

Update on House Budget

As the Senate prepares to debate the state budget this week, I wanted to provide you with an update on the work that I have been doing **on the House side** relative to the House's proposed budget.

As a member of the House Ways and Means Committee, the committee responsible for establishing budget priorities, I must admit it has been a busy season.

The Commonwealth is faced with approximately a \$1.9 Billion deficit. Unlike the past two years, this budget shortfall comes at a time with very little federal stimulus and stabilization funds to be used to offset the cost. As a result, the House of Representatives cut approximately \$1.2 Billion in order to balance the budget. No fees or taxes were added in this budget.

Although the provisions below describe the House budget, it is important to note that the Senate budget has not been completed and the two will need to be reconciled in conference, and presented to and signed by the Governor before becoming effective.

The House Ways and Means Committee put forth a budget that followed three objectives: protect essential services, provide for the most vulnerable and promote cost savings, reforms and efficiencies. The vast majority of both Democrats and Republicans voted to pass the budget.

Municipal Health Insurance

In this budget, we made the first attempt at reforming municipal insurance by giving cities and towns through a vote of their City Council or Board of Selectman, the ability to join the GIC (Group Insurance Commission) or engage in Plan Design. Therefore, the City Council or Board of Selectman would have the ability to enter into the GIC or Plan Design or opt for no change.

Under the provisions of the budget, certain protections were placed into the reform such as allowing unions and municipalities to negotiate the premium split, a set aside of 10 percent of the savings to provide for those who could experience higher premiums as a result of a catastrophic illness such as cancer and a 30 day period to negotiate co-pays and deductibles at which time at the end of the 30 days (retiree representation would be included in the negotiations), the set aside would increase to 20 percent if the unions and municipalities were unable to reach an agreement. No plan can be offered by the municipality that would increase copayments or deductibles by more than those paid by subscribers to the most popular plan offered by the GIC.

The importance of the Municipal Health Insurance reform is to save cities and towns \$100 million and to do so without adversely affecting municipal employees. This year alone, local aid, money used to fund city services such as fire and police protection was cut an additional \$60 million in order to balance the budget. The House realized this kind of budgetary cut could not be sustained by cities and towns without some type of health insurance reform. Further, it's important to note the GIC plans being offered to the municipal workers are the same plans offered to legislators and the Governor. Interestingly, under municipal health insurance reform, municipal workers are given more privileges than state workers including legislators and the Governor.

Education Funding

Under the House budget, education funding, Chapter 70, was increased to approximately \$4 billion. Also, the Special Education funding was increased by \$80 million to \$213 million dollars. More specifically to Cape Ann, I worked to restore Bay State Reading Institute's line item in the budget. Many of you may know this program as the reading support program which is being offered in the Beeman and Veteran's schools and operated by Ed Moscovitch and Miffy Somers.

Tourism, Culture and the Arts

For the first time since I have been elected to office the Tourism line item was fully funded at \$6 million dollars. The original house budget had funded tourism at \$1 million, however, after much advocacy from Representative Sarah Peake, the Chairwoman of Arts, Culture and Tourism, and myself, we were able to secure an additional \$5 million to fully fund the line item.

Additionally, we were able to secure an additional \$1 million for the Mass Cultural Commission which has been supportive of Rockport Music, Cape Ann Museum and Gloucester Stage.

Youth

Prior to the 2012 budget, we appropriated funding for youth programs: \$2.5 million for Shannon Grants, \$2 million for connecting activities such as after school programs, and \$4 million for summer jobs.

Also, at the suggestion of Judge David Harrison, who is an integral advocate and promoter of youth athleticism, I was able to work with Rep. Gail Carridi of North Adams to secure \$200,000 to support the Bay State Games.

Seafood Industry

The House Ways and Means Committee at the urging of Rep Michael Costello (D-Newburyport), and Rep Brad Hill (R-Ipswich) and I restored funding to the depuration plant and increased its mission to serve the shellfish community.

Blind and Deaf Community

At the Ways and Means Hearing that I chaired, the committee became aware that the Patrick Administration cut \$450,000 for the Deaf and Blind Community Action Network. These are individuals who have the challenge of being both deaf and blind.

I learned at the hearing that Ann Marcou, a deaf and blind resident of Cape Ann was responsible for the creation and establishment of the program. After the hearing, I successfully advocated to the Chairman of Ways and Means to restore this line item into the budget.

Cancer Awareness

The House included \$3.4 million for cancer related budgetary items such as awareness and screening.

Reforms

The House budget reforms Counsel for Public Services by mandating requirements such as limited reimbursement for cases to 1500 hours and requiring indigent verification by the Department of Revenue and Department of Transitional Assistance to confirm that clients are, in fact, unable to pay legal fees.

The budget also prohibits the use of electronic benefit transfer cards for the purchase of alcoholic beverages, lottery tickets, or tobacco products. Individuals or store owners who knowingly accept payment for these items through electronic benefit cards will be subject to a fine.

All in all, the budget season has been an interesting one. I had traveled to 10 different hearings around the state to learn in more detail about the budget, how programs are funded, which programs were working and which programs needed to be reformed.

I was particularly pleased that this budget focused on items that were pertinent to Cape Ann such as supporting local aid, education, restoring the tourism budget and supporting arts and cultural districts, our seafood industry, and small businesses.

Further, it was refreshing to see that both democrats and republicans could work on and vote for a budget that protected essential services, shielded the most vulnerable, and reformed state government to reduce inefficiencies and waste.