

***Executive Summary***

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A Message from the Governor ..... 3

Fiscal Health and Prospects ..... 5

    Fiscal Overview ..... 5

    Budget Highlights..... 8





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**CHARLES D. BAKER**  
GOVERNOR

**KARYN E. POLITO**  
LIEUTENANT GOVERNOR

January 23, 2019

To the Honorable Senate and House of Representatives,

We are pleased to present our Fiscal Year 2020 (FY20) House 1 budget recommendation, the fifth budget of our Administration. This fiscally-responsible proposal builds on our collaborative and productive relationship with the Legislature over the past four years to keep state spending in line with revenue growth and to reduce our reliance on non-recurring sources of revenue. A growing economy and continuing commitment to fiscal discipline have enabled investments in key priorities including education, substance misuse services and treatment, housing, climate change adaptation and resiliency, transportation, economic development, and our local communities.

Our FY20 House 1 proposal anticipates a \$297 million deposit into the Stabilization Fund which, in addition to the anticipated year-end deposit in Fiscal Year 2019, would bring the Commonwealth's reserves to nearly \$2.8 billion, an increase of 150% since the Baker-Polito Administration took office. We are proud to partner with the Legislature on this shared commitment to building our reserves and protecting the Commonwealth against recession or other disruption in the economy.

House 1 proposes \$42.7 billion in gross spending, an increase of 1.5% over Fiscal Year 2019 projected spending, excluding transfers to the Medical Assistance Trust Fund.

Through separate legislation being filed alongside the budget today the Administration is proposing a major, multi-year school finance reform initiative, which includes an overhaul of the school funding formula. This proposal is accompanied by an increase of \$200 million in Chapter 70 education aid in the FY20 budget. The reforms will assist districts in managing the rising cost of health care and of educating English language learners and students with special education needs, and will provide an influx of new funding support for school districts with higher concentrations of poverty. The initiative is funded with existing revenues, and is implemented gradually to ensure it can be sustained over time.

Along with increased investments in Chapter 70 aid for education House 1 proposes additional funding for schools, including a proposed new formula for reimbursing school districts for charter school tuition and an increase of \$16 million for those reimbursements in FY20. House 1 also includes a sales tax modernization proposal that will generate significant one-time revenues. This money will be used to seed education investments, including \$100 million for college scholarships, \$50 million for a new trust fund to help drive quality improvements in low-performing schools, \$30 million to help local school districts address their school safety needs, and \$20 million to help districts eliminate lead from their school drinking water.

Continuing our strong partnership with the Commonwealth's cities and towns and consistent with immediate past budget years, House 1 increases unrestricted local aid by 2.7%, equal to 100% of the consensus revenue tax growth estimate percentage. This investment will provide cities and towns with \$1.129 billion in unrestricted general government aid in FY20. The budget also includes \$6.8 million to support Community Compact-related programs, which have provided all 351 cities and towns with

access to important grant funding and have led to the adoption of more than 800 best practices to help enhance the delivery of local services.

As part of the continuing effort to manage MassHealth costs House 1 proposes significant MassHealth pharmacy reforms to reduce the high cost of prescription drugs, a major driver of program costs. We project \$80 million in gross savings from these reforms.

The budget supports \$266 million in funding across several state agencies for substance misuse treatment and services. To address the significant and growing state costs associated with opioid misuse, House 1 proposes a tax on gross receipts of manufacturers of opioids from the sale of their opioid products. The budget also ensures consistency with state tax policy as it applies to tobacco and marijuana, by proposing a retail tax on electronic cigarettes and an excise tax on vapor products.

The FY20 budget proposal also supports a total of \$23.9 million in funding to increase opportunities in education, job training, and business development consistent with recommendations of the Administration's Black Advisory Commission (BAC) and Latino Advisory Commission (LAC).

The broader budget package includes a separate legislative proposal to amend the state gaming law to allow legal sports wagering at Category 1 and Category 2 gaming facilities in Massachusetts. The proposal would also allow those facilities and other duly-licensed online vendors to offer on-line sports wagering. This proposed legislative change is projected to generate \$35 million in FY20.

To save taxpayers from having to cover the cost of excessive sick time payouts to workers who retire from state service House 1 once again includes a proposal to cap accrued sick time for Executive Branch and Higher Education employees, bringing the Commonwealth in line with other states and private sector employers.

Finally, House 1 anticipates a reduction in the state income tax rate from 5.05% to 5% on January 1, 2020, in accordance with state law, returning \$88 million to taxpayers in FY20 — and representing the final milestone on a two-decade journey to achieve a 5% income tax rate.

We are proud of the partnership we have built with the House and Senate to develop responsible budgets that reflect the needs of Massachusetts residents. We look forward to working with you on this proposal in the coming months.

Sincerely,



Charles D. Baker  
Governor

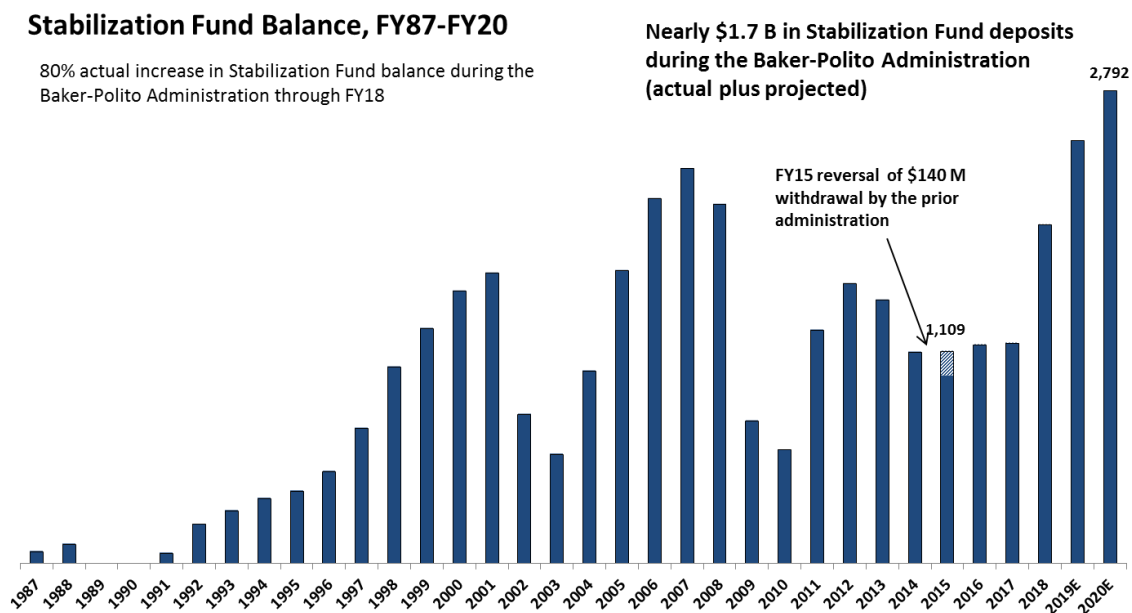


Karyn E. Polito  
Lieutenant Governor

### Fiscal Overview

Over the past four years, the Baker-Polito Administration has focused on restoring structural balance to the state budget, rebuilding the Commonwealth's reserves, and working with the Legislature to keep total spending in line with revenue growth, while continuing to invest in the key priorities that matter most to the people of Massachusetts. With this House 1 budget recommendation for Fiscal Year 2020 (FY20), the Administration pledges to build on that progress — working to strengthen the Commonwealth's fiscal position and to meet the needs of Massachusetts residents, while promoting creative reforms and maintaining a strong commitment to responsible stewardship of the taxpayers' hard-earned dollars.

Thanks to the combination of fiscally responsible policies and a growing Massachusetts economy, the Administration in partnership with the Legislature has increased the balance in the Stabilization Fund by more than 80% since 2015. The balance now stands above \$2 billion for the first time in a decade. The House 1 budget for FY20 projects a deposit of approximately \$297 million in the Stabilization Fund which, in addition to an anticipated year-end deposit in Fiscal Year 2019, would bring the balance at the end of FY20 to nearly \$2.8 billion (Chart 1). That represents remarkable progress in the effort to protect the state budget from recession or other future disruption in the economy.

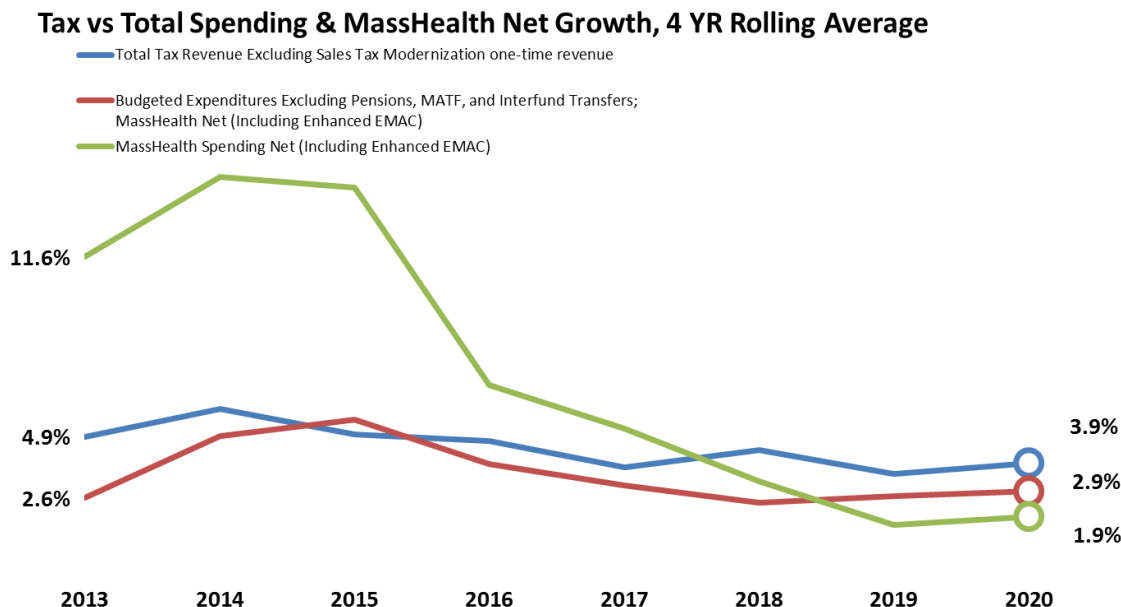


This Administration has dramatically reduced the use of one-time revenue for ongoing expenses — down from \$1.2 billion in Fiscal Year 2015 to \$28.5 million proposed in FY20, effectively eliminating the previous structural imbalance. This is a critically important measure of the Administration's commitment to responsible budgeting and to ensuring that, as a Commonwealth, we live within our means.

The Administration has achieved these fiscal milestones while strengthening state support for critical areas of investment, including public education, efforts to fight the opioid epidemic, support for cities and towns, transportation, housing, the environment, and climate change preparedness. This FY20 budget plan is consistent with this balanced approach, and honors the Administration's pledge to keep state spending in line with revenues (Chart 2). House 1 proposes \$42.7 billion in gross spending,

excluding the Medical Assistance Trust Fund transfer, approximately 1.5% growth over Fiscal Year 2019.

As shown in the chart below, and in large part due to more sustainable growth rates at MassHealth, tax-supported spending growth is now lower than tax revenue growth on a sustained basis.



The budget relies on 3.6% total growth in taxes. This figure is based on the consensus tax revenue estimate of \$29.299 billion, which anticipates 2.7% growth over the revised FY19 tax benchmark. In addition, this budget assumes \$133 million from recreational marijuana sales and \$28 million from room occupancy tax modernization, which is scheduled to take effect July 1, 2019, as well as increments from other smaller changes described below.

The budget provides \$233 M in additional funding over FY19 to support the Commonwealth's pension funding obligation. Under the current statutory funding schedule the final amortization payment will be made in fiscal 2036, four years before the statutory requirement.

House 1 anticipates a reduction in the income tax rate from 5.05% to 5% on January 1, 2020, the third income tax reduction since the start of the Administration, returning \$88 million to taxpayers in FY20 — representing the final milestone on a two-decade journey to achieving a 5% income tax rate. Since January 1, 2015 income tax rate reductions have reduced personal income tax bills by \$1.9 billion, cumulatively.

As part of the Administration's effort to modernize tax collections, the budget also proposes administrative changes to update the collection and remittance of sales tax for the state's largest vendors. The proposal reflects continued advances in information technology that have been widely adopted by retail businesses, updating a process that had not changed substantially in decades.

Currently, a buyer pays the sales tax at time of purchase, and those funds are held by the vendor for as long as 50 days because, under current law, the business is not required to remit the sales tax to the Commonwealth until the 20<sup>th</sup> day of the following month. Put in place decades ago, this approach was built for the days of manual cash registers, mechanical adding machines, and paper checks. Under the House 1 proposal, larger businesses — those that have collected and remitted more than \$100,000 in sales tax or \$100,000 in room occupancy tax in the prior year — will remit collections from the first three weeks of each month in the final week of the same month. Remittance for the final week, and

reconciliation of the monthly filing, will occur in the following month as they do now. By recent estimates, this requirement will affect only the largest 10% of vendors. Each of these vendors already files and remits electronically, making the process more streamlined and efficient. Once that updated system is in place, the Administration would later explore the possibility of requiring those businesses to remit sales tax on credit card and other electronic transactions on a daily basis.

Given that the significant additional revenues generated by this proposal in FY20 are one-time in nature, this budget proposes to dedicate these revenues to support various one-time needs related to education.

Another component of the continuing effort to modernize sales tax collection would require online marketplace facilitators to collect and remit tax on sales to Massachusetts customers on behalf of vendors who sell products on their marketplace platforms. As the world of e-commerce has developed, the operators of online marketplaces have captured a key role, providing interactive sites where buyers and sellers meet and transact business. This proposal would require marketplaces to provide buyers and sellers with collect-and-remittance services to fulfill the existing obligation to pay sales and use tax. In addition to streamlining the revenue collection process, this proposal helps to level the playing field for “Main Street” retailers across Massachusetts.

Sales tax revenue supports important Commonwealth priorities including the MBTA and school construction. Together these reforms will ensure more accuracy in sales tax collection, align tax collection policy with the electronic retail landscape, without imposing an undue burden on smaller businesses.

Also in the House 1 proposal is a tax on gross receipts of opioid manufacturers from the sale of their opioid products, which is expected to generate \$14 million in new revenue that will be used to help the Commonwealth address the significant and growing state costs associated with opioid misuse. Drugs used for medication-assisted treatment and those used in inpatient settings would be exempt. The budget also ensures consistency with state tax policy as it applies to tobacco and marijuana, by proposing a retail tax on electronic cigarettes and an excise tax on vapor products.

To allow the Commonwealth to compete with neighboring states and meet growing public demand, the budget package also includes separate legislation that would amend the state gaming law to allow legal sports wagering at Category 1 and Category 2 gaming facilities in Massachusetts. The proposal would also allow those facilities and other duly-licensed online vendors to offer on-line sports wagering. This proposed legislative change is projected to generate \$35 million in FY20.

The FY20 budget will support the expansion of the Earned Income Tax Credit from 23% to 30% of the federal tax credit, which was signed by Governor Baker in the FY19 budget and is available to qualifying taxpayers for the 2019 tax year. The expansion builds on an earlier increase from 15% to 23% passed by the Legislature and signed by Governor Baker in 2015. The increase to 30% will provide additional tax relief for 450,000 filers, providing an income-eligible family with three qualifying dependent children a tax credit of nearly \$2,000, or \$458 more than at the 23% rate.

## **Budget Highlights**

### **Education**

The Baker-Polito Administration's commitment to upholding Massachusetts' legacy of excellence in public education, from early childhood through post-secondary programs, remains as strong as ever.

Yet, 25 years after the Education Reform Act of 1993, persistent achievement gaps remain for low-income students, minority students, and students with limited English proficiency in communities across the Commonwealth. Alongside the FY20 budget and its major expansion of Chapter 70 funding for K-12 schools, the Administration is filing legislation to overhaul the school funding formula to reflect the current cost to school districts of providing a quality public education.

This multi-year school finance reform initiative continues to implement the recommendations of the Foundation Budget Review Commission, by assisting districts in managing the rising cost of health care and educating English language learners and students with special education needs. The proposal will also provide an influx of new funding support for school districts with higher concentrations of poverty, while providing a sustainable funding stream for the development and expansion of early college programs and career pathways.

Building on the Administration's previous investments related to health care and English language learners, when the school finance reform initiative is fully implemented, the Foundation Budget will increase by more than \$1 billion (in current dollars), resulting in an inflation-adjusted increase of an estimated \$3.3 billion by 2026. This proposal represents the most significant expansion of the Foundation Budget since the formula was adopted in 1993. It will provide critical assistance to local communities working to close achievement gaps and accelerate learning, to ensure a high-quality education for students of all racial, ethnic, and socioeconomic backgrounds. The initiative is funded with existing revenues, and is implemented incrementally to ensure it can be sustained over time.

The budget also includes a new trust fund of \$50 million to be used at the discretion of the Commissioner of Elementary and Secondary Education to help drive quality improvements in low-performing schools, to complement \$26.5 million in Targeted Assistance funds. The Administration is also proposing to strengthen the Commissioner's ability to support persistently underperforming schools, in part by utilizing a limited amount of Chapter 70 funds, if necessary, to implement needed reforms and investments with the district. The Administration looks forward to partnering with the House and Senate on this important school finance effort.

To implement the first year of these reforms, the FY20 budget includes a \$200.3 million increase in funding for Chapter 70 education aid to cities and towns. Chapter 70 is funded at \$5.108 billion in FY20, an increase of more than \$700 million since FY15.

The major components of this school finance reform initiative with an impact on the FY20 budget include:

- Full funding of foundation and base aid requirements, reflecting the current rate of inflation, representing a \$129.9 million increase in FY20
- A further increase in the Foundation Budget formula factors for health care, including benefits for retirees, representing a \$30.6 million increase in funding in FY20, the third consecutive year of increases to address rising municipal health care costs for a total of \$89 million
- An additional increase in the factor for educating English language learners, a total of \$13.6 million in additional funds in FY20
- Increased financial support to school districts serving the highest concentrations of economically disadvantaged students, a \$12.8 million increase in FY20



- A minimum aid level of \$20 per pupil for all districts, which adds \$7.9 million to Chapter 70 in FY20
- An increase in funding to help districts meet rising out-of-district special education costs, which adds \$4.3 million to Chapter 70 in FY20
- The introduction of a new enrollment category for students in state-approved Early College programs and Career Pathways, which amounts to \$1.2 million in FY20

During FY18 and FY19, the Administration supported an initial increase of \$58.3 million in state aid payments for health care, including benefits for retirees, and \$24.5 million for English language learners, as recommended by the Foundation Budget Review Commission.

In addition to reforming the Foundation Budget formula and providing a major increase in Chapter 70 funding in FY20, House 1 further supports local school districts by increasing charter school reimbursements by \$16 million, for a total of \$106 million. This increase is based on a proposal to introduce a new three-year formula for reimbursing school districts for charter school tuition increases, putting the program on schedule for full funding within a three-year time frame. Once fully phased in, districts will be reimbursed 100% in year one, 60% in year two and 40% in year three. Districts that allocate more than 9% of their budgets in support of students attending charter schools will benefit from a new minimum tuition reimbursement amount. This level of funding and these reforms will assist districts in meeting their charter school tuition obligations and are an important statement of the Administration's commitment both to supporting local school districts and to supporting educational choice.

Other significant new education investments are seeded by the one-time revenues generated by the sales tax modernization initiative, including:

- \$30 million to help local school districts address their school safety needs, building on an initiative the Administration first proposed in FY19. It will provide grants to school districts for security and communications upgrades, fund training for school and public safety officials, support sharing of best practices, and enable the establishment of an anonymous tip line
- \$20 million to make schools safer by helping districts eliminate lead from their school drinking water

The budget also recommends \$1.5 million for the STEM Pipeline Fund at the Executive Office of Education, to expand opportunities for high school students to participate in career-oriented programs that include work-based learning in the fields of Science, Technology, Engineering, and Math.

### ***Higher Education***

In FY19, the Baker-Polito Administration supported the largest increase in student financial aid in more than two decades, enabling all community college students who qualify for Pell Grants to have remaining tuition and fees fully covered by the state after their expected family contribution. With the filing of House 1, the Administration is supporting another major investment in financial assistance for higher education.

In addition to a \$103.7 million investment in overall scholarship assistance, the House 1 proposal invests \$100 million, also in one-time revenue generated by sales tax modernization, to seed a new trust fund that over the next three years will help more students meet the college affordability challenge and improve the likelihood of student success. The funding increase would support existing programs such as Commonwealth Commitment and Early College, while also establishing a matching grant program for students at public and private four-year colleges who participate in proven college success programs and for paid internships and cooperative education experiences for students at public two- and four-year institutions. As part of this expansion, public colleges and universities would be required to develop long-term plans for reducing student charges, while ensuring institutional fiscal sustainability.

House 1 also recommends a \$1 million increase in funding over the FY19 budget, to a total of \$6.5 million, to cover tuition and fee costs for students in the custody of the Department of Children and Families (DCF), or who have been adopted through DCF. This program supports more than 900 students who are enrolled in public higher education programs across Massachusetts.

The budget includes \$4.75 million for the STEM Starter Academy to expand opportunities for community college students in the fields of Science, Technology, Engineering, and Math.

House 1 invests \$1.13 billion in the UMass system, state universities, and community colleges, a \$57.1 million increase (5.3%) over the FY19 budget. The increase supports both programmatic improvements as well as collective bargaining costs.

These operating funds are in addition to the Administration's ongoing support for major capital investments on higher education campuses. Last year Governor Baker signed legislation authorizing \$3.9 billion to address statewide capital improvements, including \$950 million to assist campuses in addressing deferred maintenance needs and modernizing their facilities. The Administration's five-year Capital Investment Plan includes funding for state universities and community colleges from Cape Cod to the Berkshires, part of a major effort to shore up the institutions that are educating the Commonwealth's future workforce.

### ***Early Education***

Since 2015, state-subsidized early education and child-care providers in Massachusetts have received rate increases worth approximately \$100 million to support teacher salaries, benefits, and professional development — an historic level of support for programs that support children at the earliest stage of their educational development. The FY20 budget funds the most recent rate increases announced in October, part of a long-term effort to improve teacher hiring and retention and improve the quality of early education and care programs for low-income families that receive state subsidies.

The FY20 budget increases funding for the Department of Early Education and Care (EEC) by \$28 million over the FY19 budget, to a total of \$657 million, including \$19.6 million in funding to expand supportive child care vouchers for children in the care of DCF. The investment will continue to fund an increase of 150 DCF child care vouchers per month in FY20.

### ***Other Education Initiatives***

In October 2018 the Baker-Polito Administration welcomed recommendations from two commissions established by Governor Baker to address education, job training, housing, and other needs identified by Black residents and Latino residents of Massachusetts. The FY20 budget proposal supports a total of \$23.9 million in funding reflecting the priorities of the Black Advisory Commission (BAC) and the Latino Advisory Commission (LAC), spread throughout nearly every area of state spending — from public schools to workforce training to economic development and housing.

The House 1 recommendations for education spending include a total of \$12.4 million to support the priorities and recommendations of the BAC and LAC. Among the commissions' recommendations were expanded college and career pathways for high school students, and improved and expanded access to English for Speakers of Other Languages (ESOL) programs. House 1 recommends \$4.4 million in new funding for adult basic education, including expanded ESOL programs, post-secondary vocational education, as well as \$3 million in funding for Early College grants, with the goal of better preparing high school students for college-level work, boosting college completion rates, and providing opportunities for students to earn credits as a way to ease the financial burden of higher education. Other significant investments addressing the priorities of the BAC and LAC can be found throughout the House 1 recommendations.

## **Supporting our Community Partners**

The Baker-Polito Administration's strong partnership with the Commonwealth's cities and towns has been a longtime priority. Just weeks into his first term Governor Baker signed an executive order creating the Community Compact Cabinet, chaired by Lieutenant Governor Polito, promising to give cities and towns a seat at the table in the Administration and pledging to increase support for communities to assist them in meeting their obligations to their residents. All 351 cities and towns have since signed Community Compact agreements, adopting reforms and more than 800 best practices that improve the delivery of services and gaining access to important grant funding to support those initiatives. For example, the program has enabled the towns of Lee and Lenox to move to a shared chief administrative officer, a more efficient arrangement that avoids the need for each town to support an individual town administrator. Through the best practices grant program, the town of Topsfield adopted three financial management best practices and secured an upgrade in its bond rating. The city of Everett was able to implement a solution for snow operations, streamlining the process, improving access to storm data, and saving money.

The program is an example of the strong partnership between the state and the Commonwealth's cities and towns, which count on the Administration and the Legislature to provide the resources that help them improve the delivery of local services. House 1 includes \$6.8 million to support Community Compact-related programs, an important source of funding to drive these innovative municipal reforms. Since 2015 the Administration has provided \$22.8 million to municipalities through the Community Compact program, representing a combination of operating and capital grants, and enabling cities and towns to modernize both their facilities and their operations.

The House 1 proposal also includes another increase in unrestricted general government aid (UGGA) equal to 100% of the projected state tax revenue growth rate. In FY20, the consensus revenue tax growth rate is 2.7% and will therefore provide an increase of \$30 million, to a total of \$1.129 billion, in UGGA. Including the House 1 recommended funding, total UGGA will have increased by \$182.9 million since the Baker-Polito Administration took office.

## **Combating the Opioid Epidemic**

The Baker-Polito Administration has made major investments to address the opioid epidemic, and with its FY20 budget proposal is recommending \$266 million in funding across several state agencies for substance misuse treatment and services. Since FY15 the Administration has increased funding for treatment, counseling, education, and other services by \$147 million, an increase of 123%. The total includes funds made available through a federal 1115 waiver that allows Massachusetts to increase Medicaid funding for Substance Use Disorder (SUD) services.

In partnership with the Legislature, the Administration continues to implement two major pieces of legislation that build on a public health approach of prevention, intervention, treatment, and recovery. Last August, Governor Baker signed the second major legislative effort to address the opioid crisis which included the creation of new pathways to treatment in emergency departments; expansion of medication-assisted treatment (MAT) to individuals in county Houses of Correction who will be transitioned to treatment upon release; expansion of the municipal naloxone bulk purchasing program; removal of barriers for individuals accessing naloxone at pharmacies by creating a statewide standing order; and a commission to promote the expansion of the use of recovery coaches.

While there are signs of progress, with opioid-related overdose deaths down 4% from 2016 to 2017, and the decline continuing into the first nine months of 2018, there is more the Commonwealth can and must do to end the epidemic. The estimated \$266 million in House 1 for substance misuse prevention and treatment is a \$48 million increase (22%) above estimated FY19 spending. The total spending includes:

- \$152 million in funding at the Department of Public Health, including \$139 million through the Bureau of Substance Addiction Services
- \$49.4 million to expand MassHealth treatment services for individuals with addiction, including services for individuals with co-occurring mental health disorders, made available through a federal 1115 waiver that allows Massachusetts to increase Medicaid funding, \$28 million above FY19 spending
- \$16.7 million in new funding to fulfill the requirements of the CARE Act, including medication-assisted treatment within correctional facilities
- \$13.3 million to support more than 250 beds at the Massachusetts Alcohol and Substance Abuse Center (MASAC) in Plymouth, a \$2.5 million increase over FY19
- \$10.9 million in funding for 45 beds at Taunton State Hospital to support women who are civilly committed under Section 35
- \$9.1 million in funding for mental health and substance abuse grants to schools, as well as continued funding for Recovery High Schools

## **Health and Human Services**

Health and human services programs in Massachusetts represent more than half the state budget, making it vitally important to responsibly oversee services to achieve long-term sustainability. The Executive Office of Health and Human Services (HHS) is funded at \$350 million, a \$29 million increase (9%) above FY19 estimated spending. The total includes \$20.5 million for Chapter 257 human service provider rate increases.

### ***Caring for our seniors***

House 1 recommends investments that will improve the economic well-being of approximately 40,000 low-income seniors by expanding eligibility for the Medicare Savings Program (MSP), a program that provides assistance with out-of-pocket health care spending, reducing costs potentially by thousands of dollars a year. A state investment of \$7 million annually (\$4 million in FY20) will leverage more than \$100 million in Medicare prescription drug subsidies accruing directly to older consumers — a game-changer for low-income elders who spend a significant percentage of their income on health care. The MSP helps low-income elders pay for federal Medicare Parts A and B premiums and cost-sharing, and participants automatically qualify for subsidies for Medicare Part D drug coverage, which is fully paid for by the federal government. The proposed expansion would increase income limits for the MSP from 100%-135% of the federal poverty level, depending on the program, to 130%-165%, and double the asset limit. This is the first change in MSP program eligibility since the program's inception in 1966.

The Baker-Polito Administration supports policies and programs that enable Massachusetts' older adults to remain engaged and contributing members of our communities. In FY19 the Administration increased funding to Councils on Aging (COAs) and funded the Protective Services Program at the highest levels ever. The FY20 budget recommends \$555.4 million in funding for the Executive Office of Elder Affairs, a \$9.3 million increase over the FY19 budget, including a \$4.4 million increase for the Community Choices program which provides care in the home to MassHealth-eligible elders who have a nursing-facility level of need. The proposal also recommends a \$1.9 million increase to support more than 350 new clients in the Home Care program, ensuring that elders will not be placed on a waiting list for services, and a \$1.1 million increase for elder protective services to support projected caseload growth. House 1 also includes \$2.4 million, or a 34% increase, in the Elder Nutrition Program which will increase the quality of meals and decrease reliance on frozen meals.

**MassHealth**

The Baker-Polito Administration remains focused on sustaining the state's Medicaid (MassHealth) program, which serves 1.86 million residents, and immediately upon taking office prioritized managing the program's unsustainable year-over-year, double-digit growth. The Administration undertook major program integrity and other management cost-saving reform initiatives that have resulted in a sharp reduction in cost growth and improved the sustainability of this core public insurance program without reducing benefits to members. In addition, the Administration continues to implement its 2018 restructuring of the MassHealth program through Accountable Care Organizations, in order to improve health outcomes and member engagement, and to reduce health care spending growth over time.

House 1 funds MassHealth at \$16.539 billion gross, \$6.673 billion net, representing growth of 0.1% gross (4.3% net) over estimated FY19 spending. In FY20 MassHealth projects its average caseload to grow approximately 0.6% over FY19, below historical trends, due to continuing eligibility system improvements.

The FY20 budget proposes other significant reforms to restrain cost growth in MassHealth's pharmacy program, a major driver of costs, projecting \$80 million in gross savings. Complementing ongoing efforts to maximize available manufacturer rebates under existing authorities, the proposed reforms would provide:

- 1) New drug pricing authority for MassHealth to engage in direct price negotiations with drug manufacturers. In addition, it would subject high-cost prescription drugs to a public rate-setting process, similar to the process used to set rates for most other MassHealth services. If a drug manufacturer does not offer a rebate to meet the regulated target price, the manufacturer may be referred to the Health Policy Commission and be subject to disclosure requirements, public hearings, and potential referral to the Attorney General for action under the state's consumer protection law. These reforms are projected to deliver savings of \$70 million gross (\$28 million net).
- 2) A requirement for Pharmacy Benefits Managers (PBMs) to be transparent about their pricing spreads and rebates in contracts with MassHealth Managed Care Organizations (MCOs) and Accountable Care Organizations (ACOs) and to limit PBM margins under these contracts. This is projected to deliver partial year savings of \$10 million gross (\$4 million net).

The budget proposal assumes that the temporary, enhanced Employer Medical Assistance Contribution will sunset by the end of calendar year 2019, as per current statute.

**Behavioral Health**

The Baker-Polito Administration has made a commitment to improving behavioral health services and fulfilling the unrealized promise of treating behavioral health in parity with physical health. The Administration has increased funding for the Department of Mental Health (DMH) by \$140 million since 2015. The FY19 budget funded an historic investment of \$84 million for the redesign of community-based services for adults with serious mental illness. House 1 funds DMH at \$886.8 million, a \$10.8 million increase over the FY19 budget, and continues support for that investment in the Adult Community Clinical Services (ACCS) program in FY20, to fully implement provider rates, improve client oversight and vendor services, and support rental subsidies. The funding also supports continued consumer access for care coordination services through MassHealth's Behavioral Health Community Partners, and will support \$4.5 million for the Massachusetts Rehabilitation Commission to implement program changes to support employment services for 1,200 DMH clients. In partnership with the Department of Housing and Community Development, DMH will also continue to fund the rental voucher program that provides housing support to DMH clients.

### ***Youth Violence Prevention***

House 1 recommends funding the Safe and Successful Youth Initiative (SSYI) at \$10 million, \$1.9 million above FY19, an increase of 23%. This youth violence prevention and intervention initiative operates in cities with the highest incidences of youth crime, and has a record of significant positive impact on crime and victimization rates.

### ***Supporting children, young adults, and individuals with intellectual or developmental disabilities***

Since 2015, the Baker-Polito Administration has increased funding for the Department of Children and Families by more than \$180 million, and has introduced groundbreaking reforms to vastly improve the protection of the Commonwealth's most vulnerable children. House 1 proposes another \$27 million increase in the DCF budget over FY19 projected spending, to a total of \$1.050 billion, continuing the Administration's commitment to DCF social workers and to the families DCF supports. The budget includes:

- \$11 million to support continued progress toward a caseload level of 18:1
- \$5 million increase to support projected caseload growth, including continued growth in the rate of adoptions and guardianships
- \$4.4 million for anticipated rate increases to provide support for foster parents
- \$2.7 million to annualize investments in Family Resource Centers (FRC), increasing the number of full-sized FRCs and expanding access to the network of services they provide

House 1 also recommends funding the Department of Developmental Services (DDS), which serves 41,000 clients including more than 10,000 in full-time residential settings, at \$2.1 billion, a \$108 million increase above estimated FY19 spending.

House 1 includes a \$4 million investment at the Department of Elementary and Secondary Education (DESE) to increase available capacity in its highly successful existing partnership program with DDS to support youth at home in their communities, bringing total funding of the program to \$10.5 million. The program will support approximately 760 youth and their families by providing community-based professional services to help youth live at home and receive therapeutic supports, in addition to supporting their families.

For the third year in a row, the budget recommends full funding for a new Turning 22 class of nearly 1,300 members. It also includes an increase in funding to support those aging out of the current class. In FY18, the Baker-Polito Administration led efforts to fully fund the Turning 22 program for the first time in nearly 30 years.

### ***Transitional Assistance***

In the House 1 budget, the Baker-Polito Administration is building upon prior year reforms for families enrolled in the Transitional Aid to Families with Dependent Children (TAFDC) program. The budget proposes a more equitable and streamlined approach to the calculation of benefits while eliminating certain restrictive program requirements that are counterproductive to the support of families seeking self-sufficiency and a pathway out of poverty.

The Administration proposes in its FY20 budget to lift the so-called "family cap" that prevents families from receiving aid for children born or conceived after the family has begun receiving benefits. This proposed change is accompanied by additional reforms, including counting Supplemental Security Income (SSI) for adults in the eligibility and grant calculation for TAFDC benefits, and including all members of the household who receive SSI in the TAFDC case. This change aligns with the federal Supplemental Nutrition Assistance Program (SNAP) and treats SSI the same as other types of income

— such as veterans’ or retirement, survivors, and disability (RSDI) benefits — that are already counted in determining eligibility and benefit level.

Other reforms in the House 1 proposal would require that in calculating family assets to determine program eligibility the value of a single car would be disregarded — protecting a family’s access to transportation, including for job-seeking, without risking their ability to receive benefits. Additionally, the Administration’s proposal ensures that homeless families would no longer see a benefit reduction related to the cost of their temporary shelter.

DTA is funded at \$656 million in the FY20 proposal.

### ***Sexual Assault and Domestic Violence***

Continuing its support for survivors of sexual assault and domestic violence, the Administration, through the Department of Public Health, will expand Healthy Relationships, a community- and school-based domestic violence and sexual assault prevention program, focused on teens in high-risk communities to address teen dating violence. The House 1 budget proposal recommends \$1 million in FY20 to support this important initiative.

House 1 recommends a total of \$75 million related to sexual assault and domestic violence services across several state agencies, representing an 18% increase in funding since Fiscal Year 2015. Direct support for survivors includes funding for the statewide domestic violence shelter system, crisis response, and trauma-informed nurse examinations for adults and youth.

### **Access to Employment**

The Commonwealth continues to experience strong economic growth, with 57,000 jobs added in 2018 and an unemployment rate of just 3.4% — the lowest rate in 17 years. However, not every community and region of Massachusetts has felt the benefits of this strong employment environment equally. While Black and Latino unemployment rates have dropped by around half during the Baker-Polito Administration, they still remain above the statewide average, and barriers to access to some of the Commonwealth’s fastest-growing high-wage job sectors remain.

Approximately \$8 million is invested in programs through the Executive Office of Labor and Workforce Development to expand employment opportunities for members of the Black community and the Latino community, incorporating the recommendations of the Black Advisory Commission (BAC) and the Latino Advisory Commission (LAC). This package of investments supports the recommendation of the BAC and LAC to invest in proven models that provide career pathways for youth and adults prioritized through the commission reports, and will support:

- \$2.3 million in new funding to the Youth Works employment program, which helps teens and young adults acquire the skills and experience they need to find and keep jobs in an increasingly technical economic environment
- An increase of \$2.9 million for the Registered Apprenticeship program, which seeks to diversify existing programs and expand that successful training model to the tech, health care, and advanced manufacturing sectors — all of which may be facing talent shortages in the coming years due to skills gaps in the workforce
- A nearly \$2 million increase for the Workforce Competitiveness Trust Fund to expand employer-based English for Speakers of Other Languages (ESOL) programs and career pathways for unemployed workers
- Additional funding for the “Learn to Earn” initiative, a career pathway model that connects unemployed or underemployed individuals receiving public assistance to high-demand career pathways. Learn to Earn is funded at \$950,000, which includes \$750,000 to expand the model to more regions in the Commonwealth, consistent with the BAC and LAC recommendations

Other workforce priorities include maintaining a \$5 million investment to support existing business-led partnerships that train unemployed individuals for employment in health care and IT through the Workforce Competitiveness Trust Fund.

### ***Paid Family and Medical Leave***

Legislation signed by Governor Baker in 2018 created a new Family and Medical Leave program for Massachusetts employers and employees, providing temporary income replacement to eligible workers. Between FY19 estimated spending and the FY20 proposal, the Commonwealth is investing more than \$25 million into the program, including \$18 million for the Commonwealth's obligation as an employer in FY20

### **Energy and Environment**

Massachusetts is a national leader in environmental protection, climate change resiliency, and efforts to promote clean energy and energy efficiency. Through legislation signed into law by Governor Baker, the Commonwealth in 2018 secured 800 megawatts of offshore wind energy, the largest single procurement of offshore wind by any state in the nation. Since Governor Baker signed Executive Order 569 in 2016 establishing an integrated strategy for climate change across the Commonwealth, the Baker-Polito Administration has worked to keep moving Massachusetts towards a cleaner, more sustainable, and resilient future, and the FY20 budget proposal reflects those continuing efforts.

In July, Governor Baker signed bipartisan legislation to authorize more than \$2.4 billion in capital allocations for investments in safeguarding residents, municipalities and businesses from the impacts of climate change, protecting environmental resources, and improving recreational opportunities.

The Administration is building on those capital investments with an increase in operating funds to support the ongoing commitment to protect the environment and address climate change. House 1 includes \$273.3 million in energy and environmental funding, a \$15 million increase above the FY19 budget. The proposal recommends a 7.4% increase in funding for the Department of Environmental Protection, from \$56.6 million in FY19 spending to a total of \$60.8 million in FY20, and funds the Department of Conservation and Recreation at \$97.1 million. The FY20 proposal supports recent increases in staffing at both agencies to continue protecting Massachusetts residents and caring for its natural resources and recreational facilities.

An important next step in addressing the hazards posed by climate change is to upgrade our infrastructure statewide, to build resilience and reduce climate-related risks. In legislation filed separately as part of the Governor's budget package, the Administration is proposing to dedicate \$75 million from deeds excise revenues in FY20, and \$137 million on an ongoing, annualized basis, to the Global Warming Solutions Trust Fund. This funding will be made available to cities and towns to invest in climate-smart infrastructure that protects public health, safety, and property across the Commonwealth.

The enduring value of our homes and businesses, whether urban, suburban, or rural, are tied implicitly to the safety and sustainability of our communities. Timely investments in climate adaptation will be returned to the Commonwealth's residents and property owners in the form of more resilient infrastructure and better risk mitigation tools that ultimately protect their homes, their communities, and the larger economy. Proactive investments made now will help to avoid higher costs later as climate impacts continue. The Baker-Polito Administration is committed to a modest increase in deeds excise revenues to fund a substantial and sustained investment to protect Massachusetts residents, communities, economy, and infrastructure from the adverse effects of changing weather conditions and natural hazards related to climate change. Deeds excise is routinely paid by the seller of real estate during all real property transactions. Initiatives to be funded by the Global Warming Solutions Trust Fund include:



- Loans, grants, and other assistance to communities for climate-smart investments identified through the Municipal Vulnerability Preparedness planning process, including stormwater upgrades, dams and flood controls, drainage and culvert improvements, drought mitigation strategies, nature-based solutions and other adaptation strategies
- Preparation of detailed state asset vulnerability assessments that use climate change projections and risk analysis to direct policy and investment to protect Massachusetts residents' health, safety, and well-being while continuing to steward the natural resources of the Commonwealth
- Assistance for state and local agencies in prioritizing, planning, and retrofitting these vulnerable assets, including dams and flood controls, transportation infrastructure, critical care facilities, water resources, and other key infrastructure
- Development and implementation of a climate-smart land use framework, including a coastal protection strategy, as well as regionally appropriate resilient land use practices for diverse inland communities

The Administration is also recommending an increase of \$5.5 million over the Department of Public Utilities' FY19 budget, for a total of \$18 million in the FY20 proposal. The increase will support and enhance the pipeline safety division's critical testing, investigations, and oversight responsibilities to ensure that natural gas distribution companies and other utilities are in compliance with safety regulations. The Department of Public Utilities' FY20 budget also includes funding to develop a Pipeline Safety Management Standards regulatory framework.

House 1 also includes:

- \$31.1 million in funding for the Department of Fish and Game
- \$25.5 million in funding for the Department of Agricultural Resources, including \$18 million for the Massachusetts Emergency Food Assistance Program supporting more than 20 million healthy and nutritious meals for individuals in need
- \$1.2 million for Cannabis and Hemp Oversight
- Funding for costs associated with the decommissioning of the Pilgrim Nuclear Power Plant in Plymouth

## **Economic Development**

The Baker-Polito Administration has implemented a strong economic development program throughout the Commonwealth, and since 2015 has worked with the Legislature to invest capital and commit operating funds for cities and towns seeking to unlock their economic development potential and drive job creation. There are currently more people working in Massachusetts than at any time in our history, and the FY20 budget will continue to support unprecedented growth through initiatives that leverage the Commonwealth's nation-leading education system, skilled workforce, and strong public-private partnerships that help make Massachusetts one of the most attractive places in the world to build or expand a business.

This budget proposal builds on the capital commitment made in economic development legislation signed by Governor Baker in August 2018. That 2018 legislation authorizes \$1.1 billion capital investment in economic development in the Commonwealth, including a \$250 million reauthorization of the MassWorks Infrastructure Grant Program, \$75 million for the Skills Capital Grant program, and \$50 million for the Seaport Economic Council, and creates a new Apprenticeship Tax Credit for employers who hire and train new employees in high-demand areas of healthcare, manufacturing, and IT fields. These investments provide the critical capital infrastructure for the Commonwealth's job creation initiatives.

The Executive Office of Housing and Economic Development budget for FY20 includes a \$2 million increase to help implement the recommendations of the Black Advisory Commission and the Latino Advisory Commission, with an emphasis on supporting Black-owned and Latino-owned businesses, and individuals who aspire to open or expand a business in the Commonwealth. This community-oriented business development effort includes:

- \$2 million in Urban Agenda grants, \$1.5 million in new funding to expand targeted workforce development programs to Black and Latino young adults
- \$440,000 to perform targeted outreach and assistance to increase competitiveness of Black-owned and Latino-owned businesses by expanding access to capital, through the Massachusetts Office of Business Development and the Small Business Development Center at UMass

The Administration recommends \$2.5 million for the advanced manufacturing training program, an important program within the Workforce Skills Cabinet's suite of tools to connect employers to job-seekers. The proposal recommends \$2 million for Small Business Technical Assistance grants, to provide technical assistance, education, and access to capital for small businesses, a major driver of job creation in the Commonwealth.

The FY20 budget proposal also recommends \$500,000 to fund a downtown district coordination grant program, promoting regional cooperation among cities and towns undertaking downtown revitalization efforts. The program will build on the Massachusetts Downtown Initiative, to enable downtown revitalization efforts to strengthen communities, create new jobs, and support local businesses.

Consistent with recent budgets, the FY20 budget proposal includes an outside section that directs \$10 million of any FY19 consolidated net surplus to the Community Preservation Trust Fund and an additional \$10 million to the Massachusetts Life Sciences Center before the remaining surplus money is deposited into the Stabilization Fund at the end of FY19. In 2018, Governor Baker signed legislation reauthorizing support for the Massachusetts Life Sciences Center, including up to \$623 million in bond authorization and tax credits over five years in education, research and development, and workforce training, representing a pledge of continued support for public investment in this vital industry.

### **Housing and Homelessness**

Increasing and diversifying the Commonwealth's affordable housing stock is key to sustaining a 21<sup>st</sup> century workforce and creating more economic opportunities for Massachusetts residents, and expanding access to affordable housing for Massachusetts individuals and families has been a priority of the Baker-Polito Administration. The Administration recommends \$8 million to fund the Administration's Housing Choice initiative in FY20, through a combination of operating and capital funds, representing a \$3 million increase above FY19. The funding is for grant awards and technical assistance to cities and towns that have met housing production goals over the past five years, providing them with an incentive to plan for and build diverse housing stock, and furthering the Administration's goal of creating 135,000 new housing units in Massachusetts by 2025.

Through additional housing and shelter supports the Administration has reduced the number of families temporarily sheltered in hotels and motels from 1,500 families in 2015 to fewer than 40 families as of the end of 2018, a 98% decrease, vastly improving the quality of life for those families, and has seen the number of families in shelters overall drop substantially. Through diversion, prevention, and rapid re-housing efforts, the Administration has reduced overall caseload in Emergency Assistance by approximately 20% over the same time period.

In 2017, approximately 7,000 hurricane evacuees from Puerto Rico sought refuge in Massachusetts. In partnership with the Legislature, the Administration provided funding for temporary housing support for hundreds of households as well as \$30 million over the last two fiscal years to local school districts that welcomed more than 3,000 children from Puerto Rico into their schools. As federal housing benefits for

hurricane evacuees expired, the Commonwealth in 2018 continued to support more than 200 families with temporary shelter and provided case management support to thousands of additional evacuees, including help in transitioning to stable, permanent housing, job search assistance, access to health care, and other critical services.

In FY20 the Administration recommends funding of \$482.4 million for the Department of Housing and Community Development (DHCD), including \$178 million for Emergency Assistance (EA) family shelters and \$48.4 million to shelter homeless individuals.

DHCD will use an additional \$2.5 million in funding to create 60 new family shelter units that are compliant with the Americans with Disabilities Act, to provide more options for homeless families that include persons with disabilities.

The Administration also recommends continued funding for the Homeless Individuals Rapid Rehousing Program, to support prevention and diversion for homeless individuals. The program provides new funding for community partners to pursue a variety of targeted assistance.

This vital work to support this vulnerable population will continue in FY20, along with efforts to boost housing production overall and therefore assist even more Massachusetts families and individuals in securing an affordable place to live – a key factor in the Commonwealth's economic vitality.

Additional funding recommendations in House 1 to support expanded access to affordable housing include:

- \$100 million for the Massachusetts Rental Voucher Program (MRVP), supporting 9,240 vouchers in FY20, a 34% increase in the number of vouchers compared to FY15
- \$66.5 million in funding for local housing authorities, including \$1 million to complete and implement a new statewide centralized waiting list tool for public housing
- \$25.8 million for the HomeBASE household assistance initiative, which assists families with up-front housing costs as an alternative to shelter placements. Since July 2018 the program has helped 770 families move into permanent housing from shelters, and 440 families chose HomeBASE rather than entering a shelter placement
- \$20 million commitment to the Rental Assistance for Families in Transition (RAFT) program for assistance in preventing homelessness
- \$6.6 million for the DMH Rental Subsidy Program, a collaborative program through which DMH provides mental health services and DHCD provides rental assistance
- \$2.7 million for the Accessible Affordable Housing Grant program, a program first funded in the FY19 budget to support affordable housing for persons with disabilities

The Baker-Polito Administration has also provided more than \$1.2 billion in capital budget support to develop affordable housing options throughout the Commonwealth, including funds to support the preservation and rehabilitation of existing affordable housing units, provide assistance to small public housing authorities with capital planning and project management, and finance construction of new affordable housing. In 2018 Governor Baker signed legislation authorizing \$1.8 billion in capital funding to finance the production and preservation of housing for low-income and moderate-income Massachusetts residents, the largest housing bond bill in Massachusetts history.

## **Transportation and the MBTA**

The Administration and the Legislature formed the Fiscal Management and Control Board (FMCB) in 2015 to provide comprehensive reform and fiscal sustainability at the Massachusetts Bay Transportation Authority (MBTA) following the serious challenges the system faced in the winter of 2015. Under the FMCB, the MBTA has made significant progress on reducing its annual operating deficit, and has slowed the annual operating expense growth rate.

The T plans to invest more than \$8 billion in infrastructure over the next five years, much of which will be invested in its core system. The amount is more than twice what has ever been spent in any five-year period and is the result of careful planning and budgeting since this Administration took office.

In early 2018 Governor Baker established the Commission on the Future of Transportation in the Commonwealth, bringing together experts to analyze future transportation needs and challenges in Massachusetts. The Commission released a wide range of forward-thinking recommendations in December 2018, which will help inform the Administration as it considers future investments in the Commonwealth's transportation system.

The Commission urged prioritization of investment in public transit as the foundation for a robust and efficient transportation system, and House 1 continues to support investments in the MBTA, including total operating budget support in FY20 of \$1.3 billion. The MBTA is projected to receive \$1.130 billion from the sales tax transfer this year, an increase of \$88.2 million above the projected FY19 transfer of \$1.042 billion, in addition to \$127 million in additional operating funds.

House 1 invests \$741.6 million in the Massachusetts Department of Transportation overall, including MassDOT operations, the Registry of Motor Vehicles (RMV), and other transportation agencies. That includes a recommendation of \$105 million for ice and snow removal costs, consistent with historical spending.

Regional transit authorities are funded at \$86 million in House 1, which provides \$4 million in discretionary funding for initiatives to improve ridership and performance, but also for the first time authorizes the Secretary of Transportation to establish performance metrics and reporting requirements to ensure RTAs are delivering effective, robust, and efficient services to their customers.

### **Criminal Justice and Public Safety**

In 2018 Governor Baker signed into law a series of major changes to the criminal justice system. The bipartisan criminal justice reform legislation included a number of Baker-Polito Administration proposals, including important updates that empower police officers to crack down on the opioid epidemic by holding fentanyl and carfentanil traffickers more accountable, a mandatory minimum for assault and battery on a police officer for serious bodily injury, bolstering protections for witnesses and their families, linking state drug classifications to emergency federal drug scheduling, and a "fine time" proposal to add stronger procedural protections before a person is held in custody for failure to pay a fine. The legislation also adjusted several mandatory minimum sentences and repealed certain drug sentencing floors.

Building on the approximately \$30 million in FY19 estimated spending, House 1 includes a total of \$19.5 million in FY20 to implement criminal justice reforms, including:

- \$11.7 million for costs within the Department of Correction including additional correctional officers to staff new housing units, and mental health professionals, nurses, and program staff to provide access to vocational, educational, and rehabilitation programs to meet new requirements for services
- An increase of \$2.3 million over FY19 spending for the Parole Board to support a higher caseload of individuals expected to be newly released into supervision
- \$1.9 million for the State Police Crime Lab to increase staffing to meet the new 30-day testing requirement for Sexual Assault Evidence Kits (SAEKs)

House 1 also funds an expansion of the use of medication-assisted treatment (MAT), to meet the requirement that all three FDA-approved MAT modalities be made available to detainees or prisoners at MASAC, as well as at MCI-Framingham, South Middlesex Correctional Center, and MCI-Cedar

Junction. Seven sheriffs' departments – Essex, Franklin, Hampden, Hampshire, Middlesex, Norfolk, and Suffolk – also now have been authorized to begin an MAT pilot program.

In July 2018 the Office of the Chief Medical Examiner (OCME) secured full accreditation for five years from the National Association of Medical Examiners, the first time the office has ever obtained full accreditation. The OCME, which has established a backlog reduction program to reduce the number of unfinished cases, implemented a successful workload monitoring system and increased efforts to recruit and retain staff, is funded at \$18 million in House 1.

Reflecting the Administration's continuing commitment to transparency and operational reforms within the Department of State Police, House 1 supports the shift of \$45 million in spending and revenue for Troop F (Massport) from an expendable trust onto the operating budget, and supports \$325,000 to maintain the new State Police audit unit within the Office of the Inspector General, created in the FY19 budget.

The proposal includes \$4.5 million in funding for a new State Police class of 100 recruits, the fourth class funded by the Administration since taking office.

Additional public safety investments in House 1 include:

- \$59 million to continue funding for the clinical contract at Bridgewater State Hospital
- \$9.4 million in funding for a new class of 150 officers at the Department of Correction
- \$8 million in funding for the Shannon Grant program to fund anti-gang and youth violence prevention efforts
- \$5 million in grants to local police departments to support regional fentanyl interdiction
- \$3.2 million to establish a new Southeast fire training academy at the former MCI-Bridgewater to address a backlog of fire prevention trainings

## **Judicial System**

The House 1 proposal recommends \$780.8 million for the state court system, including the Supreme Judicial Court, the Appeals Court, and the state trial courts, a 3.2% increase above FY19 spending. The budget includes funding of \$251 million for the Committee on Public Counsel Services, which provides public defender services to individuals who cannot afford representation, a funding level that will support recently-approved salary increases.

The budget also includes outside sections that would expand access to legal services for indigent individuals by providing more flexibility for private lawyers who represent them, repealing a cap that prevents those lawyers from accepting new cases before they have reached the annual limit of billable hours. The proposal would also expand the authority of the chief counsel of CPCS to waive the billable hours cap in all cases, increasing it to 2,000 hours. Currently the cap may be waived only in child and family law cases and care and protection cases.

Other funding highlights include \$4.2 million to annualize an increase in the starting salary for assistant district attorneys, and an \$111,000 increase within the Office of the Attorney General for compensation to victims of violent crime.

## **Good government solutions**

When the underlying technology systems that power state government function smoothly, the people of the Commonwealth are served more efficiently. House 1 proposes support for the Executive Office of Technology Services and Security (EOTSS), which was elevated to a cabinet-level organization in 2017, at \$121 million, a 9% increase over FY19 projected spending, to continue supporting the state's technology needs.

EOTSS continues to make important strides in improving access to and delivery of services to the people of the Commonwealth in today's digital world, while continuing to strengthen protections against cybersecurity threats.

The Administration is again proposing a change that would limit excessive sick time payouts for retiring Executive Branch and Higher Education employees by placing a 1,000 hour cap on accrued time, bringing Massachusetts in line with other states and private sector employers.

