

EXECUTIVE SUMMARY

Financial Overview

The House Committee on Ways and Means offers a fiscal year 2019 budget proposal that remains cognizant of the Commonwealth's revenue growth, invests responsibly in basic services and programs, and improves the wellbeing of the people of Massachusetts. This balanced budget builds on commitments in the areas of healthcare, education, and social services, and makes new investments that complement legislative policies in the areas of criminal justice reform and substance use disorder.

The Massachusetts' economy continues to grow and the unemployment rate has fallen to record lows. The life sciences, finance, and renewable energy industries, among others, drive this growth, creating new job opportunities across the Commonwealth in this ever-changing global economy. Investments in state priorities like healthcare and education enable more people to participate in this success. These investments come at a cost, and as such utilize the majority of new state revenues.

The House Committee on Ways and Means fiscal year 2019 budget allocates \$40.991B, an increase of \$1.246B (3.1%) over fiscal year 2018 General Appropriations Act, to agencies and programs across the Commonwealth. The majority of this spending is supported by tax revenue estimates established during the Commonwealth's Consensus Tax Revenue process, which projected a \$933M (3.5%) increase in new tax growth. As part of that process, the Committee commits to a record \$2.608B for pension liabilities and a projected \$88 million deposit into the Massachusetts Stabilization Fund to replenish this vital source of fiscal stability.

This proposal meets our most critical obligations in a responsible manner and the Committee looks forward to a continuing dialogue with the full membership of the General Court to ensure a successful fiscal year 2019.

Local Aid

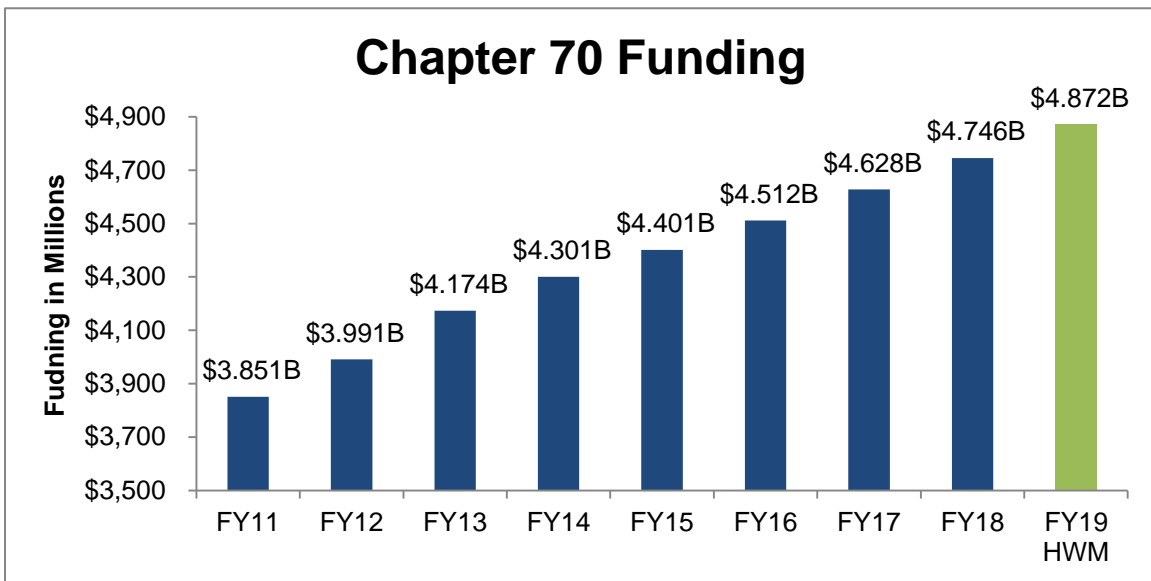
The relationship between state and local government is critical to keeping our communities strong. From Greater Boston and Gateway Cities to coastal and rural communities, local aid has an important role ensuring municipalities provide basic services and a quality education for our children.

The House Committee on Ways and Means budget proposal recognizes this important relationship by making substantial investments in both Unrestricted General Government Aid (UGGA) and Chapter 70 aid to school districts. For FY 2019, the Committee's budget proposal increases UGGA by \$37M to a total of \$1.099B and boosts Chapter 70 aid by \$124.6M to a total of \$4.872B. Within Chapter 70, we direct \$39M above FY2018 GAA to address increasing teacher and faculty healthcare costs as recommended by the Foundation Budget Review Commission. The proposed FY2019 budget funds the special education circuit breaker at \$300 million, includes \$90 million for charter school reimbursements, allocates \$62.5 million for regional school transportation, and provides \$15M in aid to districts receiving large numbers of students displaced by the hurricanes of 2017.

- Provides \$1.099B for UGGA
- Provides \$4.872B for Chapter 70 aid
- Provides \$300M for Circuit Breaker Special Education reimbursement

- Provides \$62.5M for Regional School Transportation reimbursement
- Provides \$90M for Charter School Reimbursement

Program	FY19 HWM	Over GAA	% Over GAA	Over H2	% Over H2
Unrestricted General Government Aid	\$1,098,945,897	\$37,162,422	3.5%	\$ -	0.0%
Chapter 70	\$4,871,530,948	\$124,577,233	2.6%	\$20,957,822	0.4%
Circuit Breaker	\$300,000,000	\$18,768,819	6.7%	\$8,854,171	3.0%
Charter Schools	\$90,000,000	\$9,500,000	11.8%	\$9,500,000	11.8%
Regional Transportation	\$62,521,000	\$1,000,000	1.6%	\$1,000,000	1.6%
Foundation Reserve	\$27,500,000	\$27,500,000	-	\$12,500,000	83.3%
McKinney Vento	\$9,099,500	\$1,000,000	12.3%	\$1,000,000	12.3%
Smart Growth (40S)	\$500,000	\$250,000	100.0%	\$250,000	100.0%
TOTAL	\$6,460,097,345	\$219,758,474	3.5%	\$54,061,993	0.8%



Health and Human Services

The Executive Office of Health and Human Services plays a crucial role in providing residents of the Commonwealth in need with access to services and supports. These services, including access to healthcare, social work, and temporary assistance, are vital sources of relief for Massachusetts families, veterans, seniors, and those with disabilities. The House Committee on Ways and Means FY 2019 budget proposal supports this mission by ensuring investments that protect the needs of our state's most vulnerable populations.

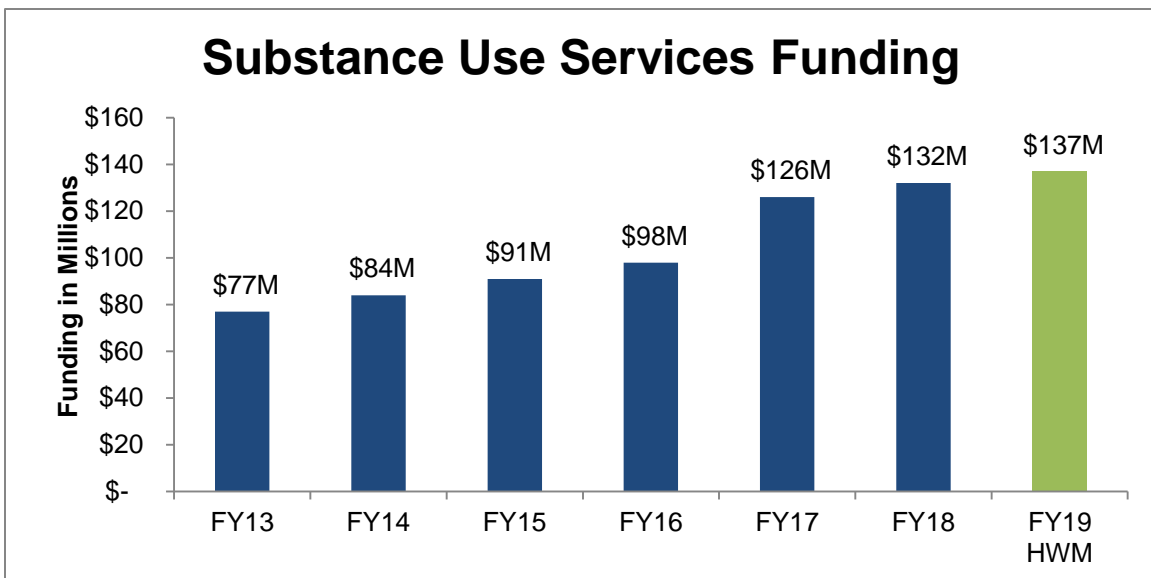
MassHealth

MassHealth provides healthcare and long term care services to 1.91 million residents with the goals of improving the physical, behavioral and social determinants of health, promoting independence, and enhancing the quality of life for its members. The House Committee on Ways and Means budget proposal includes \$16.210B for MassHealth. Our proposal supports the needs of a growing MassHealth population, program integrity efforts, reform initiatives and restructuring of the MassHealth program. These measures will protect the viability of MassHealth as the guarantor of quality health care coverage to those residents in need.

Department of Public Health

The Department of Public Health works to protect the health, safety, and welfare of residents across the Commonwealth. In doing so, the Department aims to achieve health equity and wellness by providing a network of public health hospitals, substance addiction services, nutritional assistance programs, and family health services. The House Committee on Ways and Means proposal includes increased funding to combat opioid abuse, seed funding for the Mobile Integrated Health Unit, and increased funding for violence prevention grants. This proposal takes a multi-pronged approach to combating the opioid epidemic by investing in five new recovery centers, post-detox skill development programs, and recovery coaches.

- Provides \$157.2M for Public Health Hospitals serving more than 7,800 patients per year
- Provides \$137.1M for the Bureau of Substance Addiction Services
- Provides \$34.1M for Domestic Violence and Sexual Assault Prevention and Treatment
- Provides \$30.8M for HIV/AIDS Prevention and Treatment

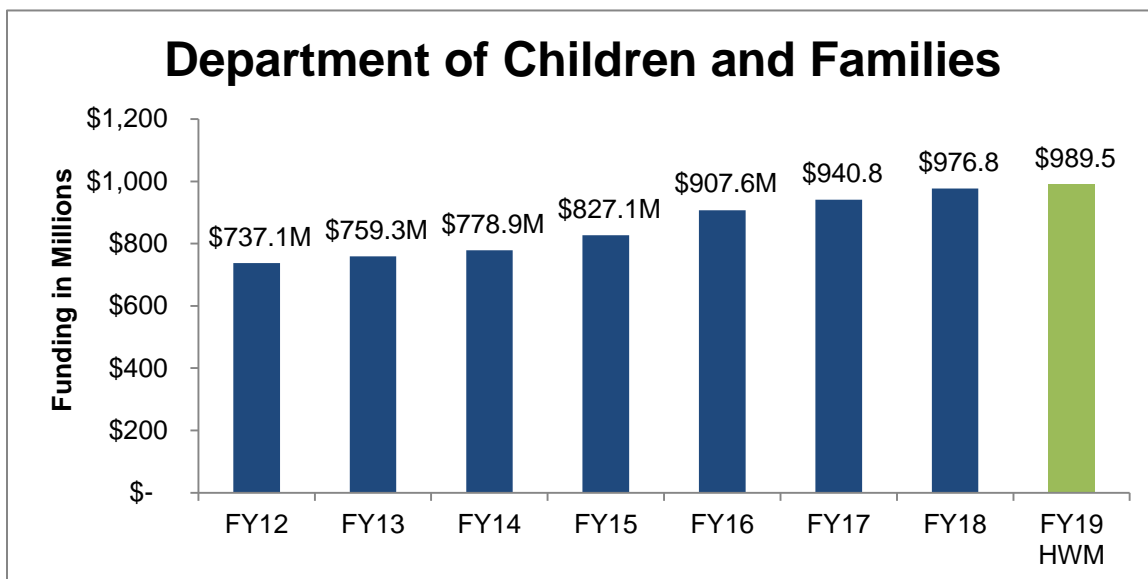


Department of Children and Families

The protection and guardianship of children identified as abused or neglected is one of the Commonwealth's most sacred commitments. In fulfilling this critical responsibility, the Department of Children and Families deploys the resources and coordinates vital programming such as support and stabilization services, and foster care and guardianship services. The House Committee on Ways and Means understands the urgency of this mission, especially in light of the opioid epidemic.

Investments in recent years have enabled the agency to hire more social workers and managers to ensure proper caseload ratios. The fiscal year 2019 recommendation ensures this momentum continues with a \$12.7M increase in departmental funding over the current fiscal year. This funding is necessary to annualize and increase staffing levels and programs designed to produce strong families and keep children safe.

- Provides \$236.8M for Social Workers
- Provides \$297M for Services for Children and Families
- Provides \$285.8M for Congregate Care Services
- Provides \$102.3M for Clinical Support Services and Operations



Department of Youth Services

The Department of Youth Services is tasked with promoting positive change in the lives of committed young people. The Department works to accomplish this mission by providing programs that enhance knowledge, develop skills, and change behavior. The House Committee on Ways and Means is excited to note that previous investments have begun to demonstrate effectiveness measured by a reduction in the number of youth in the Department's care. Overall, the Committee allocates \$177M for the Department of Youth Services, allowing for a savings of \$3.5M from current funding levels.

- Provides \$115.1M for Committed Residential Youth

- Provides \$28.4M for the Detained Population
- Provides \$23.9M for the Non-Residential Services for Committed Population

Department of Transitional Assistance

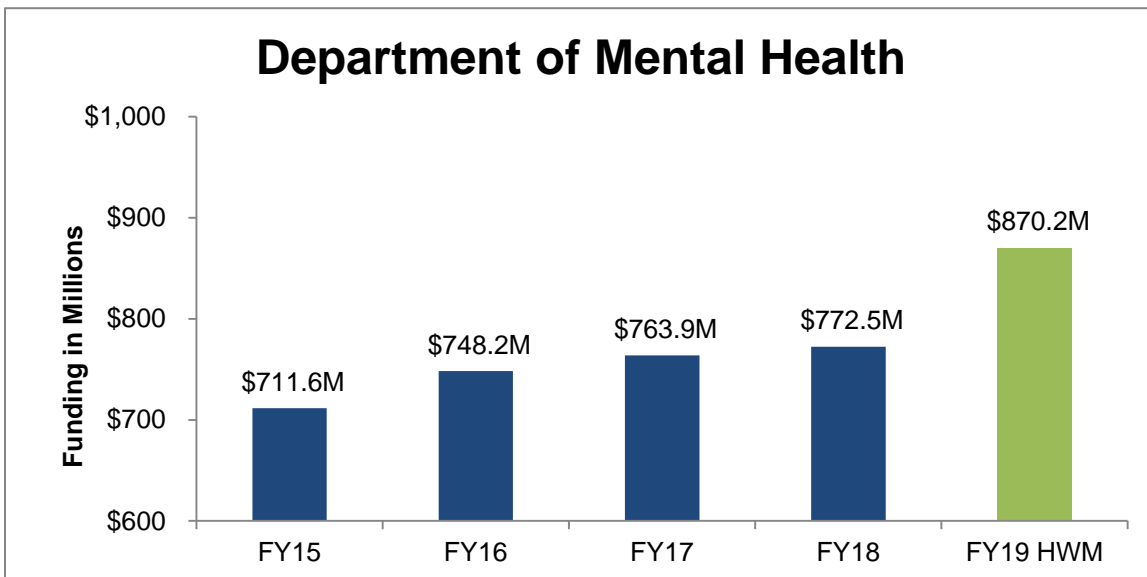
The Department of Transitional Assistance aids economically disadvantaged individuals and families of the Commonwealth by helping create a path for a better quality of life. The Department helps the Commonwealth’s most needy families through programs that provide access to food and nutritional assistance, employment services, cash assistance, and other benefits. The House Committee on Ways and Means’ funding proposal preserves recent benefit increases for those in most need. The House budget also increases benefits for homeless recipients and raises the asset limit for families with dependent children, allowing those families a better opportunity to secure a sustainable, self-sufficient future.

- Provides \$220.4M for State Supplemental Security Income
- Provides \$192.1M for the Transitional Aid to Families with Dependent Children
- Provides \$1.4M to eliminate the homelessness penalty for emergency aid (EAEDC) recipients
- Provides \$3.5M for the Healthy Incentives Program

Department of Mental Health

The Department of Mental Health (DMH) works to assure that each resident of the Commonwealth affected by mental illness is provided with adequate supports and services to enable individuals to live, work, and remain active participants in their communities. The House Committee on Ways and Means budget strengthens supports for clients living in their communities, coordinates physical and behavioral health care, and ensures individuals are diverted into proper services and support.

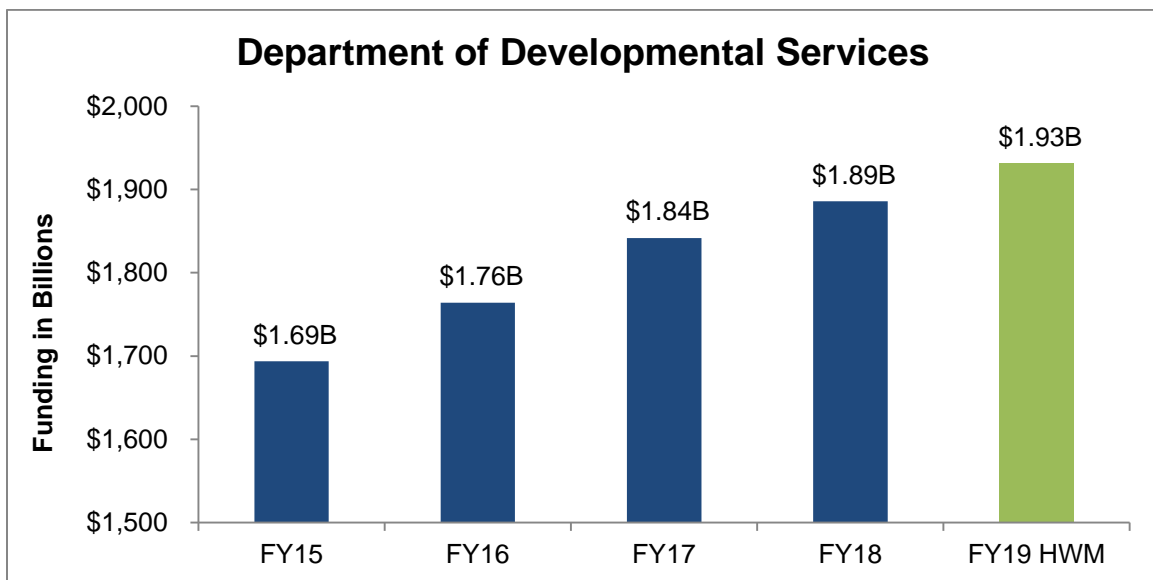
- Provides \$84M in Adult Community Clinical Services Investments
- Provides \$3M for DMH’s Crisis Intervention/Jail Diversion Grant Program
- Provides \$3.6M for the Massachusetts Child Psychiatry Access Program



Department of Developmental Services

The Department of Developmental Services (DDS) provides the opportunity for children and adults with developmental disabilities to meaningfully participate in their communities. The House Committee on Ways and Means budget reinforces its historic support for programs that provide resources for the integration of individuals with developmental disabilities into their communities. The Committee's recommendation fully funds the annualized costs of the Turning 22 population - individuals transitioning out of the special education system and into the adult service system - and invests in programs to support clients and their families.

- Provides \$1.92B for Community Based Residential Placements
- Provides \$212M for Community Day and Employment services
- Provides \$65M for Family Respite Services
- Provides \$5M for the Children's Autism Waiver



Elders Affairs

The Department of Elder Affairs provides services that promote and sustain a high quality of life for the elder community. These services range from home care and caregiver support, nutrition programs, protective services, and housing, which are provided through a network of Aging Service Access Points and Councils on Aging Across the state. The House Committee on Ways and Means funding level of \$543.3M ensures these important services continue while recognizing the unprecedented continued growth in the elder population.

- Provides \$175M for Elder Home Care Purchased Services
- Provides \$58.9M for Elder Home Care Case Management and Administration
- Provides \$31.6M for Elder Protective Services
- Provides \$16.5M for Grants to Councils on Aging (Includes a raise from \$9.75/elder to \$12/elder)

Veterans Affairs

The Department of Veterans Affairs offers a variety of programs to aid both disabled and able-bodied veterans throughout the Commonwealth. The Department is tasked with increasing the quality of life for veterans by offering education and healthcare resources, and providing personal healthcare services through the Soldiers Homes located in Chelsea and Holyoke.

- Provides \$75.9M for Veterans Benefit Payments
- Provides \$51.8M for the Soldiers Homes in Chelsea and Holyoke
- Provides \$3.1M for Veterans Outreach Centers

Judiciary

As a critical component of the balance of power in the Commonwealth, the Judiciary is responsible for upholding the Massachusetts General Laws as well as laws put in place by the Constitution of the United States. The House Committee on Ways and Means continues to support the judicial branch by ensuring every citizen of the Commonwealth has access to justice through the court system. The Committee's proposal supports this mission by making a \$2.3M increase over FY18 GAA funding to civil legal aid for those in need.

- Provides \$675.9M for the Trial Court
- Provides \$189.7M for the Committee for Public Counsel Services
- Provides \$123.9M for the District Attorney's Offices of the Commonwealth
- Provides \$20M for Massachusetts Legal Assistance Corporation
- Provides \$3M for Community Based Re-entry Programs

Transportation

A safe, reliable transportation system is a critical component of daily life for the vast majority of residents of the Commonwealth, and is key to our economic vitality. The Massachusetts Department of Transportation (MassDOT) is tasked with ensuring this mission both on an immediate day-to-day basis as well as the planning and execution of long-term maintenance and construction projects for all modes of transportation. The majority of transportation funding occurs through the Commonwealth Transportation Fund and is administered off-budget. The House Committee on Ways and Means budget further supports the complex demands of this ever-evolving transportation network, providing funding for the department, the MBTA and RTAs that will provide efficient management and innovation today and in the future.

- Provides \$323M for MassDOT
- Provides \$154M, including \$27M for the MBTA to continue the fiscally responsible transfer of full-time employees off of the capital budget and on to the operating budget
- Provides \$80M for the Regional Transit Authorities

Energy and Environment

Preserving and protecting the Commonwealth's land, water, and air while providing opportunities for outdoor recreation and access to parks and beaches is an important mission of the Executive Office of Energy and Environmental Affairs. A key component of this mission in the coming years will be to prepare Massachusetts, especially our coastal communities, to deal with the effects of rising tides and climate change. The House Committee on Ways and Means

continues to support and invest in these invaluable services while protecting the health and safety of the Commonwealth's residents.

- Energy and Environmental Affairs is funded at \$250.2M; its highest level since being included in the budget
- HWM has committed an additional \$20M in programmatic funding for the environment over the Fiscal Year 2018 levels
- Provides \$29M for Department of Environmental Protection Administration
- Provides \$40M for the Department of Conservation and Recreation's State Parks Administration
- Provides \$2.2M to Climate Change Adaptation and Preparedness

Early Education and Care

The Department of Early Education and Care (EEC) provides funding for the care of thousands of children and works to ensure that those from the most challenging circumstances are provided nurturing, high-quality learning environments. The House Committee on Ways and Means budget proposal commits increased funding to childcare for income-eligible families, as well as for cases referred by the Department of Children and Families and the Department of Transitional Assistance. Continuing the investment from last fiscal year, the Committee includes a salary reserve to ensure that early educators are being fairly compensated. Lastly, this budget creates 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.

- Provides \$235.8M to fund childcare for children by the Department of Children and Families and the Department of Transitional Assistance
- Provides \$270.1M for childcare for children from income-eligible families in the Commonwealth
- Provides \$20M for a salary reserve to increase rates for center-based early education providers
- Provides \$8.5M to create new professional development and higher education professional development program
- Provides \$4M for the development and implementation of the Quality Rating and Improvement System
- Provides \$2.5M for the Early Childhood Mental Health Consultation Grant

Elementary and Secondary Education

The House Committee on Ways and Means proudly invests in the Department of Elementary and Secondary Education's continued success as the best school system in the nation. As described in the local aid section above, the Committee proposes investments in such key local aid accounts as Chapter 70, Special Education Circuit Breaker reimbursements, regional school transportation and charter school reimbursements to districts. In addition, the Committee proposes key investments in adult basic education and services for English Language Learners and after-school activities.

- Provides \$22.1M for METCO programs
- Provides \$32.6M for adult basic education services
- Provides \$2.5M for English Language Acquisition

- Provides \$2.9M for AP Math and Science access and support
- Provides \$750K for Mentoring Grants
- Provides \$2.4M for After School and Out of School Grants

Higher Education

Providing students with access to quality and affordable higher education is a proven investment in the future success of the Commonwealth as a whole. The House Committee on Ways and Means budget proposal reflects this important need through targeted increases in the University of Massachusetts system, the state community colleges and the state universities. The Committee also proposes a significant increase in the state scholarship item, as well as increases to financial aid to foster care children, to ensure that vulnerable students have access to higher education.

- Provides \$518.7M for the University of Massachusetts system
- Provides \$278.2M for community colleges and \$253M for state universities
- Provides \$103.5M for the State Scholarship program
- Provides \$4.75M for the STEM Starter Academies

Economic Development

The Executive Office of Housing and Economic Development provides economic opportunities that strengthen and prepare individuals for meaningful job opportunities. The House Committee on Ways and Means' budget recommendation seeks to assist this goal by making investments in small businesses and technological innovations, ensuring a fair and competitive business environment, and by nurturing the economic development of urban areas.

- Provides \$2M for Small Business Technical Assistance Grants
- Provides \$1.5M for the MassTech Collaborative
- Provides \$500K for the Big Data Innovation and Workforce Fund
- Provides \$500K for Urban Agenda Economic Development Grants

Labor and Workforce Development

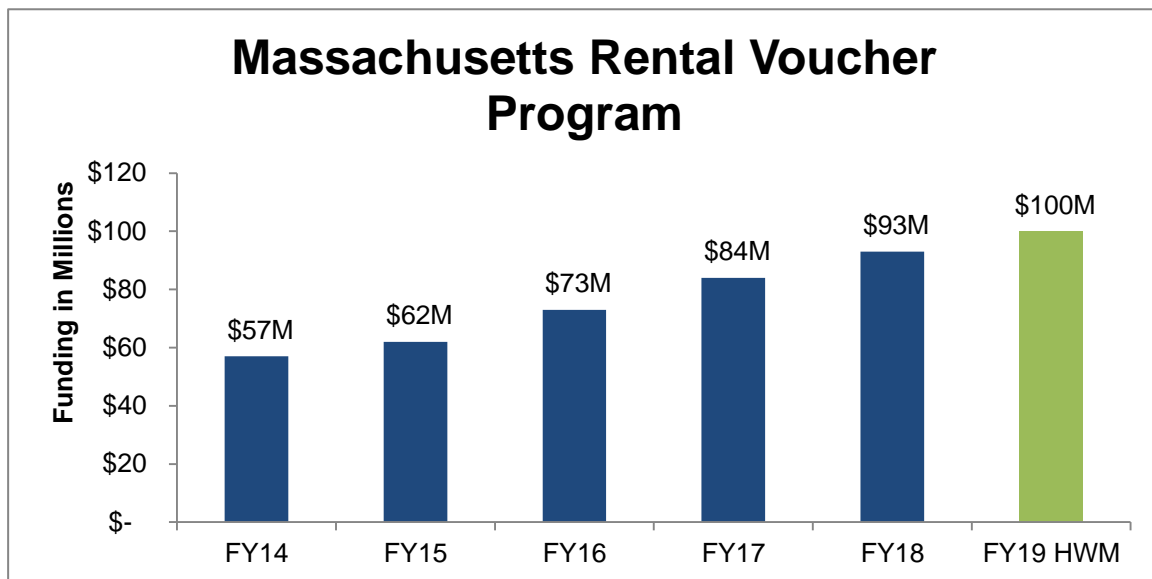
The Executive Office of Labor and Workforce Development is tasked with the goal of assisting citizens of the Commonwealth navigate the labor market by offering workforce training, education, and unemployment benefits. The House Committee on Ways and Means budget recommendation invests in these efforts to develop and maintain the Massachusetts work force and prepare them for work, starting with high school workforce programs all the way manufacturing and startup mentorship for experienced employees.

- Provides \$11.5M for Summer Jobs for At-Risk-Youth
- Provides \$4M for One Stop Career Centers
- Provides \$2M for the Massachusetts Manufacturing Extension Partnership
- Provides \$1.4M for the Massachusetts Service Alliance
- Provides \$500K for a workforce development program for individuals transitioning from houses of correction

Housing and Community Development

A safe and adequate housing environment provides the solid foundation from which families and individuals can lead stable, successful lives. As such, the House Committee on Ways and Means Housing and Community Development budget recommendation preserves or expands all eligibility criteria for the emergency homeless assistance programs, while also recognizing the importance of sustainable independent living by making substantial investments in homelessness prevention and rapid rehousing for both families and individuals.

- Provides \$148.6M for the Emergency Assistance Family Shelter Program
- Provides \$100M for the Massachusetts Rental Voucher Program (MRVP)
- Provides \$45.2M for Homeless Individuals Assistance
- Provides \$32M for the HomeBASE Program
- Provides \$17M for the Residential Assistance for Families in Transition (RAFT) Program
- Provides \$5M for Rapid Re-Housing Programs for Homeless Individuals
- Provides \$2.8M for Housing Consumer Education Centers
- Provides \$6.2M for the Alternative Voucher Housing Program (AVHP)



Public Safety and Security

The House Ways and Means Committee budget recommendation continues its commitment to ensuring the safety of the citizens of the Commonwealth. The Committee's recommendation provides funding for the core programs and functions of the Executive Office of Public Safety and Homeland Security and the state's 14 sheriffs. The FY 2019 budget recommendations will allow the agencies to continue to expand, as well as provide a variety of services to help keep the Commonwealth secure. Services provided by the agencies of Public Safety include, but are not limited to, the following: enforcing statewide laws, ensuring that the commonwealth is prepared during emergency situations, preparing offenders for a successful transition out of corrections and into society, providing necessary help and assistance to offenders and the rest of the public.

- Provides \$675M for the Department of Corrections, including continued funding for Bridgewater State Hospital improvements
- Provides \$388M for the Department of State Police
- Provides \$16.4M for the Chief Medical Examiner
- Provides \$19.6M for the Military Division
- Provides \$850K for the Boston Regional Intelligence Center
- Provides \$572.8 for the Commonwealth's 14 sheriffs' offices