

# Senate Committee on Ways and Means

## Fiscal Year 2020 Budget Recommendations



### *Executive Summary*

Our Commonwealth has a strong economic foundation formed by generations of hard working families, small businesses, innovative companies and strong institutions anchored in health care and higher education. To build upon this foundation and ***boldly move Massachusetts forward***, the Senate Committee on Ways and Means Fiscal Year 2020 budget recommendations fulfill our commitments and invests in our shared priorities to increase access to educational opportunities, high-quality affordable health care, and economic opportunity.

With this fiscally responsible budget, we make record level investments in education, keep our commitments to our cities and towns, and support essential core services that benefit our people, our communities, and our Commonwealth. We also make investments to protect our most vulnerable, support working families, and ensure pathways to economic security.

The Committee's budget spends responsibly and maximizes state and federal revenue opportunities and efficiencies, recommending a total of \$42.7B in spending, a 3.1% increase over the Fiscal Year 2019 General Appropriations Act. This spending recommendation is based on a projected \$770M (2.7%) increase in tax revenue for FY 2020, as agreed upon during the Consensus Revenue process in January.

This fiscally responsible budget makes a number of targeted investments, while further reducing reliance on the use of one-time revenue sources and directing \$268M to the Stabilization Fund to continue to build the Commonwealth's financial safety net and place our state on firmer footing.

### **Education**

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Ensuring access to a high quality and affordable education is critical for every student to achieve future success. ***To boldly move Massachusetts forward***, the Committee's budget strengthens our commitments and re-affirms our Commonwealth's commitment to be a national leader in ensuring children of all backgrounds have access to greater educational opportunities.

## Early Education and Care

Early education and intervention is key to creating a better system of care for infants, toddlers, preschoolers and their families. The Committee's budget seeks to support the growth and development of all children and makes focused investments to improve access to high quality early childhood opportunities for low-income families.

- \$276.5M for Income-Eligible Childcare and \$276M 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 Fund Healthy Families programs, providing family support and coaching for young, first-time parents
- \$12M for grants to the Head Start program to maintain access to early education services for low-income families
- \$8.7M for Childcare Resource and Referral Centers to assist parents, childcare providers, employers and community groups navigating the state's early education landscape
- \$7.5M for the Commonwealth Preschool Partnership Initiative to expand access to preschool in underserved areas
- \$2.5M for early childhood mental health consultation services
- \$500K for the SAFE Child Communities pilot program to connect families with core services to prevent child abuse and neglect

## Elementary and Secondary Education

This budget makes significant investments in elementary and secondary education, while taking steps to broadly phase-in the Foundation Budget Review Commission's (FBRC) recommendations to meaningfully increase funding for 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 at \$5.176B, an increase of \$268.4M over FY 2019. This historic education investment allows for a minimum aid increase of at least \$30 per pupil over FY 2019 for every school district across the state and 100% effort reduction to bring all school districts to their target local contribution.

**Foundation Budget.** Consistent with the Senate's tireless and long-standing commitment to implementing the recommendations of the FBRC, this budget adjusts the foundation budget formula to more accurately account for the costs of school districts. With these changes to the foundation budget, we direct funding to school districts in need and address four key areas: employee health benefits, special education, English Learners, and low-income students in economically disadvantaged communities.

***School District Reimbursements.*** The Committee’s budget includes \$345M 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, an increase of \$10M over FY 2019; and \$73.8M for regional school transportation costs, an increase of \$5M over FY 2019 and an 80% reimbursement rate.

- \$345M to fully fund the Special Education Circuit Breaker, an increase of \$25.7M over FY 2019
- \$100M for Charter School Reimbursements
- \$73.8M for Regional School Transportation reimbursements
- \$38.3M for Adult Basic Education
- \$22.2M for the Metropolitan Council for Educational Opportunity (METCO) program
- \$12.6M for Targeted Interventions in underperforming and chronically underperforming schools and school districts

## **Higher Education**

Our institutions of higher education serve as the cornerstone of our state’s economy. They help us play to our strengths and enhance our economic competitiveness in the global arena. This budget makes targeted investments to continue support for our state colleges and universities and preserve access to a quality, affordable public higher education for all.

- \$558M for the University of Massachusetts, our world-class public research university system
- \$293.2M for the fifteen community colleges
- \$274M for the nine state universities
- \$6.5M for fee waivers and \$1.4M for financial aid to expand access to higher education opportunities for young people in foster care
- \$2M for grants offered through the Massachusetts Inclusive Concurrent Enrollment Initiative to support high school students with intellectual disabilities ages 18–22 with access to higher education opportunities.
- \$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

## **Local and Regional Aid**

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From the Berkshires to Cape Cod, and the North Shore to the SouthCoast, our regions consist of 351 unique cities and towns, all distinctly sewn into the fabric of our Commonwealth. This budget

keeps our commitments to furthering regional equity and supporting cities and towns by directing significant resources to local and regional aid to ensure our diverse communities continue to thrive for our people and our Commonwealth.

***Regional Transit Authorities.*** The Committee’s budget increases funding for Regional Transit Authorities (RTAs) to \$90.5M and ties future funding to inflation, while incentivizing RTAs to adopt best practices to ensure that commuters, students, seniors and people with disabilities are able to rely on public transportation to access to jobs, education and opportunity.

***PILOT.*** In addition to traditional local aid, the Committee’s budget increases payments in lieu of taxes (PILOT) for state-owned land to \$30M. PILOT funding has always been a beneficial source of local aid that provides cities and towns with additional resources to support core public services.

- \$1.129B for unrestricted general government aid to support community investments in education, health care, public safety and roads and bridges
- \$29.1M for the Board of Library Commissioners, \$11.5M for regional library local aid, \$9.9M for municipal libraries and \$3.3M for technology and automated resources
- \$17M for the Massachusetts Cultural Council to support local arts, culture and creative economy initiatives
- \$16.8M for local Councils on Aging to strengthen programs and services in senior centers in communities across the state.

## **Health & Human Services**

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Keeping health care accessible and affordable for our residents has always been of paramount importance to the Senate. This budget increases resources, makes targeted investments to deliver services to our most vulnerable residents and ensures the well-being of individuals and families.

### **MassHealth**

The Committee’s budget funds MassHealth at a total of \$16.55B to maintain access to affordable health care coverage for over 1.8 million people, ensuring comprehensive care for our most vulnerable children, seniors and low income residents. We recognize that this commitment does not come without cost and therefore we take meaningful steps contain program costs and keep health care affordable and accessible to all.

***Pharmacy Savings.*** The Committee’s budget provides MassHealth with additional tools to tackle the rapidly growing cost of pharmaceutical drugs, permitting the Secretary of Health and Human Services to directly negotiate for fair and additional rebates or cost effective payment arrangements

with pharmaceutical manufacturers. Acknowledging that slowing rising drug costs requires a comprehensive look at the distribution chain, this budget also explores new and creative cost savings initiatives for MassHealth to purchase prescription drugs and requires greater transparency from pharmacy benefit managers. These initiatives represent \$80M (\$28M net) in total savings while maintaining access to comprehensive health coverage and treatment access for some of our most vulnerable populations.

***Nursing Homes.*** The Committee's budget takes steps to address the ongoing challenges nursing homes continue to face within our communities. Serving as the ultimate safety net for our most vulnerable resident, facilities at continued risk of closure create uncertainty for our elders, their families and our Commonwealth.

The Committee's budget invests \$15M (\$7.5M net) for nursing home stabilization payments targeted specifically to support skilled nursing facilities with workforce, geographic, critical access and high acuity issues. This thoughtful and targeted approach will provide immediate financial support to those facilities at the highest risk of closure due to these contributing factors. Acknowledging the urgency as well as the complexity of stabilizing nursing home services, the Committee's budget also creates a joint legislative task force to develop a multi-faceted approach to the myriad of challenges facing nursing homes.

***Medicare Savings Program.*** The Committee's budget invests \$30M to expand eligibility for the Medicare Savings Program. The proposed expansion leverages federal funds to significantly reduce out-of-pocket health care costs for low-income seniors, providing new or additional assistance for ~40,000 older adults throughout the Commonwealth.

- \$13M for High Public Payer Hospitals and \$646M in supplemental payments to support the continued transition to the Accountable Care Organization delivery model.
- \$38.3M for salary increases for nursing home workers finely targeted to ensure the lowest-paid direct care workers receive these raises in a timely manner.
- \$261M for the Children's Behavioral Health Initiative, supporting a community-based system of care, guaranteeing that children with MassHealth coverage receive the behavioral health services they need for success at home, in school and throughout life.

## **Substance Use Disorder Treatment**

Our Commonwealth is in the midst of a challenging public health crisis. Prevalent in every corner of our state and impacting families and their loved ones without prejudice, we recognize that addiction is a disease that does not discriminate. As such, the Committee's budget makes clear that accessibility to a complete continuum of care is critically important to families and their loved ones in dire need of support.

- \$150.2M for a range of substance abuse treatment and intervention services, including \$3.5M in new funding to open five new recovery centers.
- \$5M for investments in the substance use disorder workforce, including training on medication management, medication-assisted treatment and treatment of co-occurring 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
- \$100K to improve early intervention programming and care for newborns diagnosed with neonatal abstinence syndrome

## **Mental Health**

Expanding access to mental health services and removing the stigma of mental illness has always been a core priority of the Senate. The Committee's budget invests nearly \$900M in mental health services and prevention programs, with a focus on ensuring continued access to comprehensive services and supports for adults and children.

- \$489M for Adult Support Services, including assisted outpatient programming and comprehensive care coordination among health care providers
- \$93.4M for children's mental health services, including \$3.9M for the Massachusetts Child Psychiatric Access Program (MCPAP) and \$675K for MCPAP for Moms to address mental health needs of pregnant and postpartum women
- \$10M for the new Behavioral Health, Outreach, Access and Support Trust Fund to support a loan forgiveness initiative for behavioral health workers and a general public awareness campaign.
- \$11M for the Forensic Services Program, which funds mental health assessments and consultations in juvenile court clinics
- \$3M 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
- \$1M to expand case management services for children and adolescents

The budget also provides important protections to providers of essential behavioral health services by setting limits on an insurer's ability to impose a retroactive claims denial for those services.

## **Public Health**

Our Commonwealth prides itself on promoting the health and well-being by ensuring all residents have access to high-quality public health services. The Committee's budget invests in programs

and services that improve quality of life for families and communities across the state, with a focus on vulnerable populations.

- \$37.8M for domestic violence prevention services, to support increased staffing levels at Rape Crisis Centers
- \$30.8M for HIV/AIDS treatment and prevention
- \$30.8M for early intervention services, to ensure supports are accessible and available to infants and young toddlers with developmental delays and disabilities
- \$17.8M for head injury treatment services
- \$8.1M for the Safe and Successful Youth Initiative and \$2M for youth violence prevention grants
- \$7M for family health services, including sexual and reproductive health counseling, education and clinical services for low income adolescents and adults
- \$5.5M 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
- \$4.8M to eliminate the waitlist for pediatric palliative care services for terminally ill children and their families
- \$4.5M for suicide prevention and intervention, including \$400K for Samaritans Inc. and \$150K for the Call2Talk suicide prevention hotline
- \$2.7M for the Childhood Lead Poisoning and Prevention Trust Fund
- \$500K for the STOP Stroke Program

### **People with Disabilities**

This budget creates opportunities for people of varying abilities, investing over \$2.16B in a range of programs that assist individuals with intellectual and developmental disabilities with meaningfully contributing to the health and well-being of our Commonwealth.

- \$233M 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
- \$25M 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
- \$24.6M for the Massachusetts Commission for the Blind services
- \$6.1M for the Massachusetts Commission for the Deaf and Hard of Hearing
- \$250K for competitive grants to community-based employment programs for young adults with disabilities

## **Elder Affairs**

Today, we have more residents over the age of 60 than under the age of 20. To promote the continued health and well-being of this growing population, the Committee's budget invests in programs that allow our seniors to age and thrive in the community and ensures continued access to services and resources.

- \$234M in total for the Elder Home Care program, providing critical health and social services to help seniors remain in their homes.
- \$500K for Geriatric Mental Health Services, supporting behavioral health outreach teams who provide mental health services within our communities.
- \$32.7M for the Protective Services Program to prevent elder abuse and neglect.
- \$16.7M for grants to local Councils on Aging to strengthen programs and services in senior centers within our local communities and across the state.
- \$9.7M for Meals on Wheels and other nutrition programs for seniors.
- \$8.2M in housing related programs for older adults receiving benefits through the Elder Homeless Placement, Congregate Housing and Supportive Housing programs including an additional \$642K for Naturally Occurring Retirement Communities, offering local services to communities with a high percentage of older adults.

## **Veterans**

Our Commonwealth continues to be a nationally recognized leader in its generous and thoughtful approach to providing benefits and assistance to our veterans and their loved ones. With this budget, we build upon our previous commitments and make investments to by supporting existing benefit programs and preserving our first-in-the-nation status when it comes to taking care of those who have honorably served our country.

- \$72.1M for veterans' benefits provided by municipalities, including cash, fuel and rent assistance, employment training and placement and health benefits
- \$5.3M for Veterans Outreach Centers providing peer counseling, employment skills building and job search assistance, substance abuse counseling and other services
- \$1.3M for veterans' mental and behavioral health services through the Home Base program
- \$116K for outreach and services targeted to women veterans

## **Support for Children and Working Families**

The Committee's budget prioritizes children and working families, investing in programs and services to provide children with a safe and supportive environment in which to learn and grow,

while continuing our longstanding support of increasing economic opportunities for working families. Additionally, the budget eliminates the ‘homeless penalty’ so that families receiving support from the Department of Transitional Assistance (DTA) and living in temporary, emergency shelters do not see their benefits reduced. This budget also allows families to exempt the value of one vehicle when applying for assistance through DTA.

***Lifting the Cap on Kids.*** Building off our successful efforts to eliminate an outdated and unjust policy, the Committee’s budget invests \$13M to ensure over 8,700 families with children will receive the transitional assistance benefits to which they are entitled.

***Healthy Incentives Program.*** To increase access to healthier food options for over 55,000 low-income families in the Supplemental Nutrition Assistance Program (SNAP), the budget invests \$6.5M in the Healthy Incentives Program to provide monthly incentives to SNAP households in to eat better and live healthier. The HIP program incentivizes purchases of fresh, local, healthy vegetables and fruits from Massachusetts farmers at farmers markets, farm stands, CSAs, and mobile food markets. This level of funding would allow HIP to operate, for the first time, year-round.

The Committee’s budget demonstrates the importance of supporting children and families across the continuum of state services.

- \$255M for DCF Social Workers, supporting the Department’s ongoing efforts to reduce caseloads for social workers
- \$51M for family support and stabilization services
- \$19.1M for Emergency Food Assistance to ensure that citizens in need have access to a supply of quality food
- \$16.5M for Family Resource Centers to expand to new communities and meet increased demand for services from families displaced by last fall’s hurricanes
- \$14M for the DTA Employment Services Program to help low income people move toward economic independence, including \$1.3M for programs operated by the Office of Refugees and Immigrants and \$200K for the DTA Works Internship Program
- \$6.7M for DCF Lead Agencies to connect children with community-based services
- \$6.5M for the Healthy Incentives Program, maintaining access to healthy foods for 60,000 SNAP recipients and supporting local farmers
- \$2M for the Secure Jobs Connect program, providing job placement resources and assistance for homeless individuals
- \$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.
- \$1.4M 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

## **Housing**

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Access to housing is essential to provide a path to economic security and stability to those in need. The Committee's budget maintains the Senate's commitment to increasing access to quality, affordable housing, investing over \$495M in low-income housing and homelessness services and supports.

- \$178M for Emergency Assistance Family Shelters
- \$110M for the Massachusetts Rental Voucher Program (MRVP)
- \$48.3M for assistance for homeless individuals
- \$30.8M for the HomeBASE diversion and rapid re-housing programs
- \$20M for Residential Assistance for Families in Transition (RAFT), including \$3M to continue expanding eligibility for individuals in need, including persons with disabilities, seniors, unaccompanied youth
- \$8M for the Alternative Housing Voucher Program (AHVP) providing rental assistance to people with disabilities and \$2.7M for grants to improve or create accessible affordable housing units
- \$5M 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
- \$2.4M for the Home and Healthy for Good re-housing and supportive services program, including \$250K for homeless LGBTQQ youth

## **Economic Development and Workforce Training**

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In an economy in which more people are working today than at any time in our state's history, we remain committed to our sustained efforts to educate, train, and prepare Massachusetts workers and provide them with opportunities to grow and succeed. Understanding the always-critical need to maintain our leading edge in a rapidly changing global economy, the Committee's budget makes targeted investments in workforce training initiatives to maintain our long-term economic competitiveness.

- \$38.1M for adult basic education services to improve access to skills and tools necessary to join the workforce
- \$14.4M for summer jobs and work-readiness training for at-risk youth
- \$7M 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

- \$2M for Small Business Technical Assistance grants
- \$2M for the Massachusetts Manufacturing Extension Partnership
- \$1M for Regional Economic Development Organizations to support economic growth in all regions of the state

## **Environment**

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Preserving the environment, protecting public lands, and conserving natural resources as a public right are more important than ever in the face of unrelenting assault from a federal government led by climate change deniers committed to weakening environmental protections. The Committee's budget invests \$279.3M to enhance our state's environmental resources while maintaining our commitments to protecting the people's right to clean air and water and preparing for the impacts of climate change in communities across the state.

- \$97.9M for the Department of Conservation and Recreation to support the state park system
- \$61.1M for the Department of Environmental Protection, including additional funding for the preservation of clean air and safe drinking water standards
- \$18.M for the Department of Public Utilities, including an additional \$5.1M for gas infrastructure and pipeline safety initiatives
- \$2.2M for climate change adaptation and preparedness programs to enhance resilience and address the mounting threat of climate change
- \$2.1M 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**

Following on the footsteps of last session's landmark reforms to create a fairer and more innovative criminal justice system, we must continue to support policies that eschew violence and poverty for social and economic success. The Committee's budget aims to provide opportunities for individuals to re-integrate into the community as law-abiding citizens, investing \$1B in the Judiciary.

- \$546.8M for the Trial Court system, including \$1.1M for an Alternative Dispute Resolution program, \$10.2M for the Housing Court to serve all residents of the Commonwealth and funding for other critical access to justice initiatives
- \$236.9M for the Committee for Public Counsel Services

- \$190.7M for the Office of Probation, including an additional \$2.4M to support sealing and expungement capacity, caseload management software, pre-trial services and other initiatives included in the recent criminal justice reform law
- \$22M for the Massachusetts Legal Assistance Corporation
- \$3M to increase the starting salaries of Assistant District Attorneys to \$61,000 per year and \$750K to support the salaries of more experienced Assistant District Attorneys
- \$2M for Prisoners' Legal Services
- \$1.9M for the Mental Health Legal Advisors Committee

### **Justice Reinvestment and Recidivism Reduction**

Reducing recidivism and expanding services and treatment available to inmates in prisons, jails, and houses of correction is vital to promoting public safety and creating a more humane criminal justice system. The Committee's budget recognizes this by investing \$34.5M in programs across the Judiciary and Public Safety agencies.

- \$16.5M for the provision of medication-assisted treatment for inmates at DOC facilities and houses of correction with opioid use disorder
- \$4.8M for expanded behavioral health treatment at DOC facilities
- \$3.1M to expand a pilot collaboration between MassHealth, the Judiciary, DOC, and the Sheriffs to provide behavioral health support to justice-involved individuals in their communities
- \$2.5M for a grant program to provide community-based residential re-entry services
- \$2M for a new grant program to provide a continuum of pre-release and post-release re-entry services to emerging adults between 18 and 25 years old in collaboration with houses of correction
- \$1.5M for the Massachusetts Offender Recidivism Reduction Program
- \$1.2M to expand a transitional youth early intervention probation pilot to provide recidivism reduction programming to high-risk/high-need 18 to 24 year olds
- \$1.1M for DOC's recidivism reduction programming
- \$495K for diversion programs in the district attorneys' offices
- \$345K to expand behavioral health programs at houses of correction
- \$200K for the Massachusetts Community Justice Project to enhance collaboration among local partners and divert individuals with mental health or addiction issues from the criminal justice system

### **Public Safety**

The Committee's budget makes investments to support local police and fire departments in communities across the state, while ensuring law enforcement has the tools and resources necessary to effectively deter crime and uphold public safety.

- \$596.5M for the Sheriffs' offices across the state, providing tiered increases to each office while accounting for historic funding disparities
- \$395M for the State Police, including \$4.5M to support a new State Police class of 100 recruits
- \$29.6M for the Department of Fire Services, including \$1.2M for the Student Awareness Fire Education program, \$700K for Critical Incident Stress Management programs and \$3.2M for the development of a new firefighter and technical rescue training facility
- \$13.25M for the Massachusetts Alcohol and Substance Abuse Center to provide education, treatment and re-entry planning for inmates and civilly committed males
- \$9M for the Shannon Grants gang violence prevention and intervention program  
\$4.9M for the Municipal Police Training Committee

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.