

## The Senate Ways & Means Fiscal Year 2011 Budget

### OVERVIEW

The Senate Ways & Means (SWM) budget proposal addresses a budget gap of close to \$3 billion by recommending significant budget cuts and relying heavily on assistance from the federal government. It does not include the Governor’s tax reform proposals, or other new taxes. Also unlike the Governor’s proposal, it does not draw on the state “Rainy Day” fund. It does, however, rely on some other temporary state revenue sources and some one-time savings.

As the state enters the third year of a severe fiscal crisis brought on by the national recession, the SWM budget proposes a third year of serious cuts across state government, including in human services and health care, the second year of deep cuts in local aid, and new cuts in both K-12 and higher education (which had been spared deep cuts in prior years largely because of funding from the federal stimulus law, officially known as the American Recovery and Reinvestment Act, or ARRA).

While funding from ARRA is ramping down, the SWM budget still relies on over \$1.6 billion in emergency federal assistance to achieve balance. This total includes \$687.8 million in federal support that Congress is expected to approve this week in legislation that would extend until the end of state fiscal year 2011 (June 30<sup>th</sup>) the higher reimbursement rates for Medicaid (called FMAP) that were authorized by ARRA through December of 2010.

Without the funding from the Recovery Act that states have relied on since FY 2009, there would have had to have been significantly larger tax increases or much deeper budget cuts, both of which would have significantly harmed state and national economies. By providing aid to states, the recovery law has both protected education, health care, human services, public safety, and other services that people rely on, and helped to turn around the national economy by saving and creating jobs for the people who provide those essential services. While it is expected that Congress will act this week to extend the FMAP portion of state fiscal relief for an additional two quarters, if that extension does not occur, the SWM budget (as well as the Governor’s and the House’s) would be out of balance by more than half a billion dollars, and significant new cuts or tax increases would be required.

TABLE OF CONTENTS	
Overview	1
Education	4
Environment & Recreation	10
Health Care	13
Human Services	20
Infrastructure, Housing & Economic Development	25
Law & Public Safety	31
Local Aid	35
Other	36
Revenue	39
Appendix A: Adjustments	41
Appendix B: Budget by Program Area	44

While there are strong signs that our national and state economies are recovering from the national recession and may show reasonably strong growth in the months and years ahead, the state still faces very serious long-term budget challenges. As this year's budget relies on close to \$1.9 billion in temporary revenue and the bulk of that is likely to be unavailable next year, the Commonwealth will continue to face difficult choices even as the underlying economy recovers from the Great Recession.

This *Budget Monitor* examines the SWM budget by program area and describes how the spending levels compare to those proposed by the House and the Governor and to historic and current spending levels.

## HOW TO READ THE TABLES

The tables included at the beginning of each section provide an overview of the funding for each category and how it compares to funding in FY 2010. Here is an explanation of each item presented in these tables.

**FY 2010 GAA:** The level of funding that was approved in the enacted budget for FY 2010.

**FY 2010 Current:** This amount includes any subsequent additions or reductions to the approved funding level in the GAA, including supplemental budgets and any cuts that were made by the Governor in October of 2009 through the 9C process. (For more information on 9C cuts, see <http://massbudget.org/doc/632>).

**FY 2011 Senate Ways & Means:** This is the funding amount proposed by Senate Ways & Means for FY 2011.

**FY 2011 Senate Ways & Means (Adjusted):** In order to allow for accurate comparisons of FY 2011 budget proposals to FY 2010 budget totals, *MassBudget* “adjusts” budget totals when the FY 2011 proposal recommends departmental reorganizations. These adjustments allow the user to differentiate between changes in funding due to proposed cuts or expansions in funding, rather than due to organizational shifts.

Specifically, in this *Budget Monitor*, the FY 2011 totals reflect the following adjustments (a detailed explanation is provided at the end of this report):

ACCOUNT	ACCOUNT NAME	SWM Adjustment
1108-5200	Group Insurance Premium and Plan Costs	(68,334,380)
8910-0000	County Correctional Programs	36,623,886
	Off-budget adjustment	31,710,494
1599-1970	Mass. Turnpike Authority Contract Assistance	(100,000,000)
1595-6368	Mass. Transportation Trust Fund	100,000,000
1790-0150	Geographic and Environmental Information	(70,000)
2000-1700	Energy and Environment Information Technology Costs	70,000
1790-0151	Data Processing Service Fee Retained Revenue	(55,000)
2001-1001	Environmental Affairs Data Processing Service Fee Retained Revenue	55,000
4590-0915	Public Health Hospitals	1,011,168
7004-0102	Homeless Individuals Assistance	(1,011,168)

## EDUCATION

FY 2010 GAA	\$ 6,711,429,032
FY2010 Current	\$ 6,651,188,551

FY 2011 Senate Ways & Means \$ 6,507,662,118

**FY 2011 Senate & Ways & Means  
(Adjusted)\*** **\$ 6,527,115,226**

<b>Increase (decrease) from FY 2010 GAA</b>	<b>\$ (184,313,806)</b>
<i>Percent Change from FY 2010 GAA</i>	<i>-2.7%</i>
<b>Increase (decrease) from FY 2010 Current</b>	<b>\$ (124,073,325)</b>
<i>Percent Change from FY 2010 Current</i>	<i>-1.9%</i>

*\* In cases where Senate Ways & Means has shifted line items between categories, we have made an adjustment to reflect FY 2010 categories in order to provide an apples-to-apples comparison*

The Senate Ways & Means FY 2011 budget proposal provides \$6.5 billion for education, a 1.9 percent, or \$124 million, decrease from FY 2010 current amounts. The Senate Ways & Means proposal made cuts in all education programs. The cut of up to 4 percent for school districts, as proposed by the House FY 2011 budget, is maintained in the Senate Ways & Means budget. In addition, early education and care programs are reduced by almost 3 percent and elementary and secondary education (not including Chapter 70 aid) is reduced by 2 percent. Compared to the House final FY 2011 budget, which cut higher education by 13 percent, the Senate Ways & Means budget proposal makes more modest cuts to higher education, totaling 4.4 percent.

This category includes Chapter 70 aid, Early Education & Care, Elementary & Secondary Education, Higher Education, and School Building Assistance.

### CHAPTER 70

The Senate Ways & Means final FY 2011 budget proposal provides \$3.9 billion for Chapter 70 aid to municipal and regional school districts, which is \$116 million, or 3 percent, less than FY 2010 current and GAA amounts. This total includes \$48 million in funding from the American Recovery and Reinvestment Act (ARRA), in addition to state funds.

Although the overall cut to the Chapter 70 appropriation is 3 percent, the proposal actually calls for a cut of *up to* 4 percent. This means that the cut impacts districts differently. If the full 4 percent cut would bring districts below their foundation level, the cut would be reduced in order to maintain all districts at the foundation budget amounts, as calculated by the Senate Ways & Means committee.<sup>1</sup> Thus, some districts would receive a smaller reduction while others would receive the full 4 percent cut, resulting in a net reduction of 3 percent.

<sup>1</sup> Like the Governor's FY 2011 proposal, the Senate Ways & Means proposal does not use foundation budgets that properly account for inflation. The law outlines that Chapter 70 aid should be calculated using the inflation rate for the four quarters ending September 30 in the prior year. In FY 2010, an inflation rate for a different time period was used that was lower than the period outlined in the

In FY 2009 and FY 2010, ARRA funding was used in combination with state funds in order to offset potential cuts to Chapter 70 aid. In FY 2011, however, ARRA funds are significantly reduced, requiring the state to contribute more of its own funds toward Chapter 70 aid. In FY 2010, \$172 million of ARRA funding was used for Chapter 70; the Senate Ways & Means proposal would use only \$48 million in FY 2011. The House final FY 2011 budget proposal included the same amount of overall funding for Chapter 70, but had allocated a greater amount of ARRA funding for Chapter 70 (\$75 million), balanced by a smaller contribution of state funding.

#### *EARLY EDUCATION & CARE*

The FY 2011 Senate Ways & Means budget proposal includes \$506.7 million in funding for the Department of Early Education and Care (EEC) and the services it administers. The Senate Ways & Means recommendation is \$14.1 million, or 3 percent, below current FY 2010 budget levels. Compared to FY 2011 budget proposals submitted thus far, the Senate Ways & Means recommendation for EEC funding falls \$10.8 million below the final House proposal and \$14.1 million below the Governor's proposal.

The Senate Ways & Means budget proposal offers \$441.6 million in total funding for child care subsidies, which is \$14.4 million below current FY 2010 budget levels. When compared to FY 2011 budget proposals thus far, the Senate Ways & Means proposal for child care subsidies falls \$9.1 million below the final House proposal and \$9.6 million below the Governor's proposal. Like the final House proposal, Senate Ways & Means prioritizes funding for the two child care entitlement accounts in order to address caseload increases and anticipated FY 2010 budget shortfalls while decreasing funding for income-eligible child care.

In terms of child care subsidies, the Senate Ways & Means proposal more specifically:

- Increases child care funding for children with active cases at the Department of Children and Families (DCF) by \$7.9 million, or 10 percent, over current FY 2010 budget levels.
- Increases child care funding for families served by or transitioning from Transitional Aid to Families with Dependent Children (TAFDC) by \$11.1 million, or 10 percent, over current FY 2010 budget levels.
- Reduces child care funding for income-eligible families by \$33.4 million, or 13 percent, below current FY 2010 budget levels. This proposed reduction in income-eligible child care will likely continue or even exacerbate long waiting lists for income-eligible families.
- Like the final House proposal, does not adopt the Governor's recommendation to consolidate these three child care subsidy line items into one line item without earmarks.

Other notable aspects of the Senate Ways & Means budget proposal include:

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statute. This resulted in the omission of a high-inflation quarter in FY 2010 from the Chapter 70 calculation, making foundation budgets artificially low. The House and Governor's proposals do not correct for this skipped inflation quarter. For a full discussion of this issue, see the *Budget Monitor* for the Governor's FY 2011 proposal at <http://massbudget.org/doc/720>, and *Budget Brief: Chapter 70 Funding Options for K-12 Education* at <http://massbudget.org/doc/613>.

- \$750,000 in funding for the Early Childhood Mental Health program, \$250,000, or 25 percent, below current FY 2010 budget levels.
- Level funding state grants to Head Start Programs and Universal Pre-Kindergarten grants when compared to current FY 2010 budget levels.
- Level funding for Family Support and Engagement programs compared to current FY 2010 budget levels, with specific mention of the Massachusetts Family Networks, Parent-Child Home, and Reach Out and Read programs.

#### *ELEMENTARY & SECONDARY EDUCATION*

In addition to Chapter 70 funding for cities and towns, the SWM FY 2011 budget recommends spending \$423.3 million on public elementary and secondary education. This level is \$24.5 million, or 5.5 percent, below the amount appropriated in FY 2010 and \$8.2 or 1.9 percent below the current budget. The budget proposed by SWM is \$10.7 million lower than the House final budget and \$13.5 million less than the Governor's proposal. In inflation-adjusted dollars, funding for these programs has fallen by \$200.6 million, or 32.1 percent, since FY 2001.

The SWM budget is less than the proposals from the Governor and the House because it recommends lower spending for several programs including:

- \$19.3 million for grants to schools that expand their kindergartens. This is \$6.7 million below both the current FY 2010 budget and the amounts proposed by the Governor and the House.
- \$133.1 million for the circuit breaker program for special educations, which is level funding. Both the House and the Governor recommended increasing funding by \$1.9 million in their FY 2011 budget proposals.
- \$17.6 million for METCO, which is \$849,000 below both the current FY 2010 budget and the Governor's proposal but is identical to the House recommendation.
- \$4.1 million for literacy programs, which is \$100,000 below the amount recommended by the Governor. The House recommends funding literacy programs at \$3.9 million, which is lower than both the Senate and Governor's proposals.

In addition, the SWM budget recommends cutting funding for Adult Basic Education by \$100,000 which is in line with the proposals recommended by the House and Governor.

In its budget the Senate includes two new line-item accounts:

- \$1.7 million to supplement federal funding for districts that educate students living on military bases. This new line item is also included in the House final budget for FY 2011. This funding used to be provided by the Education Reform Reserve account which is no longer funded in the budget.

- \$1.7 million for schools of excellence. The Senate recommends replacing the account that provides \$1.3 million to the Worcester Polytechnic Institute's (WPI) Schools of Excellence with this new account. This new account will continue to fund WPI's program.

SWM also recommends slight increases in a number of programs over the FY 2010 current budget including:

- \$1.5 million for charter school tuition reimbursements for cities and towns for a total of \$71.6 million. This level is \$8.2 million less than the amount appropriation in the FY 2010 GAA. The Department of Elementary and Secondary Education (ESE) estimates that because of budget cuts, school districts have lowered their per pupil spending and therefore send less tuition to charter schools than they have in past years. As a result the state will spend less to reimburse those districts for charter school tuitions.
- \$100,000 for youth build grants for a total of \$1.6 million.
- \$100,000 for school to work connection grants for a total of \$2.1 million.

In its budget the SWM recommends level-funding several programs that provide support to underperforming schools including:

- \$9.3 million for support for students who receive low scores on the state MCAS exam.
- \$6.9 million for targeted intervention to low-performing schools.
- \$400,000 for programs providing professional development to teachers working with English language learners.

The SWM budget also recommends level-funding several other programs including:

- \$15.7 million for the program that provides grant to schools that extend their learning day.
- \$40.5 million for regional school transportation funding.

The SWM budget recommends eliminating:

- School to Work matching grants which received \$1.6 million in FY 2010. The House recommended \$450,000 in appropriations for the program in FY 2011.
- Grants to refund cities and town for the transportation of pupils who are attending vocational schools outside of their home district. This program received \$500,000 in FY 2010 and the House recommended \$400,000 in funding for FY 2011.

#### *HIGHER EDUCATION*

The Senate Ways & Means FY 2011 budget proposal provides \$1.03 billion for higher education, a \$48.6 million, or 4.5 percent, reduction from FY 2010 current budgeted amounts. Most significantly, funding for the University of Massachusetts (UMass) and state and community colleges is reduced by 5.3 percent, or \$51

million. The amount allocated totals \$918.7 million, which includes \$48 million in funding from the American Recovery and Reinvestment Act (ARRA).

The Senate Ways & Means proposal also allows all UMass campuses and state and community colleges to keep any revenues generated from out-of-state tuition. Previously, this revenue would have been paid back to the general fund. The total amount of this retained revenue is \$19.5 million. *MassBudget* includes this amount in the overall sum for UMass and state and community college funding.

Since FY 2009, total funding for these institutions had been kept at FY 2009 levels (totaling \$969 million) through the use of federal ARRA funding. State and community colleges and universities had been supported by \$53.8 million in ARRA funds (in addition to state appropriations) in FY 2009. As shown in the chart below, in FY 2010 \$230.3 million in ARRA funds will be used. For FY 2011, the House has proposed using \$20.8 million ARRA funds, however the Senate Ways & Means committee proposes increasing this amount to \$48 million. The adjustments shown in the chart include the adjustments made by *MassBudget* to provide an accurate comparison of funding between years (see Appendix A). It also includes funding that the Governor included in his FY 2011 total for UMass that would not be paid for through state funds; rather, the Governor sought a commitment from UMass to cover this expense (\$541,000 for the Collins Center for Public Management at the McCormack Graduate School of Policy Studies at UMass Boston). The adjustments also include an amendment made by the House (an increase of \$500,000 for UMass). The result of using greater ARRA funds and allowing for campuses to keep retained revenue is \$78 million, or 9 percent more funding for UMass and state and community colleges in the Senate Ways & Means FY 2011 budget compared to the House proposal.

	<b>FY 2010</b>	<b>FY 2011 Governor</b>	<b>FY 2011 House</b>	<b>FY 2011 Senate Ways &amp; Means</b>
Appropriation	\$739,438,592	\$871,440,073	\$817,617,747	\$851,250,368
ARRA	\$230,270,712	\$96,070,778	\$20,806,479	\$48,035,396
Adjustments		\$2,198,449	\$2,157,449	\$0
Retained Revenue	\$0	\$0	\$0	\$19,453,108
<b>TOTAL</b>	<b>\$969,709,304</b>	<b>\$969,709,300</b>	<b>\$840,581,675</b>	<b>\$918,738,872</b>

The Governor’s FY 2011 budget proposal had included a consolidation of funding for state and community colleges into two line items. Like the House proposal, Senate Ways & Means does not consolidate state and community college line items into two line items; rather, funding for each state and community college remains within distinct line items.

*SCHOOL BUILDING ASSISTANCE*

The Senate Ways & Means FY 2011 budget proposal provides \$644.3 million for the School Modernization and Reconstruction Trust (SMART), an increase of \$64.2 million over the FY 2010 current budgeted amounts. This

is the same level as the House final budget for FY 2011 and is \$10.7 million less than the Governor's FY 2011 proposal. Each year the Commonwealth is required to contribute to this trust an amount equal to one penny of the state sales tax. The Governor's FY 2011 proposal had included an extension of the sales tax to candy, soda, and airplanes, making his contribution to the SMART fund greater than Senate Ways & Means. Thus, the FY 2011 Senate Ways & Means increase reflects anticipated increases in sales tax receipts due to economic growth, but not because of policy changes.

The FY 2010 GAA reflected a transfer of \$607.1 million from the General Fund into the School Modernization and Reconstruction Trust. During FY 2010, the \$607.1 million transfer was reduced by \$27 million to \$580.1 million. The GAA also transferred \$150 million that had been in the trust back to the General Fund. In the FY 2010 *Budget Monitor*, *MassBudget* netted this transfer off of the transfer into the fund, showing it as a reduction in SMART funding. Official documents, however, treat this transfer to the general fund as new revenue rather than reduced spending. To be consistent with this treatment, the FY 2010 total in this *Monitor* does not reduce the FY 2010 transfer by \$150 million.

## ENVIRONMENT & RECREATION

FY 2010 GAA	\$199,734,240
FY2010 Current	\$202,521,782

FY 2011 Senate Ways & Means \$186,558,029

**FY 2011 Senate & Ways & Means  
(Adjusted)\*** **\$186,683,029**

<b>Increase (decrease) from FY 2010 GAA</b>	<b>\$(13,051,211)</b>
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<i>Percent Change from FY 2010 GAA</i>	<i>-6.5%</i>
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<b>Increase (decrease) from FY 2010 Current</b>	<b>\$(15,838,753)</b>
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<i>Percent Change from FY 2010 Current</i>	<i>-7.8%</i>
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*\* In cases where Senate Ways & Means has shifted line items between categories, we have made an adjustment to reflect FY 2010 categories in order to provide an apples-to-apples comparison*

The Senate Ways & Means Committee (SWM) recommends spending \$186,558,029 on Environment and Recreation programs in Fiscal Year (FY) 2011. This level is \$13.2 million, or 6.6 percent less, than the FY 2010 General Appropriations Act (GAA), and \$16 million, or 7.9 percent, less than the amount budgeted in FY 2010. The SWM proposal is \$536,000 million below the amount in the final House budget, and \$833,000 less than the amount proposed by the Governor. During FY 2010 the Legislature appropriated \$11 million to help cities and towns recover from a severe ice storm in December 2008. Both the House final budget and the SWM proposal include \$6.3 million to provide the last reimbursement to these cities and towns. Removing these one-time appropriations from the analysis shows that the SWM proposal provides \$180.3 million in ongoing funding for state environment and recreation programs, a reduction of \$19.5 million from the FY 2010 GAA and \$11.3 million from the current FY 2010 budget. After adjusting for inflation, funding for ongoing environment and recreation programs have fallen \$105.6 million, or 37 percent, since FY 2001.

Outside Section 17 of the SWM's budget proposes creating a Division of Energy Solutions. This new division, which was also proposed in the Governor's budget, would both purchase energy resources used by the state in bulk and implement measures to improve energy conservation in state facilities. The SWM budget estimates that these efforts will save the state about \$6 million in FY 2011. This \$6 million in savings is reflected in lower appropriations for some administrative accounts across government programs where these savings would be achieved.

### *Agriculture*

The SWM budget proposes spending \$16.1 million on agriculture programs, which is \$18,000 less than current spending and \$96,000 more than the FY 2010 GAA. The SWM recommendation is in line with the final House budget. The majority of funding for agricultural programs goes to regional food banks. The SWM budget proposes providing the food banks with \$11.5 million, which is the same as the current budget for FY 2010, the House final budget, and is \$500,000 greater than the amount appropriated in the FY 2010 GAA.

### *Environmental Administration*

The SWM budget recommends providing \$15.6 million for administering environment and recreation programs overseen by the Executive Office of Energy and Environmental Affairs (EOEEA). This level is \$1.9 million less than the FY 2010 GAA, and \$856,000 less than the current budget after the Governor made 9C cuts.

The SWM budget proposes consolidating funding for recycling programs managed by EOEEA into the redemption centers account under the Department of Environmental Protection. (See below.)

### *Environmental Protection*

The SWM budget proposes spending \$58.5 million on environmental protection programs in FY 2011. This level is \$7.3 million less than the amount appropriated in FY 2010 and \$4.2 million less than the current budget after the Governor made 9C cuts.

As mentioned above, the SWM budget recommends merging recycling, redemption and solid waste management into a single account within the Department of Environmental Protection (DEP) and providing \$550,000 in funding. This level is \$239,000 less than the amount appropriated in FY 2010 and \$171,000 less than the current budget after the Governor made 9C cuts. In his budget the Governor also proposed consolidating these efforts into one program within EOEEA. The Governor provided this consolidated account with a significant increase in funding to \$5.3 million. In his budget the Governor proposed expanding the bottle bill to include water, coffee and other drinks and dedicating some of the revenue raised through that expansion to recycling efforts. The SWM budget, like the House proposal, has not proposed expanding the bottle bill.

In other environmental protection programs, SWM proposes a number of cuts from the FY 2010 current budget, including:

- \$1.5 million from the DEP administrative account, to \$26.5 million.
- \$1.5 million from the hazardous waste cleanup account, to \$13.9 million.
- \$426,000 from the brownfields site audit program, to \$1 million.

### *Fish & Game*

The SWM budget recommends providing \$17.5 million to fish and game programs in the state. This is \$294,000 less than the FY 2010 GAA and \$67,000 above the current budget for FY 2010. Like the House final budget and the Governor's proposal, the SWM recommends creating a new account for a saltwater sportfishing license. The Governor recommended providing \$50,000 to this account while both the House and SWM recommend \$102,000 in funding.

### *Parks & Recreation*

The SWM budget recommends spending \$78.9 million on parks and recreation programs in FY 2011. This is a \$3.8 million, or 4.6 percent, cut from the FY 2010 GAA, and an \$11 million, or 12.2 percent, cut from the current budget for these programs.

As mentioned above, (see introduction to Environment & Recreation), the parks and recreation budget includes supplemental funding to cities and towns hit by an ice storm in late 2008. By taking out this one-time funding (\$11 million in FY 2010 and \$6.3 million proposed in the House and SWM budgets for FY 2011) and looking only at ongoing funding for parks and recreation programs, the SWM budget recommends spending \$72.6 million in FY 2011. This is \$10.1 million less than the FY 2010 GAA and \$6.3 million less than current budget. Since FY 2001, ongoing funding for parks and recreation has fallen by \$56.7 million in inflation-adjusted dollars, or 43.8 percent.

Cuts in the SWM proposed budget for parks and recreation include:

- \$548,000 from the account that funds beaches, pools and seasonal employees for parks and recreation for a total of \$12.4 million.
- \$3 million from the account that funds state parks for a total of \$41.9 million.
- \$2.6 million from snow and ice removal from state parkways to \$3.1 million.

In recognition of the extensive flooding after the spring storms earlier this year, the SWM budget does increase funding slightly for two programs:

- The Office of Dam Safety increased to \$289,000. This amount is \$139,000 less than the FY 2010 GAA but is \$287,000 more than the current budget after the Governor made 9C cuts.

Stormwater management increased to \$391,000, which is \$250,000 over the current budget. This level, however, is \$340,000 less than the amount appropriated in the FY 2010 GAA.

## HEALTH CARE

FY 2010 GAA	\$12,658,724,991
FY2010 Current	\$12,978,429,393

FY 2011 Senate Ways & Means	\$14,072,159,996
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<b>FY 2011 Senate &amp; Ways &amp; Means (Adjusted)*</b>	<b>\$13,748,443,185</b>
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<b>Increase (decrease) from FY 2010 GAA</b>	<b>\$1,089,718,194</b>
<i>Percent Change from FY 2010 GAA</i>	<i>8.6%</i>
<b>Increase (decrease) from FY 2010 Current</b>	<b>\$770,013,792</b>
<i>Percent Change from FY 2010 Current</i>	<i>5.9%</i>

*\* In cases where Senate Ways & Means has shifted line items between categories, we have made an adjustment to reflect FY 2010 categories in order to provide an apples-to-apples comparison*

The Senate Ways & Means (SWM) budget proposal includes \$13.75 billion for health care. This total includes funding for MassHealth (Medicaid) and health reform, mental health, public health and state employee health benefits. This total is 9 percent above funding in the FY 2010 General Appropriation Act (GAA), and a 6 percent increase over the current health care budget in FY 2010. The increases compared to FY 2010 current budget totals are in the costs of the health insurance programs – MassHealth and health reform costs, and in the costs of state employee health benefits – whereas the Senate Ways & Means budget proposals for public health and mental health care are reductions from FY 2010 totals.

### MASS HEALTH (MEDICAID) & HEALTH REFORM

The Senate Ways & Means budget includes \$11.24 billion for MassHealth (Medicaid) and health reform (see table). Funding for MassHealth and health reform encompasses a number of health programs, the largest of which is MassHealth, the state’s Medicaid program. The Senate Ways & Means proposal is 6 percent higher than the FY 2010 current budget.

The Senate Ways & Means budget proposal includes \$9.73 billion for MassHealth programs, and \$173 million for administration. (Administration includes the operations of the Executive Office of Health and Human Services, as well as the information technology costs for the health and human services agencies.) Although this is slightly less than proposed in the final House budget, it represents an increase of 6 percent in program costs over the current FY 2010 amount. The state’s Medicaid program provides health insurance to more than 1.2 million low-income or disabled children and adults, and is the single-largest payer of elder long-term care costs. Like in the Governor’s and House budget proposal, SWM assumes that MassHealth enrollment may grow by approximately 3 percent during FY 2011. Even though the percentage of people in Massachusetts without health insurance is very low (Massachusetts still has the highest rate of health insurance coverage in the nation at approximately 97 percent), MassHealth enrollment has been growing during the current recession. When people are out of work and lose employer-based health insurance, they look to the publicly funded health insurance programs such as MassHealth and Commonwealth Care (see below).

One of the biggest increases in MassHealth funding compared to FY 2010 is in funding for the Children's Behavioral Health Initiative, which provides children's mental health services as mandated by what is known as the *Rosie D.* settlement. The Children's Behavioral Health Initiative provides universal mental health screenings for children and adolescents, and then provides services for persons identified with "serious emotional disturbance." In FY 2010, as this program was just getting started, funding totaled \$65.7 million. For FY 2011, the program will move towards full implementation, and like the House, SWM proposes \$86.7 million, which is \$21.1 million more than the total in the FY 2010 current budget, but \$20 million less than the amount proposed by the Governor. There is language in the SWM budget proposal to ensure that the program continues to expand towards full implementation.

The SWM budget also follows both the Governor and House proposals to restrict adult dental coverage. MassHealth has already informed members that starting on July 1, 2010 (FY 2011), adult dental services will no longer cover fillings, dentures, and other restorative services. There will be coverage only for emergency and preventative services. Adults who are clients of the Department of Developmental Services, however, would continue to be eligible for full dental coverage. Although SWM anticipates that this will "save" more than \$56 million, this estimate does not account for additional dental costs associated with forgone dental coverage. Moreover, this \$56 million is not actually the amount that the Commonwealth will net back to the General Fund. With \$56 million in reduced program costs for adult dental care, Massachusetts will spend \$21.6 million less in state funds, but the state will also receive \$34.7 million less in federal Medicaid reimbursement (see discussion of Medicaid reimbursement below.)

There is language in the SWM budget proposal for two new initiatives to better coordinate care for MassHealth members with certain chronic health care conditions. SWM proposes creating a chronic disease management program for MassHealth members enrolled in the primary care clinician program. The intent of this program is to better manage the care of certain chronic health conditions, and thereby using resources more efficiently. The SWM budget anticipates that this program could save MassHealth as much as \$10 million (gross savings, not including lost federal reimbursement.) Language in the budget also includes the creation of a pilot program for children enrolled in the MassHealth program who are at high risk for asthma. This program, in conjunction with the Asthma Initiative at the Children's Hospital in Boston, would provide "global" health care payments to allow for treatment and prevention of asthma. Notably, this program would pay for environmental mitigation of asthma triggers, as well as the direct treatment of patients.

The Commonwealth Care insurance program provides health insurance to approximately 150,000 people with incomes under 300 percent of the federal poverty line who do not have access to employer-sponsored health insurance, and who do not qualify for MassHealth. The Senate Ways and Means budget proposal does not recommend changing program eligibility or increasing premiums, but does recommend transferring slightly less than did the Governor or the House into the Commonwealth Care Trust Fund to pay for the program. The SWM budget recommends transferring \$788.3 million, compared to the \$796.9 million recommended by the Governor and the House. These funds, along with existing funds remaining in that Trust, and the designated \$105 million in revenue from a cigarette excise tax, fund the Commonwealth Care program and the state's Health Care Safety Net. The Governor and House assumed that their proposed funding would be sufficient to cover approximately 170,000 eligible adults; presumably, the SWM budget proposal is also sufficient to provide health care coverage to these individuals.

In FY 2010, the Commonwealth created the “Commonwealth Care Bridge” program, to provide health insurance to legal immigrants who have resided in the United States for less than five years and who – due to program changes – are no longer eligible for MassHealth. The Governor’s FY 2011 budget had proposed \$75 million for this program, but SWM – like the House – recommends only \$60 million. There currently approximately 24,000 people in this program, but new enrollment has been restricted, and there may be as many as 13,000 individuals who could be eligible but have been restricted from enrolling. Materials accompanying the SWM budget proposals suggest that \$60 million for this program should allow for some new enrollment.

Other highlights include:

- The Commonwealth will need to remit to the federal government \$70.4 million less than in FY 2010 for what is known as the Medicare “Clawback.” Thanks to the enhanced federal reimbursement for Medicaid costs associated with the federal Recovery Act, the state’s obligation for this cost is lower than originally estimated.
- \$31.5 million for the Prescription Advantage program, which provides “wrap-around” prescription coverage for elders not covered by Medicare Part D. This total is \$2.8 million less than the FY 2010 current budget total. There is language in the SWM budget specifying that any cost savings that would come to the program because of national health reform would benefit the program, rather than be returned to the General Fund.
- \$21 million for the Division of Health Care Finance and Policy, including funding for the Health Care Quality and Cost Council.
- Language ensuring that the personal needs allowance for low-income elders in nursing homes would remain at \$72.80, but no provision of a nursing home pre-admission counseling program.

The SWM budget anticipates that a variety of initiatives (including the adult dental coverage reduction and the disease management program discussed above, as well as close to \$174 million in reduced provider rates), could save more than \$270 million, thereby reducing the cost of the MassHealth program to the Commonwealth by approximately \$100 million.

It is also important to keep in mind that the MassHealth program in particular – and other health care programs that are eligible for Medicaid reimbursement – have significant impacts on revenues supporting the Commonwealth’s budget. The Commonwealth receives reimbursement from the federal government for a portion of spending on Medicaid, typically 50 percent. Because of the American Recovery and Reinvestment Act (ARRA, the Recovery Act), for the first half of FY 2011, Massachusetts will receive an enhanced federal Medicaid reimbursement rate. Accordingly, for every dollar spent on Medicaid services during the first half of FY 2011, the Commonwealth will receive on average 62 cents in federal revenues. It is likely that Congress will approve legislation to continue this enhanced reimbursement rate through the remainder of FY 2011. It is important to understand, therefore, that if the Commonwealth cuts \$100 from a MassHealth program, the state treasury only “nets” \$38 in actual savings from that \$100 worth of programmatic cuts.

<b>MassHealth (Medicaid) and Health Reform</b>					
<i>(in Millions of Dollars)</i>					
	<b>FY 2010 GAA</b>	<b>FY 2010 Current</b>	<b>FY 2011 Governor</b>	<b>FY 2011 House</b>	<b>FY 2011 SWM</b>
<b>MassHealth (Medicaid)</b>					
MassHealth	8,923	9,190	9,788	9,758	9,731
MassHealth administration	184	178	183	178	173
<b>Sub-Total</b>	<b>9,107</b>	<b>9,368</b>	<b>9,971</b>	<b>9,936</b>	<b>9,905</b>
<b>Health Reform and Health Safety Net</b>					
Pharmacy Program	40	34	32	32	32
Health Care Finance & Other Initiatives	20	20	19	23	23
<i>Commonwealth Care Trust</i>	592	632	797	797	788
<i>Commonwealth Care Trust (pre-budget)</i>	105	105	120	105	105
<i>Medical Assistance Trust</i>	399	399	393	393	393
<i>Medical Security Trust</i>	0	30	0	0	0
<b>Sub-Total</b>	<b>1,156</b>	<b>1,220</b>	<b>1,360</b>	<b>1,349</b>	<b>1,340</b>
<b>Total</b>	<b>10,263</b>	<b>10,588</b>	<b>11,331</b>	<b>11,285</b>	<b>11,245</b>

#### MENTAL HEALTH

Senate Ways & Means includes a total of \$631.7 million for mental health services. This is just under FY 2010 current funding totals, and is \$10.2 million more than in the House budget. The SWM budget brings mental health funding in some areas close to what is estimated would be necessary to continue funding services at the FY 2010 level, taking into account that over the course of FY 2010, \$10.3 million has been cut from mental health services. The FY 2011 SWM budget – like the House budget – redirects funding to reflect the continuation of a philosophical shift: less funding for facility-based care, and more funding for community services. Specifically:

- Adult mental health services receive a total of \$388.2 million. This total is \$22.2 million more than in the FY 2010 current budget, a 6 percent increase, and is the same as the House budget proposal and the Governor’s proposal, and is approximately \$1 million less than what is estimated to maintain current services.
- Children’s mental health services are funded at the same level as in FY 2010 (not adjusting for inflation), receiving \$72.2 million in the SWM proposal. This is the same as in the proposals from the Governor and the House. Unlike the House, the SWM budget proposal includes references to funding the Child Psychiatry Access Project and funding juvenile court clinics, but there are no specifically earmarked funds for either of these services.
- Mental health facilities receive \$143.9 million. This is \$9.9 million more than in both the Governor’s budget proposal and in the House budget proposal, but is still a 14 percent cut from current FY 2010 funding. The SWM proposal does not include language added by the House that would have directed the Department of Mental Health to hold public hearings prior to closure of a psychiatric facility. There is language that was in the House budget proposal that states that individuals may be moved out of psychiatric facilities and into the community, but only if the residents can be guaranteed an equal or better level of care. The Governor’s budget proposal did not include this language.

It is important to note that a significant portion of the Commonwealth's mental health services for children are funded through the MassHealth program in what is known as the Children's Behavioral Health Initiative (often referred to as the *Rosie D.* program.) This relatively new program mandates universal pediatric screening for mental health disorders and treatment for children with "serious emotional disturbance," and will continue to expand towards full implementation in FY 2011. Funding for this program is included in the "MassHealth (Medicaid) and Health Reform" section of this *Budget Monitor*.

#### *PUBLIC HEALTH*

The Senate Ways & Means budget includes \$501.5 million for public health services, a \$4.5 million reduction from the FY 2010 GAA, and a \$5 million reduction from the FY 2010 current budget. The Senate Ways & Means budget proposal includes \$160.8 million for public health hospital services, and \$340.8 million for community and other services. The SWM budget proposal directs slightly more funding into the public health hospitals than either the Governor's or House proposals. Because the FY 2011 budgets propose shifting a homelessness assistance program from the Lemuel Shattuck public health hospital into a homelessness services program within the Department of Housing and Community Development, to allow for better year-to-year comparisons, this *Budget Monitor* adjusts the public health totals by adding the funding (\$1 million in the SWM budget) for this program back into the public health hospital account.

Highlights of the Senate Ways & Means public health budget include:

- \$35.6 million for AIDS/HIV prevention and treatment. This is approximately \$1.2 million less than in the FY 2010 current budget.
- \$27 million for early intervention. This is 9 percent less than in the FY 2010 current budget.
- \$4.7 million for family health services, level funding with FY 2010.
- \$51.1 million for immunizations, a \$1 million reduction from FY 2010 budget totals, and the SWM budget does not include funding for the administration of the rotavirus vaccine. The SWM budget also includes language in Section 41 that would create a statewide immunization registry
- \$11.7 million for school health services. This total does not restore cuts that had been made mid-year in FY 2010.
- \$9.4 million for sexual assault and domestic violence prevention services, close to \$1 million more than in the current FY 2010 current budget. Although not included in this total, there is also \$21.3 million in the Senate Ways & Means budget for support services for people at risk of domestic violence within the Department of Children and Families.
- \$86.8 million for substance abuse services, \$2.6 million more than in FY 2010.
- \$4.5 million for smoking prevention, level with FY 2010, but a 14 percent cut from the Governor's recommendation and what would be necessary to continue funding services at the level provided in FY 2010.
- \$2.1 million for teen pregnancy prevention, a 19 percent reduction from FY 2010 current totals.

- \$2.9 million for a variety of youth violence prevention programs. This is \$633,000 less in total funding than in FY 2010. In FY 2010, the “Youth-at-Risk” grants received \$1.5 million within the Executive Office of Health and Human Services, and SWM funds them at \$1.4 million but moves these grants to the Department of Public Health. SWM also recommends \$1.5 million for other violence prevention grants, for which the House recommended \$3 million.
- SWM proposes funding for the academic detailing program to promote cost-effective use of prescription medications (\$93,000) and a primary care loan forgiveness program (\$157,000). The loan forgiveness program received \$250,000 in FY 2010, and academic detailing last received funding in FY 2009 (\$250,000).

The Senate Ways & Means budget does not follow the Governor’s recommendations for significant reorganizations within public health, so it is difficult to make direct comparisons between the SWM budget proposal and the Governor’s budget proposal. Adjusting for the Governor’s proposed consolidations, the most significant differences between the Senate Ways & Means budget recommendations and the Governor’s recommendations are that SWM proposes 8 percent more than the Governor for addiction control services, 2 percent more for health promotion, violence prevention and workforce expansion, and 3 percent more for health care safety and quality programs.

The Senate Ways & Means budget creates a new fund – the Substance Abuse Prevention and Treatment Fund – by dedicating existing sales tax revenues from the sale of alcoholic beverages. This fund would then be the source of funding for substance abuse programming. The SEM budget does not, however, follow the Governor’s recommendation to eliminate the sales tax exemptions on cigars or smokeless tobacco, or on sales of sodas and candy.

Like the House, the Senate Ways & Means proposal includes the creation of a pilot public health program for children with asthma, in conjunction with the community Asthma Initiative at Children’s Hospital in Boston (see discussion in MassHealth (Medicaid) and Health Reform above).

#### *STATE EMPLOYEE HEALTH INSURANCE*

The Senate Ways & Means budget proposal (like the Governor and House proposals) reorganizes the budget for certain employee health insurance costs, so it is not possible to make accurate year-to-year comparisons of state employee health insurance costs without making several adjustments. With these adjustments (see discussion below), the Senate Ways & Means budget proposes \$1.37 billion for state employee health insurance. This total includes funding for the Group Insurance Commission (GIC), as well as additional state funding for employee health benefits. The total also includes funding transferred from the General Fund to a special State Retiree Benefits Trust designated to fund health care costs for retirees. The FY 2011 Senate Ways & Means budget proposal also incorporates costs that had in prior years been paid for elsewhere. For example, the Senate Ways & Means budget transfers to the GIC \$36.6 million from the county sheriffs’ offices to pay for the health insurance costs of their staff. In FY 2010, these costs had been incorporated into the county sheriff appropriations. Similarly, the Senate Ways & Means budget transfers \$24.1 million from the MBTA to cover the costs of health insurance for MBTA employees, and \$7.6 million from the Massachusetts Turnpike Authority to cover the costs of health insurance for their employees – costs which in prior years had not been included in budgeted appropriations at all, as they were directly covered by these transportation

authorities. In order to allow for accurate year-to-year comparisons, the Senate Ways & Means (Adjusted) totals in this *Budget Monitor* subtract these FY 2011 health care costs from the state employee health insurance totals (see Appendix A, “What are the ‘adjustments’ made to the House Ways & Means budget proposals?” at the end of this *Monitor*.)

The total state employee health insurance costs are a function of the number of anticipated employees, and expected health care cost growth. The Senate Ways & Means budget does not propose any changes in the structure of state employee contributions to health insurance premiums, with the exception of following the Governor’s proposal to provide a slightly more generous retirement health care premium for employees who retired between August 7, 2009 and October 1, 2009.

It is also important to note that this state employee health insurance total also adjusts for the fact that more municipalities are opting to participate in the state’s Group Insurance Commission health care plans. These increased costs in the Group Insurance Commission do not actually increase the state’s health insurance costs, because they are reimbursed by the participating municipalities. The FY 2010 budget includes approximately \$203.7 million in fully-reimbursed municipal health care costs, and the FY 2011 budget includes approximately \$256.4 million in reimbursed municipal health care costs. In order to avoid an artificial distortion in the budget for state employee health insurance due to the increasing number of municipalities participating in the state’s Group Insurance program, the totals in this *Budget Monitor* remove the full amount of these municipal health care costs.

After all of these adjustments, the Senate Ways & Means state employee health insurance totals are 10 percent above the current FY 2010 total. This is slightly more than the House proposed total.

## HUMAN SERVICES

FY 2010 GAA	\$3,361,492,631
FY2010 Current	\$ 3,329,181,995

FY 2011 Senate Ways & Means	\$3,349,206,792
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<b>FY 2011 Senate &amp; Ways &amp; Means (Adjusted)*</b>	<b>\$3,349,206,792</b>
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<b>Increase (decrease) from FY 2010 GAA</b>	<b>\$(12,285,839)</b>
<i>Percent Change from FY 2010 GAA</i>	<i>-0.4%</i>
<b>Increase (decrease) from FY 2010 Current</b>	<b>\$ 20,024,797</b>
<i>Percent Change from FY 2010 Current</i>	<i>0.6%</i>

*\* In cases where Senate Ways & Means has shifted line items between categories, we have made an adjustment to reflect FY 2010 categories in order to provide an apples-to-apples comparison*

The Fiscal Year 2011 Senate Ways & Means budget proposal includes \$3.35 billion in funding for Human Services. This recommendation is \$20 million above current FY 2010 budget levels. Compared to other FY 2011 budget proposals, the Senate Ways & Means recommendation for Human Services is \$27.5 million above the final House proposal and \$2.1 million above the Governor’s proposal.

Although the FY 2011 Senate Ways & Means budget proposal offers more funding overall for Human Services than the final House and Governor’s proposals, funding recommendations, for the most part, still fall short of the amount needed to maintain FY 2010 service levels, particularly for services to the disabled. Additionally, the Senate Ways & Means proposal recommends a reduction in funding for the Department of Children and Families (DCF) and the programs it administers compared to current FY 2010 budget levels, a funding level most likely insufficient for maintaining current FY 2010 service levels.

In this analysis “Human Services” include services for children and families, transitional assistance for low-income families, services to the adults with developmental disabilities, and other Human Services detailed below. For information about Mental Health services, please see the Health Care portion of this *Budget Monitor*.

### CHILDREN & FAMILIES

The FY 2011 Senate Ways & Means proposal provides \$764.8 million in overall funding for the Department of Children and Families (DCF), \$7.8 million below current FY 2010 budget levels and \$18.9 million below the FY 2010 GAA. Although the Senate Ways & Means proposal for DCF falls below current budget levels, it is \$20.1 million above the FY 2011 final House budget proposal and \$4.9 million above the FY 2011 Governor’s budget proposal. In all, each proposal thus far falls below the funding levels needed to maintain services for children and families in FY 2011.

More specifically, the Senate Ways & Means budget provides:

- \$205.4 million for Group Care Services, approximately \$14 million below current FY 2010 budget levels.
- \$10.9 million for regional lead agency administration, \$3.9 million above current FY 2010 budget levels. The FY 2011 final House budget eliminated this line item.
- \$295.3 million for the Services for Children and Families account, which funds family stabilization, unification, permanency, guardianship and foster care. This recommendation is \$1.8 million above current FY 2010 budget levels. The Senate Ways & Means proposal does not adopt the House's recommendation to separate Family Support and Stabilization services from the larger Service for Children and Families account and create a distinct account. Altogether, the Senate Ways & Means proposal is \$2.3 million above the House's proposal for the same services.

In addition, an Outside Section of the Senate Ways & Means budget proposal amends the law governing DCF's responsibilities to children in and aging out of foster care. This proposal would allow certain youths aging out of foster care to access DCF services and/or receive transition planning up until age 22 and require the Juvenile Court to ensure that transition planning is met for youths under their jurisdiction.

The Senate Ways & Means budget proposal, like the final House budget proposal, does not adopt the Governor's recommendations to consolidate the following:

- Group care for children in the state's custody, juvenile offender placement and sexual abuse intervention network, into the broader Services for Children and Families line item.
- Social worker case management, DCF regional administration and foster care review into the central DCF administration line item.

#### *DEVELOPMENTAL SERVICES*

The FY 2011 Senate Ways & Means budget proposal provides \$1.26 billion in funding for the Department of Developmental Services (DDS), \$9.4 million above current FY 2010 budget levels. Despite offering funding recommendations which are slightly above current FY 2010 budget levels, the Senate Ways & Means proposal for DDS funding remains below the funding level required to maintain services in the next fiscal year. Compared to other FY 2011 budget proposals, the Senate Ways & Means recommendation is \$4.8 million above the FY 2011 House budget proposal but \$6.5 million below the FY 2011 Governor's proposal.

Some specific aspects of the Senate Ways & Means budget proposal include:

- A total of \$866.3 million for community-based and state-operated residential supports, \$28.9 million, or 5 percent, above current FY 2010 budget levels.
- \$150.2 million in funding for state institutional care, \$11.4 million, or 7 percent, below current FY 2010 budget levels.

- \$62.9 million in funding for DDS administration, \$2.9 million, or 4.5 percent, below current FY 2010 budget levels. The FY 2011 Senate Ways & Means recommendation is the same as the Governor’s recommendation and \$5.7 million above the final House recommendation.
- \$116.3 million in funding for community day and work programs, \$3.7 million, or 3 percent, below current FY 2010 budget levels.
- A \$1.5 million, or 3 percent, reduction in respite and intensive family supports when compared to current FY 2010 budget levels.
- Level funding for transitional services for adults (turning 22) when compared to current FY 2010 budget levels.

The Senate Ways & Means budget proposal does not consolidate community- and state-sponsored residential supports into one line item, as the Governor and House proposals recommend. Further, the Senate Ways & Means budget proposal does not adopt the Governor’s recommendation to consolidate line items for community day and work programs for adults, transportation services, and respite and intensive family supports into one “Community Programs for the Intellectually Disabled” line item.

#### *ELDER SERVICES*

The Senate Ways & Means (HWM) budget proposal includes \$225.3 million for elder services. This total is \$4.2 million more than in the FY 2010 GAA, and is \$5.7 million more than FY 2010 current budget totals. (For funding for the Prescription Advantage program, funding for nursing homes, and funding for MassHealth Senior Care, see the “MassHealth (Medicaid) and Health Reform” section of this *Budget Monitor*.)

- The elder home care program, which provides community-based long-term care services allowing elders to remain in the community and helps keep them from moving into nursing homes, receives a total of \$140.4 million in the SWM budget. This is 3 percent more than in the FY 2010 current budget. The enhanced home care program for more frail elders receives \$45.8 million, level with the Governor’s and House proposals and level with FY 2010 current budget totals. There are currently close to 2,500 elders waiting for home care services, and with these funding levels it is possible that some elders will be able to move off the waiting list and receive services.
- The protective services program, which provides services for elders at risk of neglect or abuse, receives \$16.7 million in the SWM budget. In the FY 2010 GAA, protective services were funded at \$16.3 million, but there were 9C cuts of \$1 million during the fall.
- Elder housing programs, including funding for homeless elders, receive \$1.5 million in the SWM budget proposal. This is slightly more than FY 2010 current budget levels.

## *TRANSITIONAL ASSISTANCE*

The FY 2011 Senate Ways & Means recommends \$771.1 million in funding for the Department of Transitional Assistance (DTA) and the programs it administers, \$11.7 million above current FY 2010 budget levels. This recommendation falls \$5.7 million below the final House budget recommendation and \$2.3 million below the Governor's budget recommendation.

Some notable aspects of the Senate Ways & Means budget proposal include:

- \$16 million for the Employment Services Program (ESP), which represents a \$5 million reduction when compared to current FY 2010 budget levels. Also, the Senate Ways & Means proposal, like the House and Governor's proposals, does not include a line item that existed in FY 2010 which allowed DTA to expend approximately \$950,000 in federal retained revenue for employment services.
- \$316.2 million for TAFDC grant payments, \$9.2 million, or 3 percent, above current FY 2010 budget levels. However, the Senate Ways & Means recommendation falls \$3 million below both the final House and Governor's budget recommendations for this account.
- Elimination of the Supplemental Nutritional Program, a small nutritional benefit program for working families which supplements the federal Supplemental Nutrition Assistance Program (SNAP) program. This program currently receives \$800,000 in the FY 2010 budget. The final House proposal also eliminates this account.
- \$88.2 million for Emergency Aid to Elders, the Disabled, and Children (EAEDC), \$4.8 million, or 5.8 percent, above current FY 2010 budget levels. The Senate Ways & Means recommendation for this account is \$3.6 million more than the final House recommendation.

In addition, an Outside Section of the Senate Ways & Means budget proposal allows DTA to amend the state's SNAP Outreach Plan to apply for federal reimbursement for application assistance efforts implemented by community based organizations and similar agencies and channel most of these reimbursements back to such agencies.

## *OTHER HUMAN SERVICES*

The FY 2011 Senate Ways & Means budget recommends \$326 million in funding for Other Human Services, \$1 million above current FY 2010 budget levels.

"Other Human Services" includes numerous departments and services, such as the Department of Youth Services, services for Veterans, the Massachusetts Commission for the Blind, the Massachusetts Rehabilitation Commission, and the Massachusetts Commission for the Deaf and Hard of Hearing.

The FY 2011 Senate Ways & Means budget includes:

- \$144.7 million in funding for the Department of Youth Services, \$3.4 million below current FY 2010 budget levels. The Senate Ways & Means recommendation is \$1.4 million more than the final House proposal and \$1 million more than the Governor's proposal.
- \$4.8 million in funding for home care for the multi-disabled, 6.5 percent below current FY 2010 budget levels. The Senate Ways & Means proposal falls short of the funding needed to maintain the same level of services in FY 2011.
- \$10 million in funding for vocational rehabilitation for the disabled, approximately \$391,000, or 4 percent, below current FY 2010 budget levels. Both the final House and Governor's proposals provide similar funding recommendations for this program. All proposals fall short of the funding needed to maintain the same level of services in FY 2011.
- \$36.9 million in funding for Veterans benefits, \$7 million above current FY 2010 budget levels. This increase reflects the estimated costs for maintaining benefits in FY 2011 and increases in caseload.
- \$19.4 million in funding for the Soldier's Home in Holyoke, \$500,000 below current FY 2010 budget levels. The Senate Ways & Means recommendation matches the Governor's recommendation and is approximately \$505,000 above the final House proposal.

The FY 2011 Senate Ways & Means budget proposal, like the final House proposal, does not adopt the Governor's recommendations to consolidate the following:

- Annuities to Qualified Disabled Veterans and Gold Star Parents and Spouses into the Veterans' Benefits line item.
- Line items pertaining to Veterans shelters and Veterans outreach centers into a dedicated line item.
- Community Services for the Blind, transition into adult services, and Vocation Rehabilitation for the Blind into the Massachusetts Commission for the Blind Administration line item.
- Employment assistance for the disabled, independent living for the multi-disabled, transition into adult services, and home care services for the disabled into the Massachusetts Rehabilitation Commission administration line item.

## INFRASTRUCTURE, HOUSING & ECONOMIC DEVELOPMENT

FY 2010 GAA	\$1,625,366,862
FY2010 Current	\$ 1,686,451,826

FY 2011 Senate Ways & Means \$1,537,881,683

**FY 2011 Senate & Ways & Means  
(Adjusted)\* \$1,636,870,515**

<b>Increase (decrease) from FY 2010 GAA</b>	<b>\$11,503,653</b>
<i>Percent Change from FY 2010 GAA</i>	<i>0.7%</i>
<b>Increase (decrease) from FY 2010 Current</b>	<b>\$ (49,581,311)</b>
<i>Percent Change from FY 2010 Current</i>	<i>-2.9%</i>

*\* In cases where Senate Ways & Means has shifted line items between categories, we have made an adjustment to reflect FY 2010 categories in order to provide an apples-to-apples comparison*

The Senate Ways & Means FY 2011 budget proposal provides \$1.64 billion for infrastructure, housing, and economic development programs and services. This is a 2.9 percent, or \$50 million, decrease from FY 2010 current amounts, but is 0.7 percent, or \$11.2 million, greater than the FY 2010 GAA amount.

The Senate Ways & Means proposal makes significant changes in economic development programs by recommending the creation of two new entities: the Massachusetts Marketing Partnership and the Office of Business Development. The SWM budget also provides slightly more funding for housing programs than both the House and Governor's proposals in an effort to help homeless families move into permanent housing and out of shelters including hotels and motels.

This category includes economic development, housing & community development, transportation, and workforce & labor programs.

### ECONOMIC DEVELOPMENT

The Senate Ways & Means FY 2011 budget provides \$22 million for economic development programs, a \$16.7 million, or 43.2 percent, reduction from the FY 2010 current budgeted amounts. The Massachusetts Life Sciences Investment Fund, which is funded through budget surpluses, could receive \$10 million in the course of FY 2011; however, because it is not an appropriation and is contingent on surpluses, there is no funding currently allocated for this fund for FY 2011.

The Senate Ways & Means proposal creates a new Massachusetts Marketing Partnership to coordinate trade, travel, tourism, and entertainment in the Commonwealth. This is funded through three separate line items within the Executive Office of Housing & Economic Development. The first consolidates funding for the Massachusetts International Trade Council into a new line item for the Massachusetts International Trade Office. It shifts these accounts from the Executive Office of Labor & Workforce Development to the Executive

Office of Housing & Economic Development and reduces funding from \$125,000 (FY 2010 current amounts) to \$100,000.

The second account in the Marketing Partnership consolidates the Massachusetts Office of Travel & Tourism and the Sports & Entertainment Commission into a new line item for the Office of Travel & Tourism. Funding for these accounts is reduced by 67 percent, or \$4.4 million to \$2.2 million. The Senate Ways & Means committee has called for the Massachusetts Convention Center Authority to contribute an additional \$5 million for the Office of Travel & Tourism; however, because this would not be state funding, *MassBudget* has not included it in the sum of funding for this account. These accounts are also shifted from the Executive Office of Labor & Workforce Development to the Executive Office of Housing & Economic Development.

The third account within the Marketing Partnership is for the Massachusetts Cultural Council. However, funding for this Council does not appear in *MassBudget* totals for economic development programs because *MassBudget* had not previously defined the Cultural Council as primarily and economic development expense and had categorized it as an administrative line item. The Council is currently an independent entity with funding totaling \$9.7 million. The Senate Ways & Means committee proposes to shift this account into the Executive Office of Housing & Economic Development as well, with funding reduced to \$6.2 million. The committee has also called for outside funding for this account – an additional \$3 million from the Massachusetts Development Finance Authority. Again, because this would not be a state appropriation, *MassBudget* does not include this in the sum of funding for this account.

The Senate Ways & Means FY 2011 budget also creates a new Office of Business Development to centralize business development services. This would consolidate the line item for the Department of Business & Technology (currently in the Executive Office of Labor and Workforce Development, totaling \$392,900) and off-budget spending for small business assistance grants into a new line item for the Office of Business Development in the Executive Office of Housing & Economic Development. The Senate Ways & Means committee proposes \$1.8 million in funding for this new line item. It also seeks a commitment of \$700,000 from the Massachusetts Development Finance Authority for the small business grants, which are also not included in *MassBudget* totals.

Other noteworthy elements of the Senate Ways & Means economic development proposal include:

- Funding for the state's 12 regional economic development corporations, councils and partnerships is restored, totaling \$800,000. This funding had been eliminated through the Governor's 9C cuts. The Governor and House proposals had not restored any of this funding.
- Funding for District Local Technical Assistance Fund is eliminated. It had been funded at \$2 million in FY 2010.
- Level funding for Individual Training Grants (\$750,000) compared to FY 2010 current budgeted amounts and the FY 2010 GAA.
- Funding for the Commonwealth Zoological Corporation is reduced by 43 percent, or \$1.5 million, to \$2 million, as compared to FY 2010 current budgeted amounts.

- Funding for Local Tourist Councils is increased by \$2.3 million to \$4.5 million, or 100 percent, from FY 2010 current amounts.
- The State Office of Minority and Women Business Assistance is merged into a new line item for the Supplier Diversity Office, with funding reduced by \$63,700, or 9 percent.

#### *TRANSPORTATION*

The Senate Ways & Means FY 2011 budget proposes \$1.24 billion for transportation funding, representing a 1.5 percent increase from FY 2010 current amounts. This includes \$200 million for the newly formed Massachusetts Transportation Trust Fund (MTTF), \$160 million for the Massachusetts Bay Transportation Authority (MBTA), \$15 million for Regional Transit Authorities (RTA), and \$767.1 million in tax revenues set aside for the MBTA.

The 1.5 percent increase is due to an increase in funding for transportation programs and services, which were funded by individual line items in FY 2010 but are consolidated under the new Massachusetts Department of Transportation (MassDOT) in FY 2011. In the FY 2010 GAA, state transportation funding consisted of \$275 million from the Commonwealth Transportation Fund, in addition to \$194.7 million in individual line items for various transportation agencies and programs. These line items were cut by \$13.6 million, or 6 percent, through the Governor's 9C reductions. The current funding amount for these line item appropriations is now at \$182 million. In the Senate Ways & Means proposal for FY 2011, funding for these transportation line items is increased to \$200 million (the amount allocated for the MTTF). The MTTF funds would be administered through MassDOT, which would then distribute funding to the various programs and agencies. It is important to note, however, that \$17.2 million of this increase will be for fringe and other indirect costs that the transportation department had previously not been responsible for, but will be assessed on MassDOT. Thus, the remaining amount for former transportation line items (\$182 million) is level with FY 2010 current amounts and would essentially maintain the Governor's 9C reductions.

As previously mentioned, the Commonwealth Transportation Fund totaled \$275 million in FY 2010. In the FY 2011 Senate Ways & Means proposal, \$160 million and \$15 million of this amount would be allocated to the MBTA and RTAs respectively. The remaining \$100 million of the Commonwealth Transportation Fund was contract assistance payments to the Massachusetts Turnpike Authority in FY 2010. The Senate Ways & Means committee proposal shifts this \$100 million to a different line item administered by the Department of Administration and Finance. However, this *Budget Monitor* counts the \$100 million for the Turnpike Authority within the overall funding for transportation. This is reflected as an adjustment to the MTTF and is incorporated in the House Final Budget Adjusted number for this section.

#### *WORKFORCE & LABOR*

The Senate Ways & Means FY 2011 budget proposal provides \$45 million for workforce and labor programs, a 22 percent (\$12.7 million) reduction from FY 2010 current amounts, but a 12.2 percent (\$5 million) increase from FY 2010 GAA.

The Senate Ways & Means FY 2011 budget provides \$15 million for the Workforce Training Fund, a \$5 million increase from the FY 2010 GAA. It had also received additional funding in the middle of FY 2010 that increased the funding level to \$21 million. Each year, funds remaining at the end of the year are made available for use in the following year to fund ongoing obligations, such as multi-year contracts that are approved in one year but are paid out over two or three years. In the Senate Ways & Means proposal, the Workforce Training Fund is reduced by 29 percent, or \$6.1 million, compared to the FY 2010 current amount, at \$21 million. The recent supplemental funding budget included an additional \$9.5 million for the Workforce Training Fund. The Senate Ways and Means committee expects that, as in previous years, funds from FY 2010 will be made available for use in FY 2011, which would mean that the total funding for the Workforce Training Fund will be higher than the current appropriation. This fund is also set to expire at the end of calendar year 2010.

One-Stop Career Centers had been funded at nearly \$5 million in the FY 2010 GAA but had been reduced to \$3 million after the Governor's 9C cuts. The Senate Ways & Means proposal restores funding for One Stop Career Centers by providing \$5.5 million, which is \$2.5 million (or 84 percent) greater than FY 2010 current budgeted amounts.

#### *HOUSING & COMMUNITY DEVELOPMENT*

The Senate Ways & Means Committee (SWM) budget recommends spending \$279.0 million on housing programs for FY 2011. This level is \$30.6 million more than the FY 2010 GAA but is \$36.4 million below the current budget for FY 2010. The SWM budget is also \$8.7 million higher than the Governor's budget proposal and \$2.5 million higher than the House's final budget. In inflation-adjusted dollars, funding for housing programs has fallen \$36.8 million or 11.6 percent since FY 2001.

The SWM budget is larger than the proposals offered by the Governor and passed by the House, because it increases funding to programs that provide housing assistance to help homeless families move into permanent housing.

The recent economic crisis has greatly increased the need among low-income homeless families for shelter and services.<sup>2</sup> The FY 2010 budget moved homelessness assistance programs from the Department of Transitional Assistance (DTA) to the Department of Housing and Community Development (DHCD) in an effort to provide homeless families and individuals with access to affordable housing and to reduce the need for shelters and services.

The SWM FY 2011 budget recommends \$117 million for the Emergency Assistance program which provides shelter and services to homeless families living at or below 115 percent of poverty.<sup>3</sup> The SWM FY 2011 proposal, while \$25.4 million higher than the FY 2010 GAA is \$34.7 million less than the current budget for EA. During the course of FY 2010, as the need for family shelter increased, the legislature provided \$60.1 million in supplemental funding to meet this demand. The SWM budget recommendation is \$4.1 million more than the

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<sup>2</sup> DHCD information on homeless individual and homeless family caseloads is available [here](#).

<sup>3</sup> A family of 4 living at 115 percent of poverty earns \$25,197 per year. Census data on the federal poverty thresholds is available at: <http://www.census.gov/hhes/www/poverty/threshld/thresh08.html>

Governor's. While the SWM budget is \$3.5 million higher than the House proposal, it includes a program within the EA account that the House funds in a separate line item. The SWM proposal requires that \$3.5 million within the EA account be directed to helping families find housing in order to reduce their reliance on shelters including hotels and motels. In contrast, the House budget included a new \$4 million line item on flexible housing that would serve the same purpose as the Senate's \$3.5 million earmark. In its line item the SWM budget recommends that DHCD have 45 days, rather than 90 in both the House proposal and the current budget, to notify the Legislature of any proposed changes to eligibility or regulations for EA. Finally, in Outside Sections 13 and 14, the SWM budget proposes moving language that has traditionally been included in the line item into the General Laws. This language includes requiring that DHCD :

- Provide up to 30 days of shelter while families gather the information they need to prove their eligibility.
- Work to ensure that children moving to shelters can continue attending the schools in the communities where they had lived.
- Provide EA services only to U.S. citizens and to immigrants who are legally residing in the United States.

The Senate Ways & Means FY 2011 budget recommends providing the same level of funding in FY 2011 for other homelessness services as they received in the current FY 2010 budget including:

- \$36.3 million for assistance to homeless individuals, which is level funding. While the SWM committee recommends \$37.3 million for this program, its proposal transfers \$1 million health care services previously provided to homeless individuals through a public hospitals account to this account. To allow for meaningful comparisons between years, this *Monitor* adjusts total spending for this account and keeps the \$1 million within the Public Health subcategory within the Health Care. The Governor also recommended transferring \$1 million while the House recommended a \$1.3 million transfer.
- \$1.2 million for the Home and Healthy for Good program which is level funding.
- \$5 million for the account that funds the administrators, including social workers, for homelessness programs. While this level is \$269,000 above the current FY 2010 budget, it is \$269,000 less than the Governor's recommendation and \$208,000 less than the House level.

In its budget the Senate Ways & Means Committee recommends increases, over the current FY 2010 budget, for several housing programs that can help homeless families find additional housing including:

- \$2 million in additional funding for subsidies to public housing authorities for a total of \$64.5 million. New language in the SWM budget requires that \$2 million be spent on rehabilitating family units that have been vacant for more than 60 days because of repair needs. The SWM budget is \$2 million larger than both the House and Governor's FY 2011 proposals.
- \$2.3 million more for the Massachusetts Rental Voucher Program (MRVP) for a total of \$35.2 million. The SWM proposal is \$5.2 million over the FY 2010 GAA as well as \$2.5 million more than the FY 2011 amount proposed by the House and the Governor. Outside Section 116 of the SWM budget also directs MassHousing to contribute \$2.7 million to MRVP which is the same amount that the Governor

proposed in his budget and is \$200,000 more than MassHousing contributed in FY 2010. (The FY 2011 House budget did not include a contribution from this quasi-public agency in its proposal.) While *MassBudget* does not include this funding in its total for housing programs, MassHousing's contribution combined with the Senate's recommendation of \$35.2 million will allow the state to continue funding existing vouchers to low-income renters.

- \$840,000 in additional funding for Residential Assistance for Families in Transition (RAFT) for a total of \$1 million. While this amount is larger than the current FY 2010 budget (\$840,000 greater), the House budget (\$740,000 greater) and the Governor's (\$940,000 greater) it is \$2.1 million below the FY 2010 GAA after the Governor transferred most of the RAFT funding to MRVP when he made 9C cuts in October 2009. The state is using the Homelessness Prevention and Rapid Rehousing funding, included in the federal American Recovery and Reinvestment Act, for FY 2010 and a portion of FY 2011, to provide short-term assistance to homeless families and to families at risk of becoming homeless. Once the federal assistance is spent by February 2011, the state will have to reassess its funding level for RAFT.

The SWM budget recommends the same level of funding as the current FY 2010 budget for certain programs including:

- \$4 million for rental vouchers for people with disabilities.
- \$3.5 million in vouchers for Department of Mental Health clients.
- \$1.5 million in funding for centers that provide housing information to consumers.

Finally, while the SWM committee does not provide funding for the Soft Second Loan program in the budget, it does require in Outside Section 116 that the Massachusetts Housing Partnership (MHP) provide \$2 million to this program. This is the same level as the FY 2010 GAA. (As with the MassHousing contribution to MRVP above, *MassBudget* does not include MHP's contribution in its total for housing programs.)

## LAW & PUBLIC SAFETY

FY 2010 GAA	\$2,141,956,951
FY2010 Current	\$ 2,408,265,080

FY 2011 Senate Ways & Means \$2,259,602,566

**FY 2011 Senate & Ways & Means  
(Adjusted)\*** **\$2,296,226,452**

<b>Increase (decrease) from FY 2010 GAA</b>	<b>\$154,269,501</b>
<i>Percent Change from FY 2010 GAA</i>	<i>7.2%</i>
<b>Increase (decrease) from FY 2010 Current</b>	<b>\$ (112,038,628)</b>
<i>Percent Change from FY 2010 Current</i>	<i>-4.7%</i>

*\* In cases where Senate Ways & Means has shifted line items between categories, we have made an adjustment to reflect FY 2010 categories in order to provide an apples-to-apples comparison*

The Senate Ways & Means Fiscal Year 2011 budget provides \$2.30 billion for line items included in the *MassBudget* category of Law & Public Safety. This represents a \$77.3 million reduction, or a decline of 3.3 percent, relative to current FY 2010 appropriations. The SWM budget provides almost \$1 million more than the House budget and \$2.9 million less than the Governor’s recommendation.

Significant elements of the SWM FY 2011 budget include increased funding for public defenders in order to reduce state payments to private lawyers for their work on behalf of indigent defendants, a 2.8 percent reduction in funding for the Department of Corrections Facility Operations, and continuation of the changes that will bring state funding for all county sheriff’s departments “on budget.”

The Law & Public Safety category includes funding for an array of departments and programs, including courts, public defenders and other legal assistance for indigent persons, district attorneys, the Attorney General, the Department of Public Safety, law enforcement, prisons, probation, parole, and the state’s military division.

### COURTS & LEGAL ASSISTANCE

The SWM budget provides \$598.6 million for courts and legal assistance. This is \$11.8 million (or 1.9 percent) less than appropriated in the current FY 2010 budget. A supplemental spending bill, however, has increased funding for private counsel compensation in FY 2010 by \$25 million. This additional FY 2010 funding means that the SWM FY 2011 budget actually provides \$36.8 million (or 6.0 percent) less than the total now appropriated in FY 2010. Significant elements of the SWM budget include:

- The SWM budget makes cuts to most of the state courts. These cuts generally range from 3 percent to 5 percent from current FY 2010 funding levels and include cuts to the District Courts, Land Court, Housing Court, Boston Municipal Courts, and Probate and Family Court.

- The SWM budget increases funding for public defenders (by \$5.6 million, or 19.5 percent) in combination with a decrease in funding to pay private counsel (by \$7.9 million, or 6.3 percent). The documents accompanying the SWM budget state that the additional dollars will allow the Commonwealth to hire 105 public defenders, reducing the need to pay private counselors to represent indigent defendants in criminal and civil cases, thereby saving the state \$1.8 million.
- Taking into account the newly authorized, supplemental FY 2010 spending of \$25 million for private counsel compensation (as mentioned above), the SWM budget appropriation for this line-item represents a reduction of \$32.9 million, or 21.9 percent relative to these adjusted FY 2010 funding levels.
- The SWM budget, like that of the House, does not follow the Governor's recommendation to consolidate funding for district courts into a single line-item. Instead, the SWM budget continues to provide funds directly to the district courts through individual line-item appropriations.
- Unlike either the House budget or the Governor's recommendations, the SWM budget continues to provide authority to the Chief Justice for the Trial Courts to expend \$53 million in retained revenues in FY 2011. Both the House and Governor eliminated this authority in their budgets. While the House reallocated \$39.1 million of this funding directly to individual trial court line-items, the Governor's proposal consolidates most trial court funding into the single line-item for the Office of the Chief Justice for Administration and Management. While each of the three budgets allocates resources differently, total proposed FY 2011 funding for departments and programs related to the courts and legal assistance varies less by than 2 percent among the House, Governor, and SWM budgets.

#### LAW ENFORCEMENT

The SWM FY 2011 budget provides \$322.1 million for departments and programs within the *MassBudget* category of Law Enforcement. This represents a \$3.5 million (or 1.1 percent) reduction from current FY 2010 funding levels.

- Like the House and Governor's budgets, the SWM budget provides only \$5 million for the Quinn Bill, a program that provides salary enhancements to police officers who acquire advanced degrees. This is a \$5 million reduction from the \$10 million appropriated in the current FY2 010 budget.
- The SWM budget provides \$4 million for gang violence prevention grants (Shannon Grants). This is a \$500,000 (or 11.1 percent) reduction from current FY 2010 appropriations, and \$2.5 million less than proposed in the House budget.
- Additional funds have been provided by SWM for some line items within the *MassBudget* subcategory of Law Enforcement, including \$489,000 (or 23.1 percent) more for the Criminal History Systems Board, and \$190,000 (or 8.3 percent) more for the Municipal Police Training Committee.

## *PRISONS, PROBATION & PAROLE*

The SWM FY 2011 budget provides \$1.2 billion for prisons, probations, and parole. This represents a reduction of \$41.1 million, or 3.3 percent, relative to current FY 2010 funding levels, though the SWM budget provides about \$12 million more than either the House or Governor's budgets.

- As with both the House and Governor's budgets, the SWM FY 2011 budget continues changes begun in FY 2010 to bring "on budget" the state funding for seven county sheriff's departments which previously had taken place "off budget" (the other seven county sheriff's departments have been funded "on-budget" for many years). Proposed appropriations in the SWM FY 2011 budget for each of the 14 county sheriff departments appear identical to the amounts proposed by both the House and the Governor.
- Unlike the House or Governor's budgets, SWM funds a reserve account from which \$10 million may be distributed in FY 2011 to any of the 14 county sheriff's departments as additional operating expenses arise. Under the SWM budget proposal, the Executive Office of Administration and Finance would be charged with determining need and allocating these resources.
- The SWM FY 2011 budget provides \$500.2 million, or \$14.4 million less for Department of Corrections Facility Operations than the current FY 2010 budget, a reduction of 2.8 percent. At the same time, the SWM budget provides \$3.4 million in additional, new funding to the Department of Corrections for substance abuse treatment, prevention, and testing services, offsetting some of the \$14.4 million loss. Another \$6.6 million is made newly available in the SWM budget for substance abuse programs within the probation and community corrections departments. Proceeds from the recent extension of the sales tax to include alcoholic beverages will provide the revenues for this additional funding.

## *PROSECUTORS*

Relative to current FY 2010 appropriations, the SWM FY 2011 budget makes small reductions in funding for many of the line-items pertaining to prosecutors. In total, the SWM budget would provide \$130.9 million, or \$1.7 million (1.3 percent) less than current FY 2010 funding levels. Some of the more notable reductions include:

- A \$790,000 (50 percent) reduction in funding for the District Attorney's Association.
- A \$100,000 (52 percent) reduction in funding for the Witness Protection Board.
- A \$55,000 (10 percent) drop in funding for the Victim and Witness Assistance Board.
- The Office of the Attorney General Administration will receive \$22.7 million in FY 2011, a loss of \$747,000 or 3.2 percent compared to current FY 2010 funding.

An additional \$348,000 (or 10 percent more) is proposed for the Medicaid Fraud Control Unit.

## *OTHER LAW & PUBLIC SAFETY*

The SWM budget provides \$46.6 million for departments and programs within this *MassBudget* category. Not including \$21 million in one-time, federal Recovery Act dollars made available to the Executive Office of

Public Safety and Security in FY 2010 (which raised total FY 2010 appropriations in this category to \$65.8 million), the SWM budget provides somewhat more (\$1.8 million or 4.0 percent) state-level funding than appropriated in FY 2010.

- SMW FY 2011 makes substantial cuts to the Department of Public Safety (a reduction of \$517,000, or 27.2 percent, compared to current FY 2010 funding), and the Division of Inspectors (a reduction of \$869,000, or 19.7 percent, compared to current FY 2010 funding).
- Cuts also are made to the Military Division (\$564,000, or 6.8 percent less) and the Massachusetts Emergency Management Agency (\$182,000, or 12.6 percent less).
- The SWM budget increases retained revenue funding for Elevator Inspections by \$1.5 million (or 58.5 percent), and increases funding for the Department of Fire Services by \$2.4 million (or 16.7 percent).

## LOCAL AID

FY 2010 GAA	\$964,825,140
FY2010 Current	\$964,886,803

FY 2011 Senate Ways & Means	\$927,212,293
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<b>FY 2011 Senate &amp; Ways &amp; Means (Adjusted)*</b>	<b>\$927,212,293</b>
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<b>Increase (decrease) from FY 2010 GAA</b>	<b>\$(37,612,847)</b>
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<i>Percent Change from FY 2010 GAA</i>	<i>-3.9%</i>
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<b>Increase (decrease) from FY 2010 Current</b>	<b>\$(37,674,510)</b>
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<i>Percent Change from FY 2010 Current</i>	<i>-3.9%</i>
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*\* In cases where Senate Ways & Means has shifted line items between categories, we have made an adjustment to reflect FY 2010 categories in order to provide an apples-to-apples comparison*

The Senate Ways & Means FY 2011 budget provides \$927.2 million in local aid to cities and towns, a reduction of \$37.7 million, or 4 percent, from FY 2010 current amounts. This category includes the unrestricted aid provided to cities and towns to fund their municipal budgets, not including Chapter 70 and other local education aid. The primary cut occurs through a 4 percent, or \$37 million, cut in the unrestricted aid to municipalities, which totals \$899 million in the Senate Ways & Means proposal. Since FY 2001, total funding for local aid has decreased significantly by 42 percent, or \$679 million (after adjusting for inflation).

In FY 2010, the two major categories of Local Aid, lottery aid (the revenue generated by the state lottery that is distributed to cities and towns) and additional assistance, were combined into a new category called Unrestricted Government Aid. This consolidation continues for FY 2011 in both the Governor's and House budget proposals.

## OTHER

FY 2010 GAA	\$4,029,673,779
FY2010 Current	\$ 3,985,238,753

FY 2011 Senate Ways & Means \$4,046,352,917

**FY 2011 Senate & Ways & Means  
(Adjusted)\* \$3,946,227,917**

<b>Increase (decrease) from FY 2010 GAA</b>	<b>\$(83,445,862)</b>
<i>Percent Change from FY 2010 GAA</i>	<i>-2.1%</i>
<b>Increase (decrease) from FY 2010 Current</b>	<b>\$(39,010,836)</b>
<i>Percent Change from FY 2010 Current</i>	<i>-1.0%</i>

*\* In cases where Senate Ways & Means has shifted line items between categories, we have made an adjustment to reflect FY 2010 categories in order to provide an apples-to-apples comparison*

## DEBT SERVICE

The SWM budget follows the proposal shared by both the Governor and the House to reduce FY 2011 debt service costs by \$300 million. The SWM budget relies on refinancing a portion of the state's debt, reducing FY 2011 debt service costs from \$2.16 billion to \$1.86 billion. While this approach achieves a reduction in FY 2011 debt service obligations, this plan would shift these repayment costs into future years.

As the Governor's budget documents explain, the refinancing plan is comprised of two separate transactions. The first transaction would refinance \$200 million of FY 2011 debt, helping to smooth a one-time spike in debt service costs occurring in FY 2011, spreading that \$200 million cost across the next seven years when the state's anticipated debt service obligations will be significantly lower. This transaction would bring FY 2011 debt service costs down to the level required in FY 2010.

The second transaction would refinance an additional \$100 million of FY 2011 debt should the state's October revenue estimates suggest that further budgetary relief will be required. This second transaction would drop FY 2011 debt service costs to \$1.86 billion, or well below FY 2010 levels. Again, these costs would be shifted into future years. The Governor's, House, and SWM budgets all assume that both transactions will occur, and that total debt service for FY 2011 will be \$1.86 billion.

## LIBRARIES

The FY 2011 SWM budget recommends spending \$21.1 million on libraries, which is \$3.8 million less than the FY 2010 GAA and \$3.5 million less than the current FY 2010 budget. In inflation-adjusted dollars, funding for libraries has fallen \$22.4 million, or 51.4 percent, since FY 2001.

The SWM budget is identical to the Governor's proposal and \$24,000 less than the House final budget for FY 2011. The SWM budget provides level funding for local aid to public libraries of \$6.8 million, but requires that local aid to regional libraries be cut by \$3.5 million from the current budget to \$8.8 million. This funding will require the consolidation of six regional library systems. The House requires that the account fund at least two regional systems, one serving eastern Massachusetts and the other serving the western part of the state. The SWM budget does not include a similar requirement in its line item account.

#### *PENSIONS*

The SWM FY 2011 budget appropriates \$1.442 billion to the Pension Reserves Investment Trust Fund. This is the same amount as the House and Governor have recommended, and is \$65.2 million (or 4.7 percent) more than the current FY 2010 appropriation. This annual appropriation is in accordance with the 1988 state law that requires the Commonwealth to set aside money in the present in order to fund the future pension costs of public employees.

For many years prior to 1988, the Commonwealth failed to fund adequately future public employee pension costs, ultimately accruing a significant unfunded liability estimated by the Public Employee Retirement Administration Commission at \$22.1 billion as of January 2009 (the most recent valuation).<sup>4</sup> Current law requires the Commonwealth to reduce this liability to zero by no later than June 30, 2028 (though the state has been budgeting such that this obligation will be zeroed out by June 30, 2025).<sup>5</sup> In order to achieve this goal, every three years the Secretary of Administration and Finance produces a schedule of contributions the state will need to make annually in order to fund these future liabilities. The figure of \$1.442 billion is the amount stipulated for FY 2011 under the most recent set of estimates (February 2009) produced by the Secretary of Administration and Finance.

These estimates, however, were produced using the state's unfunded liability valuation as of January 2008 (\$12.1 billion),<sup>6</sup> not the more recent January 2009 estimate (\$22.1 billion). The deep recession of the last several years has resulted in a steep decline in the value of the state's pension investments, thus markedly increasing the state's unfunded liability. The annual contributions that now would be required to close a gap much larger than \$12.1 billion (while still meeting the June 30, 2025 goal) would be significantly higher than those produced by the Secretary of Administration and Finance in February, 2009. Discussions of how to respond to this dramatic change in the state's unfunded pension obligations are ongoing and include extending the period for zeroing out the liability beyond the statutorily required 2028 date.

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<sup>4</sup> Massachusetts Official Statement, Bond Prospectus, March 2010:

[http://www.mass.gov/Ctre/docs/debt/bondarchive/GOOS08\\_09/2010OS/Series2010ASIFMA.pdf](http://www.mass.gov/Ctre/docs/debt/bondarchive/GOOS08_09/2010OS/Series2010ASIFMA.pdf)

<sup>5</sup> Massachusetts Public Employee Retirement Administration Committee, 2009 Report:

<http://www.mass.gov/perac/report/stateofpension2009.pdf>

<sup>6</sup> Massachusetts Official Statement, Bond Prospectus, November 2008:

[http://www.mass.gov/Ctre/docs/debt/bondarchive/GOOS08\\_09/2008%20OS/Series2008ARef.pdf](http://www.mass.gov/Ctre/docs/debt/bondarchive/GOOS08_09/2008%20OS/Series2008ARef.pdf)

While the valuation looks at liabilities as of January 2008, the official Public Employee Retirement Administration Commission (PERAC) report itself is not issued until the following September. Thus, when the FY 2011 contribution amount was determined by ANF in February of 2009, the newer valuation for liabilities (as of January 2009) was not yet available from PERAC.

*OTHER ADMINISTRATIVE*

The SWM budget proposes creating a new \$2 million account for regionalization of municipal and school district services. The account directs the state's Division of Local Services work with the Department of Elementary and Secondary Education to write regulations to determine how this money will be distributed to municipalities.

## REVENUE

### TAX REVENUES

The Senate Ways and Means (SWM) FY 2011 budget proposes no new taxes. It does, however, adopt several of the revenue-enhancing proposals forwarded by the House and the Governor. These include:

- Making administrative improvements to tax collection and child support collection at the Department of Revenue, changes that are expected to raise an additional \$30.5 million in FY 2011.
- Drawing on the \$5 million in savings made available as a result of the administration's earlier decision to place a cap on FY 2011 Life Sciences Credit awards.

### NON-TAX REVENUE

The Senate Ways & Means budget counts on \$2.51 billion<sup>7</sup> in departmental revenues (fees, assessments, etc.) and \$8.96 billion in federal revenue. The SWM budget also counts on \$1.89 billion in transfers from other funds, such as funding from the state lottery and from payments to states from a settlement with tobacco companies.

In departmental revenues, like the Governor's and House budgets, SWM counts on \$15 million from expanded efforts to recover funds from fraud and abuse efforts. As part of this effort, agencies charged with providing oversight and auditing functions – including units within the State Auditor's and Attorney General's offices – receive additional funding in FY 2011 under the SWM budget (and under the House and Governor's budgets as well).

The SWM budget (like the House and Governor's budget) increases an assessment on managed care organizations (\$18.3 million). The SWM budget does not expand the bottle bill, but does count on approximately \$12 million from the expanded sales or use of state property.

For federal revenues, the SWM budget – like the Governor's budget – counts on more than \$1.6 billion in anticipated increased federal revenue. The bulk of this anticipated increased federal revenue is from the American Recovery and Reinvestment Act (ARRA) and from pending federal legislation that could extend Recovery Act funding. The anticipated increased federal revenue includes:

- \$687.8 million in enhanced federal reimbursement for the Medicaid program during the first half of the fiscal year. In general, the federal government reimburses Massachusetts for 50 percent of Medicaid spending. The Recovery Act increased that reimbursement rate to approximately 62 percent through December 2010.

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<sup>7</sup> This total excludes \$256.4 million in departmental revenues that are assessments paid by municipalities to cover the costs of their employees' health care costs within the state's Group Insurance Commission. This *Budget Monitor* does not include the municipal health insurance costs in the totals for the Group Insurance Commission within the state employee health insurance sub-category, so the revenues associated with those costs are not included in the departmental revenue totals either.

- \$687.8 million in enhanced federal reimbursement for the Medicaid program for the period January 2011 through June 2011. The Recovery Act's enhanced Medicaid reimbursement rate expires December 2010, but there is pending federal legislation that could extend this reimbursement enhancement through the end of the state fiscal year.
- \$96 million in Recovery Act education funds. In addition to enhanced Medicaid reimbursement, the Recovery Act provided billions of dollars to states for "state fiscal stabilization," largely to target education spending. The SWM budget counts on the remainder of these funds, \$96 million. Massachusetts has already spent \$892.2 million of these funds.
- \$25.5 million in Recovery Act funds for transitional assistance for needy families (TANF) and adoption and foster care assistance.
- \$160 million in additional federal funds, assuming that the federal government will reimburse the state for health care costs for certain recipients of Social Security Disability Insurance (SSDI), who had been paid for by the Massachusetts Medicaid program over the years, rather than the federal Medicare program. The Governor's and House budget proposals also included this estimate, but it is not certain that this reimbursement will be forthcoming.

Like the House, the SWM budget does not count on withdrawing money from the Commonwealth Stabilization Fund (the "Rainy Day Fund"). The Governor had proposed at first a \$175 million withdrawal, which he then reduced to \$146 million. The SWM budget - like the House - does, however, count on funds "swept" from unused trust funds. SWM estimates \$56.8 million from unused trust dollars, the House estimates \$52.8 million, and the Governor's budget proposal captured \$35 million from unused trusts.

## **APPENDIX A: What are the “adjustments” made to the Senate Ways & Means budget proposal?**

In order to allow for accurate comparisons of FY 2011 budget proposals to FY 2010 budget totals, *MassBudget* “adjusts” budget totals when the FY 2011 proposal recommends departmental reorganizations. These adjustments allow the user to differentiate between changes in funding due to proposed cuts or expansions in funding, rather than due to organizational shifts.

Specifically, in this *Budget Monitor*, the FY 2011 totals reflect the following adjustments:

### *HIGHER EDUCATION*

7100-0200: University of Massachusetts. The FY 2011 Governor’s and House budgets fund the Toxics Use Reduction Institute in an account at the Department of Environmental Protection (2210-0105). In FY 2010, the Toxics Use Reduction Institute had been funded within the University of Massachusetts (7100-0200). In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total for the Governor’s budget and the House budget adds \$1.7 million in funding for the institute back into the University of Massachusetts, and removes it from the environmental protection account.

### *ENVIRONMENTAL ADMINISTRATION*

2001-1001: Environmental Affairs Data Processing Service Fee Retained Revenue. The FY 2011 SWM budget funds environmental data processing within centralized data processing in the Information Technology Division (1750-0151). In FY 2010, this had been funded within an account at the Office of Energy and Environmental Affairs (2001-1001). In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total for the SWM budget adds \$55,000 in funding back into environmental administration, and removes it from centralized information technology.

2210-0105: Toxics Use Retained Revenue. The FY 2011 Governor’s and House budgets fund the Toxics Use Reduction Institute in an account at the Department of Environmental Protection (2210-0105). In FY 2010, the Toxics Use Reduction Institute had been funded within the University of Massachusetts (7100-0200). In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total for the Governor’s budget and the House budget adds \$1.7 million in funding for the institute back into the University of Massachusetts, and removes it from the environmental protection account.

### *ENVIRONMENTAL PROTECTION*

2000-1700: Energy and Environment Information Technology Costs. The FY 2011 SWM budget funds environmental data processing within centralized data processing in the Information Technology Division (1750-0150). In FY 2010, this had been funded within an account at the Office of Energy and Environmental Affairs (2001-1700). In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total for the SWM budget adds \$70,000 in funding back into environmental administration, and removes it from centralized information technology.

2210-0105: Toxics Use Retained Revenue. The FY 2011 Governor's and House budgets fund the Toxics Use Reduction Institute in an account at the Department of Environmental Protection (2210-0105). In FY 2010, the Toxics Use Reduction Institute had been funded within the University of Massachusetts (7100-0200). In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total for the Governor's budget and the House budget adds \$1.7 million in funding for the institute back into the University of Massachusetts, and removes it from the environmental protection account.

#### *PUBLIC HEALTH*

4590-0915: Public Health Hospitals. The FY 2011 budgets fund a program for homeless individuals at the Lemuel Shattuck Hospital in the Homeless Individuals Assistance account (7004-0102) within the Department of Housing and Community Development. In FY 2010, this program had been funded with the Public Health Hospitals account (4590-0915) within the Department of Public Health. In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total adds funding (\$1 million in the Governor's and SWM budgets, and \$1.4 million in the House budget) for this program back into the public health hospital account, and removes it from the homeless individuals assistance account.

#### *STATE EMPLOYEE HEALTH BENEFITS*

1108-5200: Group Insurance Premiums and Plan Costs. The FY 2011 budget includes funding in the Group Insurance Premiums account for county sheriff, MBTA and Massachusetts Turnpike Authority employees. In FY 2010 budget, these health insurance costs were included elsewhere in the budget or were paid for by authorities that are off-budget. In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total subtracts from the Group Insurance total the costs of the county sheriff employees (\$27 million in the Governor's budget, and \$36.6 million in the House and SWM budgets), and adds this amount to County Correctional Programs (8900-0000). The FY 2011 adjusted totals also subtracts the costs of health insurance for MBTA and Turnpike Authority employees from the Group Insurance total (\$93.3 million in the Governor's budget and \$31.7 million in the House and SWM budgets). (This amount is not added back elsewhere into the budget, since in FY 2010, these costs were carried "off-budget" by the authorities. This particular adjustment reduces the appropriations total in the Governor's budget proposal by \$93.3 million and the House and SWM budgets by \$31.7 million.)

#### *HOUSING AND COMMUNITY DEVELOPMENT*

7004-0102: Homeless Individuals Assistance. The FY 2011 budgets fund a program for homeless individuals at the Lemuel Shattuck Hospital in the Homeless Individuals Assistance account (7004-0102) within the Department of Housing and Community Development. In FY 2010, this program had been funded with the Public Health Hospitals account (4590-0915) within the Department of Public Health. In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total adds funding (\$1 million in the Governor's and SWM budgets, and \$1.4 million in the House budget) for this program back into the public health hospital account, and removes it from the homeless individuals assistance account.

#### *TRANSPORTATION*

1595-6368: Massachusetts Transportation Trust. The FY 2011 budgets funds a portion of the costs of Massachusetts Turnpike Authority debt in the Massachusetts Turnpike Authority Contract Assistance debt

service account (1599-1970). In FY 2010, these costs had been funded within the Massachusetts Transportation Trust. In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total adds \$100 million back into the Transportation Trust, and removes it from the debt service account.

#### *PRISONS, PROBATION AND PAROLE*

8910-0000: County Correctional Programs. The FY 2011 budget includes funding in the Group Insurance Premiums account (1108-5200) for county sheriff employees. In the FY 2010 budget, these health insurance costs were included in the County Correctional Programs account (8910-0000). In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total adds this funding (\$27 million in the Governor's budget, and \$36.6 million in the House and SWM budgets) back into the County Correctional Programs, and removes it from the Group Insurance account.

#### *DEBT SERVICE*

1599-1970: Massachusetts Turnpike Authority Contract Assistance. The FY 2011 budgets fund a portion of the costs of Massachusetts Turnpike Authority debt in the Massachusetts Turnpike Authority Contract Assistance debt service account (1599-1970). In FY 2010, these costs had been funded within the Massachusetts Transportation Trust. In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total adds \$100 million back into the Transportation Trust, and removes it from the debt service account.

#### *OTHER*

1790-0150: Geographic and Environmental Information. The FY 2011 SWM budget funds environmental data processing within centralized data processing in the Information Technology Division (1750-0150). In FY 2010, this had been funded within an account at the Office of Energy and Environmental Affairs (2000-1700). In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total for the SWM budget adds \$70,000 in funding back into environmental administration, and removes it from centralized information technology.

1790-0251: Data Processing Service Fee Retained Revenue. The FY 2011 SWM budget funds environmental data processing within centralized data processing in the Information Technology Division (1750-0151). In FY 2010, this had been funded within an account at the Office of Energy and Environmental Affairs (2001-1001). In order to allow for accurate year-to-year comparisons, the FY 2011 adjusted total for the SWM budget adds \$55,000 in funding back into environmental protection, and removes it from centralized information technology.

**APPENDIX B: BUDGET BY CATEGORY AND SUBCATEGORY**

BUDGET BY CATEGORY SUMMARY  (Numbers in Millions)	FY 2010		FY 2011 <sup>2</sup>				FY 2011 SWM (Adjusted) Compared to		
	GAA	Current <sup>1</sup>	Governor	House	SWM	SWM (Adjusted)	FY 2010	FY 2011	FY 2011
			(Adj.)	(Adj.)			Current	Gov.	House
<b>Budgeted Appropriations</b>	<b>28,820.1</b>	<b>29,377.3</b>	<b>29,914.1</b>	<b>29,601.2</b>	<b>29,928.5</b>	<b>29,659.8</b>	<b>282.5</b>	<b>(254.3)</b>	<b>58.7</b>
<i>Line-Item Appropriations</i>	<i>27,386.2</i>	<i>27,861.4</i>	<i>28,086.4</i>	<i>27,789.1</i>	<i>27,973.3</i>	<i>27,861.1</i>	<i>(0.3)</i>	<i>(225.3)</i>	<i>72.0</i>
<i>Transfers and Adjustments*</i>	<i>1,433.9</i>	<i>1,515.9</i>	<i>1,827.8</i>	<i>1,812.1</i>	<i>1,955.1</i>	<i>1,798.7</i>	<i>282.8</i>	<i>(29.0)</i>	<i>(13.3)</i>
<b>Pre-Budget Transfers</b>	<b>2,873.1</b>	<b>2,828.8</b>	<b>2,983.9</b>	<b>2,958.2</b>	<b>2,958.2</b>	<b>2,958.2</b>	<b>129.4</b>	<b>(25.7)</b>	<b>(0.0)</b>
<b>Total Appropriations and Transfers</b>	<b>31,693.2</b>	<b>32,206.2</b>	<b>32,898.0</b>	<b>32,559.4</b>	<b>32,886.6</b>	<b>32,618.0</b>	<b>411.8</b>	<b>(280.0)</b>	<b>58.6</b>
BUDGET BY CATEGORY DETAIL  (Numbers in Millions)	FY 2010		FY 2011 <sup>2</sup>				FY 2011 SWM (Adjusted) Compared to		
	GAA	Current <sup>1</sup>	Governor	House	SWM	SWM (Adjusted)	FY 2010	FY 2011	FY 2011
			(Adj.)	(Adj.)			Current	Gov.	House
<b>Education</b>	<b>6,711.4</b>	<b>6,651.2</b>	<b>6,732.8</b>	<b>6,467.5</b>	<b>6,507.7</b>	<b>6,527.1</b>	<b>(124.1)</b>	<b>(205.7)</b>	<b>59.6</b>
Chapter 70	4,042.0	4,042.0	4,048.3	3,926.5	3,926.5	3,926.5	(115.6)	(121.9)	0.0
Early Education and Care	537.3	520.8	520.8	517.6	506.7	506.7	(14.1)	(14.1)	(10.8)
Elementary and Secondary Education	447.8	431.6	436.9	434.0	423.3	423.3	(8.2)	(13.5)	(10.7)
Higher Education	1,077.2	1,076.6	1,071.8	945.2	1,006.8	1,026.3	(50.3)	(45.5)	81.1
School Building	607.1	580.1	655.0	644.3	644.3	644.3	64.2	(10.7)	(0.0)
<b>Environment and Recreation</b>	<b>199.7</b>	<b>202.5</b>	<b>185.7</b>	<b>186.0</b>	<b>186.6</b>	<b>186.7</b>	<b>(15.8)</b>	<b>1.0</b>	<b>0.7</b>
Agriculture	16.0	16.1	16.1	16.1	16.1	16.1	(0.0)	0.0	0.0
Environmental Administration	17.5	16.5	20.6	15.2	15.6	15.7	(0.8)	(4.9)	0.5
Environmental Protection	65.8	62.7	59.4	58.5	58.5	58.6	(4.1)	(0.9)	0.1
Fish and Game	17.8	17.4	17.5	17.7	17.5	17.5	0.1	0.0	(0.2)
Parks and Recreation	82.7	89.8	72.2	78.5	78.9	78.9	(11.0)	6.7	0.4
<b>Health Care*</b>	<b>12,658.7</b>	<b>12,978.4</b>	<b>13,775.5</b>	<b>13,759.5</b>	<b>14,072.2</b>	<b>13,748.4</b>	<b>770.0</b>	<b>(27.1)</b>	<b>(11.0)</b>
MassHealth (Medicaid) and Health Reform <sup>3</sup>	10,262.7	10,587.7	11,330.9	11,284.6	11,244.9	11,244.9	657.2	(85.9)	(39.7)
Mental Health	644.1	634.0	621.7	621.6	631.7	631.7	(2.3)	10.0	10.2
Public Health	506.1	506.6	492.3	494.7	500.5	501.5	(5.0)	9.3	6.9
State Employee Health Insurance*	1,245.9	1,250.2	1,330.6	1,358.6	1,695.0	1,370.2	120.1	39.6	11.6
<b>Human Services</b>	<b>3,361.5</b>	<b>3,329.2</b>	<b>3,347.1</b>	<b>3,321.7</b>	<b>3,349.2</b>	<b>3,349.2</b>	<b>20.0</b>	<b>2.1</b>	<b>27.5</b>
Children and Families	783.8	772.7	760.0	744.7	764.8	764.8	(7.8)	4.9	20.2
Developmental Services	1,260.4	1,252.6	1,268.4	1,257.1	1,262.0	1,262.0	9.4	(6.5)	4.8
Elder Services	221.1	219.6	219.5	219.5	225.3	225.3	5.7	5.8	5.8
Transitional Assistance	767.1	759.4	773.4	776.7	771.1	771.1	11.7	(2.3)	(5.7)
Other Human Services <sup>4</sup>	329.2	325.0	325.8	323.6	326.0	326.0	1.0	0.3	2.4
<b>Infrastructure, Housing &amp; Economic Development</b>	<b>1,625.4</b>	<b>1,686.5</b>	<b>1,620.5</b>	<b>1,644.9</b>	<b>1,537.9</b>	<b>1,636.9</b>	<b>(49.6)</b>	<b>16.4</b>	<b>(8.1)</b>
Economic Development	32.3	38.7	20.4	24.3	22.0	22.0	(16.7)	1.7	(2.2)
Housing and Community Development	248.4	315.5	270.4	276.6	280.1	279.0	(36.4)	8.7	2.5
Regulatory Entities	50.6	50.4	48.5	51.3	48.7	48.7	(1.8)	0.2	(2.6)
Transportation	1,254.0	1,224.1	1,242.2	1,242.2	1,142.2	1,242.2	18.1	(0.0)	0.0
Workforce and Labor	40.0	57.7	39.0	50.6	45.0	45.0	(12.7)	5.9	(5.7)
<b>Law and Public Safety</b>	<b>2,142.0</b>	<b>2,408.3</b>	<b>2,299.1</b>	<b>2,295.3</b>	<b>2,259.6</b>	<b>2,296.2</b>	<b>(112.0)</b>	<b>(2.9)</b>	<b>0.9</b>
Courts and Legal Assistance	607.0	635.4	600.1	608.6	598.6	598.6	(36.8)	(1.4)	(9.9)
Law Enforcement	330.1	334.1	336.3	324.5	322.1	322.1	(12.0)	(14.2)	(2.4)
Prisons, Probation and Parole	1,026.8	1,239.2	1,185.5	1,185.8	1,161.4	1,198.0	(41.1)	12.6	12.2
Prosecutors	132.5	132.6	132.2	131.5	130.9	130.9	(1.7)	(1.4)	(0.6)
Other Law and Public Safety	45.6	67.0	45.0	44.9	46.6	46.6	(20.5)	1.6	1.7
<b>Local Aid</b>	<b>964.8</b>	<b>964.9</b>	<b>964.7</b>	<b>927.4</b>	<b>927.2</b>	<b>927.2</b>	<b>(37.7)</b>	<b>(37.5)</b>	<b>(0.2)</b>
General Local Aid	936.4	936.4	936.4	899.0	899.0	899.0	(37.5)	(37.5)	(0.0)
Other Local Aid	28.4	28.4	28.2	28.4	28.2	28.2	(0.2)	0.0	(0.2)
<b>Other</b>	<b>4,029.7</b>	<b>3,985.2</b>	<b>3,972.6</b>	<b>3,957.1</b>	<b>4,046.4</b>	<b>3,946.2</b>	<b>(39.0)</b>	<b>(26.4)</b>	<b>(10.8)</b>
Constitutional Officers	71.4	83.6	75.4	75.3	73.8	73.8	(9.8)	(1.6)	(1.4)
Debt Service	2,088.4	2,040.6	1,956.0	1,955.4	2,055.4	1,955.4	(85.2)	(0.6)	(0.0)
Executive and Legislative	58.9	59.2	58.5	59.1	60.0	60.0	0.8	1.5	0.9
Libraries	25.0	24.7	21.1	21.1	21.1	21.1	(3.5)	0.0	0.0
Pensions	1,376.6	1,376.6	1,441.8	1,441.8	1,441.8	1,441.8	65.2	0.0	0.0
Other Administrative	409.4	400.5	419.7	404.3	394.2	394.0	(6.4)	(25.6)	(10.3)
<b>Total Appropriations and Transfers*</b>	<b>31,693.2</b>	<b>32,206.2</b>	<b>32,898.0</b>	<b>32,559.4</b>	<b>32,886.6</b>	<b>32,618.0</b>	<b>411.8</b>	<b>(280.0)</b>	<b>58.6</b>

\*please see notes on next page

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\* To better compare across fiscal years, this total does not include health benefit costs for municipalities joining the Group Insurance Commission.

NOTES:

1. *The FY 2010 Current total includes funding in the GAA plus any supplementals passed during the year, funding from the American Recovery and Reinvestment Act (ARRA), and less October cuts.*
2. *FY 2011 totals include American Recovery and Reinvestment Act (ARRA) funding. Governor (Adjusted) includes March 5 revisions. Governor (Adj.), House (Adj.) and SWM (Adj.) adjust Environment, Health Care, Infrastructure, Law and Public Safety and Other to allow for year-to-year comparisons given proposed reorganizations.*
3. *Includes a variety of state health programs including the elder pharmacy program, costs associated with health care finance, the Health Safety Net, and other costs associated with health reform.*
4. *Includes Veterans Affairs, Commission for the Blind, Mass. Rehabilitation Commission, Commission for the Deaf and Hard of Hearing, Soldiers' Homes, Dept. of Youth Services, and certain programs within the office of the Executive Office of Health and Human Services.*