

# Senate Committee on Ways and Means

## Fiscal Year 2019 Budget Recommendations



### *Executive Summary*

Massachusetts has long been a leader in creating opportunities and ensuring access to the tools that individuals, children and families need to succeed in the economy and in their communities. Our commitments to educating all students, protecting the vulnerable and improving access to high quality health care, economic opportunities and justice are hallmarks of our state's ethos and values. We remain committed to these principles and stand ready to advance Massachusetts' leadership in these spheres and in the face of future challenges.

The Senate Committee on Ways and Means Fiscal Year 2019 budget invests in our state's strengths and confronts obstacles to continued growth and success. We boost funding for school districts and empower regions across the state to provide local services. Recognizing that access to opportunities, skills training and support services benefit our people and our Commonwealth as a whole, we direct resources to support full engagement in the economy. We also invest in our future through environmental protection and the preservation of our natural resources and open space.

The Committee's budget spends responsibly and maximizes state and federal revenue opportunities and efficiencies, recommending a total of \$41.42B in spending, a 3% increase over the Fiscal Year 2018 General Appropriations Act. This spending recommendation is based on a projection of a \$933M (3.5%) increase in tax revenue for FY 2019, as agreed upon during the Consensus Revenue process in January. This budget makes strategic, targeted investments, while reducing reliance on one-time revenue sources and directing \$88.5M to the Stabilization Fund to continue to build the state's financial safety net.

### **Education**

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Education is the fundamental building block of individual and shared success. In the 25 years since the landmark Massachusetts Education Reform Act of 1993 – and the hundreds of years since Horace Mann first established the public education system – Massachusetts has led the nation on education, with students consistently outperforming their peers in other states. We

must maintain this leadership by continuing to create educational opportunities for people of all ages and backgrounds, ensuring programs are innovative, effective and adequately funded.

### **Early Education and Care**

Skills learned in early childhood directly impact future academic achievement and personal and economic success. The Committee's budget invests in kids beginning at birth and seeks to remove barriers to access and quality care.

- \$270.1M for Income Eligible Childcare and \$235.8M for Supportive and Temporary Assistance for Needy Families Childcare to provide critical childcare services for low income families
- \$14.9M for the Children's Trust Healthy Families programs, providing family support and coaching for young parents
- \$8.7M for Childcare Resource and Referral Centers to boost salaries and decrease caseloads for caseworkers helping parents, childcare providers, employers and community groups navigate the state's early education landscape
- \$5M for the Commonwealth Preschool Partnership Initiative to expand access to preschool for 3 and 4 year olds across the state
- \$2.5M for early childhood mental health consultation services

### **Elementary and Secondary Education**

Excellent schools are necessary for building strong, resilient children equipped with the skills and social-emotional tools they need to be active, engaged citizens and members of our workforce. This budget invests significantly in elementary and secondary education, while continuing to phase in the Foundation Budget Review Commission (FBRC) recommendations to more adequately fund school districts across the state and ensure high quality education for all students.

**Chapter 70.** The Committee's budget funds Chapter 70 at its highest level ever, even after accounting for inflation. This increased education investment allows for a minimum aid increase of at least \$30 per pupil over FY 2018 for every school district across the state and 100% effort reduction to bring all school districts to their target local contribution.

**Foundation Budget.** This budget reflects the Senate's continued commitment to implementing the FBRC recommendations to adjust the Chapter 70 formula to more accurately account for school districts' costs. We increase the rate that is factored into the foundation budget for employee health insurance costs and begin to more adequately fund the education of English Language Learners. This budget also takes steps to offset the cost to some school districts of

educating low income students and allow school districts to more accurately count these students.

***School District Reimbursements.*** The Committee's budget includes \$318.9M for the Special Education Circuit Breaker, reimbursing school districts for the high cost of educating students with disabilities at the statutorily required 75% reimbursement rate. This budget also includes \$100M to reimburse school districts for costs incurred when students leave to attend charter schools, a six year high for this reimbursement account and a 59% reimbursement rate.

- \$4.91B for Chapter 70 education funding
- \$318.9M to fully fund the Special Education Circuit Breaker
- \$100M for Charter School Reimbursements
- \$62.5M for Regional School Transportation reimbursements
- \$21.1M for the Metropolitan Council for Educational Opportunity (METCO) program
- \$4.7M for the School Breakfast program and a policy change to ensure that free and reduced-price breakfast is served after the start of the school day
- \$500K for teachers' professional development to improve the academic performance of English Language Learners in vocational-technical schools

## **Higher Education**

Our highly skilled and highly educated workforce keeps the state's economy moving forward, and our higher education system ensures our continued growth. This budget makes targeted investments to increase access to opportunities at our state colleges and universities and support critical workforce development and research initiatives.

- \$518.7M for the University of Massachusetts, our world-class public research university system
- \$282.6M for the fifteen community colleges and \$259M for the nine state universities
- \$5.5M for fee waivers and \$1.3M for financial aid to expand access to higher education opportunities for young people in foster care
- \$2.6M for the Performance Incentive Fund, encouraging higher education institutions to innovate and share best practices
- \$1.5M for Community College Workforce Grants
- \$400K 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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High quality, affordable health care and resources for those facing physical or mental health challenges are critical for our residents. Massachusetts has been a consistent leader in providing health and human services, leading the way on health care reform, from our 2006 law that was the precursor to the national Affordable Care Act, to our efforts on cost containment in 2012 and our continued work on quality, affordability and access. This budget invests in health care for low income residents and vulnerable populations, services for people struggling with mental illness and substance misuse and resources for children, seniors, veterans and individuals with disabilities.

### MassHealth

The Committee's budget invests \$16.12B in MassHealth to provide health care coverage for our most vulnerable children, seniors and low income residents, while pursuing initiatives to lower costs, improve outcomes and ensure continued access and affordability for consumers.

*Pharmacy Savings.* The Committee's budget provides MassHealth with new tools to tackle the ever rising cost of pharmaceutical drugs, setting an annual prescription drug spending target and permitting the Secretary of Health and Human Services to pursue rebates from pharmaceutical manufacturers. This policy change allows for savings without changing eligibility standards, reducing access to certain pharmaceuticals or otherwise compromising our commitment to comprehensive health coverage.

- \$633M to offset costs incurred by hospitals serving large numbers of patients on MassHealth and provide support for the continued transition to Accountable Care Organizations
- \$35.5M for salary increases for nursing home workers finely targeted to ensure the lowest-paid direct care workers receive these raises in a timely manner
- \$1M to restore periodontal care to MassHealth dental benefits, reflecting our investment in services that prevent greater health complications to improve overall health

### Public Health

High quality, inclusive public health programs prevent illness, promote health equity and improve quality of life for families and communities across the state. The Committee's budget invests in programs and services to ensure the health and wellness of all Massachusetts residents, especially vulnerable populations.

- \$37.1M for domestic violence prevention services, to support increased staffing levels at Rape Crisis Centers
- \$30.8M for HIV/AIDS treatment and prevention
- \$16.4M for head injury treatment services
- \$7M for the Safe and Successful Youth Initiative and \$2M for youth violence prevention grants
- \$5.7M for family health services, including sexual and reproductive health counseling, education and clinical services for low income adolescents and adults
- \$5M for the Sexual Assault Nurse Examiner (SANE) and pediatric SANE programs, including \$900K for Children’s Advocacy Centers, providing safe and integrated services to protect children from abuse
- \$4.5M for suicide prevention and intervention, including \$400K for Samaritans Inc. and \$100K for the Call2Talk suicide prevention hotline
- \$3.8M to eliminate the waitlist for pediatric palliative care services for terminally ill children and their families
- \$500K for a new Mobile Integrated Health Unit to increase access to health care services and decrease non-emergency visits to the Emergency Room

### **Substance Misuse**

As the opioid crisis continues to escalate, the Legislature remains committed to prevention, education and treatment. The Committee’s budget continues this holistic approach to end the opioid epidemic through education and outreach, as well as treatment and support for those in recovery.

- \$141.8M for a range of substance abuse treatment and intervention services, including funding to open five new recovery centers
- \$3.1M for Recovery High Schools providing academic support and recovery services for students with substance use disorders
- \$2M for case management and residential rehabilitation services to help individuals transition between levels of treatment and find support through each step of recovery
- \$500K to continue the accreditation of Sober Homes to ensure supportive environments for people recovering from addiction
- \$100K to improve early intervention programming and care for newborns diagnosed with neonatal abstinence syndrome

### **Mental Health**

Positive mental health is necessary for people to manage stress, contribute meaningfully to their communities and realize their full potential. The Committee’s budget invests \$872M in crucial

mental health services and early intervention and prevention programs, with a focus on comprehensive services and support for adults and children.

- \$487M for Adult Support Services, including \$16M for comprehensive care coordination among health care providers, \$1M to expand housing options and \$4.5M for employment services for adults struggling with mental illness
- \$92.2M for children's mental health services, including \$3.7M for the Massachusetts Child Psychiatric Access Program (MCPAP) and \$500K for MCPAP for Moms to address mental health needs of pregnant and postpartum women
- \$10.8M for the Forensic Services Program, which funds mental health assessments and consultations in juvenile court clinics
- \$4M to increase salaries of providers of mental health services for both children and adults and improve access to this critical care
- \$2M to expand jail diversion initiatives to divert individuals with mental illness and substance use disorders from the criminal justice system and connect them with appropriate treatment
- \$1.9M to expand case management services for children and adolescents

## **Disabilities**

This budget supports innovative programs to facilitate self-sufficiency and create opportunities for people of varying abilities, investing \$1.92B in the Department of Developmental Services (DDS) to support a range of housing, job training, assistive technologies and health services.

- \$209.6M for the DDS Community Day and Work program providing employment support, education and training
- \$25M to fully fund Turning 22 services to help young people with disabilities transition to adulthood
- \$18.1M for specialized services for adults with autism
- \$7.2M for the 11 independent living centers across the state providing networks of support to help individuals of all abilities access opportunities and build community
- \$6.1M for the Massachusetts Commission for the Blind services, including \$300K for assistive technologies, as well as \$1.6M for the Massachusetts Rehabilitation Commission's assistive technology program
- \$5.9M for the Massachusetts Commission for the Deaf and Hard of Hearing
- \$150K for competitive grants to community-based employment programs for young adults with disabilities

## **Elder Affairs**

The Committee's budget invests in the health and wellness of our seniors, supporting programs that allow them to live as independently as possible and continue to contribute to their communities as they age.

- \$175M for the Elder Home Care program, providing critical health and social services to help seniors remain in their homes
- \$31.6M for the Protective Services Program to prevent elder abuse and neglect
- \$15.7M for local Councils on Aging to strengthen programs and services in senior centers in communities across the state
- \$7.3M for Meals on Wheels and other nutrition programs for seniors
- \$642K for Naturally Occurring Retirement Communities, offering services to communities with a high proportion of seniors aging in place

## **Veterans**

Massachusetts leads the nation in providing for our veterans, and this budget reflects our continued commitment to providing benefits and assistance and creating opportunities for those who have served our country.

- \$75.9M for veterans' benefits provided by municipalities, including cash, fuel and rent assistance, employment training and placement and health benefits
- \$4.6M for Veterans Outreach Centers providing peer counseling, employment skills building and job search assistance, substance abuse counseling and other services
- \$112K for outreach and services targeted to women veterans

## **Child Welfare**

Safe, healthy and supportive foundations lay the groundwork for children to learn, grow and achieve healthy futures. The Committee's budget prioritizes children and families, investing \$1B in the Department of Children and Families (DCF).

- \$236.8M for DCF Social Workers, supporting the Department's ongoing efforts to reduce caseloads for social workers
- \$50.5M for family support and stabilization services
- \$15.5M for Family Resource Centers to expand to new communities and meet increased demand for services from families displaced by last fall's hurricanes
- \$6.7M for DCF Lead Agencies to connect children with community-based services

- \$1.2M for the Office of the Child Advocate to ensure children involved with state agencies are protected from harm
- \$750K for the Foster Care Parents Campaign to recruit and support foster families

## **Assistance for Low Income Families**

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The Committee's budget invests in programs and advances policies to encourage self-sufficiency and economic mobility for low income families, providing them with the tools to secure their essential needs and develop skills to join the workforce.

***Earned Income Tax Credit.*** This budget raises the Earned Income Tax Credit (EITC) state match to 30% of the federal credit, up from the current 23% rate. The EITC is an incredibly effective anti-poverty measure that helps working families make ends meet and has a proven positive impact on the health of both children and adults.

***Lifting the Cap on Kids.*** Current state policy denies Department of Transitional Assistance (DTA) benefits to children conceived while the family was receiving assistance, an outdated, unjust policy that impacts nearly 9,000 vulnerable children. This budget eliminates this failed policy, effective January 1, 2019, and invests an additional \$5.5M to ensure families receive the benefits to which they are entitled.

***Clothing Allowance.*** The Committee's budget helps families to secure their basic needs by increasing the clothing allowance for the fourth year in a row to \$350 per child, helping children enter school comfortable and ready to learn.

***Support for Working Families.*** The Committee's budget includes policy changes to simplify grant structures and remove work disincentives, helping working families best achieve economic independence. This budget also invests \$1.5M in the Supplemental Nutrition Assistance Program (SNAP) Employment and Training Transportation program, providing \$80 per month to cover transportation costs of SNAP clients participating in job training programs.

- \$14.2M for the DTA Employment Services Program to help low income people move toward economic independence, including \$1M for programs operated by the Office of Refugees and Immigrants and \$200K for the DTA Works Internship Program
- \$3M for the Healthy Incentives Program, expanding access to healthy foods for 60,000 SNAP recipients and supporting local farmers
- \$750K for the Secure Jobs Connect program, providing job placement resources and assistance for homeless individuals



## **Housing**

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Safe and stable housing is a necessary foundation for people seeking to climb the economic ladder. The Committee's budget maintains the Senate's commitment to increasing access to quality, affordable housing, investing over \$449.1M in low income housing and homelessness services.

- \$155.9M for Emergency Assistance Family Shelters
- \$97.5M for the Massachusetts Rental Voucher Program (MRVP)
- \$46.2M for assistance for homeless individuals
- \$30.1M for the HomeBASE diversion and rapid re-housing program
- \$18.5M for Residential Assistance for Families in Transition (RAFT), including \$3M to expand eligibility to include persons with disabilities, seniors, unaccompanied youth and individuals
- \$6.5M for nearly 160 new rental subsidies for individuals with mental health challenges
- \$5M for the Alternative Housing Voucher Program providing rental assistance to people with disabilities and \$2.7M for a new grants program to improve or create accessible affordable housing units
- \$3.3M for housing and supportive services for unaccompanied homeless youth
- \$3M for Housing Consumer Education Centers, one-stop shops for rental assistance and homelessness prevention resources
- \$2.3M for the Home and Healthy for Good re-housing and supportive services program, including \$250K for LGBTQQ populations

## **Economic Development and Workforce Training**

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The Massachusetts economy consistently outperforms other states and nations in areas including life sciences, technology, clean energy and advanced manufacturing, along with other knowledge-based sectors. The Committee's budget continues to invest in initiatives that connect Massachusetts workers with economic opportunities and boost these thriving industries.

- \$30M for adult basic education services to improve access to skills and tools necessary to join the workforce
- \$12.5M for summer jobs and work-readiness training for at-risk youth
- \$5M for the Workforce Competitiveness Trust Fund to connect unemployed and under-employed workers with higher paying jobs
- \$2.5M for the Massachusetts Technology Collaborative Innovation Institute
- \$2.5M for the Precision Manufacturing Program

- \$1.3M for Small Business Technical Assistance grants
- \$1M for the Learn to Earn initiative to decrease the skills gap in high demand sectors
- \$1M for Regional Economic Development Organizations to support economic growth and innovation in all regions of the state

## **Local and Regional Empowerment**

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Recognizing that each community and region of the Commonwealth has unique assets and needs, this budget directs significant investments to local aid and community services and empowers municipalities to provide vital education, public safety and infrastructure services.

***Regional Transit Authorities.*** The Committee’s budget increases funding for Regional Transit Authorities to \$88M and ties future transfers to inflation, to ensure that commuters, students, seniors and people with disabilities can continue to connect to convenient, accessible service. This budget also creates a Task Force on Regional Transit Authority Performance and Funding to make recommendations on service standards, predictable revenue streams, appropriate ridership, customer service, asset management, financial performance indicators and best practices for RTAs, dedicating \$4M of the funding to RTAs that incorporate recommended reforms.

- \$1.1B for unrestricted general government aid to support community investments in education, health care, public safety and roads and bridges
- \$26.6M for the Board of Library Commissioners, \$10.3M for regional library local aid, \$9.4M for municipal libraries and \$2.6M for technology and automated resources
- \$15.7M for local Councils on Aging to strengthen programs and services in senior centers in communities across the state
- \$14M for the Massachusetts Cultural Council to support local arts, culture and creative economy initiatives

## **Environment**

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As the federal government’s commitment to environmental protection appears to be wavering, it is more important now than ever that Massachusetts lead the way in protecting our natural resources and promoting environmental sustainability. The Committee’s budget invests \$243.3M in environmental agencies to boost the capacity of environmental protection and climate change preparedness initiatives.

- \$88.4M for the Department of Conservation and Recreation to support the state park system
- \$53M for the Department of Environmental Protection, including additional funding for the preservation of clean air and safe drinking water standards
- \$11.2M for Environmental Law Enforcement, including additional funding to support a new class of ten officers responsible for enforcing laws regarding hunting, fishing, trapping and pollution
- \$2.2M for climate change adaptation and preparedness programs to enhance resilience and address the mounting threat of climate change
- \$1.3M for the Division of Ecological Restoration to protect the Commonwealth's rivers, wetlands and watersheds

## **Criminal Justice Reform**

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### **Judiciary—Access to Justice**

Earlier this year, the Legislature passed into law sweeping criminal justice reforms to safeguard access to justice, encourage rehabilitation and reduce crime, recidivism and incarceration. The Committee's budget continues these efforts to create a fair, effective and innovative criminal justice system while preserving public safety, investing \$925.6M in the Judiciary.

- \$680.9M for the Trial Court system, including \$1.1M for an Alternative Dispute Resolution program, \$2.6M to continue the expansion of the Housing Court to serve all residents of the Commonwealth and funding for other critical access to justice initiatives
- \$193.3M for the Committee for Public Counsel Services
- \$148.7M for the Office of Probation, including an additional \$1.8M to support sealing and expungement capacity, caseload management software, pre-trial services and other initiatives included in the recent criminal justice reform law
- \$4M to increase the starting salaries of Assistant District Attorneys to \$55,000 per year and \$750K to support the salaries of more experienced Assistant District Attorneys; as well as \$3M to increase public defenders' starting salaries to \$55,000 per year and \$1M to support the salaries of more experienced public defenders, critical investments to ensure high standards of justice
- \$1.9M for Prisoners' Legal Services
- \$1.5M for the Mental Health Legal Advisors Committee

## **Public Safety**

The Committee's budget supports local police and fire departments and public safety initiatives in communities across the state.

- \$579.6M for the Sheriffs' offices across the state, providing tiered increases to each office while accounting for historic funding disparities
- \$281.4M for the State Police
- \$24.3M for the Department of Fire Services, including \$1.2M for the Student Awareness Fire Education program and \$700K for Critical Incident Stress Management programs
- \$10.8M for the Massachusetts Alcohol and Substance Abuse Center to provide education, treatment and re-entry planning for inmates and civilly committed males
- \$6M for the Shannon Grants gang violence prevention and intervention program
- \$4.8M for the Municipal Police Training Committee
- \$375K for Department of Correction re-entry programs

In order to ensure transparency, efficient spending and regional parity, this budget also creates a special commission to assess spending at the Department of Correction and at each of the Sheriffs' offices. The goal of the commission is to create a standardized funding formula that incentivizes low recidivism rates and the regionalization of services, resulting in savings, as well as benefits for the Commonwealth's inmates and the communities they ultimately rejoin.