

# Senate Committee on Ways and Means

## Fiscal Year 2018 Budget Recommendations



### *Executive Summary*

Through changing economic times, Massachusetts remains our Commonwealth. By concentrating on what really constitutes our ‘*common wealth*’—the individuals and families who make up our communities—we focus on the fundamental elements necessary to bolster our people, our greatest resource. While we recognize the constraints of slow revenue growth, and the challenges that many people across the Commonwealth face, the Senate Committee on Ways and Means Fiscal Year 2018 budget is a call on us to remember our shared responsibility to each other, as we direct resources to support programs and services that are essential to foster our shared prosperity and sustain our unique quality of life.

#### ***Focus on the Fundamentals: Education, Health & Wellbeing and Housing***

To preserve the values of our Commonwealth and set us up for future growth, this budget supports: education, to foster the next generation; health and human services, to keep people physically and emotionally strong; and housing, to help low income individuals and families secure footholds on the economic ladder.

#### ***Kids First: Our Wisest Investment***

The Massachusetts Senate recently released an ambitious initiative to identify and support innovative strategies to invest in our children. The Kids First blueprint devised by the Senate highlights the important return on investment we see as a Commonwealth when we direct funding for children’s advancement. A commitment to children and families has always driven this Committee. The Kids First recommendations offer a framework to honor that commitment with wise policies for years to come.

#### ***Workforce Development: Our Continued Commitment***

Helping people to overcome barriers to work has long been a priority of the Senate. The Committee’s budget continues the commitment to Work First recommendations begun in the fiscal year 2016 budget that prepare individuals to become the highly trained, internationally competitive workforce of the future.

The Committee’s budget spends responsibly and maximizes state and federal revenue opportunities and efficiencies, recommending a total of \$40.791B in spending, a 3.3% increase

over fiscal year 2017 spending. This spending recommendation is based on a projection of a \$1.016B (3.9%) increase in tax revenue for FY 2018, as agreed upon during the Consensus Revenue process in January.

The Committee's budget makes strategic, targeted investments while reducing reliance on one-time revenue sources and directing \$98.4M to the Stabilization Fund to continue to build the state's financial safety net.

## **Education**

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*Investing in education for everyone, from children at birth to adults making midlife career transitions, is the single most important step we can take to ensure personal and economic growth well into the future.*

### **Early Education and Care**

**Preschool Expansion.** This budget makes a bold \$15.1M investment to expand the successful Preschool Expansion Grants (PEG) program, opening greater access to high quality, full year early education services for 4-year-olds across the Commonwealth. Early education makes a significant difference for children, especially those who come from low income families struggling with chronic unemployment or unstable housing. This innovative program funds full-day, full-year preschool for 4-year-olds through public-private partnerships between local school districts and licensed early learning providers, focusing on quality, inclusion and family engagement.

Further, in line with overwhelming scientific evidence in support of the benefits of high quality early education and the goals of the Senate's Kids First initiative, the Committee's budget seeks to remove barriers to access and quality care and invests in kids beginning at birth.

- \$255.4M for Income Eligible Care and \$223.2M for Supportive and Temporary Assistance for Needy Families Childcare to provide critical child care services for low income families.
- \$15.7M for the Children's Trust, which provides neo-natal and post-natal home-visiting support and other Healthy Families programs.
- \$10M to continue to boost salaries and benefits for early educators and support those who support our kids.
- \$9.5M for Head Start grants to prepare kids and their families for success in school.

### **Elementary and Secondary Education**

**Chapter 70.** The Committee's Chapter 70 investment allows for a minimum aid increase of \$30 per pupil over FY 2017 for every school district and 85% effort reduction to bring school districts closer to their spending targets.

**Foundation Budget.** Recognizing that the formula for calculating the foundation budget for school districts has not accurately accounted for the high costs of health insurance and special education services, the Committee's budget continues the Senate's commitment to implement the recommendations of the Foundation Budget Review Commission (FBRC). This budget increases the rate that is factored into the foundation budget for employee health insurance and takes initial steps to fund the Commission's recommended special education changes. As recommended by the FBRC, this budget increases the assumed in-district special education enrollment percentage to 4% (5% for vocational students) and begins to increase funding for the cost of educating special education students out-of-district.

This budget also invests in critical programs and services to improve student outcomes and support high quality education.

- \$4.76B for Chapter 70 education funding to provide to each school district sufficient aid to meet its foundation budget, the baseline funding level needed to adequately educate each student.
- \$293.7M to fully fund the Special Education Circuit Breaker for the 6<sup>th</sup> year in a row, reimbursing school districts for the high cost of educating students with disabilities.
- \$14.2M for extended learning time grants and \$2.4M for after-school and out-of-school funding to support students who need more time and specialized attention.
- \$1.5M for the STEM Pipeline Fund to increase the number of students participating in science, technology, engineering and math programs.
- \$600K for Mentoring Matching Grants to connect at-risk youth with positive, empowering mentoring experiences.

## **Higher Education**

The Senate budget makes significant investments to increase access and improve programs at our top-notch state colleges and universities, with the goal of supporting lifelong learning and critical workforce development initiatives.

- \$545.9M for the fifteen community colleges and nine state universities.
- \$534.5M for the University of Massachusetts, our world-class public research university system.
- \$5.3M for Foster Care and Adopted Fee Waivers and \$1.2M to fully fund Foster Care Financial Aid to ensure vulnerable young people can access higher education opportunities.
- \$1M for the State University Internship Incentive Program and \$750K for Community College Workforce Grants to support the work of our colleges and universities to develop our future workforce and provide on-the-job experiences for students.
- \$1M for the Massachusetts Technology Transfer Center to bring promising technology innovations out of research labs and into the marketplace.

## Health & Human Services

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*Access to high quality, affordable health care is an essential requirement for a strong, productive Commonwealth. In addition, our values call on us to care for those who need our help, including children, the elderly, persons with disabilities and veterans.*

### **MassHealth**

**Cost Containment.** Based on meetings and discussions with business groups, employers, subject matter experts and other stakeholders, this budget recommends that the Administration incentivize employers to provide coverage, while acknowledging the variety of options some employees have when choosing coverage and particular difficulties for small businesses in offering high quality, low cost coverage. This budget permits a time limited employer assessment in recognition that a healthy workforce is more productive, strengthens the economy and benefits the Commonwealth as a whole.

**Small Business.** This budget also includes first steps toward addressing rising premiums, lower take-up rates and constrained market clout that have strained small businesses and their ability to offer coverage to their employees. Small business initiatives include directing the Health Connector to undergo a public awareness campaign highlighting tools and offerings to support small businesses and the establishment of a group purchasing cooperative task force.

**Public Option.** The Committee's budget directs the Health Connector to explore the feasibility of creating a public health insurance option, allowing employers to share costs with MassHealth for eligible low income employees. This study encourages creative partnerships between employers and MassHealth to help employers offer meaningful coverage, while lowering state costs.

**Prescription Drug Bulk Purchasing.** Given the continuing growth in health care costs, this budget requires MassHealth and other state agencies to investigate ways to receive discounts through the bulk purchase of prescription drugs and medical supplies.

In addition, the Committee's budget invests \$16.3B in MassHealth to maintain our commitment to health care coverage for our most vulnerable children, seniors and low income residents, while pursuing cost containment initiatives to ensure we have the resources to continue to meet that commitment in the future.

- \$35.5M for salary increases for direct care workers at nursing homes.
- \$20M for information technology infrastructure, the development of automated enrollment between MassHealth and other state programs and new delivery system reform, caseload management and program integrity initiatives.
- \$15M to offset costs incurred by safety net hospitals in covering under-insured and uninsured residents.

## **Public Health**

The Committee's budget invests in programs and services to ensure the health and wellness of Massachusetts residents, especially vulnerable populations.

- \$31.8M for domestic violence prevention services and an additional \$500K in targeted resources to promote and enhance accessible and evidence-based services for survivors.
- \$30.7M for HIV/AIDS treatment and prevention, including a new \$1M investment to expand case management services to increase access to PrEP, a life-saving drug for individuals at high risk of infection.
- \$5.7M for family health services, essential sexual and reproductive health prevention, counseling, education and clinical services for low income adolescents and adults.
- \$4.7M for the Sexual Assault Nurse Examiner (SANE) and pediatric SANE programs, including \$750K for Children's Advocacy Centers, providing safe and integrated services to protect children from abuse.
- \$4.3M for suicide prevention and intervention, with an additional \$100K for targeted programming for adolescents.
- \$2.6M for Pediatric Palliative Care to eliminate the waitlist for wrap-around services and care coordination for terminally ill children and their families.
- \$1.3M for a new line item to regulate home health agencies to protect patients' rights and build a foundation for continuous quality improvement.

## **Substance Abuse**

In 2016, the Legislature passed landmark legislation to enhance substance abuse prevention and education, following a 2014 law to boost treatment options. The Committee's budget continues this holistic approach to reverse the course of the opioid epidemic through education and outreach and expanded treatment and recovery support.

- \$143M for a range of substance abuse treatment and intervention services, including \$2M in additional resources for case management and residential rehabilitation services to help individuals transition between levels of treatment and find support, empowerment and success through each step of the recovery process.
- \$3.6M for Recovery High Schools providing academic support and recovery services for students with substance use disorders, including \$500K to open a new school.
- \$1.2M to continue a pilot program to initiate clients on Extended Release Injectable Naltrexone, which blocks the effects of opioids and reduces cravings for individuals on the path to recovery.
- \$1M for the Narcan Pilot Expansion Program, supporting the training and purchase of the overdose reversal drug naloxone for first responders and potential bystanders in some of the cities and towns most impacted by the opioid crisis.
- \$500K to continue the accreditation of Sober Homes to ensure that individuals who are recovering from addiction have access to supportive environments.
- \$100K to improve early intervention programming and care for babies diagnosed with neonatal abstinence syndrome.

## **Mental Health**

***Children's Behavioral Health.*** The Committee's budget establishes a pilot program within the Massachusetts Child Psychiatric Access Program (MCPAP) to increase care coordination for children with behavioral health needs and enhance appropriate referral resources, to effectively connect families with specialists and help children access vital support services and care.

***Mental Health Professionals.*** This budget also creates a \$300K loan forgiveness program for mental health professionals treating children and adolescents in geographically underserved areas of the state. This program is a step forward in growing the pipeline of mental health professionals serving some of our most vulnerable populations.

***Police Training.*** The Committee's new mental health training partnership grant program within the Municipal Police Training Committee (MPTC) is intended to improve communication and collaboration between law enforcement and community partners, while also providing specialized training for municipal police to interact effectively with individuals with mental illness or other behavioral health issues.

The budget invests a total of \$775.7M in crucial mental health services and early intervention and prevention of mental illness, including \$91.4M targeted toward mental health services for children and young people. In line with the Senate's Kids First blueprint for investing in our children, this budget recognizes that social and emotional health is an essential foundation for learning and success and directs resources to encourage access to integrated, comprehensive behavioral health services.

- \$387.1M for Adult Support Services, including \$4M for Adult Community-Based Placements for those who are discharge-ready from inpatient facilities and \$1.5M to expand jail diversion initiatives in more than 67 communities across the Commonwealth.
- \$10.7M for the Forensic Services Program, which funds court-based mental health assessment and consultation in adult and juvenile courts and helps connect people to community-based treatment and diversion initiatives.
- \$6.5M for stable, supportive and safe housing for Department of Mental Health clients, serving approximately 160 new individuals.
- \$3.7M for MCPAP, including \$500K for the MCPAP for Moms program to address the mental health needs of pregnant and postpartum women and \$100K for the Committee's new care coordination and referrals pilot program.
- \$3.5M to encourage collaboration among agencies, schools and community partners to strengthen programming for early detection and screening for mental illness in children, including \$50K for a collaborative partnership between the Department of Early Education and Care and the Department of Mental Health; \$50K for the Mental Health Advocacy Program for Kids to improve outcomes for young people caught in the court, mental health, child welfare and school systems; and \$50K for the MPTC to establish a mental health training partnership grant program.

## **Disabilities**

The Committee's budget supports innovative programs and resources to help individuals with developmental disabilities gain independence and contribute meaningfully to their communities, investing \$1.9B in the Department of Developmental Services to support housing, job training, assistive technologies and health services.

- \$205.1M for the DDS Community Day and Work program providing employment support, education and training.
- \$24.2M to fully fund Turning 22 services to help young people with disabilities transition to the adult services system.
- \$13.4M to provide specialized resources and support for adults with autism.
- \$6.3M for the 11 independent living centers across the state providing networks of support to help individuals of all abilities reach their full potential.
- \$4.5M for Massachusetts Commission for the Blind services, including \$250K for assistive technology, as well as \$1.6M for Massachusetts Rehabilitation Commission's assistive technology program, to allow individuals with physical disabilities to live independently.
- \$150K for competitive grants for community-based organizations to create employment programs for young adults with disabilities.
- \$150K to continue to implement a program initiated by the Senate to identify best practices and services for aging adults with intellectual and developmental disabilities.

## **Elder Affairs**

The Committee's budget invests a total of \$305.3M in the Executive Office of Elder Affairs to enhance the health and wellness of our seniors and allow them to continue to contribute to their communities as they age.

- \$227.8M for the Elder Home Care program, providing critical support services to help seniors remain in their homes, regardless of their health needs.
- \$29.2M for the Protective Services Program to prevent elder abuse and neglect.
- \$14M for local Councils on Aging to strengthen programs and services in senior centers in communities across the state.
- \$7.3M for nutrition programs for seniors, including the Meals on Wheels program to address the challenges of hunger and isolation that seniors face.
- \$1.2M to expand access to home care services for seniors above the income cutoff and a study of the home care program's cost effectiveness.
- \$642K for Naturally Occurring Retirement Communities, offering services to communities with a high proportion of seniors aging in place.

## **Veterans**

***Veteran Employment.*** The Committee's budget provides a \$2,000 tax credit for each veteran hired by businesses participating in a veterans hiring certification program at the Department of Veterans' Services and directs the Department to develop a comprehensive program to improve

employment opportunities among veterans by assisting businesses to attract, hire, train and retain veterans. This new program would help employers understand how to maximize opportunities for veterans and best serve their unique needs to ensure long-lasting, successful employer-employee relationships.

Massachusetts leads the nation in providing for our veterans, and this budget reflects our commitment to benefits and assistance for the heroes who put themselves in harm's way to protect our values and our way of life, recommending \$92.1M for the Department of Veterans' Services.

- \$4.4M for Veterans Outreach Centers providing peer counseling, employment skills building and job search assistance, substance abuse counseling and other services for veterans across the state.
- \$650K to provide training for mental health providers to best serve the unique needs of veterans.
- \$150K for outreach and services targeted to women veterans.

### **Child Welfare**

Consistent with the Senate's Kids First focus, the Committee's budget prioritizes our children and their families with a \$988M investment in the Department of Children and Families and an emphasis on children's health, safety and welfare.

- \$236.8M for DCF Social Workers and support of the Department's ongoing efforts to reduce the caseload ratio for social workers.
- \$50M for family support and stabilization services.
- \$13.2M for Family Resource Centers, providing an array of services for families across the state, including multi-cultural parenting programs, support groups and early childhood services.
- \$6M for DCF Lead Agencies to connect children in need and their families with community-based services.
- \$810K for the Office of the Child Advocate to ensure every child involved with a state agency is protected from harm.
- \$275K to continue the Foster Care Campaign created by the Senate in FY 2017 to recruit and support foster parents.

### **Assistance for Low Income Families**

***Clothing Allowance.*** The Committee's budget helps families to secure their basic needs by increasing the clothing allowance for the third year in a row to \$300 per child, allowing children to enter school comfortable and ready to learn. This budget also maintains an \$80 per month transportation reimbursement for working benefits recipients.

Ongoing Senate initiatives recognize the imperative of creating opportunities for people to transition from public assistance to work, given the outsized role economic security plays in a



child's future academic, social and financial success; recommendations from these initiatives are included in this budget.

- \$16.5M for the Emergency Food Assistance Program to ensure access to healthy, high quality food.
- \$14.6M for the Department of Transitional Assistance Employment Services Program to help people move toward economic independence and self-sufficiency, including \$1M for programs operated by the Office of Refugees and Immigrants and \$100K for the DTA Works Internship Program.
- \$1.2M for the Supplemental Nutritional Program for low income workers.
- \$1.1M for the Training Resources and Internship Networks (TRAIN) grant program, initiated by the Senate in FY 2016 to provide training and internship opportunities for individuals who have been unemployed for over one year.
- \$150K for low income taxpayer clinics to help families file their taxes and maximize benefits from the Earned Income Tax Credit, an incredibly effective anti-poverty measure, and other appropriate tax credits and deductions.

## **Housing**

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*The Committee's budget reflects the Senate's strongly held priority to support housing and homelessness prevention services, with a focus on preventative and supportive resources to connect people with affordable, stable housing, as well as assistance for those in crisis.*

**Increase Access.** The Committee's budget expands access to housing and homelessness prevention resources by: increasing the income threshold for rental vouchers from 50% of the area median income to 80%; expanding eligibility for the Residential Assistance for Families in Transition (RAFT) program to include persons with disabilities, elders, unaccompanied youth and individuals; and increasing the HomeBASE re-housing subsidy cap to \$10,000 per year to better divert families and provide access to housing in high cost markets. This budget also reaffirms existing rules that ensure families legally eligible for emergency shelter are never forced to stay in an unsafe place not meant for human habitation before accessing shelter.

**Increase Funding.** This budget makes a substantial investment of \$464.1M in low income housing and homelessness services to connect individuals, families and vulnerable populations with housing and supportive services.

- \$165.9M for Emergency Assistance Family Shelters, funding critical services for families experiencing housing crises.
- \$100M for the Massachusetts Rental Voucher Program, providing funding for 350 to 400 new rental assistance vouchers.
- \$46.2M for assistance for homeless individuals.
- \$32.6M for the HomeBASE diversion and rapid re-housing program.
- \$18.5M for RAFT, providing short-term financial assistance to low income families who are homeless or at risk of becoming homeless, key for stabilization and long-term self-sufficiency.

- \$5.5M for the Alternative Housing Voucher Program to provide over 100 new rental assistance vouchers for low-income people with disabilities.
- \$2.5M for housing and supportive services for unaccompanied homeless youth.
- \$1M for the Home Works Program to provide out-of-school time and summer programming for children in the Emergency Assistance Shelter program.

## **Workforce Development**

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*Our continued success depends on a highly skilled workforce, made possible by initiatives designed to boost innovation and maximize employment.*

The Committee's budget invests in workforce training, to equip workers with the tools they need for currently available, in-demand jobs, as well as efforts to encourage economic development and business activity across the state.

- \$30M for adult basic education services to strengthen and support lifelong learning and access to skills necessary to pursue career opportunities.
- \$12.5M for summer jobs and work-readiness training for at-risk youth.
- \$4M for the Workforce Competitiveness Trust Fund to connect unemployed and underemployed workers with the training and education they need to secure in-demand, well-paying jobs.
- \$4M for One Stop Career Centers.
- \$3M for the Massachusetts Technology Collaborative, including \$500K for a new initiative to promote and expand the cybersecurity sector.
- \$1.5M for the Precision Manufacturing Program.
- \$1.3M for technical assistance grants to small businesses.
- \$1M for the Learn to Earn grant program supporting workforce development programs for unemployed and underemployed individuals, as well as child care and transportation assistance for grant recipients.
- \$600K for Regional Economic Development grants to promote economic growth and business development across the state.

## **Local Aid**

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*The 351 cities and towns across the Commonwealth play an essential role in strengthening the fabric of our communities and providing vital education, public safety, infrastructure, recreation and cultural services.*

This budget continues the Senate's strong partnership with municipalities in directing significant investments to local aid and community services.

- \$4.76B for Chapter 70 education funding.

- \$1.06B for unrestricted general government aid to support community investments in education, health care, public safety and roads and bridges.
- \$83M for Regional Transit Authorities providing critical regional transportation services in communities across the state.
- \$27.7M for the Board of Library Commissioners, \$10.4M for regional library local aid, \$9.8M for municipal libraries and \$2.3M for technology and automated resources.
- \$16.5M for the Massachusetts Cultural Council to support the state-wide creative economy and local arts and culture.
- \$14M for local Councils on Aging to strengthen programs and services in senior centers in communities across the state.

## **Environment**

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*Sustaining our natural resources is key to keeping our Commonwealth healthy, balanced and prepared to withstand future environmental changes. Despite our small size, Massachusetts has the 9<sup>th</sup> largest state park system in the country, providing invaluable health and wellness benefits for our residents.*

Recognizing the pressing need for environmental sustainability and resilience, the Committee's budget invests a total of \$237.9M in environmental agencies to enhance climate change preparedness and protect our environment and natural resources.

- \$52.9M for the Department of Environmental Protection, including a new \$500K investment for technical assistance to ensure compliance with the federal Safe Drinking Water Act.
- \$38.4M for Department of Conservation and Recreation state park operations, including \$200K for a new asset management modernization program to ensure adequate budgeting and environmental stewardship.
- \$14.3M for the Department of Public Utilities to expand important environmental oversight and utilities planning work.
- \$10.1M for the Environmental Police to enforce laws ensuring responsible use of environmental resources.
- \$5.9M for the Department of Agricultural Resources, including support for local apiary inspectors, the Buy Local Program, the Farm to School Project and other programs and resources to encourage sustainable agriculture.
- \$200K for climate change adaptation and preparedness programs to address the growing threat of climate change.

## **Criminal Justice Reform**

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*Increasing access to justice, reducing incarceration and recidivism and overhauling our criminal justice system are major priorities for the Senate.*

## **Judiciary—Access to Justice**

The Committee's budget prioritizes criminal justice reform while preserving public safety and empowering the court system to provide innovative, effective services.

- \$661.8M for the Trial Court system.
- \$180.2M for the Committee for Public Counsel Services, including \$20.2M for costs associated with the provision of court services to indigent persons and \$500K for a public defender salary reserve to support the retention of experienced public defenders.
- \$146.9M for the Office of Probation, supporting the implementation of a modern information technology system to improve case management and data tracking capacity and the hiring of Associate Probation Officers to allow probation officers to devote more time to high-risk cases in the field.
- \$3.5M for a Justice Reinvestment Reserve to implement criminal justice reforms based on Council of State Governments Justice Center research.
- \$1.3M for the Mental Health Legal Advisors Committee.
- \$1M for the expansion of the Housing Court to serve all residents of the Commonwealth.

## **Public Safety**

The Committee's budget prioritizes data-driven solutions to address the public safety needs and challenges of residents across the Commonwealth, investing \$1.171B in the Executive Office of Public Safety and Security to support local police and fire departments and state-wide safety and criminal justice reform initiatives.

- \$589.2M for the Sheriffs' offices across the state, providing tiered increases to each office that take into account historic funding disparities.
- \$24.2M for the Department of Fire Services, including \$1.2M for the Student Awareness Fire Education program and \$400K for Critical Incident Stress Management programs.
- \$6.6M for the Municipal Police Training Committee including a new \$50K mental health training partnership grant program to support collaboration between municipal police departments, family resource centers and local mental health providers and provide trainings on best practices and strategies for interacting with individuals experiencing mental health or behavioral health issues.
- \$5M for the Shannon Grants gang violence prevention and intervention program.

The Committee's budget also calls on the Sheriffs' offices to pursue spending efficiencies through tools like a reorganized personnel model and other reforms to better manage their budgets, while continuing their important work to keep our communities safe.