



The Commonwealth of Massachusetts

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House Passes Balanced FY17 Budget with Focus on Local Aid, Fiscal Responsibility

Prioritizes initiatives to benefit the Commonwealth's children and most vulnerable residents

BOSTON – Representative Stephen Kulik joined his colleagues in the Massachusetts House of Representatives to pass its FY17 budget which aims to provide opportunities for all residents through investments in multiple areas including local aid, enhanced support for early education and care (EEC), and programs to help those battling addiction and homelessness.

The spending bill, approximately \$39.5 billion, highlights the House's ongoing commitment to balancing fiscal prudence with targeted social service investments, a practice that has resulted in Massachusetts retaining its AA+ bond rating, the highest in the state's history. The budget includes no new taxes or fees and reduces the Commonwealth's reliance on one-time revenue sources. For the second year in a row, it does not withdraw any funds from the stabilization fund.

"Through fiscal responsibility and thoughtful, forward-looking investments this budget supports citizens of all backgrounds, particularly the most vulnerable among us," said **House Speaker Robert A. DeLeo (D-Winthrop)**. "I am particularly proud of our investments in early education and care, elder affairs and substance addiction programs. I thank Chairman Dempsey, the House Ways & Means Committee and the members of the House for their outstanding work on this budget."

"This budget reflects the shared priorities and values of the Members and the constituents they represent," said **Representative Brian S. Dempsey, Chair of the Joint Committee on Ways & Means (D-Haverhill)**. "We are able to balance fiscally responsible decision making while making unprecedented investments in education and local aid. This budget ensures that we maintain the high quality services and programs that help our neediest citizens and continues to prioritize necessary funding increases to meet the challenges of substance abuse and homelessness."

"The House of Representatives has crafted a balanced and responsible state budget that invests in our communities by increasing education and local aid accounts which benefit each of our cities and towns,"

said **Representative Stephen Kulik, Vice-Chair of the Joint Committee on Ways & Means (D-Worthington)**. Again this year, we have focused attention on programs that address the opioid crisis in our communities through innovative approaches to treatment and education. I am grateful for the input and collaboration from all House members who continue to prioritize fiscal stability and building economic growth and opportunity throughout our Commonwealth.”

The budget extends the House’s longstanding reputation as a champion of municipalities. With increases in both local education funding and Unrestricted General Government Aid (UGGA), this budget raises local aid by \$159 million from FY16. It provides \$55 in per-pupil-aid, more than doubling last year’s expenditure, and fully funds Special Education Circuit Breaker.

Recognizing the immense impact that high-quality EEC has on the lives of our residents – both children and adults – the budget makes targeted investments to support the EEC workforce while expanding access to high-quality programming. EEC investments include a \$15 million rate reserve, continued support for expanding pre-kindergarten opportunities, and \$2M to ensure access to quality EEC programming.

The budget also provides \$18.6 million for Kindergarten Expansion Grants.

For the fifth year in a row, this budget increases funding for community colleges, state universities and UMass. It also provides:

- \$96.6 million for a state scholarship program which benefits Massachusetts residents attending both private and public colleges;
- \$4.75 million for the STEM Starter Academy, a House-created initiative for community college students which has shown notable early success;
- \$1.7 million to support inclusive higher education learning opportunities for students with disabilities between the ages of 18 and 22 years.

Recognizing that education and economic development are intrinsically paired, the budget enhances the House’s focus on bolstering job opportunities for residents of all skillsets in diverse regions of the Commonwealth through programs including:

- Invests \$2 million in the Big Data Innovation and Workforce Fund, to promote the big data and analytics industries, provide tools for related career development and explore how analytics can help address problems of public concern;
- MassCAN: \$1.7 million to establish and enhance widespread, progressive computer science curriculum in public school through a public-private matching program;
- Provides \$2 million for technical grants for small business;
- Provides \$3 million in grants for an urban competitive grant program;
- Talent Pipeline: \$1.5 million to encourage young innovators to get a head start on their futures by matching stipends for interns at innovation start-ups, and to provide mentoring opportunities for new entrepreneurs;

- Continues to fund the Massachusetts Manufacturing Partnership, a program that continues to show results in closing the skills gap, and provides \$1.5 million for the precision manufacturing workforce development fund.

Since FY12, the Legislature has increased funding for substance addiction services by more than 65% and passed two landmark bills to help address this public health epidemic. This year's budget makes notable investments for behavioral health, including new funding of more than \$28 million for the Bureau of Substance Addiction Services and \$13 million for the Department of Mental Health. These investments include:

- \$2 million for 46 new transitional support services beds, boosting the state's capacity by more than 13 percent;
- \$2 million for new supportive case management services that will benefit 500 families;
- Funding for 45 substance addiction treatment beds at Taunton State Hospital;
- \$1.5 million to expand district attorney trafficking and heroin diversion programs;
- A \$3 million pilot for Medication Assisted Therapy in emergency rooms.

In addition to behavioral health and substance addiction initiatives, the House's budget features numerous provisions to support Massachusetts' most vulnerable citizens including:

- Increases the Department of Children & Families' budget by more than \$23 million. A portion of this funding will support new and recently hired employees;
- Increases the Department of Developmental Services' budget by \$45 million;
- Boosts funding for Family Respite Services to assist an addition 3,000;
- Provides more than \$30 million for domestic violence and sexual assault prevention and treatment programs;
- Increases the Councils on Aging formula grant to \$10 per individual, per year.

The House has a longstanding history of enacting effective programs to combat homelessness. As of March 31, 2016, Massachusetts' shelter population fell below 4,000 for the first time since August of 2013; and the number of families in hotels and motels has dropped by more than 1,500. This year the House continues to enhance its efforts by:

- Providing more than \$155 million for the Emergency Assistance Family Shelter Program;
- Since FY10 funding for the Massachusetts Rental Voucher Program (MRVP) has increased by more than 300%. This year MRVP is funded at \$100 million which will result in 375 new vouchers;
- Funding the HomeBASE program at \$31.9 million.

MassHealth remains the largest expense in the Commonwealth's budget. Notably, this legislation contains MassHealth spending growth to 5 percent from FY16 while maintaining member benefits and eligibility. It

provides the Health Safety Net with a \$15 million transfer and institutes a five-year Delivery System Reform Incentive Program to maximize federal funding as the state moves toward an accountable-care-organization model of health care delivery.

The budget will now go to the Senate.

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