

The Legislature's Budget for FY 2013

Most of the pieces of the FY 2013 budget are now in place. The House and Senate have joined in support of a single Legislative budget—parts of which may be vetoed by the Governor but the bulk of which will remain as the spending blueprint for the year.

There will be no revenue from new taxes. Of all the proposals in this budget process, only the Governor included new taxes—among them an increase in the cigarette tax and an end to the sales tax exemption for candy and soda. None of these taxes will be included in the final FY 2013 budget.

Instead, Massachusetts will fill its roughly \$1.3 billion budget gap through a combination of temporary revenue, cuts, and savings. In particular, the Legislature's budget calls for \$615 million in temporary revenue, which will be used for FY 2013 but won't help with future budget shortfalls.

Much of the rest of the deficit is filled with cuts and savings—on top of the \$3 billion in cuts and savings which have been enacted over the last four years. For example:

- Funding for **Emergency Assistance** homeless shelters, for instance, has been cut by \$40.8 million.
- **Child care subsidies** have been cut by roughly \$8 million.

The largest share of savings comes from Health Care. Even though **MassHealth** is slated to receive a 5.3 percent increase in funding for FY 2013, this is nearly \$500 million less in total and \$250 million less in state money than would be required for the program to continue as is. The FY 2013 budget relies on new savings initiatives to fill this gap without cutting MassHealth services.

There are a few areas which will receive increased funding in FY 2013, most notably **K-12 Education**. The Legislature raises reimbursement levels for districts with high-needs special education students by \$28.8 million, which should ease pressure on school budgets. It also increases funding for **Chapter 70 Education aid** by \$180 million—although part of this increase is being distributed in a way that disproportionately benefits wealthier districts.

Even with this additional funding, moreover, overall spending on **K-12 education** is down 3.5% since FY 2009. Indeed, the big fiscal story is about more than the FY 2013 budget deficit; it's about the regular deficits that the Commonwealth has been facing for many years now—

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including before the recession even began.

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.¹

These are some of the broader forces that have shaped the FY 2013 budget as a whole, and with it the many, specific proposals that we analyze in our various sections (available through the Table of Contents dropdown above).

The table below shows how the FY 2013 budget compares to other recent budgets and budget proposals, including the House and Senate budget proposals, the FY 2012 budget, and the initial budget for FY 2009. We have adjusted the numbers where relevant to allow for more accurate comparisons among the budgets shown. In particular, the House had included the costs of collective bargaining agreements for state workers in special reserve (temporary holding) accounts, whereas the Senate and Legislature's final proposal included those costs in the various line items from which the affected workers would be paid. To allow more accurate comparisons, we re-allocate the reserve totals to match the final proposed budget structure. As a result, some of the totals for some subcategories are higher in this Budget Monitor than in our earlier Monitors, and the totals associated with those collective bargaining reserve accounts (usually included in the "Other Administrative" subcategory total) are less.

¹ 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

BUDGET BY CATEGORY AND SUBCATEGORY (millions)	FY 2009 GAA (inflated)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Education	7,425.2	6,645.1	6,893.6	6,931.1	6,946.8
Early Education & Care	630.3	506.8	499.4	498.2	499.6
Higher Education	1,168.5	957.9	1,007.8	1,014.9	1,016.3
K-12: Chapter 70 Aid	4,217.5	3,990.8	4,154.6	4,171.1	4,171.1
K-12: Non-Chapter 70 Aid	659.1	511.4	542.4	557.6	570.3
K-12: School Building	749.8	678.1	689.4	689.4	689.4
Environment & Recreation	227.2	162.5	169.6	177.7	178.4
Environment	95.8	72.2	74.2	80.0	79.4
Fish & Game	22.7	18.8	20.4	20.8	20.9
Parks & Recreation	108.7	71.5	75.0	76.9	78.1
Health Care*	13,801.6	14,654.1	15,160.9	15,093.2	15,139.9
MassHealth (Medicaid) & Health Reform	11,096.7	12,109.0	12,654.7	12,604.8	12,655.2
Mental Health	732.1	651.0	675.4	672.4	671.4
Public Health	635.0	523.9	519.8	531.7	529.2
State Employee Health Insurance*	1,337.8	1,370.2	1,311.1	1,284.3	1,284.1
Human Services	3,746.1	3,429.3	3,502.3	3,500.7	3,517.1
Children, Youth & Families	1,067.6	890.1	911.3	916.6	914.7
Disability Services	1,441.7	1,393.0	1,440.4	1,425.7	1,438.4
Elder Services	254.8	218.8	222.1	221.0	222.8
Transitional Assistance	829.2	785.6	787.4	775.9	779.2
Other Human Services	152.8	141.9	141.1	161.5	162.0
Infrastructure, Housing & Economic Development	1,571.1	1,724.9	1,656.9	1,654.1	1,651.3
Commercial Regulatory Entities	55.0	49.4	49.8	49.9	50.1
Economic Development	184.7	133.7	97.3	94.0	96.5
Housing	295.4	398.3	374.1	369.5	364.0
Transportation	1,035.9	1,143.5	1,135.7	1,140.7	1,140.6
Law & Public Safety	2,714.1	2,345.6	2,360.7	2,380.8	2,364.7
Courts & Legal Assistance	699.7	625.1	625.5	626.1	615.8
Law Enforcement	445.3	328.0	338.7	345.5	340.1
Prisons, Probation & Parole	1,365.1	1,211.1	1,214.2	1,222.4	1,221.3
Prosecutors	156.0	138.1	139.9	142.8	142.7
Other Law & Public Safety	48.0	43.2	42.4	44.0	44.9
Local Aid	1,438.3	936.5	932.4	941.4	939.2
General Local Aid	1,404.3	899.0	899.0	900.0	899.0
Other Local Aid	34.1	37.5	33.4	41.4	40.3
Other	4,497.1	4,336.7	4,520.2	4,493.4	4,492.2
Constitutional Officers	95.5	69.7	75.6	75.6	75.7
Debt Service	2,216.6	2,255.5	2,419.6	2,416.0	2,416.0
Executive & Legislative	73.9	67.9	66.5	66.4	66.5
Libraries	36.4	21.5	21.8	21.8	21.8
Pensions	1,564.7	1,478.0	1,552.0	1,552.0	1,552.0
Other	510.1	444.2	384.6	361.6	360.2
Total Appropriations and Transfers	35,420.8	34,234.7	35,196.6	35,172.3	35,229.6

* 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 by municipalities for their employees' health benefits.

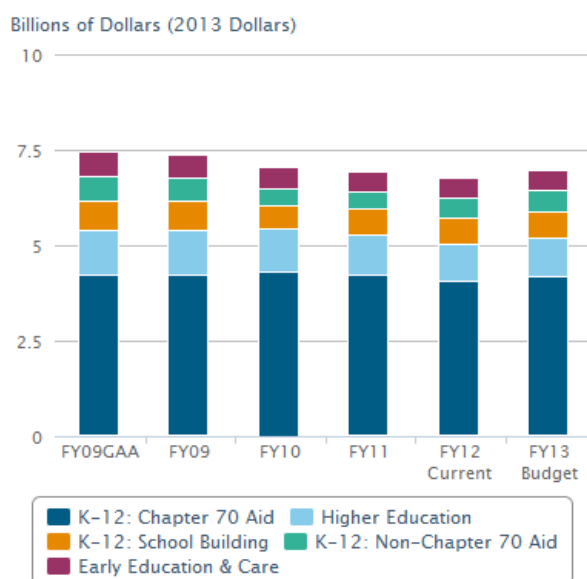
NOTE: The FY 2012 Current total includes funding in the GAA plus any supplemental budgets passed during the year. The FY 2013 budgets include adjustments to allow for accurate comparisons among the proposals and for year-to-year comparisons. All numbers use the Consumer Price Index (CPI-U) to adjust for inflation.

EDUCATION

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Education	7,425,231,565	6,645,140,788	6,893,603,867	6,931,135,726	6,946,805,661
Early Education & Care	630,273,131	506,848,267	499,378,951	498,212,634	499,647,592
Higher Education	1,168,525,324	957,916,702	1,007,818,045	1,014,857,429	1,016,331,743
K-12: Chapter 70 Aid	4,217,523,807	3,990,812,680	4,154,611,977	4,171,079,892	4,171,079,892
K-12: Non-Chapter 70 Aid	659,120,982	511,419,739	542,394,894	557,585,772	570,346,434
K-12: School Building	749,788,322	678,143,400	689,400,000	689,400,000	689,400,000

The FY 2013 budget increases funding for a number of education programs over current FY 2012 levels. In many cases these increases are in line with inflation, and in a few cases these increases go beyond merely reflecting annual cost growth to help offset a portion of cuts made over recent years. Even with these modest increases, however, total state spending on education for FY 2013 represents an inflation-adjusted cut of around 6.4 percent from pre-fiscal crisis levels (FY 2009 GAA).

Much of the one-year increase for education programs comes in the form of revenue support for local school districts. Chapter 70 education aid is increased by \$180.3 million and reimbursements through the Special Education Circuit Breaker are increased \$28.8 million. Early education programs are the hardest hit category of education spending in the FY 2013 budget, with the three main child care subsidy accounts getting cut by a total of \$8.1 million.



Early Education & Care

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Early Education & Care	630,273,131	506,848,267	499,378,951	498,212,634	499,647,592

Early Education and Care programs and services receive a cut of \$7.2 million compared to FY 2012. This cut is much bigger when accounting for the increase in costs due to inflation. The FY 2013 budget appropriation of \$499.6 million represents a cut of 20.7 percent when compared to FY 2009 GAA inflation-adjusted funding levels.

In FY 2012, more than 85 percent of early education and care funding went to three child care programs: **Supportive Child Care** for children in Department of Children and Families (DCF) care, **Income Eligible Child Care** for other children of low-income working families, and **TANF Related**

Child Care for children of families served by or transitioning from Transitional Aid to Families with Dependent Children (TAFDC). Taken together, the FY 2013 budget appropriation for the three child care subsidies is \$8.1 million lower than the current FY 2012 budget and \$89.1 million lower than FY 2009 GAA inflation-adjusted funding levels.

Child Care Subsidy Line Items

Line Item	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 House	FY 13 Senate	FY 2013 Budget
Supportive Child Care (3000-3050)	84,473,123	77,448,576	77,330,875	76,612,276	77,330,875
TANF-Related Child Care (3000-4050)	211,200,952	132,458,313	125,495,740	125,495,740	125,495,740
Income Eligible Child Care (3000-4060)	228,102,391	232,897,940	231,870,452	231,370,452	231,870,452
TOTAL	523,776,466	442,804,829	434,697,067	433,478,468	434,697,067

Entry for new income eligible child care families has been closed for most of FY 2012 and the FY 2013 budget will continue to exclude new families for FY 2013. EEC is projecting a small surplus in this account for FY 2012 which would be used for siblings of children already receiving a subsidy. In April 2012 the number of families on the waitlist for income eligible child care exceeded 36,000 with an 11.8 percent increase from March to April alone. Although the state is projecting a reduction in caseload for TANF-related child care, EEC projects that the \$125.5 million appropriation will be insufficient in FY 2013. DCF no longer counts the number of children waiting for supportive child care, but in FY 2010 the waitlist averaged around 1,000 children.

Reach Out and Read received \$750,000, the largest percentage cut (6.3 percent) of the early education and care programs compared to FY 2012. 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. This small percentage cut is dwarfed when comparing FY 2013 appropriations to FY 2009 GAA inflation-adjusted funding levels:

- **Access Management**, cut 78.1 percent, funds child care resources and referral agencies (CCR&R) which help families with a subsidy attain child care.
- **Early Childhood Mental Health Consultations**, cut 75.8 percent, promote the healthy social and emotional development of all children at the classroom level.
- **Universal Pre-Kindergarten**, cut 42.2 percent, funds grants to improve the quality of and expand access to preschool programs and services to children from the age of two years nine months until they are kindergarten eligible.
- **Head Start**, cut 25.1 percent, promotes school readiness of children ages birth to five from low-income families by enhancing their cognitive, social, and emotional development.

EARLY EDUCATION & CARE LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
3000-1000	Dept. of Early Ed & Care Admin.	11,683,491	12,172,954	12,503,088	12,322,954	
3000-2000	Access Management	5,933,862	5,933,862	5,433,862	5,933,862	
3000-2050	Children's Trust Fund	1,026,106	1,080,682	1,097,237	1,065,473	
3000-3050	Supportive Child Care	77,448,576	77,330,875	76,612,276	77,330,875	
3000-4050	TANF Related Child Care	132,458,313	125,495,740	125,495,740	125,495,740	
3000-4060	Low-Income Child Care	232,897,940	231,870,452	231,370,452	231,870,452	
3000-5000	Head Start	7,500,000	8,000,000	8,000,000	8,000,000	
3000-5075	Universal Pre-Kindergarten	7,500,000	7,500,000	7,500,000	7,500,000	
3000-6075	Early Childhood Mental Health	750,000	750,000	750,000	750,000	
3000-7000	Healthy Families Home Visiting	10,463,346	10,479,496	10,463,346	10,463,346	
3000-7050	Family Support and Engagement	18,386,633	18,164,890	18,186,633	18,164,890	
3000-7070	Reach Out and Read Program	800,000	600,000	800,000	750,000	

K-12: Chapter 70 Aid

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
K-12: Chapter 70 Aid	4,217,523,807	3,990,812,680	4,154,611,977	4,171,079,892	4,171,079,892

The FY 2013 budget funds **Chapter 70 Education Aid** at \$4.2 billion, \$180.3 million over current FY 2012 funding. The vast majority of this increase, about \$145 million of it, roughly funds 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.² The FY 2013 budget also partially phases in one of the reforms planned as part of the FY 2007 budget – reducing by 15 percent the gap for districts whose preliminary contribution is above their target.³

Two further provisions combine to distribute an additional \$35.0 million through the Chapter 70 formula by:

1. Distributing additional money to communities whose Chapter 70 aid allocation is below their "target aid percentage."⁴ The FY 2013 budget distributes this money only to those districts whose Combined Effort Yield (a uniform measure of local property wealth and incomes available to fund K-12 education) as a percent of their foundation budgets is less than or equal to 107.5.
2. Guaranteeing each school district a minimum \$40 per pupil increase over their FY 2012 aid allocation.

² For more information on how the Chapter 70 formula works, see [Demystifying the Chapter 70 Formula](#).

³ 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:

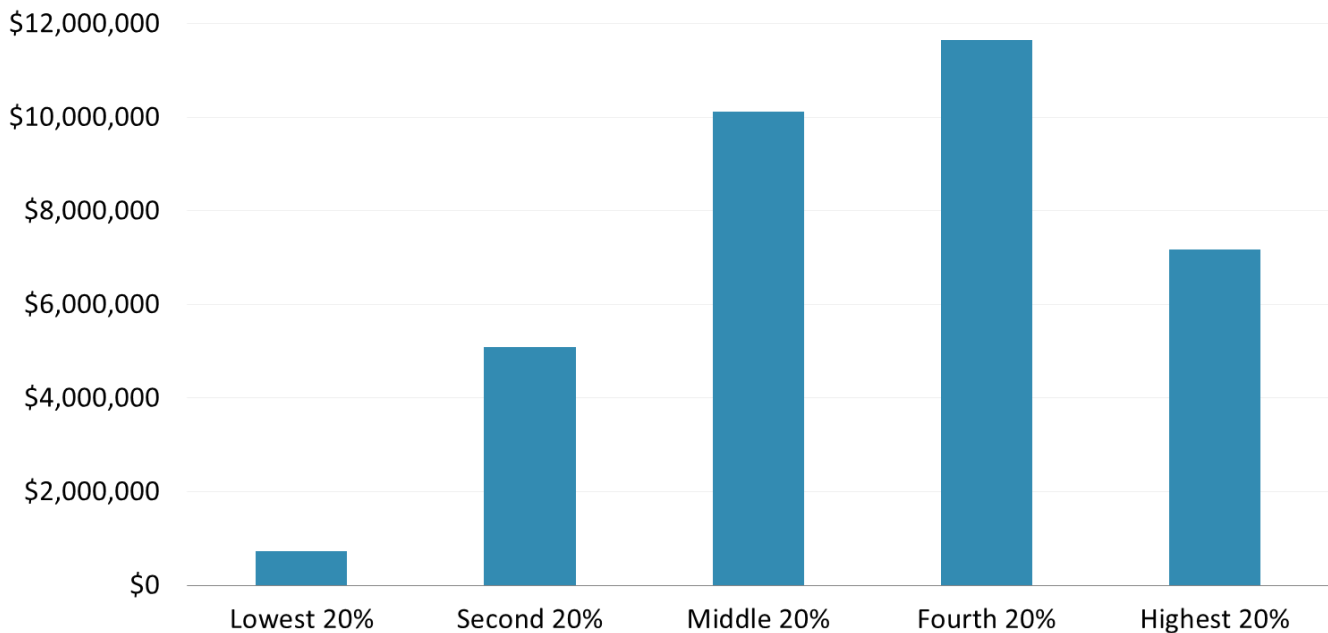
http://www.massbudget.org/file_storage/documents/Public_School_Funding-Where_We_Are_What_Has_Changed_-_FINAL.pdf

⁴ This approach is similar to "down payment aid" discussed on page 6 of the above *MassBudget* report.

Combined, these two provisions have a somewhat regressive distributional effect (see graph below), although exempting the wealthiest districts from the target aid provision helps make it less regressive than it otherwise would have been. Additionally, the provision relating to target aid does have the virtue of further advancing a subset of policy reforms planned through the 2007 budget. The \$40 per pupil minimum provision, by contrast, distributes additional aid without considering local need or capacity.

Impact of Additional \$35 mil. Chapter 70 Increase Over Funding Formula Outlined in State Law

Distribution of \$35 mil. increase of FY 2013 Chapter 70 aid over \$145 mil. increase that funds formula outlined in state law
Districts clustered by Combined Effort Yield (measuring community property wealth and incomes) per pupil, FY 2010



K-12: Non-Chapter 70 Aid

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
K-12: Non-Chapter 70 Aid	659,120,982	511,419,739	542,394,894	557,585,772	570,346,434

In the FY 2013 budget several K-12 education grant programs see small increases over current FY 2012 levels. Two programs, in particular – the Special Education Circuit Breaker and Homeless Student Transportation – receive significant new funding and make up the lion's share of the \$58.9 million increase over FY 2012.

The **SPED Circuit Breaker** is funded at \$28.8 million above current levels, enabling the state to reimburse school districts at close to the full 75 percent statutory reimbursement rate (of costs above four times the state foundation budget per pupil) for the first time since FY 2008. It should be noted that this increase in circuit breaker funding is coupled with outside section language that freezes the annual inflationary increase made for tuition payments to private SPED schools.

Because school districts are legally mandated to provide services that meet the needs of their special education students, a higher reimbursement rate through the circuit breaker is not likely to change dramatically the nature of services provided to these students; rather these reimbursements help free up money to fund other school services, and in that sense, circuit breaker funding serves as a form of general education aid, similar to Chapter 70 aid.

Homeless Student Transportation is a new program for FY 2013 and is 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 will help reimburse host and sending school districts for these transportation-related costs.

The FY 2013 budget funds four other new education programs. Specifically, the budget provides:

- \$3.0 million for **Programs for English Language Learners in Gateway Cities**, for summer English learning camps for students who are not yet fluent in English.
- \$500,000 for **Gateway Cities Career Academies**, for high school support centers to help students explore career opportunities.
- \$505,000 for **Data Sharing**, for a cross-departmental data sharing pilot program for assigning a student identifier to children participating in early intervention programs with the goal of tracking their progress and determining cost savings associated with early intervention.
- \$250,000 for **Financial Literacy Program**, for competitive grants to fund high school financial literacy programs.

K-12: NON-CHAPTER 70 AID LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
1233-2401	Smart Growth School Costs (40S)	363,699	0	500,000	500,000	
7009-1700	Education IT Costs	7,800,454	8,779,913	11,401,901	11,171,336	
7009-6379	Office of the Secretary of Education	726,986	748,015	726,986	748,015	
7009-6400	Gateway Cities ELL Programs	0	2,600,000	3,500,000	3,000,000	
7009-6402	Gateway Cities Career Academies	0	500,000	1,000,000	500,000	
7009-7000	Data Sharing	0	0	505,000	505,000	
7010-0005	DESE	12,767,009	13,528,111	13,444,988	13,694,988	
7010-0012	METCO	17,642,582	18,142,582	17,892,582	18,142,582	
7010-0020	Bay State Reading Institute	400,000	400,000	400,000	400,000	
7010-0033	Literacy Programs	3,147,940	3,147,940	3,147,940	3,147,940	
7010-3000	Education Collaborative Oversight	0	0	250,000	0	
7027-0019	Connecting Activities	2,750,000	2,770,000	3,200,000	2,870,000	
7027-1004	English Language Acquisition	364,937	364,937	1,214,937	1,214,937	
7028-0031	School-Age in Institutions & Correct	7,345,373	7,443,520	7,478,770	7,448,153	
7030-1002	Kindergarten Expansion Grants	22,948,947	24,948,947	20,948,947	23,948,947	
7030-1005	Targeted Tutorial Literacy Program	400,000	400,000	400,000	400,000	
7035-0002	Adult Basic Education	30,702,108	29,926,980	30,707,455	30,174,160	
7035-0005	Homeless Student Transportation	0	11,300,000	0	11,300,000	
7035-0006	Regional School Transportation	43,521,000	45,442,445	45,521,000	45,521,000	
7035-0007	Non-Resident Pupil Transportation	400,000	200,000	400,000	250,000	
7035-0035	Advanced Placement STEM	0	1,750,000	2,000,000	2,000,000	
7051-0015	Temporary Emergency Food Assist.	1,000,000	0	1,000,000	0	<i>moved into 2511-0105</i>
7053-1909	School Lunch Program	5,426,986	5,426,986	5,426,986	5,426,986	
7053-1925	School Breakfast Program	4,121,215	4,121,216	4,121,215	4,121,215	
7061-0011	Education Reform Reserve	0	0	4,500,000	3,500,000	
7061-0012	SPED Circuit Breaker	213,119,160	221,594,996	242,182,288	241,932,288	
7061-0029	Office of EQE	939,083	952,676	959,028	955,641	
7061-0033	Public School Military Mitigation	1,300,000	1,300,000	1,300,000	1,300,000	
7061-0928	Financial Literacy Program	0	250,000	0	250,000	
7061-9010	Charter School Reimbursement	71,554,914	71,554,914	71,454,914	71,454,914	
7061-9200	Education Technology Program	861,405	886,018	901,178	887,543	
7061-9400	Student and School Assessment	24,362,278	24,385,470	23,903,482	24,385,395	
7061-9404	MCAS Low-Scoring Student Support	9,575,175	9,575,175	9,094,804	9,575,175	
7061-9408	Underperforming Schools	6,740,746	7,658,527	6,849,037	7,667,618	
7061-9412	Extended Learning Time Grants	13,918,030	14,168,030	14,042,764	14,168,030	
7061-9600	Concur. Enroll. for Disabled Student	400,000	400,000	600,000	475,000	
7061-9601	Teacher Certification Retained Rev.	1,367,409	1,423,243	1,405,317	1,405,317	
7061-9611	After-School & Out-of-School Grants	1,410,000	1,410,000	1,410,000	1,410,000	
7061-9614	Alternative Education Grants	146,140	146,140	146,140	146,140	
7061-9626	Youth-Build Grants	1,300,000	2,000,000	1,500,000	2,000,000	
7061-9634	Mentoring Matching Grants	250,000	350,000	250,000	350,000	
7061-9804	Teacher Content Training	746,162	746,162	346,162	346,162	
7061-9810	Regionalization Bonus	300,000	251,950	251,950	251,950	
7066-0024	Schools of Excellence	1,300,000	1,400,000	1,300,000	1,400,000	

K-12: School Building

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
K-12: School Building	749,788,322	678,143,400	689,400,000	689,400,000	689,400,000

The FY 2013 budget projects a contribution to the School Modernization and Reconstruction Trust (SMART) of \$689.4 million. 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. The FY 2013 contribution is projected to be higher than the FY 2012 contribution due to modest projected increases in total sales tax receipts.

Higher Education

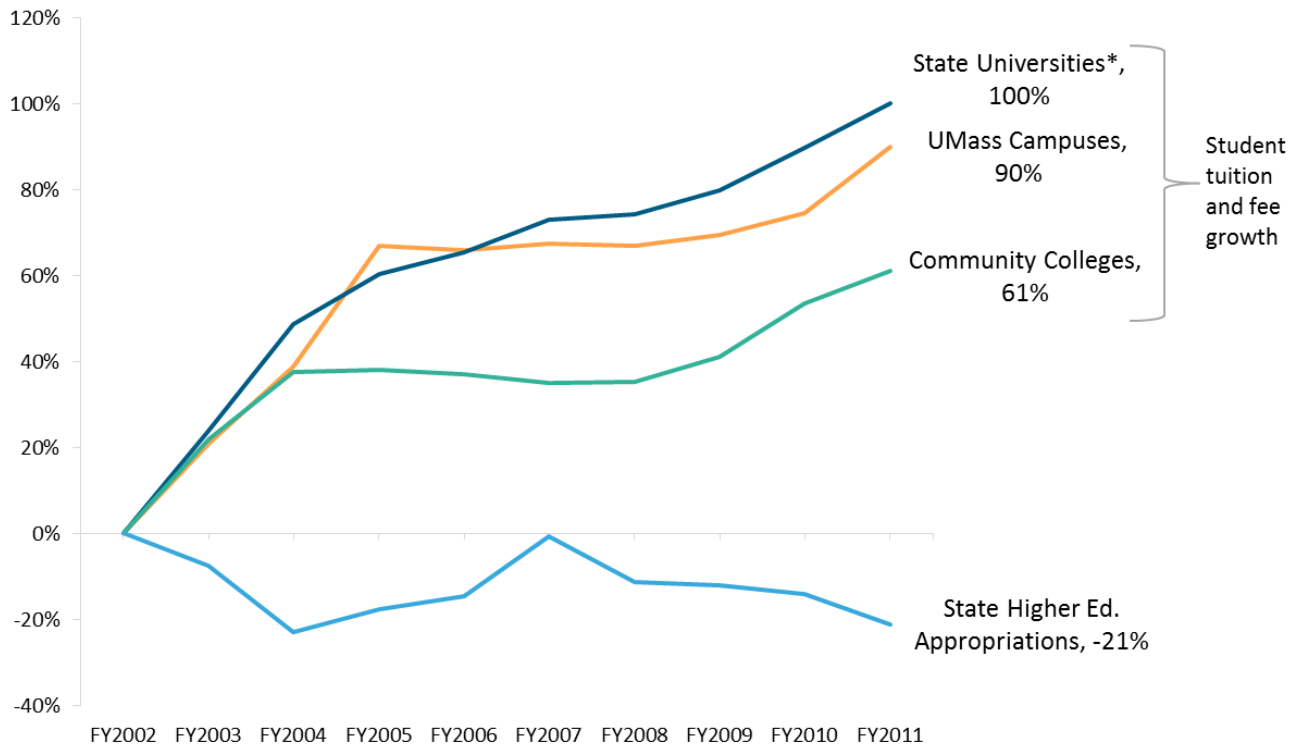
	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Higher Education	1,168,525,324	957,916,702	1,007,818,045	1,014,857,429	1,016,331,743

While total funding for public higher education in the FY 2013 budget is somewhat higher than FY 2012, FY 2013 funding still represents an inflation-adjusted cut of around 13 percent from pre-fiscal crisis levels (FY 2009 GAA). Cuts are even deeper when looked at over a longer time horizon, with FY 2013 funding proposals representing around a 30 percent cut from FY 2001.

As demonstrated in the graph below, one consequence of declining state support over the past decade has been dramatic growth in the cost of tuition and fees for students attending each of the state's three types of higher education campuses.

Student Tuition & Fees Grew Sharply While State Tax Support Declined, FY02-FY11

Percent change in inflation adjusted terms (CPI), relative to base year (FY 2002)



*Formerly known as State Colleges.

Source: MA Dept. of Higher Ed. Resident Tuition and Fee (Total) Rates, Massachusetts Public Higher Education

The vast majority of the increase for FY 2013 — \$49.1 million of it — funds collective bargaining accounts that cover labor costs at each of the campuses. While this spending shows up in separate reserve accounts, *MassBudget* builds these dollars into campus totals below 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 across these two types of campuses).⁵ Except for these collective bargaining increases, higher education campuses are all close to level-funded from current FY 2012 levels. The table below summarizes funding totals for each of these campus types.

⁵ Additionally, 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, so *MassBudget* adjusts upwards the campus allocations by these projected amounts so that one can compare reasonably the levels or resources available at an individual campus to previous years when this tuition was remitted to the state.

Higher Education Funding by Campus Type

Campus Type	FY 2009 GAA (inf adj)	FY 2012 Current	FY 2013 Budget	FY 2013 minus FY 2012
UMass	534,117,612	431,619,082	457,844,258	26,225,176
State Universities	237,709,898	195,008,769	205,744,970	10,736,201
Community Colleges	260,982,434	213,788,728	217,681,469	3,892,741
TOTAL	1,032,809,944	840,416,579	881,270,697	40,854,118

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

Also noteworthy in the FY 2013 budget is the adoption of several reforms to how the state's fifteen community colleges are governed, calling on them to focus more specifically on job training and seeking greater standardization of the system statewide. Key reforms include:

- Empowering the Governor to appoint the chairperson of individual community college boards.
- Directing the Commissioner of Higher Education to develop a new community college funding formula that integrates workforce development goals and student performance metrics.
- Expanding the Board of Higher Education's role in selecting and evaluating community college presidents.

The FY 2013 budget provides new or increased funding for a few programs in order to help advance these reforms, including:

- \$7.5 million for the **Performance Management Set Aside** program, an increase of \$5.0 million over current FY 2012 levels. This increase is coupled with a \$5.0 million earmark for community college standardization initiatives, including the creation of standard course offerings and numbering across all fifteen community college campuses.
- \$2.3 million for a new **Rapid Response Grants** program, enabling community colleges to set up workforce training programs within three months of a request by local businesses.
- \$400,000 for a new **Office of Coordination**, to coordinate all public higher education workforce training efforts. This office will be housed within the Board of Higher Education.

Additionally, the FY 2013 budget provides \$3.3 million for a new **High Demand Scholarship Program**, targeted for Massachusetts residents attending state universities or community colleges working towards majors in high-demand professions.

Please see the table below for more information on higher education line items. This table includes tuition retention adjustments for each of the campus line items, but separates out collective bargaining accounts.

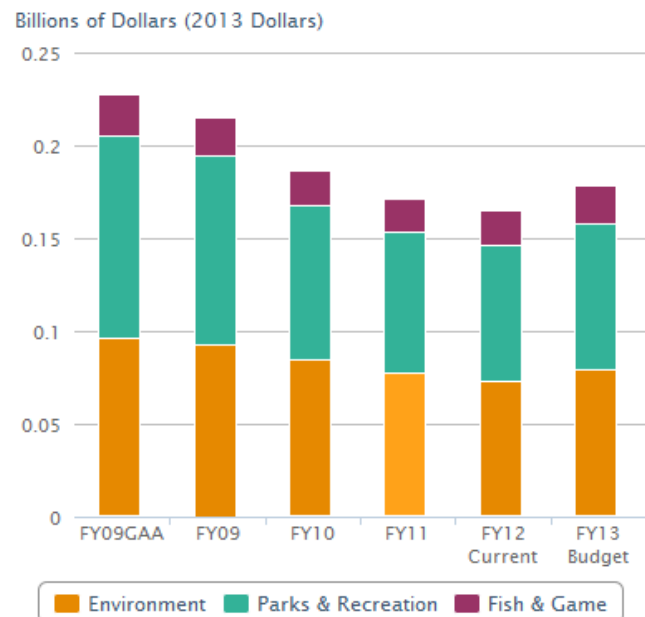
HIGHER EDUCATION LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
various	State University CB	0	10,536,201	10,536,201	10,536,201	see text above
various	UMass Collective Bargaining (CB)	0	25,574,228	25,546,694	25,546,694	see text above
1599-4421	Community Colleges CB	3,422,000	7,381,128	7,314,741	7,314,741	see text above
1599-3857	UMass Dartmouth Lease Costs	1,581,922	1,581,922	1,581,922	1,581,922	
1599-4417	Collins Center UMass Boston	496,518	0	616,518	400,000	
1599-4419	AFSCME, Local 1067	0	5,696,424	5,696,424	5,696,424	see text above
1599-7104	Star Store Reserve	2,700,000	4,400,000	2,700,000	4,400,000	
7066-0000	Department of Higher Education	1,624,791	2,828,649	2,093,708	2,953,649	
7066-0002	Degree Audit and Tracking System	0	0	4,000,000	0	
7066-0004	Office of Coordination	0	0	750,000	400,000	
7066-0005	Compact for Education	82,620	0	82,620	82,620	
7066-0009	New England Board of Higher Ed.	367,500	367,500	367,500	367,500	
7066-0015	Workforce Dev. Grants to C.C.'s	1,250,000	1,250,000	1,000,000	1,250,000	
7066-0016	Foster Care Financial Aid	1,075,299	1,075,299	1,075,299	1,075,299	
7066-0019	Dual Enrollment Grants	750,000	750,000	750,000	750,000	
7066-0020	Nursing & Allied Health Work. Dev.	635,250	0	500,000	500,000	
7066-0021	Foster Care & Adopted Fee Waiver	3,235,400	1,716,291	3,235,400	2,216,291	
7066-0025	Performance Management Set Aside	2,500,000	7,500,000	2,000,000	7,500,000	
7066-0035	STEM Pipeline Fund	1,000,000	1,500,000	1,500,000	1,500,000	
7066-0050	Rapid Response Grants	0	0	3,000,000	2,250,000	
7070-0065	State Scholarship Program	87,607,756	87,607,756	87,607,756	87,607,756	
7070-0066	High Demand Scholarship Program	0	0	5,000,000	3,250,000	
7077-0023	Tufts Veterinary Medicine Program	2,000,000	3,250,000	2,000,000	3,250,000	
7077-0024	Tufts Vet. Medicine Workforce Traini	210,000	0	0	0	
7100-0200	UMass	429,540,642	429,615,642	429,590,642	429,665,642	inc. tuition
7100-0700	Office of Dispute Resolution	0	0	925,000	650,000	
7109-0100	Bridgewater State University	34,627,788	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	24,304,588	inc. tuition
7112-0100	Framingham State University	21,727,143	21,727,143	21,927,143	21,927,143	inc. tuition
7113-0100	MA College of Liberal Arts	12,559,859	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	34,900,021	inc. tuition
7115-0100	Westfield State University	20,396,882	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	20,756,595	inc. tuition
7117-0100	Massachusetts College of Art	13,405,202	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	12,330,691	inc. tuition
7502-0100	Berkshire Community College	8,075,090	8,075,090	8,075,090	8,075,090	inc. tuition
7503-0100	Bristol Community College	13,943,689	13,943,689	13,943,689	13,943,689	inc. tuition
7504-0100	Cape Cod Community College	9,961,483	9,961,483	9,961,483	9,961,483	inc. tuition
7505-0100	Greenfield Community College	7,946,766	7,946,766	7,946,766	7,946,766	inc. tuition
7506-0100	Holyoke Community College	16,142,400	16,142,400	16,142,400	16,142,400	inc. tuition
7507-0100	MA Bay Community College	12,078,306	12,078,306	12,078,306	12,078,306	inc. tuition
7508-0100	Massasoit Community College	17,521,080	17,521,081	17,521,080	17,521,080	inc. tuition
7509-0100	Mt. Wachusett Community College	11,047,988	11,047,988	11,047,988	11,047,988	inc. tuition
7510-0100	Northern Essex Community College	16,502,174	16,502,174	16,502,174	16,502,174	inc. tuition
7511-0100	North Shore Community College	17,737,591	17,737,591	17,737,591	17,737,591	inc. tuition
7512-0100	Quinsigamond Community College	13,117,113	13,117,113	13,117,113	13,117,113	inc. tuition
7514-0100	Springfield Tech. Community College	21,256,565	21,256,565	21,256,565	21,256,565	inc. tuition
7515-0100	Roxbury Community College	9,787,773	9,787,773	9,787,773	9,787,773	inc. tuition
7515-0121	Reggie Lewis Center Retained Reven	529,843	529,843	529,843	529,843	
7516-0100	Middlesex Community College	17,284,270	17,284,270	17,284,270	17,284,270	inc. tuition
7518-0100	Bunker Hill Community College	17,964,440	17,964,440	17,964,440	17,964,440	inc. tuition
7520-0424	Health & Welfare Res. for Higher Ed.	5,581,664	5,581,664	5,581,664	5,581,664	
7066-0038	Youth Venture	0	0	100,000	100,000	
7066-0111	Higher Education Consultant	0	0	100,000	100,000	
7066-1221	CC Workforce Grant Advisory Ctte.	0	200,000	0	200,000	
8700-1150	Nat'l Guard Tuition & Fee Waivers	6,350,000	3,500,000	3,500,000	3,500,000	

ENVIRONMENT AND RECREATION

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Envir. & Recreation	227,230,578	162,460,627	169,611,116	177,685,994	178,437,171
Environment	95,830,145	72,172,393	74,153,827	80,006,808	79,431,095
Fish & Game	22,713,136	18,780,130	20,418,504	20,810,178	20,884,720
Parks & Recreation	108,687,297	71,508,104	75,038,785	76,869,008	78,121,356

Funding for environment and recreation programs helps keep our air and water clean, supports wildlife habitats and provides for the maintenance of state parks, pools, beaches and parkways around Massachusetts. The budget for Fiscal Year (FY) 2013 provides \$178.4 million for these programs, an increase of \$16.0 million above the FY 2012 current budget. Much of this increase comes from new fee revenue raised by various departments that oversee state environment and recreation programs. Even with this increase, funding for environment and recreation programs has fallen 21 percent in inflation-adjusted dollars since the onset of the state fiscal crisis in 2009.



Environment

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Environment	95,830,145	72,172,393	74,153,827	80,006,808	79,431,095

The environment budget supports programs that keep the state's air, water and land clean including cleaning up hazardous waste sites, supporting recycling and funding salaries and equipment for the state's environmental police. The FY 2013 budget provides \$79.4 million for environment programs an increase of \$7.3 million above the FY 2012 current budget. Since the onset of the state fiscal crisis in 2009, funding for environment programs has fallen by 17 percent in inflation-adjusted dollars.

Some increases in the FY 2013 environment budget include:

- \$2.5 million from **increased permitting fees** to meet costs associated with increases in inflation since 2004. These fees would allow the Department of Environmental Protection (DEP) to hire staff necessary to approve permits and assure compliance with environmental rules in a timely manner.

- \$1.7 million in additional funding to **clean hazardous waste sites**, to \$13.6 million. Even with this increase, funding for cleaning these sites has fallen 23 percent in inflation-adjusted dollars since the onset of the state fiscal crisis in 2009.
- \$1.3 million for **DEP Administration** to \$26.0 million. Even with this increase, funding for DEP has fallen by 33 percent in inflation-adjusted dollars since the onset of the fiscal crisis in 2009.
- \$750,000 in funding for a new class of **state environmental police**.
- \$200,000 in additional funding, to \$350,000, for a **wastewater treatment** study of Cape Cod. Outside Section 199 of the FY 2013 budget gives guidance on how the study will be undertaken in order to make affordable and environmentally-appropriate improvements to wastewater treatment on the Cape.

In addition to increases in funding, the FY 2013 environment budget also includes Outside Section 209 which directs DEP to examine the feasibility of taking over responsibility of monitoring pollution runoff which is currently overseen by the federal Environmental Protection Agency (EPA). The budget requires that DEP report its findings to the Legislature no later than July 1, 2013.

ENVIRONMENT LINE ITEMS

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
2000-0100*	Executive Office of Energy and Environ	6,857,430	5,838,142	5,856,081	5,856,081	
2000-1011	Environmental Law Enforcement Lice	85,000	85,000	85,000	85,000	
2000-1700*	Energy and Environment Information	7,482,556	7,828,745	8,992,666	7,828,745	
2030-1000*	Environmental Law Enforcement	8,700,962	8,606,513	9,021,877	8,982,241	
2030-1001	Environmental Law Enforcement Recr	0	0	1,314,759	750,000	
2030-1004	Environmental Law Enforcement Priv	300,000	300,000	300,000	300,000	
2200-0100*	Department of Environmental Protect	24,682,305	25,492,470	25,603,354	25,966,270	
2200-0102	Wetlands Permitting Fee Retained R	260,812	260,812	650,151	650,151	
2200-0107	Redemption Centers	275,000	375,000	275,000	375,000	
2200-0109	Compliance and Permitting Fee Ret	0	0	2,500,000	2,500,000	
2210-0105*	Toxics Use Retained Revenue	3,052,627	3,063,660	3,120,894	3,120,894	
2220-2220*	Clean Air Act	798,593	824,267	822,437	824,267	
2220-2221*	Clean Air Act Operating Permit and C	1,667,239	1,461,641	1,465,603	1,461,641	
2250-2000*	Safe Drinking Water Act	1,264,499	1,427,019	1,515,313	1,427,019	
2260-8870*	Hazardous Waste Cleanup Program	11,973,797	13,342,294	12,804,430	13,629,640	
2260-8872*	Brownfields Site Audit Program	1,020,002	1,156,876	1,178,002	1,178,002	
2260-8875	Cape Cod Wastewater Study	150,000	0	350,000	350,000	
2260-8881*	Board of Registration of Hazardous V	345,475	385,030	388,867	385,030	
2511-3002*	Integrated Pest Management Prograr	47,560	51,163	64,422	63,163	
7006-1001*	Residential Conservation Service Pro	203,112	206,168	220,256	220,256	
7006-1003*	Division of Energy Resources Assessi	3,005,424	3,449,028	3,477,696	3,477,696	

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

Fish & Game

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Fish & Game	22,713,136	18,780,130	20,418,504	20,810,178	20,884,720

The state's fish and game budget funds 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.

The FY 2013 budget provides \$20.9 million in funding for these activities an increase of \$2.1 million above the FY 2012 current budget. The funding increases include:

- \$572,000 more for the **Division of Fisheries and Wildlife** to \$10.6 million.
- \$500,000 in additional funds to **purchase wildlife habitats** for a total of \$1.5 million.
- \$457,000 more for the **Division of Marine Fisheries** to \$4.8 million.

FISH & GAME LINE ITEMS

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
2300-0100*	Department of Fish and Game	658,880	660,850	699,975	709,975	
2300-0101	Riverways Protection, Restoration an	416,974	417,514	442,824	442,824	
2310-0200*	Division of Fisheries and Wildlife	9,985,455	10,543,145	10,753,821	10,557,069	
2310-0300	Natural Heritage and Endangered Sp	150,000	150,000	150,000	150,000	
2310-0306*	Hunter Safety Program	406,510	401,171	415,937	403,815	
2310-0316	Wildlife Habitat Purchase	1,000,000	1,500,000	1,500,000	1,500,000	
2310-0317	Waterfowl Management Program	65,000	65,000	65,000	65,000	
2320-0100*	Fishing and Boating Access	429,160	462,378	468,977	466,221	
2330-0100*	Division of Marine Fisheries	4,355,647	4,538,395	4,612,837	4,812,837	
2330-0120*	Marine Recreational Fisheries Devel	515,754	591,800	581,557	591,800	
2330-0121	Marine Recreational Fishing Fee Ret	204,989	217,989	217,989	217,989	
2330-0150	Newburyport Clam Plant Retained Re	100,000	100,000	100,000	200,000	
2330-0300*	Saltwater Sportfish Licensing	491,761	770,262	801,261	767,191	

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

Parks & Recreation

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Parks & Recreation	108,687,297	71,508,104	75,038,785	76,869,008	78,121,356

The state's parks and recreation budget supports state parks, urban parks, beaches, pools and the employees who work at these facilities. It also funds parkways and dams managed by the Department of Conservation and Recreation (DCR).

The FY 2013 budget provides \$78.1 million in funding for these activities, an increase of \$6.6 million above the FY 2012 current budget. Despite this increase, funding for state parks and recreation has fallen by 28 percent in inflation-adjusted dollars since the onset of the fiscal crisis in 2009.

Some of the more notable changes to parks and recreation funding in the FY 2013 budget include:

- An increase of \$5.7 million, for a total of \$14.1 million, in **retained revenue** that DCR can use to hire more staff for beaches, pools and recreational facilities though some of this increase is offset by a \$764,000 decrease in the account that provides funding for state parks.
- \$845,000 increase in funding, to \$12.5 million, for **state pools, beaches and the seasonal employees** that work at DCR recreation facilities.
- \$125,000 for the **Metropolitan Beaches Commission**. The Commission, created in the FY 2006 budget, will report to the Legislature no later than June 30, 2013 with recommendations on the maintenance, operation and infrastructure needs of the state-run beaches near Boston.

PARKS & RECREATION LINE ITEMS

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
2800-0100*	Department of Conservation and Rec	3,308,980	3,840,423	4,109,536	3,800,459	
2800-0101*	Watershed Management Program	1,002,565	1,001,966	1,019,261	1,010,223	
2800-0401*	Stormwater Management	391,237	397,738	338,556	397,738	
2800-0501	Beach Preservation	11,611,671	12,456,552	12,381,553	12,456,552	
2800-0700*	Office of Dam Safety	290,151	354,153	370,705	354,153	
2810-0100*	State Parks and Recreation	42,173,702	42,508,745	40,869,387	41,409,387	
2810-2041	State Park Fee Retained Revenue	5,229,030	6,969,764	10,968,872	10,968,872	adj--see text
2820-0101*	State House Park Rangers	1,327,967	1,399,562	1,411,348	1,366,171	
2820-1000	Citation Fee Park Ranger Retained R	200,000	184,229	200,000	200,000	adj--see text
2820-1001	Usage and Lease Fees for Telecomm	50,000	50,000	50,000	50,000	adj--see text
2820-2000	Parkways Snow and Ice	3,000,000	3,065,000	3,000,000	3,060,000	
2820-3001	Skating Rink Fee Retained Revenue	1,000,000	992,963	1,000,000	1,000,000	adj--see text
2820-4420*	Ponkapoag Golf Course Retained Rev	1,098,011	1,044,803	200,000	1,098,011	adj--see text
2820-4421*	Leo J. Martin Golf Course Retained R	824,790	772,887	824,790	824,790	adj--see text
9700-0020	Metropolitan Beaches	0		125,000	125,000	

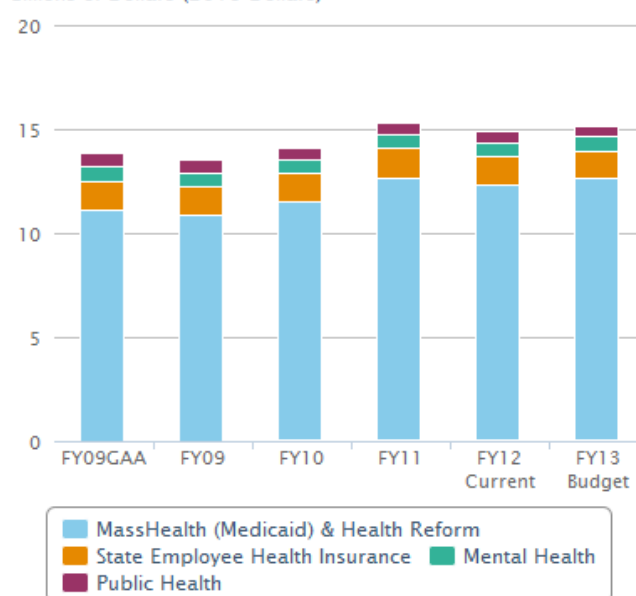
*House totals adjusted to include totals from collective bargaining agreements.

HEALTH CARE

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Health Care	13,801,558,210	14,654,076,857	15,160,946,531	15,093,162,527	15,167,534,160
MassHealth & Health Reform	11,096,692,100	12,108,955,349	12,654,651,407	12,604,784,106	12,655,194,167
Mental Health	732,081,653	651,018,701	675,424,657	672,391,960	671,353,922
Public Health	634,952,841	523,948,808	519,795,169	531,655,129	529,198,197
State Employee Health Insur.	1,337,831,616	1,370,153,999	1,311,075,299	1,284,331,332	1,311,787,873

Health care funding in the state budget provides health coverage for more than one in five residents of Massachusetts and supports critical mental and public health programs. The Fiscal Year (FY) 2013 budget produced by the legislative Conference Committee and enacted by the legislature shortly before the start of the fiscal year includes a total of \$15.17 billion for these programs, an increase of 3.5 percent compared to FY 2012. Underlying this overall increase are different rates of growth for the four different areas that comprise this category of spending. The majority of health spending goes to Medicaid and other programs that provide health coverage for low-income people; spending in this area will grow at a faster rate than the overall budget, but the increase will be lower than it otherwise would have been in the absence of savings strategies adopted by the Conference Committee (the state receives Federal reimbursements for roughly half this spending). Meanwhile, spending for health coverage provided to state employees will decline slightly in FY 2013, while spending on public health and mental health programs will increase slightly, but will remain well below pre-recession funding levels for these programs.

Billions of Dollars (2013 Dollars)



MassHealth (Medicaid) & Health Reform

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
MassHealth & Health Reform	11,096,692,100	12,108,955,349	12,654,651,407	12,604,784,106	12,655,194,167

Medicaid programs, including MassHealth (the state's Medicaid program for people under 65) provide health coverage for nearly 1.4 million people in Massachusetts, and the Commonwealth Care program provides coverage for about 180,000 more low-income people who do not meet MassHealth income and other eligibility criteria. The state also provides support to safety net hospitals, and helps reimburse hospitals and community health centers for care they provide to uninsured patients. The Conference Committee's budget contains \$12.66 billion for these purposes, an increase of 4.5 percent over current FY 2012 spending. The budget also contains a number of policy provisions affecting MassHealth and the Commonwealth Care Trust Fund, as well the state's Health Care Connector, which

operates the Commonwealth Care program and helps small businesses and individuals purchase health insurance.

MassHealth (Medicaid) and Health Reform

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
MassHealth (Medicaid)	9,204,247,689	10,521,488,732	11,075,078,690	11,021,672,272	11,074,340,935
Medicaid Programs*	9,046,609,857	10,432,267,834	10,986,829,734	10,932,761,155	10,984,379,734
Medicaid Administration	157,637,832	89,220,898	88,248,956	88,911,117	89,961,201
HHS Information Technology	0	81,762,075	86,931,475	93,676,495	91,917,894
Commonwealth Care Fund	1,380,043,906	865,011,822	861,278,955	860,772,286	860,272,286
Transfer from General Fund**	1,193,606,495	745,011,822	741,278,955	740,772,286	740,272,286
Estimated Tobacco Tax Revenue	186,437,411	120,000,000	120,000,000	120,000,000	120,000,000
Other Safety Net & Health Finance	512,400,506	640,692,720	631,362,286	628,663,053	628,663,052
Prescription Advantage	61,448,563	21,602,546	19,000,869	18,500,869	18,500,869
Medical Assistance Trust Fund	369,543,746	394,025,000	394,025,000	394,025,000	394,025,000
Delivery Syst Transformation***	0	186,907,667	186,907,667	186,907,667	186,907,667
Div of Hlth Care Finance & Policy	18,704,723	31,257,507	27,928,750	28,129,517	28,129,516
Other Health Finance	62,703,474	6,900,000	3,500,000	1,100,000	1,100,000

*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 FY 2012 Commonwealth Care Fund Transfer includes \$17 million in surplus FY 2011 funds that were made available in FY 2012; FY 2009 totals for the CCTF transfer include funding later replaced by other resources, including the Delivery System Transformation Fund. ***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.

MassHealth (Medicaid)

The FY 2013 budget includes total funding of 10.98 billion for MassHealth coverage programs (excluding about \$90 million for administrative costs, as well as \$4.3 million in Early Intervention costs that will be transferred from the Department of Public Health in FY 2013). While this amount represents a 5.3 percent increase over current FY 2012 spending, it is substantially lower than the baseline amount of \$11.47 billion that the administration had estimated would be necessary to maintain these programs with no change in FY 2013. To achieve a lower rate of growth the budget proposed by the Governor in January relied on a set of cuts, savings from payment reforms, and other strategies that totaled \$544.3 million; these were offset by a proposed \$28.2 million in new spending initiatives, for a reduction of about \$516 million compared to the baseline total. The budget conferees adopted most of the Governor's proposals, but also included additional cuts and spending initiatives added by the House and Senate during the process of designing and debating their budgets, for a total of about \$478 million in savings (\$551.0 million in cuts and savings, offset by \$72.8 million in spending initiatives).

Savings

The \$544.3 million in savings originally proposed in the Governor's House 2 budget proposal included \$49.6 million in payment reforms, 36.8 million in changes to long term care services, \$82.9 million in rate restructuring and \$375.0 million from a combination of program integrity activities and cash management strategies. The FY 2013 budget includes these with one exception, and also adds additional savings measures.

- The Conference Committee's budget includes language that maintains FY 2012 rates for **McInnis House**, a medical respite program for the homeless, instead of the savings of \$3.0 million from rate adjustments assumed in House 2.
- The budget reduces rates paid for **nursing home beds** that are held for patients during temporary absences, for a savings of \$7.5 million. The budget also includes language that prohibits the reassignment of these beds during such absences.
- The budget assumes savings of \$3.0 million from the expansion of a public health **academic detailing program** that provides information about pharmaceuticals to doctors and other health providers who serve MassHealth patients in order to promote cost-efficient prescribing practices.
- The budget requires MassHealth Basic and Essential programs to cover **hospice services** and assumes \$1.2 million in savings from this provision.
- Funding for the MassHealth program for people with HIV is \$1.0 million lower in the budget, essentially level with FY 2012, compared to the Governor's and Senate budget proposals.
- The budget conferees did not include House language prohibiting limits on **hospital appeals of case mix adjustments** in the FY 2013 budget (the Governor's budget assumed these limits would save about \$8.0 million), and they also dropped the Senate's assumption of \$15.0 million in savings from a reduction in coverage for **day habilitation** services.

Spending Initiatives

The FY 2013 budget includes the Governor's new spending initiatives, although it funds two of them at lower levels and one at a higher level; it also adds new initiatives, and maintains an FY 2012 rate increase for nursing homes.

- The budget includes two new line items proposed by the Governor that would fund improvements to **MassHealth enrollment and redetermination processes** (4000-1602) and support activities to implement federal health reform provisions (4000-1604), but it funds them at lower levels than the Governor proposed, providing \$1.0 million instead of \$2.0 million for enrollment improvements, and \$750,000 instead of \$3.1 million for **health reform implementation**. Lower funding levels are likely to make it more difficult for the administration to meet deadlines for implementation of federal health reform requirements.
- Like the Governor's budget, the Conference budget includes \$20.0 million for **infrastructure and capacity-building activities** at hospitals that are not eligible for Delivery System Transformation grants (described below) and \$3.0 million for similar activities at community health centers, but it also goes beyond the Governor in including an additional \$3.0 million for grants to "critical access" community hospitals.
- The budget retains a Senate provision restoring coverage for **limited dental services** for adults (composite fillings for front teeth), at a cost of about \$3 million (the full-year cost is around \$6 million).

- The budget maintains the FY 2012 funding level for **supplemental rates** paid to nursing homes in FY 2013 — an amount that is \$30.2 million higher than the Governor’s proposed appropriation level. The budget also includes language earmarking \$2.8 million for a joint labor-management pay-for-performance program at nursing homes.
- The budget requires supplemental rate payments for certain pediatric hospitals, in recognition of higher costs associated with their patient case-mix, at a cost of \$11.8 million.

MassHealth Policy Provisions

The FY 2013 budget also contains a number of policy provisions that affect the MassHealth program, although they do not change funding levels. These include:

- Changes to language governing an advisory committee that was created in the FY 2012 budget with a directive to study the costs and benefits of various MassHealth care delivery models, such as the Primary Care Clinician (PCC) plan, managed care program, and medical home models. The changes provide more specific criteria for the committee’s investigation and final report, and extend the date for reporting until October, 2012 (Section 145). A related section added by the House that required auto-assignment of MassHealth members who do not choose a plan into managed care organizations and the PCC plan on an equal basis, pending completion of the report, was held in conference.
- Authorization for the Inspector General to expend funds from the Health Safety Net Trust Fund (which pays for uncompensated care costs) to conduct a study of the Massachusetts Medicaid program (Section 182)
- A requirement that MassHealth report on savings strategies it will pursue in FY 2013 and any changes it plans to make to the savings plan (Section 185).
- Language requiring the Office of Health and Human Services (HHS) to select an entity to perform a study of MassHealth children with complex care needs, including an analysis of how these needs can be met by a medical home model. The provision specifies that HHS shall not award money or other compensation with the contract (Section 210).

Commonwealth Care

The Commonwealth Care program provides coverage for about 180,000 people who are not eligible for MassHealth. Enrollment in the program is expected to grow in FY 2013, partly as a result of the reinstatement of a group of legal immigrants following a state Supreme Judicial Court decision that their exclusion from the program was unconstitutional. Members of this group had received more limited coverage under a separate plan, although that program was closed to new enrollees. The Commonwealth Care program is funded by expenditures from the Commonwealth Care Trust Fund (CCTF), which holds transfers from the General Fund and the portion of tobacco tax revenue dedicated to Commonwealth Care, as well as smaller amounts of revenue from assessments on employers who do not provide health insurance and penalties paid by individuals who do not purchase coverage that is deemed affordable.

The FY 2013 budget includes a transfer of \$740.3 million from the General Fund to the CCTF, and assumes that \$120.0 million of tobacco tax will be deposited in the Fund, for a total of \$860.3 million. This amount represents a slight decrease from the FY 2012 level (which included \$17.0 million in

surplus FY 2011 revenues that were carried forward for use in FY 2012). The slight decline in funding needed to maintain Commonwealth Care coverage is due chiefly to aggressive procurement strategies that led to lower rates for the managed care organizations that provide coverage under the program. The General Fund transfer is about \$1.0 million lower than the transfer proposed in the House budget, due to an expectation that the Connector can deliver a wellness program at a lower cost than the House assumed. As in the case of MassHealth, the Commonwealth Care program will provide coverage for limited dental services for some enrollees.

Other Health Financing & Health Reform Provisions

The FY 2013 budget also provides funding for the Division of Health Care Finance and Policy and for a number of other health programs that serve low-income residents of Massachusetts, and includes two sections affecting Health Connector activities.

- **Delivery System Transformation Initiatives Trust Fund and Grants**
 The budget includes 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. The funds will be used support activities to help seven safety net hospitals develop new payment and health delivery systems, such as better management of chronic conditions and the infrastructure to support medical home models. Creation of the fund and a similar transfer for FY 2012 were included in a supplemental budget approved in June, 2012. Hospitals not eligible for DSTI grants will be eligible for other funding for similar activities (see MassHealth discussion above).
- **Prescription Advantage**
 The budget includes a decrease in funding, compared to FY 2012, for the **Prescription Advantage** program. The drop reflects an expectation of reduced utilization of the program due to changes made by the federal health reform law that will provide increased Medicare coverage for drug costs that are now covered by Prescription Advantage, shifting these costs from the state to the Federal government.
- **Health Connector**
 In addition to managing the Commonwealth Care program, the Connector also contracts with insurers to provide non-subsidized coverage to individuals who lack access to affordable insurance, and to small businesses. Section 133 of the budget authorizes the Connector to expand this role and to procure health insurance for other state agencies and non-profit corporations. Section 134 of the budget amends state law to create an ongoing wellness pilot program that is intended to expand the use of wellness initiatives by small businesses. Under the plan, the Connector will provide subsidies of up to 15 percent of eligible employer health costs for employers who participate in the program (a similar program was included in the final FY 2012 budget).

MASSHEALTH & HEALTH REFORM LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
1599-2004	Health Care Cost Containment Reserve	1,900,000	0	0	0	
1599-2009	Hale Hospital Reserve	2,400,000	2,400,000	0	0	Included in 4000-0300
4000-0265	Primary Care Workforce	1,000,000	0	0	0	
4000-0300*	Exec Off of Health and Human Services	86,484,473	85,512,643	86,171,094	87,224,888	See 1599-2009
4000-0301	MassHealth Auditing and Utilization Reviews	1,736,425	1,736,313	1,740,023	1,736,313	
4000-0309	MassHealth Field Auditing Taskforce	1,000,000	1,000,000	1,000,000	1,000,000	
4000-0320	MassHealth Recoveries--Retained Revenue	225,000,000	225,000,000	225,000,000	225,000,000	
4000-0430	MassHealth CommonHealth Plan	130,439,637	73,165,557	73,165,558	73,165,557	
4000-0500	MassHealth Managed Care	3,879,010,669	4,164,475,376	4,166,475,376	4,167,475,376	
4000-0600	MassHealth Senior Care	2,550,602,264	2,763,630,662	2,756,130,662	2,756,130,662	
4000-0640	MassHealth Nursing Home Supp Rates	318,300,000	318,500,000	288,500,000	318,700,000	
4000-0700	MassHealth Fee-for-Service Payments	2,029,206,633	1,950,180,126	1,929,380,126	1,953,180,126	Adjusted to reflect transfer of Early Intervention funds
4000-0870	MassHealth Basic Coverage	157,016,626	179,909,689	178,759,689	178,759,689	
4000-0875	MassHealth Breast & Cervical Cancer Treatment	4,770,999	5,248,099	5,248,099	5,248,099	
4000-0880	MassHealth Family Assistance Plan	218,925,814	213,894,591	213,894,591	213,894,591	
4000-0890	MassHealth Premium Asst & Ins Partnership	58,181,956	30,481,392	30,481,392	30,481,392	
4000-0895	Healthy Start Program	13,800,000	15,850,244	15,850,244	15,850,244	
4000-0950	Children's Behavioral Health Initiative	214,743,708	221,549,097	221,705,516	221,549,097	
4000-0990	Children's Medical Security Plan	12,600,000	13,298,695	13,298,695	13,298,695	
4000-1400	MassHealth HIV Plan	18,541,135	18,744,723	19,744,723	18,744,723	
4000-1405	MassHealth Essential	389,757,408	505,998,456	504,848,457	505,998,456	
4000-1420	Medicare Part D Clawback	211,370,985	285,153,027	285,153,027	285,153,027	
4000-1602	MassHealth Operations	0	1,000,000	2,000,000	1,000,000	
4000-1604	Health Care System Reform	0	750,000	3,125,000	750,000	
4000-1700*	HHS Information Technology Costs	81,762,075	86,931,475	93,676,495	91,917,894	
4100-0060*	Division of Health Care Finance and Policy	21,157,507	21,828,750	22,029,517	22,029,516	
4100-0061	All Payer Claims Database	4,000,000	4,000,000	4,000,000	4,000,000	
4100-0360	Health Care Quality and Cost Council--RR	100,000	100,000	100,000	100,000	
4100-0062	Health Safety Net Claims Migration--RR	6,000,000	0	0	0	
4100-0082	Health Safety Net Claims Migration--RR	0	2,000,000	2,000,000	2,000,000	
7006-0029	Health Care Access Bureau Assessment	1,100,000	1,100,000	1,100,000	1,100,000	
9110-1455*	Prescription Advantage	21,602,546	19,000,869	18,500,869	18,500,869	
Trust Fund Transfers						
1595-1069	Health Insurance Technology Trust Fund	500,000	0	0	0	Funded off budget in 2013
1595-5819	CommCare Trust Fund--Transfer from Gen Fund	745,011,822	741,278,955	740,772,286	740,272,286	
	CommCare Trust Fund--Tobacco Tax Transfer	120,000,000	120,000,000	120,000,000	120,000,000	
1595-1067	Delivery System Transformation Initiatives Trust	186,907,667	186,907,667	186,907,667	186,907,667	
1595-1068	Medical Assistance Trust Fund	394,025,000	394,025,000	394,025,000	394,025,000	

*House and FY 2013 totals adjusted to include collective bargaining agreements.

Mental Health

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Mental Health	732,081,653	651,018,701	675,424,657	672,391,960	671,353,922

The Conference Committee's FY 2013 appropriation for programs operated by the **Department of Mental Health (DMH)** represents a slight increase over current FY 2012 current spending, but remains well below pre-recession spending levels for most of these programs. The budget contains a total of \$671.4 million for DMH programs, an increase of 3.1 percent over the \$651.0 million provided in FY 2012, but 8.3 percent below the FY 2009 level, after adjusting for inflation. Cuts since 2009 have affected education, employment, and clubhouse programs, and have reduced beds at DMH facilities.

The bulk of the FY 2013 increase goes to three core DMH line items—funding for **child and adolescent mental health services** rises by \$5.0 million, while the appropriation for **adult mental health and support services** rises by \$11.7 million and **mental health hospitals and in-patient facilities** will see an increase of \$12.6 million. These increases are offset by the fact that the FY 2012 budget included the one-time use of resources from mental health trust funds to supplement the adult services and facilities line items in FY 2012. The availability of trust funds meant that the budget appropriations for the line items were lower in FY 2012 than they would have been if the \$10.0 million in trust funds had flowed more directly through them, and conversely the FY 2013 increases for these programs appear larger. After accounting for the use of trust funds, the combined increase for these two line items is more modest. (Note that the budget also contains language allowing the use of the trust funds appropriated in FY 2012 through the end of FY 2013.)

	Program	FY 2012 Current	FY 2013 Budget	Increase
5046-0000	Adult Mental Health Services	332,285,802	344,027,150	3.5%
5095-0015	Inpatient Facilities	146,732,857	159,313,321	8.6%
5095-0017	Trust Fund Contributions	10,000,000	0	
	TOTAL	489,018,659	503,340,471	2.9%

Taunton State Hospital & Behavioral Health Study

The FY 2013 budget includes language in the DMH facilities line item (5095-0015) requiring that 45 beds be maintained at Taunton State Hospital until the completion of a study of the behavioral health system described below. The Senate budget included language requiring the maintenance of 72 beds, while the House did not include any requirement, instead assuming closure of the facility midway through FY 2013. Other line item language directs state agencies to develop a plan for the disposition of land and property when in-patient mental health facilities are closed, and sets out criteria for the discharge of DMH clients from in-patient to community-based mental health facilities.

Section 186 of the budget creates an advisory committee of legislators and stakeholders that will commission a consultant to produce an independent analysis of public and private behavioral health care services in Massachusetts, and the facilities line item includes an earmark of \$100,000 for this purpose. The study will cover a broad range of issues, including the state's in-patient bed capacity, the implementation of federal and state mental health parity laws, and a review of the Massachusetts Emergency Services Program. A final report, which must contain an estimate of the appropriate

number of in-patient mental health beds and description of the “anticipated impact” of the closure of Taunton State Hospital, is due at the end of December, 2012.

DMH Clubhouses

The FY 2013 budget includes an earmark of \$1.0 million in additional funding over the FY 2012 level for DMH clubhouse programs within the adult mental health services line item (5046-0000). This amount is midway between the Senate and House budget proposals for earmarks of \$1.5 million and \$500,000, respectively. Clubhouse programs provide a variety of community-based vocational and social rehabilitation services to people with mental illness.

Forensic Services

The budget contains an appropriation of \$8.3 million for forensic mental health services, including juvenile court clinics. This funding level is identical to that proposed in the House’s FY 2013 budget and slightly below the Senate appropriation, but well below the \$9.2 million that the Governor recommended as the amount needed to maintain the program in FY 2013.

Stephanie Moulton Safety Symposium

Section 55 of the budget amends state law to require DMH to conduct an annual Stephanie Moulton Safety Symposium for employees that will include discussions of safety practices and risk management for community-based services. The symposium is named in honor of a mental health worker who was killed by a resident in a group home in 2011. The DMH administrative line item (5011-0100) includes an earmark of \$100,000 to pay for the symposium.

MENTAL HEALTH LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
5011-0100*	Department of Mental Health Administration	26,747,749	27,273,198	27,373,198	27,373,198	
5042-5000*	Child and Adolescent Mental Health Services	71,773,509	77,672,234	76,816,757	76,816,757	
5046-0000*	Adult Mental Health and Support Services	332,285,802	344,057,893	343,927,150	344,027,150	
5046-2000	Statewide Homelessness Support Services	20,134,424	20,134,424	20,134,424	20,134,424	
5046-4000	CHOICE Program RR	125,000	125,000	125,000	125,000	
5047-0001*	Emergency Services & Acute Mental Health Care	35,122,197	35,288,704	35,242,254	35,242,254	
5055-0000*	Forensic Services Program	8,097,163	8,321,818	8,634,856	8,321,818	
5095-0015*	Inpatient Facilities & Community-Based Svs	146,732,857	162,551,386	160,138,321	159,313,321	
5095-0017	Trust Fund Contributions	10,000,000	0	0	0	See discussion above

*House and FY 2013 totals adjusted to include collective bargaining agreements.

Public Health

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Conference
Public Health	634,952,841	523,948,808	519,795,169	531,655,129	529,198,197

Programs operated by the Department of Public Health (DPH) protect the health of the general public in Massachusetts by responding to public health emergencies, ensuring that health professionals and facilities are properly licensed, and promoting wellness and disease prevention activities. Overall funding for these programs rises very slightly in the FY 2013 budget. This increase is the result of the Conference Committee's decision to adopt, or come part way to, the Senate appropriation level in many of the areas where the House and Senate proposals differed. The House FY 2013 budget included a decrease in overall funding for public health programs of \$4.2 million compared to FY 2012, while the Senate proposed an increase of \$7.7 million. The increase of \$5.2 million contained in the conferees' budget resolution represents a rise of just 1.0 percent over FY 2012 spending and barely begins to restore the \$111.0 million drop in funding for public health programs that occurred between FY 2009 and FY 2012, after adjusting for inflation.

Highlights of the FY 2013 appropriations for public health programs are provided below; for a comprehensive list of appropriations see the table at the end of this section, and for historical spending data click [here] to use the MassBudget Budget Browser. (Note that public health funding totals in this *Budget Monitor* have been adjusted to reflect proposed transfers of funds related to Early Intervention programs and the State Laboratory; they also include funding for a Youth Violence grant program directly administered by the Office of Health and Human Services.)

Substance Abuse Services

Funding for substance abuse services provided by the DPH is distributed mainly through the department's **Division of Substance Abuse Services** line item, but the budget also includes separate appropriations for some smaller programs focused on particular populations. The FY 2013 budget includes an increase of \$2.9 million for these programs overall, most of which will go to the main Division of Substance Abuse Services line item. The Conference Committee's choice to adopt the House's appropriation amount for a **Compulsive Behavior Treatment Program** that uses unclaimed prize money in the State lottery fund to provide treatment to compulsive gamblers means that funding for this program will increase by just over half a million dollars in FY 2013. Likewise, the Conferees adopted the Senate's proposal to provide \$2.0 million for a **Jail Diversion** program for non-violent offenders with addictions to heroin or OxyContin.

In addition to these budget line items, a separate off-budget **Substance Abuse Services Fund** was created in FY 2012 in order to pay for an expansion of treatment facilities and case management services for people who have been civilly committed to institutions and who have substance abuse disorders. The Fund received a transfer of \$10.0 million from the General Fund in FY 2012, and statutory language allowed these dollars to be spent through the end of FY 2013, at which point the Fund will sunset. Any additional ongoing costs related to the expansion will need to be included in future budgets. The conferees did not include Senate language that added new provisions governing expenditures from the Fund in the FY 2013 budget.

Health Promotion and Disease Prevention

FY 2013 funding for Disease Prevention and Health Promotion programs, such as cancer screening, cardiovascular risk education, and care coordination for high risk populations, rises by 5.7 percent compared to FY 2012 (amounts are adjusted to account for a transfer of funding for an ALS registry to a separate line item). Nevertheless, at \$3.3 million in FY 2013, the appropriation for these programs remains far below its FY 2009 inflation-adjusted level of \$15.7 million.

Children's Public Health Programs

A number of public health programs provide services chiefly or exclusively to children. Some, although not all, of these programs receive increases in the FY 2013 budget.

- **Early Intervention**
After accounting for a transfer of some funding to the MassHealth program, the budget provides an increase of \$1.1 million for **Early Intervention** programs that serve infants and small children who exhibit delays in cognitive, motor, language and other forms of development. This amount is somewhat less than the \$1.9 million increase the Senate proposed, but well above the levels proposed by the Governor and House. The budget also includes language, added during Senate budget debate, dedicating any year-end surplus to one-time salary increases for direct care workers in Early Intervention programs.
- **WIC**
The budget includes an increase of \$1.8 million, or 7.5 percent, in the amount of revenue that the Women, Infants and Children nutrition program is authorized to retain and spend from revenue it receives from infant formula rebates under federal regulations. The increase is expected to cover the costs of maintaining current services (a separate line item funded with state General Fund dollars receives level funding compared to FY 2012).
- **Violence Prevention and At-Risk Youth Grants**
The budget provides \$4.0 million for a **Youth Violence Prevention Grant** program within the Department of Health and Human Services, midway between the Senate's proposal of \$8.0 million and the House proposal to eliminate funding. These grants, which are targeted to high-risk communities, were first funded at \$10.0 million in an FY 2012 supplemental budget, and the Governor proposed the same level of funding in FY 2013. The budget also includes increases of \$500,000 for a separate youth violence prevent program operated by DPH, and an additional \$1.0 million for matching grants to non-profit organizations that offer youth programs. When these three grant programs are combined, the total FY 2013 funding level declines by \$4.5 million compared to FY 2012.
- **School-Based Health Services**
The budget includes level funding, compared to FY 2012, for school-based health services and health centers in schools. Line item language requires DPH to conduct a study concerning the installation of automatic external defibrillators in all public schools in Massachusetts.
- **Universal Immunization**
The budget contains level funding for the Universal Immunization program, but does not include the Senate's proposal to codify a surcharge that has been imposed on insurers in recent years to pay for the costs of vaccines for this program and to create a trust fund to hold revenues from the surcharge, along with an advisory council to make recommendations on the

purchase of vaccines. Without statutory language, surcharge language will need to be included in future budgets.

Healthcare Workforce Transformation Fund

Section 60 of the budget creates a Health Care Workforce Transformation Trust Fund and Section 154 requires the transfer of \$20.0 million in any surplus FY 2012 tax revenue to the Fund. The budget omits language included in the Senate budget that describes the purpose of the fund and sets out criteria for expenditures from it.

Academic Detailing

The conferees adopted a Senate proposal to provide \$500,000 for an Academic Detailing program that encourages cost-effective prescribing practices among health providers who have patients in publicly funded health programs. Neither the House nor Governor proposed funding for this program, which was last funded in the FY 2009 budget and which is expected to result in savings of about \$3 million within the MassHealth program.

Support Services for Homicide Victims

The budget includes a new line item (4513-1098) appropriating \$125,000 in FY 2013 for Support Services for Homicide Victims and language earmarking the entire amount for the Louis Brown Peace Institute.

PUBLIC HEALTH LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
4000-0005	Safe & Successful Youth Grant Program	10,000,000	0	8,000,000	4,000,000	
4510-0020	Food Protection Program--RR	375,000	375,000	375,000	375,000	
4510-0025	SEAL Dental Program--RR	889,889	889,889	889,889	889,889	
4510-0040*	Pharmaceutical Regulation--RR	421,539	427,266	432,188	432,188	
4510-0100*	Department of Public Health	17,708,308	17,572,647	17,941,867	17,871,474	
4510-0110*	Community Health Center Services	963,949	1,067,287	1,067,830	1,067,287	
4510-0600*	Environmental Health Services	3,205,454	3,337,405	3,231,212	3,386,819	
4510-0615*	Nuclear Reactor Monitoring--RR	1,764,716	1,768,947	1,768,947	1,858,947	
4510-0616	Prescription Drug Monitoring--RR	1,241,668	1,245,175	1,751,481	1,295,175	
4510-0710*	Div of Health Care Quality and Improvement	6,242,959	6,306,482	6,500,000	6,341,939	
4510-0712*	Division of Health Care Quality--RR	2,439,711	2,481,081	3,481,081	2,481,081	
4510-0715	Primary Care Center & Loan Forgiveness Program	157,000	0	157,000	157,000	
4510-0716	Academic Detailing Program	93,000	0	500,000	500,000	
4510-0721*	Board of Registration in Nursing	795,800	848,961	854,892	848,961	
4510-0722*	Board of Registration in Pharmacy	194,806	182,623	234,508	182,623	
4510-0723*	Board of Registration in Medicine & Acupuncture	997,001	1,088,151	1,088,151	1,088,151	
4510-0725*	Health Boards of Registration	273,383	284,595	315,865	284,595	
4510-0726	Board of Reg in Medicine--RR	300,000	300,000	300,000	300,000	
4510-0790	Regional Emergency Medical Services	931,959	931,959	931,959	931,959	
4510-0810	Sexual Assault Nurse Examiner	3,160,740	3,160,740	3,160,740	3,160,740	
4512-0103	HIV/AIDS Prevention, Treatment and Services	32,097,810	32,097,810	32,101,023	32,101,023	
4512-0106	HIV/AIDS--Drug Rebates RR	7,500,000	7,500,000	7,500,000	7,500,000	
4512-0200	Division of Substance Abuse Services	74,810,802	77,539,595	76,539,595	77,164,595	
4512-0201	Substance Abuse Step-Down Recovery Services	4,800,000	4,800,000	4,800,000	4,800,000	
4512-0202	Secure Treatment Facilities (Jail Diversion)	2,000,000	0	2,000,000	2,000,000	
4512-0203	Young Adult Treatment (Family Intervention)	1,500,000	1,500,000	1,500,000	1,500,000	
4512-0225	Compulsive Behavior Treatment--RR	1,270,000	1,830,000	1,000,000	1,830,000	
4512-0500*	Dental Health Services	1,395,761	1,403,897	1,401,531	1,403,897	
4513-1000*	Family Health Services	4,656,797	4,767,135	4,666,697	4,666,697	
4513-1002	Women, Infants, and Children's (WIC)	12,366,617	12,366,617	12,366,617	12,366,617	
4513-1012	WIC Manufacturer Rebates--RR	24,510,000	26,355,000	26,355,000	26,355,000	
4513-1020*	Early Intervention Services	31,144,420	31,325,263	33,025,263	32,325,263	Adjusted for transfer to MassHealth
4513-1023*	Newborn Hearing Screening Program	65,494	70,194	70,193	70,193	
4513-1026*	Suicide Prevention and Intervention Program	3,569,444	3,839,455	3,591,950	3,839,455	
4513-1098	Support Services for Homicide Victim Survivors	0	125,000	125,000	125,000	
4513-1111	Health Promotion and Disease Prevention	3,400,000	3,400,000	3,663,076	3,593,000	Includes ALS registry (4510-3008)
4513-1130*	Domestic Violence & Sexual Assault Prevention	5,507,970	5,514,340	5,514,340	5,514,340	
4516-0263*	Blood Lead Testing Fee RR	1,112,974	1,117,101	1,117,101	1,117,101	
4516-1000*	State Lab & Communicable Disease Control	13,013,002	13,246,240	14,472,659	13,649,089	Reflects transfer to Police Lab
4516-1010*	Emergency Preparedness Match	2,272,509	2,193,665	2,209,400	2,197,411	
4516-1022	State Lab Tuberculosis Test--RR	250,619	250,182	250,619	250,619	
4518-0200*	Registry of Vital Records--RR	415,275	625,835	675,000	675,000	
4530-9000*	Teenage Pregnancy Prevention Services	2,378,410	2,385,873	2,536,916	2,535,873	
4570-1502*	Infection Prevention Program	251,281	262,168	265,299	262,168	
4580-1000	Universal Immunization Program	52,222,377	52,879,812	52,879,812	52,879,812	
4590-0250*	School-Based Health Programs	11,597,967	11,336,670	11,597,967	11,597,967	
4590-0300	Smoking Prevention & Cessation Programs	4,150,703	4,400,703	4,151,958	4,151,958	
4590-0912*	Western Mass Hospital--RR	16,457,488	17,081,671	16,990,628	17,081,671	
4590-0913	Shattuck Medical Vendor--RR	499,827	499,827	499,827	499,827	
4590-0915*	Public Health Hospitals	139,037,382	144,973,695	142,754,835	145,021,833	
4590-0917*	Shattuck Hospital DOC Inmat RR	4,046,265	4,204,640	4,209,388	4,209,388	
4590-1503*	Pediatric Palliative Care	790,732	796,051	896,051	821,051	
4590-1506*	Violence Prevention Grants	1,000,000	1,501,178	1,007,431	1,501,178	
4590-1507	Youth-At-Risk Matching Grants	1,700,000	1,900,000	2,500,000	2,700,000	
4590-2001	Tewksbury Hospital DDS RR	0	3,437,342	3,437,342	3,437,342	
OS-SAS	Substance Abuse Services Fund	10,000,000	0	0	0	

*House and FY 2013 totals adjusted to include collective bargaining agreements.

State Employee Health Insurance

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
State Employee Health Insur.	1,337,831,616	1,370,153,999	1,311,075,299	1,284,331,332	1,311,787,873

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

Overall funding for the state share of health coverage provided to current and retired state employees through the **Group Insurance Commission (GIC)** declines in the FY 2013 budget, thanks largely to a drop in costs for health insurance premiums. As the table below shows, funding for premium and plan costs appears to fall substantially from \$830.1 million in FY 2012 to \$757.7 million in FY 2013. The budget conferees followed the Governor's proposals to use \$40.0 million in existing balances in a Group Insurance trust fund to pay for state employee health costs in FY 2013, but even when this one-time resource is taken into account funding for premiums still falls by nearly 4 percent, from \$830.1 million in FY 2012 to \$797.7 million in FY 2013. (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 reform law.)

The decline in spending is largely the result of GIC efforts to hold down premium cost increases in recent years through a variety of strategies, such as encouraging state employees to choose health plans with limited networks. Last spring the GIC announced that the average premium increase for employee health coverage for next year will be 1.4 percent, the lowest since 1999. (Note that we exclude from our calculations premium costs related to insurance for municipal employees who receive health coverage through the GIC because these costs are fully reimbursed by the municipalities.)

State Employee Health Costs	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Employee Premiums and Plan Costs*	830,154,520	756,679,063	757,669,230	757,669,230
Dental & Vision Benefits	36,054,973	37,591,870	37,441,870	37,441,870
Retired Municipal Teacher Insurance	64,726,762	69,342,635	69,249,835	69,249,835
Tran to State Retiree Benefits Fund**	414,325,940	442,715,928	415,042,237	442,715,928
Other GIC	24,891,804	4,745,803	4,928,160	4,711,010
Total Budgetary Spending	1,370,153,999	1,311,075,299	1,284,331,332	1,311,787,873
One-time Use of Federal Trust Funds	0	40,000,000	40,000,000	40,000,000
TOTAL	1,370,153,999	1,351,075,299	1,324,331,332	1,351,787,873

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

***FY 2013 budget total for SRBTF transfer includes \$27.7 million in tobacco settlement revenues in accordance with FY 2012 budget language (not included in Senate budget).*

The FY 2013 budget also appears to include the transfer of a portion of tobacco settlement revenue to the State Retiree Benefits Trust Fund (SRBTF). Currently the SRBTF receives an annual transfer from the General Fund, and in the FY 2013 budget it is also scheduled 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, but language in last year's FY 2012 budget required that 10 percent of the tobacco settlement payment (estimated at \$27.6 million) be set aside in FY 2013 in order to help fund future benefits promised to employees. This share is scheduled to increase by ten percentage points each year until 2022, when 100 percent of the payment will go into the fund. Although the budget includes language maintaining the full transfer of tobacco settlement

revenue to the General Fund in FY 2013, committee staff have indicated the transfer of 10 percent to the SRBTF is expected to occur, and it is included in estimates in this section.

STATE EMPLOYEE HEALTH INSURANCE LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0640-0096	State Lottery Comm--Health Benefits	355,945	355,945	373,152	355,945	
1108-5100*	Group Insurance Commission	2,561,709	2,360,095	2,537,146	2,337,203	
1108-5200	Group Insurance Premium and Plan Costs	830,154,520	756,679,063	757,669,230	757,669,230	<i>Excludes municipal GIC costs</i>
1108-5201*	Municipal Partnership Act--Retained Revenue	2,017,862	2,029,763	2,017,862	2,017,862	
1108-5350	Retired Governmental Employees Premiums	340,000	448,800	356,000	356,000	
1108-5400	Retired Municipal Teachers Premiums	64,386,762	68,893,835	68,893,835	68,893,835	
1108-5500	Group Insurance Dental and Vision Benefits	9,104,973	9,833,370	9,683,370	9,683,370	
1599-1027	Reserve for Benefit Change Reimbursement	19,806,288	0	0	0	
1750-0300	Contribution to Union Dental and Vision Insurance	26,950,000	27,758,500	27,758,500	27,758,500	
1599-6152	State Retiree Benefits Trust Fund Transfer	414,325,940	415,042,237	415,042,237	415,042,237	
	State Retiree Benefits Trust (tobacco \$\$)	0	27,673,691	0	27,673,691	
1599-7051	Retiree Health Care Cost Valuation	150,000	0	0	0	

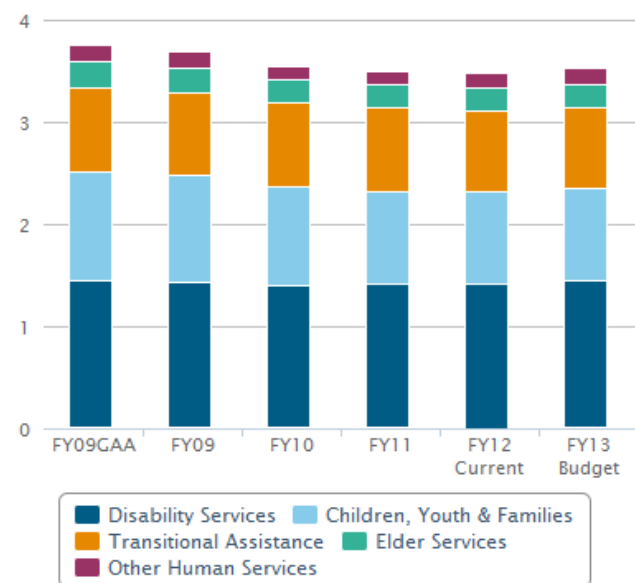
**House and FY 2013 totals adjusted to include collective bargaining agreements.*

HUMAN SERVICES

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Human Services	3,746,077,416	3,429,334,615	3,502,287,065	3,500,703,312	3,517,094,553
Children, Youth & Families	1,067,561,267	890,095,388	911,268,909	916,606,307	914,686,277
Disability Services	1,441,662,242	1,393,043,366	1,440,416,855	1,425,684,167	1,438,405,648
Elder Services	254,843,626	218,751,617	222,127,200	221,022,082	222,805,918
Transitional Assistance	829,217,816	785,573,923	787,350,335	775,865,001	779,150,284
Other Human Services	152,792,464	141,870,322	141,123,766	161,525,756	162,046,426

Human services programs form a crucial part of the Commonwealth's "safety net" for the state's most vulnerable residents. The FY 2013 budget proposal of \$3.52 billion for human services is 2.6 percent higher than FY 2012, essentially level funding when accounting for inflation. Of the increase, \$20 million funds a Human Services Salary Reserve for employees of private human services providers who make less than \$40,000. The reserve provides wage increases to low wage workers caring for the disabled, elderly and children who have not received publicly funded permanent wage increases since FY 2009. Even with the increase over FY 2012 spending, the Human Services budget remains \$229.0 million below FY 2009 GAA inflation adjusted levels.

Billions of Dollars (2013 Dollars)



Children, Youth & Families

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Children, Youth & Families	1,067,561,267	890,095,388	911,268,909	916,606,307	914,686,277

The FY 2013 Budget for Children, Youth and Families programs is \$24.6 million higher than FY 2012, but still \$152.9 million (14.3 percent) lower than before the recession began to affect the state budget. The **Department of Children and Families** (DCF) administration receives \$67.4 million, a 3.2 percent increase over FY 2012. After accounting for inflation this essentially amounts to level funding. Within administration \$152,000 is earmarked for additional staff to assist in reducing the backlog of cases pending for over 180 days. Current requirements are not being met with wait times for fair hearings and subsequent decisions being much longer than what is stipulated in regulations. Under the new policy, DCF must implement new regulations reducing these wait times and will have to submit quarterly reports beginning on August 15, 2012 to the Senate and House Committees on Ways and Means and the Joint Committee on Children and Families and Persons with Disabilities showing the

department's plan for eliminating the backlog and cataloging how long clients had to wait for fair hearings, appeals and decisions.

DCF Regional Administration is cut \$3.3 million (35.5 percent) compared to FY 2012. Regional management funds contracts with nonprofit “lead agencies” across the state that help coordinate services. Proponents of lead agencies note the important coordination function they fill between DCF social workers, families and other professionals involved in a child's case. However, critics claim that lead agencies duplicate work done in the past by social workers and that funding should be spent on services instead of another layer of administration.

Services for Children and Families, the umbrella of direct services provided to clients, receives \$248.1 million, \$4.8 more than FY 2012, including earmarks of:

- \$75,000 for Julie's Family Learning Program,
- \$200,000 for the Children's Advocacy Center of Bristol,
- \$100,000 for the Plymouth County Children's Advocacy Center, and
- \$100,000 for the Children's Cove Cape and Islands Child Advocacy Center

Funding for services for children and families has been cut 26 percent compared to FY 2009 GAA inflation adjusted levels.

Family support and stabilization services receive \$44.6 million, a 12.1 percent increase over FY 2012. Even though there are many more children receiving services at home or with extended family than those in out-of-home placements, family support funding has historically lagged well behind funding for group care. The **Alternative Lock Up Program**, a new Department of Youth Services (DYS) program is funded at \$2.1 million. 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 **Department of Youth Services** administration receives a cut of \$92,000 compared to FY 2012. DYS admin has been cut 33 percent since the beginning of the fiscal crisis. The three main programs serving youth in DYS custody receive increases compared to FY 2012.

- Non-Residential Services for Committed Population – 1.3 percent
- Residential Services for Detained Population – 14.9 percent
- Residential Services for Committed Population – 4.3 percent

Many Children, Youth, and Families programs receive increases which do not cover inflation essentially resulting in level funding or even cuts to programs.

The FY 2013 budget creates a commission to study and make recommendations concerning services for unaccompanied **homeless youth** age 22 and under. The focus will include, but not be limited to, an analysis of: the barriers to serving unaccompanied youth who are gay, lesbian, bisexual, and transgender; the barriers serving youth under age 18; and barriers to accurately counting the population of unaccompanied youth. Serving on the commission will be commissioners from multiple state agencies, members of the Senate and House, youth advocates, direct care workers, and three

youth who have experienced homelessness. A report to the Governor will be due March 2013 outlining recommendations for better serving these youth.

CHILDREN, YOUTH AND FAMILIES LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
4000-0051	Children Youth & Families Initiative	0	0	0	0	Gov funded 3 mil
4200-0010	Dept. Youth Svcs. Admin.	4,141,463	4,047,173	4,066,407	4,049,575	
4200-0100	Non-Residential Svcs. for Committed	22,219,063	22,512,944	22,732,056	22,512,944	
4200-0200	Residential Svcs. for Detained	18,256,369	20,983,713	21,074,662	20,983,713	
4200-0300	Residential Svcs. for Committed	98,670,712	102,919,356	101,676,614	102,919,356	
4200-0500	DYS Teacher Salaries	2,500,000	2,809,809	2,500,000	2,809,809	
4200-0600	Alternative Lock Up Program	0	2,100,000	2,100,000	2,100,000	New in FY2013
4800-0015	Dept. of Children & Families Admin.	65,257,819	66,325,850	69,474,448	67,351,557	
4800-0016	DCF Transitional Employment Program	2,000,000	2,000,000	2,000,000	2,000,000	
4800-0025	Foster Care Review	2,824,059	2,990,234	3,005,350	2,943,098	
4800-0030	DCF Regional Administration	9,300,000	0	9,300,000	6,000,000	
4800-0036	Sexual Abuse Intervention Network	697,508	697,508	697,508	697,508	
4800-0038	Services for Children and Families	243,257,069	248,146,977	246,638,481	248,083,481	
4800-0040	Family Support and Stabilization	39,750,000	44,573,551	44,573,551	44,573,551	
4800-0041	Group Care Services	196,064,169	197,709,889	196,072,888	197,709,889	Adj - from 4800-0041
4800-0091	Child Welfare Training Institute R.R.	2,058,735	2,083,525	2,077,119	2,077,119	
4800-0151	Placement Services Juvenile Offenders	270,919	230,780	230,780	230,780	Adj - to 4800-0041
4800-1100	Social Workers for Case Management	162,102,441	169,672,498	166,917,450	166,188,468	
4800-1400	Support Services for Domestic Violence	20,725,062	21,465,102	21,468,994	21,455,430	

Disability Services

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Disability Services	1,441,662,242	1,393,043,366	1,440,416,855	1,425,684,167	1,438,405,648

Disability services receives an increase of \$45.4 million (3.3 percent) compared to FY 2012. **Respite Family Supports** receives \$49.5 million, \$3.0 million over FY 2012 spending. These services offer families with disabled children flexible community-based supports that are particularly important for helping keep children with disabilities out of residential schools.

The FY 2013 budget appropriates \$63.1 million, a 4 percent increase, to The Department of Developmental Disabilities adding a \$100,000 earmark for the Massachusetts Down Syndrome Congress. Continuing the shift in emphasis towards community based services, the FY 2013 budget cut funding for **Facilities for the Developmentally Disabled** by \$19.3 million (12.6 percent) while increasing funding for more community based **State-Operated Residential Supports for the Developmentally Disabled** \$16.0 million (9.7 percent). However, with costs and the need continuing to grow, funding for developmentally disabled adults is likely insufficient to maintain current levels of services for the eligible population.

Turning 22 Services for the Developmentally Disabled receives an increase of \$1.0 million (20 percent) compared to FY 2012. Even with this increase, however, funding is still 27 percent below pre-fiscal crisis 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.

Community Transportation Services and **Community Day and Work Programs** also receive increases. Transportation receives an increase of \$845,000 (7.3 percent) while work receives an increase of \$9.3 million (7.4 percent). These services allow disabled adults to maintain employment and take part in community activities.

Employment Assistance for Adults with a Severe Disability receives a 15.2 percent cut. Compared to FY 2009 GAA inflation adjusted levels, this program has been cut over 75 percent.

DISABILITY SERVICES LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
4110-0001	Mass. Comm. for the Blind Admin.	965,851	983,296	983,296	983,296	
4110-1000	Community Services for the Blind	3,911,398	3,954,067	3,940,941	3,954,067	
4110-2000	Turning 22 MCB	11,034,194	11,122,416	11,307,315	11,214,866	
4110-3010	Vocational Rehab. for the Blind	3,008,118	3,053,118	3,008,118	3,053,118	
4120-1000	Mass. Rehab. Admin.	408,720	404,678	417,444	404,678	
4120-2000	Vocational Rehabilitation	10,013,228	10,011,824	10,013,228	10,011,824	
4120-3000	Employment Assistance	2,428,315	2,072,129	2,072,129	2,058,907	
4120-4000	Independent Living Assistance	12,226,933	12,299,413	12,655,279	12,679,279	
4120-4001	Accessible Housing Registry	80,000	80,000	80,000	80,000	
4120-4010	Turning 22 MRC	791,208	795,642	791,208	794,210	
4120-5000	Home Care for the Multi-Disabled	4,337,006	4,293,694	4,337,006	4,280,624	
4120-6000	Head Injury Treatment Services	11,171,360	11,236,019	11,236,019	11,215,519	
4125-0100	Mass. Comm. Deaf & Hard of Hearing	5,100,393	5,447,856	5,447,856	5,447,856	
5911-1003	DDS Admin.	60,672,283	63,082,632	63,386,703	63,087,273	
5911-2000	Community Transportation Services	11,641,431	13,618,581	10,486,611	12,486,611	
5920-2000	Community Residential Supports	756,797,120	788,162,390	785,939,514	788,162,390	adj - to 5920-2002
5920-2002	DDS Rolland Court Monitor	400,000	400,000	400,000	400,000	adj - from 5920-2000
5920-2010	State-Operated Residential Supports	164,790,661	180,836,026	179,989,529	180,836,026	
5920-2025	Community Day and Work Program	124,267,971	132,522,784	133,957,044	133,522,784	
5920-3000	Respite Family Supports	46,504,298	51,004,298	41,004,298	49,504,298	
5920-3010	Autism Division	4,621,177	4,635,252	4,637,858	4,635,252	
5920-5000	Turning 22 DDS	5,000,000	6,000,000	6,000,000	6,000,000	
5930-1000	State Facilities DDS	152,721,701	134,250,738	133,442,770	133,442,770	
5982-1000	Templeton Developmental Ctr.	150,000	150,000	150,000	150,000	

Elder Services

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Elder Services	254,843,626	218,751,617	222,127,200	221,022,082	222,805,918

The FY 2013 Budget funds Elder Services at \$222.8 million, \$4.1 million more than FY 2012 spending. This 1.9 percent increase is tantamount to a cut as it does not even cover the cost of inflation. Funding for these services remains 12.6 percent below FY 2009 GAA inflation adjusted levels. **Councils on Aging grants** which receives \$9.4 million increased 14.3 percent from FY 2012 with an earmark of \$100,000 for the Needham Senior Center. Councils on aging offer information and direct services to seniors, their caregivers, and other people with aging issues.

The FY 2013 budget slightly increases funding for community-based long term care services for elders. 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. Because of both inflation and anticipated increasing need, the Commonwealth will still need to maintain wait lists for services.

Community-based long term care services include:

- \$133.5 million for **home care** case management and services (level with FY12 spending)
- \$47.5 million for **enhanced home care** for the frailest and most vulnerable elders (\$1.7 million over FY 2012). The number of seniors on the waiting list for this service in May was just shy of 1000.
- \$17.3 million for **elder protective services**, which investigate elder abuse and neglect, and provide money management supports to prevent financial exploitation (\$1.0 million over FY 2012). A special commission is also introduced to investigate and make recommendations to enhance these services.

Naturally Occurring Retirement Communities (NORC) which received funding through the **Congregate Housing Program** in the FY 2012 budget are guaranteed at least level funding. Overall funding for congregate housing reaches \$1.8 million, \$107,000 above the FY 2012. However, even with this increase, funding for congregate housing remains 38.7 percent below FY 2009 GAA inflation adjusted levels. The **Enhanced Community Options (ECOP)** receives \$47.5 million, \$1.7 million over FY 2012. Lastly Residential **Placement for Homeless Elders** receives \$186,000 compared to \$136,000 in FY 2012. Funding for homeless elders remains 61.3 percent lower than before the recession began to affect the state budget.

ELDER SERVICES LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
9110-0100	Dept. of Elder Affairs Admin.	1,994,374	1,990,108	1,990,108	1,990,108	
9110-1500	Enhanced Comm. Options (ECOP)	45,789,340	47,789,340	46,461,487	47,461,487	
9110-1604	Supportive Senior Housing Program	4,014,802	4,014,802	4,014,802	4,014,802	
9110-1630	Elder Home Care Purchased Svcs.	97,780,898	97,780,898	97,283,061	97,780,898	
9110-1633	Elder Home Care Case Mgt. & Admin.	35,738,377	35,738,377	35,738,377	35,738,377	
9110-1636	Elder Protective Services	16,250,554	17,250,554	17,250,554	17,250,554	
9110-1660	Congregate Housing Program	1,717,617	1,717,616	1,824,617	1,824,616	
9110-1700	Placement for Homeless Elders	136,000	186,000	0	186,000	
9110-1900	Elder Nutrition Program	6,325,328	6,375,328	6,375,328	6,375,328	
9110-2500	Veterans Independence Plus	750,000	750,000	750,000	750,000	
9110-9002	Councils on Aging	8,254,327	8,534,177	9,333,748	9,433,748	

Transitional Assistance

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Transitional Assistance	829,217,816	785,573,923	787,350,335	775,865,001	779,150,284

For entitlement programs like transitional assistance, funding levels are significantly affected by anticipated caseload levels. The FY 2013 budget funds **Transitional Assistance for Families with Dependent Children (TAFDC) grants** at \$315.4 million, \$8.8 million below FY 2012. The clothing allowance, a one-time payment made in September to help pay for back-to-school clothing, remains at \$150 and the rent allowance at \$40. However, these allowances have lost significant value over time due to inflation. One important change decreases to 60 days the amount of time the Commissioner must give the Legislature before cutting or making changes to **Transitional Assistance for Families with Dependent Children (TAFDC)** and *Emergency Aid to Elders, Disabled and Children (EAEDC)* benefits. The current FY 2012 budget requires 90 days. The advance notice can provide the Legislature with time to work with the administration before changes take effect.

The FY 2013 budget outlines new restrictions for cash assistance and the use of Electronic Benefits Transfer (EBT) cards. Products and services newly restricted by the FY 2013 budget include: firearms and ammunition, vacation services, pornographic material, tattoos or body piercings, jewelry, gambling, and the payment of state fees, fines, bail or bail bonds. Controversial restrictions forwarded by the FY 2013 House proposal that are not restricted in the FY 2013 budget include performances, cosmetics, professional services and rental goods and property. However, the budget does include restrictions on EBT transfer transactions at manicure or aesthetic shops as well as rent-to-own stores.

A new **Public Benefits Fraud Unit** within the state police department is funded at \$400,000. The unit is charged with investigating the illegal receipt and use of public benefits and is directed to work with the Attorney General and Auditor's Office, as well as other state and federal authorities as appropriate. The House did not include this unit in their proposal and both the Department of Transitional Assistance (DTA) and the state Auditor already investigate fraud. New penalties are also added with recipients

facing permanent disqualification for making a prohibited purchase three times. Businesses face fines reaching over \$2,500 for accepting a prohibited EBT transaction.

Language also allows for DTA to make direct rent and utility payments if it is determined users are not using the grant in the best interests of a child or other chronic misuse of benefits is occurring. DTA may presume misuse if the costs of rent, heat, fuel, and utilities are not being met without reasonable cause. The budget also assesses a fee for replacement cards to be deducted from an individual's benefits. DTA will provide notice to a recipient that requests a replacement card 3 or more times in a year, informing the recipient they will now be monitored.

A new commission studying the development of a fully cashless EBT system is introduced with a final report due by December 31, 2012 which includes drafts of legislation that could be used to implement recommendations. Finally, The FY 2013 budget ensures that EBT cards will be accepted at electronic fare vending machines for public transportation through the Massachusetts Bay Transit Authority by June 2013.

The **state supplement to Social Security Income (SSI)** receives \$229.1 million. SSI also includes an \$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. The FY 2013 budget consolidates 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.)

Most of the other transitional assistance programs and services receive small increases:

- **Department of Transitional Assistance** administration at \$55.1 million (3.8 percent increase)
- **Teen Structured Settings Program** at \$8.0 million (22.1 percent increase)
- **Caseworker Salaries** at \$62.8 million (5.5 percent increase)
- **Domestic Violence Specialists** at \$799,000 (6.7 percent increase)

The **Employment Services Program** receives \$7.9 million, an increase of \$790,000 with earmarks of:

- \$3.1 million going to the young parent program
- \$445,000 to transportation
- \$130,000 to the Massachusetts Office of Refugees and Immigrants
- \$75,000 to University of Massachusetts for learning disability assessments
- \$50,000 to the DTA Works internship program

This program provides TAFDC recipients with education, occupational skills and the employment support services needed to acquire and retain jobs. Even with the increase the employment services program has been cut by 73.3 percent compared to FY 2009 GAA inflation adjusted levels.

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. Growing caseloads added to an already overburdened work force will add to delays low income families and individuals in Massachusetts experience attempting to get access to these essential safety net benefits. The FY 2013 budget provides

\$3.1 million, an increase of 5.6 percent, for efforts to increase food stamp participation as well as \$1.2 million, an increase of 33.3 percent, for a small state supplement to SNAP benefits for certain working families.

TRANSITIONAL ASSISTANCE LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
4110-1010	State Supplement to SSI for the Blind	8,351,643	8,501,216	8,528,216	8,528,216	<i>adj.--see text</i>
4400-1000	Dept. of Transitional Assistance	53,084,416	54,939,985	55,493,896	55,114,985	
4400-1001	Food Stamp Participation	2,933,683	3,097,436	3,112,972	3,097,436	
4400-1025	Domestic Violence Specialists	748,734	798,944	798,944	798,944	
4400-1100	Caseworker Salaries and Benefits	59,535,677	62,797,173	63,012,441	62,797,173	
4401-1000	Employment Services Program	7,109,035	8,109,035	3,954,506	7,899,506	
4403-2000	TAFDC Grant Payments	324,180,979	322,817,201	315,351,679	315,351,679	
4403-2007	Supplemental Nutritional Program	900,000	1,200,000	1,200,000	1,200,000	
4403-2119	Teen Structured Settings Program	6,576,708	7,731,401	8,081,401	8,031,401	
4405-2000	State Supplement to SSI	233,194,082	229,094,068	229,067,068	229,067,068	<i>adj.--see text</i>
4408-1000	EAEDC	88,958,966	88,263,877	87,263,877	87,263,877	

Other Human Services

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Other Human Services	152,792,464	141,870,322	141,123,766	161,525,756	162,046,426

The FY 2013 budget funds Other Human Services at \$162.0 million, an increase of \$20.2 million over FY 2012 spending. The \$20.0 million human service salary reserve accounts for approximately half of the increase. In October 2011, a salary reserve was funded at \$10.0 million that gave some human services workers one-time bonuses. The \$20.0 million salary reserve for FY 2013, besides being an increase of \$10.0 million over the bonuses goes towards permanent wage increases.

Veterans programs and services are the beneficiaries of increases totaling \$7.5 million over FY 2012 with significant increases of:

- \$204,000 (8.2 percent) for the Department of Veterans' Services Administration
- \$5.2 million (13.4 percent) for Veterans' Benefits
- \$265,000 (88.3 percent) for Veterans' Cemeteries
- \$255,000 (13.3 percent) for Veterans' Outreach Centers
- \$229,000 (10.0 percent) for Assistance to Homeless Veterans

The FY 2013 budget also adds a new commission, the Massachusetts Veteran and War Memorials Commission, which will make recommendations on an equitable method for awarding funding for the upkeep and maintenance of veteran or war memorials.

The FY 2013 budget adds \$500,000 to funding for **Emergency Food Assistance** for a total of \$13.0 million. This total includes an earmark of \$1.0 million for the **Temporary Emergency Food Assistance Program**, formerly funded separately in line item 7051-0115. The two line items together last year totaled \$12.5 million. The need for this program has increased each year since the beginning of the recession and current funding levels do not address this growing demand for emergency food assistance.

Finally, the FY 2013 budget introduces a special commission to study access to public assistance and state sponsored services in rural areas. The commission will examine barriers, including transportation and other costs, faced by low and moderate income individuals living in rural areas in obtaining services including: fuel assistance, child care subsidies, cash assistance, emergency housing services, and other health and human services.

OTHER HUMAN SERVICES LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0610-2000	Welcome Home Bill	3,105,604	2,855,604	2,805,000	2,805,000	
0611-1000	Bonus Payments to War Veterans	44,500	44,500	44,500	44,500	
1410-0010	Dept. Veterans' Services Admin.	2,491,506	2,615,839	2,526,370	2,695,839	
1410-0012	Veterans' Outreach Centers	1,912,555	2,000,000	2,167,611	2,167,611	
1410-0015	Women Veterans' Outreach	50,000	50,000	75,000	75,000	
1410-0018	Veterans' Cemeteries RR	300,000	350,000	565,000	565,000	
1410-0075	Train Vets to Treat Vets	125,000	125,000	150,000	125,000	
1410-0100	Veterans' Pension Recovery	0	96,500	0	0	
1410-0250	Assistance to Homeless Veterans	2,291,380	2,291,380	2,520,518	2,520,518	
1410-0251	New Eng. Shelter for Homeless Vets	2,278,543	2,278,543	2,278,543	2,278,543	
1410-0300	Annuities to Disabled Vets	20,135,820	21,400,000	21,473,000	21,400,000	
1410-0400	Veterans' Benefits	38,980,045	44,208,485	44,208,484	44,208,484	
1410-0630	Veterans' Cemeteries	948,313	1,014,825	1,014,825	1,014,825	
1410-1616	War Memorials	0	0	50,000	0	
1599-6901	Human Service Salary Reserve Fund	0	0	20,000,000	20,000,000	
2511-0105	Emergency Food Assistance	11,500,000	13,000,000	12,500,000	13,000,000	<i>see text</i>
4000-0050	Personal Care Attendant Council	167,708	236,976	235,485	235,485	
4000-0114	Workforce Turnover Reduction Pilot	1,000,000	0	0	0	
4003-0122	Low-Income Citizenship Program	237,500	237,500	237,500	237,500	
4180-0100	Soldiers' Home in Chelsea	25,940,788	26,931,978	26,942,840	26,942,840	
4180-1100	License Plate Sales RR	0	435,000	435,480	435,000	
4190-0100	Soldiers' Home in Holyoke	19,539,530	19,840,106	20,177,267	20,177,267	
4190-0101	Holyoke Antenna RR	5,000	5,000	5,000	5,000	
4190-0102	Pharmacy Co-Payment Fee RR	110,000	110,000	110,000	110,000	
4190-0200	Holyoke Telephone and TV RR	35,000	35,000	35,000	35,000	
4190-0300	Holyoke 12 Bed RR	671,530	671,530	678,014	678,014	
4190-1100	License Plate Sales RR	0	290,000	290,320	290,000	

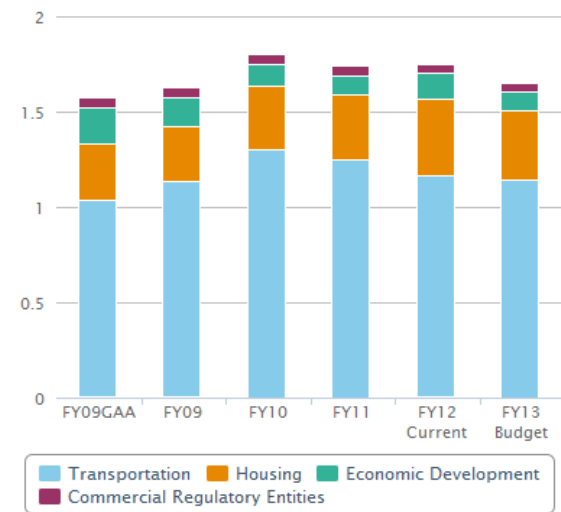
INFRASTRUCTURE, HOUSING & ECONOMIC DEVELOPMENT

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

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

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

Billions of Dollars (2013 Dollars)



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

Economic Development

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

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

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

The FY 2013 budget maintains a reorganization of economic development programs that was initiated through the FY 2012 budget.⁶ A new agency, the **Massachusetts Marketing Partnership (MMP)**, now coordinates efforts to promote the state domestically and internationally as an attractive, competitive, and innovative state in which to do businesses. The FY 2013 budget increases total funding for the MMP by \$5.2 million. For detail on related line items, please see the note “MMP” in the table at the end of this subcategory.

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

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

⁶ 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

ECONOMIC DEVELOPMENT LINE ITEMS

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

Note: MMP = Massachusetts Marketing Partnership

Housing

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

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

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

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

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

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

Family Homelessness and Housing Supports Line Items

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

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

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

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

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

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

HOUSING LINE ITEMS

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

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

Transportation

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

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

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

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

roads, highways, and bridges; maintaining and improving airports and rail and transit lines; administering the Registry of Motor Vehicles (RMV); and covering specific transportation-related debt service costs. This annual transfer of funds to MassDOT through the 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.

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

TRANSPORTATION LINE ITEMS

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

Commercial Regulatory Entities

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

COMMERCIAL REGULATORY ENTITIES LINE ITEMS

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

LAW & PUBLIC SAFETY

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Law & Public Safety	2,714,139,348	2,345,566,087	2,360,698,001	2,380,833,354	2,364,362,205
Courts & Legal Assistance	699,703,441	625,116,401	625,529,563	626,124,293	615,754,072
Law Enforcement	445,339,169	328,046,601	338,667,921	345,515,642	340,065,312
Prisons, Probation & Parole	1,365,092,139	1,211,138,857	1,214,218,855	1,222,391,980	1,220,911,719
Prosecutors	155,990,457	138,062,514	139,895,597	142,806,732	142,726,251
Other Law & Public Safety	48,014,142	43,201,714	42,386,065	43,994,707	44,904,851

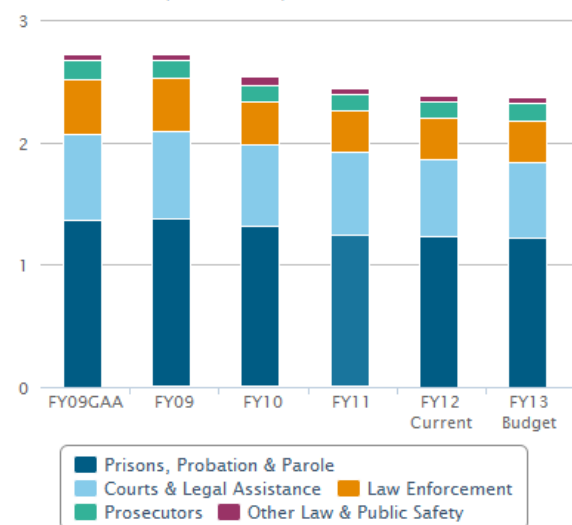
Law and public safety programs include funding for the court system and indigent defense, prosecutors, state prisons and county sheriffs departments, probation and parole functions, as well as the military division, fire safety services and various other safety inspection services.

Overall, the FY 2013 budget provides \$2.36 billion for law and public safety accounts. This total represents a small increase of \$18.8 million or 0.8 percent over current FY 2012 funding levels. Given general year-to-year price inflation, this small increase likely represents a decline in real funding for these programs relative to FY 2012 levels.

Notable elements of the FY 2013 budget regarding law and public safety accounts include a substantial decrease from FY 2012 in overall funding for indigent defense, but particularly for indigent defense provided by private bar attorneys; a substantial decrease in funding for youth violence prevention Shannon Grants; modest across-the-board increases for the District Attorneys' offices; funding to train 150 new state police recruits; and the creation of a new Public Benefits Fraud Unit (within the Department of State Police) charged with investigating the illegal receipt and use of public benefits.

The amount provided for law and public safety programs in the FY 2013 budget falls \$349.8 million or 12.9 percent below the total appropriated for these purposes in the FY 2009 General Appropriations Act (GAA, adjusted for inflation), the last budget enacted before the full fiscal effects of the Great Recession became apparent here in Massachusetts.

Billions of Dollars (2013 Dollars)



Courts & Legal Assistance

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Courts & Legal Assistance	699,703,441	625,116,401	625,529,563	626,124,293	615,754,072

The Courts and Legal Assistance subcategory includes accounts that fund the seven trial courts, the Supreme Court and the Appeals Court, and representation of indigent defendants.

The FY 2013 budget provides a total of \$615.8 million to accounts funding the courts and legal assistance, an amount \$9.4 million or 1.5 percent less than current FY 2012 funding levels.⁷ Relative to the FY 2009 GAA, the last budget enacted before the full fiscal effects of the Great Recession became apparent here in Massachusetts, the FY 2013 total for these account represents an \$83.9 million or 12.0 percent decline in inflation-adjusted funding.

With regards to courts and legal assistance accounts, the most notable element of the FY 2013 budget is the approach taken to indigent defense. The FY 2013 budget maintains the effort begun in the FY 2012 budget to shift indigent defense funding toward public defenders (PDs) and away from the use of private bar attorneys (PBAs), with a goal of decreasing and controlling overall indigent defense costs. The FY 2012 GAA stipulated that 25 percent of the indigent defense caseload would be handled by PDs (the figure in FY 2011, prior to the funding shift, was just ten percent), and allocated funding for PDs and PBAs accordingly.

Line item language in the FY 2013 budget reaffirms the goal of having PDs handle at least 25 percent of indigent defense cases and provides \$63.0 million for PDs through the Committee for Public Counsel Services (CPCS) and related accounts. This amount is nearly identical to current FY 2012 funding levels. The FY 2013 budget, however, reduces funding for PBAs (through the Private Counsel Services account) to \$98.9 million. This amount represents a decrease of \$29.6 million or 23.1 percent relative to current FY 2012 funding levels.

Historically, however, lawmakers have consistently underfunded the Private Counsel Services account at the time the budget is first enacted. It has then been necessary to return later in the fiscal year to provide substantial additional funding through one or more supplemental funding bills as it becomes apparent that indigent defense costs will overrun the amount initially appropriated. Because the Constitution requires the Commonwealth to provide an adequate legal defense for qualifying indigent defendants – and thus lawmakers are not at liberty simply to cap private counsel indigent defense funding – it is likely that this pattern will be repeated in FY 2013.

The FY 2013 budget also requires that the CPCS provide the Legislature with a report (by November 30, 2012) detailing the FY 2012 progress toward and impacts of shifting to a greater reliance on PDs for indigent defense.

In addition to decreases in indigent defense funding, the FY 2013 budget provides modest funding increases for the Supreme Judicial Court (+ 7.5 percent) and the Appeals Courts (+ 9.8 percent) over

⁷ These totals include MassBudget 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.

current FY 2012 funding levels. The FY 2013 budget also provides \$19.7 million or 10.0 percent more for the [Office of the Chief Justice for Administration and Management \(CJAM\)](#). The CJAM manages the seven trial courts and their employees, and oversees the Department of Probation and the Office of the Jury Commissioner.

The other notable elements in this area of the FY 2013 budget involve programs providing legal assistance to low-income and other underserved population. They include the following:

- The FY 2013 budget increases funding for the [Massachusetts Legal Assistance Corporation](#) (MLAC) to \$12.0 million. This total is \$1.5 million above current FY 2012 levels. MLAC provides low-income people with legal information, advice and representation on critical, non-criminal legal problems.
- The FY 2013 budget increases funding for [Massachusetts Correctional Legal Services](#) (MCLS) by 8.8 percent over current FY 2012 funding levels, bringing the total for that account to \$982,000. MCLS provides civil legal services to people held in Massachusetts prisons and jails, particularly on matters relating to health and to prison/jail conditions.
- The FY 2013 budget increases funding for the [Mental Health Legal Advisors Committee](#) (MHLAC) by 7.2 percent, bringing the total for that account to \$838,000. MHLAC provides civil legal services to children and adults with mental disabilities in cases involving discrimination and access to appropriate services.

COURTS & LEGAL ASSISTANCE

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0320-0003	Supreme Judicial Court	7,437,172	7,670,379	7,906,476	7,906,476	
0320-0010	Clerk's Office of the Supreme Judicial	1,131,858	1,215,714	1,301,283	1,301,283	
0321-0001	Commission on Judicial Conduct	575,359	592,597	592,597	592,597	
0321-0100	Board of Bar Examiners	1,057,789	1,062,289	1,062,289	1,062,289	
0321-1500	Committee for Public Counsel Service	45,304,806	45,129,781	44,482,135	45,129,781	
0321-1510	Private Counsel Compensation for Cri	128,538,422	98,906,090	100,099,544	98,906,090	
0321-1518	Indigent Counsel Fees Retained Rev	8,900,000	8,900,000	8,900,000	8,900,000	
0321-1520	Indigent Persons Fees and Court Cos	9,010,351	9,710,297	9,010,351	9,010,351	
0321-1600	Massachusetts Legal Assistance Corp	10,500,000	12,000,000	11,500,000	12,000,000	
0321-2000	Mental Health Legal Advisors Commi	781,177	806,177	852,612	837,712	
0321-2100	Massachusetts Correctional Legal Se	902,016	981,810	981,810	981,810	
0321-2205	Suffolk County Social Law Library	1,000,000	1,140,000	1,000,000	1,140,000	
0322-0100	Appeals Court	10,501,429	10,887,430	11,434,229	11,534,229	
0330-0101	Trial Court Justices' Salaries	47,307,647	47,716,258	47,307,647	47,716,258	
0330-0300	Office of the Chief Justice for Admini	197,437,997	209,775,080	205,790,613	217,180,156	
0330-3333	Trial Court Retained Revenue	0	0	0	0	adj. -- see text
0330-3334	Probation Service Fees Retained Rev	0	0	0	0	adj. -- see text
0331-0100	Superior Court	28,194,577	26,604,499	28,867,006	28,369,158	
0332-0100	District Court	65,193,836	54,442,152	74,577,190	59,821,946	
0333-0002	Probate and Family Court	23,480,541	24,104,652	29,447,902	26,092,640	
0334-0001	Land Court	3,086,356	2,712,759	4,812,759	2,973,811	
0335-0001	Boston Municipal Court	8,782,099	9,648,910	11,088,726	9,188,111	
0336-0002	Housing Court	5,435,377	6,206,191	7,873,192	6,680,497	
0337-0002	Juvenile Court	11,821,774	15,039,221	14,792,982	15,980,039	
0339-2100	Jury Commissioner	2,335,818	2,335,818	2,442,950	2,448,838	
1599-1982	Collective Bargaining Trial Court FY2C	0	17,318,327	0	0	adj. -- see text
1599-4430	Trial Court NAGE/SEIU 5000	6,400,000	10,623,132	0	0	adj. -- see text

Law Enforcement

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Law Enforcement	445,339,169	328,046,601	338,667,921	345,515,642	340,065,312

The Law Enforcement subcategory includes accounts funding the State Police, the State Police Crime Laboratory, the Chief Medical Examiner, the Criminal History Systems Board and Sex Offender Registry Board, as well as training for municipal officers and anti-gang and youth violence prevention programs.

The FY 2013 budget provides a total of \$340.1 million for law enforcement accounts, an amount 3.7 percent higher than current FY 2012 funding levels.⁸ This total, however, is \$105.3 million or 23.6 percent less than was approved in the 2009 GAA (adjusted for inflation), the last budget enacted before the full fiscal effects of the Great Recession became apparent here in Massachusetts.

Among the more notable elements of the FY 2013 budget regarding law enforcement accounts are the following:

- **Shannon Grants** are funded at \$6.3 million, a reduction of \$1.8 million from current FY 2012 funding levels. 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 (DSPO)** and related accounts receive \$274.4 million or 3.8 percent more than under current FY 2012 funding levels.⁹
- Included in this DSPO total is a newly established **Public Benefits Fraud Unit** housed within the Department of State Police and funded at \$400,000. The unit is charged with investigating the illegal receipt and use of public benefits and is directed to work with the Attorney General and Auditor's Office, as well as other state and federal authorities as appropriate.
- Separate from the above DSPO total, the FY 2013 budget provides \$596,000 for "hiring, equipping, and training 150 state police recruits." In FY 2012, \$2.0 million was provided for training a **new class of state police officers**.
- Funding to test drugs captured by law enforcement is 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, the FY 2013 budget provides an increase for the lab of \$599,000 above current FY 2012 funding levels,¹⁰ a 4.6 percent increase, to

⁸ This total includes MassBudget adjustments to FY 2013 funding amounts (including for line items 1599-4204 and 8000-0106) to align with FY 2012 line item structures in order to make a proper apples-to-apples comparison between the two years.

⁹ This total includes line items 8100-0000, 8100-0006, 8100-0011, 8100-0012, 8100-0101, 8100-1001, 8100-1004.

¹⁰ The FY 2013 budget provides \$15,111,250 to the State Police Crime Lab account (account 8000-0106). To allow for proper apples-to-apples comparisons among years, however, MassBudget shifts \$1,519,139 million (the amount identified by ANF and SWM as the actual cost shift associated with this consolidation) 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 FY 2013 budget still provides an additional \$599,000 to the State Police Crime Lab.

\$13.6 million. Line item language earmarks \$200,000 for the state's pre-existing requirement that all convicted felons undergo DNA testing, with results stored in a state database.

LAW ENFORCEMENT

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
1599-4204	SPAM Collective Bargaining Reserve	4,509,518	1,190,563	1,190,563	1,190,563	<i>adj. -- see text</i>
8000-0105*	Office of the Chief Medical Examiner	7,210,507	7,413,572	7,633,638	7,346,748	
8000-0106*	State Police Crime Laboratory	12,993,541	13,638,157	13,392,111	13,592,111	<i>adj. -- see text</i>
8000-0110*	Criminal History Systems Board	2,515,650	2,469,265	2,000,000	2,200,000	
8000-0111	CORI Retained Revenue	0	3,000,000	3,000,000	3,000,000	
8000-0122	Chief Medical Examiner Fee Retainer	2,000,000	2,100,000	2,250,000	2,250,000	
8000-0125	Sex Offender Registry Board	3,510,417	3,807,693	3,984,920	3,822,582	
8000-0202	Sexual Assault Evidence Kits	86,882	86,882	86,882	86,882	
8000-1700	Public Safety Information Technology	17,803,749	18,317,591	19,396,655	18,467,861	
8100-0006	Private Detail Retained Revenue	27,500,000	27,500,000	27,500,000	27,500,000	
8100-0011	Federal Reimbursement Retained Revenue	(1,000,000)	3,100,000	0	0	
8100-0012	Special Event Detail Retained Revenue	1,050,000	1,050,000	1,050,000	1,050,000	
8100-0018	Federal Reimbursement Retained Revenue	4,100,000	1,401,500	4,501,501	4,501,500	
8100-0020	Telecommunications Access Fee Retention	35,000	0	35,000	35,000	
8100-0101	Auto Etching Fee Retained Revenue	57,500	57,500	108,000	108,000	
8100-0111	Gang Prevention Grant Program (Share)	8,000,000	5,500,000	7,000,000	6,250,000	
8100-0515	New State Police Classes	2,000,000	0	2,000,000	596,000	
8100-1001	Department of State Police Operations	232,225,459	244,584,033	245,897,499	244,122,688	
8100-1004	State Police Benefit Fraud Unit	0	0	750,000	400,000	
8200-0200	Municipal Police Training Committee	2,500,378	2,551,165	2,838,874	2,520,378	
8200-0222	Municipal Recruit Training Program Fund	948,000	900,000	900,000	900,000	

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

Prisons, Probation & Parole

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Prisons, Probation & Parole	1,365,092,139	1,211,138,857	1,214,218,855	1,222,391,980	1,220,911,719

The Prisons, Probations & Parole subcategory includes accounts funding the state prison system, the county jails and other county sheriffs' department functions, the Probation Department and the Parole Board.

The FY 2013 budget provides \$1.22 billion to prisons, probations and parole accounts, an amount \$9.8 million or 0.8 percent higher than current FY 2012 funding levels.¹¹ Given general year-to-year price inflation, this likely translates into a decline in real funding for these programs relative to FY 2012. The FY 2013 total for these programs is \$144.2 million or 10.6 percent less than was provided in the FY 2009 GAA (adjusted for inflation), the last budget enacted before the full fiscal effects of the Great Recession became apparent here in Massachusetts.

Among the more notable elements of the FY 2013 budget regarding prison, probation and parole accounts are the following:

- Funding for the **Department of Corrections** (DOC) and related accounts is increased by \$20.9 million or 3.9 percent over current FY 2012 levels to \$552.8 million.¹² This includes \$5.0 million for the **Massachusetts Alcohol and Substance Abuse Centers**, an amount identical to that provided in FY 2012.
- Total funding for the 14 **County Sheriff's Departments** and related accounts is decreased by \$15.4 million or 3.0 percent from current FY 2012 funding levels to \$496.3 million.
- In the FY 2013 budget, the Legislature once again chooses not to adopt the Governor's 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 also chose not to adopt). Instead, the FY 2013 budget continues to provide funding directly for each of these functions, with **probation services** accounts receiving \$144.5 million and **parole programs** receiving \$18.3 million. These amounts represent an increase of 4.1 percent and 0.9 percent respectively, relative to current FY12 funding levels. Compared to the FY 2009 GAA, the FY13 Budget represents a decline in funding of 19.4 percent for combined probation and parole services, adjusted for inflation.

¹¹ 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.

¹² This total includes line items 8900-0002, 8900-0002, 8900-0006, 8900-0045, 8900-0050, and 8900-1100

PRISONS, PROBATION & PAROLE

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0339-1001	Commissioner of Probation	116,765,364	114,799,578	114,799,578	123,420,055	
0339-1003	Office of Community Corrections	22,024,310	20,650,586	20,099,362	21,105,653	
8900-0001*	Department of Correction Facility Oper	513,360,246	536,824,301	542,788,132	541,217,210	adj. -- see text
8900-0002	Correction Administration/ MASAC (N	5,000,000	5,000,000	5,000,000	5,000,000	adj. -- see text
8900-0010*	Prison Industries and Farm Services I	2,897,672	3,018,392	2,897,672	3,011,122	
8900-0011	Prison Industries Retained Revenue	2,600,000	2,600,000	3,600,000	3,600,000	
8900-0045	Reimbursement from Housing Feder	1,000,000	1,000,000	1,000,000	1,000,000	
8900-0050	DOC Fees RR	11,989,000	5,000,000	10,000,000	5,000,000	adj. -- see text
8900-1100	Re-Entry Programs	550,139	550,139	550,139	550,139	
8910-0102	Hampden Sheriff's Department	66,021,140	65,784,478	66,442,323	65,784,478	
8910-0105	Worcester Sheriff's Department	40,423,906	40,282,336	40,685,159	40,282,336	
8910-0107	Middlesex Sheriff's Department	63,408,017	60,918,825	61,528,013	60,918,825	
8910-0108	Franklin Sheriff's Department	10,071,430	8,875,657	8,964,414	8,875,657	
8910-0110	Hampshire Sheriff's Department	12,519,619	11,937,088	12,056,459	11,937,088	
8910-0145	Berkshire Sheriff's Department	15,519,254	14,258,336	14,400,919	14,258,336	
8910-0160	Reimbursement from Housing Feder	850,000	850,000	850,000	850,000	
8910-0188	Reimbursement from Housing Feder	2,100,000	2,100,000	2,450,000	2,100,000	
8910-0288	Franklin Sheriff's Department Retain	0	350,000	0	350,000	
8910-0445	Dispatch Center Retained Revenue	250,000	250,000	250,000	250,000	
8910-0446	Pittsfield Schools Retained Revenue	500,000	500,000	500,000	500,000	
8910-0619	Essex Sheriff's Department	44,838,179	44,885,910	45,334,769	44,885,910	
8910-1000	Prison Industries Retained Revenue	2,251,900	2,388,300	2,396,673	2,396,673	
8910-1010	Hampden Sheriff Regional Mental H	905,441	905,441	905,441	905,441	
8910-1100	Prison Industries Retained Revenue	75,000	75,000	75,000	75,000	
8910-1101	Middlesex Sheriff Mental Health Sta	905,441	905,441	905,441	905,441	
8910-1112	Hampshire Regional Lockup Retaine	158,068	158,248	158,248	158,248	
8910-1127	Hampshire Sheriff's Federal Inmate	0	250,000	250,000	250,000	
8910-2222	Reimbursement from Housing Feder	1,500,000	500,000	500,000	500,000	
8910-6619	Reimbursement from Housing Feder	2,000,000	2,000,000	2,000,000	2,000,000	
8910-7100	Massachusetts Sheriffs Association I	344,790	344,790	344,790	344,790	
8910-8200	Barnstable Sheriff's Department	24,217,609	22,531,834	22,757,152	22,531,834	
8910-8210	Barnstable Sheriff's Federal Reimbu	250,000	250,000	250,000	250,000	
8910-8300	Bristol Sheriff's Department	30,006,893	28,001,984	28,282,004	28,001,984	
8910-8310	Bristol Sheriff's Department Federal	8,460,000	9,011,360	9,011,360	9,011,360	
8910-8400	Dukes Sheriff's Department	2,672,952	2,524,719	2,549,966	2,524,719	
8910-8500	Nantucket Sheriff's Department	747,844	747,844	747,844	747,844	
8910-8600	Norfolk Sheriff's Department	27,780,272	25,439,428	25,693,822	25,439,428	
8910-8610	Norfolk Sheriff's Department Federal	2,500,000	2,500,000	2,500,000	2,500,000	
8910-8700	Plymouth Sheriff's Department	31,254,582	25,783,339	26,041,172	27,783,339	
8910-8710	Plymouth Sheriff's Department Feder	16,000,000	16,000,000	18,000,000	16,000,000	
8910-8800	Suffolk Sheriff's Department	94,142,732	90,397,267	91,301,240	90,397,267	
8910-8810	Suffolk Sheriff's Dept. Federal Inmat	8,000,000	8,000,000	8,000,000	8,000,000	
8950-0001	Parole Board	17,486,537	17,497,436	17,890,782	17,657,436	
8950-0008	Parolee Supervision Fee Retained R	600,000	600,000	600,000	600,000	
1599-XXXX	Sheriffs' Collective Barg. Reserves	3,190,520	16,970,798	7,034,105	7,034,105	See note, below

NOTE: Sheriffs' collective bargaining total includes amounts from the following reserve account line-items (all beginning with 1599): -4234, -4288, -4289, -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, -4442, -4444, -4704, and -4801. The Senate appropriates some collective bargaining amounts directly to sheriff accounts rather than to their reserve accounts.

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

Prosecutors

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Prosecutors	155,990,457	138,062,514	139,895,597	142,806,732	142,726,251

The Prosecutors subcategory includes accounts funding the District Attorneys' offices and the investigative support they receive from the State Police, the Attorney General's office and the various special investigative units housed within the AG's office, as well as victim and witness assistance and protection programs.

The FY 2013 budget provides a total of \$142.7 million for prosecutors, \$4.7 million more than current FY 2012 levels. This amount is \$13.3 million or 8.5 percent less than was appropriated in the FY 2009 GAA, the last budget enacted before the full fiscal effects of the Great Recession became apparent here in Massachusetts.

The most notable elements of the FY 2013 budget with regards to prosecutors' account are the following:

- Funding increases of 5.0 percent are provided to most of the eleven **District Attorneys' (DAs) Offices**. Exceptions are the Middlesex DA (3.9 percent increase), Hampden DA (1.8 percent increase), Northwestern DA (2.9 percent increase), and Norfolk DA (3.5 percent increase).
- Funding for the **Office of the Attorney General** is reduced by \$672,000 or 2.9 percent to \$22.3 million. This FY 2013 total represents a decline of 24.0 percent relative to the FY 2009 GAA.
- Adopting a proposal made by the Governor, the FY 2013 budget funds 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."¹³ The FY 2013 budget provides \$1.2 million for this initiative, somewhat less than the \$1.8 million originally proposed by the Governor.
- The FY 2013 budget increases funding for AG's **Wage Enforcement Program** by \$381,000 or 12.9 percent to \$3.3 million.

¹³ Governor's FY 2013 budget website: http://www.mass.gov/bb/h1/fy13h1/brec_13/act_13/h08100061.htm?q=0810-0061

PROSECUTORS

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0340-0100	Suffolk District Attorney	16,052,775	16,442,761	16,855,414	16,855,414	
0340-0198	Suffolk District Attorney State Police	354,303	354,303	354,303	354,303	
0340-0200	Northern District Attorney	13,690,462	14,023,058	14,374,985	14,374,985	
0340-0298	Northern District Attorney State Police	516,485	516,485	516,485	516,485	
0340-0300	Eastern District Attorney	8,411,609	8,615,961	8,832,189	8,832,189	
0340-0398	Eastern District Attorney State Police	504,351	504,351	504,351	504,351	
0340-0400	Middle District Attorney	8,987,840	9,105,742	9,334,263	9,334,263	
0340-0410	University of Massachusetts Medical	420,000	420,000	420,000	0	
0340-0498	Middle District Attorney State Police	413,499	413,499	413,499	413,499	
0340-0500	Hampden District Attorney	8,257,076	8,198,688	8,404,444	8,404,444	
0340-0598	Hampden District Attorney State Police	454,899	339,899	339,899	339,899	
0340-0600	Northwestern District Attorney	5,086,625	5,104,790	5,232,902	5,232,902	
0340-0698	Northwestern District Attorney State	294,248	294,248	294,248	294,248	
0340-0700	Norfolk District Attorney	8,315,799	8,399,821	8,610,626	8,610,626	
0340-0798	Norfolk District Attorney State Police	438,759	427,306	427,306	427,306	
0340-0800	Plymouth District Attorney	7,113,287	7,286,097	7,468,951	7,468,951	
0340-0898	Plymouth District Attorney State Police	429,842	429,842	429,842	429,842	
0340-0900	Bristol District Attorney	7,401,003	7,580,803	7,771,053	7,771,053	
0340-0998	Bristol District Attorney State Police	351,318	326,318	326,318	326,318	
0340-1000	Cape and Islands District Attorney	3,617,658	3,705,545	3,798,541	3,798,541	
0340-1098	Cape and Islands District Attorney State	278,735	278,735	278,735	278,735	
0340-1100	Berkshire District Attorney	3,522,666	3,608,246	3,698,799	3,698,799	
0340-1198	Berkshire District Attorney State Police	53,780	215,126	215,126	215,126	
0340-2100	District Attorneys' Association	1,660,006	1,660,006	1,660,006	1,660,006	
0340-8908	District Attorneys' Wide Area Network	1,317,090	1,317,090	1,317,090	1,317,090	
0810-0000	Office of the Attorney General Admin	22,922,820	22,251,155	22,251,155	22,251,155	
0810-0004	Compensation to Victims of Violent Crime	2,188,340	2,188,340	2,188,340	2,188,340	
0810-0013	False Claims Recovery Retained Revenue	775,000	775,000	775,000	775,000	
0810-0014	Public Utilities Proceedings Unit	2,355,145	2,355,145	2,355,145	2,355,145	
0810-0021	Medicaid Fraud Control Unit	4,064,923	4,064,923	4,064,923	4,064,923	
0810-0045*	Wage Enforcement Program	2,952,428	3,006,183	3,333,588	3,333,588	
0810-0061	Litigation and Enhanced Recoveries	0	1,000,000	1,811,579	1,200,000	
0810-0098	Attorney General State Police Overtin	340,676	415,676	340,676	415,676	
0810-0201	Insurance Proceedings Unit	1,539,942	1,502,039	1,539,942	1,502,039	
0810-0338	Automobile Insurance Fraud Investig	438,506	435,443	438,506	435,443	
0810-0399	Workers' Compensation Fraud Invest	284,456	284,456	284,456	284,456	
0840-0100	Victim and Witness Assistance Board	494,923	494,923	494,923	494,923	
0840-0101	Domestic Violence Court Advocacy Pro	741,199	741,199	736,667	741,199	
8000-0038	Witness Protection Board	94,245	94,245	94,245	94,245	
8950-0002	Victim and Witness Assistance Progr	210,670	218,150	218,212	210,744	

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

Other Law & Public Safety

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Other Law & Public Safety	48,014,142	43,201,714	42,386,065	43,994,707	44,904,851

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.

The FY 2013 budget provides a total of \$44.9 million for these functions, an amount \$1.7 million greater than current FY 2012 funding levels. This FY 2013 total represents a 6.5 percent decline relative to the FY 2009 GAA (adjusted for inflation), the last budget enacted before the full fiscal effects of the Great Recession became apparent here in Massachusetts.

The most notable elements of the FY 2013 budget with regards to other law & public safety account are the following:

- The **Department of Fire Services** and related accounts receives \$18.5 million, an increase of \$1.1 million or 6.5 percent over current FY 2012 levels.
- The **Military Division** receives a 4.7 percent increase over current FY 2012 levels to \$9.8 million.
- \$6.0 million is provided for **Elevator Inspections** (through a retained revenue account), an amount \$497,000 or 9.0 percent higher than current FY 2012 funding levels.
- The **Massachusetts Emergency Management Agency** and related accounts receive \$2.3 million, an increase of \$103,000 or 4.6 percent over current FY 2012 levels.

OTHER LAW & PUBLIC SAFETY

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0612-0105	Public Safety Employees Line-of-Duty	700,000	200,000	200,000	200,000	
8000-0600*	Executive Office of Public Safety and :	2,211,927	2,226,645	2,196,720	2,212,797	
8311-1000*	Department of Public Safety	4,574,006	4,579,533	4,610,086	4,610,086	
8315-1020*	Elevator Inspection Fee Retained Re	5,500,000	5,550,573	5,996,573	5,996,573	
8315-1022	Boiler Inspection RR	1,200,000	1,200,000	1,200,000	1,200,000	
8324-0000*	Department of Fire Services Adminis	17,384,374	16,122,709	17,588,733	18,513,773	
8324-0304	Department of Fire Services Retained	8,500	0	8,500	8,500	
8700-0001*	Military Division	8,001,491	8,695,294	8,438,924	8,438,924	
8700-1140	Armory Rental Fee Retained Revenue	1,400,000	1,400,000	1,400,000	1,400,000	
8800-0001*	Massachusetts Emergency Managem	1,511,395	1,703,783	1,607,752	1,607,752	
8800-0100*	Nuclear Safety Preparedness Program	429,268	426,776	447,794	430,444	
8800-0200	Radiological Emergency Response Pl	280,753	280,753	299,585	286,002	

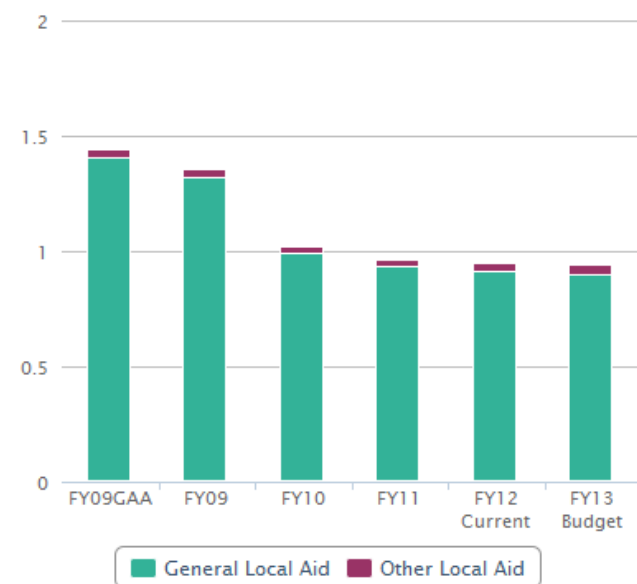
*House totals adjusted to include totals from collective bargaining agreements.

LOCAL AID

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Local Aid	1,438,324,839	936,450,293	932,350,293	941,360,000	939,240,293
General Local Aid	1,404,262,198	898,980,293	898,980,293	900,000,000	898,980,293
Other Local Aid	34,062,641	37,470,000	33,370,000	41,360,000	40,260,000

The Fiscal Year (FY) 2013 budget funds non-school local aid at levels just slightly higher than the current FY 2012 budget. The vast majority of this funding supports general local aid 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 FY 2013 budget funds general local aid at levels slightly above the FY 2011 and current FY 2012 budgets, this represents the third year in a row of not making inflation adjustments to fully adjust 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.

Billions of Dollars (2013 Dollars)



LOCAL AID LINE ITEMS

Line Item	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
1233-2350	Unrestricted General Govt Aid (UGGA)	898,980,293	898,980,293	900,000,000	898,980,293	see text below
1233-2400	State Owned Land (in Lieu of Taxes)	26,270,000	26,270,000	26,270,000	26,270,000	
1599-0026	Muni. Regionalization & Efficiencies Gr	10,050,000	5,950,000	10,090,000	12,840,000	see text below
7006-0140	Local Share of Racing Tax Revenues	1,150,000	1,150,000	0	1,150,000	
OS-CPA	Community Preservation Act	0	0	5,000,000	0	see text below

General Local Aid

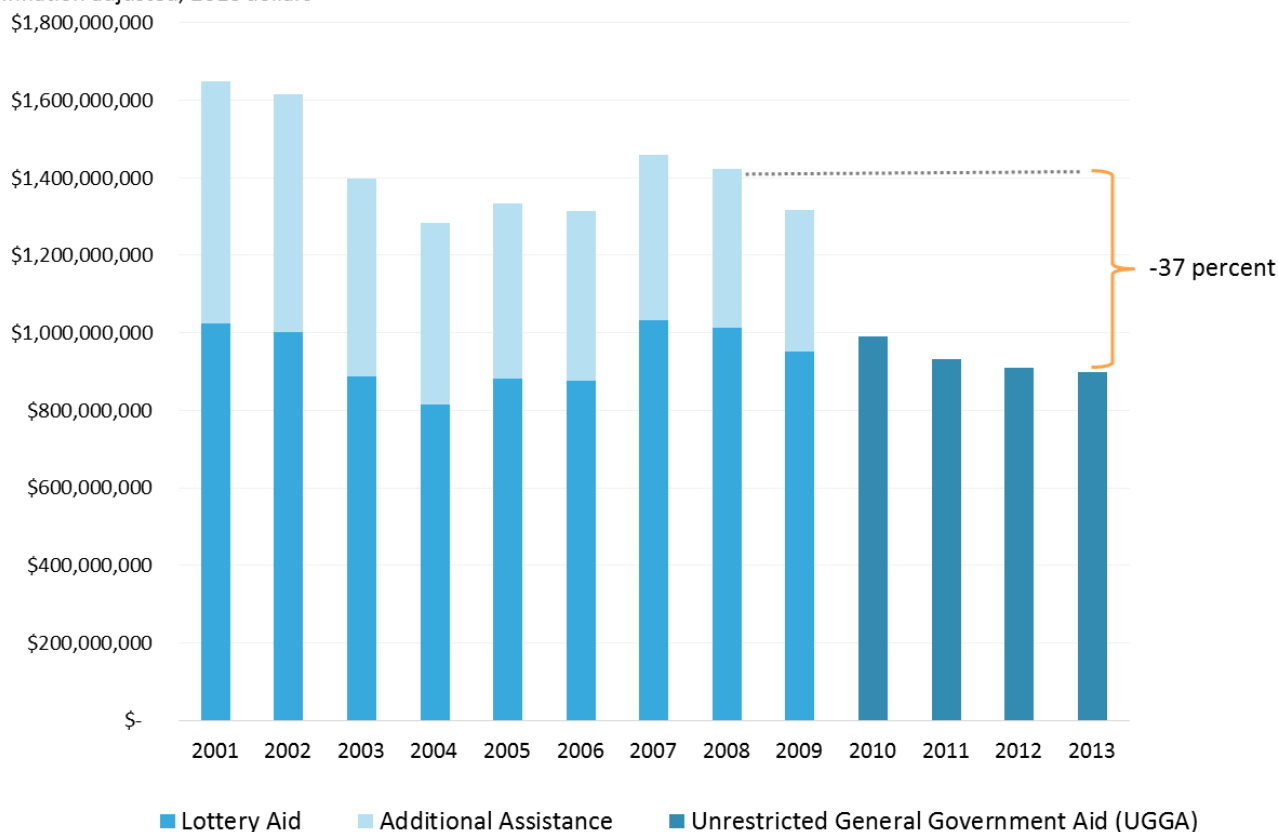
	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
General Local Aid	1,404,262,198	898,980,293	898,980,293	900,000,000	898,980,293

The FY 2013 budget funds **Unrestricted General Government Aid (UGGA)** at \$899.0 million, the same nominal level as the current FY 2012 budget. The FY 2012 GAA funded UGGA at a baseline level of \$834.0 million, but FY 2012 budget language 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. While FY 2013 funding will be equal to final FY 2012 levels, the FY 2013 budget does have the virtue of guaranteeing all of this money through a direct appropriation rather than having \$65.0 million of it come as a contingency.

It should be noted that this FY 2013 funding level is tantamount to a cut since no inflation adjustment will 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. For more information on the history of general local aid and for historical funding levels, 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



Other Local Aid

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Other Local Aid	34,062,641	37,470,000	33,370,000	41,360,000	40,260,000

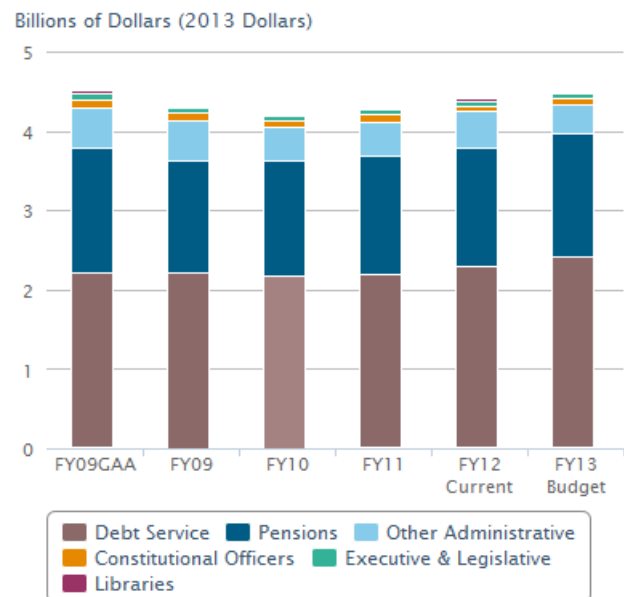
Through outside section language, the FY 2013 budget enacts a few policy changes to the **Community Preservation Act** (CPA). The budget provides more flexibility for how the open space portion of a community's CPA funds can be spent, allowing cities or towns to renovate existing recreational facilities rather than requiring them to use the funds only to purchase new open space. Allowing CPA money to be spent on recreational renovation projects may help more urban communities, with little passive open space, opt into the CPA for the first time. Additionally, the FY 2013 budget allows for alternative municipal revenues to be used to supplement the current CPA property tax surcharge.

The FY 2013 budget couples these policy changes with a deposit of \$25.0 million for the Community Preservation Trust if there is sufficient money in the FY 2013 consolidated net surplus to do so. Currently, cities and town can opt into the program and pass a property tax surcharge of up to 3 percent. When the act was first passed, the state provided a 100 percent match to the revenue raised by cities and towns through the surcharge. State matching funds come from revenue raised through the deeds recording fees, and therefore show up off-budget. As housing sales waned during the economic crisis, and as more communities joined the CPA, the state's contribution has diminished considerably, down to 22 percent for FY 2012.

OTHER

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Other	4,497,139,812	4,336,733,570	4,520,214,292	4,493,385,626	4,492,219,085
Constitutional Officers	95,476,637	69,677,536	75,644,678	75,594,500	75,709,605
Debt Service	2,216,608,862	2,255,461,762	2,419,622,923	2,415,996,374	2,415,996,374
Executive & Legislative	73,875,040	67,939,480	66,495,916	66,439,480	66,495,916
Libraries	36,406,290	21,460,977	21,813,771	21,752,791	21,813,776
Pensions	1,564,686,672	1,478,000,000	1,552,000,000	1,552,000,000	1,552,000,000
Other Administrative	510,086,312	444,193,815	384,637,004	361,602,481	360,203,415

MassBudget's Other category includes spending for the Governor's Office, the Department of Revenue, the Executive Office of Administration and Finance, the Legislature, Constitutional Officers such as the Secretary of State as well as some independent agencies and commissions. It also includes Libraries, payments the state makes for debt service and for pensions to public employees. In addition, much of the state's one-time spending such as assistance to communities that may have been hit by ice storms, tornadoes or other natural disasters is included in this category. Finally the category includes reserves for collective bargaining agreements though when possible, MassBudget redistributes this funding into the accounts where it is expected to be spent.



Constitutional Officers

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Constitutional Officers	95,476,637	69,677,536	75,644,678	75,594,500	75,709,605

This subcategory includes funding for the Secretary of State, the State Auditor, the Registries of Deeds as well as various other offices and commissions. The FY 2013 budget provides \$75.7 million for these offices which is \$6.0 million more than FY 2012. Much of this funding increase goes to the Secretary of State's office for the 2012 primary and general elections.

CONSTITUTIONAL OFFICERS LINE ITEMS

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0511-0000	Secretary of the Commonwealth Adm	5,912,424	5,912,424	5,912,424	5,912,424	
0511-0001	State House Gift Shop Retained Reve	30,000	30,000	15,000	15,000	
0511-0200	State Archives	378,121	362,938	378,121	362,938	
0511-0230	State Records Center	36,217	36,217	36,217	36,217	
0511-0250	Archives Facility	296,521	296,521	296,521	296,521	
0511-0260	Commonwealth Museum	243,684	242,556	243,684	242,556	
0511-0270	Census Data Technical Assistance	500,000	350,000	400,000	400,000	
0511-0420	Address Confidentiality Program	130,858	130,250	130,858	130,250	
0517-0000	Public Document Printing	600,000	600,000	500,000	600,000	
0521-0000	Elections Division Administration an	5,062,626	8,646,892	8,646,892	8,646,892	
0521-0001	Central Voter Registration Computer	4,937,121	5,691,979	5,691,979	5,691,979	
0521-0012	Worcester Special Election	38,741	0	0	0	
0524-0000	Information to Voters	300,000	1,873,087	1,873,087	1,873,087	
0526-0100	Massachusetts Historical Commissio	750,000	800,000	750,000	800,000	
0527-0100	Ballot Law Commission	10,545	10,545	10,545	10,545	
0528-0100	Records Conservation Board	34,056	34,056	34,056	34,056	
0540-0900	Essex Registry of Deeds - Northern Di	1,017,334	1,039,688	1,017,334	1,039,688	
0540-1000	Essex Registry of Deeds - Southern D	2,703,583	2,703,583	2,703,583	2,703,583	
0540-1100	Franklin Registry of Deeds	449,288	573,978	599,768	599,768	
0540-1200	Hampden Registry of Deeds	1,643,100	1,643,100	1,643,100	1,643,100	
0540-1300	Hampshire Registry of Deeds	471,423	471,423	471,423	471,423	
0540-1400	Middlesex Registry of Deeds - Northe	1,113,611	1,097,111	1,113,611	1,113,611	
0540-1500	Middlesex Registry of Deeds - Southe	2,875,012	2,802,512	2,875,012	2,875,012	
0540-1600	Berkshire Registry of Deeds - Norther	250,700	250,700	250,700	250,700	
0540-1700	Berkshire Registry of Deeds - Central	419,400	417,506	419,400	419,400	
0540-1800	Berkshire Registry of Deeds - Southe	209,483	209,000	209,483	209,483	
0540-1900	Suffolk Registry of Deeds	1,734,615	1,704,834	1,734,615	1,734,615	
0540-2000	Worcester Registry of Deeds - Northe	655,072	644,501	655,072	655,072	
0540-2100	Worcester Registry of Deeds - Worces	2,161,481	2,161,481	2,161,481	2,161,481	
0610-0000	Office of the Treasurer and Receiver-	9,181,660	9,181,148	9,181,660	9,181,148	
0610-0010	Financial Literacy Programs	85,000	85,000	85,000	85,000	
0610-0140	Financial Institution Fees	21,582	22,482	22,482	22,482	
0710-0000	Office of the State Auditor Administr	14,533,952	13,659,122	13,659,122	13,659,122	
0710-0100	Division of Local Mandates	379,643	371,790	379,643	371,790	
0710-0200	Bureau of Special Investigations	1,812,420	1,796,505	2,112,420	1,796,505	
0710-0225	Medicaid Audit Unit	897,829	897,829	897,829	897,829	
0710-0300	Enhanced Bureau of Special Investig	0	468,950	0	468,950	
1000-0001*	Office of the State Comptroller	7,800,434	8,424,970	8,482,378	8,297,378	

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

Debt Service

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Debt Service	2,216,608,862	2,255,461,762	2,419,622,923	2,415,996,374	2,415,996,374

The Debt Service subcategory includes accounts used to repay loans made to the Commonwealth. The Commonwealth issues bonds to raise capital for investments in roads, bridges and other major infrastructure projects. Bondholders receive payment through the state's debt service accounts.

The FY 2013 budget provides \$2.42 billion for debt service lines items, an increase of \$160.5 million or 7.1 percent over current FY 2012 levels. The increase for debt service over FY 2012 levels is driven by a \$126.6 million (6.7 percent) increase in Consolidated Long-Term debt service to \$2.01 billion, a doubling of Accelerated Bridge Program Debt Service to \$50.7 million, and a \$19.8 million (23.0 percent) increase for Central Artery/Tunnel debt service to \$106 million.

DEBT SERVICE

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0699-0005	Consolidated Long-Term Debt Service	20,000,000	20,000,000	20,000,000	20,000,000	
0699-0014	Accelerated Bridge Program Debt Ser	25,217,567	0	50,702,783	50,702,783	
0699-0015	Consolidated Long-Term Debt Service	1,883,842,211	2,011,754,769	2,010,444,553	2,010,444,553	
0699-0016	Accelerated Bridge Program Debt Ser	0	49,392,567	0	0	
0699-2004	Central Artery/Tunnel Debt Service	0	106,001,196	0	0	
0699-2005	Central Artery/Tunnel Debt Service	86,189,403	0	106,001,196	106,001,196	
0699-9100	Short-Term Debt Service and Costs of	27,951,544	29,131,247	29,131,247	29,131,247	
0699-9101	Grant Anticipation Notes Debt Servic	22,607,000	13,182,425	13,182,425	13,182,425	
1599-0093	Water Pollution Abatement Trust Cor	64,654,037	65,160,719	61,534,170	61,534,170	
1599-1970	Massachusetts Turnpike Authority Cc	125,000,000	125,000,000	125,000,000	125,000,000	

Executive and Legislative

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Executive & Legislative	73,875,040	67,939,480	66,495,916	66,439,480	66,495,916

The FY 2013 budget provides level funding for the office of the Governor and the Legislature with a few exceptions. The budget provides an increase in funding for the **Office of Child Advocate**. Also, now that the state has redrawn its legislative districts, the FY 2013 budget does not provide funding for redistricting costs.

EXECUTIVE & LEGISLATIVE LINE ITEMS

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

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

Libraries

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Libraries	36,406,290	21,460,977	21,813,771	21,752,791	21,813,776

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 programs which are 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.

The FY 2013 budget provides \$21.8 million for libraries an increase of \$353,000 above FY 2012 current budget. Despite these increases funding for Libraries has fallen by 40 percent in inflation-adjusted dollars since the onset of the fiscal crisis in 2009.

The more notable increases in the Library budget include \$100,000 in additional funding in **aid to regional library networks** for a total of \$9.2 million and \$168,000 more for the **Talking Book programs** in Watertown and Worcester to a total of \$2.8 million.

LIBRARIES LINE ITEMS

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
7000-9101*	Board of Library Commissioners	914,448	1,008,258	1,037,793	998,778	
7000-9401	Regional Public Libraries Local Aid	9,131,475	9,231,475	9,131,475	9,231,475	
7000-9402	Talking Book Program - Worcester	421,143	421,143	430,628	430,628	
7000-9406	Talking Book Program - Watertown	2,241,016	2,400,000	2,400,000	2,400,000	
7000-9501	Public Libraries Local Aid	6,823,657	6,823,657	6,823,657	6,823,657	
7000-9506	Technology and Automated Resource	1,929,238	1,929,238	1,929,238	1,929,238	

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

Pensions

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Pensions	1,564,686,672	1,478,000,000	1,552,000,000	1,552,000,000	1,552,000,000

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 that 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. In accordance with that schedule, the FY 2013 budget reported by the Conference Committee assumes an off-budget transfer of 1.55 billion to the Pension Liability Fund. It also contains language specifying that the FY 2013 pension transfer is intended to cover the cost of providing retirees with a 3 percent cost-of-living adjustment (COLA) in FY 2013 (the COLA is calculated on a base of \$13,000, meaning the maximum COLA increase will be \$390), as well as language that allows certain social workers employed by the Department of Children and Families to retire earlier with a full pension.

Other Administrative

	FY 2009 GAA (inflation adj.)	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget
Other Administrative	510,086,312	444,193,815	384,637,004	361,602,481	360,203,415

The Other Administrative subcategory funds 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 Department of Revenue (DOR) and the Executive Office of Administration and Finance (A&F). During FY 2012 the state provided one-time relief of \$44.0 million to communities recovering from storms including the 2011 tornadoes and most recently the damage from Tropical Storm Irene. This funding is not included in the FY 2013 budget.

Some highlights of the budget for the Other Administrative subcategory include:

- Consolidation funding for state office buildings into several accounts with \$2.0 million for the **Bureau of the State House** and \$10.5 million for the **Office of Facilities Management** which oversees the other state office buildings. Various sections within the outside section portion of the FY 2013 budget lay out the responsibilities of the Bureau and the Superintendent of state office buildings.
- \$30.0 million in savings through **procurement reforms** which is \$5.0 million more than the FY 2012 current budget.

- Additional funding for **enforcement at DOR** including an additional \$4.0 million for auditors and \$2.0 million for a new account to pay for expert witnesses that DOR may hire for tax disputes amounting to \$1.0 million or more. The FY 2013 budget estimates that revenue collections will increase by \$36.3 million above FY 2012 due to this increased enforcement. For more discussion of this effort please refer to the Revenue section of this *Budget Monitor*.
- The House budget provided approximately \$27.5 million in funding that is placed in **reserve for collective bargaining agreements** that the state negotiates with its workers. In order to provide apples-to-apples comparisons with the Senate budget and the FY 2013 budget which both allocated the reserves directly in to the accounts where the funding will be spent, MassBudget has also reallocated funding from the collective bargaining accounts in the House budget into the line items where they are expected to be spent.

OTHER ADMINISTRATIVE LINE ITEMS

Number	Name	FY 2012 Current	FY 2013 House	FY 2013 Senate	FY 2013 Budget	Notes
0511-0002	Corporate Dissolution	254,213	253,076	254,213	253,076	
0640-0000*	State Lottery Commission	78,536,702	79,945,346	81,494,026	81,494,026	
0640-0005	State Lottery Commission - Monitoring Games	2,715,484	3,163,484	2,715,484	3,163,484	
0640-0010	Revenue Maximization	2,000,000	5,000,000	5,000,000	5,000,000	
0900-0100*	State Ethics Commission	0	1,890,226	1,843,193	1,843,193	
0910-0200	Office of the Inspector General	2,941,307	2,263,052	2,263,052	2,263,052	
0910-0210	Public Purchasing and Manager Program Fees Retained Revenue	600,000	600,000	600,000	600,000	
0920-0300	Office of Campaign and Political Finance	1,270,342	1,295,342	1,270,342	1,295,342	
0940-0100*	Massachusetts Commission Against Discrimination	2,543,312	2,590,495	2,590,495	2,543,312	
0940-0102	Discrimination Prevention Certification Program Retained Revenue	70,000	70,000	70,000	70,000	
0950-0000	Commission on the Status of Women	70,000	70,000	70,000	70,000	
0950-0050	GLBT Commission	100,000	100,000	100,000	100,000	
1100-1100*	Office of the Secretary of Administration and Finance	2,776,193	2,851,624	2,851,624	2,846,156	
1100-1201	Office of Commonwealth Performance, Accountability and Transparency	350,000	500,000	400,000	400,000	
1100-1700*	Administration and Finance Information Technology Costs	24,651,208	24,813,326	25,547,370	24,813,326	
1102-1128	State House Accessibility	0	0	0	140,021	
1102-3199	Office of Facilities Management	0	138,476	0	10,453,359	adj--see text
1102-3205	Massachusetts Information Technology Center Rents Retained Revenue	16,250,000	16,250,000	16,250,000	16,250,000	
1102-3232	Contractor Certification Program Retained Revenue	300,000	300,000	300,000	300,000	
1102-3234	ADA Compliance	0	0	200,000	75,000	
1102-3301*	Bureau of State Office Buildings	5,051,138	4,998,632	5,717,083	0	adj--see text
1102-3302	Utility Costs for State Managed	6,205,820	6,205,820	6,855,820	0	adj--see text

Buildings					
1102-3306	State House Operations	700,034	700,034	700,000	0 <i>adj--see text</i>
1102-3307	State House Accessibility	938,476	138,476	140,021	0 <i>adj--see text</i>
1102-3309	Bureau of the State House	0	405,569	0	2,001,579 <i>adj--see text</i>
1106-0064	A&F Caseload Forecasting	150,000	159,415	159,415	159,415
1107-2400*	Massachusetts Office on Disability	562,272	597,951	597,951	586,112
1107-2501*	Disabled Persons Protection Commission	2,210,698	2,298,879	2,316,927	2,316,927
1108-1011*	Civil Service Commission	410,000	436,065	418,240	436,065
1110-1000*	Division of Administrative Law Appeals	1,077,076	1,095,245	1,135,991	1,077,553
1120-4005*	George Fingold Library	796,229	813,531	821,483	821,483
1201-0100*	Department of Revenue	80,469,544	84,221,166	87,669,838	87,225,100
1201-0130	Additional Auditors Retained Revenue	23,940,257	27,940,258	27,940,257	27,940,257
1201-0160*	Child Support Enforcement Division	33,676,820	35,380,491	35,380,491	35,380,491
1201-0164	Child Support Enforcement Federal Reimbursement Retained Revenue	6,547,280	6,547,280	6,547,280	6,547,280
1201-0911	Expert Witnesses and their Expenses	0	0	2,000,000	2,000,000
1231-1000	Water and Sewer Rate Relief Payments - Local Services Program	500,000	500,000	0	500,000
1232-0100	Underground Storage Tank Reimbursements	26,099,454	13,000,000	13,000,000	13,000,000
1232-0200*	Underground Storage Tank Administrative Review Board	2,033,299	1,800,767	2,104,972	1,804,972
1233-2000	Tax Abatements for Disabled Veterans, Widows, Blind Persons and the Elderly	25,301,475	25,301,475	25,038,075	25,038,075
1310-1000*	Appellate Tax Board	1,734,270	1,751,736	1,806,028	1,806,028
1310-1001	Tax Assessment Appeals Fee Retained Revenue	400,000	300,000	400,000	400,000
1599-0015	Intergovernmental Secretariat Budget Team Savings Reserve	(25,000,000)	0	(30,000,000)	(30,000,000)
1599-0016	Fraud and Abuse Prevention Task Force	110,000	0	0	0
1599-0018	Revenue Maximization Reserve	750,000	0	0	0
1599-0024	Agency Auditor Grant Program	1,250,000	0	625,000	625,000
1599-0029	Collective Bargaining SEIU 1199	1,000,000	0	0	0
1599-0050	Route 3 North Contract Assistance	5,409,158	1,128,818	1,128,818	1,128,818
1599-1300	CPCS Process Evaluation	0	0	150,000	150,000
1599-1301	Program Evaluation Reserve	0	0	500,000	500,000
1599-1705	June 2011 Tornadoes	15,000,000	0	0	0
1599-1706	June 2011 Tornadoes	10,000,000	0	0	0
1599-1707	December 2008 Severe Winter Storm	6,200,000	0	0	0
1599-1708	March 2010 Floods	2,783,277	0	0	0
1599-1709	Tropical Storm Irene	10,000,000	0	0	0
1599-2013	Connor B. Reserve	1,883,000	0	0	0
1599-3234	South Essex Sewerage District Debt Service Assessment	90,100	90,100	90,100	90,100

BUDGET MONITOR

1599-3381	Hutchinson v. Patrick	745,000	0	0	0	
1599-3384	Judgments, Settlements and Legal Fees	10,000,000	5,000,000	5,000,000	5,000,000	
1599-3393	Hayes Settlement	5,000,000	0	0	0	
1599-3856	Massachusetts Information Technology Center Rent	600,000	500,000	500,000	500,000	
1599-4227	Dukes County Sheriff MCOFU Collective Bargaining Reserve	4,132,356	1,125,113	1,125,113	1,125,113	
1599-4250	CB Reserve Registries of Deeds	0	343,614	343,614	343,614	adj--see text
1599-4252	COPS Contract	140,000	52,801	0	0	adj--see text
1599-4281*	NAGE Collective FY11 Bargaining Reserve	10,000	1,923,622	0	0	adj--see text
1599-4282	Service Employees International Union	2,903,000	0	0	0	
1599-4283	AFSCME Council 93 Unit 2 2011 Reserve	10,000	0	0	0	
1599-4284	Moses Unit 2 FY11 Collective Bargaining Costs	10,000	0	0	0	
1599-4370	International Association of Fire Fighters	436,000	0	0	0	
1599-4380	Information Technology Funding for Consolidated Executive Branch IT Operations	20,420,000	0	0	0	
1599-7050	Municipal Retiree Health Care Cost Valuation	40,000	0	0	0	
1750-0100*	Human Resources Division	2,618,785	2,600,982	2,618,194	2,561,318	
1750-0102*	Civil Service Exam Fee Retained Revenue	2,700,000	2,733,357	2,700,000	2,700,000	
1750-0119	Former County Employees Workers' Compensation	52,057	52,057	52,057	52,057	
1775-0100*	Operational Services Division	200,000	6,959	0	0	
1775-0106	Enhanced Vendor Auditing	475,000	0	484,278	484,278	
1775-0115*	Statewide Contract Fee	2,989,876	3,531,625	3,500,000	3,500,000	
1775-0124*	Human Services Provider Overbilling Recovery Retained Revenue	500,000	510,727	500,000	500,000	
1775-0200*	Supplier Diversity Office	546,768	556,984	558,332	546,768	
1775-0600*	State Surplus Property Sales Retained Revenue	750,000	768,458	750,000	750,000	
1775-0700	Reprographic Services Retained Revenue	53,000	53,000	53,000	53,000	
1775-0900	Federal Surplus Property Sales Retained Revenue	55,000	55,000	55,000	55,000	
1790-0100*	Information Technology Division	3,259,613	3,291,458	3,291,458	3,195,378	
1790-0151	Data Processing Service Fee Retained Revenue	55,000	10,000	10,000	10,000	
1790-0300	Vendor Computer Service Fee Retained Revenue	554,730	554,730	554,730	554,730	
1790-0350	Springfield Data Center	0	1,500,000	1,200,000	1,200,000	
7004-0001*	Indian Affairs Commission	99,010	107,936	107,936	106,715	
8315-1025*	Building Code Training Fee Retained Revenue	90,182	90,763	95,180	95,180	
8700-1160	Welcome Home Bonus Life Insurance Premium Reimbursement	1,040,000	1,361,662	1,040,000	1,361,662	

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

REVENUE

The FY 2013 budget passed by the Legislature did not include any major revenue initiatives; instead, the budget is balanced with cuts and savings, several small ongoing revenue initiatives and with approximately \$615.0 million in temporary revenues. The budget does not follow the Governor's proposal to include revenues from new taxes on tobacco products or from removing the sales tax exemptions for candy and soda. Without any major revenue initiatives, the budget is limited in its ability to support any major spending initiatives.

The most significant revenue initiative under contention during budget debate was how much money to withdraw from the state's Stabilization ("Rainy Day") Fund. The House had proposed a total of \$409.1 million and the Senate had proposed a total of \$302.5 million. The Legislature's budget includes a direct withdrawal of \$350.0 million, and the withdrawal of \$9.1 million in interest earned by the fund.

As shown in the chart below, the FY 2013 budget assumes \$89.1 million in new ongoing revenue (in other words, revenue that will continue beyond FY 2013), and \$615.0 million in temporary or one-time revenue. Details on these initiatives follow.

FY 2013 REVENUE INITIATIVES	FY 2013 House		FY 2013 Senate		FY 2013 Budget	
	Temporary	Ongoing	Temporary	Ongoing	Temporary	Ongoing
Tax Revenue						
Delay FAS 109 deductions	45,860,105		45,860,105		45,860,105	
Enhanced tax enforcement		22,300,000		36,300,000		36,300,000
Tax settlements				32,000,000		32,000,000
Departmental Revenues						
Abandoned property revenues			10,000,000	10,000,000	10,000,000	10,000,000
Various increased fees, etc.		10,800,000		10,800,000		10,800,000
Other Sources of Funds						
Stabilization ("Rainy Day") Fund withdrawal	400,000,000		290,000,000		350,000,000	
Stabilization ("Rainy Day") Fund interest transfer	9,100,000		12,500,000		9,100,000	
Proceeds from various trusts	37,000,000		6,000,000		6,000,000	
Use of Group Insurance trust surplus	40,000,000		40,000,000		40,000,000	
Use of Commonwealth Care trust surplus	29,000,000		44,000,000		44,000,000	
Forgone carry forward of consolidated net surplus	110,000,000		104,000,000		110,000,000	
Forgone deposit into State Retiree Benefits Trust Fund			27,670,000			
SUB-TOTALS	670,960,105	33,100,000	580,030,105	89,100,000	614,960,105	89,100,000
TOTAL REVENUE INITIATIVES	704,060,105		669,130,105		704,060,105	

Tax Revenue

The FY 2013 budget relies on the consensus revenue estimate of \$21.95 billion in tax revenue. The budget also counts on three additional tax-related initiatives totaling \$114.2 million. The FY 2013 budget includes tax revenues realized with the improvement of the Department of Revenue's enforcement abilities (including the use of more powerful data-review software), projecting \$36.3 million in revenue from these improvements. The expectation is that with improved tax auditing and enforcement, the Department of Revenue will be able to bring in additional revenue for the Commonwealth that is owed but that currently goes uncollected. This represents a new and ongoing revenue stream for the state.

The Legislature's FY 2013 budget proposal adopts Senate language in an outside section changing how the Commonwealth would treat revenues from tax settlements. In past years, all tax settlement

revenues went to the General Fund. Starting in FY 2012, a law directed that the proceeds from tax settlements above \$10 million would be deposited into the Stabilization Fund (the "Rainy Day" fund). The FY 2013 budget proposal lowers this threshold, and directs that revenue from one-time tax settlements exceeding \$1 million be deposited in the Stabilization Fund. It also directs the Commonwealth to transfer up to \$30 million of these revenues back into the General Fund at the end of the fiscal year. Accordingly, based on this language the FY 2013 budget relies on \$30 million in revenue from tax settlements, as well as an additional \$2 million in retained revenues associated with the collection of these settlements.

Apart from the initiatives outlined above, the FY 2013 budget includes no other sources for new or enhanced tax revenues. To bring its budget into balance, the budget relies on other non-tax revenues.

Non-Tax Revenues

The FY 2013 Legislature's budget incorporates estimates of \$589.9 million in additional non-tax revenues. Of this total, \$569.1 million are temporary or one-time revenues, and \$20.8 million are ongoing revenues, providing revenue for this and presumably subsequent years. The temporary non-tax revenues come from agency revenue initiatives, from the Stabilization Fund, and from other specific transfers.

Agency Revenue Initiatives

The FY 2013 budget adopts a Senate proposal to direct the Commonwealth's revenue from unclaimed checks into the Abandoned Property fund, resulting in an estimated \$10.0 million in ongoing departmental revenue. The budget also transfers \$10.0 million from a separate off-budget trust into the Abandoned Property fund, a source of one-time revenue. All told, the FY 2013 budget relies on approximately \$20.0 million in new revenue from so-called abandoned property. The budget also includes a number of increases to the 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

The FY 2013 budget withdraws funding from the state's Stabilization Fund, and proposes transferring into the General Fund anticipated interest earned by the Stabilization Fund. The budget transfers \$350.0 million from the fund, and anticipates transferring \$9.1 million in interest. The budget includes language specifying a required \$100.0 million deposit into the Stabilization Fund which is the estimated amount of FY 2013 capital gains revenues in excess of \$1 billion. Furthermore, the budget does not count on transferring approximately \$100 million in tax revenue from the year's consolidated net surplus into the Stabilization Fund, as there is language allowing for suspending for one year this statutory transfer.

Unused Balances

The FY 2013 budget relies on the use of \$6.0 million from balances in existing trust funds to pay for FY 2013 costs. This is the same amount estimated by the Senate, but lower than the House budget proposal which had estimated being able to "sweep" a total of \$37.0 million in unused funds from various trusts. The FY 2013 budget also counts on \$40.0 million in one-time money available from the federal Group Insurance Trust, and \$44.0 million available from a surplus in the Commonwealth Care Trust Fund.

Other One-time Savings

The Legislature's FY 2013 budget anticipates "saving" approximately \$110.0 million by forgoing a statutory "carry forward" from FY 2013 into FY 2014 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.

The FY 2013 budget does not rely on the \$27.7 million included in the Senate budget that would have come from suspending for FY 2013 the required transfer of funds from the Master Tobacco Settlement into the State Retiree Benefits Trust. In FY 2012, the Legislature passed a law stating that in FY 2013 10 percent of the proceeds of the tobacco settlement would be deposited into this trust to help fund benefits for retired state employees. Although there is language in the Legislature's FY 2013 budget allowing for the full amount of the tobacco settlement go to the General Fund rather than the State Retiree Benefits Trust, the budget does not count on "savings" from this, and Conference Committee staff suggests that the transfer to the retiree benefits trust is still expected to take place.