's consolidation of funding for the state's 15 community colleges into one Massachusetts Community Colleges line item was coupled with an additional \$10.4 million in funds for FY 2013 that is not included in the HWM proposal. The Governor also called for community colleges to focus more specifically on job training and sought to standardize the system statewide, easing the process of transferring credits across campuses.

While the HWM budget does not replicate the Governor's full governance consolidations, it does include language in Outside Sections that is similar in nature to the Governor's reform package. Related HWM reforms include:

- Expanding the Board of Higher Education's role in selecting community college presidents. The Governor's proposal, by contrast, gave the BHE full authority to select presidents.
- Giving the Governor authority to appoint each community college board chair. The Governor also proposed this reform.
- Requiring the Commissioner of Higher Education to develop a new community college funding formula that is based in part on performance. Language instructs that workforce development goals be among the performance metrics included.
- Increasing the **Performance Management Set Aside** incentive program from \$2.5 million to \$7.5 million. HWM budget language includes an earmark stating that no less than \$5.0 million of this account be spent on community college initiatives aimed at improving completion rates, promoting the adoption of more standard course offerings, and consolidating and coordinating administrative procedures across the campuses.

The HWM and Governor's funding proposals are almost identical for UMass and the state universities, except that the HWM budget eliminates separate funding — \$497,000 in FY 2012 — for the **Collins Center for Public Management at UMass Boston**.

The HWM budget proposes \$86.5 million for the **State Scholarship Program**, which is about \$1 million below both the Governor's FY 2013 proposal and current FY 2012 levels. It is important to note, however, that line item language directs the Massachusetts Education Finance Authority (MEFA) to contribute \$1.0 million in addition to the state's \$86.5 million appropriation, bringing total resources for scholarships under the HWM proposal in line with the Governor's proposal. Since current FY 2012 language also includes a \$1.0 million contribution from MEFA, total resources under both the HWM and Governor's proposals are about \$1 million below total resources currently available for FY 2012.

Among the cuts proposed in the HWM budget is elimination of the \$635,000 **Nursing and Allied Health Education Workforce Development** program, which helps recruit new nurses. The Governor's budget also eliminated this program.

Please see the table below for more information on Higher Education line items funded either in FY 2012 or FY 2013. This table includes tuition retention adjustments for each of the campus line items, but separates out collective bargaining accounts in the first three rows.

## HIGHER EDUCATION LINE ITEMS

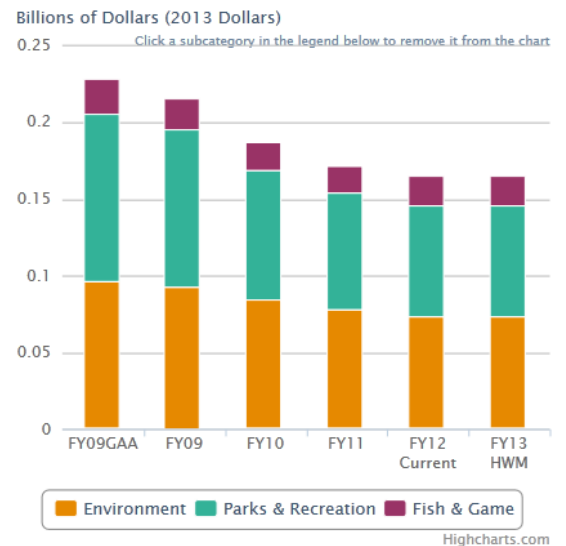
Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
various	State University CB	0	10,536,201	10,536,201	see text above
1599-3857	UMass Dartmouth Lease Costs	1,581,922	1,581,922	1,581,922	
1599-4417	Collins Center UMass Boston	496,518	700,000	0	
1599-4419	AFSCME, Local 1067	0	5,696,424	5,696,424	see text above
1599-4421	Community College CB	3,422,000	7,381,128	7,381,128	see text above
1599-4802	UMass Collective Bargaining (CB)	0	25,574,228	25,574,228	see text above
1599-7104	Star Store Reserve	2,700,000	2,700,000	4,400,000	
7066-0000	Department of Higher Education	1,624,791	1,868,668	1,728,649	
7066-0005	Compact for Education	82,620	0	0	
7066-0009	New England Board of Higher Ed.	367,500	183,750	367,500	
7066-0015	Workforce Dev. Grants to C.C.'s	1,250,000	1,250,000	1,250,000	
7066-0016	Foster Care Financial Aid	1,075,299	1,356,189	1,075,299	
7066-0019	Dual Enrollment Grants	750,000	751,000	750,000	
7066-0020	Nursing & Allied Health Work. Dev.	635,250	0	0	
7066-0021	Foster Care & Adopted Fee Waiver	3,235,400	1,716,291	1,716,291	
7066-0025	Performance Management Set Aside	2,500,000	2,500,000	7,500,000	
7066-0035	STEM Pipeline Fund	1,000,000	1,500,000	1,500,000	
7070-0065	State Scholarship Program	87,607,756	87,549,363	86,507,756	
7077-0023	Tufts Veterinary Medicine Program	2,000,000	3,000,000	2,000,000	
7100-0200	UMass	429,540,642	429,540,642	429,540,642	inc. tuition
7100-4000	Community Colleges (consolidated)	0	220,774,445	0	inc. tuition
7109-0100	Bridgewater State University	34,627,788	34,627,788	34,627,788	inc. tuition
7110-0100	Fitchburg State University	24,304,588	24,304,588	24,304,588	inc. tuition
7112-0100	Framingham State University	21,727,143	21,727,143	21,727,143	inc. tuition
7113-0100	MA College of Liberal Arts	12,559,859	12,559,859	12,559,859	inc. tuition
7114-0100	Salem State University	34,900,021	34,900,021	34,900,021	inc. tuition
7115-0100	Westfield State University	20,396,882	20,396,882	20,396,882	inc. tuition
7116-0100	Worcester State University	20,756,595	20,756,595	20,756,595	inc. tuition
7117-0100	Massachusetts College of Art	13,405,202	13,405,202	13,405,202	inc. tuition
7118-0100	Massachusetts Maritime Academy	12,330,691	12,330,691	12,330,691	inc. tuition
7502-0100	Berkshire Community College	8,075,090	0	8,075,090	inc. tuition
7503-0100	Bristol Community College	13,943,689	0	13,943,689	inc. tuition
7504-0100	Cape Cod Community College	9,961,483	0	9,961,483	inc. tuition
7505-0100	Greenfield Community College	7,946,766	0	7,946,766	inc. tuition
7506-0100	Holyoke Community College	16,142,400	0	16,142,400	inc. tuition
7507-0100	MA Bay Community College	12,078,306	0	12,078,306	inc. tuition
7508-0100	Massasoit Community College	17,521,080	0	17,521,081	inc. tuition
7509-0100	Mt. Wachusett Community College	11,047,988	0	11,047,988	inc. tuition
7510-0100	Northern Essex Community College	16,502,174	0	16,502,174	inc. tuition
7511-0100	North Shore Community College	17,737,591	0	17,737,591	inc. tuition
7512-0100	Quinsigamond Community College	13,117,113	0	13,117,113	inc. tuition
7514-0100	Springfield Tech. Community College	21,256,565	0	21,256,565	inc. tuition
7515-0100	Roxbury Community College	9,787,773	0	9,787,773	inc. tuition
7515-0121	Reggie Lewis Center Retained Reven	529,843	545,739	529,843	
7516-0100	Middlesex Community College	17,284,270	0	17,284,270	inc. tuition
7518-0100	Bunker Hill Community College	17,964,440	0	17,964,440	inc. tuition
7520-0424	Health & Welfare Res. for Higher Ed.	5,581,664	5,581,664	5,581,664	
7066-1221	CC Workforce Grant Advisory Cttee.			200,000	
8700-1150	Nat'l Guard Tuition & Fee Waivers	3,350,000	4,310,040	3,500,000	



## ENVIRONMENT & RECREATION

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Environment &amp; Recreation</b>	227,230,578	162,260,627	180,720,546	164,300,187	(16,420,359)	2,039,560
<b>Environment</b>	95,830,145	71,972,393	84,519,383	73,093,141	(11,426,242)	1,120,748
<b>Fish &amp; Game</b>	22,713,136	18,780,130	19,734,231	19,232,125	(502,106)	451,995
<b>Parks &amp; Recreation</b>	108,687,297	71,508,104	76,466,932	71,974,921	(4,492,011)	466,817

In its Fiscal Year (FY) 2013 budget, the House Ways and Means (HWM) Committee recommends spending \$2.0 million more on Environment and Recreation than the FY 2012 budget. Its budget, however, provides \$16.4 million less than the Governor's recommendation. In part the HWM budget is lower than the Governor's because it does not provide the same level of funding for recycling and redemption centers as the Governor's proposal. In his budget, the Governor proposed expanding the bottle bill to include water, juice and other drinks and to provide \$5.3 million of the funds to support recycling and redemption centers. (See the Environment section for more details.) Since the onset of the state fiscal crisis in FY 2009, funding for Environment and Recreation programs has fallen by almost 28 percent in inflation-adjusted dollars.



### Environment

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Environment</b>	95,830,145	71,972,393	84,519,383	73,093,141	(11,426,242)	1,120,748

The environment budget for the state supports programs that keep the air, water and land clean. It includes funding to clean hazardous waste sites, support recycling and redemption centers to reduce waste going to landfills and to support environmental police. Even though the HWM budget proposes spending \$1.1 million (1.6 percent) more than the FY 2012 current budget, inflation increases the cost of providing the same level of services from one year to the next meaning that the HWM funding level likely represents a cut in funding. The HWM budget recommends spending \$11.4 million less than the Governor's FY 2013 budget.

The HWM budget does not include the Governor's recommended \$5.3 million increase in funding for recycling and redemption centers throughout the state. In his FY 2013 budget, the Governor's proposed funding this increase by using some of the \$20.0 million raised with the expansion of the bottle bill to

include water, coffee and juice drinks. The HWM budget, which does not include this proposal, provides \$275,000 for these centers, the same amount they are expected to receive in FY 2012.

Like the Governor's proposal, the HWM Committee proposal also increases funding for hazardous waste cleanup by \$1.2 million over the current budget to \$13.2 million. Even with this increase, funding for cleaning up hazardous waste sites has fallen by 26 percent in inflation-adjusted dollars since the onset of the fiscal crisis.

## ENVIRONMENT

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
2000-0100	Executive Office of Energy and Env	6,657,430	6,136,084	5,831,266	
2000-1011	Environmental Police Licensing	85,000	85,000	85,000	
2000-1700	Energy and Environment Informat	7,482,556	10,145,502	7,788,634	
2030-1000	Environmental Police	8,700,962	8,688,781	8,592,241	
2030-1004	Environmental Police Private Det	300,000	300,000	300,000	
2200-0100	Department of Environmental Pro	24,682,305	25,092,901	24,923,735	
2200-0102	Wetlands Permitting Fee Retaine	260,812	650,151	260,812	
2200-0107	Redemption Centers	275,000	5,525,000	275,000	
2200-0109	Compliance and Permitting Fee R	0	2,500,000	0	
2210-0105	Toxics Use Retained Revenue	3,052,627	3,109,324	3,052,627	
2220-2220	Clean Air Act	798,593	820,606	807,555	
2220-2221	Clean Air Act Operating Permit an	1,667,239	1,468,565	1,429,572	
2250-2000	Safe Drinking Water Act	1,264,499	1,603,609	1,391,412	
2260-8870	Hazardous Waste Cleanup Progra	11,973,797	13,203,479	13,203,479	
2260-8872	Brownfields Site Audit Program	1,020,002	1,133,594	1,136,288	
2260-8875	Cape Cod Wastewater Study	150,000	0	0	
2260-8881	Board of Registration of Hazardou	345,475	375,558	371,721	
2511-3002	Integrated Pest Management Pro	47,560	50,184	48,926	
7006-1001	Residential Conservation Service	203,112	217,453	203,365	
7006-1003	Division of Energy Resources As	3,005,424	3,413,592	3,391,508	

## Fish & Game

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Fish &amp; Game</b>	22,713,136	18,780,130	19,734,231	19,232,125	(502,106)	451,995

State fish and game programs oversee Massachusetts fisheries, wildlife habitats and other natural sites in the state. Much of the funding that supports fish and game programs comes from the revenues the Department of Fish and Game receives through the sale of licenses for hunting, fishing, boating and other activities.

**FISH & GAME**

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
2300-0100	Department of Fish and Game	658,880	665,013	645,902	
2300-0101	Riverways Protection, Restoration	416,974	418,302	394,931	
2310-0200	Division of Fisheries and Wildlife	9,985,455	10,470,455	9,965,083	
2310-0300	Natural Heritage and Endangerec	150,000	150,000	150,000	
2310-0306	Hunter Safety Program	406,510	416,667	398,684	
2310-0316	Wildlife Habitat Purchase	1,000,000	1,500,000	1,000,000	
2310-0317	Waterfowl Management Program	65,000	65,000	65,000	
2320-0100	Fishing and Boating Access	429,160	468,977	459,507	
2330-0100	Division of Marine Fisheries	4,355,647	3,982,035	4,494,187	
2330-0120	Marine Recreational Fisheries De	515,754	578,532	573,651	
2330-0121	Marine Recreational Fishing Fee	204,989	217,989	217,989	
2330-0150	Newburyport Clam Plant Retainec	100,000	0	100,000	
2330-0300	Saltwater Sportfish Licensing	491,761	801,261	767,191	

**Parks & Recreation**

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Parks &amp; Recreation</b>	108,687,297	71,508,104	76,466,932	71,974,921	(4,492,011)	466,817

The state's parks and recreation budget supports state parks, urban parks, beaches, pools, spray pools and the employees who work at these facilities. It also funds parkways and dams managed by the Department of Conservation and Recreation (DCR). Even though the HWM budget recommends a slight increase in FY 2013 compared to the FY 2012 current budget, inflation increases the cost of providing the same level of services from one year to the next, meaning that the Committee's proposal likely is a cut in funding. The HWM budget is almost \$4.5 million less than the Governor's FY 2013 proposal. Among its proposals the HWM Committee budget:

- Provides \$40.6 million for state parks, and urban parks and parkways which is \$1.5 million below the FY 2012 current budget and \$938,000 more than the Governor's proposal. While the HWM budget increases the amount of revenue that DCR can retain to pay for employees at state parks by almost \$600,000, (see description below) the HWM cut in parks funding still leaves DCR \$900,000 below its FY 2012 current budget. Since the onset of the fiscal crisis, funding for state parks and recreation has fallen by \$36.7 million or 34 percent in inflation-adjusted dollars. The successive years of cuts to DCR has hampered the agency's ability to adequately care for and staff many parks and recreation facilities throughout the state.
- Offsets some of the cuts that it recommends for the parks account by recommending that DCR keep more of the revenue it raises through fees to staff and maintain DCR parks, pools and

other facilities. Like the Governor's, the HWM budget consolidates six retained revenue accounts into a single account. The HWM budget provides \$9.0 million which is \$598,000 more than the FY 2012 current budget but \$5.1 million less than the Governor's proposal. (It is important to note, as mentioned above, that the HWM budget recommends providing the state parks account with \$938,000 more than the Governor's proposal.) The line item chart below redistributes the funds back into each retained revenue account to allow for a better year-to-year comparison.

- Increases funding for beaches, pools and seasonal employees working at DCR facilities by \$845,000 to \$12.5 million. The HWM budget requires that all beaches, pools and spray pools be open and staffed from Memorial Day through Labor Day.
- Increases funding for DCR administrative account by almost \$500,000 above the FY 2012 budget level of \$3.3 million. The HWM budget is \$350,000 less than the amount proposed in the Governor's FY 2013 budget.

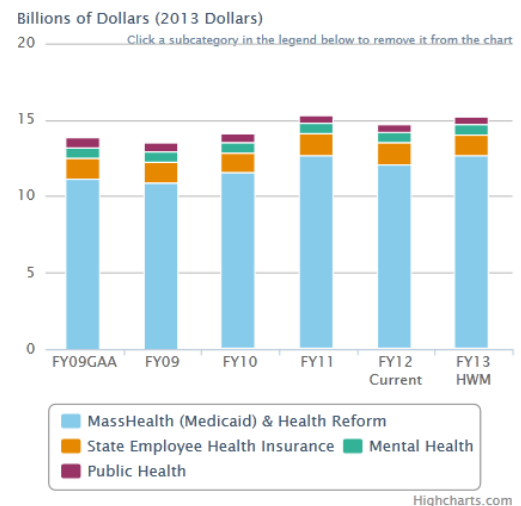
#### PARKS & RECREATION

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
2800-0100	Department of Conservation and	3,308,980	4,125,466	3,775,624	
2800-0101	Watershed Management Program	1,002,565	1,005,972	999,357	
2800-0401	Stormwater Management	391,237	399,396	392,578	
2800-0501	Beach Preservation	11,611,671	12,381,553	12,456,552	
2800-0700	Office of Dam Safety	290,151	302,432	299,778	
2810-0100	State Parks and Recreation	42,173,702	39,687,129	40,624,861	
2810-2041	State Park Fee Retained Revenue	5,229,030	10,926,561	5,969,764	<i>adj.-- see text</i>
2820-0101	State House Park Rangers	1,327,967	1,377,957	1,366,171	
2820-1000	Citation Fee Park Ranger Retained	200,000	200,000	184,229	<i>adj.-- see text</i>
2820-1001	Usage and Lease Fees for Teleco	50,000	50,000	50,000	<i>adj.-- see text</i>
2820-2000	Parkways Snow and Ice	3,000,000	3,060,000	3,060,000	
2820-3001	Skating Rink Fee Retained Reven	1,000,000	985,665	992,963	<i>adj.-- see text</i>
2820-4420	Ponkapoag Golf Course Retained	1,098,011	1,133,765	1,037,472	<i>adj.-- see text</i>
2820-4421	Leo J. Martin Golf Course Retaine	824,790	831,036	765,572	<i>adj.-- see text</i>

## HEALTH CARE

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Health Care</b>	13,801,558,210	14,466,749,190	15,234,525,065	15,160,245,053	(74,280,012)	693,495,863
<b>MassHealth, Health Reform</b>	11,096,692,100	11,922,047,682	12,695,002,699	12,662,091,560	(32,911,139)	740,043,878
<b>Mental Health</b>	732,081,653	651,018,701	665,975,915	663,928,280	(2,047,635)	12,909,580
<b>Public Health</b>	634,952,841	523,678,808	528,306,002	503,191,930	(25,114,072)	(20,486,878)
<b>State Emp. Health Insur.</b>	1,337,831,616	1,370,003,999	1,345,240,449	1,331,033,283	(14,207,166)	(38,970,716)

The House Ways and Means (HWM) budget proposes spending of \$15.16 billion for health programs overall, an increase of 4.8 percent over current Fiscal Year (FY) 2012 spending. The HWM proposed spending level is about half a percentage point lower than that proposed by the Governor. While overall spending on health programs rises, the increase is not spread evenly across programs – spending on MassHealth and other health reform programs that provide health coverage to low-income people increases, largely as a result of enrollment growth and health inflation, and funding for mental health programs rises at about the rate of inflation, although the increase does not come close to restoring the funding that mental health programs have lost since FY 2009. Meanwhile, spending on health insurance for state employees declines slightly, and the HWM budget includes yet another round of cuts for public health programs.



### MassHealth (Medicaid) & Health Reform

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current*	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>MassHealth, Health Reform</b>	11,096,692,100	11,922,047,682	12,695,002,699	12,662,091,560	(32,911,139)	740,043,878

\*Funding total does not reflect FY 2012 supplemental funding of \$186.9 million for Delivery System Transformations that is currently before the legislature but has not yet been approved.

The HWM budget proposes to spend \$12.7 billion on MassHealth and other health care programs in FY 2013. The bulk of spending in this category goes to pay for MassHealth programs that provide health coverage for over 1.3 million people in Massachusetts (including Medicaid, which covers nursing home and other care for the elderly). Another significant portion is transferred to the Commonwealth Care Trust Fund (CCTF) and used to support the Commonwealth Care (CommCare) program that provide coverage to about 175,000 people with incomes above the cut-off for MassHealth coverage. Enrollment in these programs has risen steadily during the recent economic crisis, and more than one in five

people in Massachusetts now depend on them for health coverage. Other spending in this category supports safety net hospitals, helps elderly and disabled people pay for prescription drugs and funds activities of the Division of Health Care Finance and Policy. Most of the spending in this category is eligible for federal reimbursement, generally at a rate of 50 percent of the state's spending.

The HWM FY 2013 budget proposal for MassHealth and Health Reform programs is very similar to that proposed by the Governor. The most notable difference lies in funding for the Commonwealth Care program—while the Governor proposed to increase the tobacco tax and dedicate the new revenue to the CCTF, the HWM budget increases the transfer from the General Fund to the CCTF. A second difference has to do with funding for information technology at Health and Human Services (HHS) agencies, including MassHealth. (See below for more detail on these differences.)

### MassHealth (Medicaid) and Health Reform

	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>MassHealth (Medicaid)</b>	<b>9,204,247,689</b>	<b>10,521,488,732</b>	<b>11,035,592,240</b>	<b>11,031,489,010</b>	<b>(4,103,230)</b>	<b>510,000,278</b>
Medicaid Programs*	9,048,987,224	10,434,004,259	10,948,300,774	10,943,266,047	(5,034,727)	509,261,788
Medicaid Administration	155,260,465	87,484,473	87,291,466	88,222,963	931,497	738,490
<b>HHS Information Technology</b>	<b>0</b>	<b>81,762,075</b>	<b>100,364,475</b>	<b>86,757,333</b>	<b>(13,607,142)</b>	<b>4,995,258</b>
<b>Commonwealth Care Fund</b>	<b>1,380,043,906</b>	<b>865,011,822</b>	<b>930,022,286</b>	<b>915,022,286</b>	<b>(15,000,000)</b>	<b>50,010,464</b>
Transfer from General Fund*	1,193,606,495	745,011,822	737,122,286	795,022,286	57,900,000	50,010,464
Estimated Tobacco Tax Reven.	186,437,411	120,000,000	192,900,000	120,000,000	(72,900,000)	0
<b>Other Safety Net &amp; Health Fi</b>	<b>512,400,506</b>	<b>453,785,053</b>	<b>629,023,698</b>	<b>628,822,931</b>	<b>(200,767)</b>	<b>175,037,878</b>
Prescription Advantage	61,448,563	21,602,546	18,996,516	18,996,516	0	(2,606,030)
Medical Assistance Trust Fun	369,543,746	394,025,000	394,025,000	394,025,000	0	0
Delivery Syst Transformation*	0	0	186,907,667	186,907,667	0	186,907,667
Div of Hlth Care Finance & Po	18,704,723	31,257,507	27,994,515	27,793,748	(200,767)	(3,463,759)
Other Health Finance	62,703,474	6,900,000	1,100,000	1,100,000	0	(5,800,000)

\*Totals for MassHealth Programs exclude the transfer of some funding for Early Intervention services from the Department of Public Health to a MassHealth line item. \*\*The FY2012 Commonwealth Care Fund Transfer includes \$17 million in surplus FY2011 funds that were made available in FY 2012. \*\*\*Delivery System Transformation funds will replace, to some extent, payments to hospitals that were previously made through the Commonwealth Care Trust Fund and under the "Other Health Finance" category. Note that a recently filed, but not yet approved, FY 2012

### MassHealth (Medicaid)

The HWM budget proposes a total of \$11.0 billion for MassHealth programs and administration in FY 2013, an amount that is virtually identical to what the Governor proposed in his spending plan. While this represents an increase of \$510.0 million, or 4.8 over FY 2012 current spending, it is actually well below the increase of approximately \$1.1 billion that would have been required to maintain MassHealth programs in their current form in FY 2013, given expected enrollment increases and inflation. While the HWM budget provides no information on how it achieves the lower rate of spending growth, it appears to rely on the same savings strategies that the Governor's budget uses to realize about \$600 million in savings and new revenue, or \$300 million in state savings (for a discussion of these strategies, see "[The Governor's Health Care Budget Proposal](#)"). The budget also assumes shifts in funding among MassHealth program line items due to changes in enrollment in various types of coverage and a plan to move some costs for the Commonwealth program into the MassHealth managed care line item (see table at the end of this section for line item details).

The HWM budget proposes a slightly higher increase to the MassHealth administrative line item, and includes an earmark within it for Hale Hospital, which previously received funding from a special



reserve account. The HWM budget includes two new initiatives that were included in the Governor's budget, but funds them at lower levels. The Governor proposed \$2.0 million for a new Operations line item meant to improve the timeliness and efficiency of the MassHealth enrollment and redetermination process, in response to recent enrollment growth, but the HWM budget appropriates \$500,000; likewise the House provides \$750,000 to help implement federal health reform legislation and payment reform strategies, such as creating infrastructure to support bundled payment models and other forms of integrated care delivery, instead of the \$3.1 million the Governor proposed. In other words, the HWM budget proposes \$3.9 million less in funding for these two initiatives.

### **Commonwealth Care Trust Fund**

The CCTF receives transfers from the state's General Fund, as well as revenue from a portion of the cigarette tax, from assessments on certain employers who do not provide insurance and from penalties paid by people who can afford insurance but do not purchase it. These resources are used to pay for the CommCare insurance program for low-income people who are not eligible for MassHealth. In FY 2013 the program is expected to cover around 200,000 people in FY 2013, including certain legal immigrants who had been excluded from the program, but who will once again be eligible for CommCare following a recent state Supreme Judicial Court decision that the exclusion was unconstitutional. In addition to funding for CommCare, \$30 million is transferred each year from the CCTF to the Health Safety Net Trust Fund to support care provided to uninsured patients.

The HWM projects total cost for the Commonwealth Care program at \$957.0 million. Of this amount \$795.0 will come from a transfer of revenue from the General Fund, and another \$120.0 million will come from a portion of the tobacco tax that is dedicated to the CCTF under current law, for a total of \$915.0. The remainder will come from the other revenue sources described above and from the one-time use of surplus revenue carried over from FY 2012. In contrast, the Governor's budget proposed \$930.0 million in funding--a transfer of \$737.1 from the General Fund and an increase in the tobacco tax expected to produce \$72.9 million in addition to the \$120.0 million from the existing tobacco tax. The HWM committee's lower funding level appears to be due to updated assumptions about Commonwealth Care enrollment in FY 2013. Proposed spending for FY 2013 represents an increase of \$50.0 million compared to FY 2012; the rise in spending is due largely to increased enrollment since, like MassHealth, the CommCare program has implemented and plans to continue a variety of savings strategies (such as a move to more integrated care and new procurement practices).

### **Other Health Reform and Safety Net Spending**

Also included in the HWM budget are:

- A transfer of \$186.9 million from the General Fund to a new **Delivery System Transformation Initiatives** (DSTI) Trust Fund that will provide incentive payments, in accordance with the state's MassHealth waiver agreement with the federal government, to providers for activities that support the development of new payment and health delivery systems, such as better management of chronic conditions and medical home infrastructures. (A similar transfer for FY 2012 is included in a supplemental budget currently before the legislature.)
- An authorization for the Division of Health Care Finance and Policy to spend \$2.0 million from federal reimbursement funds in order to move management of Health Safety Net claims for uncompensated care to MassHealth.

- A slight decrease in funding for the Prescription Advantage program, which reflects reduced utilization of the program due to changes made by the federal health reform law that will provide increased Medicare coverage for costs that are now covered by the Prescription Advantage program.
- Language (also included in the Governor's budget) that would allow the administration to restructure MassHealth benefits. Like the Governor's plan the HWM budget does not include restoration of adult dental benefits for MassHealth and Commonwealth Care enrollees.
- The HWM budget provides an increase of \$5.0 million for Information Technology services at HHS agencies (this funding goes to other agencies besides MassHealth and the Division of Health Care Finance). The Governor proposed an increase of \$18.6 million for these services.

MASSHEALTH & HEALTH REFORM LINE ITEMS					
Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
1599-2004	Health Care Cost Containment Reserve	1,900,000	0	0	<i>FY 2012 one-time funding</i>
1599-2009	Hale Hospital Reserve	2,400,000	0	0	<i>Included in 4000-0300</i>
4000-0265	Primary Care Workforce	1,000,000	0	0	<i>FY 2012 one-time funding</i>
4000-0300	Exec Off of Health and Human Services	86,484,473	86,291,466	87,222,963	
4000-0301	MassHealth Auditing and Utilization Reviews	1,736,425	1,739,619	1,736,313	
4000-0309	MassHealth Field Auditing Taskforce	1,000,000	1,000,000	1,000,000	
4000-0320	MassHealth Recoveries--Retained Revenue	225,000,000	225,000,000	225,000,000	
4000-0430	MassHealth CommonHealth Plan	130,439,637	73,165,558	73,165,557	<i>See discussion above</i>
4000-0500	MassHealth Managed Care	3,879,010,669	4,164,475,376	4,164,475,376	
4000-0600	MassHealth Senior Care	2,550,602,264	2,763,630,662	2,763,630,662	
4000-0640	MassHealth Nursing Home Supplemental Rates	318,300,000	288,500,000	288,500,000	
4000-0700	MassHealth Fee-for-Service Payments	2,029,206,633	1,935,380,126	1,935,380,126	<i>Excludes Early Intervention \$</i>
4000-0870	MassHealth Basic Coverage	157,016,626	179,909,689	179,909,689	
4000-0875	MassHealth Breast and Cervical Cancer Treatme	4,770,999	5,248,099	5,248,099	
4000-0880	MassHealth Family Assistance Plan	218,925,814	213,894,591	213,894,591	
4000-0890	MassHealth Premium Asst & Insurance Partners	58,181,956	30,481,392	30,481,392	
4000-0895	Healthy Start Program	13,800,000	15,850,244	15,850,244	
4000-0950	Children's Behavioral Health Initiative	214,743,708	221,705,516	221,549,097	
4000-0990	Children's Medical Security Plan	12,600,000	13,298,695	13,298,695	
4000-1400	MassHealth HIV Plan	18,541,135	19,744,723	18,744,723	
4000-1405	MassHealth Essential	389,757,408	505,998,457	505,998,456	
4000-1420	Medicare Part D Phased Down Contribution	211,370,985	285,153,027	285,153,027	
4000-1602	MassHealth Operations	0	2,000,000	500,000	
4000-1604	Health Care System Reform	0	3,125,000	750,000	
4000-1700	HHS Information Technology Costs	81,762,075	100,364,475	86,757,333	18,602,400
4100-0060	Division of Health Care Finance and Policy	21,157,507	21,894,515	21,693,748	
4100-0061	All Payer Claims Database	4,000,000	4,000,000	4,000,000	
4100-0360	Health Care Quality and Cost Council--RR	100,000	100,000	100,000	
4100-0062	Health Safety Net Claims Migration--RR	6,000,000	0	0	
4100-0082	Health Safety Net Claims Migration--RR	0	2,000,000	2,000,000	
7006-0029	Health Care Access Bureau Assessment	1,100,000	1,100,000	1,100,000	
9110-1455	Prescription Advantage	21,602,546	18,996,516	18,996,516	
1595-5819	CommCare Trust Fund--Transfer from Gen Fund	745,011,822	737,122,286	795,022,286	<i>See discussion above</i>
PB4	CommCare Trust Fund--Tobacco Tax Transfer	120,000,000	192,900,000	120,000,000	
1595-1067	Delivery System Transformation Initiatives Trust F	0	186,907,667	186,907,667	<i>See discussion above</i>
1595-1069	Health Insurance Technology Trust Fund	500,000	0	0	<i>Funded off-budget in FY 2013</i>
1595-1068	Medical Assistance Trust Fund (operating transfe	394,025,000	394,025,000	394,025,000	

## Mental Health

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Mental Health</b>	732,081,653	651,018,701	665,975,915	663,928,280	(2,047,635)	12,909,580

The HWM FY 2013 budget proposes an increase of around 2.0 percent over FY 2012 spending for mental health programs operated by the state's Department of Mental Health (DMH), about the expected rate of inflation. This funding level is similar to the Governor's proposed \$14.9 million increase. However, funding for mental health programs remains \$68.1 million, or about 9.3 percent, below what was allocated in FY 2009, after adjusting for inflation. Cuts since 2009 have affected programs that support education, employment, and clubhouse programs, as well as reducing beds at DMH facilities.

Funding for two core DMH line items – those providing treatment and support to children and adults in the community – rises by \$5.8 million and \$10.4 million respectively, and funding for DMH facilities rises by \$6.3 million (see line item table below for detail). However, the FY 2012 budget included the one-time use of contributions from mental health trust funds to support many of these programs. Language in the FY 2012 budget specifically allowed use of the trust funds for in-patient or community services and authorized transfers of funds to the adult services and DMH facilities line items. The availability of the trust funds meant that the budget appropriations for the line items were lower in FY 2012 than they would have been if the \$10 million in trust funds had flowed more directly through them, and conversely the FY 2013 increases for these programs appear larger.

The proposed HWM appropriation levels for individual line items are generally very close to those contained in the Governor's spending plan, with one exception. The Governor's budget proposed an increase of just over \$1.0 million (or 13.1 percent) for a Forensic Services Program that assists mentally ill people who have recently been released from prison and other correctional facilities, while the HWM budget level funds this program at \$8.1 million.

Finally, the HWM budget adds language to the DMH facilities line item that sets criteria for moving DMH clients from in-patient facilities to residential services in the community (for instance, clients must be deemed clinically suited to receive care in the community), it also includes language – apparently in response to concern over the closure of Taunton State Hospital – requiring that clients transferred to a new DMH facility due to closure of another facility receive a level of care equal to or better than that received at the closed facility.

## MENTAL HEALTH LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
5011-0100	Department of Mental Health Administration	26,747,749	27,565,416	27,093,862	
5042-5000	Child and Adolescent Mental Health Services	71,773,509	77,878,882	77,571,631	
5046-0000	Adult Mental Health and Support Services	332,285,802	342,427,150	342,668,578	
5046-2000	Statewide Homelessness Support Services	20,134,424	20,134,424	20,134,424	
5046-4000	CHOICE Program RR	125,000	125,000	125,000	
5047-0001	Emergency Services and Acute Mental Health Care	35,122,197	35,202,850	35,249,301	
5055-0000	Forensic Services Program for Mentally Ill Person	8,097,163	9,153,872	8,097,163	
5095-0015	Inpatient Facilities & Community-Based Services	146,732,857	153,488,321	152,988,321	
5095-0017	Trust Fund Contributions	10,000,000	0	0	See discussion above

## Public Health

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
Public Health	634,952,841	523,678,808	528,306,002	503,191,930	(25,114,072)	(20,486,878)

The HWM budget proposes to decrease funding for public health programs by \$20.5 million, compared to current FY 2012 spending. The Governor provided a slight increase for these programs and used \$51.2 million in new revenue from a proposed elimination of the sales tax exemption for soda and candy to help fund them.<sup>5</sup>

Massachusetts has historically provided a wide range of public health programs to protect the health of the general public in Massachusetts, for instance by responding to public health emergencies and ensuring that health professionals and facilities are properly licensed; DPH also operates several public hospitals. Beyond these basic functions, more than half of DPH state budget funding goes to programs that promote health and wellness and prevent disease in specific populations. The fiscal crisis has hit all these programs hard. Between FY 2009 and FY 2012 overall funding for public health declined by \$111.3 million, or 17.5 percent, after adjusting for inflation. The funding level proposed in the HWM budget would bring that decline to 20.8 percent. Key changes included in the HWM budget are discussed below.

## Substance Abuse and Smoking Prevention Services

The HWM budget provides a modest increase of 1.7 million, or 2.3 percent, over FY 2012 funding for the main substance abuse services line item, the same level that the Governor proposed. However the HWM budget also proposes to eliminate funding for two other substance abuse line items, one that funds a jail diversion program for non-violent offenders with addiction problems, and another that funds family intervention and young adult treatment programs. The Governor provided level funding of \$2.0 and \$1.5 million, respectively, for these line items. The HWM budget also proposes to cut funding for step-down recovery services nearly in half, from \$4.8 million to \$2.8 million. A separate Substance Abuse Services Fund that was created in order to fund an expansion of treatment facilities and case management for people who have been civilly committed and have substance abuse disorders

<sup>5</sup> MassBudget includes funding for youth violence prevention programs under the Executive Office of Health and Human Services along with other Department of Public Health programs. We also adjust for certain transfers of funding to other departments (see line item chart for more detail); without these adjustments the decrease compared to FY 2012 is \$26.3 million.

received a \$10.0 million transfer from the General Fund in FY 2012. While there is no additional transfer in FY 2013, statutory language governing the Fund allows spending from it through the end of FY 2013, at which point it will sunset. Any additional ongoing costs related to the expansion will need to be included in future budgets.

The HWM budget level funds smoking prevention and cessation programs at \$4.2 million, in contrast to the Governor's proposal to increase funding by \$1.7 million. This line item has been cut by \$9.5 million since FY 2009, after adjusting for inflation.

### **HIV/AIDS and Disease Prevention**

The HWM budget cuts funding for the HIV prevention and treatment line item by \$500,000, a 1.6 percent cut compared to the FY 2012 current appropriation. The Governor's budget essentially level funded this program. Likewise, while the Governor proposed level funding for disease prevention programs, using revenue from a proposed elimination of the sales tax exemption for soda and candy, the HWM budget includes a cut of nearly 30 percent, from \$3.4 to \$2.4 million. Funding for these programs – which include cancer screening, cardiovascular risk education, and care coordination for high-risk populations – was \$15.7 million in FY 2009, after adjusting for inflation. While some disease prevention activities may now be covered by health insurers, particularly as more Massachusetts residents have gained coverage under the state's health reform law, it is clear that these programs have been hit especially hard in recent years.

### **Early Intervention**

The HWM budget includes funding of \$25.7 million for Early Intervention services, an amount that is identical to what the Governor proposed. The Governor's budget assumed a shift of \$4.3 million in Early Intervention costs to a MassHealth line item that will now pay for them; while the HWM budget does not provide detail, it appears to make the same assumption. Taking this into account, proposed spending for Early Intervention services is \$30.0 million, a decrease of about \$1.1 million compared to FY 2012. The drop in funding appears to reflect projected maintenance costs for the program.

### **WIC**

The HWM budget follows the Governor in proposing an increase of \$1.8 million, or 7.5 percent, in the amount that the Women, Infants and Children (WIC) nutrition program is authorized to retain and spend from revenue it receives from infant formula rebates and other federal measures. The increase is expected to cover the costs of maintaining the current level of services.

### **Youth Violence Prevention**

The HWM budget proposes to increase Youth-at-Risk Matching grants from \$1.7 million to \$1.8 million. However it level funds the current Violence Prevention Grants line item and eliminates the "Safe and Successful Youth Initiative" (contained in a separate Health and Human Services line item) that provides youth violence prevention grants targeted to high-risk communities. The latter program received \$10.0 million in funding for FY 2012 in a supplemental budget, and the same level of funding in the Governor's proposed FY 2013 budget.

### **State Laboratory and Communicable Disease Control**

The HWM budget provides \$11.7 million in funding for the State Laboratory that is operated by DPH, slightly less than the Governor's proposed appropriation of \$11.8 million. The Governor's budget assumed a shift of \$1.5 million in costs to the State Police Crime Laboratory line item, and while the HWM budget provides no information on such a shift, outside sections of the HWM budget indicate

similar plans to consolidate DPH lab work with state police crime lab. Thus we assume a similar transfer for the purpose of comparing funding levels between the HWM and Governor's budget plans; after taking this shift into account the proposed appropriation represents level funding compared to FY 2012.

**Public Health Hospitals**

The HWM budget provides an increase of \$4.3 million in funding for most hospitals operated by the Department of Public Health, in contrast to the Governor who proposed an increase of \$9.1 million. The HWM plan proposes level funding for most public health hospitals; the exceptions are increases in the amount of revenue related to Department of Corrections patients that Shattuck Hospital can retain, and a new authorization for Tewksbury Hospital to retain revenue from services for patients who are clients of the Department of Developmental Services.



## PUBLIC HEALTH LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
4000-0005	Safe & Successful Youth Grant Program	10,000,000	10,000,000	0	
4510-0020	Food Protection Program--RR	375,000	375,000	0	
4510-0025	SEAL Dental Progra--RR	889,889	889,889	889,889	
4510-0040	Pharmaceutical Regulatio--RR	421,539	426,460	421,539	
4510-0100	Department of Public Health	17,708,308	17,682,335	17,488,126	
4510-0110	Community Health Center Services	963,949	914,476	965,634	
4510-0600	Environmental Health Services	3,205,454	3,207,518	3,163,711	
4510-0615	Nuclear Reactor Monitoring--RR	1,764,716	1,764,716	1,764,716	
4510-0616	Prescription Drug Monitoring--RR	1,241,668	1,243,886	1,237,580	
4510-0710	Division of Health Care Quality and Improvement	6,242,959	6,318,316	6,277,277	
4510-0712	Division of Health Care Quality--RR	2,439,711	3,458,889	2,458,889	
4510-0715	Primary Care Center & Loan Forgiveness Program	157,000	0	0	
4510-0716	Academic Detailing Program	93,000	0	0	
4510-0721	Board of Registration in Nursing	795,800	821,646	815,715	
4510-0722	Board of Registration in Pharmacy	194,806	221,757	169,872	
4510-0723	Board of Registration in Medicine & Acupuncture	997,001	1,022,252	1,022,252	
4510-0725	Health Boards of Registration	273,383	304,653	232,382	
4510-0726	Board of Reg in Medicine--RR	300,000	300,000	300,000	
4510-0790	Regional Emergency Medical Services	931,959	931,959	931,959	
4510-0810	Sexual Assault Nurse Examiner	3,160,740	3,160,740	3,160,740	
4512-0103	HIV/AIDS Prevention, Treatment and Services	32,097,810	32,101,023	31,597,810	
4512-0106	HIV/AIDS--Drug Rebates RR	7,500,000	7,500,000	7,500,000	
4512-0200	Division of Substance Abuse Services	74,810,802	76,539,595	76,539,595	
4512-0201	Substance Abuse Step-Down Recovery Services	4,800,000	4,800,000	2,800,000	
4512-0202	Secure Treatment Facilities (Jail Diversion)	2,000,000	2,000,000	0	
4512-0203	Young Adult Treatment (Family Intervention)	1,500,000	1,500,000	0	
4512-0225	Compulsive Behavior Treatment--RR	1,000,000	1,000,000	1,000,000	
4512-0500	Dental Health Services	1,395,761	1,352,558	1,401,531	
4513-1000	Family Health Services	4,656,797	4,465,275	4,563,911	
4513-1002	Women, Infants, and Children's (WIC)	12,366,617	12,366,617	12,366,617	
4513-1012	WIC Manufacturer Rebates--RR	24,510,000	26,355,000	26,355,000	
4513-1020	Early Intervention Services	31,144,420	30,023,610	30,023,610	Adjusted--see discussion above
4513-1023	Newborn Hearing Screening Program	65,494	68,938	0	
4513-1026	Suicide Prevention and Intervention Program	3,569,444	3,585,421	3,832,926	
4513-1111	Health Promotion and Disease Prevention	3,400,000	3,413,076	2,409,183	
4513-1130	Domestic Violence & Sexual Assault Prevention	5,507,970	5,511,435	5,511,435	
4516-0263	Blood Lead Testing Fee RR	1,112,974	1,112,974	1,112,974	
4516-1000	State Lab & Communicable Disease Control	13,013,002	13,335,801	13,200,781	Adjusted--see discussion above
4516-1010	Emergency Preparedness Match	2,272,509	2,202,878	2,190,889	
4516-1022	State Lab Tuberculosis Test--RR	250,619	250,619	250,182	
4518-0200	Registry of Vital Records--RR	415,275	675,000	466,904	
4530-9000	Teenage Pregnancy Prevention Services	2,378,410	2,284,123	2,383,080	
4570-1502	Infection Prevention Program	251,281	263,646	260,515	
4580-1000	Universal Immunization Program	52,222,377	52,879,812	52,879,812	
4590-0250	School-Based Health Programs	11,597,967	11,132,301	11,132,301	
4590-0300	Smoking Prevention & Cessation Programs	4,150,703	5,850,703	4,150,703	
4590-0912	Western Mass Hospital--RR	16,457,488	16,953,548	16,457,488	
4590-0913	Shattuck Medical Vendor--RR	499,827	499,827	499,827	
4590-0915	Public Health Hospitals	139,037,382	144,090,926	139,768,772	
4590-0917	Shattuck Hospital DOC Inmat RR	4,046,265	4,208,543	4,203,795	
4590-1503	Pediatric Palliative Care	790,732	794,666	794,666	
4590-1506	Violence Prevention Grants	1,000,000	1,006,253	1,000,000	
4590-1507	Youth-At-Risk Matching Grants	1,700,000	1,700,000	1,800,000	
4590-2001	Tewksbury Hospital DDS RR	0	3,437,342	3,437,342	
OS-SAS	Substance Abuse Services Fund	10,000,000	0	0	

## State Employee Health Insurance

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>State Emp. Health Insur.</b>	1,337,831,616	1,370,003,999	1,345,240,449	1,331,033,283	(14,207,166)	(38,970,716)

*\*Adjusted to remove costs related to municipal coverage for which the state receives a reimbursement.*

The HWM budget proposes total funding of \$1.3 billion for the state share of health benefits provided to active and retired state employees, as well as a group of retired municipal teachers, through the Group Insurance Commission (GIC). This figure excludes the cost of health coverage for municipalities who have joined the state's Group Insurance Commission, since they repay those costs (see table at the end of this section for details). As with the other state health insurance programs such as MassHealth and Commonwealth Care, the state has employed a number of strategies to hold down cost increases in recent years, and plans to continue these strategies in FY 2013. The difference between the HWM FY 2013 budget and the Governor's spending plan for this area is likely the result of updated enrollment projections; the HWM budget also includes language requiring an audit of beneficiaries claimed as dependents of state employees who are eligible for GIC coverage.

State Employee Health Costs	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.
<b>Employee Premiums and Plan Costs*</b>	830,154,520	770,679,063	756,679,063	(14,000,000)
<b>Dental &amp; Vision Benefits</b>	36,054,973	37,591,870	37,591,870	0
<b>Retired Municipal Teacher Insurance</b>	64,726,762	69,342,635	69,342,635	0
<b>Other GIC</b>	24,741,804	4,910,953	4,703,787	(207,166)
<b>Tran to State Retiree Benefits Fund**</b>	414,325,940	462,715,928	462,715,928	0
<b>Total Budgetary Spending</b>	<b>1,370,003,999</b>	<b>1,345,240,449</b>	<b>1,331,033,283</b>	<b>(14,207,166)</b>
<b>One-time Use of Federal Trust Funds</b>	0	40,000,000	40,000,000	0
<b>TOTAL</b>	<b>2,740,007,998</b>	<b>2,730,480,898</b>	<b>2,702,066,566</b>	<b>(28,414,332)</b>

*\*Adjusted to remove costs related to municipal coverage for which the state receives a reimbursement.*

*\*\*Transfer to State Retiree Benefits Trust Fund for FY 2013 includes \$27.7 million in tobacco settlement revenues made available by FY 2012 budget language.*

Most funding for state employee health costs comes in the form of an appropriation for the costs of current employees, plus a transfer from the General Fund to the State Retiree Benefits Trust Fund that supports the cost of health coverage for retired employees. As the table above shows, funding for active and retired employee health costs appears to decline substantially compared to FY 2013. However, the HWM budget follows the Governor in proposing the use of \$40.0 million in existing balances in a Group Insurance trust fund to pay for state employee health costs in FY 2013; when this one-time resource is taken into account, there is a smaller decline in funding. (These one-time resources come from a fund that holds federal revenue resulting from the state's participation in an early retiree reinsurance program created by the national health care reform law.) The GIC recently announced that average premium increase for next year will be 1.4 percent, the lowest since 1999. The HWM budget does *not* appear to adopt the Governor's proposal to use \$4.0 million from trust fund balances to pay for wellness and smoking cessation programs for state employees.

In addition to a transfer from the General Fund, the State Retiree Benefits Trust Fund will also begin to receive a portion of revenue from the annual tobacco settlement payment made to the state (in recent years this revenue has been deposited in the General Fund for use in the budget). In FY 2013 10 percent of the tobacco settlement payment, or \$27.6 million, will be deposited in the Fund. The share will increase by increments of ten percentage points each year, until 2022, when 100 percent of the payment will go into the fund. In addition, 5 percent of any future capital gains revenue beyond \$1 billion will also be deposited in the fund (other capital gains revenue beyond this limit will go into the Stabilization, or Rainy Day, Fund). In both cases these new revenues will help reduce the unfunded liability related to future health benefits promised to state employees.

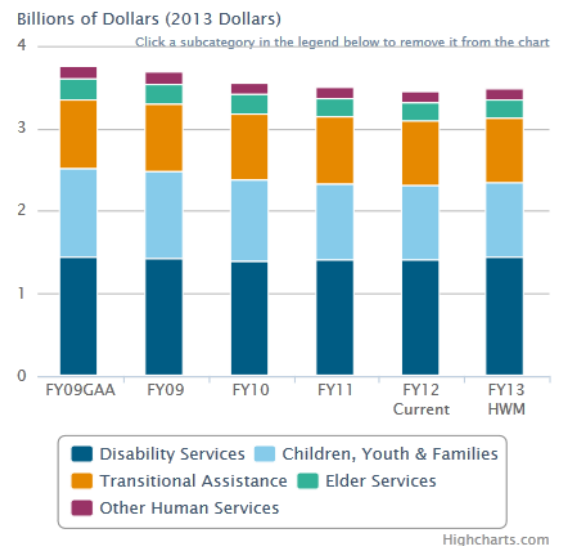
**STATE EMPLOYEE HEALTH INSURANCE LINE ITEMS**

Line Item	Name	FY 2012	FY 2013		Notes
		Current	Governor		
0640-0096	State Lottery Comm--Health Benefits	355,945	355,945	355,945	
1108-5100	Group Insurance Commission	2,561,709	2,537,146	2,337,203	
1108-5200	Group Insurance Premium and Plan Costs	1,131,305,510	1,147,002,702	1,133,002,702	
1108-5201	Municipal Partnership Act--Retained Revenue	2,017,862	2,017,862	2,010,639	
1108-5350	Retired Governmental Employees Premiums	340,000	448,800	448,800	
1108-5400	Retired Municipal Teachers Premiums	64,386,762	68,893,835	68,893,835	
1108-5500	Group Insurance Dental and Vision Benefits	9,104,973	9,833,370	9,833,370	
1599-1027	Reserve for Benefit Change Reimbursement	19,806,288	0	0	<i>FY 2012 one-time funding</i>
1750-0300	Contribution to Union Dental and Vision Insurance	26,950,000	27,758,500	27,758,500	
1599-6152	State Retiree Benefits Trust Fund Transfer	414,325,940	435,042,237	435,042,237	
	State Retiree Benefits Trust (tobacco settlement)	0	27,673,691	27,673,691	
A_GICM	Adjustment for Municipal Premium Costs	-301,150,990	-376,323,639	-376,323,639	<i>See discussion above</i>

## HUMAN SERVICES

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Human Services</b>	3,746,077,416	3,408,102,193	3,498,030,870	3,485,026,244	(13,004,626)	76,924,051
<b>Children, Youth &amp; Families</b>	1,067,561,267	890,095,388	929,160,489	906,326,574	(22,833,915)	16,231,186
<b>Disability Services</b>	1,441,662,242	1,382,478,501	1,423,465,178	1,434,761,335	11,296,157	52,282,834
<b>Elder Services</b>	254,843,626	218,751,617	218,674,371	220,919,123	2,244,752	2,167,506
<b>Transitional Assistance</b>	829,217,816	774,536,366	785,123,718	783,170,034	(1,953,684)	8,633,668
<b>Other Human Services</b>	152,792,464	142,240,322	141,607,114	139,849,178	(1,757,936)	(2,391,144)

Even though human services programs form a crucial part of the Commonwealth's "safety net" for the state's most vulnerable residents, the House Ways and Means (HWM) Committee has had to create a budget significantly limited by financial constraints. In most instances, FY 2013 funding is essentially level with FY 2012, with several important programs experiencing significant cuts, and others barely staying level with FY 2012 when considering the impacts of inflation. Moreover, looking over the longer term and comparing funding in the HWM proposal with pre-recession levels, funding for services for vulnerable children and their families has been cut substantially over time.



## Children, Youth & Families

	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Children, Youth &amp; Families</b>	1,067,561,267	890,095,388	929,160,489	906,326,574	(22,833,915)	16,231,186

The **Department of Children and Families** (DCF, formerly DSS) receives \$751.7 million in the HWM budget, compared to \$744.3 million in FY 2012 and \$770.9 million recommended by the Governor. The most significant decrease is in the funding for regional and central administration. HWM, as it has recommended in past years, completely eliminates funding for **DCF regional administration**. This line item, funded at \$9.3 million in FY 2012, and funded at \$10.2 million by the Governor, funds contracts for "lead agencies" across the state that have specific oversight and service coordination responsibilities within the social service system. The HWM budget also funds DCF central administration at \$65.7 million, essentially level with FY 2012 funding and \$3.7 million less than in the Governor's proposal.

HWM also funds **group care** at \$197.7 million, \$2.5 million less than in the Governor's proposal and \$1.6 million more than FY 2012 current funding. Similarly, **social workers** are funded at \$166.2 million

in the HWM proposal, \$2.7 million less than in the Governor's proposal and \$4.1 million more than FY 2012 funding. In these two accounts, the difference between the HWM proposal and the Governor's proposal is the amount added in FY 2012 by supplemental funding added in October that was intended to restore funding for positions for social workers that were cut in FY 2011. The Governor's budget had included these amounts in order to fully-fund these restored positions for the full year. Even though these line items are funded less than in the Governor's proposal, the increase over FY 2012 funding should allow the department to begin implementing a statewide initiative to standardize and increase human service provider rates across various departments, including a rate increase for foster care providers.

**Family support and stabilization** services receive \$44.6 million in both the HWM and Governor's budget proposals, which is a 12.1 percent increase over FY 2012 current funding levels, and the relatively largest increase throughout the department. Even though there are more children receiving kinship-based care and support than those in out-of-home placements, family support funding has historically lagged well behind funding for out-of-home care.

Children, Youth & Families	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
Dept. Children & Families	893,396,068	744,307,781	770,874,703	751,665,638	(19,209,065)	7,357,857
Dept. Youth Services	174,165,200	145,787,607	155,290,786	154,660,936	(629,850)	8,873,329
Administration	0	0	2,995,000	0	(2,995,000)	0

The **Department of Youth Services (DYS)** in the HWM budget receives a total of \$154.7 million, a 6.1 percent increase over FY 2012 current funding levels. This total includes an increase in funding for **residential services for the detained population**, from \$18.3 million in FY 2012 to \$20.8 million (\$556,000 less than recommended by the Governor), and an increase in **residential services for the committed population**, from \$98.7 million in FY 2012 to \$102.6 million (\$227,000 less than recommended by the Governor). The Administration does not anticipate a significant change in departmental caseload in FY 2013, but these increases over FY 2012 funding levels will support an across-agency initiative to standardize provider rates for the various human service agencies.

Like the Governor, HWM includes \$2.1 million in a new line item to provide state funding in the Department of Youth Services for an **alternative lock up** program. This program—which up until now had been funded only with limited federal dollars—is designed to provide a safe (non-police) environment for alleged juvenile offenders awaiting court appearance. Current federal law restricts police departments from holding juveniles for more than six hours, and in any case many police department facilities do not have appropriate holding areas for children. This funding will allow for the Department to manage funding for the four existing community-based secure and appropriate placements for children awaiting arraignment. Previously, these federal grants had been managed by the Executive Office of Public Safety.

The HWM budget proposal does not follow the Governor's recommendation to fund a data-sharing initiative among the agencies providing services to children, youth and families. The Governor had proposed \$3.0 million for this initiative within the Executive Office of Health and Human Services, but HWM did not include this funding.

**CHILDREN, YOUTH & FAMILIES LINE ITEMS**

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
4000-0051	Children Youth & Families Initiative		2,995,000	0	
4200-0010	Dept. Youth Svcs. Admin.	4,141,463	4,064,005	4,021,559	
4200-0100	Non-Residential Svcs. for Committed	22,219,063	22,109,816	22,355,990	
4200-0200	Residential Svcs. for Detained	18,256,369	21,367,315	20,811,080	
4200-0300	Residential Svcs. for Committed	98,670,712	102,839,841	102,562,498	
4200-0500	DYS Teacher Salaries	2,500,000	2,809,809	2,809,809	
4200-0600	Alternative Lock Up Program		2,100,000	2,100,000	<i>new in FY 2013</i>
4800-0015	Dept. of Children & Families Admin.	65,257,819	69,322,448	65,651,557	
4800-0016	DCF Transitional Employment Program	2,000,000	2,000,000	2,000,000	
4800-0025	Foster Care Review	2,824,059	3,005,350	2,943,098	
4800-0030	DCF Regional Administration	9,300,000	10,215,181	0	
4800-0036	Sexual Abuse Intervention Network	697,508	697,508	697,508	
4800-0038	Services for Children and Families	243,257,069	248,173,891	248,142,130	
4800-0040	Family Support and Stabilization	39,750,000	44,573,551	44,573,551	
4800-0041	Group Care Services	196,064,169	200,209,888	197,709,889	
4800-0091	Child Welfare Training Institute Retail	2,058,735	2,077,119	2,077,119	
4800-0151	Placement Services for Juvenile Offender	270,919	230,780	230,780	
4800-1100	Social Workers for Case Management	162,102,441	168,917,450	166,188,468	
4800-1400	Support Services for People at Risk of	20,725,062	21,451,537	21,451,538	

**Disability Services**

	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Disability Services</b>	1,441,662,242	1,382,478,501	1,423,465,178	1,434,761,335	11,296,157	52,282,834

Funding for services for individuals with disabilities fares slightly better in the HWM budget than funding for other human services programs. Nevertheless, even with the HWM proposed funding levels, there is concern that the Commonwealth's budget for persons with disabilities is not able to keep pace with the anticipated need for services felt by the growing numbers of young adults leaving special education and needing extensive support services in the community. The Administration has repeatedly stated a commitment to community-based services, but some of the line items funding community-based supports for persons with disabilities have been cut substantially over the past few years, even with a shift in funding away from the state-run institutions. Adults with disabilities seeking employment are particularly hard hit by ongoing funding reductions in the Departments of Developmental Services and the Mass. Rehabilitation Commission.



Disability Services	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Blind &amp; Visually Impaired</b>	32,114,361	27,271,204	27,053,039	27,549,256	496,217	278,052
<b>Deaf &amp; Heard of Hearing</b>	6,189,754	5,100,393	5,390,287	5,354,020	(36,267)	253,627
<b>Dept. of Dev. Services</b>	1,358,432,215	1,317,001,777	1,358,808,302	1,369,284,234	10,475,932	52,282,457
<b>Mass. Rehab &amp; Head Injury</b>	53,845,847	41,456,770	40,714,766	41,075,041	360,275	(381,729)

The HWM budget directs new funding to the **Department of Developmental Services**, increasing funding above both the FY 2012 current funding total and the Governor's budget recommendation. The HWM budget included \$10.0 million more than the Governor for the **respite** (family supports) program, bringing funding up to \$51.0 million, an increase of \$4.5 million over FY 2012 current funding levels. For many families with disabled children, the respite program is the only source of support for afterschool recreational programming or for specialized caregiving. Although this is a significant increase in funding for these community-based supports, funding in the HWM budget still does not restore the respite program to pre-recession funding levels.

HWM also increases funding for services for young developmentally disabled adults **Turning 22** in FY 2013. This line item receives \$6.0 million, compared to \$5.0 million in the FY 2012 budget and in the Governor's proposal. Even with this increase, however, funding is still 27 percent below pre-recession funding levels. The Turning 22 line item supports the entry of young developmentally disabled adults into the adult service system from the special education system, and constraints on this funding limit the number of adults who will receive services as well as the services that they will receive in the future.

HWM does not follow the Governor's recommendation to incorporate funding for **transportation for the developmentally disabled** into the community services line item. Like in previous years, HWM funds a distinct line item, and increases the funding by \$2.0 million over the FY 2012 total to \$13.6 million. The availability of transportation is of the key determinants of whether a disabled adult is able to maintain employment or take part in community activities. (The line item breakdown below adjusts for this type of transfer in order to allow for more accurate year-to-year comparisons.)

HWM follows the Governor's funding proposal for **community residential supports** for developmentally disabled adults, funding them at \$788.1 million, a \$31.3 million increase over FY 2012 funding levels. According to the Administration, this funding is sufficient to provide full residential funding for the young adults entering into the developmental services system, meaning that it should be sufficient to maintain current services for the anticipated FY 2013 caseload.

The budget proposal from HWM for **community day and work services** is \$2.5 million less than the Governor's proposal. Unlike in the Governor's proposal, HWM includes a separate line item for \$400,000 in funding for the final year of the Rolland Court Monitor.

For adults with other types of disabilities, the HWM budget essentially maintains current funding levels, but these levels do not necessarily keep pace with inflation or anticipated need. (We adjust funding for the central office for the Mass. Commission for the Blind to reflect a shift of funding for the administration of SSI benefits for the blind from that office to the Department of Transitional Assistance — see discussion below.)

## DISABILITY SERVICES LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
4110-0001	Mass. Comm. for the Blind Admin.	965,851	998,310	981,257	<i>adj.--see text</i>
4110-1000	Community Services for the Blind	3,911,398	3,433,227	3,901,497	
4110-2000	Turning 22 MCB	11,034,194	11,112,168	11,112,168	
4110-3010	Vocational Rehab. for the Blind	3,008,118	3,008,118	3,053,118	
4120-1000	Mass. Rehab. Admin.	408,720	417,444	404,678	
4120-2000	Vocational Rehabilitation	10,013,228	10,013,705	10,011,824	
4120-3000	Employment Assistance	2,428,315	2,058,907	2,058,907	
4120-4000	Independent Living Assistance	12,226,933	12,229,279	12,229,279	
4120-4001	Accessible Housing Registry	80,000	80,000	80,000	
4120-4010	Turning 22 MRC	791,208	419,288	794,210	
4120-5000	Home Care for the Multi-Disabled	4,337,006	4,280,624	4,280,624	
4120-6000	Head Injury Treatment Services	11,171,360	11,215,519	11,215,519	
4125-0100	Mass. Comm. Deaf & Hard of Hearing	5,100,393	5,390,287	5,354,020	
5911-1003	DDS Admin.	60,672,283	63,187,472	62,084,732	
5911-2000	Community Transportation Services	11,641,431	10,486,581	13,618,581	<i>Gov. adj.--see text</i>
5920-2000	Community Residential Supports	756,797,120	788,139,636	788,090,269	<i>Gov. adj.--see text</i>
5920-2002	DDS Rolland Court Monitor	400,000	400,000	400,000	<i>Gov. adj.--see text</i>
5920-2010	State-Operated Residential Supports	164,790,661	178,324,106	178,322,750	
5920-2025	Community Day and Work Program	124,267,971	135,022,784	132,522,784	<i>Gov. adj.--see text</i>
5920-3000	Respite Family Supports	46,504,298	41,004,298	51,004,298	
5920-3010	Autism Division	4,621,177	4,635,921	4,633,316	
5920-5000	Turning 22 DDS	5,000,000	5,000,000	6,000,000	
5930-1000	State Facilities DDS	142,156,836	132,457,504	132,457,504	
5982-1000	Templeton Developmental Ctr.	150,000	150,000	150,000	

## Elder Services

	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Elder Services</b>	254,843,626	218,751,617	218,674,371	220,919,123	2,244,752	2,167,506

The HWM budget increases funding for community-based long term care services for elders compared to both the FY 2012 current funding levels and to the Governor's budget proposal. These home care services, which include a wide variety of supports such as homemakers and transportation assistance help keep the Commonwealth's frail elders in their homes as long as possible. Even with the increases, however, because of anticipated increasing need, the Commonwealth will still need to maintain wait lists for services. (For information on nursing home funding or the Prescription Advantage program, see the MassHealth & Health Reform section of this *Budget Monitor*.)

Community-based long term care services include:

- \$133.5 million for **home care** case management and services (same as the Governor's proposal)
- \$47.3 million for **enhanced home care** for the frailest and most vulnerable elders (\$828,000 more than the Governor's proposal)
- \$17.3million for **elder protective services**, which investigate elder abuse and neglect, and provide money management supports to prevent financial exploitation (compared to \$16.6 million in the Governor's proposal)

The HWM put back in \$1.5 million that had been cut by the Governor's budget proposal from the elder nutrition program, preventing what could have resulted in the loss of 240,000 free or reduced-price meals for elders. For some elders, the elder lunch programs – which are often run by local councils on aging – are the only guaranteed healthy meal or opportunity for socialization.

#### ELDER SERVICES LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
9110-0100	Dept. of Elder Affairs Admin.	1,994,374	2,164,588	1,963,030	
9110-1500	Enhanced Comm. Options (ECOP)	45,789,340	46,461,487	47,289,340	
9110-1604	Supportive Senior Housing Program	4,014,802	4,106,339	4,014,802	
9110-1630	Elder Home Care Purchased Svcs.	97,780,898	97,783,061	97,780,898	
9110-1633	Elder Home Care Case Mgt. & Admin.	35,738,377	35,738,377	35,738,377	
9110-1636	Elder Protective Services	16,250,554	16,628,729	17,250,554	
9110-1660	Congregate Housing Program	1,717,617	1,658,117	1,610,617	
9110-1700	Placement for Homeless Elders	136,000	139,101	136,000	
9110-1900	Elder Nutrition Program	6,325,328	4,810,824	6,325,328	
9110-2500	Veterans Independence Plus	750,000	750,000	750,000	
9110-9002	Councils on Aging	8,254,327	8,433,748	8,060,177	

## Transitional Assistance

	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Transitional Assistance</b>	829,217,816	774,536,366	785,123,718	783,170,034	(1,953,684)	8,633,668

For entitlement programs like transitional assistance, funding levels are significantly affected by anticipated caseload levels. The HWM budget for **Transitional Assistance for Families with Dependent Children (TAFDC) grants**, and for the other cash assistance programs assumes a slight drop in caseload in FY 2013. Grants are funded at \$322.8 million in the HWM budget, compared to \$318.9 million in the Governor's budget and \$324.2 million in the FY 2012 current budget. The HWM budget reduces the amount allowed for a **clothing allowance**, a one-time payment made in September to help pay for back-to-school clothing. In FY 2012, the budget allowed for a clothing allowance of up to \$150. The Governor's budget did not identify a specific amount for the clothing allowance, but the Administration claimed that an allowance of \$150 would be made available, although the appropriated

amount did not seem sufficient to account for that. The HWM budget specifies a one-time clothing allowance of \$75. The HWM budget also removes language providing for a \$40 per month **rent allowance**.

The HWM follows the Governor's funding proposal with a drop in funding for **Emergency Aid to Elders, Disabled and Children (EAEDC)** from \$89.0 million in the FY 2012 budget to \$88.3 million in FY 2013. This funding level is based on an assumed drop in caseload.

The HWM budget includes language in its budget that would restrict how recipients of TAFDC or EAEDC could use their **benefits as paid through the electronic benefits transfer (EBT)** system. Although the intent of limitations on the use of EBT cards appears to be to protect the system from inappropriate use, the language in the HWM budget could be overly-restrictive and prohibit the use of these benefits for such basics as personal care items and other necessities.

Funding for the **state supplement to Social Security Income (SSI)** increases from \$222.2 million in FY 2012 to an equivalent of \$229.1 million in the HWM budget proposal. Like the Governor, HWM also includes in its funding a \$8.1 million transfer of funding for the SSI supplement for clients of the Mass. Commission for the Blind (MCB), which in past years was separately accounted for within MCB. In FY 2013, HWM follows the Governor's recommendation to consolidate the funding for these two groups of people, shifting the administration of the program from the Social Security Administration to the University of Massachusetts Medical Center. The University already contracts with the state to handle substantial administrative responsibilities for various health and human service programs, and the state anticipates that it will recognize some administrative savings from this consolidation. (The line item breakdown below adjusts for this type of transfer in order to allow for more accurate year-to-year comparisons.)

Unlike the TAFDC or EAEDC caseloads, the Administration anticipates that the **SNAP (Food Stamp)** caseload will continue to rise as it has over the past years. The Administration projects being able to fund additional caseworkers, but caseloads for SNAP are still very high, delaying the ability of low income families and individuals in Massachusetts from getting access to these essential safety net benefits. HWM proposes \$3.1 million for efforts to increase food stamp participation (\$111,000 less than proposed by the Governor), as well as \$1.2 million (level with the Governor's proposal) for a small state supplement to SNAP benefits for certain working families.

## TRANSITIONAL ASSISTANCE LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
4110-1010	State Supplement to SSI for the Blind	8,351,643	8,501,216	8,501,216	<i>adj--see text</i>
4400-1000	Dept. of Transitional Assistance	53,084,416	55,611,427	54,084,750	
4400-1001	Food Stamp Participation	2,933,683	3,171,411	3,060,177	
4400-1025	Domestic Violence Specialists	748,734	782,222	782,222	
4400-1100	Caseworker Salaries and Benefits	59,535,677	64,126,261	60,528,893	
4401-1000	Employment Services Program	7,109,035	7,109,035	7,109,035	
4403-2000	TAFDC Grant Payments	324,180,979	318,871,955	322,817,201	
4403-2007	Supplemental Nutritional Program	900,000	1,200,000	1,200,000	
4403-2119	Teen Structured Settings Program	6,576,708	7,728,595	7,728,595	
4405-2000	State Supplement to SSI	222,156,525	229,757,719	229,094,068	<i>adj--see text</i>
4408-1000	EAEDC	88,958,966	88,263,877	88,263,877	

## Other Human Services

	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Other Human Services</b>	152,792,464	142,240,322	141,607,114	139,849,178	(1,757,936)	(2,391,144)

Like the Governor, HWM increased funding for services for **veterans** compared to FY 2012 current budget levels, but the HWM funding is not as much as in the Governor's proposal. HWM includes an increase in the benefits provided to veterans of \$5.0 million compared to FY 2012 (\$1.9 million less than proposed by the Governor). HWM does not follow the Governor's recommendation to consolidate funding for services for homeless veterans.

Funding for the **Emergency Food Assistance Program** in the HWM budget is \$12.5 million. This appears to be a \$1.0 million increase over the Governor's budget proposal and FY 2012 current budget totals, but is actually just a transfer of funds for food pantries previously administered by the Department of Elementary and Secondary Education. Without a real increase in purchasing power, the state's food pantries will be challenged in addressing the continuing demand for emergency food assistance. Based on regional consumer price index analyses, food prices have risen by more than 4 percent over the past year.

## OTHER HUMAN SERVICES LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
0610-2000	Welcome Home Bill	2,855,604	2,855,604	2,855,604	
0611-1000	Bonus Payments to War Veterans	44,500	44,500	44,500	
1410-0010	Dept. Veterans' Services Admin.	2,491,506	2,526,370	2,440,839	
1410-0012	Veterans' Outreach Centers	1,912,555	1,912,555	2,000,000	Gov. adj--see text
1410-0015	Women Veterans' Outreach	50,000	50,000	50,000	
1410-0018	Veterans' Cemeteries RR	300,000	565,000	300,000	
1410-0075	Train Vets to Treat Vets	125,000	125,000	0	
1410-0100	Veterans' Pension Recovery	0	96,500	0	
1410-0250	Assistance to Homeless Veterans	2,291,380	2,291,380	2,291,380	Gov. adj--see text
1410-0251	New Eng. Shelter for Homeless Vets	2,278,543	2,278,543	2,278,543	Gov. adj--see text
1410-0300	Annuities to Disabled Vets	20,135,820	21,797,082	21,400,000	
1410-0400	Veterans' Benefits	38,980,045	45,889,480	43,988,726	
1410-0630	Veterans' Cemeteries	948,313	1,014,825	1,007,160	
2511-0105	Emergency Food Assistance Program	11,500,000	11,500,000	12,500,000	shift--see text
4000-0050	Personal Care Attendant Council	167,708	172,505	167,192	
4000-0114	Workforce Turnover Reduction Pilot	1,000,000	0	0	
4003-0122	Low-Income Citizenship Program	237,500	237,500	237,500	
4180-0100	Soldiers' Home in Massachusetts	25,940,788	26,931,978	26,931,978	
4180-1100	License Plate Sales	370,000	435,480	435,000	
4190-0100	Soldiers' Home in Holyoke	19,539,530	19,770,962	19,809,226	
4190-0101	Holyoke Antenna RR	5,000	5,000	5,000	
4190-0102	Pharmacy Co-Payment Fee RR	110,000	110,000	110,000	
4190-0200	Holyoke Telephone & Television RR	35,000	35,000	35,000	
4190-0300	Holyoke 12 Bed RR	671,530	671,530	671,530	
4190-1100	License Plate Sales RR	250,000	290,320	290,000	
	Human Service Salary Reserve Fund	10,000,000	0	0	



## INFRASTRUCTURE, HOUSING & ECONOMIC DEVELOPMENT

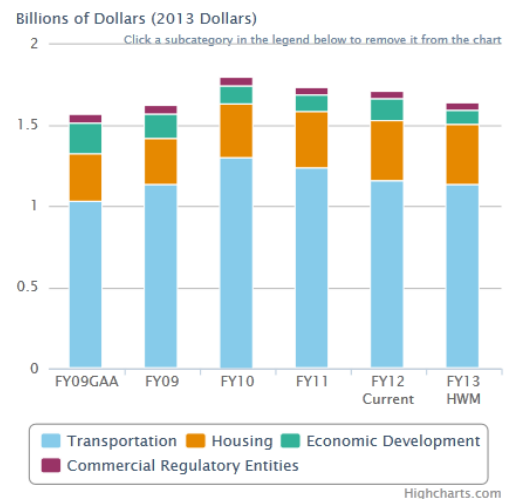
	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Infra., Hsing &amp; Econ. Dev.</b>	1,561,594,448	1,682,891,408	1,645,938,123	1,633,580,167	(12,357,956)	(49,311,241)
<b>Comm. Regulatory Entities</b>	55,019,010	49,382,370	49,173,271	49,250,984	77,713	(131,386)
<b>Economic Development</b>	184,674,618	127,682,553	94,903,993	85,719,650	(9,184,343)	(41,962,903)
<b>Housing</b>	295,446,879	371,093,174	374,869,723	371,618,397	(3,251,326)	525,223
<b>Transportation</b>	1,026,453,941	1,134,733,311	1,126,991,136	1,126,991,136	0	(7,742,175)

Overall, the House Ways and Means (HWM) budget for Fiscal Year (FY) 2013 proposes a decrease of \$49.3 million from current FY 2012 levels to programs within the *MassBudget* category of Infrastructure, Housing & Economic Development. Much of this reduction is driven by a one-time deposit of \$38.0 million into the Infrastructure Development Fund in FY 2012 that is not replicated in the HWM budget for FY 2013. This HWM proposal is \$12.4 million below the Governor's, with much of this difference flowing from lower spending proposals within Economic Development.

The HWM budget maintains a broad reorganization of the state's economic development agencies initiated in FY 2012.

The FY 2013 HWM budget, much like the Governor's proposal, limits low-income families' access to the Emergency Assistance (EA) and to HomeBase programs but provides additional funding for some housing programs, particularly the Massachusetts Rental Voucher Program (MRVP) and Residential Assistance to Families in Transition (RAFT).

The HWM budget proposes near level funding overall for transportation related line-items, with the vast majority funding operations and debt service costs at the MBTA.



### Economic Development

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Economic Development</b>	184,674,618	127,682,553	94,903,993	85,719,650	(9,184,343)	(41,962,903)

The FY 2013 HWM budget for Economic Development reflects a reduction of \$42.0 million from current FY 2012 levels, although this reduction is driven mostly 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 to the FY 2012

budget, the HWM proposal would only show a decrease of \$4.0 million decrease from current FY 2012 levels. The HWM budget also funds several programs at levels below what was proposed by the Governor. Please see the comprehensive line item table at the end of this section for specific detail.

The HWM budget maintains a reorganization of economic development programs that was initiated through the FY 2012 budget.<sup>6</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 HWM proposal cuts total funding for the MMP by \$2.2 million, and the HWM proposal is \$3.1 million below the Governor's. 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 HWM budget continues this arraignment, increasing funding by \$87,000. The Governor proposed increasing funding by \$131,000.

The FY 2012 budget also reassigned line item numbers for programs administered by the Executive Office of **Labor and Workforce Development**. The HWM budget continues the new line item structure and proposes to fund these programs in total at \$23.1 million, a decrease of \$1.2 million from current FY 2012 levels. The Governor proposed an increase of \$674,000. For detail on related line items, please see the note "LWD" in the table at the end of this subcategory.

Finally, the HWM budget does not follow the Governor's proposal to direct up to \$10.0 million of FY 2012 surplus funds to help recapitalize the **Workforce Competitiveness Trust Fund (WSTF)**. Since this Governor's proposal would have still been contingent upon the existence of sufficient surplus money at the end of FY 2012, it does not show up in *MassBudget* totals for the Governor's FY 2013 budget. The WCTF was created by the Workforce Solutions Act/Economic Stimulus Bill of 2006 and funds workforce training programs in a range of employer, nonprofit, and vocational settings.

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<sup>6</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 Governor	FY 2013 HWM	Notes
0640-0300	MA Cultural Council Grants	6,199,866	6,199,866	5,000,000	
1100-1560	MA Development Finance Agency	440,693	0	0	
1599-1977	I-Cubed Assist. Assembly Square Re:	2,165,500	3,462,325	3,462,325	
2511-0100	Dept. of Agricultural Resources	4,300,108	4,280,581	4,192,811	
7002-0010	Executive Office of Housing & Ec. Dev	410,140	621,520	437,278	
7002-0012	Summer Jobs for At-Risk Youth	7,000,000	8,609,158	6,915,087	
7002-0017	Housing & Ec. Dev. IT Costs	2,067,930	2,952,761	2,796,246	
7003-0100	Exec. Office of Labor & Work. Dev.	726,875	924,770	429,961	LWD
7003-0170	Labor and Workforce Development I	240,284	227,297	240,643	LWD
7003-0200	Department of Labor Standards	1,920,041	2,074,598	1,283,716	LWD
7003-0201	Dept. Labor Standards Licensing Fee	452,850	452,850	436,580	LWD
7003-0500	Economic Stabilization Trust	19,106,544	19,253,073	18,905,037	LWD
7003-0605	MA Manufacturing Extension Partner	1,125,000	825,000	1,225,000	
7003-0702	Individual Training Grants	1,600,000	0	0	
7003-0735	Massachusetts Service Alliance	0	500,000	0	shift to 7003-1206
7003-0803	One-Stop Career Centers	4,494,467	4,752,323	4,480,122	
7003-0900	Department of Labor Relations	1,805,890	1,993,958	1,835,872	LWD
7003-0901	Summer Jobs Matching Funds	100,000	100,000	0	LWD
7003-0935	CB Process Reform	0	150,000	0	
7003-1206	Mass Service Alliance	0	0	500,000	shift from 7003-0735
7006-0000	Office of Consumer Affairs & Busine:	768,208	828,806	781,055	
7007-0150	Regional Ec. Dev. Grants	450,000	850,000	0	
7007-0300	MA Office of Business Development	1,624,028	1,755,330	1,710,777	
7007-0500	Biotech Research Institute	200,000	200,000	250,000	
7007-0800	Small Business Dev. UMass Amherst	704,286	1,204,286	1,204,286	
7007-0801	Microlending	200,000	0	0	
7007-0802	Year Up	100,000	0	0	
7007-0951	Commonwealth Zoological Corporati	3,500,000	0	0	shift to 7007-0952
7007-0952	Commonwealth Zoological Corporati	0	3,500,000	3,500,000	shift from 7007-0951
7008-0900	MA Office of Travel and Tourism	2,040,167	6,875,001	1,822,454	MMP
7008-1000	Local Tourist Councils Financial Assi	6,000,000	2,000,000	4,000,000	MMP
7008-1300	Massachusetts International Trade	100,000	110,490	110,400	MMP
PB6	Workforce Training Fund	19,855,315	20,200,000	20,200,000	
1595-6583	Infra. Dev. Fund (operating transfer)	37,950,000	0	0	

Note: LWD = Labor and Workforce Development; MMP = Massachusetts Marketing Partnership

## Housing

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
Housing	295,446,879	371,093,174	374,869,723	371,618,397	(3,251,326)	525,223

The HWM budget recommends providing \$371.6 million for housing programs in FY 2013. This amount is about \$500,000 more than the current FY 2012 budget but \$3.5 million less than the

Governor's FY 2013 budget proposal. The HWM budget is also \$76.2 million higher than the FY 2009 General Appropriations Act (GAA) in inflation-adjusted dollars. With the onset of the Great Recession, as many low-income families lost their jobs and homes and sought help from the state-support family shelter system, state spending on housing has increased dramatically.

The FY 2013 HWM budget, much like the Governor's proposal, limits low-income families' access to the Emergency Assistance (EA) and HomeBase programs but provides additional funding for some housing programs, particularly the Massachusetts Rental Voucher Program (MRVP) and Residential Assistance to Families in Transition (RAFT). The HWM budget differs from the Governor's budget in that it creates a new line-item to support families served through EA who have to stay in hotels and motels because the state's family shelters are full, it level-funds support for state public housing authorities and it does not provide funds for the regional network of organizations that support homeless families and individuals.

Since the onset of the economic crisis in late 2008, demand for shelters funded through EA has increased substantially as many families have lost their jobs and their housing. The FY 2010 GAA limited access to EA by lowering eligibility from families living at or below 130 percent of poverty to the current threshold of 115 percent of poverty. The FY 2012 budget lowered eligibility further by requiring that most families eligible for EA be served by the newly-created HomeBase program that provides rental assistance and one-time housing supports for homeless families served by EA. Many of these families would no longer be able to stay in EA shelters unless they were unable to immediately find housing through HomeBase. Early into FY 2012 demand for HomeBase far exceeded the \$38.6 million appropriated in the GAA. Even with mid-year increases of \$19.1 million, the Department of Housing and Community Development (DHCD) closed HomeBase to new families seeking rental assistance.

#### Family Homelessness and Housing Supports Line Items

Line Item	FY 2012 GAA	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Emergency Assistance (7004-0101)</b>	97,797,200	118,797,200	100,368,742	88,923,588	(11,445,154)	(29,873,612)
<b>EA - Hotels and Motels (7004-0103)</b>	0	0	0	16,636,800	16,636,800	16,636,800
<b>Total EA + EA - Hotels and Motels</b>	97,797,200	118,797,200	100,368,742	105,560,388	5,191,646	(13,236,812)
<b>Home Base (7004-0108)</b>	38,561,732	57,961,732	83,374,371	83,374,371	0	25,412,639
<b>MRVP (7004-9024)</b>	36,000,000	36,000,000	46,040,000	46,040,000	0	10,040,000
<b>RAFT (7004-9316)</b>	260,000	260,000	8,760,000	8,760,000	0	8,500,000
<b>Public Housing Subsidies (7004-9005)</b>	62,500,000	62,500,000	66,531,325	62,500,000	(4,031,325)	0

In its 2013 budget the HWM Committee recommends reorganizing funding for EA by separating funding for the state-run family shelters from the funding that the state pays to hotels and motels who are housing homeless families. The HWM budget provides:

- \$88.9 million for **EA family shelters**. The HWM budget states that families served by EA 'shall include' families who lose housing due to domestic abuse, fire or other natural disaster, those who are evicted through no fault of their own, or because the housing in which they are living is unhealthy or unsanitary. While the HWM budget seems to allow EA to serve other low-

income homeless families that do not fall into these categories, the Governor's proposal restricts EA only to this subset of families. The HWM budget, like the Governor's, limits these families' stay in shelter to 8 months. Low-income families, who have been unable to find permanent housing but have received services from EA for 8 months, will no longer have access to shelter.

- \$16.6 million for a new **EA hotels and motels** account that supports families who are living in hotels and motels because the family shelters are full. In documents accompanying its budget, the HWM Committee stated that the new line item will help the state keep track of homeless families living in these alternative shelters as it works to reduce this population.<sup>7</sup> As noted below, the HWM budget requires that additional funding for MRVP be used for vouchers to help homeless families move out of hotels and motels that have been serving as shelters.
- The HWM budget, when combining funding for both EA and the EA hotels and motels accounts, provides a total of \$105.6 million for EA shelter to eligible homeless families. This is \$5.2 million higher than the Governor's FY 2013 proposal for EA but \$13.2 million less than the FY 2012 current budget. Like previous budgets, the HWM proposal hopes that by increasing supports for housing (described below) the demand among low-income families for shelter will fall and the state will have to appropriate fewer funds to EA. It is important to note however, that despite the state's best efforts to provide housing assistance to low-income families and reduce demand for shelters, each year since the onset of the economic crisis, the Legislature has had to supplement funding for EA.

Like the Governor, the HWM Committee provides \$83.4 million in FY 2013 to the **HomeBase** program which was created in the FY 2012 GAA to help families eligible for EA to find permanent housing. The HWM level is \$25.4 million more than the FY 2012 current budget though it is likely that much of this funding will be used to support families who are already enrolled in the program. Because of the high demand for rental assistance when HomeBase first opened, DCHD closed it to new families in late October 2012. Like the Governor's proposal, the HWM budget seems to restrict HomeBase rental assistance to families who are already enrolled. It also drops the number of years they can receive this assistance from 3 to 2 years. HomeBase will still provide one year's worth of housing assistance, of no more than \$4,000, to families who are moving out of EA shelters and into permanent housing. There is some question whether the \$4,000 will be sufficient to help many of these families, who are extremely poor, stay in housing over the long term.

As the HWM 2013 budget restricts services under both EA and HomeBase, it does increase funding for two key housing support programs including:

- \$10.0 million in additional funds for **MRVP** to \$46.0 million. The HWM budget requires that DHCD create at least 923 vouchers with this additional funding and provide these vouchers to homeless families living in hotels and motels funded through EA.
- \$8.5 million in additional funds for **RAFT** for a total of \$8.8 million. The HWM budget requires that the bulk of RAFT funds be used much like HomeBase housing assistance to provide one-time funds of no more than \$4,000 to prevent low-income families from becoming homeless or to help them secure permanent housing. As with the HomeBase program, there is question

<sup>7</sup> The HWM Committee's Executive Summary accompanying its budget is available here: <http://www.malegislature.gov/Budget/FY2013/House/WaysAndMeans/ExecutiveSummary>

whether this one-time assistance will be sufficient to help many families, who are living close to poverty, to stay in housing over the long term.

In his budget proposal, the Governor also recommended providing **state public housing authorities** with an additional \$4.0 million to help renovate additional units to provide permanent housing for homeless families. The HWM budget recommends providing these authorities with level funding at \$62.5 million and it includes language directing housing authorities to renovate family units if the renovations cost less than \$20,000. Given that the housing authorities have received the same level of funding since FY 2010, while costs for providing services have increased with inflation, it is unlikely they will have the additional funds necessary to renovate units to bring on line for homeless families.

## HOUSING

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
0940-0101	Fair Housing Assistance Type I Re	2,030,380	2,078,580	2,078,580	
7004-0002	Springfield Friends of the Homele	100,000	0	0	
7004-0099	Department of Housing and Comr	6,752,317	7,064,734	6,742,317	
7004-0100	Operation of Homeless Programs	4,970,557	6,018,310	5,240,310	
7004-0101	EA-Family Shelters	118,797,200	100,368,742	88,923,588	<i>adj--see text</i>
7004-0102	Homeless Individuals Assistance	37,963,331	38,902,231	37,963,331	
7004-0103	EA-Hotels and Motels	0	0	16,636,800	<i>adj--see text</i>
7004-0104	Home and Healthy for Good	1,200,000	2,200,000	1,200,000	
7004-0108	HomeBase	57,961,732	83,374,371	83,374,371	
7004-0109	Interagency Council on Housing a	0	1,000,000	0	
7004-1000	LIHEAP	21,187,407	0	0	
7004-3036	Housing Services and Counseling	1,495,996	1,495,996	1,495,996	
7004-3045	Tenancy Preservation Program	250,000	700,000	250,000	
7004-4314	Service Coordinators Program	350,401	350,401	350,401	
7004-9005	Public Housing Subsidies	62,500,000	66,531,325	62,500,000	
7004-9024	MRVP	36,000,000	46,040,000	46,040,000	
7004-9030	Alternative Housing Voucher Prog	3,450,000	3,450,000	3,450,000	
7004-9033	Rental Subsidy Program for Depar	4,000,000	4,000,000	4,500,000	
7004-9315	Low-Income Housing Tax Credit F	2,323,853	2,535,033	2,112,703	
7004-9316	RAFT	260,000	8,760,000	8,760,000	
1595-6585	Low Income Housing Tax Credit F	9,500,000	0	0	



## Transportation

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Transportation</b>	1,026,453,941	1,134,733,311	1,126,991,136	1,126,991,136	0	(7,742,175)

The House Ways and Means FY 2013 budget mirrors the Governor's budget proposal providing \$1.13 billion for transportation lines items and operating transfers. This represents a small decrease (0.7 percent) from current FY 2012 funding levels, though when cost inflation is taken into consideration, we can assume the result is a somewhat larger decline in actual purchasing power.

The large majority (\$946.8 million) of the budgeted amount 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), while a much smaller amount (\$15.0 million) is provided to the state's 14 non-MBTA Regional Transit Authorities.

The remaining portion of the total (\$165.2 million) is provided to the Massachusetts Transportation Trust Fund (MTTF). This amount is equivalent to the Governor's proposal and represents a decrease of \$14.9 million from current FY 2012 funding levels. The MTTF helps to fund Massachusetts Department of Transportation (MassDOT) functions. These functions include maintaining and improving state roads, highways and bridges; maintaining and improving airports, 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 MTTF 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.

### TRANSPORTATION

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
PB1	MBTA State and Local Contribut	779,606,555	786,800,000	786,800,000	
1595-6368	Mass. Transportation Trust Fun	180,126,756	165,191,136	165,191,136	
1595-6369	MBTA (operating transfer)	160,000,000	160,000,000	160,000,000	
1595-6370	Regional Transit Authorities (o	15,000,000	15,000,000	15,000,000	

## Commercial Regulatory Entities

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Comm. Regulatory Entities</b>	55,019,010	49,382,370	49,173,271	49,250,984	77,713	(131,386)

### COMMERCIAL REGULATORY ENTITIES LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
0610-0050	Alcoholic Beverages Control Commis	1,993,336	1,993,336	2,173,736	
0610-0051	Alcoholic Beverages Control Commis	171,664	208,863	208,862	
0610-0060	Alcoholic Beverages Control Commis	100,000	100,000	150,000	
1599-4278	CB Reserve ABCC	0	29,456	0	
2100-0012	Department of Public Utilities	7,611,781	7,589,417	7,589,417	
2100-0013	Transportation Oversight Division	375,051	377,774	374,348	
2100-0014	Energy Facilities Siting Board Retain	50,000	50,000	50,000	
2100-0015	Unified Carrier Registration Retaine	2,300,000	2,300,000	2,300,000	
2100-0016	Steam Distribution Oversight	300,000	99,999	99,117	
7006-0010	Division of Banks	13,203,351	13,816,269	13,818,806	
7006-0011	Loan Originator Administration and	2,650,000	2,650,000	2,650,000	
7006-0020	Division of Insurance	11,731,274	12,233,309	12,233,309	
7006-0040	Division of Professional Licensure	2,272,285	2,476,631	2,391,756	
7006-0043	Home Improvement Contractors Retat	500,000	500,000	500,000	
7006-0060	Division of Standards	700,397	760,886	732,249	
7006-0066	Item Pricing Inspections	160,372	160,372	0	
7006-0067	Weights and Measures Law Enforcer	58,751	58,751	225,000	
7006-0068	Motor Vehicle Repair Shop Licensing	360,000	360,000	360,000	
7006-0071	Department of Telecommunications	2,703,732	2,868,085	2,854,261	
7006-0110	State Racing Commission	1,600,253	0	0	
7006-0151	Proprietary Schools Oversight	540,123	540,123	540,123	

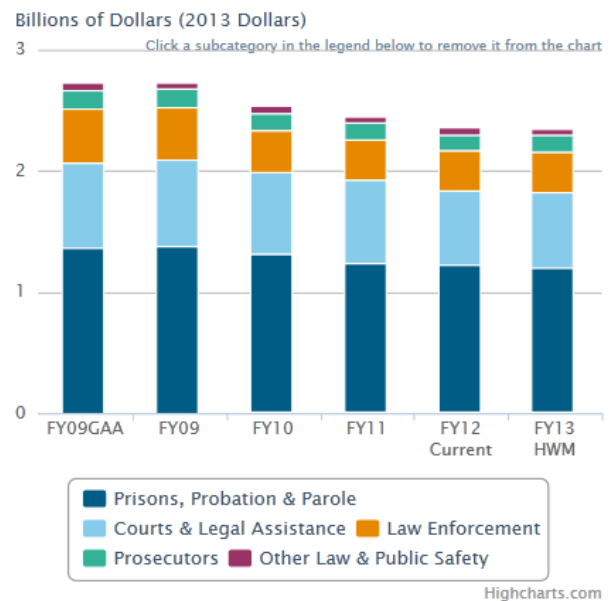
## LAW & PUBLIC SAFETY

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Law &amp; Public Safety</b>	2,723,618,115	2,318,695,360	2,387,654,460	2,339,496,598	(48,157,862)	20,801,238
<b>Courts &amp; Legal Assistance</b>	699,703,441	597,640,896	627,517,063	618,028,530	(9,488,533)	20,387,634
<b>Law Enforcement</b>	445,339,169	326,246,601	345,093,022	332,839,257	(12,253,765)	6,592,656
<b>Prisons, Probation, Parole</b>	1,365,092,139	1,204,690,168	1,226,884,710	1,201,096,213	(25,788,497)	(3,593,955)
<b>Prosecutors</b>	155,990,457	138,107,868	138,497,964	139,834,438	1,336,474	1,726,570
<b>Other Law &amp; Public Safety</b>	57,492,909	52,009,827	49,661,701	47,698,160	(1,963,541)	(4,311,667)

The HWM FY13 budget provides \$2.34 billion in funding for Law & Public Safety programs.<sup>1</sup> This total is less than one percent above the amount provided in the current FY12 budget, a percent increase that does not keep pace with inflation, indicating that in real terms these programs will be funded at lower levels than in the current fiscal year.

The HWM total for these programs falls 2.1 percent below the Governor's FY13 budget proposal and 14.2 percent or \$387.2 million below the amount provided in the 2009 GAA (adjusted for inflation), the last state budget to be enacted before the Great Recession took hold here in Massachusetts. The most notable elements of the HWM FY13 budget include the following:

- HWM maintains the effort undertaken in the FY12 budget to shift indigent defense funding toward public defenders and away from the use of private bar attorneys, with a goal of decreasing and controlling overall indigent defense costs. The Governor, by contrast, proposed pushing these changes beyond the FY12 reforms, shifting still more dollars toward public defenders and away from private bar attorneys.
- As in past years, HWM does not adopt the Governor's recommendations to consolidate parole and probation functions within a new Department of Re-entry and Community Supervision.
- Similarly, HWM again chooses not to adopt the Governor's recurring proposal to consolidate funding for the seven trial courts into the Office of the Chief Justice for Administration and Management (CJAM).



<sup>1</sup> This total includes adjustments to FY 2013 funding amounts to align with FY 2012 line item structures in order to make a proper apples-to-apples comparison between the two years.

## Courts & Legal Assistance

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Courts &amp; Legal Assistance</b>	699,703,441	597,640,896	627,517,063	618,028,530	(9,488,533)	20,387,634

Adjusting to allow for an apples-to-apples comparison with current FY 2012 spending, the HWM budget provides \$618.0 million for Courts & Legal Assistance. This amount is 3.4 percent more than current FY12 funding levels. HWM provides slightly less (1.5 percent less) than the Governor's FY 2013 budget proposal of \$627.5 million.

The HWM budget does not adopt the Governor's recurring proposal to consolidate most funding for the seven trial courts into the **Office of the Chief Justice for Administration and Management (CJAM)**, instead providing an independent appropriation to each court. The HWM budget provides \$189.8 million for the seven trial courts, an increase of \$15.9 million or 9.2 percent over current FY12 funding levels.<sup>2</sup> Within this overall increase, HWM shifts funding for individual court accounts considerably, with increases for the Juvenile Court, Housing Court, and Probate & Family Court, and decreases for the Superior Court, District Court, Land Court, and Boston Municipal Court. The HWM budget provides \$203.8 million for the CJAM in FY13. After taking general price inflation into consideration, however, this 3.2 percent increase for the CJAM represents something closer to level-funding with the current FY12 amount.

The HWM FY13 budget maintains the changes made in FY12 that moved indigent defense funding in the Commonwealth toward a greater reliance on salaried public defenders (PDs) employed by the state and away from the use of independently employed private bar attorneys (PBAs). The FY12 GAA stipulated that 25 percent of the indigent defense caseload would be handled by public defenders (the figure in FY11, prior to the funding shift, was just ten percent), and allocated funding for PDs and PBAs accordingly. The HWM FY13 budget provides a similar allocation between PDs and PBAs: \$63.7 million to PDs (through the Committee for Public Counsel Services) and \$98.9 million to PBAs (through the Private Counsel Services account). These amounts are little changed from current FY12 funding levels, a 0.8 percent increase and 2.1 percent decrease respectively. By contrast, in his FY13 budget, the Governor proposed a further push toward reliance on PDs, advocating for a 50/50 split of the indigent caseload between PDs and PBAs. The Governor proposed increasing PD funding by \$25.4 million over current FY12 levels and reducing funding for PBAs by a similar amount.

Overall, spending on indigent defense is little changed (1.0 percent less) under the HWM FY13 budget relative to current FY12 levels, and is just 1.2 percent less than the Governor's proposed amount. Compared to the 2009 GAA, however, funding for indigent defense in the HWM budget is reduced by 16.3 percent, adjusted for inflation.

<sup>2</sup> This total includes trial court justices' salaries, funding for the Office of the Jury Commissioner, and two related retained revenue accounts.

Indigent Defense	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
Comm. for Public Counsel Services (0312-1500)	31,287,969	45,304,806	70,683,963	45,129,781	(25,554,182)	(175,025)
Private Counsel Compensation for Criminal and Civil Cases (0321-1510)	149,895,625	101,062,917	75,993,955	98,906,090	22,912,135	(2,156,827)
Indigent Counsel Fees Retained Rev. (0321-1518)	801,034	8,900,000	8,900,000	8,900,000	0	0
Indigent Person Fees and Court Costs (0321-1520)	12,236,077	9,010,351	9,010,351	9,710,297	699,946	699,946
<b>TOTAL for Indigent Defense</b>	<b>194,220,705</b>	<b>164,278,074</b>	<b>164,588,269</b>	<b>162,646,168</b>	<b>(1,942,101)</b>	<b>(1,631,906)</b>

Finally, the HWM FY13 budget provides \$11.0 million for the [Massachusetts Legal Assistance Corporation \(MLAC\)](#), \$500,000 more than current FY12 levels, but less than the \$12.0 million proposed by the Governor. MLAC provides low-income people with legal information, advice and representation on critical, non-criminal legal problems.

### COURTS & LEGAL ASSISTANCE

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY2013 HWM	Notes
0320-0003	Supreme Judicial Court	7,437,172	7,937,172	7,670,379	
0320-0010	Clerk's Office of the Supreme Ju	1,131,858	1,215,714	1,215,714	
0321-0001	Commission on Judicial Conduc	575,359	592,597	592,597	
0321-0100	Board of Bar Examiners	1,057,789	1,062,289	1,062,289	
0321-1500	Committee for Public Counsel S	45,304,806	70,683,963	45,129,781	
0321-1510	Private Counsel Compensation	101,062,917	75,993,955	98,906,090	
0321-1518	Indigent Counsel Fees Retaine	8,900,000	8,900,000	8,900,000	
0321-1520	Indigent Persons Fees and Cou	9,010,351	9,010,351	9,710,297	
0321-1600	Massachusetts Legal Assistanc	10,500,000	12,000,000	11,000,000	
0321-2000	Mental Health Legal Advisors C	781,177	815,109	781,177	
0321-2100	Massachusetts Correctional Leg	902,016	902,016	902,016	
0321-2205	Suffolk County Social Law Librar	1,000,000	1,000,000	1,140,000	
0322-0100	Appeals Court	10,501,429	11,103,879	10,887,430	
0330-0101	Trial Court Justices' Salaries	47,307,647	47,307,647	47,716,258	
0330-0300	Office of the Chief Justice for Ac	197,437,997	201,239,224	203,775,080	adj. -- see text
0331-0100	Superior Court	28,194,577	26,679,363	26,604,499	adj. -- see text
0332-0100	District Court	65,193,836	66,206,587	55,552,336	adj. -- see text
0333-0002	Probate and Family Court	23,480,541	23,830,111	24,104,652	adj. -- see text
0334-0001	Land Court	3,086,356	3,328,782	2,712,759	adj. -- see text
0335-0001	Boston Municipal Court	8,782,099	8,774,890	8,538,726	adj. -- see text
0336-0002	Housing Court	5,435,377	5,873,192	6,206,191	adj. -- see text
0337-0002	Juvenile Court	11,821,774	12,675,814	14,642,982	adj. -- see text
0339-2100	Jury Commissioner	2,335,818	2,442,950	2,335,818	
1599-1982	Collective Bargaining Trial Cour	0	17,318,327	17,318,327	
1599-4430	Trial Court NAGE/SEIU 5000	6,400,000	10,623,132	10,623,132	

## Law Enforcement

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Law Enforcement</b>	445,339,169	326,246,601	345,093,022	332,839,257	(12,253,765)	6,592,656

After adjusting FY 2013 funding amounts to align with FY 2012 line item structures and making adjustments for any related collective bargaining agreements (which together allow us to make a proper apples-to-apples comparison between the two years), the HWM FY13 budget provides \$6.6 million or 2.0 percent more than current FY12 funding levels. Given general year-to-year price inflation, this represents roughly flat-funding relative to FY12. The HWM proposal falls \$12.3 million or 3.6 percent below the Governor's FY13 recommendation for these programs, and is \$112.5 million or 25.3 percent below 2009 GAA levels. Among the notable elements of the HWM budget are the following:

- **Shannon Grants** are funded at \$2.0 million, a very substantial drop from the \$8 million of funding the program received in FY12 and the \$8 million proposed in the Governor's FY13 budget. Shannon Grants help fund anti-gang and youth violence prevention efforts undertaken by law enforcement, community-based organizations, and government agencies in communities throughout the Commonwealth.
- The **Department of State Police Operations** receives an increase of \$9.2 million or 3.5 percent over current FY12 funding levels, perhaps slightly outpacing likely cost increases due to inflation.
- Similar to a proposal in the Governor's FY 13 budget, in the HWM budget funding for various types of drug testing are consolidated from the Department of Health, the UMass Medical School and the District Attorney's Office into the **State Police Crime Laboratory**. Adjusting to take these changes into account, HWM provides an increase for the lab of \$142,000 above current FY12 funding levels,<sup>3</sup> a 1.1 percent increase, which likely falls below general price inflation.

<sup>3</sup> HWM provides \$15,074,646 to the State Police Crime Lab account. To allow for proper apples-to-apples comparisons among years, however, MassBudget shifts \$1,939,139 million (the amount identified by ANF as the actual cost shift associated with this consolidation in the Governor's FY budget) out of the State Police Crime Lab account and back into corresponding public health and UMass Medical School accounts. Taking these adjustments into account, the HWM FY13 budget still provides an additional \$142,000 to the State Police Crime Lab.



**LAW ENFORCEMENT**

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
1599-4204	SPAM Collective Bargaining Res	4,509,518	1,190,563	1,190,563	<i>adj. -- see text</i>
8000-0105	Office of the Chief Medical Exan	7,210,507	7,681,063	7,344,737	
8000-0106	State Police Crime Laboratory	12,993,541	13,392,111	13,135,507	<i>adj. -- see text</i>
8000-0110	Criminal History Systems Board	2,515,650	2,560,456	2,448,714	
8000-0111	CORI Retained Revenue		3,000,000	3,000,000	
8000-0122	Chief Medical Examiner Fee Ret	2,000,000	2,100,000	2,100,000	
8000-0125	Sex Offender Registry Board	3,510,417	3,991,123	3,682,582	
8000-0202	Sexual Assault Evidence Kits	86,882	86,882	86,882	
8000-1700	Public Safety Information Techn	17,803,749	20,396,655	18,221,861	
8100-0006	Private Detail Retained Revenue	27,500,000	27,500,000	27,500,000	
8100-0011	Federal Reimbursement Retain	(1,000,000)	0	0	
8100-0012	Special Event Detail Retained R	1,050,000	1,050,000	1,050,000	
8100-0018	Federal Reimbursement Retain	4,100,000	4,501,500	4,501,500	
8100-0020	Telecommunications Access Fee	35,000	35,000	0	
8100-0101	Auto Etching Fee Retained Reve	57,500	108,000	57,500	
8100-0111	Gang Prevention Grant Program	8,000,000	8,000,000	2,000,000	
8100-0515	New State Police Classes	2,000,000	597,787	0	
8100-1001	Department of State Police Ope	230,425,459	245,422,047	243,119,033	
8200-0200	Municipal Police Training Comm	2,500,378	2,579,835	2,500,378	
8200-0222	Municipal Recruit Training Prog	948,000	900,000	900,000	

## Prisons, Probation & Parole

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Prisons, Probation, Parole</b>	1,365,092,139	1,204,690,168	1,226,884,710	1,201,096,213	(25,788,497)	(3,593,955)

The HWM budget provides \$1.20 billion for prison, probation and parole functions, a decrease of 0.3 percent from current FY 2012 funding levels.<sup>4</sup> Given general year-to-year price inflation, the actual percent decrease in *real* funding for these programs would be more substantial. The HWM total for these programs is 2.1 percent less than recommended by the Governor and is a \$164.0 million or 12.0 percent less than was provided in the FY 2009 GAA, adjusted for inflation.

The HWM budget does not adopt the Governor's renewed call to consolidate probation and parole functions within a new **Department of Re-entry and Community Supervision** (the Governor made a similar proposal in his FY 2012 budget, which the Legislature chose not to adopt).<sup>5</sup> Instead, HWM continues to provide funding directly for each of these functions, with **probation services** accounts receiving \$135.5 million and **parole programs** receiving \$17.8 million. These amounts represent cuts of 2.4 percent and 1.6 percent respectively, relative to current FY12 funding levels. Compared to the FY 2009 GAA, the HWM FY13 budget represents a decline in funding of 24.1 percent for probation and parole services, adjusted for inflation.

The HWM budget provides \$537.5 million for the **Department of Corrections** and related accounts (including funding for the **Massachusetts Alcohol and Substance Abuse Centers** included in the Department of Correction Facility Operations account),<sup>6</sup> a 1.1 percent increase over current FY12 funding levels. This amount is \$11.5 million or 2.1 percent less than the amount recommended by the Governor and \$33.6 million or 5.9 percent less than appropriated in the FY 2009 GAA (adjusted for inflation).

Department of Corrections	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Department of Correction Facility Operations</b> (8900-0001)	566,636,811	513,360,246	540,990,712	525,951,881	(15,038,831)	12,591,635
<b>MASAC (MA Alcohol and Substance Abuse Centers)</b> (8900-0002)	0	5,000,000	5,000,000	5,000,000	0	0
<b>Reimbursement from Housing Federal Inmates Retained Revenue</b> (8900-0045)	3,204,137	1,000,000	1,000,000	1,000,000	0	0
<b>DOC Fees RR</b> (8900-0050)	0	11,989,000	0	5,000,000	5,000,000	(6,989,000)
<b>Re-Entry Programs</b> (8900-1100)	1,281,655	550,139	2,000,000	550,139	(1,449,861)	0
<b>TOTAL</b>	571,122,603	531,899,385	548,990,712	537,502,020	(11,488,692)	5,602,635

<sup>4</sup> This total includes adjustments to FY 2013 funding amounts to align with FY 2012 line item structures in order to make a proper apples-to-apples comparison between the two years.

<sup>5</sup> To maintain the ability to make apples-to-apples comparisons between years, where appropriate MassBudget adjusts account figures to conform to prior year line-item structures. Here, based on information from the Governor's budget office, for the Governor's FY13 budget MassBudget reallocates funding from the proposed Department of Re-entry and Community Supervision (8940-0100) and other related accounts back to the primary probation (0339-1001) and parole (0339-1003) accounts.

<sup>6</sup> To maintain the ability to make apples-to-apples comparisons between years, where appropriate MassBudget adjusts account figures to conform to prior year line-item structures. Here, based on HWM FY13 budget language included in the DOC line-item and ANF estimates, MassBudget reduces the DOC account (8900-0001) by \$10.0 million and assigns \$5.0 million to the Massachusetts Alcohol and Substance Abuse Centers account (8900-0002) and \$5.0 million to the DOC retained revenue account (8900-0050).

For the fourteen **County Sheriffs' Departments (CSDs)** and related accounts, HWM provides \$500.3 million, or 1.0 percent less than current FY12 funding levels. HWM provides \$13.9 million or 2.7 percent less than the Governor provides in his FY13 budget recommendations, the result being that all of the CSDs (with the exception of Essex and Nantucket) receive reduced funding.

## PRISONS, PROBATION &amp; PAROLE

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
0339-1001	Commissioner of Probation	116,765,364	110,555,889	114,799,578	<i>adj. -- see text</i>
0339-1003	Office of Community Corrections	22,024,310	22,451,251	20,650,586	<i>adj. -- see text</i>
8000-0004	Sheriff Medicare Lawsuit Reimburse	3,000,000	0	0	
8900-0001	Department of Correction Facility Op	513,360,246	540,990,712	525,951,881	<i>adj. -- see text</i>
8900-0002	MASAC (MA Alcohol and Substance A	5,000,000	5,000,000	5,000,000	<i>adj. -- see text</i>
8900-0010	Prison Industries and Farm Services	2,897,672	4,062,450	3,011,122	
8900-0011	Prison Industries Retained Revenue	2,600,000	3,600,000	2,600,000	
8900-0045	Reimbursement from Housing Feder	1,000,000	1,000,000	1,000,000	
8900-0050	DOC Fees RR	11,989,000	0	5,000,000	<i>adj. -- see text</i>
8900-1100	Re-Entry Programs	550,139	2,000,000	550,139	
8910-0102	Hampden Sheriff's Department	66,021,140	66,021,140	65,784,478	
8910-0105	Worcester Sheriff's Department	40,423,906	40,323,906	40,282,336	
8910-0107	Middlesex Sheriff's Department	63,408,017	63,408,017	60,918,825	
8910-0108	Franklin Sheriff's Department	9,771,430	9,671,430	8,875,657	
8910-0110	Hampshire Sheriff's Department	12,519,619	12,519,619	11,937,088	
8910-0145	Berkshire Sheriff's Department	15,519,254	15,519,254	14,258,336	
8910-0160	Reimbursement from Housing Feder	850,000	850,000	850,000	
8910-0188	Reimbursement from Housing Feder	2,100,000	2,100,000	2,100,000	
8910-0445	Dispatch Center Retained Revenue	250,000	250,000	250,000	
8910-0446	Pittsfield Schools Retained Revenue	500,000	500,000	500,000	
8910-0619	Essex Sheriff's Department	44,838,179	44,838,179	44,885,910	
8910-1000	Prison Industries Retained Revenue	2,251,900	2,388,300	2,251,900	
8910-1010	Hampden Sheriff Regional Mental H	905,441	905,441	905,441	
8910-1100	Prison Industries Retained Revenue	75,000	75,000	75,000	
8910-1101	Middlesex Sheriff Mental Health Sta	905,441	905,441	905,441	
8910-1112	Hampshire Regional Lockup Retaine	158,068	158,248	158,248	
8910-2222	Reimbursement from Housing Feder	1,500,000	500,000	500,000	
8910-6619	Reimbursement from Housing Feder	2,000,000	2,000,000	2,000,000	
8910-7100	Massachusetts Sheriffs Association	344,790	344,790	344,790	
8910-8200	Barnstable Sheriff's Department	23,617,609	23,317,391	22,531,834	
8910-8210	Barnstable Sheriff's Federal Reimbu	250,000	250,000	250,000	
8910-8300	Bristol Sheriff's Department	29,106,893	29,006,893	28,001,984	
8910-8310	Bristol Sheriff's Department Federal	8,460,000	8,460,000	9,011,360	
8910-8400	Dukes Sheriff's Department	2,636,952	2,636,952	2,524,719	
8910-8500	Nantucket Sheriff's Department	747,844	747,844	747,844	
8910-8600	Norfolk Sheriff's Department	27,780,272	27,780,272	25,439,428	
8910-8610	Norfolk Sheriff's Department Federa	2,500,000	1,116,000	1,116,000	
8910-8700	Plymouth Sheriff's Department	26,654,582	26,554,582	25,783,339	
8910-8710	Plymouth Sheriff's Department Fede	16,000,000	16,000,000	16,000,000	
8910-8800	Suffolk Sheriff's Department	94,142,732	94,436,682	90,397,267	
8910-8810	Suffolk Sheriff's Dept. Federal Inmai	8,000,000	8,000,000	8,000,000	
8940-0100	Department of Community Supervisi	0	0	0	<i>adj.-- see text</i>
8940-0101	Indigency Verification Program	0	0	0	<i>adj.-- see text</i>
8940-0200	Community Supervision Fee Retaine	0	0	0	<i>adj.-- see text</i>
8950-0001	Parole Board	17,486,537	17,890,782	17,197,436	<i>adj.-- see text</i>
8950-0008	Parolee Supervision Fee Retained R	600,000	600,000	600,000	<i>adj.-- see text</i>
1599-xxxx	Collective Bargaining Total	3,177,831	17,148,246	15,245,488	<i>adj.-- see text</i>

NOTE: Collective bargaining total includes amounts from the following reserve account line-items (all beginning with 1599):-4234, -4253, -4276, -4288, -4289, -4290, -4291, -4302, -4303, -4304, -4305, -4307, -4308, -4309, -4310, -4313 through -4329, -4333 through -4337, -4339 through -4343, -4348, -4349, -4354, -4355, -4356, -4357, -4258, -4360, -4361, -4362, -4704, and -4801

## Prosecutors

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Prosecutors</b>	155,990,457	138,107,868	138,497,964	139,834,438	1,336,474	1,726,570

The HWM FY13 budget provides \$139.8 million for prosecutors, a 1.3 percent increase from current FY 2012 levels.<sup>7</sup> When inflation is taken into account, this translates into a modest decrease for these programs overall. The amount provided by HWM is 1.0 percent more than was recommended by the Governor in his FY13 budget proposal, but is \$16.2 million or 10.4 percent less than was appropriated in the FY 2009 GAA, the last budget to be enacted before the full effects of the Great Recession became evident here in Massachusetts.

Most of the eleven **District Attorneys'** offices see modest increases of one to two percent over FY12 funding levels. Several, including the Eastern and the Middlesex District Attorney Offices, receive larger increases of four to five percent. The Hampden and the Northwestern DA offices each receive small reductions of one to two percent.

The **Office of the Attorney General** (AG) would receive \$22.3 million, a modest decrease in funding of 2.9 percent and an amount equivalent to that proposed by the Governor. HWM follows the Governor in proposing a new initiative within the AG's office for **Litigation and Enhanced Recoveries**. According to the Governor's budget documents, this initiative would fund "existing and future litigation devoted to obtaining significant recoveries for the Commonwealth."<sup>8</sup> HWM provides \$1.0 million for this initiative while the Governor recommended \$1.8 million.

Other special units within the AG's office (e.g., Medicaid Fraud Control Unit, Wage Enforcement Program, Worker's Compensation Fraud Unit, etc.) are either level-funded or very close to their current FY12 funding levels. Given general year-to-year price inflation, in actuality these amounts likely represent a small decline in real funding for these programs.

<sup>7</sup> This total includes adjustments to FY 2013 funding amounts to align with FY 2012 line item structures in order to make a proper apples-to-apples comparison between the two years.

<sup>8</sup> Governor's FY 2013 Budget website: [http://www.mass.gov/bb/h1/fy13h1/brec\\_13/act\\_13/h08100061.htm?q=0810-0061](http://www.mass.gov/bb/h1/fy13h1/brec_13/act_13/h08100061.htm?q=0810-0061)

## PROSECUTORS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2103 HWM	Notes
0340-0100	Suffolk District Attorney	16,052,775	16,052,775	16,378,860	
0340-0198	Suffolk District Attorney State F	354,303	354,303	354,303	
0340-0200	Northern District Attorney	13,690,462	13,690,462	13,875,497	
0340-0298	Northern District Attorney State	516,485	516,485	516,485	
0340-0300	Eastern District Attorney	8,411,609	8,411,609	8,755,092	
0340-0398	Eastern District Attorney State	504,351	504,351	504,351	
0340-0400	Middle District Attorney	8,987,840	8,889,774	9,468,939	
0340-0410	UMass Medical School Drug La	420,000	420,000	420,000	<i>adj. -- see text</i>
0340-0498	Middle District Attorney State I	413,499	413,499	413,499	
0340-0500	Hampden District Attorney	8,257,076	8,004,233	8,064,395	
0340-0598	Hampden District Attorney Stat	384,899	339,899	339,899	
0340-0600	Northwestern District Attorney	5,086,625	4,983,716	5,004,655	
0340-0698	Northwestern District Attorney	294,248	294,248	294,248	
0340-0700	Norfolk District Attorney	8,315,799	8,200,596	8,445,028	
0340-0798	Norfolk District Attorney State I	438,759	427,306	427,306	
0340-0800	Plymouth District Attorney	7,113,287	7,113,287	7,189,887	
0340-0898	Plymouth District Attorney Stat	429,842	429,842	429,842	
0340-0900	Bristol District Attorney	7,401,003	7,401,003	7,553,290	
0340-0998	Bristol District Attorney State P	326,318	326,318	326,318	
0340-1000	Cape and Islands District Attor	3,617,658	3,617,658	3,716,007	
0340-1098	Cape and Islands District Attor	278,735	278,735	278,735	
0340-1100	Berkshire District Attorney	3,522,666	3,522,666	3,619,864	
0340-1101	Berkshire District Attorney Stat	215,126	0	0	
0340-1102	Berkshire District Attorney Cosl	194,134	0	0	
0340-1198	Berkshire District Attorney Stat	0	215,126	215,126	
0340-2100	District Attorneys' Association	1,660,006	1,660,006	1,660,006	
0340-2117	District Attorney Retention	500,000	500,000	500,000	
0340-8908	District Attorneys' Wide Area N	1,317,090	1,317,090	1,317,090	
0810-0000	Office of the Attorney General	22,922,820	22,251,155	22,251,155	
0810-0004	Compensation to Victims of Vi	2,188,340	2,188,340	2,188,340	
0810-0013	False Claims Recovery Retaine	775,000	775,000	775,000	
0810-0014	Public Utilities Proceedings Un	2,355,145	2,355,145	2,355,145	
0810-0021	Medicaid Fraud Control Unit	4,064,923	4,064,923	4,064,923	
0810-0045	Wage Enforcement Program	2,952,428	3,022,081	2,952,428	
0810-0061	Litigation and Enhanced Recoveries		1,811,579	1,000,000	
0810-0098	Attorney General State Police C	340,676	340,676	415,676	
0810-0201	Insurance Proceedings Unit	1,539,942	1,539,943	1,502,039	
0810-0338	Automobile Insurance Fraud Ir	438,506	438,506	435,443	
0810-0399	Workers' Compensation Fraud	284,456	284,456	284,456	
0840-0100	Victim and Witness Assistance	494,923	494,923	494,923	
0840-0101	Domestic Violence Court Advoc	741,199	741,199	741,199	
8000-0038	Witness Protection Board	94,245	94,245	94,245	
8950-0002	Victim and Witness Assistance	210,670	210,806	210,744	



## Other Law & Public Safety

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Other Law &amp; Public Safety</b>	57,492,909	52,009,827	49,661,701	47,698,160	(1,963,541)	(4,311,667)

This subcategory covers an array of departments and programs including the Executive Office of Public Safety; the Department of Fire Services; the Massachusetts Emergency Management Agency, elevator and boiler inspections; nuclear safety; and the state's Military Division. Overall, HWM provides \$47.9 million for these functions in FY 2013, a \$4.3 million or 8.3 percent decline in funding from current FY2012 levels, and a 17 percent decline relative to the FY 2009 GAA, the last budget to be enacted before the full effects of the Great Recession became evident here in Massachusetts.

Looking at individual departments and program areas, there is good deal of variation, with some receiving significant increases while others are cut heavily. For example, HWM provides \$10.0 million for the state's **Military Division** an increase of 6.7 percent over current FY12 levels. For the **Massachusetts Emergency Management Agency**, HWM provides \$2.4 million or 7.1 percent more than current FY12 levels. For **Fire Fighting Services**, by contrast, HWM makes a reduction in funding of \$4.2 million or 24.0 percent relative to current FY12 levels, a cut more than twice the size of the cut proposed by the Governor. HWM also cuts funding for the **Executive Office of Public Safety and Security** (EOPSS), providing \$1.9 million compared to the \$2.2 million currently appropriated for FY12, a 12.4 percent reduction.

Other Law & Public Safety	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Military Division</b> (8700-0001, 8700-1140)	10,261,417	9,401,491	10,144,300	10,028,694	(115,606)	627,203
<b>MA Emrg. Mgt. Agency</b> (8800-0000, 8800-0001, 8800-0100, 8800-0200, 8800-0300)	2,507,091	2,221,416	2,353,016	2,379,029	26,013	157,613
<b>Fire Fighting Services</b> (8324-0000, 8324-0304)	21,160,819	17,392,874	15,259,224	13,218,884	(2,040,340)	(4,173,990)
<b>EOPSS</b> (8000-0000, 8000-0600)	3,336,874	2,211,927	2,447,969	1,937,797	(510,172)	(274,130)

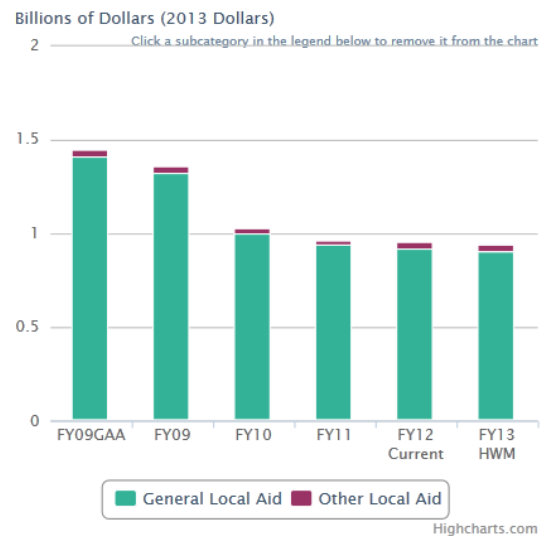
### OTHER LAW & PUBLIC SAFETY

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
0612-0105	Public Safety Employees Line-oi	700,000	200,000	200,000	
8000-0600	Executive Office of Public Safety	2,211,927	2,447,969	1,937,797	
8311-1000	Department of Public Safety	4,574,006	4,534,106	4,534,710	
8315-1020	Elevator Inspection Fee Retain	5,500,000	5,500,000	5,500,000	
8315-1022	Boiler Inspection RR	1,200,000	1,200,000	1,200,000	
8324-0000	Department of Fire Services Ad	17,384,374	15,250,724	13,218,884	
8324-0304	Department of Fire Services Ret	8,500	8,500	0	
8700-0001	Military Division	8,001,491	8,744,300	8,628,694	
8700-1140	Armory Rental Fee Retained Re	1,400,000	1,400,000	1,400,000	
8800-0001	Massachusetts Emergency Man	1,511,395	1,620,262	1,674,707	
8800-0100	Nuclear Safety Preparedness Pr	429,268	440,918	423,569	
8800-0200	Radiological Emergency Respor	280,753	291,836	280,753	
1595-6379	Merit Rating Board (operating t	8,808,113	8,023,086	8,699,046	

## LOCAL AID

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Local Aid</b>	1,438,324,839	936,450,293	867,250,293	931,400,293	64,150,000	(5,050,000)
<b>General Local Aid</b>	1,404,262,198	898,980,293	833,980,293	898,980,293	65,000,000	0
<b>Other Local Aid</b>	34,062,641	37,470,000	33,270,000	32,420,000	(850,000)	(5,050,000)

The Fiscal Year (FY) 2013 House Ways and Means (HWM) budget proposes to fund *MassBudget* category of Local Aid at \$931.4 million, a cut of \$5.1 million from current FY 2012 levels. The vast majority of *MassBudget*'s Local Aid category funds general local aid provided to cities and towns, helping them fund vital local services such as police and fire protection, parks, and public works. General local aid has been cut dramatically over the last several years, and while the HWM proposal funds general local aid at the same \$899.0 million level as the FY 2011 and current FY 2012 budgets, this would represent the third year in a row of not making inflation adjustments that correct for the rising cost of providing local services. *MassBudget* treats education aid separately in our Education section, although cities and towns often use a portion of their general local aid to help fund education as well.



## General Local Aid

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>General Local Aid</b>	1,404,262,198	898,980,293	833,980,293	898,980,293	65,000,000	0

The FY 2013 HWM budget funds **Unrestricted General Government Aid (UGGA)** at \$899.0 million, which is \$65.0 million above the amount guaranteed in the Governor's proposal and equal to current FY 2012 levels.

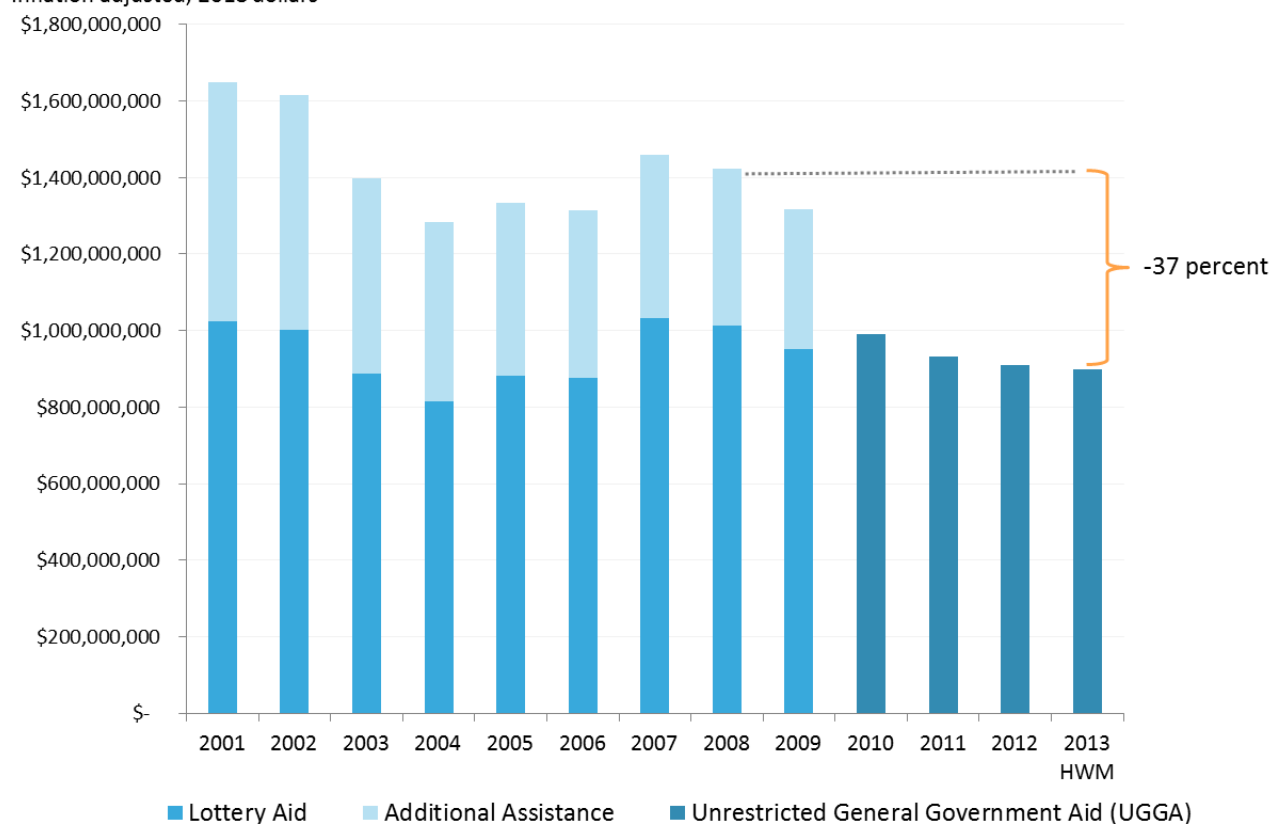
Both the FY 2012 GAA and the Governor's FY 2013 proposal fund UGGA at a baseline level of \$834.0 million. On top of this, the FY 2012 budget directed 50 percent of all unexpended balances from general fund spending coming out of FY 2011 (up to \$65.0 million) to supplement UGGA appropriations for FY 2012. Unexpended FY 2011 fund balances proved sufficient to fund the full \$65.0 million amount, meaning that cities and towns in FY 2012 will receive the same total UGGA appropriation of \$899.0 million that they received in FY 2011. Similarly, the Governor's FY 2013 proposal directs \$65.0 million of any FY 2012 budget surplus to supplement its baseline \$834.0 million appropriation. It is possible,

yet far from certain, that under the Governor's FY 2013 proposal surplus funds would prove sufficient to provide this additional \$65.0 million once again. Under the HWM proposal, however, this amount would be guaranteed.

It should be noted that even if UGGA is funded at the full \$899.0 million in FY 2013, this nominal level funding is tantamount to a cut since no inflation adjustment would have been made over the last two years to keep up with rising costs. Furthermore, general local aid has been cut dramatically since FY 2001. Over the last four years from FY 2008 to FY 2012, general local aid has been cut 37 percent. For more information on the history of general local aid, please see *MassBudget's* recent paper *Demystifying General Local Aid in Massachusetts*, available [here](#).

## General Local Aid is Down 37 Percent from Pre-Recession Levels

Inflation adjusted, 2013 dollars



While the HWM budget assumes that no casino-related revenue will be available to fund programs in FY 2013, the November 2011 casino law is expected to generate new general local aid revenue once casino licenses have been sold and facilities are up and running. While legalized casino gambling facilities will provide some new tax revenue, the state also expects lottery revenues to decrease somewhat as some gambling activity shifts from lottery sales to casinos. For both of these reasons, the new gambling law distributes a portion of future gambling tax revenue to cities and towns in the form of new general local aid. All tax revenue from the slots-only facility and 20 percent of tax revenue from the three full-scale casinos will go into a new Gaming Local Aid Fund and into a related Local Aid

Stabilization Fund. Revenue distributed from these funds will be distributed to cities and towns as Unrestricted General Government Aid, but since UGGA funds have never been distributed using a formula, a policy decision will need to be made for distributing any of this new aid.

## Other Local Aid

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Other Local Aid</b>	34,062,641	37,470,000	33,270,000	32,420,000	(850,000)	(5,050,000)

The HWM budget continues funding for the second year of a **Municipal Grants** reserve account. The HWM proposal is \$2.0 million below the Governor's and is less than half of the current FY 2012 funding level of \$10.1 million, although current line item language includes earmarks redirecting some of this total. The Governor's \$7.0 million proposal assumes that all funding would go towards municipal regionalization and efficiency efforts, whereas HWM line item language includes a \$1.0 million earmark for a narrowly-tailored Department of Elementary and Secondary Education grant program. This money would be available only to K-12 school districts whose Chapter 70 aid in FY 2012 as a percentage of their foundation budgets is less than their target Chapter 70 aid share.

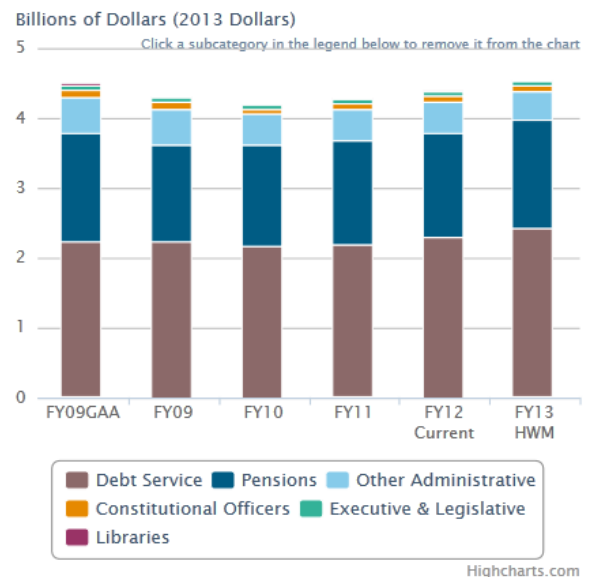
For the program's first year, the state received 100 applications for projects that involved 285 cities or towns. In March, the state ended up awarding 28 grants to fund projects that will involve 138 communities.

### LOCAL AID LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
1233-2350	Unrestricted General Govt Aid (UGGA)	898,980,293	833,980,293	898,980,293	<i>see text above</i>
1233-2400	State Owned Land (in Lieu of Taxes)	26,270,000	26,270,000	26,270,000	
1599-0026	Municipal Grants Reserve	10,050,000	7,000,000	5,000,000	<i>see text above</i>
7006-0140	Local Share of Racing Tax Revenues	1,150,000	0	1,150,000	

## OTHER

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Other</b>	4,497,139,812	4,336,007,070	4,535,302,038	4,539,669,301	4,367,263	203,662,231
<b>Constitutional Officers</b>	95,476,637	69,677,536	75,444,614	74,967,086	(477,528)	5,289,550
<b>Debt Service</b>	2,216,608,862	2,255,461,762	2,428,740,226	2,419,622,923	(9,117,303)	164,161,161
<b>Executive &amp; Legislative</b>	73,875,040	67,939,480	66,439,480	66,495,916	56,436	(1,443,564)
<b>Libraries</b>	36,406,290	21,460,977	21,574,841	21,704,291	129,450	243,314
<b>Pensions</b>	1,564,686,672	1,478,000,000	1,552,000,000	1,552,000,000	0	74,000,000
<b>Other Administrative</b>	510,086,312	443,467,315	391,102,877	404,879,085	13,776,208	(38,588,230)



## Constitutional Officers

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Constitutional Officers</b>	95,476,637	69,677,536	75,444,614	74,967,086	(477,528)	5,289,550

This subcategory includes funding for the Secretary of State, the State Auditor, the Registrar of Deeds as well as various other offices and commissions. The HWM budget includes a proposal in the Governor's FY 2013 budget to create a new account within the **Special Investigations Unit** at the Auditors Office. The FY 2013 HWM budget provides \$469,000 for the new account, the same amount proposed by the Governor, to ensure that the public benefits programs supported by the state are

distributed properly. The **Election Division Administration**, also received an increase of \$3.6 million above the FY 2012 current budget to pay for the primary and general elections in the fall of 2012.

**CONSTITUTIONAL OFFICERS**

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
0511-0000	Secretary of the Commonwealth A	5,912,424	5,912,424	5,912,424	
0511-0001	State House Gift Shop Retained R	30,000	30,000	30,000	
0511-0200	State Archives	378,121	378,121	362,938	
0511-0230	State Records Center	36,217	36,217	36,217	
0511-0250	Archives Facility	296,521	296,521	296,521	
0511-0260	Commonwealth Museum	243,684	243,684	242,556	
0511-0270	Census Data Technical Assistance	500,000	500,000	350,000	
0511-0420	Address Confidentiality Program	130,858	130,858	130,250	
0517-0000	Public Document Printing	600,000	600,000	600,000	
0521-0000	Elections Division Administration	5,062,626	8,646,892	8,646,892	
0521-0001	Central Voter Registration Compu	4,937,121	5,991,979	5,691,979	
0521-0012	Worcester Special Election	38,741	0	0	
0524-0000	Information to Voters	300,000	1,873,087	1,373,087	
0526-0100	Massachusetts Historical Commis	750,000	750,000	750,000	
0527-0100	Ballot Law Commission	10,545	10,545	10,545	
0528-0100	Records Conservation Board	34,056	34,056	34,056	
0540-0900	Essex Registry of Deeds - Norther	1,017,334	1,017,335	1,039,688	
0540-1000	Essex Registry of Deeds - Souther	2,703,583	2,703,583	2,703,583	
0540-1100	Franklin Registry of Deeds	449,288	449,288	573,978	
0540-1200	Hampden Registry of Deeds	1,643,100	1,643,100	1,643,100	
0540-1300	Hampshire Registry of Deeds	471,423	471,423	471,423	
0540-1400	Middlesex Registry of Deeds - No	1,113,611	1,113,611	1,097,111	
0540-1500	Middlesex Registry of Deeds - So	2,875,012	2,875,012	2,802,512	
0540-1600	Berkshire Registry of Deeds - Nor	250,700	250,700	250,700	
0540-1700	Berkshire Registry of Deeds - Cen	419,400	419,400	417,506	
0540-1800	Berkshire Registry of Deeds - Sou	209,483	209,483	209,000	
0540-1900	Suffolk Registry of Deeds	1,734,615	1,734,615	1,704,834	
0540-2000	Worcester Registry of Deeds - Noi	655,072	655,072	644,501	
0540-2100	Worcester Registry of Deeds - Wo	2,161,481	2,161,481	2,161,481	
0610-0000	Office of the Treasurer and Recei	9,181,660	9,181,147	9,181,148	
0610-0010	Financial Literacy Programs	85,000	85,000	85,000	
0610-0140	Financial Institution Fees	21,582	21,582	22,482	
0710-0000	Office of the State Auditor Admini	14,533,952	13,659,122	13,659,122	
0710-0100	Division of Local Mandates	379,643	379,643	371,790	
0710-0200	Bureau of Special Investigations	1,812,420	1,812,420	1,796,505	
0710-0225	Medicaid Audit Unit	897,829	897,829	897,829	
0710-0300	Enhanced Bureau of Special Inves	0	468,950	468,950	
1000-0001	Office of the State Comptroller	7,800,434	7,800,434	8,297,378	



## Debt Service

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Debt Service</b>	2,216,608,862	2,255,461,762	2,428,740,226	2,419,622,923	(9,117,303)	164,161,161

The House Ways and Means FY 2013 budget provides \$2.42 billion for debt service lines items, an increase of \$164.2 million or 7.3 percent over current FY 2012 levels, but slightly less than the Governor's FY 2013 proposal of \$2.43 billion. The increase is driven by a \$127.9 million (6.8 percent) increase in Consolidated Long-Term Debt Service. The HWM proposal for the Accelerated Bridge Program Debt Service, identical to the Governor's at \$49.4 million, nearly doubles the current FY 2012 funding level of \$25.2 million. (This debt service moves from line item 0699-0014 in FY 2012 to 0699-0016 in FY 2013. Also of note, funding provided for Central Artery/Tunnel debt service shifts from account 0699-2005 in FY12 to 0699-2004 in FY13.)

### Debt Service

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
0699-0005	Consolidated Long-Term Debt	20,000,000	20,000,000	20,000,000	
0699-0014	Accelerated Bridge Program Debt	25,217,567	0	0	adj. -- see text
0699-0015	Consolidated Long-Term Debt	1,883,842,211	2,023,271,598	2,011,754,769	
0699-0016	Accelerated Bridge Program Debt	0	49,392,567	49,392,567	adj. -- see text
0699-2004	Central Artery/Tunnel Debt Service	0	101,500,000	106,001,196	adj. -- see text
0699-2005	Central Artery/Tunnel Debt Service	86,189,403	0	0	adj. -- see text
0699-9100	Short-Term Debt Service and C	27,951,544	29,131,247	29,131,247	
0699-9101	Grant Anticipation Notes Debt	22,607,000	13,182,425	13,182,425	
1599-0093	Water Pollution Abatement Tr	64,654,037	67,262,389	65,160,719	
1599-1970	Massachusetts Turnpike Authr	125,000,000	125,000,000	125,000,000	

## Executive & Legislative

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Executive &amp; Legislative</b>	73,875,040	67,939,480	66,439,480	66,495,916	56,436	(1,443,564)

The HWM budget for FY 2013 budget recommends level funding for all but two accounts within the Executive and Legislative subcategory. The HWM budget recommends a small increase in funding for the **Office of Child Advocate** bringing its total funding to \$300,000. Also, now that **redistricting** is complete, the HWM budget does not provide funding for those accounts in FY 2013.

**EXECUTIVE & LEGISLATIVE**

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
0411-1000	Executive Office of the Governor	4,993,342	4,993,342	4,993,342	
0411-1005	Office of the Child Advocate	243,564	243,564	300,000	
9500-0000	Senate Operations	17,841,227	17,841,227	17,841,227	
9510-0000	Senate Redistricting Costs	750,000	0	0	
9600-0000	House of Representatives Operat	35,393,116	35,393,116	35,393,116	
9610-0000	House Redistricting Costs	750,000	0	0	
9700-0000	Joint Legislative Operations	7,968,231	7,968,231	7,968,231	

**Libraries**

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Libraries</b>	36,406,290	21,460,977	21,574,841	21,704,291	129,450	243,314

The state supports public libraries in Massachusetts through a number of programs. The two largest are the Public Libraries Local Aid account which provides direct state aid to local libraries and the Regional Libraries account which supports regional library networks including the inter-library loan and electronic references resources. The state also provides funding for the Talking Book program which is housed in the Perkins School for the Blind serving the eastern part of the Massachusetts and the Worcester Public Library in the western part of the state.

While most of the library accounts are kept at FY 2012 levels in its budget, the HWM Committee provides increases to two accounts including an additional:

- \$84,300 for the **Board of Library Commissioners** for a total of \$999,000.
- \$159,000 for the **Talking Book Program at the Perkins School for the Blind** for a total of \$2.4 million.

Even with these increases in funding for libraries, since the onset of the fiscal crisis in FY 2009, has fallen \$14.7 million or 40.4 percent in inflation-adjusted dollars.

**LIBRARIES**

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
7000-9101	Board of Library Commissioners	914,448	1,028,312	998,778	
7000-9401	Regional Public Libraries Local Ai	9,131,475	9,131,475	9,131,475	
7000-9402	Talking Book Program - Worcester	421,143	421,143	421,143	
7000-9406	Talking Book Program - Watertow	2,241,016	2,241,016	2,400,000	
7000-9501	Public Libraries Local Aid	6,823,657	6,823,657	6,823,657	
7000-9506	Technology and Automated Resoi	1,929,238	1,929,238	1,929,238	

**Pensions**

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Pensions</b>	1,564,686,672	1,478,000,000	1,552,000,000	1,552,000,000	0	74,000,000

The HWM spending plan for FY 2013 assumes, as did the Governor's proposal, an off-budget transfer of 1.55 billion dollars to the Pension Liability Fund. Annual pension funding is governed by state law (Chapter 32§22C of the Massachusetts General Laws), which requires an annual transfer to the state Pension Liability Fund and sets out a funding schedule, which is periodically updated. The most recent update was contained in a section of the FY 2012 budget that extended the timeframe for paying down the state's pension liability to 2040 and set out a schedule of specific payments through FY 2017. The increase in funding compared to FY 2012 is in accordance with that schedule.

The budget also contains outside section language specifying that the FY 2013 pension transfer is intended to cover the cost of providing retirees with a 3 percent cost-of-living in FY 2013. This provision, which is regularly included in the state budget, is calculated on a base that is defined in state statute. In FY 2012 the base was \$12,000 per year, meaning that retirees could receive an increase of up to \$360 per year. Recent pension reform legislation increased that base to \$13,000 (an increase of \$30 to \$390 per year).

**Other Administrative**

Subcategory	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	FY13 HWM - FY13 Gov.	FY13 HWM - FY12 Current
<b>Other Administrative</b>	510,086,312	443,467,315	391,102,877	404,879,085	13,776,208	(38,588,230)

The Other Administrative subcategory includes accounts that cover a wide range of government activities. This subcategory includes one-time funding to help communities recover from major storms or floods, provides funding for various state commissions as well as for the Executive Office of Administration and Finance (A&F).

The FY 2012 General Appropriations Act (GAA) created a new office of **Commonwealth Performance, Accountability and Transparency (CPAT)** within A&F. The HWM budget includes the Governor's FY 2013 budget recommendation to provide this office with an additional \$150,000 to continue its efforts to enhance the functioning of state government. Last year CPAT was charged with improving the way that state agencies coordinate similar activities such as information technology, maximizing the grants from the federal government and assuring that the state delivers services in the most effective and efficient manner possible. CPAT was also charged with improving transparency. In 2011 it launched its new Open Checkbook program to give the public a better understanding of how the state spends its resources. In FY 2013 CPAT will continue to coordinate and improve government services by working with state agencies to develop strategic plans and goals that align with the Governor's priorities including lowering the achievement gap, creating jobs, and reducing state spending on health care.

The HWM budget does not include the Governor's FY 2013 budget estimation of \$30.0 million in savings from **reducing 400 positions** within the Executive Branch.

The HWM budget also recommends consolidating funding for state offices buildings into two accounts. The **Office of Facilities Management**, with \$10.4 million in funding, would oversee all state office buildings but the State House. The HWM funding recommendation is \$650,000 less than the Governor's recommendation. The HWM budget then consolidates State House operations, into two accounts and provides the same level of total funding for these accounts as the Governor's budget proposal. The larger, **Bureau of the State House** would receive \$2.0 million in funding while the smaller **State House Accessibility** account would receive \$138,000. In the chart below, MassBudget has redistributed funding from these consolidated line items into their original accounts in order to allow for year to year comparisons.

Both the Governor and the HWM budget proposals provide \$6.0 for a particular **salary reserve account** within the Executive Branch. This reserve account has been set aside for collective bargaining agreements for several groups of state employees whose contracts have not yet been negotiated. In the chart below, MassBudget redistributes funding from this consolidated line item into their original accounts in order to allow for year to year comparisons.

#### OTHER ADMINISTRATIVE

Line Item	Name	FY 2012 Current	FY 2013 Governor	FY 2013 HWM	Notes
0511-0002	Corporate Dissolution	254,213	254,213	253,076	
0640-0000	State Lottery Commission	78,536,702	78,536,702	78,606,929	
0640-0005	State Lottery Commission - Monitoring Games	2,715,484	2,715,484	3,163,484	
0640-0010	Revenue Maximization	2,000,000	5,000,000	5,000,000	
0900-0100	State Ethics Commission	1,796,500	1,796,500	1,796,501	
0910-0200	Office of the Inspector General	2,941,307	2,231,913	2,263,052	
0910-0210	Public Purchasing and Manager Program Fees Retained Revenue	600,000	600,000	600,000	
0920-0300	Office of Campaign and Political Finance	1,270,342	1,270,342	1,270,342	
0940-0100	Massachusetts Commission Against Discrimination	2,543,312	2,543,312	2,543,312	

## BUDGET MONITOR

0940-0102	Discrimination Prevention Certification Program Retained Revenue	70,000	70,000	70,000	
0950-0000	Commission on the Status of Women	70,000	70,000	70,000	
0950-0050	GLBT Commission	100,000	100,000	100,000	
1100-1100	Office of the Secretary of Administration and Finance	2,776,193	2,850,000	2,846,156	
1100-1201	Office of Commonwealth Performance, Accountability and Transparency	350,000	500,000	500,000	
1100-1700	Administration and Finance Information Technology Costs	24,651,208	28,602,693	24,651,208	
1100-1708	MDDC Trust Account Match	0	86,000	0	
1102-1128	State House Accessibility	0	0	138,476	adj--see text
1102-3199	Office of Facilities Management	0	0	0	adj--see text
1102-3205	Massachusetts Information Technology Center Rents Retained Revenue	16,250,000	16,250,000	16,250,000	
1102-3232	Contractor Certification Program Retained Revenue	300,000	400,000	300,000	
1102-3301	Bureau of State Office Buildings	5,051,138	4,918,417	4,629,837	adj--see text
1102-3302	Utility Costs for State Managed Buildings	6,205,820	6,165,820	5,804,050	adj--see text
1102-3306	State House Operations	700,034	700,034	700,034	adj--see text
1102-3307	State House Accessibility	938,476	940,021	940,021	adj--see text
1102-3309	Bureau of the State House	0	500,000	361,524	adj--see text
1106-0064	A&F Caseload Forecasting	150,000	159,415	159,415	
1107-2400	Massachusetts Office on Disability	562,272	586,112	562,272	
1107-2501	Disabled Persons Protection Commission	2,210,698	2,210,698	2,256,979	
1108-1011	Civil Service Commission	410,000	439,116	434,700	
1110-1000	Division of Administrative Law Appeals	1,077,076	1,128,302	1,077,553	
1120-4005	George Fingold Library	796,229	823,547	803,148	
1201-0100	Department of Revenue	80,469,544	83,164,283	80,469,544	
1201-0130	Additional Auditors Retained Revenue	23,940,257	27,940,257	27,940,258	
1201-0160	Child Support Enforcement Division	33,676,820	35,536,672	34,536,672	
1201-0164	Child Support Enforcement Federal Reimbursement Retained Revenue	6,547,280	6,547,280	6,547,280	
1231-1000	Water and Sewer Rate Relief Payments - Local Services Program	500,000	0	500,000	
1232-0100	Underground Storage Tank Reimbursements	26,099,454	20,000,000	13,000,000	
1232-0200	Underground Storage Tank Administrative Review Board	2,033,299	2,088,156	1,780,156	
1233-2000	Tax Abatements for Disabled Veterans, Widows, Blind Persons and the Elderly	25,301,475	25,436,475	25,301,475	
1310-1000	Appellate Tax Board	1,734,270	1,734,270	1,733,702	
1310-1001	Tax Assessment Appeals Fee Retained Revenue	400,000	400,000	300,000	
1599-0015	Intergovernmental Secretariat Budget Team Savings Reserve	(25,000,000)	0	0	
1599-0016	Fraud and Abuse Prevention Task Force	110,000	0	0	
1599-0018	Revenue Maximization Reserve	750,000	0	0	
1599-0024	Agency Auditor Grant Program	1,250,000	0	0	
1599-0029	Collective Bargaining SEIU 1199	1,000,000	0	0	

## BUDGET MONITOR

1599-0050	Route 3 North Contract Assistance	5,409,158	1,128,818	1,128,818	
1599-1705	June 2011 Tornadoes	15,000,000	0	0	
1599-1706	June 2011 Tornadoes	10,000,000	0	0	
1599-1707	December 2008 Severe Winter Storm	6,200,000	0	0	
1599-1708	March 2010 Floods	2,783,277	0	0	
1599-1709	Tropical Storm Irene	10,000,000	0	0	
1599-2013	Connor B. Reserve	2,500,000	0	0	
1599-3234	South Essex Sewerage District Debt Service Assessment	90,100	90,100	90,100	
1599-3381	Hutchinson v. Patrick	745,000	0	0	
1599-3384	Judgments, Settlements and Legal Fees	6,900,000	5,000,000	5,000,000	
1599-3393	Hayes Settlement	5,000,000	0	0	
1599-3535	Position Reduction Reserve	0	(30,000,000)	0	
1599-3856	Massachusetts Information Technology Center Rent	600,000	500,000	500,000	
1599-4227	Dukes County Sheriff MCOFU Collective Bargaining Reserve	4,132,356	1,125,113	1,125,113	adj--see text
1599-4250	CB Reserve Registries of Deeds	0	343,614	0	
1599-4252	COPS Contract	140,000	52,801	52,801	adj--see text
1599-4281	NAGE Collective FY11 Bargaining Reserve	10,000	9,571,084	9,571,084	
1599-4282	Service Employees International Union	2,903,000	9,277,199	9,277,199	
1599-4283	AFSCME Council 93 Unit 2 2011 Reserve	10,000	6,939,638	6,939,638	
1599-4284	Moses Unit 2 FY11 Collective Bargaining Costs	10,000	1,714,335	1,714,335	adj--see text
1599-4370	International Association of Fire Fighters	436,000	0	0	
1599-4380	Information Technology Funding for Consolidated Executive Branch IT Operations	20,420,000	0	0	
1599-4800	Interim CB Reserve Executive Branch	0	0	0	adj--see text
1599-4804	Interim CB Reserve Independents	0	1,338,417	1,338,417	
1750-0100	Human Resources Division	2,618,785	2,578,530	2,561,318	
1750-0102	Civil Service Exam Fee Retained Revenue	2,700,000	2,700,000	2,700,000	
1750-0119	Former County Employees Workers' Compensation	52,057	52,057	52,057	
1775-0100	Operational Services Division	200,000	0	0	
1775-0106	Enhanced Vendor Auditing	475,000	484,278	0	
1775-0115	Statewide Contract Fee	2,989,876	3,500,000	3,500,000	
1775-0124	Human Services Provider Overbilling Recovery Retained Revenue	500,000	500,000	500,000	
1775-0200	Supplier Diversity Office	546,768	558,332	546,768	
1775-0600	State Surplus Property Sales Retained Revenue	750,000	750,000	750,000	
1775-0700	Reprographic Services Retained Revenue	53,000	53,000	53,000	
1775-0900	Federal Surplus Property Sales Retained Revenue	55,000	55,000	55,000	
1790-0100	Information Technology Division	3,259,613	3,259,612	3,195,378	
1790-0151	Data Processing Service Fee Retained Revenue	55,000	55,000	10,000	
1790-0300	Vendor Computer Service Fee Retained Revenue	554,730	554,730	554,730	
1790-0350	Springfield Data Center	0	2,612,820	1,500,000	

**BUDGET MONITOR**

7004-0001	Indian Affairs Commission	99,010	106,715	106,715
8315-1025	Building Code Training Fee Retained Revenue	90,182	93,988	90,182
8700-1160	Welcome Home Bonus Life Insurance Premium Reimbursement	1,040,000	1,361,662	1,361,662



## Revenue

Unlike the Governor's budget, the House Ways and Means (HWM) FY 2013 budget does not include revenues from new taxes on tobacco products or from the lifting of tax exemptions for candy and soda.

The HWM budget assumes \$33.1 million in new ongoing revenue (in other words, revenue that will continue beyond FY 2013), and \$686.0 in new temporary revenue (that is, available only in FY 2013). Temporary revenues are useful for balancing the budget only in the current fiscal year.

FY 2013 REVENUE INITIATIVES	FY 2013 Governor		FY 2013 HWM	
Tax Revenue	Temporary	Ongoing	Temporary	Ongoing
Delay FAS 109 deductions	45,860,105		45,860,105	
Increase cigarette tax by \$0.50		62,500,000		
Eliminate sale tax exemption for candy and soda		61,500,000		
Enhanced tax enforcement		22,300,000		22,300,000
Update tobacco taxes to include other tobacco products		10,400,000		
Market sourcing for corporate excise sales factor		10,000,000		
Enforce room occupancy tax on hotel room resellers		7,213,281		
Taxation of non-insurance subsidiaries of insurance companies		7,000,000		
Disallow tax deductions for losing lottery tickets		500,000		
<b>Tax Revenue</b>	<b>45,860,105</b>	<b>181,413,281</b>	<b>45,860,105</b>	<b>22,300,000</b>
Departmental Revenues	Temporary	Ongoing	Temporary	Ongoing
Bottle redemption		22,300,000		
Various increased fees, etc.		10,800,000		10,800,000
<b>Departmental Revenues</b>	<b>0</b>	<b>33,100,000</b>	<b>0</b>	<b>10,800,000</b>
Other Sources of Funds	Temporary	Ongoing	Temporary	Ongoing
Stabilization ("Rainy Day") Fund Withdrawal	400,000,000		400,000,000	
Stabilization ("Rainy Day") Fund Interest Transfer	9,100,000		9,100,000	
Proceeds from Various Trusts	6,000,000		37,000,000	
Use of Group Insurance trust	40,000,000		40,000,000	
Use of Commonwealth Care trust surplus	44,000,000		44,000,000	
Foregone carry forward of consolidated net surplus			110,000,000	
<b>Other Sources of Funds</b>	<b>499,100,000</b>	<b>0</b>	<b>640,100,000</b>	<b>0</b>
SUB-TOTALS	Temporary	Ongoing	Temporary	Ongoing
	<b>544,960,105</b>	<b>214,513,281</b>	<b>685,960,105</b>	<b>33,100,000</b>
<b>TOTAL REVENUES</b>	<b>759,473,386</b>		<b>719,060,105</b>	

## Tax Revenues

The HWM FY 2013 budget includes only two tax initiatives. The larger of the two is the delay (for another year) of the "FAS 109" tax break provided to certain publically-traded companies as part of the 2008 combined reporting corporate tax reform package. Delaying this tax break will offer the Commonwealth one-time savings of \$45.9 million in FY 2013.

The other tax initiative improves the Department of Revenue's enforcement abilities (through use of more powerful data-review software), bringing in an additional \$22.3 million in revenue in FY 2013,

revenue that is owed to the Commonwealth but that currently goes uncollected. This represents a new and ongoing revenue stream for the state.

Both of these initiatives were proposed by the Governor in his FY13 budget, as were other tax initiatives that HWM did not adopt. For a more detailed review of the Governor's tax revenue proposals, please see MassBudget's updated Governor's Budget Monitor, available on our website: [http://www.massbudget.org/report\\_window.php?loc=budget\\_monitor\\_governor\\_fy13.php&section=10](http://www.massbudget.org/report_window.php?loc=budget_monitor_governor_fy13.php&section=10)

Apart from the two initiatives outlined above, HWM proposes no other sources for new or enhanced tax revenues in its FY13 budget. To bring its budget into balance, HWM instead relies more heavily on other, temporary revenues.

## Non-Tax Revenues

The HWM budget includes a total of \$13.4 billion in non-tax revenues: \$8.0 billion in federal revenues, \$3.2 billion in departmental revenues such as fees and assessments and \$2.2 billion in revenues from other sources, such as transfers from lottery receipts and from various trust funds. The HWM budget specifies \$650.9 million new non-tax revenues—\$10.8 million in ongoing revenue and \$640.1 million in temporary revenues. Most notably, however, HWM did not include the Governor's initiatives to expand and modernize bottle redemption, which would have brought in approximately \$22.3 million in new departmental revenues.

The major non-tax components of the HWM revenue proposal include the following items:

### *Agency Revenue Initiatives*

HWM seems to follow the Governor's proposals to increase a number of permitting and licensing fees charged by a various departments, changes that together would raise an estimated \$10.8 million in ongoing revenue annually. Approximately half (\$5 million) of the total would derive from selling advertising space on a limited number of state owned assets, such as vehicles.

### *Stabilization Fund*

Like the Governor, the HWM budget relies on \$400 million in one-time funding from the state's Stabilization Fund (the "Rainy Day Fund"), and proposes transferring into the General Fund an estimated \$9.1 million in anticipated interest earned by the Stabilization Fund. The Governor and HWM also both make a required \$100 million deposit into the Stabilization Fund which is the estimated amount of FY 2013 capital gains revenues in excess of \$1 billion. Both the Governor's budget and the HWM budget also forego a statutory deposit from the "consolidated net surplus" of approximately \$100 million into the Stabilization Fund.

### *Unused Balances*

Finally, both the HWM and Governor's budgets rely on the use of unused balances in existing trust funds to pay for FY 2013 costs. While the Governor's budget identified \$6.0 million in unused funds from various trusts, the HWM budget counts on \$37.0 million. Both the Governor and HWM use \$40.0

million to support the costs of the state employee health insurance from the Group Insurance trust; this one-time source of funds is, in essence, a source for one-time savings for the Commonwealth. Both budget proposals also count on \$44.0 million from the existing balance in the Commonwealth Care Trust Fund that would be used towards the costs of the Commonwealth Care program and the Health Safety Net this year. These are all one-time resources that, if used in FY 2013, will help fill the budget gap in the current year, but once used will no longer be available to balance the budget in future years.

Finally, HWM also foregoes the statutory “carry forward” from FY 2013 into FY 2014 of approximately \$110 million from the consolidated net surplus. By not reserving these funds for the next year’s budget, they become a one-time revenue source in the current year.