

House passes balanced FY'12 Budget

Last week, the Massachusetts House of Representatives passed a balanced FY 2012 budget aimed at increasing government efficiency and cutting costs while preserving essential services across the Commonwealth. The \$30.52 budget, passed with bipartisan support, closes a projected \$1.9 billion deficit by eliminating \$1.2 billion in state spending, resulting in significant reductions for many state agencies.

For the second consecutive year, the House budget rejected any and all increases in taxation to address the deficit, including the market sourcing and hotel tax provisions suggested by the Governor. At the same time, the House was able to:

- increase Chapter 70 aid to municipalities by \$120 million over last year;
- add an additional \$80 million to the Special Education Circuit Breaker;
- earmark \$9.7 million to help municipalities save money by regionalizing services;
- find \$10 million for Adult Day Health services;
- restore \$1 million for Elder Protective Services & \$350,000 for the Council on Aging;
- designate \$1 million for higher education scholarships;
- add \$3.9 million for energy and environmental affairs;
- provide \$2.5 million for Early Intervention Services.

In order to assist with the development and retention of jobs in Massachusetts, the budget establishes the Workforce Training Fund as a trust fund, meaning it will remain fully funded and used exclusively for workforce training programs as initially intended. The budget also prohibits the use of electronic benefit transfer (EBT) cards, issued to welfare recipients, for the purchase of alcoholic beverages, lottery tickets, or tobacco products.

The House budget includes a proposal designed to generate \$53 million in savings within the Counsel for Public Services (CPCS) agency. These savings would be realized by capping the number of hours available for private counsel, increasing the number of full-time public defenders and strengthening indigent verification procedures.

The House budget also includes a controversial municipal employee health insurance proposal. Under this proposal the governing body of a municipality, after consultation with local union leadership, could decide to join the health insurance program managed by the state's Group Insurance Commission (GIC). While this proposal could remove

municipal health insurance from municipal collective bargaining processes, much like it has been for decades at the state level, it leaves all other aspects of that process-- including the right to bargain over the premium split--intact and could save at least \$100 million annually for cities and towns that choose the GIC as their source of health insurance.

As usual, the budget process included controversy, advocacy, line item increases, and language changes made to better serve constituencies with special needs. Consolidated amendments were presented to the membership after member amendments were discussed with the House Committee on Ways and Means and then voted on by the full House.

In many ways the House budget is both an end and a beginning and it is only the second of many stops on the road to a final budget for the Commonwealth. While it brings to a close the House's initial discussions on the budget submitted by the Governor, it also begins a negotiation process with the Senate over these same issues. Future columns will address these aspects of the process as they unfold.

A study was presented & a budget amendment passed establishing a Lyme Disease Commission charged with investigating the incidence & impact of the disease. The report is available through Rep. Hogan's office at (617) 722-2637 or email Kate.Hogan@MAHouse.gov