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# *The Rosenberg Report*

Vol. XXXIV  
June 27, 2005

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Hello!

After what we've been through the last four years, I'm guessing that no one in state government will ever take black ink for granted. We are emerging from dire financial conditions, and this year's \$24 billion budget, approved by the Legislature on June 23rd, is outstanding when compared to the previous three. But the mood among legislators is tempered by the knowledge that a lot of our people have been hurt over the last four years, a lot of our institutions damaged, a lot of our hopes dashed, perhaps permanently, and that a structural deficit caused largely by soaring health care costs dogs our every move. I don't think recessions are beatable. They are like viruses that have to run their course. But we can, and must, take the necessary steps, big and small, to minimize the pain of the next recession that we know is out there.

One of those steps is investing in higher education.

It is my greatest hope that this budget will be remembered as the first step toward rebuilding our public higher education system and creating once and for all the kind of world-class opportunities our students, professors and staff deserve. The conference committee accepted the Senate's proposal, which was based on the work of the Senate's Higher Education Task Force, which I co-chaired with Sen. Steven Panagiotakos (D-Lowell), and approved increasing our higher education investment by \$41.7 million -- including an \$18 million increase to the University of Massachusetts campus system, which includes doubling the funding for Commonwealth College to \$3.4 million, for example. Make no mistake, this is not everything we need. But the increases we are making today are healthy downpayments on our proposed 5-7 year plan to improve access and quality and to stabilize financing and stop the self-defeating practice of build and destroy, rebuild and destroy when it comes to investing in higher education.

In this year alone, the Legislature has overridden Governor Romney's veto of fairly negotiated raises for higher education employees, created a new committee devoted solely to higher education, and now we've increased our investment for the first time in several years.

Are we finally serious about making our higher education system among the best in the world? Seems like it. But I'm not letting down my guard.

Until next time, have a great summer!

Yours,



## June Focus

### *Fiscal '06 state budget*

The House-Senate Conference Committee compromise budget for fiscal year 2006 maintains the Senate's commitment to local aid to cities and towns, education, health care and public safety. The measure was approved by both the Senate and House of Representatives on June 23rd and now heads to the Governor for his approval. Here's a summary

### **Conference Report – June 23, 2006**

#### **SPENDING OVERVIEW**

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- Overall spending totals \$23.916 billion, compared to \$24.009 billion in the Senate budget and \$23.689 billion in the House budget.
- In virtually every area of the budget, appropriations reflect Senate recommendations.

#### **EDUCATION**

In all three tiers – early education, K to 12, and higher education, the conference budget reflects the priorities of the Senate.

##### **Early Education and Care**

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- The conference budget adds a \$12.5 M rate reserve for early education and care workers.
  - We increase funding for Head Start from \$6.2 M to \$7.5 M (\$1.3 M increase).
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##### **Department of Education**

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- Chapter 70 funds in section 3 reflect Senate funding levels, \$78 M over FY05.
  - We increase funding for METCO to \$17.6 M (\$2 M increase).
  - The conference budget adds \$1.8M to targeted intervention at under performing school districts and creates an after school extended learning time program to assist in raising MCAS scores.
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- The conference budget meets the challenge of increased transportation costs by putting an extra \$4.5M into regional transportation.
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- The conference budget authorizes and funds a new pilot program to reform the current decentralized and costly system of special education student transportation. The new plan will transport students to out-of-district placements at a lower cost and with improved quality of service by coordinating the planning and contracting to educational collaboratives across the State.
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- Reading Recovery, MCAS remediation, and adult basic education are all funded at Senate levels.
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- We fully fund the special education circuit breaker at a cost of \$201 M.
  - We fund the education foundation reserve account at \$6.9 M, \$4.4M more than in the House budget. This account affords districts the opportunity to apply for funding for emergency circumstances.
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## Higher Education

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- The conference budget increases funds to higher education campuses by \$41.7 M.
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- The budget adds \$18 M to the University of Massachusetts campus system, an amount which includes doubling funding to the Commonwealth College to \$3,430,000
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- The conference budget increases funding to state and community colleges by \$23 M over FY05 appropriations using the Board of Higher Education's funding formula speaking both to funding gaps and segment parity.
  - The conference budget continues funding the Board of Higher Education's Nursing and Allied Health Education initiative to address the nursing and nursing faculty shortage.
  - The budget authorizes \$915,900 in new funds for an enhanced Second Degree Nursing Program at Salem State College to replace its current out-of-date nursing laboratory and support the program overall.
  - Increases funds for scholarships by \$2.3 M, including \$300,000 for increases to Gilbert Grants for needy students and \$1 M in new scholarships for early education workers.
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## LOCAL AID

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In local aid, in addition to Chapter 70, we support cities and towns with a \$100 M increase to lottery funds versus last year's budget, and with increases for local and regional public libraries, and PILOT.

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- The conference budget adds \$750,000 to FY05 funds for direct state aid to libraries and funds the telecommunications account at \$2M (up \$1.6 M from \$541,000 in FY05).
  - These increases will help maintain a strong and vibrant library system.
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- Funds for Payment in Lieu of Taxes (PILOT) to cities and towns for state-owned land increases \$1 M to \$16.1 M in the conference report, reflecting the Senate recommendation.
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## **MASSHEALTH**

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Total on-budget spending on Mass Health equals \$7.000 billion, compared to \$7.060 billion in the Senate budget and \$6.948 billion in the House budget.

As referenced earlier, the \$60 M difference from the Senate is largely a result of two factor: 1) deferring MassHealth Essential to a supp (\$20 M); and 2) accounting matters related to assumptions on utilization days and the cost during the summer of 2005 of bills from services rendered in prior months.

- The conference report provides \$18.75 M for outlier payments for long hospital stays.
- Pool payments to Community Health Centers from \$41 M to \$56 M and we provide funds for disproportionate share hospitals and pediatric burn units.
- We offer Mass Health Essential to elderly and disabled legal immigrants.
- We fully fund Prescription Advantage until Medicare Part D takes over in January, then we pay for gaps in Medicare Part D coverage and a spring open enrollment period.
- The total amount of earmarks in the Distressed Provider Fund contained in the House and Senate budgets far exceeded available funding in Conference.
- However, the Senate was able to secure full funding for all earmarks shared in common with the House budget, and partial funding for all other Senate only earmarks.

Other health care initiatives include the following:

- Coverage for 3,500 Elderly and Disabled Immigrants
- Dental and smoking cessation benefits for pregnant women and new mothers through the MassHealth program

- \$12 million in additional payments for Pediatric Hospitals and Specialty Units
- A Medicaid rate floor for pediatric institutions that care for high-acuity cases
- Rebase rates for non-acute and chronic hospitals

## **ELDER AFFAIRS**

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- We increased funding for local Councils in Aging by \$500,000 to a total of \$7 M.
- The higher Senate levels of funding for all Elder Home Care Programs, including Enhanced Community Options Program, Home Care Purchased Services, and Elder Meals.
- The budget provides full funding for Elder Protective Services account.
- We include \$2M earmark for the Caring Circle initiative.
- The report rejects Nursing Home rate cuts and earmark funds for an annual nursing facility rate increase.

## **HUMAN SERVICES**

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### **Group Insurance Commission**

- The conference report adopts a December 31, 2005 “sunset” of contribution ratios for current state employees. On that date all employees will revert back to contributing 15% of their health insurance costs, except for employees hired after June 30, 2003, who will contribute 20%.

### **POS Salary Reserve**

- The conference report provides \$20 M to increase salaries for private human service workers who deliver vital human and social services under contracts with the commonwealth. \$14 M will be used to adjust wages for those human service workers who earn less than \$25,000 per year, and \$6 M will be used to adjust wages for those who earn between \$25,000 and \$40,000 per year.

### **Department of Youth Services**

- The conference report makes great strides for the needs of DYS. We increase funding for the Residential account by \$10.1 M, for a total of \$98.8 M. This funding will be used for various measures of suicide prevention, which is a vital issue facing the department.

In fact, in each of the past three years, 40-50 children have attempted suicide while in DYS facilities.

- The conference report also provides \$2.5 M in funding at the Department of Education to increase salaries for teachers employed by the Department of Youth Services. This increase will help to address the low salaries and resultant high turnover in teaching staff at DYS facilities and to improve retention so that students have a more stable educational experience.

### **Department of Transitional Assistance**

- SWM also creates a \$12M transitional assistance reserve for employment services and child care programs in order to address the possibility of increased work requirements in conjunction with the expiration of the commonwealth's waiver in October.
- SWM increases funding for the Emergency Assistance Family Shelter account in order to address unreasonable barriers to family shelter and to change the financial eligibility standard to 130% of the Federal Poverty Level. These changes will help to keep families with children safe during exceptionally difficult housing crises.

### **Department of Mental Health**

- The conference report shows strong support for DMH by providing funding to address increasing costs of pharmaceuticals, psychiatric care, child and adolescent programming, and community services. Specifically, we provide \$3 M in the Adult Mental Health Services account for the transition of clients who are aging into the adult mental health system from a variety of child/adolescent systems.
- In addition, we include funding for the annualization of the community placements begun in FY05 and also provide \$2 M in additional funding to support the transfer of 30 additional patients out of hospital settings and into community placements. This will allow the department to reach its goal of 268 total community placements by the end of FY06 as was recommended by the Inpatient Bed Study performed by the department in FY04.

### **Department of Public Health**

- Substance abuse was fully funded at \$47.6M
- Increased funding for Early Intervention by \$1.6M
- Increased funding for Head Injury Services by \$2M
- Restored Stroke education awareness line item at \$300,000
- Increased finding for Teen Pregnancy Prevention by \$1.1M
- Increased funding for Family Health Services by \$2.2M

## **HOUSING**

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- We fund the Soft Second Loan Program at \$2.5 M.
- This program gives first-time homebuyers increased purchasing power through two mortgages – a conventional first mortgage with a subsidized second mortgage. This helps low and moderate income families purchase their first home.
- Due to the overwhelming success of the program the conference is funding Residential Assistance for Families in Transition (RAFT) at \$5 M.
- We were able to maintain Senate language increasing the eligibility requirements to 50% of the area median income rather than the previous 130% of federal poverty level. The higher income limits will allow the RAFT program to serve more low income families who need financial assistance.

## **TRANSPORTATION**

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- We allocate \$20M in a separate account for Mass Highway in order for them to purchase snow & ice control materials during the off-season at lower prices
- We provide \$2M to continue the interdistrict bus service that was cut by the MBTA due to their budget constraints
- We provide \$50.1M for RTAs, increase of \$1.4M from FY05
- We fully funding for Mass Highway payroll to allow for an increase in maintenance workers
- \$7M retained revenue account to allow agency to pursue innovative ways to bring in revenue to be dedicated to highway maintenance

## **PUBLIC SAFETY**

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In public safety, we pay for a new state police class and increase funding to sheriffs by 2.1%.

- We fully fund community policing and directed patrols.
- We double funding for the state police crime lab to remove a logjam in the system. We increase support for the chief medical examiner.
- We match the Senate budget's 5% increases for the District Attorneys, compared to 4% in House 1 and 1-2% in the House.

- We ramp up support for tracking of sex offenders by the office of the Commissioner of Probation and through a Barnstable county pilot.
- Increased State Police anti-gang funding from \$900K to \$1.05M
- Included \$1M for the SAFE fire education program
- \$4.4M directed for a new state police class of 150 recruits to mitigate numerous retirements
- Fully fund the training of veteran officers through the Municipal Police Training Council
- Fully fund Dept. of Public Safety to insure proper inspections will take place of elevators, amusement park rides
- Fully fund Dept. of Fire Services to implement Ch. 304 (sprinkler legislation) and reduce backlog of firefighter recruit training
- Increase MEMA appropriation by close to 25% to \$1M, allowing for increased coordination with municipalities
- Continue to fully fund, at \$2.6M, forensic mental health services for state and county inmates
- \$700K expansion for Parole Board to fund Intensive Parole for Sex Offenders and Substance Abusers

## **ECONOMIC DEVELOPMENT**

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We:

- Increased funding for the regional tourism councils from \$6.929 million to \$8 million.
- Increased funding for statewide visitor information center deficit grants from \$500,000 to \$1 million.
- Earmarked \$12.69 million of the MOTT line for various tourism related programs throughout the Commonwealth.
- Fully funded the Workforce Training Fund program (\$21 million), and utilized the Workforce Training Fund surplus to fund \$7,959,000 in economic development grant earmarks.
- Included \$1.5 million for the Extended Career Ladder Initiative
- Included \$850,000 for the Mass. Manufacturing Extension Partnership

- Increase funding for the State Office of Minority and Women Business Assistance by approximately \$450,000
- The budget increases Massachusetts Cultural Council grants by \$1.3 M.

## **JUDICIARY**

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The conference committee:

- Increased funding for the Court Security Officer line item by \$3,643,072
- Increased funding for the Commissioner of Probation by approximately \$2 million
- Included all our Alternative Dispute Resolution and Mediation Services earmarks
- Increased funding for the Trial Courts as a whole from \$482 million (FY05 estimated spending) to \$494.4 million for FY06. The Conference number (\$494.4 million) is an increase over both the House Final number (\$481.9 million) and the Senate Final number (\$491.9 million).
- This increase will help maintain current staffing levels of courts throughout the Commonwealth, as well as allow the addition of some much needed court security officers and the expansion of the Commissioner of Probation sexual offender GPS tracking program.

## **THE ENVIRONMENT**

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In environmental accounts:

- We increased funding for DCR by over \$2 M and provide money for new initiatives on beaches and pools, both of which we will keep open all summer.
- Overall the conference report reflects Senate spending levels, which were \$4M higher than the House on the environmental accounts.
- The conference report maintains funding for the summer employment account at \$2 M - (the House did not fund in House Final)
- We provide summer employment programs at DCR facilities: youth all star bands, youth recreation programs, park repairs and improvements.
- We establish a Beaches Commission to study and examine the existing maintenance, operational and infrastructure needs at metropolitan beaches.
- We fund the Department of Environmental Protection at Senate levels (\$53 M).

## OTHER

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- In housing, state parks, transportation, Soldiers' home, the fight against autism, services for those with head injuries, Social Services, Youth Services, Transitional Assistance, and other areas, this budget reflects the expressed priorities of the members of this Caucus and of the Senate.
- Broadly speaking, spending in the conference budget is very close to spending in the Senate budget, with a few exceptions:
  - The Conference budget does not include the \$55 M C. 70 education reserve. Instead, we have a commitment from House leadership that when the Education Committee releases a C. 70 reform bill, the House will take up the bill in a timely fashion, and appropriate funds as necessary, during this session.
  - Medicaid accounts reflects some lower assumptions on the cost of the core Medicaid program, resulting in Medicaid spending some \$42 M lower than Senate appropriations. We retained many programs of importance to the caucus and the savings are simply accounting issues.
  - The cap on Mass Health Essential remains at 44,000 individuals. The House has agreed to take up this issue in a supplemental budget this fall, and will add approximately \$22 M to Mass Health Essential to increase access to health insurance for the long-term unemployed.

### Noteworthy

#### *Legislation update*

**County Roads:** My bill to deal with the issue of county roads across the Commonwealth was approved by the Committee on Municipalities and Regional Governments and is currently in the Committee on Bonding, Capital Expenditures and State Assets. I expect it to be quickly forwarded to the Ways and Means Committee.

The issue is essentially this: Some of the roads in question were laid out by current and former Counties and were transferred to the state when some counties were abolished several years ago. This has left a question about the legal status of these roads.

This legislation would clarify who owns the roads. It would also clarify who has responsibility for performing the traditional functions of the County Commissioners with regard to the discontinuance and alteration of these roads. In Hampshire and Franklin counties the Councils of Government will continue to serve these functions. This will ensure that local people are involved in any decision making about these roads. In areas with no county government and no successor organization, a regional board made up of representatives from the regional planning agency advisory boards and the district highway director will perform these functions.

## Roundup

### *State grants*

- New Salem Congregational Church: \$30,000 emergency Preservation Projects Fund grant to stabilize and repair the steeple.

### *Road projects update*

- Contractors have received a notice to proceed on the approximately \$750,000 extension of Norwottuck Rail Trail;
- The Bliss Street Bridge over the Mill River in Northampton is now under construction with a fall '05 timeline for completion;
- Phases I and II of the Rt. 66 project in Northampton, including two bridges, are complete. Phase III is being prepared for advertising in the winter of 2005/06;
- The \$8.3 million relocation of Rt. 2 at the Erving Paper Mill is about 93 percent complete. This project includes sidewalks to Town Hall and eliminates the necessity of Paper Mill employees to cross Rt. 2;
- Ground has been broken in Montague for Phase I construction of the Franklin County Bikeway;
- Phase III of the Franklin County Bikeway in Greenfield recently celebrated its grand opening;
- The resurfacing of Rt. 116 in Amherst, Hadley and Sunderland is underway, and the safety improvement project for Rt. 116 in Sunderland, which includes sidewalks and pedestrian crossing areas, is also underway.
- The Millers Falls Streetscape project, which includes new sidewalks, improvements on masonry walls and period lights, is now under contract with completion projected by summer of '06.

## Trivia

Now for the answer to our previous question:

candor  
done,  
you.

Which failed Democratic presidential candidate sought to prove his  
during his convention address by saying: "Let's tell the truth. It must be  
it must be done. (My opponent) will raise taxes, and so will I. He won't tell  
I just did."

- 1) George McGovern, 1972, speaking of Richard Nixon
- 2) Adlai Stevenson, 1956, speaking of Dwight Eisenhower
- 3) Walter Mondale, 1984, speaking of Ronald Reagan
- 4) Michael Dukakis, 1988, speaking of George H. W. Bush

The answer is: 3) Walter Mondale, 1984, speaking of Ronald Reagan

And our winner is Cindi H. from somewhere in cyberspace. We'll send Cindi information on who to contact in my Boston office and we'll look forward to seeing her at the State House. Congratulations! And thanks to everybody who played along!

Now to this month's question and another chance to win lunch and a State House tour.

The Boston Common, situated at the foot of the Massachusetts State House,

is recognized as which of the following:

- 1) The largest public park in Massachusetts
- 2) The site of the oldest American Elm in the nation
- 3) The nation's very first public park
- 4) The location of the pub that inspired the hit TV sitcom

"Cheers"

Submit your answer to [tumitch@sprynet.com](mailto:tumitch@sprynet.com) and watch this space for the correct answer and the prize winner.

### Links

Here are a few links. Until next time, happy surfing!

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