



The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
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Chairman

House Committee on Ways and Means

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To the Members of the Massachusetts House of Representatives:

With this document, the House Committee on Ways and Means presents its recommendations for the Fiscal Year 2019 (FY19) General Appropriations Act. The Committee's proposal makes targeted investments that help the most vulnerable among us, while living within the fiscal realities of the Commonwealth. This budget is a thoughtful proposal that accounts for uncertainty at the federal level and ensures funding for critical programs and services on which so many people rely.

For the past two fiscal years, state tax collections ended more than \$400 million below their annual benchmarks, largely occurring in the second half of the year. In the current fiscal year, the reverse has been true, with a surplus resulting from stronger-than-expected collections, likely caused by federal tax reform. We proceed cautiously with the understanding that the revenue picture remains unclear. The result is a fiscally responsible budget recommending an \$88 million deposit into the Stabilization Fund, no new broad-based taxes, and the funding necessary to provide services and investments for our residents.

Our investments in healthcare comprise a significant portion of the budget. When Massachusetts began healthcare reform in the early 2000s, all stakeholders agreed to the principle that every person should have access to health insurance. Since then, Massachusetts has lived up to that commitment, addressing healthcare in various iterations, from Chapter 58 in 2006, to cost-containment efforts in 2012's Chapter 224 law. These collective efforts have brought health insurance to 97.5% of Massachusetts residents and have served as a model for the rest of the country. We knew health reform would be an ongoing process that would need to address complex issues of accessibility, quality, and cost. This budget provides \$16.210B for MassHealth so that we can continue our commitment to our most vulnerable, and creates a glide path toward the next step in healthcare reform.

The House Ways and Means FY2019 budget builds on the strong relationship between the state and our municipalities, directing \$220 million in new local aid over FY2018, including a \$37 million increase to Unrestricted General Government Aid (UGGA) and a \$125 million increase to Chapter 70 education aid. Within Chapter 70, we continue advancing the important work of the Foundation Budget Review Commission by allocating \$39M of the total Chapter 70 increase to address increasing teacher and faculty healthcare cost assumptions in the formula to more realistic levels. The proposed FY2019 budget funds the special education circuit breaker at \$300 million, includes \$90 million for charter school reimbursements, and allocates \$62.5 million for regional school transportation.

Under the leadership of Speaker Robert A. DeLeo, Massachusetts has prioritized the field of early education and care (EEC), investing in both access and quality. This budget continues these historic investments, including another \$20 million rate reserve for early educators, which will help to raise salaries allowing education providers to recruit and retain high quality staff. This includes \$18 million to

cover a 5% rate increase for center-based EEC providers, as well as an increase to the add-on rate for Department of Children and Families (DCF) children. Lastly, we create a new \$8.5M EEC workforce development initiative to coordinate professional development and higher education opportunities for early educators in conjunction with Massachusetts community colleges. Overall, this funding ensures Massachusetts's youngest residents receive the best possible care from experienced teachers during their most formative years.

The House remains committed to expanding treatment options and providing resources for those struggling with substance use and mental health issues. Our investments in Narcan have helped stem the number of overdose-related deaths, but as overdoses in general continue to rise, we must invest in long-term recovery and treatment. Our budget proposes \$137.2 million for the Bureau of Substance Addiction Services, including \$3.5M to open five new recovery centers. It proposes \$5 million for Jail Diversion, to direct individuals with substance use disorder into treatment rather than prison. And, we increase the Department of Mental Health budget by \$97 million to fully fund provider rate increases and focus on treating individuals in their communities.

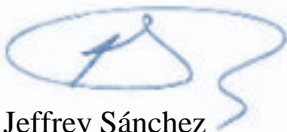
In order to address ever-rising housing costs in the Commonwealth, the House FY2019 budget builds on previous investments to support individuals, families, and youth. Since 2013, continued investments in the Massachusetts Rental Voucher Program (MRVP), Residential Assistance for Families in Transition (RAFT), and other permanent housing solutions have significantly decreased shelter caseloads and decreased the number of families in hotels and motels to nearly zero. Recognizing this success, the House allocates an additional \$7.3 million to MRVP and \$2 million to RAFT, while creating a new \$5 million line-item aimed at rapid rehousing for homeless individuals.

The Committee's budget makes targeted investments in environmental programs, understanding the role they play in protecting public health and powering the Commonwealth's tourism industry. The House Ways and Means FY2019 budget includes \$40 million for State Parks and Recreation, \$29 million for the Department of Environmental Protection, \$1.1 million for Watershed Protection, and \$850K for the Division of Ecological Restoration. This funding will allow agencies to hire new inspectors, permit writers, park rangers, and scientists to protect and enhance Massachusetts' air, water, and land. This important environmental investment is capped off with a \$2.2 million allocation for the Office of Climate Change and Adaptation to protect and prepare Massachusetts for the effects of climate change.

I would like to thank all members of the House, including members of the House Committee on Ways and Means, for their input during the budget process. I extend a special thank you to our Vice-Chair, Representative Stephen Kulik of Worthington, and our Assistant Vice-Chair, Representative Elizabeth A. Malia of Boston, for their advice and assistance in creating this budget proposal. We in the House do this work in memory of our late colleague, the Honorable Peter V. Kocot, a model public servant whose legacy to the Commonwealth will not be forgotten.

I look forward to working closely with all members of the House of Representatives in the upcoming debate. I believe that together we will build upon the Committee's work and produce a budget that blends our shared priorities for our districts and our visions for Massachusetts.

Sincerely,

A blue ink handwritten signature of Jeffrey Sánchez, enclosed in a blue oval with a wavy tail.

Jeffrey Sánchez
Chairman