

April 22, 2009

Preliminary Analysis of House Ways and Means Budget

Since the release of the Governor's budget in January, the Government Affairs department has been meeting with legislators and their staff to share the priorities of the Jewish Federations, agencies and the greater community for the Fiscal Year 2010 (FY10) state budget. The new Chair of the House Ways and Means (HWM) Committee, Representative Charlie Murphy of Burlington, released his budget for Fiscal Year 2010 last week.

Due to the fiscal crisis in our nation and our Commonwealth, there are significant programmatic cuts in this budget; and, as expected, there is no earmark language.

The House Ways and Means budget proposal relies on \$489M less in stabilization fund money than the Governor recommended, and approximately \$300M less in new revenues,¹ resulting in over \$1.8B in cuts to state programs and services. The proposal does rely on approximately \$1.06B in additional Federal Medicaid Assistance Percentage monies. However, the proposal imposes more severe cuts than those recommended by the Governor, including a 32% cut in unrestricted local aid, and significant cuts in education, human services, health care, and most other areas of state government.

House members may continue to sign on to amendments this week through the House clerk's office. The House will begin to debate amendments on April 27th. Once amendments have been consolidated and adopted, the House will vote on a final House budget and send it to the Senate (see budget primer below).

Please note that Governor Deval Patrick also announced last week that he would need to address further revenue decreases in the fiscal year 2009 budget and will do so by implementing further cuts and controls, imposing three- to five-day furloughs on state managers, and draw from \$130M in federal aid to close the gap. He also announced eliminating 750 jobs from the state. There may also be a further draw from the stabilization fund to close the FY09 state budget gap.

¹ Massachusetts Budget and Policy Center

Elder Items:

- **Housing:** The House Ways and Means budget separated the housing line items into programmatic areas (the Governor's budget had consolidated many line-items, such as elder housing).
 - **Congregate Housing/ Naturally Occurring Retirement Communities (NORC)** – line item 9110-1660 – was funded at \$2,123,255. No earmark language appears in the HWM budget; however, the line item is funded at a level that appears to assume that earmarks are included at post-9C (Governor's mid-year budget cuts) levels. Without language directing money to NORC programs, full discretion is with the Executive Office of Elder Affairs. Thus, **amendments have been filed to add language regarding spending on NORCs:**
 - Chair of the Elder Affairs Committee, Rep. Wolf of Cambridge, along with Reps. Lantigua of Lawrence, Brownsberger of Belmont, Smizik of Brookline, Coakley-Rivera of Springfield, Allen of Boston, D'Amico of Seekonk, Ehrlich of Marblehead, Smith of Everett, Smola of Palmer and Sullivan of Fall River filed amendment #406 to move to amend 9110-1660, by adding the following: **“provided, that no less than \$310,000 shall be expended for naturally occurring retirement community programs; \$2,123,255.”** \$310,000 is enough to fund the NORCs in Brookline, Malden, Framingham, Springfield and Swampscott, as well as a NORC in Boston operated by Ethos, at post-9C levels.
 - Rep. Smizik of Brookline, along with Sannicandro of Ashland, Richardson of Framingham, and Fallon of Malden filed amendment #640 to move to amend 9110-1660 by adding the following: **“provided, that \$187,500 shall be expended for an aging-in-place pilot project operated by the Jewish Family & Children's Service of Greater Boston (JF&CS) in Brookline and Malden, and by Jewish Family Service of Metrowest (JFS/MW) in Framingham.”**
 - Rep. Ehrlich of Marblehead, Smizik of Brookline, and Walsh of Lynn filed amendment #371 to move to amend 9110-1660 by adding the following: **“provided further, that no less than \$37,500 shall be expended to fund the NORC, Aging-In-Place program operated by the Jewish Family Service of the North Shore in Swampscott.”**
 - Rep. Swan of Springfield, along with Rep. Puppolo of Springfield filed amendment #642 to move that 9110-1660, by adding the following: **"provided further that the amount \$75,000.00 shall be expended for the Jewish Family Services of Western Massachusetts to implement the Aging-Well at Home Program."** JCRC/MAJF requested a post-9C funding level, but this amendment was filed at a pre-9C funding level.
 - **Home Care:** The Home Care Purchased Service account – line item 9110-1630 – was significantly reduced to \$88.734M. Home Care Management is funded at a post-9C (Governor's mid-year budget cuts) level.
 - The Home Care Purchased Service line was funded at \$106.716M in FY09 and reduced to \$102.7M in 9C reductions. The 14% cut will force caseloads to drop

- from an average of 32,126 in FY09, to 27,744 in FY10 (a cut of over 4,000 elders).² This line has not been funded at this level in over 10 years.
- Chair of Elder Affairs, Rep. Alice Wolf, along with many others, filed amendment #404 **striking the figures “88,734,283” and inserting in place thereof the figures “106,715,568”**.
 - **Protective Services:** This line, which did not receive 9C cuts, is level-funded from FY09.
 - **Councils on Aging:** This line was restored to its pre-9C FY09 level.
 - **Community First:** The Community First Waiver is funded at \$16M. The Governor had asked for \$21M for this initiative. Long Term Care Options Counseling/Pre-Admission Counseling is not funded.
 - Rep. Sciortino of Medford and others filed amendment # 716 on pre-admission counseling, **“provided further, that not less than \$5,000,000 shall be expended from this item to implement the provisions of section 2 of Chapter 211 of the Acts of 2006, the pre-admission counseling and assessment program, which shall be implemented on a statewide basis through aging and disability resource consortia.”**
 - **Prescription Advantage:** This program was funded at \$35M, while the Governor’s budget proposal funded it at \$50.6M.
 - Rep. Wolf of Cambridge and others filed amendment # 407 move to amend 9110-1455 **by striking the figures “35,000,000” and inserting in place thereof the figures “57,533,656”**
 - **Salary Reserve for workers:** The line item to give direct care workers a living wage increase (1599-6901) was not funded in the House Ways and Means budget.
 - Rep. Kay Kahn of Newton and others filed amendment #543 **to reserve \$23 million for workers who earn less than \$40,000 a year.**

Housing:

- Among other housing cuts, the HWM cut the Massachusetts Rental Voucher Program (MRVP) appropriation by 45%, from approximately \$33M in FY09 to approximately \$18 M in FY10.³
 - Rep. Honan of Boston, along with many others, filed amendment #567 moving in item number **7004-9024, to strike out the figure “\$17,997,061” and insert in place thereof the figure “\$35,797,061”**.

Disability Items:

- **Family Support Services:** 5920-3000 - HWM separated the consolidated budget line items and restored the \$45M which was cut in the Governor’s budget. Family Supports is funded at \$55,454,715.
- **Turning 22:** The Transition Services line item, 5920-5000 was level funded to FY09 at \$7.7M.

² Mass Home Care

³ Citizens’ Housing and Planning Association (CHAPA)

- **Mental Health Services for Adults:** Funded at \$313M, line item 5046-0000 received a 5.8% increase from its 9C cut level of \$295M.
- **Mental Health Services for Children:** Line item 5042-5000 received a 7% reduction. After 9C cuts, the line item received \$74M and in the HWM budget it received \$69M.
 - Rep. Malia of Boston filed amendment **#580 to strike out the figure “\$69,703,370” and insert the figure “\$73,138,409”.**

Workforce Development:

- **The Workforce Competitive Trust Fund:** The trust fund, 7002-1074, was eliminated in the HWM budget. However, Secretary of Labor and Workforce Development, Suzanne Bump, has recommended the use of funds from the stimulus package to replenish the Fund.
- **Adult Basic Education/English for Speakers Other Languages:** Line item 7035-0002 was funded at \$1.113M less than the Governor's budget proposed.
 - Rep. Campbell of Methuen and others filed amendment **#978 to strike out figure “\$28,085,646” and insert the figure “29,223,195”.**
- **Citizenship for New Americans:** Line item 4003-0122 was funded at \$500,000, which is \$109,000 less than its FY09 post-9C level.
 - Rep. Reinstein of Revere filed amendment **#111, which will “strike out the figure “\$500,000” and insert the figure “\$650,000”.**
- **Employment Services:** Line item 4401-1000 was funded at \$24.5M, which is level to the post-9C funding. The Governor consolidated this line item in his budget and HWM separated it back out.

Budget Process Primer

Governor's Budget



House Ways and Means Budget



(Amendments)

House Final Budget



Senate Ways and Means Budget



(Amendments)

Senate Final Budget



Conference Committee Budget



Governor's Vetoes



Legislative Overrides



Final Budget (General Appropriations Act)

Line Items	FY09 Final Budget (General Appropriations Act)	FY09 Post Governor's Mid-Year (9C) Cuts	Governor's FY10 Budget Proposal (House 1)	House Ways and Means FY10 Budget Proposal
Healthy Families Newborn Home Visiting Line Item 3000-7000	13,192,235	\$12,481,907	14,132,264, but other line items are consolidated into this line item	\$9,188,407
Essential School Health Services Line Item 4590-0250	17,457,134	0	consolidated with line items 4000-1700 (\$94,393,156) and 4510-2500 (\$52,544,238)	\$13,415,743
Home Care Purchased Services Line item 9110-1630	106,715,568	\$102,747,568	\$199,176,025 consolidated with other line items. Total funding last year for all line items - \$202,552,656	\$88,734,283
Home Care Administration and Case Management Line item 9110-1633	\$40,368,041	\$37,568,041	\$199,176,025 consolidated with other line items (see above)	\$37,568,041
Protective Services (Including Guardianship) Line Item 9110-1636	16,246,087	16,246,087	16,252,499	\$16,252,499
Congregate and Shared Housing for the Elderly Line Item 9100-1660	\$525,000	\$262,500	6,361,027 - consolidated with other elder housing line items	\$2,123,255
Mass Rental Voucher Program Line Item 7004-9024/7004-0100	33,047,202	33,047,202	35,797,061	\$17,997,061
Public Housing Operating Subsidy Line Item 7004-9005	66,500,000	66,500,000	71,150,000	\$66,300,000
Alternative Rental Housing Voucher Program Line Item 7004-9030	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Employment services Program Line item 4401-1000	27,220,672	\$24,097,457	\$31,202,410 consolidated with other line items	\$24,522,308
Citizenship for New Americans Line Item 4003-0122	650,000	\$609,050	580,787	\$500,000

Adult Basic Education Line item 7035-0002	31,176,348	\$30,176,348	29,223,195	\$28,085,646
Workforce Competitive Trust Fund 7002-1074	3,000,000	3,000,000	\$6,800,000	\$0
DMH Adult Mental Health Services Line item 5046-0000	322,068,305	\$295,920,305	363,052,065	\$313,598,387
DMH Services for children and adolescents Line Item 5042-5000	76,201,535	\$74,751,535	73,138,409	\$69,703,370
Community Residential Line Item 5920-2000	569,521,352	\$569,146,352	\$852,653,065 consolidated with four other line items - \$45 million has been cut from these items	\$616,259,640
Residential Rate Line Item 5920-2006	2,250,000	2,250,000	\$0	\$0
DMR Family Support Line Item 5920-3000/5920-2007	55,994,228	55,994,228	partially transferred to 5920-2000 (\$852,653,065)and partially transferred to 5911-2000 (\$146,869,768)	\$55,454,715
DMR Transition Services Line Item 5920-5000	7,700,000	7,700,000	7,700,000	7,700,000
Early Childhood Mental Health Consulation Services Line Item 3000-6075	2,900,000	2,900,000	2,900,000	\$0
JVS/Women's Union Career Mentoring Program Earmark Line Item 7003-0702	\$200,000	\$0	\$0	\$0
Direct Care Workers Salaries Line item 4000-0017	\$23,000,000	\$23,000,000	\$0	\$0
Mentoring Programs Line item 7061-9634	\$0	\$0	\$0	

