

## Senate final budget makes some progress with limited new revenues for FY 2020

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### OVERVIEW

#### *Senate amendments, May 23, 2019:*

The Senate added \$74.4 million to the Fiscal Year (FY) 2020 Senate Ways and Means (SWM) Committee budget proposal in its amendment process. (After the SWM Committee released its budget for FY 2020, Senate members proposed and voted on amendments to the Committee proposal. Once the bill was amended, the Senate voted to approve the final version of its budget.)

The Senate FY 2020 budget is somewhat constrained in making substantive improvements in education, infrastructure, housing, and other programs compared with FY 2019 because it lacks substantial, new revenues. It makes some progress on K-12 education funding while lawmakers discuss an overhaul of the funding formula through separate legislation.

From here, the Conference Committee — which is made up of members from the House and Senate — will resolve differences between the two versions of the FY 2020 budget. This resolved version becomes the Legislature’s proposed budget. The Governor has 10 days to sign the budget and may veto (reject) specific funding within the budget. With a two-thirds majority in both chambers, the Legislature may override each individual veto.

This report includes MassBudget’s highlights from both the SWM Committee proposal and the Senate amendments to that proposal. Funding for specific accounts can be tracked through our [Budget Browser](#).

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

***Senate Ways and Means (SWM) Committee proposal, May 7, 2019:***

The Senate Ways and Means (SWM) Committee’s Fiscal Year (FY) 2020 budget proposal goes further in boosting K-12 education funding than other proposals this budget cycle. But, constrained by the lack of substantial, new revenue, the Committee had to propose less funding or relatively small increases in other areas such as child care assistance for low-income families, elder services, and other areas, as discussed in more detail throughout the rest of this document.

The SWM budget proposal includes a more comprehensive approach to reforming the public K-12 education funding formula than the Governor and House proposals. However, funding levels in the SWM budget are still somewhat less than the most comprehensive plans being debated currently by policymakers. Updating the funding formula can help ensure that students across Massachusetts, particularly disadvantaged kids, receive a high-quality education.

Further, the SWM Committee proposes to fund the [Attorney General’s Fair Labor Division](#) (FLD) at \$4.5 million, which is 8 percent less in total funding than FY 2001 (adjusting for inflation), but is 17 percent less *when adjusted for job growth in Massachusetts since then*. The FLD enforces the state’s wage and hour laws, including minimum wage, overtime, and earned sick time. This funding decrease could weaken many of the increased worker protections and benefits passed in recent years.

Regarding revenue, the SWM Committee included many of the new tax proposals first presented in the Governor’s FY 2020 budget. (The House, by contrast, includes only the Sales Tax Modernization proposal.) These include a new tax on opioid manufacturers and another on vaping products. Unlike the Governor, the SWM Committee directs these new revenues to special funds dedicated to combating and treating addiction, rather than to the General Fund from which most budgetary appropriations are made. Like the House and Governor, the SWM budget also relies on pre-existing sources that recently have begun generating revenue (like taxes on marijuana sales and “Airbnb rentals”). While inclusion of these various types of additional revenue may appear to boost the Commonwealth’s ability to invest in a range of priorities, in fact, the new revenues would mostly serve to back-fill substantial anticipated revenue losses from several already-scheduled tax cuts. These cuts — along with other, non-tax revenue losses — will impact state collections in FY 2020 and beyond.

As is true of the House budget, most *additional* revenue in the SWM budget comes from a variety of consumption taxes, which hit low-income earners the hardest, and will make the state’s tax system more [upside-down](#) than it already is.

Like MassBudget’s previous analyses, this report takes a deep dive in several areas across the budget. More so than in past years, we focus on key stories. To compare funding between the SWM Committee

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proposal and other proposals, or budgets from previous years for areas of the budget not included in our analysis below, please click on the following links to our *Budget Browser*: [Child Welfare](#), [Disability Services](#), [Economic Development](#), [Elder Services](#), [Environment & Recreation](#), [Juvenile Justice](#), [Law & Public Safety](#), [Libraries](#), [Mental Health](#), and [Pensions](#).

## REVENUE HIGHLIGHTS

Senate amendments, May 23, 2019:

For highlights from the Senate amendments, see the “Revenue Details” section of this report.

FY 2020 TEMPORARY AND ONGOING REVENUE PROPOSALS (\$ millions)	Governor		House		SWM		Senate	
	Ongoing	Temp.	Ongoing	Temp.	Ongoing	Temp.	Ongoing	Temp.
<b>TAX REVENUES</b>								
Sales Tax Acceleration		306.0						
Sales Tax Marketplace Reforms	41.7		41.7		41.7		41.7	
Tax on Opioid Gross Receipts	14.0				14.0		14.0	
Excise Tax on Vapor (Vaping) and E-Cigarette Products	6.0				12.0		12.0	
Life Sciences Tax Credit Cap		5.0		5.0		5.0		5.0
Withholding on Non-Residential Property Sales	4.0				4.0		4.0	
Sales Tax Integrity Measures	2.0				2.0		2.0	
Real Estate Transfer Tax Increase (in separate legislation)	75.0							
<b>SUBTOTAL</b>	<b>142.7</b>	<b>311.0</b>	<b>41.7</b>	<b>5.0</b>	<b>73.7</b>	<b>5.0</b>	<b>73.7</b>	<b>5.0</b>
<b>NON-TAX REVENUES</b>								
Increased business fees at the Department of Public Utilities			2.0		2.0		2.0	
Transfer from Trusts						20.0		25.4
Casino-Based and Online Sports Wagering (separate legislation)	35.0							
<b>SUBTOTAL</b>	<b>35.0</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>	<b>2.0</b>	<b>20.0</b>	<b>2.0</b>	<b>25.4</b>
<b>TOTAL</b>	<b>177.7</b>	<b>311.0</b>	<b>43.7</b>	<b>5.0</b>	<b>75.7</b>	<b>25.0</b>	<b>75.7</b>	<b>30.4</b>

NOTABLE REDUCTIONS TO FY 2020 REVENUE (\$ millions)	Governor	House	SWM	Senate
	<b>TAX REVENUES</b>			
Personal Income Tax Rate Reductions to 5.05%	(175.0)	(175.0)	(175.0)	(175.0)
Personal Income Tax Rate Reductions to 5.00%	(88.0)	(88.0)	(88.0)	(88.0)
Increase in State’s Earned Income Tax Credit Amounts	(65.4)	(65.4)	(65.4)	(65.4)
<b>SUBTOTAL TAX</b>	<b>(328.4)</b>	<b>(328.4)</b>	<b>(328.4)</b>	<b>(328.4)</b>
<b>NON-TAX REVENUES</b>				
Sunset Supplemental Employer Medical Assistance Contribution	(161.3)	(144.3)	(161.3)	(161.3)

	<b>SUBTOTAL NON-TAX</b>	<b>(161.3)</b>	<b>(144.3)</b>	<b>(161.3)</b>	<b>(161.3)</b>
	<b>TOTAL NOTABLE REDUCTIONS</b>	<b>(489.7)</b>	<b>(472.7)</b>	<b>(489.7)</b>	<b>(489.7)</b>

***Senate Ways and Means (SWM) Committee proposal, May 7, 2019:***

The Senate Ways and Means (SWM) Committee draws on multiple sources of additional revenue, both tax and non-tax, to bring its Fiscal Year (FY) 2020 budget proposal into balance. Some of the additional revenue would come from existing sources and some would come from newly proposed sources. All but one of the sources included in the SWM budget first appeared in the [Governor’s budget proposal](#). Unlike the Governor, however, SWM directs much of the revenue from new sources to funds dedicated to specific purposes (such as addressing substance abuse issues). The Governor, by contrast, directs most of his newly proposed revenues to the General Fund to support general budgetary spending.

The new sources included in the SWM Committee proposal are compared in the table below to proposals from the House and Governor. The newly proposed revenue initiatives included in the SWM budget total \$100.7 million, including both tax and non-tax revenue (see table below). This amount is \$52 million more than proposed by the House, but \$388 million less than proposed by the Governor. Notably, already-scheduled tax cuts and other revenue losses will take a significant bite out of FY 2020 collection totals, offsetting most or all of the gains from new revenues appearing in the SWM, House and Governor’s budgets (see further discussion, below).

Like the Governor and the House, the SMW budget also includes other additional, anticipated revenue from recently-enacted tax changes (such as taxes on recreational marijuana and on short-term rental accommodations like Airbnb) and from anticipated growth in already-enacted, *non-tax* sources (such as expanded casino resort gambling). (For a summary table and further discussion of these additional revenues, see the Revenue Details section of this report.) Combining both newly proposed revenues (see table above) with additional revenues from sources that have come online only recently (such as recreational marijuana sales and “Airbnb taxes”), the SWM budget assumes a total of \$551.4 million in additional revenue will be available in FY 2020, beyond the amount agreed to by the Governor, House and Senate as the base upon which to build their respective FY 2020 budget proposals. (For a summary table of these additional revenues, see Revenue Details section of this report.) A number of already-scheduled tax cuts and other revenue losses, however, will all but eliminate these anticipated and proposed gains (see table, below).

These scheduled cuts and losses include reductions in the personal income tax rate, the planned sunsetting of the temporary Supplemental Employer Medical Assistance Contribution, and an increase in the state’s Earned Income Tax Credit program (a successful, income-boosting tax credit program for low- and moderate-income working households -- see more discussion in the Revenue Details section). While these reductions already have been factored into budget writers’ revenue estimates (including SWM, House and the Governor) – and thus do not create an unexpected hole in the FY 2020 budget – they nevertheless reduce the net revenue available in the coming fiscal year and beyond.

These reductions will total close to half a billion dollars in FY 2020. In addition, despite much stronger than anticipated collections in FY 2018 – and what currently appears to be strong collections in FY 2019 as well – budget writers still are operating under the expectation that tax revenue growth will slow markedly in FY 2020 (absent any new policies that would increase revenue). If growth slows as expected, this will put a further strain on the Commonwealth’s ability to support essential services in FY 2020 and beyond.

For additional details, see “Revenue Details” section below. If you have questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

## EDUCATION

### Early Education & Care

#### *Senate amendments, May 23, 2019:*

During floor debate on the Fiscal Year (FY) 2020 budget, the Senate added a total of \$2.6 million to early education and care initiatives. This amount is 0.4 percent above the Senate Ways and Means Committee proposal. In addition to supporting a handful of specific local programs, several of the proposed increases would boost family outreach and referral programs, as well as early childhood program quality efforts.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

#### *Senate Ways and Means (SWM) Committee proposal, May 7, 2019:*

Quality early education and care helps prepare our young children for success in school and allows them to thrive. Early education and care can also provide critical support for working parents with young children, by offering safe and reliable care for kids while parents provide for their families.

Today many kids across the Commonwealth, including many low-income kids and young children of color, are not benefiting from publicly-funded early education programs. [For those who do get this support, the program quality is not always high, because state reimbursement rates are significantly below the levels of leading private programs.](#) Higher rates would allow more centers to participate in subsidized care and offer competitive salaries that attract and retain well-qualified teachers. These challenges are compounded by the fact that [Massachusetts has the some of the highest child care costs in the nation.](#) While these challenges hold all our communities back, they have a particularly harmful effect on families of color who, due to historical barriers and discrimination, are more likely to be low-income and [less likely to have high levels of wealth](#) to fall back on to secure child care.

The Senate Ways and Means (SWM) Committee’s Fiscal Year (FY) 2020 budget proposal allocates \$656.2 million to early education and care, a \$6.6 million (1.0 percent) increase over current FY 2019 levels, less than the expected inflation rate. This amount is \$19.2 million (2.8 percent) less overall than what the House included for early education and care in its FY 2020 budget. However, compared to the House FY 2020 budget, the SWM proposal would make a few investments in early childhood quality measures, parent outreach, small expansion of care for three-year-olds, and grants for federally funded Head Start programs in the Commonwealth.

There have been significant, long-term cuts in early education and care since state tax cuts in the late 1990s and early 2000s. Funding for early education and care in the SWM FY 2020 budget is \$121.8 million (15.7 percent) below what was available in FY 2001, adjusting for inflation (see chart below). For information on funding for all early education budget items going back to FY 2001, please see MassBudget’s *Budget Browser* [here](#).

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

## K-12 Education

### *Senate amendments, May 23, 2019:*

During floor debate on the Fiscal Year (FY) 2020 budget, the Senate added \$12.7 million to K-12 grant programs, an increase of 1.8 percent above the Senate Ways and Means (SWM) Committee proposal. Many education amendments supported specific local projects. Other education amendments include:

- Increased funding for local aid programs, including a boost of \$2.0 million to **Regional School Transportation**, \$1.4 million to **Public School Military Mitigation**, which compensates communities that host tax-exempt military bases, and \$1.0 million to **Rural School Aid**.
- Several small grants, including **Assessment Consortium** (\$550,000) which aids efforts to create and pilot alternative assessments in addition to the state MCAS test, **Civics Education** (\$1.5 million), and **Financial Literacy** (\$250,000)

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### *Senate Ways and Means (SWM) Committee proposal, May 7, 2019:*

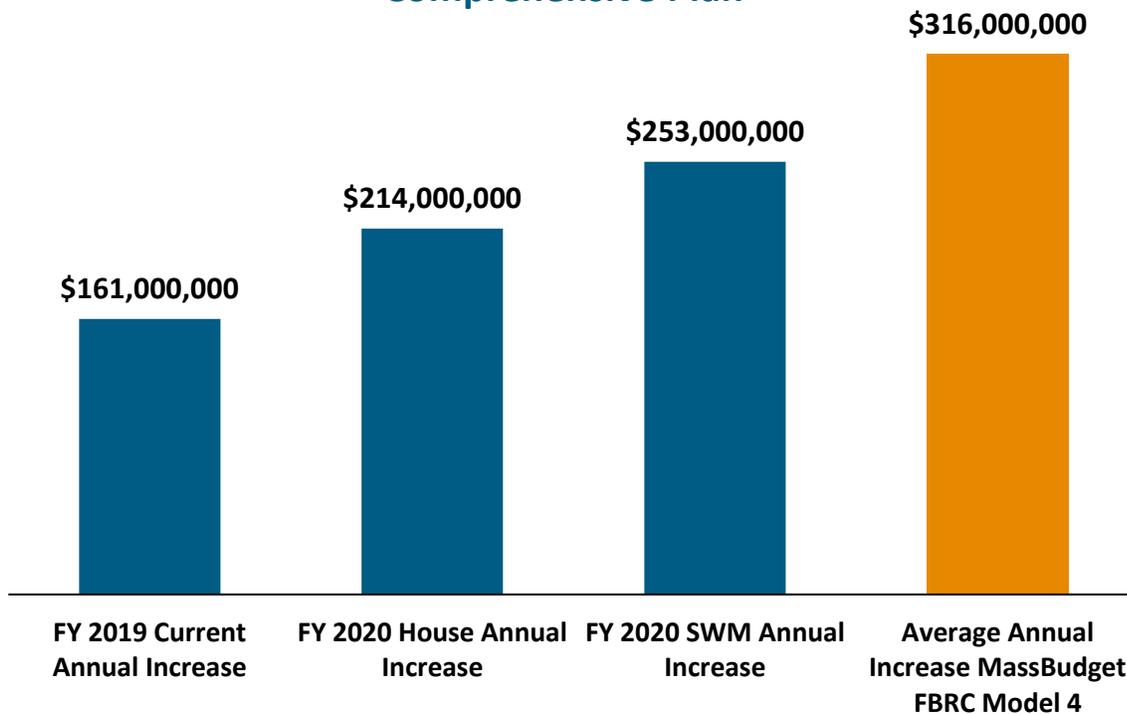
Providing an excellent education to all children in Massachusetts supports future generations while contributing to a strong economy. Chapter 70 education aid is the primary mechanism for the state to support local districts across Massachusetts and ensure that schools have sufficient resources to serve all students.

Chapter 70 aid can play a unique role in expanding opportunities in under-resourced schools across the state. Generally, lower-wealth communities can raise less local revenue for education and have less per-capita resources to invest in education compared to affluent communities. For a variety of reasons, including historic barriers and discrimination, students of color are disproportionately concentrated in low-income school systems and are particularly affected by their communities’ lack of resources and academic support.

For example, in 2018-2019, the top 15 urban districts with the most low-income students (including Boston, Springfield, and Worcester) only account for 24 percent of all enrollment statewide, but educate roughly 45 percent of all students of color and low-income kids, in addition to 58 percent of all English Learners (see [the Department of Elementary and Secondary Education School and District Profiles](#)). For further background on the state’s education system and the path forward to greater support for our students, see [Demystifying the Chapter 70 Formula](#), [State of Black Massachusetts](#), and [Building an Education System That Works for Everyone](#).

The Senate Ways and Means (SWM) Committee’s Fiscal Year (FY) 2020 budget proposal would increase **Chapter 70 Aid and Reserves** by \$253.4 million (5.1 percent) over current FY 2019 levels to \$5.18 billion. This increase is 1.4 percent greater than expected Chapter 70 inflation for FY 2020. Chapter 70 Aid and Reserves are \$39.9 million higher under the SWM Committee’s proposal compared to the final House budget and \$68.1 million more than the Governor’s FY 2020 budget. This increase is closer to, but remains somewhat short of, a more comprehensive fix to the formula such as the five-year simulation of the Foundation Budget Review Commission recommendations (FBRC) created by MassBudget (see chart and discussion below).

## Annual Chapter 70 Increases in FY 2020 House and SWM Budget Proposals Less than More Comprehensive Plan



Statewide Chapter 70 Aid/Reserves increase over prior year, FY 2019 current budget, FY 2020 House proposal, FY 2020 SWM Committee proposal, MassBudget simulation (Model 4, 5-year phase-in)

The SWM Committee FY 2020 budget takes steps to implement the recommendations of the 2015 FBRC. The FBRC found that the Chapter 70 system and many schools across the state are significantly under-resourced relative to the Commonwealth’s estimate of the costs of educating children, called the “foundation budget.” This underfunding limits the capacity of schools across the state to help all children succeed, particularly those that educate a high proportion of disadvantaged students.

Over the past two years, the state has begun implementing some of the changes recommended by the FBRC. The SWM Committee’s FY 2020 budget addresses the four main areas of the foundation budget highlighted by the FBRC in a meaningful way. These areas include health care, special education, support for low-income students, and support for English Language Learners (ELL). Across these areas, the SWM FY 2020 Chapter 70 proposal:

- Provides additional, per-pupil funding between \$228 to \$461 above the inflation rate (6.0 to 11.6 percent increases from current levels) for the top half of districts with the largest concentration of low-income students. All other districts would roughly receive a standard inflation increase for low-income students. This results in a maximum of \$4,600 extra in the foundation budget for low-income kids, up from \$4,000 in FY 2019. This increase appears to be a significant step towards the maximum of roughly \$8,400 per student proposed by the FBRC, if it is part of a multi-year phase in with similar annual increases.

- Moves the rate for out-of-district special education students towards the goal of three times the statewide per-pupil average, increasing this rate to \$29,500 in FY 2020 (up 7.5 percent).
- Increases the allotments for employee benefits, including health insurance, closer to the goal of matching what the Group Insurance Commission pays for state employees. Overall, this increases health benefit rates by roughly 4.9 to 9.2 percent in FY 2020 depending on grade level, with further increases for disadvantaged kids.
- Expands the allotments for ELL students. Unlike the Governor’s and House budgets that focused more on high school ELL students, the SWM Committee provides a greater increase of roughly 22 percent for elementary ELL students compared to only 6 percent for high school and 1 percent for middle school. This appears to directly address the FBRC proposal to make these rates more consistent across grades, eventually equal to the highest existing rate for middle school students.

Outside of Chapter 70, the SWM FY 2020 budget would increase overall K-12 grant programs by \$24.5 million (3.5 percent) over current FY 2019 levels, but by less than what both the House and Governor proposed.

The SWM Committee’s FY 2020 budget proposal provides \$100.0 million to [Charter School Reimbursements](#), \$10 million (11 percent) above current FY 2019 levels but \$13 million less than the House proposed. Currently, when fully funded, this program is intended to reimburse 100 percent of changes in outgoing student funding from traditional districts to charter schools in the first year and 25 percent of this amount for each of the following five years. The SWM Committee’s proposal, like the other FY 2020 proposals, would frontload reimbursements for three years after charter tuition increases along a 100 percent, 60 percent, 40 percent schedule. However, unlike the Governor’s and House budgets, there would not be further restructuring of how charter tuition changes are measured. For further detail, see [MassBudget’s analysis of the House FY 2020 budget](#).

The Department of Elementary and Secondary Education projects that current funding levels only support 56 percent of the amount called for by the existing charter school reimbursement formula, leaving a \$70.4 million gap. This underfunding means that only some of the first-year, outgoing student funding has been reimbursed by the state to districts in FY 2019, with no reimbursements available for students who left in any of the prior years. With the proposed additional aid in the SWM Committee’s FY 2020 budget proposal, gaps would likely be mitigated somewhat depending on how many additional charter school seats are added that year.

The Senate Ways and Means Committee’s budget proposal does not provide funding for six relatively small, new line items included in the House FY 2020 budget. These include **Civics Education** (7010-1193), **Computer Science Education** (7010-1201), **Career/Technical Education** (7035-0001), **Low-Income Student Supports** (7061-0016) **Student Wellness Supports** (7061-9650) and **School District Regionalization Grants** (7061-9809).

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## Higher Education

*Senate amendments, May 23, 2019:*

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During floor debate on the Fiscal Year (FY) 2020 budget, the Senate added \$1.2 million in [higher education funding](#) across several line items to the Senate Ways and Means (SWM) Committee proposal. The Senate let stand the SWM proposal to freeze University of Massachusetts tuition and fee increases for the 2019-2020 academic year (for more detail see below).

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

***Senate Ways and Means (SWM) Committee proposal, May 7, 2019:***

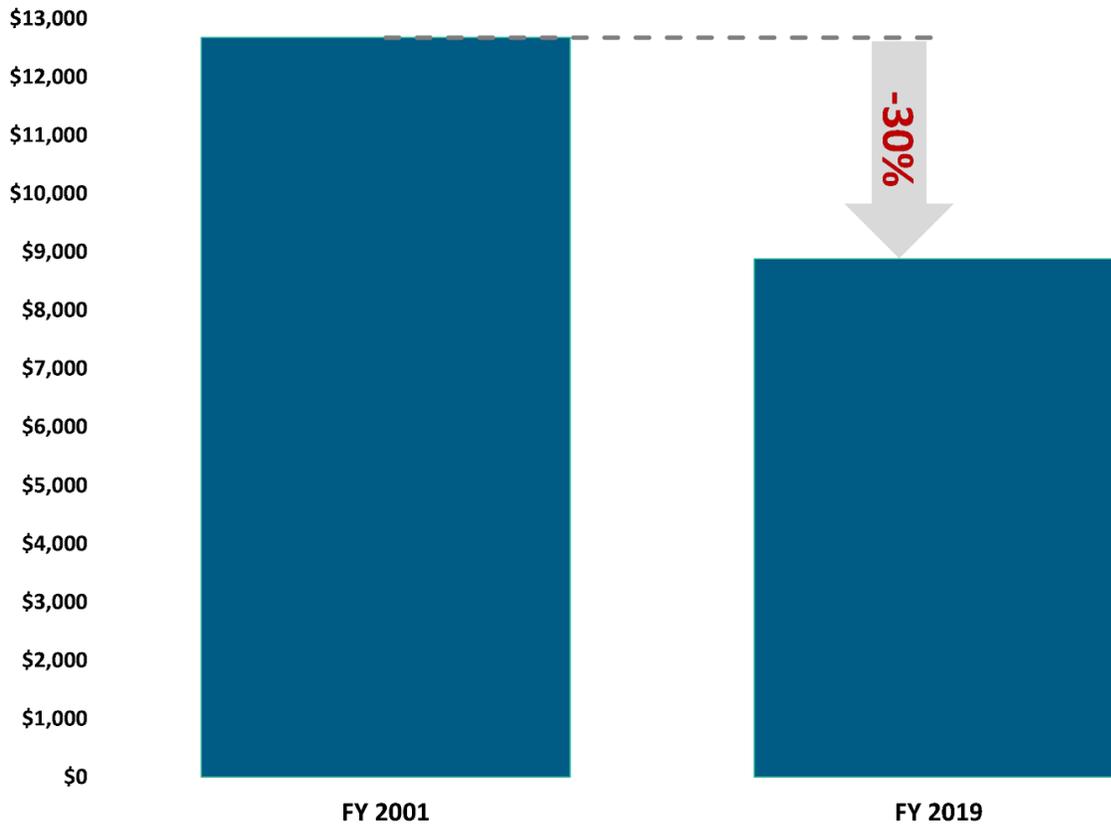
Higher education is an important factor in the success of our Commonwealth. Adequate state funding for higher education helps ensure that its benefits are broadly available to all who want to pursue a degree or credential beyond high school. Insufficient state funding, on the other hand, leaves students and their families facing higher tuition and debt, and threatens to put higher education – and the opportunities it offers – beyond the reach of those who cannot afford it.

The Senate Ways and Means Committee (SWM) is proposing a Fiscal Year (FY) 2020 budget of \$1.27 billion for higher education programs, a 3.6 percent increase over the current FY 2019 budget. For information on funding for all Higher Education budget items going back to Fiscal Year (FY) 2001, please see MassBudget’s *Budget Browser* [here](#).

State funding for public higher education dropped 30 percent per student, adjusted for inflation, from FY 2001 through FY 2019 (the current fiscal year; see chart). These funding cuts followed a [series of state tax cuts in the late 1990s and early 2000s](#), the benefits of which have gone overwhelmingly to the state’s highest-income taxpayers. These tax cuts now cost Massachusetts more than \$4 billion dollars a year in lost revenue and hinder our ability to fund higher education and other priorities.

## Per Student, MA Has Cut Higher Ed Funding by 30 Percent Since FY 2001

State spending on higher education per resident student, FY 2001 and FY 2019 (2019 dollars)



These budget cuts to higher education have resulted in sharp increases in tuition and fees, which in turn have led to some of the fastest-rising student debt in the nation. The SWM Committee’s FY 2020 proposed budget **prohibits University of Massachusetts campuses from increasing in-state tuition and fees for the 2019-2020 academic year**. While the campuses themselves have implemented such freezes in the past when they felt they were financially able to do so, it appears the legislature has never mandated such a freeze.

Besides making up the cost of attendance, tuition and fees are an important source of revenue for UMass. [UMass leadership asserts](#) that the Committee’s statutorily mandated freeze – which it says “came with no warning” – will leave its campuses with a \$22.2 million deficit during the coming fiscal year.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

## HEALTH

### MassHealth (Medicaid) and Health Reform

*Senate amendments, May 23, 2019:*

During floor debate, the full Senate added a total of \$1.8 million to funding for MassHealth and Health Reform. This total includes \$300,000 for a grant program to support families with substance-exposed

newborns under the Health Policy Commission, and \$1.5 million for the Executive Office of Health and Human Services (EOHHS). The funding for the Executive Office has several components, including:

- \$1.0 million to support a pilot program to allow low-income applicants and recipients of MassHealth and the Medicare Savings Program to apply for Supplemental Nutrition Assistance Program (SNAP, or “food stamps”) benefits when they apply for or renew their health coverage. The intent of this pilot program is to make it easier for people who are eligible for but unenrolled in SNAP to get access to these helpful federal benefits. The budget language also directs EOHHS to report by October 1, 2019, on what would be involved in creating a common application portal for people eligible for these programs.
- \$250,000 for expansion of the Massachusetts Consultation Service for Treatment of Addiction and Pain, an initiative to provide free consultation to primary care providers on safe prescribing and managing care for adults with chronic pain or substance use disorders, and information about available community resources.

The Senate also added language further refining the criteria for proposed new funding targeted to improve nursing home quality, and language designed to simplify nursing home reporting requirements. The Senate also added a stipulation that nursing homes could be subject to the recoupment of funds if they do not properly spend or properly report on funds designated for a rate add-on for wages for direct care workers.

<b>MASHEALTH (MEDICAID) AND HEALTH REFORM</b>					
	<b>FY 2019 Current Budget</b>	<b>FY 2019 Estimated Spending</b>	<b>FY 2020 Governor</b>	<b>FY 2020 House</b>	<b>FY 2020 Senate</b>
<b>MassHealth (Medicaid)</b>					
MassHealth Programs	16,358,817,944	16,528,513,972	16,538,785,380	16,573,785,380	16,553,785,379
MassHealth Administration	161,535,714	161,138,321	164,566,936	164,966,936	166,306,936
<b>Subtotal</b>	<b>16,520,353,658</b>	<b>16,689,652,293</b>	<b>16,703,352,316</b>	<b>16,738,752,316</b>	<b>16,720,092,315</b>
<b>Spending to Trusts</b>					
Medical Assistance Trust	586,600,000	586,600,000	481,260,000	481,260,000	481,260,000
Safety Net Provider Trust	167,640,000	167,640,000	165,100,000	165,100,000	165,100,000
<b>Subtotal</b>	<b>754,240,000</b>	<b>754,240,000</b>	<b>646,360,000</b>	<b>646,360,000</b>	<b>646,360,000</b>
<b>Other Health Subsidies</b>					
Commonwealth Care Trust	127,701,982	116,456,444	116,456,444	116,456,444	118,456,444
Prescription Advantage	16,939,784	16,947,199	15,101,313	15,101,313	15,101,313
<b>Subtotal</b>	<b>144,641,766</b>	<b>133,403,643</b>	<b>131,557,757</b>	<b>131,557,757</b>	<b>133,557,757</b>
<b>Other Administration and Operations</b>					
Center for Health Info. & Analysis	28,474,170	28,586,496	28,031,406	27,831,406	27,831,406
Information Technology	129,189,675	130,372,865	134,036,256	117,919,685	123,046,374
Health Connector Operations	16,775,216	16,775,216	15,000,000	15,000,000	15,000,000
Health Policy Commission	9,319,931	9,319,932	9,003,931	9,536,682	9,332,999
Other Health Finance	1,210,793	1,210,793	1,060,793	1,060,793	1,260,793
<b>Subtotal</b>	<b>184,969,785</b>	<b>186,265,302</b>	<b>187,132,386</b>	<b>171,348,566</b>	<b>176,471,572</b>

TOTAL	17,604,205,209	17,763,561,238	17,668,402,459	17,688,018,639	17,676,481,644
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For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

***Senate Ways and Means (SWM) Committee proposal, May 7, 2019:***

The Commonwealth subsidizes health insurance for about 1.8 million people, including about half of the state’s children. In addition, the state budget funds payments to health providers – such as hospitals that serve large numbers of low-income patients and nursing homes – to help pay for care provided to low-income patients. The MassHealth (Medicaid) program is funded by a combination of state and federal revenues. Although there is some variation, overall, the federal government reimburses the state for more than 50 percent of spending on MassHealth. For this reason, the gross spending on the program (as presented in the budget) is significantly more than the actual “net” cost to the state. For information on funding for all MassHealth and Health Reform budget items going back to Fiscal Year (FY) 2001, please see MassBudget’s *Budget Browser* [here](#).

The Senate Committee on Ways and Means (SWM), like the Governor and House, proposes two major health reform initiatives. In order to address the state’s increasing spending on prescription drugs within MassHealth, they propose slightly different systems for negotiating and monitoring the costs of these drugs. All three budget proposals expand eligibility for the Medicare Savings Plan for low-income elders.

***Prescription Drug Pricing***

Like the Governor and House, SWM proposes initiatives to monitor prescription drug pricing, with the expectation of saving \$80 million (\$28 million net of federal reimbursement.) The SWM budget authorizes MassHealth to directly negotiate agreements for supplemental rebates with drug manufacturers based on the “proposed value of the drug.” For high-cost drugs, if that step were to be insufficient MassHealth would refer the process to a confidential review by the [Health Policy Commission](#). If the Commission then determined that the drug price was excessive, the Commission would hold a public hearing. If after the public hearing the Commission still determined the price to be excessive, the case could then be referred to the Attorney General.

In addition to the proposed pricing review, the SWM proposal directs the state Medicaid office to report by March 2020 on the possible new ways to purchase prescription drugs that would save the state money. Options the state would review include multistate bulk purchasing, alternative ways to finance drug purchasing, a review of the current supplemental prescription drug rebate program, and a review of cost-savings approaches used by other states. The proposal also asks the state auditor to review methods to increase transparency on pharmacy benefits and the services provided by pharmacy benefits managers within the MassHealth managed care and accountable care organizations.

***Expansion of the Medicare Savings Plan***

The other major initiative in the SWM health care budget is a significant expansion of the Medicare Savings Plan, which would benefit about 40,000 low-income elders in Massachusetts. The proposal is to expand eligibility for elders in two ways: increasing the program’s income threshold up to as much as 165 percent of the federal poverty level and doubling the eligibility asset limit. The Governor’s budget and the House budget also included this program expansion.

The Medicare Savings Plan encompasses three separate federal programs (with tiered eligibility and benefits). In Massachusetts, these programs operate through the MassHealth Buy-In program and MassHealth Senior Buy-In program. Raising the income threshold and increasing the asset limit for the Medicare Savings Plan means that approximately 15,000 elders currently enrolled will be eligible for more generous benefits, and as many as 25,000 more elders will become newly eligible for the program. Because the federal government pays for Medicare Part D drug subsidies, expanding eligibility for the Medicare Savings Plan will bring in federal dollars to cover costs previously covered by the state, and will also significantly expand the number of elders eligible for prescription drug subsidies.

The Administration has estimated that the cost to the state of expanding eligibility for the program would be approximately \$30 million, which would amount to about \$4 million after accounting for federal reimbursement. The proposals anticipate a 10.9 percent reduction in funding for the Prescription Advantage program as more elders become eligible for the more generous Medicare Savings Plan. There is also language in the SWM budget that would allow the Administration to transfer up to \$7.5 million funding from Prescription Advantage and from the Health Safety Net to cover the expansion of the Medicare Savings Plan if needed. The Administration's initial proposal for this expansion estimated this program change would bring in about \$100 million more federal Medicare dollars into the state's economy.

### ***MassHealth Program and Administration***

The SWM total funding for the MassHealth program is \$16.55 billion, \$20.0 million less than the House proposal and \$15.0 million more than Governor's. The funding difference comes down to how much they each propose to supplement funding for nursing homes. The House added a total of \$35.0 million to the Governor's budget recommendation to provide additional support for nursing homes, while the SWM added \$15.0 million. The SWM addition is intended for targeted investments to improve quality of care. The SWM budget also creates a task force to make recommendations on how to ensure the financial stability of nursing homes, funded by \$200,000.

Otherwise, FY 2020 MassHealth budget is only slightly more than estimated FY 2019 spending, once accounting for some "cash management" strategies to shift some costs. The MassHealth budget's low growth rate compared to FY 2019 is partly due to a quirk associated with an accounting "leap year" in that there will be 53 weeks' worth of MassHealth claims in FY 2020. The budgets account for pre-paying (moving) this extra week of MassHealth expenses from FY 2020 to FY 2019, adding \$116 million to the FY 2019 estimated spending total. The Administration is also planning on pre-paying an additional \$107 million in other claims in the MassHealth Fee-for-Service program. These cash management strategies increase FY 2019 spending totals by \$222 million and decrease the FY 2020 MassHealth budget by the same amount.

The Administration currently projects minimal enrollment growth in FY 2020 and anticipates that continuing restructuring of MassHealth into a system of Accountable Care Organizations will also help hold down costs. The Administration projects that these efforts should generate \$169 million in savings, \$75 million net of federal reimbursement. Finally, the Administration also projects savings from prescription drug reforms. (See discussion above.)

### ***ConnectorCare and the Health Connector***

ConnectorCare, the publicly subsidized, commercial health insurance available for lower-income Massachusetts residents through the Massachusetts Health Connector, is funded through the Commonwealth Care Trust. The budget includes a transfer of \$123.6 million to this trust from tobacco excise revenue. The SWM budget proposes extending this tobacco excise to electronic nicotine delivery systems (vaping), increasing the revenue to this trust by \$12.0 million (see “Revenue” section below). The SWM budget expects that with this additional revenue there will be a surplus of \$17.2 million in the Trust that will be available to transfer back to the General Fund to support the budget.

One of the other funding sources for ConnectorCare is the Employer Medical Assistance Contribution (EMAC). Most employers that contribute to unemployment insurance pay this contribution to support health insurance provided by the Connector, including the health coverage for people receiving unemployment insurance.

Starting in 2017, the Legislature added a temporary (two-year) supplemental assessment to the EMAC on employers with employees either covered under MassHealth or receiving subsidized commercial coverage through ConnectorCare. The temporary EMAC will bring in about \$231.4 million in FY 2019, but only \$70.0 million in FY 2020, as the assessment sunsets on December 31, 2019 (see “Revenue” section below).

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

## Public Health

### *Senate amendments, May 23, 2019:*

During the Senate’s debate on its Fiscal Year (FY) 2020 budget proposal, many of the adopted amendments focused on substance use disorder prevention and support for those affected by substance use disorder. The Senate’s adopted amendments include:

- A new \$5 million account to promote **community-based harm reduction services**. These services include efforts to boost the availability of safe injection equipment and syringe disposal services, to help patients access nasal naloxone rescue kits before they are released from the hospital (naloxone saves lives by reversing the effects of an opioid overdose when given in time), and to create supportive places for treatment and medical monitoring. These harm-reduction services will be paid for entirely by a new **Substance Use Disorder Prevention and Treatment Fund**, which would collect revenue from a proposed excise tax on opioid manufacturers. The House did not propose this tax and members of the House and Senate will need to resolve whether or not to include this funding source (and use) in the Legislature’s FY 2020 budget proposal.
- \$500,000 to help reduce prices for **municipalities purchasing naloxone in bulk**.
- \$300,000 to support and care for **families with newborns who were exposed to substances while in the womb**.
- \$50,000 to give substance use treatment to **victims of commercial sexual exploitation**.
- \$250,000 to support **health care providers when managing treatment** for patients dealing with substance use disorders and referring them to community-based services.

The Senate also created a \$1 million pilot program to help close the “SNAP Gap,” which refers to the number of MassHealth clients likely eligible for federal food stamps (Supplemental Nutrition Assistance Program or “SNAP”) who don’t receive it because the application process is separate, creating greater barriers for those who need it. [More than 700,000 Massachusetts residents](#) are estimated to be eligible for SNAP but don’t receive it. (More details on this measure are in the “MassHealth (Medicaid) and Health Reform” section of this report.)

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

***Senate Ways and Means (SWM) Committee proposal, May 7, 2019:***

The Senate Ways and Means (SWM) Committee, like the Governor, addresses concerns about opioid use and the growing popularity of electronic cigarettes (or “vaping” products) through its Fiscal Year (FY) 2020 budget proposal.

Like the Governor, the SWM proposes an **excise tax on electronic cigarettes, known as vaping products, or an “electronic nicotine delivery system.”** The SWM budget proposes a 75 percent tax on the wholesale price of such products and their components, while the Governor proposed a 40 percent tax on the wholesale price and a 13.75 percent tax on the retail price. The House budget proposal did not include this language. The SWM Committee estimates this tax will generate \$12 million in revenues for FY 2020, while the Governor estimated \$6 million in revenues. (For more information, see the “Taxes” section of this report.)

For opioid manufacturers, both the Governor and the SWM Committee propose a 15 percent **excise tax on gross receipts from opioid sales** in the state. Drugs used for medical treatments are exempt from this tax. Both the Governor and the Committee estimate this tax will generate \$14 million in revenues for FY 2020.

The SWM Committee proposes dedicating these funds to the [prevention and treatment of substance use disorders](#).



The SWM Committee also proposes:

- \$6.5 million for the **Healthy Incentives Program**, a seasonal program that enables people to purchase local fruits and vegetables at farmers’ markets using their SNAP (“food stamps”) benefits, while also supporting Massachusetts farms. This is \$2.5 million (62.5 percent) more than current budget totals, but advocates argue this is [not enough](#) to meet growing demand and to ensure underserved parts of the state are adequately covered by the program. By March, 37,300 households had used HIP in the current fiscal year. This program is administered by the Department of Transitional Assistance. For more information about proposals related to this department, see the “Human Services” section of this report.

- \$350,000 for the Brookline Center for Community Mental Health to expand its **Bridge for Resilient Youth in Transition (BRYT)** program, which help students transition back to school following prolonged absences caused by hospitalization for physical or mental health.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

## HOUSING

### *Senate amendments, May 23, 2019:*

During floor debate, the Senate includes added \$1 million to the Senate Ways and Means Fiscal Year (FY) 2020 budget proposal to help eliminate the waitlist for rental subsidies to eligible clients of the Department of Mental Health. This amendment brings the total amount proposed for that account to \$7.5 million.

The Senate also adopted a couple of amendments to the [Emergency Assistance](#) program, which provides shelter to eligible, low-income families facing homelessness:

- \$800,000 for the home works program, to enable children in emergency housing to attend afterschool and summer programs.
- An amendment raising the income threshold for families allowed a grace period before they have to move out of shelter. Under the Senate’s amended language, when a family’s income exceeds 200 percent of the federal poverty level for 90 days while they are receiving emergency assistance, that family has six months to move out of shelter, starting from the date it exceeds the threshold.

The Senate also amended the **Residential Assistance for Families in Transition (RAFT)** program to include families at risk of harm from domestic violence. RAFT helps families at risk of homelessness stay in housing. The Senate proposes adding \$500,000 to the RAFT program for this amendment, bringing the total to \$15.8 million.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

### *Senate Ways and Means (SWM) Committee proposal, May 7, 2019:*

Making sure that Massachusetts has an adequate supply of affordable housing for low- and moderate-income adults and children can help to improve the health and quality of life of the Commonwealth’s residents while also investing in our state’s long-term economic success. Due to high costs, particularly in Greater Boston, housing claims a large portion of incomes earned by both renters and homeowners. According to the [2017 Greater Boston Housing Report Card](#) more than half of renters and one third of homeowners are cost-burdened, meaning they pay more than 30 percent of their incomes in housing costs.



The state funds housing programs that help people earning low incomes afford permanent housing and provide shelter and short-term housing assistance to families, children, and individuals, including youth, who are homeless or at risk of homelessness.

The Senate Ways and Means (SWM) Committee budget for Fiscal Year (FY) 2020 proposes \$500.0 million for affordable housing and homelessness assistance programs across the budget, \$3.5 million more than the House budget. For information on all housing budget items going back to FY 2001, please see MassBudget's *Budget Browser* [here](#).

Like the House budget, the SWM Committee proposal is below the FY 2019 current budget largely because it does not include \$30.0 million that the Legislature provided in the winter of 2019 to supplement the federal **Low Income Home Energy Assistance Program (LIHEAP)**. This program, which helps low-income people pay utility bills, is largely funded through the federal budget. In some years, if it appears that the federal funds are insufficient to provide adequate assistance, the Legislature will approve supplemental state funds, often in the winter months when the aid is needed rather than at start of the fiscal year in July.

The SWM Committee proposes \$212.3 million to fund affordable housing programs, which includes affordable housing vouchers, state public housing authorities, and other programs that help both renters and owners retain or secure permanent housing. This amount is \$6.1 million less than the House budget. Most of this difference is because the SWM Committee, while proposing the same amount of money for the **Massachusetts Rental Voucher Program (MRVP)** – \$110.0 million – it recommends providing \$104.0 of that total from the FY 2020 operating budget and transfers an additional \$6.0 million of unspent funds from FY 2019 into FY 2020 to make up the total.

In recent years the state has increased funding for MRVP in part to help provide permanent housing assistance to very low-income, homeless families moving out of state-supported shelters. As of April 1, 8,500 renters were using MRVP vouchers to lease apartments, a number that is still well below the almost 15,000 vouchers leased in 1993. In recent years, because the housing voucher amounts are still tied to 2005 rent levels, some voucher holders have had difficulty finding apartments to rent. The SWM Committee budget recommends that vouchers issued after August 1, 2019 be set at the 2019 rental rates to make it easier for low-income renters to secure housing. The \$10 million increase recommended in the Committee's budget could help to support these higher rent levels in FY 2020. However, there is additional funding pressure being placed on the MRVP program as the state seeks to preserve some MRVP vouchers for apartments rented by low-income earners in buildings that were once affordable and are now being converted to market-rate housing.

The SWM Committee budget proposes \$2.7 million to improve or create accessible affordable housing units for renters with disabilities. This amount is the same as the FY 2019 current budget. The House did not include funding for this program in its FY 2020 budget. The program provides grants to improve accessibility of rental units for people with disabilities. The program prioritizes these funds for units that can accommodate renters who qualify for the **Alternative Housing Voucher Program (AHVP)**, which provides rental subsidies to low-income renters with disabilities. The SWM Committee also proposed providing AHVP with \$8.0 million which is \$450,000 more than the House final budget.

More than half the state's housing budget funds shelter and assistance to families, adults and youth experiencing homelessness or at risk of homelessness. The SWM Committee recommends \$287.6 million for these programs which is \$9.6 million more than the House. The biggest component of this

funding proposed by the SWM Committee is \$177.9 million for the [Emergency Assistance](#) (EA) program, \$12.2 million more than the House and in line with the Governor's FY 2020 proposal. In documents accompanying its budget, the Governor's office noted that its proposal would fully fund the program for FY 2020. The SWM budget also includes language that requires EA to provide assistance to families who, without shelter, would have to live in a place not fit for human habitation, like an emergency room, car, or public park. Under current law, and in the House budget, many families are not eligible for EA shelter until they have already lived in such places.

The SWM Committee recommends \$20.0 million in funding for **Residential Assistance for Families in Transition** ([RAFT](#)) which provides one-time funding to low-income people at risk of losing their housing and becoming homeless. Like the proposals offered by the Governor and the House, the SWM Committee provides \$15.3 million through the operating budget and the remaining \$4.7 million from the **Housing Preservation and Stability Trust Funds** ([HPSTF](#)).

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with "Budget question" in the subject line.

## HUMAN SERVICES

### *Senate amendments, May 23, 2019:*

While the Senate left funding for most human services programs unchanged, during its debate on the Fiscal Year (FY) 2020 budget it added a total of \$7.2 million in proposed spending for some supports. Notable amendments include:

- Increased grants to [Councils on Aging](#) by \$1.4 million, bringing the amount in line with the House budget proposal. Councils on Aging are local centers that provide support to elders, acting as advocates and offering activities and other services.
- A new grant program to fund advanced **skills training for home care aides** that serve those in the elder home care program. This account is funded at \$1.0 million. The House budget does not include funding for this new program.
- Increased funding for the Office of Refugees and Immigrants' [Low-Income Citizenship Program](#) by \$225,000, up to \$825,000. However, this amount is still 8.5 percent lower than the House proposal for the program.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with "Budget question" in the subject line.

### *Senate Ways and Means (SWM) Committee proposal, May 7, 2019:*

Human services include an array of programs to promote the well-being of children, seniors, veterans, people with disabilities, and others across Massachusetts. The Senate Ways and Means (SWM) Committee's Fiscal Year (FY) 2020 budget proposal would fund these supports at \$4.8 billion. For information on funding for all individual human services budget items going back to FY 2001, see MassBudget's *Budget Browser* [here](#).

The SWM Committee’s FY 2020 budget proposal includes several elements related to [Transitional Aid to Families with Dependent Children](#) (TAFDC), which provides cash assistance to families with little to no income. The program’s funding was increased to \$203.7 million, which is one percent above current funding, but this leaves it essentially flat after accounting for inflation.



The SWM Committee has also proposed several reforms to the program. One proposed reform would change existing regulations and not count the value of a single vehicle among assets in determining a family’s TAFDC eligibility, which follows language presented in both the Governor and House budget proposals.

Similar to the House proposal, the SWM Committee’s proposal also includes language that prevents the Administration from including Supplemental Security Income (SSI) in the calculation of a family’s TAFDC benefits. This language responds to earlier attempts by the Governor to count SSI income in benefit calculation as part of a larger set of reforms, which would have reduced eligibility for many families.

Notable in the SWM Committee’s proposal is increased investment into the Department of Developmental Services and its programs, which serve Commonwealth residents with intellectual and developmental disabilities. For example, [Autism Omnibus Services](#), which expand the scope and quantity of supports available to youth under 21 with autism spectrum disorders, is funded at \$6.9 million over current FY 2019 levels, a 38 percent increase. However, this proposed funding amount is \$2.5 million lower than proposed by the House.

Additionally, the SWM Committee proposed significantly increased funding for [SNAP Participation Rate Programs](#) at \$10.0 million, a 38 percent increase over FY 2019. These programs seek to improve access to and increase participation in the federal Supplemental Nutrition Assistance Program (SNAP, also known as “food stamps”), which aids low-income families in purchasing healthy foods. (For more information about the Healthy Incentives Program, which is funded through this account, see the “Public Health” section of this report.)

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

## LOCAL AID

### *Senate amendments, May 23, 2019:*

Senate debate resulted in a few proposed changes for funding Local Aid during Fiscal Year (FY) 2020. In particular:

- The Senate budget follows a House proposal to strengthen the state match to the Community Preservation Act (CPA) Trust Fund by increasing some fees at the Registry of Deeds. Municipalities can vote for the targeted property tax increment to fund their own local account dedicated to preserving open space, restoring historical buildings, creating affordable housing, or developing outdoor recreation facilities. The CPA Trust Fund, which relies on State Registry

of Deeds filing fees, provides state matching funds to these municipalities. During the first years of the CPA, after its approval in 2000, the state fund matched 100 percent of the revenue that municipalities raised, but that match has fallen steeply. The fund faces additional strains because 11 new municipalities, including Boston, recently adopted the CPA. The Community Preservation Coalition finds the proposed fee increases would raise about \$36 million for the CPA Trust Fund, which would increase the state match to cities and towns that have adopted the CPA to almost 30 percent.

- The Senate budget increases the Municipal Regionalization and Efficiencies Incentive Reserve by \$582,000 for several targeted local projects.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

***Senate Ways and Means (SWM) Committee proposal, May 7, 2019:***

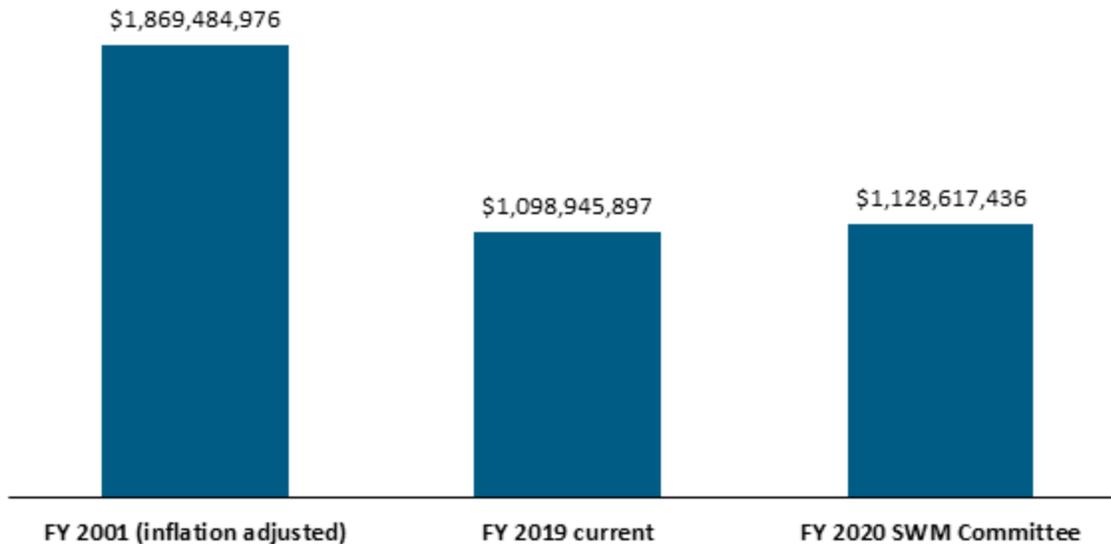
"Local aid" refers to money that flows from the state budget to city and town budgets, helping municipalities fund local services such as police and fire protection, parks, and public works. Some local aid has few restrictions on its use, while other aid goes to some cities and towns for specific purposes. Local aid for education is discussed in the “Education” section of this report. For information on funding for all Local Aid budget items going back to FY 2001, please see MassBudget’s *Budget Browser* [here](#).

Massachusetts is made up of 351 separate city and town governments whose levels of wealth vary widely. Yet each of them is charged with providing similar levels of vital public services. State **Unrestricted General Government Aid** helps less-wealthy cities and towns provide local services that they couldn’t otherwise support with their local property tax bases.

Following the Governor and the House, the Senate Ways & Means (SWM) Committee proposes to provide cities and towns with \$1.13 billion in Unrestricted General Government Aid in Fiscal Year (FY) 2020. This would be an increase of \$29.7 million over the FY 2019 amount, or 2.7 percent. It would be the smallest annual increase of any year since Governor Baker took office. Last year’s budget provided a 3.5 percent increase over FY 2018.

The Commonwealth’s capacity to fund general local aid has been hindered by a series of significant state-level tax cuts during the 1990s and 2000s. While over the past several years general local aid funding has increased in step with or slightly above inflation, it still remains 40 percent below FY 2001 levels, when adjusted for inflation. Further adjusting for population growth during this time, the value of general local aid fell from \$287 per person in 2001 to \$159 per person in FY 2019.

## General Local Aid Remains 40% Below Fiscal Year 2001 Levels



The SWM Committee also proposes to reduce funding for the **Municipal Regionalization and Efficiencies Incentive Reserve** by 57 percent, from \$10.9 million to \$4.8 million. The SWM proposal is \$425,000 less than proposed by the House. The reserve is targeted to several local grant programs and incentives to promote municipal best practices.

Meanwhile the SWM Committee proposes \$30.0 million for **Reimbursements to Cities in Lieu of Taxes on State Owned Land**. This is \$1.5 million more than proposed by the House or the Governor's office, which proposed no increase over current FY 2019 levels.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with "Budget question" in the subject line.

## TRANSPORTATION

### *Senate amendments, May 23, 2019:*

Senate amendments to transportation in the Fiscal Year (FY) 2020 budget were mostly to create feasibility studies for expanding passenger rail service or to fund a few targeted local projects, including a few pilots or demonstration projects that could have longer-term implications.

The Senate adopted amendments to instruct the Massachusetts Department of Transportation to conduct feasibility studies regarding:

- Extending Blue Line service from Wonderland Station to Lynn;
- Extending Orange Line service to Roslindale Square in Boston;
- Connecting North Adams, Greenfield, and Boston with passenger rail service along the tracks currently used by freight rail;
- Fully electrifying the MBTA's Fairmount and Providence commuter rail lines.

- Allowing a study to examine the feasibility of a new commuter rail stop in North Andover.

The Senate also added \$804,000 to the Massachusetts Transportation Trust Fund for several initiatives, including:

- \$270,000 to operate the pilot season of Berkshire Flyer passenger rail service between New York City and the Berkshires between Memorial Day and Columbus Day in 2020;
- \$90,000 for the Franklin Regional Council of Governments to launch a rideshare demonstration program for social service recipients; and
- \$34,000 for a public transportation accessibility and improvements feasibility study in the town of Winthrop.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

***Senate Ways and Means (SWM) Committee proposal, May 7, 2019:***

The Senate Ways and Means (SWM) Committee proposal for the Fiscal Year (FY) 2020 budget would increase support for the Commonwealth’s 15 [Regional Transit Authorities](#) to \$90.5 million, an increase of \$2.5 million above current FY 2019 funding and \$3.5 million above the amount proposed by the House. Of this amount, \$4.5 million is conditioned upon agreeing to a memorandum of understanding with the Massachusetts Department of Transportation, establishing a set of mutually agreed upon performance metrics with targets for ridership, service, asset management, how much is collected in fares, and other indicators. Moreover, the Committee proposes to index future support to inflation, with increases capped at 3 percent, much like the base revenue amount in the MBTA’s support from the sales tax.

The SWM Committee proposes \$343.9 million to support the [Massachusetts Transportation Trust Fund](#) (MTTF), an amount that is \$50.8 million less than current FY 2019 spending and \$1.0 million less than proposed by the House. The MTTF contributes to highways, transit, intercity rail, small airports, the Massachusetts Turnpike, and the Motor Vehicle Registry. The MTTF receives funds from tolls, federal transportation sources, and the state’s Commonwealth Transportation Trust Fund. Unlike the Governor, the SWM Committee proposal underfunds snow and ice removal by about \$50 million. Instead of fully funding the program upfront, it continues the longstanding practice of annually funding snow and ice control below anticipated levels with the expectation that lawmakers will provide supplemental funding to the MTTF later in the year for clean-up from winter storms.



Most support from the Commonwealth for transportation occurs outside the annual budget process. The Commonwealth finances long-term capital investment projects such as reconstructing bridges or ordering new train vehicles by issuing bonds – borrowing – and paying interest, principal, and other related costs over future years that are dictated by those bond agreements rather than negotiated as part of the budget process. A total of \$1.44 billion in FY 2020 is scheduled to be transferred from the **Commonwealth Transportation Fund**, which receives dedicated revenues mostly from gas taxes, vehicle registration and inspection fees, and sales taxes on vehicle sales, to make transportation-related debt payments. The largest source of operating funds for the **Massachusetts Bay Transportation Authority (MBTA)** is also an automatic transfer of sales tax revenue anticipated at \$1.09 billion, which is \$38.6 million less than anticipated in the Governor’s budget, because the Governor had proposed a one-time acceleration in the collection of sales taxes that was not followed by the House or Senate.

The state supports an array of transportation systems including roads, bridges, rail, buses, airports, and ferries that enable people and goods to travel where they need to go. For an illustrated chart and description of funding flows for transportation debt service and operations together (as of 2015), see MassBudget’s fact sheet, [What Does Massachusetts Transportation Funding Support and What Are the Revenue Sources?](#) To read about different areas of federal support for state transportation programs in Massachusetts, see MassBudget’s [How Vulnerable is Massachusetts Transportation to Federal Spending Cuts?](#) For information on all transportation items supported through the state budget going back to Fiscal Year (FY) 2001, please see MassBudget’s *Budget Browser* [here](#).

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

## OTHER NEWS IN THE BUDGET

### *Senate amendments, May 23, 2019:*

During floor debate on the Fiscal Year (FY) 2020 budget, the Senate added \$2.0 million for competitive grants to community organizations to ensure a complete and accurate count in the **2020 Census**. The Senate also separately added language to ensure that the Secretary of State cover the operational expenses of the statewide **Complete Count Committee**, currently chaired by the Mass. Immigrant and Refugee Advocacy Coalition, however, there was not specific funding added to support this.

The Senate adopted an amendment allocating \$200,000 to the **Volunteer Income Tax Assistance (VITA) program**, which offers free tax preparation assistance for taxpayers with low incomes, those with disabilities, and those with limited English. Neither the Governor nor the House proposed funds for the VITA program, an Internal Revenue Service program that is operated by community organizations around the state.

The Senate did not provide additional funding to the Senate Ways and Means (SWM) Committee’s proposed \$4.5 million for the **Attorney General’s Fair Labor Division (FLD)**.

- This leaves the Senate’s proposed funding for FLD \$500,000 lower than the House’s adopted FY 2020 budget proposal.
- The Senate’s FY 2020 proposed budget is significantly lower than FY 2001 funding when taking into account workforce growth in Massachusetts.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

**Senate Ways and Means (SWM) Committee proposal, May 7, 2019:**

The SWM Committee proposal funds the [Attorney General’s Fair Labor Division](#) (FLD) at \$4.5 million. Because FLD enforces the state’s wage and hour laws – including minimum wage, overtime, and earned sick days – it’s important for funding to keep up with job growth. In other words, *funding per worker* matters more than the total funding amount. The SWM Committee’s proposed *total* funding for FLD is 8 percent lower than in FY 2001, but *per-worker funding* is 17 percent lower. (Percentage changes take inflation into account.)

In mental health, the SWM Committee proposed a \$10 million fund to help improve **access to and awareness of behavioral health services** in its FY 2020 budget. Specifically, the fund should help better integrate behavioral health with other medical services, ensure current and future behavioral health professionals offer culturally-sensitive services, and ensure that all clients have access to services “regardless of race, color, religion, creed, national origin, sex, gender identity, sexual orientation, genetic information, ancestry, status as a veteran, disability, place of residence, or socioeconomic status.”

The Committee’s budget also includes language to **better protect behavioral health service providers from retroactive claims denials** (denials for services that were previously paid for). When claims are retroactively denied, providers have to repay the claim or they see reductions in other payments to recoup the denied claim amount.

Unlike the House, the SWM budget does not include funding to support outreach and education about the upcoming **2020 Census**. The House budget created a new appropriation of \$2.5 million within the office of the Secretary of State for community-based organizations to help ensure a complete and accurate Census count. Low-income and immigrant communities as well as young children have historically been hard to count in the Census, and community-based organizations can be valuable “trusted messengers” to support full participation. The SWM Committee follows the House recommendation to direct \$2.8 million to the University of Massachusetts to provide technical assistance on Census data, an increase of \$1.8 million over the FY 2019 amount. FY 2020 is the important state budget year for Census preparations because the Census count will be conducted in the latter part of the fiscal year.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

## REVENUE DETAILS

(For additional revenue tables and discussion, see the “Revenue Highlights” section at the beginning of this report.)

NOTABLE ADDITIONS TO FY 2020 REVENUE (\$ millions)	Governor	House	SWM	Senate
<b>TAX REVENUES - TEMPORARY</b>				
Life Sciences Tax Credit Cap	5.0	5.0	5.0	5.0
Sales Tax Acceleration	306.0			
<b>SUBTOTAL TEMPORARY</b>	<b>311.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

<b>TAX REVENUES - ONGOING</b>				
Recreational Marijuana	132.5	132.5	132.5	132.5
Tax-Related Settlements & Judgments	50.0	100.0	100.0	100.0
Sales Tax Marketplace Reforms	41.7	41.7	41.7	41.7
Transient Accommodation/Room Occupancy	27.5	27.5	27.5	27.5
Tax on Opioid Gross Receipts	14.0		14.0	14.0
Excise Tax on Vapor (Vaping) and E-Cigarette Products	6.0		12.0	12.0
Withholding on Non-Residential Property Sales	4.0		4.0	4.0
Sales Tax Integrity Measures	2.0		2.0	2.0
Real Estate Transfer Tax Increase (in separate legislation)	75.0			
<b><i>SUBTOTAL ONGOING</i></b>	<b>352.7</b>	<b>301.7</b>	<b>333.7</b>	<b>333.7</b>
<b>TOTAL TAX REVENUES</b>	<b>663.7</b>	<b>306.7</b>	<b>338.7</b>	<b>338.7</b>
<b>NON-TAX REVENUES - TEMPORARY</b>				
Sale of state-owned property	29.3	29.3	29.3	29.3
Transfers from Trusts			20.0	25.4
<b><i>SUBTOTAL TEMPORARY</i></b>	<b>29.3</b>	<b>29.3</b>	<b>49.3</b>	<b>54.7</b>
<b>NON-TAX REVENUES - ONGOING</b>				
Expansion of Resort Casino Gambling	155.5	155.5	155.5	155.5
Expanded Licensing of Recreational Marijuana Vendors	6.0	6.0	6.0	6.0
Increased business fees at Department of Public Utilities		2.0	2.0	2.0
Casino-Based and Online Sports Wagering (separate legislation)	35.0			
<b><i>SUBTOTAL ONGOING</i></b>	<b>196.5</b>	<b>163.5</b>	<b>163.5</b>	<b>163.5</b>
<b>TOTAL NON-TAX REVENUES</b>	<b>225.7</b>	<b>192.7</b>	<b>212.7</b>	<b>218.1</b>
<b>GRAND TOTAL NOTABLE ADDITIONS</b>	<b>889.4</b>	<b>499.4</b>	<b>551.4</b>	<b>556.8</b>

## Taxes

### *Senate amendments, May 23, 2019:*

The Senate approved no major, tax-related amendments to the Senate Ways and Means (SWM) FY 2020 budget recommendations.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

### *Senate Ways and Means (SWM) Committee proposal, May 9, 2019:*

Much of the additional revenue included in the SWM budget (and House and Governor’s budgets) would come from a variety of consumption taxes and fees, which typically are regressive (meaning low- and moderate-income households pay a larger share of their income toward these taxes than people with high incomes). By contrast, a large portion of the already-scheduled tax revenue *reductions* will come from progressive sources (meaning people with higher incomes contribute a larger share of their household income toward these taxes than people with low- and moderate incomes).

Massachusetts already has a [regressive, “upside-down” tax system](#). Given the additional revenue from regressive sources included in all three FY 2020 budgets (Governor, House and SWM), and the anticipated reductions in progressive sources, the overall effect of any of these budgets would be to make Massachusetts’ tax system more upside-down.

(An important exception to the foregoing discussion is the scheduled increase to the state’s Earned Income Tax Credit program, which will begin offering larger tax credits in FY 2020. While the \$65.4 million in additional credits will reduce collections from the state personal income tax, a progressive revenue source. Nevertheless, the net effect of this tax cut is progressive. The [EITC program](#) targets tax benefits to low- and moderate-income working households, enhancing the overall progressivity of the state personal income tax.)

Two of the tax revenue-raisers included in the SWM budget, and the House and Governor’s budgets, are ones that already are part of the tax code, but were added recently enough that no estimate of anticipated revenue from these sources was included in the FY 2020 “Consensus Revenue Estimate,” the baseline tax revenue estimate used by the Administration and the Legislature in crafting their budget proposals. All three budget proposals assume that taxes associated with the sale of recreational marijuana will deliver \$132.5 million in FY 2020, and that revenue from the newly adopted short-term room occupancy tax (often referred to as the “Airbnb Tax”) will total \$27.5 million. Both sources will deliver ongoing revenue (i.e., recurring revenue, available in future years).

A third source of revenue not counted in the Consensus Revenue Estimate but derived from an already-existing source is money anticipated from tax-related settlements and judgments. The SWM assumes \$100 million from these settlements and judgments in its FY 2020 revenue total, the same amount as the House but twice as much as the Governor. These settlements and judgments are delayed or legally contested, tax-related payments that budget writers anticipate will be resolved in the Commonwealth’s favor in FY 2020. Though the Commonwealth typically receives over \$100 million annually from this source, the amounts can vary significantly from year to year. As these revenues are not included in the Consensus Revenue Estimate, they constitute an increase in the bottom-line revenue total which can be appropriated through the budget process.

*New* sources of additional tax revenue, above and beyond Consensus Revenue Estimate, that the SWM Committee relies on to balance its budget or fund other priorities include the following (all of which were proposed first in the Governor’s FY 2020 budget):

- Reforms to online, retail sales tax collection rules. Under this proposal, “marketplace facilitators” such as eBay, Amazon, and Etsy would be required to collect and remit sales taxes on behalf of smaller vendors who sell through these sites. This and other associated changes would result in an estimated \$41.7 million in additional, ongoing sales tax revenue in FY 2020, taxes that are owed under existing law, but which currently go uncollected.
- Taxing opioid manufacturers on most opioids sales. This would generate an estimated \$14 million in ongoing revenue in FY 2020, which SWM directs to a special fund dedicated to addressing opioid misuse, including programs aimed at addiction prevention and treatment.
- Applying to electronic cigarettes and “vapor products” the tax and regulatory rules applied to cigars and other tobacco products, though at higher tax rates, thereby generating an estimated

\$12 million in ongoing revenue in FY 2020. (The Governor, proposing a lower tax rate than SWM, estimates \$6 million in additional revenue will be raised from this source.) Here again, SWM directs these new revenues to an off-budget fund, in this case one that supports efforts to reduce the use of cigarettes and other tobacco related products.

- Limiting the amount of funding to be transferred from the state’s consolidated net surplus to the Massachusetts Life Sciences Fund. This limit on the funding available for distribution through the Massachusetts Life Sciences Credit program is expected to save \$5 million in FY 2020. This fund supports the cost of a corporate tax credit program that is intended to incentivize companies involved in “life sciences research and development, commercialization and manufacturing” to create and retain full-time permanent jobs within the Commonwealth. Companies must apply for and be awarded these credits, but the state awards credits only to the extent that funds are available.
- Making an administrative change that would require tax withholding on property sales made by non-resident owners. This would ensure that capital gains taxes due on these sales are collected at time of sale, rather than relying on non-residents (who may have no other reason to file Massachusetts taxes) to file and pay these taxes at year’s end. SWM anticipates a gain of \$4 million in ongoing capital gains revenue in FY 2020 from this source as a result of greater compliance with existing law. Both SWM and the Governor direct these new revenues to the Stabilization Fund.
- Establishing significant civil penalties (up to \$50,000) for falsifying electronic records in cash registers and other point-of-sales systems. SWM expects that clarifying the rules regarding electronic cash registers and establishing stiff penalties for violators will encourage greater compliance with sales tax collection and remittance. SWM estimates this Sales Tax Integrity initiative will generate \$2 million of ongoing revenue in FY 2020.

A tax-related proposal presented in the [Governor’s budget](#) that does *not* appear in either the House or the SWM budgets is one that would shift the timing of sales tax collections, thus pulling an estimated \$306 million of revenue forward into FY 2020. Also not included in the House or SWM budgets is the Governor’s proposal to raise the Real Estate Transfer Tax (presented in legislation that accompanied the Governor’s budget proposal).

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

## Other (non-tax) revenues

### *Senate amendments, May 23, 2019:*

The non-tax revenues assumed in the final Senate budget differ from the Senate Ways and Means (SWM) Committee non-tax revenues in only a few ways, for instance recognizing that an additional \$5.4 million (for a total of \$20.4 million) will be transferred from the off-budget Race Horse Development Fund to the General Fund.

The Senate also approved an increase to the fees paid to the various, county-level Registries of Deeds for recording property transfers, raising the fee from \$20 to \$50. The fee for municipal lien certificates would also increase, from \$10 to \$25. Revenue generated from these sources goes to the Massachusetts Community Preservation Trust Fund, an off-budget state fund that helps support local efforts to

preserve open land and historical buildings, as well as create affordable housing. Because these additional dollars will flow to an off-budget fund, this additional revenue will not impact the FY 2020 budget directly.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

***Senate Ways and Means (SWM) Committee proposal, May 9, 2019:***

Every budget relies on a variety of non-tax revenues – federal revenues, which are mostly reimbursements for state spending on Medicaid (MassHealth and related costs); departmental revenues, which are fees, assessments, fines, tuition, and similar receipts; and “transfer” revenues, which include lottery receipts, revenues from the newly-licensed gambling facilities, and funds that the state draws from non-budgeted trusts.

One of the most notable changes in these non-tax revenues in the FY 2020 budget is that only \$70.0 million will be available from the supplemental Employer Medical Assistance Contribution (EMAC). This is a \$161.4 million reduction from the available supplemental EMAC revenue in FY 2019. The supplemental EMAC is a temporary assessment on employers that rely on publicly-subsidized health insurance (MassHealth or ConnectorCare) for their employees. This temporary assessment was new in FY 2018 but will sunset on December 31, 2019. (See also the MassHealth and Health Reform section of this analysis.)

The SWM budget estimates the continuing expansion of various forms of gambling in the state will bring in substantial additional revenue in FY 2020. Legislation authorized the establishment of one slot facility (currently operating in Plainville) and up to three resort casinos (one has recently opened in Springfield, and another is under construction in Everett). The legislation also directs that gambling revenues fund specific purposes within the budget, such as local aid. The SWM, House, and Governor’s budgets anticipate gambling will generate a total of \$293.5 million for the budget, more than double the amount used in the FY 2019 budget. This includes:

- \$78.0 million in revenues from slot machines, level with FY 2019. This funding is directed to the state’s Gaming Local Aid Fund.
- \$215.5 million from the state’s two resort casinos, an increase of \$155.5 million compared to FY 2019, as the Administration expects that two casinos will be fully operational during the FY 2020 fiscal year.

There are several new non-tax revenues to note:

- \$20.0 million transferred to the General Fund from other off-budget trusts. This includes funding transferred from the Race Horse Development Fund, and from the Family and Employment Security Trust to support the implementation of the state’s Paid Family Medical Leave Program.
- \$2.0 million from an increase to fees at the Department of Public Utilities. This increases the ceiling on the assessment on electric and gas companies.

Other notable non-tax revenues include:

- \$12.0 million in licensing fees from the continued expansion of the retail recreational marijuana industry, \$6.0 million more than the amount expected for FY 2019.
- \$29.5 million from sale of the East Cambridge Court House. This one-time revenue was initially anticipated for the FY 2019 budget, but the sale has been moved to FY 2020.
- \$85.9 million less in federal reimbursement for the [Children’s Health Insurance Program](#) (CHIP) in FY 2020 compared to FY 2019, in part because an enhanced reimbursement rate (88 percent) for that program makes its way back to 65 percent. One of the provisions of the federal Affordable Care Act was that the federal reimbursement rate for CHIP would increase by 23 percentage points until September 30, 2019, but after that the reimbursement rate drops back to its previous level.

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## Stabilization Fund

The SWM Committee anticipates that the cumulative effect of the various tax-related elements contained in its FY 2020 budget will result in a net deposit of \$268.5 million into the state’s Stabilization Fund (often referred to as the “Rainy Day Fund”), an amount very close to the House but somewhat lower than the Governor’s anticipated \$297.0 million net deposit. (The Governor’s anticipated FY 2020 net deposit is larger than the House and SWM because the Governor proposes directing to the Stabilization Fund a portion of the one-time revenue gain that would result from his sales tax acceleration proposal. This proposal is not included in either the House or the SWM budget.)

Assuming FY 2019 capital gains revenues meet projections outlined by the Department of Revenue during the FY 2020 Consensus Revenue Estimate Hearings (December 5, 2018), and then a further deposit is made to the Stabilization Fund in FY 2020 along the lines of the Governor, House or SWM budgets, then the value of the Stabilization Fund at the close of FY 2020 would come to just under \$2.8 billion, more than double the \$1.3 billion total available at the close of FY 2017. This growth is in large part the result of strong capital gains collections over the last few years and is an important step toward preparing for the next recession. At the same time, the projected \$2.8 billion total would be less than the amount on hand (adjusted for inflation) prior to the last recession and would be equal to a substantially smaller share of the state budget than is recommended by many fiscal experts.

It also is possible that the FY 2019 year-end deposit to the Stabilization Fund will be considerably larger than initially projected. April 2019 revenue collections significantly outpaced expectations, delivering an additional \$942 million above benchmark. To the extent that capital gains related taxes are a major source of these additional revenues, the Rainy Day Fund could receive a substantial, automatic, additional year-end deposit, potentially boosting the end-of-year fund total well above levels projected just a few months ago. By law, most capital gains tax revenue above an annually determined threshold (about \$1.2 billion presently) are to be deposited into the Rainy Day Fund. The Legislature also could make a larger deposit than the one mandated under law. In practice, on occasion the Legislature has opted instead to expend some of these dollars on current expenses rather than banking them for future use. Diversions of funds away from the Rainy Day Fund, however, have been less common in recent years.

For additional questions, email [info@massbudget.org](mailto:info@massbudget.org) with “Budget question” in the subject line.

## TOTAL BUDGET BY CATEGORY & SUBCATEGORY

*Senate amendments, May 23, 2019:*

**FY 2020 Senate** is the current budget proposal from the Senate that includes amendments passed during floor debate. **FY 2020 House** is the current budget proposal from the House. **FY 2020 Governor** is the Governor’s proposal. **FY 2019 Current** is the budgeted FY 2019 General Appropriation Act (GAA) enacted in July 2018 as amended by supplemental budget legislation. All totals include MassBudget adjustments to the state’s published numbers as described in [Where Do MassBudget’s Budget Numbers Come From?](#)

BUDGET BY CATEGORY AND SUBCATEGORY (\$ millions)	FY 2019 Current	FY 2020 Governor	FY 2020 House	FY 2020 Senate
<b>Education</b>	<b>8,381.9</b>	<b>8,892.1</b>	<b>8,759.3</b>	<b>8,776.3</b>
Early Education & Care	649.6	656.8	675.4	658.8
Higher Education	1,225.4	1,370.6	1,276.7	1,270.7
K-12: Chapter 70 Aid	4,922.6	5,107.9	5,136.1	5,176.0
K-12: Non-Chapter 70 Aid	702.2	786.8	739.6	739.4
K-12: School Building	882.1	970.0	931.5	931.4
<b>Environment &amp; Recreation</b>	<b>222.0</b>	<b>229.9</b>	<b>241.1</b>	<b>236.5</b>
Environment	95.6	101.7	102.1	103.1
Fish & Game	31.2	31.1	32.5	32.3
Parks & Recreation	95.2	97.1	106.5	101.1
<b>Health</b>	<b>20,752.4</b>	<b>20,876.7</b>	<b>20,894.4</b>	<b>20,908.9</b>
MassHealth (Medicaid) & Health Reform	17,604.2	17,668.4	17,688.0	17,676.5
Mental Health	876.3	886.8	891.3	900.5
Public Health	678.7	694.2	699.7	704.7
State Employee Health Insurance	1,593.2	1,627.3	1,615.4	1,627.3
<b>Human Services</b>	<b>4,614.9</b>	<b>4,779.6</b>	<b>4,814.0</b>	<b>4,810.6</b>
Child Welfare	1,009.7	1,050.4	1,047.0	1,052.6
Disability Services	2,018.9	2,166.7	2,178.5	2,168.2
Elder Services	529.2	540.3	541.4	543.0
Juvenile Justice	179.3	178.7	178.7	179.2
Transitional Assistance	668.6	654.8	677.3	675.4
Other Human Services	209.2	188.7	191.1	192.1
<b>Infrastructure, Housing &amp; Economic Development</b>	<b>2,439.5</b>	<b>2,516.3</b>	<b>2,445.6</b>	<b>2,454.2</b>
Commercial Regulatory Entities	72.4	82.0	82.1	83.1
Economic Development	187.9	197.5	206.6	203.1
Housing	521.3	490.2	496.4	504.3
Transportation	1,657.8	1,746.6	1,660.5	1,663.8
<b>Law &amp; Public Safety</b>	<b>3,027.0</b>	<b>3,152.1</b>	<b>3,112.8</b>	<b>3,100.6</b>
Courts & Legal Assistance	812.2	848.6	859.1	845.8
Law Enforcement	411.8	463.0	462.9	461.7

Prisons, Probation & Parole	1,552.0	1,589.5	1,534.6	1,531.0
Prosecutors	189.8	189.7	192.1	194.2
Other Law & Public Safety	61.3	61.4	64.1	67.9
<b>Local Aid</b>	<b>1,143.0</b>	<b>1,182.6</b>	<b>1,177.0</b>	<b>1,178.7</b>
General Local Aid	1,098.9	1,128.6	1,128.6	1,128.6
Other Local Aid	44.0	54.0	48.4	50.1
<b>Other</b>	<b>6,125.0</b>	<b>6,326.2</b>	<b>6,292.1</b>	<b>6,303.4</b>
Constitutional Officers	90.1	80.8	84.4	86.7
Debt Service	2,678.8	2,772.0	2,772.0	2,772.0
Executive & Legislative	77.2	79.8	79.8	83.6
Libraries	27.2	27.3	29.4	29.1
Pensions	2,612.9	2,852.8	2,852.6	2,852.8
Other Administrative	638.7	513.5	473.9	479.2
<b>Total Budget</b>	<b>46,705.8</b>	<b>47,955.6</b>	<b>47,736.3</b>	<b>47,769.3</b>