

The Fiscal Year 2010 House Budget

OVERVIEW

While the House Ways and Means budget sought to close the entire budget gap with program cuts and federal revenue, the final House budget takes a more balanced approach that includes deep cuts, federal revenue, and a sales tax increase. The House made real progress during the floor debate, but the state’s fiscal challenges continue to become more severe as the national recession batters state finances.

The Governor and House initially confronted a budget gap of approximately \$3.5 billion. This week, however, the official revenue estimate for FY 2010 was reduced by approximately \$1.5 billion dollars – expanding the budget gap by that amount. As the budget process moves to the Senate, it is now likely that the final budget will require deeper cuts and more new revenue than the House budget proposed, as well as the use of more of the expected federal stimulus revenue and draws on the state’s own reserves.

This *Budget Monitor* describes the House floor action, explaining the major changes from the House Ways and Means (HWM) proposal and comparing final House funding levels to last year’s levels and the Governor’s proposals. The House budget proposes to use the \$900 million in new revenue generated by the sales tax increase to restore some of the funding that the HWM proposal would have cut, and to begin to address the long-term deficit the state faces in maintaining its transportation infrastructure. Specifically, the budget allocates \$275 million of the sales tax revenue to meet transportation needs and over \$600 million to reduce budget cuts, including \$205

TABLE OF CONTENTS	
Overview	1
Education	2
Environment & Recreation	4
Health Care	5
Human Services.....	9
Infrastructure, Housing & Economic Development.....	12
Law & Public Safety.....	13
Local Aid	15
Other	16
Revenue	17
Budget by Program Area	17

million to reduce cuts in local aid that had been proposed in the HWM budget. Because \$108 million of this money is used to reduce Medicaid cuts, the state will also receive more federal Medicaid reimbursements than it would have under the HWM proposal, bringing the new revenue available to approximately \$950 million. That is the amount the House spent during floor

debate to reduce proposed cuts and to address existing transportation shortfalls.

Comparing FY2010 line items to the 2009 budget is complicated by a technical issue relating to how the budget now funds technology. Like the Governor's, the House budget has consolidated information technology spending in new technology line items as part of an effort to improve technology management. Therefore, the amount of each existing line item that had been spent on technology is taken out of those line items and moved to the new technology line items. If one were simply to look at these line items alone it would appear that they had been cut when, in fact, some of their funding was just moved to other line items.

To adjust for these technology transfers and allow for comparison with prior years, the *Monitor* uses information made available through the Governor's budget website to estimate the effects of these technology transfers for specific line items.

In addition, the *Monitor* includes in both the House and Governor's totals federal stimulus funds that are included in the budget proposals. For example, both the House and Governor's budget use more than \$300 million in American Recovery and Reinvestment Act (ARRA) money to fund public K-12 and higher education. Similarly, both budgets rely on substantial federal stimulus Medicaid reimbursements.¹ The budget totals in this *Monitor* do not include stimulus funds that do not directly impact the state budget.

¹ Totals for the Governor's budget recommendations include all ARRA funds included in his initial budget document and ARRA fund distributions that have been announced subsequently.

EDUCATION

FY09 GAA	\$6,951,626,766
FY10 House 1 (adj.)	\$6,981,754,504
FY10 HWM (adj.)	\$6,883,254,396
FY10 House Final (adj.)	\$6,924,168,719

House Final increase (or decrease) from FY09 GAA	(\$27,458,047)
Percentage change	(0.4 %)

When federal stimulus (American Recovery and Reinvestment Act, or ARRA) funds are included, the final House budget increased education spending by \$46.2 million over the House Ways and Means (HWM) proposal. In addition, the House made changes to the HWM Chapter 70 plan that would provide every school district with a small amount of ARRA funds. In total, education spending in the House budget is an increase of \$158.6 million over the FY 2009 General Appropriations Act (GAA) level and \$128.4 million above the Governor's FY 2010 budget proposal. This funding level is \$130 million short of the appropriation necessary to fully fund the scheduled phase in of the 2006 Chapter 70 reforms.²

K-12 EDUCATION

The final House budget includes two changes to the HWM Chapter 70 plan. By restoring \$204.9 million of the HWM budget's \$425.6 million cut to local aid, the House budget changes local contributions to public schools. These changes result from the fact that discretionary state aid is one of the considerations in determining local contributions.³ When discretionary local aid is

² Both the House and Governor's FY 2010 totals include federal ARRA funds used for K-12 and higher education. If these funds are not included in the calculation, spending falls below the FY 2009 GAA mark.

³ State aid to municipalities is a component in the calculation of each community's Municipal Revenue Growth Factor

increased, communities are expected to contribute more to their public schools. These increases in local contributions mean that only approximately \$160 million in ARRA funds is necessary to ensure all districts reach their Foundation Budget, as opposed to the \$184 million used in the HWM budget.

The final House budget also guarantees all school districts receive ARRA funds of at least \$50 per pupil. Therefore, an additional \$20 million in ARRA funds are distributed to 213 school districts to ensure that each school district receives some amount of ARRA funds.

Aside from Chapter 70, the final House budget includes \$20 million in additional transportation reimbursements to regional school districts. The new \$50.5 million funding level for this item, while still \$10.8 million below the FY 2009 GAA amount, represents an increase of 66 percent over the HWM recommendation.

The final House budget also restores four line items that had not been included in the HWM budget. Most notably, the House budget funds the state's Foundation Budget reserve account, which allows districts that meet certain hardship criteria to apply for additional education funding. The House funds the item at \$6 million, an increase of \$500,000 over the FY 2009 GAA.⁴

The final House budget also includes a new \$400,000 item to provide school districts with planning grants and one-time supports to districts attempting to regionalize. The FY 2009 GAA included a \$200,000 earmark for similar planning grants.

(MRGF). MRGF is an important factor in determining changes in local contributions from one year to the next.

⁴ The three other restored items are the Math and Science Academy at Worcester Polytechnic Institute, the alternative education grant program, and funds for youth mentoring. Each item was cut substantially from its FY 2009 GAA funding level.

In addition, the House budget:

- Restores \$1.1 million total in earmarks for literacy achievement, Recording for the Blind and Dyslexic and JFY networks, which provides MCAS tutoring.
- Adds language ensuring that kindergarten programs previously funded through the EEC Community Partnership Council line item would continue to receive funding.
- Includes regional school districts in a provision of Massachusetts General Laws which allows a term of 25 years for School Building Assistance borrowing.
- Directs the Department of Elementary and Secondary Education to ensure that an impartial, full-time bureau of special education appeals continue to arbitrate special education disputes between parents and school districts.

EARLY EDUCATION & CARE

The final House budget includes \$3.5 million in spending over the amount recommend in the HWM budget for early education and care, for a total spending level of \$548.6 million. This amount is \$41.5 million less than the amount appropriated for early education and care in the FY 2009 GAA.

The majority of this early education and care increase over the HWM budget, increase, \$2.5 million, is for the state's Universal Pre-K program. The new funding level of \$9 million is the same as the FY 2009 GAA amount.

The final House budget also includes \$1 million in spending for early childhood mental health consultation services. This item, which was funded at \$2.9 million in the FY 2009 GAA, was not included in the HWM budget recommendation.

In addition, the final House budget specifies that \$7.5 million in funding to improve parenting skills go to three specific programs: Mass Family

Networks, Parent-Child Home Program, and Reach Out and Read. However, unlike the FY 2009 GAA, the final House budget does not earmark specific amounts for each program.

HIGHER EDUCATION

The final House budget provides \$13.4 million more funding for public higher education than did the HWM recommendation. The single-largest increase in the House budget for higher education is to the state’s college scholarship line item, which received \$10 million in additional funds, for a total funding level of \$92.9 million. The FY 2009 GAA provided \$96.9 million for this item.

Combining state funding and the recommended ARRA amount, the final House budget funds UMass at \$493.1 million. This combination of state and federal funds exceeds the FY 2009 GAA appropriation of \$492.3 million by approximately \$800,000, which is not sufficient to maintain existing services given inflation.

The final House budget restores funding for the Tufts Veterinary School, which had not been funded by either HWM or in the Governor’s budget recommendations. The \$500,000 funding level would mark a \$5 million cut from the school’s FY 2009 GAA funding level.

The House also provides \$1 million in funding for a dual enrollment program for high school students. The Governor proposed \$2 million for such a program, which was included in the FY 2009 GAA as an earmark within the Department of Higher Education line item.

ENVIRONMENT & RECREATION

FY09 GAA	\$231,760,575
FY10 House 1 (adj.)	\$213,286,852
FY10 HWM (adj.)	\$204,407,745
FY10 House Final (adj.)	\$208,607,745

House Final increase (or decrease) from FY09 GAA	(\$23,152,830)
Percentage change	(10 %)

The House passed a final budget which decreased funding for energy and environmental programs by \$23.2 million. The final House budget provides \$4.2 million more than the House Ways and Means budget for energy and environmental programs, including:

- \$4 million for the food bank program in the Department of Agriculture that provides funding to regional food banks in the state. The final House budget provides \$12 million for this program, which is in line with the amount recommended by the Governor and appropriated in the FY 2009 GAA.
- \$200,000 for the endangered species program. This funding, which was not included in the HWM budget, is \$50,000 less than the amount appropriated in the FY 2009 budget and recommended in the Governor’s House 1 proposal.

Other than the two restorations mentioned above, the final House budget kept funding for all other energy and environmental programs at the same level recommended in the HWM budget. The House, however, did include some amendments to the programs funded within the energy and environmental programs, such as:

- Requiring that in its reporting to the Legislature on plans to consolidate certain programs, the Executive Office of Energy and Environmental Affairs (EOEEA) should investigate the possible transfer of forest product marketing from the

- Department of Conservation and Recreation (DCR) to the Department of Agriculture.
- Merging the office of geographical and environmental information into the new information technology account that both the HWM and Governor’s budgets recommended be created within EOEEA.
- Including earmarks within DCR’s administrative account and watershed management program that were not in the HWM budget.
- Moving the residential conservation services program from the Division of Energy Services to its own account as included in the FY 2009 GAA and recommended in the Governor’s budget. The House budget provides \$207,367 for this program, which is several thousand dollars more than the Governor recommended in House 1.
- Setting up a Nantasket Beach Reservation Trust Fund in Hull which will be funded with a \$10 parking fee surcharge for any vehicle parked at the Reservation.

HEALTH CARE

FY09 GAA	\$12,997,543,817
FY10 House 1 (adj.)	\$13,478,463,548
FY10 HWM (adj.)	\$12,948,206,309
FY10 House Final (adj.)	\$13,204,958,642

House Final increase (or decrease) from FY09 GAA	\$207,414,825
Percentage change	1.6 %

During floor debate, the House added \$256.8 million in spending on health care to the original House Ways and Means (HWM) budget proposal, including \$108.1 million more for funding to MassHealth, \$3.4 million more for mental health services, \$26.1 million more for public health, and \$119.1 million more for health care benefits for state employees. Health care spending in the House

final budget is now \$13.205 billion, a \$207.4 million increase from funding levels in the FY 2009 General Appropriation Act (GAA). Even with these additions, this total is significantly less than what it would actually cost to maintain current levels of service with the reductions, hitting public health particularly hard. Almost all of the additions made by the House are not actual increases in funding, but are, instead, simply reductions in the amounts they are recommending cutting from FY 2009 funding levels.

MASSHEALTH (MEDICAID) & HEALTH REFORM

The House adds back \$108.1 million to the total for MassHealth (Medicaid) and health reform programs.⁵ While increasing the overall proposed budget total for MassHealth compared to the HWM proposal, funding is still close to 6 percent below the estimates for what it would cost to maintain current service levels.

⁵ In this *Budget Monitor*, "MassHealth (Medicaid) and Health Reform" is itself divided into several components (see accompanying table). "MassHealth" includes the line item appropriations within the Office of Medicaid, as well as administrative costs associated with the Executive Office of Health and Human Services. It also includes an FY 2009 reserve to support the Children’s Behavioral Health Initiative (also known as *Rosie D.* funding). MassHealth totals also include MassHealth elder long-term care dollars that in some years have been within the oversight of the Executive Office of Elder Affairs. Because of proposed consolidations by the Governor and HWM, MassHealth totals now also include the funding for the Essential Community Provider Trust. Funding for health reform includes funding transferred from the General Fund into a variety of "off-budget" special trust funds that are used to finance a large portion of the Commonwealth’s health care programming – particularly the costs associated with the health insurance program created by health reform and costs of the health safety net (formerly referred to as uncompensated care). "Pharmacy Program" is the Prescription Advantage program administered by the Executive Office of Elder Affairs. The totals for "Health Care Finance & Other Initiatives" include the administrative costs associated with the implementation of health care reform, the costs of the Division of Health Care Finance and Policy, the Health Care Quality and Cost Council, and the costs of certain health care cost containment initiatives.

Within the MassHealth program, the House moves funding among various line items, in large part to restore funding to a separate MassHealth Senior Care plans line item which had been consolidated by both the Governor and HWM. For example, House amendments reduce the total proposed for MassHealth Managed Care from \$2.489 billion in the initial HWM proposal to \$2.081 billion, reduce funding for the MassHealth Fee-For-Service Program from \$3.020 billion to \$1.729 billion, and reduce funding for the MassHealth Premium and Subsidy Payment Programs (formerly the Premium Assistance and Insurance Partnership Plans) from \$643.1 million to \$268.6 million. At the same time, the House final budget adds \$22.0 million to funding for the MassHealth Primary Care Program.

Within these funding shifts, the House restores \$25 million to fund the Children's Behavioral Health Initiative (*Rosie D.*). This program provides universal mental health screenings for children on MassHealth, and provides services for children who are found to have serious mental health issues.

The House MassHealth budget proposal also includes an additional \$4.0 million for the Healthy Start program, bringing the total to \$17.2 million. This program provides health care to otherwise uninsured low-income pregnant women and newborns.

Another amendment passed on the floor rejects the Governor's and the House's initial proposal to consolidate the administration of MassHealth elder long-term care within the Office of Medicaid. The final House budget adds \$2.139 million to the budget to fund the MassHealth Senior Care plans, and places the oversight for this program back into the Executive Office of Elder Affairs. This total is 3 percent less than the amount estimated to maintain current service levels. Language in this proposed appropriation includes at least \$2.5 million for long-term care pre-admission counseling and assessment, and also includes spouses in the definition of caregivers eligible for participation in

the "Caring Homes" initiative which supports persons caring for elders in their homes in order to delay or prevent nursing home placement.

The House also restores \$10 million to the Prescription Advantage pharmacy program, bringing the total back to \$45 million. Funding in the FY 2009 GAA was \$57.5 million. This health care safety net program provides prescription drug assistance for low-income elders and adults with disabilities who cannot otherwise afford to pay for medications.

Also included in the House amendments is \$1.7 million for primary care workforce development. One of the challenges in the implementation of the Commonwealth's health reform has been the limited availability of primary care providers, particularly in certain areas of the state. This program provides funding for community health centers to develop financial incentives and recruitment strategies to encourage medical professionals to choose primary care. The House budget funds this program at the same amount as it was funded in the FY 2009 GAA, but it had not been funded in either the Governor's budget or in the HWM budget proposal.

MENTAL HEALTH

The House adds \$3.4 million for mental health services, bringing total funding to \$651.2 million. This is 5 percent less than total funding in the FY 2009 GAA, and \$7.6 million less than the amount recommended by the Governor. The House adds this \$3.4 million to a single line item, increasing the funding for child and adolescent mental health programs to \$73.1 million. This is almost level with the amount proposed by the Governor in his FY 2010 budget, but is still 4 percent below funding in the FY 2009 GAA.

The House also adds budget language to the appropriation for adult mental health services, earmarking \$3.3 million for the expansion of housing for homeless mentally ill, and specifying

that an existing pre-arrest jail diversion program would continue. Language also asks the Department of Mental Health to make recommendations for a “self-determination model” for services for clients of the department. There is also language added to the funding for forensic services specifying \$1.2 million for juvenile court clinics. The total funding for adult mental health services in the House budget is \$377.8 million, \$11.2 million less than total funding in the FY 2009 GAA.

PUBLIC HEALTH

Although during floor debate the House added \$26.1 million to bring public health funding in the House budget to \$510.8 million, this total is still 14 percent below funding levels in the FY 2009 GAA (without even adjusting for inflation).

House amendments add \$6.3 million to early intervention services, bringing the total in the House budget to \$29.3 million. The final House budget for these services for developmentally delayed infants and toddlers is still \$20.1 million less than funding for early intervention in the FY 2009 GAA. It is important to note, however, that the budget proposal for the MassHealth Fee-For-Service program (see above) includes language specifying that MassHealth funding shall be “expended for MassHealth members who qualify

for Early Intervention services.” Estimates suggest that approximately \$8.2 million in early intervention services may be shifted into the MassHealth budget so the state can receive federal reimbursement for those services.

The final House budget also adds \$12.4 million to total funding for substance abuse services, bringing the House budget total to \$80.7 million. This total is 11 percent less than total funding for substance abuse services in the FY 2009 GAA. In FY 2009, there was funding designated for step-down recovery services, as well as secure treatment facilities for opiate addicts. The Governor recommended continued funding for both programs, while the House only continues funding for step-down recovery. There is concern that this reduced funding level is insufficient for the Commonwealth to receive matching federal substance abuse funding.

The final House budget also restores \$2.9 million in funding for grants for community programs designed to help prevent violence among teenagers. These “Youth-at-Risk” grants received \$5.8 million in the FY 2009 GAA, but were cut in half over the course of FY 2009. The Governor proposed approximately \$3 million for these grants, and but there was no funding in the HWM budget proposal. The final House budget returns funding to the already reduced FY 2009 level.

The final House budget for public health also restores some funding for:

- Pharmaceutical and medical device regulation, adding \$150,000 earmarked for career ladder job training for health care workers.
- Community health centers, adding \$225,000 earmarked for technical assistance, but these centers received \$7.5 million in the FY 2009 GAA.
- Outreach and education for the cost-effective use of prescription drugs, adding \$100,000 to

MassHealth (Medicaid) and Health Reform				
<i>(in Millions of Dollars)</i>				
	FY 2009 GAA	FY 2010 H.1	FY 2010 HWM	FY 2010 House
MassHealth (Medicaid)				
MassHealth line item appropriations	8,617.8	9,511.3	9,146.3	9,237.8
Essential Community Provider Trust	25.0	0.0	0.0	0.0
Sub-Total	8,642.8	9,511.3	9,146.3	9,237.8
Health Reform and the Health Safety Net				
Pharmacy Program	57.5	45.0	35.0	45.0
Health Care Finance & Other Initiatives	26.2	19.8	17.1	23.5
Commonwealth Care Trust (outside section)	1,117.6	697.3	742.3	742.3
Commonwealth Care Trust (pre-budget)	174.6	145.0	145.0	145.0
e-Health Institute Trust	25.0	0.0	0.0	0.0
Medical Assistance Trust	346.0	399.0	379.0	379.0
Sub-Total	1,746.9	1,306.1	1,318.4	1,334.9
Total	10,389.7	10,817.4	10,464.7	10,572.7

FY 2010 H.1 adjusts the Governor's budget proposal to account for his proposed consolidation of technology costs within the Executive Office of Health and Human Services, and also adds his proposed spending of federal stimulus (American Recovery and Reinvestment Act) funding.

the “academic detailing” program which had received \$500,000 in the FY 2009 GAA.

- Dental health services, adding \$256,000 in funding as well as several earmarks for a House total of \$2.1 million (compared to \$3.1 million in the FY 2009 GAA).
- Family health services, adding \$850,000 in funding for a total of \$5.2 million (compared to \$7.6 million in the FY 2009 GAA).
- Suicide prevention, adding \$1.5 million for a total of \$4.3 million (compared to a total in the FY 2009 GAA of \$4.7 million).
- Health promotion, adding \$100,000 earmarked for brain aneurism education, bringing the House total to \$7.5 million (compared to \$14.7 million in the FY 2009 GAA).
- Domestic violence and sexual assault prevention, adding \$1.1 million for a certified batterers’ intervention program and bringing the House total to \$5.1 million (compared to a total of \$6.4 million in the FY 2009 GAA).
- School-based health services, adding \$300,000 for a House total of \$13.7 million (compared to \$17.5 million in the FY 2009 GAA).

STATE EMPLOYEE HEALTH INSURANCE

The final House budget makes several significant changes to the HWM budget proposal for state employee health insurance. While the HWM budget proposed shifting more than \$130 million in health care costs onto state employees, the final House budget shifts the share of health care premiums that state employees would pay out of pocket by less than the amount proposed by HWM. Although the final House budget cuts spending on employee health insurance, this cut is less dramatic than the cut proposed by either the Governor or by HWM. In order to fund this change, the House recommends \$1.47 billion for the costs associated with providing health insurance to current and retired state employees, adding \$119.1 million on the floor to the HWM original proposal. A portion of this increase, however, may be a reflection of additional municipal employee participation in the

state health insurance program (see discussion below), which will be matched by increases in revenue to the state.

The majority of Group Insurance Commission (GIC) appropriations are spent on one account, which covers the cost of providing benefits to current employees and some retirees. FY 2009 GAA funding for this account totaled \$830.9 million; the House budget adds \$119.1 million to this account to bring the total to \$979.1 million. The GIC assumes a 3.2 percent rate increase in FY 2010, but this appropriation may not exactly track that increase. Moreover, there are several important funding shifts that we must take into account in comparing the FY 2010 budget proposals to each other or to funding levels in FY 2009.

Included in the FY 2010 budget total are the costs associated with health care for certain municipalities that are now joining the (GIC) in order to participate in the state’s employee health insurance system. In July 2007, a new law was enacted allowing municipalities and other public employers to join the state’s health insurance plan. Some cities and towns are now purchasing health insurance for their employees through the GIC.

However, 15 municipalities are expected to join the GIC in FY 2010. The GIC anticipates spending approximately \$120 million in FY 2010 for health insurance premiums for these new participants. The state, however, will be reimbursed for these premiums over the course of the year by the new participants’ municipal employers. In addition, several new municipalities and public employers joined the GIC in FY 2009. The costs of health insurance premiums for these employees were estimated to increase by \$5 million in FY 2010. In addition, as in the Governor’s budget, the House transfers funds from the GIC budget to a new technology line item. The House appropriation for this account reflects the savings due to a transfer of

approximately \$1.3 million that is FY 2009 would have been included in the GIC budget.

Taking into account all of these adjustments, the House budget proposal represents a 1 percent increase in spending on state employee health benefits compared to funding in the FY 2009 GAA.

With the change in out-of-pocket costs for state employees, the House budget shifts approximately \$25 million of health care costs to state employees. Currently, state employees hired before June 30, 2003, pay 15 percent of their health insurance premiums and employees hired after that date pay 20 percent. In the HWM proposal, all state employees would pay 30 percent of their premiums. The final House budget changes this structure, proposing that current state employee would pay 20 percent of their premiums, and any new employee hired after June 30, 2009 would pay 30 percent. The amount of savings actually realized in FY 2010, however, will depend upon when the budget will be finally passed into law and when the GIC would be able to begin implementing the change.

In addition to the line item appropriations for state employee health benefits, there is also funding transferred from the General Fund into the State Retiree Trust Fund, an off-budget account. This account was created to set aside funds for retired employees' future health care costs, and is level-funded at \$372 million.

HUMAN SERVICES

FY09 GAA	\$3,613,210,612
FY10 House 1 (adj.)	\$3,591,363,299
FY10 HWM (adj.)	\$3,481,408,189
FY10 House Final (adj.)	\$3,521,755,243

House Final increase (or decrease) from FY09 GAA	(\$91,455,369)
Percentage change	(2.5 %)

The final House budget increased funding for human services by \$40.4 million over the House Ways and Means (HWM) proposal. The final House budget recommendation, of \$3.522 billion, is \$91.5 million, or 2.5 percent, lower than the \$3.613 billion appropriated in the FY 2009 GAA. It is considerably lower than the level of funding that would be needed to provide the same services after accounting for inflation.

Like the Governor, the House does not allocate funding for the Human Services Salary Reserve, which is used to fund salary increases for low-wage workers employed by human service providers under contract with the Commonwealth. The FY 2009 GAA included \$23 million for the reserve. The pay raises funded through the reserve in FY 2009 are being treated as one-time bonuses. Therefore, low-income human service providers will likely receive less compensation in FY 2010 than they did in FY 2009.

DEPARTMENT OF CHILDREN & FAMILIES (FORMERLY DEPARTMENT OF SOCIAL SERVICES)

The final House budget reduced funding for the Department of Children and Families (DCF) by \$779.4 million, or 6.8 percent, below the FY 2009 GAA. The final House budget provides \$6.6 million more than the HWM budget for DCF, including:

- \$3.5 million more for the account that supports families through stabilization, reunification, adoption, guardianship and foster care services, bringing total funding to \$303.2 million. Most of the \$3.5 million increase, specifically \$2.3 million of it, would be used to restore funding for the Young Parent Program. Still, this amount is \$10.6 million below the FY 2009 GAA and \$9.3 million above the Governor's (adjusted) proposal.
- \$2 million more for social workers, bringing total funding to \$153 million. The final House budget includes a lower caseload standard than the original HWM recommendation. The recommended social worker caseload ratio dropped from 19 to 1 in the original HWM proposal to 18 to 1 in the final House proposal. The funding level, however, is not sufficient to reduce the social worker caseload ratio by hiring additional social workers. In fact, the additional \$2 million is not enough for DCF to continue paying the social workers that they already employ. Funding for DCF social workers is \$4.3 million below the FY 2009 GAA and \$2.1 million below the Governor's proposal.
- \$1.1 million more for shelters and support services for people at risk of domestic violence, bringing total funding to \$22 million. Still, this amount is \$1.6 million below both the FY 2009 GAA and the Governor's proposal.

In addition to the \$3.5 million increase in funding for the account that supports families through stabilization, reunification, adoption, guardianship and foster care services, the final House budget also earmarked \$37.6 million for a subset of those services, namely the "family support and stabilization services." The allocation of \$37.6 million is intended to cover the same set of services in that category provided last year. Therefore, the rest of the programs funded from this account would sustain the cut of \$10.6 million in this account, relative to the FY 2009 GAA. Those

programs include foster care reimbursements, adoption subsidies and hotline services.

DEPARTMENT OF TRANSITIONAL ASSISTANCE

The House passed a final budget which increased funding for services provided by the Department of Transitional Assistance (DTA) to \$906.8 million, or less than 1 percent above the FY 2009 GAA. The final House budget provides \$8.7 million more than the HWM budget for DTA, including:

- \$6.4 million more for DTA caseworkers, bringing total FY 2010 funding to \$56 million. Despite this increase, the final House proposal is still \$3 million below the FY 2009 GAA and the Governor's proposal.
- \$2.3 million more for the Emergency Shelter program for homeless families, for a total appropriation of \$93.9 million.

The final House budget also includes new language requiring the Department of Housing and Community Development (DHCD) provide a full accounting of how money is spent on preventing homelessness and on re-housing homeless families. Concerned that DHCD might eliminate benefits to some families, the final House budget prevents the agency from denying assistance under two circumstances. First, a family will not lose emergency assistance benefits if it is unable to meet savings requirements because of its need to purchase basic necessities. Second, a family will not lose benefits if it turns down an offer of housing in any case where acceptance of that housing may force a family member to lose a job or access to job training.

The budget passed by the House also includes several earmarks from previous years' budgets that were not identified in the HWM proposal.

*DEPARTMENT OF DEVELOPMENTAL SERVICES
(FORMERLY DEPARTMENT OF MENTAL RETARDATION)*

The final House proposal includes \$1.278 billion for programs administered by the Department of Developmental Services (DDS), \$7.6 million more than the HWM Committee recommended. This allocation is \$6.1 million higher than the \$1.272 billion appropriated in the FY 2009 GAA and \$21 million higher than the amount included in the Governor's proposal. The final House budget adds funding to two accounts:

- \$7.5 million more for state facilities, bringing the total proposal to \$161.6 million. Despite the increase, the funding is still \$25.9 million below the FY 2009 appropriation of \$187.5 million. Most of this cut likely reflects the plan to close Fernald Development Center in Waltham by the end of 2009, where about 160 people currently reside. Some portion of the savings would be offset by the costs of caring for these people in community-based settings.
- \$50,000 more for support services for families with autistic children, bringing total spending to \$4.5 million. These services were funded at \$6.3 million in the FY 2009 GAA but then cut by \$1.8 million in the October 9C cuts. Therefore, the final House proposal essentially restores funding to its post-9C level in FY 2009.

ELDER SERVICES

The House budget amendments add \$15 million to the elder services budget proposal, bringing the total to \$229.4 million. This is \$9.2 million less than funding in the FY 2009 GAA.

On the House floor, the House added \$15 million to the elder home care purchased services account, bringing the funding total to \$103.7 million. This is 3 percent below FY 2009 GAA funding. Although there is no additional funding added by House amendments, the final House budget specifies a new earmark within the \$2.1 million for congregate

and shared housing, designating \$310,000 for what are known as "naturally occurring retirement communities," and also restores an earmark of \$50,000 within the elder nutrition program for the Senior Farm Share program.

(For funding for elder services provided through the MassHealth program, or issues affecting funding for nursing homes or the Prescription Advantage program, see the "Health Care" section of this *Budget Monitor*.)

OTHER HUMAN SERVICES

The final House budget for FY 2010 provides \$328.1 million for Other Human Services, an increase of \$2.5 million over the HWM proposal. The final House allocation is \$500,000 more than the amount recommended by the Governor but \$37 million below the amount appropriated in FY 2009.

"Other Human Services" includes numerous departments, including Veterans Affairs, the Soldiers' Homes, Massachusetts Commission for the Blind, Massachusetts Rehabilitation Commission, Massachusetts Commission for the Deaf and Hard of Hearing, the Department of Youth Services, administrative costs for the Department of Transitional Assistance, and certain programs within the Executive Office of Health and Human Services.

Some of the reduction in "Other Human Services" spending relative to the FY 2009 GAA reflects the decision to not allocate funds for the Human Services Salary Reserve. The FY 2009 GAA included \$23 million for the reserve. This reserve is used to fund salary increases for low-wage workers employed by human service providers under contract with the Commonwealth. The pay raises funded through the reserve in FY 2009 are being treated as one-time bonuses. Therefore, low-income human service providers will likely receive less compensation in FY 2010 than they did in FY 2009.

The final House budget provides \$2.5 million more than the HWM proposal for this sub-category, including:

- \$1.2 million for the 20 Veterans’ Outreach Centers across the state. Despite this increase, the House budget proposal falls \$700,000 short of the appropriation for these centers in the FY 2009 GAA.
- \$1.1 million for Veterans’ Homeless Shelters. Despite this increase, the House budget proposal falls \$700,000 short of the appropriation for these shelters in the FY 2009 GAA.
- \$182,500 for the Massachusetts Commission for the Deaf and Hard of Hearing. Despite this increase, the House budget proposal falls \$200,000 short of the appropriation for the Commission in the FY 2009 GAA.

INFRASTRUCTURE, HOUSING & ECONOMIC DEVELOPMENT

FY09 GAA	\$1,319,409,843
FY10 House 1 (adj.)	\$1,280,570,348
FY10 HWM (adj.)	\$1,254,715,129
FY10 House Final (adj.)	\$1,581,740,129

House Final increase (or decrease) from FY09 GAA	\$262,330,286
Percentage change	19.9 %

In total, the final House budget appropriates \$1.582 billion for infrastructure, housing and economic development, an increase of \$262.3 million over the FY 2009 GAA. It is important to note, however, that the entire source of the increase is a new Transportation Investment Fund, to which the House dedicates sales tax revenue. Aside from this new transportation funding mechanism, the House budget falls \$12.7 million below the FY 2009 GAA spending level for these policy areas.

INFRASTRUCTURE

The final House budget increases transportation spending by \$284.2 million the over HWM recommendation, for a total funding level of \$1.284 billion. In the FY 2009 GAA, the state funded transportation at \$961.1 million. The substantial increase in the FY 2010 House budget is mainly due to a new provision to dedicate 0.385 percent of the revenue from sales and purchases to a new Transportation Investment Fund. The House estimates that \$275 million will be directed to the transportation fund under this provision. Monies from the fund will be used to fund some of the immediate improvements necessary to maintain the state’s transportation infrastructure.

Aside from the Transportation Investment Fund, the majority of the new funds, \$8.2 million, goes to Regional Transportation Authorities, for a total funding level of \$55 million. This funding level exceeds the \$49.3 million proposed by the Governor, but still falls \$2.9 million short of the FY 2009 GAA level.

The final House budget also includes a new \$1 million item for an inter-district transportation program. This program is intended to ensure “public transportation parity” to all areas of the state, especially those outside Route 128.

HOUSING

The final House budget for FY 2010 provides \$140.2 million in funding for housing programs, an increase of \$22.8 million over the HWM proposal. The final House budget is \$3.8 million more than the housing budget recommended by the Governor and \$10 million below the amount appropriated in FY 2009. The House budget increases funding for two housing programs:

- The account that provides subsidies to Public Housing Authorities receives an increase of \$5 million over the HWM proposal to \$71.3

million. This amount is slightly higher than the Governor’s House 1 request of \$71.2 million and is \$4.8 million more than the FY 2009 GAA.

- The House budget provides \$35.8 million for the Massachusetts Rental Voucher Program (MRVP). This is a \$17.8 million increase from the HWM proposal of \$18 million. The final House budget for MRVP is the same level that the Governor recommended in his House 1 proposal and \$2.8 million greater than in the FY 2009 GAA.

(For a discussion of the Emergency Assistance program for homeless families, please go to the Department of Transitional Assistance section under Human Services.)

ECONOMIC DEVELOPMENT

The final House budget increases economic and workforce development spending by \$19.7 million over the HWM recommendation, for a total funding level of \$104.5 million. This marks a substantial cut from the FY 2009 GAA funding level of \$156.6 million. The final House budget:

- Restores the state’s Jobs for At-Risk Youth program, funding it at \$8 million. This program, which was not included in the HWM proposal, was funded at \$8.1 million in the FY 2009 GAA.
- Increases the HWM funding recommendation for workforce training programs by \$6 million, for a total funding level of \$21 million. This funding level matches the Governor’s recommendation and the FY 2009 GAA level.
- Increases and earmarks funding for workforce development grants. The final House budget increases this item’s funding level by \$650,000, for a total of \$1.4 million. In addition, the final House budget earmarks all of the funds in the item.
- Increases funding for the state’s Office of Travel and Tourism by \$2.275 million in earmark spending, for a total funding level of \$11.2

million. This funding level still falls \$25.9 million below the FY 2009 GAA appropriation of \$37.1 million.

- Adopts a new competitive grant program to promote regional economic development that was proposed in the Governor’s budget. The House funds this item at \$600,000, as opposed to the Governor’s \$2.85 million.
- Earmarks \$2.75 million in One Stop Career Center spending for centers in Boston, Hampden County and Metro-North. The total item is funded at \$5.4 million. This item was funded at \$5.5 million in the FY 2009 GAA.
- Restores funding for the Division of Banks pilot program for best mortgage lending practices, first-time homeowner counseling for non-traditional loans, and 10 or more foreclosure education centers.

LAW & PUBLIC SAFETY

FY09 GAA	\$ 2,488,131,330
FY10 House 1 (adj.)	\$ 2,448,065,494
FY10 HWM (adj.)	\$ 2,390,150,496
FY10 House Final (adj.)	\$2,463,476,368
House Final increase (or decrease) from FY09 GAA	(\$24,654,962)
Percentage change	(1 %)

The final House budget appropriates \$2.463 billion for law and public safety, a cut of \$25.2 million from the FY 2009 GAA level. The most notable changes in the final House budget from the House Ways and Means (HWM) recommendations are the inclusion of community policing and Shannon Grants, neither of which was included in the HWM budget.

PROSECUTORS

The final House budget maintains the House Ways and Means recommendations for the state’s district attorneys.

The final House budget does increase the appropriation for the state Attorney General's Office by \$450,000, for a new total of \$23.9 million. The House also adds a \$200,000 earmark for the Dorchester Youth Collaborative (DYC) City Safe program. DYC's City Safe received an identical earmark in the FY 2009 GAA.

LAW ENFORCEMENT

The House adds more than \$38.3 million to the HWM budget in law enforcement amendments. The single-largest addition is the partial restoration of Quinn Bill benefits. The Quinn Bill, which reimburses communities for career incentive payments to police officers, was not included in the HWM budget.⁶ The final House budget includes \$25 million for Quinn Bill reimbursements; this funding level is a cut of \$25.2 million from the FY 2009 GAA amount. The language added by the House also effectively sunsets the Quinn Bill by prohibiting new municipal police officers from participating in the program and prohibiting future collective bargaining agreements with the state police from including a Quinn Bill provision.

The final House budget also restores \$11.8 million in aid to local law enforcement, primarily through the Charles E. Shannon Grant program and the state's community policing program. Neither of these two grant programs was included in the HWM budget.

- The House allocates \$6 million for the Shannon Grant program, which is used to support gang prevention. The House language includes a clause which directs grant recipients to consider these one-time funds, and prohibits recipients from annualizing these grant awards into their

⁶ Career incentive payments are salary increases for police officers based on continuing education. Officers accrue points based on coursework and degrees attained. Point totals and other measures of educational attainment trigger salary increases.

FY 2011 budgets. Shannon Grants were funded at \$13 million in the FY 2009 GAA. The Governor matched the \$13 million amount in his budget recommendations.

- The House added \$5.3 million in community policing grants, specifying that cities and towns receiving community policing funds in FY 2008 will receive 25 percent of that amount in FY 2010. Community policing grants were funded at \$21.4 million in the FY 2009 GAA, but were not included in the Governor's FY 2010 recommendations.

The House also increases the State Police budget by \$1.5 million over the HWM recommendation, to \$247.8 million. In the FY 2009 GAA, the State Police were funded at \$256.8 million. Through the amendment process, two earmarks were also added to the State Police line item. The earmarks:

- Ensure that any community that received funds for directed state police patrols in FY 2009 will receive half of that grant amount in FY 2010. The FY 2009 GAA included a \$2.7 million earmark for the personnel costs of directed patrols.
- Require that a state drug task force will receive the same amount of funding it received in FY 2009 in FY 2010. The FY 2009 GAA included a \$5 million appropriation for overtime costs for a drug enforcement task force.

PRISONS, PROBATION & PAROLE

The final House budget includes \$11.7 million in spending on prisons, probation and parole not included in the HWM budget, for a total spending level of \$1.267 billion. This appropriation exceeds the FY 2009 GAA total by \$51 million.

The Commissioner of Probation receives a majority of the House budget's increase over the HWM recommendations, \$8.1 million, for a new total appropriation of \$133.4 million. This marks a cut of \$9 million from the Commissioner of Probation's FY 2009 GAA funding level of \$142.4 million.

The House budget also:

- Increases the appropriation for the Office of Community Corrections by \$1.9 million, for a new funding level of just under \$23 million. The House eliminated language which prohibited these funds from being spent on building leases.
- Increases the appropriation for the Hampshire Sheriff’s Department by \$753,480, for a new funding level of \$11.9 million. The FY 2009 GAA funded the Hampshire Sheriff’s Department at \$13.24 million.
- Creates a new \$500,000 retained revenue account for the Franklin Sheriff’s Office.

COURTS & LEGAL ASSISTANCE

The final House budget includes \$15.8 million in spending on courts and legal assistance not included in the HWM budget. The majority of the increase, \$9.3 million, creates a retained revenue account for the Chief Justice of Administration and Management. In addition, the House also increases the state’s trial court administration line item by \$6.5 million, for a new funding level of \$139.8 million. The House earmarks \$2 million of the trial court administration item to *guardian ad litem* services for children in the custody of the state. In the FY 2009 GAA this item was funded at \$135.7 million.

The House budget also adds earmarks for six Court Appointed Special Advocate (CASA) programs within the juvenile court system. CASA programs provide volunteer legal assistance to children in the court system. These earmarks, which were included in the FY 2009 GAA, do not increase the total appropriation for the juvenile court department.

OTHER LAW AND PUBLIC SAFETY

The final House budget includes \$6.8 million in spending for fire services, emergency preparedness, and armory rental fees not included in the HWM budget. The Department of Fire Services receives an increased appropriation of \$5.6 million, for a new funding level of \$18.4 million. Of this increase, \$3.1 million is devoted to four earmarks including the Boston Fire Department Training Academy and a smoking safety program.

The House budget makes changes to the fee structure in the court system, including:

- A new \$20 fee for contesting a motor vehicle citation before a clerk magistrate;
- An increased fee of \$25, up from \$20, for appealing a clerk magistrate’s decision on a motor vehicle citation; and,
- An increased monthly fee of \$40, up from \$20, for persons placed on administrative supervised probation.

LOCAL AID

FY09 GAA	\$1,346,688,719
FY10 House 1 (adj.)	\$1,126,813,360
FY10 HWM (adj.)	\$920,638,663
FY10 House Final (adj.)	\$1,125,563,412

House Final increase (or decrease) from FY09 GAA	(\$221,125,307)
Percentage change	(16.4 %)

The final House budget proposes \$1.126 billion in local aid, which is identical to the figure proposed by the Governor.⁷ This appropriation marks an increase of \$205 million from the HWM

⁷ The Governor’s \$1.126 recommendation includes revenue raised through proposed meals and hotels taxes.

recommendation. This funding level results in a 17.1 percent cut in discretionary aid for 245 cities and towns, from the FY 2009 GAA level. The other 106 cities and towns have their cuts capped at 10 percent of the total local aid (including Chapter 70) the town received in the FY 2009 GAA. It is important to note, however, that the effects of such a cut would vary greatly in municipalities. State aid represents a larger share of the total budget in communities with smaller tax bases, meaning that the House cut will have a disproportionate effect on the poorest cities and towns.

Like the Governor’s proposed budget and the HWM recommendations, the final House budget consolidates Lottery Aid and Additional Assistance into one new aid source, Unrestricted General Government Aid. This consolidation could be consistent with the development of a new formula to distribute local aid in the future.

The final House budget includes the HWM recommended funding level of \$30.3 million for Payment in Lieu of Taxes, which reimburses communities for the provision of services to state owned land.

The final House budget also directs \$2 million to the state’s Direct Local Technical Assistance Fund. This fund provides grants to regional planning agencies to provide technical assistance to cities and towns on issues like zoning, economic development and conservation. The fund may also be used to develop a statewide permitting model.

OTHER

DEBT SERVICE

FY09 GAA	\$2,075,388,026
FY10 House 1 (adj.)	\$2,157,517,529
FY10 HWM (adj.)	\$2,171,473,000
FY10 House Final (adj.)	\$2,171,473,000

House Final increase (or decrease) from FY09 GAA	\$96,084,974
Percentage change	4.6 %

Debt service appropriations are used to pay the interest and principal on Massachusetts’ long-term and short-term debt. The state issues bonds to help finance long-term construction projects, such as building and repairing bridges and roads. It also engages in short-term borrowing when its current expenses are greater than its current income from taxes and fees. The final House budget appropriates \$2.171 billion for debt service, a 4.6 percent increase from the FY 2009 GAA.

The final House budget adopts the recommendations of the HWM proposal regarding debt service. In total, the House budget funds approximately \$14 million more for debt service in FY 2010 than was recommended by the Governor. The reason for the increase is that the House fully funds long-term debt service at the amount requested by the Massachusetts Treasurer’s Office. This increase is reflected in the long-term debt service line item. The House budget includes \$26 million more in this line item than does the Governor’s budget. Part of this is due to fully funding long-term debt service, as discussed above. The other \$12 million difference is due to the inclusion of funding for the Accelerated Bridge Program. The Accelerated Bridge Program was established in August 2008 to repair structurally deficient bridges and bridges expected to become structurally deficient within the next eight years. Whereas the Governor’s budget included a new \$12 million line item to pay the principal and interest

on bonds issued to finance this program, the House budget incorporates it into the long-term debt service line item.

LIBRARIES

FY09 GAA	\$34,086,834
FY10 House 1 (adj.)	\$29,157,018
FY10 HWM (adj.)	\$26,616,194
FY10 House Final (adj.)	\$29,366,194
House Final increase (or decrease) from FY09 GAA	(\$4,720,640)
Percentage change	(13.8 %)

The final House budget includes \$2.75 million in library spending not included in the HWM budget. This \$2.75 million increases state aid to local public libraries for a new funding level of \$8.6 million. The FY 2009 GAA funding level for aid to local libraries was just under \$10 million.

The final House budget also allows the Board of Library Commissioners to waive minimum local spending requirements necessary to receive state library aid.

PENSIONS

FY09 GAA	\$1,465,000,000
FY10 House 1 (adj.)	\$1,376,619,000
FY10 HWM (adj.)	\$1,376,619,000
FY10 House Final (adj.)	\$1,376,619,000
House Final increase (or decrease) from FY09 GAA	(\$88,381,000)
Percentage change	(6.0 %)

Like the HWM proposal, the final House proposal includes \$1.377 billion for state employee pensions. The proposed funding level would be \$88.4 million below the FY 2009 GAA. This reduction in funding is a result of legislation passed in November 2008 (Chapter 377 of the Acts of 2008), which extended

the state’s pension funding schedule by two years, from 2023 to 2025.

REVENUE

The final House budget relies on approximately \$900 million in new sales tax revenue not included in the HWM budget. This revenue change is due to a sales tax increase amendment adopted during debate. Under the amendment, the sales tax would increase to 6.25 percent from the existing 5 percent rate. The amendment maintains existing sales tax exemptions, such as on food and clothing under \$175.

The sales tax amendment also dedicates 0.385 percent of sales and purchases receipts to a new Transportation Investment Fund; this transfer is estimated at \$275 million in FY 2010.

Aside from the sales tax increase, the House also adopted amendments to increase three fees in the judiciary system. A list of these fee increases can be found in the Law and Public Safety section of the *Monitor*.

BUDGET BY PROGRAM AREA

The following charts list budget totals, broken down into the program areas (categories and sub-categories) discussed in this *Budget Monitor*. For each program area, we have accounted for changes associated with proposals to move programs from one department of state government to another. These adjustments allow for more accurate comparisons from one budget proposal to another. Furthermore, these totals include all three forms of proposed spending: spending listed in the line item appropriations Section 2 of each budget proposal; transfers of money out of the General Fund into special trust funds proposed in “outside sections” of the budget (Sections 3 and higher); and

“pre-budget transfers” of spending that divert certain revenues for specific statutory purposes.⁸

These charts include totals for:

- **FY 2009 GAA.** These totals include all funding included in the General Appropriation Act (the initial budget) for Fiscal Year 2009. For the totals for “State Employee Health Benefits” and for “Prisons, Probation and Parole,” there is a second set of numbers that makes an adjustment to the FY 2009 total in order to allow for comparisons with FY 2010 totals. (In FY 2010, the budget proposals bring “on-budget” certain spending that was not included in the FY 2009 budget.
- **FY 2009 Current.** These totals include funding in the GAA plus any supplemental funding added over the course of the fiscal year, and less funding cuts made in October 2008 and January 2009. These totals are current as of May 2009.
- **FY 2010 H.1 (adj.)** These totals include the Governor’s initial H.1 budget proposal, and make adjustments to allow for comparisons with the FY 2009 budget, because the Governor proposed substantial program consolidations. Without these adjustments, it would be difficult to compare the Governor’s budget to other proposals. These totals also add in the Governor’s proposed spending of new federal revenue associated with the American Recovery and Reinvestment Act (ARRA), the federal stimulus bill.
- **FY 2010 HWM (adj.)** These totals take the proposed budget from the House Committee on Ways and Means, and include additional education funding from ARRA distributions.
- **FY 2010 House.** These totals include the amendments to the HWM proposed budget made by the full House. This is the final House budget.

⁸ Prior to the appropriations process, the state allocates certain shares of tax revenue to the School Modernization Trust and the MBTA State and Local Contribution Trust. The House budget proposal also includes a specific transfer of new sales tax revenue to the Transportation Investment Fund. Certain departmental revenues from the Registry of Motor Vehicles are transferred into the Central Artery/Tunnel Maintenance Fund. The transfer into the Pension Reserves Investment Trust is set in statute.

Budget by Program Area - Summary

(in Millions of Dollars)

	FY 2009		FY 2010			FY 2010 H.1 with adjustments vs. FY 2009 GAA	
	GAA	Current ¹	H.1 (adj.)	HWM (adj.)	House		
BUDGET SUMMARY							
Budgeted Appropriations	30,062.2	29,468.5	30,296.7	29,277.5	29,958.5	(103.7)	-0.3%
<i>Line-Item Appropriations</i>	27,231.7	26,717.1	28,017.4	27,784.1	28,463.2	1,231.5	4.5%
<i>Outside Section Appropriations</i>	2,830.5	2,751.4	2,279.3	1,493.3	1,495.3	(1,335.2)	-47.2%
Pre-Budget Transfers	3,118.9	2,966.9	2,975.1	2,946.7	3,221.7	102.8	3.3%
Total Appropriations and Transfers	33,181.0	32,435.3	33,271.8	32,224.1	33,180.2	(0.9)	0.0%
Total with Accounting Adjustments²	33,377.0	32,631.3	33,271.8	32,224.1	33,180.2	(196.9)	-0.6%

1. The FY 2009 Current total includes funding in the GAA plus any supplementals passed during the year, less October and January cuts.

2. In order to make an accurate comparison across fiscal years, this total adjust the FY 2009 numbers for areas where the FY 2010 budgets bring on-budget items that had been funded off-budget in FY 2009.

Budget by Program Area - Detail

(in Millions of Dollars)

	FY 2009		FY 2010			FY 2010 House vs. FY 2009 GAA	
	GAA	Current ¹	H.1 (adj.)	HWM (adj.)	House		
Education	6,951.6	6,842.7	6,981.8	6,883.3	6,924.2	(27.5)	-0.4%
Chapter 70	3,948.8	3,948.8	4,116.8	4,132.9	4,129.5	180.7	4.6%
Early Education and Care	590.1	569.5	558.2	545.1	548.6	(41.5)	-7.0%
Elementary and Secondary Education	617.1	584.7	552.4	493.9	523.3	(93.9)	-15.2%
Higher Education	1,093.5	1,037.7	1,085.3	1,070.6	1,082.1	(11.5)	-1.0%
School Building (pre-budget transfer)	702.0	702.0	669.2	640.7	640.7	(61.3)	-8.7%
Environment and Recreation	231.8	216.3	213.3	204.4	208.6	(23.2)	-10.0%
Agriculture	19.3	17.9	17.3	13.0	17.0	(2.3)	-12.0%
Environmental Administration	24.6	21.7	24.5	28.3	28.3	3.7	15.0%
Environmental Protection	64.8	61.6	61.0	57.8	57.8	(7.0)	-10.8%
Fish and Game	21.3	19.2	18.7	17.8	18.0	(3.3)	-15.3%
Parks and Recreation	101.8	95.9	91.7	87.5	87.5	(14.3)	-14.0%
Health Care	12,997.5	12,723.6	13,478.5	12,948.2	13,205.0	207.4	1.6%
Health Care*	13,122.5	12,848.6	13,478.5	12,948.2	13,205.0	82.4	0.6%
MassHealth (Medicaid) and Health Reform ²	10,389.7	10,215.3	10,817.4	10,464.7	10,572.7	183.0	1.8%
Mental Health	685.4	649.0	658.7	647.7	651.2	(34.3)	-5.0%
Public Health	594.5	563.0	543.2	484.6	510.8	(83.7)	-14.1%
State Employee Health Insurance	1,327.9	1,296.3	1,459.0	1,351.2	1,470.3	142.4	10.7%
State Employee Health Insurance*	1,452.9	1,421.3	1,459.0	1,351.2	1,470.3	17.4	1.2%
Human Services	3,613.2	3,556.2	3,591.4	3,481.4	3,521.8	(91.5)	-2.5%
Children and Families	836.5	816.3	810.0	772.8	779.4	(57.1)	-6.8%
Developmental Services (Mental Retardation)	1,271.9	1,262.3	1,283.3	1,270.4	1,278.0	6.1	0.5%
Elder Services	238.6	228.6	234.0	214.4	229.4	(9.2)	-3.9%
Transitional Assistance	901.1	889.1	927.3	898.2	906.8	5.8	0.6%
Other Human Services ³	365.1	359.9	336.8	325.6	328.1	(37.0)	-10.1%
Infrastructure, Housing & Economic Development	1,319.4	1,371.1	1,280.6	1,254.7	1,581.7	262.3	19.9%
Economic Development	89.4	45.8	69.9	38.1	51.1	(38.3)	-42.9%
Housing and Community Development	150.2	147.6	136.4	117.4	140.2	(10.0)	-6.7%
Regulatory Entities	51.5	50.1	52.3	51.5	51.9	0.4	0.7%
Transportation	961.1	1,058.9	968.2	1,000.0	1,284.2	323.1	33.6%
Workforce and Labor	67.2	68.7	53.7	47.8	54.4	(12.8)	-19.1%
Law and Public Safety	2,488.1	2,447.8	2,448.1	2,390.2	2,463.5	(24.7)	-1.0%
Law and Public Safety*	2,559.1	2,518.8	2,448.1	2,390.2	2,463.5	(95.7)	-3.7%
Courts and Legal Assistance	655.1	655.6	600.3	633.2	649.3	(5.8)	-0.9%
Law Enforcement	417.0	404.8	378.2	325.1	363.5	(53.5)	-12.8%
Prisons, Probation and Parole	1,216.4	1,194.7	1,278.2	1,255.0	1,266.7	50.3	4.1%
Prisons, Probation and Parole*	1,287.4	1,265.7	1,278.2	1,255.0	1,266.7	(20.7)	-1.6%
Prosecutors	146.1	143.2	134.7	133.6	134.1	(12.0)	-8.2%
Other Law and Public Safety	53.6	49.6	56.6	43.2	49.9	(3.7)	-6.9%
Local Aid	1,346.7	1,218.7	1,126.8	920.6	1,125.6	(221.1)	-16.4%
Additional Assistance	379.8	342.9	177.5	0.0	0.0	(379.8)	-100.0%
Lottery Aid	935.0	843.9	768.6	0.0	0.0	(935.0)	-100.0%
Other Local Aid	31.9	31.9	180.7	920.6	1,125.6	1,093.7	3429.2%
Other	4,232.7	4,059.0	4,151.5	4,141.3	4,149.9	(82.8)	-2.0%
Constitutional Officers	96.5	92.8	81.2	78.1	78.9	(17.6)	-18.3%
Debt Service	2,075.4	2,073.6	2,157.5	2,171.5	2,171.5	96.1	4.6%
Executive and Legislative	69.2	57.8	67.5	64.0	64.0	(5.1)	-7.4%
Libraries	34.1	33.7	29.2	26.6	29.4	(4.7)	-13.8%
Pensions (pre-budget transfer)	1,465.0	1,313.0	1,376.6	1,376.6	1,376.6	(88.4)	-6.0%
Other Administrative	492.5	488.1	439.5	424.5	429.5	(63.0)	-12.8%

*Adjusted due to funding brought on-budget in FY 2010.

1. The FY 2009 Current total includes funding in the GAA plus any supplementals passed during the year, less October and January cuts.

2. Includes a variety of state health programs including the elder pharmacy program, costs associated with health care finance, the Health Safety Net, and other costs associated with health reform.

3. Includes Veterans Affairs, Mass. Commission for the Blind, Mass. Rehabilitation Commission, Mass. Commission for the Deaf and Hard of Hearing, the Soldiers' Homes, the Dept. of Youth Services, and certain programs within the office of the Executive Office of Health and Human Services.