

BUDGET MONITOR

The Current FY 2007 Budget: A Review of the General Appropriation Act, Supplemental Appropriations, and the Governor's 9C Cuts

OVERVIEW

What is really going on with the state budget and tax collections? While the state and national economies have shown somewhat weak but reasonably stable growth, with strong corporate profits but less progress on wages, the messages the people of Massachusetts have heard about our state's fiscal condition have been anything but stable.

When the year began, there was constant talk about a billion dollar surplus that would make another expensive tax cut seem painless. Last month the Governor announced that the state had a deficit of \$425 million, and he imposed sharp cuts to programs that people count on. On December 1, we learned that tax collections were up again and may be at a pace that could allow the state budget to be balanced without the Governor's cuts or the use of stabilization fund money. In response, the Governor reversed some, but far from all, of the cuts he imposed last month.

So which is it: a surplus, a deficit, or balance?

First, there never was a billion dollar surplus. As MBPC's *Preview of the FY 2007 Budget* explained last January, the fact that revenue was exceeding projections by a

Inside:

Local Aid.....	3
K-12 Education.....	3
Higher Education.....	6
Early Education and Care.....	7
Income Support Programs.....	8
Medicaid/MassHealth and Other Health Programs.....	9
Public Health.....	13
Mental Health.....	15
Mental Retardation.....	16
Social Services.....	17
Elder Affairs.....	18
Other Human Services.....	19
Environmental Affairs.....	20
Housing.....	21
Public Safety.....	23
Judiciary.....	23
Group Insurance.....	24
Revenue.....	25
Spending by Program Area.....	29
Appendix: FY 2007 9C Cuts and Restorations	

billion dollars did not mean that the state would have a surplus of that amount, for a simple reason: that year's budget relied on a \$600 million withdrawal from the Stabilization Fund (the "Rainy Day Fund"). That \$600 million deficit would have to be repaid before counting any new revenue as a surplus.

There was, however, a modest surplus at the end of Fiscal Year 2006. Specifically, the state took in \$261 million more than was needed to fund the budget and that amount was deposited into the Stabilization Fund to strengthen the state's capacity to weather the next economic downturn.

If there was a small surplus at the end of FY 2006, what happened to that surplus in FY 2007? The FY 2007 budget restored some of the funding that had been cut over the past five years from local aid, education, public health, the judiciary, and other areas. While the deep cuts in each of those areas caused by the tax cuts of the 1990s have only been partially reversed, there was real progress made in FY 2007 in each of these areas.

The revenue assumptions in this year's budget also caused additional complications. The revenue estimate for FY 2007 is established, by statute, in January of 2006. By the time that the Legislature finished the budget process in July, tax receipts were higher than had been projected. Rather than recalculating the tax revenue estimate for 2007 based on this new information, the Legislature appropriated \$450 million from the Stabilization Fund to balance the budget. Many people expected at the time that this transfer would ultimately be unnecessary because it appeared likely that tax revenue growth would exceed the official projection by enough to pay this money back to the rainy day fund.

Citing his opposition to the use of rainy day money to balance the budget during an economic recovery, the Governor vetoed the use of this money. By the end of October, tax revenue was exceeding projections somewhat, but not enough to balance the budget. There also appeared to be, and may still be, problems with other revenue sources including the state lottery. As a result of the Governor's veto of the stabilization fund transfer and the modest pace of tax revenue growth, the budget was technically out of balance. In such circumstances, Section 9C of Chapter 29 of the General Laws authorizes the Governor unilaterally to cut funding that has been appropriated by the Legislature. This process is more fully explained in MBPC's *Facts at a Glance: An Examination of Governor Romney's 9C Cuts*.

On December 1, the Department of Revenue released information on tax receipts through November. There was a significant increase in the rate of revenue growth this month, although it appears to be due in part to a large one time corporate tax payment. While it would be a mistake to believe that we know with any confidence exactly what the final tax revenue number will be for FY 2007, it now appears that if current trends continue tax revenue may exceed the official estimate by over \$400 million, which could be just enough for the budget to be balanced without the use of "Rainy Day Fund" money and without the need for draconian 9C cuts.

This is certainly no time for irrational exuberance. The FY 2007 budget is precariously balanced, and next year could be even more difficult. But it also appears that many of the painful cuts imposed last month may prove to be unnecessary.

This *Budget Monitor* tracks the FY 2007 budget from legislative Conference

Committee’s recommendations during the budget debate this past summer and onward. The *Monitor* reviews key gubernatorial budgetary vetoes and legislative overrides of those vetoes and the passage of the General Appropriation Act (GAA), Chapter 139 of the Acts of 2006. The *Monitor* then includes supplemental funding enacted subsequent to the GAA, and tracks the reductions made by the Governor under authority of Section 9C of Chapter 29 of the Massachusetts General Laws. The Governor then restored some of the funding to certain of the areas reduced by the 9C cuts.

The FY 2007 current funding levels reported in this *Budget Monitor* start with the funding levels passed in the GAA, add in any supplemental funding and prior appropriations continued from FY 2006 since the passage of the GAA, subtract funding cut by the Governor’s 9C reductions, and then add back the Governor’s recent partial restorations of the 9C cuts. The *Monitor* compares this current level of funding to final funding levels for FY 2006. In certain sections, this *Monitor* compares current funding to funding levels prior to the period before 2002 when tax cuts and a national recession created a fiscal crisis and led to deep cuts across state government.

LOCAL AID

The current FY 2007 budget appropriates \$1.328 billion for unrestricted local aid, a \$167.9 million or 14.5 percent increase over FY 2006.

FY 2006 Final	\$	1,159,746,098
FY 2007 Current	\$	1,327,596,219
Increase (decrease)	\$	167,850,121
Percentage Change		14.5%

The FY 2007 budget removes the cap on lottery distributions to cities and towns. As a result of the fiscal crisis, the Legislature capped lottery distributions at a certain level, and a portion of lottery revenues was diverted to the General Fund to fund other programs and services. The FY 2007 budget ends this practice, and distributes an additional \$158.7 million in lottery revenues to cities and towns.

The FY 2007 budget increases funding for the Payment in Lieu of Taxes (PILOT) program from \$16.1 million in FY 2006 to \$25.3 million in FY 2007, a \$9.2 million difference. This budget also includes level funding for Additional Assistance at \$379.8 million.

Although overall funding for unrestricted local aid grows by \$167.9 million over FY 2006, this amount is, after adjusting for inflation, still \$170.4 million or 11 percent below its level in FY 2001.

Changes since the GAA

Since the FY 2007 GAA was passed, there has not been supplemental funding appropriated to this area. In his 9C cuts, the Governor did not cut funding for unrestricted local aid. However, it appears that lottery revenue may be lower than originally projected.

K-12 EDUCATION

The current FY 2007 budget for K-12 education totals \$4.048 billion, a \$272.71 million or seven percent increase over FY 2006. This total includes local education aid (Chapter 70 funding) and K-12 education funding (non-Chapter 70) for grants,

reimbursements, and administrative support for the Department of Education.

Total K-12 Education

FY 2006 Final	\$ 3,775,789,300
FY 2007 Current	\$ 4,048,441,894
Increase (decrease)	\$ 272,652,594
Percentage Change	7.2%

Note: The numbers in this section do not include appropriations or debt service for the School Building Assistance program. Figures for grants and reimbursements include support for the Office of Educational Quality.

Local Education (Chapter 70 Aid)

FY 2006	\$ 3,288,931,062
FY 2007 Current	\$ 3,505,520,040
Increase (decrease)	\$ 216,588,978
Percentage Change	6.6%

Chapter 70 aid is distributed to cities and towns for public education. The current FY 2007 budget provides \$3.506 billion for Chapter 70 aid, a \$216.6 million increase over FY 2006.

The Chapter 70 funding level in the FY 2007 budget is based on a series of changes to the funding formula that had previously been proposed by the House, the Senate, or both. While the FY 2007 budget uses a new formula that incorporates several of these changes, as described below, it does not recommend amending the Chapter 70 law to make these formula changes permanent.

The FY 2007 appropriation for Chapter 70 reflects several changes: the consolidation of the foundation budget categories; the decision to provide funding to pay for the actual costs of inflation, rather than accepting the existing law’s arbitrary cap on inflation adjustments; increases in elements of the foundation budget; the creation of

new target local shares for each community and corresponding increases in aid, including “down payment aid” to accelerate that process; the provisions of new “growth aid”; the specification that each district will receive at least \$50 more per student; and the first step in phasing in a requirement that the state pay 17.5 percent of the foundation budget of every district, regardless of need.¹

After adjusting for inflation using the Consumer Price Index (CPI-U), the Chapter 70 appropriation is still \$197.1 million or five percent below where it was in FY 2002. Using the measure of inflation identified in Chapter 70 as the best estimate of education cost changes (the Implicit Price Deflator for state and local government services), the FY 2007 amount is \$491 million or 12 percent below the FY 2002 level.

Grants and Reimbursements (non Chapter 70)

FY 2006 Final	\$ 486,858,238
FY 2007 Current	\$ 542,921,854
Increase (decrease)	\$ 56,063,616
Percentage Change	11.5%

The current FY 2007 budget appropriates \$542.9 million for the Department of Education’s grants and reimbursement programs which is \$56.1 million or 11.5 percent more than in FY 2006.

The Governor vetoed a total of \$13.4 million budgeted in the FY 2007 Conference budget

¹ For an explanation of the meaning of these changes, see Berger, Noah and Jeff McLynch, *Public School Funding in Massachusetts: Where We Are, What Has Changed, and Options Ahead*, Massachusetts Budget and Policy Center, November 2006, available at: http://www.massbudget.org/Public_School_Funding-Where_We_Are_What_Has_Changed_-_FINAL.pdf.



for the Department of Education's grants and reimbursement programs. The Legislature overrode all of the Governor's vetoes, including:

- \$5.5 million of the \$55.5 million line item for transportation reimbursements for regional school districts.
- The entire \$4.5 million for the foundation budget reserve, a pool of funding which is used to help school districts meet their local contribution toward the foundation budget and assist with other local education needs.
- \$1.0 million of the \$19.6 million appropriation for the METCO program.

In addition to increases in funding for regional transportation (\$10.5 million more) and the METCO program (\$2.0 million more), the FY 2007 GAA boosted funding in other areas:

- Funding for the Special Education Circuit Breaker Program, which helps school districts with extraordinary special education costs, rose from \$201.6 million to \$207.7 million, a \$6.1 million or three percent increase.
- The FY 2007 GAA provided \$27.0 million more for grants to support full-day kindergarten, which increases funding by \$2.0 million over FY 2006.
- That budget also provided smaller increases in a number of other areas, including an additional \$250,000 for programs for gifted and talented students and \$200,000 more for Adult Basic Education.

Changes since the GAA

Since the FY 2007 GAA, there have been no funding changes to Chapter 70 local education aid. The Legislature did, however, add \$9.5 million in supplemental funding to the bottom-line for the Department of Education's grants and reimbursement programs (non Chapter 70). Much of that additional funding – \$8.6 million – is to support older students, including those enrolled in school-to-work activities or Adult Basic Education programs. Total funding for K-12 Education (non Chapter 70), prior to the Governor's 9C cuts, equaled \$547.9 million

The Governor's 9C cuts took \$8.9 million from the budget for K-12 education, \$3.9 million of which he then restored. The Governor cut \$2.4 million from special education circuit breaker reimbursements, but then restored the entire amount. The Governor also cut \$1.1 million from the foundation budget reserve, and restored that entire amount as well.

Among the 9C cuts that remain are a \$1.3 million decrease in the \$4.9 million budgeted for school-to-work connecting activities, and \$931,000 from the Office of Educational Quality

The Governor also reduced items that were initially vetoed in the FY 2007 Conference budget, but were ultimately overridden by the Legislature, including \$200,000 from the budget for Adult Basic Education and \$50,000 from early literacy grants.

While there is an overall increase in funding for the Department of Education's grants and reimbursement programs, there are many instances where funding is not restored to pre-fiscal crisis levels. For example, support for programs to help

students pass the MCAS exam totals \$10.0 million, which is well below the \$50.0 million that was appropriated in FY 2003. Funding to reduce class sizes, which was last funded at \$18.0 million in FY 2003 is not restored in this budget.

HIGHER EDUCATION

Under the current FY 2007 budget, overall appropriations for public higher education total \$1.181 billion,² a \$205.6 million increase over FY 2006.

Including one-time funding in FY 2007

FY 2006 Final	\$	975,546,491
FY 2007 Current	\$	1,181,117,116
Increase (decrease)	\$	205,570,625
Percentage Change		21.1%

The current FY 2007 budget, however, includes substantial one-time funding, mostly from supplemental budgets and the Economic Stimulus bill, Chapter 123 of the Acts of 2006. One-time funding in higher education includes capital costs for construction, start-up costs, and large payments for past salary adjustments. Deducting this one-time funding reduces the ongoing FY 2007 budget to \$1.037 billion, a six percent increase over FY 2006.

Excluding one-time funding from FY 2007

FY 2006 Final	\$	975,546,491
FY 2007 Ongoing	\$	1,037,203,311
Increase (decrease)	\$	61,656,820
Percentage Change		6.3%

² Totals for higher education include tuition revenue retained by certain campuses for out-of-state students. In previous years, these amounts had been appropriated through the budget.

The Legislature restored \$13.2 million that had been vetoed by the Governor from the FY 2007 Conference budget for public higher education. A sizable portion of that total (\$5.0 million) restored funding to the budget account which supports UMass operations.

In addition to increasing funding for each of the higher education institutions, the FY 2007 GAA provides additional funding for financial aid. The budget increases funding from \$84.7 million in FY 2006 to \$89.9 million in FY 2007, a \$5.2 million or six percent boost.

Changes since the GAA

Since the FY 2007 GAA was enacted, public higher education has received an additional \$191.1 million in supplemental funding. Much of this funding is to support one-time expenses. For example, \$100 million of this total will fund capital improvements at UMass and various state and community colleges.

The Governor's 9C cuts reduced funding for public higher education by \$38.0 million. The Governor then restored approximately \$135,000 in funding for foster care financial aid and the NcNair financial assistance program. Among the cuts that remain are the following:

- \$20.3 million in reserve funding that would have paid the cost for pay increases owed to higher education personnel for FY 2002.
- \$5.0 million from the \$444.2 million that supports UMass' operations.

- \$5.4 million in other reductions to administrative and personnel-related budget accounts.

While the current FY 2007 budget increases funding for higher education compared to FY 2006, much of the boost in funding is due to one-time expenses in FY 2007. Furthermore, the current budget fails to restore many of the cuts made over the past few years. Not counting one-time funding in FY 2007, the current budget for higher education is, in real terms, \$241.5 million or 19 percent below its level in FY 2001.

EARLY EDUCATION AND CARE

The current FY 2007 budget appropriates \$493.0 million for early education and care, which is relatively level with FY 2006.

FY 2006*	\$	481,055,479
FY 2007 GAA	\$	492,998,736
Increase (decrease)	\$	11,943,257
Percentage Change		2.5%

* All FY 2006 numbers include allocations from the Purchase of Service reserve as discussed on p. 7.

The Governor vetoed \$15.1 million from the FY 2007 Conference budget for early education and care. Highlights include the following:

- The Governor cut to \$6.25 million the reserve account for increases to providers' reimbursement rates.
- The Governor also vetoed the entire \$1.5 million appropriated to early education professional development.
- The \$54.7 million appropriation which funds child care services for children in

the custody of the Department of Social Services was reduced to \$53.4 million.

The Legislature subsequently overrode all of the budget items pertaining to early education and care, restoring the funding level to the amount included in the Conference budget.

The FY 2007 GAA supported funding for new initiatives that are central to the Department's goal of improving quality and access:

- That budget appropriated \$1.4 million for a new initiative to provide early childhood mental health consultations
- The FY 2007 budget also included \$1.5 million for professional development.

A Brief Explanation of the Purchase of Service (POS) Reserve

The FY 2006 budget included a \$20.0 million reserve to fund salary increases to low-wage workers for providers who deliver human and social services under contracts with the Department of Early Education and Care, the Executive Office of Elder Affairs, and various departments within the Executive Office of Health and Human Services. The FY 2007 GAA provided comparable funding, and appropriated an additional \$28.0 million in new funding for FY 2007. In this *Budget Monitor*, we adjust the relevant FY 2006 numbers to reflect the allocation of the \$20.0 million reserve in that year. The additional \$28.0 million in FY 2007 GAA would accordingly raise the bottom-line budgets for individual agencies, but we do not know how that funding would have been allocated agency-by-agency. In his 9C reductions, however, the Governor eliminated the entire \$28.0 million appropriation.

The FY 2007 GAA additionally changed the funding structure for current programs and services. The FY 2007 GAA separated the main line item for subsidized care into two accounts. One line item assists families who are receiving cash assistance through Transitional Aid to Families with Dependent Children (TAFDC), are working parents up to one year after their TAFDC benefits end, or are teen parents. The other line item helps all other low-income families. Overall, funding for subsidized care rose by \$21.4 million or seven percent.

The FY 2007 GAA also divided funding for community partnership councils (CPCs) among several different line items. Although the net result would have provided a \$3.1 million (five percent) funding increase over FY 2006, the degree of local control over how the funding would be spent is still uncertain under this configuration. As much as \$9.3 million of the funding that under the previous structure would have gone directly to CPCs is now available only through a competitive bidding process. CPCs, therefore, could lose up to \$6.1 million under FY 2007 GAA.

Changes since the GAA

The Governor cut \$25.7 million in funding from early education and care with the 9C reductions, and then restored \$8.4 million. The Governor's 9C cuts initially eliminated the \$12.5 million reserve account increasing providers' reimbursement rates, but he then restored half of this amount for a total of \$6.3 million. The Governor also cut \$1.8 million from funding for income-eligible child care, but then restored that total amount. The Governor's 9C cuts reduced almost every other budget item within the Department of Early Education and Care, cutting a total of \$17.3 million was cut early education programs and services:

- \$5.0 million cut from assistance for current and former TAFDC parents and teen
- \$1.0 million cut from Head Start programs
- \$635 million cut from professional development opportunities for early education providers

INCOME SUPPORT PROGRAMS

The current FY 2007 budget for income support programs totals \$620.1 million. These appropriations are lower than in FY 2006 primarily because, as the economy begins to improve, the caseloads for certain income support programs are declining.

FY 2006 Final*	\$	631,629,138
FY 2007 Current	\$	620,070,648
Increase (decrease)	(\$	11,558,490)
Percentage Change		-1.8%

*All FY 2006 numbers include allocations from the Purchase of Service reserve as discussed on p. 7.

The Governor vetoed \$3.9 million from the budget for income supports in the FY 2007 Conference budget, and struck important legislative language in certain programs. The Legislature overrode all of the budgetary and language vetoes in this area.

Funding in the FY 2007 GAA for TAFDC went from \$312.9 million in FY 2006 to \$296.6 million. This lower amount reflects a projected decline in the TAFDC caseload. Typically when the economy improves, there is less demand for income supports like TAFDC.

The FY 2007 GAA appropriated \$32.1 million for the Employment Services Program (ESP), the state's main source of funding for education, training, and job search services available to individuals receiving cash assistance. Funding for the main budget account which funds ESP totaled \$27.1 million, with an additional \$3.0 million available in retained revenue from certain federal reimbursements.

Changes since the GAA

Subsequent to the passage of the FY 2007 GAA, there was certain supplemental funding made available for income support programs. The Economic Stimulus bill raised the \$3.0 million retained revenue account for the Employment Services Program to \$20.0 million. Prior to the Governor's 9C reductions, total funding for ESP stood at \$47.1 million.

The Governor's 9C cuts initially reduced the budget for income supports by \$9.0 million, but the Governor then restored \$865,000 for income support programs. A considerable portion of this total amount is a \$7.8 million reduction to the budget account which funds benefits for families receiving TAFDC. This decrease in funding may not affect the level of benefits available, as the caseload is projected to decline. Should the level of funding prove to be insufficient, the Legislature does have the authority to appropriate supplemental funding.

In addition to the reduction in funding for TAFDC the Governor also cut \$315,000 from the Employment Services Program. The Governor had cut \$767,000 from Emergency Aid to the Elderly, Disabled and Children (EAEDC) program, but then restored that entire amount.

MEDICAID/MASSHEALTH AND OTHER HEALTH PROGRAMS

The current FY 2007 budget includes \$7.601 billion for Medicaid/MassHealth and other health care programs. This \$267 million increase over funding in FY 2006 reflects a growth rate of more than three percent. The Office of the State Comptroller, however, has stated that actual FY 2006 spending in the Medicaid program alone was close to \$140 million less than budgeted.

Comparing FY 2006 actual spending to the current FY 2007 budget (after taking into account supplemental budgets and the Governor's 9C reductions) would put the actual growth rate for Medicaid/MassHealth and other health care programs at closer to 5.9 percent between FY 2006 and FY 2007.

FY 2006 Final	\$ 7,334,068,387
FY 2007 Current	\$ 7,601,042,001

Increase (decrease)	\$ 266,973,614
Percentage Change	3.6%³

Included in the totals for these health care programs are funding for Medicaid/MassHealth, funding for other health care programs for persons ineligible for Medicaid, funding for uncompensated care, and funding associated with the implementation of the health reform legislation, Chapter 58 of the Acts of 2006.

"Medicaid/MassHealth" includes the Medicare "Clawback" but does not include the \$288.5 million Health Care Quality Improvement Trust. "Other Health Care Programs" includes the Healthy Start and Children's Medical Security Plan programs, as well as funding for the Betsy Lehman

³ As explained above, this 3.6 percent increase does not represent the actual annual growth in Medicaid/MassHealth and other Health Programs since FY 2006.

Funding for Medicaid/MassHealth and Other Health Care Programs					
<i>In Millions of \$</i>					
	FY 2006	FY 2007	FY07		FY07
	Final	GAA	Supps.	FY07 9c	Current
Medicaid/MassHealth	6,995.0	7,523.3	7.5	(69.4)	7,461.4
Pharmacy Programs	96.0	63.6	0.0	0.0	63.6
Other Health Care Programs	37.1	34.2	2.0	(0.0)	36.2
Uncompensated Care Pool	206.0	0.0	0.0	0.0	0.0
Health Care Reform	0.0	0.0	40.0	(0.1)	39.9
Total	7,334.1	7,621.1	49.5	(69.5)	7,601.0

Center and special grants to community health centers. "Uncompensated Care Pool" only includes money budgeted from the General Fund, not other sources of funding. "Health Care Reform" includes appropriations in Chapter 58 and Chapter 122 of the Acts of 2006 that were passed in FY 2006. Specific language in the legislation indicated these dollars would be available for spending in FY 2007, so \$19.5 million in on-budget accounts and \$30.0 million in off-budget accounts are counted as supplemental funding in FY 2007.

Medicaid/MassHealth

The current FY 2007 budget includes \$7.461 billion for the Medicaid/MassHealth programs, which includes the estimated programmatic costs of Medicaid expansion associated with the implementation of health care reform.

The GAA passed by the Legislature included \$7.523 billion for Medicaid/MassHealth. This total included \$30.5 million in rate adjustments for nursing home providers, \$10.0 million in rate increases for community health centers, \$25.7 million in supplemental payments to certain safety net hospitals, and \$1.5 million to pay for the costs of expanding MassHealth coverage until their twentieth birthday for young adults aging out of

custody of the Department of Social Services. All of these particular items had been vetoed by the Governor, but the Legislature then overrode those vetoes.

The GAA also included language in an outside section of the budget increasing the amount of assets that a spouse of a person in a nursing home who is still living in the community is allowed to retain (the "Community Spouse Resource Allowance"). Retroactive to July 1, 2006, a spouse living in the community is now entitled to keep up to \$99,540 of countable family assets. Previously, the maximum allowed was \$19,998 or half of assets up to \$99,540, whichever was greater.

Other highlights of the FY 2007 GAA:

- Implementation and funding for the expansion of benefits associated with health care reform, including the restoration of dental services, eyeglasses, chiropractics, and prosthetics for adults; and the expansion of eligibility for children up to 300 percent of the federal poverty level.
- \$68.2 million for the CommonHealth program, \$13.0 million for the MassHealth HIV program, and \$306.0 million for the MassHealth Essential

program in order to expand program enrollment and eliminate waiting lists.

- \$500,000 for outreach and enrollment grants.
- A requirement that the Legislature be given advance notice of and approve reductions in benefits or increases in premiums.

The recently-enacted federal Deficit Reduction Act requires that persons receiving Medicaid provide copies of birth certificates or other similar verification in order to be eligible for coverage. The Legislature overrode the Governor's veto of language in the GAA indicating that applicants would be able to obtain this documentation at no cost to the applicant. Although the language still stands, there is no funding specifically provided for this.

The GAA includes \$9.0 million through the off-budget nursing home assessment for the Health Care Quality Improvement Trust to fund the holding of nursing home beds for up to ten days for residents on either medical or non-medical leave of absence.

Changes since the GAA

Since the passage of the FY 2007 GAA, the Legislature added \$7.5 million in supplemental funding for Medicaid/MassHealth. These dollars, appropriated through Chapters 58 and 122 of the Acts of 2006, and specified in those pieces of legislation as funding for FY 2007, included \$3.0 million more for MassHealth outreach and enrollment grants and \$1.5 million for MassHealth audits.

With his 9C reductions, the Governor initially cut funding for Medicaid/MassHealth by \$73.7 million, but

then restored \$4.2 million. These reductions included:

- \$25.7 million for supplemental payments to certain safety net hospitals
- \$13.7 million out of the rate increases for nursing homes
- \$5 million from the rate increases for community health centers, and approximately \$5.5 million targeted to payments to specific health care providers

Because the Medicaid/MassHealth program is jointly funded by federal government, the cuts in state spending will also result in cuts in federal reimbursements to the Commonwealth. In general, for every dollar cut in the state Medicaid/MassHealth budget, the state will receive fifty cents less in federal Medicaid reimbursement.

The Governor had cut \$2.7 million in funding for grants to organizations providing outreach for and promoting enrollment in the Commonwealth's MassHealth program and had cut \$1.5 million in funding for community health centers. The Governor restored the full amount of both of those cuts.

Also included in the Governor's reductions was a decrease of approximately \$16.3 million in payments to the federal government associated with the implementation of the Medicare Part D prescription program (the "Clawback"). In this instance, the federal government recalculated and reduced the Commonwealth's liability for this payment. The Governor's 9C cut simply reflects this reduction, and does not represent a real cut in services or benefits.

Pharmacy Programs

On January 1, 2006, the federal Medicare Prescription Drug Improvement and Modernization Act (Medicare Part D) went into effect. Medicare Part D is intended to provide prescription drug coverage for persons on Medicare, and accordingly the total FY 2007 budget assumes that neither the Medicaid program nor the Prescription Advantage program will be necessary as a primary provider of health insurance coverage for medications for most elders.

The FY 2007 budget includes \$63.6 million for the Prescription Advantage program. The budget also specifies that the Prescription Advantage program cover Medicare Part D co-payments, premiums and other out-of-pocket costs for eligible enrollees, and continue to provide primary prescription coverage for elders not eligible for Medicare or for eligible non-elders with disabilities.

The Legislature overrode the Governor's veto of language recommending an open enrollment period for the program. There is also language in an outside section of the budget that extends coverage for one-time emergency supplies of medication through the end of the calendar year.

Other Health Care Programs

The FY 2007 GAA included \$16.0 million for the Healthy Start program and \$18.2 million for the Children's Medical Security Plan. Because FY 2006 spending in these programs was less than budgeted, these funding levels – although less than budgeted in FY 2006 – may be sufficient to cover the costs of the programs in FY 2007. The GAA also contained language first included last year that would continue a premium structure for the Children's Medical Security

Plan that makes the program more affordable for moderate-income families.

Changes since the GAA

There were line items provided with additional funding through supplemental budgets in FY 2006, which were specified in those budgets as funding for FY 2007. Chapter 58 of the Acts of 2006 added \$500,000 in funding for the Betsy Lehman Center for Patient Protection and Error Reduction. Chapter 122 of the Acts of 2006 added \$1.5 million in a line item earmarked for grants to eight specific community health centers.

With the 9C reductions, the Governor cut approximately \$6,000 from the Betsy Lehman center (as part of his across-the-board administrative reductions).

Uncompensated Care and Health Reform

The current FY 2007 budget assumes that comprehensive health care reform will reduce the demand on the Uncompensated Care Pool as currently configured. The FY 2007 budget therefore does not appropriate state dollars for uncompensated care. In FY 2006, \$206.0 million had been appropriated to cover a portion of the costs of uncompensated care. Chapter 58 of the Acts of 2006 includes language specifying that total assessments paid by hospitals and private payers to help cover the costs of uncompensated care would remain at \$320 million as in FY 2006.

Language in an "off-budget" outside section of the GAA stipulates that \$597.1 million from the General Fund will go into the Commonwealth Care Trust Fund to support the costs of health care reform, including the

costs associated with the Commonwealth Care Health Insurance Program.

Changes since the GAA

Chapter 58 of the Acts of 2006 appropriated \$10.0 million into an administrative reserve to pay for the administrative and start-up costs associated with the health reform legislation. The act also transferred \$5.0 into an off-budget account for the Massachusetts Technology Park Corporation to pay for a computerized physician order entry system. There was also \$25.0 million transferred off-budget for the costs associated with start-up of the Commonwealth Health Insurance Connector. Although appropriated during the FY 2006 fiscal year, the legislation specified that these dollars would be available for spending in FY 2007.

The Governor's 9C cuts included a cut of \$116,000 to costs associated with the administrative reserve.

PUBLIC HEALTH

The current FY 2007 budget includes \$508.9 million for public health services, a \$74.2 million increase – seventeen percent – over FY 2006 funding.

FY 2006 Final*	\$	434,686,238
FY 2007 Current	\$	508,914,069
Increase (decrease)	\$	74,227,831
Percentage Change		17.1%

* All FY 2006 numbers include allocations from the Purchase of Service salary reserve as discussed on p. 7.

The FY 2007 current budget includes \$142.8 million for hospital-based public health services and \$366.1 million for non-hospital based public health. Even though the budget

continues to restore funding for the public health services that had been deeply cut during the state's fiscal crisis, this budget is still seventeen percent below funding in FY 2001 when adjusted for inflation.

The Governor vetoed \$6.3 million from the Conference budget for public health services. The Legislature restored this entire amount, including:

- \$158,000 restored for programs dealing with domestic violence in the gay and lesbian community
- \$265,000 restored for environmental health services, for a total of \$3.5 million in the GAA.
- \$190,000 restored for dental health services, for a total of \$1.9 million in the GAA.
- \$2.8 million restored to establish a new rehabilitation unit at the Massachusetts Hospital School in Canton in the GAA.

There are several public health items for which the GAA funding level represented an increase over FY 2006 levels. Some of these items were:

- \$2.0 million more for school health services, including a new \$300,000 earmark for mental health and substance abuse services in school health centers. Total school health services funding was \$16.7 million, a 14 percent increase over FY 2006 funding. Included in this line item was an earmark of \$15.0 million for school nurses and school-based health centers. There was also an earmark of \$350,000 for the Governor's Commission on Gay and Lesbian Youth, and the Legislature overrode the Governor's veto of language in an

outside section of the budget creating a permanent commission on gay and lesbian youth. When compared to funding in FY 2001, however, funding in the FY 2007 GAA still represented a dramatic reduction. School health services had been funded partially within the Department of Public Health and partially within the Department of Education. Since FY 2001, when adjusted for inflation, school health services have been cut by more than 68 percent.

- \$18.9 million more in the GAA for substance abuse services compared to FY 2006, for a total of \$66.6 million. The GAA included a \$5.0 million line item for step-down recovery services. Line item language in the GAA also indicates that \$4.0 million of the FY 2007 appropriation would be available to support the creation of a program consisting of 60 beds for men who are civilly committed for substance abuse treatment.
- \$7.7 million more in the GAA for universal immunizations compared to FY 2006, for a total of \$36.8 million.
- \$2.1 million more in the GAA for early intervention services compared to FY 2006, for a total of \$33.0 million. The GAA also includes a line item of \$1.4 million that would fund salary increases for workers in early intervention programs.

Changes since the GAA

Since the passage of the GAA, there have been significant changes in the funding for public health line items – both increases and decreases.

Chapter 58 of the Acts of 2006 (the health reform legislation) added \$14.5 million to more than a dozen line items in the public health budget. The legislation specified that these dollars, although appropriated in FY 2006, would be available for spending in FY 2007. These additions included:

- \$750,000 for suicide prevention programs
- \$1.0 million for prostate cancer screening, \$4.0 million for breast cancer programs and \$200,000 for ovarian cancer screening
- \$100,000 for osteoporosis prevention, \$750,000 for hepatitis screening, \$250,000 for multiple sclerosis programs, \$100,000 renal disease programs, \$200,000 stroke awareness and \$350,000 diabetes screening
- \$1.0 million for teenage pregnancy prevention
- \$1.0 million for infection control programs
- \$4.0 million for smoking prevention programs
- \$800,000 million for a new pediatric palliative care line item

Supplemental funding in Chapter 122 of the Acts of 2006 also added funding for public health, most notably \$2.4 million for the state laboratory, \$850,000 for oral health programs and \$20.1 million for substance abuse and treatment services.

The Governor's 9C cuts eliminated more than \$5.1 million in funding for public health line items. The Governor then restored \$495,000 of those cuts. There were

reductions in forty public health line items, with \$723,000 identified as cuts to specific earmarks that he had originally vetoed. These include: \$158,000 cut from programs dealing with domestic violence in the gay and lesbian community, \$265,000 cut from environmental health services, and \$300,000 cut from school-based health service.

Other 9C cuts to public health include \$524,000 cut as reductions to administrative costs, and \$2.9 million cut (in many instances, approximately one percent) from dozens of line items, including those that had just recently been funded from supplemental budgets.

The Governor also cut \$1.0 million in funding from the public health hospital line item.

The Governor had cut \$428,000 from the funding for the universal immunization program, but then restored that entire amount.

An additional 9C reduction that will affect the provision of public health services across the Commonwealth is the elimination of funding for the \$28.0 million reserve to fund salary increases for low-wage human service workers. In FY 2006, when the salary reserve totaled \$20.0 million, there was \$555,000 added to the public health bottom line. A portion of that \$28.0 million in FY 2007 would have been available to certain public health line items.

MENTAL HEALTH

The current FY 2007 budget includes \$643.6 million for mental health services, a \$10.5 million or almost two percent increase compared to FY 2006.

FY 2006 Final*	\$	633,029,664
FY 2007 Current	\$	643,573,510
Increase (decrease)	\$	10,543,846
Percentage Change		1.7%

* All FY 2006 numbers include allocations from the Purchase of Service reserve as discussed on p. 7.

The Governor vetoed \$4.5 million from the Conference budget for mental health services. The Legislature restored this entire amount, including:

- \$3.2 million of the \$304.8 million budget account for adult mental health and support services;
- approximately \$787,000 of the \$5.3 million line item for continuing care;
- \$500,000 of the \$6.6 million appropriation for forensic services.

Overall, funding in the FY 2007 GAA for the Department of Mental Health rose \$13.2 million or two percent over FY 2006. This increase in funding primarily reflected the rise in the cost of providing services, not new expansions.

In addition to the areas listed above, the following other areas received additional funding in the FY 2007 GAA:

- Funding for children and adolescent mental health services rose from \$71.9 million in FY 2006 to \$72.5 million in the FY 2007 GAA, a \$637,000 increase.
- The administrative line item grew from \$37.1 million in FY 2006 to \$39.0 million in the FY 2007 GAA, a \$1.9 million or five percent boost.

Changes since the GAA

After the FY 2007 GAA was enacted, \$254,000 in supplemental funding was added to the budget account which funds Emergency and Acute Mental Health Services. This brought the total budget for the Department to \$646.5 million.

The 9C cuts to the budget reduced the DMH budget by \$7.0 million. The Governor, however, then restored \$4.1 million of the dollars cut. Significant among the 9C cuts are the following:

- Roughly \$845,000 was cut from the \$72.5 million appropriation for child and adolescent mental health services.
- Funding for forensic services for mentally ill individuals was reduced by \$500,000, the same amount that was added in the FY 2007 GAA to support expansion for juvenile court clinics.
- Nearly \$370,000 was cut from emergency services and acute inpatient care.

The Governor had eliminated the \$1.9 million earmark for mental health research activities within the line item funding adult mental health support services and had eliminated \$1.9 million in funding for state psychiatric hospitals and inpatient support. The Governor later restored the full amount of these cuts.

An additional 9C reduction that will affect the provision of mental health services across the Commonwealth is the elimination of funding for the \$28.0 million reserve to fund salary increases for low-wage human service workers. In FY 2006, when the salary reserve totaled \$20.0 million, there was \$3.4 million added to the mental health

bottom line. A portion of that \$28.0 million in FY 2007 would have been available to certain mental health line items.

MENTAL RETARDATION

Under the current FY 2007 budget, funding for the Department of Mental Retardation rises by \$37.5 million or 3.3 percent. Increases in this Department primarily reflect the rise in the cost of providing services, not new expansions.

FY 2006 Final*	\$ 1,137,059,567
FY 2007 Current	\$ 1,174,577,694
Increase (decrease)	\$ 37,518,127
Percentage Change	3.3%

* All FY 2006 numbers include allocations from the Purchase of Service reserve as discussed on p. 7.

The Governor vetoed only one budget item within the Conference budget's appropriations for Department of Mental Retardation. He struck \$2.0 million from the \$8.5 million appropriation for Turning 22 services. The line item helps fund supports for individuals with severe disabilities who require continued services after aging out of special education programs. The Legislature overrode the Governor's veto to this budget account.

Funding in the FY 2007 GAA met the legal requirement for the Boulet settlement, which mandates the state provide interim services for individuals on the wait list for residential placements. The \$85.6 million provided in FY 2006 would have risen to \$86.4 million in FY 2007, in order to cover annualized costs associated with these services.

The FY 2007 GAA also appropriated \$2.0 for a new line item designed to address rate disparities in residential contracts.

Line items with funding increases included:

- \$3.0 million for the Division of Autism, an increase from \$1.2 million in FY 2006. This line item included a \$2.0 million earmark which had the effect of reducing the amount of funding actually available to the Division.
- \$524.8 million for community-based residential supports, a \$17.9 million or 3.5 percent increase.
- \$117.4 million for community-based day and work programs, a \$2.7 million or 2.4 percent increase.
- \$8.5 million for Turning 22 Services, a two million dollar increase.

Changes since the GAA

After the FY 2007 GAA was enacted, and before the Governor's 9C cuts, a total of \$3.4 million had been added to the budget for the Department of Mental Retardation. This supplemental funding increased funding for the Department's administrative account (\$1.5 million more), community support services (\$1.2 million more), and state facilities (\$700,000 more).

The Governor's 9C cuts initially reduced the overall budget for this Department by \$9.8 million, but the Governor restored \$8.4 million of the dollars cut. Funding that had been cut but then restored included \$4.0 million for community residential supports, \$1.0 million in funding to meet the legal requirements of the Boulet settlement, \$1.4 million for community-based day and work programs, and \$2.0 million for the Turning 22 program.

Cuts that did not get restored include a \$665,000 cut to community support services

and \$618,000 cut from family support services

An additional 9C reduction that will affect the services provided by the Department of Mental Retardation across the Commonwealth is the elimination of funding for the \$28.0 million reserve to fund salary increases for low-wage human service workers. In FY 2006, when the salary reserve totaled \$20.0 million, there was \$9.2 million added to the Department of Mental Retardation bottom line. A portion of that \$28.0 million in FY 2007 would have been available to certain line items within the department.

SOCIAL SERVICES

The current FY 2007 budget provides \$768.9 million for the Department of Social services. This amount is \$23.1 million more than in FY 2006, a three percent increase.

FY 2006 Final*	\$	745,876,925
FY 2007 Current	\$	768,940,236
Increase (decrease)	\$	23,063,311
Percentage Change		3.1%

* All FY 2006 numbers include allocations from the Purchase of Service reserve as discussed on p. 7.

The Governor vetoed \$6.5 million from the FY 2007 Conference budget's funding for the Department for Social Services, including the entire \$3.0 million line item funding coordination of care services, and \$3.5 million from the \$236.0 million budget account which funds services for children and families. The Legislature overrode both of these vetoes.

Other highlights from the FY 2007 GAA include the following:

- The FY 2007 GAA increased funding for the Department’s administrative costs by \$6.0 million or 8.6 percent.
- Funding for services for children and families increased by \$7.0 million (three percent) and funding for social workers increased by \$6.8 million or five percent.
- The FY 2007 GAA included modest increases for foster care review services (\$133,000 more) and domestic violence services (\$664,000 more).

Although total appropriation for social workers increased, the GAA does not include language aimed at reducing social worker caseloads. During the budget debate, there had been a Senate proposal to include legislative language reducing the target social worker caseload ratio to 17:1 (clients:social worker). Caseloads often exceed the current 18:1 target ratio due to growing demand for services. Both of these ratios are higher than the 15:1 ratio recommended in 1993 by the Special Commission on Foster Care and the ratio suggested by the Child Welfare League of America.

Changes since the GAA

After the FY 2007 GAA was enacted, an additional \$412,000 was added to the budget for the Department of Social Services, in an increase in the line item for services for children and families. This brought the total FY 2007 appropriations, prior to 9C cuts, to \$769.9 million..

The Governor’s 9C reductions cut the budget for social services by \$5.2 million, but the Governor’s restorations returned \$4.2 million to the department. The Governor cut and then restored \$2.0 million for services for children and families and

\$2.0 million for group care services. Remaining cuts include a \$880,000 cut to the department’s administrative account, \$35,000 cut from coordination of care, and \$33,000 cut from foster care review

An additional 9C reduction that will affect the services provided by the Department of Social Services across the Commonwealth is the elimination of funding for the \$28.0 million reserve to fund salary increases for low-wage human service workers. In FY 2006, when the salary reserve totaled \$20.0 million, there was \$1.7 million added to the Department of Social Services bottom line. A portion of that \$28.0 million in FY 2007 would have been available to certain line items within the department.

ELDER AFFAIRS

The current FY 2007 budget recommends \$219.5 million for elders, an increase of \$2.5 million over FY 2006 funding. (These numbers do not include the funding for the Prescription Advantage pharmacy program, discussed in the “MassHealth/Medicaid and Other Health Programs” section of this *Budget Monitor*. Provider rates and nursing home issues are also discussed in that section of the *Budget Monitor*.)

FY 2006 Final*	\$	216,955,945
FY 2007 Current	\$	219,475,814
Increase (decrease)	\$	2,519,869
Percentage Change		1.2%

* All FY 2006 numbers include allocations from the Purchase of Service salary reserve as discussed on p. 7.

The Governor vetoed \$1.3 million in funding, including \$1.0 million for a homemaker wage increase, and \$250,000 in funding for local councils on aging. The Legislature overrode both of these vetoes.

The GAA funded elder home care purchased services at \$103.0 million, a three percent increase over FY 2006 levels. The GAA funded home care administration and casemanagement at \$39.3 million.

The GAA included funding for two new line items – \$350,000 for a new geriatric mental health services program and \$500,000 for a family caregivers program.

The GAA included an outside section re-constituting a Long Term Care Commission. This commission would identify ways in which the Commonwealth could save money on the costs of publicly-financed long term care, and make recommendations about the health care, housing, and pension needs of elders in the Commonwealth. The Commission would also make recommendations about meeting the needs of the workforce providing long term care for elders.

Changes since the GAA

Although there were no supplemental dollars added to elder service line items since the passage of the GAA, the Governor’s 9C reductions eliminated \$3.7 million from funding for elder affairs, and the restorations returned \$163,000.

The Governor’s cuts included \$1.2 million from elder home care, \$1.0 million from the homemaker wage rate increase, and \$250,000 from local councils on aging.

An additional 9C reduction that will affect the provision of elder services across the Commonwealth is the elimination of funding for the \$28.0 million reserve to fund salary increases for low-wage human service workers. In FY 2006, when the salary reserve totaled \$20.0 million, there was \$2.3

million added to the elder affairs bottom line. A portion of that \$28.0 million in FY 2007 would have been available to fund certain elder services line items.

OTHER HUMAN SERVICES

In the current FY 2007 budget, smaller human services agencies received only modest funding increases over FY 2006 levels.⁴ Current FY 2007 for this consolidated category of “other human services” totals \$565.5 million, a \$22.7 million increase over FY 2006.

FY 2006 Final*	\$	541,514,952
FY 2007 Current	\$	565,509,009
Increase (decrease)	\$	23,994,057
Percentage Change		4.4%

* All FY 2006 numbers include allocations from the Purchase of Service reserve as discussed on p. 7.

The Governor vetoed \$17.6 million from the Conference budget’s appropriations for other human services. The largest reduction was the Governor’s attempt to cut \$14.0 million from the \$28.0 million reserve account funding salary increases for low wage workers. These workers are employed by providers that deliver services under contracts with the Department of Early Education and Care, departments within the Executive Office of Health and Human Services, and the Executive Office of Elder Affairs. The Legislature ultimately overrode this and all other vetoes to the budgeted amounts for these various human services agencies.

⁴ These totals include funding for the Executive Office of Health and Human Services, Health Care Finance, Transitional Assistance, Mass. Rehabilitation Commission, Dept. of Youth Services, Soldiers’ Homes, Mass. Commission on the Deaf and Hard of Hearing, Mass. Commission for the Blind, Veterans’ Affairs.

Other features of the FY 2007 GAA included:

- A \$3.5 million budget account within the Executive Office of Health and Human Services that provides for the Executive Office to contract with Project Bread/The Walk for Hunger and other anti-hunger organizations. This new funding supports community-based program designed to alleviate and prevent hunger and expand participation in federal nutrition programs.
- This budget also restored \$500,000 to fund programs which help immigrants obtain citizenship and receive instruction in other areas to facilitate their ability to attain citizenship (i.e., civics classes, assistance with the citizenship application process, etc.). This budget account went un-funded for a number of years and was last funded at \$750,000 in FY 2002.

Changes since the GAA

After the passage of the FY 2007 GAA, and before the Governor’s 9C cuts, \$2.4 million was added to other human services. Nearly half of this amount - \$1.0 million – supported additional funding for emergency family shelters. Other supplemental funding went toward vocation rehabilitation services for individuals with multiple disabilities (\$500,000 more) and grants to assist youth development activities (\$400,000 more).

The Governor’s 9C reductions cut a total of \$40.8 million from these various human services. The Governor then restored \$1.3 million of the funding cut for these human services agencies. One significant cut was the elimination of the \$28.0 million reserve that would have funded salary increases for

low-wage workers. Ultimately, this amount was to be distributed to the individual budget accounts in the various departments that contract with private providers.

The Governor also eliminated the \$6.1 million in grants to support youth development programs, cut \$2.8 million from the budget for the Department of Youth Services, cut \$1.5 from the Department of Transitional Assistance, and cut \$1.1 million in funding from various smaller agencies that serve individuals with disabilities.

The Governor had cut but then restored \$600,000 for the housing first initiative and \$410,000 for assistance for homeless individuals.

ENVIRONMENTAL AFFAIRS

Under the current FY 2007 budget, funding for environmental affairs totals \$244.6 million, a \$40.4 million or 19.8 percent increase over funding levels in FY 2006.⁵

Including one-time funding in FY 2007

FY 2006 Final	\$	203,747,663
FY 2007 Current	\$	244,185,323
Increase (decrease)	\$	40,437,660
Percentage Change		19.8%

The current FY 2007 budget, however, includes substantial one-time funding from supplemental budgets and from the Economic Stimulus bill, Chapter 123 of the

⁵ This total includes funding for the Commonwealth Zoological Corporation, which the FY 2007 GAA funds through a line item in the Department of Business and Technology, but was funded in FY 2006 in the Department of Conservation and Recreation.

Acts of 2006. One-time funding for environmental affairs includes large amounts of capital spending for construction. Although funded through the operating budget, these appropriations would not likely continue into the next fiscal year. Deducting this one-time funding reduces the ongoing FY 2007 budget to \$219.5 million, an amount that is 7.7 percent higher than in FY 2006.

Excluding one-time funding from FY 2007

FY 2006 Final	\$	203,747,663
FY 2007 Ongoing	\$	219,480,323
Increase (decrease)	\$	15,732,660
Percentage Change		7.7%

The Governor struck \$8.2 million from the budget initially approved by the Legislature. Significant among the vetoes was a \$3.0 million reduction from the \$12 million appropriation for emergency food assistance. This line item helps accommodate increased demand on regional food banks. The Governor also struck \$3.2 million from the total budget for the Department of Conservation and Recreation. The Legislature ultimately overrode all of the Governor’s vetoes to environmental affairs.

Changes since the GAA

After the FY 2007 GAA was enacted, and before the 9C cuts, \$27.8 million in supplemental funding was added to the bottom-line for environmental affairs. Much of that funding – \$24.7 million – was for one-time and capital expenses. Prior to the 9C cuts by the Governor, the budget for environmental affairs totaled \$258.7 million.

The 9C reductions lowered the environmental affairs budget by \$14.6

million. There were no restorations to the 9C cuts to environmental affairs. The cuts include:

- \$3.4 million cut from the \$11.0 million appropriation for the maintenance of parks and beaches
- \$1.8 million cut from the \$34.3 million budget account for the administration of the Department of Environmental Protection
- \$1.1 million cut from the \$26.8 million line item for the Division of Urban Parks and Recreation

Although the current FY 2007 budget increases funding for environmental affairs compared to FY 2006, a considerable portion of that increase is due to one-time expenses in FY 2007. Looking at the estimated ongoing FY 2007 budget, and comparing that amount to funding in FY 2001, after adjusting for inflation, the budget for environmental affairs is still \$61.5 million or 22 percent below where it was in FY 2001.

HOUSING

The current FY 2007 budget provides \$159.4 million for the Department of Housing and Community Development (DHCD), a \$47.6 million increase compared to FY 2006 appropriations.

Including one-time funding in FY 2007

FY 2006 Final	\$	111,846,645
FY 2007 Current	\$	159,408,444
Increase (decrease)	\$	47,561,799
Percentage Change		42.5%



The current FY 2007 budget, however, includes substantial one-time funding from supplemental budgets and the Economic Stimulus bill, Chapter 123 of the Acts of 2006. One-time funding for housing and community development consists primarily of funding for large capital construction and renovation projects. This funding would not likely continue into future fiscal years. Deducting this one-time funding reduces the ongoing FY 2007 budget to \$97.6 million, a thirteen percent decrease from FY 2006

Excluding one-time funding from FY 2007

FY 2006 Final	\$	111,846,645
FY 2007 Ongoing	\$	97,586,997
Increase (decrease)	(\$	14,259,648)
Percentage Change		(12.7%)

The Governor vetoed \$8.8 million from the Conference budget for housing. Among vetoes were reductions in funding for the Massachusetts Rental Voucher Program (a \$3.2 reduction), Rental Assistance for Families in Transition (a \$2.0 million reduction), and the Homeownership Opportunity Affordable Housing Program (a \$1.5 million reduction). The Legislature subsequently overrode these and other vetoes to the budget for housing.

In the FY 2007 GAA, there were notable increases in specific areas:

- Under the FY 2007 GAA, funding for the line item which supports subsidies to Public Housing Authorities rose from \$34.9 million to \$45.1 million, a \$10.2 million or 29 percent increase.
- Funding for the Massachusetts Rental Voucher Program (MRVP), a housing program which helps low-income families securing housing in the private

rental market, grew by \$1.2 million or five percent.

The FY 2007 GAA also provided funding for new initiatives. These included \$500,000 in funding for Individual Development Accounts. The IDA pilot will be used to fund community-based services, to match savings for qualified homebuyers, or to secure federal funds for asset building programs. The FY 2007 GAA additionally appropriated \$500,000 for the Tenancy Preservation Program to fund mediation services in cases where an impending eviction is due to the tenant’s disability.

Changes since the GAA

After the FY 2007 GAA was enacted, \$72.6 million was appropriated in supplemental funding for housing and community development. The Economic Stimulus bill, Chapter 123 of the Acts of 2006 provided significant one-time funding, including: \$26.0 million for the Worcester City Square project and \$5.0 million for the Quincy Center revitalization initiative. Prior to the Governor’s 9C cuts, the housing and community development budget was \$186.5 million.

The Governor’s 9C cuts reduced the budget for this Department by \$30.1 million. The Governor then restored \$3.0 million of the funding cut. Many of these reductions were to one-time funding: the Governor eliminated the \$5.0 million appropriation for the Quincy Center revitalization initiative, trimmed \$1.0 million from the Worcester City Square project, and cut \$14.0 million from economic development grants.

Still, housing programs designed to help to prevent homelessness were also subject to the Governor’s cuts. Many of the same

vetoed that had been overridden by the Legislature were again cut by the Governor:

- \$2.2 million was cut from the Mass. Rental Voucher Program. The Governor had initially cut \$3.2 million from this program.
- \$1.5 million was cut from the Home Ownership Opportunity Affordable Housing Program.

The Governor had cut but then restored \$2.0 million from the Rental Assistance for Families in Transition (RAFT) program.

PUBLIC SAFETY

The current FY 2007 budget includes \$1.454 billion for public safety. This amount provides a \$81.7 million increase over FY 2006.

FY 2006 Final	\$	1,372,647,688
FY 2007 Current	\$	1,454,349,063

Increase (decrease)	\$	81,701,376
Percentage Change		6.0%

The Legislature overrode the \$17.8 million that the Governor had vetoed from the Conference budget for public safety. These vetoes would have reduced funding from a number of areas, including \$6.7 million from the Middlesex Sheriff’s Department, \$2.5 million for State Police Operations, and \$2.5 million for fire safety grants.

The FY 2007 GAA provided increased funding over FY 2006 in several areas, including the following:

- Funding for state police operations rose from \$211.2 million to \$220.9 million, a \$9.7 million or 4.6 percent difference.

- The budget account for the state police crime lab increased from \$14.0 million to \$16.2 million.

Changes since the GAA

After the FY 2007 GAA was enacted, and before the Governor’s 9C cuts, \$67.2 million was added to the budget for public safety. Most of this funding – roughly \$51.0 million – supports ongoing personnel costs (collective bargaining agreements). Supplemental funding was also provided for a new state police class (\$1.8 million), and for grants to local police departments to pay the costs for replacement bullet proof vests (\$5.0 million).

The Governor’s 9C cuts initially reduced the public safety budget by \$3.7 million, but he then restored \$462,000. The largest cut was the elimination of the \$1.1 million budget account which funds smoking prevention programs administered by the Executive Office of Public Safety.

JUDICIARY

The FY 2007 GAA includes \$786.5 million for the Judiciary, \$135.4 million more than in FY 2006.

FY 2006 Final	\$	651,093,156
FY 2007 Current	\$	786,517,061

Increase (decrease)	\$	135,423,905
Percentage Change		20.8%

The Governor vetoed a total of \$38.5 million from the Conference budget’s appropriations to Judiciary. The significant vetoes included the following:

- \$17.2 million from the \$19.0 million line item which funds salary increases for trial court employees.
- \$10.0 million from the \$131.9 million budget account which supports the administrative costs of the Office of the Trial Court.
- \$2.3 million from the \$119.7 million appropriation that pays private attorneys assigned to criminal and civil cases.

The Legislature overrode the Governor’s vetoes to these budget items as well as the other items that were reduced within the Judiciary.

Changes since the GAA

Since the FY 2007 GAA was passed, \$41.5 million has been added to the budget for the Judiciary. Most of this additional funding supports salary increases for judges, increased pay for attorneys assigned to criminal and civil cases, and expansion of the public defender division.

The Governor’s 9C cuts did not reduce funding for the Judiciary.

GROUP INSURANCE

The current FY 2007 budget includes \$1.023 billion for the Group Insurance Commission, a \$12.0 million or 1.2 percent increase over FY 2006 funding.

FY 2006 Final	\$	1,023,190,489
FY 2007 Current	\$	1,035,213,237
Increase (decrease)	\$	12,022,748
Percentage Change		1.2%

The Governor vetoed \$123.8 million from the Group Insurance Commission line items, and offered alternative line item language that would have shifted some of the increases in costs of health insurance premiums onto state employees. The Legislature overrode the Governor’s vetoes. The current FY 2007 budget maintains the existing cost-sharing structure in which employees hired before July 1, 2003 pay 15 percent of their health insurance premiums, and employees hired after June 30, 2003 pay 20 percent.

There are two accounting practice shifts that will affect the FY 2007 Group Insurance Commission. The current FY 2007 budget includes line item language that would restrict the Group Insurance Commission from paying FY 2007 bills with FY 2007 appropriations during the period referred to as the “accounts payable period.” Currently, the Group Insurance Commission has what in effect is a “grace period” for paying bills after the end of the fiscal year. Elimination of the accounts payable period requires that bills paid in July 2007 for services rendered in June 2007 be funded out of the FY 2008 budget. The effect of this shift is to push the costs of several weeks’ worth of FY 2007 bills into the FY 2008 budget. The estimated impact of this cost shift will be approximately \$40 million.

On the other hand, an additional accounting change within the Office of the State Comptroller requires that the Commonwealth fund certain employee health care costs in advance, which will shift approximately \$28 million into the FY 2007 budget.

Changes since the GAA

The Governor’s 9C reductions eliminated \$31.4 million in funding for the Group

Insurance Commission. This reduction includes a more than ten percent cut in administrative costs, a \$30.0 million cut in the account that funds employee benefits, and close to one million cut from other line items (some of which are not actually funded with state dollars.) Although the Governor stated that the \$30.0 million cut from the employee benefit line item was simply a reduction reflecting reduced anticipated spending, it is too early in the fiscal year to determine whether this reduced budget amount would actually require cuts in benefits for public employees.

REVENUE

FY 2006

The growth in tax collections over the course of the most recently completed fiscal year – FY 2006 – was relatively robust, but tax collections in Massachusetts still have yet to return to their peak level of FY 2001. Moreover, the rate of tax revenue growth that the Commonwealth experienced in FY 2006 seems unlikely to persist into FY 2007.

According to the Department of Revenue, tax collections in Massachusetts for FY 2006 – which ended June 30 of this year – totaled \$18.487 billion. This sum represents growth of 8.2 percent over FY 2005 collections and marks the third consecutive year in which the year-to-year growth in tax collections has surpassed 6.0 percent. In addition, this final tax collection figure substantially exceeds both the tax revenue benchmark on which the FY 2006 budget was initially based and the tax revenue benchmark that was updated in January of this year. Specifically, when the FY 2006 budget was adopted in June 2005, the Department of Revenue anticipated that tax

collections would reach \$17.448 billion.⁶ As part of the FY 2007 consensus revenue process, the Department subsequently revised that figure to \$18.158 billion.

Yet, Massachusetts' fiscal outlook may not be as positive as these numbers seem to suggest, for three reasons. First, despite the recent growth in tax collections, total tax revenue in Massachusetts, after adjusting for inflation, is still below its FY 2001 peak. In FY 2001, tax collections in Massachusetts amounted to \$19.583 billion (in constant FY 2007 dollars) or about 3 percent higher than the \$19.042 billion (again, in constant FY 2007 dollars) collected in FY 2006. What's more, if tax collections for the current fiscal year simply reach their latest benchmarks – discussed in more detail below – then, in real terms, tax collections will remain below FY 2001 levels at the end of FY 2007.

Second, overall tax collection growth of 8.2 percent in FY 2006 was achieved in part because of unusually strong growth in both corporate excise tax collections and in capital gains tax collections, growth that is unlikely to be sustainable over the long-run.⁷

⁶ No consensus revenue estimate was agreed to by the Romney Administration and the Legislature for FY 2006. Instead, Governor Romney based his proposed budget on the assumption that tax revenue collections would total \$17.5 billion in FY 2006, while the Legislature premised its versions of the budget on the notion that they would amount to \$17.1 billion.

⁷ Specific data on capital gains collections will not be available until later in December. However, as the MBPC previously observed in its July 2006 *Budget Monitor* (available at <http://www.massbudget.org/FY07ConferenceCommittee.pdf>), capital gains tax revenue in FY 2006 and FY 2007 is expected to comprise a larger share of state tax revenue than at any time in the last 20 years. Documents distributed by the Department of Revenue at the December 2005 Consensus Revenue Hearing show that, in tax year 2000, capital gains taxes amounted to \$1.16 billion or 7.2 percent of the \$16.2 billion the Commonwealth collected that

Between FY 2005 and FY 2006, corporate tax collections rose from \$1.06 billion to \$1.39 billion, a difference of 30.9 percent. Between FY 2002 and FY 2006, they grew at an average annual rate of 24.1 percent. This spike in corporate tax collections, in turn, is likely attributable to two factors: one, the implementation of a variety of corporate income tax reforms in Massachusetts between 2003 and 2005 and, two, the general run-up in corporate profits across the United States. Data from the U.S. Department of Commerce show that corporate profits amounted to a larger share of Gross Domestic Product in the first quarter of 2006 than at any point since the 1960s.⁸ While the trend in corporate profits – and, by extension, corporate income tax collections – may reflect a longer-term shift in the US economy, it seems imprudent to expect the trend to continue indefinitely.

In fact, the Department of Revenue’s projections for FY 2007 reflect the implausibility of corporate tax collections maintaining this torrid rate of growth. The Department anticipates that corporate tax collections will scarcely grow at all between FY 2006 and FY 2007, rising from \$1.391 billion to \$1.396 billion, a difference of 0.4 percent. Once inflation is taken into account, corporate taxes appear poised to fall in real terms.

year. For FY 2006, capital gains taxes are projected to constitute 7.9 percent of total tax collections; for FY 2007, they may reach as high as 9 percent of total tax collections. Not since tax year 1986 have capital gains taxes constituted more than 9 percent of total taxes. Because capital gains are a much more volatile source of income than wages, surpluses that rely on dramatically increasing capital gains can vanish very quickly if the stock market falters.

⁸ Greenhouse, Steven and Leonhardt, David, “Real Wages Fail to Match a Rise in Productivity,” *The New York Times*, August 28, 2006.

Of course, despite this recent run up, corporate excise taxes in Massachusetts continue to be much lower, as a share of total taxes and relative to personal income, than they were in the past. For example, in FY 1968, the corporate excise tax comprised 16.3 percent of all state taxes collected in Massachusetts and amounted to 0.75 percent of personal income; in FY 2007, it is expected to constitute 7.28 percent of all state taxes and equal 0.45 percent of personal income.

Third, simply because tax collections in FY 2006 substantially exceeded their initial benchmarks does not mean that the Commonwealth realized a surplus of similar magnitude. In some respects, the best indicator of whether the Commonwealth has realized a surplus in a given year is an increase in the balance of its Stabilization Fund. Data from the Office of the Comptroller’s annual Statutory Basis Financial Report show that the balance in the Commonwealth’s Stabilization Fund increased by \$426 million between FY 2005 and FY 2006, growing from \$1.728 billion to \$2.155 billion. Of that \$426 million increase, however, \$72 million arises from interest earnings on the existing balance in the Fund and \$92 million is due to a statutorily mandated deposit; thus, only the remainder of that amount – \$261 million – comes from a surplus in the rest of the budget.

FY 2007

The balance of the Stabilization Fund is relevant to any consideration of the Commonwealth’s current fiscal situation, since FY 2007 marks the sixth consecutive year in which the initial general appropriations act has relied on a withdrawal from the Fund to achieve budgetary balance. Even more importantly, though, given the

Department of Revenue's latest tax collection projections, FY 2007 may mark the first time in four years that revenue growth over the course of the fiscal year is insufficient to offset that initial withdrawal. That is, nearly six years after the end of the national recession and three years since Massachusetts began its recovery from its own fiscal crisis, the Commonwealth's budget may not be structurally balanced and may ultimately have to rely on an infusion of one-time monies from the Stabilization Fund to support ongoing expenditures. Of note, this prospect – the prospect of a budget that is structurally imbalanced – has been cited by Governor Romney as justification for the imposition of so-called “9C cuts” described in greater detail earlier in this *Monitor*.

The original FY 2007 budget, adopted in June 2006, assumed that tax collections would total \$18.969 billion. That is, the Legislature and the Romney Administration agreed to a consensus revenue estimate of \$18.975 billion in January 2006, with tax law changes included in the budget expected to reduce that figure slightly. The consensus revenue estimate, in turn, was based on the suppositions that FY 2006 tax revenue would total \$18.158 billion and that it would grow 4.5 percent between FY 2006 and FY 2007. As tax collections for FY 2006 ultimately amounted to \$18.487 billion, growth of just 2.6 percent will be necessary to reach the tax revenue total contained in the FY 2007 budget.

In that same budget, though, the Legislature, expecting that the combination of projected tax collections, federal reimbursements, fees, and revenue other ongoing sources would be insufficient to finance appropriated spending, stipulated that \$550 million be transferred from the Commonwealth Stabilization Fund to the

General Fund. At the time, this transfer may have appeared palatable, since over the past several years, similar transfers from the Stabilization Fund were authorized at the start of the fiscal year but ultimately were not needed because tax revenue growth was, in the end, much stronger than initially expected. Fiscal year 2006 provides a case in point: the FY 2006 general appropriations act called for a \$600 million withdrawal from the Stabilization Fund, a withdrawal that was not made since tax collections exceeded the amount expected when the budget was formulated by more than \$1 billion.

A number of things have changed with regard to the proposed Stabilization Fund withdrawal since the FY 2007 budget was passed by the Legislature. First and foremost, Governor Romney has vetoed, in both the original General Appropriations Act and in a subsequent supplemental appropriations bill, such a withdrawal; the Legislature has yet to override either of the Governor's vetoes. The lack of a transfer from the Stabilization Fund to the General Fund may mean that the FY 2007 budget is out of balance.

In addition, the size of Stabilization Fund transfer necessary to bring the FY 2007 budget back into balance has likely fallen somewhat in recent months. On the spending side of the ledger, updated information about the level of spending needed to maintain the same level of certain services in FY 2007 as was provided in FY 2006, in combination with a shift in a \$30 million appropriation for developments over the MassPike out of FY 2007, is expected to reduce FY 2007 spending. On the revenue side of the ledger, at the end of October, the Department of Revenue released an updated tax collection benchmark of \$19.132 billion for FY 2007, an increase of roughly \$150

million from the tax collection figure on which the original budget for FY 2007 was based. If this amount is achieved, it would represent a growth rate of about 3.5 percent over FY 2006 – or about one percentage point below the FY 2006-FY 2007 growth rate that was expected in January of this year. Potentially offsetting this more positive revenue news is the prospect that the Commonwealth could experience some shortfalls in non-tax revenue in FY 2007. In particular, pending the outcome of a lawsuit against certain cigarette manufacturers, the Commonwealth could lose as much as \$43 million in tobacco settlement revenue this coming year; sales of lottery tickets have also been lower than expected so far this year.

All told, these developments have likely reduced the size of the Stabilization Fund withdrawal necessary to bring the budget into balance for FY 2007, but they have not eliminated the need for a withdrawal altogether. That is, if the Department of Revenue's most recent benchmark proves accurate, a withdrawal of at least \$250 million would still be required (in place of the "old" withdrawal amount of \$550 million). The need for a Stabilization Fund withdrawal would probably be eliminated altogether only if FY 2007 tax collections exceed about \$19.4 billion. Tax collections of this amount would represent growth of roughly 5.0 percent over FY 2006, a rate that exceeds the Department of Revenue's currently expected growth rate of 3.5 percent and that exceeds the FY 2006-FY 2007 growth rate of 4.5 percent that was projected back in January.

A growth rate of 5.0 percent may prove to be attainable, but, to date, the growth rate for actual tax collections is somewhat closer to the 3.5 percent to 4.5 percent range proscribed by the January and October

projections described above. That is, through the first five months of FY 2007 (July 2006 through November 2006), tax collections have totaled \$6.98 billion, an amount that is roughly \$310 million – or about 4.6 percent – above the same period in FY 2006. One should be aware, though, that, according to Commissioner of Revenue Alan LeBovide, "...a large one-time corporate tax payment helped boost..." tax collections for the month of November. If that one-time payment exceeds \$10 million, then the year-to-date growth rate drops back down to 4.5 percent.

It is in this context – a budget that is technically out of balance because of the lack of a transfer from the Stabilization Fund, uncertain prospects for additional revenue gains due to accelerated economic activity, and possible non-tax revenue shortfalls – that the Governor exercised his "9C authority" on November 10 and instituted \$425 million in spending cuts. Cuts of this magnitude may not be necessary to bring FY 2007 expenditures into line with ongoing revenue, but are almost certain to have serious consequences for vulnerable populations and the people who serve them and for critical investments in the Commonwealth's long-term economic health. Consequently, as the MBPC has previously noted, it will be up policymakers taking office in January to monitor revenue trends carefully, to determine the exact size of the FY 2007 budget deficit, and to maintain fiscal responsibility while protecting essential public services.

Spending by Program Area

(in Millions of \$)

Program	FY06 Final	FY07 GAA	Supps. & PACs	FY07 Pre-9C	9C Cuts	FY07 Current	FY07 Current vs. FY06 Final		FY07 ongoing	FY07 ongoing vs. FY06 Final	
Local Aid - Lottery	761.4	920.0	0.0	920.0	0.0	920.0	158.7	21%	920.0	158.7	21%
Local Aid - Additional Assistance and PILOT	398.4	407.6	0.0	407.6	0.0	407.6	9.2	2%	407.6	9.2	2%
Local Education Aid (Ch. 70)	3,288.9	3,505.5	0.0	3,505.5	0.0	3,505.5	216.6	7%	3,505.5	216.6	7%
K-12 Education (non Ch. 70)	486.9	538.4	9.5	547.9	(5.0)	542.9	56.1	12%	533.8	46.9	10%
School Building Debt Assistance ¹	488.7	572.5	0.0	572.5	(0.0)	572.5	83.8	17%	572.5	83.8	17%
Higher Education ²	975.5	1,027.8	191.1	1,218.9	(37.8)	1,181.1	205.6	21%	1,037.2	61.7	6%
Early Education and Care ³	481.1	510.0	0.3	510.3	(17.3)	493.0	11.9	2%	493.0	11.9	2%
Income Support Programs	631.6	611.2	17.0	628.2	(8.1)	620.1	(11.6)	-2%	603.1	(28.6)	-5%
Medicaid and Other Health Care Programs ⁴	7,334.1	7,621.1	49.5	7,670.6	(69.5)	7,601.0	267.0	4%	7,572.0	238.0	3%
Public Health	434.7	473.4	40.1	513.6	(4.6)	508.9	74.2	17%	506.9	72.3	17%
Mental Health	633.0	646.3	0.3	646.5	(3.0)	643.6	10.5	2%	643.6	10.5	2%
Mental Retardation	1,137.1	1,172.5	3.4	1,175.9	(1.3)	1,174.6	37.5	3%	1,174.6	37.5	3%
Social Services	745.9	769.5	0.4	769.9	(1.0)	768.9	23.1	3%	768.9	23.1	3%
Elder Affairs	217.0	223.1	0.0	223.1	(3.6)	219.5	2.5	1%	219.5	2.5	1%
Other Health & Human Services ⁵	541.5	602.6	2.4	605.0	(39.5)	565.5	24.0	4%	565.0	23.5	4%
Environmental Affairs ⁶	203.7	230.9	27.8	258.7	(14.6)	244.2	40.4	20%	219.5	15.7	8%
Transportation	175.6	159.0	175.1	334.1	(34.2)	299.9	124.2	71%	124.9	(50.8)	-29%
Housing & Community Development	111.8	113.9	72.6	186.5	(27.1)	159.4	47.6	43%	97.6	(14.3)	-13%
Economic Development	142.1	157.6	173.2	330.8	(41.9)	288.9	146.8	103%	123.8	(18.3)	-13%
Public Safety	1,372.6	1,390.4	67.2	1,457.6	(3.3)	1,454.3	81.7	6%	1,443.5	70.8	5%
Judiciary	651.1	745.0	41.5	786.5	0.0	786.5	135.4	21%	786.3	135.2	21%
District Attorneys	85.3	91.4	1.0	92.4	0.0	92.4	7.2	8%	92.2	7.0	8%
Attorney General	37.5	38.6	0.0	38.6	0.0	38.6	1.1	3%	38.6	1.1	3%
Libraries	29.6	31.7	0.0	31.7	(1.1)	30.6	1.0	4%	30.6	1.0	4%
Debt Service	1,793.2	1,952.4	0.0	1,952.4	0.0	1,952.4	159.2	9%	1,952.4	159.2	9%
Pensions ⁷	1,275.2	1,335.7	0.0	1,335.7	0.0	1,335.7	60.5	5%	1,335.7	60.5	5%
Group Insurance	1,023.2	1,066.6	0.0	1,066.6	(31.4)	1,035.2	12.0	1%	1,035.2	12.0	1%
Other Administrative	745.7	700.4	100.6	801.0	(39.1)	761.9	16.2	2%	758.2	12.5	2%
Total	26,202.3	27,615.0	973.2	28,588.1	(383.3)	28,204.8	2,002.5	8%	27,561.7	1,359.4	5%

FY06 Final: Final amounts appropriated, plus supplemental funding and prior appropriations continued into that year. Accordingly, FY06 appropriations authorized to continue into FY07 are removed from FY06 totals and added to FY07.

FY07 GAA: Chapter 139 of the Acts of 2006, including gubernatorial vetoes and overrides.

Supps. & PACs: Amounts appropriated as supplemental funding for FY07, including FY06 appropriations continued into FY07.

FY07 Pre-9C: FY07 plus Supps. & PACs

9C Cuts: Reductions made by the Governor under authority of Section 9C of M.G.L. Chapter 29 on 11/10/06, as revised on 12/1/06.

FY07 Current: Includes FY07 GAA, plus Supps. & PACs, less 9C cuts.

FY07 Ongoing: FY07 Current less estimated FY07 one-time funding. There was substantial one-time funding in supplemental budgets and in the Economic Stimulus bill (Ch. 123 of the Acts of 2006) for Higher Education, Environmental Affairs, Housing & Community Development and Economic Development. One-time funding includes construction and other capital costs and large retroactive salary adjustments.

¹ This table includes \$488.7 million in FY06 and \$572.5 million in FY07 that are not actual appropriations, but are off-budget transfers of funding.

² All figures for Higher Education include \$31.5 million in tuition revenue currently retained by UMass Amherst, Mass. College of Art, and Mass. Maritime Academy.

³ FY06 Early Education and Care budget includes \$6.0 million from a \$12.0 reserve account created to comply with changes to federal welfare regulations. The remaining \$6.0 is incorporated in the FY06 total for Income Support Programs.

⁴ Totals include Medicaid, senior pharmacy, other state health care programs, off-budget state payments to the Uncompensated Care Pool, and funding for health care reform. Totals do not include \$288.5 million off-budget funding for the Health Care Improvement Quality Trust. As explained in this Budget Monitor, the actual percentage increase from FY06 to FY07 would be higher than suggested by this table because FY06 spending was less than budgeted.

⁵ FY06 budget includes \$20.0 million reserve funding fund salary increases for low-wage human service providers, which this table distributes among the affected program areas. FY07 GAA provided \$28.0 million in new funding for this reserve, which this table includes here. The Governor's 9C reductions eliminated the entire \$28.0 million appropriation.

⁶ The FY07 GAA includes a new line item for the Commonwealth Zoological Corporation in the Department of Business and Technology. This amount is included in this table under Environmental Affairs, rather than Economic Development.

⁷ Includes off-budget pension funding of \$1.273 billion in FY06 and \$1.335 billion in FY07.

APPENDIX: FY 2007 9C CUTS AND RESTORATIONS AS OF DECEMBER 13, 2006

Number	Line Item	9C		9C	Revised 9C	Governor's comments
		FY07 Pre-9C	Reductions 11/10/06	Restorations 12/01/06	Cut Amount	
Early Education and Care						
1599-0042	Child Care Staff Reserve	12,500,000	(12,500,000)	6,250,000	(6,250,000)	Not affordable.
3000-4050	Child Care Vouchers	163,151,082	(5,000,000)	0	(5,000,000)	Reduces to projected spending levels.
3000-3050	Supportive Child Care	54,673,130	(1,300,000)	0	(1,300,000)	Eliminates earmark spending.
3000-5000	Head Start Program Grants	8,500,000	(1,000,000)	0	(1,000,000)	Not affordable.
3000-7050	Mass Family Networks	8,395,694	(750,000)	0	(750,000)	Eliminates earmark spending.
3000-6050	Early Education Professional Development	1,500,000	(1,012,706)	378,000	(634,706)	Not affordable.
3000-4000	Community Partnerships for Children	47,641,095	(554,744)	0	(554,744)	Not affordable.
3000-2000	Regional Administration	11,564,079	(501,391)	0	(501,391)	Not affordable.
3000-2050	Children's Trust Fund Administration	1,382,307	(464,892)	0	(464,892)	Reduces payroll & administrative expenses.
3000-7070	Reach Out and Read Program	1,000,000	(200,000)	0	(200,000)	Not affordable.
3000-1000	Department of Early Education & Care	11,206,486	(198,506)	0	(198,506)	Reduces payroll & administrative expenses.
3000-2025	CPC Planning Grants	14,920,736	(173,740)	0	(173,740)	Not affordable.
3000-7000	Healthy Families Home Visiting Program	12,563,844	(146,296)	0	(146,296)	Not affordable.
3000-5075	Universal PreKindergarten Program	4,638,739	(54,015)	0	(54,015)	Not affordable.
3000-6000	Quality Expenditures	4,544,132	(52,913)	0	(52,913)	Not affordable.
3000-6075	Early Childhood Mental Health Consultation	1,400,000	(16,302)	0	(16,302)	Not affordable.
3000-4060	Income-Eligible Child Care	150,714,917	(1,754,958)	1,754,958	0	Not affordable.
	Subtotal Early Education and Care	510,296,241	(25,680,463)	8,382,958	(17,297,505)	
Econ. Development						
7007-0900	Massachusetts Office of Travel and Tourism	36,887,008	(22,670,500)	0	(22,670,500)	Eliminates earmark spending.
7003-0702	Workforce Development Grants	12,423,999	(8,323,999)	0	(8,323,999)	Eliminates earmark spending.
7007-9031	Massachusetts Technology Development C	2,500,000	(2,500,000)	0	(2,500,000)	Not affordable.
7007-9033	Massachusetts Technology Park Corporatio	3,000,000	(2,250,000)	0	(2,250,000)	Eliminates earmark spending.
7003-0605	Massachusetts Manufacturing Extension Pa	1,556,666	(1,556,666)	0	(1,556,666)	Not affordable.
7003-0604	Career Ladders for Long-Term Care	1,500,000	(1,500,000)	0	(1,500,000)	Not affordable.
7007-9036	Westfield One-time Grant	3,100,000	(1,000,000)	0	(1,000,000)	Not affordable.
7007-0500	Massachusetts Biotechnology Research Ins	700,000	(525,000)	0	(525,000)	Not affordable.
7007-0515	Devens Enterprise Commission/South Shor	950,000	(500,000)	0	(500,000)	Eliminates earmark spending.
7007-1000	Local Tourist Councils - Financial Assistanc	8,425,000	(500,000)	0	(500,000)	Not affordable.
7002-0012	Summer Jobs Youth-at-risk Program	8,500,000	(98,743)	0	(98,743)	Not affordable.
7003-0803	One-Stop Career Centers	6,000,000	(69,865)	0	(69,865)	Reduces payroll & administrative expenses.
7007-0932	UMass Boston Venture Development Cente	5,000,000	(58,221)	0	(58,221)	Not affordable.
7006-0040	Division of Professional Licensure	4,277,052	(49,803)	0	(49,803)	Reduces payroll & administrative expenses.
7002-0013	Streamlining State and Local Permitting Pro	4,000,000	(46,577)	0	(46,577)	Not affordable.
7002-0200	Division of Occupational Safety	2,561,755	(29,830)	0	(29,830)	Reduces payroll & administrative expenses.
7007-0300	Massachusetts Office of Business Developm	1,992,381	(23,200)	0	(23,200)	Reduces payroll & administrative expenses.
7007-1300	Massachusetts International Trade Council	1,895,000	(22,066)	0	(22,066)	Not affordable.
7006-0000	Office of Consumer Affairs and Business Re	1,738,897	(20,248)	0	(20,248)	Reduces payroll & administrative expenses.
7007-0333	In-State Sales Force	1,500,000	(17,466)	0	(17,466)	Reduces payroll & administrative expenses.
7007-0800	Small Business Development Center at UM	1,204,286	(14,023)	0	(14,023)	Not affordable.
7007-1500	Office of Minority and Women Business Ass	1,120,507	(13,047)	0	(13,047)	Reduces payroll & administrative expenses.
7006-1000	Division of Energy Resources	1,080,000	(12,576)	0	(12,576)	Reduces payroll & administrative expenses.
7002-0600	Labor Relations Commission	936,347	(10,903)	0	(10,903)	Reduces payroll & administrative expenses.
7003-0600	Mass. Council of Human Service Providers '	934,000	(10,876)	0	(10,876)	Not affordable.
7002-0800	Board of Conciliation and Arbitration	790,043	(9,199)	0	(9,199)	Reduces payroll & administrative expenses.
7006-0060	Division of Standards	746,797	(8,696)	0	(8,696)	Reduces payroll & administrative expenses.
7002-0100	Department of Labor and Workforce Develo	668,656	(7,786)	0	(7,786)	Reduces payroll & administrative expenses.
7007-1200	Massachusetts Technology Collaborative	650,000	(7,569)	0	(7,569)	Not affordable.
7006-0080	Transportation Entity Monitoring and Oversi	584,812	(6,810)	0	(6,810)	Reduces payroll & administrative expenses.
7002-0700	Joint Labor-Management Committee	538,126	(6,266)	0	(6,266)	Reduces payroll & administrative expenses.
7007-0215	Massachusetts Business to Business Progr	500,000	(5,822)	0	(5,822)	Not affordable.
7002-0101	Apprentice Training Program	434,792	(5,063)	0	(5,063)	Reduces payroll & administrative expenses.
7002-0010	Executive Office of Economic Development	404,329	(4,708)	0	(4,708)	Reduces payroll & administrative expenses.
7007-0100	Department of Business and Technology	386,871	(4,505)	0	(4,505)	Reduces payroll & administrative expenses.
7006-0066	Municipal Inspection Efforts	300,000	(3,493)	0	(3,493)	Not affordable.
7002-0045	Wireless Broadband Affairs Director	250,000	(2,911)	0	(2,911)	Reduces payroll & administrative expenses.
7003-1641	Small Business Association of New Englanc	250,000	(2,911)	0	(2,911)	Not affordable.
7002-0001	Department of Labor Administration	209,947	(2,445)	0	(2,445)	Reduces payroll & administrative expenses.
7007-1400	Devens Biologics Pharmaceutical Manufact	31,000,000	(360,971)	360,971	0	Not affordable.
	Subtotal Econ. Development	151,497,271	(42,262,764)	360,971	(41,901,793)	
Education: K-12						
7027-0016	School-to-Work Programs Matching Grants	4,929,566	(1,300,000)	0	(1,300,000)	Eliminates earmark spending.
7061-0029	Office of Educational Quality and Accountat	3,430,618	(930,618)	0	(930,618)	Not affordable.
7061-9404	MCAS Low-Scoring Student Support	10,385,651	(422,858)	0	(422,858)	Eliminates earmark spending.
7035-0123	Junior Achievement Grants	500,000	(406,250)	0	(406,250)	Not affordable.
7030-1002	Kindergarten Expansion Grants	27,276,000	(318,297)	0	(318,297)	Not affordable.
7061-9619	Franklin Institute of Boston	300,001	(300,000)	0	(300,000)	Not affordable.
7030-1005	Targeted Tutorial Literacy Program	2,900,000	(200,000)	0	(200,000)	Eliminates earmark spending.
7035-0002	Adult Basic Education	32,522,628	(200,000)	0	(200,000)	Eliminates earmark spending.
7010-0005	Department of Education Administration	11,052,905	(150,000)	0	(150,000)	Eliminates earmark spending.
7027-0019	School-to-Career Connecting Activities	7,129,687	(83,020)	0	(83,020)	Not affordable.

Number	Line Item	FY07 Pre-9C	9C		Revised 9C		Governor's comments
			Reductions	Restorations	Cut	Cut	
			11/10/06	12/01/06	Amount	Amount	
7061-9412	Extended Learning Time Grants	6,500,000	(75,687)	0	(75,687)	0	Not affordable.
7061-9408	Targeted Intervention	4,977,344	(70,853)	0	(70,853)	0	Reduces payroll & administrative expenses.
7035-0004	School Transportation Reimbursements	66,000	(66,000)	0	(66,000)	0	Not affordable.
7061-9300	Education Data Warehouse	5,200,000	(60,550)	0	(60,550)	0	Not affordable.
7030-1003	Early Literacy Grants	3,672,990	(50,000)	0	(50,000)	0	Eliminates earmark spending.
7053-1925	School Breakfast Program	2,266,575	(49,447)	0	(49,447)	0	Not affordable.
7010-0030	Charter School Facilities	0	(23,889)	0	(23,889)	0	Not affordable.
7061-9626	Youth-Build Grants	2,050,000	(23,871)	0	(23,871)	0	Not affordable.
7053-1927	School Breakfast Program - Universal Eligib	2,011,060	(23,417)	0	(23,417)	0	Not affordable.
7035-0007	Non-Resident Transportation to Vocational I	2,000,000	(23,288)	0	(23,288)	0	Not affordable.
7061-9600	Higher Education Dual Enrollment Program	2,000,000	(23,288)	0	(23,288)	0	Not affordable.
7061-9804	Teacher Content Training	2,000,000	(23,288)	0	(23,288)	0	Not affordable.
7061-9604	Teacher Preparation and Certification	1,806,679	(21,037)	0	(21,037)	0	Reduces payroll & administrative expenses.
7061-9612	Worcester Polytechnic Institute School of E:	1,525,231	(17,760)	0	(17,760)	0	Not affordable.
7010-1022	Certificate of Occupational Proficiency	1,300,000	(15,137)	0	(15,137)	0	Not affordable.
7061-9614	Alternative Education Grants	1,250,000	(14,555)	0	(14,555)	0	Reduces payroll & administrative expenses.
7051-0015	Temporary Emergency Food Assistance Prc	1,247,000	(14,520)	0	(14,520)	0	Not affordable.
7061-9411	Principal and Superintendent Leadership Ac	1,000,000	(11,644)	0	(11,644)	0	Not affordable.
7061-9611	After School Programs	1,000,000	(11,644)	0	(11,644)	0	Not affordable.
7061-9200	Education Technology Program	768,866	(8,953)	0	(8,953)	0	Reduces payroll & administrative expenses.
7061-9621	Gifted and Talented Grants	750,000	(8,733)	0	(8,733)	0	Not affordable.
7061-9634	Mentoring Matching Grants	712,000	(8,291)	0	(8,291)	0	Not affordable.
7010-0216	Teacher Quality Investment	664,797	(7,741)	0	(7,741)	0	Not affordable.
7027-1004	English Language Acquisition	500,000	(5,822)	0	(5,822)	0	Reduces payroll & administrative expenses.
7061-9610	Citizen Schools Matching Grants	300,000	(3,493)	0	(3,493)	0	Not affordable.
7052-0006	SBAB Planning Grants	19,076	(222)	0	(222)	0	Not affordable.
7028-0031	School-Age Children in Institutional Schools	7,567,383	(88,116)	88,116	0	0	Reduces payroll & administrative expenses.
7061-0011	Foundation Budget Reserve	4,500,000	(1,098,000)	1,098,000	0	0	Not affordable.
7061-0012	SPED Circuit Breaker/Reimbursement for S	207,700,000	(2,418,505)	2,418,505	0	0	Not affordable.
7061-9400	Student and School Assessment	27,800,000	(323,709)	323,709	0	0	Reduces payroll & administrative expenses.
	Subtotal Education: K-12	393,582,057	(8,902,503)	3,928,330	(4,974,173)		
Elder Affairs							
9110-1630	Elder Home Care Purchased Services	102,995,113	(1,199,298)	0	(1,199,298)	0	Not affordable.
9110-1635	Homemaker Wage Add-On	1,000,000	(1,000,000)	0	(1,000,000)	0	Not affordable.
9110-1500	Elder Enhanced Community Options	43,331,919	(504,567)	0	(504,567)	0	Not affordable.
9110-1633	Elder Home Care Case Management and A	39,311,751	(457,755)	0	(457,755)	0	Not affordable.
9110-9002	Grants to Councils on Aging	7,550,000	(250,000)	0	(250,000)	0	Not affordable.
9110-1900	Local Elder Services Programs	5,591,850	(65,113)	0	(65,113)	0	Not affordable.
9110-1604	Supportive Senior Housing Program	3,737,572	(43,521)	0	(43,521)	0	Not affordable.
9110-0100	Department of Elder Affairs Administration	2,490,023	(28,994)	0	(28,994)	0	Reduces payroll & administrative expenses.
9110-1660	Congregate Housing Program	1,991,283	(23,187)	0	(23,187)	0	Not affordable.
9110-1650	Family Caregivers Program	500,000	(5,822)	0	(5,822)	0	Not affordable.
9110-1640	Geriatric Mental Health Services Program	350,000	(4,075)	0	(4,075)	0	Not affordable.
9110-1700	Homeless Elders Residential Placement (Ef	250,000	(2,911)	0	(2,911)	0	Not affordable.
9110-1636	Elder Protective Services	13,961,546	(162,571)	162,571	0	0	Not affordable.
	Subtotal Elder Affairs	223,061,057	(3,747,814)	162,571	(3,585,243)		
Environmental Affairs							
2800-0108	Maintenance of Parks and Beaches System	10,950,000	(3,420,000)	0	(3,420,000)	0	Not affordable.
2511-2000	Agricultural Innovation Center	3,200,000	(3,200,000)	0	(3,200,000)	0	Not affordable.
2200-0100	Department of Environmental Protection	34,280,671	(1,750,000)	0	(1,750,000)	0	Eliminates earmark spending.
2820-0100	Division of Urban Parks and Recreation	26,769,207	(1,145,000)	0	(1,145,000)	0	Eliminates earmark spending.
2000-0100	Executive Office of Environmental Affairs	7,724,383	(855,000)	0	(855,000)	0	Eliminates earmark spending.
7007-0951	Commonwealth Zoological Corporation - Op	6,850,000	(800,000)	0	(800,000)	0	Not affordable.
2800-0101	Watershed Management Program	2,692,275	(750,000)	0	(750,000)	0	Eliminates earmark spending.
2000-9900	Office of Geographic Environmental Informa	686,415	(383,677)	0	(383,677)	0	Not affordable.
2800-0500	DCR Beaches	1,735,000	(285,000)	0	(285,000)	0	Not affordable.
2800-0107	Department Property Capital Needs	0	(237,721)	0	(237,721)	0	Reduces payroll & administrative expenses.
2800-0200	Commonwealth Zoo Corporation Operations	2,750,000	(200,000)	0	(200,000)	0	Not affordable.
2260-8870	Hazardous Waste Site Cleanup Chapter 211	15,620,275	(181,886)	0	(181,886)	0	Reduces payroll & administrative expenses.
2030-1000	Environmental Law Enforcement	11,034,119	(154,590)	0	(154,590)	0	Eliminates earmark spending.
2810-0100	State Parks and Recreation	22,312,890	(135,000)	0	(135,000)	0	Eliminates earmark spending.
2800-0106	Repairs to DCR Road and Bridges	0	(131,186)	0	(131,186)	0	Reduces payroll & administrative expenses.
1599-3838	Contract Assistance for Certain New Drinkin	9,308,806	(100,100)	0	(100,100)	0	Reduces to projected spending levels.
2800-0100	Department of Conservation and Recreation	5,867,218	(100,000)	0	(100,000)	0	Eliminates earmark spending.
2511-0100	Department of Food and Agriculture Admini:	6,497,692	(75,661)	0	(75,661)	0	Reduces payroll & administrative expenses.
2810-2000	Seasonal Hires	5,567,735	(64,832)	0	(64,832)	0	Reduces payroll & administrative expenses.
2330-0100	Division of Marine Fisheries	5,117,984	(60,000)	0	(60,000)	0	Not affordable.
2850-1511	Sea Walls Rehabilitation, Reconstruction, ai	5,000,000	(58,221)	0	(58,221)	0	Not affordable.
2310-0200	Division of Fisheries and Wildlife Administra	9,250,000	(50,000)	0	(50,000)	0	Eliminates earmark spending.
2820-0200	Urban Park Seasonals	3,159,341	(36,788)	0	(36,788)	0	Reduces payroll & administrative expenses.
2010-0100	Recycling Coordination	2,360,267	(27,483)	0	(27,483)	0	Reduces payroll & administrative expenses.
2220-2221	Clean Air Operating Permit Program	2,002,949	(23,323)	0	(23,323)	0	Reduces payroll & administrative expenses.
2810-0200	State Park Seasonal Hires	2,000,000	(23,288)	0	(23,288)	0	Reduces payroll & administrative expenses.
2260-8872	Brownsfield Site Audit Program	1,821,681	(21,212)	0	(21,212)	0	Reduces payroll & administrative expenses.
2800-0105	DCR Rink Repairs	0	(21,163)	0	(21,163)	0	Reduces payroll & administrative expenses.
2310-0316	Wildland Stamp Program	1,800,000	(20,960)	0	(20,960)	0	Not affordable.

Number	Line Item	FY07 Pre-9C	9C	9C	Revised 9C	Governor's comments
			Reductions	Restorations	Cut	
			11/10/06	12/01/06	Amount	
2820-0101	State House Park Rangers	1,778,080	(20,704)	0	(20,704)	Reduces payroll & administrative expenses.
2800-0610	DCR Pools Renovation	1,750,000	(20,377)	0	(20,377)	Not affordable.
2250-2000	Safe Drinking Water Act Compliance	1,591,227	(18,529)	0	(18,529)	Reduces payroll & administrative expenses.
2820-2000	Urban Parks Snow and Ice	1,547,434	(18,019)	0	(18,019)	Not affordable.
2010-0200	Redemption Centers	1,375,000	(16,011)	0	(16,011)	Not affordable.
2820-0300	Central Artery/Tunnel Parks and Spectacle I	1,371,000	(15,964)	0	(15,964)	Not affordable.
2020-0100	Office of Toxics Use Reduction	1,365,928	(15,905)	0	(15,905)	Reduces payroll & administrative expenses.
2810-3301	Renovation of Dilboy Field	0	(14,559)	0	(14,559)	Not affordable.
2800-0700	Office of Dam Safety	1,045,000	(12,168)	0	(12,168)	Not affordable.
2220-2220	Clean Air Act Account	1,029,838	(11,992)	0	(11,992)	Reduces payroll & administrative expenses.
2210-0100	Toxics Use Reduction Act	961,596	(11,197)	0	(11,197)	Reduces payroll & administrative expenses.
2800-0401	Stormwater Management Pilot	950,000	(11,062)	0	(11,062)	Reduces payroll & administrative expenses.
2800-0600	DCR Pools	750,000	(8,733)	0	(8,733)	Not affordable.
2320-0100	Waterways Public Access Board Administr	620,103	(7,221)	0	(7,221)	Reduces payroll & administrative expenses.
2330-0120	Sportfish Development	564,919	(6,578)	0	(6,578)	Reduces payroll & administrative expenses.
2300-0100	Department of Fish and Game	550,001	(6,404)	0	(6,404)	Reduces payroll & administrative expenses.
2300-0101	Riverways Protection Program	548,547	(6,387)	0	(6,387)	Reduces payroll & administrative expenses.
2310-0306	Hunter Safety Program	447,551	(5,211)	0	(5,211)	Reduces payroll & administrative expenses.
2800-9004	Chicatawbut/ Blue Hills Trailside	375,000	(4,367)	0	(4,367)	Not affordable.
2260-8881	Licensed Site Professionals Registration Bo	370,101	(4,310)	0	(4,310)	Reduces payroll & administrative expenses.
2810-3300	Public Access Improvements	0	(4,265)	0	(4,265)	Not affordable.
2511-3002	Integrated Pest Management Program	300,000	(3,493)	0	(3,493)	Reduces payroll & administrative expenses.
2310-0317	Waterfowl Management Program	85,000	(990)	0	(990)	Not affordable.
2330-0101	Environmental Affairs Comprehensive Vess	75,000	(873)	0	(873)	Not affordable.
	Subtotal Environmental Affairs	225,810,233	(14,557,410)	0	(14,557,410)	
Group Insurance						
1108-5200	Group Insurance Premium and Plan Costs	976,037,643	(30,000,000)	0	(30,000,000)	Reduces to projected spending levels.
1108-5400	Retired Municipal Teachers Group Insuranc	79,853,475	(929,832)	0	(929,832)	Not affordable.
1108-5100	Group Insurance Commission Administratio	3,068,229	(350,000)	0	(350,000)	Reduces payroll & administrative expenses.
1108-5500	Group Insurance Dental and Vision Benefits	6,727,448	(78,336)	0	(78,336)	Not affordable.
1108-5350	Retired Governmental Employees Group Ins	895,032	(10,422)	0	(10,422)	Not affordable.
	Subtotal Group Insurance	1,066,581,827	(31,368,590)	0	(31,368,590)	
Higher Education						
1599-4131	CBA Reserve - Higher Education	14,575,687	(14,575,687)	0	(14,575,687)	Not affordable.
1599-4133	CBA Reserve - Higher Education	5,764,199	(5,764,199)	0	(5,764,199)	Not affordable.
7100-0200	University of Massachusetts	444,202,724	(5,000,000)	0	(5,000,000)	Reduces payroll & administrative expenses.
7100-0550	UMass Biomedical Institute for Discovery	2,500,000	(2,500,000)	0	(2,500,000)	Not affordable.
7080-0200	Bay State Reading Institute	1,500,000	(1,420,000)	97,400	(1,322,600)	Not affordable.
7114-0106	Salem State College Second Degree Nursin	922,313	(797,237)	0	(797,237)	Not affordable.
1599-3748	Reserve for State and Community College C	50,000,000	(582,211)	0	(582,211)	Not affordable.
7109-0100	Bridgewater State College	37,159,230	(454,132)	0	(454,132)	Reduces payroll & administrative expenses.
7114-0100	Salem State College	35,473,985	(433,536)	0	(433,536)	Reduces payroll & administrative expenses.
7518-0100	Bunker Hill Community College	19,121,261	(321,810)	0	(321,810)	Reduces payroll & administrative expenses.
7110-0100	Fitchburg State College	25,834,184	(315,726)	0	(315,726)	Reduces payroll & administrative expenses.
7112-0100	Framingham State College	22,388,664	(273,617)	0	(273,617)	Reduces payroll & administrative expenses.
7116-0100	Worcester State College	22,020,727	(269,120)	0	(269,120)	Reduces payroll & administrative expenses.
7115-0100	Westfield State College	21,866,728	(267,238)	0	(267,238)	Reduces payroll & administrative expenses.
7116-0102	Improvements to Worcester State Rockwoo	250,000	(250,000)	0	(250,000)	Not affordable.
7514-0100	Springfield Technical Community College	22,680,101	(249,410)	0	(249,410)	Reduces payroll & administrative expenses.
1599-7106	Nano-manufacturing and Bio-manufacturing	21,000,000	(244,529)	0	(244,529)	Not affordable.
7511-0100	North Shore Community College	18,882,617	(211,141)	0	(211,141)	Reduces payroll & administrative expenses.
7508-0100	Massasoit Community College	18,763,263	(209,806)	0	(209,806)	Reduces payroll & administrative expenses.
7516-0100	Middlesex Community College	18,511,485	(206,991)	0	(206,991)	Reduces payroll & administrative expenses.
7100-8181	UMass Amherst Food Science Department	200,000	(200,000)	0	(200,000)	Not affordable.
7510-0100	Northern Essex Community College	17,666,031	(197,537)	0	(197,537)	Reduces payroll & administrative expenses.
7506-0100	Holyoke Community College	17,120,203	(191,434)	0	(191,434)	Reduces payroll & administrative expenses.
7511-0101	North Shore Community College - Public Pc	250,000	(168,973)	0	(168,973)	Not affordable.
7117-0100	Massachusetts College of Art	13,584,393	(166,018)	0	(166,018)	Reduces payroll & administrative expenses.
7503-0100	Bristol Community College	14,816,580	(165,676)	0	(165,676)	Reduces payroll & administrative expenses.
7114-0105	Salem State Aquaculture Program	200,000	(162,254)	0	(162,254)	Not affordable.
7118-0100	Massachusetts Maritime Academy	13,186,243	(161,152)	0	(161,152)	Reduces payroll & administrative expenses.
7113-0100	Massachusetts College of Liberal Arts	13,047,888	(159,461)	0	(159,461)	Reduces payroll & administrative expenses.
7512-0100	Quinsigamond Community College	14,161,475	(158,350)	0	(158,350)	Reduces payroll & administrative expenses.
7100-0400	UMass Amherst Agricultural Department	150,000	(150,000)	0	(150,000)	Not affordable.
7509-1000	Mount Wachusett Community College Tech	150,000	(150,000)	0	(150,000)	Not affordable.
7507-0100	Massachusetts Bay Community College	13,345,432	(149,226)	0	(149,226)	Reduces payroll & administrative expenses.
7509-0100	Mount Wachusett Community College	11,436,390	(127,879)	0	(127,879)	Reduces payroll & administrative expenses.
7504-0100	Cape Cod Community College	10,496,463	(117,369)	0	(117,369)	Reduces payroll & administrative expenses.
7100-0700	Office of Dispute Resolution	166,440	(113,726)	0	(113,726)	Reduces payroll & administrative expenses.
7515-0100	Roxbury Community College	9,890,829	(109,020)	0	(109,020)	Reduces payroll & administrative expenses.
7509-0102	One-time Maintenance at Mount Wachusett	100,000	(100,000)	0	(100,000)	Not affordable.
7515-0122	One-time Upgrades and Repairs of RCC coi	105,600	(98,292)	0	(98,292)	Not affordable.
7502-0100	Berkshire Community College	8,644,847	(96,665)	0	(96,665)	Reduces payroll & administrative expenses.
7505-0100	Greenfield Community College	8,557,238	(95,685)	0	(95,685)	Reduces payroll & administrative expenses.

Number	Line Item	FY07 Pre-9C	9C		Revised 9C Cut Amount	Governor's comments
			Reductions 11/10/06	Restorations 12/01/06		
1599-4215	CBA Reserve - Higher Education	5,945,000	(69,225)	0	(69,225)	Not affordable.
7077-0023	Tufts School of Veterinary Medicine Prograr	5,325,000	(62,005)	0	(62,005)	Not affordable.
7100-0300	Toxics Use Reduction Institute - UMass Low	1,323,948	(58,927)	0	(58,927)	Reduces payroll & administrative expenses.
1599-3859	NSF Grant for UMass Amherst Nanotechno	5,000,000	(58,221)	0	(58,221)	Not affordable.
7520-0424	Health and Welfare Reserve for Higher Edu	4,823,000	(56,160)	0	(56,160)	Not affordable.
1599-4214	CBA Reserve - Higher Education	3,455,000	(40,231)	0	(40,231)	Not affordable.
7100-0500	Commonwealth College Honors Program	3,430,000	(39,940)	0	(39,940)	Reduces payroll & administrative expenses.
7066-0000	Board of Higher Education	2,753,819	(32,066)	0	(32,066)	Reduces payroll & administrative expenses.
1599-7104	UMass Dartmouth/ Bristol Community Colle	2,700,000	(31,439)	0	(31,439)	Not affordable.
7066-0015	Community Colleges - Workforce Training	2,300,000	(26,782)	0	(26,782)	Not affordable.
7100-0600	One-time reimbursement to Umass Lowell	1,208,889	(14,077)	0	(14,077)	Not affordable.
7515-0120	Roxbury Community College - Reggie Lewis	946,000	(11,015)	0	(11,015)	Not affordable.
7114-0101	Salem State College - GTE/Sylvania Proper	701,000	(8,163)	0	(8,163)	Not affordable.
7514-0102	Center for Telecommunications and Informa	535,206	(6,232)	0	(6,232)	Reduces payroll & administrative expenses.
7113-0105	MCLA Wireless Learning	350,000	(4,075)	0	(4,075)	Not affordable.
7116-0101	Latino Education Institute at Worcester Stat	250,000	(2,911)	0	(2,911)	Reduces payroll & administrative expenses.
1599-4171	CBA Reserve - UMass Lowell	194,069	(2,260)	0	(2,260)	Not affordable.
7504-0101	Environmental Technology, Education, and	126,652	(1,475)	0	(1,475)	Not affordable.
1599-4170	CBA Reserve - UMass Lowell	84,585	(985)	0	(985)	Not affordable.
7066-0022	Graduation Task Force Initiative	75,000	(873)	0	(873)	Reduces payroll & administrative expenses.
7066-0016	Foster Care Financial Aid	1,300,000	(15,137)	15,137	0	Not affordable.
7070-0031	McNair Financial Assistance Program	1,965,638	(22,888)	22,888	0	Not affordable.
	Subtotal Higher Education	1,015,486,026	(37,950,194)	135,425	(37,814,769)	
Housing & Comm. Devt.						
7004-0097	Economic Development Grants	30,361,447	(14,028,000)	0	(14,028,000)	Eliminates earmark spending.
7004-0090	Quincy Center Revitalization Initiative	5,000,000	(5,000,000)	0	(5,000,000)	Not affordable.
7004-0099	Department of Housing and Community Dev	11,785,833	(2,307,000)	0	(2,307,000)	Eliminates earmark spending.
7004-9024	Massachusetts Rental Voucher Program	27,483,345	(3,200,000)	1,000,000	(2,200,000)	Not affordable.
7004-2475	Home Ownership Opportunity Affordable Hc	5,000,000	(1,500,000)	0	(1,500,000)	Not affordable.
7004-2051	Worcester City Square Project	26,000,000	(1,000,000)	0	(1,000,000)	Eliminates earmark spending.
7004-9005	Subsidies to Public Housing Authorities	55,862,288	(650,473)	0	(650,473)	Not affordable.
7004-3036	Housing Services to Low-Income Tenants ir	1,821,925	(221,925)	0	(221,925)	Eliminates earmark spending.
7004-9201	Interest Subsidies for Private Development	5,500,000	(64,043)	0	(64,043)	Not affordable.
7004-9030	Alternative Housing Voucher Program	3,500,000	(40,755)	0	(40,755)	Not affordable.
7004-9033	Mental Health Rental Subsidies	3,000,000	(34,933)	0	(34,933)	Not affordable.
7004-3045	Tenancy Preservation Program	500,000	(5,822)	0	(5,822)	Not affordable.
7004-9317	Individual Development Account Program	500,000	(5,822)	0	(5,822)	Not affordable.
7004-4314	Service Coordinators Program	490,401	(5,710)	0	(5,710)	Not affordable.
7004-0000	Executive Office for Commonwealth Develop	246,720	(2,873)	0	(2,873)	Reduces payroll & administrative expenses.
7004-0001	Indian Affairs Commission	201,520	(2,347)	0	(2,347)	Reduces payroll & administrative expenses.
7004-0088	Economic Development Grants	0	(688)	0	(688)	Not affordable.
7004-9316	Residential Assistance for Families in Trans	5,000,000	(2,000,000)	2,000,000	0	Not affordable.
	Subtotal Housing & Comm. Devt.	182,253,479	(30,070,391)	3,000,000	(27,070,391)	
Human Svcs: Other						
1599-6901	Salary Increase for Private Human Service I	28,000,000	(28,000,000)	0	(28,000,000)	Not affordable.
4000-0112	YMCA/ Boys and Girls Club Grants	6,098,100	(6,098,100)	0	(6,098,100)	Eliminates earmark spending.
4200-0300	Residential Services for Committed Populat	105,423,021	(1,227,569)	0	(1,227,569)	Reduces payroll & administrative expenses.
4400-1000	Department of Transitional Assistance Adm	66,345,503	(772,542)	0	(772,542)	Reduces payroll & administrative expenses.
4200-0500	DYS Education Funding	3,300,000	(750,000)	0	(750,000)	Not affordable.
4400-1100	DTA Caseworker Payroll	56,693,172	(660,148)	0	(660,148)	Reduces payroll & administrative expenses.
4120-3000	Employment Assistance for the Multi-Disabl	8,463,481	(400,000)	0	(400,000)	Eliminates earmark spending.
4200-0100	Non-Residential Services for Committed Po	23,441,647	(363,441)	0	(363,441)	Not affordable.
4120-4000	Independent Living Assistance for the Multi-	10,597,486	(353,511)	0	(353,511)	Not affordable.
4200-0200	Residential Services for Detained Populatio	19,922,603	(231,983)	0	(231,983)	Reduces payroll & administrative expenses.
4200-0010	Department of Youth Services Administratio	5,456,208	(182,808)	0	(182,808)	Not affordable.
4120-2000	Vocational Rehabilitation for the Multi-Disab	7,826,911	(91,138)	0	(91,138)	Not affordable.
4125-0100	Massachusetts Commission for the Deaf an	5,539,165	(64,499)	0	(64,499)	Reduces payroll & administrative expenses.
4120-5000	Home Care Services for the Multi-Disabled	5,533,355	(64,432)	0	(64,432)	Reduces payroll & administrative expenses.
4110-1000	Community Services for the Blind	4,367,118	(50,852)	0	(50,852)	Reduces payroll & administrative expenses.
4400-1001	Anti- Hunger Initiatives	3,520,000	(40,988)	0	(40,988)	Not affordable.
4110-3010	Vocational Rehabilitation for the Blind	2,865,326	(33,364)	0	(33,364)	Not affordable.
4110-4000	Ferguson Industries for the Blind	1,895,410	(22,071)	0	(22,071)	Reduces payroll & administrative expenses.
4110-0001	Massachusetts Commission for the Blind Ac	1,121,558	(13,060)	0	(13,060)	Reduces payroll & administrative expenses.
4400-1079	Homeless Management Information System	1,000,000	(11,644)	0	(11,644)	Not affordable.
4120-4010	Turning 22 Services for the Multi-Disabled	749,145	(8,723)	0	(8,723)	Not affordable.
4400-1025	DTA Domestic Violence Specialists	666,315	(7,759)	0	(7,759)	Reduces payroll & administrative expenses.
4120-1000	Massachusetts Rehabilitation Commission /	579,515	(6,748)	0	(6,748)	Reduces payroll & administrative expenses.
4003-0122	Low-Income Citizenship Program	500,000	(5,822)	0	(5,822)	Not affordable.
4110-2001	Turning 22 Services for the Blind - New Clie	330,000	(3,843)	0	(3,843)	Not affordable.
4110-1020	Medical Assistance Eligibility Determination	324,995	(3,784)	0	(3,784)	Reduces payroll & administrative expenses.
4403-2001	Lift Transportation Program	150,000	(1,747)	0	(1,747)	Not affordable.
4120-4001	Accessible Housing Registry for Disabled Pi	83,754	(975)	0	(975)	Not affordable.
4125-0102	Interpreter Services at State House Events	24,000	(279)	0	(279)	Reduces payroll & administrative expenses.
4110-2000	Turning 22 Services for the Blind - Annualiz	9,241,267	(107,607)	107,607	0	Not affordable.
4120-6000	Head Injury Treatment Services	9,046,110	(105,335)	105,335	0	Reduces payroll & administrative expenses.

Number	Line Item	FY07 Pre-9C	9C		Revised 9C Cut Amount	Governor's comments
			Reductions 11/10/06	Restorations 12/01/06		
4403-2119	Structured Settings for Teen Parents	6,819,544	(79,408)	79,408	0	Not affordable.
4406-3000	Homeless Individuals Assistance	35,239,061	(410,332)	410,332	0	Not affordable.
4406-3010	Housing First Initiative	600,000	(600,000)	600,000	0	Not affordable.
	Subtotal Human Svcs: Other	431,763,770	(40,774,512)	1,302,682	(39,471,830)	
Income Supports						
4403-2000	TAFDC Grant Payments	296,555,455	(7,800,000)	0	(7,800,000)	Reduces to projected spending levels.
4401-1000	Employment Services Program	27,087,733	(315,416)	0	(315,416)	Not affordable.
4110-1010	State Supplement to Supplemental Security	8,351,643	(97,248)	97,248	0	Not affordable.
4408-1000	Emergency Aid to Elderly, Disabled & Childr	65,904,156	(767,403)	767,403	0	Not affordable.
	Subtotal Income Supports	397,898,987	(8,980,067)	864,651	(8,115,416)	
Libraries						
7000-9506	BLC Telecommunications	2,833,000	(794,000)	0	(794,000)	Not affordable.
7000-9406	Talking Book Program - Watertown	2,182,175	(203,625)	0	(203,625)	Not affordable.
7000-9402	Talking Book Program - Worcester	390,000	(65,000)	0	(65,000)	Not affordable.
7000-9101	Board of Library Commissioners Administra	1,000,732	(11,653)	0	(11,653)	Reduces payroll & administrative expenses.
7000-9507	Public Library Matching Incentive Grant Pro	250,000	(2,911)	0	(2,911)	Not affordable.
	Subtotal Libraries	6,655,907	(1,077,189)	0	(1,077,189)	
Medicaid/MassHealth & Other Health Care Programs						
4000-0500	MassHealth - Managed Care Plans	2,520,227,848	(25,700,000)	0	(25,700,000)	Eliminates earmark spending.
4000-1420	Medicare Part D Phased Down Contribution	238,900,000	(16,306,865)	0	(16,306,865)	Reduces to projected spending levels.
4000-0600	MassHealth - Senior Care Plans	1,728,309,136	(13,722,222)	0	(13,722,222)	Eliminates earmark spending.
4000-0700	MassHealth - Indemnity and Third Party Lia	1,538,637,750	(10,472,222)	0	(10,472,222)	Eliminates earmark spending.
4000-0300	Executive Office of Health and Human Serv	137,095,096	(3,167,000)	0	(3,167,000)	Not affordable.
1599-2006	Health Care Reform Admin. Reserve	10,000,000	(116,442)	0	(116,442)	Reduces payroll & administrative expenses.
4000-0625	Recruitment and Retention of Home Health	4,000,000	(46,577)	0	(46,577)	Not affordable.
4000-0305	Health Care Decision Support System	1,000,000	(11,644)	0	(11,644)	Not affordable.
4000-0140	Betsy Lehman Center	500,000	(5,822)	0	(5,822)	Reduces payroll & administrative expenses.
4000-0265	One-time Grants to CHCs	1,500,000	(1,500,000)	1,500,000	0	Not affordable.
4000-0352	MassHealth - Enrollment Outreach Grants	3,500,000	(2,700,000)	2,700,000	0	Not affordable.
	Subtotal Medicaid/MassHealth & Other	6,183,669,830	(73,748,794)	4,200,000	(69,548,794)	
Mental Health						
5042-5000	Child and Adolescent Mental Health Service	72,539,666	(844,668)	0	(844,668)	Reduces payroll & administrative expenses.
5047-0002	Continuing Care Services Retained Revenue	5,287,427	(787,427)	0	(787,427)	Not affordable.
5055-0000	Forensic Services Program for Mentally Ill P	6,607,903	(500,000)	0	(500,000)	Not affordable.
5011-0100	Department of Mental Health Administration	39,014,072	(454,289)	0	(454,289)	Reduces payroll & administrative expenses.
5047-0001	Emergency Services and Acute Inpatient Ca	31,759,281	(369,812)	0	(369,812)	Not affordable.
5046-0000	Adult Mental Health and Support Services	304,832,778	(1,900,000)	1,900,000	0	Eliminates earmark spending.
5046-2000	Statewide Homelessness Support Services	22,337,091	(260,098)	260,098	0	Not affordable.
5095-0015	State Psychiatric Hospitals and Inpatient Se	164,026,488	(1,909,961)	1,909,961	0	Reduces payroll & administrative expenses.
	Subtotal Mental Health	646,404,706	(7,026,255)	4,070,059	(2,956,196)	
Mental Retardation						
5920-1000	Community Support Services for the Mental	57,096,999	(664,850)	0	(664,850)	Not affordable.
5920-3000	Respite Family Supports for the Mentally Re	53,094,228	(618,241)	0	(618,241)	Not affordable.
5920-3010	Support Services for Families with Autistic C	3,000,000	(34,933)	0	(34,933)	Not affordable.
5920-2006	Residential Rate Initiative	2,000,000	(23,288)	0	(23,288)	Not affordable.
5920-2000	Community Residential Supports for the Me	524,438,492	(4,000,000)	4,000,000	0	Not affordable.
5920-2020	Boulet Settlement - Residential and Interim	86,361,602	(1,005,614)	1,005,614	0	Not affordable.
5920-2025	Community-Based Day and Work Programs	117,738,430	(1,370,973)	1,370,973	0	Not affordable.
5920-5000	Turning 22 Services for the Mentally Retard	8,500,000	(2,032,330)	2,032,330	0	Not affordable.
	Subtotal Mental Retardation	852,229,751	(9,750,229)	8,408,917	(1,341,312)	
Public Health						
4590-0915	Public Health Hospitals (Consolidated Tewk	128,956,272	(1,000,000)	0	(1,000,000)	Reduces to projected spending levels.
4512-0103	AIDS Prevention, Treatment, and Services	36,688,608	(735,000)	0	(735,000)	Not affordable.
4512-0225	Compulsive Gamblers Treatment Program	1,000,000	(345,058)	0	(345,058)	Not affordable.
4590-0250	School Health Services	16,730,544	(300,000)	0	(300,000)	Eliminates earmark spending.
4510-0600	Environmental Health Services	3,509,106	(264,800)	0	(264,800)	Eliminates earmark spending.
4513-1000	Family Health Services	5,364,721	(250,000)	0	(250,000)	Not affordable.
4510-0100	Department of Public Health Administration	17,519,539	(204,001)	0	(204,001)	Reduces payroll & administrative expenses.
4512-0500	Dental Health Services	2,718,150	(190,000)	0	(190,000)	Not affordable.
4516-1000	State Laboratory and Communicable Disease	14,695,696	(171,120)	0	(171,120)	Reduces payroll & administrative expenses.
4513-1130	Domestic Violence and Sexual Assault Prev	3,735,066	(158,000)	0	(158,000)	Eliminates earmark spending.
4510-0720	Recruitment Incentive for Certified Nurses' /	250,000	(222,731)	67,000	(155,731)	Not affordable.
4513-1002	WIC Nutritional Services	13,059,523	(152,068)	0	(152,068)	Not affordable.
4590-0300	Smoking Prevention and Cessation Program	8,250,000	(96,065)	0	(96,065)	Not affordable.
4510-0710	Health Care Quality and Improvement	7,994,057	(93,085)	0	(93,085)	Reduces payroll & administrative expenses.
4570-1500	Early Breast Cancer Detection	7,362,768	(77,873)	0	(77,873)	Not affordable.
4510-0110	Community Health Centers	5,607,956	(65,300)	0	(65,300)	Not affordable.
4512-0201	Substance Abuse Step-Down Recovery Ser	5,000,000	(58,221)	0	(58,221)	Not affordable.
4510-0150	Community Health Centers - CenterCare M	4,154,974	(48,381)	0	(48,381)	Not affordable.
4510-0810	Sexual Assault Nurse Examiner Program	3,610,111	(42,037)	0	(42,037)	Not affordable.
4530-9000	Teenage Pregnancy Prevention Technical A	3,022,357	(35,193)	0	(35,193)	Not affordable.
4510-0723	Board of Medicine and Committee on Acup.	2,318,414	(26,996)	0	(26,996)	Reduces payroll & administrative expenses.
4513-1112	Prostate Cancer Screening	2,300,000	(26,782)	0	(26,782)	Not affordable.
4590-0914	Department of Public Health	0	(18,270)	0	(18,270)	Not affordable.
4510-0721	Board of Registration in Nursing	1,562,322	(18,192)	0	(18,192)	Reduces payroll & administrative expenses.

Number	Line Item	FY07 Pre-9C	9C		Revised 9C		Governor's comments
			Reductions	Restorations	Cut	Amount	
			11/10/06	12/01/06			
4513-1021	Reserve for Respite to Families in Early Inte	1,417,500	(16,506)	0	(16,506)	Not affordable.	
4513-1114	Hepatitis C Screening and Treatment	1,412,876	(16,452)	0	(16,452)	Not affordable.	
4513-1026	Community Based Suicide Prevention	1,250,000	(14,555)	0	(14,555)	Not affordable.	
4510-0790	Regional Emergency Medical Services	1,246,896	(14,519)	0	(14,519)	Not affordable.	
4570-1502	Infection Prevention and Control Program	1,000,000	(11,644)	0	(11,644)	Not affordable.	
4590-1503	Pediatric Palliative Care Program	800,000	(9,315)	0	(9,315)	Not affordable.	
4513-1121	Stroke Response Awareness and Education	500,000	(5,822)	0	(5,822)	Not affordable.	
4510-0722	Board of Registration in Pharmacy	492,669	(5,737)	0	(5,737)	Reduces payroll & administrative expenses.	
4510-0725	Boards of Registration for Health Profession	427,803	(4,981)	0	(4,981)	Reduces payroll & administrative expenses.	
4513-1115	Multiple Sclerosis Screening and Treatment	412,368	(4,802)	0	(4,802)	Not affordable.	
4516-0264	Diabetes Screening and Outreach	350,000	(4,075)	0	(4,075)	Not affordable.	
4513-1113	Colorectal Cancer Study	250,000	(2,911)	0	(2,911)	Not affordable.	
4513-1122	Ovarian Cancer Screening	200,000	(2,329)	0	(2,329)	Not affordable.	
4513-1111	Osteoporosis Education and Prevention	100,000	(1,164)	0	(1,164)	Not affordable.	
4513-1116	Renal Disease Nutritional Supplements and	100,000	(1,164)	0	(1,164)	Not affordable.	
4513-1023	Newborn Hearing Services	83,060	(967)	0	(967)	Not affordable.	
4580-1000	Universal Immunization Program	36,771,508	(428,176)	428,176	0	Not affordable.	
	Subtotal Public Health	342,224,864	(5,144,292)	495,176	(4,649,116)		
Public Safety							
8000-0619	Smoking Prevention and Cessation - DARE	1,078,666	(1,078,666)	0	(1,078,666)	Not affordable.	
8100-0000	Department of State Police Operations	220,931,717	(508,000)	0	(508,000)	Not affordable.	
1599-4204	CBA Reserve - State Police Association of I	49,303,804	(341,220)	0	(341,220)	Not affordable.	
8000-0010	Local Law Enforcement Assistance Program	21,371,035	(248,616)	0	(248,616)	Not affordable.	
8950-0001	Parole Board Administration	17,582,149	(204,730)	0	(204,730)	Reduces payroll & administrative expenses.	
8000-0106	State Police Crime Lab	16,205,625	(188,702)	0	(188,702)	Reduces payroll & administrative expenses.	
8100-0007	State Police Overtime	13,010,782	(151,500)	0	(151,500)	Reduces payroll & administrative expenses.	
8000-0105	Office of the Chief Medical Examiner	7,717,219	(89,861)	0	(89,861)	Reduces payroll & administrative expenses.	
8315-1000	Division of Inspections	5,123,696	(59,661)	0	(59,661)	Reduces payroll & administrative expenses.	
8000-0036	Cost of Replacement Bulletproof Vests	5,000,000	(58,221)	0	(58,221)	Not affordable.	
8000-0125	Sex Offender Registry Board	3,972,913	(46,261)	0	(46,261)	Reduces payroll & administrative expenses.	
8000-0110	Criminal History Systems Board	3,522,547	(41,017)	0	(41,017)	Reduces payroll & administrative expenses.	
8200-0200	Criminal Justice Training Council	3,339,036	(38,880)	0	(38,880)	Reduces payroll & administrative expenses.	
8900-0010	Prison Industries and Farm Program	2,789,069	(32,477)	0	(32,477)	Reduces payroll & administrative expenses.	
8910-0003	Mental Health Forensics Services	2,660,000	(30,974)	0	(30,974)	Not affordable.	
8000-1122	Criminal History Systems Board Telecomm	2,132,012	(24,826)	0	(24,826)	Not affordable.	
8100-0032	Feasibility Study of New Crime Lab	0	(20,904)	0	(20,904)	Not affordable.	
8800-0001	Massachusetts Emergency Management A	1,704,591	(19,849)	0	(19,849)	Reduces payroll & administrative expenses.	
8100-0515	New State Police Classes	1,800,000	(19,335)	0	(19,335)	Reduces payroll & administrative expenses.	
8311-1000	Department of Inspection and Regulation	1,140,592	(13,281)	0	(13,281)	Reduces payroll & administrative expenses.	
8000-0038	Witness Protection Program	0	(11,644)	0	(11,644)	Not affordable.	
8900-1100	Community Re-entry Programs	1,000,000	(11,644)	0	(11,644)	Not affordable.	
8000-0180	Massachusetts Instant Recording and Chec	400,000	(4,658)	0	(4,658)	Reduces payroll & administrative expenses.	
8100-0022	State Police Overtime	350,000	(4,075)	0	(4,075)	Not affordable.	
8800-0400	State Match to FEMA Disaster Relief for Oc	300,000	(3,493)	0	(3,493)	Not affordable.	
8950-0002	Victim and Witness Assistance Program	286,710	(3,339)	0	(3,339)	Reduces payroll & administrative expenses.	
8400-0016	Motorcycle Safety Program	250,853	(2,921)	0	(2,921)	Reduces payroll & administrative expenses.	
8000-0060	Racial Profiling Law Implementation	150,000	(1,747)	0	(1,747)	Not affordable.	
8324-1101	Underground Storage Tank Compliance Sta	106,240	(1,237)	0	(1,237)	Reduces payroll & administrative expenses.	
8000-0221	Anti-Gang Initiative - Springfield, Dorchester	0	(151)	0	(151)	Not affordable.	
8000-0000	Executive Office of Public Safety	3,317,049	(430,000)	430,000	0	Not affordable.	
8000-0202	Sexual Assault Evidence Kits	80,000	(932)	932	0	Not affordable.	
8910-0010	Lemuel Shattuck Hospital County Corrector	2,700,829	(31,449)	31,449	0	Not affordable.	
	Subtotal Public Safety	389,327,134	(3,724,271)	462,381	(3,261,890)		
Social Services							
4800-0015	DSS Administration	75,563,750	(879,881)	0	(879,881)	Reduces payroll & administrative expenses.	
4800-2025	DSS Coordination of Care	3,000,000	(34,933)	0	(34,933)	Not affordable.	
4800-0025	Foster Care Review Services	2,821,775	(32,857)	0	(32,857)	Reduces payroll & administrative expenses.	
4800-0036	Sexual Abuse Intervention Network	737,464	(8,587)	0	(8,587)	Not affordable.	
4800-0151	Placement Services for Juvenile Offenders	310,743	(3,618)	0	(3,618)	Not affordable.	
4800-0038	Services for Children and Families	281,689,809	(2,000,000)	2,000,000	0	Not affordable.	
4800-0041	Group Care Services	235,963,159	(2,000,000)	2,000,000	0	Not affordable.	
4800-1400	Services for Domestic Violence and the Nev	21,688,691	(252,548)	252,548	0	Reduces payroll & administrative expenses.	
	Subtotal Social Services	621,775,391	(5,212,424)	4,252,548	(959,876)		
Transportation							
1599-1975	Rose Kennedy Greenway	31,000,000	(31,000,000)	0	(31,000,000)	Not affordable.	
6000-0200	Inter-district Transportation Program	2,000,000	(1,979,926)	1,289,180	(690,746)	Not affordable.	
6033-0592	Town and County Ways Construction and R	55,000,000	(640,432)	0	(640,432)	Not affordable.	
6010-0001	Department of Highways Administration	17,378,815	(425,000)	0	(425,000)	Eliminates earmark spending.	
6033-0430	Improvements to Public Transportation-relat	36,000,000	(419,192)	0	(419,192)	Not affordable.	
6005-0030	Transportation Improvements	13,473,334	(250,000)	0	(250,000)	Eliminates earmark spending.	
6000-0300	Route 90 Connector Tunnel Repair	0	(232,884)	0	(232,884)	Not affordable.	
6010-0002	MassHighway Payroll	19,903,334	(231,759)	0	(231,759)	Reduces payroll & administrative expenses.	
1599-1950	Transportation Improvements	19,500,000	(227,062)	0	(227,062)	Not affordable.	
6000-0100	Executive Office of Transportation and Cons	5,077,253	(59,121)	0	(59,121)	Reduces payroll & administrative expenses.	
6005-0020	Transportation Improvements	0	(54,089)	0	(54,089)	Not affordable.	
6006-0003	Massachusetts Aeronautics Commission	469,533	(5,467)	0	(5,467)	Reduces payroll & administrative expenses.	
6005-0238	Repair of Stone Embankment Along Turkey	25,000	(291)	0	(291)	Not affordable.	
	Subtotal Transportation	199,827,269	(35,525,223)	1,289,180	(34,236,043)		

Number	Line Item	FY07 Pre-9C	9C	9C	Revised 9C	Governor's comments
			Reductions	Restorations	Cut	
			11/10/06	12/01/06	Amount	
Other Administrative						
1231-1000	Local Services Sewer Rate Relief - MWRA	25,000,000	(25,000,000)	0	(25,000,000)	Not affordable.
1599-4212	CBA Reserve - Mass. Nurses' Association	34,113,125	(5,000,000)	0	(5,000,000)	Reduces to projected spending levels.
1599-4200	CBA Reserve - NAGE	14,568,538	(2,400,000)	0	(2,400,000)	Reduces to projected spending levels.
1599-4202	CBA Reserve - AFSCME, SEIU, Unit 2	18,642,595	(1,750,000)	0	(1,750,000)	Reduces to projected spending levels.
1201-0100	Department of Revenue Administration	119,846,062	(1,395,514)	0	(1,395,514)	Reduces payroll & administrative expenses.
1100-1560	Massachusetts Development Finance Agen	1,000,000	(1,000,000)	0	(1,000,000)	Not affordable.
1201-0160	Child Support Enforcement Division	50,248,742	(585,108)	0	(585,108)	Reduces payroll & administrative expenses.
1599-0093	Water Pollution Abatement Contract Assista	54,907,283	(288,900)	0	(288,900)	Reduces to projected spending levels.
1232-0100	Underground Storage Tank Reimbursement	23,200,000	(270,146)	0	(270,146)	Not affordable.
1599-4201	CBA Reserve - MOSES	0	(250,000)	0	(250,000)	Reduces to projected spending levels.
1599-2005	Assisting Victims of Hurricane Katrina	0	(228,643)	0	(228,643)	Not affordable.
1775-1101	Affirmative Market Program	299,588	(224,588)	0	(224,588)	Not affordable.
1000-0001	Office of the State Comptroller Operations	9,089,154	(105,836)	0	(105,836)	Reduces payroll & administrative expenses.
1599-2001	Northampton State Hospital Grant	0	(81,510)	0	(81,510)	Not affordable.
1102-3301	Bureau of State Office Buildings Operations	6,766,065	(78,786)	0	(78,786)	Reduces payroll & administrative expenses.
0411-1000	Executive Office of the Governor	5,085,741	(72,209)	0	(72,209)	Reduces payroll & administrative expenses.
1790-0100	Division of Information Technology	5,076,285	(59,109)	0	(59,109)	Reduces payroll & administrative expenses.
1750-0100	Division of Human Resources	4,084,842	(47,565)	0	(47,565)	Reduces payroll & administrative expenses.
1100-1100	Office of the Secretary for Administration an	3,529,636	(41,111)	0	(41,111)	Reduces payroll & administrative expenses.
1599-4172	CBA Reserve	3,215,173	(39,221)	0	(39,221)	Not affordable.
1150-5100	Massachusetts Commission Against Discrim	2,274,386	(26,483)	0	(26,483)	Reduces payroll & administrative expenses.
1775-0100	Division of Operational Services	2,124,565	(24,739)	0	(24,739)	Reduces payroll & administrative expenses.
1310-1000	Appellate Tax Board	1,899,686	(22,120)	0	(22,120)	Reduces payroll & administrative expenses.
1232-0200	Underground Storage Tank Administrative F	1,865,411	(21,721)	0	(21,721)	Reduces payroll & administrative expenses.
1110-1000	Division of Administrative Law Appeals	1,181,676	(16,671)	0	(16,671)	Reduces payroll & administrative expenses.
1599-4169	CBA Reserve - MA Lottery Commission	1,340,283	(15,607)	0	(15,607)	Not affordable.
1120-4005	George Fingold Library	1,275,012	(14,847)	0	(14,847)	Reduces payroll & administrative expenses.
1102-3306	Bureau of State Office Buildings - State Ho	750,000	(8,733)	0	(8,733)	Not affordable.
1107-2400	Massachusetts Office on Disability	703,456	(8,191)	0	(8,191)	Reduces payroll & administrative expenses.
1108-1011	Civil Service Commission	517,630	(6,027)	0	(6,027)	Reduces payroll & administrative expenses.
1232-0300	Underground Storage Tank Municipal Grant	489,907	(5,705)	0	(5,705)	Not affordable.
1102-3206	Maintenance and Security of Surplus State I	359,208	(4,183)	0	(4,183)	Not affordable.
1599-3333	MMARS Interim Operating Costs	294,778	(3,432)	0	(3,432)	Not affordable.
1750-0119	Worker's Compensation for Former County	233,350	(2,717)	0	(2,717)	Not affordable.
1750-0111	Civil Service Continuous Testing	184,483	(2,148)	0	(2,148)	Reduces payroll & administrative expenses.
1599-3386	Mass. Defense Technology Initiative	110,201	(1,283)	0	(1,283)	Not affordable.
1599-4052	CBA Reserve - National Association of Gov	40,000	(414)	0	(414)	Not affordable.
1599-4059	CBA Reserve	20,000	(204)	0	(204)	Not affordable.
1599-4054	CBA Reserve - State Engineers	20,000	(182)	0	(182)	Not affordable.
1599-3856	Massachusetts Information Technology Cer	7,115,000	(82,849)	82,849	0	Not affordable.
	Subtotal Other Administrative	401,471,861	(39,186,502)	82,849	(39,103,653)	
	TOTAL	14,241,817,661	(424,689,887)	41,398,698	(383,291,189)	