

BUDGET MONITOR

The Governor's FY 2005 Veto Message

Overview

On Friday June 25th, Governor Romney signed the FY 2005 state budget while vetoing \$108.5 million in spending. The Governor also vetoed 110 outside sections and returned 29 sections to the Legislature with amendments.

Among the major items vetoed by the Governor are \$5 million to help low income seniors to pay for prescription drugs; \$10 million to provide healthcare for low income disabled and elderly immigrants; \$10 million in rate relief for residents who have high water bills; \$20 million to provide modest pay increases to low paid human service workers; and \$1.2 million for smoking prevention and cessation efforts.

In his veto message Governor Romney states, “[b]ecause I believe we need to reduce the use of stabilization fund reserves, I am vetoing \$108.5 million to ensure that the Fiscal 2005 budget moves us closer to a level of government spending that is more sustainable over time.” At the same time, the Governor continues to call for a tax cut package that would cost, in FY05 alone, more than twice as much as all of the items vetoed. The tax cut Governor Romney

filed on June 3rd would cost the state \$227 million in FY05 and increase in cost to \$737 million by FY07.¹ This would deny the state the revenue needed to close the structural budget gap and begin to restore the level of basic services that the state has historically sustained.

This Budget Monitor will describe the major line-item vetoes, provide data on overall spending after the vetoes, and explain significant vetoes of outside sections. Unless otherwise noted, all FY05 figures presented in this Monitor are post-veto.

Healthcare

The MassHealth program is the state's Medicaid insurance program that provides health care services to low-

¹ Estimates from the Department of Revenue indicate that reducing the personal income tax rate from its present level of 5.3 percent to 5.0 percent would reduce tax revenue by \$227 million in FY05, by \$554 million in FY06 (when the change would be in effect for an entire fiscal year), and by \$545 million in FY07. Given the manner in which it is written, the Governor's tax legislation would also trigger, in 2006, the restoration of the personal income tax deduction for charitable contributions; that deduction was suspended in 2002 and, under current law, is not scheduled to resume until 2015 at the earliest. The Department of Revenue estimates that the restoration of the deduction would reduce revenue by \$42 million in FY06 and by \$192 million in FY07, increasing the total cost of the Governor's tax cut to \$737 million in FY07.

income and disabled residents of the Commonwealth. It also pays for nursing home care and other long-term and health care services not provided by Medicare to low-income elders.

FY 2004	\$6,197,625,027
FY 2005	<u>\$6,517,172,119</u>
Increase (decrease)	\$ 319,547,092
Percentage Change	5.2%

There are a number of different MassHealth programs, with varying eligibility and service coverage provisions. The federal government provides 50 percent reimbursement for most of the services provided by the MassHealth program. Historically, Massachusetts has provided coverage more generous than the level that is reimbursable by federal funds. Some of the Governor’s vetoes are intended to scale back the Commonwealth’s coverage to include only those populations or services that would be eligible for the federal government’s partial reimbursement.

Significant among the Governor’s vetoes is his decision to deny MassHealth Basic coverage to approximately 2,800 legal immigrants who are elderly or disabled. His vetoes include a \$10 million reduction of funding for this health insurance program.

The Governor let stand the Conference budget’s appropriation for the CommonHealth program, the Senior Care Plan, Senior Care Options and MassHealth Standard. The CommonHealth program will increase by

\$5.0 million or 6 percent over FY04 levels.

The Governor also let stand a \$160 million proposal to fund the MassHealth Essential program. This program, funded through the Uncompensated Care Pool, is expected to provide insurance coverage for approximately 36,000 long-term unemployed individuals.

The Governor vetoed \$11.7 million within the MassHealth program designated for certain hospitals that serve a high proportion of “public payer” patients.

The House had proposed an incentive program designed to encourage MassHealth participants to enroll in Community Health Centers for their primary care. The Governor vetoed this \$500,000 incentive.

Also within the MassHealth program, the Governor let stand a recommendation that MassHealth eligibility for individuals with HIV be expanded to cover those with income levels up to 200 percent of the federal poverty level. In FY04, coverage had been restricted to those with incomes only up to 133 percent of the federal poverty level.

The Governor had originally proposed funding the Children’s Medical Security Plan (CMSP) at \$11.9 million. Funding at this level would have meant that more than 15,000 low income children would have remained on a waiting list for this health insurance coverage. The Conference budget included a significant increase in funding for CMSP,

appropriated at \$21.4 million. The Governor chose to let stand this recommendation; CMSP will now be able to lift its enrollment cap and enroll all of the children on its waiting list. Along with the increased funding for this item, this budget includes a recommendation from the House that the Executive Office of Health and Human Services seek a federal waiver that would allow the state to expand MassHealth benefits to include inpatient hospital coverage currently not covered by CMSP. If this waiver is granted, there would be available federal reimbursements to help pay for certain services currently provided by CMSP.

Just as the Governor allowed the Conference budget funding for CMSP to stand, the Governor also let stand the funding increase for the Healthy Start prenatal care program for uninsured pregnant women. The Governor initially recommended maintaining the \$6.2 million FY04 funding level for this program. Continuing this funding level would have led to an enrollment cap on this program. The House had recommended an increase to \$10.6 million, and the Conference budget provided a higher funding level of \$14.2 as recommended by the Senate. The Governor did not reduce funding for this item; Healthy Start should be able to serve more than 5,000 women, and there should be no need to implement a waiting list.

Uncompensated Care Pool

The Uncompensated Care Pool funds the health care services that hospitals and Community Health Centers provide to people who do not have health insurance and cannot pay privately. The Pool is also the source of funding for the MassHealth Essential program. The Pool is funded through a variety of sources including direct state appropriations, federal reimbursements and transfers, and assessments on hospitals and health insurance providers. The health care providers receive compensation for the “free care” they offer from the Pool; the state then receives federal reimbursement for expenditures made from the Pool.

State appropriations for the Uncompensated Care Pool (which are funded by federal funds paid into the state general fund and, this year, also by FY04 surplus money from the MassHealth Essential account) remain at \$358.0 million in this budget. It appears, however, that changes in how federal funds are accessed and used will result in hospitals receiving \$25 million less than they were allocated by the Conference budget.

Public Health

The Governor’s vetoes did not let survive all of the Legislature’s attempts to restore funding to the Department of Public Health. The vetoes bring public health funding to \$390.9 million, a \$17.1 million increase from FY04. The Governor’s original budget proposed funding at \$337.9 million. The

Conference budget appropriated \$393.1 million, and the Governor allowed certain of the Legislature’s increases to stand. In FY01, however, funding for the Department of Public Health had been at \$507.1 million, and the Governor’s current budget represents a 23 percent decline in support from that year’s level.

FY04	\$373,796,136
FY05	<u>\$390,898,903</u>
Increase (decrease)	\$ 17,102,767
Percent change	4.6%

The Governor’s vetoes included reductions in proposed funding for several services provided by the Department. Specifically, the Governor vetoed \$300,000 in funding for stroke prevention, and also vetoed \$250,000 in funding for suicide prevention. Suicide prevention was funded at \$125,000 in FY04, and the Conference budget adopted the Senate’s proposal to double the funding to \$250,000. The Governor vetoed this entire amount.

The Governor also vetoed \$1.2 million for smoking cessation and prevention. This veto reduces funding to the FY04 level, in spite of proposed increases by both the House and the Senate. Smoking cessation and prevention efforts have experienced dramatic declines in state funding: this year’s proposed funding level represents a 77 percent decline since FY03 when funding totaled \$11.3 million.

In other areas, the Governor maintained funding levels proposed by the Legislature. This budget, accordingly,

preserves some of the public health increases supported by the Conference budget. Included among these budget items is level funding for efforts to prevent the spread of HIV/AIDS and Hepatitis C. The Conference budget appropriated \$31.6 million for the prevention and treatment of HIV/AIDS, and approximately \$563,000 for efforts similarly targeting Hepatitis C, and the Governor maintained these funding levels. The Conference budget also restored funding for the distribution of Hepatitis A, Hepatitis B, influenza, and Pneumococcal vaccines. Funding for these vaccines totals \$25.0 million, a \$5.9 million increase over FY04 funding levels. This funding level should restore the adult vaccination program and continue the provision of vaccines for children.

The Governor’s budget had originally proposed cuts in substance abuse services, but the Conference budget increased funding. In FY04, \$33.8 million was appropriated, and the Governor had originally recommended reducing funding to \$31.7 million for FY05. He ultimately let stand, however, the \$36.6 million included in the Conference budget. Although this is an 8 percent increase from FY04 levels, it is an 18 percent decline from FY01.

Although the Governor originally recommended eliminating the Department of Public Health’s support for the state’s Community Health Centers, the Conference budget increased funding by \$398,000 compared to FY04. The Governor did not veto this proposal, but even this modest increase

represents a \$5.9 million reduction since FY01.

Education: Chapter 70 and Grants

Funding for Chapter 70 Aid and the Department of Education’s grants programs increases by \$192.8 million or 5.5 percent in budget signed by the Governor.

Total Education Spending²

FY 2004	\$3,501,934,249
FY 2005	<u>\$3,694,704,727</u>
Increase (decrease)	\$ 192,770,478
Percentage Change	5.5%

Chapter 70 Aid

FY 2004	\$3,111,124,259
FY 2005	<u>\$3,183,282,601</u>
Increase (decrease)	\$ 72,158,342
Percentage Change	2.3%

Chapter 70 Aid serves as the largest single transfer of revenue from the state to cities and towns for the funding of public education. The Governor approved the \$3.183 billion provided in the Conference budget. This amount provides a \$72.2 million or 2.3 percent increase over the FY04 level. Still, this amount of funding is \$194.1 million or 6 percent below the FY03 appropriation after adjusting for inflation.

² The numbers in this section do not include appropriations for the School Building Assistance program. Figures for grants and reimbursements include support for the Office of Educational Quality and the department’s administrative costs.

Grants and Reimbursements

FY 2004	\$390,809,990
FY 2005	<u>\$511,422,126</u>
Increase (decrease)	\$120,612,136
Percentage Change	30.9%

The budget signed by the Governor appropriates \$511.3 million for the Department of Education’s grants programs, a \$120.6 million increase over FY04.

The Governor vetoed a \$6.9 million appropriation for the educational expense reserve, which helps local municipalities meet funding shortfalls. In FY04, funding for these purposes totaled \$7.0 million.

In addition to this line-item veto, the Governor vetoed the moratorium on charter schools and recommended an amendment to the outside section that establishes the Early Childhood Education Board.³ The Governor’s amendment places the Board within the Executive Office of Health and Human Services and changes the make up of the Board to exclude teachers nominated by the Massachusetts Teachers Association and the Massachusetts Federation of Teachers. This amendment also removes the stipulation that a child care provider serve on the Board.

Although the this budget increases funding for MCAS remediation, school transportation, and early literacy programs, the amount of funding

³ Outside sections of the budget set policies for state programs or services but do not directly appropriate money.

provided would not restore spending in these areas to the FY03 level:

- MCAS remediation programs are funded at \$14.1 million in FY05 compared with \$50 million in FY03;
- Funding for regional school transportation is increased from \$26.4 million in FY04 to \$38.0 million, an \$11.6 million increase. This amount is still below the FY03 appropriation of \$41.7 million. Moreover, funding for school transportation for non-regional districts – funded at \$51.8 million in FY03 – was not funded in FY04 or in the budget signed by the Governor;
- Early literacy programs, which were cut by nearly 80 percent in FY04 – from \$18.3 million to \$3.9 million – would only increase by roughly \$230,000 in the budget as approved.

Higher Education

State spending on public higher education includes operations support for the University of Massachusetts and the state and community college systems as well as funding for student financial aid and scholarship programs. After accounting for the Governor’s vetoes, the higher education budget for FY05 totals \$902.6 million.

FY 2004	\$862,437,905
FY 2005	<u>\$902,615,161</u>
Increase (decrease)	\$ 40,177,256
Percentage Change	4.7%

The Governor vetoed funding for specific programs at various campuses,

none of which individually totaled more than \$250,000. The Governor also reduced funding for UMass’ capital leases payments to the Massachusetts Development Finance Agency. The Conference budget appropriated \$1.1 million for this purpose and the Governor reduced the appropriation to \$550,442, the same amount provided in the House 1 budget.

Under current law, certain immigrant students are not eligible for in-state tuition rates and experience further limitations with regard to financial aid, scholarships, or student loans. The Governor vetoed the provision in the Conference budget which would allow many individuals from this group to pay in-state tuition rates for the Commonwealth’s public colleges and university system. The stricken provision would have allowed undocumented immigrants who have lived in the United States for at least 3 years and have graduated from a Massachusetts high school to pay the lower tuition rates that other in-state students pay.

Cash Assistance

The Governor maintained the \$599.5 million for cash assistance programs included in the Conference budget.

FY 2004	\$595,927,196
FY 2005	<u>\$599,465,955</u>
Increase (decrease)	\$ 3,538,759
Percentage Change	0.6%

Although the Governor preserved funding levels provided in the

Conference budget, he removed the requirements that Commissioners within the Executive Office of Health and Human Services provide 60 days notice prior to changing eligibility criteria or benefit levels for the following programs: Temporary Assistance for Families with Dependent Children, Emergency Aid to the Elderly, Disabled, and Children, and family shelters. Removing these requirements would eliminate processes which give the Legislature time to act on a funding shortfall by appropriating more money.

The Governor did not veto or recommend amendments to the outside sections which implement new work requirements for TAFDC parents. Under the enacted version of this budget, parents with children between 6 and 9 years of age are required to work 24 hours per week; parents with children older than 9 years of age are required to work 30 hours per week. The budget also permits parents to meet their work requirements by participating in education or training activities, an option which previously had been extended only to parents with children younger than 6 years of age. The budget additionally allows parents residing in homeless shelters to use their time spent searching for housing to count toward work requirement hours.

Office of Child Care Services

Funding for the Office of Child Care Services (OCCS) is held essentially constant at \$368.1 million.

FY 2004	\$365,783,476
FY 2005	<u>\$368,093,830</u>
Increase (decrease)	\$ 2,310,354
Percentage Change	0.6%

The Governor did not veto any of the \$368.1 million appropriated to the Office of Child Care Services, despite funding differences compared with the Governor’s original FY05 budget proposal. House 1 did not include funding for the \$5.0 million reserve account to increase child care providers’ reimbursement rates, but the budget recently signed by the Governor includes this funding.

The House 1 budget also would have reduced funding for home visits for at-risk newborns as well as for Child Care Resource Referral Agencies. House 1 cut funding for home visits by \$6.0 million or 50 percent; that budget would have also reduced funding for Child Care Resource and Referral Agencies by \$2.0 million or 20 percent. This budget level-funds these programs at \$12.2 and \$10.0 million respectively.

Social Services

The Governor approved the Conference budget’s overall appropriation of \$705.2 million for social services.

FY 2004	\$685,571,761
FY 2005	<u>\$705,150,762</u>

Increase (decrease) \$ 19,579,001
Percentage Change 2.9%

The Governor did not veto appropriations to the Department of Social Services, though there are certain areas where funding levels differ from House 1. For example, in the House 1 budget funding for shelters and other services for domestic violence survivors would have increased by roughly \$58,000. The Conference budget provided a substantially larger increase of about \$473,000, which the Governor authorized by signing this budget.

Department of Mental Health

Funding for the Department of Mental Health is essentially level in the budget signed by the Governor.

FY 2004 \$592,826,152
FY 2005 \$594,558,781

Increase (decrease) \$ 1,732,629
Percentage Change 0.3%

The Conference budget appropriated more money to the Department of Mental Health than did the House 1 budget. Despite higher levels of funding in certain areas, the Governor maintained the funding provided in the Conference budget. The House 1 budget would have reduced funding for emergency and acute mental health services and for adult inpatient facilities by \$1.0 million and \$8.4 million respectively. The budget recently signed by the Governor essentially level-funds emergency and

acute mental health services at \$31.5 million. It would provide a smaller reduction in funding for adult inpatient facilities compared to House 1. Funding for these services would decline from \$156.8 million in FY04 to \$151.9 million in FY05, a \$4.8 million difference.

Department of Mental Retardation

The budget approved by the Governor includes full funding for the Boulet Settlement as well as higher appropriations for transportation and day/work programs for mentally retarded individuals.

FY 2004 \$1,014,330,235
FY 2005 \$1,063,844,604

Increase (decrease) \$ 49,514,369
Percentage Change 4.9%

The budget signed by the Governor increases funding for transportation services as well as day/work programs for mentally retarded individuals. Funding for transportation services increases slightly from \$13.2 million in FY04 to \$13.8 million in FY05. Day and work programs are funded at \$109.2 million or \$2.7 million more than FY04. The House 1 budget would have reduced funding for these services by \$4.3 million and \$9.4 million respectively.

Elder Affairs

The Governor's vetoes let stand the Conference budget's funding for many of the supports and services provided through the Department of Elder Services. After the Governor's vetoes, total elder affairs funding represent only a 2.2 percent increase over FY04, which is approximately the same as the rate of inflation.

FY 2004	\$191,182,677
FY 2005	<u>\$195,301,585</u>
Increase (decrease)	\$ 4,118,908
Percentage Change	2.2%

Included in the elder services funding is \$37.5 million for the enhanced home care program. This amount provides level-funding for these intensive services for frail elders who wish to remain in their homes. Home care case management for elders remains at the FY04 level of \$34.9 million, while home care direct services increases \$2.9 million over FY04 levels, to \$97.0 million. This is less than the original amount proposed by the Governor.

The Governor did not veto the \$50,000 in funding for the Elder Residential Assessment and Placement Program (ERAPP) for homeless elders. Although unfunded in FY04, this program had received \$250,000 in FY03.

Elder Protective Services, which provides guardianship, case management, money management, and other supports for abused or neglected elders, remains funded at \$10.1 million. This is slightly less than the House had originally recommended, but more than

the level-funding originally proposed by the Governor.

Councils on Aging, community-based and -operated organizations that provide recreation, meals, and a variety of activities and services for elders, receive local grants of \$6.5 million. This is \$600,000 more than the level funding originally proposed by the Governor.

Senior Pharmacy Program

Although the Governor maintained funding for the Prescription Advantage drug insurance program at \$110 million, he vetoed \$5 million that would have supported the reduction in co-payments for prescriptions for elders at or below 188 percent of the federal poverty level. This item had been added to the budget by the Senate at a level of \$9.0 million, and was reduced to \$5.0 million in the Conference budget. The Governor's veto eliminates funding for this line item entirely.

Other Human Services

The Governor reduced the budget for other human services to \$495.3 million, \$21.7 million less than the Conference budget.

FY 2004	\$476,664,379
FY 2005	<u>\$495,251,920</u>
Increase (decrease)	\$ 18,587,541
Percentage Change	3.9%

The Governor vetoed the \$20.0 million appropriation that would have funded a 2

percent salary increase for human service providers who earn less than \$40,000 annually. Half of the appropriation would have supported raises for workers earning less than \$25,000 per year; the other half would have supported raises for workers earning between \$25,000 and \$40,000 per year. The Governor also removed \$700,000 in earmarks within the Targeted Cities Program line-item.

Environmental Affairs⁴

The Governor vetoed nearly \$2.0 million from the Executive Office of Environmental Affairs’ (EOEA) budget. This budget appropriates \$191.7 million for FY05.

FY 2004	\$187,569,839
FY 2005	<u>\$191,724,379</u>
Increase (decrease)	\$ 4,154,540
Percentage Change	2.2%

The Governor reduced the appropriation which covers operating costs for the Department of Environmental Protection. The Conference budget essentially level-funded DEP operations at \$28.4 million; the Governor reduced this amount to \$27.9 million, nearly \$975,000 less than FY04. Due to cuts between FY02 and FY04, DEP lost 289 staff positions and has reduced compliance and monitoring activities.

In addition to this decrease in the appropriation to DEP, the Governor cut

⁴ In order to provide a direct comparison, the FY04 total includes zoo operations, which is moved to the FY05 operating budget.

funding for operating costs for the Executive Office of Environmental Affairs (a \$100,000 reduction), the Division of Marine Fisheries (a \$50,000 reduction), and the Division of Urban Parks and Recreation (a \$512,000 reduction).

The Governor also vetoed the full amounts appropriated to the registration of watercrafts (a retained revenue account) and the Chicatawbut Hill Center and trailside museum. Appropriations respectively totaling \$400,000 and \$375,000 were eliminated from this budget.

Transportation

The budget signed by the Governor provides \$112.7 million for transportation.

FY 2004	\$139,892,844
FY 2005	<u>\$112,654,228</u>
Increase (decrease)	(\$27,238,616)
Percentage Change	-19.5%

The Governor vetoed \$1.0 million from the transportation budget. This veto reduces funding for regional transit authorities from \$48.8 million in the Conference budget to \$47.8 million, which is the same amount provided in House 1. In FY04, funding for these purposes totaled \$42.2 million.

Housing

The Governor authorized \$78.6 million in funding for the Department of Housing and Community Development, which includes a \$2.0 million transfer from the General Fund to the Affordable Housing Trust Fund.

FY 2004	\$66,660,641
FY 2005	<u>\$78,597,284</u>
Increase (decrease)	\$11,936,643
Percentage Change	17.9%

The enacted budget includes a higher level of funding for a rental voucher program which was slated for reductions in the House 1 budget. The Massachusetts Rental Voucher Program receives \$24.3 million in this budget, which is sufficient to maintain the program at its current level. House 1 proposed to freeze vouchers upon turnover, which would have reduced the total number of vouchers available and decreased funding from \$22.7 million in FY04 to \$20.1 million in FY05.

The Governor also approved funding for a new initiative called Rental Assistance for Families in Transition (RAFT). This program will provide up to \$3,000 to assist families at risk of homelessness. The House 1 budget did not include an appropriation for RAFT, which will receive \$2.0 million in FY05.

Public Safety

This budget provides \$1.3 billion for public safety, a \$12.1 million or 1 percent increase over FY04.

FY 2004	\$1,263,636,855
FY 2005	<u>\$1,275,713,276</u>
Increase (decrease)	\$ 12,076,421
Percentage Change	1.0%

The majority of the Governor’s vetoes reduced funding for correctional facilities. By vetoing earmarks for numerous programs and adjusting other line-items to projected spending levels, the Governor trimmed \$13.6 million from the Conference budget’s appropriations for public safety.

Judiciary

The budget signed by the Governor provides \$571.8 million for the Judiciary.

FY 2004	\$596,510,619
FY 2005	<u>\$571,822,021</u>
Increase (decrease)	(\$ 7,472,614)
Percentage Change	-4.1%

The Governor vetoed funding translation services to low-income individuals accessing court services. Two line-items totaling approximately \$368,000 were included for these purposes in the Conference budget – the same amount was appropriated in FY04. The Governor did not appropriate money for translation services in the House 1 budget.

The Governor also reduced funding in other areas including: trial court administration (a \$4.0 million reduction), court officers (a \$1.6 million reduction), and the Boston Municipal Court (a \$1.0 million reduction).

Economic Development

Funding for Economic Development totals \$112.6 million in this budget. The Governor's vetoes reduced the Conference budget by \$13.6 million.

FY 2004	\$106,003,767
FY 2005	<u>\$112,612,670</u>
Increase (decrease)	\$ 6,608,903
Percentage Change	6.2%

The Governor's vetoes for economic development removed funding for the Career Ladder Program and operating expenses for the Massachusetts Biotech Research Institute. Neither of these programs were included in the House 1 budget, and the Governor eliminated the full amounts provided in the Conference budget, \$1.0 million and \$500,000 respectively.

The Governor also reduced funding for other programs by removing earmarks for specific programs. Allocations for programs that promote tourism were removed from its corresponding line-item – the Governor struck \$6.8 million from this account. The Governor also removed earmarks totaling \$2.4 million for one-time workforce development grants.

SPENDING BY PROGRAM AREA

PROGRAM	FY04 - Current	FY05 House 1	FY05 Conference	FY05 After Vetoes	FY05 After Vetoes	FY05 After Vetoes	% Change
					vs.	vs.	FY05 After Vetoes
					FY05 Conference	FY04 Current	vs. FY04 Current
Debt Service	1,609,915,318	1,785,535,468	1,753,766,468	1,753,766,468	0	143,851,150	8.9%
Pensions ¹	704,625,766	1,234,226,766	1,217,436,000	1,217,436,000	0	512,810,234	72.8%
MassHealth/Medicaid ²	6,427,625,027	6,860,407,167	6,897,372,119	6,875,172,119	-22,200,000	447,547,092	7.0%
Cash Assistance	595,927,196	584,007,566	599,465,955	599,465,955	0	3,538,759	0.6%
Group Insurance	811,131,373	839,159,672	830,885,587	830,885,587	0	19,754,214	2.4%
K-12 Educ (non Ch 70)	390,809,990	434,031,829	518,292,126	511,422,126	-6,870,000	120,612,136	30.9%
School Building Debt Asst ³	405,150,327	251,019,076	418,019,076	418,019,076	0	12,868,749	3.2%
Local Education Aid (Ch. 70)	3,111,124,259	3,180,748,022	3,183,282,601	3,183,282,601	0	72,158,342	2.3%
Unrestricted Local Aid	390,267,936	390,267,936	394,767,936	394,767,936	0	4,500,000	1.2%
Lottery Aid	661,378,162	661,378,162	661,378,162	661,378,162	0	0	0.0%
Higher Education ⁴	862,437,905	893,434,007	904,489,719	902,615,161	-1,874,558	40,177,256	4.7%
Child Care Services	365,783,476	357,999,293	368,093,830	368,093,830	0	2,310,354	0.6%
Public Health (DPH)	373,796,136	337,881,129	393,063,903	390,898,903	-2,165,000	17,102,767	4.6%
Social Services (DSS)	685,571,761	702,397,410	705,150,762	705,150,762	0	19,579,001	2.9%
Mental Health (DMH)	592,826,152	587,653,558	594,558,781	594,558,781	0	1,732,629	0.3%
Mental Retardation (DMR)	1,014,330,235	1,044,318,458	1,063,844,604	1,063,844,604	0	49,514,369	4.9%
Elder Affairs	191,182,677	191,250,572	195,301,585	195,301,585	0	4,118,908	2.2%
Senior Pharmacy Program	96,372,765	96,372,765	115,000,000	110,000,000	-5,000,000	13,627,235	14.1%
Other Health & Human Services	476,664,379	497,884,299	516,951,920	495,251,920	-21,700,000	18,587,541	3.9%
Environmental Affairs ⁵	187,569,839	190,617,196	193,679,379	191,724,379	-1,955,000	4,154,540	2.2%
Transportation ⁶	139,892,844	128,180,676	113,654,228	112,654,228	-1,000,000	-27,238,616	-19.5%
Housing & Community Dev. ⁷	66,660,641	69,951,248	78,597,284	78,597,284	0	11,936,643	17.9%
Judiciary	596,510,619	585,552,589	579,294,635	571,822,021	-7,472,614	-24,688,598	-4.1%
Exec. Office of Public Safety	1,263,636,855	1,251,139,203	1,286,030,945	1,275,713,276	-10,317,669	12,076,421	1.0%
Economic Dev	106,003,767	112,441,198	126,186,701	112,612,670	-13,574,031	6,608,903	6.2%
District Attorneys	76,857,589	76,777,126	79,234,459	79,234,459	0	2,376,870	3.1%
Attorney General	33,478,910	36,091,482	35,950,917	35,950,917	0	2,472,007	7.4%
Libraries	25,500,525	25,158,714	27,100,525	27,100,525	0	1,600,000	6.3%
Other administrative	699,388,540	701,996,567	687,445,561	673,119,083	-14,326,478	-26,269,457	-3.8%
Total	22,962,420,969	24,107,879,154	24,538,295,768	24,429,840,418	-108,455,350	1,467,419,449	6.4%
Total (excluding pensions)⁸	22,257,795,203	22,873,652,388	23,320,859,768	23,212,404,418	-108,455,350	954,609,215	4.3%

Notes:

(1) Off-budget pension funding in FY04 is \$687.3 million; the House 1 and Conference budgets include \$1.216 billion for this purpose.

(2) The House 1 and Conference MassHealth/Medicaid numbers include Uncompensated Care Pool allocations of \$156.0 million and \$358.0 million respectively. The budget signed by the Governor maintains the \$358.0 million for the Uncompensated Care Pool. The FY04 MassHealth/Medicaid total includes \$160.0 million in additional retained revenue as well as \$230.0 million for the Uncompensated Care Pool. The House 1 budget transfers \$9.24 million from Medicaid to Elder Affairs. These figures do not include this transfer to facilitate year to year comparisons.

(3) The Conference budgets reduces available revenue by \$418 million to cover the costs of School Building Assistance. The table includes that amount as an appropriation.

(4) The higher education totals include \$30.6 million in tuition revenue retained by the campuses.

(5) The Conference budget transfers \$7.9 million off-budget for the the watershed management program. This amount is included in the total to enable comparisons to FY04. For a direct comparison, the FY04 total includes \$4.3 million for zoo operations since it is proposed as an appropriation in the FY05 budget but was funded off-budget in FY04.

(6) Transportation figures for House 1 do not include the \$274.9 million that would be brought on budget as a result of the proposed Turnpike merger.

(7) The Conference budget transfers \$2.0 million from the General Fund to the Affordable Housing Trust Fund. This amount is included in the total above.

(8) Including pensions in the FY04 and FY05 totals distorts the comparison because pensions are significantly underfunded in FY04.