

SENATE COMMITTEE ON WAYS AND MEANS

Fiscal Year 2014 Budget

SWM FY 2014 Budget

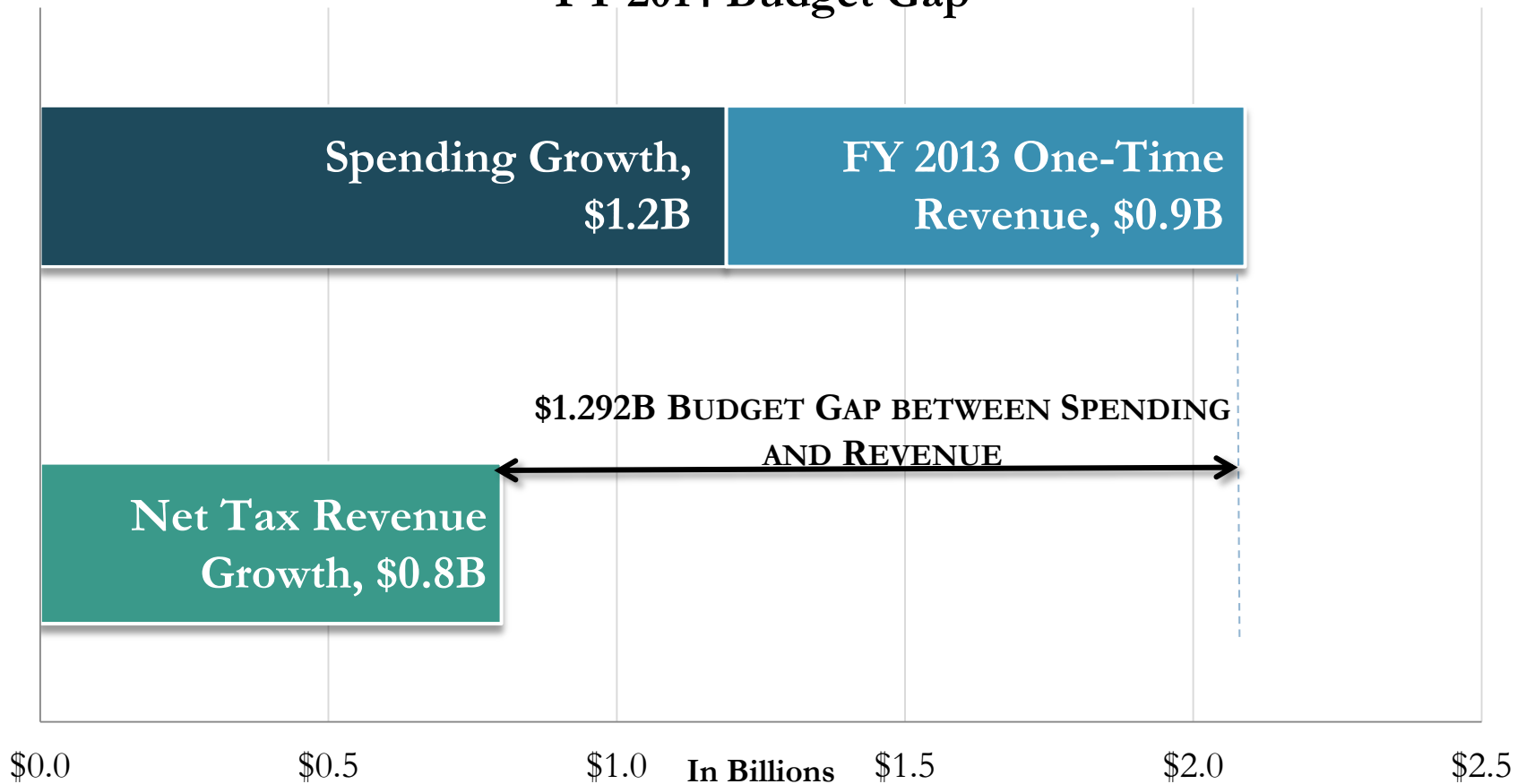
2

- The SWM FY 2014 budget focuses on directing new funds to the programs that have the biggest impact on our communities and our neediest citizens:
 - \$130.1M in new C70 aid, including \$16.9M for school districts that get less in aid than required by the formula
 - \$22.4M in new funding to fully fund SPED Circuit Breaker
 - \$15.5M in new funding for MRVP
 - \$15M to reduce the waitlist for income-eligible childcare
 - \$6.2M to eliminate the Elder Home Care Waitlist
- In addition to these major funding initiatives, the SWM budget continues to support core government services:
 - Funding to implement ACA and to avoid MassHealth cuts
 - Meeting state obligations for Chapter 257 and CBA costs
 - Sufficient funding for the trial court and state police

FY 2014 Budget: The Gap

3

FY 2014 Budget Gap



SWM Budget: Closing the Budget Gap

4

- The SWM budget closes a \$1.3B budget gap with:
 - Sustainable, new tax revenues
 - Including \$430M generated through the recent transportation bill
 - \$350M from the Rainy Day Fund
 - Leaving a projected FY 2014 Rainy Day Fund balance of more than \$1.3B
 - \$277M in other one-time solutions
 - Essentially equal to non-Rainy Day Fund one-timers in FY 2013
 - More than \$200M in other ongoing revenue sources and savings initiatives

SWM Budget: The Numbers

- The SWM budget includes **\$33.92B** in spending:
 - ▣ An increase of **\$1.428B (4.4%)** over estimated FY 2013 spending – this increase is less than assumed revenue growth once tax changes are accounted for (6.4%)
 - ▣ **\$67.5M** less in spending than the House final budget
 - ▣ **\$94.5M** more in spending than the HWM budget
 - ▣ **\$904.3M** less in spending than the House 1 budget

NOTABLE SPENDING AREAS

Fiscal Year 2014 Budget

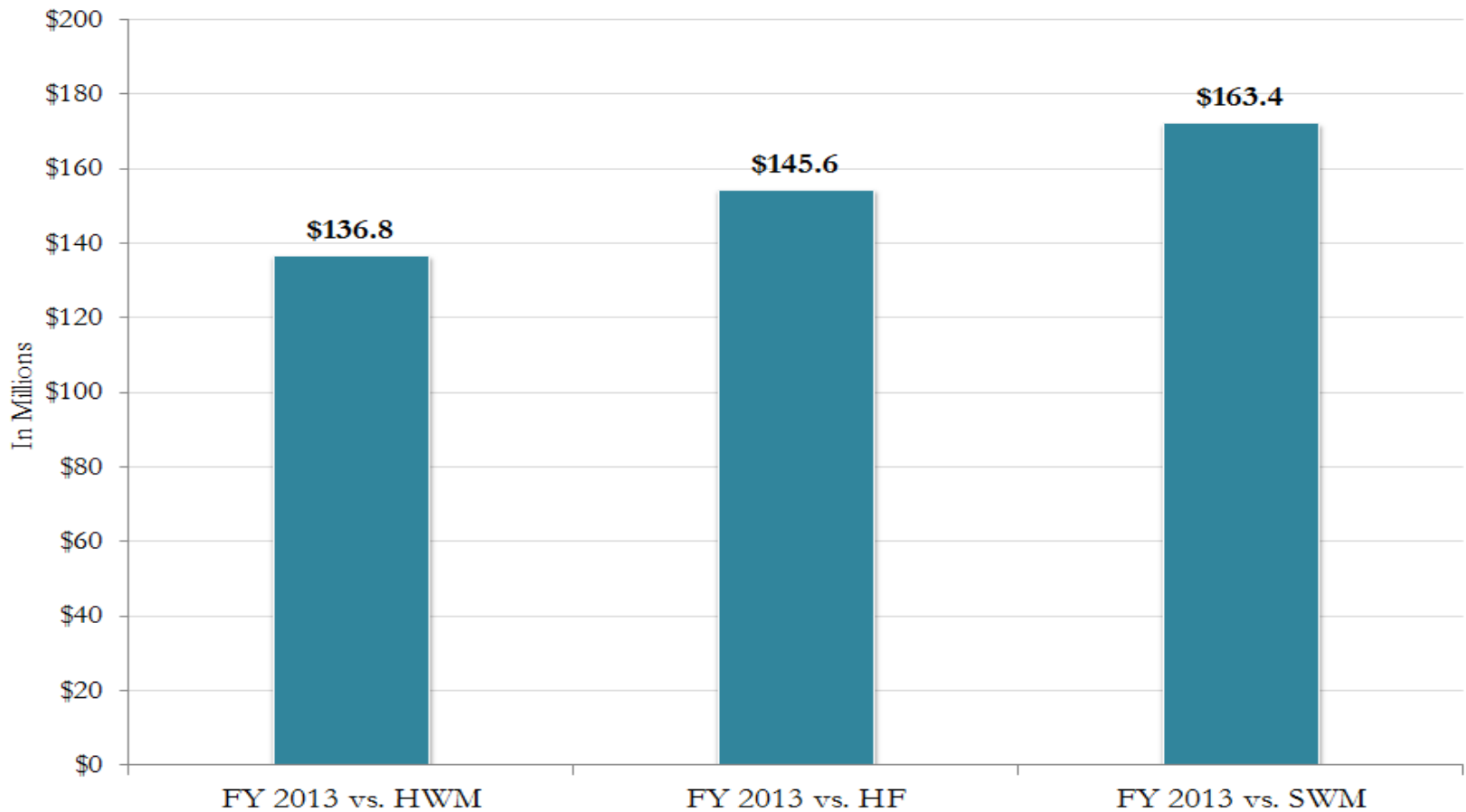
SWM Budget: Local Aid

7

- Chapter 70 - \$4.301B
 - ▣ \$130.1M increase over FY 2013
 - ▣ Ensures that all districts are funded at foundation and receive at least \$25 per pupil over FY 2013
 - ▣ Implements Year 2 of phasing in target aid levels for below-target aid districts
- UGGA - \$898.9M
- SPED Circuit Breaker - \$252.8M
 - ▣ Fully funds SPED Circuit Breaker assuming a 4.5% increase in costs over FY 2013
- Regional School Transportation
 - ▣ \$49.5M for Regional School Transportation
 - ▣ \$3M for Non-Resident Vocational Student Transportation
- Charter School Reimbursements - \$76.4M

SWM Budget: Local Aid

Local Aid and Education Funding: Total Difference from FY 2013 for HWM, House Final and SWM Budgets



SWM Budget: Education

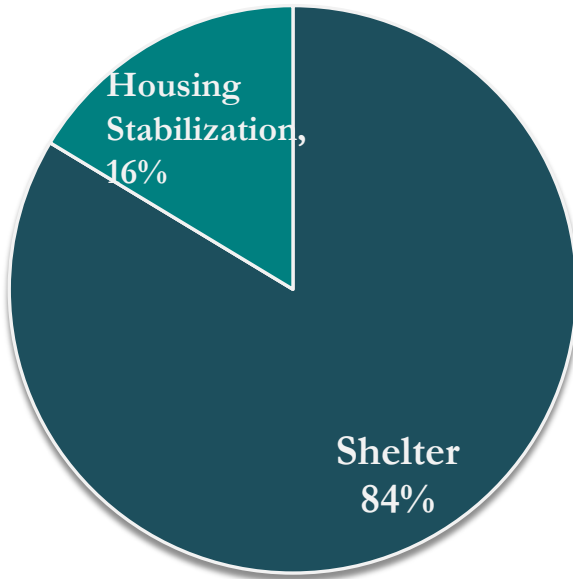
- In addition to education local aid increases, the SWM budget prioritizes early education funding:
 - ▣ \$217.9M for Income-Eligible Childcare
 - ▣ \$15M for the Pre-School Initiative to remove additional children from the waitlist
 - Combined, an increase of \$20M over FY 2013 total spending, taking more than 2,000 families off of the current waitlist
 - This would mark the first time since FY 2009 that the childcare waitlist will decrease over the course of the year
 - ▣ \$35M increase for public higher education campuses to fully cover the costs of CBA increases
 - ▣ \$600K in new funding (30% increase) for a program to expand access to AP coursework

SWM Budget: Housing

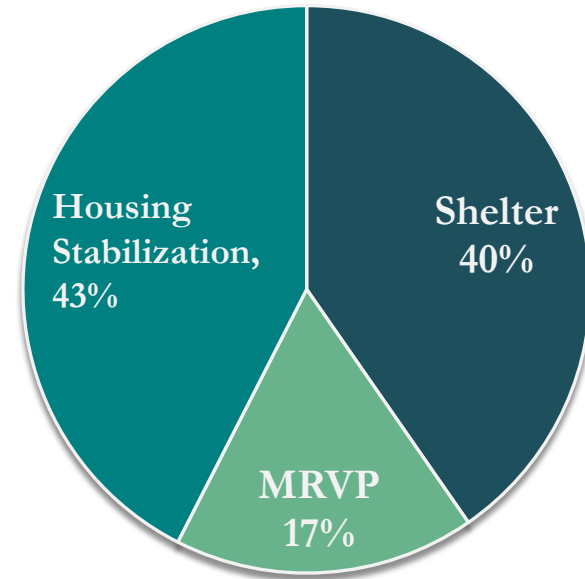
- The SWM budget builds on our work in FY 2013 to redirect savings in the emergency shelter system to sustainable housing programs. The SWM budget includes:
 - ▣ \$15.5M in new funding for MRVP
 - This will provide more than 1,000 new housing vouchers – in addition to the 1,127 new vouchers funded through FY 2013 investments
 - ▣ \$2.3M in new funding for RAFT
 - This total funding level of \$11.1M will help more than 3,100 families maintain housing
 - ▣ \$1.7M in new funding for Housing Consumer Education Centers and the Tenancy Preservation Program
 - Both of these programs provide cost effective education, counseling services and mediation to help families avoid eviction and make smart housing decisions

SWM Budget: Housing Support

FY 2012



FY 2014 Projected under SWM Budget



SWM Budget: Elder Services and Veterans

12

- The SWM budget prioritizes funding for Elder Services:
 - ▣ \$187.2M to fully fund the elder home care programs, an additional investment of \$6.2M over FY 2013, to eliminate the current waitlist of 1,500 seniors
 - ▣ \$10.5M for Grants to Councils on Aging, increasing support to \$8 per elder, marking the highest ever level of state support for councils on aging
- It also prioritizes veterans services:
 - ▣ 5% funding increases for Veterans Outreach Centers and Veterans Homeless Shelters
 - ▣ \$125K for the Train Vets to Treat Vets program, which helps recently returned veterans become behavioral health counselors
 - ▣ Creates a new War Memorial line item, which provides grant funding for municipal war memorial restoration and rehabilitation
 - ▣ Codifies a veteran's ability to obtain a special "veteran" designation on a driver's license or state ID card

SWM Budget: Health and Human Services

13

- The SWM budget prioritizes a number of other human services areas:
 - ▣ \$30.6M in new funding for DMH which will maintain existing inpatient beds and expand childhood and emergency mental health services
 - ▣ \$13.4M in new funding for DPH which includes funding for a new wing at the Western Massachusetts Hospital and additional funding for substance abuse and youth programming
- The SWM budget provides \$12.13B for MassHealth. This funding level ensures:
 - ▣ No reductions to existing services
 - ▣ \$453.9M is directly related to ACA implementation and is offset by more than \$600M in new revenue and savings in MassHealth and the Connector

SWM Budget: Workforce and Economic Development

14

- The SWM budget includes \$72.4M to support economic and workforce development programs. Investments include:
 - ▣ \$19.25M for a new Local Capital Projects Fund
 - Capitalized by gaming license funds, this item will support MassWorks and other local projects
 - ▣ \$15M for a new Advanced Manufacturing Futures Program
 - ▣ \$8M to support the Youth-at-Risk Summer Jobs program
 - This is an increase of \$3M over the House funding level and \$5M over the FY 2013 GAA level
 - ▣ \$3M to begin the recapitalization of the Innovation Institute at the Massachusetts Technology Collaborative
 - ▣ \$2M to expand a machinist training pilot program created in the FY 2013 Senate budget

SWM Budget: Public Safety and Judiciary

15

- The SWM budget provides:
 - \$579M for the Trial Court
 - This funding level, which exceeds court operations funding in both H1 and the House budget, will allow the court system to continue to recover from the substantial cuts of FY 2009-FY 2012
 - \$256.1M for State Police operations and a new class
 - This exceeds the House funding level by \$4.5M
 - \$6.25M for Shannon Grant funding
 - This exceeds the House funding level by \$1.75M
 - \$4M for the Safe and Successful Youth Initiative

SWM Budget: Program Evaluation and Integrity

16

- The SWM FY 2014 budget is committed to improving our ability to evaluate how effective our investments are in addressing the challenges we face. The SWM budget includes:
 - ▣ \$750K to coordinate performance and outcome management in each of the secretariats.
 - ▣ \$720K for a new recidivism pilot program modeled after Hawaii's successful HOPE program. This pilot will combine a new supervision regimen with rigorous evaluation so that we can know whether or not further investment in this program makes sense.
 - ▣ \$500K for a new grant program that will fund external research of state public health programs to help us better estimate the impact these program have on long-term outcomes
 - ▣ \$500K to study our existing system for providing subsidized childcare. As we look to expand the number of children with access to childcare, this study will help us to improve the efficiency of our current system.