Budget Development - Table of Contents

Budget Development - Table of Contents 1
Budget Development 4

Introduction 4

Massachusetts' Government Structure 4

Organizational Chart 10

Overview of the Operating Budget Process 11

Spending Plan and Budget Proposal Development 13

FY 2013 Budget Development 14

Specific and General Financial Policies 15

Overview of State Finance 15

Budget Administration 15

General Fiscal Policies of the Commonwealth 15

Overview of Budget Funds 19

Individual Budgeted Funds 20

Long-Term Forecasting 21

FY 2012 Update 25

Fiscal Year 2013 Budget Development 27

FY 2013 Tax Revenues 29

General Information Regarding Consensus Revenue 31

Basis for the FY 2013 Consensus Revenue Forecast 31

FY 2013 Non-Tax Revenue Assumptions 38

FY 2013 Budget Recommendation 39

Non-Executive Branch Agencies 49

Debt Service 50

Executive Branch Agencies 51

School Aid for Public K-12 Education 53

Aid to Higher Education Campuses 54

MassHealth (Medicaid) Spending 54

Budgetary Transfers to Non-Budgetary Funds 55

Unrestricted General Government Aid 55

Health Care Cost Containment 56

State Workforce 67

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Introduction

Serving as a blueprint for the activities and obligations of the year, the state budget reflects the Commonwealth's collective judgment about state government's role in our society, obligations to serve its people and strategic investments to secure its future prosperity. Each line item represents a critical service, program or responsibility that the state will perform or provide to families and individuals throughout FY 2013.

The Patrick-Murray Administration's FY 2013 budget is a balanced, responsible budget that reflects the continuing financial challenges confronting the Commonwealth since the start of the economic recession in 2008. Having already tackled several challenging budget years since the beginning of the fiscal crisis, the Administration is once again submitting a thoughtfully balanced and responsible FY 2013 budget proposal.

Despite continued improvement in revenue growth in FY 2013, the state's revenue is not keeping pace with the rate of growth for costs in core services such as health care, safety net programs, education, public safety and transportation without difficult cuts. The Administration's budget once again reflects difficult choices and fundamentally changes the way we do business across an array of government programs, services and operations. This budget relies on a responsible amount of one-time resources and a modest amount of new revenue, which will assist in preserving crucial state services while maintaining our nationally-recognized fiscal standing.

In addition, the FY 2013 budget invests in core areas of state government: funding for public education to help close the achievement gap, controlling growth in health care costs in order to preserve our nation-leading access to affordable health insurance, job creation and addressing youth and urban violence. The Patrick-Murray Administration is committed to protecting these investments and making difficult choices today that will allow us to uphold our responsibilities to future generations and position us for growth in the future.

The following sections describe the particular challenges facing the state in developing the FY 2013 budget and highlights the measures proposed to bring fundamental change and innovation to the way the state does business. Graphs and tables have been provided to help illustrate many of the trends and factors affecting the state budget. Also included within this document is a user guide and glossary to assist in navigating this budget document.

Massachusetts' Government Structure

The government of the Commonwealth is divided into three branches: the Executive branch, the bicameral Legislature consisting of the House of Representatives and the Senate and the Judiciary.

Executive Branch

Chief Elected Positions

Governor
The Governor is the chief executive officer of the Commonwealth.

Lieutenant Governor
The Lieutenant Governor is elected along with the Governor. The two work closely together to address important day to day administrative functions of the Commonwealth.

Executive Council
Also referred to as the "Governor's Council," this body consists of eight members who are elected to two-year terms in even-numbered years. The Executive Council is responsible for the confirmation of certain gubernatorial appointments, particularly judges, and must approve all warrants (other than for debt service) prepared by the Comptroller for payment by the State Treasurer.

Appointed Positions

Governor's Cabinet

The Governor's Cabinet is comprised of eight gubernatorial appointees who assist the Governor in administration and policy making. Each cabinet secretary serves as the chief executive of their respective executive office.

The seven executive offices are:

- Executive Office for Administration and Finance;
- Executive Office of Health and Human Services;
- Executive Office of Public Safety and Security;
- Executive Office of Housing and Economic Development;
- Executive Office of Labor and Workforce Development;
- Executive Office of Education; and
- Executive Office of Energy and Environmental Affairs.

In addition, the Governor appoints the Secretary of Transportation, who chairs the Department of Transportation Board, an independent authority created in the FY 2010 transportation reform.

Secretary of Administration and Finance

The Secretary of Administration and Finance is the Governor's chief fiscal officer. The activities of the Executive Office for Administration and Finance fall within six broad categories:

- Administrative and fiscal supervision, primarily the implementation of the Commonwealth's annual budget and monitoring of all agency expenditures during the fiscal year;
- State tax law enforcement and collection of tax revenues through the Department of Revenue for remittance to the State Treasurer;
- Human resource management, the administration of the state personnel system, civil service system and employee benefit programs and negotiation of collective bargaining agreements with certain members of the Commonwealth's public employee unions;
- Capital facilities management, coordination and oversight of the construction, management and leasing of all state facilities;
- State 5-year capital plan development and implementation; and
- General service administration, including information technology services.

Of note, the Secretary of Administration and Finance serves as Chairperson of the Commonwealth Health Insurance Connector Authority, co-chairs the Massachusetts Life Sciences Center and serves as a member of numerous other state boards and commissions.

Secretary of Education

The Secretary of Education directs the Executive Office of Education and works closely with the Commonwealth's education agencies – Department of Early Education and Care, Department of Elementary and Secondary Education, Department of Higher Education and the University of Massachusetts system - while serving as a voting member of the governing board of all four education agencies. The Secretary is the Governor's top advisor on education and helps shape the Commonwealth's education reform agenda, including closing the achievement gap.

Secretary of Energy and Environmental Affairs

The Secretary of Energy and Environmental Affairs manages the only state Cabinet-level office in the country that oversees both environmental and energy agencies. The Secretary develops and implements policies that safeguard public health from environmental threats, preserves the natural resources of the Commonwealth and ensures affordable and clean energy across Massachusetts.

Secretary of Health and Human Services

The Secretary of Health and Human Services administers the largest secretariat of the Commonwealth and works to achieve the highest levels of health and well-being for all residents of Massachusetts. As the Governor's top health care advisor, the Secretary plays an intricate role in developing health care cost containment strategies.

Secretary of Housing and Economic Development

The Secretary is the Governor's chief economic development and housing advisor and cabinet member, and is responsible for helping achieve the Governor's top priorities, including strengthening and accelerating our economic recovery by supporting job creation in every region of the state. The Secretary oversees the Commonwealth's business development, housing & community development and consumer affairs agencies.

Secretary of Labor and Workforce Development

The Secretary of Labor and Workforce Development enhances the quality, diversity and stability of the Commonwealth's workforce. This is done through workforce training, providing temporary assistance when employment is interrupted and promoting labor-management partnerships. The Secretary also manages the Joint Task Force on the Underground Economy and Employee Misclassification, working with state officials across state government to combat workplace fraud and protect exploited workers.

Secretary of Public Safety and Security

The Secretary is responsible for the policy development and budgetary oversight of secretariat agencies, independent programs and several boards which aid in crime prevention, homeland security preparedness, youth violence prevention and ensuring the safety of residents and visitors in the Commonwealth.

Secretary of Transportation

The Secretary of Transportation leads an organization that operates with a single mission: to provide a safe, reliable and efficient transportation network for residents of the Commonwealth. The Secretary chairs a five-member Board of Directors appointed by the Governor with expertise in transportation, finance and engineering, and oversees four divisions: Highway, Mass Transit, Aeronautics and the Registry of Motor Vehicles (RMV).

State Comptroller

The State Comptroller is responsible for administering and ensuring lawful and reasoned accounting policies and practices. Among the Comptroller's responsibilities are the publication of official financial reports, the management of the state accounting system and the oversight of fiscal management functions within all state agencies and departments. The Comptroller is appointed by the Governor for a term coterminous with the Governor's and may be removed by the Governor only for just cause.

The annual financial reports of the Commonwealth, single audit reports and any rules and regulations published by the Comptroller must be reviewed by an advisory board. This board is chaired by the Secretary of Administration and Finance and includes the State Treasurer, the Attorney General, the State Auditor, the Chief Administrative Justice of the Trial Court and two persons with relevant experience appointed by the Governor for three-year terms. The Commonwealth's audited annual reports include financial statements on both the statutory basis of accounting (the Statutory Basis Financial Report, or SBFR) and the General Accepted Accounting Principles (GAAP) basis (the Comprehensive Annual Financial Report, or CAFR).

Other Elected Offices

Treasurer and Receiver-General

More commonly referred to as the State Treasurer, this individual has four primary statutory responsibilities:

- Collection of all state revenues, with the exception of agency-held funds;
- Management of both short-term and long-term investments of Commonwealth funds (excluding state employee and teacher pension funds), including all cash receipts;
- Disbursement of Commonwealth monies and oversight of reconciliation of the state's accounts; and

- Issuance of almost all debt obligations of the Commonwealth, including notes, commercial paper and long-term bonds.

In addition to these responsibilities, the State Treasurer serves as Chairperson of the Massachusetts Lottery Commission, the State Board of Retirement, the Pension Reserves Investment Management Board, the Massachusetts Water Pollution Abatement Trust and the Massachusetts School Building Authority. The State Treasurer also serves as a member of numerous other state boards and commissions, including the Municipal Finance Oversight Board.

Secretary of the Commonwealth

The Secretary of the Commonwealth, commonly referred to as the Secretary of State, is responsible for collection and storage of public records and archives, securities regulation, state elections, administration of state lobbying laws and custody of the seal of the Commonwealth.

Attorney General

The Attorney General is the chief lawyer and law enforcement officer of the Commonwealth of Massachusetts. The Attorney General represents the Commonwealth in all legal proceedings in both the state and federal courts, including defending the Commonwealth in actions in which a state law or executive action is challenged. The office also brings actions to enforce environmental and consumer protection statutes, among others, and represents the Commonwealth in public utility and automobile rate-setting procedures. The Attorney General works in conjunction with the general counsels of the various state agencies and executive departments to coordinate and monitor all pending litigation.

State Auditor

The State Auditor provides independent and objective evaluations of the Commonwealth's financial and operational activities. The State Auditor is charged with improving the efficiency of state government by auditing the administration and expenditure of public funds and reporting the findings to the public. The State Auditor reviews the activities and operations of approximately 750 state entities and verifies contract compliance of private vendors doing business with the Commonwealth.

Legislative Branch

The Legislature (officially called the General Court) is the bicameral legislative body of the Commonwealth, consisting of a 40 member Senate and a 160-member House of Representatives. Members of the Senate and the House are elected to two-year terms in even-numbered years. Each General Court meets for a two-year period. January of 2011 marked the start of the 187th General Court, which runs through January of 2013. The joint rules of the House and Senate require all formal business to be concluded by the end of July in even-numbered years and by the third Wednesday in November in odd-numbered years. The two legislative branches work concurrently on pending laws brought before them.

Lawmaking begins in the House or Senate Clerk's office where petitions, accompanied by bills, resolves, etc., are filed and recorded in a docket book. The clerks number the bills and assign them to appropriate joint committees. There are over 20 of these committees, each responsible for studying the bills which pertain to a specific area (i.e., taxation, education, health care, insurance, etc.), and each committee is composed of senators and representatives.

The standing committees schedule public hearings for the individual bills, which afford residents, legislators and lobbyists the opportunity to express their views. Committee members meet at a later time in executive session to review the public testimony and discuss the merits of each bill before making their recommendations to the full membership of the House or Senate. The committee then issues its report, recommending that a bill "*ought to pass*", "*ought not to pass*" or "*as changed*" and the report is submitted to the Clerk's office.

All legislation proposing an increase in taxes or a new tax must originate within the House of Representatives. Once a tax bill is originated by the House and forwarded to the Senate for consideration, the Senate may amend it. All bills are presented to the Governor for approval or veto. The Legislature may override the Governor's veto of any bill by a two-thirds vote of each house. The Governor also has the power to return a bill to the chamber of the Legislature in which it was originated with a recommendation that certain

amendments be made; such a bill is then brought before the Legislature and is subject to amendment or re-enactment, at which point the Governor has no further right to return the bill a second time with a recommendation to amend, but may still veto the bill.

Judicial Branch

The judicial branch of state government is composed of the Supreme Judicial Court, the Appeals Court and the Trial Court. The Supreme Judicial Court has original jurisdiction over certain cases and hears appeals from both the Appeals Court, which is an intermediate appellate court, and in some cases, directly from the Trial Court. The Supreme Judicial Court is authorized to render advisory opinions on certain questions of law to the Governor, the Legislature and the Governor's Council. Judges of the Supreme Judicial Court, the Appeals Court and the Trial Court are appointed by the Governor, with the advice and consent of the Governor's Council, to serve until the mandatory retirement age of 70 years.

Independent Authorities and Agencies

The Legislature has established a number of independent authorities and quasi-public agencies within the Commonwealth, the budgets of which are not included in the Commonwealth's annual budget. These include the Commonwealth Connector Authority, Massachusetts Bay Transportation Authority (MBTA), Massachusetts School Building Authority (MSBA), individual Regional Transit Authorities and other entities. Budgetary information can be requested directly from these agencies.

Local Government

All territory in the Commonwealth lies within one of the 351 incorporated cities and towns that exercise the functions of local government, which include public safety, fire protection and public construction. Cities and towns or established regional school districts provide elementary and secondary education. In addition to schools, various local and regional districts administer water, wastewater and certain other governmental functions. Cities are governed by one of many nuanced variations of the mayor-and-council or manager-and-council form. Most towns place executive power in a board of three or five selectmen elected to one or three-year terms and retain legislative powers in the voters themselves, who assemble in periodic open or representative town meetings.

Municipal revenues consist of taxes on real and personal property, distributions from the Commonwealth under a variety of programs and formulas, local receipts (including motor vehicle excise taxes, local option taxes, fines, licenses and permits, charges for utility and other services and investment income) and appropriations from other available funds (including general and dedicated reserve funds). Because property tax levies are limited by Proposition 2½, an initiative petition approved by the voters in 1980, local governments have become increasingly reliant on distribution of revenues from the Commonwealth to support local programs and services (commonly known as "local aid"). The amount of local aid received varies significantly among municipalities.

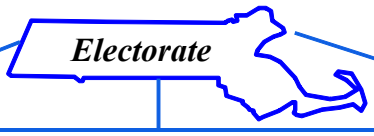
The cities and towns of the Commonwealth are organized into 14 counties; county government has been abolished in seven of those counties. The county governments that remain are responsible principally for the operation of courthouses and registries of deeds. Where county government has been abolished, the functions, duties and responsibilities of the government have been transferred to the Commonwealth, including all employees, assets, valid liabilities and debts.

Organizational Chart

The following organization chart identifies the present structure of state government and its constituent agencies. The Governor's House 2 budget, and legislation that will be filed concurrent to the House 2 recommendation, proposes consolidations and reorganizations of a number of agencies, including the following:

- Transfer of the Department of Probation from the Judicial Branch to a newly created Department of Re-Entry and Community Supervision at the Executive Office for Public Safety and Security. This will create a seamless continuum of services, decrease criminal activity and victimization, and reverse the extraordinary escalation of costs associated with duplication and inefficient administration of existing services within Probation;
- Restructuring of the Bureau of State Office Buildings as the Bureau of the State House; and
- Transforming drug lab capabilities from the Department of Public Health (DPH) to the State Police Crime Lab. In an effort to improve efficiency and meet testing demands, the Executive Office of Health and Human Services and the Executive Office of Public Safety are developing a long-tear comprehensive plan to transition all drug testing currently funded and performed by the Department of Public Health to the State Police Crime Laboratory. This move is cost-neutral. The state employees currently performing the drug testing at the Department of Public Health will be moved to the State Police Crime Lab.

Organizational Chart



Legislative Branch

House of Representatives
Senate

Executive Branch

Governor
Lieutenant Governor
Governor's Council
Attorney General
Inspector General
Office of the Comptroller
Sheriffs
State Auditor
Secretary of the Commonwealth
Treasurer and Receiver-General
Office of Campaign and Political Finance
District Attorneys
Ethics Commission
Disabled Person Protection Commission
Independent Offices and Commissions

Judicial Branch

Supreme Judicial Court
Appeals Court
Trial Court
Committee for Public Counsel
Board of Bar Examiners
Commission on Judicial Conduct
Mental Health Legal Advisors

State Agencies

Administration and Finance

Executive Office for Administration and Finance
Appellate Tax Board
Bureau of State Office Buildings
Civil Service Commission
Department of Revenue
Developmental Disabilities Council
Division of Administrative Law Appeals
Division of Capital Asset Management and Maintenance
George Fingold Library
Group Insurance Commission
Human Resource Division
Information Technology Division
Massachusetts Office on Disability
Massachusetts Teachers' Retirement System
Operational Services Division
Public Employee Retirement Administration Commission

Public Safety

Executive Office of Public Safety and Security
Chief Medical Examiner
Department of Criminal Justice Information Services
Department of Correction
Department of Fire Services
Department of Public Safety
Department of State Police
Massachusetts Emergency Management Agency
Merit Rating Board
Military Division and Massachusetts National Guard
Municipal Police Training Committee
Parole Board
Sex Offender Registry

Housing and Economic Development

Executive Office of Housing and Economic Development
Department of Business Development
Office of Consumer Affairs & Business Regulations
Massachusetts Marketing Partnership
Department of Housing and Community Development
Department of Telecommunications and Cable
Division of Banks
Division of Insurance
Division of Professional Licensure
Division of Standards

Energy and Environmental Affairs

Executive Office of Energy and Environmental Affairs
Department of Agricultural Resources
Department of Conservation and Recreation
Department of Environmental Protection
Department of Fish and Game
Department of Public Utilities
Division of Energy Resources
State Reclamation Board

Executive Office of Labor and Workforce Development

Executive Office of Labor and Workforce Development
Department of Labor
Department of Workforce Development
Division of Industrial Accidents
Division of Labor Relations

Health and Human Services

Executive Office of Health and Human Services
Executive Office of Elder Affairs
Department of Children and Families
Department of Developmental Services
Department of Mental Health
Department of Public Health
Department of Transitional Assistance
Department of Veterans' Services
Department of Youth Services
Division of Health Care Finance & Policy
Massachusetts Commission for the Blind
Massachusetts Commission for the Deaf and Hard of Hearing
Massachusetts Rehabilitation Commission
Office for Refugees and Immigrants
Soldiers' Home, Holyoke
Soldiers' Home, Massachusetts

Education

Executive Office of Education
Department of Early Education and Care
Department of Elementary and Secondary Education
Department of Higher Education
State Universities
Community Colleges
University of Massachusetts System

Health Care Security Trust

Board of Library Commissioners

Commission Against Discrimination

**The chart above identifies the state government structure as it exists in FY 2012. For FY 2013 the Governor proposes several reorganizations in the budget recommendation for next year.*

Overview of the Operating Budget Process

The annual budget is a declaration of the Commonwealth's priorities and a statement on how to allocate the limited collective resources available to the state. In the wake of the deepest economic downturn since the Great Depression, resources are more scarce than typical, because the demand on public services is greater, particularly for those services to residents most affected by the economy. While the state's economy will continue to recover during FY 2013, the allocation of resources to adequately meet these demands.

The operating budget supports the day-to-day functions of state government. The budget is a financial plan, reflecting the state's projected available resources and how it intends to use this funding to operate programs and services and meet its long-term liabilities.

Developing the annual operating budget is a lengthy process that involves all three branches of government, hundreds of agencies and thousands of stakeholders and residents.

- The Governor presents his budget recommendation to the Legislature.
- The House of Representatives and the Senate will each separately review the Governor's budget and develop their own recommendations.
- House and Senate work together to reconcile their budgets and send the final bill to the Governor, who then signs the budget in full, or in part, into law.

The Constitution and Budget Related Laws

The *fiscal year* is a commonly used term to describe annual budgeting period. State fiscal years start in one calendar year and end in the next. For example, fiscal year 2013 extends from July 1, 2012 to June 30, 2013. In a typical year, state agencies have the authority to spend funding provided for a fiscal year over a 14-month period, after accounting for the two month "accounts payable" period through August during which final payments for costs incurred before June 30 are reconciled and made.

The budget planning process for any fiscal year begins before the end of the previous fiscal year. For example, planning for the FY 2013 budget began no later than July 2011. State agencies develop their budget plans for the following fiscal year with the consideration on "out-years" as well, projecting the costs of current state employees, programs and services over the next two years.

The Massachusetts State Constitution and General Laws outline and govern the budgeting process. The Massachusetts Constitution requires the Governor to present a budget to the Legislature within 3 weeks of the beginning of the new session in January. State finance law (Chapter 29 of the Massachusetts General Laws) requires the Legislature and the Governor to approve a balanced budget for each fiscal year. In other words, the Commonwealth cannot spend more than it receives in revenue during any single year. Further, during the fiscal year, the Governor may approve no supplementary appropriation bills that would result in an unbalanced budget.

Funds for the Commonwealth's programs and services must be appropriated by the Legislature each fiscal year. The final budget is a law known as the General Appropriations Act (GAA). The GAA specifies how agencies and departments may spend their appropriations and allocates exact dollar amounts authorized for a specific period and purpose. The budget also lists major revenue assumptions and reflects the most up-to-date projections for the total amount of resources that can be budgeted against from tax collections, reimbursements to the state from the federal government, and other revenues (fees, penalties) that are collected by state agencies.

Developing Next Year's Operating Budget: FY 2013 General Appropriations Act

	FY 2013 Planning
Department Planning & Secretariat Review (July-September 2011)	Department and agency staff review their policies and programs, develop spending plans for FY 2012 and 2013 and submit budget requests to their respective Cabinet secretary for review. The Cabinet Secretaries evaluate the requests and develop a secretariat-wide budget. Secretariats were assigned a spending cap by the Executive Office for Administration and Finance (A&F) based on projections at the time of available FY 2013 revenues.
Formal Budget Request **(**October-December 2011)	Secretariats and agencies submit spending plans to A&F. Independents, constitutional officers and the judiciary also submit spending plans. The consensus revenue number is announced. The executive and legislative branches jointly agree and commit to a single tax revenue projection for the next fiscal year. Both the Governor's budget and the Legislature's budget will be based off this number. A&F, under the direction of the Governor's Office, prepares the Governor's budget recommendations. For this year's budget, each secretariat held hearings across the state to solicit input on programs and services under their jurisdiction from the general public. This input was considered by agencies and A&F in the development of their spending plans.
Governor's Budget (January 25, 2012)	The formal budget begins as a bill that the Governor submits to the Legislature. According to the Constitution of the Commonwealth of Massachusetts, the Governor must propose a budget for the next fiscal year within 3 weeks after the Legislature convenes, which this year translates into the 4th Wednesday of January. In odd years, the Governor's budget is called House 1 (H.1) and in even years it is called House 2 (H.2). Accordingly, the FY 2013 budget will be filed on January 25, 2012. More detailed information regarding the specific budget development process for FY 2012 can be found in the "FY12 Current Year Update" section.
House Budget (February-April 2012)	The House Ways and Means Committee reviews the Governor's budget and then develops its own budget recommendation. Individual members of the House of Representatives submit budget amendments which are then debated on the House floor. Once debated, amended and voted on by the full House, it becomes the final House budget bill and moves to the Senate.
Senate Budget (February-May 2012)	The Senate Ways and Means Committee reviews both the Governor's and House budgets and develops its own recommendation. Individual senators submit budget amendments which are then debated on the Senate floor. Once debated, amended and voted on, it becomes the final Senate's budget.
Conference	House and Senate leadership assign members to a "conference committee"

Committee Budget (June 2012)	to negotiate the differences between the House and Senate bills. The conference committee report can only be approved or rejected, no additional amendments can be made.
Vetoes (June 2012)	Once approved by both chambers of the Legislature, the Governor has ten days to review it. The Governor may approve or veto the entire budget, or may veto or reduce particular line items or sections, but may not add anything. If the Governor does not act within ten days, the conference committee bill becomes law.
Overrides (June 2012)	The House and Senate may vote to override the Governor's vetoes. Overrides require a two-thirds roll-call vote in each chamber.
Final Budget (June - July 2012)	Once the Governor signs the bill with his recommended vetoes, it becomes the budget for the fiscal year. The final budget is also known as the General Appropriations Act (GAA) or "Chapter (# to be determined) of the Acts of 2012." The new fiscal year 2013 begins on July 1, 2012.

Developing Supplemental Budgets

While the GAA is the primary budget law, supplemental budgets are also passed throughout the fiscal year. A supplemental budget authorizes additional spending above GAA levels. A supplemental budget is similar to the GAA but is generally smaller in size and often contains technical or “corrective” language in additional to increasing funding. It addresses unforeseen growth and/or decline in state revenues and or additional expenses and/or savings. The supplemental budget process is the same as the GAA budget process; supplemental budgets are bills filed by the Governor with the Clerk of the House of Representatives, debated and passed by both the House and Senate, negotiated in a Conference Committee and signed by the Governor in order to become law.

The timeline for supplemental budget legislation is usually shorter since supplemental budgets often provide funding for unforeseen situations that need timely resolution. For example, supplemental budget funding may be necessary from year to year to ensure that the Commonwealth can pay for unanticipated additional costs for snow and ice removal. In this case, at the time the GAA became law specific assumptions for the winter’s costs for snow and ice removal were in place. As the winter progresses and the state’s Department of Transportation begins to manage snow and ice removal, total projected costs may change and additional funding may be necessary.

Spending Plan and Budget Proposal Development

The Executive Office for Administration and Finance (A&F) is the state agency responsible for preparing the Governor’s budget recommendations and for oversight of the annual budget enacted by the Legislature, known commonly as the General Appropriations Act or the GAA. Under state law, every state agency is required to annually prepare a budget for review and evaluation by the Secretary for A&F. The spending plan typically includes staff, expenditure and revenue estimates for the current fiscal year (2012) as well as the agency’s anticipated staffing additions or deletions, expenses and receipts for the next fiscal year (2013) based on the assumption that they will maintain the same level of services and programs from one year to the next.

In July of each year, after the GAA is signed into law by the Governor, agencies present spending plans to A&F to identify in extensive detail how funds appropriated for the current fiscal year will be spent.

These spending plans reflect each agency's plans to operate their programs and services for the current fiscal year. Agencies are also requested to reflect any changes that may be necessary to their operating budgets, whether savings or increased costs, that will result from projects and investments made through the five-year capital plan.

For FY 2012 virtually all agency operations budgets were level-funded to FY 2011, meaning that they needed to account for increased costs within their budget for such items as collectively-bargained wage increases, mileage increase and inflation in fuel and leasing costs. Agencies submitted their FY 2012 plans to A&F for review in August 2011. Spending plans were approved in September 2011 after A&F budget analysts carefully reviewed all spending and revenue projections. These approved plans then served as the base for then developing the FY 2013 budget.

FY 2013 Budget Development

In developing budget recommendations for FY 2013, agencies incorporated projected costs for the programs and services they operate, such as anticipated changes in staffing, caseload growth or increases in fixed costs such as fuel and energy costs. Agencies also take into account changes in laws, regulations and policies that will impact programs and services for the next year. Based on revenue projections and other changes that A&F projected for available budgetary resources, agencies were asked to focus on developing spending plans for FY 2013 with an emphasis on controlling or preventing growth in spending over the projected FY 2012 spending levels.

After reviewing reported agency cost in FY 2013 and consulting A&F's long-term financial modeling of sustainable growth levels, A&F established spending parameters that would be necessary in FY 2013 to balance the state's budget. Agencies were required to submit proposals that would ensure that total spending fell below FY 2013 reported costs. These plans were submitted to A&F and serve as the base for the Governor's FY 2013 budget recommendations.

Throughout the fall, A&F continued to work with agencies to develop their spending proposals. Agencies were given the opportunity to review and revise the line items, make reform and re-organization proposals and other changes necessary to live within budgetary parameters and meet core requirements of state government. Following the submission of spending targets, A&F worked with each secretariat to assess the impact of reductions and identify which cuts will be most challenging for agencies to implement. A&F has sought to mitigate these reductions to the greatest extent possible.

On December 12, 2011the annual Consensus Revenue hearing was held by the administration, the Senate and the House. The three branches received testimony from the Department of Revenue and other economists regarding the amount of tax revenue that could be expected for FY 2012 and 2013. While the testimony suggested that revenues would continue to increase and that the state's economy was recovering, the economists also warned of slowing growth in the national economy.

For the second straight year, A&F established an Inter-Secretariat Budget Team (ISBT) to identify and develop additional cost-saving proposals. The ISBT team members were selected from across the secretariats and were charged with developing innovative ideas that would help to mitigate budgetary reductions and improve how government works. This team worked with A&F throughout the FY 2013 budget process and will continue their work after the submission of the FY 2013 budget to ensure timely implementation of the approved solutions.

Fiscal Year 2013 Post-Budget Release Process

In preparation for the start of FY 2013 (July of 2012), A&F will continue to work with agencies to develop implementation plans well ahead of the beginning of the fiscal year. As part of the budget development process most agencies have successfully identified areas already where reductions to programs and services will be necessary or where they may capitalize on efficiencies. However, due to the complexity of some recommended programmatic changes, in some cases agencies have not yet

been able to determine exactly how they will restructure programs to live within recommended funding levels. The implementation planning process led by A&F helps to best ensure that all necessary steps are completed by the beginning of FY 2013 to ensure that agencies will be able to operate at expected funding levels.

Specific and General Financial Policies

Overview of State Finance

The state's finance laws are outlined in **Chapter 29** of the Massachusetts General Laws. They require that the Governor file a balanced budget, that the House and Senate each produce a balanced budget and that the final general appropriation act (GAA) is in balance accordingly. Any supplemental budget bill that may accompany or follow a budget cannot impair the overall fiscal balance. Typically, surplus resources at the end of any given fiscal year will be deposited into the Commonwealth's Stabilization Fund, also known as the Rainy Day Fund. Any further use of the Fund's resources must be explicitly authorized in legislation.

Prior to the Governor's submission of the budget, the Secretary of Administration and Finance and the House and Senate Committees on Ways and Means are required to reach agreement on a "consensus tax revenue forecast" from which to build their spending projections. The consensus revenue process for FY 2013 is discussed in more detail later in this section. In addition to tax revenues, non-tax revenues are forecast within the Governor's budget and factor into the total amount of resources that are available to the state to support its costs in FY 2013.

Budget Administration

State finance law requires the Commonwealth to monitor revenues and expenditures during a fiscal year. As such, the Secretary of Administration and Finance is required to provide quarterly revenue estimates to the Governor and the Legislature and the Comptroller publishes a quarterly report of planned and actual revenues. Department heads are required to notify the Secretary of Administration and Finance and the House and Senate Committees on Ways and Means of any anticipated decrease in estimated revenues for their departments from the federal government or other sources. Those same parties are also notified if a department projects that any appropriation will be insufficient to meet all expenditures required in the fiscal year by any law, rule, regulation or order not subject to administrative control.

If a revenue shortfall is identified, the Governor is required by section 9C of Chapter 29 to reduce agency appropriations or recommend a transfer from other funds. If additional revenues are available, the Governor may recommend a supplemental budget. At the end of the fiscal year, the Comptroller determines the statutory balance of the budgeted funds and transfers any excess funds to the Stabilization Fund.

General Fiscal Policies of the Commonwealth

The following principles and policies were used to guide the development of the FY 2013 budget:

Financial Reporting

The Commonwealth possesses strong reporting capabilities, supported by accounting and payroll systems that are used consistently throughout state agencies and from which data is updated to an information warehouse.

- State agencies utilize the accounting and payroll systems to ensure adequate audit controls are in place for the purpose of reporting on the receipt and expenditure of tax dollars and other revenues.
- The presentation of the annual Statutory Basis Financial Report, Comprehensive Annual Financial Report and official bond statements will continue to adhere to full disclosure.
- Websites will continue to be published to present the annual budget in an interactive format.
- Since November 2011, the public has been able to visit the state's transparency website, "Open Checkbook", which is regularly updated with state payroll and expenditure data

Revenue

- In preparation of the annual budget, a consensus revenue estimate for taxes must be agreed to by the executive and legislative branches and will serve as the basis for building the budget.
- All revenue received by departments will be deposited with the Treasurer and recorded in the accounting system, ensuring the timely and transparent receipt of all state funding sources.

Cash Flow

- The Cash Management Division of the State Treasurer's Office utilizes 958 operating accounts to track cash collections and disbursements for the Commonwealth. The Division relies primarily upon electronic receipt and disbursement systems. The State Treasurer, in conjunction with Comptroller and the Executive Office for Administration and Finance, monitors cash to maximize the Commonwealth's return on investment and minimize the use of borrowing.
- The State Treasurer, in conjunction with the Executive Office for Administration and Finance, is required to submit quarterly cash flow projections for the current fiscal year to the House and Senate Committees on Ways and Means on or before the last day of August, November, February and May. The projections must include estimated sources and uses of cash, together with the assumptions from which such estimates were derived and identification of any cash flow gaps. The State Treasurer's office, in conjunction with the Executive Office for Administration and Finance, is also required to develop quarterly and annual cash management plans to address any gap identified by the cash flow projections and variance reports.
- The State Treasurer's office oversees the issuance of short-term debt to meet cash flow needs, including the issuance of commercial paper.

Expenditures

- The Comptroller is responsible for oversight of fiscal management functions, establishment of accounting policies and practices and publication of official financial reports.
- The Comptroller maintains the Massachusetts Management Accounting and Reporting System (MMARS), the centralized state accounting system that is used by all state agencies and departments, but not independent state authorities. MMARS provides a ledger-based system of revenue and expenditure accounts enabling the Comptroller to control obligations and expenditures effectively and to ensure that appropriations are not exceeded during the course of the fiscal year.
- MMARS also tracks receivables, payables, fixed assets and other process management.
- The Comptroller will annually review policies governing transactions in MMARS.

Expenditure Controls

- The amount of all obligations under purchase orders, contracts and other commitments for the expenditures of moneys are required to be recorded as encumbrances. Once encumbered, these amounts are not available to support additional spending commitments.

- As a result of these encumbrances, agencies can use MMARS to determine at any given time the amount of their appropriations available for future commitments.
- The bulk of state appropriations must be “subsidiarized” in the central accounting system with total funding budgeted and allocated for spending categories such as payroll, travel, operational expenses, leases and information technology services.
- Executive branch agencies are restricted from transferring funds between spending categories without first gaining the approval of the Executive Office for Administration and Finance.
- Total cash allotments, or the amount of total appropriations available for actual expenditure at any given time, are subject to a published schedule by the Secretary of Administration and Finance. A&F staff will consult state cash flow projections and agency expenditure activity before approving any increased allotments beyond the published schedule.

Internal Controls

- The Comptroller establishes internal control policies and procedures in accordance with state finance law. These policies require all departments to develop and maintain an internal control plan. Agencies are required to adhere to such policies and procedures.
- All unaccounted-for variances, losses, shortages or thefts of funds or property must be reported to the State Auditor, who is authorized to investigate and recommend corrective action.

Reserves

- The Commonwealth will aggressively seek to replenish the Commonwealth Stabilization Fund when able to do so.
- Capital gains tax revenues that exceed $1 B will be deposited into the Fund to better calibrate spending with reliable revenue streams and to build a cushion against future economic and fiscal uncertainty. In fiscal year 2013, an estimated $100 M will be deposited in the Fund under this policy.
- Any one-time tax or other revenues collected as a result of a judgment or settlement of outstanding tax litigation that exceeds $10 M will be segregated and deposited into the Stabilization Fund, ensuring that this non-recurring revenue source is not relied on for general budget needs. Thus far in FY 2012 (through December 2011), the Attorney General and Commissioner of Revenue have certified $163.2 M for transfer to the Stabilization Fund on account of settlements and judgments.

Debt Affordability

- The Commonwealth conducts an annual debt affordability analysis to determine the affordable level for the administrative bond cap (determining annual borrowing levels).
- Required funding for debt service and other debt-like instruments will not exceed 8% of budgeted revenues.

Capital Budget

- Bond-funded capital spending will be limited by an annual administrative bond cap. The cap will be established based on debt affordability, and annual growth in that cap will not exceed $125 million between FY 2012 and FY 2015.
- A five-year capital investment plan will be developed and update annually, and will focus on affordability, targeted investments in projects that maintain our existing infrastructure and/or promote economic growth, and transparency.

Pensions

- The Commonwealth will continue to follow a pension funding schedule to address our unfunded liability and to pursue reforms that will reduce costs over the long term.

Other Post-Employment Benefits

- To address the Commonwealth's retiree health care funding liability, reforms have been adopted that will annually allocate a portion of the state's tobacco master settlement revenue to the State Retiree Benefits Trust Fund (SRBTF), the trust from which we pay for retirees' health costs. This portion of the tobacco settlement will increase incrementally each year until 2022, when it will be fully dedicated to SRBTF. In addition, included in Pension Reform legislation adopted in FY 2012, a new Commission was established to study and propose recommendations to further address the state's unfunded liability.

Strategic Fiscal and Budgetary Policies

In developing the FY 2013 budget, special attention was paid in the following areas:

- Cost-containment in the state's various health care programs, including the costs for current and retired state employees and health coverage for low-income and unemployed residents in the Commonwealth.
- Preservation of programs to ensure residents can lead safe and healthy lives and find long-term employment in a competitive global economy:
  - Addressing youth and urban violence through investments in our youth and communities
  - Closing the achievement gap and protecting education funding as a cornerstone of long-term economic growth and opportunity.
  - Increasing job creation through investments that enhance Massachusetts' ability to compete for the jobs and businesses of tomorrow, such as green technology and the life sciences, while ensuring a more competitive environment for the state's private employers in more traditional sectors.
  - Ensuring the state's most vulnerable populations, particularly the disabled and those who have served our country, can continue to receive assistance and life-changing services from the state where needed.
- Adopt government reforms that promote efficiency and sustainability of services and ensure state dollars are stretched further in challenging fiscal times.
  - Implementing technology improvements to support innovative service delivery to improve services for the public at lower costs to taxpayers.
  - Pursuing shared service models across state government more aggressively for the most-effective administration and operation of state agencies and programs.
  - Improving state purchasing and procurement processes to leverage state buying power and drive further cost savings.
- Identify additional recurring revenues to support worthwhile programs while recognizing the state cannot afford to maintain all programs and services that have been operated in the past.
- Reduce the use of temporary or one-time resources to balance the budget.
- Utilize long-term financial model to set annual and multi-year budget targets with respect to expected revenues, sustainable spending levels and appropriate annual use of non-recurring resources in developing a balanced budget.

Performance Management, Accountability and Transparency

- The FY 2012 budget established the Office of Commonwealth Performance, Accountability and Transparency (CPAT) to execute nation-leading strategies for improving performance and transparency, maximizing federal grants, reducing fraud, waste and abuse and informing our financial planning by using the latest economic and caseload forecasting tools.
- Since it was inaugurated in June, CPAT has had some notable successes in driving reform and innovation across state government:

- Performance Management - establishing a collaborative relationship with the Collins Center at UMASS Boston to develop strategies and dashboards for the Governor's four strategic priorities; initiating discussions with Secretariats to develop strategic plans and put them in place by June 2012; and rolling out a comprehensive training program on performance management for staff across state government.
- Enhanced Coordination and Federal Grants - leveraging experience in coordinating ARRA funds to secure and maximize federal dollars and ensure compliance with federal requirements; engaging Cabinet Secretaries to develop better cross-government coordination of grant applications and rewards; utilizing the outcome measurement regime required to comply with the federal Recovery Act for all grants secured in state government; and commencing procurement of unified grants management technology that will enable coordination to be achieved.
- Transparency Website - launching the State's Open Checkbook website in December, which details state spending, including payrolls and pensions.
- Program Integrity - making permanent the Lt. Governor's task force on fraud, waste and abuse, and coordinating efforts throughout government, including with other executive officers such as the Auditor and Attorney General.
- Economic Forecasting & Analysis - appointing its Advisory Board and conducting its first meeting; developing its forecasting approach and methodology; began working with high impact service areas, such as MassHealth (Medicaid), to better model caseloads; and linking historical data into a 5-year economic model.

Overview of Budget Funds

Government Fund Types account for the general governmental activities of the Commonwealth and are organized as follows:

Budgeted Funds are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions. Typically, the level of expenditures made annually from these fund sources is "subject to appropriation", meaning that no payments can be made from these funds until they are explicitly authorized in the state budget. The main budgeted funds include the General Fund the Commonwealth Stabilization Fund, the Massachusetts Tourism Fund, and the Commonwealth Transportation Fund, which are identified by the Comptroller as the operating funds of the Commonwealth. .

Non-Budgeted Special Revenue Funds are established by law to account for specific revenue sources that have been segregated from the budgeted funds to support specific governmental activities such as federal grants, funds related to the tobacco settlement and the operations of the state lottery. Typically, these funds are available annually to one or more agencies for dedicated purposes, but do not require annual legislative approval for the use of the funding. Most funds are subject to annual reporting rules and all funds are subject to state accounting and audit practices.

Capital Projects Funds account for financial resources used to acquire or construct major capital assets and to finance local capital projects. These resources are derived from proceeds of bonds and other obligations, which are generally received after related expenditures have been incurred, operating transfer authorized by the Legislature and federal reimbursements. Deficit balances in the Capital Projects Funds represent amounts to be financed.

Fiduciary Funds account for assets held by the Commonwealth in a trustee capacity (Trust Funds), or as an agent (Agency Funds) for individuals, private organizations, other governmental units and/or other funds.

Expendable Trust Funds account for trusts whose principal and investment income may be expended for a designated short-term purpose. They typically are created administratively for a brief period to allow a state agency to collect one-time revenue and spend this funding for a dedicated purpose. For example, the Department of Public Health receives funding from private organizations from time to time to conduct research and studies on specific issues and must collect and segregate funding dedicated for this purpose from all other funding sources.

Nonexpendable Trust Funds account for trusts whose principal cannot be spent.

Post Employment Benefit Trust Fund account for the net assets available for plan benefits held in trust for State Employees' and Teachers' Retirement Systems and Other Post Employment Benefits (OPEB) for retirees.

Agency Funds account for assets the Commonwealth holds on behalf of others. Agency Funds are custodial in nature and do not involve measurement of operations.

Individual Budgeted Funds

Statutory balance is defined as *a measure of the fiscal condition which includes current year budgeted revenues and expenditures plus any designated revenues from prior years, stabilization deposit and funds carried forward.* It also includes any use of stabilization or any other non-budgeted reserves. A more general discussion of the funds is below:

The *General Fund* is the Commonwealth's primary governmental fund. All governmental activities not specifically directed to another fund are accounted for in the General Fund. As a result, most budgeted expenditures of the Executive secretariats, the Legislature, Constitutional offices, Judiciary, institutions of higher education and independent commissions are paid for from the General Fund. It similarly receives a significant portion of sales, individual income and corporate taxes and the full amount of most other governmental taxes. It also receives federal reimbursement generated by the Commonwealth's Medicaid expenditures.

The *Commonwealth Transportation Fund* accounts for road and highway use revenues, including the gas tax, registry fees and 0.385% of the sales tax. The fund is used to pay debt service associated with highway maintenance and construction projects and provides funding for the operation of the independent Massachusetts Department of Transportation (MassDOT). Established as part of the historic transportation reforms implemented in FY 2010, this fund replaced the former *Highway Fund* as the principal source of transportation related revenues and expenditures for the Commonwealth.

The *Massachusetts Tourism Fund,* authorized in section 35J of Chapter 10 of the General Laws, is funded with 35 % of the State's annual revenues received from the hotel occupancy tax authorized in section 3 of Chapter 64G. In FY 2012, Tourism Fund revenues are estimated to total $40.3 M. The Fund's use is prescribed in Chapter 10, which includes a formula that assigns various funding levels for tourism promotion programs and activities including the Massachusetts Office of Travel and Tourism, regional tourism promotion agencies, the Massachusetts Office of International Trade and Investment, the Cultural Facilities Fund and the Massachusetts Convention Center Authority. While funding for the purposes prescribed in the section are being made in this budget, the specific requirements of the fund have been suspended through an outside section in the Governor's FY 2013 proposal.

The *Marine Recreational Fisheries Development Fund* accounts for all recreational saltwater fishing permit fees collected by the director of the division of marine fisheries. Fees collected in this fund shall be used for the development and administration of the recreational saltwater fishing permit program, to support science and conservation programs designed to improve recreational saltwater fishing and other recreational saltwater fishing improvement programs.

The *Commonwealth Stabilization Fund* is a reserve to enhance the Commonwealth's fiscal stability. A later section describes the Stabilization Fund in more detail.

Administrative Control Funds account for the revenues generated by certain administrative functions of government, for which the Legislature has required that separate funds be established. These funds include:

- *Temporary Holding Fund* –The fund accounts for cumulative tax revenues during the fiscal year in excess of permissible tax revenues as defined in Section 6A of Chapter 62F of the General Laws. The fund balance is transferred annually to the Stabilization Fund only to the extent that stabilization funds are used to fund expenditures of the Commonwealth. Overall, any remaining balance is transferred to the General Fund.

- *Intragovernmental Service Fund* – Accounts for the charges of any state agency for services provided by another state agency, for example, charges levied by the Human Resources Division for workers' compensation costs.

The *Inland Fisheries and Game Fund* accounts for revenues from license and permit fees for inland fishing, hunting, trapping and sporting licenses and revenue-producing stamps or the sales of land, rights and properties, gifts, interest and federal grant reimbursements. These revenues are used for developing, maintaining and operating the Division of Fisheries and Wildlife within the Department of Fish and Game. Annual spending from this fund is subject to annual appropriation by the Legislature, and any unexpended funds remain in the Fund for future use for related purposes.

The *Commonwealth Health and Prevention Fund*, established in House 2, will collect revenues generated from the elimination of the existing sales tax exemptions on the purchase of soda and candy. Monies appropriated from this fund will support programs and services that augment the health and well-being of the citizens of the Commonwealth. This policy initiative aims to encourage healthy lifestyle choices.

Long-Term Forecasting

The Patrick-Murray Administration is the first Administration in Massachusetts to establish a long-term planning policy to ensure that the state budget is consistent with the principle of fiscal sustainability. The FY 2013 budget achieves fiscal sustainability based on an evaluation of structural balance as defined by the long-term planning policy. Structural balance is achieved when budgetary spending is based on sustainable levels of revenue and does not include excess spending that would result in a structural deficit. The policy benchmark to evaluate structural balance compares the cyclical shortfall in tax revenue that is a result of the economy operating under capacity to the use of one time resources included in the budget to offset this shortfall. The FY 2013 budget is in structural balance based on this benchmark because the proposed use of $541 M in one time resources is significantly lower than the estimated $1.025 B cyclical shortfall.

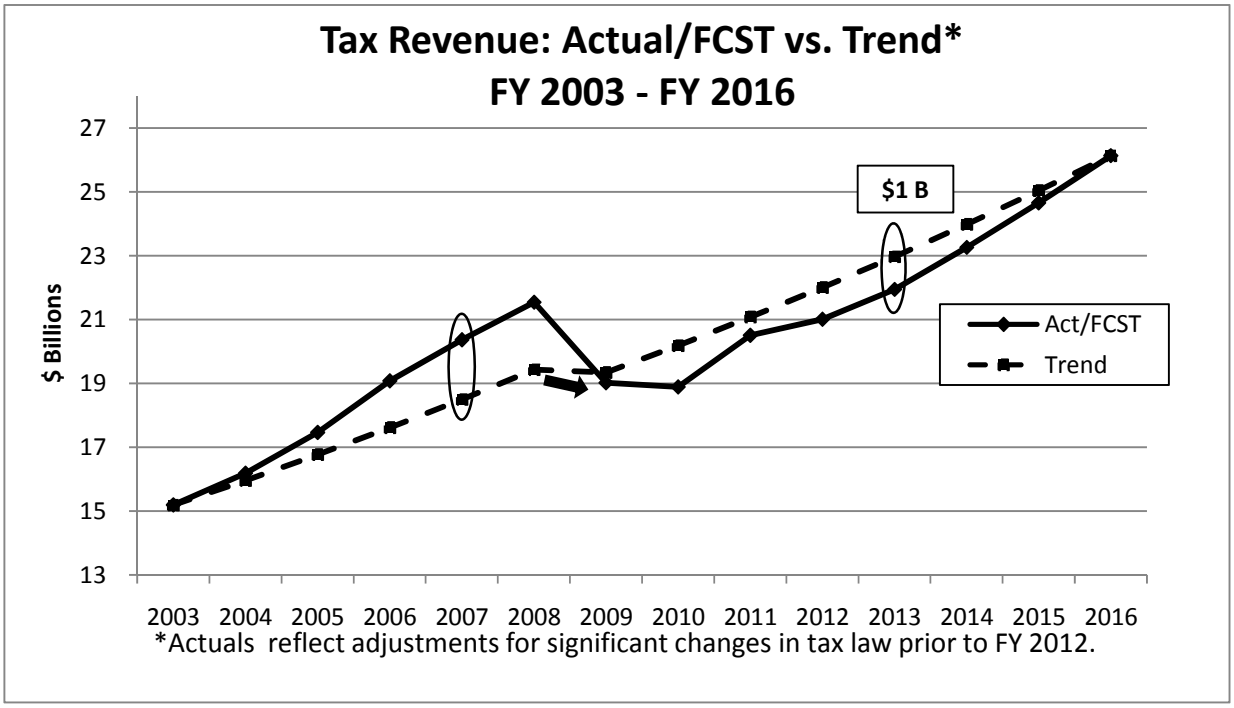
This policy benchmark is based on a framework for long-term tax revenue forecasting, developed by the Executive Office of Administration and Finance (A&F) in collaboration with the state's Office of Tax Policy Analysis, using revenue projections provided by outside economists. The forecast is also used to evaluate other policy benchmarks based on best practices recommended by the Government Finance Officers Association (GFOA) and accounting standards being proposed by the Government Accounting Standards Board (GASB). These policies are described in more detail in the FY 2013 budget brief on financial reforms and the Commonwealth's long-term planning policy document which is posted on www.mass.gov/anf.

Measuring Structural Balance

The FY 2013 budget achieves structural balance based on an estimated $1.025 B cyclical shortfall and the use of $541 M in one time resources. The cyclical shortfall reflects the difference between the FY 2013 consensus revenue forecast and the amount of revenue that the Commonwealth would generate if the economy were at (but not over) full capacity, as represented by the revenue trend line in Figure 1. The use of one time resources to address a cyclical shortfall is fiscally prudent based on the policy benchmark summarized below. It is critical, however, that when the economy has recovered to the point that tax revenues exceed the revenue trend line, such excess revenues are deposited in the Stabilization Fund and not relied on to support recurring budgetary costs. These benchmarks are designed to account for the inherent uncertainty in long-term forecasting and ensure that there are sufficient stabilization fund balances available in the future.

The $541 M limitation on the use of one time resources provides a significant margin of safety in comparison to the cyclical shortfall. Further, a $300 M limitation on the use of rainy day funds (net of deposits related to capital gains) will maintain over $1 B in stabilization fund balances at the end of FY 2013. The Commonwealth currently has one of the 3 highest stabilization fund balances in the country and the projection for year-end FY 2013 will ensure that there are sufficient resources to support the balance of the economic recovery and to provide protection in the event of another economic slowdown. These benchmarks, as well as the current limitation on the use of capital gains revenue for budgeting purposes, and other policies to prevent over-spending when the economy is above capacity, are described in further detail in the Long Term Planning Policy document.

Figure 1.



Long-Term Revenue Forecast Methodology

The long-term tax revenue forecast used to estimate the cyclical shortfall is developed in three steps. The foundation for the analysis is the 10 year tax revenue forecast developed by outside economists for the FY 2012 - FY 2021 time period. Second, these forecasts include an estimate of the long-run "steady-state" tax revenue growth rate, which reflects the level of tax revenue growth that may be expected in the future when the economy is at full capacity. The third step is to develop an imputed revenue-trend line which is based on the FY 2021 tax revenue estimate for each forecast, discounted for the steady-state rate of revenue growth.

A summary of the external forecasts, the Administration's estimates for long-term tax revenue growth, key assumptions and calculations are reflected in Table 1 below. These results show strong revenue growth of 6% annually during a projected economic recovery between FY 2014 – FY 2016, a steady state growth estimate of 4.4% applied to the period between FY 2017 – FY 2021, and a resulting growth rate of 4.9% during the full forecast period. The cyclical shortfall reflects the difference between the FY 2013 consensus tax revenue estimate of $21.950 B and $22.975 B, which is the FY 2013 estimate associated with the revenue trend-line calculated using the formula described above and noted in Table 1. This long-term tax revenue forecast is a central component of the long-term planning policy and incorporates significant improvements in methodology relative to the projections used in the FY 2012 budget development.

Commonwealth of Massachusetts
Long-Term Tax Revenue Forecast Summary
FY 2012 - FY 2021
$ Ms

		External Forecasts			
		Low	Median	High	**A&F Estimate**
Key Data Points	(1)				
FY16 Tax Revenue Forecast		$25,681	$26,281	$27,297	$26,143
FY21 Tax Revenue Forecast		$31,126	$32,405	$33,137	$32,423
Compounded Annual Growth Rates (CAGR)	(1)				
FY12-FY21		4.5%	4.9%	5.2%	4.9%
FY14-FY16 (Recovery)		5.4%	6.2%	7.5%	6.0%
Long-Run Steady-State		4.0%	4.4%	4.5%	4.4%
Calculation of Estimated Cyclical Shortfall					
A) FY13 Trend	(2)	$22,763	$22,900	$23,282	$22,975
B) FY13 Consensus Revenue		$21,950	$21,950	$21,950	$21,950
C) FY13 Estimated Cyclical Shortfall (A-B)		-$813	-$950	-$1,332	-$1,025
MEMO: FY 2012 Cyclical Shortfall					$996

(1) Growth calculations use FY 2012 and FY 2013 consensus tax revenue (see below). Any variance between consensus
figures and individual forecaster estimates are assumed to be timing differences that are resolved in FY 2014 -FY 2015

FY12 Consensus Revenue: 21,010

FY13 Consensus Revenue: 21,950

(2) FY13 Trend Tax Revenue = (FY21 Tax Revenue Forecast)/(1+4.4%)^{8}

(3) Assumed inflation for FY14-21: 2.30%

Role in the Long-Term Planning Framework

The long-term tax revenue forecast also plays a central role in developing other policy benchmarks that are included in the Commonwealth's Long-Term Planning Policy. The projections for long-term growth in tax revenue and the Massachusetts economy are used to formulate policy benchmarks for the sustainable rate of growth in total spending and health care spending in the budget. The projected rate of growth for Massachusetts gross state product, which is inherent in the tax revenue forecast, is used to evaluate projected changes in the level of long-term liabilities as a percentage of the state economy over time. The alignment of these policy benchmarks and the best practices for long-term planning prescribed by GFOA and GASB are described in more detail in the complete Long-Term Planning Policy document, which will be posted on www.mass.gov/anf.

Long-Term Planning and Annual Budget Development

For the first time beginning in FY 2012, A&F budget staff consulted the long-term planning model to establish parameters for agency and program cost growth based on projected annual revenues over medium and long term periods. These parameters were used to inform decision-making related to

allowable hiring and related program expenditures, as well as served to help A&F develop funding targets for FY 2013 to ensure that state spending ultimately could be sustained by available resources.

FY 2012 Update

In July 2011, the Governor signed into law the FY 2012 General Appropriations Act (GAA) – Chapter 68 of the Acts of 2011. The FY 2012 budget authorized spending $30.597 B, which was estimated by the Executive Office for Administration and Finance (A&F) to be $750 M less than FY 2011 projected spending after accounting for expenditures in FY 2011 from federal stimulus sources on items (primarily K-12 school aid and higher education) that would typically be supported by the operating budget. This reduction based on the FY 2012 GAA provided for the largest percentage decrease in spending in over 20 years.

FY 2011 Year-End Supplemental Funding for FY 2012

Similar to most fiscal years, total FY 2012 spending was increased in October 2011 upon the adoption of the "year-end" FY 2011 supplemental budget, which authorized $380 M ($376 M for budgetary spending) in FY 2011 appropriations (known as Prior Appropriations Continued or "PACs") to continue to be expended into FY 2012. The year-end FY 2011 supplemental bill (Chapter 142 of the Acts of 2011) also provided additional supplemental appropriations for FY 2012 in the amount of $36.8 M.

FY 2012 October Revenue Revision

On October 17, 2011 the Secretary of Administration and Finance announced the increase of projected tax revenues above the FY 2012 consensus revenue estimate of $20.516 B by $395 M, to $21.010 B. This increase in tax estimates accounted for the January 1, 2012 income tax reduction of 0.05% (triggered by actual tax collections exceeding statutory tax benchmarks established under 2000 legislation). The Secretary also noted that roughly $71 M of such tax revenue was not available for budgetary purposes because it was one-time tax settlements in excess of $10 M that had been received by the state through September 30, 2011 and which, under FY 2012 budget reforms, were required to be deposited directly into the state's rainy day fund. Finally, the Secretary announced that he was lowering the estimates for FY 2012 non-tax revenue by a net $26 M. The result of these changes was to increase net budgetary resources in FY 2012 by $298 M.

FY 2012 Tax Projections, Original vs. October 17 Revised $s in millions	
Original Consensus:	20,615
Revised Forecast:	21,010
Increase in Forecasted Revenues:	395
Tax Settlements (above $10 M):	(71)
Reduced Non-Tax Revenue Estimates:	(26)
Net Increased Budgetary Resources:	298

On October 17, 2011 the Governor filed FY 2012 supplemental legislation totaling $161.2 M, with a cost to the state of $131.6 M after accounting for additional federal reimbursements. The supplemental funding was needed to support urgent funding needs primarily for state health care and safety net spending and other obligations, such as the costs for emergency response to storms. On November 11, 2011 the Governor signed into law Chapter 171 of the Acts of 2011, in which the Legislature partially adopted the Governor's supplemental funding proposed, in an amount of $51.9 M. On November 22,

2011 the Governor signed into law a bill authorizing expanded gaming in the Commonwealth (Chapter 194 of 2011) which provided $5.5 M in supplemental funding for expanded oversight.

Finally, A&F currently projects roughly $303 M in net additional expenditures, including $187 M for new Delivery System Transformation Initiative payments approved in the recent Medicaid waiver by the federal government and other cost exposures, like caseload increases and other costs that cannot be avoided (e.g., snow and ice removal, additional one-time tax settlements to the stabilization fund and other potential costs). The state would receive close to $100 M in new revenues to support these projected costs, primarily from the federal government. The $303 M of net additional expenditures also takes into account expected reductions in spending in certain areas that A&F anticipates. Based on the FY 2011 PACs, supplemental funding adopted to-date and other funding contingencies we are planning to address, total estimated spending in FY 2012 is projected to be $31.375 B, or 2.4% above FY 2011.

FY 2012 Estimated Spending	
FY 2011 Spending	**30,636**
FY 2012 GAA	**30,597**
FY 2011 Prior Appropriations Continued (PACs) into FY 2012	*380*
Supplemental Budget - Chapter 142 of 2011	*37*
Supplemental Budget - Chapter 171 of 2011	*52*
Expanded Gaming - Chapter 194 of 2011	*6*
Net ANF Contingency Expenditures	*303*
FY 2012 Estimated Spending	**31,375**
FY 2012 GAA - % Change from FY 2011 Spending	**-0.1%**
FY 2012 Estimated Spending - % Change from FY 2011	**2.4%**

FY 2012 One-Time Resources

Based on current revenue and spending assumptions, ANF estimates that total FY 2012 one-time resources used to support the budget total $620 M. Of this amount, the largest is $202 M in FY 2011 resources used (via PACs) to support ongoing expenditures in FY 2012. These PACs are treated as one-time resources since the funding with which they are supported (FY 2011 year-end surplus) is not recurring, while the FY 2012 costs associated with these expenditures continue for the state into FY 2013. Not all of the $380 M in PAC funds were treated as one-time, since many of these items were intended to be one-time expenditures only and not treated as ongoing. PACs for non-recurring spending or one-time purposes are estimated to total $173 M.

FY12 One-Time Resources $s in millions	
Budgetary Resources:	
FY11 Resources Used to Support Ongoing FY12 Costs:	202
Stabilization Resources:	185
Abandoned Property:	85
Delay FAS 109 Deduction:	46
Trust Fund Resources:	43
Sale of Assets:	12
Non-Budgetary Resources:	
Quasi Public Contributions:	26
Commonwealth Care Reserves:	21
TOTAL FY 2012 ONE TIME RESOURCES	**620**

The next largest one-time resource in the FY 2012 budget is $185 M in Stabilization Fund reserves. A total of $200 M was authorized in the original FY 2012 GAA; however, A&F only projects at this time that $185 M is needed to ensure that the budget remains balanced. Other one-time resources include $85 M in one-time unclaimed property proceeds; $46 M from the delay of FAS 109 corporate tax deductions (that would otherwise be effective in tax year 2012); $43 M in non-recurring surplus funds from non-budgetary trusts; $26 M of resources from quasi publics to help support costs for ongoing programs and services that would otherwise be supported in the operating budget; $21 M in surplus resources from the Commonwealth Care Trust Fund; and $12 M in projected revenues from the sale of state assets authorized in the FY 2012 GAA.

Fiscal Year 2013 Budget Development

Critical Factors for the FY 2013 Budget Development
There are typically three major factors that impact the state's budget from year to year; change in available budgetary revenues, including tax collections and other non-tax sources; the impact from the loss of any one-time resources utilized in the preceding year's budget; and the extent to which costs grow to operate state programs and services from the previous year. Since the state budget must be balanced each year, the year-to-year impact of these factors –and how they affect available budgetary resources- will play a critical role in how challenging it will be for developing a balance budget for any given year.

One-Time Resources
Unlike FY 2012, the state budget next year will not need to account for the loss of an unsustainable level of one-time resources. Incrementally, since FY 2009 the Governor and the Legislature have successfully been able to reduce the amount of one-time resources required to maintain a balanced budget, from over $3 B in FY 2009 to $620 M in FY 2012. The level of one-time resources being used in FY 2012 is sustainable since they are less than the cyclical shortfall in tax revenues as the state continues to recover from the recession. They also represent only a small percentage of the total state operating budget (2% of FY 2012 estimated expenditures vs. 11% of FY 2009 expenditures). Even so, the starting point for developing the FY 2013 budget assumes a reduction of $620 M as a result of one-time resources in FY 2012 that will not be available in FY 2013.

One-Time Budgetary Resources, FY 2009 vs. FY 2012 ($s in millions)			
FY 2009	FY 2010	FY 2011	FY 2012
3,112	2,479	1,857	620

Cost Growth and Major Budget Increases
While state tax revenues experienced an historic drop in FY 2009 and are continuing to recover, increased enrollment in state health care and other safety net programs have significantly increased costs in these programs, putting further demand on diminished state resources. Beyond health care and safety net costs, there are also a limited number of items in the state's budget for which the state is legally obligated to incur costs each year, such as debt service, collective bargaining, pension contributions for existing and retired employees and the costs of funding K-12 school aid under the state's chapter 70 education reforms. Controlling annual costs in these areas is a challenge, and such costs represent a significant share of the state's annual funding.

As the following table shows, the costs of health care, chapter 70 and debt service alone represent 61% of annual estimated spending in FY 2012. In addition, A&F estimates that non-health care safety net expenditures across all other state spending total $3.985 B (primarily in Health and Human Services, Housing and Economic Development and Education) in FY 2012 and, together with health care, chapter 70 and debt service, makes up roughly 73% of all budgetary spending. Areas where annual cost pressures are the greatest make up roughly three-quarters of the state budget.

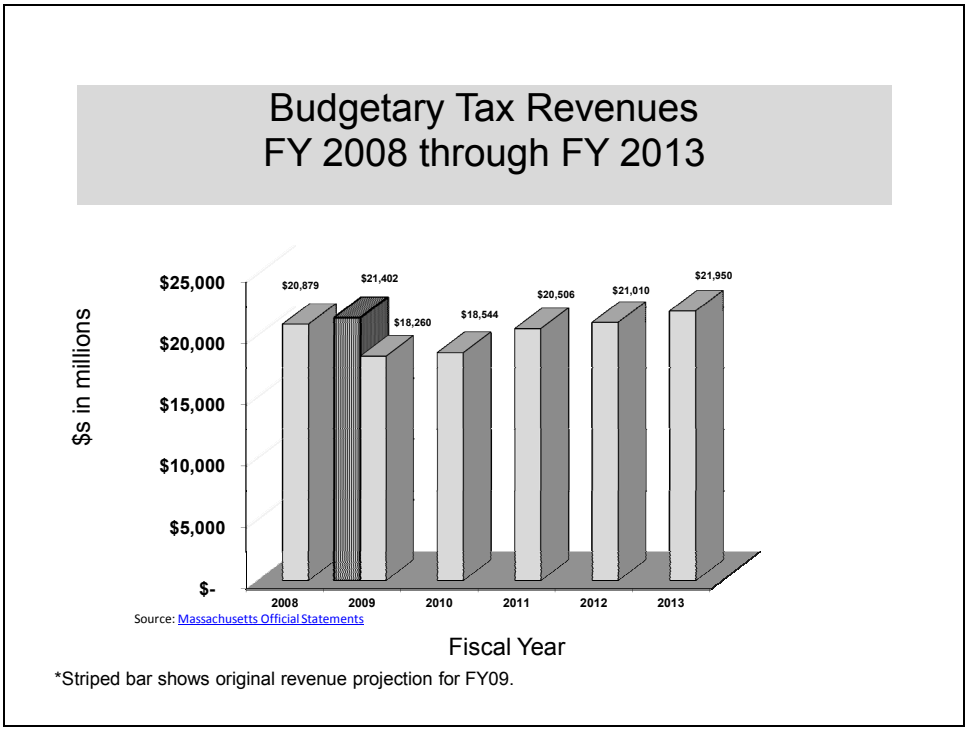
State Budgetary Spending by Governmental Area, FY 2012		
Government Area	Estimated Spending	Percent of Total Estimated Spending
Health Care:		
MassHealth	10,619,492,582	33.85%
Group Insurance	1,656,042,754	5.28%
Commonwealth Care	687,000,000	2.19%
Chapter 70 (K-12 School Aid):	3,990,812,680	12.72%
Debt Service:	2,257,042,623	7.19%
Other Spending:		
Unrestricted Local Government Aid:	898,980,293	2.87%
Labor and Workforce Development	59,418,415	0.19%
Housing and Economic Development	392,096,351	1.25%
Administration and Finance	460,558,926	1.47%
Sheriffs	501,641,668	1.60%
District Attorneys	98,704,598	0.31%
Constitutional Officers and Other Independent Agencies	312,442,300	1.00%
Judiciary	760,717,483	2.42%
Education	1,023,450,889	3.26%
Transportation	363,934,869	1.16%
Higher Education	924,462,336	2.95%
Public Safety	954,113,334	3.04%
Energy and Environmental Affairs	194,062,786	0.62%
Health and Human Services	4,824,649,768	15.38%
Transfers to Non-Budgetary Sources	394,917,074	1.26%
TOTAL SPENDING	**31,374,541,729**	**100.00%**

Other areas in the state budget typically experience modest cost increases from year to year, mostly related to negotiated wage increases, leasing, the cost of fuel or related factors that are sensitive to annual cost inflation. As funding for the major budget cost drivers outlined above has increased, funding for other parts of state government has been reduced and agencies have needed to find new

ways to control and reduce costs, often eliminating staffing, cutting or limiting contracts or curtailing other investments.

FY 2013 Tax Revenues

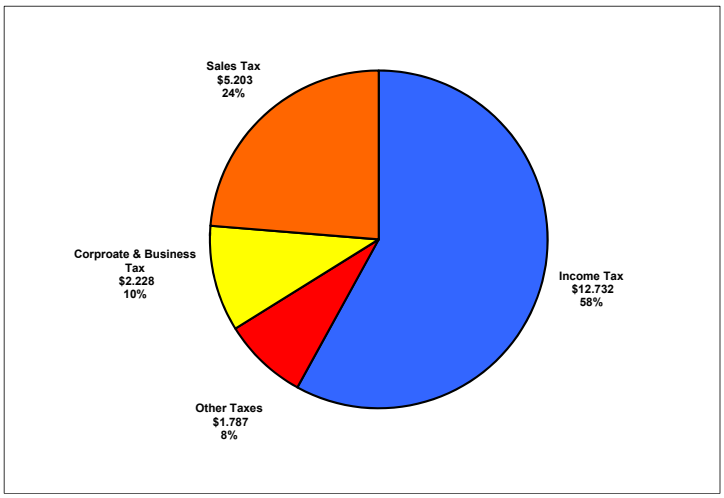
As discussed in greater detail below, FY 2013 tax revenues are projected to increase next year, as the state economy continues to recover from the recession. Tax revenues in FY 2013, however, will still be substantially below what they would have been in FY 2013 without the economic recession. The FY 2013 consensus tax projection totals $21.950 B. When one considers what revenue would have been since FY 2008 if taxes had grown at the rate of inflation over the 5-year period, then FY 2013 tax collections would have been an estimated $22.9 B next year, or $1 B more than what is currently assumed will be available for the budget. This gap is even more pronounced after accounting for the fact that the sales tax was increased in FY 2010 by 20%, generating roughly $1 B in additional revenues each year for the state.



FY 2013 Tax Revenue Consensus Forecast

Tax revenues comprise nearly 63% of all revenues (including new revenues proposed in the H.2 recommendations) used to support the Commonwealth's operating budget. Each year the Administration and the House and Senate consult with economists and other groups to gather information and analysis on the condition of the U.S. and Massachusetts economies. They use that information to project state tax revenue for use in the state budget. The following is a general description of the consensus revenue process followed to establish the budgetary tax revenue estimate.

FY 2013 Consensus Tax Revenue Estimate of $21.950
(in $ Billions)


Sales Tax
$5.203
24%
Corproate & Business
Tax
$2.228
10%
Income Tax
$12.732
58%
Other Taxes
$1.787
8%

General Information Regarding Consensus Revenue

The consensus revenue process is required under M.G.L. c.29, s.5B, and states that on or before January 15 the Secretary for Administration and Finance shall meet with the House and Senate Committees on Ways and Means and shall jointly develop a consensus tax revenue forecast for the budget for the next fiscal year, which shall be agreed to by the Secretary and the House and Senate. The law requires that the consensus revenue estimate be placed before the General Court in the form of a joint House and Senate Resolution for full consideration.

On December 12, 2011, the Secretary for Administration and Finance and the House and Senate Committees on Ways and Means held a public hearing in Boston and heard testimony from the Massachusetts Department of Revenue (DOR), the Massachusetts Taxpayers Foundation and the Beacon Hill Institute and economists from the University of Massachusetts and Northeastern University. The three branches subsequently agreed upon a FY 2013 tax revenue estimate of $21.950 B, consistent with testimony presented at the hearing.

As part of the statutorily required consensus revenue process, the Secretary, House and Senate also agree on the amount of tax revenues that will need to be transferred to support the State's Retiree Pension Fund, the School Building Authority, the MBTA (Massachusetts Bay Transportation Authority) and the Workforce Training Trust Fund pursuant to statutory requirements.

For FY 2013, these transfers are estimated to total $3.05 B and will be directed to the following funds in the following amounts:

- School Modernization and Reconstruction Trust Fund = $ 689.4 M;
- MBTA State and Local Contribution Fund = $ 786.8 M;
- Pension Reserves Investment Trust Fund = $ 1.552 B; and
- Workforce Training Trust Fund = $20.2 M.

Basis for the FY 2013 Consensus Revenue Forecast

FY 2012 tax revenues are estimated to be $21.010 B, representing an actual increase of 2.4% and a baseline increase of 3.1% from FY 2011 collections (the baseline calculation adjusts for the impact of tax law and processing changes, which is a better indicator of underlying economic activity). Through December 2011, FY 2012 year-to-date tax revenues were up 2.6% actual and 2.9% baseline, and were $49 M below the year-to-date benchmark based on the revised FY 2012 estimate of $21.010 B (including the impacts of the revenue initiatives in the FY 2012 budget, the Sales Tax Holiday in August 2011, and the statutorily-required reduction in the personal income tax rate as described above). It is expected that as the economy continues to recover and grow slowly, tax collections for the remainder of FY 2012 will increase by $241.4 M, or 2.2% actual, and $360.4 M, or 3.3% baseline, from the same period in FY 2011.

The FY 2013 consensus tax revenue estimate is $21.950 B, representing revenue growth of 4.5% actual and 5.4% baseline from the FY 2012 estimate of $21.010 B. The FY 2013 estimate assumes that the national and state economies will grow slowly throughout the fiscal year. In developing the consensus estimate, the Commonwealth relied on economic forecasts from Moody's Economy.com, Global Insight, and the New England Economic Partnership (NEEP). The economic forecasts upon which the consensus revenue estimate is based are as follows:

- While the national and state economies continued to grow, the growth has slowed down in 2011, and is expected to remain slow during 2012 and 2013;

- Massachusetts employment is expected to increase by 0.5% to 1.3% over the remainder of FY 2012, and by 0.6% to 1.4% for FY 2012 as a whole. For FY 2013, Massachusetts employment is expected to change by 0.2% to 0.9%;

- Massachusetts personal income (excluding capital gains) is expected to grow by 3.5% to 4.3% over the remainder of FY 2012 and 3.7% to 4.2% for FY 2012 as a whole. For FY 2013, Massachusetts personal income is projected to grow by 3.2% to 6.3%;

- Massachusetts wages and salaries are projected to increase by 3.7% to 5.1% for the remainder of FY 2012 and 3.6% to 4.7% for the year as a whole. For FY 2013, the growth in Massachusetts wages and salaries is projected to range from 3.4% to 6.4%;

- Massachusetts retail sales growth is expected to range from 2.8% to 4.4% over the remainder of FY 2012 and 3.7% to 5.1% for the fiscal year as a whole. For FY 2013, Massachusetts retail sales are projected to grow by 3.0% to 4.1%;

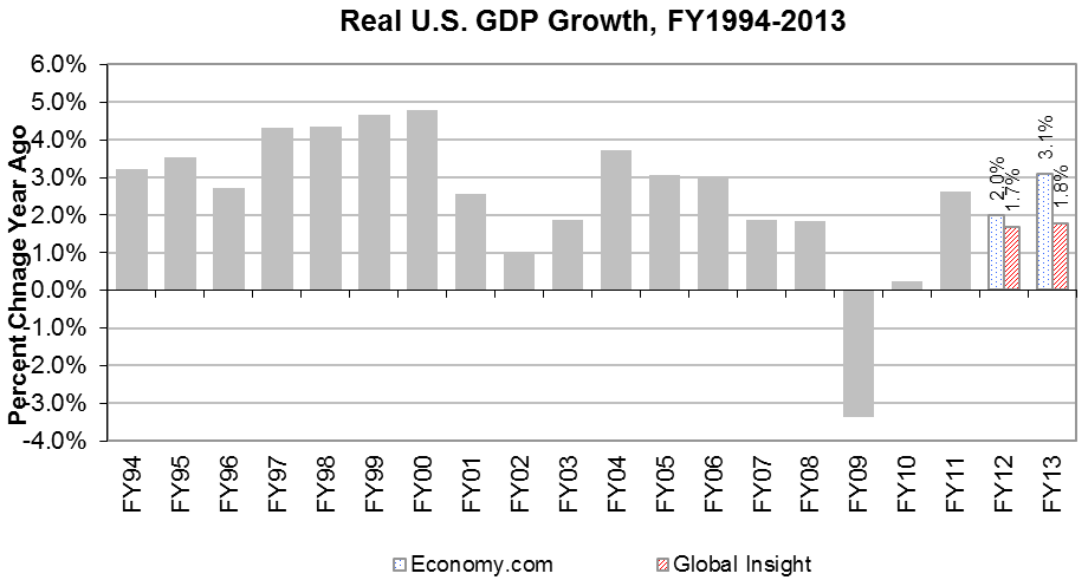
- Corporate profits at the national level are expected to increase by 6.4% to 9.5% over the remainder of FY 2012, and by 6.2% to 9.1% for the fiscal year as whole (there are no forecasts for state corporate profits). For FY 2013, growth in corporate profits is projected to range from 1.0% to 7.4%;

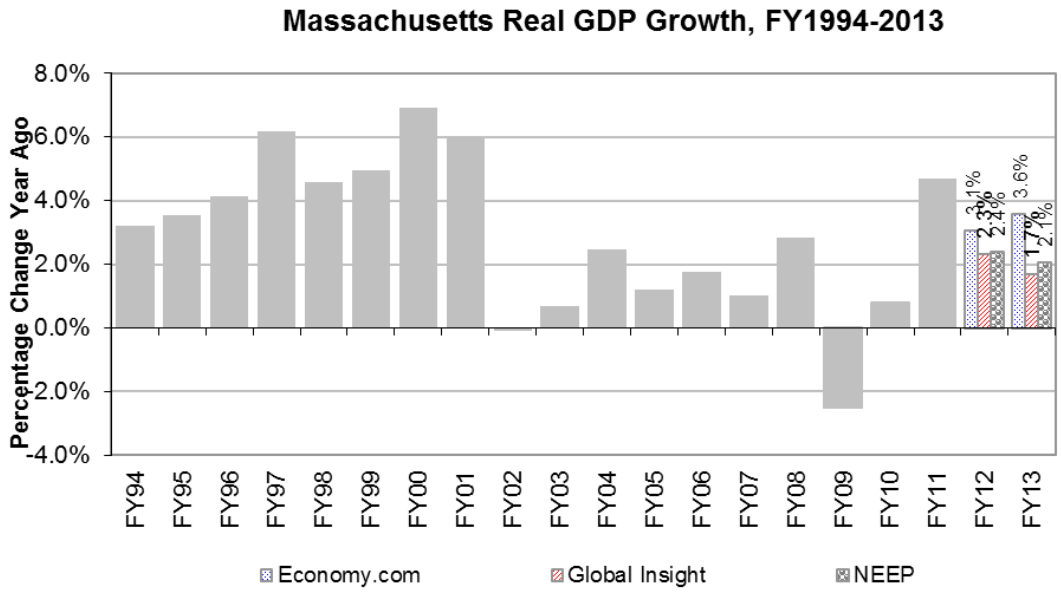
In addition to the economic forecasts described above, the consensus revenue estimate takes into account forecasts for capital gains realizations and taxes. The consensus agreement capital gains forecast is based on the following considerations:

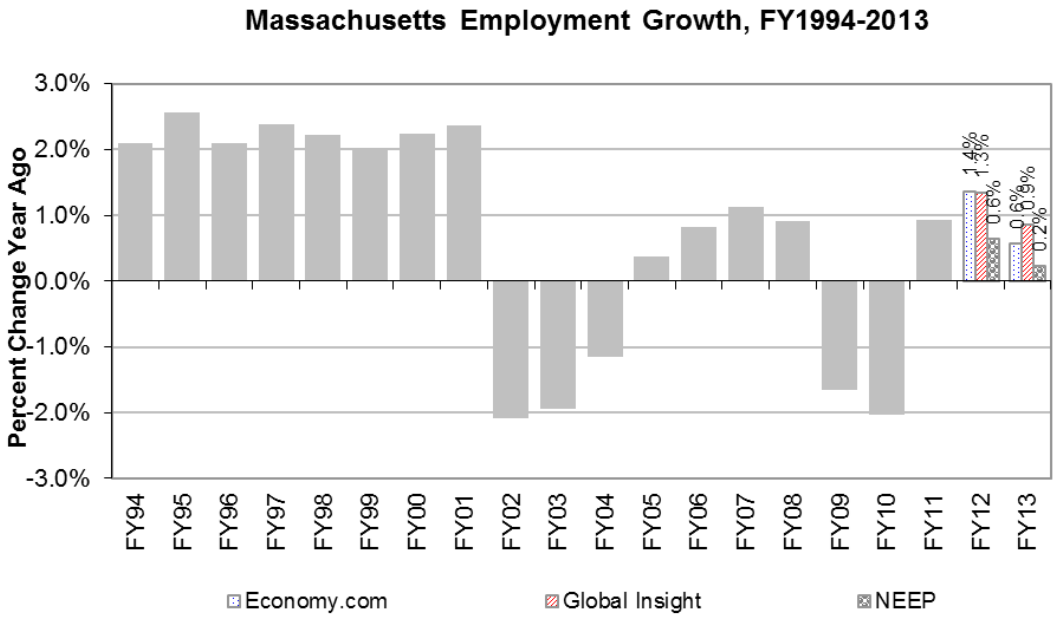
- Preliminary tax year 2010 data indicates that Massachusetts capital gains realizations increased by approximately 107.3% in tax year 2010, to $16.5 B. FY 2011 taxes on those capital gains realizations totaled approximately $991 M, an increase of approximately $418 M, or 73%, from FY 2010 (taxes on tax year 2010 capital gains realizations were paid mostly in FY 2011).

- The stock market, as measured by the average of the S&P 500 over the entire year, rose by 11.4% in calendar year 2011 (which largely determines FY 2012 capital gains taxes), and is expected to increase by -2.1% to 5.8% in calendar year 2012 (which largely determines FY 2013 capital gains taxes). Massachusetts capital gains realizations are projected to be about the same in calendar year 2011 compared to calendar year 2010, and increase by 6.8% in calendar year 2012.

The charts below show the national and state economic forecasts presented at the December 12, 2011 consensus revenue hearing as well as the consensus estimate assumption for capital gains realizations and taxes, all of which were taken into consideration in developing the FY 2012 and FY 2013 consensus revenue estimates.


Real U.S. GDP Growth, FY1994-2013
Percent Chnage Year Ago
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
-1.0%
-2.0%
-3.0%
-4.0%
2.0%
1.7%
3.1%
1.8%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
Economy.com
Global Insight


Massachusetts Real GDP Growth, FY1994-2013
Percentage Change Year Ago
8.0%
6.0%
4.0%
2.0%
0.0%
-2.0%
-4.0%
3.1%
2.3%
2.4%
3.6%
1.7%
2.1%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
Economy.com
Global Insight
NEEP


Massachusetts Employment Growth, FY1994-2013
Percent Change Year Ago
3.0%
2.0%
1.0%
0.0%
-1.0%
-2.0%
-3.0%
1.4%
1.3%
0.6%
0.6%
0.9%
0.2%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
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FY05
FY06
FY07
FY08
FY09
FY10
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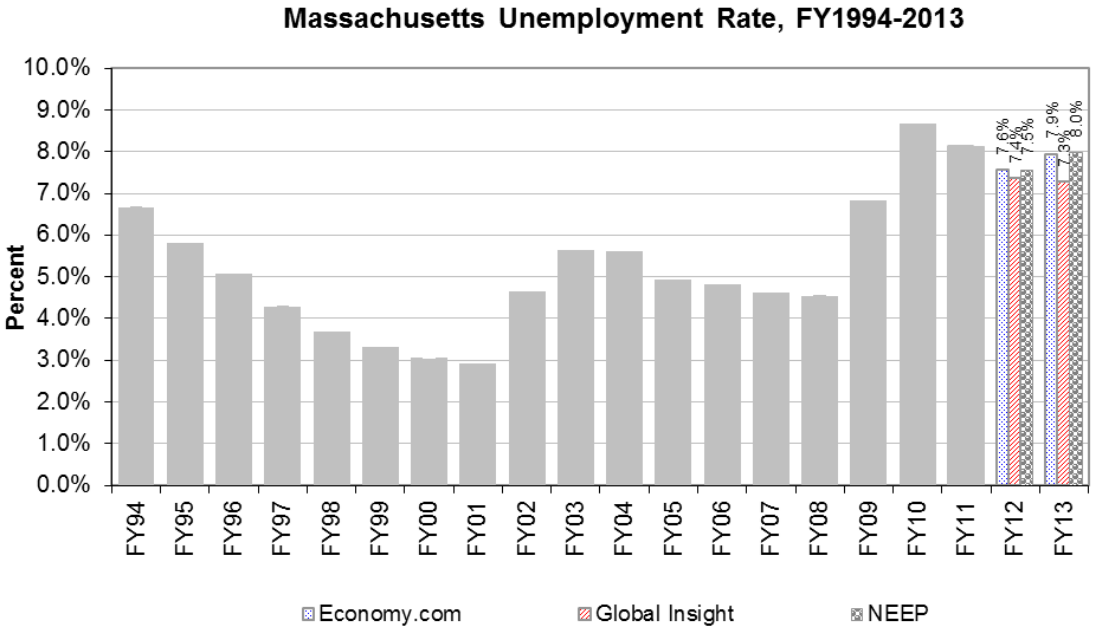
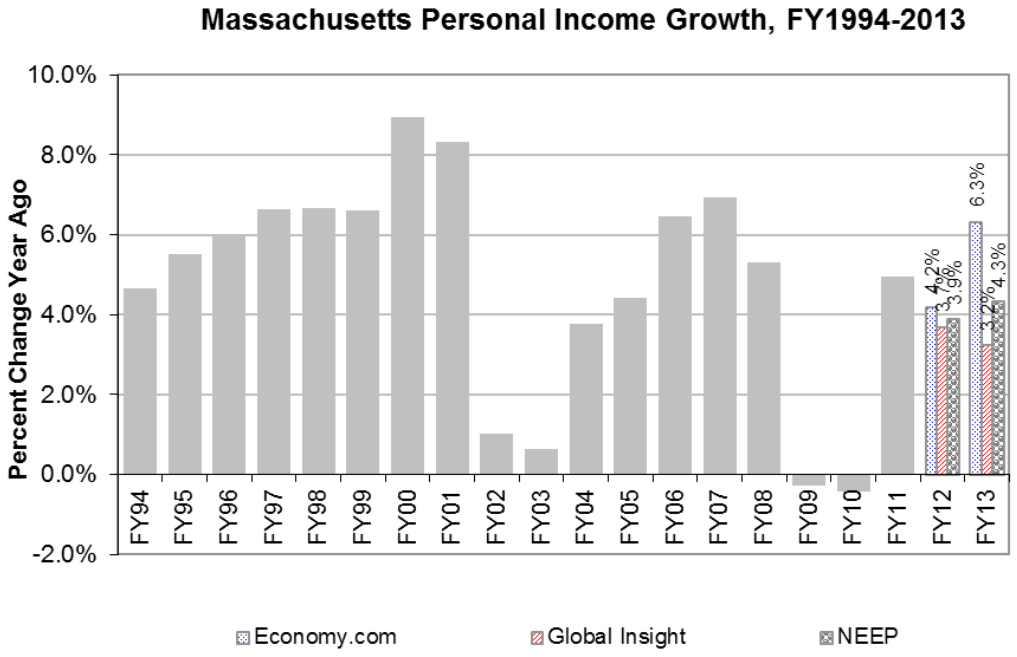
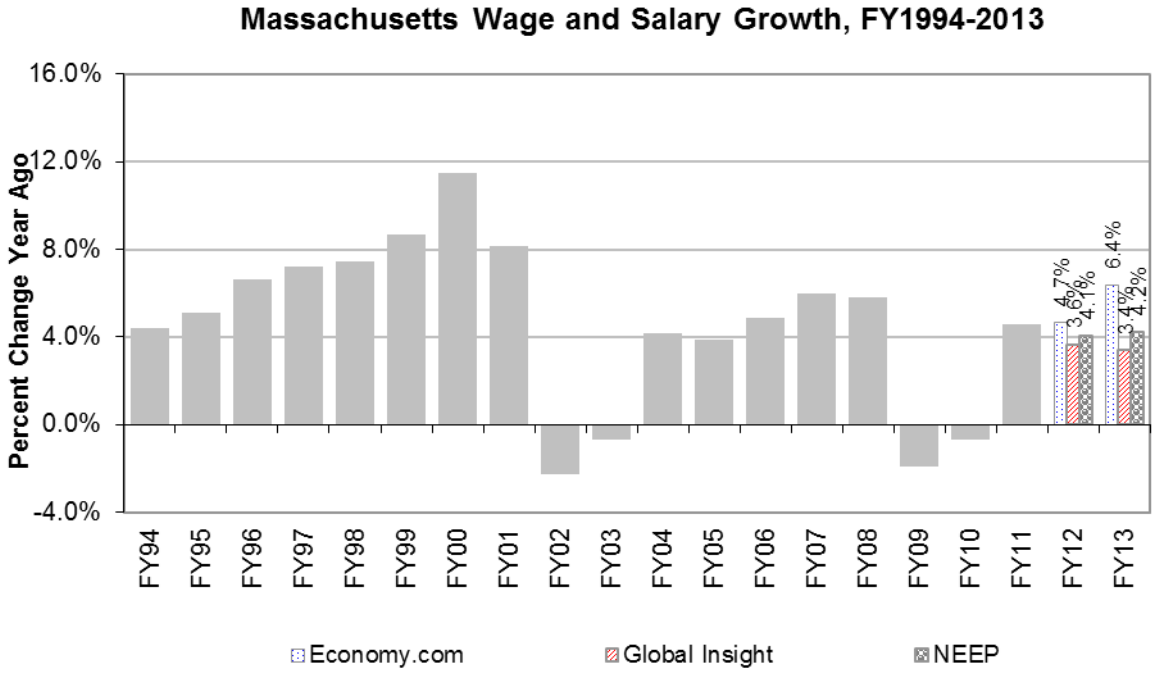
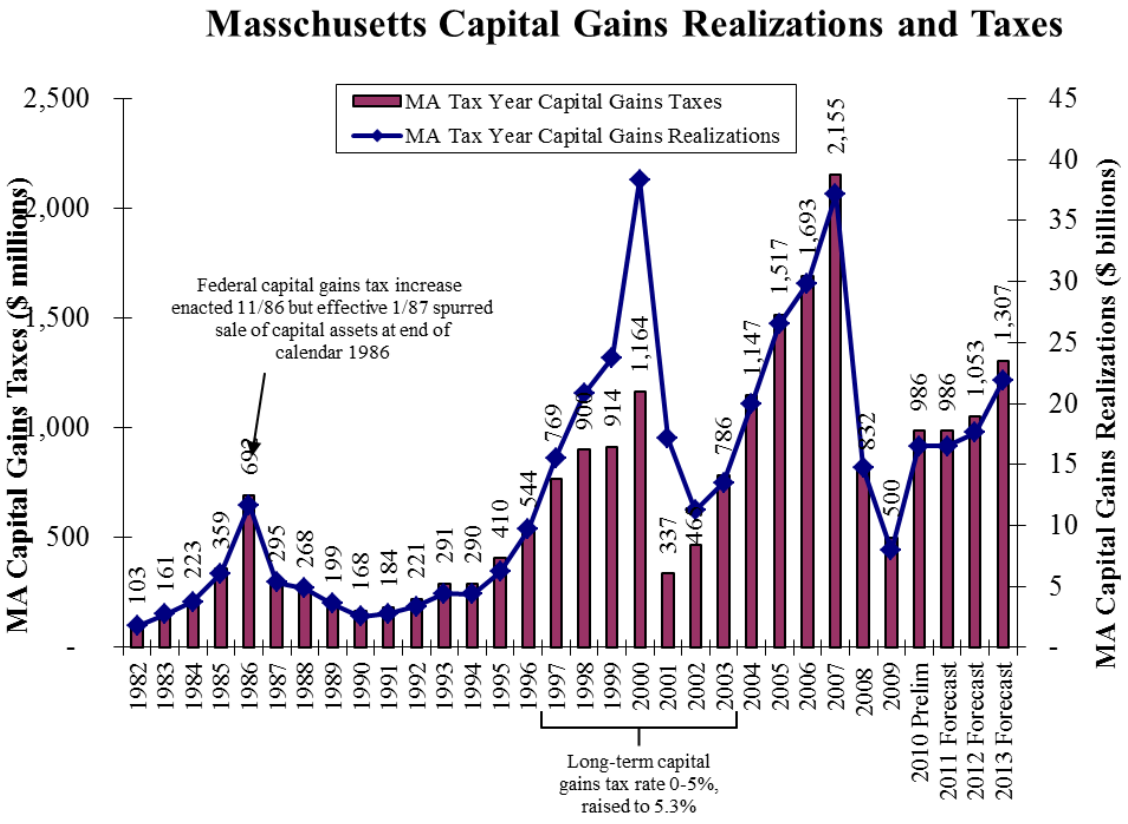
FY12
FY13
Economy.com
Global Insight
NEEP


Massachusetts Unemployment Rate, FY1994-2013
Percent
10.0%
9.0%
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
7.6%
7.4%
7.5%
7.9%
7.3%
8.0%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
Economy.com
Global Insight
NEEP


Massachusetts Personal Income Growth, FY1994-2013
Percent Change Year Ago
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
-2.0%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
4.2%
3.9%
4.3%
6.3%
3.2%
Economy.com
Global Insight
NEEP


Massachusetts Wage and Salary Growth, FY1994-2013
Percent Change Year Ago
16.0%
12.0%
8.0%
4.0%
0.0%
-4.0%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
4.7%
3.6%
4.1%
6.4%
3.4%
4.2%
Economy.com
Global Insight
NEEP



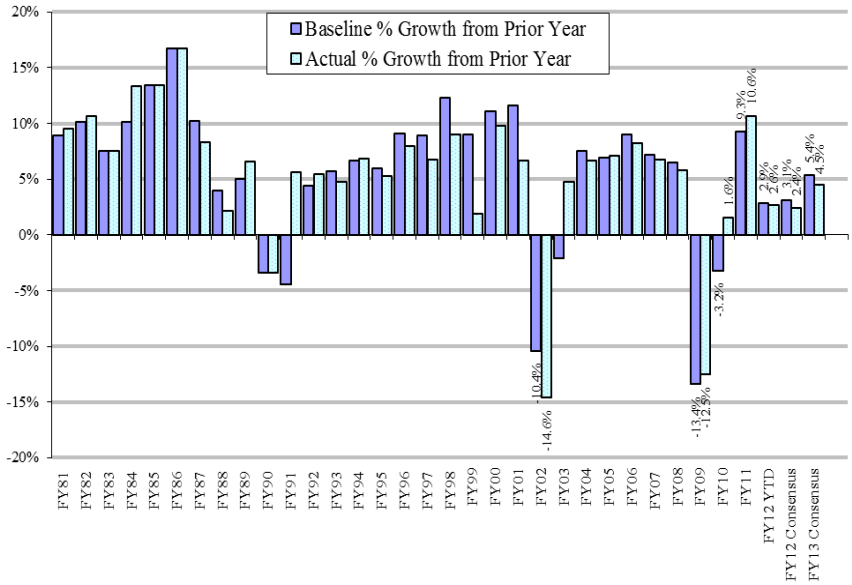
Based on these economic projections and actual tax collections through December 2011, FY 2013 tax collections are projected to grow by $940 M, or 4.5% actual and 5.4% baseline from FY 2012 tax collections, with income tax collections growing by 5.2% actual and 6.2% baseline, sales tax growing by 4.2% actual and 3.7% baseline, and corporate/business taxes growing by 2.5% actual and 6.1% baseline, as shown in the chart below.

FY13 Consensus Tax Revenue Forecast

Tax Type	% Actual Revenue Growth from FY12	% Baseline Revenue Growth from FY12	FY13 Revenue Estimate ($ Millions)	FY13 Growth from FY12 ($ Millions)
Total Income	5.2%	6.2%	12,732	629
Withholding	3.9%	4.3%	10,247	383
Sales	4.2%	3.7%	5,203	207
Corporate/Business	2.5%	6.1%	2,228	54
Other	2.8%	2.9%	1,787	49
Total	4.5%	5.4%	21,950	940
Memo: Capital Gains Taxes	10.0%	10.0%	1,100	100

The chart below shows historical trends in actual and baseline tax revenue growth. Under the FY 2011 reform, $100 M of the projected capital gains receipts (the amount in excess of $1 B) is required to be deposited into the Stabilization Fund and not available for budgetary purposes.

Actual and Baseline Tax Revenue Growth, FY1981-FY2013



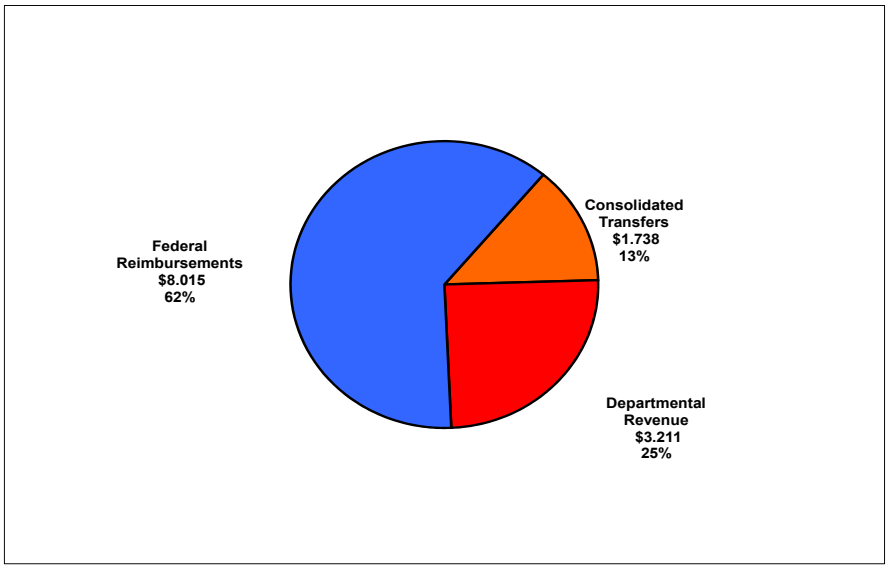
State Corporate Excise Rate
The FY 2013 budget assumes that there will be no changes to the phase down of the corporate tax rate, scheduled in law to decline from 8.25% in tax year 2011 to 8.00% in 2012. Next fiscal year, the Department of Revenue estimates this will save thousands of businesses statewide roughly $15 M from this change. These changes will help to ensure the Patrick-Murray Administration's commitment to support the state's small businesses, and to ensure they are best positioned to continue their economic recovery.

State Income Tax Rate Reduction
The FY 2013 tax projection assumed in the Governor's budget reflects the January 1st, 2012 reduction in the state's income tax rate, which decreased from 5.3% to 5.25%. The FY 2013 value of this reduction in the rate is estimated to total $110 M.

FY 2013 Non-Tax Revenue Assumptions

The Commonwealth collects and receives revenues from several non-tax sources, including the federal government, various fees, fines, court revenues, assessments, reimbursements, interest earnings and transfers from non-budgeted funds. These revenues are deposited in the General Fund, the Commonwealth Transportation Fund and other operating budgeted funds. The Governor's FY 2013 budget recommendation assumes approximately $12.96 B in non-tax revenues. Reimbursements from the federal government make up 62% of the Commonwealth's projected FY 2013 non-tax revenue. The remaining non-tax revenues come from departmental revenues (25%) and operating transfers from off budget funds (13%). Sections 1B and 1C of this document detail the different types of non-tax revenues.

House 2 Total Non-Tax Revenues: $12.963 B
(in $ Billions)



Federal Revenues
Federal revenues are collected through reimbursements for the federal share of entitlement programs such as Medicaid and through block grants for programs such as Temporary Assistance for Needy

Families (TANF) and Child Support Enforcement. The amount of federal reimbursements to be received is determined by state expenditures and federal regulations that govern federal programs. Staff from the A&F work with agencies to project spending levels for these federally-supported programs and the resulting federal reimbursements those expenditures will generate. Federal revenues are projected to increase by $191 M next year, largely reflecting increased Medicaid expenditures, for which the federal government typically reimburses the state $0.50 for every dollar expended.

Departmental Revenues

Departmental revenues are derived from licenses, tuition, fees for programs and services, reimbursements and assessments for services including, but not limited to, revenues from the Registry of Motor Vehicles, reimbursement of healthcare costs from municipalities participating in the state's Group Insurance Commission (GIC) health care programs, drug rebate money received by the Executive Office of Health and Human Services, interest earnings received on the state's budgeted fund balances and fees collected by the Secretary of State's Office. To the extent possible, the Administration has minimized fee increases. However, MGL Chapter 7:3B provides for an annual review of fees to confirm that they are sufficient to defray the cost of providing the service. As part of this exercise, A&F analyzes historical non-tax revenue receipts and works with agencies to develop budget-year projections for these revenues. During the budget process, agencies are asked to review the fees to ensure they are current and reflect the actual cost of doing business. In FY 2013, total departmental revenues are projected to grow modestly ($57 M) before accounting for additional revenue proposals, largely due to increased economic activity and cyclical fee collections.

As mentioned above, the Governor's budget includes two sections that give a detailed overview of projected non-tax revenue for FY 2013. Section 1B details projected FY 2013 non-tax revenue receipts by the department, board, commission or institution that administers and collects the respective revenue source. The online version of the Governor's budget allows the user to further examine each governmental area and view a title and description of each revenue source contributing to that area's total non-tax revenue. Additionally, the fund statements, which are included in the "Financial Statements" section of the budget document, offer another view of departmental revenues by operating fund.

Consolidated Transfers

Consolidated transfers reflect inflows to the General Fund from non-budgeted funds which include annual tobacco settlement proceeds received as part of the Master Settlement Agreement with tobacco companies, net revenues from the State Lottery Fund, fringe revenue to recoup the cost of various statewide benefits assessed on non-budgeted funds and revenues from the Commonwealth's Abandoned Property Division. The Executive Office for Administration and Finance solicits agency feedback and uses historical data to project transfers to and from the budgeted funds for the proposed budget year. Section 1C of this document provides further detail behind this revenue type. In FY 2013, consolidated transfers are projected to decline by $52 M, largely due to reduced unclaimed property and projected decreases in fringe revenue collections, offset by increased lottery revenue collections.

FY 2013 Budget Recommendation

Annual Change in Budgetary Resources, FY 2012 vs. FY 2013 ($s in millions)	FY 2012	FY 2013	Change
Projected Tax Collections (excluding one-time FAS 109 Delay):	20,964.0	21,950.0	986.0
Required Transfers to/from Reserves*:	(268.1)	(238.0)	30.1
Prior Year Funds Used to Support Current Year Non-Recurring Budgetary Spending:	173.9	-	(173.9)
Transfer for Annual Pension Contribution:	(1,478.0)	(1,552.0)	(74.0)
Transfers of Tax Revenue to MBTA, SBA and Workforce Training Fund:	(1,463.0)	(1,506.2)	(43.2)
Federal Reimbursements:	7,823.6	8,014.7	191.1
Departmental Revenues:	3,108.3	3,165.2	56.8
Transfers from Non-Budgeted Sources:	1,833.4	1,781.8	(51.6)
One-Time Sources for Recurring Budgetary Costs (including certain Prior Year Funds and FAS 109 Delay):	573.0	446.0	(127.0)
Proposed New Budgetary Revenues:			
Modernize Bottle Redemption:	-	22.3	22.3
Agency Revenue Initiatives:	-	10.8	10.8
Enhanced Tax Enforcement:	-	22.3	22.3
New Tax Initiatives (not-including one-timers):	-	86.2	86.2
CHANGE IN BUDGETARY RESOURCES (INCLUSIVE OF PENSION CHANGE):			**935.9**
Additional Off-Budget Revenues Dedicated to Health Care Through the Commonwealth Care Trust Fund:	-	72.9	72.9
Additional Off-Budget One-Time Resources:	47.0	95.0	48.0
TOTAL CHANGE, FY 2012 vs FY2013			**1,056.8**

*Includes one-time tax settlements transferred in FY 2012 to Rainy Day Fund, transfer to General Fund of Rainy Day funds for Gaming Oversight Costs, annual Statutory Carry Forward, Capital Gains receipts above $1 B transferred to Rainy Day Fund and FY 2013 transfer of 10% of Master Tobacco Revenue for retiree health care contribution.

Annual Change in Budgetary Spending by Selected Area, FY 2012 vs. FY 2013 $s in millions			
Spending Category	**FY 2012 Estimated**	**FY 2013 Projected**	**Change**
Health Care:			
MassHealth (Medicaid)*:	10,619.5	11,137.8	518.3
Commonwealth Care**:	687.4	737.1	49.7
Employee / Retiree Health Care**:	1,577.6	1,582.0	4.4
Safety Net (non Health Care):	3,895.6	3,984.3	88.7
Legal Obligations:			-
Debt Service:	2,257.0	2,435.5	178.5
Pensions:	1,478.0	1,552.0	74.0
Collective Bargaining:	-	174.6	174.6
Chapter 70:	3,990.8	4,136.4	145.6
All Other Spending:	8,346.6	8,122.7	(223.8)
TOTAL ANNUAL SPENDING CHANGES	**32,852.5**	**33,862.5**	**1,009.9**
TOTAL ANNUAL SPENDING CHANGES (EXCLUDING PENSIONS)	**31,374.5**	**32,310.5**	**935.9**

FY 2013 Spending Growth

The Governor's FY 2013 budget is balanced and fiscally responsible, which reflects the fact that state spending must align with the resources available. Total state FY 2013 spending is projected to be $32.310 B, a 2.98% increase from FY 2012 estimated spending. Since FY 2009, total state spending has grown by $3.018 B, an average of 2.58% over the four fiscal years. The year-on-year spending growth of $935.9 M is significantly less than it would have otherwise been without significant program reductions, position eliminations and reforms. Once again a number of efforts will be made in FY 2013 to control the largest cost drivers in the state budget, particularly health care costs. Even with these cost-saving measures, however, funding for these costs drivers will increase and many areas of state government will consequently see flat or reduced funding levels. In the aggregate, total funding for state government outside of health care, safety net and certain legally-obligated fixed costs will be reduced from FY 2012 levels.

Spending Growth, FY 2009 vs FY 2013 ($s in millions)		
	FY 2009	**FY 2013**
Spending	29,292	32,310
Growth (FY 09 to FY 13)		3,018
AVERAGE ANNUAL GROWTH (4 YEARS)		**2.58%**

Changes to State Revenue
As noted in the preceding section, FY 2013 tax revenues are projected to total $21.950 B, or $940 M greater than the current FY 2012 tax projection. Of the $21.950 B, approximately $1.1 B is estimated to be generated from taxes on capital gains. Under a budget reform proposed by the Governor and adopted by the Legislature in FY 2011, all capital gains receipts in excess of $1 B must be sequestered and deposited directly into the state's rainy day fund, also known as the Stabilization Fund. (Under the same reform 5% of any amount above $1B will be further transferred from Stabilization Fund to the State Retiree Benefits Trust Fund or SRBTF to fund retiree health insurance liabilities).

In addition to the transfer of $100 M in capital gains receipts in FY 2013 to the Rainy Day or Stabilization Fund, other items that impact the amount of available FY 2013 resources include:

- In FY 2012 the state is projected to make $163 M in deposits to the Stabilization Fund corresponding to one-time settlements (tax and non-tax) that are greater than $10 M;
- $5 M in one-time transfer from the Stabilization Fund to the General Fund for the start-up costs associated with the oversight activities of expanded gaming in the Commonwealth;
- $27 M transfer in FY 2013 to the State Retiree Benefits Trust Fund. FY 2013 is the first year in which a portion (10%) of the state's annual master tobacco settlement will not be deposited into the General Fund, but will instead be transferred to the SRBTF to help address the state's unfunded retiree health care liability. While the FY 2013 payment of $27.6 M is only a fraction of the state's liability, the total transfer will grow incrementally by 10 percentage points each year of the master tobacco settlement (e.g., in FY 2014 20% of the settlement will be transferred) until FY 2022 when 100% of the annual tobacco settlement is fully dedicated to meeting the state's OPEB liability; and,
- $5M increase in FY 2013 in required reserves corresponding to the annual Statutory Carry-Forward reserve that must equal ½ of 1 percent of total yearly projected tax revenues.

The net impact of these changes is that in FY 2013, the state budget will have $30 M more in estimated resources than in FY 2012.

As noted in a previous discussion, total FY 2011 spending that was authorized to continue into FY 2012 totaled $380 M, of which all but $4.1 M supports budgetary expenditures. Of this amount, A&F estimates that $174 M supported one-time expenses in FY 2012, with the remaining $202 M treated as one-time resources in FY 2012 since it supports ongoing budgetary expenses.

The state transfer to fund the annual contribution for retiree pensions increases in FY 2013 to $1.552 B from $1.478 B, or $74 M. This amount was determined in FY 2012 budget reforms that identified annual contributions over a 5-year period (FY 2012 – FY 2017). Finally, under current law, a portion of the taxes collected by the state annually are transferred to non-budgetary funds and entities, including the School Building Authority, the Workforce Training Fund and the Massachusetts Bay Transportation Authority (MBTA). For FY 2013, the growth in these transfers equals $43 M.

FY 2013 Tax Consensus Figures ($s in millions)	
Original FY12 Tax Consensus Figure:	20,615
Revised FY12 Tax Projection:	21,010
FY12 Revised vs. Original:	395
FY13 Tax Consensus Figure:	21,950
FY13 Consensus vs. FY12 Revised Estimate	**940**
Required Transfers to Other Funds*:	30
Prior Year Funding used to Support Non-Recurring Costs:	(174)
Transfer for Annual Pension Contribution:	(74)
Transfers to Non-Budgetary Funds or Entities:	(43)
TOTAL INCREASED FY 2013 TAX REVENUE	**679**

**Reflects the net change from FY 2012 to FY 2013 accounting for transfers of tax revenue to Stabilization Fund for capital gains above $1 B; transfer in FY 2012 of one-time settlements to Stabilization Fund; FY 2012 transfer to General Fund for Gaming oversight start-up costs; and, FY 2013 transfer to SRBTF of 10 percent of tobacco settlement revenue.*

After accounting for these transfers the additional tax revenues (and related resources) available in FY 2013 total $679 M.

Non-tax revenue is projected to grow in FY 2013 by $196 M, which reflects increased federal Medicaid reimbursements and other revenues of $191 M and limited departmental revenue growth of $57 M offset by reduced transfers from non-budgetary sources of $52 M. Transfers were reduced substantially from estimated FY 2012 levels due to the reduction in unclaimed property receipts and the loss of annual fringe costs (i.e., employee benefits such as health care) recovered from federal and other non-budgetary sources.

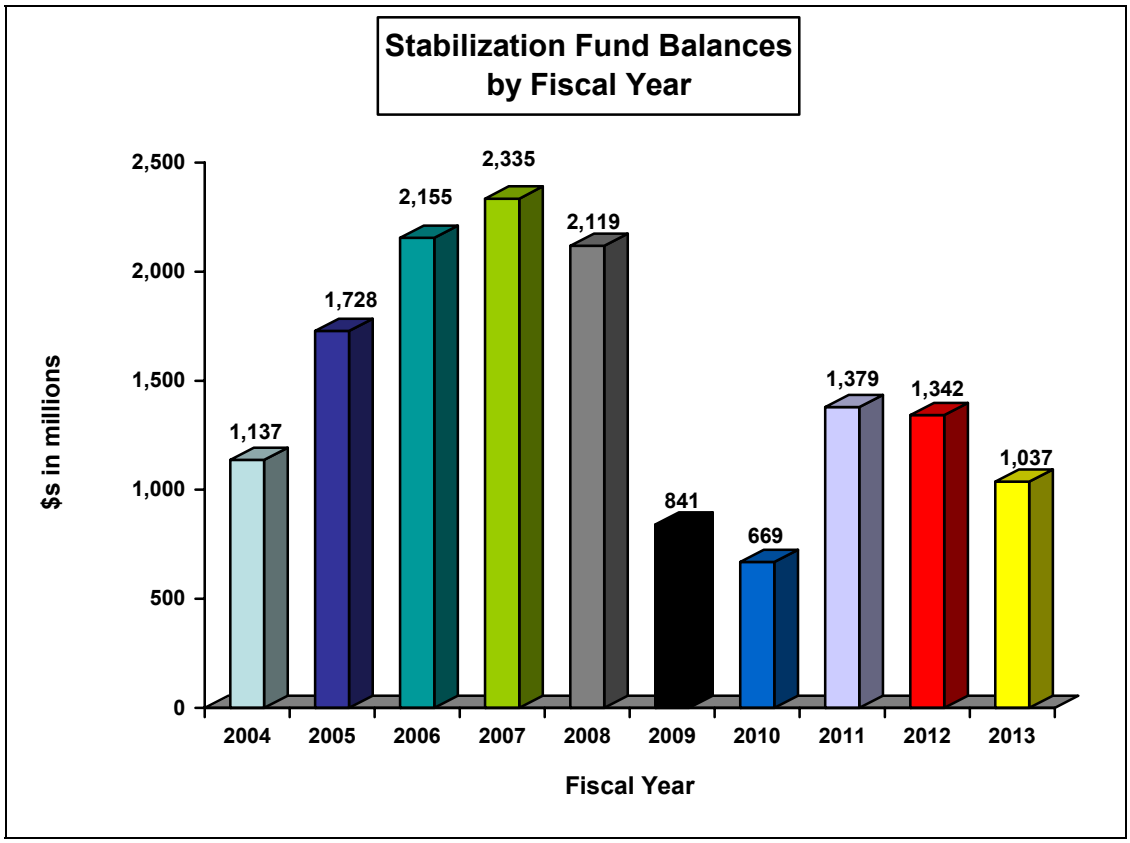
Increase (Decrease) in Non-Tax Revenue, FY 2013 ($s in millions)	
Federal Reimbursements:	191
Departmental Reimbursements:	57
Transfers from Non-Budgetary Sources:	(52)
TOTAL NET CHANGE IN NON-TAX REVENUE	**196**

As noted previously, the FY 2012 budget relies on an estimate $620 M in one-time resources. For the FY 2013 budget, total one-time sources total $541 M. Key one-time items are: $400 M in Stabilization Fund resources (a further discussion follows this section); $11 M in quasi-public contributions to support ongoing programs that would otherwise be funded on the state operating budget; $46 M for continuing the delay of the FAS 109 corporate tax deduction that would otherwise become effective during tax year 2013; and $84 M in one-time non-budgetary fund resources from the Group Insurance Commission and the Commonwealth Health Connector Authority. At $541 M, total FY 2013 one-time sources are $79 M less than the FY 2012 budget. Of the $541 M in one-time sources, $446 M represent budgetary resources, while the remaining correspond to non-budgetary resources that are used to help offset expenditures that occur outside of the annual state operating budget. When compared to FY 2012, which relied on $573 M in budgetary one-time resources, the annual change in FY 2013 in one-time revenues is a reduction of $127 M.

FY 2013 One-Time Resources $s in millions	
Budgetary Resources:	
Stabilization Fund Resources:	400
Delay FAS 109 Deduction:	46
Non-Budgetary Resources:	
Group Insurance Commission Trust Funds:	40
Commonwealth Connector Trust Surplus:	44
Quasi Public Contributions:	11
TOTAL ONE TIME RESOURCES	**541**

The following is a description of the proposed one-time resources to support the FY 2013 budget:

1. Stabilization Fund – The Fund serves as a critical tool in helping the state manage periods during which annual tax receipts have fallen or under-perform with respect to long-term forecasted trends. It is also reasonable and appropriate to use a limited amount of reserves for the preservation of state services when the state is experiencing cyclical tax revenue shortfalls during a recession or while the state economy is growing its way back to recovery. The projected FY 2012 year-end closing balance is $1.342 B. After accounting for the $100 M deposit for taxes on capital gains in excess of $1 B ($5 M of which will be further transferred to the OPEB reduction trust), and assuming a $400 M draw in FY 2013, the total projected closing balance at the end of FY 2013 is $1.037 B. With this amount, it is expected that Massachusetts will still have one of the largest rainy-day funds in the country. (Please see the sections entitled, Specific and General Financial Policies and Long-Term Forecasting, for a more complete description of A&F's policies regarding the use of one-time resources to support the budget and withdrawals and deposits to the Stabilization Fund.)



2. Quasi-Public Contributions – Over the past several years the state has benefited from the commitment by several different quasi-public agencies to preserve state programs that would otherwise have been cut from the operating budget. In FY 2013, the state budget will rely on $11 M in quasi-public contributions, as outlined in the chart below.

FY 2013 Quasi-Public Contributions

Program or Services Preserved	Quasi-Public Agency	H2
Energy and Environmental Affairs	Massachusetts Clean Energy Center	$ 1,000,000
Mass Cultural Council Grants	Massachusetts Development Finance Authority	$ 3,000,000
Economic and Business Development	Massachusetts Development Finance Authority	$ 1,000,000
Tourism Promotion and Marketing	Massachusetts Convention Center Authority	$ 5,000,000
Mass Broadband and Economic Development	Mass Tech Collaborative	$ 500,000
International Trade and Investment Promotion	Mass Tech Collaborative / Mass Port Authority	$ 600,000
TOTAL QUASI-PUBLIC CONTRIBUTIONS		**$11,100,000**

3. Delay FAS 109 Deduction - The Governor's FY 2013 budget recommendation delays the implementation of FAS 109 until FY 2014, rather than allowing it to begin. This will increase the amount of taxes collected by the state next year by nearly $46 M. As noted, savings generated from the delay in the implementation of the FAS 109 corporate tax rate deduction would be one-time in nature, since they are only proposed to be delayed until FY 2014. (A further discussion of this item continues in a following section that discusses new revenue proposals for FY 2013).

4. Health Care Trust Fund Resources – The FY 2013 budget assumes that health care expenditures by the Group Insurance Commission (GIC) and the Commonwealth Connector Authority (CCA) can be partially offset by using non-recurring trust funds available to each agency. These funds can be appropriately made available in FY 2013 and one-time savings will

occur by lowering the state's annual budgetary contribution to each agency's health care programs for just FY 2013.

Based on the changes in tax and related revenues, growth in non-tax sources and the impact of the change in budgetary one-time resources, A&F projects that a total of $794 M in additional resources in FY 2013 from FY 2012 projections.

Increase (Decrease) in Available Resources, FY 2013 ($s in million)	
Net Increase in FY 2013 Tax Revenues*:	725
Growth in Non-Tax Sources:	196
Change in Budgetary One-Time Sources*:	(127)
TOTAL CHANGE IN AVAILABLE BUDGETARY RESOURCES:	794

**Increased Tax Revenues are increased by $46 M which corresponds to the delay of the FAS 109 corporate rate deduction in FY 2013. For the purpose of comparison this adjustment is reflected in the change in budgetary one-time sources.*

Proposed New Revenue Initiatives

The Governor's FY 2013 budget proposes a responsible and modest level of additional resources, totaling an additional $260 M. The chart below identifies these by major category (please note that $46 M in one-time tax revenue corresponding to the FAS 109 deduction has already been accounted for previously). The four major categories of new revenue proposals include: modernizing the state's bottle-redemption law ($22 M); agency revenue initiatives ($11 M); enhanced tax enforcement by the Department of Revenue ($22 M); and new tax initiatives ($159 M, excluding $46 M for the delay of the FAS 109 corporate rate reduction).

New Revenue Proposals, FY 2013 ($s in millions)	
Modernize Bottle Redemption:	22
Agency Revenue Initiatives:	11
Enhanced Tax Enforcement:	22
New Tax Initiatives (excluding one-time delay of FAS 109 corporate rate deduction):	86
TOTAL NEW BUDGETARY REVENUES	**142**
Additional Off-Budget Revenues Dedicated to Health Care Through the Commonwealth Care Trust Fund:	73
Delay FAS 109 (counted as one-time source)	46
TOTAL ALL NEW REVENUES	**260**

Modernizing Bottle Redemption
The Massachusetts Bottle Bill, enacted in 1982, is designed to encourage consumers to return their empty soda and beer containers by means of a redeemable $0.05 deposit. The $0.05 refundable deposit is placed on all carbonated sodas, beer and malt beverages. Most bottle deposits are redeemed through two types of sites, redemption centers and large retail stores. When the Bottle Bill was enacted in 1982, the beverages covered by the law were limited to carbonated soft drinks, mineral water, beer and other malt beverages. Since that time, the beverage market has changed with bottled

water, fruit drinks, iced tea and sports drinks now being some of the most popular choices available. However, these non-carbonated beverages are not covered by the Bottle Bill and often end up in landfills or along the side of the road.

By revising the definition of “beverages” in Massachusetts General Law, the Bottle Bill can be brought up to date. Consumers will be required to pay an additional $0.05 cents on water, flavored waters, iced teas, coffee based drinks and sports drinks. The amounts paid for deposits for expanded beverages will be returned to consumers if they return the empty bottles for recycling. The Governor’s FY 2013 budget assumes that by adopting these changes, the state will collect at least $22 M in additional revenues next year, allowing for $5 M in investments in state recycling coordination and redemption efforts.

Agency Revenue Initiatives
In FY 2013 agencies will generate a modest amount of new revenue through efforts to generate at least $5 M in fees by allowing limited types of advertising using state-owned assets, such as vehicles. This effort will build off of similar projects already underway at the Department of Transportation by looking to broaden the opportunity across all areas of state government. In addition, agencies will generate close to $6 M in expanded state revenues by increasing a limited number of fees, including:

- Environmental Protection - Department of Environmental Protection (DEP) permitting and compliance activities ensure that private and public sector development meet Commonwealth environmental standards. The fees that DEP collects for these services have not been raised since 2004. This proposal raises fees by $2.5 M in accordance with the Consumer Price Index from 2004-2011 (17%). All of the new revenue would be retained by DEP to support permitting and compliance activities.
- Adult Day Health - The Adult Day Health Center Program is a new Department of Public Health (DPH) program. The licensing program will involve a series of activities, including regulation writing, license waiver reviews, application processing, provider suitability determination, on-site licensing inspection, provider and consumer information services, incident review and processing, complaint investigations, plan review and enforcement action which may include fines, penalties, and program closure action. Statewide, the total revenue generated from the new fee to cover the cost of this new regulatory responsibility is approximately $750 K.
- Hospital Fees - DPH is required to license health care facilities operating in Massachusetts. A licensing fee is recovered to offset the state's associated costs. Over $1 M will be generated from establishing a new fee charged for satellite locations or license amendments. The fee will be paid by approximately 433 nursing homes, 118 hospitals with 297 satellites and 323 clinics with 330 satellites.
- Other Agency Fees – For a limited number of items, fees at the Division of Standards (DOS) will be increased, including for licenses paid by private gas stations that sell retail motor oil; licenses required of private auctioneers and licenses paid by “peddlers and hawkers”. Fees have not been increased for these licenses since 2003 and are anticipated to generate over $500 K in additional revenues.

Enhanced Tax Enforcement
The Department of Revenue (DOR) will generate an additional $22.3 M ($18.3 M after accounting for investments and offsetting investments) in state tax revenue in FY 2013. The revenue would be generated from DOR’s investment in IT software that will perform advanced analytics to identify tax collection and audit opportunities involving the sophisticated use of historical data, data mining and statistical probability.

New Tax Revenues
The table identifies new tax revenue initiatives that are proposed for the FY 2013 budget. In total, these initiatives will generate an estimated $205 M in additional resources for the Commonwealth next year. All but one of the proposals will require legislative changes to the state’s existing tax laws to implement. This language is provided in an outside section of the FY 2013 budget recommendation.

FY 2013 Tax Initiatives in Governor's Budget Recommendation			
Tax Revenue Initiatives	FY 2013 Additional Revenue	Transfers to Non-Budget Sournces	FY 2013 After Transfer Revenue
Increase Cigarette Tax by $0.50*	62,500,000	(62,500,000)	-
Eliminate Sales Tax Exemption on Sales of Candy and Soda**	61,500,000	(9,840,000)	51,660,000
Delay FAS 109 Deductions	45,860,105	-	45,860,105
Update Tobacco Taxes for Other Tobacco Products*	10,400,000	(10,400,000)	-
Market Sourcing for Corporate Excise Sales Factor	10,000,000	-	10,000,000
Enforce Room Occupancy Tax on Hotel Room Resellers	7,213,281	-	7,213,281
Taxation of Non-Insurance Subsidiaries of Insurance Companies	7,000,000	-	7,000,000
Disallow Tax Deductions for Losing Lottery Tickets	500,000	-	500,000
TOTAL TAX INITIATIVES	**204,973,386**	**(82,740,000)**	**122,233,386**
TOTAL TAXES (Excluding FAS 109 Delay)	159,113,281	(82,740,000)	76,373,281
*Additional revenues are transferred directly to the Commonwealth Care Trust Fund.			
**A portion of sales tax revenues are transferred to non-budgetary entities (e.g., School Building Authority).			

1. Increase Cigarette Tax Per Pack by $0.50 – $62.5 M in FY 2013 revenue will be generated by increasing the sales tax on a pack of cigarettes by $0.50 from $2.51 to $3.01. All of these new revenues will be dedicated to the Commonwealth Care Trust Fund, from which the state pays the annual costs of subsidized health care costs to families and individuals under Massachusetts' 2006 health care reform.

2. Eliminate Sales Tax Exemption on Sales of Candy and Soda – $61.5 M in new revenues would be generated by eliminating the current exemption from the sales tax for the sale of candy and soda. These revenues, which will be $51.5 M after accounting for transfers of a portion of the new revenue to off-budget items in accordance with certain statutory requirements, will be dedicated to a new Health and Prevention Trust Fund. Programs and services supported from this fund will consist of those aimed at targeting major health risks in the Commonwealth (e.g., smoking and obesity) through preventative health measures and increasing awareness of risk factors.

3. FAS 109 Deduction - The FAS 109 corporate rate deduction allows publicly traded corporations subject to combined reporting under the 2008 corporate tax reform law to take a deduction of all or some of an amount that will offset the increase in the combined group's net deferred tax liability that would otherwise be shown on its financial statements, as a result of the move to combined reporting. "FAS 109" refers to the financial accounting standards bulletin that requires such corporations to report their deferred tax liabilities (or expected benefits, like credits) to shareholders. **Please Note:** For the purposes of calculating the available resources for FY 2013 (in comparison to FY 2012), the FAS 109 delay is treated as an FY 2013 one-time resource included in the total $541 M of one-time budgetary resources assumed next year.

4. Update Tobacco Taxes for Other Tobacco Products – By updating the state tobacco taxes to apply the proposed rate of taxation on cigarettes to all forms of tobacco, including cigars and "smokeless" products, the state will generated an estimated $10.4 M in additional revenue in FY 2013. All of this new revenue will be dedicated to the Commonwealth Care Trust Fund.

5. Market Sourcing for Corporate Excise Sales Factor – This proposal will modernize the sales factor (one of 3 factors by which the Massachusetts corporate excise is apportioned among states) by sourcing it based on where services are delivered, rather than where they originate, by calculating corporate taxes in a way that more fairly allocates profits of primarily out-of-state companies selling services to Massachusetts customers.

6. Enforce Room Occupancy Tax on Hotel Room Resellers – The proposed change would require an Internet room reseller to register with DOR and collect and remit the existing state and local room occupancy excise on the reseller's mark-up. The hotels and motels in Massachusetts would continue to collect and remit tax on amounts they are actually paid, as is the current

practice. The revenue impact from this proposal in FY 2013 is $7 M with an August 1, 2012 effective date. Cities and towns that have adopted a local option hotel/motel tax would also realize up to $7 M statewide in additional revenue. This change is primarily technical, serving to clarify present law for collecting an existing tax from resellers, as well as hotels.

7. Taxation of Non-Insurance Subsidiaries of Insurance Companies – Insurance companies do not pay tax on their income. Instead, there is a 2% tax on premiums charged. The proliferation of Limited Liability Companies (LLCs) and other pass-through entities have enabled insurance companies to exempt non-insurance businesses that they own from paying any corporate excise tax. For example, if an insurance company owns a subsidiary business operating a brokerage or a hotel, the income of the brokerage or hotel subsidiaries is exempted from the corporate tax if the subsidiary's operations are organized in an LLC, whose income flows through to the insurance company parent for tax purposes. The proposal would subject operating income from non-insurance subsidiaries of insurance companies to the corporate tax as if these subsidiary entities were business corporations. This proposal has been made by the Governor previously (in the 2007 corporate-tax-loophole closing bill) and has been the subject of study by the Multistate Tax Commission.

8. Disallow Tax Deductions for Losing Lottery Tickets – In Massachusetts, there is a cottage industry of so-called "ten percenters" who buy winning lottery tickets at a discount, receive the payout of the winnings and offset that income with losing lottery tickets gathered from multiple locations. This scheme enables the actual ticket winners to avoid intercepts of unpaid tax or child support that would otherwise be withheld by the lottery. It is a form of tax and child support fraud that is difficult to prove in any individual case, and that needs a statutory fix. The proposal specifies that losing lottery tickets cannot be claimed as trade or business expenses.

After accounting for additional tax, non-tax and other one-time sources, the total amount of additional budgetary resources in FY 2013 above FY 2012 levels is $935 M.

FY 2013 Spending Summary

Spending Growth
As noted earlier, year-on-year spending growth must be restrained to fit within available budgetary resources. The Commonwealth's tax revenues are growing, but only modestly, after having experienced an historic drop in tax revenues during the recession. With many of our safety net and health care programs facing all-time highs in demand, the cost to continue our current level of services outpaces our budgetary resources. In addition, the state is legally required to fund certain fixed costs which are increasing next fiscal year, such as pensions, collective bargaining, debt service and K-12 school aid to cities and towns. Consequently, we are unable to support all but a few modest investments and service restorations, and further cuts and cost-controlling measures to many programs and services will be necessary in FY 2013.

FY 2013 Spending
After accounting for growth in tax collections and other non-tax resources, additional revenue initiatives and the change in of one-time sources, total state expenditure growth is limited to $935 M. This need to limit spending growth is particularly challenging due to the cost pressures in our health care and safety net programs and certain fixed costs as described above.

State Budgetary Spending by Governmental Area, FY 2012 and FY 2013					
	FY 2012		FY 2013	FY 2013 Projected vs FY 2012 Spending	
Government Area	GAA Final Enacted Amount	Total Estimated Spending This Year	Total Budgeted Spending Next Year	$ Change	% Change
Labor and Workforce Development	35,589,881	59,418,415	42,815,789	(16,602,626)	-27.94%
Housing and Economic Development	352,509,764	392,096,351	428,367,718	36,271,367	9.25%
Administration and Finance	313,704,101	460,558,926	453,023,331	(7,535,595)	-1.64%
Sheriffs	476,350,497	501,641,668	501,585,381	(56,287)	-0.01%
District Attorneys	97,884,987	98,704,598	97,884,989	(819,609)	-0.83%
Constitutional Officers and Other Independent Agencies	297,709,147	312,442,300	312,392,020	(50,280)	-0.02%
Judiciary	709,223,115	760,717,483	630,963,761	(129,753,722)	-17.06%
Education (except Higher Ed. And Chapter 70)	1,011,404,307	1,023,450,889	1,032,233,299	8,782,410	0.86%
Transportation	362,933,728	363,934,869	348,214,221	(15,720,648)	-4.32%
Debt Service	2,265,308,442	2,257,042,623	2,435,503,391	178,460,768	7.91%
Higher Education	923,962,337	924,462,336	935,732,595	11,270,259	1.22%
Chapter 70	3,990,812,680	3,990,812,680	4,136,391,547	145,578,867	3.65%
Unrestricted Local Government Aid	833,980,293	898,980,293	833,980,293	(65,000,000)	-7.23%
Public Safety	913,090,725	954,113,334	1,069,693,880	115,580,546	12.11%
Energy and Environmental Affairs	187,007,717	194,062,786	206,918,316	12,855,530	6.62%
Health and Human Services	4,713,394,065	4,824,649,768	4,908,566,138	83,916,370	1.74%
MassHealth	10,367,467,834	10,619,492,582	11,137,768,822	518,276,240	4.88%
Transfers to Non-Budgetary Sources	1,122,536,822	1,081,917,074	1,132,647,286	50,730,212	4.69%
Group Insurance	1,623,053,506	1,656,042,754	1,665,775,952	9,733,198	0.59%
TOTAL SPENDING	**30,597,923,948**	**31,374,541,729**	**32,310,458,729**	**935,917,000**	**2.98%**

Reflecting government re-organizations outlined further below, there is a substantial increase in the Public Safety budget and a large decrease in the Judiciary budget. This increase corresponds to funding shifted from the Judicial branch to reflect reforms of the state's Probation Department. After adjusting for this shift and savings adopted in FY 2013 for probation, the actual year on year spending changes are the following:

- Public Safety, 1% Increase
- Judiciary, 0% Increase

Non-Executive Branch Agencies

Non-Executive Branch Spending by Governmental Area, FY 2012 and FY 2013					
	FY 2012		FY 2013	FY 2013 Projected vs FY 2012 Spending	
Government Area	GAA Final Enacted Amount	Total Estimated Spending This Year	Total Budgeted Spending Next Year	$ Change	% Change
Sheriffs	476,350,497	501,641,668	501,585,381	(56,287)	-0.01%
District Attorneys	97,884,987	98,704,598	97,884,989	(819,609)	-0.83%
Constitutional Officers and Other Independent Agencies	297,709,147	312,442,300	312,392,020	(50,280)	-0.02%
Judiciary	709,223,115	760,717,483	630,963,761	(129,753,722)	-17.06%
TOTAL SPENDING	**1,581,167,746**	**1,673,506,049**	**1,542,826,151**	**(130,679,898)**	**-7.81%**

Agencies outside of the Executive branch including Constitutional Officers, the Judiciary, District Attorneys and Sheriffs, among others comprise $1.543 B of the FY 2013 budget recommendations. Some areas of note include –

- ***Judiciary*** –The Governor's FY 2013 budget reflects his proposed legislation to consolidate the Department of Probation within the Executive Office of Public Safety and Security. The funding amount being transferred is $101.6 M, which reflects that probation responsibilities for youths will remain within the state's Trial Court Department. In combination with $19.6 M in fiscal year savings in indigent counsel services (see below), the overall budget for the Judiciary is 17 % below the FY 2012 estimated spending. In fact, the Governor's budget will level-fund all other Judicial agencies to FY 2012 estimated spending levels, while providing salary reserves of $27 M under the Executive Office for Administration and Finance (A&F) to offset increased costs in FY2013 associated with existing or anticipated collective bargaining agreements.

The FY 2013 budget will also continue efforts to reform the Committee for Public Counsel Services (CPCS) within the Judiciary's budget by proposing to shift more cases from private counsel to state public defenders. Current A&F projections assume total FY 2013 CPCS spending will be $165 M. By shifting 50 % of the caseload to public defenders by the end of FY 2013 the state will save $19.6 M next year, and a savings of $33 M from pre-reform levels in FY 2011. Total caseload at CPCS has declined in FY 2012 and the Governor's budget assumes further reductions by improving the way in which client indigency is verified in collaboration with other state agencies as well as continued projected reductions in CPCS caseload in FY 2013.

- ***Sheriffs*** – The Governor's FY 2013 budget proposal level-funds the operations of state sheriffs at FY 2012 estimated spending levels. Additionally, increased costs corresponding to existing or pending collective bargaining agreements is funded under A&F to mitigate a portion of the increased costs next year in sheriffs' facility budgets.

- ***District Attorneys*** – Funding for District Attorneys is level-funded to FY 2012 General Appropriations Act (GAA) levels. This funding level sustains the 5% increase received by the DAs in FY 2012 that was originally proposed by the Governor for FY 2012 in January 2011. This funding includes the additional $500K that was provided in FY 2012 for retention of assistant district attorneys across the state.

- ***Other Constitutional Officers*** – With very limited exceptions, the funding for the Constitutional offices (Attorney General, Treasurer, Auditor, Secretary of State) has been level-funded at FY 2012 levels. Increased funding is provided to meet the projected expenses of the Secretary of State projected to oversee the 2012 elections, including local, state and national presidential elections. In addition, the Governor's budget makes modest investments at the State Attorney General's Office and the State Auditor's Office for expanded activities to prevent, detect or prosecute cases of fraud, waste and abuse of state funds. These investments of roughly $2.3 M will generate at least $11 M in additional revenue from recoveries in FY 2013.

- ***Lottery*** – The state's Lottery Commission oversees the state's various lottery and gaming operations. The Commission generates over $900 M in annual revenue, of which a large portion is used to support unrestricted local aid distributions to the state's cities and towns. Funding in fiscal year 2013 for Lottery operations is level-funded to FY 2012 levels. However, the Governor does propose a $3 M investment to fund the Lottery Commission's effort to expand lottery advertising and marketing, resulting in an additional $7 M in FY 2013 lottery revenues for the state. The Governor's budget also provides a reserve under A&F to fund increased costs associated with Lottery collective bargaining unit members in FY 2013.

- ***Governor*** – Funding for the Governor's office is level-funded to FY 2012 estimated spending levels.

- ***Legislature*** – The funding for the annual operations of the House, Senate and Joint Legislative activities in FY 2013 is level to estimated spending levels in FY 2013, after accounting for one-time investments in legislative redistricting needed in FY 2012.

Debt Service

State Debt Service Spending, FY 2012 and FY 2013					
	FY 2012		FY 2013	FY 2013 Projected vs FY 2012 Spending	
Government Area	GAA Final Enacted Amount	Total Estimated Spending This Year	Total Projected Spending Next Year	$ Change	% Change
Debt Service	2,265,308,442	2,257,042,623	2,435,503,391	178,460,768	7.91%
TOTAL SPENDING	**2,265,308,442**	**2,257,042,623**	**2,435,503,391**	**178,460,768**	**7.91%**

In order to fund the necessary improvements to the state's transportation infrastructure as well as to make investments in our higher education system, housing, high-tech industries, and other job-creating projects, the state borrows money through the issuance of bonds and it and pays the borrowing back with annual debt service appropriations in the operating budget.

State debt service spending in FY 2013 totals $2.435 B, an increase of 7.91% from FY 2012 levels of $2.257 B. This increase compares to the 7.1 % increase adopted in the FY 2012 GAA. Most debt service costs are funded from within the budget of the State Treasurer, who is responsible for the day-to-day oversight of all Commonwealth debt service and debt financing activities. In a limited number of cases, annual debt service payments are paid by A&F.

Executive Branch Agencies

Executive Branch Agency Spending by Governmental Area, FY 2012 and FY 2013					
	FY 2012		FY 2013	FY 2013 Projected vs FY	
Government Area	GAA Final Enacted Amount	Total Estimated Spending This Year	Total Projected Spending Next Year	$ Change	% Change
Labor and Workforce Development	35,589,881	59,418,415	42,815,789	(16,602,626)	-27.94%
Housing and Economic Development	352,509,764	392,096,351	428,367,718	36,271,367	9.25%
Administration and Finance	313,704,101	460,558,926	453,023,331	(7,535,595)	-1.64%
Education	1,011,404,307	1,023,450,889	1,032,233,299	8,782,410	0.86%
Transportation	362,933,728	363,934,869	348,214,221	(15,720,648)	-4.32%
Chapter 70	3,990,812,680	3,990,812,680	4,136,391,547	145,578,867	3.65%
Public Safety	913,090,725	954,113,334	1,069,693,880	115,580,546	12.11%
Energy and Environmental Affairs	187,007,717	194,062,786	206,918,316	12,855,530	6.62%
Health and Human Services	4,713,394,065	4,824,649,768	4,908,566,138	83,916,370	1.74%
MassHealth	10,367,467,834	10,619,492,582	11,137,768,822	518,276,240	4.88%
Transfers to Non-Budgetary Sources	1,122,536,822	1,081,917,074	1,132,647,286	50,730,212	4.69%
Group Insurance	1,623,053,506	1,656,042,754	1,665,775,952	9,733,198	0.59%
TOTAL SPENDING	**24,993,505,130**	**25,620,550,428**	**26,562,416,299**	**941,865,871**	**3.68%**

Funding for Executive Branch Agencies for programs and services that fall within each of these government areas totals $26.562 B in FY 2013, which represents an increase of 3.68% from FY 2012 spending. However, after accounting for funding shifted in FY 2013 to the Executive Office for Public Safety and Security from the Judiciary and collective bargaining reserves under A&F for Non-Executive Branch agencies, the total annual growth in FY 2013 is 3.28%. Highlights of major funding changes in the Executive Branch include:

- ***Executive Office of Education (EOE)*** – The budget recommendation for the Secretariat for Education (excluding Chapter 70 and aid to Higher Education campuses discussed below) increases by 0.86%, or $8.7 M above FY 2012 estimated spending.

  The FY 2013 budget level funds or increases almost all education programs, particularly those that will support the Governor's efforts to address the achievement gap among the state's residents with respect to academic achievement and career readiness. These increases in funding include $10 M in funding for programs focused on children in Gateway Cities and $12 M in additional funding to other programs identified to close the achievement gap. The Secretariat for Education will continue to target funding to those programs and services that best position the state to leverage $250 M in federal Race to the Top education aid, provided over a four-year period, to find innovative solutions to improving the state's education systems. The Governor's budget continues to support child care access to quality after school and day care programs for children within the Department of Children and Families, the Department of Transitional Assistance, and other qualified low income eligible families. Funding for early education and care remains a vital component to addressing the achievement gap and, this budget reflects the commitment through level funding the Reach Out and Read, Head Start Grants and Universal Pre-Kindergarten programs.

- ***Executive Office of Health and Human Services (EOHHS)*** – The non-health insurance portion of the EOHHS budget totals $4.9 B in FY 2013. Funding under EOHHS supports a wide range of services, including transitional assistance to families, services to persons with disabilities, care for veterans, public health and disease prevention activities, protection of children at risk of abuse or neglect and the care for youthful offenders. Recognizing the importance of maintaining critical safety net programs and services, the Governor preserved to the greatest extent possible funding within EOHHS for programs and services that affect the state's most vulnerable residents. Key programs for which funding is level in FY 2013 or increased include substance abuse services, cash and nutritional assistance for low income families, early health screenings for children, suicide prevention services and domestic violence prevention treatment. In addition, the Governor proposes to make a $1.7 M investment in smoking prevention and cessation services and increases funding for services and benefits provided to veterans living in Massachusetts. The Governor's budget also provides $10 M in funding for Safe and Successful Youth Initiative grants, which provide assistance to 11 cities for targeted intervention programs with high impact youth and their families providing education, job, trauma and street outreach program services. A $2.9 M investment is proposed for a Children, Youth and Families initiative that enhances data-sharing and coordination of services between EOHHS and other relevant agencies and Secretariats, such as EOE. Finally, the Governor's budget funds the FY 2013 cost increases associated with the Chapter 257 reforms that require updates to human services contracts with respect to the actual costs of providing services under a variety of programs. Across all EOHHS agencies, the FY 2013 additional costs of implementing Chapter 257 totals $32 M.

- ***Executive Office of Public Safety and Security (EOPSS)*** –The Governor's FY 2013 budget achieves targeted savings at the new Department of Re-entry and Community Supervision and the Department of Correction (DOC) through criminal justice reforms and health care savings. The consolidation of large portions of the Office of the Commissioner of Probation into a new department under EOPSS will provide more efficient and effective transition to the community for appropriate offenders with strong monitoring, accountability and support. The budget also invests in re-entry programs to better transition offenders back into the community. At DOC, the Commonwealth will realize the operating cost savings of sentencing reform by closing a medium security facility and stepping down appropriate offenders into less secure facilities. DOC will achieve health care savings through re-negotiation efforts with the inmate health care contractors and maximizing federal reimbursement opportunities. The State Police will train 150 new officers in a cadet class to begin in June 2013, and the State Police Crime Lab will take over the duties of the Department of Public Health Drug Lab, which will reduce the case backlog and accredit the lab to provide more opportunities for federal funding.

- ***Massachusetts Department of Transportation (MassDOT)*** – FY 2013 funding for MassDOT and related transportation purposes is reduced by $15 M from FY 2012 funding levels. The funding provided to MassDOT ($348 M in FY 2013) only represents a portion of the state's annual transportation costs, which are also supported by state capital funds, federal grants for highway maintenance and revenues generated from the Massachusetts Turnpike that are restricted for dedicated purposes. To mitigate this reduction in state funding, MassDOT will need to increase revenues, and has plans underway to best utilize state assets to generate annual operating revenues from non-state parties interested in advertising and other business opportunities using state properties. The agency will continue to leverage its new structure to seek efficiencies and savings in areas such as procurement and personnel spending. If MassDOT is not successful in generating additional revenues, it will likely need to eliminate a number of positions and potentially reduce operations across its various functions, including highway maintenance and motor vehicle registry services.

- ***Executive Office of Energy and Environmental Affairs (EOEEA*)** – FY 2013 funding for EOEEA is approximately 6.6 % above FY 2012 estimated spending. This reflects a $5.25 M investment for increased efforts to promote recycling coordination across the state, which is funded through increased revenues generated by expanding the bottle deposits to include bottled water, juices and sports drinks. With the support of industry stakeholders, a $2.5 M investment in permitting and compliance services at the Department of Environmental Protection was made to reflect the increasing cost of providing critical environmental oversight at the speed of business.

- ***Executive Office of Housing and Economic Development (EOHED)*** – FY 2013 funding for EOHED is approximately $36 M greater than FY 2012 estimated spending, reflecting an increase in the demand for services for homeless families in the Commonwealth. To help control the increased costs, while improving the way in which homeless families are served in the Commonwealth, the Governor's budget proposes to reform the state's emergency shelter and housing programs. The Department of Housing and Community Development (DHCD) will strengthen the state's family homelessness programs by limiting emergency shelter for families that truly need it while providing the remaining families at risk of homelessness with more appropriate and cost-effective housing alternatives. In FY 2013 these reforms will save at least $26 M in homeless services-related spending, allowing for an equal amount to be re-invested for other permanent affordable housing solutions.

- ***Executive Office of Labor and Workforce Development (EOLWD)*** – Compared to the FY 2012 GAA, funding at EOLWD is increased by over $7 M in FY 2013. This corresponds to increased investments proposed by the Governor for the Summer Jobs program, which subsidizes employment opportunities for low-income youth primarily during the summer. Along with supplemental funding proposed by the Governor in FY 2012, the Governor's budget will fund summer 2012 summer jobs opportunities at over $8 M, greater than the summer 2011 funding levels. The Governor's investment will also allow for a similar amount of funding to be expended for the summer of 2013, ensuring funding for this program can be restored to levels prior to the recession.

- ***Executive Office for Administration and Finance (A&F)*** – Annual funding levels under A&F can vary greatly from year-to-year since A&F typically houses reserve or other short-term appropriations that are not continued from year-to-year. In the Governor's budget for FY 2013, roughly $127 M in collective bargaining reserves are funded for existing or pending contracts with state union employees across all areas of state government, including for employees within executive branch departments, higher education campuses, and state sheriffs' facilities. This increased funding is offset by a number of one-time spending measures in FY 2012, such as reserves to offset state costs for emergency response to natural disasters that occurred in 2011 (e.g., the June 1 Tornado and Tropical Storm Irene). Cost increases for A&F agencies continue to be offset by a number of reform initiatives across the Secretariat. The Group Insurance Commission was able to successfully reduce spending in FY 2013 compared to its original projection using several strategies, including leveraging the use of federal Early Retiree Reinsurance Program (ERRP) funds and working closely with its health plans to negotiate a lower premium increase. Also, the Human Resources Division will continue to roll out its Shared Services Time and Attendance initiative that will pool resources and create savings through error reduction and efficiency gains. In addition, the Department of Revenue, through the use of advanced analytics, will continue to refine its auditing techniques to maximize revenue collections.

School Aid for Public K-12 Education

State K-12 Aid, FY 2012 and FY 2013					
	FY 2012		FY 2013	FY 2013 Projected vs FY 2012 Spending	
Government Area	GAA Final Enacted Amount	Total Estimated Spending This Year	Total Projected Spending Next Year	$ Change	% Change
Chapter 70 (K-12 School Aid)	3,990,812,680	3,990,812,680	4,136,391,547	145,578,867	3.65%
TOTAL SPENDING	**3,990,812,680**	**3,990,812,680**	**4,136,391,547**	**145,578,867**	**3.65%**

The FY 2013 budget provides an additional $146 M in Chapter 70 funding to cities and towns, bringing total public K-12 aid to $4.136 B. This represents the highest funding level ever provided for Chapter 70 assistance. The state's contribution to quality education and opportunities for all of its residents is a core priority of the Patrick-Murray Administration. The Governor's budget continues to build off of the state's earlier commitments to preserve Chapter 70 investments in our K-12 education, a fundamental tool in addressing the achievement gap and ensuring that today's students will be prepared to compete for the jobs of tomorrow.

Aid to Higher Education Campuses

State Higher Education Funding, FY 2012 and FY 2013					
	FY 2012		FY 2013	FY 2013 Projected vs FY 2012 Spending	
Government Area	GAA Final Enacted Amount	Total Estimated Spending This Year	Total Projected Spending Next Year	$ Change	% Change
Higher Education	923,962,337	924,462,336	935,732,595	11,270,259	1.22%
TOTAL SPENDING	**923,962,337**	**924,462,336**	**935,732,595**	**11,270,259**	**1.22%**

The state funding provided to the University of Massachusetts (UMASS) and state university systems is level-funded in the Governor's FY 2013 budget to FY 2012 spending levels. In addition, under A&F the Governor proposes collective bargaining reserves corresponding to the increased costs in FY 2013 of existing or pending collective bargaining agreements for higher education employees. The Governor proposes to increase funding for Massachusetts community colleges by 5 % above FY 2012 and consolidate all community college funding under the Department of Higher Education, which will allocate funding to campuses based on cost data, enrollment and other factors. The Governor also proposes reforms to the state's community college system, including better coordination focused on promoting job training and creation across the Commonwealth.

MassHealth (Medicaid) Spending

State Budgetary Spending by Governmental Area, FY 2012 and FY 2013					
	FY 2012		FY 2013	FY 2013 Projected vs FY 2012 Spending	
Government Area	GAA Final Enacted Amount	Total Estimated Spending This Year	Total Projected Spending Next Year	$ Change	% Change
MassHealth	10,367,467,834	10,619,492,582	11,137,768,822	518,276,240	4.88%
TOTAL SPENDING	**10,367,467,834**	**10,619,492,582**	**11,137,768,822**	**518,276,240**	**4.88%**

The Massachusetts Medicaid program (MassHealth) provides comprehensive health insurance to approximately 1.3 million low-income Massachusetts children, adults, seniors and people with disabilities. The Administration's FY 2013 budget includes $11.14 B for the MassHealth program, including $187 M in budgetary resources for the Delivery System Transformation Initiative (DSTI). DSTI payments, which cost the state $82 M after accounting for federal revenues, are made to safety net hospitals in the Commonwealth to reform the delivery of care models to Medicaid members.

Notwithstanding the funding for DSTI, MassHealth's budget allows for approximately 5% spending growth from FY 2012 estimated spending to FY 2013. In FY2012, MassHealth was tasked to maintain an essentially level funded budget at 1.56% growth through a number of aggressive cost containment measures. Between these two fiscal years, MassHealth's budget has been successfully held at an average annual growth of 3.25%. According to a recent report from the CMS Office of the Actuary, Medicaid costs across the country are projected to increase at an average annual rate of 8.3% over the next 10 years.

Governor Patrick's and Lieutenant Governor Murray's FY 2013 budget builds upon ground-breaking progress in health care cost containment – with a vision for maintaining the Commonwealth's historic coverage gains and high-quality care while making health care spending more affordable for the state and taxpayers. In FY 2013, Massachusetts is poised to once again provide a model for the nation by leveraging opportunities to control health care costs that: 1) promote care delivery in lower-cost, high-quality settings; 2) improve the coordination and management of care; 3) expand support for primary care; 4) place a greater emphasis on prevention; and 5) promote innovative payment models that reward high-value care instead of high-volume care.

Budgetary Transfers to Non-Budgetary Funds

Transfers to Non-Budgetary Funds, FY 2012 and FY 2013					
	FY 2012		FY 2013	FY 2013 Projected vs FY 2012 Spending	
Government Area	GAA Final Enacted Amount	Total Estimated Spending This Year	Total Projected Spending Next Year	$ Change	% Change
Transfers to Non-Budgetary Sources	1,122,536,822	1,081,917,074	1,132,647,286	50,730,212	4.69%
TOTAL SPENDING	**1,122,536,822**	**1,081,917,074**	**1,132,647,286**	**50,730,212**	**4.69%**

Transfers to Health Care and Other Funds – In total, the state will transfer $1.13 B in FY 2013 to support health care spending in the Commonwealth Care Trust Fund (CCTF) and the Medical Assistance Trust Fund (MATF). These transfers represent the state budgetary contribution to these trust funds, but are not necessarily the only funding source used to support annual spending from these funds. The transfer to the CCTF will increase by $50 M in FY 2013 over estimated spending in FY 2012. The increased funding is necessary to support the increased costs of the Commonwealth Connector programs next year. In addition, the Governor's budget proposes to increase the tax collected on retail cigarette sales and apply the updated sales tax to cigars and smokeless tobacco products. Combined, these revenues will generate over $70 M for the Commonwealth Care Trust Fund.

Unrestricted General Government Aid

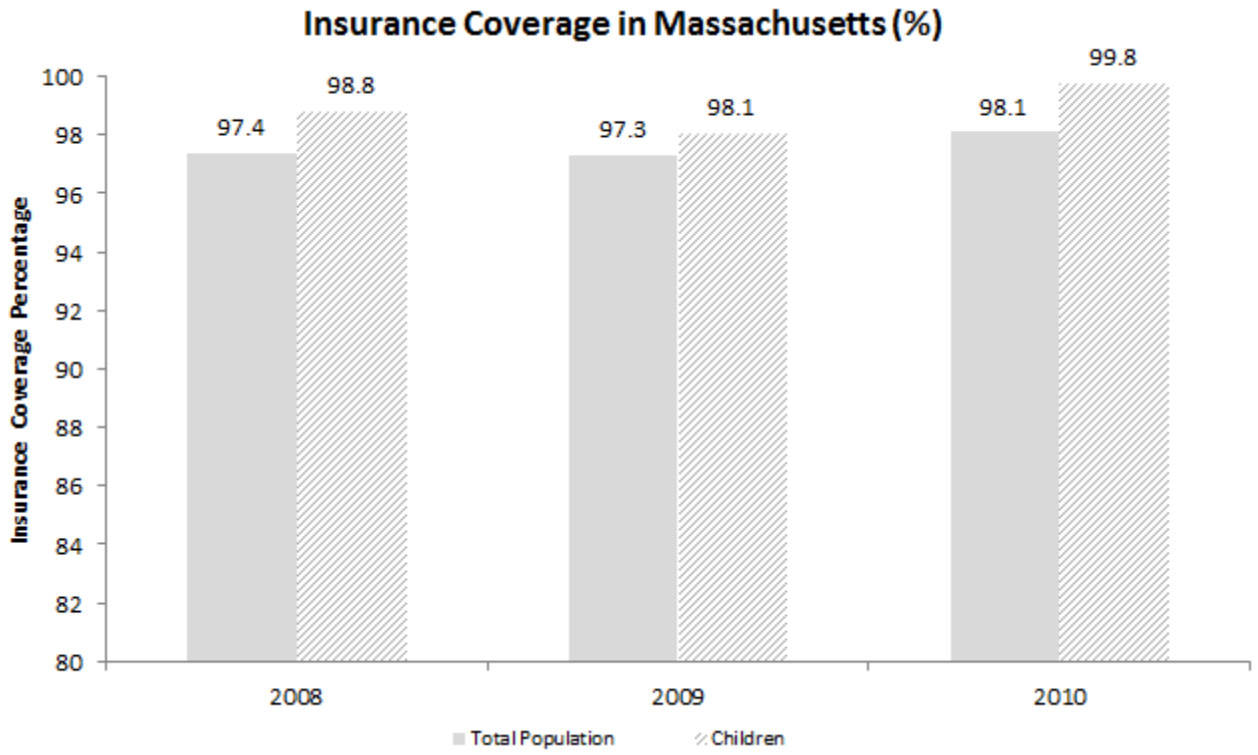
Unrestricted Local Aid, FY 2012 and FY 2012					
	FY 2012		FY 2013	FY 2013 Projected vs FY 2012 Spending	
Government Area	GAA Final Enacted Amount	Total Estimated Spending This Year	Total Projected Spending Next Year	$ Change	% Change
Unrestricted Local Government Aid	833,980,293	898,980,293	833,980,293	(65,000,000)	-7.23%
TOTAL SPENDING	**833,980,293**	**898,980,293**	**833,980,293**	**(65,000,000)**	**-7.23%**

Unrestricted General Governmental Aid (UGGA) is funded at $834 M in the Governor's FY 2013 budget, which is equal to the amount funded in the FY 2012 GAA. However, in the GAA, the Legislature authorized that up to $65 M in one time FY 2011 surplus should be made available for one-time additional local aid, bringing actual FY 2012 UGGA spending to $899M. When compared to FY 2012 funding levels, the Governor's FY 2013 recommendation is $65 M, or 7.23% less. The Governor's FY 2013 budget contains a similar provision, however, that would allocate an additional $65 M for UGGA to cities and towns if there is a sufficient FY 2012 surplus. If a sufficient surplus materializes to fund the additional $65 M distributions, unrestricted local will be level-funded in FY 2013.

Health Care Cost Containment

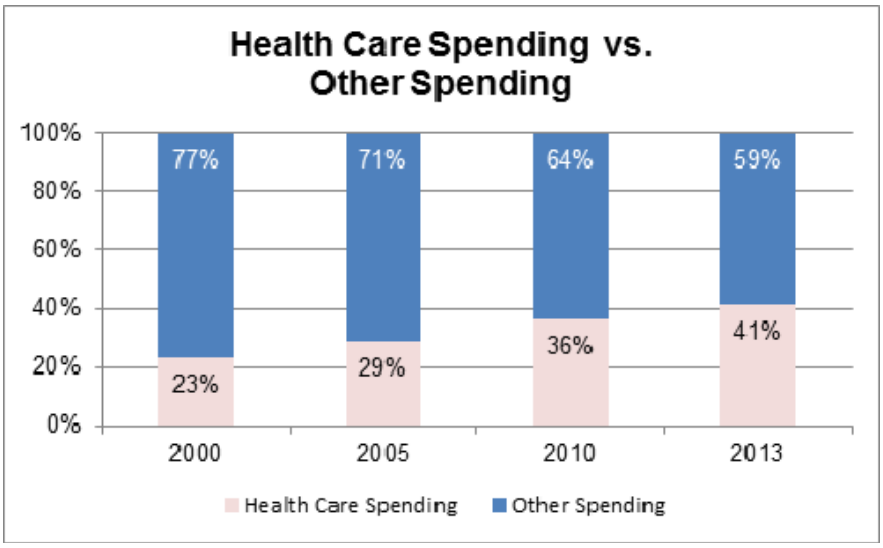
Section I: Introduction and Summary

The Commonwealth is a national leader in ensuring access to health insurance. More than 98% of residents have coverage, the highest rate in the nation, with nearly all children (99.8%) and seniors (99.6%) insured. This state has been a model for the nation in expanding access to health care services, and now it is taking the lead in controlling costs and improving quality through payment and delivery system reform initiatives.



Source: Division of Health Care Finance and Policy

The Patrick-Murray Administration has carefully managed the financing of health care reform. Independent, non-partisan analysis underscores that the incremental state costs of health care reform have been moderate and in line with original expectations. Despite this achievement, the total costs of state-subsidized and employee coverage create a difficult challenge for the Commonwealth. These costs are occupying an ever-increasing share of the state budget as state revenues have declined and the recession has increased demand for subsidized insurance. As a result of this growth and declining state revenue, health care spending for subsidized and employee coverage programs now account for close to 41% of the state budget in FY13, up from 23% in FY2000.



Based on long term forecasts conducted by the Executive Office for Administration and Finance, were health care costs to continue to grow at these historic rates, they would consume approximately 50% of state spending by 2020. Health care spending has crowded out key public investments that, among other things, likewise significantly impact the health and welfare of the people in the Commonwealth. The historic trends are also unsustainable for local governments, businesses and families, forcing all of these groups to make difficult choices between paying for health care and other areas of potential investment.
The Patrick-Murray Administration has already taken a number of effective steps to control health care costs. Despite the fiscal challenges, this is also a time of great opportunity for health care reform in the Commonwealth. The Administration is moving aggressively to transform the entire health care payment and delivery system to ensure that the people of Massachusetts have access to high-quality, coordinated health care at a cost that is sustainable for government, businesses and families over time. The successful cost containment initiatives implemented to date and planned for FY 2013 with respect to the Commonwealth's subsidized and employee health insurance programs are described below.

In FY 2012, the Administration mitigated dramatic increases in health care costs, but also launched major reform initiatives. Government health care programs faced unprecedented challenges brought on by the impact from the economic recession that drove the caseload to historic peaks, resulting in higher health care costs. Despite these cost pressures, Massachusetts achieved ground-breaking progress in health care cost containment. For many of the state's health care programs – Massachusetts Medicaid program (MassHealth), Commonwealth Care, the Group Insurance Commission (GIC), Municipal Health, and the Medical Security Program (MSP) – the current FY 2012 budget reflects bold changes to achieve significant cost savings while providing continued access to coverage and high-quality care. These programs are on track to reach over $900M in savings in FY2012. Below are just a few examples of our major achievements in FY 2012:

- *MassHealth* – MassHealth is on track to achieve almost $588 M in savings through a variety of initiatives, including but not limited to rate restructuring, program integrity efforts, capitation cost control and payment strategies.

- *Municipal Health* – Municipal health care reform, signed into law by Governor Patrick in July 2011, is already helping municipalities achieve significant savings. The nine communities that have completed the new reform process as of January 15, 2012, have collectively saved more than $30 M – putting this reform on track to far exceed the initial estimate of $100 M for FY 2012 and going forward in savings for local governments statewide.

- *Medical Security Plan* – The competitive procurement for a new managed care insurance plan for unemployed individuals resulted in a 30% reduction in costs, generating savings of $16 M in FY 2012 and annual savings of $32 M.

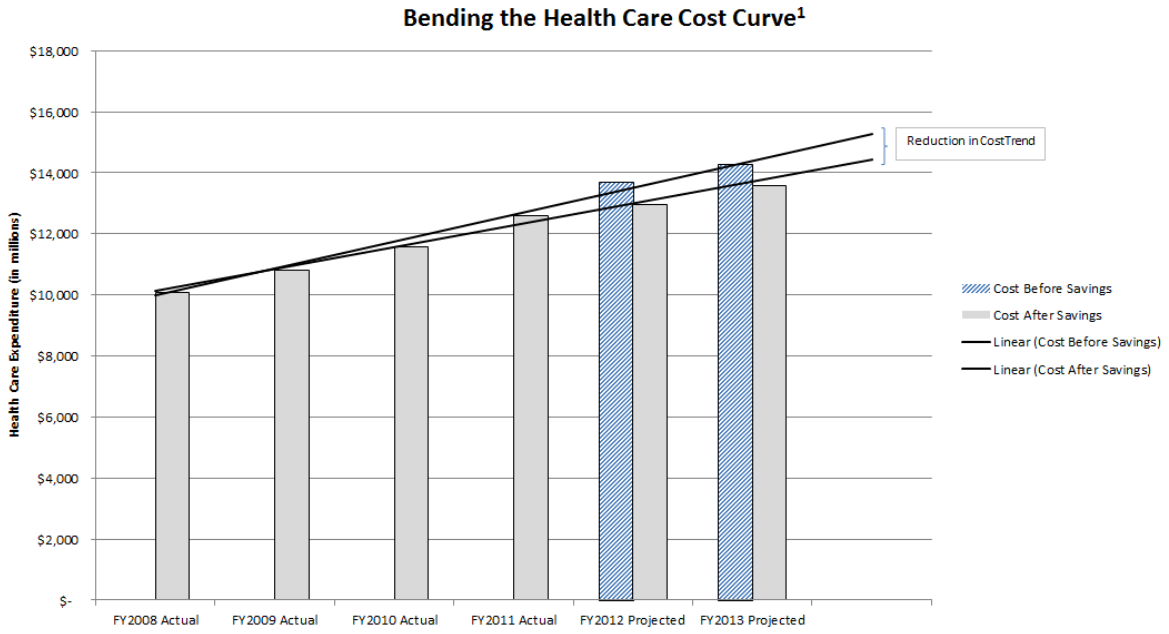
- *Commonwealth Care* – A competitive procurement that provided incentives for *all* MCOs to improve their cost structures by rewarding more aggressive, lower bids with membership allowed the Connector to

accommodate projected enrollment increase with a flat budget (saving the program from growing by $80-$100M).

- *Group Insurance Commission (GIC)* – A new policy requiring employees to actively re-enroll in health insurance and incenting employees to switch to more cost-effective limited network plans with three month premium holidays resulted in $20-30 M in savings. In addition, GIC has seen utilization decline and has realized some savings related to that phenomenon in FY 2012.

FY 2012 HEALTH CARE COST CONTAINMENT		
Program	**Gross Savings**	**Net Savings**
MassHealth	$ 588	$ 293.95
Medical Security Program	16	8
MuniHealth	100	100
Commonwealth Care Procurement	100	50
GIC	100	100
Total	**$ 904**	**$ 552**

The Commonwealth will continue to face health care cost pressures in FY 2013. In the FY 2013 budget, the Patrick-Murray Administration proposes a range of reforms that continue to reduce costs but maintain coverage and access to quality health care. From FY 2012 to FY 2013, the administration is limiting increases in health care spending growth for MassHealth, Commonwealth Care and GIC to an aggregate of 5.1%, even after taking into account significant enrollment growth and the expansion of Commonwealth Care resulting from the Finch Decision. The budget summaries for major government health care entities are described below.



1) Costs and savings pertain to MassHealth, Commonwealth Care and Bridge, and the Group Insurance Commission

Section II: Health Coverage

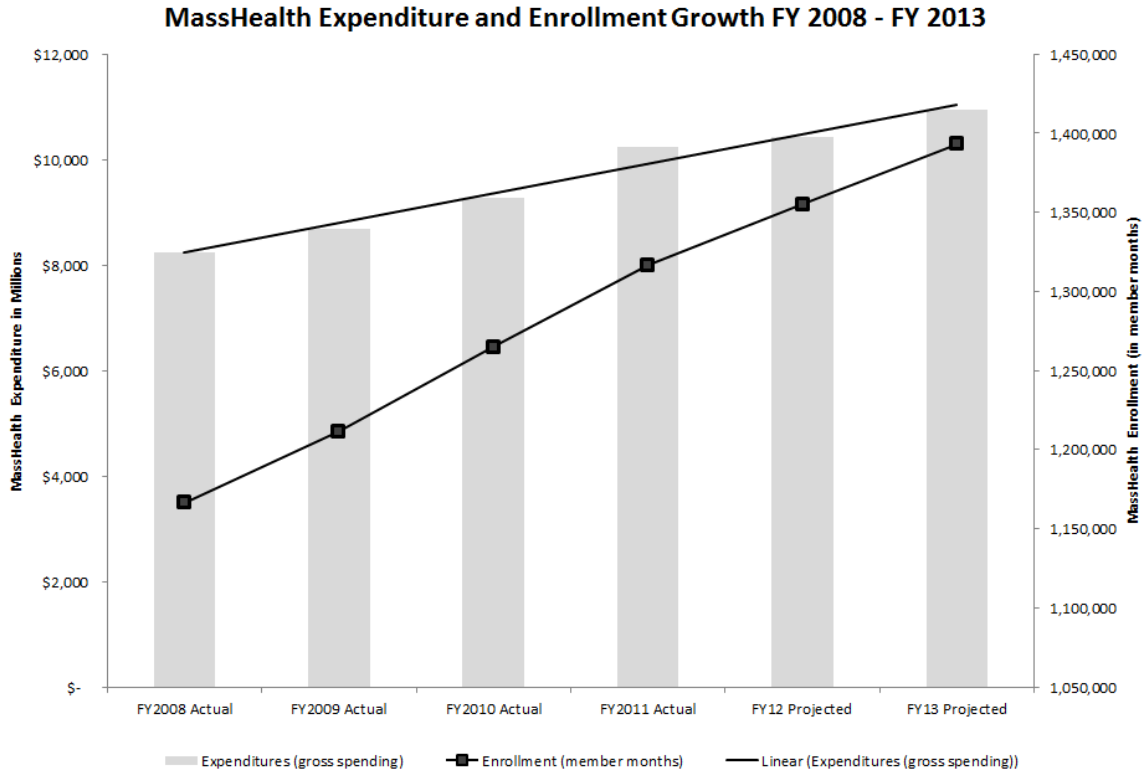
MassHealth

MassHealth provides comprehensive health insurance to approximately 1.3 million low-income Massachusetts children, adults, seniors and people with disabilities. The Administration's FY 2013 budget includes $10.951 B for MassHealth, allowing for approximately 5% spending growth from FY 2012 estimated spending to FY 2013. Because Medicaid represents a partnership between the state and federal governments, approximately 50% of all MassHealth spending is financed with federal revenue dollars. The Administration also plans to fund $186 M in incentive payments to hospitals under the Delivery System Transformation Initiative, with the federal government

providing half of the revenue to support the initiative. (See section on "Build the Foundation for Payment and Delivery System Reform" for more information.)

Enrollment and utilization account for most of the projected spending in MassHealth and are sensitive to changes in the economic climate. The FY 2013 budget is primarily driven by a projected enrollment increase of 2.8% or 38,000 member months.

Average Member Months	FY2006	Growth %	Est FY2007	Growth %	Proj FY2008	Growth %	Proj FY2009	Growth %	Proj FY2010	Growth %	Proj FY2011	Growth %	Proj FY2012	Growth %	Proj FY2013
Non Disabled Children	409,292	6.39%	435,441	3.63%	451,256	2.37%	461,935	4.54%	482,900	3.27%	498,703	2.13%	509,349	1.66%	517,799
Non Disabled Adults	230,216	10.01%	253,251	6.64%	270,057	4.67%	282,655	2.65%	290,146	4.20%	302,342	1.20%	305,976	1.60%	310,871
Disabled Children	24,501	6.14%	26,005	4.35%	27,137	3.22%	28,010	7.87%	30,215	2.50%	30,972	4.55%	32,381	16.22%	37,634
Disabled Adults	196,947	3.32%	203,482	2.25%	208,064	3.37%	215,084	2.86%	221,238	1.72%	225,038	1.84%	229,185	4.34%	239,128
Long Term Unemployed Adults	60,426	25.03%	75,551	9.92%	83,049	15.05%	95,545	13.85%	108,778	14.54%	124,598	12.96%	140,745	3.16%	145,199
Seniors	122,029	2.80%	125,445	1.07%	126,790	1.11%	128,200	2.52%	131,425	2.70%	134,972	1.79%	137,394	3.51%	142,222
Total	1,043,411	7.26%	1,119,175	4.22%	1,166,353	3.86%	1,211,429	4.40%	1,264,703	4.11%	1,316,625	2.92%	1,355,030	2.79%	1,392,852



In FY 2013, MassHealth plans to once again contain the growth in costs by using a variety of reforms and innovative management and contracting strategies. The program will also move aggressively on several initiatives aimed at transforming the delivery system and payment methods. MassHealth is also implementing a number of organizational and policy changes required for timely and effective implementation of the federal Affordable Care Act and to implement the delivery and payment system changes in the 1115 Medicaid Waiver.

Commonwealth Care

The Commonwealth Health Insurance Connector Authority (Health Connector) administers the Commonwealth Care program. In addition, for FY12 the Health Connector, along with the Executive Office of Administration and Finance and the Executive Office of Health and Human Services, oversees the Commonwealth Care Bridge program. Commonwealth Care provides subsidized health insurance coverage for nearly 160,000 adults under 300% FPL that are not eligible for MassHealth and do not have access to adequately subsidized employer sponsored insurance. The Commonwealth Care Bridge program, which will end in FY12, covers approximately 13,400 legal immigrants that have not met their five year immigration status. Funding for these programs is made

available through the Commonwealth Care Trust Fund (CCTF), which is supported by the general fund and other dedicated revenue sources such as the cigarette tax and fair share and individual mandate penalties.
On January 5, 2012, the Supreme Judicial Court held that the Massachusetts statute limiting the eligibility of many legal immigrants for Commonwealth Care violates the equal protection provisions of the Massachusetts Constitution. The Health Connector is now faced with the challenge of re-integrating the Aliens With Special Status (AWSS) population into the Commonwealth Care program. The Health Connector estimates that over 24,000 new members, in addition to the 13,400 currently enrolled in Commonwealth Care Bridge, will become eligible for the Commonwealth Care program as a result. This may add as much as an additional $150M to the annual cost of covering the AWSS population above the current spending on Bridge. Cost increase will likely begin to take effect in FY12 as AWSS members are reintegrated into the program.
Despite the cost pressure, the Administration is committed to fully funding the re-integration of AWSS. In an effort to close the budget gap for both FY12 and FY13, the Health Connector is developing an aggressive cost containment plan for Commonwealth Care focused on procurement savings and other reforms. The Health Connector's goal is to achieve this once again without relying on benefit cuts, member co-pay increases, or any other strategies that would severely damage the value of Commonwealth Care.

Group Insurance Commission (GIC)

The Group Insurance Commission (GIC) provides high value health insurance and other benefits to employees, retirees, and their survivors/ dependents of the Commonwealth and of certain of its public authorities. The GIC also provides health-only benefits to participating municipalities' employees, retirees, and their survivors/ dependents.

Looking ahead, the GIC will continue its focus on providing high quality health insurance coverage to its members while containing costs for the Commonwealth. Next year, the GIC will embark on a major procurement of its health plans. It will solicit innovative strategies through this procurement to maintain coverage and quality of care while containing costs. This includes implementing the principles of payment reform and incorporating any changes required by national health care reform.

Total GIC spending in FY 2013 is $1.665 B, inclusive of the $435 M transfer from the State Retiree Benefit Trust Fund (SRBTF) which covers the cost of retiree health insurance. Spending specific to health insurance premiums and plan costs for active state employees, retirees, and employees of participating municipalities and authorities is $1.582 B, a decrease of 0.3% from FY 2012 estimated spending. This includes an anticipated rate increase, and the addition of approximately 7,700 enrollees via municipal health reform. GIC has reduced spending for state only active employees premiums by 9% or $66 M from FY 2012. The GIC was able to successfully reduce spending in FY 2013 compared to its original projection using several strategies, including leveraging the use of federal Early Retiree Reinsurance Program (ERRP) funds and working closely with its health plans to negotiate a lower premium increase.

Department of Corrections Health Care (DOC)

The Department of Correction provides medical and mental health care to offenders and civil commitment populations in its care and custody. The Commonwealth has successfully contained the growth in inmate health care costs since FY 2008. Without cost containment measures, the cost of offender healthcare would have increased by 31% since FY 2008, but DOC held that growth to 1% total over those six years. In FY 2013, $98 M in offender healthcare spending is proposed, essentially level funded from FY 2012 estimated spending despite projected maintenance growth of $7.6 M over FY 2012. DOC plans to achieve savings through re-negotiation efforts with the offender health care contractors and maximizing federal reimbursement opportunities for allowable costs.

Health Safety Net Trust Fund

Overseen by the Division of Health Care Finance and Policy, the Health Safety Net (HSN) reimburses hospitals and community health centers for health care services provided to low-income uninsured or underinsured residents. Prior to the enactment of health care reform, this financing mechanism was known as the Uncompensated Care Pool. The Health Safety Net is financed by dedicated revenues from an assessment on

hospitals ($160 million) and an insurer surcharge ($160 million), other offsetting revenues ($70 million), and any state contribution from the General Fund.

Although success in expanding enrollment in health insurance through health care reform has resulted in decreased Health Safety Net utilization and payments, economic pressures from the recession have resulted in increased HSN utilization over the past three years. An unstable economy naturally lends itself to individuals 'cycling' in and out of short-term employment and underinsurance; the trends in the HSN from fiscal year 2011 through fiscal year 2012 reflect these natural increases in the burden on safety net care.

Health Safety Net Trust Fund - Sources			
	FY11	FY12 Projection	FY13 Projection
Hospital Assessment & Surcharge Payers	$ 320,000,000	$ 320,000,000	$ 320,000,000
Offset (Medical Assistance Trust Fund)	$ 70,000,000	$ 70,000,000	$ 70,000,000
GAA Contribution	$ 30,000,000	$ 30,000,000	$ 30,000,000
Total	**$ 420,000,000**	**$ 420,000,000**	**$ 420,000,000**

Health Safety Net Trust Fund - Demand			
	FY11	FY12 Projection	FY13 Projection
Hospital Costs	$ 440,800,000	$ 487,506,704	$ 487,209,067
Community Health Centers	$ 56,400,000	$ 60,977,698	$ 60,891,852
Demos (Admin)	$ 6,000,000	$ 6,000,000	$ 6,000,000
Total	**$ 503,200,000**	**$ 554,484,402**	**$ 554,100,919**

To help reduce the burden on hospitals in Health Safety Net fiscal year 2012 (October 2011- September 2012) for providing care to the uninsured and underinsured, the budget provided $30 million in a General Fund contribution to offset 2012 costs.

Despite the unprecedented fiscal challenges of fiscal year 2013, the Administration is maintaining a $30 million General Fund contribution to the Health Safety Net in its fiscal year 2013 budget proposal. We will continue to closely monitor the Health Safety Net and refine projections for fiscal year 2012 and 2013 demand based upon updated information

Section III: FY 2013 Health Care Policy and Savings Initiatives

In FY 2013, Massachusetts is poised to once again provide a model for the nation by leveraging opportunities to control health care costs that: 1) promote care delivery in lower-cost, high-quality settings; 2) improve the coordination and management of care; 3) expand support for primary care; 4) place a greater emphasis on prevention and 5) promote innovative payment models that reward high-value care instead of high-volume care. With the scale of the health insurance coverage it purchases, the state is well-positioned to capitalize on this opportunity to foster innovation in the health care insurance and delivery systems. These efforts will help to contain costs while maintaining coverage and improving the quality of care. The state also has opportunities to achieve greater efficiencies and continuity of coverage within state-subsidized programs by aligning coverage standards and coordinating procurements. The Administration's major FY 2013 policy initiatives are described below.

Leverage Purchasing Power and Maximize Competition In State Health Care Contracts

- *Fully implement an integrated care model for both medical and behavioral health services for MassHealth members:* The FY 2012 behavioral health procurement was a competitive process that challenged bidders to manage costs but also provide innovative care management programs for MassHealth primary care clinician (PCC) members. The procurement provided a framework for medical and behavioral health integration and a targeted care management program for patients with highly complex medical and/or behavioral health conditions. It utilizes core performance management principles to create balanced incentives for the vendor based on improved health outcome for MassHealth members. In FY 2013,

MassHealth will oversee the contract's ongoing implementation to assure that the vendor demonstrates not only improved member outcomes, but also greater compliance with evidence-based guidelines for a number of chronic conditions.

- *Promote market competition among Commonwealth Care Managed Care Organizations:* The Health Connector is preparing to launch another aggressive procurement for FY 2013 that builds upon the successes achieved in FY 2012. By harnessing the power of competition, its procurement strategy will again provide strong incentives for health plans to develop innovative coverage models that hold down costs while maintaining comprehensive, affordable benefits for Commonwealth Care members.

- *Re-negotiating State Office of Pharmacy Services Service* Contract: The State Office for Pharmacy Services (SOPS) provides comprehensive pharmacy services to public sector healthcare organizations in a cost-effective, clinically responsible manner. SOPS currently provides clinical and pharmacy services to the following agencies: Department of Public Health, Department of Mental Health, Department of Developmental Services, Department of Correction, Department of Youth Services, the sheriff's departments of Bristol, Essex, Franklin, Hampden, Hampshire, Norfolk, Barnstable, Dukes, Middlesex, Berkshire and Plymouth, and the Soldiers Homes in Holyoke and Chelsea. This encompasses 24,000 patients at 46 sites. The Administration plans to re-align the cost structure and service level of the current pharmacy services contract to achieve the goals of cost savings, maintenance of current clinical initiatives and retaining revenue streams through realigning the cost structure and service level. The current vendor has developed a savings estimate achieved through internal changes at the vendor and increased standardization and reduced service levels for each participating agency.

- *Re-negotiate current medical and behavioral health contracts under the Department of Corrections*: After commissioning a study that **analyzed the current delivery of Department of Correction (DOC) inmate** healthcare **services and cost drivers to identify** options for cost containment in FY 2012, DOC will use recommendations from the study to cut costs for **inmate** healthcare in FY 2013. The Administration proposes to renegotiate current contracts and seek greater transparency in **the** pricing and cost of **inmate health care** services and staffing.

Build the Foundation for Payment and Delivery System Reform

The Patrick-Murray Administration made significant strides in FY 2012 that strengthen the foundation for payment and delivery system reform for the next fiscal year. On February 11, 2011, Governor Patrick filed "An Act Improving the Quality of Health Care and Controlling Costs by Reforming Health Systems and Payments". This bold, comprehensive payment and delivery system reform legislation will promote the transformation of the Massachusetts delivery system into an innovative care delivery and health care financing model. In December 2011, the Commonwealth successfully renewed the 1115 Medicaid waiver. Over three years, the waiver authorizes more than $26.7 B in federally supported expenditures, allowing the Commonwealth to fully fund its landmark health care reform law and to implement integrated delivery system and payment reform initiatives.

In FY 2013, to fully support the goals of payment reform and to promote the transition to integrated care systems, the Administration proposes a number of reform initiatives that support a transition towards value based purchasing, including global capitation and bundled payments, and that promote more integrated, high quality medical and support services. These initiatives represent significant steps forward that replace traditional fee for service arrangements and build the foundation for the next stage of payment and delivery system reform**.**

- *Supporting Integrated Systems of Care for Hospitals:* The Delivery System Transformation Initiative (DSTI) will offer incentive payments to Medicaid safety net hospitals throughout the Commonwealth to fundamentally change the delivery of care to Medicaid members. Payments will be tied to progress on measurable outcomes related to delivery system transformation and quality improvement. The ultimate goal is to prepare these providers for alternatives to fee-for-service payment arrangements that reward high quality care delivered in integrated systems that uniquely focus on safety net populations. Hospitals will be required to promote patient-centered medical homes among their affiliated primary care practices.

The Administration plans to fund $186 M in incentive payments to hospitals, with the federal government providing half of the revenue to support the initiative. Additionally, the Administration proposes $20 M in Infrastructure Capacity Building grants to support delivery system transformation for non-safety net hospitals.

- *Invest in the infrastructure to transition government health care programs to alternative payment methods:* The Administration proposes to invest $2 M in the MassHealth infrastructure to support implementation of payments to Accountable Care Organizations that demonstrate increased care coordination and integration across care settings and to support the development of innovative payment strategies that reward providers for high value, patient-centered care.

- *Integrate care and long term care and support services for dual eligible MassHealth members:* In 2012, the Administration will submit an innovative proposal to the federal government to provide integrated, coordinated care and to expand independent living and long-term services and supports for Medicaid members ages 21-64 that are also eligible for Medicare. The Duals Demonstration will provide a strong foundation for payment and delivery system reform in the Commonwealth by providing dually eligible MassHealth members with access to an integrated, accountable model of care and support services financed jointly with Medicare through global payments.

- *Launch a payment reform pilot program for managed care organization (MCO)s*: A key initiative that MassHealth and the Health Connector are working together to explore for FY 2013 is the opportunity for a payment reform pilot. Specifically, the focus of MassHealth and the Health Connector's planning is on a "shared savings" model that will provide incentives for MCOs and providers to migrate towards alternative payment models that encourage better care coordination and accountability.

- *Build on the Success of the Primary Care Medical Homes Initiative (PCMHI):* Launched in FY 2010, the Administration has committed to assist 46 primary care practices, including community health centers, hospital-affiliated primary care offices, and group and solo practices, to transition into certified medical homes focused on integrated and patient-centered care. The Administration proposes to fully fund the initiative at $10 M. There will also be $3 M dollars in additional funding made available from the 1115 Medicaid waiver Infrastructure and Capacity Building funds to support the establishment of new Patient-Centered Medical Homes at community health centers. $9 M will also be invested in higher rates for primary care providers and $4 M will be invested in higher rates for outpatient behavioral health providers, recognizing the critical role of these providers as the foundation of a transformed delivery system. Finally, qualified "Health Home" expenditures are allowed under the Affordable Care Act for a 90% federal matching rate. Health Homes are designed to be person-centered systems of care that promote access and coordination of health services, behavioral health services, and long-term community services and supports. The Health Home model will expand on MassHealth's patient-centered medical home model by building additional linkages and enhancing coordination and integration of medical and behavioral health care. This initiative will generate $10 M in new revenue for MassHealth due to the enhanced matching rate.

- *All Payers Claims Database:* Since 2010, the Division of Health Care Finance and Policy has been undertaking the development of an All-Payer Claims Database (APCD) to facilitate cost containment and quality improvements in the Massachusetts Health Care System. The Division anticipates significant use of the APCD in FY 2013 to achieve administrative simplification at other state agencies, as well as to help inform policy development and implementation for both public and private health care payers and providers. Over the long term, such policies are anticipated to reduce costs while improving quality. In addition to the health system benefits of the APCD, the Division anticipates additional FY 2013 revenue from APCD activities. This revenue will come from two sources: fees for sharing APCD data for public purposes, and federal financial participation (FFP) for APCD activities that directly benefit the Medicaid program. With respect to FFP, the Division anticipates seeking an agreement (Advance Planning

Document or APD) with the federal Centers for Medicare & Medicaid Services to receive up to 90% match for specific eligible activities.

Leverage National Health Care Reform

The Patrick-Murray Administration is moving aggressively to prepare the Commonwealth to take full advantage of the federal health reform legislation, the Patient Protection and Affordable Care Act (ACA), and the major components of ACA as of January 1, 2014. To date, Massachusetts has received over $186 M in funding as a result of the Affordable Care Act. These funds include $36 M for an "Early Innovators" grant to develop the health information technology infrastructure necessary to launch a real time, integrated eligibility system and to enhance existing Massachusetts systems in order to meet federal guidelines for an ACA-compliant Exchange. Massachusetts hopes to develop reusable technology components that may subsequently be leveraged by one or more of the six New England states participating in this collaboration. Some of the major national health care initiatives underway include:

- Developing strategies to leverage federal support to maintain expanded health care coverage and further decrease the rate of uninsurance through subsidized health insurance;
- Establishment grant applications to support the transition of the Health Connector to an ACA-compliant health benefits Exchange;
- Early Innovators work to develop technological solutions supporting real-time eligibility and determinations for Exchange and Medicaid expansion populations
- In depth analytical work assessing opportunities for Massachusetts to leverage optional programs under the ACA to provide subsidized health insurance to residents;
- Investigating the implications of reinsurance, risk adjustment and risk corridors programs on the Massachusetts small and non-group insurance markets;
- Building a common eligibility system for Medicaid, other subsidized health care programs, and other federal entitlement programs to simplify and streamline eligibility determination and enrollment; and
- Analyzing the impact of the ACA on a range of Massachusetts reform policies including the individual mandate and the employer fair share contribution.

Strengthen Community Long Term Care Services for Elders and Disabled

Long term care is the fastest growing spending category in Medicaid and provides critical services for elderly and disabled populations. Building on its commitment to the principles of Community First, the Patrick-Murray Administration is transforming the long term care services and supports (LTSS) system through the following core initiatives:

- *Duals Initiative:* The Duals Demonstration described above will enhance members' access to community providers of independent living and long term supports and services and provide a seamless, person-centered care experience that reflects members' goals and supports independent living.

- *Money Follows the Person:* This $110 M demonstration grant, made possible by the Affordable Care Act, will support Massachusetts's efforts to transition over 2,000 individuals from long-term care facilities to community settings by 2016 through the provision of resources for home and community based services, housing supports, and infrastructure development.

- Additionally, MassHealth will implement internal policies to ensure that members are being served in cost-efficient community settings that promote independence, consistent with the administration's commitment to Community First, and to increase utilization management and auditing activities in fee for service long term care programs. Innovative, performance-based payment methodologies will also be implemented in some community based long-term care programs.

Continue Program Integrity Efforts and Expand Audit Activities To Tackle Fraud, Waste And Abuse

MassHealth is undertaking a number of initiatives focused on ensuring that only eligible members receive services and that providers are only paid for appropriate services provided to eligible members. These efforts leverage enhanced data and field-based audit activities with a focus on program areas that have experienced rapid growth.

Reduce the Health Care Cost Burden for Small Businesses

- *Expand eligibility for the Small Business Wellness Subsidy offered through the Health Connector's Business Express program:* Currently, certain small businesses that purchase health insurance through Business Express and enroll their employees in a wellness program created by the Health Connector may be able to obtain a 15% rebate for the cost of their share of health insurance premiums for their employees. Eligibility for the wellness rebate is tied to eligibility for federal tax credits offered to small businesses under national health care reform. The Administration is proposing to maintain the rebate at 15% (a temporary increase in FY 2012 over the originally authorized level of 5%) and expand eligibility for the wellness rebate to include sole proprietors and small business employees that are family members of the business owners, so that more small businesses are able to take advantage of the wellness program while saving money on their health insurance.

- *Control health insurance costs through Division of Insurance's rate review process:* The Division of Insurance (DOI) will continue its efforts to examine the underlying factors driving health care costs when examining small group rate filings. To date, DOI has actively set appropriate limits to premium rate increases and prevented rates from increasing at an unaffordable pace for small group insurance purchasers. In the rate filing for the 2nd quarter of 2010, carriers filed for average weighted rate increases of 16.3%. DOI disapproved the rates as unreasonable, settled with carriers for much lower rates, and saved small group purchasers approximately $106 M in insurance premium costs. In DOI's second year of rate review, the average weighted rate increases fell to 9%. Recently, DOI published the third year rate review and the average weighted rate increases fell to 2.3%. DOI has also taken steps over the past year to foster the development of more affordable health insurance products that will be more widely available in FY 2013. The majority of small group carriers will be required to offer select or tiered provider network products that have rates at least 12% less than the carriers' full network products. Certain carriers will also be offering health insurance through certified group purchasing cooperatives, which will offer wellness programs and negotiated small group rates that previously have not been available to small employers.

- *Medical Security Plan Procurement:* The success of the competitive medical security plan procurement completed in FY 2012, will annualize into FY 2013 at $32 M in savings for the Medical Security Trust Fund (MSTF), and in turn, savings for small business employer who are the main contributors to the trust fund and program.

Improve the Health Technology Infrastructure

The Executive Office of Health and Human Services (EOHHS), Information Technology Division (ITD), the Health Connector and the Massachusetts e-Health Institute are developing a strategic implementation plan to align IT resources for national health care reform readiness and transition to payment reform. IT systems are evolving from segmented to integrated based payment methodologies. The Administration proposes three major components in the health care IT strategic plan:

- *Coordinate and facilitate the dissemination of Electronic Health Record (EHR) systems throughout the Commonwealth:* The Administration plans to continue the distribution of provider incentive payments through the Health Information Technology Trust Fund, which is funded at 100% federal reimbursement

to encourage Medicaid health care providers to adopt, implement, upgrade or meaningfully use certified EHR technology. EOHHS plans to distribute $125 M in funding in FY 2013;

- *Develop a secure and interoperable health information infrastructure that will allow providers, consumers and others involved in supporting health and healthcare to share clinical information securely and reliably (network of networks approach):* Leveraging both state and federal funds the Administration is building technology infrastructure and services with the active participation of a multi-stakeholder Advisory Committee to enable secure end-to-end transmission of clinical and public health data. The goal is to better support patient care coordination as well as public health and quality reporting in order to improve outcomes and contain costs; and

- *Develop a Health Insurance Exchange (HIX) and Integrated Common Eligibility System (IES):* The creation of an integrated Health Insurance Exchange is a major undertaking in the Administration's national health care reform efforts. The Health Insurance Exchange will help individuals and small businesses identify and purchase affordable coverage and provide the IT infrastructure to insure individuals with means based needs by providing Medicaid coverage or tax credits. The Exchange will also integrate eligibility and enrollment with Medicaid and other state health subsidy programs.

Promote Wellness

- *Investment in wellness programs for Commonwealth employees:* Promoting wellness is a further opportunity for the Commonwealth to manage health care spending by encouraging healthy choices among its employees and retirees. In the FY 2012 budget, the GIC was tasked with developing a wellness program for its members. After a competitive procurement, the GIC has selected a wellness vendor and has developed a plan to implement this initiative in FY 2012 and FY 2013. The GIC will leverage federal Early Retirement Reinsurance Program (ERRP) funds to expand the reach of this initiative beyond the initial FY2012 investment.

- *Expand Smoking Cessation programs:* The Administration proposes to invest a total of $5 M toward smoking cessation programs in government health care programs. The GIC plans to invest $2 M of its federal Early Retiree Reinsurance Program (ERRP) funds toward smoking cessation programs. Commonwealth Care will receive an additional $2 M and the Department of Public Health will receive $1 M. A recent study published by the George Washington University School of Public Health shows that for every $1 invested in the Massachusetts Medicaid (MassHealth) smoking cessation benefit led to an average savings of $3.12 in cardiovascular-related hospitalization expenditures, so there was a net return of $2.12 for every dollar invested.[1] The Governor's FY 2013 budget also proposes to increase the cigarette tax by 50 cents and to tax other tobacco products at the same rate as cigarettes.

- *Commonwealth Health and Prevention Fund:* The Governor's FY 2013 budget proposes eliminating the sales tax exemption for soda and candy. In addition to generating $51.25 M for public health programs, the repeal of the sales tax exemption is an important step in discouraging overconsumption of these unhealthy products. The revenue will be directed to the new Commonwealth Health and Prevention Fund. Please see the Issue in Brief, "Health Promotion and Wellness Investments" for further information on the details on this proposal.

[1] Richard P, West K, Ku L (2012) The Return on Investment of a Medicaid Tobacco Cessation Program in Massachusetts. PLoS ONE 7(1): e29665. doi:10.1371/journal.pone.002966

The spending reductions related to the policy and savings initiatives highlighted above total $730M in FY13. This is a combination of costs reductions in MassHealth, Commonwealth Care, the Group Insurance Commission, the Department of Corrections and the Department of Public Health. Below is a chart that highlights those savings.

Savings Initiative	Gross	Net
Leverage Purchasing Power and Maximize Competition In State Health Care Contracts	$ (144)	$ (82)
Build the Foundation for Payment and Delivery System Reform	$ (21)	$ (11)
Leverage National Health Care Reform	$ (40)	$ (40)
Strengthen Community Long Term Care Services for Elders and Disabled	$ (37)	$ (18)
Continue Program Integrity Efforts and Expand Audit Activities To Tackle Fraud, Waste And Abus	$ (44)	$ (22)
Other Savings	$ (188)	$ (109)
Payment Strategies	$ (256)	$ (141)
Total	**$ (730)**	**$ (423)**

State Workforce

Chapter 29, Section 6 states that "The operating budget shall indicate the number of positions proposed to be authorized for each state agency or such other public instrumentality for the ensuing fiscal year, the number of positions for each state agency in the current and ensuing fiscal years and such other information as may be held to explain the anticipated results of the proposed expenditures".

To address this requirement, the Governor's budget recommendation includes budgeted Full Time Equivalency (FTE) counts summarized at the Government area level. Additional detail is included throughout the Budget Recommendations to indicate the employee level within specific departments.

Effect of the Budget on Personnel to Date

Annually, the Executive Office for Administration and Finance (ANF) provides FTE caps to the Executive Branch Departments, prioritizing hiring in areas where positions are critical for public health and safety or where a position results in additional revenue or cost savings for the Commonwealth. FTE caps are implemented at the department level and reviewed regularly by ANF budget analysts to ensure agencies are taking the necessary steps to live within capped levels. It is important to note that FTEs correspond to budgeted level of staffing during any given fiscal year. For a number of reasons, particularly timing of planned hire dates, actual state employee head count and the number of budgeted FTEs may vary within state agencies. In addition, FTE counts typically are less than employee headcount or jobs, since a portion of state employees do not work full-time schedules.

EXECUTIVE BUDGETARY JOBS			
BENCHMARK*	01/20/07	Jobs:	37,473
BENCHMARK*	10/11/08	Jobs:	38,285
PREVIOUS PAY PERIOD	12/17/11	Jobs:	34,822
CURRENT PAY PERIOD	12/31/11	Jobs:	34,815

VARIANCES VS. CURRENT			
YTD VARIANCE FROM*	01/20/07	Jobs:	(2,658)
YTD VARIANCE FROM*	10/11/08	Jobs:	(3,470)
PREVIOUS VS. CURRENT		Jobs:	(7)
BENCHMARK VS. CURRENT*	10/11/08		38,285
*1269 jobs adjusted for MassDOT reform as of 11/01/2009	12/31/11		34,815
	Job Variance		(3,470)

Between the fall of 2008 and December 2011, the state workforce for jobs in the Executive Branch funded with operating dollars has declined by 3,470 jobs. The reduction can be attributed to layoffs, attrition and retirement across all agencies in the Executive Branch. This trend has been mirrored in the Non-Executive Branch, even after accounting for an increase of 2,770 positions in January 2010 corresponding to the transition of seven county sheriffs' offices to state agencies, total non-Executive budgetary jobs have declined by over 2,300 jobs. When considering employees paid in both branches, from all funding sources, the total state FTEs have decreased by more than 6,100 since FY 2008, as reported in the FY 2011 Statutory Basis Financial Report.

H.1 Employment Levels

In reviewing the funding levels available to them for 2013, agencies must critically evaluate their employee level and determine further reductions are necessary to maintain a balanced budget. The Governor's FY 2013 budget recommendation projects a total of 64,120 budgetary FTEs. This amount includes FTEs from both Executive and Non-Executive departments as well as positions funded from the operating accounts listed within the budget.

FY 2012 and FY 2013 FTEs Levels by Government Area			
	Estimated FY 2012	Proposed FY 2013	Annual Change
Executive Branch Secretariats:			
Administration and Finance	2,733	2,719	(14)
Education	506	533	27
Energy and Environmental Affairs	1,982	1,976	(6)
Housing and Economic Development	712	706	(6)
Health and Human Services	19,669	19,908	239
Transportation	0	0	-
Labor and Workforce Development	264	259	(5)
Public Safety*	8,130	10,070	1,940
Budgetary Position Eliminations	-	*(400)*	*(400)*
sub-total	33,996	35,770	1,774
Non-Executive Branch:			-
Judiciary*	7,333	5,304	(2,029)
District Attorneys	1,439	1,439	-
Sheriffs	5,673	5,666	(6)
Constitutional Officers and Independents	3,077	3,042	(35)
Campuses	12,899	12,899	-
sub-total	30,421	28,350	(2,071)
TOTAL STATE BUDGETED FTEs	**64,417**	**64,120**	**(297)**
*Reflects the shift of nearly 1,900 FTEs from the Judiciary to Public Safety as part of the Governor's proposed reforms related to community supervision.			

The FY 2013 projected budgeted FTEs reflects the Governor's proposal to consolidate the Probation Department under the Executive Branch in the new Department of Community Supervision. In addition, the Governor's budget assumes targeted investments in Education and Health and Human Services, which will call for modest amounts of additional staffing to oversee and execute the Governor's strategic priorities. Over 120 additional FTEs are projected within Health and Human Services for additional state caseworkers to address substantial caseload growth in the federal Medicaid program and Supplemental Nutritional Assistance Program (SNAP). Fifty percent of these costs are paid for by the federal government. The Governor's budget does propose to hire up to 180 new state troopers in FY 2013 through a new police officer class that begins in the spring of 2013. Finally, the Governor's FTE assumptions reflect that the state will hire up to 500 additional staff at the Committee for Public Counsel Services (CPCS), continuing the FY 2012 reform to shift legal representation of indigent persons from more expensive private attorneys that bill for hourly services to less costly salaried state employees.

The Governor's proposal also calls for the elimination of an additional 400 budgetary FTEs across the Executive Branch. Outside Section 22 authorizes the Secretary of Administration and Finance to identify and sequester up to $30 M in FY 2013 savings generated by eliminating 400 FTEs, including salary and fringe costs.

Workforce Planning Goals

The Executive Office for Administration and Finance (ANF) and the Human Resources Division have worked together to implement clear policies surrounding employees. Each fall, ANF engages each agency in a spending plan process in which each account is evaluated to determine how funds will be spent for the current fiscal year. This requires a detailed description of employees for the current year - including those currently on staff, positions that are open and intended to be filled and new positions for which funding is available. The goals of the employee caps are to:

- Restrain Growth in State Employee Levels - Since payroll is a large portion of many agency expenditures, and reductions in force can take so long that savings cannot be realized in a fiscal year, caps are needed to manage hiring within available funding levels. Although some hiring may have small costs for the current year, the full year value of new staff have budget impacts that must be considered.
- Mitigate Shifts to Other Funding Sources – Employees come onto the state payroll several ways including the operating budget (FTEs and contractors), the capital budget, federal grants and trusts. All sources are carefully reviewed to ensure we are maintaining compliance with employment laws and also to ensure that we are not using one time sources to pay for ongoing costs.
- Manage Overtime Costs – Although hiring restrictions are important, overtime costs must be considered to ensure that proper staffing levels are maintained for public health and safety where responsibilities are 24 hours / 7 days per week. Oftentimes, the savings of FTE restrictions are simply shifted to higher overtime. Therefore, prudent management of both overtime and staffing levels must be evaluated.

Financial Statements

Financial Statements 1

Fiscal Note 3

Overview of State Spending 5

Financial Statement Explanation 9

Financial Statements 17

Fund Balance Tables 21

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Fiscal Note

The Governor submits the House 2 budget recommendation for FY 2013 for the maintenance of the departments, boards, commissions, institutions and certain activities of the Commonwealth, for interest, sinking fund and serial bond requirements. The Governor's budget recommendation totals $32.310 B, before including the state's annual contribution for employee pension costs. When accounting for state pension costs, total FY 2013 state spending equals $33.862 B. The estimated spending for the current fiscal year (FY 2012) totals $31.375 B. FY 2013 spending will be 2.98% greater in estimated spending than FY 2012.

	FY2012 $Ms	FY2013 $Ms	Annual Change	% Change
Section 2 Direct Appropriations:	28,791.6	29,706.3	914.7	3.18%
Section 2 Retained Revenues:	535.9	531.4	(4.5)	-0.84%
Layoffs and Position Eliminations (OS 22):	-	(30.0)	(30.0)	0.00%
Sub-total Direct Appropriations:	**29,327.5**	**30,207.6**	**880.2**	**3.00%**
Appropriated Transfers (Section 2e):	2,047.1	2,102.8	55.7	2.72%
Total FY 2013 Budget Recommendation	**31,374.5**	**32,310.5**	**935.9**	**2.98%**
FY 2013 State Pension Contribution:	1,478.0	1,552.0	74.0	5.01%
FY 2013 Spending Including Pensions:	32,852.5	33,862.5	1,009.9	3.07%

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Comprehensive State Spending

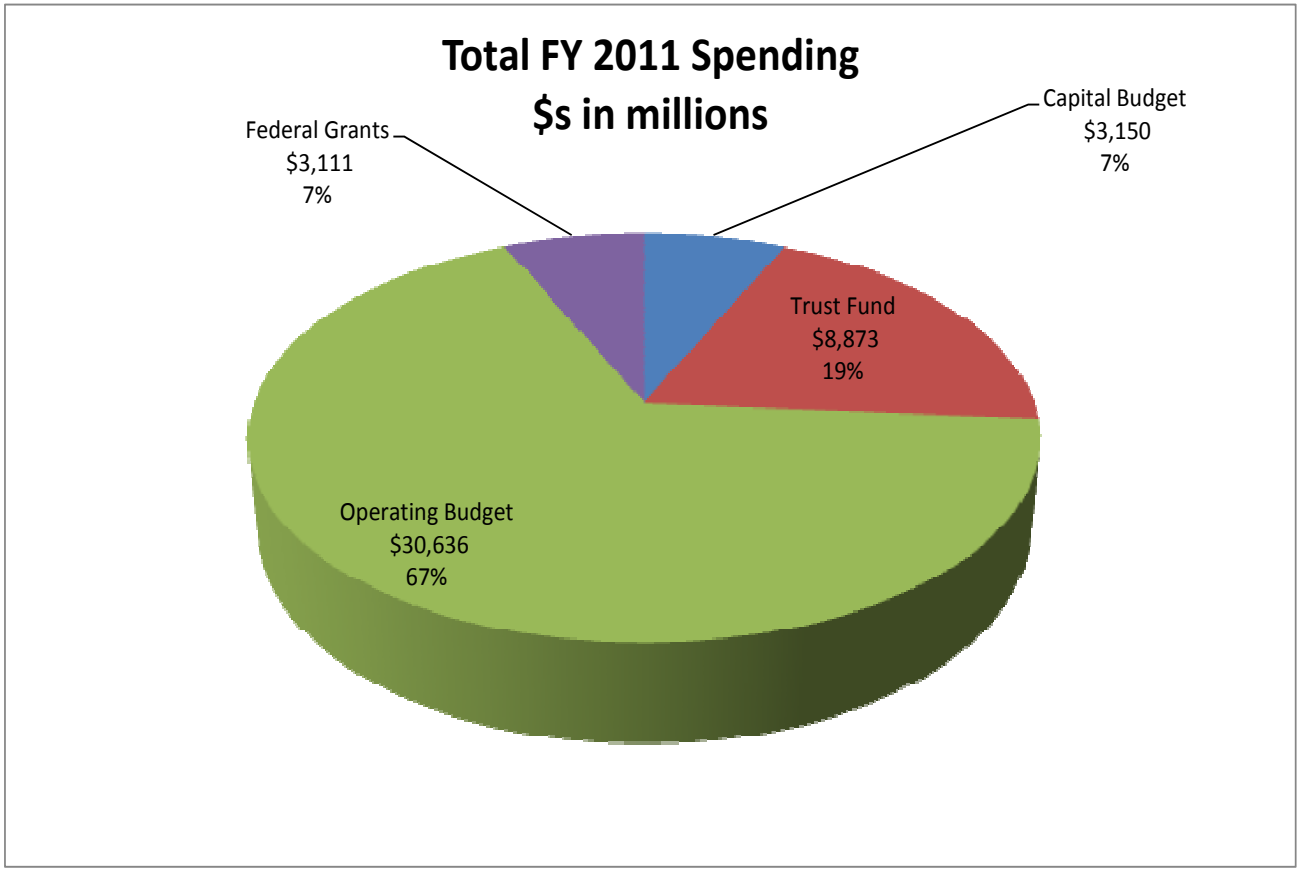
When considering the Governor's recommendation for the FY 2013 budget it is important to remember that the funding levels proposed do not encompass the entire Massachusetts state spending for next year. In fact, a meaningful amount of state spending every year is done "off-budget" or through fund sources that are not subject to the annual appropriations adopted by the Legislature. The spending that is done by the state from non-operating sources falls into three general categories:

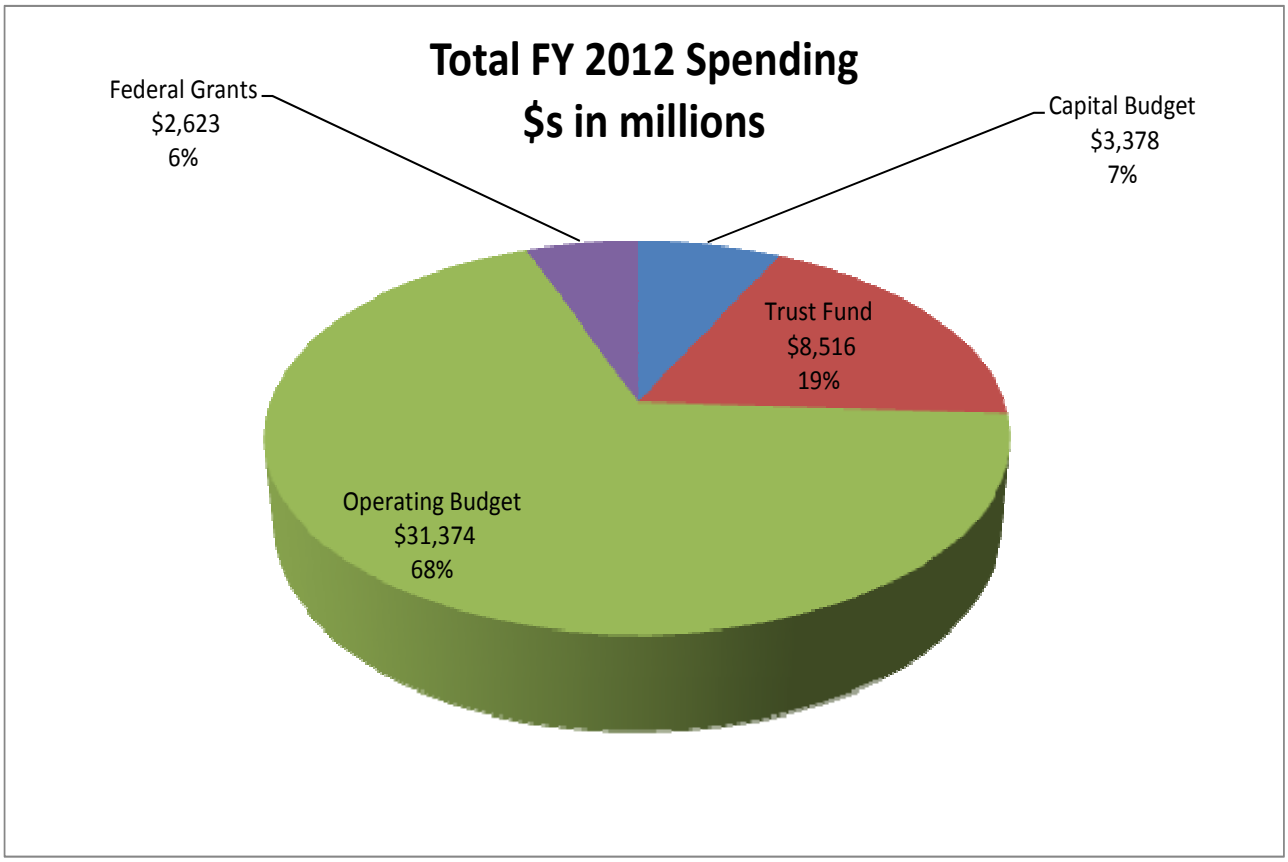
- **Federal Grants** – Annually the federal government provides billions of dollars in funding to state agencies to operate programs, whether ongoing or one-time, for a variety of purposes; housing, public health, environmental health, education and public safety. State agencies are responsible under state law for notifying the Legislature and the Executive Office for Administration and Finance (ANF) of their intent to apply for these funds, but are otherwise given flexibility in the timing and purpose of the expenditure of these funds. Most federal grants require rigorous reporting standards with which applicant state agencies must comply. The FY 2013 budget recommendation provides projected spending amounts for federal grants for each department in the Appropriation Recommendations section. Under the FY 2012 budget reform that created the Office of Commonwealth Performance, Accountability and Transparency (CPAT), oversight and central coordination of federal grant management was designated to CPAT to help maximize federal funding opportunities and link federal resources with Administration funding priorities.

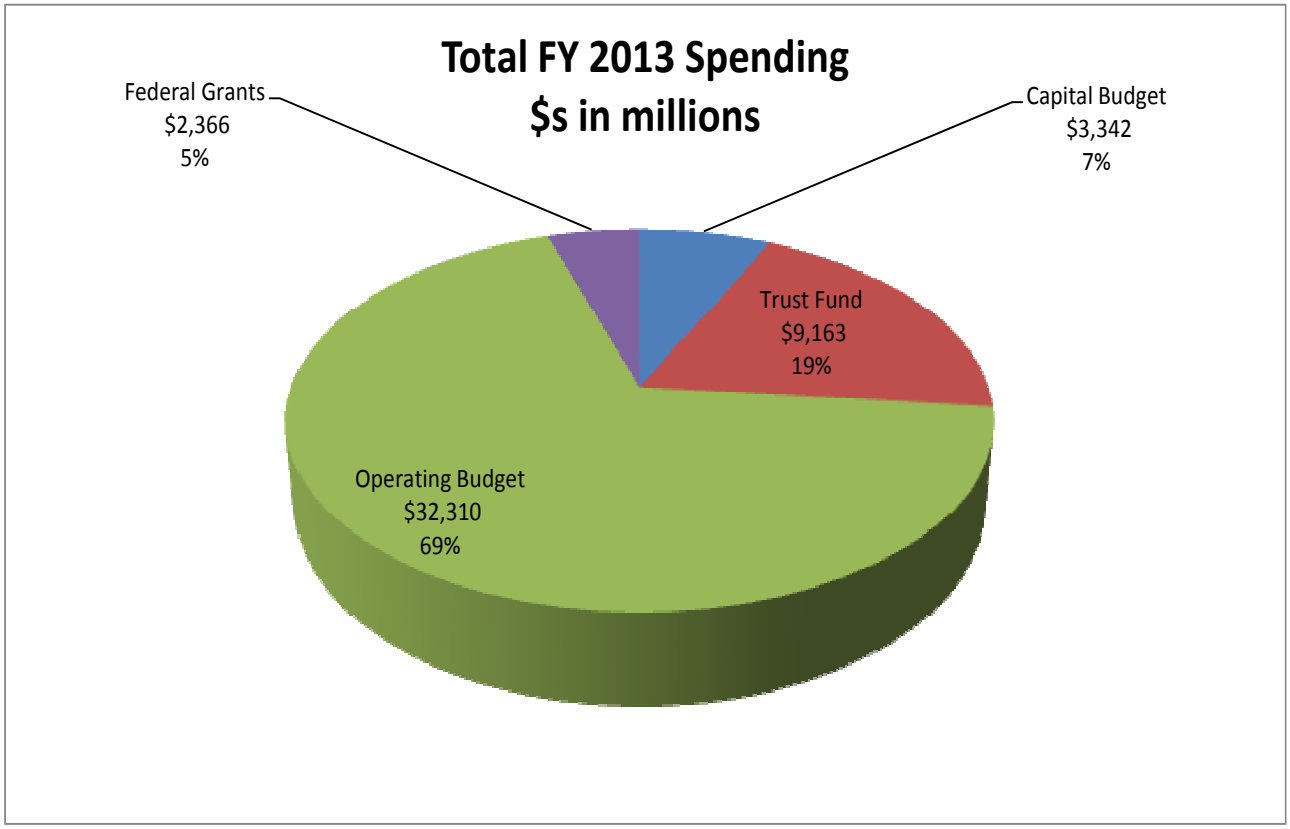
- **Trust Funds** – Most state agencies have established trusts to be held on their behalf by the state treasurer into which they are directed in law or through a trust document to deposit revenues made available to the agency for dedicated purposes and restrictions. In general, any unexpended funds in state agency trust funds from one fiscal year to another remain in the appropriate funds, made available in future years for further expenditures. Projected spending amounts for trust funds are listed for each department following the state budgetary line-items in the Appropriations Recommendations section.

- **Capital Projects** – Every year the state must spend billions of dollars to support required maintenance and improvement to its transportation infrastructure, housing developments, state parks, and environmental projects and investments in higher education institutions. While this spending is authorized by the State Legislature, the appropriations are generally in effect over a five-year period in recognition that many capital projects must span multiple fiscal years, from project inception to completion. Most capital projects spending is funded through bond sales, which allow the state to finance large scale projects through borrowing and paying annual debt payments, much like a family would sign a mortgage loan for a house. Please see the Capital Budget section in this document for further discussion of capital projects spending.

The following charts show that the state operating budget makes up the largest portion of state spending in comparison to all funding sources in any given year. Yet over 30% of total state spending occurs from non-budgetary sources. In the financial statements following this discussion, only the operating budgeted fund revenues and expenditures are displayed. It is important to note that there are further resources that are annually available to the state and its agencies beyond those subject to the annual budgeting process.


Total FY 2011 Spending
$s in millions
Federal Grants
$3,111
7%
Capital Budget
$3,150
7%
Trust Fund
$8,873
19%
Operating Budget
$30,636
67%


Total FY 2012 Spending
$s in millions
Federal Grants
$2,623
6%
Capital Budget
$3,378
7%
Trust Fund
$8,516
19%
Operating Budget
$31,374
68%


Total FY 2013 Spending
$s in millions
Federal Grants
$2,366
5%
Capital Budget
$3,342
7%
Trust Fund
$9,163
19%
Operating Budget
$32,310
69%

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Financial Statement Explanation

The following financial statements for FY 2011 (prior fiscal year), 2012 (current fiscal year) and 2013 (upcoming fiscal year) seek to the answer the question: Will the state's operating budget end the year in balance?

But what does "in balance", in this instance, mean? And how do the financial statements go about determining whether the Commonwealth ends a year in balance in accordance with that definition?

The definition of statutory balance can vary significantly from that of GAAP or structural. Statutory balance is just that, a reflection of statutory conditions informed by the Legislative process. Statutory balance is outlined in state finance law (Massachusetts General Law Chapter 29).

Here is the definition of "balanced budget" according to state finance law:

> "Balanced budget", a condition of state finance in which the following requirements are met:
>
> (i) the consolidated net surplus at the end of the fiscal year is greater than or equal to one-half of 1 per cent of state tax revenues for such fiscal year; and
>
> (ii) the amount transferred to the stabilization fund under subsection (a) of section 5C is greater than or equal to 1/2 of 1 per cent of state tax revenue for such fiscal year.

So what is the "consolidated net surplus"?

> "Consolidated net surplus in the budgetary funds" is the sum of the undesignated balances in the budgetary funds, except funds established by section 2H and section 2*I* and by section 2C of chapter 131.

So what is a "budgetary fund"?

> "Budgetary funds" are state funds that are subject to appropriation as provided in section six (of Chapter 29).

Budgeted operating funds are subject to appropriation of the state Legislature and receive most of the non-bond and non-federal grant revenues of the Commonwealth. Two of the budgeted operating funds account for most of the Commonwealth's spending: the General Fund and the Commonwealth Transportation Fund. Further background on each of the operating budgeted funds can be found in the "Budget Development" section of this document.

In essence, statutory balance is a measure of the fiscal condition of the Commonwealth that requires, after accounting for current year revenues and expenditures plus any designated revenues from prior years, stabilization deposit and funds carried forward, that four of the nine active budgetary funds (General Fund, Commonwealth Transportation Fund, Massachusetts Tourism Fund and the Commonwealth Health and Prevention Fund) close the fiscal year with an ending balance in those funds equal to 1% of that years tax revenue, ½ of that amount to be carry forward into the following fiscal year and the other ½ to be deposited into the Stabilization Fund. Any remaining undesignated balances after the calculation of the Consolidated Net Surplus would be deposited into the Stabilization Fund. It is important to note that not all of the budgeted operating funds are used to calculate Consolidated Net Surplus. Some of them, such as the Inland Fisheries and Game Fund and the Stabilization Fund, are excluded by law from the calculation. Therefore any remaining balances in these funds at the end of the year due not count toward whether the Commonwealth remains in balance.

As stated earlier, we are speaking in terms of "statutory balance" and that the Legislature can amend the definition of balance as it sees fit. For example, in recent years the Legislature has suspended the ½ of 1% deposit to the Stabilization Fund. It has also provided for the first $10 M of any remaining surplus to be dedicated to the Massachusetts Life Sciences Center. A further review of each fiscal year's financial statement yields

greater clarity about what amendments the Legislature may have made to the definition of balance for that respective year.

Now that we have a better understanding of what the term “balance” means in this instance, let us review a number of the lines from the Financial Statement to understand how balance is arrived at after accounting for all of the various inflows, outflows and statutory conditions placed on the state budget.

There are three main components to the Financial Statement: beginning balances, current year revenue and spending, and ending balances.

Section 1. Beginning Balances

	ALL FUNDS
FISCAL YEAR 2013 BEGINNING BALANCES	
Undesignated Fund Balance	127.4
Stabilization Fund Balance	1,342.3
Designated for Continuing Appropriations into FY2013	0.0
Designated for Debt Service	19.2
SUBTOTAL, FISCAL YEAR 2013 BEGINNING BALANCES	**1,488.8**

“Undesignated Fund Balance”

This line represents the undesignated closing balances in the budgeted funds from the preceding year. This line usually is comprised with whatever the ½ of 1% carry forward turned out to be and any of the budgeted funds that are not part of the Consolidated Net Surplus calculation and are allowed to retain any year end balances that they may have. The Inland Fisheries and Game Fund is one such example.

“Stabilization Fund Balance”

This line, unsurprisingly enough, reflects the ending balance of the Stabilization Fund. The purpose of the fund was to create and maintain a reserve to which any available portion of a consolidated net surplus in the operating funds would be transferred to and from which appropriations may be made for the following purposes: “(1) to make up any difference between actual state revenues and allowable state revenues in any fiscal year in which actual revenues fall below the allowable amount and (2) to replace the state and local loss of federal funds or (3) for any event which threatens the health, safety or welfare of the people or the fiscal stability of the commonwealth or any of its political subdivisions”.

“Designated for Continuing Appropriations into FY2013”

This line includes the value of "Prior Appropriations Continued" or "PACs", which are re-appropriated unexpended and unencumbered monies from one fiscal year for the subsequent fiscal year. In essence, the Legislature appropriated money in one fiscal year that for one reason or another went unspent by the time that fiscal year closed. This money is then carried forward to be made available for expenditure in the next fiscal year.

“Designated for Debt Service”

This line represents unspent balances reserved for debt service (where money must remain with the escrow agent after being transferred there during the fiscal year). Due to certain covenants in debt service trust agreements (for example gas tax bonds) the Commonwealth is required to deposit specific streams of revenue with bond trustees. At the end of each fiscal year, this revenue is held by the fiscal agent and applied to the following year’s debt service. These amounts show as reserved or designated on the Commonwealth’s financial statements, and reduce the undesignated balances.

Section 2: Current Year Revenue and Spending

CURRENT YEAR REVENUES AND OTHER SOURCES	
Gross Tax Revenues	21,950.0
Tax Related Revenue Initiatives	154.4
Sales Tax Dedicated to the MBTA	(786.8)
Annual State Contribution to the State Pension System	(1,552.0)
Sales Tax Dedicated to the SBA	(699.2)
Workforce Training Trust Fund Transfer	(20.2)
SubTotal: Net Tax Revenue Available for Budget	19,046.2
Federal Reimbursements	8,014.7
Departmental Revenue	3,210.6
Consolidated Transfers	1,765.4
SRBTF Portion of Tobacco Settlement Payment	(27.6)
SUBTOTAL, FISCAL YEAR 2013 REVENUES	**32,009.7**
TOTAL, FISCAL YEAR 2013 AVAILABLE RESOURCES	**33,498.4**

"Current Year Revenues and Other Sources"

This section includes budgeted revenues and other financial resources pertaining to the budgeted funds, such as inflows from tax and non tax sources, including Taxes, Federal Reimbursements, Departmental Revenue and Consolidated Transfers, that are directed by law to be accounted and reported to a fund which is subject to annual appropriation. Descriptions of each revenue category are provided below.

"Gross Tax Revenues"

On or before January 15 of each year, the Secretary is required to develop jointly with the House and Senate Committees on Ways and Means a consensus tax revenue forecast for the following fiscal year. The "Gross Tax Revenues" figure represents this consensus revenue estimate, upon which the three branches base their respective budgets on, before adjusting for statutorily required transfers to off budget trust funds (see descriptions of "Sales Tax Dedicated to the MBTA", "Sales Tax Dedicated to the SBA" and "Annual State Contribution to State Pension System" below for further background on these transfers).

"Tax Related Revenue Initiatives"

This line reflects tax related revenue initiatives recommended by the Governor - further detailed in the "Budget Development" section of this budget document.

"Sales Tax Dedicated to the MBTA"

The amount dedicated to the Massachusetts Bay Transportation Authority is the amount raised by a 1% sales tax (not including meals), with an inflation-adjusted floor.

"Annual State Contribution to the State Pension System"

Beginning in FY 2005, state finance law has required that the consensus tax revenue forecasts be net of the amount necessary to fully fund the pension system according to the applicable funding schedule, which amount is

to be transferred without further appropriation from the General Fund to the Commonwealth's Pension Liability Fund.

"Sales Tax Dedicated to the SBA"

The amount dedicated to the School Building Authority is the amount raised by a 1% sales tax (not including meals).

"Workforce Training Trust Fund Transfer"

The FY 2012 General Appropriations Act included a reform to the funding structure of the Workforce Training Fund by funding the program through an "off-budget" trust fund. Tax revenues are now transferred into the non-budgetary trust fund and the recently established trust fund is not subject to appropriation.

"Federal Reimbursements"

Federal revenues are collected through reimbursements for the federal share of entitlement programs such as Medicaid and through block grants for programs such as Transitional Assistance to Needy Families (TANF). The amount of federal reimbursements to be received is determined by state expenditures for these programs.

"Departmental Revenue"

Departmental and other non-tax revenues are derived from licenses, tuition, fees and reimbursements and assessments for services.

"Consolidated Transfers"

Consolidated transfers reflect inflows to the General Fund from non-budgeted funds which include annual tobacco settlement proceeds received as part of the Master Settlement Agreement with tobacco companies, net revenues from the State Lottery Fund, fringe revenue to recoup the cost of various statewide benefits assessed on non-budgeted funds and revenues from the Commonwealth's Abandoned Property Division.

"SRBTF Portion of Tobacco Settlement Payment"

In FY 2013, 10% of the state's annual tobacco settlement receipts, or $27 M, will be set aside to help prepare for this liability. This percentage will grow each year by 10 percentage points (e.g., in FY 2014, 20% of tobacco settlement payments), until 100%, or an estimated $276 M, is dedicated annually to help offset these costs.

EXPENDITURES AND USES	
Sections 2 & 3 Direct Appropriations	30,207.7
Section 2E Operating Transfers	2,102.8
Contingency Reserve	0.0
Unspent Appropriations Continued to Fiscal Year 2014	0.0
TOTAL, FISCAL YEAR 2013 EXPENDITURES	**32,310.5**
END OF FISCAL YEAR RESERVED BALANCES	
Designated for Continuing Appropriations	0.0
Designated for Debt Service	19.2
FISCAL YEAR 2013 UNDESIGNATED FUND BALANCE	**1,168.8**
Fund Balance Deficit Elimination Transfers	0.0
UNDESIGNATED FUND BALANCE	**1,168.7**
Balances Reserved in Other Budgeted Funds	(1,058.2)

“Sections 2 & 3 Direct Appropriations”

This line represents all appropriations made through various appropriation vehicles – for the most part by the budget act (General Appropriations Act or GAA) and supplemental spending bills.

It also captures:

- "Prior Appropriations continued" or "PACs", a phrase used to reappropriate unexpended and unencumbered monies from one fiscal year for the subsequent fiscal year. In this row we are spending what was carried in the “Designated for Continuing Appropriations into FY 2013” row in the Beginning Balances section of the document.
- "Retained revenue", the income of state agency or other public instrumentality from its operations which by law it is allowed to expend for a particular purpose up to a specified limit without further appropriation which would otherwise be subject to direct appropriation.

“Section 2E Operating Transfers”

This line reflects a transfer of funds from a budgeted fund to non-budgeted funds. An example of this is the transfer from the General Fund to the Commonwealth Care Trust Fund. The distinction between these transfers and the SBA, MBTA and Pension transfers is that those are required by law to be netted from the Consensus Revenue estimate and are not subject to appropriation.

“Contingency Reserve”

This row captures estimates for any potential further appropriations that may be requested through supplemental budget legislation for projected funding deficiencies.

“Unspent Appropriations Continued to FY 2014”

This row reflects current year available spending that will be carried forward to be spent in the next fiscal year, in other words it represents current year PACs. PACs are reflected as a negative figure because they are reducing the current year spending total. The distinction between this row and the PACs carried in the “Direct

Appropriations" row is that the latter is spending PACs from the previous fiscal year whereas the former is PACing money to the next fiscal year.

"Designated for Continuing Appropriations"

You may recall that the current year spending number does not count PACs as being spent; instead it counts PACs as a reduction in total available and therefore a reduction in total spending. However, showing PACs as unspent would increase the Undesignated Fund Balance in a misleading way since the extra balance created by the negative PAC entry is not undesignated and cannot be calculated as part of the Consolidated Net Surplus. The PACs must be considered spent or reserve for the calculation of surplus. This row accomplishes this by adding the PAC number back in so that we can have an accurate representation of "undesignated fund balances" that will ultimately be calculated as part of the Consolidated Net Surplus.

"Fund Balance Deficit Elimination Transfers"

Prior to calculating the Consolidated Net Surplus, the state Comptroller is under law required to eliminate deficits in any of the budgeted funds by transferring positive balances, proportionally, in any other budgeted funds that contribute to the Consolidated Net Surplus:

> (c) all transfers specified in this section shall be made from the undesignated fund balances in the budgetary funds proportionally from those undesignated fund balances, but no such transfer shall cause a deficit in any of those funds; provided, however, that prior to certifying the consolidated net surplus in accordance with this section, the comptroller shall, to the extent possible, eliminate deficits in any fund contributing to the surplus by transferring positive fund balances from any other fund contributing to the surplus.

"Balances Reserved in Other Budgeted Funds"

As mentioned earlier, state finance law excludes balances in certain budgeted funds from being used as part of the calculation of the Consolidated Net Surplus. This line eliminates those balances from the calculation as well as eliminating any funds that were reserved for future use, e.g., PACs.

Section 3. Ending Balances

CONSOLIDATED NET SURPLUS	**110.5**
STATUTORY CARRY FORWARD TO FY2014	**110.4**
STATUTORY TRANSFER TO STABILIZATION FUND	**0.0**
REMAINING SURPLUS DEPOSITED IN STABILIZATION FUND	**0.1**
FISCAL YEAR 2013 ENDING BALANCES	
Undesignated Fund Balance	131.5
Stabilization Fund Balance	1,037.2
Designated for Continuing Appropriations into FY2014	0.0
Designated for Debt Service	19.2
TOTALS, FISCAL YEAR 2013 ENDING BALANCES	**1,168.7**

"Statutory Carry Forward to FY 2014"

This is where the first measure of the Consolidated Net Surplus is calculated:

"(a) an amount equal to 1/2 of 1 per cent of the total revenue from taxes in the preceding fiscal year shall be available to be used as revenue for the current fiscal year... "

"Statutory Transfer to Stabilization Fund"

This where the second measure of the Consolidated Net Surplus is calculated:

"…and 1/2 of 1 per cent of the total revenue from taxes in the preceding fiscal year shall be transferred to the Stabilization Fund."

"Remaining Surplus Deposited In Stabilization Fund"

Any remaining funds available after the calculation of the Consolidated Net Surplus would be deposited into the Stabilization Fund.

"(b) any remaining amount of such consolidated net surplus after amounts made available in clause (a) shall be transferred to the Stabilization Fund;"

Of course the Legislature could put further restrictions on how the surplus is allocated. For example the Governor's FY 2013 budget recommendation includes an outside section that would transfer the first $15 M in any surplus to the Massachusetts Life Sciences Center. Such a condition was also put in place in the FY 2012 GAA.

"Undesignated Fund Balance" & "Stabilization Fund Balance" & "Designated for Continuing Appropriations in FY 2014" & "Designated for Debt Service"

The definitions of these four rows are identical to their counterparts in the "Beginning Balances" section, albeit with different figures due to the current year activity that took place.

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FISCAL YEAR 2011
FINANCIAL STATEMENT

Budgeted Funds (in millions)

	ALL FUNDS	GENERAL FUND	WORKFORCE TRAINING	COMM. TRNSP FUND	MASS TOURISM	SUBSTANCE ABUSE FUND	STABIL. FUND	OTHER FUNDS
FISCAL YEAR 2011 BEGINNING BALANCES								
Undesignated Fund Balance	111.3	54.6	11.2	0.0	28.2	0.0	0.0	17.3
Stabilization Fund Balance	669.8	0.0	0.0	0.0	0.0	0.0	669.8	0.0
Designated for Continuing Appropriations into FY2011	111.1	102.0	5.0	0.0	0.0	0.0	0.0	4.1
Designated for Debt Service	10.8	0.0	0.0	10.8	0.0	0.0	0.0	0.0
SUBTOTAL, FISCAL YEAR 2011 BEGINNING BALANCES	**903.1**	**156.7**	**16.2**	**10.8**	**28.2**	**0.0**	**669.8**	**21.4**
CURRENT YEAR REVENUES AND OTHER SOURCES								
Gross Tax Revenues	20,516.7	19,449.9	20.4	962.1	38.6	43.1	1.6	0.9
Sales Tax Dedicated to the MBTA	(767.1)	(767.1)	0.0	0.0	0.0	0.0	0.0	0.0
Annual State Contribution to State Pension System	(1,441.8)	(1,441.8)	0.0	0.0	0.0	0.0	0.0	0.0
Sales Tax Dedicated to the SBA	(654.6)	(654.6)	0.0	0.0	0.0	0.0	0.0	0.0
SubTotal: Net Tax Revenue Available for Budget	17,653.2	16,586.4	20.4	962.1	38.6	43.1	1.6	0.9
Federal Reimbursements	9,299.5	9,295.3	0.0	0.0	0.0	0.0	0.0	4.2
Departmental Revenue	2,911.6	2,396.2	0.0	499.2	0.0	0.0	9.0	7.2
Consolidated Transfers	1,779.1	1,497.1	(3.8)	(32.9)	(28.1)	(1.5)	350.0	(1.7)
SUBTOTAL, FISCAL YEAR 2011 REVENUES	**31,643.4**	**29,775.0**	**16.6**	**1,428.4**	**10.5**	**41.6**	**360.7**	**10.6**
TOTAL, FISCAL YEAR 2011 AVAILABLE RESOURCES	**32,546.5**	**29,931.7**	**32.8**	**1,439.2**	**38.7**	**41.6**	**1,030.5**	**32.0**
TOTAL, FISCAL YEAR 2011 EXPENDITURES	**30,636.0**	**29,138.8**	**19.3**	**1,359.5**	**2.0**	**106.3**	**0.0**	**10.1**
END OF FISCAL YEAR RESERVED BALANCES								
Designated for Continuing Appropriations	380.8	367.0	9.7	0.0	0.0	0.0	0.0	4.1
Designated for Debt Service	19.2	0.0	0.0	19.2	0.0	0.0	0.0	0.0
FISCAL YEAR 2011 UNDESIGNATED FUND BALANCE	**1,510.4**	**425.9**	**3.8**	**60.5**	**36.7**	**(64.7)**	**1,030.5**	**17.8**
Fund Balance Deficit Elimination Transfers	0.0	(52.3)	(0.5)	(7.4)	(4.5)	64.7	0.0	(0.0)
UNDESIGNATED FUND BALANCE	**1,510.4**	**373.6**	**3.4**	**53.1**	**32.2**	**0.0**	**1,030.5**	**17.8**
Balances Reserved in Other Budgeted Funds	(1,048.2)	0.0	0.0	0.0	0.0	0.0	(1,030.5)	(17.8)
CONSOLIDATED NET SURPLUS	**462.2**	**373.6**	**3.4**	**53.1**	**32.2**	**0.0**	**0.0**	**0.0**
STATUTORY CARRY FORWARD TO FY2012	**103.9**							
STATUTORY TRANSFER TO STABILIZATION FUND	**103.9**							
STATUTORY TRANSFER TO LIFE SCIENCES FUND	**10.0**							
REMAINING SUPLUS DEPOSITED IN STABILIZATION FUND	**244.7**							
FISCAL YEAR 2011 ENDING BALANCES								
Undesignated Fund Balance	121.6	83.9	0.8	11.9	7.2	0.0	0.0	17.8
Stabilization Fund Balance	1,379.1	0.0	0.0	0.0	0.0	0.0	1,379.1	0.0
Designated for Continuing Appropriations into FY2012	380.8	367.0	9.7	0.0	0.0	0.0	0.0	4.1
Designated for Debt Service	19.2	0.0	0.0	19.2	0.0	0.0	0.0	0.0
TOTALS, FISCAL YEAR 2011 ENDING BALANCES	**1,900.8**	**450.9**	**10.5**	**31.2**	**7.2**		**1,379.1**	**21.9**

FISCAL YEAR 2012
FINANCIAL STATEMENT
Budgeted Funds (in millions)

	ALL FUNDS	GENERAL FUND	WORKFORCE TRAINING	COMM. TRNSP FUND	MASS TOURISM	STABIL. FUND	OTHER FUNDS
FISCAL YEAR 2012 BEGINNING BALANCES							
Undesignated Fund Balance	121.6	83.9	0.8	11.9	7.2	0.0	17.8
Stabilization Fund Balance	1,379.1	0.0	0.0	0.0	0.0	1,379.1	0.0
Designated for Continuing Appropriations into FY2012	380.8	367.0	9.7	0.0	0.0	0.0	4.1
Designated for Debt Service	19.2	0.0	0.0	19.2	0.0	0.0	0.0
SUBTOTAL, FISCAL YEAR 2012 BEGINNING BALANCES	**1,900.8**	**450.9**	**10.5**	**31.1**	**7.2**	**1,379.1**	**21.9**
CURRENT YEAR REVENUES AND OTHER SOURCES							
Gross Tax Revenues	21,010.1	19,986.1	19.6	963.2	40.3	0.0	0.9
Sales Tax Dedicated to the MBTA	(779.1)	(779.1)	0.0	0.0	0.0	0.0	0.0
Annual State Contribution to the State Pension System	(1,478.0)	(1,478.0)	0.0	0.0	0.0	0.0	0.0
Sales Tax Dedicated to the SBA	(664.3)	(664.3)	0.0	0.0	0.0	0.0	0.0
Workforce Training Trust Fund Transfer	(19.6)	0.0	(19.6)	0.0	0.0	0.0	0.0
SubTotal: Net Tax Revenue Available for Budget	18,069.1	17,064.7	0.0	963.2	40.3	0.0	0.9
Federal Reimbursements	7,823.6	7,818.1	0.0	0.0	0.0	0.0	5.5
Departmental Revenue	3,129.4	2,596.4	0.0	516.5	0.0	9.1	7.4
Consolidated Transfers	1,940.8	1,988.7	0.0	0.0	(0.3)	(46.2)	(1.5)
SUBTOTAL, FISCAL YEAR 2012 REVENUES	**30,963.0**	**29,467.9**	**0.0**	**1,479.7**	**40.0**	**(37.1)**	**12.4**
TOTAL, FISCAL YEAR 2012 AVAILABLE RESOURCES	**32,863.7**	**29,918.8**	**10.5**	**1,510.8**	**47.3**	**1,342.0**	**34.3**
EXPENDITURES AND USES							
Sections 2 & 3 Direct Appropriations	29,566.2	28,518.6	9.7	1,017.9	8.1	0.0	11.9
Section 2E Operating Transfers	1,505.7	1,142.8	0.0	362.9	0.0	0.0	0.0
Contingency Reserve	303.0	302.0	0.0	1.0	0.0	0.0	0.0
Unspent Appropriations Continued to Fiscal Year 2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL, FISCAL YEAR 2012 EXPENDITURES	**31,374.9**	**29,963.4**	**9.7**	**1,381.8**	**8.1**	**0.0**	**11.9**
END OF FISCAL YEAR RESERVED BALANCES							
Designated for Continuing Appropriations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated for Debt Service	19.2	0.0	0.0	19.2	0.0	0.0	0.0
FISCAL YEAR 2012 UNDESIGNATED FUND BALANCE	**1,469.6**	**(44.6)**	**0.8**	**109.8**	**39.2**	**1,342.0**	**22.4**
Fund Balance Deficit Elimination Transfers	0.0	44.6	(0.2)	(32.7)	(11.7)	0.0	0.0
UNDESIGNATED FUND BALANCE	**1,469.6**	**0.0**	**0.6**	**77.1**	**27.5**	**1,342.0**	**22.4**
Balances Reserved in Other Budgeted Funds	(1,364.4)	0.0	0.0	0.0	0.0	1,342.0	22.4
CONSOLIDATED NET SURPLUS	**105.2**	**0.0**	**0.6**	**77.1**	**27.5**	**0.0**	**0.0**
STATUTORY CARRY FORWARD TO FY2013	**105.0**						
STATUTORY TRANSFER TO STABILIZATION FUND	**0.0**						
REMAINING SURPLUS DEPOSITED IN STABILIZATION FUND	**0.3**						
FISCAL YEAR 2012 ENDING BALANCES							
Undesignated Fund Balance	127.4	0.0	0.5	77.1	27.4	0.0	22.4
Stabilization Fund Balance	1,342.2	0.0	0.0	0.0	0.0	1,342.2	0.0
Designated for Continuing Appropriations into FY2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated for Debt Service	19.2	0.0	0.0	19.2	0.0	0.0	0.0
TOTALS, FISCAL YEAR 2012 ENDING BALANCES	**1,488.8**	**0.0**	**0.5**	**96.3**	**27.4**	**1,342.2**	**22.4**

FISCAL YEAR 2013
FINANCIAL STATEMENT
Budgeted Funds (in millions)

	ALL FUNDS	GENERAL FUND	WORKFORCE TRAINING	COMM. TRNSP FUND	MASS TOURISM	HEALTH & PREVENTION	STABIL. FUND	OTHER FUNDS
FISCAL YEAR 2013 BEGINNING BALANCES								
Undesignated Fund Balance	127.4	0.0	0.5	77.0	27.4	0.0	0.0	22.4
Stabilization Fund Balance	1,342.2	0.0	0.0	0.0	0.0	0.0	1,342.2	0.0
Designated for Continuing Appropriations into FY2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated for Debt Service	19.2	0.0	0.0	19.2	0.0	0.0	0.0	0.0
SUBTOTAL, FISCAL YEAR 2013 BEGINNING BALANCES	**1,488.8**	**0.0**	**0.5**	**96.2**	**27.4**	**0.0**	**1,342.2**	**22.4**
CURRENT YEAR REVENUES AND OTHER SOURCES								
Gross Tax Revenues	21,950.0	20,885.9	20.2	998.3	44.7	0.0	0.0	0.9
Tax Related Revenue Initiatives	154.4	86.6	0.0	3.8	2.5	61.5	0.0	0.0
Sales Tax Dedicated to the MBTA	(786.8)	(786.8)	0.0	0.0	0.0	0.0	0.0	0.0
Annual State Contribution to the State Pension System	(1,552.0)	(1,552.0)	0.0	0.0	0.0	0.0	0.0	0.0
Sales Tax Dedicated to the SBA	(699.2)	(689.4)	0.0	0.0	0.0	(9.8)	0.0	0.0
Workforce Training Trust Fund Transfer	(20.2)	0.0	(20.2)	0.0	0.0	0.0	0.0	0.0
SubTotal: Net Tax Revenue Available for Budget	19,046.2	17,944.3	0.0	1,002.1	47.2	51.7	0.0	0.9
Federal Reimbursements	8,014.7	8,009.2	0.0	0.0	0.0	0.0	0.0	5.5
Departmental Revenue	3,210.6	2,665.7	0.0	528.4	0.0	0.0	9.1	7.4
Consolidated Transfers	1,765.4	2,083.2	0.0	0.0	(0.4)	(1.5)	(314.1)	(1.8)
SRBTF Portion of Tobacco Settlement Payment	(27.6)	(27.6)	0.0	0.0	0.0	0.0	0.0	0.0
SUBTOTAL, FISCAL YEAR 2013 REVENUES	**32,009.7**	**30,675.2**	**0.0**	**1,530.5**	**46.8**	**50.2**	**(305.0)**	**12.0**
TOTAL, FISCAL YEAR 2013 AVAILABLE RESOURCES	**33,498.4**	**30,675.2**	**0.5**	**1,626.7**	**74.2**	**50.2**	**1,037.2**	**34.4**
EXPENDITURES AND USES								
Sections 2 & 3 Direct Appropriations	30,207.7	28,976.0	0.0	1,158.5	9.0	50.9	0.0	13.3
Section 2E Operating Transfers	2,102.8	1,754.6	0.0	348.2	0.0	0.0	0.0	0.0
Contingency Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unspent Appropriations Continued to Fiscal Year 2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL, FISCAL YEAR 2013 EXPENDITURES	**32,310.5**	**30,730.6**	**0.0**	**1,506.7**	**9.0**	**50.9**	**0.0**	**13.3**
END OF FISCAL YEAR RESERVED BALANCES								
Designated for Continuing Appropriations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated for Debt Service	19.2	0.0	0.0	19.2	0.0	0.0	0.0	0.0
FISCAL YEAR 2013 UNDESIGNATED FUND BALANCE	**1,168.8**	**(55.4)**	**0.5**	**100.7**	**65.3**	**(0.7)**	**1,037.2**	**21.1**
Fund Balance Deficit Elimination Transfers	0.0	55.4	(0.2)	(33.9)	(22.0)	0.7	0.0	0.0
UNDESIGNATED FUND BALANCE	**1,168.7**	**0.0**	**0.3**	**66.8**	**43.3**	**0.0**	**1,037.2**	**21.1**
Balances Reserved in Other Budgeted Funds	(1,058.2)	0.0	0.0	0.0	0.0	0.0	1,037.2	21.0
CONSOLIDATED NET SURPLUS	**110.5**	**0.0**	**0.3**	**66.8**	**43.3**	**0.0**	**0.0**	**0.0**
STATUTORY CARRY FORWARD TO FY2014	**110.4**							
STATUTORY TRANSFER TO STABILIZATION FUND	**0.0**							
REMAINING SURPLUS DEPOSITED IN STABILIZATION FUND	**0.1**							
FISCAL YEAR 2013 ENDING BALANCES								
Undesignated Fund Balance	131.5	0.0	0.3	66.8	43.3	0.0	0.0	21.1
Stabilization Fund Balance	1,037.2	0.0	0.0	0.0	0.0	0.0	1,037.2	0.0
Designated for Continuing Appropriations into FY2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated for Debt Service	19.2	0.0	0.0	19.2	0.0	0.0	0.0	0.0
TOTALS, FISCAL YEAR 2013 ENDING BALANCES	**1,168.7**	**0.0**	**0.3**	**66.8**	**43.3**	**0.0**	**1,037.2**	**21.1**

ENSE PETIT
PLACIDAM
SVB LIBERTATE
QVIETEM

All Funds Balances (in millions)

This table consolidates all the budgeted funds which are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions. Major budgeted funds include the General, Stabilization, Massachusetts Tourism, Commonwealth Transportation, and Commonwealth Health and Prevention funds.

	FY11	FY12	FY13
Beginning Fund Balances	903.1	1,900.8	1,488.8
Taxes	17,653.2	18,069.1	19,046.2
Federal Revenues	9,299.5	7,823.6	8,014.7
Departmental Revenues			
- Operating Transfers In	1,219.4	34.7	28.7
- Fees	1,010.1	1,046.0	1,057.4
- Reimbursement for Services	706.2	737.6	846.3
- Special Assessments	443.4	458.8	451.7
- Federal Reimbursement	178.8	233.1	236.9
- Fringe Benefit Recovery Cost	177.0	0.0	95.0
- Revenue Collections by Courts	116.3	101.1	99.6
- Licenses and Permits	111.2	117.0	116.5
- Pensions - Other	55.2	42.5	41.6
- Unclaimed Deposits	35.7	36.3	58.6
- Rents	34.8	35.5	32.3
- Fines and Penalties	34.2	66.3	46.2
- Revenue Maximization	31.7	25.0	25.0
- Interest Income	14.9	19.2	23.0
- Sale of Goods	12.0	12.9	11.1
- Deeds County Correction	0.2	0.2	0.3
- Federal Grant	0.0	35.0	0.0
- Other Sources	0.0	2.2	3.5
- Miscellaneous	(1,269.5)	128.3	38.5
Consolidated Transfers	1,779.1	1,938.5	1,764.2
Total Revenues	**31,643.4**	**30,962.9**	**32,037.4**
Transfers from Other Funds	0.0	0.1	(27.7)
Total Available	**32,546.5**	**32,863.7**	**33,498.4**
Local Aid	4,784.7	4,929.9	5,016.3
Medicaid	10,237.3	10,432.6	10,950.9
Debt Service	1,937.9	2,257.0	2,435.5
Judiciary	776.0	760.6	630.9
Independents	3,295.5	936.3	857.8
Administration & Finance	1,534.4	2,737.5	2,848.9
Energy & Environmental Affairs	185.0	194.1	206.9
Health & Human Services	4,622.3	5,346.1	5,443.5
Transportation	0.0	363.9	348.2
Housing & Economic Development	365.4	393.2	431.3
Labor & Workforce Development	55.7	57.2	39.9

Education	1,873.4	1,947.9	1,969.5
Public Safety	910.6	954.1	1,069.7
Legislature	57.9	63.9	61.2
Total Expenditures	**30,636.0**	**31,374.4**	**32,310.4**
Transfers to Other Funds	9.7	0.5	19.3
Ending Fund Balances	**1,900.8**	**1,488.8**	**1,168.7**

General Fund Balances (in millions)

The General Fund is the Commonwealth's primary Governmental Fund. All governmental activities not specifically directed to another fund are accounted for in the General Fund. As a result, most budgeted expenditures of the Executive secretariats, the Legislature, Constitutional offices, Judiciary, institutions of higher education and independent commissions are paid for from the General Fund. It similarly receives a significant portion of sales, individual income and corporate taxes, and the full amount of most other governmental taxes.

	FY11	FY12	FY13
Beginning Fund Balances	156.7	450.9	0.0
Taxes	16,586.4	17,064.7	17,944.3
Federal Revenues	9,295.3	7,818.1	8,009.2
Departmental Revenues			
- Reimbursement for Services	706.2	737.6	846.3
- Fees	522.9	542.1	541.5
- Special Assessments	430.0	445.1	438.2
- Federal Reimbursement	178.8	233.1	236.9
- Fringe Benefit Recovery Cost	177.0	0.0	95.0
- Revenue Collections by Courts	116.1	101.1	99.4
- Licenses and Permits	105.7	111.5	111.0
- Pensions - Other	55.2	42.5	41.6
- Unclaimed Deposits	35.7	36.3	58.6
- Rents	34.4	35.4	32.3
- Fines and Penalties	34.1	66.1	46.1
- Operating Transfers In	32.0	34.7	28.7
- Revenue Maximization	31.7	25.0	25.0
- Sale of Goods	11.7	12.5	10.7
- Interest Income	5.8	10.1	13.9
- Deeds County Correction	0.2	0.2	0.3
- Federal Grant	0.0	35.0	0.0
- Other Sources	0.0	2.2	3.5
- Miscellaneous	(81.3)	128.1	38.4
Consolidated Transfers	1,497.1	1,986.4	2,081.9
Total Revenues	**29,775.0**	**29,467.8**	**30,702.8**
Transfers from Other Funds	0.0	0.1	(27.6)
Total Available	**29,931.7**	**29,918.8**	**30,675.2**
Local Aid	4,784.7	4,929.9	5,016.3
Medicaid	10,237.3	10,432.6	10,950.9
Debt Service	945.1	1,239.2	1,416.1
Judiciary	776.0	760.6	630.9
Independents	2,981.8	936.3	857.8
Administration & Finance	1,481.3	2,737.5	2,848.9
Energy & Environmental Affairs	175.0	182.1	193.7
Health & Human Services	4,523.0	5,346.1	5,392.6
Housing & Economic Development	363.4	385.0	422.3
Labor & Workforce Development	36.4	47.5	39.9
Education	1,873.4	1,947.9	1,969.5
Public Safety	903.6	954.1	930.6
Legislature	57.9	63.9	61.2
Total Expenditures	**29,138.8**	**29,962.8**	**30,730.6**
Transfers to Other Funds	342.0	(44.0)	(55.4)

	FY11	FY12	FY13
Ending Fund Balances	**450.9**	**0.0**	**0.0**

Workforce Training Fund Balances (in millions)

The Workforce Training Fund, authorized in section 2RR of Chapter 29 of the General Laws and administered by the Executive Office of Labor and Workforce Development, provides employers with matching grants of up to $250,000 or more to help train new and incumbent workers. It was established in July 1998, and financed entirely by Massachusetts employers. In fiscal year 2011 the Fund was financed by an employer surcharge of .075% on employees' wages, paid concurrently with payments into the Unemployment Insurance Trust Fund. Annual state revenues from employer contributions total approximately $19 million, and state appropriations for training grants are continually rolled forward into future fiscal years to provide for multiple-year grant awards. House 1 includes a reform to the funding structure of the Workforce Training Fund by funding the program through an "off-budget" trust fund. This change will be responsive to private employers concerns that annual WTF contributions have been diverted in the past from job training initiatives and used for broader budget purposes.

	FY11	FY12	FY13
Beginning Fund Balances	16.2	10.5	0.5
Taxes	20.4	0.0	0.0
Consolidated Transfers	(3.8)	0.0	0.0
Total Revenues	**16.6**	**0.0**	**0.0**
Total Available	**32.8**	**10.5**	**0.5**
Labor & Workforce Development	19.3	9.7	0.0
Total Expenditures	**19.3**	**9.7**	**0.0**
Transfers to Other Funds	3.0	0.3	0.2
Ending Fund Balances	**10.5**	**0.5**	**0.3**

Commonwealth Transportation Fund Balances (in millions)

The Commonwealth Transportation Fund accounts for road and highway use revenues, including the gas tax, registry fees and 0.385% of the sales tax. The fund is used to pay debt service associated with highway maintenance and construction projects and provides funding for the operation of the independent Massachusetts Department of Transportation (MassDOT). Established as part of the historic transportation reforms implemented in fiscal year 2010, the fund replaces the former Highway Fund as the principal source of transportation related revenues and expenditures for the Commonwealth.

	FY11	FY12	FY13
Beginning Fund Balances	10.8	31.1	96.2
Taxes	962.1	963.2	1,002.1
Departmental Revenues			
- Fees	485.1	501.8	513.8
- Special Assessments	13.4	13.7	13.5
- Licenses and Permits	0.3	0.3	0.3
- Sale of Goods	0.3	0.4	0.4
- Revenue Collections by Courts	0.2	0.0	0.2
- Fines and Penalties	0.0	0.1	0.1
- Miscellaneous	0.0	0.1	0.1
Consolidated Transfers	(32.9)	0.0	0.0
Total Revenues	**1,428.4**	**1,479.7**	**1,530.5**
Total Available	**1,439.2**	**1,510.8**	**1,626.7**
Debt Service	992.8	1,017.9	1,019.4
Independents	313.6	0.0	0.0
Administration & Finance	53.1	0.0	0.0
Transportation	0.0	363.9	348.2
Public Safety	0.0	0.0	139.1
Total Expenditures	**1,359.5**	**1,381.8**	**1,506.7**
Transfers to Other Funds	48.5	32.7	53.2
Ending Fund Balances	**31.2**	**96.3**	**66.**

Tourism Fund Balances (in millions)

The Massachusetts Tourism Fund, authorized in section 35J of Chapter 10 of the MGL, is funded with 35 percent of the State's annual revenues received from the hotel occupancy tax authorized in section 3 of Chapter 64G. The Fund's use is proscribed in Chapter 10, which includes a formula that assigns various funding levels for tourism promotion programs and activities, including the Massachusetts Office of Travel and Tourism, regional tourism promotion agencies, the Massachusetts Office of International Trade and Investment, and the Cultural Facilities Fund. While funding for the purposes prescribed in the section are being made in this budget, the specific requirements of the fund have been suspended through an outside section for the last several years.

	FY11	FY12	FY13
Beginning Fund Balances	28.2	7.2	27.4
Taxes	38.6	40.3	47.2
Consolidated Transfers	(28.1)	(0.3)	(0.4)
Total Revenues	**10.5**	**40.0**	**46.8**
Transfers from Other Funds	0.0	0.0	(0.1)
Total Available	**38.7**	**47.3**	**74.2**
Housing & Economic Development	2.0	8.1	9.0
Total Expenditures	**2.0**	**8.1**	**9.0**
Transfers to Other Funds	29.5	11.7	21.9
Ending Fund Balances	**7.2**	**27.4**	**43.3**

Commonwealth Health and Prevention Fund (in millions)

The Commonwealth Health and Prevention Fund, established in House 2, will collect revenues generated from the elimination of the existing sales tax exemptions on the purchase of soda and candy. Monies appropriated from this fund will support programs and services that augment the health and well-being of the citizens of the Commonwealth. This policy initiative aims to encourage healthy lifestyle choices.

	FY11	FY12	FY13
Beginning Fund Balances	0.0	0.0	0.0
Taxes	0.0	0.0	51.7
Consolidated Transfers	0.0	0.0	(1.5)
Total Revenues	**0.0**	**0.0**	**50.2**
Total Available	**0.0**	**0.0**	**50.2**
Health & Human Services	99.3	0.0	50.9
Public Safety	7.0	0.0	0.0
Total Expenditures	**106.3**	**0.0**	**50.9**
Transfers to Other Funds	(106.3)	0.0	(0.7)
Ending Fund Balances	**0.0**	**0.0**	**0.0**

Substance Abuse Prevention and Treatment Fund (in millions)

The Substance Abuse Prevention and Treatment Fund, established in the Fiscal Year 2011 General Appropriations Act, is funded with the proceeds from the fiscal year 2010 removal of the sales tax exemption from alcohol. The revenues were used for public health programs such as alcohol and tobacco addiction services, childhood health and nutrition services, and violence prevention. On November 2, 2010 the state's voters adopted Question 1 which reinstated the exemption of retail sales of alcohol from the states 6.25 percent sales tax. Therefore the Substance Abuse Prevention and Treatment Fund no longer has a dedicated revenue stream to support these programs beginning in Fiscal Year 2012. However, the Fiscal Year 2012 GAA and Governor's Fiscal Year 2013 budget recommendation include funding for these programs through other state budgetary funds, namely the General Fund.

	FY11	FY12	FY13
Beginning Fund Balances	0.0	0.0	0.0
Taxes	43.1	0.0	0.0
Consolidated Transfers	(1.5)	0.0	0.0
Total Revenues	**41.6**	**0.0**	**0.0**
Total Available	**41.6**	**0.0**	**0.0**
Independents	1.5	0.0	0.0
Total Expenditures	**1.5**	**0.0**	**0.0**
Transfers to Other Funds	40.1	0.0	0.0
Ending Fund Balances	**0.0**	**0.0**	**0.0**

Stabilization Fund Balances (in millions)

The Commonwealth Stabilization Fund is established in Chapter 29, section 2H of the General Laws as a reserve of surplus revenues to be used for the purposes of: (1) covering revenue shortfalls, (2) covering state or local losses of federal funds, or (3) for any event which threatens the health, safety or welfare of the people or the fiscal stability of the Commonwealth or any of its political subdivisions. The fund is sometimes referred to as the state's "rainy day fund," serving as a source of financial support for the state budget in times of slow or declining revenue growth and as the primary source of protection against having to make drastic cuts in state services in periods of economic downturns. There are a number of different ways monies can be deposited to the fund including but not limited to: the statutorily required deposit of 1/2 of 1 per cent of state tax revenue in a fiscal year, any capital gains revenue above and beyond $1 billion in a given fiscal year, deposits of any one-time settlements or judgments amounting to $10 million or more and ad hoc deposits as authorized by the state Legislature.

	FY11	FY12	FY13
Beginning Fund Balances	669.8	1,379.1	1,342.2
Taxes	1.6	0.0	0.0
Departmental Revenues			
- Interest Income	9.0	9.1	9.1
Consolidated Transfers	350.0	(46.2)	(314.1)
Total Revenues	**360.7**	**(37.1)**	**(305.0)**
Total Available	**1,030.5**	**1,342.0**	**1,037.2**
Transfers to Other Funds	(348.6)	(0.1)	0.0
Ending Fund Balances	**1,379.1**	**1,342.2**	**1,037.2**

Other Funds Balances (in millions)

These include the Inland Fisheries and Game Fund and Marine Recreational Fisheries Development Fund. The latter, which was recently established, accounts for all recreational saltwater fishing permit fees collected by the director of the division of marine fisheries. Fees collected in this fund shall be used for the development and administration of the recreational saltwater fishing permit program which supports science and conservation programs designed to improve recreational saltwater fishing.

	FY11	FY12	FY13
Beginning Fund Balances	21.4	21.9	22.4
Taxes	0.9	0.9	0.9
Federal Revenues	4.2	5.5	5.5
Departmental Revenues			
- Operating Transfers In	1,187.4	0.0	0.0
- Licenses and Permits	5.2	5.2	5.2
- Fees	2.1	2.1	2.1
- Rents	0.5	0.0	0.0
- Fines and Penalties	0.1	0.1	0.1
- Miscellaneous	(1,188.1)	0.0	0.0
Consolidated Transfers	(1.7)	(1.5)	(1.8)
Total Revenues	**10.6**	**12.4**	**12.0**
Total Available	**32.0**	**34.3**	**34.4**
Energy & Environmental Affairs	10.1	11.9	13.3
Total Expenditures	**10.1**	**11.9**	**13.3**
Ending Fund Balances	**21.9**	**22.4**	**21.**

Appropriation Recommendations 3-2

Section 1A - Revenue by Source and Fund 3-7

Section 1B -Non-Tax Revenue Summary 3-9

Fiscal Year 2013 Budget Development 3-9

FY 2013 Tax Revenues 3-10

Basis for the FY 2013 Consensus Revenue Forecast 3-12

FY 2013 Non-Tax Revenue Assumptions 3-19

Section 1C - Consolidated Transfers 3-21

Appropriation Recommendations 3-24

STATEWIDE SUMMARY 3-24

JUDICIARY 3-25
- Supreme Judicial Court 3-26
- Commission on Judicial Conduct 3-27
- Board of Bar Examiners 3-27
- Committee for Public Counsel Services 3-28
- Mental Health Legal Advisors Committee 3-29
- Appeals Court 3-30
- Trial Court 3-30

INDEPENDENT AGENCIES AND CONSTITUTIONAL OFFICERS 3-32

DISTRICT ATTORNEYS 3-33
- Suffolk District Attorney's Office 3-34
- Northern District Attorney's Office 3-34
- Eastern District Attorney's Office 3-35
- Middle District Attorney's Office 3-36
- Hampden District Attorney's Office 3-37
- Northwestern District Attorney's Office 3-38
- Norfolk District Attorney's Office 3-39
- Plymouth District Attorney's Office 3-40
- Bristol District Attorney's Office 3-41
- Cape and Islands District Attorney's Office 3-41
- Berkshire District Attorney's Office 3-42
- District Attorneys' Association 3-43

SHERIFFS 3-45
- Hampden Sheriff's Department 3-46
- Worcester Sheriff's Department 3-47
- Middlesex Sheriff's Department 3-48
- Franklin Sheriff's Department 3-49
- Hampshire Sheriff's Department 3-50
- Essex Sheriff's Department 3-50
- Berkshire Sheriff's Department 3-52

Massachusetts Sheriffs' Association 3-53
Barnstable Sheriff's Department 3-53
Bristol Sheriff's Department 3-54
Dukes Sheriff's Department 3-55
Nantucket Sheriff's Department 3-56
Norfolk Sheriff's Department 3-56
Plymouth Sheriff's Department 3-57
Suffolk Sheriff's Department 3-58

GOVERNOR'S OFFICE 3-59

SECRETARY OF THE COMMONWEALTH 3-60

TREASURER AND RECEIVER-GENERAL 3-63
Office of the Treasurer and Receiver-General 3-64
State Lottery Commission 3-66
Massachusetts Cultural Council 3-67

OFFICE OF THE STATE AUDITOR 3-69

ATTORNEY GENERAL 3-71
Office of the Attorney General 3-72
Victim and Witness Assistance Board 3-73

STATE ETHICS COMMISSION 3-75

OFFICE OF THE INSPECTOR GENERAL 3-76

OFFICE OF CAMPAIGN AND POLITICAL FINANCE 3-77

MASSACHUSETTS COMMISSION AGAINST DISCRIMINATION 3-78

COMMISSION ON THE STATUS OF WOMEN 3-80

DISABLED PERSONS PROTECTION COMMISSION 3-81

BOARD OF LIBRARY COMMISSIONERS 3-82

OFFICE OF THE COMPTROLLER 3-84

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE 3-86
Office of the Secretary of Administration and Finance 3-87
Massachusetts Developmental Disabilities Council 3-92
Division of Capital Asset Management and Maintenance 3-92
Bureau of the State House 3-94
Massachusetts Office on Disability 3-94
Teachers' Retirement Board 3-94
Group Insurance Commission 3-95
Public Employee Retirement Administration Commission 3-97
Division of Administrative Law Appeals 3-98
George Fingold Library 3-98
Department of Revenue 3-98
Appellate Tax Board 3-101
Human Resources Division 3-102
Civil Service Commission 3-104
Operational Services Division 3-104
Information Technology Division 3-106

The Health Care Security Trust 3-107

EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS 3-108
Office of the Secretary of Energy and Environmental Affairs 3-109
Department of Environmental Protection 3-110
Department of Fish and Game 3-114
Department of Agricultural Resources 3-117
State Reclamation Board 3-118
Department of Conservation and Recreation 3-119
Department of Public Utilities 3-123
Department of Energy Resources 3-125

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES 3-126

OFFICE OF THE SECRETARY OF HEALTH AND HUMAN SERVICES 3-127

DEPARTMENT OF ELDER AFFAIRS 3-135

OFFICE OF HEALTH SERVICES 3-139
Division of Health Care Finance and Policy 3-140
Department of Public Health 3-141
Department of Mental Health 3-157

OFFICE OF CHILDREN, YOUTH, AND FAMILY SERVICES 3-160
Office for Refugees and Immigrants 3-161
Department of Youth Services 3-162
Department of Transitional Assistance 3-163
Department of Children and Families 3-166

OFFICE OF DISABILITIES AND COMMUNITY SERVICES 3-169
Massachusetts Commission for the Blind 3-170
Massachusetts Rehabilitation Commission 3-171
Massachusetts Commission for the Deaf and Hard of Hearing 3-172
Soldiers' Home in Massachusetts 3-173
Soldiers' Home in Holyoke 3-174
Department of Developmental Services 3-175

DEPARTMENT OF VETERANS' SERVICES 3-178

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION 3-181

EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT 3-184
Office of the Secretary of Housing and Economic Development 3-185
Department of Business Development 3-185
Department of Housing and Community Development 3-186
Consumer Affairs and Business Regulation 3-196
Division of Banks 3-197
Division of Insurance 3-198
Division of Professional Licensure 3-198
Division of Standards 3-199
Department of Telecommunications and Cable 3-200
Massachusetts Marketing Partnership 3-200

EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT 3-202
Office of the Secretary of Labor and Workforce Development 3-203
Department of Career Services 3-203
Department of Unemployment Assistance 3-205
Department of Labor Standards 3-206

Department of Industrial Accidents 3-207
Department of Labor Relations 3-207

EXECUTIVE OFFICE OF EDUCATION 3-209

OFFICE OF THE SECRETARY OF EDUCATION 3-210

DEPARTMENT OF EARLY EDUCATION AND CARE 3-212

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION 3-216

DEPARTMENT OF HIGHER EDUCATION 3-223

UNIVERSITY OF MASSACHUSETTS 3-226

STATE UNIVERSITIES 3-227

COMMUNITY COLLEGES 3-234

EXECUTIVE OFFICE OF PUBLIC SAFETY AND SECURITY 3-241
Office of the Secretary of Public Safety and Security 3-242
Office of the Chief Medical Examiner 3-245
Department of Criminal Justice Information Services 3-245
Sex Offender Registry Board 3-246
Department of State Police 3-247
Municipal Police Training Committee 3-250
Department of Public Safety 3-251
Department of Fire Services 3-252
Military Division 3-253
Massachusetts Emergency Management Agency 3-255
Department of Correction 3-257
Department of Re-Entry and Community Supervision 3-258
Parole Board 3-259

LEGISLATURE 3-261
Senate 3-262
House of Representatives 3-262
Joint Legislative Operations 3-262

THE COMMONWEALTH OF MASSACHUSETTS

In the Year Two Thousand and Twelve

AN ACT MAKING APPROPRIATIONS FOR FISCAL YEAR 2013.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is immediately to make appropriations for the fiscal year beginning July 1, 2012, and to make certain changes in law, each of which is immediately necessary to carry out those appropriations or for other important public purposes, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. To provide for the maintenance of the several departments, boards, commissions and institutions and other services, and for certain permanent improvements and to meet certain requirements of law, the sums set forth in sections 2, 2B, 2D, 2E and 3, for the purposes and subject to the conditions specified in sections 2, 2B, 2D, 2E and 3, are hereby appropriated from the General Fund unless specifically designated otherwise, subject to laws regulating the disbursement of public funds for the fiscal year ending June 30, 2013. All sums appropriated under this act, including supplemental and deficiency budgets, shall be expended in a manner reflecting and encouraging a policy of nondiscrimination and equal opportunity for members of minority groups, women and disabled persons. All officials and employees of an agency, board, department, commission or division receiving monies under this act shall take affirmative steps to ensure equality of opportunity in the internal affairs of state government, as well as in their relations with the public, including those persons and organizations doing business with the commonwealth. Each agency, board, department, commission or division, in spending appropriated sums and discharging its statutory responsibilities, shall adopt measures to ensure equal opportunity in the areas of hiring, promotion, demotion or transfer, recruitment, layoff or termination, rates of compensation, in-service or apprenticeship training programs and all terms and conditions of employment.

Section 1A - Revenue by Source and Fund

SECTION 1A. In accordance with Articles LXIII and CVII of the Amendments to the Constitution and section 6D of chapter 29 of the General Laws, it is hereby declared that the amounts of revenue set forth in this section by source for the respective funds of the commonwealth for the fiscal year ending June 30, 2013 are necessary and sufficient to provide the means to defray the appropriations and expenditures from such funds for this fiscal year as set forth and authorized in sections 2, 2B and 2E. The comptroller shall keep a distinct account of actual receipts from each such source by each such fund to furnish the executive office for administration and finance and the house and senate committees on ways and means with quarterly statements comparing such receipts with the projected receipts set forth in this section and to include a full statement comparing such actual and projected receipts in the annual report for this fiscal year pursuant to section 13 of chapter 7A of the General Laws. The quarterly and annual reports shall also include detailed statements of any other sources of revenue for the budgeted funds in addition to those specified in this section.

Fiscal Year 2013 Revenue by Source Fund (in Millions)

Source	All Budgeted Funds	General Fund	Commonwealth Transportation Fund	Workforce Fund	Other *
Consensus Tax Revenue					
Alcoholic Beverages	77.1	77.1	0.0	0.0	0.0
Cigarettes	454.4	454.4	0.0	0.0	0.0
Corporations	1,836.5	1,836.5	0.0	0.0	0.0
Deeds	141.1	141.1	0.0	0.0	0.0
Estate Inheritance	246.5	246.5	0.0	0.0	0.0
Financial Institutions	112.7	112.7	0.0	0.0	0.0
Income	12,731.8	12,731.8	0.0	0.0	0.0
Insurance	335.4	335.4	0.0	0.0	0.0
Motor Fuels	678.7	0.0	677.8	0.0	0.9
Public Utilities	(32.3)	(32.3)	0.0	0.0	0.0
Room Occupancy	127.7	83.0	0.0	44.7	0.0
Sales - Regular	3,625.6	3,402.3	223.3	0.0	0.0
Sales - Meals	894.6	839.5	55.1	0.0	0.0
Sales - Motor Vehicles	683.2	641.1	42.1	0.0	0.0
Miscellaneous	16.8	16.8	0.0	0.0	0.0
Unemployment Insurance Surcharges	20.2	0.0	0.0	0.0	20.2
Total Consensus Tax Revenues:	**21,950.0**	**20,885.9**	**998.3**	**44.7**	**21.1**
Annual State Contribution to the State Pension System	(1,552.0)	(1,552.0)	0.0	0.0	0.0
Sales Tax Dedicated to the MBTA	(786.8)	(786.8)	0.0	0.0	0.0
Sales Tax Dedicated to the SBA	(689.4)	(689.4)	0.0	0.0	0.0
Workforce Training Trust Fund Transfer	(20.2)	0.0	0.0	0.0	(20.2)
Total Consensus Tax Revenues for Budget:	**18,901.6**	**17,857.7**	**998.3**	**44.7**	**0.9**
Revenue Initiatives					
House 2 Tax Related Revenue Initiatives	154.4	86.6	3.8	2.5	61.5
SBA Share of Tax Related Revenue Initiatives	(9.8)	0.0	0.0	0.0	(9.8)
Subtotal of Tax Initiatives:	**144.6**	**86.6**	**3.8**	**2.5**	**51.7**
Total Taxes Available for	**19,046.2**	**17,944.3**	**1,002.1**	**47.2**	**52.6**

Source	All Budgeted Funds	General Fund	Commonwealth Transportation Fund	Workforce Fund	Other *
Budget					
Non-Tax Revenue					
Federal Reimbursements	8,014.7	8,009.2	0.0	0.0	5.5
Departmental Revenues	3,210.6	2,665.7	528.4	0.0	16.5
Consolidated Transfers	1,765.9	2,083.6	0.0	0.0	(317.8)
State Retiree Benefits Trust Fund Portion of Tobacco Settlement Payment	(27.6)	(27.6)	0.0	0.0	0.0
Non-Tax Revenue Total	**12,963.6**	**12,730.9**	**528.4**	**0.0**	**(295.8)**
Grand Total	**32,009.8**	**30,675.2**	**1,530.5**	**47.2**	**(243.2)**

* Includes tax revenues of $51.7 million for the Commonwealth Health and Prevention Fund, $20.2 million for the Workforce Training Trust Fund and $0.9 million for the Inland Fisheries and Game Fund.

Fiscal Year 2013 Budget Development

Critical Factors for the FY 2013 Budget Development
There are typically three major factors that impact the state's budget from year to year; change in available budgetary revenues, including tax collections and other non-tax sources; the impact from the loss of any one-time resources utilized in the preceding year's budget; and the extent to which costs grow to operate state programs and services from the previous year. Since the state budget must be balanced each year, the year-to-year impact of these factors –and how they affect available budgetary resources- will play a critical role in how challenging it will be for developing a balance budget for any given year.

One-Time Resources
Unlike FY 2012, the state budget next year will not need to account for the loss of an unsustainable level of one-time resources. Incrementally, since FY 2009 the Governor and the Legislature have successfully been able to reduce the amount of one-time resources required to maintain a balanced budget, from over $3 B in FY 2009 to $620 M in FY 2012. The level of one-time resources being used in FY 2012 is sustainable since they are less than the cyclical shortfall in tax revenues as the state continues to recover from the recession. They also represent only a small percentage of the total state operating budget (2% of FY 2012 estimated expenditures vs. 11% of FY 2009 expenditures). Even so, the starting point for developing the FY 2013 budget assumes a reduction of $620 M as a result of one-time resources in FY 2012 that will not be available in FY 2013.

One-Time Budgetary Resources, FY 2009 vs. FY 2012 ($s in millions)			
FY 2009	FY 2010	FY 2011	FY 2012
3,112	2,479	1,857	620

Cost Growth and Major Budget Increases
While state tax revenues experienced an historic drop in FY 2009 and are continuing to recover, increased enrollment in state health care and other safety net programs have significantly increased costs in these programs, putting further demand on diminished state resources. Beyond health care and safety net costs, there are also a limited number of items in the state's budget for which the state is legally obligated to incur costs each year, such as debt service, collective bargaining, pension contributions for existing and retired employees and the costs of funding K-12 school aid under the state's chapter 70 education reforms. Controlling annual costs in these areas is a challenge, and such costs represent a significant share of the state's annual funding.

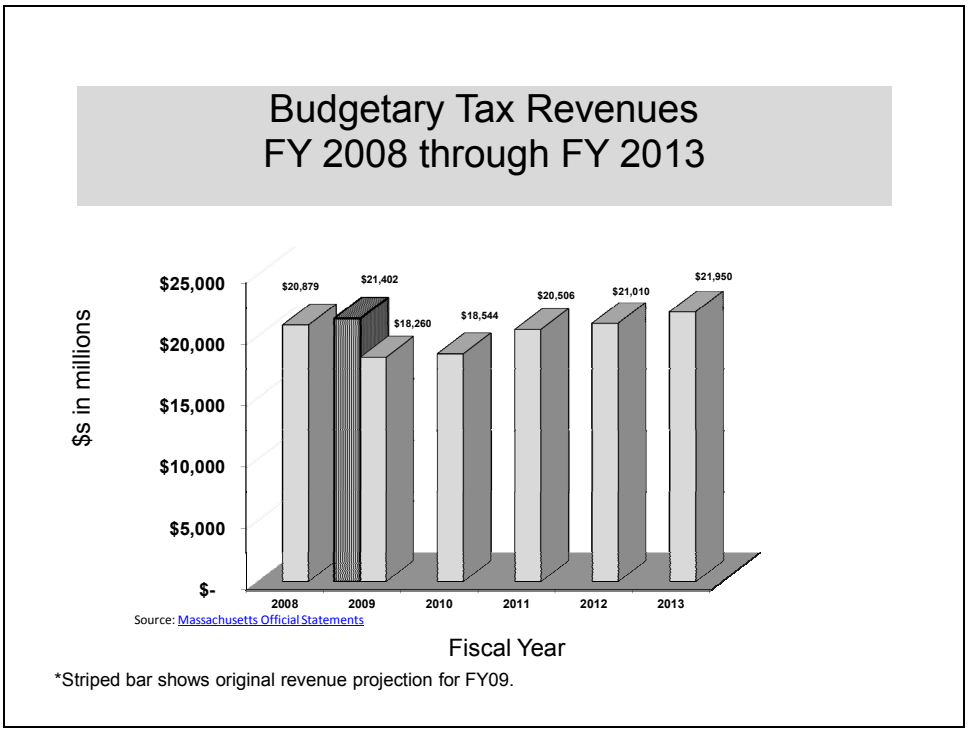
As the following table shows, the costs of health care, chapter 70 and debt service alone represent 61% of annual estimated spending in FY 2012. In addition, A&F estimates that non-health care safety net expenditures across all other state spending total $3.985 B (primarily in Health and Human Services, Housing and Economic Development and Education) in FY 2012 and, together with health care, chapter 70 and debt service, makes up roughly 73% of all budgetary spending. Areas where annual cost pressures are the greatest make up roughly three-quarters of the state budget.

State Budgetary Spending by Governmental Area, FY 2012		
Government Area	Estimated Spending	Percent of Total Estimated Spending
Health Care:		
MassHealth	10,619,492,582	33.85%
Group Insurance	1,656,042,754	5.28%
Commonwealth Care	687,000,000	2.19%
Chapter 70 (K-12 School Aid):	3,990,812,680	12.72%
Debt Service:	2,257,042,623	7.19%
Other Spending:		
Unrestricted Local Government Aid:	898,980,293	2.87%
Labor and Workforce Development	59,418,415	0.19%
Housing and Economic Development	392,096,351	1.25%
Administration and Finance	460,558,926	1.47%
Sheriffs	501,641,668	1.60%
District Attorneys	98,704,598	0.31%
Constitutional Officers and Other Independent Agencies	312,442,300	1.00%
Judiciary	760,717,483	2.42%
Education	1,023,450,889	3.26%
Transportation	363,934,869	1.16%
Higher Education	924,462,336	2.95%
Public Safety	954,113,334	3.04%
Energy and Environmental Affairs	194,062,786	0.62%
Health and Human Services	4,824,649,768	15.38%
Transfers to Non-Budgetary Sources	394,917,074	1.26%
TOTAL SPENDING	**31,374,541,729**	**100.00%**

Other areas in the state budget typically experience modest cost increases from year to year, mostly related to negotiated wage increases, leasing, the cost of fuel or related factors that are sensitive to annual cost inflation. As funding for the major budget cost drivers outlined above has increased, funding for other parts of state government has been reduced and agencies have needed to find new ways to control and reduce costs, often eliminating staffing, cutting or limiting contracts or curtailing other investments.

FY 2013 Tax Revenues

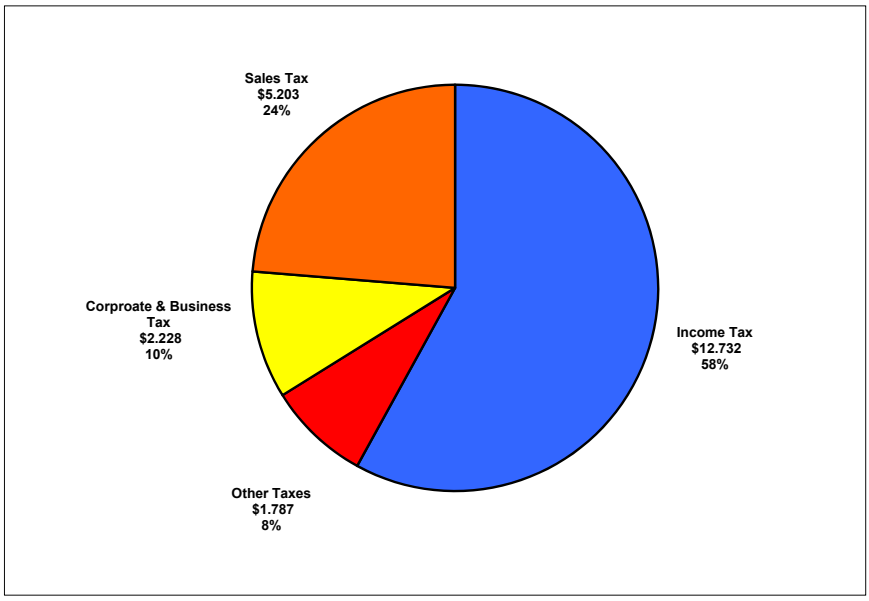
As discussed in greater detail below, FY 2013 tax revenues are projected to increase next year, as the state economy continues to recover from the recession. Tax revenues in FY 2013, however, will still be substantially below what they would have been in FY 2013 without the economic recession. The FY 2013 consensus tax projection totals $21.950 B. When one considers what revenue would have been since FY 2008 if taxes had grown at the rate of inflation over the 5-year period, then FY 2013 tax collections would have been an estimated $22.9 B next year, or $1 B more than what is currently assumed will be available for the budget. This gap is even more pronounced after accounting for the fact that the sales tax was increased in FY 2010 by 20%, generating roughly $1 B in additional revenues each year for the state.



FY 2013 Tax Revenue Consensus Forecast

Tax revenues comprise nearly 63% of all revenues (including new revenues proposed in the H.2 recommendations) used to support the Commonwealth's operating budget. Each year the Administration and the House and Senate consult with economists and other groups to gather information and analysis on the condition of the U.S. and Massachusetts economies. They use that information to project state tax revenue for use in the state budget. The following is a general description of the consensus revenue process followed to establish the budgetary tax revenue estimate.

FY 2013 Consensus Tax Revenue Estimate of $21.950
(in $ Billions)



General Information Regarding Consensus Revenue

The consensus revenue process is required under M.G.L. c.29, s.5B, and states that on or before January 15 the Secretary for Administration and Finance shall meet with the House and Senate Committees on Ways and Means and shall jointly develop a consensus tax revenue forecast for the budget for the next fiscal year, which shall be agreed to by the Secretary and the House and Senate. The law requires that the consensus revenue estimate be placed before the General Court in the form of a joint House and Senate Resolution for full consideration.

On December 12, 2011, the Secretary for Administration and Finance and the House and Senate Committees on Ways and Means held a public hearing in Boston and heard testimony from the Massachusetts Department of Revenue (DOR), the Massachusetts Taxpayers Foundation and the Beacon Hill Institute and economists from the University of Massachusetts and Northeastern University. The three branches subsequently agreed upon a FY 2013 tax revenue estimate of $21.950 B, consistent with testimony presented at the hearing.

As part of the statutorily required consensus revenue process, the Secretary, House and Senate also agree on the amount of tax revenues that will need to be transferred to support the State's Retiree Pension Fund, the School Building Authority, the MBTA (Massachusetts Bay Transportation Authority) and the Workforce Training Trust Fund pursuant to statutory requirements.

For FY 2013, these transfers are estimated to total $3.05 B and will be directed to the following funds in the following amounts:

- School Modernization and Reconstruction Trust Fund = $ 689.4 M;
- MBTA State and Local Contribution Fund = $ 786.8 M;
- Pension Reserves Investment Trust Fund = $ 1.552 B; and
- Workforce Training Trust Fund = $20.2 M.

Basis for the FY 2013 Consensus Revenue Forecast

FY 2012 tax revenues are estimated to be $21.010 B, representing an actual increase of 2.4% and a baseline increase of 3.1% from FY 2011 collections (the baseline calculation adjusts for the impact of tax law and processing changes, which is a better indicator of underlying economic activity). Through December 2011, FY 2012 year-to-date tax revenues were up 2.6% actual and 2.9% baseline, and were $49 M below the year-to-date benchmark based on the revised FY 2012 estimate of $21.010 B (including the impacts of the revenue initiatives in the FY 2012 budget, the Sales Tax Holiday in August 2011, and the statutorily-required reduction in the personal income tax rate as described above). It is expected that as the economy continues to recover and grow slowly, tax collections for the remainder of FY 2012 will increase by $241.4 M, or 2.2% actual, and $360.4 M, or 3.3% baseline, from the same period in FY 2011.

The FY 2013 consensus tax revenue estimate is $21.950 B, representing revenue growth of 4.5% actual and 5.4% baseline from the FY 2012 estimate of $21.010 B. The FY 2013 estimate assumes that the national and state economies will grow slowly throughout the fiscal year. In developing the consensus estimate, the Commonwealth relied on economic forecasts from Moody's Economy.com, Global Insight, and the New England Economic Partnership (NEEP). The economic forecasts upon which the consensus revenue estimate is based are as follows:

- While the national and state economies continued to grow, the growth has slowed down in 2011, and is expected to remain slow during 2012 and 2013;

- Massachusetts employment is expected to increase by 0.5% to 1.3% over the remainder of FY 2012, and by 0.6% to 1.4% for FY 2012 as a whole. For FY 2013, Massachusetts employment is expected to change by 0.2% to 0.9%;

- Massachusetts personal income (excluding capital gains) is expected to grow by 3.5% to 4.3% over the remainder of FY 2012 and 3.7% to 4.2% for FY 2012 as a whole. For FY 2013, Massachusetts personal income is projected to grow by 3.2% to 6.3%;

- Massachusetts wages and salaries are projected to increase by 3.7% to 5.1% for the remainder of FY 2012 and 3.6% to 4.7% for the year as a whole. For FY 2013, the growth in Massachusetts wages and salaries is projected to range from 3.4% to 6.4%;

- Massachusetts retail sales growth is expected to range from 2.8% to 4.4% over the remainder of FY 2012 and 3.7% to 5.1% for the fiscal year as a whole. For FY 2013, Massachusetts retail sales are projected to grow by 3.0% to 4.1%;

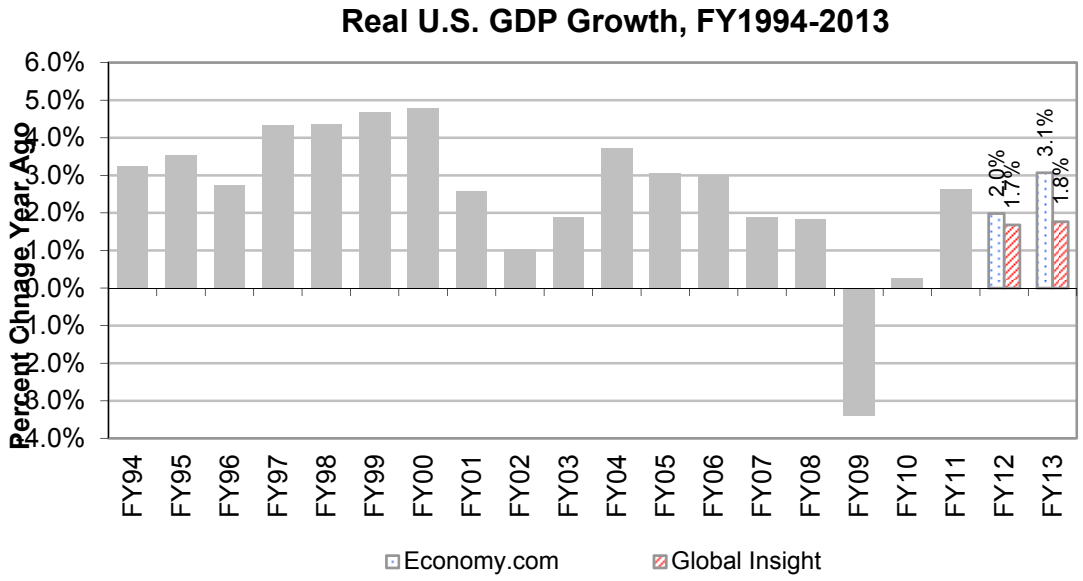
- Corporate profits at the national level are expected to increase by 6.4% to 9.5% over the remainder of FY 2012, and by 6.2% to 9.1% for the fiscal year as whole (there are no forecasts for state corporate profits). For FY 2013, growth in corporate profits is projected to range from 1.0% to 7.4%;

In addition to the economic forecasts described above, the consensus revenue estimate takes into account forecasts for capital gains realizations and taxes. The consensus agreement capital gains forecast is based on the following considerations:

- Preliminary tax year 2010 data indicates that Massachusetts capital gains realizations increased by approximately 107.3% in tax year 2010, to $16.5 B. FY 2011 taxes on those capital gains realizations totaled approximately $991 M, an increase of approximately $418 M, or 73%, from FY 2010 (taxes on tax year 2010 capital gains realizations were paid mostly in FY 2011).

- The stock market, as measured by the average of the S&P 500 over the entire year, rose by 11.4% in calendar year 2011 (which largely determines FY 2012 capital gains taxes), and is expected to increase by -2.1% to 5.8% in calendar year 2012 (which largely determines FY 2013 capital gains taxes). Massachusetts capital gains realizations are projected to be about the same in calendar year 2011 compared to calendar year 2010, and increase by 6.8% in calendar year 2012.

The charts below show the national and state economic forecasts presented at the December 12, 2011 consensus revenue hearing as well as the consensus estimate assumption for capital gains realizations and taxes, all of which were taken into consideration in developing the FY 2012 and FY 2013 consensus revenue estimates.


Real U.S. GDP Growth, FY1994-2013
Percent Chnage Year Ago
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
-1.0%
-2.0%
-3.0%
-4.0%
2.0%
1.7%
3.1%
1.8%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
FY05
FY06
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FY08
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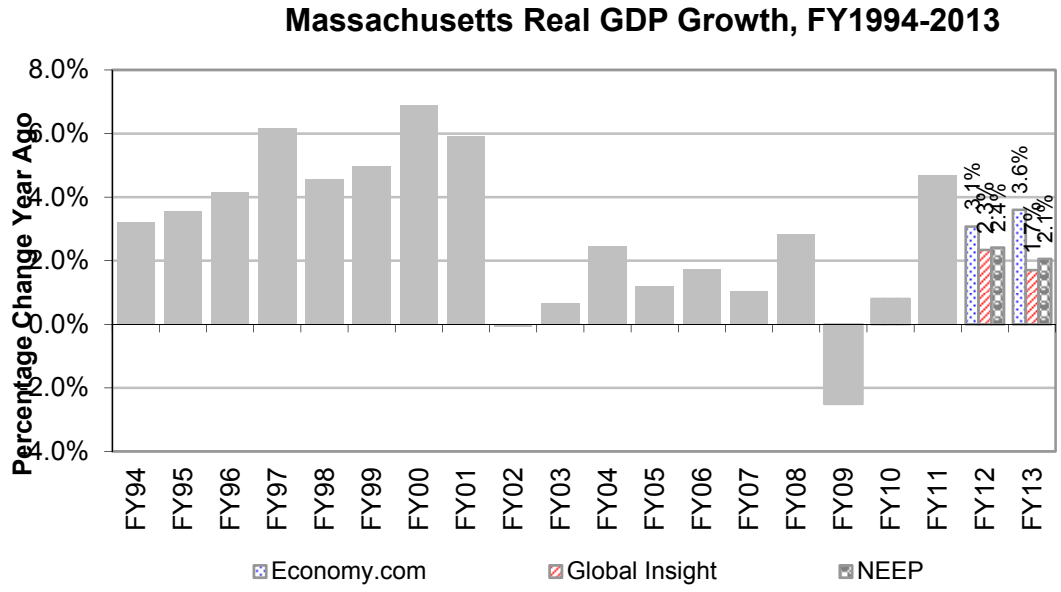
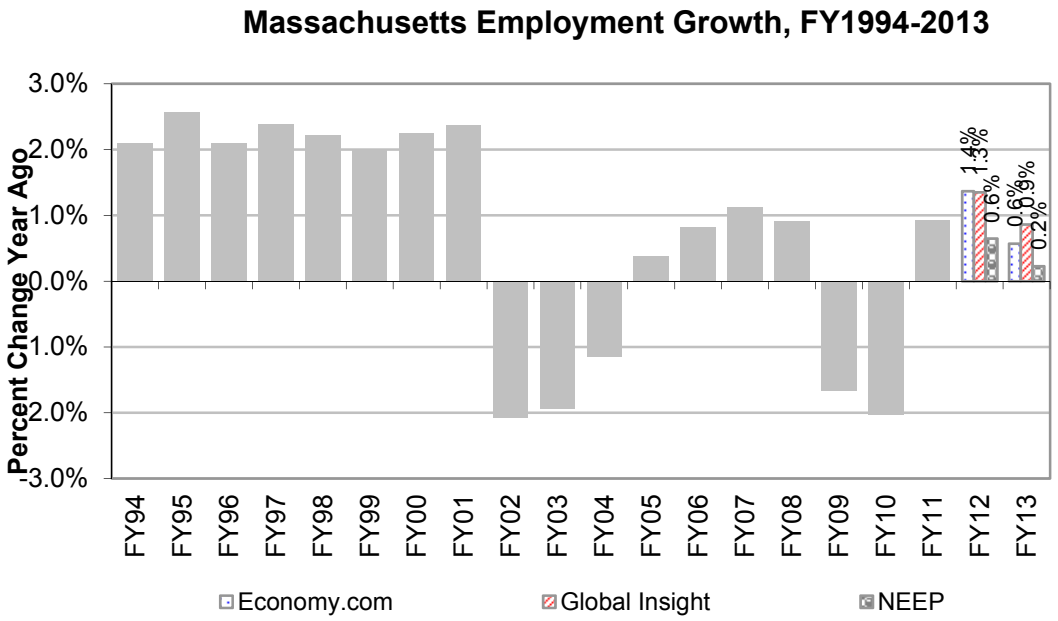
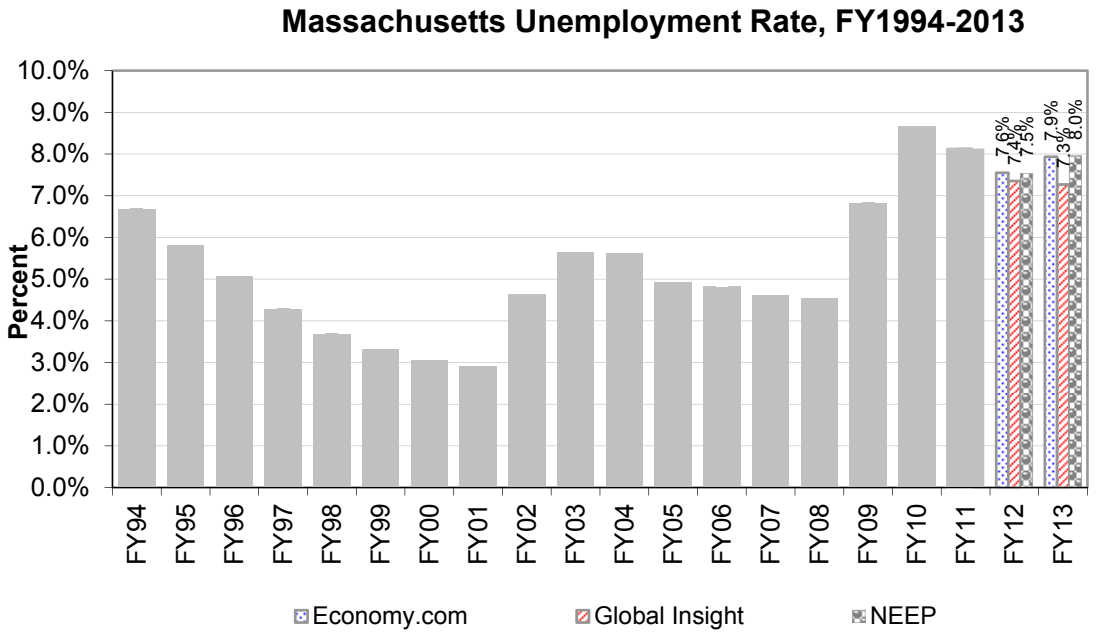
FY12
FY13
Economy.com
Global Insight


Massachusetts Real GDP Growth, FY1994-2013
Percentage Change Year Ago
8.0%
6.0%
4.0%
2.0%
0.0%
-2.0%
-4.0%
3.1%
3.6%
2.1%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
Economy.com
Global Insight
NEEP


Massachusetts Employment Growth, FY1994-2013
Percent Change Year Ago
3.0%
2.0%
1.0%
0.0%
-1.0%
-2.0%
-3.0%
1.4%
1.3%
0.6%
0.6%
0.9%
0.2%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
Economy.com
Global Insight
NEEP


Massachusetts Unemployment Rate, FY1994-2013
Percent
10.0%
9.0%
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
7.6%
7.4%
7.5%
7.9%
7.3%
8.0%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
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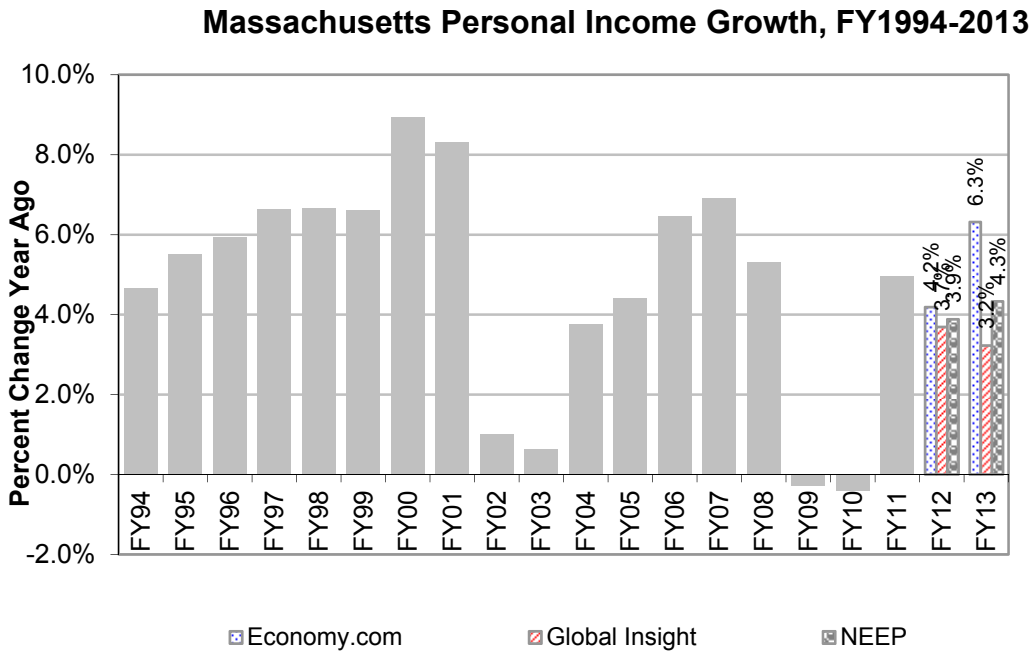
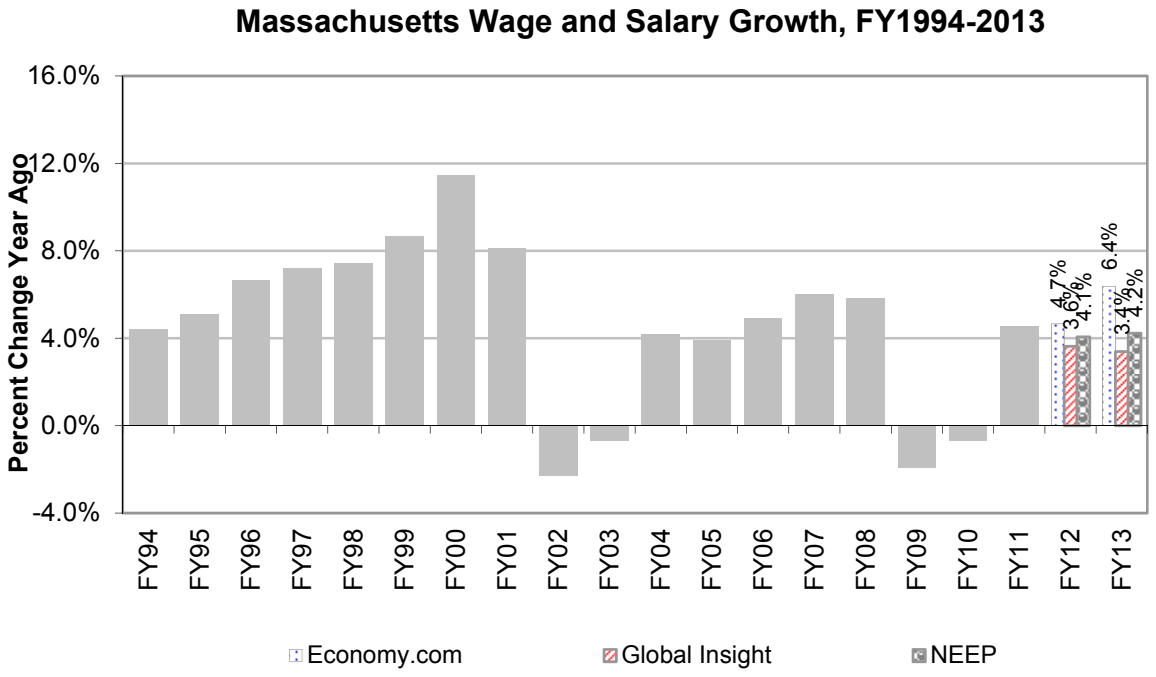
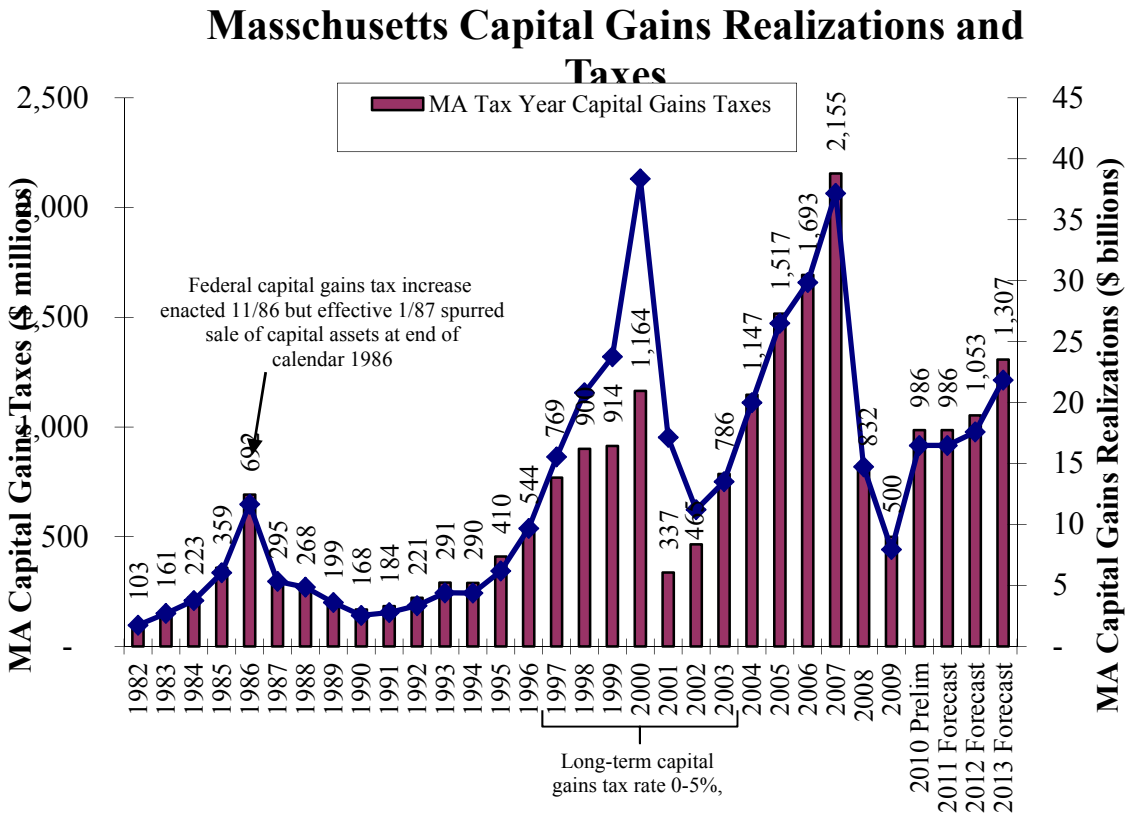
Economy.com
Global Insight
NEEP


Massachusetts Personal Income Growth, FY1994-2013
Percent Change Year Ago
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
-2.0%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
4.2%
3.9%
4.3%
6.3%
3.2%
Economy.com
Global Insight
NEEP


Massachusetts Wage and Salary Growth, FY1994-2013
Percent Change Year Ago
16.0%
12.0%
8.0%
4.0%
0.0%
-4.0%
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
FY05
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
4.7%
3.6%
4.1%
6.4%
3.4%
4.2%
Economy.com
Global Insight
NEEP

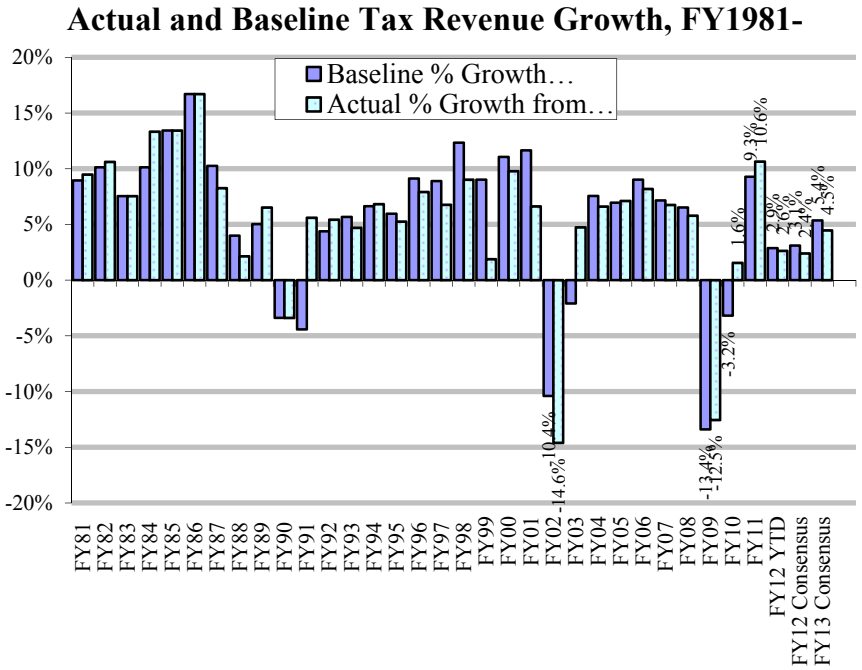


Based on these economic projections and actual tax collections through December 2011, FY 2013 tax collections are projected to grow by $940 M, or 4.5% actual and 5.4% baseline from FY 2012 tax collections, with income tax collections growing by 5.2% actual and 6.2% baseline, sales tax growing by 4.2% actual and 3.7% baseline, and corporate/business taxes growing by 2.5% actual and 6.1% baseline, as shown in the chart below.

FY13 Consensus Tax Revenue Forecast

Tax Type	% Actual Revenue Growth from FY12	% Baseline Revenue Growth from FY12	FY13 Revenue Estimate ($ Millions)	FY13 Growth from FY12 ($ Millions)
Total Income	5.2%	6.2%	12,732	629
Withholding	3.9%	4.3%	10,247	383
Sales	4.2%	3.7%	5,203	207
Corporate/Business	2.5%	6.1%	2,228	54
Other	2.8%	2.9%	1,787	49
Total	4.5%	5.4%	21,950	940
Memo: Capital Gains Taxes	10.0%	10.0%	1,100	100

The chart below shows historical trends in actual and baseline tax revenue growth. Under the FY 2011 reform, $100 M of the projected capital gains receipts (the amount in excess of $1 B) is required to be deposited into the Stabilization Fund and not available for budgetary purposes.



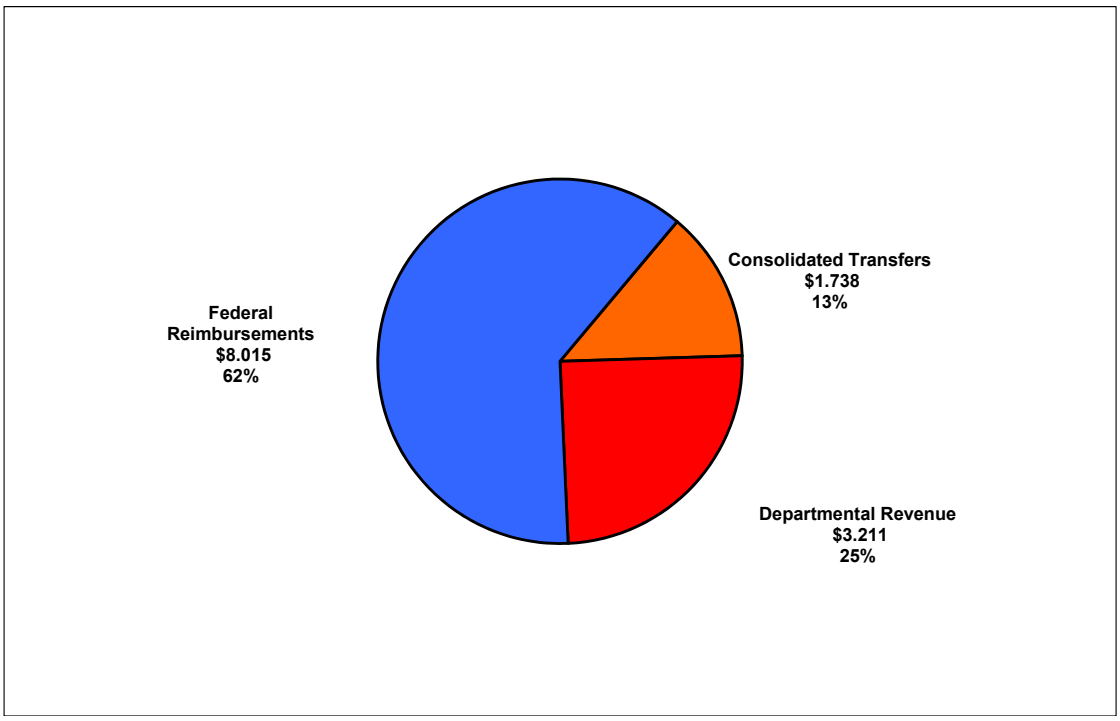
State Corporate Excise Rate
The FY 2013 budget assumes that there will be no changes to the phase down of the corporate tax rate, scheduled in law to decline from 8.25% in tax year 2011 to 8.00% in 2012. Next fiscal year, the Department of Revenue estimates this will save thousands of businesses statewide roughly $15 M from this change. These changes will help to ensure the Patrick-Murray Administration's commitment to support the state's small businesses, and to ensure they are best positioned to continue their economic recovery.

State Income Tax Rate Reduction
The FY 2013 tax projection assumed in the Governor's budget reflects the January 1st, 2012 reduction in the state's income tax rate, which decreased from 5.3% to 5.25%. The FY 2013 value of this reduction in the rate is estimated to total $110 M.

FY 2013 Non-Tax Revenue Assumptions

The Commonwealth collects and receives revenues from several non-tax sources, including the federal government, various fees, fines, court revenues, assessments, reimbursements, interest earnings and transfers from non-budgeted funds. These revenues are deposited in the General Fund, the Commonwealth Transportation Fund and other operating budgeted funds. The Governor's FY 2013 budget recommendation assumes approximately $12.96 B in non-tax revenues. Reimbursements from the federal government make up 62% of the Commonwealth's projected FY 2013 non-tax revenue. The remaining non-tax revenues come from departmental revenues (25%) and operating transfers from off budget funds (13%). Sections 1B and 1C of this document detail the different types of non-tax revenues.

House 2 Total Non-Tax Revenues: $12.963 B
(in $ Billions)



Federal Revenues
Federal revenues are collected through reimbursements for the federal share of entitlement programs such as Medicaid and through block grants for programs such as Temporary Assistance for Needy

Families (TANF) and Child Support Enforcement. The amount of federal reimbursements to be received is determined by state expenditures and federal regulations that govern federal programs. Staff from the A&F work with agencies to project spending levels for these federally-supported programs and the resulting federal reimbursements those expenditures will generate. Federal revenues are projected to increase by $191 M next year, largely reflecting increased Medicaid expenditures, for which the federal government typically reimburses the state $0.50 for every dollar expended.

Departmental Revenues

Departmental revenues are derived from licenses, tuition, fees for programs and services, reimbursements and assessments for services including, but not limited to, revenues from the Registry of Motor Vehicles, reimbursement of healthcare costs from municipalities participating in the state's Group Insurance Commission (GIC) health care programs, drug rebate money received by the Executive Office of Health and Human Services, interest earnings received on the state's budgeted fund balances and fees collected by the Secretary of State's Office. To the extent possible, the Administration has minimized fee increases. However, MGL Chapter 7:3B provides for an annual review of fees to confirm that they are sufficient to defray the cost of providing the service. As part of this exercise, A&F analyzes historical non-tax revenue receipts and works with agencies to develop budget-year projections for these revenues. During the budget process, agencies are asked to review the fees to ensure they are current and reflect the actual cost of doing business. In FY 2013, total departmental revenues are projected to grow modestly ($57 M) before accounting for additional revenue proposals, largely due to increased economic activity and cyclical fee collections.

As mentioned above, the Governor's budget includes two sections that give a detailed overview of projected non-tax revenue for FY 2013. Section 1B details projected FY 2013 non-tax revenue receipts by the department, board, commission or institution that administers and collects the respective revenue source. The online version of the Governor's budget allows the user to further examine each governmental area and view a title and description of each revenue source contributing to that area's total non-tax revenue. Additionally, the fund statements, which are included in the "Financial Statements" section of the budget document, offer another view of departmental revenues by operating fund.

Consolidated Transfers

Consolidated transfers reflect inflows to the General Fund from non-budgeted funds which include annual tobacco settlement proceeds received as part of the Master Settlement Agreement with tobacco companies, net revenues from the State Lottery Fund, fringe revenue to recoup the cost of various statewide benefits assessed on non-budgeted funds and revenues from the Commonwealth's Abandoned Property Division. The Executive Office for Administration and Finance solicits agency feedback and uses historical data to project transfers to and from the budgeted funds for the proposed budget year. Section 1C of this document provides further detail behind this revenue type. In FY 2013, consolidated transfers are projected to decline by $52 M, largely due to reduced unclaimed property and projected decreases in fringe revenue collections, offset by increased lottery revenue collections.

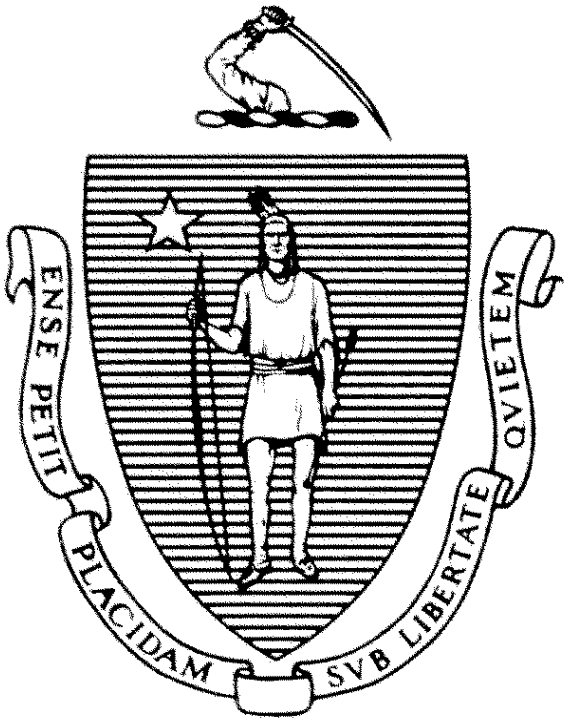
Section 1C - Consolidated Transfers

SECTION 1C. This subset of non-tax revenues comes in the form of consolidated transfers. Throughout the fiscal year there are a number of transfers between and among budgeted and non-budgeted funds. The following detail the budgetary impact of these sources and uses of funds.

FY2013 Consolidated Transfers

SOURCES / USES	Department	Amount
Sources		
Lottery Distributions & Reimbursements to the General Fund	Lottery	1,012,617,906
Transfer into the General Fund from the Stabilization Fund		400,000,000
General Fund Fringe Revenue	Group Insurance	298,916,629
Master Settlement Tobacco Revenues	Comptroller	276,736,905
Abandoned Property	Treasurer	77,000,000
Indirect Revenues	Comptroller	33,473,477
Federal Payment for Pension Costs	Treasurer	24,645,523
Division of Industrial Accidents Reimbursement	Industrial Accidents	23,000,000
Contingency Based Revenues	Comptroller	14,254,201
Trust Fund Sweep		6,000,000
Local Housing Authority Debt Service Reimbursement	Housing & Community Development	2,602,560
Reimbursement for License Plate Costs	Dept. of Corrections	2,215,000
Lottery Transfer for Gamblers Treatment Program	Public Health	1,000,000
Personal Needs Allowance Recoveries	Health & Human Services	1,000,000
Child Support Enforcement Revenue for Dept. of Social Services	Dept. of Revenue	691,126
Debt Collection Contract Receipts	Comptroller	385,000
Senior Citizen Hunting License Fees	Fish and Game	125,000
Total Sources		**2,174,663,327**
Uses		
Transfer Out of the Stabilization Fund to the General Fund		-405,000,000
Fringe Revenue Offset: Inland Fisheries and Game Fund		-1,939,000
Fringe Revenue Offset: Commonwealth Health and Prevention Fund		-1,510,000
Fringe Revenue Offset: Massachusetts Tourism Fund		-356,000
Total Uses		**-408,805,000**
GRAND TOTAL		**1,765,858,327**

Fiscal Year 2013 Budget Recommendation



Sections 2, 2B and 2D
Appropriation Recommendations

SECTION 2. Appropriations for fiscal year 2013 are set out herein below.

SECTION 2B. Notwithstanding any general or special law to the contrary, the agencies listed in this section may expend the amounts listed in this section for the provision of services to agencies listed in section 2. All expenditures made pursuant to this section shall be accompanied by a corresponding transfer of funds from an account listed in section 2 to the Intragovernmental Service Fund, established by section 2Q of chapter 29 of the General Laws. All revenues and other inflows shall be based on rates published by the seller agency that are developed in accordance with cost principles established by the United States Office of Management and Budget Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments." All rates shall be published within 30 days of the enactment of this section. No expenditures shall be made from the Intragovernmental Service Fund, which would cause that fund to be in deficit at the close of fiscal year 2013. All authorizations in this section shall be charged to the Intragovernmental Service Fund and shall not be subject to section 5D of chapter 29 of the General Laws. Any balance remaining in that fund at the close of fiscal year 2013 shall be transferred to the General Fund.

SECTION 2D. The amounts set forth in this section are hereby appropriated from the General Federal Grants Fund. Federal funds received in excess of the amount appropriated in this section shall be expended only in accordance with section 6B of chapter 29 of the General Laws. The amount of any unexpended balance of federal grant funds received before June 30, 2012, and not included as part of an appropriation item in this section, is hereby made available for expenditure during fiscal year 2013, in addition to any amount appropriated in this section.

STATEWIDE SUMMARY

Fiscal Year 2013 Resource Summary ($000)

Government Area	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Judiciary	630,964	1,062	632,026	113,978
Independents	3,094,848	1,887,649	4,982,497	418,335
Administration and Finance	2,709,188	4,077,154	6,786,342	833,749
Energy & Environmental Affairs	206,918	156,834	363,752	108,359
Health and Human Services	15,859,341	3,053,020	18,912,362	8,608,186
Transportation	0	328,527	328,527	535,690
Housing & Economic Development	431,320	457,788	889,109	128,126
Labor & Workforce Development	39,863	427,258	467,121	3,491
Education	6,104,357	2,517,717	8,622,074	364,682
Public Safety	1,069,694	328,974	1,398,668	110,714
Legislature	61,203	0	61,203	0
Consolidated Transfers	0	0	0	1,765,858
TOTAL	30,207,697	13,235,983	43,443,680	12,991,168

Historical Employment Levels

Government Area	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Judiciary	7,821	7,387	7,109	7,333	5,598
Independents	7,183	9,520	9,342	9,295	9,253
Administration and Finance	2,861	2,768	2,679	2,733	2,719
Energy & Environmental Affairs	2,208	2,020	1,960	1,982	1,976
Health and Human Services	20,944	19,801	19,474	19,669	19,908
Transportation	1,200	0	0	0	0
Housing & Economic Development	616	693	673	712	706
Labor & Workforce Development	316	285	269	264	259
Education	13,979	12,385	13,259	13,405	13,432
Public Safety	8,483	8,444	8,259	8,130	9,776
Legislature	1,061	995	968	969	969
TOTAL	66,672	64,297	63,992	64,492	64,594

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

JUDICIARY

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Supreme Judicial Court	23,055	610	23,665	2,782
Commission on Judicial Conduct	593	0	593	0
Board of Bar Examiners	1,062	0	1,062	0
Committee for Public Counsel Services	164,588	344	164,932	8,940
Mental Health Legal Advisors Committee	815	108	923	0
Appeals Court	11,104	0	11,104	866
Trial Court	429,747	0	429,747	101,391
TOTAL	630,964	1,062	632,026	113,978

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Supreme Judicial Court	83	84	82	87	88
Commission on Judicial Conduct	6	6	6	6	6
Board of Bar Examiners	10	8	9	9	9
Committee for Public Counsel Services	420	406	468	666	904
Mental Health Legal Advisors Committee	9	9	8	8	8
Appeals Court	118	111	109	123	123
Trial Court	7,175	6,762	6,426	6,433	4,459
TOTAL	7,821	7,387	7,109	7,333	5,598

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Supreme Judicial Court

The Supreme Judicial Court, originally called the Superior Court of Judicature, was established in 1692 and is the oldest appellate court in continuous existence in the Western Hemisphere. After the adoption of the Massachusetts Constitution in 1780, the name of the Court was changed to the Supreme Judicial Court (SJC). The SJC operates under the oldest still functioning written constitution in the world.

The SJC is the Commonwealth's highest appellate court. The Court consists of a Chief Justice and six Associate Justices appointed by the Governor with the consent of the Executive Council. The Justices hold office until the mandatory retirement age of seventy, as do all Massachusetts judges.

The seven Justices hear appeals on a broad range of criminal and civil cases from September through May. Single Justice sessions are held each week throughout the year for certain motions pertaining to cases on trial or on appeal, bail reviews, bar discipline proceedings, petitions for admission to the bar and a variety of other statutory proceedings. The Associate Justices sit as Single Justices each month on a rotation schedule.

In addition to its appellate functions, the SJC is responsible for the general superintendence of the judiciary and of the bar, makes or approves rules for the operations of all the courts and in certain instances provides advisory opinions, upon request, to the Governor and Legislature on various legal issues.

The SJC has oversight responsibility in varying degrees with several affiliated agencies of the judicial branch, including the Board of Bar Overseers, the Board of Bar Examiners, the Clients' Security Board, the Commission on Judicial Conduct, the Massachusetts Legal Assistance Corporation, the Massachusetts Mental Health Legal Advisors Committee and Prisoners' Legal Services.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Supreme Judicial Court	23,055	610	23,665	2,782

www.mass.gov/sjc

Direct Appropriations		**23,054,902**
SUPREME JUDICIAL COURT		
0320-0003	For the operation of the supreme judicial court	7,937,172
SUFFOLK COUNTY SUPREME JUDICIAL COURT CLERK'S OFFICE		
0320-0010	For the operation of the clerk's office of the supreme judicial court for Suffolk county	1,215,714
MASSACHUSETTS LEGAL ASSISTANCE CORPORATION		
0321-1600	For civil legal assistance; provided, that notwithstanding section 9 of chapter 221A of the General Laws, the Massachusetts Legal Assistance Corporation shall expend $1,254,283 for the Disability Benefits Project, $566,149 for the Medicare Advocacy Project and $2,834,024 for the Battered Women's Legal Assistance Project	12,000,000
PRISONERS' LEGAL SERVICES		
0321-2100	For the Prisoners' Legal Services, formerly known as Massachusetts correctional legal services committee	902,016
SUFFOLK COUNTY SOCIAL LAW LIBRARY		
0321-2205	For the expenses of the social law library located in Suffolk county	1,000,000
Federal Grant Spending		**610,000**
STATE COURT IMPROVEMENT PROGRAM		
0320-1700	For the purposes of a federally funded grant entitled, State Court Improvement	230,000

Program

STATE COURT DATA SHARING
0320-1701 For the purposes of a federally funded grant entitled, State Court Data Sharing 190,000

STATE COURT IMPROVEMENT TRAINING PROGRAM
0320-1703 For the purposes of a federally funded grant entitled, State Court Improvement Training Program 190,000

Commission on Judicial Conduct

The Commission on Judicial Conduct (CJC) is the state agency responsible for investigating complaints of judicial misconduct against state court judges and for recommending, when necessary, discipline of judges to the Supreme Judicial Court. All fifty states and the District of Columbia have judicial conduct agencies to investigate allegations of judicial misconduct and disability that prevent judges from properly performing their judicial duties.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Commission on Judicial Conduct	593	0	593	0

www.mass.gov/cjc/

Direct Appropriations **592,597**

COMMISSION ON JUDICIAL CONDUCT
0321-0001 For the operation of the commission on judicial conduct 592,597

Board of Bar Examiners

The Board of Bar Examiners (BBE) is established by law under the General Laws of Massachusetts Chapter 221, Section 35. The Supreme Judicial Court (SJC) appoints the Board of Bar Examiners' five members. Subject to the approval of the SJC, the Board makes and upholds rules with reference to examinations for admission to the bar and the qualifications of applicants in accordance with SJC Rule 3:01.

The Board evaluates the applicants' requirements, legal education and character and fitness to practice law for applicants petitioning the SJC for admission to the Massachusetts bar, either by examination or motion waiver. The Board prepares, administers and grades the bar examination and issues reports to the SJC, either recommending or not recommending applicants.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Board of Bar Examiners	1,062	0	1,062	0

www.mass.gov/bbe

Direct Appropriations **1,062,289**

BOARD OF BAR EXAMINERS
0321-0100 For the operation of the board of bar examiners 1,062,289

Committee for Public Counsel Services

The Committee for Public Counsel Services, a 15-member body appointed by the Massachusetts Supreme Judicial Court, Governor, Senate and House of Representatives, to oversee the provision of legal representation to indigent persons who have a right to counsel in criminal and civil cases and administrative proceedings. Private attorneys provide representation and the Committee's Private Counsel Division (focusing on criminal and delinquency matters), Children and Family Law Division (CAFL), Youth Advocacy Department (YAD) and Mental Health Litigation Unit train, certify, support and oversee these attorneys. The Public Defender Division, CAFL and Juvenile Defender staff offices handle all other cases. The Public Defender Division has staff attorneys working in offices located across Massachusetts. Staff defenders provide representation to clients in criminal and delinquency proceedings in Superior, District and Juvenile Court. Additional staff attorneys in CAFL offices throughout the state represent clients in state intervention and child welfare cases.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Committee for Public Counsel Services	164,588	344	164,932	8,940

www.mass.gov/cpcs/

Direct Appropriations **164,588,269**

COMMITTEE FOR PUBLIC COUNSEL SERVICES

0321-1500 For the operation of the committee for public counsel services, as authorized by chapter 211D of the General Laws; provided, that the committee shall develop and implement a system in which no less than 50 per cent of indigent defendants shall be represented by public defenders by the end of fiscal year 2013; provided further, that the committee shall provide a report to the executive office for administration and finance and the house and senate committees on ways and means, no later than September 1, 2012, detailing an implementation plan for meeting the requirements of the previous proviso, that shall include, but not be limited to, the following: (a) the expected surplus or deficiency for fiscal year 2013 of items 0321-1500 and 0321-1510; (b) the current and projected number of public defenders and private bar advocates assigned to each court house; and (c) any perceived impediments to implementing this plan by the end of fiscal year 2013 and possible solutions to such impediments; provided further, that in hiring public defenders, priority shall be given to current private bar advocates; provided further, that the committee shall submit a report to the executive office for administration and finance and the clerks of the house of representatives and senate, the joint committee on the judiciary and the house and senate committees on ways and means, no later than December 28, 2012, that shall include, but not be limited to, the following: (1) the number of cases for which the committee provided representation in the prior fiscal year, delineated by public defender and private bar advocate representation, and further delineated by type of case and geographic location; (2) the average cost for public defender services rendered per case, delineated by type of case and geographic location; (3) the average cost for private bar advocate services rendered per case, delineated by type of case and geographic location; (4) the average number of hours spent per case by public defenders, delineated by type of case and geographic location; (5) the average number of hours billed by private bar advocates, delineated by type of case and geographic location; (6) the total amount of counsel fees paid to the courts by clients for services rendered, delineated by type of case and geographic location; (7) any proposed expansion of legal services delineated by type of service, target population and cost; provided further, that the committee shall submit quarterly reports to the executive office for administration and finance and the house and 70,683,963

senate committees on ways and means starting on October 12, 2012 and ending on July 11, 2013 that shall include, but not be limited to, the following: (1) the total number of cases that have been assigned to public defenders, delineated by type of case; (2) the number of cases that have been assigned to private bar advocates, delineated by type of case; (3) the total billable hours to date of private bar advocates, delineated by type of case; (4) the staffing efficiencies that have been achieved; and (5) the cost effectiveness of private bar advocates; and provided further, that this data shall be provided in a cumulative manner, delineated by quarter

PRIVATE COUNSEL COMPENSATION

0321-1510	For compensation paid to private counsel assigned to represent indigent clients in criminal and civil cases; provided, that compensation shall not be granted for representation provided in excess of 50 per cent of total criminal and civil cases administered by the committee on public counsel services; and provided further, that compensation for an individual attorney shall not exceed 1650 hours of representation	75,993,955

INDIGENT PERSONS FEES AND COURT COSTS

0321-1520	For the fees and court costs of indigent persons	9,010,351

Retained Revenues

INDIGENT COUNSEL FEES RETAINED REVENUE

0321-1518	The chief counsel of the committee for public counsel services may expend an amount not to exceed $8,900,000 from fees charged for attorney representation of indigent clients	8,900,000

Federal Grant Spending		**150,000**

WRONGFUL CONVICTION UNIT PROGRAM

0320-1800	For the purposes of a federally funded grant entitled, Wrongful Conviction Unit Program	150,000

Trust and Other Spending		**194,000**
0321-1604	NEW ENGLAND SCHOOL OF LAW TRUST FUND	6,000
0321-1606	TRAINING FOR PUBLIC AND PRIVATE ATTORNEYS	112,000
0321-1611	JUVENILE ADVOCACY PROJECT	76,000

Mental Health Legal Advisors Committee

The Mental Health Legal Advisors Committee (MHLAC) was established in 1973 to secure and protect the legal rights of persons involved in mental health and intellectually disabled programs in the Commonwealth. MHLAC, appointed by the justices of the Supreme Judicial Court, consists of fourteen judges and lawyers who are knowledgeable and experienced in mental health law. The legal staff of MHLAC provides legal referrals, information and advice to individuals, lawyers, mental health professionals and the general public. MHLAC and its staff contribute to a wide range of education and training for judges, lawyers and others to maintain quality legal representation and improve the administration of justice when issues related to mental health and disability are presented.

MHLAC's advocacy work reaches individuals and families who are experiencing such problems as denial of access to community-based care and discrimination on the basis of disability. MHLAC also aids adults and minors in public and private facilities who need legal advice about commitment and discharge and the rights to receive or refuse treatment. The Act to Protect the Five Fundamental Rights mandates that all programs and facilities doing

business with the Department of Mental Health ensure access to attorneys and advocates of MHLAC and other legal service organizations.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Mental Health Legal Advisors Committee	815	108	923	0

www.mass.gov/mhlac

Direct Appropriations **815,109**

MENTAL HEALTH LEGAL ADVISORS COMMITTEE
0321-2000 For the operation of the mental health legal advisors committee 815,109

Trust and Other Spending **107,791**

0301-0860 MENTAL HEALTH LEGAL ADVISORS COMMITTEE TRUST 107,791

Appeals Court

Created in 1972, the Appeals Court is a court of general appellate jurisdiction. Most appeals from the several departments of the Trial Court are entered initially in the Appeals Court; some are then transferred to the Supreme Judicial Court, but a majority are decided by the Appeals Court. The Appeals Court also has jurisdiction over appeals from final decisions of three state agencies: the Appellate Tax Board, the Department of Industrial Accidents and the Commonwealth Employment Relations Board.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Appeals Court	11,104	0	11,104	866

www.mass.gov/courts/appealscourt/

Direct Appropriations **11,103,879**

APPEALS COURT
0322-0100 For the operation of the appeals court 11,103,879

Trial Court

The mission of the Trial Court of Massachusetts is to deliver high-quality justice to all citizens in a safe, respectful environment by making sound judicial decisions in a timely, efficient and courteous manner. The Trial Court enhances the accessibility and timeliness of the delivery of justice by emphasizing effectiveness, accountability, transparency and continuous improvement.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue

Trial Court	429,747	0	429,747	101,391

www.mass.gov/courts/courtsandjudges/courts/trialcourt.html

Direct Appropriations **429,746,716**

TRIAL COURT JUSTICES' SALARIES

0330-0101 For the salaries of the justices' of the trial court departments; provided, that the trial court administrator may transfer funds between this item and any other item within the trial court 47,307,647

ADMINISTRATIVE STAFF

0330-0300 For the central administration of the trial court, including the court security program, the Massachusetts sentencing commission and alternative dispute resolution and permanency mediation services; provided, that 50 per cent of all fees payable under Massachusetts Rules of Criminal Procedure 15(d) and 30(c)(8) shall be paid from this item; provided further, that funds be expended for additional expenses associated with the operation of the trial court, for the operation of the superior court department, for the operation of the district court department, for the operation of the probate and family court department, for the operation of the land court department, for the operation of the Boston municipal court department, for the operation of the housing court department and for the operation of the juvenile court department; and provided further, that the trial court administrator and management may transfer funds between this item and any other item within the trial court 379,996,119

JURY COMMISSIONER

0339-2100 For the operation of the office of the jury commissioner; provided, that the trial court administrator and management may transfer funds between this item and any other item within the trial court 2,442,950

INDEPENDENT AGENCIES AND CONSTITUTIONAL OFFICERS

Fiscal Year 2013 Resource Summary ($000)

Secretariat	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
District Attorneys	97,885	5,891	103,776	4
Sheriffs	501,585	2,411	503,996	44,245
Governor's Office	5,237	0	5,237	0
Secretary of the Commonwealth	41,393	5,058	46,451	217,939
Treasurer and Receiver-General	2,343,976	1,813,483	4,157,459	91,827
Office of the State Auditor	17,218	200	17,418	0
Attorney General	40,308	8,330	48,638	41,235
State Ethics Commission	1,797	0	1,797	0
Office of the Inspector General	2,832	0	2,832	600
Office of Campaign and Political Finance	1,270	0	1,270	75
Massachusetts Commission Against Discrimination	4,692	78	4,769	2,286
Commission on the Status of Women	70	5	75	0
Disabled Persons Protection Commission	2,211	0	2,211	0
Board of Library Commissioners	21,575	3,410	24,985	0
Office of the Comptroller	12,800	48,783	61,584	20,124
TOTAL	3,094,848	1,887,649	4,982,497	418,335

Historical Employment Levels

Secretariat	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
District Attorneys	1,481	1,404	1,387	1,439	1,439
Sheriffs	3,315	5,885	5,839	5,673	5,666
Governor's Office	72	69	76	75	75
Secretary of the Commonwealth	590	548	516	514	512
Treasurer and Receiver-General	589	560	546	575	575
State Auditor	307	270	214	215	214
Attorney General	526	497	478	479	479
State Ethics Commission	21	21	22	23	23
Inspector General	36	34	33	68	32
Office of Campaign and Political Finance	15	15	14	17	17
Massachusetts Commission Against Discrimination	69	61	65	66	66
Commission on the Status of Women	4	1	1	1	1
Disabled Persons Protection Commission	31	29	28	28	28
Board of Library Commissioners	13	10	10	10	10
Office of the State Comptroller	115	115	113	112	116
TOTAL	7,183	9,520	9,342	9,295	9,253

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

DISTRICT ATTORNEYS

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Suffolk District Attorney's Office	16,407	802	17,210	0
Northern District Attorney's Office	14,207	700	14,907	0
Eastern District Attorney's Office	8,916	299	9,214	0
Middle District Attorney's Office	9,723	900	10,623	0
Hampden District Attorney's Office	8,344	601	8,945	0
Northwestern District Attorney's Office	5,278	320	5,598	0
Norfolk District Attorney's Office	8,628	534	9,161	4
Plymouth District Attorney's Office	7,543	448	7,991	0
Bristol District Attorney's Office	7,727	812	8,539	0
Cape and Islands District Attorney's Office	3,896	415	4,312	0
Berkshire District Attorney's Office	3,738	60	3,798	0
District Attorneys' Association	3,477	0	3,477	0
TOTAL	97,885	5,891	103,776	4

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Suffolk District Attorney's Office	263	248	232	230	230
Northern District Attorney's Office	226	203	214	240	240
Eastern District Attorney's Office	167	150	149	157	157
Middle District Attorney's Office	152	144	152	145	145
Hampden District Attorney's Office	122	121	120	125	125
Northwestern District Attorney's Office	72	66	71	69	69
Norfolk District Attorney's Office	120	122	116	119	119
Plymouth District Attorney's Office	119	117	112	115	115
Bristol District Attorney's Office	124	119	111	123	123
Cape and Islands District Attorney's Office	54	53	54	54	54
Berkshire District Attorney's Office	50	51	46	51	51
District Attorneys' Association	12	10	10	11	11
TOTAL	1,481	1,404	1,387	1,439	1,439

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Suffolk District Attorney's Office

The Suffolk District Attorney's Office is a diverse team of dedicated, hard-working, professional prosecutors who are also progressive-minded public servants. The Office has a proud tradition of protecting and serving the people of Suffolk County through tough, fair prosecutions and proactive, progressive prevention and intervention efforts. The true essence of what we do is to protect and serve the public, fight for victims and speak for those who otherwise would have no voice. It is a mission pursued with focus, with passion and with the utmost dedication.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Suffolk District Attorney's Office	16,407	802	17,210	0

www.mass.gov/da/suffolk

Direct Appropriations **16,407,078**

SUFFOLK DISTRICT ATTORNEY

0340-0100 For the operation of the Suffolk district attorney's office; provided, that each district attorney's office shall work with the district attorneys' association to define, no later than September 1, 2012, what constitutes a "case" for reporting purposes; provided further, that each district attorney's office shall report the following prosecution data, in a format designated by the executive office for administration and finance in consultation with the district attorneys' association, no later than December 14, 2012 for the period of July 1, 2012 through September 30, 2012, and quarterly thereafter; (1) its caseload per district; (2) its caseload per attorney; (3) its total cost per case, and (4) its total number of cases delineated by classifications to be determined by the executive office for administration and finance in consultation with the district attorneys' association; and provided further, that the district attorneys shall submit this report quarterly starting January 1, 2013 directly to the executive office for administration and finance, the house and senate committees on ways and means and the district attorneys' association 16,052,775

SUFFOLK DA STATE POLICE OT

0340-0198 For the overtime costs of state police officers assigned to the Suffolk district attorney's office 354,303

Trust and Other Spending **802,480**

0340-0114 STATE DRUG FORFEITURE FUNDS 630,000

0340-0115 FEDERAL DRUG FORFEITURE FUNDS 172,480

Northern District Attorney's Office

The Middlesex (Northern) District Attorney's Office is a diverse team of dedicated, hard-working, professional prosecutors who are also progressive-minded public servants. The Office has a proud tradition of protecting and serving the people of Middlesex County through tough, fair prosecutions and proactive, progressive prevention and intervention efforts. The true essence of what we do is to protect and serve the public, fight for victims and speak for those who otherwise would have no voice. It is a mission pursued with focus, with passion and with the utmost dedication.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Northern District Attorney's Office	14,207	700	14,907	0

www.middlesexda.com

Direct Appropriations **14,206,947**

NORTHERN (MIDDLESEX) DISTRICT ATTORNEY

0340-0200 For the operation of the Northern district attorney's office; provided, that each district attorney's office shall work with the district attorneys' association to define, no later than September 1, 2012, what constitutes a "case" for reporting purposes; provided further, that each district attorney's office shall report the following prosecution data, in a format designated by the executive office for administration and finance in consultation with the district attorneys' association, no later than December 14, 2012 for the period of July 1, 2012 through September 30, 2012, and quarterly thereafter; (1) its caseload per district; (2) its caseload per attorney; (3) its total cost per case, and (4) its total number of cases delineated by classifications to be determined by the executive office for administration and finance in consultation with the district attorneys' association; and provided further, that the district attorneys shall submit this report quarterly starting January 1, 2013 directly to the executive office for administration and finance, the house and senate committees on ways and means and the district attorneys' association 13,690,462

MIDDLESEX DA STATE POLICE OT

0340-0298 For the overtime costs of state police officers assigned to the Northern district attorney's office 516,485

Trust and Other Spending **700,000**

0340-0213 FEDERAL DRUG FORFEITURE FUNDS 150,000

0340-0214 STATE DRUG FORFEITURE FUNDS 500,000

0340-0216 CONFERENCE REGISTRATION FEES 50,000

Eastern District Attorney's Office

The Eastern District Attorney's Office represents the Commonwealth in criminal prosecutions that arise within its district, which is co-extensive with the former Essex County. In addition, the office provides victim and witness services related to these criminal cases. Finally, within its district, the office has enforcement power under the Open Meeting Law to seek forfeiture of assets related to controlled substance cases and has the right to appear in certain nuisance actions.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Eastern District Attorney's Office	8,916	299	9,214	0

www.mass.gov/essexda

Direct Appropriations **8,915,960**

EASTERN (ESSEX) DISTRICT ATTORNEY

0340-0300 For the operation of the Eastern district attorney's office; provided, that each district attorney's office shall work with the district attorneys' association to define, no later than September 1, 2012, what constitutes a "case" for reporting purposes; provided further, that each district attorney's office shall report the following prosecution data, in a format designated by the executive office for administration and finance in consultation with the district attorneys' association, no later than December 14, 2012 for the period of July 1, 2012 through September 30, 2012, and quarterly thereafter; (1) its caseload per district; (2) its caseload per attorney; (3) its total cost per case, and (4) its total number of cases delineated by classifications to be determined by the executive office for administration and finance in consultation with the district attorneys' association; and provided further, that the district attorneys shall submit this report quarterly starting January 1, 2013 directly to the executive office for administration and finance, the house and senate committees on ways and means and the district attorneys' association 8,411,609

EASTERN DA STATE POLICE OT

0340-0398 For the overtime costs of state police officers assigned to the Eastern district attorney's office 504,351

Trust and Other Spending **298,500**

0340-0312 CONFERENCE REGISTRATION FEES 18,500

0340-0313 FEDERAL DRUG FORFEITURE FUNDS 250,000

0340-0314 STATE DRUG FORFEITURE FUNDS 30,000

Middle District Attorney's Office

The principal mission of the Office of the District Attorney is the just administration of the criminal laws of the Commonwealth.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Middle District Attorney's Office	9,723	900	10,623	0

www.worcesterda.com

Direct Appropriations **9,723,273**

MIDDLE (WORCESTER) DISTRICT ATTORNEY

0340-0400 For the operation of the Middle district attorney's office; provided, that each district attorney's office shall work with the district attorneys' association to define, no later than September 1, 2012, what constitutes a "case" for reporting purposes; provided further, that each district attorney's office shall report the following prosecution data, in a format designated by the executive office for administration and finance in consultation with the district attorneys' association, no later than December 14, 2012 for the period of July 1, 2012 through September 30, 2012, and quarterly thereafter; (1) its caseload per district; (2) its caseload per attorney; (3) its total cost per case, and (4) its total number of cases delineated by classifications to be determined by the executive office for administration and finance in consultation with the district 8,889,774

attorneys' association; and provided further, that the district attorneys shall submit this report quarterly starting January 1, 2013 directly to the executive office for administration and finance, the house and senate committees on ways and means and the district attorneys' association

UNIVERSITY OF MASSACHUSETTS MEDICAL SCHOOL DRUG LABORATORY

0340-0410	For the analysis of narcotic drug synthetic substitutes, poisons, drugs, medicines and chemicals at the University of Massachusetts medical school in order to support the law enforcement efforts of the district attorneys, the state police and municipal police departments	420,000

WORCESTER DA STATE POLICE OT

0340-0498	For the overtime costs of state police officers assigned to the Middle district attorney's office	413,499

Federal Grant Spending **250,000**

CHILD SEXUAL PREDATOR PROGRAM

0340-0465	For the purposes of a federally funded grant entitled, Child Sexual Predator Program	250,000

Trust and Other Spending **650,000**

0340-0414	STATE DRUG FORFEITURE FUNDS	500,000
0340-0418	FEDERAL DRUG FORFEITURE FUNDS	100,000
0340-0419	INSURANCE FRAUD PROSECUTION TRUST	50,000

Hampden District Attorney's Office

The District Attorney is elected by the citizens of Hampden County to represent them in the prosecution of criminal cases and on a broad spectrum of societal interests. The mission of the District Attorney is to seek justice, to promote public safety and to increase public trust in the criminal justice system.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Hampden District Attorney's Office	8,344	601	8,945	0

www.mass.gov/mdaa

Direct Appropriations **8,344,132**

HAMPDEN DISTRICT ATTORNEY

0340-0500	For the operation of the Hampden district attorney's office; provided, that each district attorney's office shall work with the district attorneys' association to define, no later than September 1, 2012, what constitutes a "case" for reporting purposes; provided further, that each district attorney's office shall report the following prosecution data, in a format designated by the executive office for administration and finance in consultation with the district attorneys' association, no later than December 14, 2012 for the period of July 1, 2012 through September 30, 2012, and quarterly thereafter; (1) its caseload per district; (2) its caseload per attorney; (3) its total cost per case, and (4) its total number of cases delineated by classifications to be determined by the executive office for administration and finance in consultation with the district attorneys' association; and provided further, that the district attorneys shall submit	8,004,233

this report quarterly starting January 1, 2013 directly to the executive office for administration and finance, the house and senate committees on ways and means and the district attorneys' association

HAMPDEN DA STATE POLICE OT

0340-0598	For the overtime costs of state police officers assigned to the Hampden district attorney's office	339,899

Federal Grant Spending **50,000**

COPS GRANT INTERNET CRIME AGAINST CHILDREN

0340-0590	For the purposes of a federally funded grant entitled, COPS Grant Internet Crime Against Children	50,000

Trust and Other Spending **550,660**

0340-0514	STATE DRUG FORFEITURE FUNDS	300,000
0340-0516	FEDERAL DRUG FORFEITURE FUNDS	150,000
0340-0545	INSURANCE FRAUD PROSECUTION	50,660
0340-0570	ORGANIZED CRIME UNIT	50,000

Northwestern District Attorney's Office

The principal function of the District Attorney's Office is to prosecute crimes in superior, district, juvenile and appellate courts, serving Hampshire and Franklin counties and the town of Athol.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Northwestern District Attorney's Office	5,278	320	5,598	0

www.northwesterndistrictattorney.org/about.html

Direct Appropriations **5,277,964**

NORTHWESTERN DISTRICT ATTORNEY

0340-0600	For the operation of the Northwestern district attorney's office; provided, that each district attorney's office shall work with the district attorneys' association to define, no later than September 1, 2012, what constitutes a "case" for reporting purposes; provided further, that each district attorney's office shall report the following prosecution data, in a format designated by the executive office for administration and finance in consultation with the district attorneys' association, no later than December 14, 2012 for the period of July 1, 2012 through September 30, 2012, and quarterly thereafter; (1) its caseload per district; (2) its caseload per attorney; (3) its total cost per case, and (4) its total number of cases delineated by classifications to be determined by the executive office for administration and finance in consultation with the district attorneys' association; and provided further, that the district attorneys shall submit this report quarterly starting January 1, 2013 directly to the executive office for administration and finance, the house and senate committees on ways and means and the district attorneys' association	4,983,716

NORTHWESTERN DA STATE POL OT

0340-0698	For the overtime costs of state police officers assigned to the Northwestern district attorney's office	294,248
Trust and Other Spending		**320,268**
0340-0614	STATE DRUG FORFEITURE FUNDS	178,190
0340-0615	FEDERAL DRUG FORFEITURE FUNDS	110,000
0340-0676	INVESTIGATIONS	32,078

Norfolk District Attorney's Office

The mission of the Office of the Norfolk District Attorney is to promote public safety for the 670,000 citizens in the 28 communities comprising the Norfolk District of Massachusetts.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Norfolk District Attorney's Office	8,628	534	9,161	4

www.mass.gov/da/norfolk

Direct Appropriations **8,627,902**

NORFOLK DISTRICT ATTORNEY

0340-0700	For the operation of the Norfolk district attorney's office; provided, that each district attorney's office shall work with the district attorneys' association to define, no later than September 1, 2012, what constitutes a "case" for reporting purposes; provided further, that each district attorney's office shall report the following prosecution data, in a format designated by the executive office for administration and finance in consultation with the district attorneys' association, no later than December 14, 2012 for the period of July 1, 2012 through September 30, 2012, and quarterly thereafter; (1) its caseload per district; (2) its caseload per attorney; (3) its total cost per case, and (4) its total number of cases delineated by classifications to be determined by the executive office for administration and finance in consultation with the district attorneys' association; and provided further, that the district attorneys shall submit this report quarterly starting January 1, 2013 directly to the executive office for administration and finance, the house and senate committees on ways and means and the district attorneys' association	8,200,596

NORFOLK DA STATE POLICE OT

0340-0798	For the overtime costs of state police officers assigned to the Norfolk district attorney's office	427,306
Trust and Other Spending		**533,561**
0340-0709	CRIMINAL PROSECUTION EDUCATION	14,300
0340-0714	STATE DRUG FORFEITURE FUNDS	356,273
0340-0715	FEDERAL DRUG FORFEITURE FUNDS	113,000
0340-0716	NORFOLK INSURANCE FRAUD TRUST	49,988

Plymouth District Attorney's Office

The mission of the Plymouth District Attorney's Office is to protect the citizens of our community with the efficient and fair prosecution of criminal acts that occur in the cities and towns of Plymouth County. Along with the prosecution of crime, we strive to provide critical services to the victims of those crimes and reduce criminal activity through intervention and prevention programs.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Plymouth District Attorney's Office	7,543	448	7,991	0

www.mass.gov/da/plymouth

Direct Appropriations **7,543,129**

PLYMOUTH DISTRICT ATTORNEY

0340-0800 For the operation of the Plymouth district attorney's office; provided, that each district attorney's office shall work with the district attorneys' association to define, no later than September 1, 2012, what constitutes a "case" for reporting purposes; provided further, that each district attorney's office shall report the following prosecution data, in a format designated by the executive office for administration and finance in consultation with the district attorneys' association, no later than December 14, 2012 for the period of July 1, 2012 through September 30, 2012, and quarterly thereafter; (1) its caseload per district; (2) its caseload per attorney; (3) its total cost per case, and (4) its total number of cases delineated by classifications to be determined by the executive office for administration and finance in consultation with the district attorneys' association; and provided further, that the district attorneys shall submit this report quarterly starting January 1, 2013 directly to the executive office for administration and finance, the house and senate committees on ways and means and the district attorneys' association 7,113,287

PLYMOUTH DA STATE POLICE OT

0340-0898 For the overtime costs of state police officers assigned to the Plymouth district attorney's office 429,842

Federal Grant Spending **158,053**

VICTIM'S RIGHTS WEEK VETO PROJECT

0340-0820 For the purposes of a federally funded grant entitled, Victim's Rights Week Veto Project 5,000

JUSTICE ASSISTANCE GRANT

0340-0824 For the purposes of a federally funded grant entitled, Justice Assistance Grant 25,000

ARRA - JUSTICE ACCESS GRANT LOCAL SOLICITATION

0340-0825 For the purposes of a federally funded grant entitled, ARRA - Justice Access Grant Local Solicitation 71,053

JUSTICE ASSISTANCE GRANT

0340-0827 For the purposes of a federally funded grant entitled, Justice Assistance Grant 57,000

Trust and Other Spending		**290,000**
0340-0814	STATE DRUG FORFEITURE FUNDS	200,000
0340-0817	FEDERAL DRUG FORFEITURE FUNDS	15,000
0340-0882	ANCILLARY RECEIVERSHIP TRUST	75,000

Bristol District Attorney's Office

The Bristol District Attorney's Office has a proud tradition of protecting and serving the people of Bristol County through tough, fair prosecutions and proactive, progressive prevention and intervention programs. The true essence of what we do is to protect and serve the public, fight for victims and speak for those who otherwise would have no voice. It is a mission we pursue with vigor, passion and diligence.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Bristol District Attorney's Office	7,727	812	8,539	0

www.bristolda.com

Direct Appropriations		**7,727,321**
BRISTOL DISTRICT ATTORNEY		
0340-0900	For the operation of the Bristol district attorney's office; provided, that each district attorney's office shall work with the district attorneys' association to define, no later than September 1, 2012, what constitutes a "case" for reporting purposes; provided further, that each district attorney's office shall report the following prosecution data, in a format designated by the executive office for administration and finance in consultation with the district attorneys' association, no later than December 14, 2012 for the period of July 1, 2012 through September 30, 2012, and quarterly thereafter; (1) its caseload per district; (2) its caseload per attorney; (3) its total cost per case, and (4) its total number of cases delineated by classifications to be determined by the executive office for administration and finance in consultation with the district attorneys' association; and provided further, that the district attorneys shall submit this report quarterly starting January 1, 2013 directly to the executive office for administration and finance, the house and senate committees on ways and means and the district attorneys' association	7,401,003
BRISTOL DA STATE POLICE OT		
0340-0998	For the overtime costs of state police officers assigned to the Bristol district attorney's office	326,318
Trust and Other Spending		**811,694**
0340-0914	STATE DRUG FORFEITURE FUNDS	731,430
0340-0915	FEDERAL DRUG FORFEITURE FUNDS	30,264
0340-0918	BRI INSURANCE FRAUD PROSECUTION TRUST	50,000

Cape and Islands District Attorney's Office

The mission of the Cape and Islands District Attorney's Office is to investigate and prosecute criminal cases in the Juvenile Court, District Court, Superior Court, Appeals Court and Supreme Judicial Court on behalf of the Commonwealth and the people of Barnstable, Nantucket and Dukes Counties.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Cape and Islands District Attorney's Office	3,896	415	4,312	0

www.mass.gov/da/cape

Direct Appropriations		**3,896,393**
CAPE AND ISLANDS DISTRICT ATTORNEY		
0340-1000	For the operation of the Cape and Island district attorney's office; provided, that each district attorney's office shall work with the district attorneys' association to define, no later than September 1, 2012, what constitutes a "case" for reporting purposes; provided further, that each district attorney's office shall report the following prosecution data, in a format designated by the executive office for administration and finance in consultation with the district attorneys' association, no later than December 14, 2012 for the period of July 1, 2012 through September 30, 2012, and quarterly thereafter; (1) its caseload per district; (2) its caseload per attorney; (3) its total cost per case, and (4) its total number of cases delineated by classifications to be determined by the executive office for administration and finance in consultation with the district attorneys' association; and provided further, that the district attorneys shall submit this report quarterly starting January 1, 2013 directly to the executive office for administration and finance, the house and senate committees on ways and means and the district attorneys' association	3,617,658
CAPE AND ISLANDS DA STATE POLICE		
0340-1098	For the overtime costs of state police officers assigned to the Cape and Islands district attorney's office	278,735
Trust and Other Spending		**415,497**
0340-1014	STATE DRUG FORFEITURE FUNDS	242,600
0340-1050	FEDERAL DRUG FORFEITURE FUNDS	172,897

Berkshire District Attorney's Office

The Berkshire District Attorney's Office is charged with the mission of prosecuting criminal offenses in Berkshire County in a fair and efficient manner. The office is required to provide staffing, equipment and services to the citizens of Berkshire County and the Commonwealth of Massachusetts to meet that objective.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Berkshire District Attorney's Office	3,738	60	3,798	0

www.mass.gov/berkshireda

Direct Appropriations **3,737,792**

BERKSHIRE DISTRICT ATTORNEY

0340-1100 For the operation of the Berkshire district attorney's office; provided, that each district attorney's office shall work with the district attorneys' association to define, no later than September 1, 2012, what constitutes a "case" for reporting purposes; provided further, that each district attorney's office shall report the following prosecution data, in a format designated by the executive office for administration and finance in consultation with the district attorneys' association, no later than December 14, 2012 for the period of July 1, 2012 through September 30, 2012, and quarterly thereafter; (1) its caseload per district; (2) its caseload per attorney; (3) its total cost per case, and (4) its total number of cases delineated by classifications to be determined by the executive office for administration and finance in consultation with the district attorneys' association; and provided further, that the district attorneys shall submit this report quarterly starting January 1, 2013 directly to the executive office for administration and finance, the house and senate committees on ways and means and the district attorneys' association 3,522,666

BERKSHIRE DA STATE POLICE OT

0340-1198 For the overtime costs of state police officers assigned to the Berkshire district attorney's office 215,126

Trust and Other Spending **60,000**

0340-0123 INSURANCE FRAUD PROSECUTION TRUST 25,000

0340-1114 STATE DRUG FORFEITURE FUNDS 25,000

0340-1115 FEDERAL DRUG FORFEITURE FUNDS 10,000

District Attorneys' Association

The Massachusetts District Attorneys' Association (MDAA) is an independent state agency whose mission is to provide uniform technology services, training and policy development for the eleven elected district attorneys (DAs) and their collective staffs of approximately 1,700 attorneys, advocates and support staff.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
District Attorneys' Association	3,477	0	3,477	0

www.mass.gov/mdaa

Direct Appropriations **3,477,096**

DISTRICT ATTORNEYS' ASSOCIATION

0340-2100 For the operation of the Massachusetts District Attorneys' Association; provided, that the association shall assist the executive office for administration and finance in developing a standard reporting form for the district attorneys to use, starting October 1, 2012, when filing quarterly reports on their caseloads, costs per case and total number of cases delineated by classification 1,660,006

DISTRICT ATTORNEY RETENTION

0340-2117 For the retention of assistant district attorneys with more than 3 years of experience; provided, that the Massachusetts District Attorneys Association shall transfer funds to 500,000

the AA object class in each of the 11 district attorney offices in the commonwealth; provided further, that the association shall develop a formula for distribution of the funds; provided further, that funds distributed from this item to the district attorneys' offices shall be used for retention purposes and shall not be transferred out of the AA object class; provided further, that not more than $100,000 shall be distributed to any 1 district attorney's office; provided further that not less than 60 days prior to the distribution of funds the District Attorneys Association shall notify the executive office for administration and finance and the house and senate committees on ways and means detailing: (a) the methodology used to determine the amount to be dispersed; (b) the amount to be given to each district attorney's office; (c) the reasoning behind the distribution; and (d) the number of assistant district attorneys from each office who would receive funds from this item; and provided further, that no funds shall be expended on the administrative costs of the association

DISTRICT ATTORNEYS' WIDE AREA NETWORK

0340-8908	For the costs associated with maintaining the Massachusetts district attorneys' association's wide area network	1,317,090

SHERIFFS

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Hampden Sheriff's Department	69,815	0	69,815	3,316
Worcester Sheriff's Department	40,324	11	40,335	152
Middlesex Sheriff's Department	65,238	1,142	66,380	1,099
Franklin Sheriff's Department	11,771	0	11,771	2,155
Hampshire Sheriff's Department	12,678	0	12,678	297
Essex Sheriff's Department	46,838	824	47,663	2,092
Berkshire Sheriff's Department	16,269	0	16,269	790
Massachusetts Sheriffs' Association	345	0	345	0
Barnstable Sheriff's Department	23,567	362	23,929	360
Bristol Sheriff's Department	37,467	0	37,467	8,749
Dukes Sheriff's Department	2,637	0	2,637	0
Nantucket Sheriff's Department	748	0	748	0
Norfolk Sheriff's Department	28,896	0	28,896	1,236
Plymouth Sheriff's Department	42,555	72	42,627	16,000
Suffolk Sheriff's Department	102,437	0	102,437	8,000
TOTAL	501,585	2,411	503,996	44,245

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Hampden Sheriff's Department	912	886	864	838	838
Worcester Sheriff's Department	570	521	540	502	502
Middlesex Sheriff's Department	710	662	643	638	638
Franklin Sheriff's Department	166	160	154	163	163
Hampshire Sheriff's Department	166	167	164	169	169
Essex Sheriff's Department	585	564	514	502	502
Berkshire Sheriff's Department	203	211	196	201	195
Massachusetts Sheriffs' Association	3	3	3	3	3
Barnstable Sheriff's Department	0	307	319	320	320
Bristol Sheriff's Department	0	516	521	519	519
Dukes Sheriff's Department	0	44	43	43	43
Nantucket Sheriff's Department	0	3	3	3	3
Norfolk Sheriff's Department	0	288	307	339	339
Plymouth Sheriff's Department	0	524	545	409	409
Suffolk Sheriff's Department	0	1,027	1,022	1,022	1,022
TOTAL	3,315	5,885	5,839	5,673	5,666

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.
In FY2008 and FY2009, Barnstable, Bristol, Dukes, Nantucket, Norfolk, Plymouth and Suffolk Sheriff Departments were not yet state agencies. These 7 Sheriff Departments became state agencies on January 1, 2010.

Hampden Sheriff's Department

The mission of the Hampden County Sheriff's Department is to empower offenders to reclaim their liberty through informed and responsible choices. This mission is accomplished through a professional, well-trained and dedicated staff committed to the goals of the facility. The continuum of care, from entry to post-release, is designed to promote successful offender re-entry as socially and civically responsible citizens.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Hampden Sheriff's Department	69,815	0	69,815	3,316

www.hcsdmass.org/

Direct Appropriations **69,814,881**

HAMPDEN SHERIFF'S DEPARTMENT

8910-0102 For the operation of the Hampden sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 66,021,140

HAMPDEN SHERIFF REGIONAL MENTAL HEALTH STAB UNIT

8910-1010 For the operations of a regional behavioral evaluation and stabilization unit to provide forensic mental health services within existing physical facilities for incarcerated persons in the care of correctional facilities in the commonwealth; provided, that the unit shall be located in Hampden county to serve the needs of incarcerated persons in the care of Berkshire, Franklin, Hampden, Hampshire and Worcester counties; provided further, that the services of the units shall be made available to incarcerated persons in the care of the department of correction; provided further, that the sheriff, in conjunction with the department of correction and the Massachusetts sheriffs association, shall prepare a report that shall include, but not be limited to: (a) the number of incarcerated persons in facilities located in counties that were provided services in each unit; (b) the number of incarcerated persons in department of correction facilities that were provided services in each unit; (c) the alleviation in caseload at Bridgewater state hospital associated with fewer incarcerated persons in the care of counties being attended to at the hospital; and (d) the estimated and projected cost-savings in fiscal year 2013 to the sheriff offices and the department of correction associated with the regional units; provided further, that the report shall be submitted to the executive office for administration and finance and the house and senate committees on ways and means not later than March 15, 2013; and provided further, that the department of mental health shall maintain monitoring and quality review functions of the unit 905,441

Retained Revenues

PRISON INDUSTRIES RETAINED REVENUE

8910-1000 The Hampden sheriff's department may expend for prison industries programs an amount not to exceed $2,388,300 from revenues collected from the sale of prison 2,388,300

industries products; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the office may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

REIMBURSEMENT FROM HOUSING FEDERAL INMATES RETAINED REVENUE

8910-2222 For the Hampden sheriff's office, which may expend for the operation of the office an amount not to exceed $500,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the office may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 500,000

Worcester Sheriff's Department

The primary mission of the Worcester County Sheriff's Department is to protect society from criminal offenders through the safe detention of pre-trial detainees and the safe detention and rehabilitation of sentenced inmates. This mission is accomplished by providing educational, substance abuse and vocational program opportunities for inmates; exercising prudent management over facility resources; implementing policies, procedures and practices which are in compliance with applicable laws; striving to meet the Standards for County Correctional Facilities, the American Standards for Adult Local Detention Facilities and the Standards of the National Commission on Correctional Healthcare; and ensuring access to comprehensive post-incarceration resources, including but not limited to the Almost Home Program.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Worcester Sheriff's Department	40,324	11	40,335	152

www.worcestercountysheriff.com/

Direct Appropriations **40,323,906**

WORCESTER SHERIFF'S DEPARTMENT

8910-0105 For the operation of the Worcester sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 40,323,906

Trust and Other Spending **10,886**

8910-0596 WORCESTER COUNTY SHERIFF'S OFFICE EXPENDABLE TRUST 10,886

Middlesex Sheriff's Department

The Middlesex Sheriff's Department provides a secure, safe and humane environment for both staff and offenders. The Department's commitment to public safety is to improve the quality of life in the community through public awareness, reintegration and by exercising core beliefs of professionalism, respect, fairness and integrity.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Middlesex Sheriff's Department	65,238	1,142	66,380	1,099

www.middlesexsheriff.org/

Direct Appropriations **65,238,458**

MIDDLESEX SHERIFF'S DEPARTMENT

8910-0107 For the operation of the Middlesex sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 63,408,017

MIDDLESEX SHERIFF MENTAL HEALTH STAB UNIT

8910-1101 For the operations of a regional behavioral evaluation and stabilization unit to provide forensic mental health services within existing physical facilities for incarcerated persons in the care of correctional facilities in the commonwealth; provided, that the unit shall be located in Middlesex county to serve the needs of incarcerated persons in the care of Barnstable, Bristol, Dukes, Essex, Nantucket, Middlesex, Norfolk, Plymouth and Suffolk counties; provided further, that the services of the unit shall be made available to incarcerated persons in the care of the department of correction; provided further, that the sheriff, in conjunction with the department of correction and the Massachusetts sheriffs association, shall prepare a report that shall include, but not be limited to: (a) the number of incarcerated persons in facilities located in counties that were provided services in each unit; (b) the number of incarcerated persons in department of correction facilities that were provided services in each unit; (c) the alleviation in caseload at Bridgewater state hospital associated with fewer incarcerated persons in the care of counties being attended to at the hospital; and (d) the estimated and projected cost-savings in fiscal year 2013 to the sheriff offices and the department of correction associated with the regional units; provided further, that the report shall be submitted to the executive office for administration and finance and the house and senate committees on ways and means not later than March 15, 2013; and provided further, that the department of mental health shall maintain monitoring and quality review functions of the unit 905,441

Retained Revenues

REIMBURSEMENT FROM HOUSING FEDERAL INMATES RETAINED REVENUE

8910-0160 For the Middlesex sheriff's department, which may expend for the operation of the 850,000

department an amount not to exceed $850,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

PRISON INDUSTRIES RETAINED REVENUE

8910-1100	For the Middlesex sheriff's department, which may expend for prison industries programs an amount not to exceed $75,000 from revenues collected from the sale of prison industries products	75,000

Federal Grant Spending **1,045,025**

SECURITY TECHNOLOGY IMPROVEMENTS

8910-0139	For the purposes of a federally funded grant entitled, Security Technology Improvements	795,025

SURVEILLANCE VEHICLES

8910-0143	For the purposes of a federally funded grant entitled, Surveillance Vehicles	250,000

Trust and Other Spending **96,955**

8910-0447	FEDERAL FORFEITURE FUNDS	52,518
8910-0448	STATE FORFEITURE FUNDS	44,437

Franklin Sheriff's Department

The primary mission of the Franklin Sheriff's Department is the protection of the public. The philosophy of the Sheriff's Department is to protect the public by operating the Franklin County Jail and House of Correction and providing public safety services to the citizens of Franklin County.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Franklin Sheriff's Department	11,771	0	11,771	2,155

www.fcso-ma.com/

Direct Appropriations **11,771,430**

FRANKLIN SHERIFF'S DEPARTMENT

8910-0108	For the operation of the Franklin sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association	9,671,430

and the department of correction

Retained Revenues

REIMBURSEMENT FROM HOUSING FEDERAL INMATES RETAINED REVENUE

8910-0188 For the Franklin sheriff's department, which may expend for the operation of the department an amount not to exceed $2,100,000 from any state or federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 2,100,000

Hampshire Sheriff's Department

The primary mission of the Hampshire Sheriff's Department is to protect society from criminal offenders by safely and humanely housing inmates at the least restrictive security level that is practical and still protects the public.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Hampshire Sheriff's Department	12,678	0	12,678	297

www.hampshiresheriffs.com/

Direct Appropriations **12,677,867**

HAMPSHIRE SHERIFF'S DEPARTMENT

8910-0110 For the operation of the Hampshire sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 12,519,619

Retained Revenues

HAMPSHIRE REGIONAL LOCKUP RETAINED REVENUE

8910-1112 For the Hampshire sheriff's office, which may expend for the operation of the Hampshire county regional lockup at the Hampshire county jail an amount not to exceed $158,248 in revenue; provided, that the sheriff shall enter into agreements to provide detention services to various law enforcement agencies and municipalities, and shall determine and collect fees for those detentions from the law enforcement agencies and municipalities 158,248

Essex Sheriff's Department

The Essex County Sheriff's Department's top priority is to protect residents in the region from criminal offenders. This is accomplished by housing inmates in a secure and fair manner; providing rehabilitation and academic training to offenders while they are incarcerated so they will not repeat their mistakes once they are released; practicing correctional polices that comply with all local, state and federal laws; using innovative correctional approaches that are in accord with the Essex County Sheriff's Department's top mission; and informing and educating the public about the department through the media, tours of the facility and public appearances by the Sheriff, administrators, K-9 Unit and uniformed personnel.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Essex Sheriff's Department	46,838	824	47,663	2,092

www.mass.gov/eccf

Direct Appropriations **46,838,179**

ESSEX SHERIFF'S DEPARTMENT

8910-0619 For the operation of the Essex sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 44,838,179

Retained Revenues

REIMBURSEMENT FROM HOUSING FEDERAL INMATES RETAINED REVENUE

8910-6619 For the Essex sheriff's department, which may expend for the operation of the department an amount not to exceed $2,000,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 2,000,000

Federal Grant Spending **674,494**

COPS 2005 TECHNOLOGY GRANT

8910-0614 For the purposes of a federally funded grant entitled, Cops 2005 Technology Grant 212,408

SECOND CHANCE RE-ENTRY PROJECT

8910-0620 For the purposes of a federally funded grant entitled, Second Chance Re-entry Project 450,086

ESSEX SUBSTANCE AND EDUCATION PROGRAM

8910-0621 For the purposes of a federally funded grant entitled, Essex Substance and Education Program 12,000

Trust and Other Spending **150,000**

8910-0613 NARCOTIC FORFEITURE 150,000

Berkshire Sheriff's Department

The primary mission of the Berkshire County Sheriff's Department is to protect the public from criminal offenders by operating a safe, secure and progressive correctional facility while committing to crime prevention awareness in the community. We accomplish our mission by maintaining a safe, secure direct supervision correctional facility while upholding all national standards, laws and judicial decisions; exploring innovative and cost effective community correction alternatives to incarceration that ensures the efficiency of the Berkshire County Sheriff's Department; pursuing the fair and equitable treatment of inmates while respecting the rights and dignity of all persons; creating a just and fair environment that encourages positive behavior from criminal offenders; and seeking the highest level of professionalism, through support, motivation and training for all employees with accountability to the public we serve.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Berkshire Sheriff's Department	16,269	0	16,269	790

www.bcsoma.org

Direct Appropriations **16,269,254**

BERKSHIRE SHERIFF'S DEPARTMENT

8910-0145 For the operation of the Berkshire sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 15,519,254

Retained Revenues

DISPATCH CENTER RETAINED REVENUE

8910-0445 For the Berkshire sheriff's department, which may expend for the operation of the department an amount not to exceed $250,000 from revenues generated from the operation of the Berkshire county communication center's 911 dispatch operations and other law enforcement related activities; provided, that all expenditures from this item shall be subject to chapter 29 of the General Laws and recorded on the Massachusetts management accounting and reporting system 250,000

PITTSFIELD SCHOOLS RETAINED REVENUE

8910-0446 For the Berkshire sheriff's department, which may expend an amount not to exceed $500,000 from revenues collected from the city of Pittsfield public school system; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the sheriff's office may incur expenses and the 500,000

comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system; and provided further, that expenditures from this item shall be subject to chapter 29 of the General Laws and recorded on the Massachusetts management accounting and reporting system

Massachusetts Sheriffs' Association

The Massachusetts Sheriffs' Association (MSA) works to secure a unity of action by the sheriffs of the Commonwealth in order to address the numerous issues that have a direct relationship and impact on the entire criminal justice system and which may affect the operation of the various sheriffs' offices. These issues shall include, but not be limited to, those related to law enforcement, the care and custody of inmates and detainees, judicial services, transportation of prisoners, recidivism, officer training, re-entry programming and legislative advocacy. The MSA shall also foster cooperative relationships among the sheriffs' offices for the purpose of developing standardized training, providing governance over shared projects, discussing operational best practices and evaluating research and data on matters of mutual interest and concern. Ultimately, the MSA shall work to promote a greater understanding of the matters impacting the sheriffs' offices and to bring together other law enforcement and criminal justice professionals and practitioners to increase cooperation and demonstrate strategies that can be utilized to improve the public safety of all Massachusetts communities.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Massachusetts Sheriffs' Association	345	0	345	0

www.mass.gov/msa

Retained Revenues

MASSACHUSETTS SHERIFFS' ASSOCIATION

8910-7100	For the Massachusetts Sheriffs Association, which may expend for its operation an amount not to exceed $344,790 in revenue collected from voluntary contributions from all sheriffs; provided, that the executive director of the association shall assist the executive office of public safety and security in collecting relevant data and developing a report on recidivism rates for all pretrial, county and state sentenced inmates utilizing data provided by the department of correction and sheriffs' departments	344,790

Barnstable Sheriff's Department

The mission of the Barnstable County Sheriff's Department is to improve the quality of life on Cape Cod by protecting the public from criminal offenders through operating a safe, secure and rehabilitative correctional facility; and assisting municipal governments and local agencies through specialized public safety services.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Barnstable Sheriff's Department	23,567	362	23,929	360

www.bsheriff.net/

Direct Appropriations **23,567,391**

BARNSTABLE SHERIFF'S DEPARTMENT

8910-8200	For the operation of the Barnstable sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction	23,317,391

Retained Revenues

BARNSTABLE SHERIFF FEDERAL REIMBURSEMENT RETAINED REVENUE

8910-8210	The Barnstable sheriff's department may expend for the operation of the department an amount not to exceed $250,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	250,000

Federal Grant Spending **11,738**

FEDERAL BULLET PROOF VEST PROGRAM - BARNSTABLE COUNTY SHERIFF'S OFFICE

8910-8219	For the purposes of a federally funded grant entitled, Federal Bullet Proof Vest Program - Barnstable County Sheriff's Office	11,738

Trust and Other Spending **350,000**

8910-8211	COMMUNICATIONS FUND - BARNSTABLE COUNTY SHERIFF'S OFFICE	150,000
8910-8212	POLICE DETAIL FUND - BARNSTABLE COUNTY SHERIFF'S OFFICE	100,000
8910-8214	SOCIAL SECURITY ADMIN - BARNSTABLE COUNTY SHERIFF'S OFFICE	10,000
8910-8222	BARNSTABLE COUNTY SHERIFF'S OFFICE FEDERAL DETENTION FUND ET	90,000

Bristol Sheriff's Department

The Bristol Sheriff's Department is an organization of public safety professionals responsible for custodial care and rehabilitation of inmates. The Sheriff's Department works in partnership with law enforcement agencies, government entities and community groups, lending resources to train, educate and respond to the safety concerns of our communities.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Bristol Sheriff's Department	37,467	0	37,467	8,749

www.bcso-ma.us

Direct Appropriations **37,466,893**

BRISTOL SHERIFF'S DEPARTMENT

8910-8300 For the operation of the Bristol sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 29,006,893

Retained Revenues

BRISTOL SHERIFF'S DEPARTMENT FEDERAL INMATE

8910-8310 For the Bristol sheriff's department, which may expend for the operation of the department an amount not to exceed $8,460,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system 8,460,000

Dukes Sheriff's Department

The mission of the Dukes Sheriff's Department is to operate a safe, secure, rehabiliative correctional facility and a regionalized E911 communication center. The Sherriff's Department works with local and state agencies through specialized services. The professional men and women of the Dukes County Sheriff's Department consistently strive to improve the quality of life in our community.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Dukes Sheriff's Department	2,637	0	2,637	0

www.dukescounty.org/Pages/DukesCountyMA_Sheriff/index

Direct Appropriations **2,636,952**

DUKES SHERIFF'S DEPARTMENT

8910-8400 For the operation of the Dukes sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit 2,636,952

this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction

Nantucket Sheriff's Department

The Nantucket Sheriff's Department serves civil and criminal process and court papers. The Department also handles prisoner transport, evictions, landlord and tenant questions, state programs and sheriff sales of real and personal property.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Nantucket Sheriff's Department	748	0	748	0

Direct Appropriations **747,844**

NANTUCKET SHERIFF'S DEPARTMENT

8910-8500 For the operation of the Nantucket sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 747,844

Norfolk Sheriff's Department

The Norfolk County Sheriff's Department serves the citizens of Norfolk County by enhancing public safety through the operation of a safe, secure and humane direct supervision correctional facility. These efforts are accomplished with a highly trained, dedicated, professional, compassionate and diverse workforce as well as collaborative agreements with both public and private stakeholders.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Norfolk Sheriff's Department	28,896	0	28,896	1,236

www.norfolksheriff.com

Direct Appropriations **28,896,272**

NORFOLK SHERIFF'S DEPARTMENT

8910-8600 For the operation of the Norfolk sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and 27,780,272

security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction

Retained Revenues

NORFOLK SHERIFF'S DEPARTMENT FEDERAL INMATE

8910-8610 For the Norfolk sheriff's department, which may expend for the operation of the department an amount not to exceed $1,116,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 1,116,000

Plymouth Sheriff's Department

The primary mission of the Plymouth County Sheriff's Department is dedication to strengthening public safety through corrections and specialized support services for all criminal justice agencies.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Plymouth Sheriff's Department	42,555	72	42,627	16,000

www.pcsdma.org

Direct Appropriations **42,554,582**

PLYMOUTH SHERIFF'S DEPARTMENT

8910-8700 For the operation of the Plymouth sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 26,554,582

Retained Revenues

PLYMOUTH SHERIFF'S DEPARTMENT FEDERAL INMATE

8910-8710 For the Plymouth sheriff's department, which may expend for the operation of the 16,000,000

department an amount not to exceed $16,000,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

Trust and Other Spending **72,000**

8910-8714 PLYMOUTH COUNTY SHERIFF'S SOCIAL SECURITY INCENTIVE EXPENDABLE TRUST 54,000

8910-8715 PLYMOUTH COUNTY SHERIFF'S BODY ARMOR FUND EXPENDABLE TRUST 18,000

Suffolk Sheriff's Department

The Suffolk Sheriff's Department is mandated to enforce the laws of the Commonwealth and to serve and protect the citizens of Suffolk County. This mission is accomplished by maintaining safe and secure custody and control of inmates and pre-trial detainees and enhancing public safety by seeking ways to effectively reduce offender recidivism.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Suffolk Sheriff's Department	102,437	0	102,437	8,000

www.scsdma.org

Direct Appropriations **102,436,682**

SUFFOLK SHERIFF'S DEPARTMENT

8910-8800 For the operation of the Suffolk sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2012; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff association in consultation with the executive office for administration and finance, fiscal year 2012 total costs per inmate by facility and security level no later than October 1, 2012; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 94,436,682

Retained Revenues

SUFFOLK SHERIFF'S DEPARTMENT FEDERAL INMATE

8910-8810 The Suffolk sheriff's department may expend for the operation of the department an amount not to exceed $8,000,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accomodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 8,000,000

GOVERNOR'S OFFICE

The mission of the Executive Office is to provide fiscally responsible and efficient management of the operations of the Executive Branch of state government. The Governor's Office develops and implements policies that best position the Massachusetts' economy for economic recovery, provides for the health and welfare of its residents, offers a world-class education to our children, protects against threats to public safety and the environment and ensures the fiscal stability of all 351 cities and towns of the Commonwealth. The Governor's Office coordinates the activities of all Executive Branch agencies through the cabinet secretaries and communicates to the General Court and the general public the aims, objectives and accomplishments of the Administration. The Office develops, oversees and guides key administration initiatives through to completion.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Governor's Office	5,237	0	5,237	0

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Governor's Office	72	69	76	75	75
TOTAL	72	69	76	75	75

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/gov

Direct Appropriations **5,236,906**

OFFICE OF THE GOVERNOR

0411-1000 For the operation of the offices of the governor, the lieutenant governor and the governor's council; provided, that the amount appropriated in this item may be used at the discretion of the governor for the payment of extraordinary expenses not otherwise provided for and for transfer to appropriation accounts where the amounts otherwise available may be insufficient 4,993,342

OFFICE OF THE CHILD ADVOCATE

0411-1005 For the operation of the office of the child advocate 243,564

SECRETARY OF THE COMMONWEALTH

The Secretary of the Commonwealth is the principal public information officer for the state government of Massachusetts.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Secretary of the Commonwealth	41,393	5,058	46,451	217,939

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Secretary of the Commonwealth	590	548	516	514	512
TOTAL	590	548	516	514	512

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/sec

Direct Appropriations **41,392,700**

SECRETARY OF THE COMMONWEALTH ADMINISTRATION

0511-0000 For the operation of the office of the secretary of the commonwealth 5,912,424

CORPORATE DISSOLUTION PROGRAM

0511-0002 For the operation of the corporations division; provided, that the division shall implement a corporate dissolution program which shall have a specific focus on limited liability corporations and limited liability partnerships that have failed in their statutory responsibility to file an annual report; and provided further, that the division shall file quarterly reports with the house and senate committees on ways and means and the executive office for administration and finance detailing the total number of annual reports filed as a result of this program and the amount of revenue generated for the commonwealth 254,213

STATE ARCHIVES

0511-0200 For the operation of the state archives division 378,121

STATE RECORDS CENTER

0511-0230 For the operation of the state records center 36,217

STATE ARCHIVES FACILITY

0511-0250 For the operation of the state archives facility 296,521

COMMONWEALTH MUSEUM

0511-0260 For the operation of the commonwealth museum 243,684

CENSUS DATA TECHNICAL ASSISTANCE

0511-0270 For the secretary of state who may contract with the University of Massachusetts Donahue Institute to provide the commonwealth with technical assistance on United 500,000

States census data and to prepare annual population estimates

ADDRESS CONFIDENTIALITY PROGRAM

0511-0420	For the operation of the address confidentiality program	130,858

PUBLIC DOCUMENT PRINTING

0517-0000	For the printing of public documents	600,000

ELECTIONS DIVISION ADMINISTRATION

0521-0000	For the operation of the elections division	8,646,892

CENTRAL VOTER REGISTRATION COMPUTER SYSTEM

0521-0001	For the operation of the central voter registration computer system	5,991,979

INFORMATION TO VOTERS

0524-0000	For providing information to voters	1,873,087

MASSACHUSETTS HISTORICAL COMMISSION

0526-0100	For the operation of the Massachusetts historical commission	750,000

BALLOT LAW COMMISSION

0527-0100	For the operation of the ballot law commission	10,545

RECORDS CONSERVATION BOARD

0528-0100	For the operation of the records conservation board	34,056

ESSEX REGISTRY OF DEEDS - NORTHERN DISTRICT

0540-0900	For the operation of the registry of deeds located in Lawrence in the county of Essex	1,017,335

ESSEX REGISTRY OF DEEDS - SOUTHERN DISTRICT

0540-1000	For the operation of the registry of deeds located in Salem in the county of Essex	2,703,583

FRANKLIN REGISTRY OF DEEDS

0540-1100	For the operation of the registry of deeds in the county of Franklin	449,288

HAMPDEN REGISTRY OF DEEDS

0540-1200	For the operation of the registry of deeds in the county of Hampden	1,643,100

HAMPSHIRE REGISTRY OF DEEDS

0540-1300	For the operation of the registry of deeds in the county of Hampshire	471,423

MIDDLESEX REGISTRY OF DEEDS - NORTHERN DISTRICT

0540-1400	For the operation of the registry of deeds located in Lowell in the county of Middlesex	1,113,611

MIDDLESEX REGISTRY OF DEEDS - SOUTHERN DISTRICT

0540-1500	For the operation of the registry of deeds located in Cambridge in the county of Middlesex	2,875,012

BERKSHIRE REGISTRY OF DEEDS - NORTHERN DISTRICT

0540-1600	For the operation of the registry of deeds located in Adams in the county of Berkshire	250,700

BERKSHIRE REGISTRY OF DEEDS - CENTRAL DISTRICT

0540-1700	For the operation of the registry of deeds located in Pittsfield in the county of Berkshire	419,400

BERKSHIRE REGISTRY OF DEEDS - SOUTHERN DISTRICT

0540-1800	For the operation of the registry of deeds located in Great Barrington in the county of Berkshire	209,483

SUFFOLK REGISTRY OF DEEDS

0540-1900	For the operation of the registry of deeds in the county of Suffolk	1,734,615

WORCESTER REGISTRY OF DEEDS - NORTHERN DISTRICT

0540-2000	For the operation of the registry of deeds located in Fitchburg in the county of Worcester	655,072

WORCESTER REGISTRY OF DEEDS - WORCESTER DISTRICT

0540-2100	For the operation of the registry of deeds located in Worcester in the county of Worcester	2,161,481

Retained Revenues

STATE HOUSE GIFT SHOP RETAINED REVENUE

0511-0001	The secretary of the commonwealth may expend for the purpose of replenishing and restocking inventory at the Massachusetts state house gift shop an amount not to exceed $30,000 from the sale of gift shop merchandise; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	30,000

Intragovernmental Service Spending ***116,000***

CHARGEBACK FOR PUBLICATIONS AND COMPUTER LIBRARY SERVICES

0511-0003	For the costs of providing electronic and other publications purchased from the state bookstore, for commission fees, notary fees and for direct access to the secretary's computer library Intragovernmental Service Fund.....100%	16,000

CHARGEBACK FOR STATE RECORDS CENTER SERVICES

0511-0235	For the costs of destroying the obsolete records of state agencies Intragovernmental Service Fund.....100%	100,000

Federal Grant Spending **137,464**

HISTORIC PRESERVATION SURVEY AND PLANNING

0526-0114	For the purposes of a federally funded grant entitled, Historic Preservation Survey and Planning	137,464

Trust and Other Spending **4,804,619**

0526-6601	REGISTRARS' TECHNOLOGICAL FUND	4,804,619

TREASURER AND RECEIVER-GENERAL

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Treasurer and Receiver-General	2,251,168	1,808,969	4,060,136	91,572
State Lottery Commission	86,608	0	86,608	255
Massachusetts Cultural Council	6,200	4,514	10,714	0
TOTAL	2,343,976	1,813,483	4,157,459	91,827

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of the Treasurer and Receiver-General	138	125	118	131	131
State Lottery Commission	421	410	403	419	419
Massachusetts Cultural Council	31	25	25	25	25
TOTAL	589	560	546	575	575

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Office of the Treasurer and Receiver-General

The office of the Treasurer and Receiver-General's mission is to prudently manage and safeguard the Commonwealth's public deposits and investments through sound business practices for the exclusive benefit of the citizens of Massachusetts.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Treasurer and Receiver-General	2,251,168	1,808,969	4,060,136	91,572

www.mass.gov/treasury/

Direct Appropriations **2,251,167,869**

OFFICE OF THE TREASURER AND RECEIVER - GENERAL

0610-0000 For the operation of the office of the treasurer and receiver general 9,181,147

FINANCIAL LITERACY PROGRAMS

0610-0010 For programs to promote and improve financial literacy for Massachusetts residents 85,000

ALCOHOLIC BEVERAGES CONTROL COMMISSION

0610-0050 For the alcoholic beverages control commission 1,993,336

ALCOHOLIC BEVERAGES CONTROL COMMISSION INVESTIGATION AND ENFOR

0610-0060 For the costs associated with the investigation and enforcement division of the alcoholic beverages control commission's implementation of the enhanced liquor enforcement programs, known as Safe Campus, Safe Holidays, Safe Prom, and Safe Summer; provided, that funds from this appropriation shall not support other operating costs of item 0610-0050 100,000

FINANCIAL INSTITUTION FEES

0610-0140 For the purpose of funding administrative, transactional and research expenses associated with maintaining and increasing the interest earnings on the commonwealth's General and Stabilization Fund investments 21,582

WELCOME HOME BILL BONUS PAYMENTS

0610-2000 For payments made to veterans pursuant to section 16 of chapter 130 of the acts of 2005, section 11 of chapter 132 of the acts of 2009, section 32 of chapter 112 of the acts of 2010 and section 3 of chapter 171 of the acts of 2011; provided, that the office of the state treasurer may expend not more than $205,000 for costs incurred in the administration of these payments 2,855,604

BONUS PAYMENTS TO WAR VETERANS

0611-1000 For bonus payments to war veterans 44,500

PUBLIC SAFETY EMPLOYEES LINE OF DUTY DEATH BENEFITS

0612-0105 For payment of the public safety employees line-of-duty death benefits authorized by section 100A of chapter 32 of the General Laws 200,000

CONSOLIDATED LONG-TERM DEBT SERVICE

0699-0015 For the payment of interest, discount and principal on certain bonded debt of the commonwealth, previously charged to the Local Aid Fund, the State Recreation Areas Fund, the Metropolitan Parks District Fund, the Metropolitan Water District Fund, the Metropolitan Sewerage District Fund, the Watershed Management Fund, the Highway Fund and the Inter-City Bus Fund; provided, that payments of certain serial bonds maturing previously charged to the Local Aid Fund, the State Recreation 2,023,271,598

Areas Fund, the Metropolitan Water District Fund, the Metropolitan Sewerage District Fund and the Highway Fund shall be paid from this item; provided further, that notwithstanding any general or special law to the contrary, the state treasurer may make payments under section 38C of chapter 29 of the General Laws from this item and item 0699-9100 and may expend amounts received under said section 38C without further appropriation; provided further, that the payments shall pertain to the bonds, notes, or other obligations authorized to be paid from each item or to refunding escrows related to debt of the commonwealth; provided further, that notwithstanding any general or special law to the contrary, the comptroller may transfer the amounts that would otherwise be unexpended on June 30, 2012, from item 0699-0015 to item 0699-9100 or from item 0699-9100 to item 0699-0015 which would otherwise have insufficient amounts to meet debt service obligations for the fiscal year ending June 30, 2012; provided further, that each amount transferred shall be charged to the funds as specified in the item to which the amount is transferred; provided further, that payments on bonds issued under section 2O of chapter 29 of the General Laws shall be paid from this item and shall be charged to the Commonwealth Transportation Fund; provided further, that payments of interest, discount and principal on certain bonded debt of the commonwealth associated with the Watershed Management Fund for the acquisition of development rights and other interests in land, including fee simple acquisitions of watershed lands of the Quabbin and Wachusett Reservoirs and the Ware River Watershed above the Ware River intake pipe shall be paid from this item; provided further, that notwithstanding any general or special law to the contrary or other provisions of this item, the comptroller may charge the payments authorized in this item to the appropriate budgetary or other fund subject to a plan which the comptroller shall file 10 days in advance with the house and senate committees on ways and means; and provided further, that the comptroller shall transfer from this item to the Government Land Bank Fund an amount equal to the amount by which debt service charged to the fund exceeds revenue deposited to the fund

General Fund 56.50%
Commonwealth Transportation Fund.....43.50%

ACCELERATED BRIDGE PROGRAM DEBT SERVICE

0699-0016 For the payment of interest, discount and principal on certain indebtedness incurred under chapter 233 of the acts of 2008 for financing the accelerated bridge program 49,392,567

CENTRAL ARTERY/TUNNEL DEBT SERVICE

0699-2004 For the payment of interest, discount and principal on certain indebtedness incurred under for financing the central artery/tunnel funding shortfall 101,500,000

SHORT-TERM DEBT SERVICE AND COSTS OF ISSUANCE

0699-9100 For the payment of interest and issuance costs on bonds and bond and revenue anticipation notes and other notes under sections 47 and 49B of chapter 29 of the General Laws and for the payment to the United States under section 148 of the Internal Revenue Code of 1986 of any rebate amount or yield reduction payment owed with respect to any outstanding bonds or notes of the commonwealth; provided, that the treasurer shall certify to the comptroller a schedule of the distribution of costs among the various funds of the commonwealth; provided further, that not more than $400,000 shall be expended from this item for the costs of personnel at the debt department of the office of the state treasurer; provided further, that the comptroller shall charge costs to the funds in accordance with the schedule; and provided further, that any deficit in this item at the close of the fiscal year ending June 30, 2012 shall be charged to the various funds or to the General Fund or Transportation Fund debt service reserves 29,131,247

GRANT ANTICIPATION NOTES DEBT SERVICE

0699-9101 For the purpose of depositing with the trustee under the trust agreement authorized in section 10 of chapter 11 of the acts of 1997 an amount to be used to pay the interest due on notes of the commonwealth issued under section 9 of chapter 11 of 13,182,425

the acts of 1997 and secured by the Federal Highway Grant Anticipation Note Trust Fund

Commonwealth Transportation Fund.....100%

Retained Revenues

ABCC GRANT

0610-0051	For the operations of the alcoholic beverages control commission relative to the prevention of underage drinking and related programs, including but not limited to applying for and obtaining federal Alcohol, Tobacco, and Firearms funds, grants, and other federal appropriations; provided, that the commission is hereby authorized to expend revenues up to $208,863 collected from fees generated by this commission; and provided further, that for the purposes of accommodating discrepancies between the receipt of retained revenue and related expenditures, this commission may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system	208,863

RANS PREMIUMS DEBT SERVICE

0699-0005	For the state treasurer who may retain and expend an amount not to exceed $20,000,000 in fiscal year 2013 from premiums paid on the sales of revenue anticipation notes and expend such premium payments for the purposes of paying principal and interest on account of the revenue anticipation notes	20,000,000

Intragovernmental Service Spending ***6,217,722***

AGENCY DEBT SERVICE PROGRAMS

0699-0018	For the cost of debt service for the fiscal year ending June 30, 2013 for projects or programs for which an agency has committed to fund the associated debt service; provided, that the treasurer may charge other appropriations and federal grants for the cost of the debt service Intragovernmental Service Fund.....100%	6,217,722

Trust and Other Spending **1,802,750,895**

0610-0093	A HERO'S WELCOME TRUST FUND	35,000
0610-3382	COMMONWEALTH COVENANT FUND	150,000
0612-0000	STATE BOARD OF RETIREMENT ADMINISTRATION	6,100,000
0612-1013	MARTIN H. MCNAMARA ANNUITY TRUST	32,224
0612-1020	STATE RETIREMENT BOARD PENSION FUND	1,400,000,000
0612-1600	STATE EMPLOYEES ANNUITIES FUND BALANCE	300,000,000
0650-1700	ABANDONED PROPERTY	96,433,671

State Lottery Commission

The Massachusetts State Lottery was created by the Legislature in 1971 in response to the need for revenues for the 351 cities and towns of the Commonwealth. The Lottery is charged with generating the revenues through the sale of its products while the Department of Revenue's Division of Local Services is responsible for disbursing the funds to municipalities.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
State Lottery Commission	86,608	0	86,608	255

www.masslottery.com

Direct Appropriations **86,608,131**

STATE LOTTERY COMMISSION

0640-0000 For the operation of the state lottery commission and arts lottery; provided, that a sum equal to 25 per cent of the amount appropriated in this item shall be transferred each quarter from the State Lottery Fund to the General Fund 78,536,702

STATE LOTTERY COMMISSION - MONITOR GAMES

0640-0005 For the costs associated with the continued implementation of monitor games; provided, that a sum equal to 25 per cent of the amount appropriated in this item shall be transferred each quarter from the State Lottery Fund to the General Fund 2,715,484

STATE LOTTERY COMMISSION - ADVERTISING

0640-0010 For promotional activities associated with the state lottery program 5,000,000

STATE LOTTERY COMMISSION - HEALTH AND WELFARE BENEFITS

0640-0096 For the purpose of the commonwealth's fiscal year 2013 contributions to the health and welfare fund established under the collective bargaining agreement between the lottery commission and the Service Employees International Union, Local 888, AFL-CIO; provided, that the contributions shall be paid to the trust fund on such basis as the collective bargaining agreement provides; and provided further, that a sum equal to 25 per cent of the amount appropriated in this item shall be transferred each quarter from the State Lottery Fund to the General Fund 355,945

Massachusetts Cultural Council

The Massachusetts cultural council promotes excellence, access, education and diversity in the arts, humanities, and interpretive sciences to improve the quality of life for all Massachusetts residents and contribute to the economic vitality of our communities. The Massachusetts cultural council is committed to building a central place for the arts, sciences and humanities in the everyday lives of communities across the Commonwealth through a combination of grant programs, partnerships and services for non-profit cultural organizations, schools, communities and individual artists.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Massachusetts Cultural Council	6,200	4,514	10,714	0

www.mass.gov/mcc

Direct Appropriations **6,199,866**

MASSACHUSETTS CULTURAL COUNCIL

0640-0300 For the operation of the Massachusetts cultural council, including grants to or contracts with public and non-public entities; provided, that notwithstanding any general or special law to the contrary, the council may expend the amount appropriated in this item for the purposes of the council as provided in sections 52 to 6,199,866

58, inclusive, of chapter 10 of the General Laws in such amounts and at such times as the council may determine under section 54 of chapter 10; provided further, that an amount equal to 25 per cent of this appropriation shall be transferred quarterly from the Arts Lottery Fund to the General Fund; provided further, that any funds expended from this item for the benefit of school children shall be expended under uniform terms and conditions for all Massachusetts school children; and provided further, that persons employed under this item shall be considered employees within the meaning of section 1 of chapter 150E of the General Laws and shall be placed in the appropriate bargaining units

Federal Grant Spending		**945,500**
FOLK AND TRADITIONAL ARTS INITIATIVES		
0640-9716	For the purposes of a federally funded grant entitled, Folk and Traditional Arts Initiatives	30,000
BASIC STATE GRANT		
0640-9717	For the purposes of a federally funded grant entitled, Basic State Grant	635,400
ARTISTS IN EDUCATION		
0640-9718	For the purposes of a federally funded grant entitled, Artists in Education	80,500
YOUTH REACH STATE AND REGIONAL PROGRAMS		
0640-9724	For the purposes of a federally funded grant entitled, Youth Reach State and Regional Programs	199,600
Trust and Other Spending		**3,568,924**
0640-2102	MASSDEVELOPMENT EXPENDABLE TRUST	285,889
0640-2119	MASS DEVELOPMENT FINANCE AUTHORITY TRUST	3,000,000
0640-2162	BIG YELLOW SCHOOL BUS EXPENDABLE TRUST	125,000
0640-6501	MASSACHUSETTS CULTURAL COUNCIL GENERAL TRUST	61,013
0640-6502	INTERGOVERNMENTAL PERSONNEL ACT TRUST	97,022

OFFICE OF THE STATE AUDITOR

The mission of the Office of the State Auditor (OSA) is to be a catalyst for good government by improving the accountability, efficiency and quality of state services. The OSA's Division of Audit Operations, Bureau of Special Investigations and Division of Local Mandates contribute to this ongoing mission through audit, investigatory and assessment activities that help to safeguard the state's financial assets, and ensure that state expenditures are legal and used for the purposes intended and maximize funds available for important state services. In sum, OSA activities are directed toward improving the delivery of government services, protecting public funds and enhancing program performance.

Also, as part of the OSA's ongoing mission, the State Auditor serves as chairman of the State Inspector General's Council and the Municipal Finance Oversight Board, as vice-chairman of the Public Employee Retirement Administration Commission, and as a member of the Comptroller's Advisory Board, the Teacher's Retirement Board, the School Building Assistance Advisory Board, the County Government Finance Review Board, the Witness Protection Board and the Health Care Quality and Cost Council.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the State Auditor	17,218	200	17,418	0

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of the State Auditor	307	270	214	215	214
TOTAL	307	270	214	215	214

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/sao

Direct Appropriations **17,217,964**

OFFICE OF THE STATE AUDITOR ADMINISTRATION

0710-0000 For the operation of the office of the state auditor, including the Medicaid audit unit; provided, that expenditures for the Medicaid audit unit shall be federally reimbursable 13,659,122

DIVISION OF LOCAL MANDATES

0710-0100 For the operation of the division of local mandates 379,643

BUREAU OF SPECIAL INVESTIGATIONS

0710-0200 For the operation of the bureau of special investigations 1,812,420

MEDICAID AUDIT UNIT

0710-0225 For the operation of the Medicaid Audit Unit within the Division of Audit Operations in an effort to prevent and to identify fraud and abuse in the MassHealth system; provided, that the federal reimbursement for any expenditure from this line item shall not be less than 50 per cent; and provided further, that the division shall submit a report no later than December 1, 2012 to the house and senate committees on ways and means and the secretary of administration and finance detailing all findings on 897,829

	activities and payments made through the MassHealth system	
ENHANCED BUREAU OF SPECIAL INVESTIGATION		
0710-0300	For costs related to the use of data analytic techniques to identify fraud by the Bureau of Special Investigations	468,950
Trust and Other Spending		**200,000**
0710-0066	AGREEMENTS WITH FEDERAL GOVERNMENT	200,000

ATTORNEY GENERAL

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Attorney General	39,072	0	39,072	41,235
Victim and Witness Assistance Board	1,236	8,330	9,566	0
TOTAL	40,308	8,330	48,638	41,235

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of the Attorney General	515	490	469	470	470
Victim and Witness Assistance Board	11	8	8	9	9
TOTAL	526	497	478	479	479

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Office of the Attorney General

The Attorney General is the chief lawyer and law enforcement officer of the Commonwealth of Massachusetts. The Office represents the Commonwealth in many matters in which the Commonwealth is a party. In addition, the Attorney General is a resource to residents who are facing challenges in the area of consumer protection, fraud, civil rights violations, health care and insurance issues. The main office of the Attorney General is located in Boston. Regional offices are fully staffed and located in Western, Central and Southeastern Massachusetts, allowing residents more convenient access to services in their area.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Attorney General	39,072	0	39,072	41,235

www.mass.gov/ago/

Direct Appropriations **39,071,804**

OFFICE OF THE ATTORNEY GENERAL ADMINISTRATION

0810-0000 For the operation of the office of the attorney general 22,251,155

COMPENSATION TO VICTIMS OF VIOLENT CRIMES

0810-0004 For compensation to victims of violent crimes; provided, that notwithstanding chapter 258C of the General Laws, if a claimant is 60 years of age or older at the time of the crime and is not employed or receiving unemployment compensation, the claimant shall be eligible for compensation in accordance with chapter 258C even if the claimant has suffered no out-of-pocket loss; provided further, that compensation to the claimant shall be limited to a maximum of $50; and provided further, that notwithstanding any general or special law to the contrary, victims of the crime of rape shall be notified of all available services designed to assist rape victims including, but not limited to, the provisions outlined in section 5 of chapter 258B of the General Laws 2,188,340

PUBLIC UTILITIES PROCEEDINGS UNIT

0810-0014 For the operation of the public utilities proceedings unit; provided, that notwithstanding any general or special law to the contrary, the amount assessed under section 11E of chapter 12 of the General Laws shall equal the amount expended from this item 2,355,145

MEDICAID FRAUD CONTROL UNIT

0810-0021 For the operation of the Medicaid fraud control unit; provided, that expenditures from this item shall be federally reimbursable 4,064,923

WAGE ENFORCEMENT PROGRAM

0810-0045 For the operation of the wage enforcement program 3,022,081

LITIGATION AND ENHANCED RECOVERIES

0810-0061 For the purpose of funding existing and future litigation devoted to obtaining significant recoveries for the Commonwealth 1,811,579

STATE POLICE OVERTIME FOR AG

0810-0098 For the costs associated with police overtime for the office of the attorney general 340,676

INSURANCE PROCEEDINGS UNIT

0810-0201 For the costs incurred in administrative and judicial proceedings on insurance; provided, that notwithstanding any general or special law to the contrary, the amount assessed for these costs shall be equal to the amount expended from this item; and 1,539,943

provided further, that funds appropriated in this item may be expended for the purposes of items 0810-0338 and 0810-0399

AUTOMOBILE INSURANCE FRAUD INVESTIGATION AND PROSECUTION

0810-0338 For the costs of the automobile insurance fraud investigation and prosecution program; provided, that notwithstanding any general or special law to the contrary, the amount assessed for these costs shall be equal to the amount expended from this item 438,506

WORKERS' COMPENSATION FRAUD INVESTIGATION AND PROSECUTION

0810-0399 For the costs of investigating and prosecuting workers' compensation fraud; provided, that notwithstanding any general or special law to the contrary, the amount assessed for these costs shall be equal to the amount expended from this item; and provided further, that the attorney general shall investigate and prosecute, where appropriate, employers who fail to provide workers' compensation insurance in accordance with the laws of the commonwealth 284,456

Retained Revenues

FALSE CLAIMS RECOVERY RETAINED REVENUE

0810-0013 For the office of the attorney general which may expend for a false claims program an amount not to exceed $775,000 from revenues collected from enforcement of the false claims law; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 775,000

Victim and Witness Assistance Board

The Massachusetts Office for Victim Assistance (MOVA) is an independent state agency devoted to upholding and advancing the rights of crime victims. Established by law in 1984, the activities of MOVA are governed by the Victim and Witness Assistance Board, whose chair is the Attorney General and whose members include two District Attorneys and two crime victims/survivors. MOVA strives to provide innovative victim advocacy through outreach and education, policy and program development, direct service, legislative advocacy and grants management. The agency's commitment lies in serving all victims while ensuring access and equity of rights and services to underserved communities. By bridging public, private and community organizations, MOVA works to serve crime victims, their families and witnesses to violence while promoting healing and justice.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Victim and Witness Assistance Board	1,236	8,330	9,566	0

www.mass.gov/mova

Direct Appropriations **1,236,122**

VICTIM AND WITNESS ASSISTANCE BOARD

0840-0100 For the operation of the victim and witness assistance board 494,923

DOMESTIC VIOLENCE COURT ADVOCACY PROGRAM

0840-0101 For the operation of the safety assistance for Every Person Leaving Abuse Now advocacy program 741,199

Federal Grant Spending		**8,310,340**
ARRA - VICTIMS OF CRIME ACT FUNDS		
0840-0109	For the purposes of a federally funded grant entitled, ARRA - Victims of Crime Act Funds	435,340
VICTIMS OF CRIME ASSISTANCE PROGRAM		
0840-0110	For the purposes of a federally funded grant entitled, Victims of Crime Assistance Program	7,875,000
Trust and Other Spending		**20,000**
0840-0115	VICTIM WITNESS ASSISTANCE BOARD REIMBURSEMENT TRUST	20,000

STATE ETHICS COMMISSION

The mission of the State Ethics Commission is to foster integrity in public service in state, county and local government; promote the public's trust and confidence in that service; and prevent conflicts between private interests and public duties. The State Ethics Commission strives to accomplish this mission by conducting ongoing educational programs, providing clear and timely advice and fairly and impartially interpreting and enforcing the conflict of interest and financial disclosure laws.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
State Ethics Commission	1,797	0	1,797	0

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
State Ethics Commission	21	21	22	23	23
TOTAL	21	21	22	23	23

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/ethics

Direct Appropriations **1,796,500**

STATE ETHICS COMMISSION

0900-0100 For the operation of the state ethics commission 1,796,500

OFFICE OF THE INSPECTOR GENERAL

The mission of the Office of the Inspector General is to prevent and detect fraud, waste and abuse in the expenditure of public funds, as authorized under General Laws Chapter 12A.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Inspector General	2,832	0	2,832	600

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of the Inspector General	36	34	33	68	32
TOTAL	36	34	33	68	32

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/ig

Direct Appropriations **2,831,913**

OFFICE OF THE INSPECTOR GENERAL

0910-0200 For the operation of the office of the inspector general 2,231,913

Retained Revenues

PUBLIC PURCHASING AND MANAGER PROGRAM FEES RETAINED REVENUE

0910-0210 The office of the inspector general may expend for the Massachusetts public purchasing official certification program and the certified public manager program an amount not to exceed $600,000 from fees charged to participants in those programs; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 600,000

OFFICE OF CAMPAIGN AND POLITICAL FINANCE

The Office of Campaign and Political Finance (OCPF) is an independent state agency that administers Massachusetts General Laws Chapter 55, the campaign finance law, and Chapter 55C, the limited public financing program for statewide candidates. Established in 1973, OCPF is the depository for disclosure reports filed by candidates and committees.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of Campaign and Political Finance	1,270	0	1,270	75

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of Campaign and Political Finance	15	15	14	17	17
TOTAL	15	15	14	17	17

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/ocpf

Direct Appropriations **1,270,342**

OFFICE OF CAMPAIGN AND POLITICAL FINANCE

0920-0300 For the operation of the office of campaign and political finance 1,270,342

MASSACHUSETTS COMMISSION AGAINST DISCRIMINATION

The Massachusetts Commission Against Discrimination's (MCAD) mission is to address issues of discrimination and ensure equality of opportunity by enforcing the Commonwealth's anti-discrimination laws in employment, housing, public accommodations, credit, lending and education.

The Commission works to eliminate discrimination and advance the civil rights of the people of the Commonwealth of Massachusetts through law enforcement (filing of complaints, investigations, mediations and conciliations, prosecution, adjudication and litigation) and outreach (training sessions, public education and testing programs).

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Massachusetts Commission Against Discrimination	4,692	78	4,769	2,286

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Massachusetts Commission Against Discrimination	69	61	65	66	66
TOTAL	69	61	65	66	66

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/mcad

Direct Appropriations **4,691,892**

MASSACHUSETTS COMMISSION AGAINST DISCRIMINATION

0940-0100 For the operation of the Massachusetts commission against discrimination; provided, that all positions except clerical shall be exempt from chapter 31 of the General Laws; provided further, that the commission shall pursue the highest allowable rate of federal reimbursement; and provided further, that the commission shall work with the office of access and opportunity and the office of diversity and equal opportunity to design and deliver training to executive branch staff 2,543,312

Retained Revenues

FEES AND FEDERAL REIMBURSEMENT RETAINED REVENUE

0940-0101 The Massachusetts commission against discrimination may expend not more than $2,078,580 from revenues from fees and federal reimbursements received in fiscal year 2013 and prior fiscal years for the purposes of the United States Department of Housing and Urban Development fair housing type 1 program and the equal opportunity resolution contract program; provided, that notwithstanding any general or special law to the contrary, for the purposes of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 2,078,580

DISCRIMINATION PREVENTION PROGRAM RETAINED REVENUE		
0940-0102	The Massachusetts commission against discrimination may expend for the operation of the discrimination prevention certification program an amount not to exceed $70,000 from revenues collected from fees charged for the training and certification of diversity trainers	70,000
Trust and Other Spending		**77,500**
0940-2135	DISCRIMINATORY LENDING PROJECT TRUST	77,500

COMMISSION ON THE STATUS OF WOMEN

The Commission on the Status of Women exists to provide a permanent, effective voice for women across Massachusetts. The purpose of the Commission is to advance women toward full equality in all areas of life and to promote rights and opportunities for all women.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Commission on the Status of Women	70	5	75	0

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Commission on the Status of Women	4	1	1	1	1
TOTAL	4	1	1	1	1

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/women

Direct Appropriations		**70,000**
COMMISSION ON THE STATUS OF WOMEN		
0950-0000	For the operation of the commission on the status of women	70,000
Trust and Other Spending		**5,000**
0950-0001	COMMISSION ON THE STATUS OF WOMEN TRUST	5,000

DISABLED PERSONS PROTECTION COMMISSION

The Disabled Persons Protection Commission is an independent state agency which exists to protect adults with disabilities from abusive acts and omissions of their caregivers through investigation, oversight, public awareness and prevention.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Disabled Persons Protection Commission	2,211	0	2,211	0

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Disabled Persons Protection Commission	31	29	28	28	28
TOTAL	31	29	28	28	28

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/dppc

Direct Appropriations **2,210,698**

DISABLED PERSONS PROTECTION COMMISSION

1107-2501 For the operation of the disabled persons protection commission 2,210,698

BOARD OF LIBRARY COMMISSIONERS

The Massachusetts Board of Library Commissioners is the agency of state government with the statutory authority and responsibility to organize, develop, coordinate and improve library services throughout the Commonwealth. The Board also strives to provide every resident of the Commonwealth with full and equal access to library information resources regardless of geographic location, social or economic status, age, level of physical or intellectual ability or cultural background.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Board of Library Commissioners	21,575	3,410	24,985	0

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Board of Library Commissioners	13	10	10	10	10
TOTAL	13	10	10	10	10

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/mblc

Direct Appropriations **21,574,841**

BOARD OF LIBRARY COMMISSIONERS

7000-9101 For the operation of the board of library commissioners; provided, that notwithstanding section 19A of chapter 78 of the General Laws or any other general or special law to the contrary, for the fiscal year 2013 state aid to public libraries program, the board of library commissioners shall consider that Fitchburg has met the standard of minimum hours of service as provided in section 19B of said chapter 78 and defined in 605 CMR 4.01(3) and further defined in board policies for the state aid program; provided further, that the board shall grant temporary certification to Fitchburg by August 31, 2012, upon receipt of a preliminary report showing compliance with the materials expenditure requirement during fiscal year 2012 and showing that the library has met the municipal appropriation requirement, or is likely to qualify for a waiver of said requirement, in the 2013 state aid to public libraries program; and provided further, that in order for Fitchburg to retain this certification and receive a grant award it shall successfully complete the annual certification process of the board in fiscal year 2013 1,028,312

REGIONAL LIBRARIES LOCAL AID

7000-9401 For state aid to regional public libraries; provided, that the board of library commissioners may provide quarterly advances of funds for purposes authorized by clauses (1) and (2) of section 19C of chapter 78 of the General Laws, as it considers proper, to regional public library systems throughout each fiscal year, in compliance with the office of the comptroller's regulations on state grants, 815 CMR 2; provided further, that notwithstanding any general or special law to the contrary, in calculating the fiscal year 2013 distribution of funds appropriated in this item, the board of library commissioners shall employ population figures used to calculate the fiscal year 2012 9,131,475

distribution; provided further, that the board shall provide funds for the continued operation of a single regional library system to serve the different geographic regions of the commonwealth and requiring that physical locations be maintained in both eastern and western Massachusetts to serve the residents of those regions; and provided further, that notwithstanding any general or special law to the contrary, the library of the commonwealth shall receive not less than 35 and 9/10 cents for each resident of the commonwealth

TALKING BOOK PROGRAM WORCESTER

7000-9402	For the Talking Book Library Program at the Worcester public library	421,143

TALKING BOOK PROGRAM WATERTOWN

7000-9406	For the operation of a statewide Braille and Talking Book Program in Watertown, including the operation of the machine-lending agency	2,241,016

PUBLIC LIBRARIES LOCAL AID

7000-9501	For aid to public libraries; provided, that notwithstanding any general or special law to the contrary, no city or town shall receive any funds from this item in any fiscal year when the appropriation of the city or town for free public library services is below an amount equal to 102.5 per cent of the average of the appropriations for free public library service for the 3 fiscal years immediately preceding; provided further, that notwithstanding any general or special law to the contrary, the board of library commissioners may grant waivers in excess of the waiver limit set forth in the second paragraph of section 19A of chapter 78 of the General Laws in fiscal year 2013 for a period of not more than 1 year; provided further, that notwithstanding any general or special law to the contrary, of the amount by which this item exceeds the amount appropriated in chapter 194 of the acts of 1998, funds shall be distributed under the guidelines of the municipal equalization grant program and under the guidelines for the library incentive grant program and under the guidelines for the nonresident circulation offset program; and provided further, that notwithstanding any general or special law to the contrary, any payment made to a city or town from this item shall be deposited with the treasurer of the city or town and held in a separate account and shall be expended by the public library of the city or town without further appropriation	6,823,657

LIBRARY TECHNOLOGY AND AUTOMATED RESOURCE - SHARING NETWORKS

7000-9506	For statewide library technology and resource-sharing programs	1,929,238

Federal Grant Spending		**3,332,303**

LIBRARY SERVICES TECHNOLOGY ACT

7000-9702	For the purposes of a federally funded grant entitled, Library Services Technology Act	3,332,303

Trust and Other Spending		**77,481**
7000-9407	BILL AND MELINDA GATES FOUNDATION TRUST	77,481

OFFICE OF THE COMPTROLLER

The mission of the Office of the State Comptroller is to increase the efficiency of back office operations across state government, thereby enhancing its delivery of services while ensuring a high level of accountability throughout the Commonwealth's financial operations and providing taxpayers' assurance that tax dollars are spent for their intended purposes.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Comptroller	12,800	48,783	61,584	20,124

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of the Comptroller	115	115	113	112	116
TOTAL	115	115	113	112	116

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

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www.mass.gov/osc

Direct Appropriations **12,800,434**

OFFICE OF THE STATE COMPTROLLER

1000-0001 For the operation of the state comptroller's office; provided, that notwithstanding any general or special law to the contrary, the comptroller may enter into contracts with private vendors to identify and pursue cost avoidance opportunities for programs of the commonwealth and may enter into interdepartmental service agreements with state agencies, as applicable, for that purpose; provided further, that payments to private vendors on account of these cost avoidance projects shall be made only from actual cost savings that have been certified in writing to the house and senate committees on ways and means by the comptroller and the budget director as attributable to these cost avoidance projects; provided further, that the comptroller may, in consultation with the budget director and the affected departments, establish procedures to accomplish the purpose of those contracts; and provided further, that the comptroller shall report on those projects as a part of his annual report under section 12 of chapter 7A of the General Laws 7,800,434

JUDGMENTS SETTLEMENTS AND LEGAL FEES

1599-3384 For a reserve for the payment of certain court judgments, settlements and legal fees, in accordance with regulations adopted by the comptroller, which were ordered to be paid in the current or a prior fiscal year; provided, that amounts remaining at the end of fiscal year 2013 shall not revert and shall be made available for payments in fiscal year 2014 5,000,000

Intragovernmental Service Spending ***47,885,334***

CHARGEBACK FOR SINGLE STATE AUDIT

1000-0005 For the cost of the single state audit for the fiscal year ending June 30, 2013; 900,000

provided, that the comptroller may charge other appropriations and federal grants for the cost of the audit
Intragovernmental Service Fund 100%

CHARGEBACK FOR MMARS

1000-0008 For the costs of operating and managing the MMARS accounting system for fiscal year 2013; provided, that any unspent balance at the close of fiscal year 2013 in an amount not to exceed 5 per cent of the amount authorized shall remain in the Intergovernmental Service Fund and is hereby re-authorized for expenditures for such item in fiscal year 2014 — 2,985,334
Intragovernmental Service Fund 100%

CHARGEBACK FOR PRIOR-YEAR DEFICIENCIES

1599-2040 For the payment of prior-year deficiencies based upon schedules provided to the executive office for administration and finance and the house and senate committees on ways and means; provided, that notwithstanding any general or special law to the contrary, the comptroller may certify payments on behalf of departments for certain contracted goods or services rendered in prior fiscal years for which certain statutes, regulations or procedures were not properly followed; provided further, that the department which was a party to the transaction shall certify in writing that the services were performed or goods delivered and shall provide additional information that the comptroller may require; provided further, that the comptroller may charge departments' current fiscal year appropriations and transfer to this item amounts equivalent to the amounts of any prior-year deficiency, subject to the conditions stated in this item; provided further, that the comptroller shall assess a chargeback only to that current fiscal year appropriation which is for the same purpose as that to which the prior-year deficiency pertains, or if there is no appropriation for that purpose, to that current fiscal year appropriation which is most similar in purpose to the appropriation to which the prior-year deficiency pertains, or is for the general administration of the department that administered the appropriation to which the prior-year deficiency pertains; provided further, that no chargeback shall be made which would cause a deficiency in any current fiscal year appropriation; and provided further, that the comptroller shall include in the schedules the amount of each prior-year deficiency paid, the fiscal year and appropriation to which it pertained, the current fiscal year appropriation and object class to which it was charged, and the department's explanation for the failure to make payment in a timely manner — 10,000,000
Intragovernmental Service Fund 100%

CHARGEBACK FOR UNEMPLOYMENT COMPENSATION

1599-3100 For the cost of the commonwealth's employer contributions to the Unemployment Compensation Fund and the Medical Security Trust Fund; provided, that the secretary of administration and finance shall authorize the collection, accounting and payment of these contributions; and provided further, that in executing these responsibilities the comptroller may charge, in addition to individual appropriation accounts, certain non-appropriated funds in amounts that are computed based on rates developed in accordance with OMB circular a-87, including expenses, interest expense and related charges — 34,000,000
Intragovernmental Service Fund 100%

Trust and Other Spending **897,806**

1000-0006 INTERCEPT FEE RETAINED REVENUE 613,806

1000-6368 MDOT TRANSITION 284,000

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Administration and Finance	336,948	45,005	381,952	12,652
Massachusetts Developmental Disabilities Council	86	2,144	2,230	0
Division of Capital Asset Management and Maintenance	27,734	19,119	46,853	22,969
Bureau of the State House	2,140	0	2,140	0
Massachusetts Office on Disability	586	260	846	0
Teachers' Retirement Board	0	2,521,845	2,521,845	0
Group Insurance Commission	1,230,734	1,007,406	2,238,140	577,026
Public Employee Retirement Administration Commission	0	7,621	7,621	0
Division of Administrative Law Appeals	1,128	0	1,128	8
George Fingold Library	824	0	824	0
Department of Revenue	1,060,963	73,662	1,134,625	203,291
Appellate Tax Board	2,134	0	2,134	2,434
Human Resources Division	33,089	68,752	101,841	3,260
Civil Service Commission	439	0	439	20
Operational Services Division	5,901	8,600	14,501	11,599
Information Technology Division	6,482	73,625	80,107	491
The Health Care Security Trust	0	249,116	249,116	0
TOTAL	2,709,188	4,077,154	6,786,342	833,749

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of the Secretary of Administration and Finance	57	313	315	323	312
Division of Capital Asset Management and Maintenance	0	0	0	0	22
Bureau of State Office Buildings	42	38	36	35	0
Bureau of the State House	0	0	0	0	13
Massachusetts Office on Disability	11	9	9	9	9
Group Insurance Commission	52	52	49	51	51
Division of Administrative Law Appeals	14	11	10	11	11
George Fingold Library	16	10	10	10	10
Department of Revenue	2,154	1,855	1,794	1,774	1,774
Appellate Tax Board	22	18	18	18	18
Human Resources Division	113	102	95	100	100
Civil Service Commission	6	5	5	5	5
Operational Services Division	63	54	59	72	68
Information Technology Division	311	301	279	325	325
TOTAL	2,861	2,768	2,679	2,733	2,719

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Office of the Secretary of Administration and Finance

The Executive Office for Administration and Finance plans and executes fiscal and administrative policies that serve to ensure the financial stability, efficiency and effectiveness of state government.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Administration and Finance	336,948	45,005	381,952	12,652

www.mass.gov/eoaf

Direct Appropriations **336,947,568**

GLBT COMMISSION

0950-0050 For the commission on gay and lesbian youth; provided, that funds shall be used to address issues related to the implementation of chapter 92 of the acts of 2010 — 100,000

OFFICE OF THE SECRETARY OF ADMINISTRATION AND FINANCE

1100-1100 For the operation of the office of the secretary of administration and finance — 2,850,000

COMMONWEALTH PERFORMANCE ACCOUNTABILITY AND TRANSPARENCY

1100-1201 For the operation of the office of commonwealth performance, accountability and transparency; provided, that the activities funded from this item may include, but not be limited to: the implementation and maintenance of a performance management program across executive departments; monitoring and reviewing of federal grant applications to maximize federal revenue opportunities and ensure compliance with federal reporting requirements including the implementation and oversight of the Federal Financial Accountability and Transparency Act; maintaining transparency of the commonwealth's administration and finance activities in compliance with section 14C of chapter 7 of the General Laws and other statewide transparency initiatives; enhancing program integrity and ongoing efforts to prevent fraud, waste and abuse throughout executive departments; provided further, that funds may be expended for performing enhanced economic forecasting and analysis; and provided further, that the unit may develop guidelines and methodologies for agencies to follow in the forecasting of caseloads and revenue — 500,000

ADMINISTRATION AND FINANCE INFORMATION TECHNOLOGY COSTS

1100-1700 For the provision of information technology services within the executive office for administration and finance — 28,602,693

CASELOAD AND ECONOMIC FORECASTING OFFICE

1106-0064 For the caseload and economic forecasting office within the commonwealth performance, accountability and transparency office; provided, that the caseload and economic forecasting office shall forecast: (1) MassHealth enrollment by group; (2) participation in state subsidized child care provided through items 3000-3050, 3000-4050 and 3000-4060; (3) participation in emergency assistance and housing programs provided through items 7004-0101 and 7004-0108; (4) enrollment, both active member and dependent, in the group insurance commission; (5) recipients of direct benefits provided by the department of transitional assistance through items 4403-2000, 4405-2000 and 4408-1000; and (6) other related economic forecasts including, but not limited to, long-term revenue and budget projections; provided further, that the office shall report its caseload forecasts to the executive office for administration and finance and the house and senate committees on ways and means not later than December 1, 2012; and provided further, that the office shall submit an updated forecast to the executive office for administration and finance and the house and senate committee on ways and means not later than March 15, 2013 — 159,415

MUNICIPAL REGIONALIZATION AND EFFICIENCIES INCENTIVE RESERVE

1599-0026 For a multi-year competitive grant program to provide financial support for one-time or transition costs related to regionalization and other efficiency initiatives, with allowable applicants to include municipalities or regional planning agencies/councils of governments serving as the administrative or fiscal agent on behalf of municipalities; provided, that funds may be expended by the Edward J. Collins, Jr. Center for public management at the University of Massachusetts at Boston's McCormack graduate school of policy studies to develop and drive a program of performance management, accountability and transparency for local government, prior appropriation continued 7,000,000

ROUTE 3 NORTH CONTRACT ASSISTANCE

1599-0050 For route 3 north contract assistance payments 1,128,818

Commonwealth Transportation Fund.....100%

WATER POLLUTION ABATEMENT TRUST CONTRACT ASSISTANCE

1599-0093 For contract assistance to the Water Pollution Abatement Trust for debt service obligations of the trust, under sections 6, 6A and 18 of chapter 29C of the General Laws 67,262,389

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION CONTRACT ASSISTANCE

1599-1970 For a reserve for the Massachusetts department of transportation for the purpose of defraying costs of the Massachusetts Turnpike Authority, or its successor, incurred in fiscal year 2013 under section 138 of chapter 27 of the acts of 2009 125,000,000

Commonwealth Transportation Fund.....100%

COMMONWEALTH INFRASTRUCTURE INVESTMENT ASSISTANCE RESERVE

1599-1977 For contract assistance to the Massachusetts Development Finance Agency for payment of debt service and other obligations of the agency in connection with the Massachusetts Development Finance Agency special obligation bonds series 2010A under chapter 293 of the acts of 2006 and chapter 303 of the acts of 2008 3,462,325

CB RESERVE - TRIAL COURT OPEIU LOCAL 6

1599-1982 For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by a collective bargaining agreement between the administrative office of the trial court and the Office and Professional Employees International Union Local 6 17,318,327

SOUTH ESSEX SEWERAGE DISTRICT DEBT SERVICE ASSESSMENT

1599-3234 For the commonwealth's South Essex sewerage district debt service assessment 90,100

MITC OPERATIONAL EXPENSES

1599-3856 For costs associated with operating the Massachusetts information technology center in the city of Chelsea 500,000

ADVANCED TECHNOLOGY AND MANUFACTURING CENTER

1599-3857 For capital lease payments from the University of Massachusetts to the Massachusetts Development Finance Agency and for annual operations of the advanced technology and manufacturing center in Fall River 1,581,922

CB RESERVE - NEPBA, UNIT 4A

1599-4253 For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the commonwealth and the New England Police Benevolent Association, Bargaining Unit 4A 177,448

CB RESERVE – ABCC

1599-4278 For a reserve to meet the fiscal year 2013 costs of salary adjustments and other 29,456

economic benefits authorized by the collective bargaining agreement between the department of state treasurer and the Alcoholic Beverage Control Commission

CB RESERVE - NAGE UNITS 1, 3, 6

1599-4281	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the commonwealth and the National Association of Government Employees Union, Units 1, 3 and 6	9,571,084

CB RESERVE - SEIU, LOCAL 509

1599-4282	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreements between the commonwealth and the Service Employees International Union, Local 509, Units 8 and 10	9,277,199

CB RESERVE - AFSCME COUNCIL 93

1599-4283	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreements between the commonwealth and the American Federation of State, County and Municipal Employees Union, Council 93, Unit 2	6,939,638

CB RESERVE - ESSEX IBCO LOCAL RI-27

1599-4291	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the Essex county sheriff's department and the International Brotherhood of Correction Officers, Local RI-27	121,918

CB RESERVE - BARNSTABLE SHERIFF NAGE LOCAL 220

1599-4302	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the Barnstable county sheriff's department and the National Association of Government Employees, Local 220	31,209

CB RESERVE - BARNSTABLE AFL-CIO COUNCIL 93, LOCAL 1462C

1599-4303	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the Barnstable county sheriff's department and the American Federation of State, County and Municipal Employees/AFL-CIO, Council 93, Local 1462C	33,427

CB RESERVE - BARNSTABLE CORRECTIONAL OFFICERS UNION

1599-4304	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the Barnstable sheriff's department and the Barnstable Correctional Officers Union	557,566

CB RESERVE - BARNSTABLE SHERIFF IBCO LOCAL 217

1599-4305	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the Barnstable county sheriff's department and the International Brotherhood of Correctional Officers Union, Local 217	102,748

CB RESERVE - BARNSTABLE SHERIFF NAGE LOCAL 58

1599-4307	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the Barnstable county sheriff's department and the National Association of Government Employees, Local 58	24,908

CB RESERVE - DUKES SHERIFF MCOFU

1599-4328	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the	41,218

Dukes county sheriff and the Massachusetts Correction Officers Federated Union, Unit A and Unit B

CB RESERVE - SUFFOLK AFSCME COUNCIL 93 LOCAL 419

1599-4334	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the Suffolk county sheriff's department and the County Correction Officers/American Federation of State, County and Municipal Employees/AFL-CIO, Local 419	69,103

CB RESERVE - ESSEX IBCO LOCAL RI-71

1599-4339	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the Essex county sheriff's department and the International Brotherhood of Correction Officers, Local RI-71	140,846

CB RESERVE - ESSEX CORRECTION OFFICERS

1599-4342	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the Essex county sheriff's department and the Essex County Correction Officers Association	1,151,883

CB RESERVE - PLYMOUTH INVESTIGATORS MCOFU (BCI)

1599-4355	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the Plymouth county sheriff and the Massachusetts Correction Officers Federated Union Bureau of Criminal Investigation	46,294

E.J. COLLINS JR. CENTER FOR PUBLIC MANAGEMENT

1599-4417	For the E.J. Collins, Jr. Center for Public Management at the University of Massachusetts, including their work supporting performance management initiatives in state and municipal government	700,000

CB RESERVE - AFSCME COUNCIL 93 LOCAL 1067

1599-4419	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by the collective bargaining agreement between the Board of Higher Education and the Association of Federal, State, County and Municipal Employees, Council 93, Local 1067	5,696,424

CB RESERVE - TRIAL COURT NAGE LOCAL 5000

1599-4430	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by a collective bargaining agreement between the administrative office of the trial court and the National Association of Government Employees, Local 5000	10,623,132

INTERIM CB RESERVE EXECUTIVE BRANCH

1599-4800	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by collective bargaining agreements with the executive branch; provided, that the secretary of administration and finance may authorize the transfer of funds from this account to collective bargaining reserve accounts to meet the projected costs of ratified agreements; and provided further, that the collective bargaining reserve account for any bargaining unit shall not receive funding before the ratification of its collective bargaining agreement	5,435,570

INTERIM CB RESERVE SHERIFFS

1599-4801	For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by collective bargaining agreements with sheriffs; provided, that the secretary of administration and finance may authorize the transfer of funds from this account to collective bargaining reserve accounts to meet the projected costs of ratified agreements; and provided further, that the collective	12,746,920

bargaining reserve account for any bargaining unit shall not receive funding before the ratification of its collective bargaining agreement

INTERIM CB RESERVE UNIV MASS

1599-4802 For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by collective bargaining agreements with the university; provided, that the secretary of administration and finance may authorize the transfer of funds from this account to collective bargaining reserve accounts to meet the projected costs of ratified agreements; and provided further, that the collective bargaining reserve account for any bargaining unit shall not receive funding before the ratification of its collective bargaining agreement 25,574,228

INTERIM CB RESERVE BOARD HIGHER EDUCATION

1599-4803 For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by collective bargaining agreements with institutions of higher education; provided, that the secretary of administration and finance may authorize the transfer of funds from this account to collective bargaining reserve accounts to meet the projected costs of ratified agreements; and provided further, that the collective bargaining reserve account for any bargaining unit shall not receive funding before the ratification of its collective bargaining agreement 17,917,329

INTERIM CB RESERVE INDEPENDENTS

1599-4804 For a reserve to meet the fiscal year 2013 costs of salary adjustments and other economic benefits authorized by collective bargaining agreements with constitutional officers; provided, that the secretary of administration and finance may authorize the transfer of funds from this account to collective bargaining reserve accounts to meet the projected costs of ratified agreements; and provided further, that the collective bargaining reserve account for any bargaining unit shall not receive funding before the ratification of its collective bargaining agreement 1,682,031

DARTMOUTH/BRISTOL COMMUNITY COLLEGE RESERVE

1599-7104 For a reserve for the facilities costs associated with the college of visual and performing arts at the University of Massachusetts at Dartmouth; provided, that funds may be expended for Bristol Community College 2,700,000

Intragovernmental Service Spending ***45,004,635***

CHARGEBACK FOR ADMINISTRATION AND FINANCE IT COSTS

1100-1701 For the cost of information technology services provided to agencies of the executive office for administration and finance 45,004,635

Intragovernmental Service Fund.....100%

Section 2E

COMMONWEALTH CARE TRUST FUND

1595-5819 For an operating transfer to the Commonwealth Care Trust Fund, established under section 2OOO of chapter 29 of the General Laws; provided, that up to $30,000,000 shall be transferred from the Commonwealth Care Trust Fund to the Health Safety Net Trust Fund, established under section 36 of chapter 118G of the General Laws; provided further, that the hospital fiscal year 2013 payment amount to each hospital shall be funded by the Health Safety Net Trust Fund; provided further, that payments may be made either as safety net care payments under the commonwealth's section 1115 waiver, or as an adjustment to Title XIX service rate payments, or a combination thereof; provided further, that the executive office of health and human services and the health safety net office may use other federally permissible funding mechanisms available for public service hospitals, as defined in 114.1 CMR 36.02, to reimburse up to $70,000,000 of uncompensated care at the hospitals using sources distinct from the funding made available to the Health Safety Net Trust Fund; provided further, that the secretary of administration and finance, in consultation with 737,122,286

the secretary of health and human services and the executive director of the commonwealth health insurance connector authority, shall on a quarterly basis evaluate the revenue needs of the health safety net program funded by the Health Safety Net Trust Fund and the Commonwealth Care subsidized health insurance program funded by the Commonwealth Care Trust Fund, and if necessary, transfer monies between these funds for the purpose of ensuring that sufficient revenues are available to support projected program expenditures; provided further, that the secretary of administration and finance shall report any transfers made between the Health Safety Net Trust Fund and the Commonwealth Care Trust Fund to the house and senate committees on ways and means and the joint committee on healthcare financing within 30 days of the proposed transfer; and provided further, that notwithstanding section 7A of chapter 176Q, for fiscal year 2013, the connector shall provide an annual health insurance wellness subsidy not to exceed 15 per cent of certain health insurance premiums for certain small groups as determined by the commonwealth health insurance connector authority

Massachusetts Developmental Disabilities Council

The mission of the Massachusetts Developmental Disabilities Council is to provide opportunities for people with developmental disabilities and their families to enhance independence, productivity and inclusion.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Massachusetts Developmental Disabilities Council	86	2,144	2,230	0

www.mass.gov/mddc

Direct Appropriations		**86,000**
MDDC TRUST ACCOUNT MATCH		
1100-1708	For the cost of fringe and indirect associated with trust account 1100-1704	86,000
Federal Grant Spending		**1,739,632**
IMPLEMENTATION OF THE FEDERAL DEVELOPMENTAL DISABILITIES ACT		
1100-1703	For the purposes of a federally funded grant entitled, Implementation of the Federal Developmental Disabilities Act	1,739,632
Trust and Other Spending		**404,403**
1100-1704	DEVELOPMENTAL DISABILITY (DD) SUITE EXPENDABLE TRUST	404,403

Division of Capital Asset Management and Maintenance

The mission of the Division of Capital Asset Management and Maintenance is to serve the citizens of the Commonwealth by providing professional and comprehensive services to state agencies in the fields of public-building design, construction, maintenance and real estate.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue

Division of Capital Asset Management and Maintenance	27,734	19,119	46,853	22,969

www.mass.gov/cam

Direct Appropriations **27,734,237**

OFFICE OF FACILITIES MANAGEMENT

1102-3199 For the operation of the office of facilities management, including the cost of utilities and associated contracts for properties managed by the division 11,084,237

Retained Revenues

STATE OFFICE BUILDING RENTS RETAINED REVENUE

1102-3205 The division of capital asset management and maintenance may expend for the maintenance and operation of the Massachusetts information technology center, the state transportation building and the Springfield state office building an amount not to exceed $16,250,000 in revenues derived from rentals, commissions, fees and any other sources pertaining to the operations of the facilities; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 16,250,000

CONTRACTOR CERTIFICATION PROGRAM RETAINED REVENUE

1102-3232 For the division of capital asset management and maintenance; provided, that the division may expend not more than $400,000 received from application fees charged in conjunction with the certification of contractors and subcontractors pursuant to section 44D of chapter 149 of the General Laws; provided further, that only expenses, including staffing, incurred to implement and operate the certification program shall be funded from this item; and provided further, that for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the division may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 400,000

Intragovernmental Service Spending ***14,078,696***

CHARGEBACK FOR SALTONSTALL LEASE AND OCCUPANCY PAYMENTS

1102-3224 For the cost of the Leverett Saltonstall lease and occupancy payments, as provided by chapter 237 of the acts of 2000 11,217,734

Intragovernmental Service Fund 100%

CHARGEBACK FOR STATE BUILDINGS OPERATION AND MAINTENANCE

1102-3226 For the operation and maintenance of state buildings, including the Hurley state office building occupied by the department of unemployment assistance and the department of career services; provided, that the division may also charge for reimbursement for overtime expenses, materials and contract services purchased in performing renovations and related services for agencies occupying state buildings or for services rendered to approved entities using state facilities 2,860,962

Intragovernmental Service Fund 100%

Trust and Other Spending **5,040,000**

1102-2149 REAL PROPERTY AUCTION PROGRAM TRUST 40,000

1102-2494 FORWARD CAPACITY MARKET AND ENERGY EFFICIENCY TRUST 4,500,000

1102-3266 ASBESTOS COST RECOVERY TRUST 500,000

Bureau of the State House

The mission of the Bureau of the State House is to provide a safe and secure workplace for all employees and to assure all visitors have a pleasant and welcoming experience.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Bureau of the State House	2,140	0	2,140	0

Direct Appropriations **2,140,055**

BUREAU OF THE STATE HOUSE
1102-3309 For the operation of the bureau of the state house 2,140,055

Massachusetts Office on Disability

The Massachusetts Office on Disability (MOD) was created in 1981, under Section 185 of Chapter 6 of the Massachusetts General Laws. MOD's purpose is to bring about full and equal participation of people with disabilities in all aspects of life. MOD works to assure the advancement of legal rights and the promotion of maximum opportunities, supportive services, accommodations and accessibility in a manner that fosters dignity and independence. MOD is the coordinating agency for the Americans with Disabilities Act.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Massachusetts Office on Disability	586	260	846	0

www.mass.gov/mod

Direct Appropriations **586,112**

MASSACHUSETTS OFFICE ON DISABILITY
1107-2400 For the operation of the office on disability 586,112

Federal Grant Spending **227,113**

CLIENT ASSISTANCE PROGRAM
1107-2450 For the purposes of a federally funded grant entitled, Client Assistance Program 227,113

Trust and Other Spending **32,500**

1107-2490 DISABILITY AND BUSINESS TECHNICAL ASSISTANCE 32,500

Teachers' Retirement Board

The mission of the Teachers' Retirement Board is to ensure that members of the Massachusetts Teachers' Retirement System achieve and maintain a successful and secure retirement through responsible benefits administration, financial integrity and the provision of outstanding services.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Teachers' Retirement Board	0	2,521,845	2,521,845	0

www.mass.gov/mtrs

Trust and Other Spending		**2,521,845,000**
1108-1020	TEACHER PENSION PAYMENTS	2,040,000,000
1108-1023	ACCOUNTING FOR PENSION PAYMENTS MADE IN EXCESS OF IRS CAP	50,000
1108-2058	E-RETIREMENT PROJECT	6,795,000
1108-4000	TEACHERS' RETIREMENT BOARD ADMINISTRATION	475,000,000

Group Insurance Commission

The mission of the Group Insurance Commission (GIC) is to provide high value health insurance and other benefits to state employees, retirees and their survivors and dependents, as well as to housing and certain other authorities. The GIC also provides health-only benefits to participating municipalities' employees, retirees and their survivors and dependents. The agency works with vendors selected through competitive bidding to offer cost-effective services through careful plan design and rigorous ongoing management. The agency's performance goal is to provide affordable, high quality benefits, and as the largest employer purchaser of health insurance in the Commonwealth, use that position to help drive improvements in the entire health care delivery system.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Group Insurance Commission	1,230,734	1,007,406	2,238,140	577,026

www.mass.gov/gic

Direct Appropriations		**1,230,733,715**
GROUP INSURANCE COMMISSION		
1108-5100	For the operation of the group insurance commission	2,537,146
GROUP INSURANCE PREMIUM AND PLAN COSTS		
1108-5200	For the commonwealth's share of the group insurance premium and plan costs incurred in fiscal year 2013; provided, that notwithstanding any general or special law to the contrary, funds in this item shall not be available during the accounts payable period of fiscal year 2013, and any unexpended balance in this item shall revert to the General Fund on June 30, 2013; provided further, that the secretary of administration and finance shall charge the division of unemployment assistance and other departments, authorities, agencies and divisions which have federal or other funds allocated to them for this purpose, for that portion of insurance premiums and plan costs as the secretary determines should be borne by such funds, and shall	1,147,002,702

notify the comptroller of the amounts to be transferred, after similar determination, from the several state or other funds and amounts received in payment of all such charges or such transfers shall be credited to the General Fund; provided further, that funds may be expended from this item for the commonwealth's share of group insurance premium and plan costs provided to employees and retirees in prior fiscal years; provided further, that the group insurance commission shall obtain reimbursement for premium and administrative expenses from other agencies and authorities not funded by state appropriation; provided further, that the secretary of administration and finance may charge all agencies for the commonwealth's share of the health insurance costs incurred on behalf of any employees of those agencies who are on leave of absence for a period of more than 1 year; provided further, that the amounts received in payment for the charges shall be credited to the General Fund; provided further, that notwithstanding section 26 of chapter 29 of the General Laws, the commission may negotiate, purchase and execute contracts before July 1 of each year for policies of group insurance as authorized by chapter 32A of the General Laws; provided further, that notwithstanding chapter 150E of the General Laws and as provided in section 8 of said chapter 32A and for the purposes of section 14 of said chapter 32A, the commonwealth's share of the group insurance premiums for state employees who have retired on or before July 1, 1994, shall be 90 per cent and the commonwealth's share of the group insurance premiums for state employees who have retired after July 1, 1994, shall be 85 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees hired on or before June 30, 2003 and their dependents shall be 80 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees hired after June 30, 2003 and their dependents shall be 75 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees who filed an application for retirement on or after August 7, 2009, and on or before October 1, 2009, for a retirement date not later than January 31, 2010, shall be 85 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees who file an application for retirement after October 1, 2009, shall be 80 per cent until a different contribution rate is established under said section 8 of said chapter 32A; and provided further, that the group insurance commission may pay premium and plan costs for municipal employees and retirees who are enrolled in the group insurance commission's health plans pursuant to the commission's regulations

RETIRED GOVERNMENTAL EMPLOYEES GROUP INSURANCE PREMIUMS

1108-5350	For the cost of group insurance premiums for elderly governmental retirees	448,800

RETIRED MUNICIPAL TEACHERS GROUP INSURANCE PREMIUMS

1108-5400	For the costs of group insurance premiums for retired municipal teachers and the audit of those premiums	68,893,835

GROUP INSURANCE DENTAL AND VISION BENEFITS

1108-5500	For the costs, notwithstanding chapter 32A of the General Laws to the contrary, of dental and vision benefits for those active employees of the commonwealth, not including employees of authorities and any other political subdivisions, who are not otherwise provided those benefits under a separate appropriation or the terms of a contract or collective bargaining agreement; provided, that the employees shall pay 15 per cent of the monthly premium established by the commission for the benefits	9,833,370

Retained Revenues

MUNICIPAL PARTNERSHIP ACT IMPLEMENTATION RETAINED REVENUE

1108-5201	The group insurance commission may expend for the purposes of administering a program for municipal health coverage as provided under section 19 of chapter 32B of the General Laws, an amount not to exceed $2,017,862 from revenues received from administrative fees associated with providing the coverage; provided, that notwithstanding any general or special law to the contrary, for the purpose of	2,017,862

accommodating timing discrepancies between the receipt of revenues and related expenditures, the group insurance commission may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

Section 2E

STATE RETIREE BENEFITS TRUST FUND

1599-6152	To provide for an operating transfer to the State Retiree Benefits Trust Fund, established pursuant to section 24 of chapter 32A of the General Laws	435,042,237
Trust and Other Spending		**1,007,406,237**
0612-7723	STATE RETIREE BENEFITS TRUST FUND	435,042,237
1108-6611	EARLY RETIREE REINSURANCE EXPENDABLE TRUST	44,000,000
1120-2200	OPTIONAL LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT PLANS INSURANCE RATE	1,900,000
1120-2500	GIC ASSETS HELD IN TRUST	520,000,000
1120-3200	ELDERLY GOVERNMENT RETIREE CATASTROPHIC INSURANCE COVERAGE (CIC) AND CIC-OME	14,000
1120-3611	GROUP INSURANCE TRUST FUND	17,000
1120-4200	RETIRED MUNICIPAL TEACHERS HEATH & OME	5,500,000
1120-4300	RETIRED MUNICIPAL TEACHERS CIC & CIC-OME	33,000
1120-5611	ACCUMULATED NET INTEREST FROM EMPLOYEES' PREMIUMS	900,000

Public Employee Retirement Administration Commission

The Public Employee Retirement Administration Commission (PERAC) was created for and is dedicated to the oversight, guidance, monitoring and regulation of the Massachusetts Public Pension Systems. The professional, prudent and efficient administration of these systems is the public trust of PERAC and each of the 105 public pension systems for the mutual benefit of the public employees, public employers and citizens of Massachusetts. The stewardship of the public trust is for the sole purpose of providing the benefits guaranteed to the public employees who have dedicated their professional careers to the service of the people of the Commonwealth.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Public Employee Retirement Administration Commission	0	7,621	7,621	0

www.mass.gov/perac

Trust and Other Spending		**7,621,215**
1108-6000	PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION	7,621,215

Division of Administrative Law Appeals

The Division of Administrative Law Appeals (DALA) is an independent hearing agency established in 1974 to serve as an independent forum for due process hearings in support of final actions of designated Commonwealth agencies and for appeals of decisions of others. DALA's function in the first role is to assist the parties to create a complete record on which the agency will base its final agency action and issue a recommended decision to the agency. In the second role, the Division creates the administrative record and issues a final decision, both of which are subject to court review.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Division of Administrative Law Appeals	1,128	0	1,128	8

www.mass.gov/dala

Direct Appropriations **1,128,302**

DIVISION OF ADMINISTRATIVE LAW APPEALS

1110-1000 For the operation of the division of administrative law appeals 1,128,302

George Fingold Library

Since 1826, the State Library of Massachusetts has served as a multifaceted resource for executive personnel, legislators, state employees, researchers and members of the public who want to learn more about local government as well as the Commonwealth's extraordinary historical legacy. The State Library of Massachusetts offers a wide range of resources, services and programs that include access to legislative papers, General Laws of Massachusetts, town atlases, maps, city directories, town reports from around the Commonwealth, exhibits and special events.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
George Fingold Library	824	0	824	0

www.mass.gov/lib

Direct Appropriations **823,547**

GEORGE FINGOLD LIBRARY

1120-4005 For the operation of the state library of Massachusetts 823,547

Department of Revenue

The mission of the Massachusetts Department of Revenue is to achieve maximum compliance with the tax, child support and municipal finance laws of the Commonwealth. In meeting its mission, the Department is dedicated to enforcing these laws in a fair, impartial and consistent manner by providing professional and courteous service to all customers.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Revenue	1,060,963	73,662	1,134,625	203,291

www.mass.gov/dor

Direct Appropriations **1,060,963,416**

DEPARTMENT OF REVENUE

1201-0100 For the operation of the department of revenue, including the tax administration division and the audit of certain foreign corporations; provided, that the department may allocate funds to the office of the attorney general for the purpose of the tax prosecution unit; provided further, that the department may charge item 1201-0160 for the costs of personnel and other support expenses provided to the child support enforcement unit; provided further, that notwithstanding section 1 of chapter 31 of the General Laws, seasonal positions funded by this account are positions requiring the services of an incumbent, on either a full-time or less than full-time basis beginning no earlier than December 1 and ending no later than November 30; and provided further, that seasonal positions funded by this account may not be filled by an incumbent for more than 10-months within a 12-month period 83,164,283

CHILD SUPPORT ENFORCEMENT DIVISION

1201-0160 For the operation of the child support enforcement division; provided, that the department of revenue may allocate funds to the department of state police, the district courts, the probate and family courts, the district attorneys and other state agencies for the performance of certain child support enforcement activities, and that those agencies are directed to expend the funds for the purposes of this item; provided further, that the federal receipts associated with the child support computer network shall be drawn down at the highest possible rate of reimbursement and deposited into a revolving account to be expended for the network; provided further, that federal receipts associated with child support enforcement grants shall be deposited into a revolving account to be drawn down at the highest possible rate of reimbursement and to be expended for the grant authority; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of the authorization or the most recent revenue estimate, as reported in the state accounting system, for federal incentives and the network in accounts 1201-0161, 1201-0410 and 1201-0412 35,536,672

UNDERGROUND STORAGE TANK REIMBURSEMENTS

1232-0100 For underground storage tank reimbursements to parties that have remediated spills of petroleum products pursuant to chapter 21J of the General Laws; provided, that any unexpended funds in this line item at the end of fiscal year 2012 shall not revert and shall be made available for the purposes of this item until June 30, 2013 20,000,000

UNDERGROUND STORAGE TANK ADMINISTRATIVE REVIEW BOARD

1232-0200 For the Underground Storage Tank Petroleum Cleanup Fund Administrative Review Board established by section 8 of chapter 21J of the General Laws and for the administration of the underground storage tank program associated with the implementation of said chapter 21J; provided, that notwithstanding section 4 of said chapter 21J or any other general or special law to the contrary, appropriations made in this item shall be sufficient to cover the administrative expenses of the underground storage tank program 2,088,156

TAX ABATEMENTS FOR VETERANS WIDOWS BLIND PERSONS AND THE ELDER

1233-2000 For the tax abatement program for veterans, widows, blind persons and the elderly; 25,436,475

provided, that cities and towns shall be reimbursed for the abatements granted under clauses 17, 22, 22A to E, inclusive, 37, 37A, 41, 41B, 41C, 41C 1/2 and 52 of section 5 of chapter 59 of the General Laws; provided further, that the commonwealth shall reimburse each city or town that accepts clauses 41B, 41C or 41C 1/2 for additional costs incurred in determining eligibility of applicants under these clauses in an amount not to exceed $2 per exemption granted; and provided further, that funds shall be made available from this item for reimbursements to cities and towns for additional exemptions from the motor vehicle excise granted to disabled veterans under the seventh paragraph of section 1 of chapter 60A of the General Laws

UNRESTRICTED GENERAL GOVERNMENT LOCAL AID

1233-2350	For the distribution to cities and towns of the balance of the State Lottery Fund in accordance with clause (c) of the second paragraph of section 35 of chapter 10 of the General Laws, and additional aid to municipalities, as provided for in section 3 of this act	833,980,293

REIMBURSEMENT TO CITIES IN LIEU OF TAXES ON STATE OWNED LAND

1233-2400	For reimbursements to cities and towns in lieu of taxes on state-owned land under sections 13 to 17, inclusive, of chapter 58 of the General Laws	26,270,000

Retained Revenues

ADDITIONAL AUDITORS RETAINED REVENUE

1201-0130	The department of revenue may expend for the operation of the department an amount not to exceed $27,940,257 from revenues collected by the additional auditors for an enhanced audit program; provided, that those auditors shall discover and identify persons who are delinquent either in the filing of a tax return or the payment of a tax due and payable to the commonwealth, obtain the delinquent returns, and collect the delinquent taxes for a prior fiscal year; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	27,940,257

CHILD SUPPORT ENFORCEMENT FEDERALLY REIMBURSED RETAINED REVENUE

1201-0164	The child support enforcement division of the department of revenue may expend for the operation of the division an amount not to exceed $6,547,280 from federal reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	6,547,280

Federal Grant Spending **324,377**

ACCESS AND VISITATION - PARENT EDUCATION PROGRAM

1201-0109	For the purposes of a federally funded grant entitled, Access and Visitation - Parent Education Program	222,169

FAMILY CENTERED SERVICES FOR UNWED PARENTS IN THE IV-D CASELOAD

1201-0126	For the purposes of a federally funded grant entitled, Family Centered Services for Unwed Parents in the IV-D Caseload	102,208

Trust and Other Spending **73,337,351**

1201-0112	HIGHER EDUCATION STUDENT LOAN OFFSET FUND	50,000

1201-0113	MASSACHUSETTS UNITED STATES OLYMPIC FUND	77,365
1201-0133	TAX COLLECTION SERVICES AGREEMENT	1,473,895
1201-0135	LAWRENCE OVERSEER EXPENDABLE TRUST	18,930
1201-0161	CHILD SUPPORT ENFORCEMENT REVOLVING FUND	22,375,761
1201-0350	IMPLEMENTATION OF HEALTH CARE REFORM BILL EXPENDABLE TRUST	15,366
1201-0410	CHILD SUPPORT ENFORCEMENT TRUST FUND	11,369,756
1201-0412	CHILD SUPPORT IV-D	232,008
1201-2203	RETAINED TAX INTERCEPT FEES	476,440
1201-2204	INTERNAL REVENUE SERVICE TAX INTERCEPT FEES	50,000
1201-2286	MASSACHUSETTS COMMUNITY PRESERVATION TRUST FUND	26,374,711
1201-2448	CLEARINGHOUSE EXPENDABLE TRUST	377,494
1201-2488	CHILD SUPPORT PENALTIES ACCOUNT	10,402,470
1231-3573	DIVISION OF LOCAL SERVICES EDUCATIONAL PROGRAMS	43,155

Appellate Tax Board

The Appellate Tax Board is a quasi-judicial agency in the executive branch but with reporting requirements to the General Court. It is devoted exclusively to hearing and deciding cases on appeal from any state or local taxing authority. The Board was established by the Legislature in 1929 to relieve the Superior Court of the large volume of tax appeals and to provide taxpayers with a less expensive and more expedient means of appeal. The Board handles appeals related to virtually all state taxes and excises as well as appeals of local property taxes from all 351 cities and towns of the Commonwealth.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Appellate Tax Board	2,134	0	2,134	2,434

www.mass.gov/atb

Direct Appropriations **2,134,270**

APPELLATE TAX BOARD

1310-1000	For the operation of the appellate tax board	1,734,270

Retained Revenues

TAX ASSESSMENT APPEALS FEE RETAINED REVENUE

1310-1001	The appellate tax board may expend for the operation of the board an amount not to exceed $400,000 from fees collected; provided, that notwithstanding any general or special law to the contrary, in order to accommodate discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the	400,000

lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

Human Resources Division

The Human Resources Division is the Governor's agent and advisor for all human resource management activities. The Human Resources Division develops policies, systems and programs that support agencies in recruiting, hiring, retaining and developing a high quality and diverse workforce capable of delivering services to the citizens of Massachusetts; provides the expertise, training and oversight needed by secretariats and agencies in designing and implementing the strategies, policies and programs that will result in the delivery of timely and efficient service; recognizes that employees are the Commonwealth's most important resource; and ensures fair and equitable treatment and recognition for their contribution to the Commonwealth.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Human Resources Division	33,089	68,752	101,841	3,260

www.mass.gov/hrd

Direct Appropriations **33,089,087**

HUMAN RESOURCES DIVISION

1750-0100 For the operation of the human resources division 2,578,530

FORMER COUNTY EMPLOYEES WORKERS' COMPENSATION

1750-0119 For payment of workers' compensation benefits to certain former employees of Middlesex and Worcester counties; provided, that the division shall routinely recertify the former employees under current workers' compensation procedures 52,057

STATE CONTRIBUTION TO UNION DENTAL AND VISION INSURANCE

1750-0300 For the commonwealth's contributions in fiscal year 2013 to health and welfare funds established under certain collective bargaining agreements; provided, that the contributions shall be calculated as provided in the applicable collective bargaining agreement and shall be paid to the health and welfare trust funds on a monthly basis or on such other basis as the applicable collective bargaining agreement provides 27,758,500

Retained Revenues

CIVIL SERVICE AND PHYSICAL ABILITIES EXAM FEE RETAINED REVENUE

1750-0102 The human resources division may expend for the administration of the civil service examination program, examinations for non-civil service positions and implementation of the medical and physical fitness standards program an amount not to exceed $2,700,000 from fees charged as provided in this item; provided, that the personnel administrator shall collect a fee of not less than $50 from each applicant for a civil service or non-civil service examination and physical ability test; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 2,700,000

Intragovernmental Service Spending ***68,751,552***

CHARGEBACK FOR TRAINING

1750-0101 For the cost of goods and services rendered in administering training programs, including the cost of training unit staff; provided, that the division shall charge to other items for the cost of participants enrolled in programs sponsored by the division or to state agencies employing these participants; provided further, that the division may collect from participating state agencies a fee sufficient to cover administrative costs of the commonwealth's performance recognition programs and to expend these fees for goods and services rendered in the administration of these programs; provided further, that the division may charge and collect from participating state agencies a fee sufficient to cover administrative costs and expend these fees for goods and services rendered in the administration of information technology services related to the human resources compensation management system program; and provided further, that the division may charge and collect from participating state agencies fees sufficient to cover the costs of shared services 189,174

Intragovernmental Service Fund.....100%

CHARGEBACK FOR WORKERS' COMPENSATION

1750-0105 For the cost of the commonwealth's workers' compensation program, including the workers' compensation litigation unit; provided, that the secretary of administration and finance shall charge state agencies for workers' compensation costs, including related administrative expenses, incurred on behalf of the employees of those agencies; provided further, that the personnel administrator shall administer those charges on behalf of the secretary and may establish regulations considered necessary to implement this item; provided further, that the personnel administrator shall notify agencies regarding the chargeback methodology to be used in fiscal year 2013 and the amount of their estimated workers' compensation charges and shall require agencies to encumber sufficient funds to meet the estimated charges, including any additional amounts considered necessary under the regulations; provided further, that for any agency that fails within 60 days of the effective date of this act to encumber funds sufficient to meet the estimated charges, the comptroller shall encumber funds on behalf of that agency; provided further, that the personnel administrator shall determine the amount of the actual workers' compensation costs incurred by each agency in the preceding month, including related administrative expenses, notify each agency of those amounts, charge those amounts to each agency's accounts as estimates of the costs to be incurred in the current month, and transfer those amounts to this item; provided further, that any unspent balance in this item as of June 30 of the current fiscal year in an amount not to exceed 5 per cent of the amount authorized is re-authorized for expenditure in the next fiscal year; and provided further, that prior year costs for hospital, physician, benefit and other costs may be funded from this item 57,543,575

Intragovernmental Service Fund.....100%

CHARGEBACK FOR WORKERS' COMPENSATION LITIGATION UNIT SERVICES

1750-0106 For the workers' compensation litigation unit, including the costs of personnel 718,535

Intragovernmental Service Fund.....100%

CHARGEBACK FOR HUMAN RESOURCES MODERNIZATION

1750-0600 For the cost of core human resources administrative processing functions 3,500,000

Intragovernmental Service Fund.....100%

CHARGEBACK FOR HRCMS FUNCTIONALITY

1750-0601 The human resources division may, on behalf of the division, the comptroller's office and the information technology division, charge and collect from participating state agencies a fee sufficient to cover administrative costs and expend such fees for goods and services rendered in the administration of the human resources compensation management system program 6,800,268

Intragovernmental Service Fund.....100%

Civil Service Commission

The Civil Service Commission is a quasi-judicial agency whose mission is to hear and decide appeals of public employees under the protection of civil service laws by ensuring that employment decisions are based on the relative ability, knowledge and skills of the public employee and to ensure that all individuals receive fair and impartial treatment.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Civil Service Commission	439	0	439	20

www.mass.gov/csc

Direct Appropriations **439,116**

CIVIL SERVICE COMMISSION

1108-1011 For the operation of the civil service commission 439,116

Operational Services Division

The Operational Services Division (OSD) administers the procurement process by establishing statewide contracts for goods and services that ensure value, provide customer satisfaction and support the socio-economic and environmental goals of the Commonwealth. OSD also provides specific operational services, including the Commonwealth Procurement Access and Solicitation System, Office of Vehicle Management, Surplus Property Program, Supplier Diversity Office (which includes the consolidation of SOMWBA and AMP), Environmentally Preferable Products (EPP) Procurement Program, Commonwealth Print Services, Special Education Pricing, Purchase-Of-Service Audit and Quality Assurance, Outreach and Training.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Operational Services Division	5,901	8,600	14,501	11,599

www.mass.gov/osd

Direct Appropriations **5,900,610**

ENHANCED VENDOR AUDITING

1775-0106 For the operation of an enhanced vendor auditing unit within the operational services division 484,278

SUPPLIER DIVERSITY OFFICE

1775-0200 For the operation of the supplier diversity office 558,332

Retained Revenues

STATEWIDE CONTRACT FEE

1775-0115 For the operational services division; provided, that the division may expend for the purpose of procuring, managing and administering statewide contracts an amount 3,500,000

not to exceed $3,500,000 from revenue collected from the statewide contract administrative fee; and provided further, that for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the operational services division may incur expenses including the costs of personnel and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

HUMAN SERVICES PROVIDER OVERBILLING RECOVERY RETAINED REVENUE

1775-0124 The operational services division may expend for the operation of the division an amount not to exceed $500,000 from revenue recovered as a result of administrative reviews and the division's audits and reviews of health and human services providers under section 22N of chapter 7 of the General Laws; provided, the division may only retain revenues collected in excess of $207,350; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 500,000

SURPLUS SALES RETAINED REVENUE

1775-0600 The operational services division may expend for costs associated with the acquisition, warehousing, allocation and distribution of state surplus personal property and for the purchase of motor vehicles and associated administrative and personnel costs an amount not to exceed $750,000 from revenues collected from the sale of that property and surplus motor vehicles including, but not limited to, state police vehicles and vehicles from manufacturer warranties, rebates and settlements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the division may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 750,000

REPROGRAPHIC SERVICES RETAINED REVENUE

1775-0700 The operational services division may expend for printing, photocopying, related graphic art or design work and other reprographic goods and services provided to the general public an amount not to exceed $53,000 from fees charged for those goods and services 53,000

FEDERAL SURPLUS PROPERTY RETAINED REVENUE

1775-0900 For the operational services division; provided, that the division may expend not more than $55,000 in revenues collected from the sale of federal surplus property 55,000

Intragovernmental Service Spending ***8,600,000***

CHARGEBACK FOR PURCHASE OPERATION AND REPAIR OF STATE VEHICLES

1775-0800 For the purchase, operation and repair of vehicles, and for the cost of the operation and maintenance of all vehicles that are leased by other agencies, including the costs of personnel 7,600,000

Intragovernmental Service Fund.....100%

CHARGEBACK FOR REPROGRAPHIC SERVICES

1775-1000 For the provision of printing, photocopying and related graphic art or design work, including all necessary incidental expenses and liabilities 1,000,000

Intragovernmental Service Fund.....100%

Information Technology Division

The Information Technology Division's (ITD) mission is to support, enable and transform state government through the strategic use of technology to better serve constituents, businesses and local government.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Information Technology Division	6,482	73,625	80,107	491

www.mass.gov/itd

Direct Appropriations **6,482,162**

INFORMATION TECHNOLOGY DIVISION

1790-0100 For the operation of the information technology division; provided, that the division shall operate the geographic information system pursuant to subsection (d) of section 4B of chapter 21A of the General Laws; provided further, that the division shall continue a chargeback system for its information technology services, including the operation of the commonwealth's human resources and compensation management system, which complies with the requirements of section 2B; provided further, that the division shall develop a formula to determine the cost that will be charged to each agency for its use of the human resources and compensation management system; provided further, that the state comptroller shall establish accounts and procedures as he deems appropriate and necessary to assist in accomplishing the purposes of this item; provided further, that any planned information technology development project or purchase by any agency under the authority of the governor for which the total projected cost exceeds $200,000, including the cost of any related hardware, software, or consulting fees, and regardless of fiscal year or source of funds, shall be reviewed and approved by the chief information officer before such agency may obligate funds for the project or purchase; provided further, that the chief information officer may establish rules and procedures necessary to implement this item; and provided further, that the division shall file a report with the secretary of administration and finance and the house and senate committees on ways and means not later than December 15, 2012, that shall include, but not be limited to, the following: (a) financial statements detailing savings realized from the consolidation of information technology services within each executive office; (b) the number of personnel assigned to the information technology services within each executive office; (c) efficiencies that have been achieved from the sharing of resources; (d) major accomplishments and business outcomes realized through usage of, and investment in, information technology, and (e) the division's intended strategic direction for information technology 3,259,612

SPRINGFIELD DATA CENTER

1790-0350 For the operation of the Springfield Data Center 2,612,820

Retained Revenues

DATA PROCESSING SERVICE FEE RETAINED REVENUE

1790-0151 The division of information technology may expend an amount not to exceed $55,000 from fees charged to entities other than political subdivisions of the commonwealth for the distribution of digital cartographic and other data; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the division may incur expenses and the comptroller may certify 55,000

for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system

VENDOR COMPUTER SERVICE FEE RETAINED REVENUE

1790-0300	For the information technology division which may expend not more than $554,730 from revenues collected from the provision of computer resources and services to the general public for the costs of the bureau of computer services, including the purchase, lease or rental of telecommunications lines, services and equipment; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the division may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	554,730

Intragovernmental Service Spending ***73,625,142***

CHARGEBACK FOR COMPUTER RESOURCES AND SERVICES

1790-0200	For the cost of computer resources and services provided by the information technology division; provided, that any unspent balance at the close of fiscal year 2013 shall remain in the Intergovernmental Service Fund and may be expended for that item in fiscal year 2014 Intragovernmental Service Fund.....100%	71,551,608

CHARGEBACK FOR POSTAGE SUPPLIES AND EQUIPMENT

1790-0400	For the purchase, delivery, handling of and contracting for supplies, postage and related equipment and other incidental expenses provided pursuant to section 51 of chapter 30 of the General Laws Intragovernmental Service Fund.....100%	2,073,534

The Health Care Security Trust

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
The Health Care Security Trust	0	249,116	249,116	0

Trust and Other Spending **249,116,127**

0930-1001	PRINCIPAL & INTEREST HEALTH SECURITY	248,741,127
0930-5400	ADMINISTRATION HEALTH CARE SECURITY TRUST	375,000

EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Energy and Environmental Affairs	25,355	23,518	48,874	4,705
Department of Environmental Protection	55,483	53,687	109,170	36,151
Department of Fish and Game	19,734	5,557	25,291	15,162
Department of Agricultural Resources	15,831	8,092	23,923	5,695
State Reclamation Board	0	11,390	11,390	0
Department of Conservation and Recreation	76,467	47,457	123,924	21,292
Department of Public Utilities	10,417	7,133	17,550	20,888
Department of Energy Resources	3,631	0	3,631	4,466
TOTAL	206,918	156,834	363,752	108,359

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of the Secretary of Energy and Environmental Affairs	170	205	214	194	194
Department of Environmental Protection	695	593	583	588	586
Department of Fish and Game	247	232	229	244	240
Department of Agricultural Resources	66	66	66	66	66
Department of Conservation and Recreation	907	789	744	754	754
Department of Public Utilities	83	89	83	91	91
Department of Energy Resources	40	46	42	45	45
TOTAL	2,208	2,020	1,960	1,982	1,976

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Office of the Secretary of Energy and Environmental Affairs

The mission of the Office of the Secretary of Energy and Environmental Affairs is to develop and implement policies that safeguard public health from environmental threats; to preserve, protect and enhance the natural resources of the Commonwealth; and to ensure an adequate supply of energy that is reliable, affordable and clean.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Energy and Environmental Affairs	25,355	23,518	48,874	4,705

www.mass.gov/eea

Direct Appropriations **25,355,367**

EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS ADMIN

2000-0100 For the operation of the office of the secretary of energy and environmental affairs; provided, that funds shall be expended to support the functions of the office of performance management in carrying out the executive order known as "Improving the Performance of State Government by Implementing a Comprehensive Strategic Planning and Performance Management Framework in the Executive Departments" 6,136,084

ENERGY AND ENVIRONMENT INFORMATION TECHNOLOGY COSTS

2000-1700 For the provision of information technology services within the executive office of energy and environmental affairs 10,145,502

ENVIRONMENTAL LAW ENFORCEMENT

2030-1000 For the operation of the office of environmental law enforcement 8,688,781

Retained Revenues

HANDLING CHARGE RETAINED REVENUE

2000-1011 For the office of environmental law enforcement which may expend revenues in an amount not to exceed $85,000 from the administrative handling charge revenues received from electronic transactions processed through its online licensing and registration systems; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the office of environmental law enforcement may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system 85,000

ENVIRONMENTAL LAW ENFORCEMENT PRIVATE DETAILS RETAINED REVENUE

2030-1004 The executive office of energy and environmental affairs may expend for private environmental police details, including administrative costs, an amount not to exceed $300,000 from fees charged for the details; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 300,000

Intragovernmental Service Spending ***1,290,571***

CHARGEBACK FOR ENERGY AND ENVIRONMENT IT COSTS

2000-1701 For the cost of information technology services provided to agencies of the executive 1,290,571

office of energy and environment
Intragovernmental Service Fund.....100%

Trust and Other Spending **22,227,825**

2000-0113 REGIONAL GREENHOUSE GAS AUCTION TRUST 22,227,825

Department of Environmental Protection

The mission of the Department of Environmental Protection is to ensure that air and water are clean, toxics and hazards are managed safely, solid and hazardous wastes are recycled, hazardous waste sites and spills are cleaned up in a timely manner and wetlands and coastal resources are preserved.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Environmental Protection	55,483	53,687	109,170	36,151

www.mass.gov/dep

Direct Appropriations **55,482,787**

DEPARTMENT OF ENVIRONMENTAL PROTECTION ADMINISTRATION
2200-0100 For the operation of the department of environmental protection; provided, that section 3B of chapter 7 of the General Laws shall not apply to fees established under section 18 of chapter 21A of the General Laws 25,092,901

RECYCLING AND SOLID WASTE MASTER PLAN OPERATIONS
2200-0107 For technical assistance, grants and support of efforts consistent with the Massachusetts recycling and solid waste master plan and climate protection plan; provided, that funds may be expended for a recycling industry reimbursement program pursuant to section 241 of chapter 43 of the acts of 1997 5,525,000

CLEAN AIR ACT
2220-2220 For the administration and implementation of the federal Clean Air Act, including the commonwealth's commitments under the New England Governors/Eastern Canadian Premiers Action Plans for reducing acid rain deposition and mercury emissions 820,606

CLEAN AIR ACT OPERATING PERMIT AND COMPLIANCE PROGRAM
2220-2221 For the administration and implementation of the operating permit and compliance program required under the federal Clean Air Act 1,468,565

SAFE DRINKING WATER ACT
2250-2000 For the implementation of the federal Safe Drinking Water Act under section 18A of chapter 21A of the General Laws 1,603,609

HAZARDOUS WASTE CLEANUP PROGRAM
2260-8870 For the operation of the hazardous waste cleanup and underground storage tank programs, including but not limited to monitoring unlined landfills, notwithstanding section 4 of chapter 21J of the General Laws 13,203,479

BROWNFIELDS SITE AUDIT PROGRAM
2260-8872 For a brownfields site audit program 1,133,594

BOARD OF REGISTRATION OF HAZARDOUS WASTE SITE CLEANUP

2260-8881	For the operation of the board of registration of hazardous waste site cleanup professionals under section 19A of chapter 21A of the General Laws	375,558

Retained Revenues

WETLANDS PERMITTING FEE RETAINED REVENUE

2200-0102	The department of environmental protection may expend for wetland protection an amount not to exceed $650,151 from fees collected for wetland permits; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	650,151

COMPLIANCE AND PERMITTING FEE RETAINED REVENUE

2200-0109	Notwithstanding any general or special law or regulation to the contrary, the department of environmental protection shall adopt emergency regulations to increase existing permit or compliance fees adopted under section 18 of chapter 21A and section 3B of chapter 21E of the General Laws to reflect the increase in the consumer price index since 2004; provided, that this fee increase shall take effect during fiscal year 2013 as soon as emergency regulations are promulgated and shall terminate in the event that: 1) this line item is abolished or reduced in fiscal year 2013, or 2) operational funding for DEP falls below the level authorized in the General Appropriations Act of 2013; provided further, that revenue from said fee shall be used for the sole purpose of ensuring sufficient staff for timely permit decisions and compliance assurance; and provided further, that for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	2,500,000

TOXICS USE RETAINED REVENUE

2210-0105	The department of environmental protection may expend for the administration and implementation of the Massachusetts Toxics Use Reduction Act under chapter 21I of the General Laws an amount not to exceed $3,109,324 from the revenue collected from fees, penalties, grants and tuition under chapter 21I of the General Laws; provided, that not less than $1,657,449 from this item shall be made available for the operation of the Toxics Use Reduction Institute program at the University of Massachusetts at Lowell; provided further, that the department shall enter into an interagency service agreement with the University of Massachusetts to make such funding available for this purpose; provided further, that not less than $644,096 from this item shall be made available for toxics use reduction technical assistance and technology in accordance with chapter 21I of the General Laws; provided further, that the department shall enter into an interagency service agreement with the executive office for energy and environmental affairs to make such funding available for this purpose; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	3,109,324

Federal Grant Spending **27,356,742**

WATER QUALITY MANAGEMENT PLANNING

2200-9706	For the purposes of a federally funded grant entitled, Water Quality Management Planning	124,635

COOPERATIVE AGREEMENT - LEAKING UNDERGROUND STORAGE TANKS

2200-9712	For the purposes of a federally funded grant entitled, Cooperative Agreement - Leaking Underground Storage Tanks	900,000

ENVIRONMENTAL RESTORATION PROGRAM FOR DEPARTMENT OF DEFENSE

2200-9717	For the purposes of a federally funded grant entitled, Environmental Restoration Program for Department of Defense	1,425,000

SUPERFUND BLOCK GRANT

2200-9724	For the purposes of a federally funded grant entitled, Superfund Block Grant	900,000

BROWNFIELDS ASSESSMENT PROGRAM MULTI-SITE COOPERATIVE AGREEMENT

2200-9728	For the purposes of a federally funded grant entitled, Brownfields Assessment Program Multi-Site Cooperative Agreement	225,000

BROWNFIELDS RESPONSE

2200-9731	For the purposes of a federally funded grant entitled, Brownfields Response	1,245,799

BROWNFIELDS SUPPORT TEAM/STATEWIDE

2200-9732	For the purposes of a federally funded grant entitled, Brownfields Support Team/Statewide	104,452

AIR, WATER AND HAZARDOUS WASTE MANAGEMENT REGULATORY PROGRAMS

2230-9702	For the purposes of a federally funded grant entitled, Air, Water and Hazardous Waste Management Regulatory Programs	18,872,726

EXCHANGE NETWORK

2230-9713	For the purposes of a federally funded grant entitled, Exchange Network	5,000

EXCHANGE NETWORK

2230-9714	For the purposes of a federally funded grant entitled, Exchange Network	90,400

REIMBURSEMENT TO OPERATORS OF SMALL WATER SYSTEMS FOR TRAINING AND CERTIFICATION

2240-9762	For the purposes of a federally funded grant entitled, Reimbursement to Operators of Small Water Systems for Training and Certification	10,000

TECHNICAL ASSISTANCE AND TRAINING FOR DRINKING WATER

2240-9773	For the purposes of a federally funded grant entitled, Technical Assistance and Training for Drinking Water	7,000

SPECIAL STATE REVOLVING FUND

2240-9776	For the purposes of a federally funded grant entitled, Special State Revolving Fund	88,500

PUBLIC WATER SUPPLY

2240-9777	For the purposes of a federally funded grant entitled, Public Water Supply	31,000

HEALTHY COMMUNITIES GRANT

2240-9779	For providing technical assistance and planning for stormwater management to the communities in the Blackstone River Watershed area	19,235

CLEAN AIR ACT - FINE PARTICULATE MATTER AIR MONITORING

2250-9712	For the purposes of a federally funded grant entitled, Clean Air Act - Fine Particulate Matter Air Monitoring	671,558

AMBIENT AIR TOXICS PILOT PROJECT

2250-9716	For the purposes of a federally funded grant entitled, Ambient Air Toxics Pilot Project	455,000

HOMELAND SECURITY COOPERATIVE AGREEMENT

2250-9726	For the purposes of a federally funded grant entitled, Homeland Security Cooperative	1,334,877

	Agreement	
AIR TOXIC - SPATIAL TRENDS		
2250-9730	For the purposes of a federally funded grant entitled, Air Toxic - Spatial Trends	7,000
DIESEL EMISSIONS REDUCTION PROJECT		
2250-9731	For the purposes of a federally funded grant entitled, Diesel Emissions Reduction Project	100,000
UNDERGROUND STORAGE		
2250-9732	For the purposes of a federally funded grant entitled, Underground Storage	611,000
GREEN HOUSE GAS REPORTING SYSTEM		
2250-9735	For the purposes of a federally funded grant entitled, Green House Gas Reporting System	48,510
MA CLEAN DIESEL		
2250-9736	For the purposes of a federally funded grant entitled, MA Clean Diesel	73,350
AIRPORT LEAD AMBIENT		
2250-9738	For the purposes of a federally funded grant entitled, Airport Lead Ambient	6,700
Trust and Other Spending		**26,330,311**
2200-0059	SPECIAL PROJECTS PERMIT/OVERSIGHT FUND	1,000,000
2200-0086	MERCURY MANAGEMENT TRUST ACCOUNT	300,000
2200-0350	WATER POLLUTION ABATEMENT DEPARTMENT OF ENVIRONMENTAL PROTECTION ADMINISTRATIVE	1,047,258
2200-0647	OIL SPILL PERMITTING	500,000
2200-0884	SPRINGFIELD MATERIALS RECYCLING FACILITY	294,127
2200-2233	DEPARTMENT OF ENVIRONMENTAL PROTECTION - DB COMPANIES, INC. EXPENDABLE TRUST	15,000
2200-2494	ENERGY DEMAND REDUCTION PROGRAM TRUST FUND	752,422
2200-2542	USGEN OF NEW ENGLAND, INC.	50,000
2200-2673	BOSTON JUNK EXPENDABLE TRUST	50,000
2200-2674	SUSTAINABLE MATERIALS RECOVERY PROGRAM EXPENDABLE TRUST	2,389,303
2200-2675	MOTORS LIQUIDATING COMPANY FKA GENERAL MOTORS CORP EXP TRUST	5,000
2200-2676	NATURAL RESOURCE DAMAGES TRUST	600,000
2200-6001	DEPARTMENT OF ENVIRONMENTAL PROTECTION - ADMINISTRATION OF FEDERAL FUNDS	5,150,000
2200-6007	FEDERAL WATER POLLUTION ABATEMENT	3,281,528
2200-6008	DRINKING WATER STATE REVOLVING FUND - ADMINISTRATION TRUST	8,458,575
2200-6009	SOUTHERN STATES ENERGY BOARD	10,000
2200-6010	TEWKSBURY INDUSTRIES, INC. EXPENDABLE TRUST SUPERIOR COURT CIVIL ACTION	50,000

2200-6014	BEDFORD HARBOR EXPENDABLE TRUST	150,000
2200-6015	ROUTE 3 NORTH DESIGN BUILD EXPENDABLE TRUST	25,000
2200-6016	GENERAL ELECTRIC EXPENDABLE TRUST	150,000
2200-6017	NORTHEAST ENERGY ASSOCIATES EXPENDABLE TRUST	6,098
2200-6021	KATRINA PROPERTIES, INC.	130,000
2200-6022	NAVAL AIR STATION	20,000
2200-6024	STARMET DRUM REMOVAL	300,000
2200-6431	SILRESIM SUPERFUND LOWELL OPERATION AND MAINTENANCE CONSENT DECREE	1,125,000
2200-6432	SILRESIM LOWELL REPLACEMENT COSTS CONSENT DECREE	250,000
2200-6433	CHARLES GEORGE TYNGSBOROUGH RESPONSE COSTS CONSENT DECREE	100,000
2200-9725	FORT DEVENS EXPENDABLE TRUST	121,000

Department of Fish and Game

The mission of the Department of Fish and Game is to exercise stewardship responsibility over the Commonwealth's marine and freshwater fisheries, wildlife species, plants and natural communities as well as the habitats required to support these resources; to conserve and restore the state's rivers, streams, lakes, ponds, wild lands and coastal waters; and to ensure the responsible practice of hunting, trapping and fishing, both inland and marine.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Fish and Game	19,734	5,557	25,291	15,162

www.mass.gov/dfwele

Direct Appropriations **19,734,231**

DEPARTMENT OF FISH AND GAME ADMINISTRATION

2300-0100 For the office of the commissioner; provided, that the commissioner's office shall assess and receive payments from the division of marine fisheries, the division of fisheries and wildlife and all other programs under the control of the department of fish and game; provided further, that the purpose of those assessments shall be to cover appropriate administrative costs of the department, including but not limited to payroll, personnel, legal and other budgetary costs; and provided further, that the amount and contribution from each division or program shall be determined by the commissioner of fish and game 665,013

RIVERWAYS PROTECTION RESTORATION AND PUBLIC ACCESS PROMOTION

2300-0101 For a division of ecological restoration and riverways protection program, for the promotion of public access to rivers and wetland restoration, including grants to public and nonpublic entities; provided, that the positions funded in this item shall not be subject to chapter 31 of the General Laws 418,302

DIVISION OF FISHERIES AND WILDLIFE ADMINISTRATION

2310-0200 For the administration of the division of fisheries and wildlife, including the fisheries and wildlife board, the administration of game farms and wildlife restoration projects, wildlife research and management, administration of fish hatcheries, the improvement and management of lakes, ponds and rivers, fish and wildlife restoration projects, the commonwealth's share of certain cooperative fishery and wildlife programs and certain programs reimbursable under the federal Aid to Fish and Wildlife Restoration Act; provided, that funds may be expended to supplement the natural heritage and endangered species program 10,470,455

Inland Fisheries and Game Fund.....100%

NATURAL HERITAGE AND ENDANGERED SPECIES PROGRAM

2310-0300 For the operation of the natural heritage and endangered species program 150,000

HUNTER SAFETY PROGRAM

2310-0306 For the hunter safety training program 416,667

Inland Fisheries and Game Fund.....100%

WILDLIFE HABITAT PURCHASE

2310-0316 For the purchase of land containing wildlife habitat and for the costs of the division of fisheries and wildlife directly related to the administration of the wildlands stamp program under sections 2A and 2C of chapter 131 of the General Laws 1,500,000

Inland Fisheries and Game Fund.....100%

WATERFOWL MANAGEMENT PROGRAM

2310-0317 For the waterfowl management program established under section 11 of chapter 131 of the General Laws 65,000

Inland Fisheries and Game Fund.....100%

FISHING AND BOATING ACCESS

2320-0100 For the administration of the public access board, including the maintenance, operation and improvements of public access land and water areas; provided, that positions funded in this item shall not be subject to chapter 31 of the General Laws 468,977

DIVISION OF MARINE FISHERIES ADMINISTRATION

2330-0100 For the operation of the division of marine fisheries, including a program of enhancement and development of marine recreational fishing and related programs and activities, marine research programs, a commercial fisheries program, a shellfish management program, including coastal area classification, mapping and technical assistance; provided, that funds shall be expended on a recreational fisheries program to be reimbursed by federal funds; and provided further, that the division shall continue to develop strategies to improve federal regulations governing the commercial fishing industry so as to promote sustainable fisheries 3,982,035

MARINE RECREATIONAL FISHERIES DEVELOPMENT AND ENHANCEMENT PROG

2330-0120 For the operation of a marine recreational fisheries development and enhancement program 578,532

SALTWATER SPORTFISH LICENSING

2330-0300 For the administration and operation of the saltwater fishing permit program, in accordance with chapter 161 of the acts of 2009 801,261

Marine Recreational Fisheries Develop Fund.....100%

Retained Revenues

MARINE RECREATIONAL FISHING FEE RETAINED REVENUE

2330-0121 The division of marine fisheries may expend for the sportfish restoration program an amount not to exceed $217,989 from federal reimbursements related to sportfish 217,989

restoration and from the sale of materials which promote marine recreational fishing

Federal Grant Spending		**2,448,000**
HABITAT RESTORATION PROJECTS FOR DEPARTMENT OF FISH AND GAME RIVERWAYS PROGRAM		
2300-0114	For the purposes of a federally funded grant entitled, Habitat Restoration Projects for Department of Fish and Game Riverways Program	50,000
U.S. FISH AND WILDLIFE SERVICE EASTERN BROOK TROUT JOINT VENTURE		
2300-0115	For the purposes of a federally funded grant entitled, U.S. Fish and Wildlife Service Eastern Brook Trout Joint Venture	80,000
COASTAL PROJECTS - US FISH & WILDLIFE DIVISION OF ECOLOGICAL RESTORATION		
2300-0117	For the purposes of a federally funded grant entitled, Coastal Projects - US Fish & Wildlife Division of Ecological Restoration	55,000
LANDOWNER INCENTIVE PROGRAM - TIER 2		
2310-0116	For the purposes of a federally funded grant entitled, Landowner Incentive Program - Tier 2	100,000
CHRONIC WASTING DISEASE		
2310-0117	For the purposes of a federally funded grant entitled, Chronic Wasting Disease	70,000
NEW ENGLAND COTTONTAIL		
2310-0120	For the purposes of a federally funded grant entitled, New England Cottontail	30,000
CLEAN VESSEL ACT		
2330-9222	For the purposes of a federally funded grant entitled, Clean Vessel Act	825,000
COMMERCIAL FISHERIES STATISTICS		
2330-9712	For the purposes of a federally funded grant entitled, Commercial Fisheries Statistics	95,000
BOATING INFRASTRUCTURE		
2330-9725	For the purposes of a federally funded grant entitled, Boating Infrastructure	85,000
INTERSTATE FISHERIES MANAGEMENT SUPPORT		
2330-9730	For the purposes of a federally funded grant entitled, Interstate Fisheries Management Support	228,000
ATLANTIC COASTAL COOPERATIVE STATISTICS PROGRAM STRATEGIC PLAN IMPLEMENTATION		
2330-9732	For the purposes of a federally funded grant entitled, Atlantic Coastal Cooperative Statistics Program Strategic Plan Implementation	80,000
MARINE FISHERIES INSTITUTE		
2330-9736	For the purposes of a federally funded grant entitled, Marine Fisheries Institute	100,000
RED TIDE ECONOMIC RELIEF		
2330-9738	For the purposes of a federally funded grant entitled, Red Tide Economic Relief	15,000
TURTLE DISENGAGEMENT		
2330-9739	For the purposes of a federally funded grant entitled, Turtle Disengagement	425,000
AGE AND GROWTH PROJECT SEGMENT ONE		
2330-9742	For the purposes of a federally funded grant entitled, Age and Growth Project Segment One	210,000
Trust and Other Spending		**3,109,041**
2300-6007	DIVISION OF ECOLOGICAL RESTORATION EXPENDABLE TRUST	398,000

2310-0301	HERITAGE AND SPECIES PROGRAM	1,057,353
2310-0302	UPLAND SANDPIPER EXPENDABLE TRUST	89,676
2320-0102	FISHING AND BOATING ACCESS EXPENDABLE TRUST	400,000
2330-0101	MARINE MAMMALS, FISHERIES RESEARCH, AND CONSERVATION	1,164,012

Department of Agricultural Resources

The Massachusetts Department of Agricultural Resources's (MDAR) mission is to ensure the long-term viability of agriculture in Massachusetts. Through its four divisions – Agricultural Conservation & Technical Assistance, Agricultural Markets, Animal Health and Crop and Pest Services – MDAR strives to support, regulate and enhance the rich diversity of the Commonwealth's agricultural community to promote economically and environmentally sound food safety and animal health measures, and fulfill agriculture's role in energy conservation and production.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Agricultural Resources	15,831	8,092	23,923	5,695

www.mass.gov/agr

Direct Appropriations **15,830,765**

DEPARTMENT OF AGRICULTURAL RESOURCES ADMINISTRATION

2511-0100 For the operation of the department of agricultural resources, including the division of administration, the integrated pest management program, the board of agriculture, the division of agricultural markets, the division of animal health, the division of agricultural conservation and technical assistance, the division of crop and pest services, including a program of laboratory services at the University of Massachusetts at Amherst, the expenses of the pesticide board and agency costs associated with the administration of other boards, commissions and committees chaired by the department 4,280,581

EMERGENCY FOOD ASSISTANCE PROGRAM

2511-0105 For the purchase of supplemental foods for the emergency food assistance program within the Feeding America nationally-certified food bank system of Massachusetts; provided, that the funds appropriated in this item shall reflect the Feeding America allocation formula to benefit the 4 regional food banks in Massachusetts; and provided further, that the department may assess an administrative charge not to exceed 2 per cent of the total appropriation 11,500,000

INTEGRATED PEST MANAGEMENT PROGRAM

2511-3002 For the integrated pest management program 50,184

Federal Grant Spending **7,830,336**

PESTICIDE ENFORCEMENT

2511-0310 For the purposes of a federally funded grant entitled, Pesticide Enforcement 416,542

COOPERATIVE PEST SURVEY PROGRAM

2511-0400 For the purposes of a federally funded grant entitled, Cooperative Pest Survey 206,257

	Program	
FARMLAND PROTECTION		
2511-0972	For the purposes of a federally funded grant entitled, Farmland Protection	5,437,183
COUNTRY OF ORIGIN LABELING		
2511-1025	For the purposes of a federally funded grant entitled, Country of Origin Labeling	50,798
ANIMAL DISEASE SURVEILLANCE - HOMELAND SECURITY		
2515-1002	For the purposes of a federally funded grant entitled, Animal Disease Surveillance - Homeland Security	24,749
SCRAPIE DISEASE SURVEILLANCE AND FLOCK CERTIFICATION		
2515-1004	For the purposes of a federally funded grant entitled, Scrapie Disease Surveillance and Flock Certification	5,461
HIGHLY PATHOGENIC AVIAN INFLUENZA		
2515-1008	For the purposes of a federally funded grant entitled, Highly Pathogenic Avian Influenza	70,000
DEVELOPMENT OF INSTITUTIONAL MARKETING		
2516-9002	For the purposes of a federally funded grant entitled, Development of Institutional Marketing	541,013
FARMERS' MARKET COUPON PROGRAM		
2516-9003	For the purposes of a federally funded grant entitled, Farmers' Market Coupon Program	468,548
SENIOR FARMERS' MARKET NUTRITION PROGRAM		
2516-9004	For the purposes of a federally funded grant entitled, Senior Farmers' Market Nutrition Program	564,785
ORGANIC CERTIFICATION COST - SHARE PROGRAM		
2516-9007	For the purposes of a federally funded grant entitled, Organic Certification Cost - Share Program	45,000
Trust and Other Spending		**261,569**
2511-0001	EXPOSITION BUILDING MAINTENANCE FUND	60,868
2511-1020	DAIRY PROMOTION TRUST FUND	200,701

State Reclamation Board

The mission of the State Reclamation Board is to control the population of mosquitoes and greenhead flies, and to prevent the spread of related diseases such as Eastern Equine Encephalitis (EEE) and West Nile Virus (WNV).

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
State Reclamation Board	0	11,390	11,390	0

www.mass.gov/agr/mosquito/

Trust and Other Spending		**11,389,503**
2520-0000	STATE RECLAMATION BOARD ADMINISTRATION	268,546
2520-0300	CAPE COD MOSQUITO CONTROL PROJECT ASSESSMENTS	1,744,201
2520-0900	SUFFOLK COUNTY MOSQUITO CONTROL PROJECT ASSESSMENTS	281,087
2520-1000	CENTRAL MASSACHUSETTS MOSQUITO CONTROL PROJECT ASSESSMENTS	1,801,893
2520-1100	BERKSHIRE COUNTY MOSQUITO CONTROL PROJECT ASSESSMENTS	208,951
2520-1200	NORFOLK COUNTY MOSQUITO CONTROL PROJECT ASSESSMENTS	1,758,940
2520-1300	BRISTOL COUNTY MOSQUITO CONTROL PROJECT ASSESSMENTS	1,445,023
2520-1400	PLYMOUTH COUNTY MOSQUITO CONTROL PROJECT ASSESSMENTS	1,534,472
2520-1500	NORTHEAST MOSQUITO CONTROL PROJECT ASSESSMENTS AND WETLANDS MANAGEMENT DISTRICT	1,635,867
2520-1600	EAST MIDDLESEX MOSQUITO CONTROL PROJECT ASSESSMENTS	656,733
2520-1700	SOUTH SHORE MOSQUITO CONTROL	10,592
2520-2300	CAPE COD GREENHEAD FLY CONTROL PROJECT ASSESSMENTS	43,198

Department of Conservation and Recreation

The mission of the Department of Conservation and Recreation (DCR) is to enhance the experience of the estimated 33 million people who annually visit the more than 400 properties under its care and control. DCR is focused on three strategic goals to continue building a dynamic and unified agency while carrying out its mission of protecting, promoting and enhancing our Commonwealth's natural, cultural and recreational resources. The three goals are: maximizing resources by directing agency resources and efforts to provide the greatest value for the public we serve; nurturing partnerships by developing, cultivating and strengthening partnerships; and expanding and improving programming by creating and working with partners to support interactive, appealing programming that engages the public.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Conservation and Recreation	76,467	47,457	123,924	21,292

www.mass.gov/dcr

Direct Appropriations		**76,466,932**
DEPARTMENT OF CONSERVATION AND RECREATION ADMINISTRATION		
2800-0100	For the operation of the department of conservation and recreation	4,125,466
WATERSHED MANAGEMENT PROGRAM		
2800-0101	For the watershed management program to operate and maintain reservoirs, watershed lands and related infrastructure of the department and the office of water resources in the department of conservation and recreation; provided, that the amount of the payment shall be charged to the General Fund and shall not be	1,005,972

included in the amount of the annual determination of fiscal year charges to the Massachusetts Water Resources Authority assessed to the authority under the General Laws; and provided further, that the department shall continue to make payments under chapter 616 of the acts of 1957, as amended by section 89 of chapter 801 of the acts of 1963

STORMWATER MANAGEMENT

2800-0401	For a program to provide stormwater management for all properties and roadways under the care, custody and control of the department of conservation and recreation; provided, that the department shall develop and implement a stormwater management program in compliance with federal and state stormwater management requirements; provided further, that the department shall inventory all existing stormwater infrastructure, assess its current stormwater practices, analyze long term capital and operational needs and develop a stormwater management plan to comply with federal and state regulatory requirements; and provided further, that in order to protect public safety and to protect water resources for water supply, recreational and ecosystem uses, the department shall immediately implement interim stormwater management practices including, but not limited to, street sweeping, inspection and cleaning of catch basins and emergency repairs to roadway drainage	399,396

DCR SEASONALS

2800-0501	For the operation of the beaches, pools and spray pools under the control of the department of conservation and recreation; provided, that the seasonal hires of the department of conservation and recreation's parks, beaches, pools and spray pools be paid from this item; provided further, that seasonal employees who are hired before the second Sunday before Memorial Day and whose employment continues beyond the Saturday following Labor Day and who received health insurance benefits in fiscal year 2012 shall continue to receive such benefits in fiscal year 2013 during the period of their seasonal employment; provided further, that no expenditures shall be made from this item other than for the purposes identified in this item; provided further, that notwithstanding section 1 of chapter 31 of the General Laws, seasonal positions funded by this item shall be positions requiring the services of an incumbent, on either a full-time or less than full-time basis beginning not earlier than April 1 and ending not later than November 30, or beginning not earlier than September 1 and ending not later than April 30; and provided further, that notwithstanding said section 1 of said chapter 31, seasonal positions funded by this item shall not be filled by an incumbent for more than 8 months within a 12-month period	12,381,553

OFFICE OF DAM SAFETY

2800-0700	For the office of dam safety; provided, that the department shall, in collaboration with the department of environmental protection and the department of fish and game, establish and maintain a comprehensive inventory of all dams and develop a coordinated permitting and regulatory approach to dam removal for stream restoration and public safety	302,432

STATE PARKS AND RECREATION

2810-0100	For the operation of the department's state parks; provided, that funds appropriated in this item shall be used to operate all of the department's parks, parkways, boulevards, roadways, bridges and related appurtenances under the care, custody and control of the division, flood control activities of the department, reservations, campgrounds, beaches and pools and for the oversight of rinks, to protect and manage the division's lands and natural resources, including the forest and parks conservation services and the bureau of forestry development; provided further, that the crossing guards located at department of conservation and recreation intersections shall continue to perform the duties where state police previously performed such duties; provided further, that no funds from this item shall be made available for payment to true seasonal employees; and provided further, that the department may issue grants to public and nonpublic entities from this item	39,687,129

STATE HOUSE PARK RANGERS

2820-0101 For the costs associated with the department's urban park rangers specific to the security of the state house; provided, that funds appropriated in this item shall only be expended for the costs of security and urban park rangers at the state house 1,377,957

STREETLIGHTING

2820-2000 For the operation of street lighting and the expenses of maintaining the parkways of the department of conservation and recreation 3,060,000

Retained Revenues

DEPARTMENT OF CONSERVATION AND RECREATION RETAINED REVENUE

2810-2041 For the department of conservation and recreation, which may expend not more than $14,127,027 from revenue collected by the department, including, but not limited to, revenues collected from: (1) campsite reservation transactions from the automated campground reservation and registration program; (2) permits, leases, concessions, and all other contracts; (3) the operation and maintenance of the department's telecommunications system from revenues received from the Massachusetts Water Resources Authority, the Massachusetts Convention Center Authority, the division of highways, the Central Artery/Ted Williams Tunnel Project, the department of state police and quasi-public and private entities through a system of user fees and other charges established by the commissioner of conservation and recreation; provided, that nothing in this item shall impair or diminish the rights of access and utilization of all current users of the system under agreements previously entered into; and provided further, that this item may be reimbursed by political subdivisions of the commonwealth and private entities for direct and indirect costs expended by the division to maintain the telecommunications system; (4) skating rink fees and rentals; provided, that when assigning time for the use of its rinks, the department shall give priority to general public skating, and then to those which qualify under applicable state and federal law as nonprofit organizations or as a public school; (5) the operation and maintenance of the Ponkapoag golf course; provided, that the division of state parks and recreation may expend not less than $1,098,011 from revenue collected from fees generated by the golf course; (6) the operation and maintenance of the Leo J. Martin golf course; provided, that the division of state parks and recreation may expend not less than $824,790 from revenue collected from fees generated by the golf course; (7) activities authorized pursuant to section 34B of chapter 92 of the General Laws; provided, that the department may retain and deposit 80 per cent of the aforementioned fees; provided further, that for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the division may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system; provided further, that no expenditures made in advance of the receipts shall be permitted to exceed 75 per cent of the amount of revenues projected by the first quarterly statement required by section 1B; provided further, that the comptroller shall notify the house and senate committees on ways and means at the time subsequent quarterly statements are published of the variance between actual and projected receipts in each such quarter and the implications of that variance for expenditures made; provided further, that the division may issue grants to public and nonpublic entities from this item; provided further, that the department may use the aforementioned revenues for the operation and expenses of the department; and provided further, that the department shall continue to review revenue collection processes to maximize revenue generation under current laws and regulations 14,127,027

Federal Grant Spending **15,751,304**

NATIONAL FLOOD INSURANCE PROGRAM - FEMA COMMUNITY ASSISTANCE PROGRAM

2800-9707 For the purposes of a federally funded grant entitled, National Flood Insurance 184,000

Program - FEMA Community Assistance Program

FEMA COOPERATING TECHNICAL PARTNERSHIP PROGRAM

2800-9710	For the purposes of a federally funded grant entitled, FEMA Cooperating Technical Partnership program	104,000

NATIONAL DAM SAFETY GRANTS

2800-9726	For the purposes of a federally funded grant entitled, National Dam Safety Grants	151,894

US DEPARTMENT OF EDUCATION - REC-CONNECT GRANT

2800-9729	For the purposes of a federally funded grant entitled, US Department of Education - Rec-Connect Grant	35,398

VOLUNTEER FIRE ASSISTANCE - RURAL COMMUNITIES

2820-9702	For the purposes of a federally funded grant entitled, Volunteer Fire Assistance - Rural Communities	81,249

NATIONAL RESOURCE CONSERVATION - WILDLIFE INCENTIVES HABITAT INCENTIVES PROGRAM

2820-9704	For the purposes of a federally funded grant entitled, National Resource Conservation - Wildlife Incentives Habitat Incentives Program	8,203

ANIMAL AND PLANT HEALTH INSPECTIONS

2820-9705	For the purposes of a federally funded grant entitled, Animal and Plant Health Inspections	11,000,000

NCRS AGREE HELP LANDOWNERS FORESTLAND

2820-9706	For the purposes of a federally funded grant entitled, NCRS Agree Help Landowners Forestland	70,000

USDA FOREST SERVICE - URBAN AND COMMUNITY FORESTRY

2821-9705	For the purposes of a federally funded grant entitled, USDA Forest Service - Urban and Community Forestry	508,002

URBAN COMMUNITY FOREST TORNADO RECOVERY

2821-9708	For the purpose of a federal grant from the USDA Forest Service to help restore forests and tree canopies in the urban communities affected by the June 2011 Tornadoes.	10,000

FOREST STEWARDSHIP AND FOREST LEGACY GRANTS

2821-9709	For the purposes of a federally funded grant entitled, Forest Stewardship and Forest Legacy Grants	253,930

STATE FIRE ASSISTANCE GRANTS

2821-9711	For the purposes of a federally funded grant entitled, State Fire Assistance Grants	553,936

WILDLAND URBAN INTERFACE FUELS MANAGEMENT IN SOUTHEASTERN MASSACHUSETTS

2821-9713	For the purposes of a federally funded grant entitled, Wildland Urban Interface Fuels Management in Southeastern Massachusetts	205,613

FOREST STEWARDSHIP RE-DESIGN GRANT

2821-9715	For the purposes of a federally funded grant entitled, Forest Stewardship Re-Design Grant	197,611

FOREST HEALTH MANAGEMENT - US FOREST SERVICE

2821-9726	For the purposes of a federally funded grant entitled, Forest Health Management - US Forest Service	104,465

OPERATIONS AND MANAGEMENT GRANT FOR WAQUOIT BAY NATIONAL ESTUARINE RESERVE

2840-9709	For the purposes of a federally funded grant entitled, Operations and Management	639,367

	Grant for Waquoit Bay National Estuarine Reserve	
RECREATIONAL TRAILS PROGRAM		
2850-9701	For the purposes of a federally funded grant entitled, Recreational Trails Program	1,373,210
MT GREYLOCK TCSP FOR O&M MANUAL & INTERPRETIVE IMPROVEMENTS		
2850-9702	For the purposes of a federally funded grant entitled, Mt Greylock TCSP for O&M Manual & Interpretive Improvements	270,426
Trust and Other Spending		**31,705,805**
2800-0060	DAM SAFETY EXPENDABLE TRUST	5,000
2800-0065	ROCHE COMMUNITY RINK FUND	20,000
2800-0647	NANTASKET BEACH RESERVATION TRUST FUND	80,000
2800-0648	NEW CHARLES RIVER BASIN PARKS EXPENDABLE TRUST	2,500,000
2800-2002	INTERSTATE FIREFIGHTING SERVICES - USDA FOREST SERVICE WILDLAND FIREFIGHTING	10,000
2800-6002	ENVIRONMENTAL MANAGEMENT CONSERVATION TRUST	688,742
2800-6006	CAMPGROUND RESERVATION FEES	725,000
2820-0776	SHAWME-CROWELL STATE FOREST LANDFILL	106,920
2820-6006	MASSACHUSETTS RE-LEAF	80,000
2820-6022	RESERVOIR MAINTENANCE-TOWN CONTRIBUTIONS	9,000
2820-6027	SCHOONER ERNESTINA COMMISSION	6,000
2822-1441	WATERSHED DIVISION	7,020,638
2822-1445	WATERSHED LAND ACQUISITION EXPENDABLE TRUST	3,000,000
2822-1447	SALISBURY BEACH PRESERVATION TRUST FUND	50,000
2830-0100	DIVISION OF WATER SUPPLY PROTECTION	15,046,318
2848-0052	GENERAL PARKS TRUST PURCHASE, INVESTMENTS, AND PAYMENTS FROM INCOME	751,949
2848-0057	METRO PARKS LAND TRUST PURCHASES, INVESTMENTS, AND PAYMENTS FROM INCOME	500,000
2848-0060	FUND TO BE APPROPRIATED FOR PARK LAND	250,000
2848-0066	SPECIAL EVENTS	531,238
2848-0067	ENCROACHMENT RECLAMATION	75,000
2848-0071	BLUE HILLS RESERVATION TRUST	200,000
2848-0072	REVERE BEACH RESERVATION - NORTH LOT	50,000

Department of Public Utilities

The Department of Public Utilities is responsible for oversight of investor-owned electric power, natural gas and water utilities in the Commonwealth; developing alternatives to traditional regulation; monitoring service quality; regulating safety in the transportation and gas pipeline areas; and for the siting of energy facilities. The mission of the Department is to ensure that utility consumers are provided with the most reliable service at the lowest possible cost; to protect the public safety from transportation and gas pipeline related accidents; to oversee the energy facilities siting process; and to ensure that residential ratepayers' rights are protected.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Public Utilities	10,417	7,133	17,550	20,888

www.mass.gov/dpu

Direct Appropriations		**10,417,190**
DEPARTMENT OF PUBLIC UTILITIES ADMINISTRATION		
2100-0012	For the operations of the department of public utilities; provided, that notwithstanding the second sentence of the first paragraph of section 18 of chapter 25 of the General Laws, the assessments levied for fiscal year 2013 under that paragraph shall be made at a rate sufficient to produce the amount expended from this item as well as the associated fringe benefits costs for personnel paid from this item	7,589,417
TRANSPORTATION OVERSIGHT DIVISION		
2100-0013	For the operation of the transportation oversight division	377,774
STEAM DISTRIBUTION OVERSIGHT		
2100-0016	For the department of public utilities to regulate steam distribution companies; provided, that notwithstanding section 18A of chapter 25 of the General Laws to the contrary, the assessments levied for fiscal year 2013 shall be made at a rate sufficient to produce the amount expended from this item and the associated fringe benefits costs for personnel paid from this item	99,999
Retained Revenues		
ENERGY FACILITIES SITING BOARD RETAINED REVENUE		
2100-0014	The department of public utilities may expend for the operation of the energy facilities siting board an amount not to exceed $50,000 from application fees collected in fiscal year 2013 and prior fiscal years from utility companies	50,000
UNIFIED CARRIER REGISTRATION RETAINED REVENUE		
2100-0015	The department of public utilities may expend for the operation of the transportation division an amount not to exceed $2,300,000 from unified carrier registration fees collected in fiscal year 2013 and prior fiscal years from motor carrier companies	2,300,000
Federal Grant Spending		**1,015,052**
PIPELINE SECURITY		
7006-9002	For the purposes of a federally funded grant entitled, Pipeline Security	1,015,052
Trust and Other Spending		**6,118,066**
2100-0076	GREEN COMMUNITIES ACT TRUST	320,622
7006-0075	DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TRUST FUND	5,797,444

Department of Energy Resources

The Massachusetts Department of Energy Resources (DOER) develops and implements policies and programs aimed at ensuring the adequacy, security, diversity and cost-effectiveness of the Commonwealth's energy supply within the context of creating a cleaner energy future. To that end, DOER strives to ensure deployment of all cost-effective energy efficiency, maximize development of clean energy resources, create and implement energy strategies to assure reliable supplies and improve the cost of clean energy relative to fossil-fuel based generation, support Massachusetts' clean energy companies and spur Massachusetts' clean energy employment.

DOER is an agency of the Executive Office of Energy and Environmental Affairs (EEA).

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Energy Resources	3,631	0	3,631	4,466

www.mass.gov/doer

Direct Appropriations **3,631,045**

RESIDENTIAL CONSERVATION SERVICE PROGRAM

7006-1001 For the residential conservation service program under chapter 465 of the acts of 1980, and the commercial and apartment conservation service program under section 11A of chapter 25A of the General Laws; provided, that the assessments levied for fiscal year 2013 pursuant to chapter 465 of the acts of 1980 shall be made at a rate sufficient to produce the amount expended from this item as well as the associated fringe benefit costs for personnel paid from this item 217,453

DEPARTMENT OF ENERGY RESOURCES ASSESSMENT

7006-1003 For the operation of the department of energy resources and the residential conservation services program; provided, that the amount assessed under section 11H of chapter 25A of the General Laws shall be equal to the amount expended from this item as well as the associated fringe benefits costs for personnel paid from this item 3,413,592

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

Fiscal Year 2013 Resource Summary ($000)

Secretariat	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Health and Human Services	8,101,294	2,053,069	10,154,363	5,302,967
Department of Elder Affairs	3,289,802	34,696	3,324,497	1,523,122
Office of Health Services	1,206,457	813,549	2,020,006	584,149
Office of Children, Youth, and Family Services	1,711,162	26,316	1,737,478	646,610
Office of Disabilities and Community Services	1,472,080	124,290	1,596,371	550,759
Department of Veterans' Services	78,547	1,101	79,647	580
TOTAL	15,859,341	3,053,020	18,912,362	8,608,186

Historical Employment Levels

Secretariat	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Executive Office of Health and Human Services	1,334	1,591	1,475	1,471	1,533
Department of Elder Affairs	50	38	39	41	41
Office of Health Services	6,048	5,276	5,206	5,374	5,502
Office of Children, Youth, and Family Services	5,973	5,549	5,594	5,589	5,649
Office of Disabilities and Community Services	7,493	7,301	7,117	7,150	7,135
Department of Veterans' Services	47	45	43	44	48
TOTAL	20,944	19,801	19,474	19,669	19,908

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

OFFICE OF THE SECRETARY OF HEALTH AND HUMAN SERVICES

The Executive Office of Health and Human Services works to achieve the highest levels of health and well-being for all residents of Massachusetts. Each department, through our collective contributions, is dedicated to addressing the diversity of need across the Commonwealth and ensuring access to high-quality, comprehensive, convenient and effective integrated services to enable all residents of the Commonwealth to be as healthy and independent as possible.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
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Office of the Secretary of Health and Human Services	1,334	1,591	1,475	1,471	1,533
TOTAL	1,334	1,591	1,475	1,471	1,533

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www.mass.gov/eohhs

Direct Appropriations **8,101,293,558**

SAFE AND SUCCESSFUL YOUTH INITIATIVE

4000-0005 For youth violence prevention program grants administered by the executive office of health and human services; provided, that the programs shall be targeted at reducing youth violence among young persons at highest risk for being perpetrators or victims of gun violence; and provided further, that these funds shall be available to those municipalities with the highest number of youth homicides and serious assaults as determined by the executive office of health and human services 10,000,000

PERSONAL CARE ATTENDANT COUNCIL

4000-0050 For the personal care attendant quality home care workforce council established under section 29 of chapter 118G of the General Laws 235,485

CHILDREN YOUTH AND FAMILIES INITIATIVE

4000-0051 For the activities of the executive office to improve services for children, youth and their families under section 6 2,995,000

EOHHS AND MASSHEALTH ADMINISTRATION

4000-0300 For the operation of the office of the secretary of health and human services, including the operation of the managed care oversight board; provided, that the executive office shall provide technical and administrative assistance to agencies under the purview of the secretariat receiving federal funds; provided further, that the executive office shall continue to develop and implement the common client identifier; provided further, that funds appropriated in this item shall be expended for administrative and contracted services related to the implementation and operation of 86,291,466

programs authorized by chapter 118E of the General Laws; provided further, that in consultation with the division of health care finance and policy, no rate increase shall be provided to existing Medicaid provider rates without taking all measures possible under Title XIX of the Social Security Act to ensure that rates of payment to providers do not exceed the rates that are necessary to meet only those costs which must be incurred by efficiently and economically operated providers in order to provide services of adequate quality; provided further, that expenditures for the purposes of each item appropriated for programs authorized by chapter 118E shall be accounted for in the Massachusetts management accounting and reporting system not more than 10 days after the expenditures have been made by the Medicaid management information system; provided further, that no expenditures shall be made that are not federally reimbursable, including those related to Titles XIX or XXI of the Social Security Act or the MassHealth demonstration waiver approved under section 1115(a) of the act or the community first section 1115 demonstration waiver, whether made by the executive office or another commonwealth entity, except as required for administration of the executive office, for the equivalent of MassHealth Standard benefits for children under age 21 who are in the care or custody of the department of youth services or the department of children and families, for dental benefits provided to clients of the department of developmental services who are age 21 or over, and otherwise as explicitly authorized, or unless made for cost containment efforts the purposes and amounts of which have been submitted to the executive office for administration and finance and the house and senate committees on ways and means 30 days prior to making these expenditures; provided further, that the executive office may continue to recover provider overpayments made in the current and prior fiscal years through the Medicaid management information system, and that these recoveries shall be considered current fiscal year expenditure refunds; provided further, that the executive office may collect directly from a liable third party any amounts paid to contracted providers under chapter 118E for which the executive office later discovers another third party is liable if no other course of recoupment is possible; provided further, that no funds shall be expended for the purpose of funding interpretive services directly or indirectly related to a settlement or resolution agreement with the office of civil rights or any other office, group or entity; provided further, that interpretive services currently provided shall not give rise to enforceable legal rights for any party or to an enforceable entitlement to interpretive services; provided further, that the federal financial participation received from claims filed based on in-kind administrative services related to outreach and eligibility activities performed by certain community organizations, under the "covering kids initiative", and in accordance with the federal revenue criteria in 45 CFR 74.23 or any other federal regulation which provides a basis for federal financial participation, shall be credited to this item and may be expended, without further appropriation, on administrative services including those covered under an agreement with the organizations participating in the initiative; provided further, the executive office shall require the commissioner of mental health to approve any prior authorization or other restriction on medication used to treat mental illness in accordance with written policies, procedures and regulations of the department of mental health; provided further, that funds shall be expended to support the functions of the office of performance management in carrying out the executive order known as "Improving the Performance of State Government by Implementing a Comprehensive Strategic Planning and Performance Management Framework in the Executive Departments"; and provided further, that any unexpended balance in items 4000-0430, 4000-0500, 4000-0600, 4000-0700, 4000-0870, 4000-0875, 4000-0880, 4000-0890, 4000-0895, 4000-0950, 4000-0990, 4000-1400 or 4000-1405 on June 30, 2013 shall revert to the General Fund

MASSHEALTH AUDITING AND UTILIZATION REVIEWS

4000-0301	For the costs of MassHealth provider and member audit and utilization review activities including eligibility verification, disability evaluations, provider financial and clinical audits and other initiatives intended to enhance program integrity	1,739,619

MASSHEALTH FIELD AUDITING TASKFORCE

4000-0309 For the expansion of auditing activities in MassHealth, including, but not limited to field audits of high risk services; provided, that no expenditures shall be made from this item that are not federally reimbursable; provided further, that notwithstanding any general or special law to the contrary, the state Medicaid office is hereby authorized to conduct a trial to determine the effectiveness of various fraud management tools to identify potential fraud at claims submission and validation in order to reduce Medicaid fraud prior to payment; provided further, that the state Medicaid office may employ strategies to improve systems for detection and may allow for the use of external data sources; provided further, that any such trial may test innovative technologies to improve Medicaid fraud detection and evaluate the efficacy of, among other things, a real-time model to identify and investigate potential Medicaid fraud cases prior to payment; and provided further, that the Medicaid office may use actual claims data, in accordance with federal law, to identify specific suspicious provider billing patterns, document the results of any potential fraud findings and estimate anticipated savings and benefits to the commonwealth associated with such a fraud detection system 1,000,000

MASSHEALTH COMMONHEALTH PLAN

4000-0430 For the CommonHealth program to provide primary and supplemental medical care and assistance to disabled adults and children under sections 9A, 16 and 16A of chapter 118E of the General Laws; provided, that funds may be expended from this item for health care services provided to the recipients in prior fiscal years; provided further, that the executive office shall maximize federal reimbursement for state expenditures made on behalf of such adults and children; provided further, that children shall be determined eligible for the medical care and assistance if they meet the disability standards as defined by the executive office, which standards shall be no more restrictive than the standards in effect on July 1, 1996; and provided further, that the executive office shall process CommonHealth applications within 45 days of receipt of a completed application or within 90 days if a determination of disability is required 73,165,558

MASSHEALTH MANAGED CARE

4000-0500 For health care services provided to medical assistance recipients under the executive office's primary care clinician/mental health and substance abuse plan or through a health maintenance organization under contract with the executive office and for MassHealth benefits provided to children, adolescents and adults under clauses (a) to (d), inclusive, and clause (h) of subsection (2) of section 9A of chapter 118E of the General Laws and section 16C of said chapter 118E; provided, that no funds shall be expended from this item for children and adolescents under clause (c) of said subsection (2) of said section 9A of said chapter 118E whose family incomes, as determined by the executive office, exceed 150 per cent of the federal poverty level; provided further, that funds may be expended from this item for health care services provided to the recipients in prior fiscal years; and provided further, that expenditures from this item shall be made only for the purposes expressly stated herein 4,164,475,376

MASSHEALTH FEE-FOR-SERVICE PAYMENTS

4000-0700 For health care services provided to medical assistance recipients under the executive office's health care indemnity/third party liability plan and medical assistance recipients not otherwise covered under the executive office's managed care or senior care plans, and for MassHealth benefits provided to children, adolescents and adults under clauses (a) to (d), inclusive and clause (h) of subsection (2) of section 9A of chapter 118E of the General Laws and section 16C of said chapter 118E; provided, that no payments for special provider costs shall be made from this item without the prior written approval of the secretary of administration and finance; provided further, that no funds shall be expended from this item for children and adolescents under clause (c) of said subsection (2) of said section 9A of said chapter 118E whose family incomes, as determined by the 1,939,680,126

executive office, exceed 150 per cent of the federal poverty level; provided further, that children who have aged out of the custody of the department of children and families shall be eligible for benefits until they reach age 21; provided further, that funds shall be expended from this item for members who qualify for early intervention services; provided further, that funds may be expended from this item for health care services provided to the recipients in prior fiscal years; provided further, that the executive office shall not, in fiscal year 2013, fund programs relating to case management with the intention of reducing length of stay for neonatal intensive care unit cases; provided further, that notwithstanding the foregoing, funds may be expended from this item for the purchase of third party insurance including, but not limited to, Medicare for any medical assistance recipient; provided further, that the executive office may reduce MassHealth premiums or copayments or offer other incentives to encourage enrollees to comply with wellness goals; provided further, that $23,000,000 shall be expended from this item, or item 4000-0500, if necessary to achieve maximum federal financial participation, to enhance the ability of hospitals and community health centers to serve populations in need more efficiently and effectively; provided further, that the executive office shall maximize federal reimbursements for state expenditures made to these providers; and provided further, that funds may be expended from this item for activities relating to disability determinations or utilization management and review, including patient screenings and evaluations, regardless of whether such activities are performed by a state agency, contractor, agent or provider

MASSHEALTH BASIC COVERAGE

4000-0870	For health care services provided to adults participating in the medical assistance program under clause (g) of subsection (2) of section 9A of chapter 118E of the General Laws; provided, that funds may be expended from this item for health care services provided to the recipients in prior fiscal years	179,909,689

MASSHEALTH BREAST AND CERVICAL CANCER TREATMENT

4000-0875	For the provision of benefits to eligible women who require medical treatment for either breast or cervical cancer in accordance with section 1902(a)(10)(A)(ii)(XVIII) of the Breast and Cervical Cancer Prevention and Treatment Act of 2000, Public Law 106-354, and in accordance with section 10D of chapter 118E of the General Laws; provided, that the executive office shall provide those benefits to women whose income, as determined by the executive office, does not exceed 250 per cent of the federal poverty level, subject to continued federal approval; provided further, that eligibility for the benefits shall be extended solely for the duration of the cancerous condition; provided further, that before the provision of any benefits covered by this item, the executive office shall require screening for either breast or cervical cancer at the comprehensive breast and cervical cancer early detection program operated by the department of public health, in accordance with item 4570-2500 of section 2D; and provided further, that funds may be expended from this item for health care services provided to these recipients in prior fiscal years	5,248,099

MASSHEALTH FAMILY ASSISTANCE PLAN

4000-0880	For MassHealth benefits under clause (c) of subsection (2) of section 9A and section 16C of chapter 118E of the General Laws for children and adolescents whose family incomes as determined by the executive office are above 150 per cent of the federal poverty level; provided, that funds may be expended from this item for health care services provided to children and adolescents in prior fiscal years	213,894,591

MASSHEALTH PREMIUM ASSISTANCE AND INSURANCE PARTNERSHIP

4000-0890	For the cost of health insurance subsidies paid to employees and employers of small businesses in the insurance reimbursement program under section 9C of chapter 118E of the General Laws; provided, that funds may be expended from this item for health care services provided to these persons in prior fiscal years	30,481,392

HEALTHY START PROGRAM

4000-0895 For the healthy start program to provide medical care and assistance to pregnant women and infants residing in the commonwealth under section 10E of chapter 118E of the General Laws; provided, that funds may be expended from this item for health care services provided to these persons in prior fiscal years 15,850,244

CHILDREN'S BEHAVIORAL HEALTH INITIATIVE

4000-0950 For the purposes of administrative and program expenses associated with the children's behavioral health initiative, in accordance with the settlement agreement in the case of Rosie D. et al. v. Romney, United States District Court for the District of Massachusetts civil action No. 01-30199-MAP, to provide comprehensive, community-based behavioral health services to children suffering from severe emotional disturbances; provided, that funds may be expended from this item for health care services provided to these persons in prior fiscal years 221,705,516

CHILDREN'S MEDICAL SECURITY PLAN

4000-0990 For the children's medical security plan to provide primary and preventive health services for uninsured children from birth through age 18; provided, that the executive office shall prescreen enrollees and applicants for Medicaid eligibility; provided further, that no applicant shall be enrolled in the program until the applicant has been denied eligibility for the MassHealth program; provided further, that the MassHealth benefit request shall be used as a joint application to determine the eligibility for both MassHealth and the children's medical security plan; provided further, that the executive office shall maximize federal reimbursements for state expenditures made on behalf of the children; provided further, that the executive office shall expend all necessary funds from this item to ensure the provision of the maximum benefit levels for this program, as authorized by section 10F of chapter 118E of the General Laws; provided further, that the maximum benefit levels for this program shall be made available only to those children who have been determined by the executive office to be ineligible for MassHealth benefits; and provided further, that funds may be expended from this item for health care services provided to these persons in prior fiscal years 13,298,695

MASSHEALTH HIV PLAN

4000-1400 For the purposes of providing MassHealth benefits to persons with a diagnosis of human immunodeficiency virus with incomes up to 200 per cent of the federal poverty level; provided, that funds may be expended from this item for health care services provided to these persons in prior fiscal years 19,744,723

MASSHEALTH ESSENTIAL

4000-1405 For the operation of a program of preventive and primary care for chronically unemployed persons who are not receiving unemployment insurance benefits and who are not eligible for medical assistance but who are determined by the executive office of health and human services to be long-term unemployed; provided, that such persons shall meet the eligibility requirements of the MassHealth program established in section 9A of chapter 118E of the General Laws; provided further, that persons eligible under subsection (7) of section 16D of said chapter 118E shall also be eligible to receive benefits under this item; provided further, that the income of such persons shall not exceed 100 per cent of the federal poverty level; provided further, that said eligibility requirements shall not exclude from eligibility persons who are employed intermittently or on a non-regular basis; provided further, that the provision of care to such persons under this program may, taking into account capacity, continuity of care and geographic considerations, be restricted to certain providers; provided further, that the secretary may limit or close enrollment if necessary in order to ensure that expenditures from this item do not exceed the amount appropriated herein; provided further, however, that no such limitation shall be implemented unless the secretary has given 90 days notice to the house and senate committees on ways and means and the joint committee on health care financing; and provided further, that funds may be expended from this item for health 505,998,457

care services provided to recipients in prior fiscal years

MEDICARE PART D PHASED DOWN CONTRIBUTION

4000-1420 For the purposes of making payment to the federal Centers for Medicare and Medicaid Services in compliance with 42 USC 1396u-5(c)(1)(a) 285,153,027

MASSHEALTH OPERATIONS

4000-1602 For the costs associated with running MassHealth field operations according to customer service best practices and federally mandated processing times, taking into consideration both improvements in efficiencies and increases in member population; provided, that no expenditures shall be made from this item that are not federally reimbursable 2,000,000

HEALTH CARE SYSTEM REFORM

4000-1604 For MassHealth costs asssociated with the implementation of the Patient Protection and Affordable Care Act and payment reform; provided, that no expenditures shall be made from this item that are not federally reimbursable 3,125,000

HEALTH AND HUMAN SERVICES INFORMATION TECHNOLOGY COSTS

4000-1700 For the provision of information technology services within the executive office of health and human services 100,301,495

Retained Revenues

MASSHEALTH RECOVERIES FROM CURRENT AND PRIOR FISCAL YEARS RR

4000-0320 The executive office of health and human services may expend for medical care and assistance rendered in the current year an amount not to exceed $225,000,000 from the monies received from recoveries and collections of any current or prior year expenditures; provided, that notwithstanding any general or special law to the contrary, the balance of any personal needs accounts collected from nursing and other medical institutions upon a medical assistance member's death and held by the executive office for more than 3 years may be credited to this item 225,000,000

Intragovernmental Service Spending ***59,519,107***

CHARGEBACK FOR HUMAN SERVICES TRANSPORTATION

4000-0102 For the cost of transportation services for health and human services clients and the operation of the health and human services transportation office 7,396,623

Intragovernmental Service Fund.....100%

CHARGEBACK FOR HUMAN SERVICES ADMINISTRATION

4000-0103 For the costs of core administrative functions performed within the executive office of health and human services; provided, that the secretary of health and human services may, notwithstanding any general or special law to the contrary, identify administrative activities and functions common to the separate agencies, departments, offices, divisions and commissions within the executive office and designate them "core administrative functions" in order to improve administrative efficiency and preserve fiscal resources; provided further, that common functions that may be designated core administrative functions include, without limitation, human resources, financial management and leasing and facility management; provided further, that all employees performing functions so designated may be employed by the executive office and the executive office shall charge the agencies, departments, offices, divisions and commissions for these services; provided further, that upon the designation of a function as a core administrative function, the employees of each agency, department, office or commission who perform these core administrative functions may be transferred to the executive office of health and human services; provided further, that the reorganization shall not impair the civil service status of any transferred employee who immediately before the effective date of this act either holds a permanent appointment in a position classified under chapter 31 of the 20,680,740

General Laws or has tenure in a position by reason of section 9A of chapter 30 of the General Laws; and provided further, that nothing in this section shall be construed to impair or change an employee's status, rights, or benefits under chapter 150E of the General Laws

Intragovernmental Service Fund 100%

CHARGEBACK FOR HEALTH AND HUMAN SERVICES INFORMATION TECHNOLOGY

4000-1701 For the cost of information technology services provided to agencies of the executive office of health and human services — 31,441,744

Intragovernmental Service Fund 100%

Section 2E

DELIVERY SYSTEM TRANSFORMATION INITIATIVES TRUST FUND

1595-1067 For an operating transfer to the Delivery System Transformation Initiatives Trust Fund established in section 35WW of chapter 10 of the General Laws; provided, that these funds shall be expended pursuant to the Delivery System Transformation Initiative Master Plan and hospital-specific plans approved in the MassHealth section 1115 demonstration for fiscal year 2013; provided further, that all payments from the Delivery System Transformation Initiatives Trust Fund shall be subject to the availability of federal financial participation, shall be made only in accordance with federally approved payment methods, shall be consistent with federal funding requirements and all federal payment limits as determined by the secretary of health and human services and shall be subject to the terms and conditions of an agreement with the executive office of health and human services; and provided further, that the secretary of health and human services shall make payments of up to $44,853,333 from the Delivery System Transformation Initiatives Trust Fund to the Cambridge Public Health Commission for fiscal year 2013 only after the Cambridge Public Health Commission transfers up to $22,426,667 of its funds to the Delivery System Transformation Initiatives Trust Fund using a federally permissible source of funds which shall fully satisfy the non-federal share of such payment — 186,907,667

MEDICAL ASSISTANCE TRUST FUND

1595-1068 For an operating transfer to the MassHealth provider payment account in the Medical Assistance Trust Fund established in section 2QQQ of chapter 29 of the General Laws; provided, that these funds shall be expended only for services provided during state or federal fiscal year 2013, and no amounts previously or subsequently transferred into the Medical Assistance Trust Fund shall be expended on payments described in the section 1115 demonstration waiver for services provided during state fiscal year 2013, or payments described in the state plan for services provided during federal fiscal year 2013; provided further, that all payments from the Medical Assistance Trust Fund shall be subject to the availability of federal financial participation, shall be made only in accordance with federally-approved payment methods, shall be consistent with federal funding requirements and all federal payment limits as determined by the secretary of health and human services and shall be subject to the terms and conditions of an agreement with the executive office of health and human services; provided further, that the secretary of health and human services shall notify, in writing, the house and senate committees on ways and means and the house and the joint committee on healthcare financing for any increases in payments within 15 days; and provided further, that the secretary of health and human services shall make a payment of up to $308,050,000 from the Medical Assistance Trust Fund to the Cambridge Public Health Commission for dates of service in state and federal fiscal year 2013 only after the Cambridge Public Health Commission transfers up to $154,025,000 of its funds to the Medical Assistance Trust Fund using a federally permissible source of funds which shall fully satisfy the non-federal share of such payment — 394,025,000

Federal Grant Spending		**19,568,918**
INTEGRATE CARE FOR DUAL ELIGIBLE		
4000-0033	For the purposes of a federally funded grant entitled, Integrate Care for Dual Eligible	166,667
PERSONAL AND HOME CARE AID STATE TRAINING PROGRAM		
4000-0323	For the purposes of a federally funded grant entitled, Personal and Home Care Aid State Training Program	747,571
CHIPRA QUALITY DEMONSTRATION		
4000-0544	For the purposes of a federally funded grant entitled, CHIPRA Quality Demonstration	2,666,404
MONEY FOLLOWS THE PERSON DEMO GRANT		
4000-0826	For the purposes of a federally funded grant entitled, Money Follows the Person Demo Grant	5,937,313
MY CHILD		
4000-9058	For the purposes of a federally funded grant entitled, My Child	2,000,000
COMMUNITY MENTAL HEALTH SERVICES		
4000-9401	For the purposes of a federally funded grant entitled, Community Mental Health Services	8,050,963
Trust and Other Spending		**1,973,981,233**
4000-0330	CONNECTOR ADMINISTRATION EXPENDABLE TRUST	6,640,000
4000-1066	MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION GRANT TRUST FUND	3,000,000
4000-1067	DELIVERY SYSTEM TRANSFORMATION INITIATIVE TRUST FUND	209,333,333
4000-1068	MEDICAL ASSISTANCE TRUST FUND	548,050,000
4000-1069	HEALTH INSURANCE TECHNOLOGY TRUST FUND	125,000,000
4000-3113	FISCAL INTERMEDIARY EXPENDABLE TRUST	172,602
4000-4000	HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT FUND	7,000,000
4000-4005	YOUTH AT RISK EXPENDABLE TRUST	10,428
4000-5819	COMMONWEALTH CARE TRUST FUND	1,074,774,870

DEPARTMENT OF ELDER AFFAIRS

The Department of Elder Affairs promotes the independence and well-being of elders and people needing medical and social supportive services by providing advocacy, leadership and management expertise to maintain a continuum of services responsive to the needs of our constituents, their families and caregivers.

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Department of Elder Affairs	50	38	39	41	41
TOTAL	50	38	39	41	41

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www.mass.gov/elders

Direct Appropriations **3,289,801,549**

MASSHEALTH SENIOR CARE

4000-0600 For health care services provided to MassHealth members who are seniors, and for the operation of the senior care options program under section 9D of chapter 118E of the General Laws; provided, that funds may be expended from this item for health care services provided to these recipients in prior fiscal years; provided further, that funds shall be expended for the "community choices" initiative; provided further, that no payment for special provider costs shall be made from this item without the prior written approval of the secretary of administration and finance; provided further, that benefits for this demonstration project shall not be reduced below the services provided in fiscal year 2012; provided further, that notwithstanding any general or special law to the contrary, funds shall be expended from this item for the purpose of maintaining a personal needs allowance of up to $72.80 per month for individuals residing in nursing homes and rest homes who are eligible for MassHealth, Emergency Aid to the Elderly Disabled and Children program or Supplemental Security Income; provided further, that funds may be expended from this item to implement the pre-admission counseling and assessment program under the third paragraph of section 9 of chapter 118E of the General Laws, which shall be implemented on a statewide basis through aging and disability resource consortia; provided further, that notwithstanding any general or special law to the contrary, for any nursing home or non-acute chronic disease hospital that provides kosher food to its residents, the executive office of elder affairs, in consultation with the division of health care finance and policy, in recognition of the unique special innovative program status granted by the executive office of health and human services, shall continue to make the standard payment rates established in fiscal year 2006 to reflect the high dietary costs incurred in providing kosher food; and provided further, that notwithstanding any general or special law to the contrary, nursing facility rates effective July 1, 2012 may be developed using the costs of calendar year 2005 2,763,630,662

MASSHEALTH NURSING HOME SUPPLEMENTAL RATES

4000-0640	For nursing facility Medicaid rates; provided, that notwithstanding any general or special law to the contrary, in fiscal year 2013 the division of health care finance and policy shall establish nursing facility Medicaid rates that cumulatively total $288,500,000 more than the annual payment rates established by the division under the rates in effect as of June 30, 2002; provided further, that an amount for expenses related to the collection and administration of section 25 of chapter 118G of the General Laws shall be transferred to the division of health care finance and policy; and provided further, that the payments made pursuant to this item shall be allocated in an amount sufficient to implement section 622 of chapter 151 of the acts of 1996	288,500,000

DEPARTMENT OF ELDER AFFAIRS ADMINISTRATION

9110-0100	For the operation of the department of elder affairs	2,164,588

PRESCRIPTION ADVANTAGE

9110-1455	For the costs of the drug insurance program authorized by section 39 of chapter 19A of the General Laws; provided, that amounts received by the executive office of elder affairs' vendor as premium revenue for this program may be retained and expended by the vendor for the purposes of the program; provided further, that funds shall be expended for the operation of the pharmacy outreach program established in section 4C of chapter 19A of the General Laws; provided further, that notwithstanding any general or special law to the contrary, unless otherwise prohibited by state or federal law, prescription drug coverage or benefits payable by the executive office of elder affairs and the entities with which it has contracted for administration of the subsidized catastrophic drug insurance program under said section 39 of chapter 19A, shall be the payer of last resort for this program for eligible persons with regard to any other third-party prescription coverage or benefits available to the eligible persons; provided further, that the executive office shall seek to obtain maximum federal funding for discounts on prescription drugs available to the executive office and to prescription advantage enrollees; provided further, that the executive office shall take steps for the coordination of benefits with the Medicare prescription drug benefit created under the federal Medicare Prescription Drug Improvement and Modernization Act of 2003 to ensure that Massachusetts residents take advantage of this benefit; provided further, that a person shall also be eligible to enroll in the program at any time within a year after reaching age 65; and provided further, that the executive office shall allow those who meet the program eligibility criteria to enroll in the program at any time during the year	18,996,516

ELDER ENHANCED HOME CARE SERVICES PROGRAM

9110-1500	For the provision of enhanced home care services, including case management to elders who meet the eligibility requirements of the home care program and who need services above the level customarily provided under the program to remain safely at home, including elders previously enrolled in the managed care in housing, enhanced community options and chronic care enhanced services programs; provided, that the secretary shall actively seek to obtain federal financial participation for all services provided to seniors who qualify for Medicaid benefits under the section 1915C waiver	46,461,487

SUPPORTIVE SENIOR HOUSING PROGRAM

9110-1604	For the operation of the supportive senior housing program at state or federally assisted housing sites	4,106,339

ELDER HOME CARE PURCHASED SERVICES

9110-1630	For the operation of the elder home care program, including contracts with aging service access points or other qualified entities for the home care program, home care, health aides, home health and respite services, geriatric mental health services and other services provided to the elderly; provided, that a sliding fee shall be charged to qualified elders; provided further, that the secretary of elder affairs may	97,783,061

waive collection of sliding fees in cases of extreme financial hardship; provided further, that not more than $11,500,000 in revenues accrued from sliding fees shall be retained by the individual home care corporations without re-allocation by the executive office of elder affairs, and shall be expended for the purposes of the home care program, consistent with guidelines to be issued by the executive office; and provided further, that the secretary of elder affairs may transfer an amount not to exceed 3 per cent of the funds appropriated in this item to item 9110-1633 for case management services and the administration of the home care program

ELDER HOME CARE CASE MANAGEMENT AND ADMINISTRATION

9110-1633	For the operation of the elder home care case management program, including contracts with aging service access points, or other qualified entities for home care case management services and the administration of the home care corporations funded through item 9110-1630 and item 9110-1500; provided, that the contracts shall include the costs of administrative personnel, home care case managers, travel, rent and other costs deemed appropriate by the executive office of elder affairs; provided further, that no funds appropriated in this item shall be expended for the enhancement of management information systems; and provided further, that the secretary of elder affairs may transfer an amount not to exceed 3 per cent of the funds appropriated to line item 9110-1630	35,738,377

ELDER PROTECTIVE SERVICES

9110-1636	For the operation of the elder protective services program	16,628,729

ELDER CONGREGATE HOUSING PROGRAM

9110-1660	For congregate and shared housing services for the elderly	1,658,117

ELDER HOMELESS PLACEMENT

9110-1700	For residential assessment and placement programs for homeless elders	139,101

ELDER NUTRITION PROGRAM

9110-1900	For the elder nutrition program	4,810,824

GRANTS TO COUNCILS ON AGING

9110-9002	For grants to the councils on aging and for grants to or contracts with non-public entities which are consortia or associations of councils on aging	8,433,748

Retained Revenues

VETERANS INDEPENDENCE PLUS INITIATIVE

9110-2500	The Massachusetts department of elder affairs may not expend more than $750,000 from revenues from federal reimbursements received for the purpose of operating the Veterans Independence Plus Initiative, a joint initiative of the United States Department of Veterans' Affairs and the United States Administration on Aging	750,000

Federal Grant Spending **34,695,807**

OLDER AMERICANS ACT - TITLE III AND TITLE VII

9110-1074	For the purposes of a federally funded grant entitled, Older Americans Act - Title III and Title VII	7,509,748

NATIONAL FAMILY CAREGIVER SUPPORT PROGRAM

9110-1077	For the purposes of a federally funded grant entitled, National Family Caregiver Support Program	4,983,746

HEALTH INFORMATION COUNSELING AND ASSISTANCE

9110-1095	For the purposes of a federally funded grant entitled, Health Information Counseling and Assistance	802,000

OLDER AMERICANS ACT - TITLE III NUTRITION PROGRAM

9110-1173	For the purposes of a federally funded grant entitled, Older Americans Act - Title III Nutrition Program	12,366,039

NUTRITION SERVICES INCENTIVE PROGRAM

9110-1174	For the purposes of a federally funded grant entitled, Nutrition Services Incentive Program	5,525,088

COMMUNITY SERVICE EMPLOYMENT PROGRAM

9110-1178	For the purposes of a federally funded grant entitled, Community Service Employment Program	1,831,035

MASSACHUSETTS OPTIONS COUNSELING STANDARDS INITIATIVE

9110-1183	For the purposes of a federally funded grant entitled, Massachusetts Options Counseling Standards Initiative	450,000

STANDARD CARE FOR PEOPLE WITH ALZHEIMER'S

9110-1184	For the purposes of a federally funded grant entitled, Standard Care For People With Alzheimer's	350,000

FIVE YEAR PLAN

9110-3031	For the purposes of a federally funded grant entitled, Five Year Plan	267,058

MASSACHUSETTS COMMUNITY LIVING PROGRAM

9110-3037	For the purposes of a federally funded grant entitled, Massachusetts Community Living Program	250,000

NURSING HOME DIVERSION MODERNIZATION

9110-3100	For the purposes of a federally funded grant entitled, Nursing Home Diversion Modernization	361,093

OFFICE OF HEALTH SERVICES

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Division of Health Care Finance and Policy	27,995	418,935	446,930	313,284
Department of Public Health	512,487	369,213	881,700	162,870
Department of Mental Health	665,976	25,400	691,376	107,995
TOTAL	1,206,457	813,549	2,020,006	584,149

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Division of Health Care Finance and Policy	112	80	84	100	100
Department of Public Health	2,424	2,272	2,270	2,264	2,292
Department of Mental Health	3,512	2,924	2,853	3,010	3,110
TOTAL	6,048	5,276	5,206	5,374	5,502

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Division of Health Care Finance and Policy

The Division of Health Care Finance and Policy improves health care quality and contains health care costs by critically examining the Massachusetts health care delivery system and providing objective information, developing and recommending policies and implementing strategies that benefit the people of the Commonwealth.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Division of Health Care Finance and Policy	27,995	418,935	446,930	313,284

www.state.ma.us/dhcfp

Direct Appropriations **27,994,515**

DIVISION OF HEALTH CARE FINANCE AND POLICY

4100-0060 For the operation of the division of health care finance and policy and the administration of the Health Safety Net Trust Fund established in section 36 of chapter 118G of the General Laws; provided, that notwithstanding any general or special law to the contrary, the assessment to acute hospitals authorized pursuant to section 5 of said chapter 118G for the estimated expenses of the division shall include in fiscal year 2013 the estimated expenses, including indirect costs, of the division and shall be equal to the amount appropriated in this item less amounts projected to be collected in fiscal year 2013 from: (1) filing fees; (2) fees and charges generated by the division's publication or dissemination of reports and information; and (3) federal financial participation received as reimbursement for the division's administrative costs; provided further, that the assessed amount shall not be less than 55 per cent of the total expenses appropriated for the division and the health safety net office; provided further, that for the purposes of supporting the division's expanded role in developing health care policies that benefit government entities, providers, purchasers, and consumers, the division shall assess surcharge payors as defined in section 34 of said chapter 118G, not less than 10 per cent of the total estimated expenses appropriated for the division and the health safety net office, including indirect costs, in fiscal year 2013, less amounts projected to be collected in fiscal year 2013 from: (1) filing fees; (2) fees and charges generated by the division's publication or dissemination of reports and information; and (3) federal financial participation received as reimbursement for the division's administrative costs; and provided further, that the assessment on surcharge payors shall be calculated in a manner similar to the assessment authorized under section 38 of said chapter 118G, and shall be collected in a manner consistent with said chapter 118G and deposited in the General Fund 21,894,515

Retained Revenues

ALL PAYER CLAIMS DATABASE RR

4100-0061 For the division of health care finance and policy, which may expend for the development, operations and maintenance of an all payer claims database, an amount not to exceed $4,000,000 from amounts paid to the division for any and all fees paid for health data information and from any federal financial participation associated with the collection and administration of health care claims data; provided, that notwithstanding any general or special law to the contrary, and for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the division may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 4,000,000

HEALTH SAFETY NET CLAIMS MIGRATION RETAINED REVENUE

4100-0082	For the division of health care finance and policy, which may expend for the migration of health safety net claims adjudication to the executive office of health and human services through its MMIS system, and for the maintenance of claims adjudication, an amount equal to the amount of federal financial participation received by the state for such activities, not to exceed $2,000,000; provided, that such federal revenue shall be deposited into the General Fund and such amount shall be transferred into this account; and provided further, that notwithstanding any general or special law to the contrary, and for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the division may incur expenses in anticipation of revenue, after written approval from the secretary of administration and finance, and the comptroller shall certify for payment, amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	2,000,000

HEALTH CARE QUALITY AND COST COUNCIL RETAINED REVENUE

4100-0360	For the health care quality and cost council established pursuant to section 16K of chapter 6A of the General Laws; provided, that the council may expend an amount not to exceed $100,000 from the monies received from the sale of data reports	100,000

Trust and Other Spending		**418,935,319**
4100-0090	HEALTH SAFETY NET TRUST FUND - COMMUNITY HEALTH CENTERS	65,872,728
4100-0091	HEALTH SAFETY NET TRUST FUND - HOSPITAL	350,000,000
4100-0092	HEALTH SAFETY NET OPERATIONS	3,062,591

Department of Public Health

The Department of Public Health (DPH) believes in the power of prevention. DPH works to help all people reach their full potential for health. The Department ensures that the people of the Commonwealth receive quality health care and live in a safe and healthy environment while building partnerships to maximize access to affordable, high quality health care. DPH is especially dedicated to the health concerns of those most in need and works to empower communities to help themselves. The Department protects, preserves and improves the health of all the Commonwealth's residents.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Public Health	512,487	369,213	881,700	162,870

www.mass.gov/dph

Direct Appropriations		**512,486,863**

PUBLIC HEALTH CRITICAL OPERATIONS AND ESSENTIAL SERVICES

4510-0100	For the operation of the department of public health	16,932,335

COMMUNITY HEALTH CENTER SERVICES

4510-0110	For community health center services	914,476

ENVIRONMENTAL HEALTH ASSESSMENT AND COMPLIANCE

4510-0600	For an environmental and community health hazards program, including control of radiation and nuclear hazards, consumer products protection, food and drugs and	3,207,518

lead poisoning prevention in accordance with chapter 482 of the acts of 1993, lead-based paint inspections in day care facilities, inspection of radiological facilities, licensing of x-ray technologists and the administration of the bureau of environmental health assessment under chapter 111F of the General Laws the 'Right-to-Know' law; provided, that the department may expend from this item to monitor, survey and inspect nuclear power reactors, including those presently licensed by the Nuclear Regulatory Commission

DIVISION OF HEALTH CARE QUALITY AND IMPROVEMENT

4510-0710	For the operation of the division of health care quality and improvement and the office of patient protection	6,318,316

BOARD OF REGISTRATION IN NURSING

4510-0721	For the operation and administration of the board of registration in nursing	821,646

BOARD OF REGISTRATION IN PHARMACY

4510-0722	For the operation and administration of the board of registration in pharmacy	221,757

BOARD OF REGISTRATION IN MEDICINE AND ACUPUNCTURE

4510-0723	For the operation and administration of the board of registration in medicine and the committee on acupuncture	1,022,252

HEALTH BOARDS OF REGISTRATION

4510-0725	For the operation and administration of certain health boards of registration, including the boards of registration in dentistry, nursing home administrators, physician assistants, perfusionists, genetic counselors and respiratory care	304,653

REGIONAL EMERGENCY MEDICAL SERVICES

4510-0790	For regional emergency medical services; provided, that the regional emergency medical services councils, designated under 105 CMR 170.101, shall remain the designated councils	931,959

SEXUAL ASSAULT NURSE EXAMINER (SANE) AND PEDIATRIC SANE PROGRAM

4510-0810	For a statewide sexual assault nurse examiner program and pediatric sexual assault nurse examiner program for the care of victims of sexual assault; provided, that funds may be expended to support children's advocacy centers; and provided further, that the program shall operate under specific statewide protocols and by an on-call system of nurse examiners	3,160,740

HIV/AIDS PREVENTION TREATMENT AND SERVICES

4512-0103	For human immunodeficiency virus and acquired immune deficiency syndrome services and programs and related services for persons affected by the associated conditions of viral hepatitis and sexually transmitted infections; provided, that particular attention shall be paid to direct funding proportionately to each of the demographic groups afflicted by HIV/AIDS and associated conditions; and provided further, that no funds from this item shall be expended for disease research in fiscal year 2013	32,101,023

BUREAU OF SUBSTANCE ABUSE SERVICES

4512-0200	For the operation of the division of substance abuse services General Fund .....66.00% Commonwealth Health and Prevention Fund 34.00%	76,539,595

SUBSTANCE ABUSE STEP-DOWN RECOVERY SERVICES

4512-0201	For substance abuse step-down recovery services, otherwise known as level B beds and services, and other critical recovery services with severely reduced capacity	4,800,000

SECURE TREATMENT FACILITIES FOR OPIATE ADDICTION

4512-0202	For pilot jail diversion programs primarily for nonviolent offenders with OxyContin or	2,000,000

heroin addiction to be procured by the department of public health; provided, that each program shall provide clinical assessment services to the respective courts, inpatient treatment for up to 90 days and ongoing case management services for up to 1 year; provided further, that individuals may be diverted to this or other programs by a district attorney in conjunction with the office of the commissioner of probation if: (a) there is reason to believe that the individual being diverted suffers from an addiction to OxyContin or heroin, or other substance use disorder; and (b) the diversion of an individual is clinically appropriate and consistent with established clinical and public safety criteria; provided further, that programs shall be established in separate counties in locations deemed suitable by the department of public health; provided further, that the department of public health shall coordinate operations with the sheriffs, the district attorneys, the office of the commissioner of probation and the department of correction; and provided further, that not more than $500,000 shall be used to support the ongoing treatment needs of clients after 90 days for which there is no other payer

SUBSTANCE ABUSE FAMILY INTERVENTION AND CARE PILOT

4512-0203 For family intervention and care management services programs, a young adult treatment program, and early intervention services for individuals who are dependent on or addicted to alcohol, controlled substances or both alcohol and controlled substances 1,500,000

DENTAL HEALTH SERVICES

4512-0500 For the provision of dental health services in residential and community settings 1,352,558

FAMILY HEALTH SERVICES

4513-1000 For the provision of family health services; provided, that funds may be provided for comprehensive family planning services, including HIV counseling and testing, community-based health education and outreach services provided by agencies certified as comprehensive family planning agencies; and provided further, that funds may be expended for the Massachusetts birth defects monitoring program 4,465,275

Commonwealth Health and Prevention Fund 100%

WOMEN INFANTS AND CHILDREN'S NUTRITIONAL SERVICES

4513-1002 For women, infants and children's, WIC, nutrition services in addition to funds received under the federal nutrition program; provided, that funds from this item shall supplement federal funds to enable federally eligible women, infants and children to be served through the WIC program 12,366,617

EARLY INTERVENTION SERVICES

4513-1020 For the early intervention program; provided, that the department shall make all reasonable efforts to secure third party and Medicaid reimbursements for the services funded in this item; provided further, that funds from this item may be expended to provide respite services to families of children enrolled in early intervention programs who have complex care requirements, multiple disabilities and extensive medical and health needs; provided further, that priority shall be given to low and moderate income families; provided further, that no claim for reimbursement made on behalf of an uninsured person shall be paid from this item until the program receives notice of a denial of eligibility for the MassHealth program from the executive office of health and human services; provided further, that MassHealth shall cover the costs incurred for the transportation of MassHealth members who participate in the early intervention program; provided further, that nothing in this item shall give rise to or shall be construed as giving rise to enforceable legal rights to any such services or an enforceable entitlement to the early intervention services funded in this item; and provided further, that these funds may be used to pay for current and prior year claims 25,723,610

NEWBORN HEARING SCREENING PROGRAM

4513-1023 For the operation of the newborn hearing screening program 68,938

SUICIDE PREVENTION AND INTERVENTION PROGRAM

4513-1026	For the provision of statewide and community-based suicide prevention, intervention, post-intervention and surveillance activities and the implementation of a statewide suicide prevention plan	3,585,421

HEALTH PROMOTION AND DISEASE PREVENTION

4513-1111	For the promotion of health and disease prevention Commonwealth Health and Prevention Fund 100%	3,413,076

DOMESTIC VIOLENCE AND SEXUAL ASSAULT PREVENTION AND TREATMENT

4513-1130	For domestic violence and sexual assault treatment and prevention programs	5,511,435

STATE LABORATORY AND COMMUNICABLE DISEASE CONTROL SERVICES

4516-1000	For the administration of the center for laboratory and communicable disease control	11,816,662

MATCHING FUNDS FOR A FEDERAL EMERGENCY PREPAREDNESS GRANT

4516-1010	For state matching funds required by the Pandemic and All-Hazards Preparedness Act	2,202,878

TEENAGE PREGNANCY PREVENTION SERVICES

4530-9000	For teenage pregnancy prevention services	2,284,123

INFECTION PREVENTION PROGRAM

4570-1502	For the purposes of implementing a statewide infection prevention and control program	263,646

UNIVERSAL IMMUNIZATION PROGRAM

4580-1000	For the operation of the universal immunization program; provided, that notwithstanding any general or special law to the contrary, the costs of purchasing and distributing childhood vaccines for children in this item may be assessed, in an amount equivalent to the department's projected fiscal year 2013 costs, on surcharge payers under section 38 of chapter 118G of the General Laws and may be collected in a manner consistent with said chapter 118G	52,879,812

SCHOOL-BASED HEALTH PROGRAMS

4590-0250	For school health services and school-based health centers in schools Commonwealth Health and Prevention Fund 100%	11,132,301

SMOKING PREVENTION AND CESSATION PROGRAMS

4590-0300	For smoking prevention and cessation programs Commonwealth Health and Prevention Fund 100%	5,850,703

PUBLIC HEALTH HOSPITALS

4590-0915	For the maintenance and operation of Tewksbury hospital, Massachusetts hospital school, Lemuel Shattuck hospital and the hospital bureau, including the state office of pharmacy services; provided, that reimbursements received for medical services provided at the Lemuel Shattuck hospital to inmates of county correctional facilities not managed by private health care vendors shall be credited to item 4590-0903 of section 2B; and provided further, that notwithstanding any general or special law to the contrary, the department shall seek to obtain federal financial participation for care provided to inmates of the department of correction and of county correctional facilities who are treated at the public health hospitals	144,090,926

PEDIATRIC PALLIATIVE CARE

4590-1503	For the pediatric palliative care program established in section 24K of chapter 111 of the General Laws	794,666

VIOLENCE PREVENTION GRANTS

4590-1506	For a competitive grant program to be administered by the department of public health to support the establishment of a comprehensive youth violence prevention program	1,006,253

YOUTH AT-RISK MATCHING GRANTS

4590-1507	For matching grants to the Massachusetts Alliance of Boys & Girls Clubs, the Alliance of Massachusetts YMCAs and YWCA organizations, nonprofit community centers and youth development programs	1,700,000

Retained Revenues

FOOD PROTECTION PROGRAM RETAINED REVENUE

4510-0020	For the department of public health, which may expend not more than $375,000 in revenues collected from fees charged by the food protection programs for program costs of the department's Food Protection Program; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenue and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system	375,000

SEAL DENTAL PROGRAM RETAINED REVENUE

4510-0025	For the department of public health, which may expend not more than $889,889 for a school-based sealant program known as the SEAL Program from revenues collected from MassHealth and other third party reimbursement for preventive oral health procedures; provided, that funds may be expended from this item for the costs of personnel; and provided further, that for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	889,889

PHARMACEUTICAL AND MEDICAL DEVICE MARKETING REGULATION RR

4510-0040	For the department of public health, which may expend for the regulation of all pharmaceutical and medical device companies that market their products in the commonwealth an amount not to exceed $426,460 from fees assessed under chapter 111N of the General Laws; provided, that for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	426,460

NUCLEAR POWER REACTOR MONITORING FEE RETAINED REVENUE

4510-0615	The department may expend not more than $180,000 from assessments collected under section 5K of chapter 111 of the General Laws for services provided to monitor, survey and inspect nuclear power reactors; provided, that the department may expend not more than $1,584,716 from fees collected from licensing and inspecting users of radioactive material within the commonwealth under licenses presently issued by the Nuclear Regulatory Commission; provided further, that the revenues may be used for the costs of both programs, including the compensation of employees; and provided further, that for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	1,764,716

PRESCRIPTION DRUG REGISTRATION AND MONITORING FEE RR

4510-0616	For the department of public health, which may expend not more than $1,243,886 for	1,243,886

a drug registration and monitoring program from revenues collected from fees charged to registered practitioners, including physicians, dentists, veterinarians, podiatrists and optometrists for controlled substance registration; provided, that funds may be expended from this item for the costs of personnel; and provided further, that for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

DIVISION OF HEALTH CARE QUALITY HEALTH FACILITY LICENSING FEE

4510-0712 For the department of public health; provided, that the department may expend not more than $3,331,487 in revenues collected from the licensure of health facilities for program costs of the division of health care quality; provided further, that the department may expend not more than $877,402 from revenues collected from individuals applying for emergency medical technician licensure and recertification; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenue and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system 4,208,889

BOARD OF REGISTRATION IN MEDICINE FEE RETAINED REVENUE

4510-0726 For the board of registration in medicine, including the physician profiles program; provided, that the board may expend revenues not to exceed $300,000 from new revenues associated with increased license and renewal fees 300,000

HIV/AIDS DRUG PROGRAM MANUFACTURER REBATES RETAINED REVENUE

4512-0106 For the department of public health which may expend for the human immunodeficiency virus and acquired immune deficiency syndrome drug assistance program an amount not to exceed $7,500,000 from revenues received from pharmaceutical manufacturers participating in the section 340B rebate program of the Public Health Service Act, administered by the federal Health Resources and Services Administration and Office of Pharmacy Affairs 7,500,000

COMPULSIVE BEHAVIOR TREATMENT PROGRAM RETAINED REVENUE

4512-0225 For the department of public health which may expend not more than $1,000,000 for a compulsive gamblers' treatment program from unclaimed prize money held in the State Lottery Fund for more than 1 year from the date of the drawing when the unclaimed prize money was won, and from the proceeds of a multi-jurisdictional lottery game under subsection (e) of section 24A of chapter 10 of the General Laws; provided, that the state comptroller shall transfer the amount to the General Fund; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenue and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system 1,000,000

WIC PROGRAM MANUFACTURER REBATES RETAINED REVENUE

4513-1012 For the department of public health, which may expend not more than $26,355,000 from revenues received from the federal cost-containment initiatives including, but not limited to, infant formula rebates; provided, that for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system 26,355,000

BLOOD LEAD TESTING FEE RETAINED REVENUE

4516-0263 For the department of public health; provided, that the department may expend not more than $1,112,974 in revenues from various blood lead testing fees collected from insurers and individuals for the purpose of conducting these tests; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system 1,112,974

STATE LABORATORY TUBERCULOSIS TESTING FEE RETAINED REVENUE

4516-1022 For the department of public health; provided, that the department may expend not more than $250,619 generated by fees collected from insurers for tuberculosis tests performed at the state laboratory institute; provided further, that revenues collected may be used to supplement the costs of the laboratory; and provided further, that for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system 250,619

VITAL RECORDS RESEARCH CANCER AND COMMUNITY DATA

4518-0200 For the department which may expend not more than $675,000 generated by fees collected from the following services provided at the registry of vital records and statistics: amendments of vital records, requests for vital records not issued in person at the registry and research requests performed by registry staff at the registry; provided, that revenues so collected may be used for all program costs, including the compensation of employees; provided further, that the registrar of vital records and statistics shall exempt from payment of a fee any person requesting a copy of a birth certificate for the purpose of establishing eligibility for Medicaid; and provided further, that for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system 675,000

WESTERN MASSACHUSETTS HOSPITAL FEDERAL REIMBURSEMENT RETAINED

4590-0912 The department of public health may expend for the operation of the western Massachusetts hospital an amount not to exceed $16,953,548 from reimbursements collected for western Massachusetts hospital services; provided, that notwithstanding any general or special law to the contrary, the hospital shall be eligible to receive and retain full reimbursement from the Medicaid program; provided further, that notwithstanding any general or special law to the contrary, the hospital shall reimburse the General Fund for a portion of employee benefit expenses, according to a schedule submitted by the commissioner of public health and approved by the secretary of administration and finance; provided further, that this reimbursement shall not exceed 10 per cent of total personnel costs for the hospital; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 16,953,548

SHATTUCK HOSPITAL PRIVATE MEDICAL VENDOR RETAINED REVENUE

4590-0913 For the department of public health which may expend not more than $499,827 for payments received for those services provided by the Lemuel Shattuck hospital to inmates of county correctional facilities; provided, that for the purpose of 499,827

accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system

SHATTUCK HOSPITAL DEPARTMENT OF CORRECTION INMATE RR

4590-0917 For the department of public health; provided, that the department may expend an amount not to exceed $4,208,543 from payments received from the vendor managing health services for state correctional facilities for inmate medical services provided by the Lemuel Shattuck hospital; provided further, that the payments may include capitation payments, fee for service payments, advance payments and other compensation arrangements established by contract between the vendor and the hospital; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system 4,208,543

TEWKSBURY HOSPITAL DDS CLIENT RETAINED REVENUE

4590-2001 For the department of public health which may not expend more than $3,437,342 for payments received for those services provided by Tewksbury hospital to clients of the department of developmental services including the provision of behavioral health services and the continuation of short term medical rehabilitation for DDS clients; provided, that for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system 3,437,342

Intragovernmental Service Spending ***51,815,393***

CHARGEBACK FOR STATE OFFICE PHARMACY SERVICES

4510-0108 For the costs of pharmaceutical drugs and services provided by the state office for pharmacy services, in this section called SOPS; provided, that SOPS shall notify in writing all agencies listed below of their obligations under this item by July 15, 2012; provided further, that SOPS shall continue to be the sole provider of pharmacy services for the following agencies currently under SOPS: the department of public health, the department of mental health, the department of developmental services, the department of correction, the department of youth services, the sheriff's departments of Bristol, Essex, Franklin, Hampden, Hampshire, and Plymouth and the soldiers' homes in Holyoke and Chelsea; provided further, that SOPS shall become the sole provider of pharmacy services to the following agencies currently not being serviced by SOPS: the sheriff's departments of Worcester, Middlesex, Berkshire, Suffolk, Norfolk, Barnstable and Dukes; provided further, that SOPS shall be the sole provider of pharmacy services for all said agencies and all costs for pharmacy services shall be charged by this item; provided further, that these agencies shall not charge or contract with any other alternative vendor for pharmacy services other than SOPS; provided further, that SOPS shall develop an implementation plan to transition the following agencies within the current fiscal year: the sheriff's departments of Worcester, Middlesex, Berkshire, Suffolk, Norfolk, Barnstable and Dukes; provided further, that SOPS shall validate previously-submitted pharmacy expenditures including HIV Drug Assistance Program drug reimbursements during fiscal year 2013; and provided further, that SOPS shall continue to work to reduce medication costs, provide standardized policies and procedures in a clinically responsible manner, provide comprehensive data analysis and improve the quality of clinical services 47,865,393

Intragovernmental Service Fund 100%

CHARGEBACK FOR CONSOLIDATED PUBLIC HEALTH HOSPITALS

4590-0901 For the costs of medical services provided at department of public health hospitals 150,000
Intragovernmental Service Fund.....100%

CHARGEBACK FOR MEDICAL SERVICES FOR COUNTY CORRECTIONS INMATES

4590-0903 For the costs of medical services provided at the department of public health Lemuel Shattuck hospital to inmates of county correctional facilities; provided, that those costs shall be charged to items 8910-0001, 8910-0102, 8910-0105, 8910-0107, 8910-0108, 8910-0110, 8910-0145, 8910-8200, 8910-8300, 8910-8400, 8910-8500, 8910-8600, 8910-8700, and 8910-8800 and 8910-0619 3,800,000
Intragovernmental Service Fund.....100%

Federal Grant Spending **292,618,017**

STRENGTHENING PUBLIC HEALTH INFRASTRUCTURE

4500-1030 For the purposes of a federally funded grant entitled, Strengthening Public Health Infrastructure 2,995,794

RAPE PREVENTION AND EDUCATION

4500-1050 For the purposes of a federally funded grant entitled, Rape Prevention and Education 599,247

SEXUAL ASSAULT SERVICES PROGRAM

4500-1054 For the purposes of a federally funded grant entitled, Sexual Assault Services Program 198,201

2010 OIL AND HAZARDOUS MATERIAL STATE PARTNERSHIP GRANT PROGRAM

4500-1066 For the purposes of a federally funded grant entitled, 2010 Oil and Hazardous Material State Partnership Grant Program 153,985

MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

4500-2000 For the purposes of a federally funded grant entitled, Maternal and Child Health Services Block Grant 12,087,710

COOPERATIVE HEALTH STATISTICS SYSTEM

4502-1012 For the purposes of a federally funded grant entitled, Cooperative Health Statistics System 732,392

MASSACHUSETTS STATE LOAN REPAYMENT PROGRAM

4510-0107 For the purposes of a federally funded grant entitled, Massachusetts State Loan Repayment Program 300,000

OFFICE OF RURAL HEALTH

4510-0113 For the purposes of a federally funded grant entitled, Office of Rural Health 179,999

ARRA - STATE PRIMARY CARE OFFICES

4510-0115 For the purposes of a federally funded grant entitled, ARRA - State Primary Care Offices 71,976

STATE PRIMARY CARE COOPERATIVE AGREEMENT

4510-0116 For the purposes of a federally funded grant entitled, State Primary Care Cooperative Agreement 34,664

PRIMARY CARE COOPERATIVE AGREEMENT

4510-0118 For the purposes of a federally funded grant entitled, Primary Care Cooperative Agreement 103,643

RURAL HOSPITAL FLEXIBILITY PROGRAM

4510-0119 For the purposes of a federally funded grant entitled, Rural Hospital Flexibility Program 415,718

SMALL RURAL HOSPITAL IMPROVEMENT GRANT

4510-0219	For the purposes of a federally funded grant entitled, Small Rural Hospital Improvement Grant	81,000

TARGETED ORAL HEALTH SERVICES

4510-0221	For the purposes of a federally funded grant entitled, Targeted Oral Health Services	88,344

MASSACHUSETTS ORAL HEALTH WORKFORCE IN NEW SITES II

4510-0222	For the purposes of a federally funded grant entitled, Massachusetts Oral Health Workforce in New Sites II	933,543

MEDICARE AND MEDICAID SURVEY AND CERTIFICATION

4510-0400	For the purposes of a federally funded grant entitled, Medicare and Medicaid Survey and Certification	9,502,552

BIO-TERRORISM HOSPITAL PREPAREDNESS

4510-0404	For the purposes of a federally funded grant entitled, Bio-terrorism Hospital Preparedness	7,697,528

MEDICAL MALPRACTICE AND PATIENT SAFETY

4510-0408	For the purposes of a federally funded grant entitled, Medical Malpractice and Patient Safety	1,096,281

MASSACHUSETTS SYSTEM FOR ADVANCE REGISTRATION

4510-0409	For the purposes of a federally funded grant entitled, Massachusetts System For Advance Registration	200,000

CLINICAL LABORATORY IMPROVEMENT AMENDMENTS

4510-0500	For the purposes of a federally funded grant entitled, Clinical Laboratory Improvement Amendments	317,709

NUCLEAR REGULATORY COMMISSION SECURITY INSPECTIONS

4510-0609	For the purposes of a federally funded grant entitled, Nuclear Regulatory Commission Security Inspections	5,000

FOOD AND DRUG ADMINISTRATION INSPECTION OF FOOD ESTABLISHMENTS

4510-0619	For the purposes of a federally funded grant entitled, Food and Drug Administration Inspection of Food Establishments	348,000

STATEWIDE SURVEILLANCE OF HEALTH CONCERNS & TOXIC ALGAE BLOOMS

4510-0626	For the purposes of a federally funded grant entitled, Statewide Surveillance of Health Concerns & Toxic Algae Blooms	150,201

FOOD PROTECTION RAPID RESPONSE TEAM

4510-0639	For the purposes of a federally funded grant entitled, Food Protection Rapid Response Team	429,427

MASS FOOD PROTECTION TASK FORCE CONFERENCE

4510-0640	For the purposes of a federally funded grant entitled, Mass Food Protection Task Force Conference	5,000

FY10 H ROGERS DRUG MONITORING: ENHANCEMENT OF INFORMATION TECH (E OF IT)

4510-0643	For the purposes of a federally funded grant entitled, FY10 H Rogers Drug Monitoring: Enhancement of Information Tech (E of IT)	81,587

HAROLD RODGERS IT ENHANCEMENTS FOR PRESCRIPTION DRUG MONITORING

4510-0644	For the purposes of a federally funded grant entitled, Harold Rodgers IT Enhancements for Prescription Drug Monitoring	200,000

MAMMOGRAPHY QUALITY STANDARDS ACT INSPECTIONS

4510-9014	For the purposes of a federally funded grant entitled, Mammography Quality Standards Act Inspections	230,821

INDOOR RADON DEVELOPMENT PROGRAM

4510-9048	For the purposes of a federally funded grant entitled, Indoor Radon Development Program	187,965

ATSDR PARTNERSHIP TO PROMOTE LOCAL EFFORTS

4510-9051	For the purposes of a federally funded grant entitled, ATSDR Partnership to Promote Local Efforts	335,718

BEACHES ENVIRONMENTAL ASSESSMENT

4510-9053	For the purposes of a federally funded grant entitled, Beaches Environmental Assessment	278,627

ASSESSMENT AND PLANNING DEBLOP CLIMATE CHANGE

4510-9055	For the purposes of a federally funded grant entitled, Assessment and Planning Deblop Climate Change	114,523

MA HEALTHY HOMES CHILDHOOD LEAD POISONING PREVENTION

4510-9057	For the purposes of a federally funded grant entitled, MA Healthy Homes Childhood Lead Poisoning Prevention	592,120

MAINTENANCE & ENHANCEMENT OF THE STATE & NATIONAL ENVIRONMENT

4510-9059	For the purposes of a federally funded grant entitled, Maintenance & Enhancement of the State & National Environment	1,076,680

SEXUALLY TRANSMITTED DISEASE CONTROL

4512-0102	For the purposes of a federally funded grant entitled, Sexually Transmitted Disease Control	1,589,334

ENHANCING IMMUNIZATION SYSTEMS & INFRASTRUCTURE IMPROVEMENTS

4512-0177	For the purposes of a federally funded grant entitled, Enhancing Immunization Systems & Infrastructure Improvements	2,000,000

ARRA - IMMUNIZATION

4512-0178	For the purposes of a federally funded grant entitled, ARRA - Immunization	174,895

VACCINATION ASSISTANCE PROJECT

4512-0179	For the purposes of a federally funded grant entitled, Vaccination Assistance Project	6,039,539

EPIDEMIOLOGY AND LAB SURVEILLANCE

4512-0180	For the purposes of a federally funded grant entitled, Epidemiology and Lab Surveillance	875,277

ARRA - MENINGOCOCCAL VIRUS PREVENTION

4512-0181	For the purposes of a federally funded grant entitled, ARRA - Meningococcal Virus Prevention	45,550

ARRA - PREVENTING HEALTHCARE ASSOCIATED INFECTIONS

4512-0182	For the purposes of a federally funded grant entitled, ARRA - Preventing Healthcare Associated Infections	492,894

ARRA - IT-ELC

4512-0185	For the purposes of a federally funded grant entitled, ARRA - IT-ELC	148,641

BUILDING & STRENGTHENING EPIDEMIOLOGY, LAB AND HEALTH INFO SYSTEM CAPACITY

4512-0186	For the purposes of a federally funded grant entitled, Building & Strengthening Epidemiology, Lab and Health Info System Capacity	1,830,783

STATE OUTCOMES MEASUREMENT AND MANAGEMENT SYSTEM

4512-9065	For the purposes of a federally funded grant entitled, State Outcomes Measurement and Management System	19,207

COLLABORATIVE FOR ACTION, LEADERSHIP AND LEARNING

4512-9068	For the purposes of a federally funded grant entitled, Collaborative for Action, Leadership and Learning	549,629

SUBSTANCE ABUSE PREVENTION AND TREATMENT - BLOCK GRANT

4512-9069	For the purposes of a federally funded grant entitled, Substance Abuse Prevention and Treatment - Block Grant	38,046,666

PROMOTING SAFE AND STABLE FAMILIES

4512-9070	For the purposes of a federally funded grant entitled, Promoting Safe and Stable Families	125,000

MASSACHUSETTS ACCESS TO RECOVERY PROGRAM

4512-9072	For the purposes of a federally funded grant entitled, Massachusetts Access to Recovery Program	3,248,880

MA CALL STATE PREVENTION ENHANCEMENT

4512-9074	For the purposes of a federally funded grant entitled, MA Call State Prevention Enhancement	45,000

UNIFORM ALCOHOL AND DRUG ABUSE DATA COLLECTION

4512-9426	For the purposes of a federally funded grant entitled, Uniform Alcohol and Drug Abuse Data Collection	82,227

HOUSING OPPORTUNITIES - PEOPLE WITH AIDS

4513-0111	For the purposes of a federally funded grant entitled, Housing Opportunities - People with AIDS	452,903

NUTRITIONAL STATUS OF WOMEN, INFANTS AND CHILDREN

4513-9007	For the purposes of a federally funded grant entitled, Nutritional Status of Women, Infants and Children	94,299,410

AUGMENTATION AND EVALUATION OF ESTABLISHED HEALTH EDUCATION - RISK REDUCTION

4513-9018	For the purposes of a federally funded grant entitled, Augmentation and Evaluation of Established Health Education - Risk Reduction	8,505,607

PROGRAM FOR INFANTS AND TODDLERS WITH DISABILITIES

4513-9021	For the purposes of a federally funded grant entitled, Program for Infants and Toddlers with Disabilities	8,500,000

PREVENTION DISABILITY STATE-BASED PROJECT

4513-9022	For the purposes of a federally funded grant entitled, Prevention Disability State-Based Project	294,140

MASS HIV/AIDS NATIONAL BEHAVIORAL SURVEILLANCE

4513-9023	For the purposes of a federally funded grant entitled, Mass HIV/AIDS National Behavioral Surveillance	414,655

EXPANDED & INTEGRATED HIV TESTING (CYCLE II)

4513-9024	For the purposes of a federally funded grant entitled, Expanded & Integrated HIV Testing (Cycle II)	629,211

MASSCARE - COMMUNITY AIDS RESOURCE ENHANCEMENT

4513-9027	For the purposes of a federally funded grant entitled, MassCare - Community AIDS Resource Enhancement	879,806

COMPREHENSIVE PRIMARY CARE SYSTEM PLANNING FOR MASSACHUSETTS CHILDREN

4513-9030	For the purposes of a federally funded grant entitled, Comprehensive Primary Care System Planning for Massachusetts Children	100,000

RYAN WHITE COMPREHENSIVE AIDS RESOURCES

4513-9037	For the purposes of a federally funded grant entitled, Ryan White Comprehensive AIDS Resources	23,370,819

SHELTER PLUS CARE - WORCESTER

4513-9038	For the purposes of a federally funded grant entitled, Shelter Plus Care - Worcester	319,668

HIV/AIDS SURVEILLANCE

4513-9040	For the purposes of a federally funded grant entitled, HIV/AIDS Surveillance	972,637

HIT CAPACITY BUILDING INITIATIVE/AIDS DRUG ASSISTANCE

4513-9041	For the purposes of a federally funded grant entitled, HIT Capacity Building Initiative/AIDS Drug Assistance	20,000

SYSTEMS LINKAGES AND ACCESS TO CARE FOR POPULATIONS AT HIGH RISK OF HIV

4513-9042	For the purposes of a federally funded grant entitled, Systems Linkages and Access to Care for Populations at High Risk of HIV	999,744

CONGENITAL ANOMALIES CENTER OF EXCELLENCE

4513-9046	For the purposes of a federally funded grant entitled, Congenital Anomalies Center of Excellence	997,000

RURAL DOMESTIC VIOLENCE AND CHILD VICTIMIZATION PROJECT

4513-9051	For the purposes of a federally funded grant entitled, Rural Domestic Violence and Child Victimization Project	376,057

UNIVERSAL NEWBORN HEARING SCREENING - ENHANCEMENT PROJECT

4513-9066	For the purposes of a federally funded grant entitled, Universal Newborn Hearing Screening - Enhancement Project	300,000

EARLY HEARING DETECTION AND INTERVENTION - TRACKING AND RESEARCH

4513-9071	For the purposes of a federally funded grant entitled, Early Hearing Detection and Intervention - Tracking and Research	156,470

EARLY CHILDHOOD COMPREHENSIVE SYSTEMS

4513-9076	For the purposes of a federally funded grant entitled, Early Childhood Comprehensive Systems	140,000

EMERGENCY MEDICAL SERVICES FOR CHILDREN PARTNERSHIP II

4513-9077	For the purposes of a federally funded grant entitled, Emergency Medical Services for Children Partnership II	145,988

MASSACHUSETTS PREGNANCY RISK

4513-9085	For the purposes of a federally funded grant entitled, Massachusetts Pregnancy Risk	160,949

HELPING HANDS FOR INFANTS AND THEIR FAMILIES

4513-9088	For the purposes of a federally funded grant entitled, Helping Hands for Infants and their Families	475,000

ADDRESSING ASTHMA FROM A PUBLIC HEALTH PERSPECTIVE

4513-9092	For the purposes of a federally funded grant entitled, Addressing Asthma From a Public Health Perspective	450,000

MASSACHUSETTS LAUNCH

4513-9093	For the purposes of a federally funded grant entitled, Massachusetts LAUNCH	900,000

ACA MATERNAL, INFANT & EARLY CHILDHOOD HOME VISITING PROGRAM

4513-9096	For the purposes of a federally funded grant entitled, ACA Maternal, Infant & Early Childhood Home Visiting Program	100,000

HUD-OFFICE OF HEALTHY HOMES AND LEAD HAZARD CONTROL

4513-9097	For the purposes of a federally funded grant entitled, HUD-Office of Healthy Homes and Lead Hazard Control	382,040

ACA MATERNAL INFANT & EARLY CHILDHOOD HOME VISITING

4513-9098	For the purposes of a federally funded grant entitled, ACA Maternal Infant & Early Childhood Home Visiting	8,944,326

MATERNAL INFANT AND EARLY CHILDHOOD HOME VISITING PROGRAM

4513-9099	For the purposes of a federally funded grant entitled, Maternal Infant and Early Childhood Home Visiting Program	1,463,681

WIC ENHANCED REFERRAL AND FAMILY SUPPORT PROJECT

4514-1008	For the purposes of a federally funded grant entitled, WIC Enhanced Referral and Family Support Project	119,945

MA WIC ELECTRONIC BENEFIT TRANSFER PLANNING GRANT

4514-1010	For the purposes of a federally funded grant entitled, MA WIC Electronic Benefit Transfer Planning Grant	74,402

TUBERCULOSIS CONTROL PROJECT

4515-0115	For the purposes of a federally funded grant entitled, Tuberculosis Control Project	1,565,193

STRENGTHENING SURVEILLANCE FOR INFECTIOUS DISEASE

4515-0204	For the purposes of a federally funded grant entitled, Strengthening Surveillance for Infectious Disease	65,000

HIV TRAINING THROUGH PREVENTION TRAINING CENTERS

4515-0205	For the purposes of a federally funded grant entitled, HIV Training through Prevention Training Centers	524,970

HEALTH LITERACY AND ORAL HEALTH STATUS OF AFRICAN REFUGEES

4515-0206	For the purposes of a federally funded grant entitled, Health Literacy and Oral Health Status of African Refugees	851,927

HEALTH, TRAINING AND TECHNICAL ASSISTANCE TO REFUGEE SERVING AGENCIES

4515-0207	For the purposes of a federally funded grant entitled, Health, Training and Technical Assistance to Refugee Serving Agencies	500,000

ADULT VIRAL HEPATITIS PREVENTION COORDINATOR

4515-1124	For the purposes of a federally funded grant entitled, Adult Viral Hepatitis Prevention Coordinator	114,524

PUBLIC HEALTH PREPAREDNESS AND RESPONSE FOR BIO-TERRORISM

4516-1021	For the purposes of a federally funded grant entitled, Public Health Preparedness and Response for Bio-terrorism	14,968,365

STATE LOCAL PUBLIC HEALTH INFRASTRUCTURE

4516-1028	For the purposes of a federally funded grant entitled, State Local Public Health Infrastructure	89,500

TECHNICAL DATA - MASSACHUSETTS BIRTH/INFANT DEATH FILE LINKAGE AND ANALYSIS

4518-0505	For the purposes of a federally funded grant entitled, Technical Data - Massachusetts Birth/Infant Death File Linkage and Analysis	117,210

NATIONAL VIOLENT DEATH REPORTING SYSTEM

4518-0514	For the purposes of a federally funded grant entitled, National Violent Death Reporting System	238,902

PUBLIC HEALTH INJURY SURVEILLANCE AND PREVENTION

4518-0534	For the purposes of a federally funded grant entitled, Public Health Injury Surveillance and Prevention	655,139

PROCUREMENT OF INFORMATION FOR THE NATIONAL DEATH INDEX

4518-1000	For the purposes of a federally funded grant entitled, Procurement of Information for the National Death Index	13,500

MASSACHUSETTS DEATH FILE - SOCIAL SECURITY ADMINISTRATION

4518-1002	For the purposes of a federally funded grant entitled, Massachusetts Death File - Social Security Administration	33,000

MASSACHUSETTS BIRTH RECORDS - SOCIAL SECURITY ADMINISTRATION

4518-1003	For the purposes of a federally funded grant entitled, Massachusetts Birth Records - Social Security Administration	202,355

CENSUS OF FATAL OCCUPATIONAL INJURIES

4518-9023	For the purposes of a federally funded grant entitled, Census of Fatal Occupational Injuries	48,000

CORE VIOLENCE & INJURY PREVENTION

4518-9034	For the purposes of a federally funded grant entitled, Core Violence & Injury Prevention	577,230

MA CITIZEN VERIFICATION FOR FEDERAL EMPLOYMENT

4518-9044	For the purposes of a federally funded grant entitled, MA Citizen Verification for Federal Employment	45,000

ARRA - MASSACHUSETTS INTEGRATION OF CHRONIC DISEASE

4518-9045	For the purposes of a federally funded grant entitled, ARRA - Massachusetts Integration of Chronic Disease	167,841

MASSACHUSETTS CARDIOVASCULAR DISEASE PREVENTION

4570-1509	For the purposes of a federally funded grant entitled, Massachusetts Cardiovascular Disease Prevention	1,144,341

NATIONAL CANCER PREVENTION CONTROL

4570-1512	For the purposes of a federally funded grant entitled, National Cancer Prevention Control	4,429,346

COLORECTAL CANCER SCREENING

4570-1513	For the purposes of a federally funded grant entitled, Colorectal Cancer Screening	1,000,000

WISE WOMAN

4570-1514	For the purposes of a federally funded grant entitled, Wise Woman	900,000

PAUL COVERDELL ACUTE STROKE REGISTRY		
4570-1516	For the purposes of a federally funded grant entitled, Paul Coverdell Acute Stroke Registry	586,082
MASSACHUSETTS INTEGRATION OF CHRONIC DISEASE		
4570-1520	For the purposes of a federally funded grant entitled, Massachusetts Integration of Chronic Disease	2,368,002
DEMONSTRATING CAPACITY FOR CANCER CONTROL		
4570-1526	For the purposes of a federally funded grant entitled, Demonstrating Capacity for Cancer Control	189,710
PERSONAL RESPONSIBILITY EDUCATION		
4570-1527	For the purposes of a federally funded grant entitled, Personal Responsibility Education (PREP)	1,082,365
MASSACHUSETTS SUPPORT FOR PREGNANT TEENS AND WOMEN		
4570-1529	For the purposes of a federally funded grant entitled, Massachusetts Support for Pregnant Teens and Women	1,683,911
MA INTEGRATION OF CHRONIC DISEASE PROGRAMS		
4570-1530	For the purposes of a federally funded grant entitled, MA Integration of Chronic Disease Programs	83,895
BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM		
4570-1531	For the purposes of a federally funded grant entitled, Behavioral Risk Factor Surveillance System	380,000
FDA - 11 - TOBACCO		
4570-1534	For the purposes of a federally funded grant entitled, FDA - 11 - Tobacco	657,631
MA HEALTH IMPACT ASSESSMENT TO FOSTER HEALTHY COMMUNITY		
4570-1535	For the purposes of a federally funded grant entitled, MA Health Impact Assessment to Foster Healthy Community	175,446
MA NUTRITION, PHYSICAL ACTIVITY & OBESITY PROGRAM		
4570-1536	For the purposes of a federally funded grant entitled, MA Nutrition, Physical Activity & Obesity Program	1,000,152
MA INTEGRATION OF CHRONIC DISEASE PROGRAM		
4570-1537	For the purposes of a federally funded grant entitled, MA Integration Of Chronic Disease Program	757,121
MA COMMUNITY TRANSFORMATION - MIDDLESEX COUNTY		
4570-1538	For the purposes of a federally funded grant entitled, MA Community Transformation - Middlesex County	1,574,982
MA CHILDHOOD OBESITY		
4570-1539	For the purposes of a federally funded grant entitled, MA Childhood Obesity	1,743,442
Trust and Other Spending		**24,779,962**
4500-1033	HARVARD CLINICAL AND TRANSLATIONAL SCIENCE COLLABORATION ET	37,640
4510-0410	STEWARD AND CARITAS CHRISTI TRANSACTION IMPACT STUDY TRUST	118,850
4510-0606	UREA FORMALDEHYDE FOAM INSULATION FOR HOMEOWNERS	25,300
4510-0622	RADIATION CONTROL TRUST	540,224

4510-0623	SURVEILLANCE OF HEALTH OUTCOMES AND DRINKING WATER QUALITY TESTING TRUST	48,947
4510-0625	LOW LEVEL RADIOACTIVE WASTE REBATE	260,276
4510-0635	LEAD PAINT EDUCATION AND TRAINING	2,312,654
4510-0714	CIVIL MONETARY PENALTIES	368,090
4510-0727	HEALTH BOARDS PROFESSIONAL LICENSURE TRUST	10,205,183
4510-0729	BOARD OF REGISTRATION IN MEDICINE TRUST	8,411,737
4510-2059	MASS HOSPITAL SCHOOL TELECOMMUNICATIONS	11,054
4510-2082	LEMUEL SHATTUCK HOSPITAL TELECOMMUNICATIONS TRUST	12,360
4510-6837	ORGAN TISSUE DONOR REGISTRATION	52,750
4510-6921	ORGAN TRANSPLANT FUND	100,000
4510-9050	HEALTH IMPACT OF SPRINGFIELD BIOMASS ENERGY FACILITY TRUST	87,169
4512-0105	MASSACHUSETTS AIDS FUND	165,000
4513-1110	WELLNESS INITIATIVE EXPENDABLE TRUST	134,000
4513-9095	PELL DATA SYSTEM & RESEARCH EXPENDABLE TRUST	192,260
4514-0100	CATASTROPHIC ILLNESS IN CHILDREN RELIEF	865,371
4514-0200	SPINAL CORD INJURY TRUST FUND	175,000
4516-1031	MEDICAL RESERVE CORPS - STATEWIDE DATABASE TRUST	15,000
4518-9031	BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM EXPENDABLE TRUST	18,800
4518-9035	NEWBORN SCREENING TRUST	217,321
4518-9046	ENHANCE CANCER REGISTRY DATA--COMPARATIVE EFFECTIVE RESEARCH	234,633
4570-1507	NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS TRUST	65,000
4570-1532	LOAN REPAYMENT PROGRAM FOR HEALTH PROFESSIONALS TRUST	55,343
4590-9122	WESTERN MASS HOSPITAL TRUST FUND	50,000

Department of Mental Health

The Department of Mental Health (DMH), as the Commowealth's mental health authority, assures and provides access to services and supports to meet the mental health needs of individuals of all ages, enabling them to live, work and participate in their communities. DMH establishes standards to ensure effective and culturally competent care to promote recovery. DMH sets policy, promotes self-determination, protects human rights and supports mental health training and research. This critical mission is accomplished by working in partnership with other state agencies, individuals, families, providers and communities.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Mental Health	665,976	25,400	691,376	107,995

www.mass.gov/dmh

Direct Appropriations **665,975,915**

DEPARTMENT OF MENTAL HEALTH ADMINISTRATION AND OPERATIONS

5011-0100 For the operation of the department of mental health 27,565,416

CHILD AND ADOLESCENT MENTAL HEALTH SERVICES

5042-5000 For child and adolescent services, including the costs of psychiatric and related services provided to children and adolescents determined to be medically ready for discharge from acute hospital units or mental health facilities and who are experiencing unnecessary delays in being discharged due to the lack of more appropriate settings; provided, that for the purpose of funding these services, the commissioner of mental health may allocate funds from the amount appropriated in this item to other departments within the executive office of health and human services 77,878,882

MENTAL HEALTH SERVICES INCLUDING ADULT HOMELESS AND EMERGENCY

5046-0000 For adult mental health and support services; provided, that the department shall allocate funds in an amount not to exceed $5,000,000 from item 5095-0015 to this item, as necessary, for community services for clients formerly receiving care at department facilities 342,427,150

STATEWIDE HOMELESSNESS SUPPORT SERVICES

5046-2000 For homelessness services 20,134,424

EMERGENCY SERVICES AND MENTAL HEALTH CARE

5047-0001 For emergency service programs, community and facility services 35,202,850

FORENSIC SERVICES PROGRAM FOR MENTALLY ILL PERSONS

5055-0000 For forensic services provided by the department 9,153,872

INPATIENT FACILITIES AND COMMUNITY-BASED MENTAL HEALTH SERVICE

5095-0015 For the operation of hospital facilities and community-based mental health services; provided, that the department may allocate funds in an amount not to exceed $5,000,000 from item 5095-0015 to item 5046-0000 for community services for clients formerly receiving inpatient care at the department facilities 153,488,321

Retained Revenues

CHOICE PROGRAM RETAINED REVENUE

5046-4000 The department of mental health may expend for the routine maintenance and repair of facilities in the creative housing option in community environments, the CHOICE program, authorized by chapter 167 of the acts of 1987, an amount not to exceed $125,000 in revenues collected from occupancy fees charged to the tenants of the program 125,000

Federal Grant Spending **2,901,353**

PROJECT FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS

5012-9121 For the purposes of a federally funded grant entitled, Project for Assistance in Transition from Homelessness 1,650,000

JAIL DIVERSION AND TRAUMA RECOVERY		
5012-9160	For the purposes of a federally funded grant entitled, Jail Diversion and Trauma Recovery	424,000
DATA INFRASTRUCTURE GRANT 2011		
5012-9164	For the purposes of a federally funded grant entitled, Data Infrastructure Grant 2011	132,937
MISSION RAP		
5012-9166	For the purposes of a federally funded grant entitled, Mission RAP	151,862
KIDS PLANNING GRANT		
5012-9167	For the purposes of a federally funded grant entitled, Kids Planning Grant	125,000
RSP 94 TORNADO DISASTER		
5012-9168	For the purposes of a federally funded grant entitled, RSP 94 Tornado Disaster	216,434
SHELTER PLUS CARE PROGRAM		
5046-9102	For the purposes of a federally funded grant entitled, Shelter Plus Care Program	201,120
Trust and Other Spending		**22,498,580**
5011-2001	MENTAL HEALTH INFORMATION SYSTEM FUND	4,138,498
5095-2690	MMHC FACILITY RESERVE FUND TRUST	300,000
5311-9101	SOLOMON MENTAL HEALTH CENTER	293,539
5535-2689	CAPE COD AND ISLANDS MENTAL HEALTH AND MENTAL RETARDATION CENTER	3,117,046
5540-2689	BROCKTON MULTI-SERVICE CENTER	2,119,358
5541-2689	DR. JOHN C. CORRIGAN, JR. MENTAL HEALTH CENTER	3,979,293
5542-2689	RESEARCH AND TRAINING TRUST	10,260
5651-2689	MASSACHUSETTS MENTAL HEALTH CENTER	2,221,983
5652-2689	DR. SOLOMON CARTER FULLER MENTAL HEALTH CENTER	4,568,137
5653-2689	LINDEMANN MENTAL HEALTH CENTER	818,412
5654-2689	MARY PALMER'S MENTAL HEALTH CENTER EXPENDABLE TRUST	8,000
5655-2690	GOVERNOR FRANCIS P. MURPHY FUND	42,000
5851-2689	QUINCY MENTAL HEALTH CENTER	882,054

OFFICE OF CHILDREN, YOUTH, AND FAMILY SERVICES

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office for Refugees and Immigrants	238	18,418	18,656	0
Department of Youth Services	155,291	372	155,663	2,370
Department of Transitional Assistance	784,759	7,525	792,284	455,013
Department of Children and Families	770,875	0	770,875	189,227
TOTAL	1,711,162	26,316	1,737,478	646,610

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Department of Youth Services	898	913	891	896	897
Department of Transitional Assistance	1,606	1,409	1,511	1,533	1,592
Department of Children and Families	3,469	3,228	3,192	3,159	3,159
TOTAL	5,973	5,549	5,594	5,589	5,649

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Office for Refugees and Immigrants

The mission of the Office for Refugees and Immigrants is to promote the full participation of refugees and immigrants as self-sufficient individuals and families in the economic, social and civic life of Massachusetts.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office for Refugees and Immigrants	238	18,418	18,656	0

mass.gov/ori

Direct Appropriations **237,500**

LOW-INCOME CITIZENSHIP PROGRAM

4003-0122 For a Citizenship for New Americans program to assist legal permanent residents of the commonwealth who will be eligible for citizenship within 3 years in becoming citizens of the United States; provided, that persons who would qualify for benefits under chapter 118A of the General Laws but for their status as legal non-citizens shall be given highest priority for services; and provided further, that persons who currently receive state-funded benefits which could be replaced in whole or in part by federally-funded benefits if these persons become citizens, shall be given priority for services 237,500

Federal Grant Spending **18,418,449**

TARGETED ASSISTANCE PROGRAM

4003-0801 For the purposes of a federally funded grant entitled, Targeted Assistance Program 200,000

REFUGEE SCHOOL IMPACT

4003-0803 For the purposes of a federally funded grant entitled, Refugee School Impact 400,000

REFUGEE TARGETED ASSISTANCE GRANT

4003-0804 For the purposes of a federally funded grant entitled, Refugee Targeted Assistance Grant 862,259

REFUGEE RESETTLEMENT PROGRAM

4003-0805 For the purposes of a federally funded grant entitled, Refugee Resettlement Program 1,567,328

REFUGEE CASH, MEDICAL AND ADMINISTRATION

4003-0806 For the purposes of a federally funded grant entitled, Refugee Cash, Medical and Administration 10,952,456

MASSACHUSETTS REFUGEE ENTREPENUER PROGRAM

4003-0811 For the purposes of a federally funded grant entitled, Massachusetts Refugee Entrepenuer Program 250,000

PROGRAM TO ENHANCE REFUGEE ELDER SERVICES (PEERS)

4003-0812 For the purposes of a federally funded grant entitled, Program to Enhance Refugee Elder Services (PEERS) 215,000

A CUBAN-HAITIAN INITIATIVE FOR ENTRY INTO VIABLE EMPLOYMENT (ACHIEVE)

4003-0813 For the purposes of a federally funded grant entitled, A Cuban-Haitian Initiative for Entry into Viable Employment (ACHIEVE) 195,000

MASSACHUSETTS REFUGEE PREVENTIVE HEALTH PROJECT (MRPHP)

4003-0814 For the purposes of a federally funded grant entitled, Massachusetts Refugee 150,000

Preventive Health Project (MRPHP)

MASSACHUSETTS WILSON/FISH PROGRAM (MWFP)

4003-0815 For the purposes of a federally funded grant entitled, Massachusetts Wilson/Fish Program (MWFP) 3,426,406

REFUGEE INDEPENDENCE THRU SERVICE ENHANCEMENT

4003-0817 For the purpose of a federally funded grant entitled Refugee Independence Through Service Enhancement. 200,000

Department of Youth Services

The Department of Youth Services is the juvenile justice agency of the Commonwealth of Massachusetts. The Department's mission is to protect the public and prevent crime by promoting positive change in the lives of youth committed to the department's custody by partnering with communities, families and government and provider agencies toward this end. The Department accomplishes this mission through interventions that build knowledge, develop skills and change the behavior of the youth in care.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Youth Services	155,291	372	155,663	2,370

www.mass.gov/dys

Direct Appropriations **155,290,786**

DEPARTMENT OF YOUTH SERVICES ADMINISTRATION AND OPERATIONS

4200-0010 For the operation of the department of youth services 4,064,005

NON-RESIDENTIAL SERVICES FOR COMMITTED POPULATION

4200-0100 For supervision, counseling and other community-based services provided to committed youths in nonresidential care programs of the department; provided, that the commissioner may transfer up to 7 per cent of the amount appropriated in this item to items 4200-0200 and 4200-0300; and provided further, that 15 days before any such transfer is made, the commissioner shall file with the secretary of administration and finance and the house and senate committees on ways and means a plan showing the amounts to be transferred and the reason for the proposed transfer 22,109,816

RESIDENTIAL SERVICES FOR DETAINED POPULATION

4200-0200 For pretrial detention programs, including purchase-of-service and state-operated programs; provided, that the commissioner may transfer up to 7 per cent of the amount appropriated to items 4200-0100 and 4200-0300; and provided further, that 15 days before any transfer is made, the commissioner shall file with the secretary of administration and finance and the house and senate committees on ways and means a plan showing the amounts to be transferred and the reason for the proposed transfer 21,367,315

RESIDENTIAL SERVICES FOR COMMITTED POPULATION

4200-0300 For secure facilities, including purchase-of-service and state operated programs incidental to the operations of the facilities; provided, that the commissioner may transfer up to 7 per cent of the amount appropriated in this item to items 4200-0100 and 4200-0200; and provided further, that 15 days before any such transfer is made, the commissioner shall file with the secretary of administration and finance and the 102,839,841

house and senate committees on ways and means a plan showing the amounts to be transferred and the reason for the proposed transfer

DEPARTMENT OF YOUTH SERVICES TEACHER SALARIES
4200-0500 For enhanced salaries for teachers at the department of youth services 2,809,809

DEPARTMENT OF YOUTH SERVICES ALTERNATIVE LOCK UP PROGRAM
4200-0600 For the operation of secure facilities to detain arrested youth prior to arraignment under the alternative lock up program 2,100,000

Trust and Other Spending **372,200**

4202-0602 ANNIE E. CASEY FOUNDATION GRANT 40,000

4202-0622 MALE WARDS FUND PAYMENTS 7,200

4202-2112 DYS SCHOOL LUNCH PROGRAM 300,000

4235-1621 LYMAN TRUST FUND PURCHASE OF INVESTMENTS 25,000

Department of Transitional Assistance

The mission of the Department of Transitional Assistance is to assist low-income individuals and families to meet their basic needs, increase their incomes and improve their quality of life.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Transitional Assistance	784,759	7,525	792,284	455,013

www.mass.gov/dta

Direct Appropriations **784,758,872**

DEPARTMENT OF TRANSITIONAL ASSISTANCE ADMINISTRATION AND OPERA
4400-1000 For the operation of the department of transitional assistance; provided, that funds may be made available for programs to increase the commonwealth's participation rate in the federal supplemental nutrition assistance program and other federal nutrition programs 55,611,427

FOOD STAMP PARTICIPATION RATE PROGRAMS
4400-1001 For programs to increase the commonwealth's participation rate in the supplemental nutrition assistance program and other federal nutrition programs; provided, that funds may be expended for a grant with Project Bread-The Walk for Hunger, Inc.; provided further, that the work of department employees paid for from this item shall be restricted to processing supplemental nutrition assistance program applications; provided further, that the department shall not require supplemental nutrition assistance program applicants to provide re-verification of eligibility factors previously verified and not subject to change; provided further, that notwithstanding any general or special law to the contrary, the department shall require only 1 signature from supplemental nutrition assistance program applicants; and provided further, that funds may be expended for supplemental nutrition assistance program outreach 3,171,411

DOMESTIC VIOLENCE SPECIALISTS
4400-1025 For domestic violence specialists at local area offices 782,222

CASEWORKERS RESERVE

4400-1100 For the payroll of the department's caseworkers; provided, that only employees of bargaining unit 8 shall be paid from this item 64,126,261

EMPLOYMENT SERVICES PROGRAM

4401-1000 For employment and training services, including support services, for recipients of benefits provided under the transitional aid to families with dependent children program and the absent parents of those recipients; provided, that funds from this item may be expended on former recipients of the program for up to 1 year after termination of their benefits; provided further, that certain parents who have not yet reached the age of 18 years, including those who are ineligible for transitional aid to families with dependent children and who would qualify for benefits under chapter 118 of the General Laws but for the deeming of the grandparents' income, shall be eligible to receive services; provided further, that funds shall be expended for the provision of structured settings provided in subsection (i) of section 110 of chapter 5 of the acts of 1995 for parents under the age of 20 who are receiving benefits under the transitional aid to families with dependent children program; and provided further, that the department will collaborate with the executive office of labor and workforce to develop options that maximize the use of employment service resources for recipients of benefits provided under the transitional aid to families with dependent children program 7,109,035

TAFDC GRANT PAYMENTS

4403-2000 For the operation of a program of transitional aid to families with dependent children; provided, that notwithstanding any general or special law to the contrary, benefits under the program shall be paid only to citizens of the United States and to non-citizens for whom federal funds may be used to provide benefits; provided further, that the need standard shall be equal to the standard in effect in fiscal year 2012 unless the department determines that a reduction in the monthly payment standard should be implemented before the end of the fiscal year to keep program expenditures within the amounts appropriated in this item; provided further, that the payment standard shall be equal to the need standard; provided further, that the payment standard for families who do not qualify for an exempt category of assistance under subsection (e) of section 110 of chapter 5 of the acts of 1995 shall be 2.75 per cent below the payment standard, under the state plan required under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; provided further, that notwithstanding section 218 of chapter 149 of the acts of 2004, recipients whose youngest child of record is of the age at which full time schooling is mandatory or older shall be required to participate in 30 hours per week of a work-related activity; provided further, that the department of transitional assistance shall notify all teen parents receiving benefits from the programs of the requirements in clause (2) of subsection (i) of section 110; provided further, that a $40 per month rent allowance shall be paid to all households incurring a rent or mortgage expense and not residing in public housing or subsidized housing; provided further, that a $40 per month transportation allowance may be paid to non-exempt households who are meeting specified work program requirements; provided further, that a non-recurring children's clothing allowance may be provided to each child eligible under these programs in September 2012; provided further, that the children's clothing allowance may be included in the standard of need for the month of September 2012; provided further, that benefits under this program shall not be available to those families in which a child has been removed from the household under a court order after a care and protection hearing on child abuse, nor to adult recipients otherwise eligible for transitional aid to families with dependent children but for the temporary removal of the dependent child or children from the home by the department of children and families in accordance with that department's procedures; provided further, that notwithstanding section 2 of chapter 118 of the General Laws or any other general or special law to the contrary, the department shall render aid to pregnant women with no other eligible dependent children only if it has been medically verified that the 318,871,955

child is expected to be born within the month these payments are to be made or within the 3 month period following the month of payment, and who, if the child had been born and was living with her in the month of payment, would be categorically and financially eligible for transitional aid to families with dependent children benefits; provided further, that certain families that suffer a reduction in benefits due to a loss of earned income and participation in retrospective budgeting may receive a supplemental benefit to compensate them for this loss; and provided further, that the department shall review and revise its disability standards to reflect current medical and vocational criteria

SUPPLEMENTAL NUTRITIONAL PROGRAM

4403-2007 For a nutritional benefit program for low-income workers; provided, that benefits shall be provided only to those for whom receiving these benefits will improve the work participation rate under the federal program of temporary assistance for needy families 1,200,000

TEEN STRUCTURED SETTINGS PROGRAM

4403-2119 For the provision of structured settings as provided in subsection (i) of section 110 of chapter 5 of the acts of 1995, or any successor statute, for parents under the age of 20 who are receiving benefits under the transitional aid to families with dependent children program 7,728,595

STATE SUPPLEMENT TO SUPPLEMENTAL SECURITY INCOME

4405-2000 For the state supplement to the supplemental security income program for the aged and disabled, including a program for emergency needs for supplemental security income recipients; provided, that the expenses of special grants recipients residing in rest homes, as provided in section 7A of chapter 118A of the General Laws, may be paid from this item; provided further, that the department, in collaboration with the executive office of health and human services, may fund an optional supplemental living arrangement category under the supplemental security income program that makes payments to persons living in assisted living residences certified under chapter 19D of the General Laws who meet the income and clinical eligibility criteria established by the department and the office; provided further, that the optional category of payments shall only be administered in conjunction with the Medicaid group adult foster care benefit; and provided further, that reimbursements to providers for services rendered in prior fiscal years may be expended from this item 237,894,089

EMERGENCY AID TO THE ELDERLY DISABLED AND CHILDREN

4408-1000 For a program of cash assistance to certain residents of the commonwealth, entitled emergency aid to the elderly, disabled and children found by the department to be eligible for the aid under chapter 117A of the General Laws and regulations promulgated by the department and subject to the limitations of appropriation therefore; provided, that benefits under this item shall only be provided to residents who are citizens of the United States or qualified aliens or non-citizens otherwise permanently residing in the United States under color of law and shall not be provided to illegal or undocumented aliens; provided further, that the individual shall not be a subject to sponsor income deeming or related restrictions; provided further, that the payment standard shall equal the payment standard in effect under the general relief program in fiscal year 1991; provided further, that the department may provide benefits to persons age 65 or older who have applied for benefits under chapter 118A of the General Laws, to persons suffering from a medically-determinable impairment or combination of impairments which is expected to last for a period as determined by department regulations and which substantially reduces or eliminates such individuals' capacity to support themselves and which has been verified by a competent authority, to certain persons caring for a disabled person, to otherwise eligible participants in the vocational rehabilitation program of the Massachusetts rehabilitation commission, to dependent children who are ineligible for benefits under both chapter 118 of the General Laws and the separate program created by section 210 of chapter 43 of the acts of 1997 and parents or other 88,263,877

caretakers of dependent children who are ineligible under said chapter 118 and under said separate program; provided further, that no ex-offender, person over age 45 without a prior work history or person in a residential treatment facility shall be eligible for benefits under this program unless the person otherwise meets the eligibility criteria described in this item and defined by regulations of the department; provided further, that no person incarcerated in a correctional institution shall be eligible for benefits under the program; provided further, that no funds shall be expended from this item for the payment of expenses associated with any medical review team, other disability screening process or costs associated with verifying disability for this program; provided further, that the department shall adopt emergency regulations under chapter 30A of the General Laws to implement the changes to this program required by this item promptly and within the appropriation; provided further, that in promulgating, amending or rescinding its regulations with respect to eligibility or benefits, including the payment standard, medical benefits and any other benefits under this program, the department shall take into account the amounts available to it for expenditure by this item so as not to exceed the amount appropriated in this item; provided further, that the department may promulgate emergency regulations under chapter 30A of the General Laws to implement these eligibility or benefit changes or both; provided further, that nothing in this item shall be construed as creating any right accruing to recipients of the former general relief program; provided further, that reimbursements collected from the Social Security Administration on behalf of former clients of the emergency aid to the elderly, disabled and children program or unprocessed payments from the program that are returned to the department shall be credited to the General Fund; and provided further, that notwithstanding any general or special law to the contrary, the funds made available in this item shall be the only funds available for the program, and the department shall not spend funds for the program in excess of the amount made available in this item

Federal Grant Spending		**7,500,000**
NUTRITION EDUCATION AND OBESITY PREVENTION		
4400-3064	For the purposes of a federally funded grant entitled, Nutrition Education and Obesity Prevention	3,000,000
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM EMPLOYMENT AND TRAINING		
4400-3067	For the purposes of a federally funded grant entitled, Supplemental Nutrition Assistance Program Employment and Training	1,500,000
HEALTHY INCENTIVE PILOT (HIP) GRANT		
4400-3080	For the purposes of a federally funded grant entitled, Healthy Incentive Pilot (HIP) Grant	3,000,000
Trust and Other Spending		**25,000**
4401-0066	ADVANCED MODERN INITIATIVES PARTICIPATION EXPENDABLE TRUST	25,000

Department of Children and Families

The Department of Children and Families is charged with protecting children from abuse and neglect and strengthening families. There are currently more than 8,000 children in foster care across Massachusetts and more than 40,000 children in all served by the Department.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending		FY2013 Budgetary Non-Tax Revenue
Department of Children and Families	770,875	0	770,875	189,227 www.mass.gov/dcf ***Direct Appropriations*** CLINICAL SUPPORT SERVICES AND OPERATIONS 4800-0015 For central, regional and area office clinical support serv administration; provided, that the associated expenses o DD object class costs are paid from item 4800-1100 sha provided further, that the commissioner of the departmer may transfer funds between items 4800-0030, 4800-003 as necessary, pursuant to an allocation plan, which shall distribution of the funds to be transferred and which the c the house and senate committees on ways and means 1 transfer; and provided further, that not more than 5 per c transferred in fiscal year 2013	

FOSTER CARE REVIEW

4800-0025	For foster care review services	3,005,350

DCF LOCAL AND REGIONAL ADMINISTRATION OF SERVICES

4800-0030	For the continuation of local and regional administration and coordination of services; provided, that flex services may be funded from this item	10,215,181

SEXUAL ABUSE INTERVENTION NETWORK

4800-0036	For a sexual abuse intervention network program to be administered in conjunction with the district attorneys	697,508

SERVICES FOR CHILDREN AND FAMILIES

4800-0038	For services to children and families including but not limited to permanency, stabilization, placement and congregate care	248,173,891

FAMILY SUPPORT AND STABILIZATION

4800-0040	For family preservation and unification services	44,573,551

GROUP CARE SERVICES

4800-0041	For congregate care services; provided, that funds may be expended from this item to provide intensive community-based services, including intensive in-home support and stabilization services, to children who would otherwise be placed in residential settings	200,209,888

PLACEMENT SERVICES FOR JUVENILE OFFENDERS

4800-0151	For a program to provide alternative overnight non-secure placements for status offenders and nonviolent delinquent youths up to the age of 17 in order to prevent the inappropriate use of juvenile cells in police stations for such offenders, in compliance with the federal Juvenile Justice and Delinquency Prevention Act of 1974, as amended; provided, that the programs which provide the alternative non-secure placements shall collaborate with the appropriate county sheriff's office to provide referrals of those offenders and delinquent youths to any programs within the sheriff's office designed to positively influence youths or reduce, if not altogether eliminate, juvenile crime	230,780

SOCIAL WORKERS FOR CASE MANAGEMENT

4800-1100	For the salaries and benefits of the department's social workers	168,917,450

SUPPORT SERVICES FOR PEOPLE AT RISK OF DOMESTIC VIOLENCE

4800-1400	For shelters and support services, including payroll costs, for people at risk of domestic violence and for the operation of the New Chardon Street homeless shelter	21,451,537

Retained Revenues

ROCA RETAINED REVENUE FOR CITIES AND TOWNS

4800-0016	The department of children and families may expend for the operation of the transitional employment program an amount not to exceed $2,000,000 from revenues collected for services provided by the participants; provided, that notwithstanding any general or special law to the contrary, the department may enter into a contract with Roca, Inc. to manage the transitional employment program and to provide services to participants from the aging-out population, parolees, probationers, youth service releasees or other community residents considered to have employment needs	2,000,000

CHILD WELFARE TRAINING INSTITUTE RETAINED REVENUE

4800-0091	The department of children and families may expend for the purpose of administering a child welfare professional development training institute an amount not to exceed $2,077,119 from federal reimbursements received under Title IV-E of the Social Security Act; provided, that notwithstanding any general or special law to the contrary, for the purposes of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	2,077,119

OFFICE OF DISABILITIES AND COMMUNITY SERVICES

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Massachusetts Commission for the Blind	18,917	10,617	29,534	2,996
Massachusetts Rehabilitation Commission	40,715	103,344	144,059	3,143
Massachusetts Commission for the Deaf and Hard of Hearing	5,390	533	5,923	113
Soldiers' Home in Massachusetts	27,367	0	27,367	13,388
Soldiers' Home in Holyoke	20,883	0	20,883	15,251
Department of Developmental Services	1,358,808	9,796	1,368,604	515,868
TOTAL	1,472,080	124,290	1,596,371	550,759

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Massachusetts Commission for the Blind	52	44	44	46	46
Massachusetts Rehabilitation Commission	63	57	54	55	50
Massachusetts Commission for the Deaf and Hard of Hearing	53	50	47	48	48
Soldiers' Home in Massachusetts	370	362	372	366	359
Soldiers' Home in Holyoke	313	307	308	322	319
Department of Developmental Services	6,642	6,481	6,291	6,313	6,313
TOTAL	7,493	7,301	7,117	7,150	7,135

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Massachusetts Commission for the Blind

The mission of the Massachusetts Commission for the Blind (MCB) is to provide the highest quality of rehabilitation and social services to blind individuals, leading to independence and full community participation. MCB accomplishes this critical mission by working in partnership with legally blind consumers, families, community agencies, health care providers and employers.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Massachusetts Commission for the Blind	18,917	10,617	29,534	2,996

www.mass.gov/mcb

Direct Appropriations		**18,916,669**
MCB Administration and Program Operations		
4110-0001	For the operation of the Massachusetts commission for the blind, including the cost of sheltered workforce employee retirement benefits	1,363,156
Community Services for the Blind		
4110-1000	For the community services program	3,433,227
Turning 22 Program and Services		
4110-2000	For the turning 22 program of the commission	11,112,168
Vocational Rehabilitation for the Blind		
4110-3010	For a program of vocational rehabilitation for the blind in cooperation with the federal government; provided, that no funds from federal vocational rehabilitation grants or state appropriation shall be deducted for pensions, group health and life insurance, or any other of these indirect costs of federally reimbursed state employees	3,008,118
Federal Grant Spending		**10,476,000**
Vocational Rehabilitation Grant for the Blind		
4110-3020	For the purposes of a federally funded grant entitled, Vocational Rehabilitation Grant for the Blind	50,000
Basic Support Grant for the Blind		
4110-3021	For the purposes of a federally funded grant entitled, Basic Support Grant for the Blind	9,500,000
Independent Living for the Blind - Adaptive Housing		
4110-3023	For the purposes of a federally funded grant entitled, Independent Living for the Blind - Adaptive Housing	70,000
Independent Living - Services to Older Blind Americans		
4110-3026	For the purposes of a federally funded grant entitled, Independent Living - Services to Older Blind Americans	780,000
Rehabilitation Training for the Blind		
4110-3027	For the purposes of a federally funded grant entitled, Rehabilitation Training for the Blind	21,000
Supported Employment for the Blind		
4110-3028	For the purposes of a federally funded grant entitled, Supported Employment for the Blind	55,000

Trust and Other Spending		**141,000**
4110-6600	EDUCATIONAL PURPOSES TRUST FUND	100,000
4110-6606	VENDING FACILITY OPERATORS TRUST FUND	41,000

Massachusetts Rehabilitation Commission

The Massachusetts Rehabilitation Commission (MRC) promotes equality, empowerment and independence of individuals with disabilities. MRC provides comprehensive services to people with disabilities that maximize their quality of life and economic self-sufficiency in the community.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Massachusetts Rehabilitation Commission	40,715	103,344	144,059	3,143

www.mass.gov/mrc

Direct Appropriations		**40,714,766**
MASSACHUSETTS REHABILITATION COMMISSION		
4120-1000	For the operation of the commission	417,444
VOCATIONAL REHABILITATION FOR THE DISABLED		
4120-2000	For vocational rehabilitation services operated in cooperation with the federal government; provided, that no funds from the federal vocational rehabilitation grant or state appropriation shall be deducted for pensions, group health and life insurance and any other indirect cost of federally reimbursed state employees	10,013,705
EMPLOYMENT ASSISTANCE		
4120-3000	For employment assistance services for severely disabled adults	2,058,907
INDEPENDENT LIVING ASSISTANCE FOR THE MULTI DISABLED		
4120-4000	For independent living assistance services for the multi-disabled	12,229,279
ACCESSIBLE HOUSING PLACEMENT AND REGISTRY FOR DISABLED PERSONS		
4120-4001	For the housing registry for the disabled	80,000
TURNING 22 PROGRAM AND SERVICES		
4120-4010	For the turning 22 program of the commission	419,288
HOME CARE SERVICES FOR THE MULTI DISABLED		
4120-5000	For home care services	4,280,624
HEAD INJURY TREATMENT SERVICES		
4120-6000	For head injury treatment services	11,215,519
Federal Grant Spending		**96,372,190**
VOCATIONAL REHABILITATION PROGRAM FEDERAL FUNDS		
4120-0020	For the purposes of a federally funded grant entitled, Vocational Rehabilitation Program Federal Funds	45,064,653

ARRA - BASIC VOCATIONAL REHABILITATION SUPPORT		
4120-0021	For the purposes of a federally funded grant entitled, ARRA - Basic Vocational Rehabilitation Support	552,323
VOCATIONAL REHABILITATION COMPREHENSIVE SYSTEMS PERSONNEL DEVELOPMENT TRAINING		
4120-0040	For the purposes of a federally funded grant entitled, Vocational Rehabilitation Comprehensive Systems Personnel Development Training	25,000
SUPPORTED EMPLOYMENT PROGRAM FEDERAL FUNDS		
4120-0187	For the purposes of a federally funded grant entitled, Supported Employment Program Federal Funds	465,342
INFORMED MEMBERS PLANNING AND ASSESSING CHOICES TOGETHER		
4120-0191	For the purposes of a federally funded grant entitled, Informed Members Planning and Assessing Choices Together	168,715
DISABILITY DETERMINATION SERVICES		
4120-0511	For the purposes of a federally funded grant entitled, Disability Determination Services	46,887,874
INNOVATION STRATEGIES FOR TRANSITION YOUTH WITH DISABILITIES		
4120-0603	For the purposes of a federally funded grant entitled, Innovation Strategies for Transition Youth with Disabilities	286,334
TRAUMATIC BRAIN INJURY (TBI) IMPLEMENTATION GRANT		
4120-0608	For the purposes of a federally funded grant entitled, Traumatic Brain Injury (TBI) Implementation Grant	229,988
INDEPENDENT LIVING FEDERAL GRANT		
4120-0760	For the purposes of a federally funded grant entitled, Independent Living Federal Grant	1,705,000
ARRA - STATE INDEPENDENT LIVING SERVICES		
4120-0761	For the purposes of a federally funded grant entitled, ARRA - State Independent Living Services	51,967
ARRA - CENTERS FOR INDEPENDENT LIVING RECOVERY ACT		
4120-0762	For the purposes of a federally funded grant entitled, ARRA - Centers for Independent Living Recovery Act	421,000
ASSISTIVE TECHNOLOGY ACT		
4120-0768	For the purposes of a federally funded grant entitled, Assistive Technology Act	513,994
Trust and Other Spending		**6,972,005**
4120-0029	VOCATIONAL REHABILITATION FOR THE MULTI-DISABLED TRUST FUND	1,087,784
4120-0607	DEVELOPMENT EMPLOYMENT STRATEGIES AND SERVICES COMPETENCIES / TRAINING	9,486
4120-6002	HEAD INJURY TREATMENT SERVICES TRUST FUND	5,874,735

Massachusetts Commission for the Deaf and Hard of Hearing

The mission of the Commission for the Deaf and Hard of Hearing is to provide accessible communication, education, advocacy, referral and social services to consumers, private and public entities so that programs, services and opportunities throughout Massachusetts are fully accessible to persons who are deaf and hard of hearing.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Massachusetts Commission for the Deaf and Hard of Hearing	5,390	533	5,923	113

www.state.ma.us/mcdhh

Direct Appropriations **5,390,287**

MASSACHUSETTS COMMISSION FOR THE DEAF AND HARD OF HEARING

4125-0100 For the operation of the Massachusetts commission for the deaf and hard of hearing 5,390,287

Intragovernmental Service Spending ***250,000***

CHARGEBACK FOR INTERPRETER SERVICES

4125-0122 For the costs of interpreter services provided by staff of the Massachusetts commission for the deaf and hard of hearing 250,000

Intragovernmental Service Fund.....100%

Trust and Other Spending **283,000**

4125-0104 INTERPRETER SERVICES REVOLVING FUND 283,000

Soldiers' Home in Massachusetts

The mission of the Soldiers' Home in Chelsea is to provide, with honor and dignity, comprehensive health care, housing and human services for all eligible veterans. The Soldiers' Home vision is to be recognized as the health care provider of choice for all veterans residing in the Commonwealth of Massachusetts. Clients consist of honorably discharged veterans who meet the eligibility requirements established by the Massachusetts General Court. The Soldiers' Home is committed to utilizing all available resources to assist veterans in attaining the highest possible level of health and well-being. The Soldiers' Home services include skilled nursing, long-term care and domiciliary and independent living accommodations.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Soldiers' Home in Massachusetts	27,367	0	27,367	13,388

www.mass.gov/che

Direct Appropriations **27,367,458**

SOLDIERS' HOME IN MASSACHUSETTS ADMINISTRATION AND OPERATIONS

4180-0100 For the maintenance and operation of the soldiers' home in Massachusetts, located in the city of Chelsea, for qualified veterans as defined by section 7 of chapter 4 of the General Laws, with services provided to include skilled nursing, long term care, Alzheimer's unit, supervised/assisted living with clinical support and domiciliary beds; provided, that all pharmacy services shall be purchased through the state office of pharmacy services 26,931,978

Retained Revenues

LICENSE PLATE SALES RETAINED REVENUE

4180-1100 The soldiers' home in Massachusetts, located in the city of Chelsea, may expend for facility maintenance and patient care an amount not to exceed $435,480; provided, that 60 per cent of all revenues generated under section 2 of chapter 90 of the General Laws through the purchase of license plates with the designation VETERAN by eligible veterans of the commonwealth, after compensating the registry of motor vehicles for the costs associated with the license plates, shall be deposited into and for the purposes of this account; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system, prior appropriation continued 435,480

Soldiers' Home in Holyoke

The mission of the Soldiers' Home in Holyoke is to provide with honor and dignity the highest quality personal health care services to Massachusetts' veterans. The Soldiers' Home vision is to be recognized as the health care provider of choice for all veterans residing in the Commonwealth of Massachusetts. The goal of the Soldiers' Home in Holyoke's strategic plan is to improve overall organizational performance by using past proven successful modalities, as well as maximizing customer value.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Soldiers' Home in Holyoke	20,883	0	20,883	15,251

www.mass.gov/hly

Direct Appropriations **20,882,812**

SOLDIERS' HOME IN HOLYOKE ADMINISTRATION AND OPERATIONS

4190-0100 For the maintenance and operation of the soldiers' home in Holyoke, qualified veterans as defined by section 7 of chapter 4 of the General Laws, with services provided to include long term care, Alzheimer's unit and domiciliary beds; provided, that all pharmacy services shall be purchased through the state office of pharmacy services 19,770,962

Retained Revenues

HOLYOKE ANTENNA RETAINED REVENUE

4190-0101 For the soldiers' home in Holyoke which may expend for its operation an amount not to exceed $5,000 from the licensing of the property for placement of aerial antennas 5,000

PHARMACY CO-PAYMENT FEE RETAINED REVENUE

4190-0102 The soldiers' home in Holyoke may expend for the outpatient pharmacy program an amount not to exceed $110,000 from co-payments which it may charge to users of the program; provided, that the rates of the co-payments and the procedures for their administration shall be determined annually by the soldiers' home superintendent; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the soldiers' home may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this 110,000

authorization or the most recent revenue estimate, as reported in the state accounting system

HOLYOKE TELEPHONE AND TELEVISION RETAINED REVENUE

4190-0200 The soldiers' home in Holyoke may expend for the provision of television and telephone services to residents an amount not to exceed $35,000 from fees collected from veterans in its care 35,000

HOLYOKE 12 BED RETAINED REVENUE

4190-0300 For the soldiers' home in Holyoke which may expend not more than $671,530 for the operation of 12 long term care beds from revenue generated through the occupancy of these beds; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the soldiers' home may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 671,530

LICENSE PLATE SALES RETAINED REVENUE

4190-1100 The soldiers' home in Holyoke may expend for facility maintenance and patient care an amount not to exceed $290,320; provided, that 40 per cent of all revenues generated under section 2 of chapter 90 of the General Laws through the purchase of license plates with the designation VETERAN by eligible veterans of the commonwealth, after compensating the registry of motor vehicles for the costs associated with the license plates, shall be deposited into and for the purposes of this account; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system, prior appropriation continued 290,320

Department of Developmental Services

The Department of Developmental Services is dedicated to creating, in partnership with others, innovative and genuine opportunities for individuals with intellectual disabilities to fully and meaningfully participate in, and contribute to, their communities as valued members.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Developmental Services	1,358,808	9,796	1,368,604	515,868

www.mass.gov/dds

Direct Appropriations **1,358,808,302**

DDS SERVICE COORDINATION AND ADMINISTRATION

5911-1003 For the service coordination and administration of the department of developmental services 63,187,472

COMMUNITY RESIDENTIAL SERVICES FOR THE DEVELOPMENTALLY DISABLED

5920-2000 For vendor-operated, community-based, residential adult services, including intensive individual supports; provided, that the commissioner of the department of developmental services shall transfer funds from this item to item 5920-2010, as 788,539,636

necessary, pursuant to an allocation plan, which shall detail, by object class, the distribution of the funds to be transferred and which the commissioner shall file with the house and senate committees on ways and means 15 days before the transfer; provided further, that not more than $5,000,000 shall be transferred from this item in fiscal year 2013; and provided further, that these funds shall be used for court monitor costs in compliance with the terms of the Rolland settlement agreement, dated June 16, 2008, Civil Action No. 98-30208-KPN, filed in the United States District Court of Massachusetts in order to provide active services for class members

STATE OPERATED RESIDENTIAL SERVICES

5920-2010 For state-operated, community-based, residential services for adults, including community-based health services 178,324,106

COMMUNITY DAY AND WORK PROGRAMS

5920-2025 For community-based day and work programs and associated transportation costs for adults; provided, that the department shall provide transportation on the basis of priority of need as determined by the department 145,509,365

RESPITE FAMILY SUPPORTS FOR THE DEVELOPMENTALLY DISABLED

5920-3000 For respite services and intensive family supports 41,004,298

AUTISM DIVISION

5920-3010 For support services for families with autistic children through the autism division 4,635,921

TURNING 22 PROGRAM AND SERVICES

5920-5000 For services to clients of the department who turn 22 years of age during state fiscal year 2013 5,000,000

STATE FACILITIES FOR THE DEVELOPMENTALLY DISABLED

5930-1000 For the operation of facilities for individuals with intellectual disabilities; provided, that the department may allocate funds from this item to items 5920-2000, 5920-2010, and 5920-2025, as necessary, under allocation plans submitted to the house and senate committees on ways and means 30 days before any transfer, for residential and day services for clients formerly receiving inpatient care at ICF/MRs 132,457,504

Retained Revenues

TEMPLETON FARM PRODUCT SALES RETAINED REVENUE

5982-1000 The department of developmental services may expend for program costs of the Templeton developmental center, including supplies, equipment and facility maintenance, an amount not to exceed $150,000 received from the sale of milk and other farm-related products at the center; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 150,000

Intragovernmental Service Spending ***6,500,000***

CHARGEBACK FOR SPECIAL EDUCATION ALTERNATIVES

5948-0012 For the operation of a program providing alternatives to residential placements for children with intellectual disabilities, including the costs of intensive home-based supports provided for the purposes of item 7061-0012 6,500,000

Intragovernmental Service Fund.....100%

Federal Grant Spending		**77,199**
LIFESPAN RESPITE CARE PROGRAM		
5947-0012	For the purposes of a federally funded grant entitled, Lifespan Respite Care Program	77,199
Trust and Other Spending		**3,218,920**
5911-0001	TEMPLETON PARENTS GUARDIANS FRIENDS EXPENDABLE TRUST	9,704
5911-2001	DEPARTMENT OF DEVELOPMENTAL SERVICES' COMMISSIONERS' TRUST	3,173,858
5911-3022	DMR/UMASS SHRIVER CAMPUS FUEL COSTS TRUST	21,358
5920-0002	BELCHERTOWN CAROUSEL TRUST	14,000

DEPARTMENT OF VETERANS' SERVICES

The mission of the Department of Veterans' Services (DVS) is to be the leading advocate for more than a half-million veterans of the Commonwealth and their families and survivors. DVS establishes policy, proposes legislation, ensures adequate funding for veterans programs and represents the interests of veterans in matters coming before the General Court. In addition, DVS represents all state agencies and individual veterans before the federal Department of Veterans Affairs in securing federal compensation and other benefits.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Veterans' Services	78,547	1,101	79,647	580

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Department of Veterans' Services	47	45	43	44	48
TOTAL	47	45	43	44	48

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/veterans

Direct Appropriations **78,546,735**

VETERANS' SERVICES ADMINISTRATION AND OPERATIONS

1410-0010 For the operation of the department of veterans' services 2,526,370

VETERANS' OUTREACH CENTERS INCLUDING HOMELESS SHELTERS

1410-0012 For services to veterans, including the maintenance and operation of outreach centers, homeless shelters and transitional housing; provided, that the centers shall provide counseling to incarcerated veterans and to Vietnam era veterans and their families who may have been exposed to agent orange; and provided further, that these centers shall also provide services to veterans who were discharged after September 11, 2001, and their families 6,482,478

WOMEN VETERANS' OUTREACH

1410-0015 For the women veterans' outreach program 50,000

TRAIN VETS TO TREAT VETS

1410-0075 For the purpose of the Train Vets to Treat Vets program; provided, that the department shall work in conjunction with the Massachusetts School of Professional Psychology to administer a behavioral health career development program for returning veterans 125,000

VETERANS' PENSION DETERMINATION AND REVENUE RECOVERY

1410-0100 For the revenue maximization project of the executive office of elder affairs to identify individuals eligible for veterans' pensions who are currently receiving home health care services 96,500

ANNUITIES TO DISABLED VETERANS GOLD STAR PARENTS AND SPOUSES

1410-0300	For the payment of annuities to certain disabled veterans and the parents and unremarried spouses of certain deceased veterans; provided, that the payments shall be made under section 6B of chapter 115 of the General Laws	21,797,082

VETERANS' BENEFITS

1410-0400	For the payment of veterans' annuities under section 6B of chapter 115 of the General Laws and for reimbursements to cities and towns for payments to certain veterans under section 6 of chapter 115 of the General Laws; provided, that funds may be expended from this item for payment of fuel allowance benefits provided to recipients; provided further, that any person applying for veterans' benefits to pay for services available under chapter 118E of the General Laws, shall also apply for medical assistance under said chapter 118E to minimize cost to the commonwealth and its municipalities; provided further, that veterans' agents shall complete applications authorized by the executive office under said chapter 118E for any veteran, widow and dependent applying for medical assistance under said chapter 115; provided further, that the veterans' agent shall file the application for the veteran or dependent for assistance under said chapter 118E; provided further, that the executive office shall act on all chapter 118E applications and advise the applicant and the veterans' agent of the applicant's eligibility for said chapter 118E healthcare; provided further, that the veterans' agent shall advise the applicant of the right to assistance for medical benefits under said chapter 115 pending approval of the application for assistance under said chapter 118E by the executive office; provided further, that the secretary may supplement healthcare under said chapter 118E with healthcare coverage under said chapter 115 if he determines that supplemental coverage is necessary to afford the veteran or dependent sufficient relief and support; provided further, that payments to or on behalf of a veteran or dependent under said chapter 115 shall not be considered income for the purposes of determining eligibility under said chapter 118E; and provided further, that benefits awarded pursuant to section 6B of said chapter 115 shall be considered countable income	45,889,480

AGAWAM AND WINCHENDON VETERANS' CEMETERIES

1410-0630	For the administration of the veterans' cemeteries in the towns of Agawam and Winchendon	1,014,825

Retained Revenues

AGAWAM AND WINCHENDON CEMETERIES RETAINED REVENUE

1410-0018	The department of veterans' services may expend for the maintenance and operation of the Agawam and Winchendon veterans' cemeteries an amount not to exceed $565,000 from revenues collected from federal reimbursements, fees, grants, gifts or other contributions to the cemeteries	565,000

Federal Grant Spending **1,080,750**

HOMELESS VETERANS' REINTEGRATION, TRAINING AND PLACEMENT

1410-0054	For the purposes of a federally funded grant entitled, Homeless Veterans' Reintegration, Training and Placement	200,000

HOMELESS VETERANS' REINTEGRATION PROGRAM URBAN-WORCESTER

1410-0055	For the purposes of a federally funded grant entitled, Homeless Veterans' Reintegration Program Urban-Worcester	300,000

VETERANS' WORKFORCE INVESTMENT

1410-0056	For the purposes of a federally funded grant entitled, Veterans' Workforce Investment	500,000

VA HOUSING FIRST HOMELESS INITIATIVE

1410-0057	For the purposes of a federally funded grant entitled, VA Housing First Homeless	80,750

	Initiative	
Trust and Other Spending		**20,000**
1410-2526	AGENT TRAINING	20,000

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

The mission of the Massachusetts Department of Transportation (DOT) is to deliver excellent customer service to people who travel in the Commonwealth, and to provide our nation's safest and most reliable transportation system in a way that strengthens our economy and quality of life.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Transportation	0	328,527	328,527	535,690

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Department of Transportation	1,200	0	0	0	0

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.massdot.state.ma.us

Section 2E

MASSACHUSETTS TRANSPORTATION TRUST FUND

1595-6368 For an operating transfer to the Massachusetts Transportation Trust Fund, established under section 4 of chapter 6C of the General Laws; provided, that funds shall be expended to support the functions of the office of performance management in carrying out the executive order known as "Improving the Performance of State Government by Implementing a Comprehensive Strategic Planning and Performance Management Framework in the Executive Departments" 165,191,136

Commonwealth Transportation Fund.....100%

COMMONWEALTH TRANSPORTATION FUND TRANSFER TO THE MBTA

1595-6369 For an operating transfer to the Massachusetts Bay Transportation Authority pursuant to clause (1) of subsection (d) of section 2ZZZ of chapter 29 of the General Laws 160,000,000

Commonwealth Transportation Fund.....100%

COMMONWEALTH TRANSPORTATION FUND TRANSFER TO REGIONAL TRANSIT

1595-6370 For an operating transfer to the regional transit authorities organized under chapter 161B of the General Laws or predecessor statutes under clause (2) of subsection (d) of section 2ZZZ of chapter 29 of the General Laws 15,000,000

Commonwealth Transportation Fund.....100%

MERIT RATING BOARD

1595-6379 For the operation of the motor vehicle insurance merit rating board, including the rent, related parking and utility expenses of the board; provided, that the amount appropriated in this item, and the associated fringe benefits, shall be borne by insurance companies doing motor vehicle insurance business within the commonwealth, under section 57A of chapter 6C of the General Laws; and provided further, that notwithstanding any general or special law to the contrary, no safe driver 8,023,086

insurance plan shall require the payment of an unsafe driver point surcharge for the first offense for non-criminal motor vehicle traffic violations as described in chapter 90C of the General Laws

Commonwealth Transportation Fund.....100%

Federal Grant Spending **112,260,327**

PERFORMANCE REGISTRY INFORMATION SYSTEMS

6440-0088 For the purposes of a federally funded grant entitled, Performance Registry Information Systems 292,882

COMMERCIAL VEHICLE INFORMATION SYSTEMS AND NETWORKS

6440-0089 For the purposes of a federally funded grant entitled, Commercial Vehicle Information Systems and Networks 1,800,000

COMMERCIAL DRIVER LICENSES INFORMATION SYSTEM ENHANCEMENT

6440-0090 For the purposes of a federally funded grant entitled, Commercial Driver Licenses Information System Enhancement 1,481,545

COMMERCIAL DRIVER LICENSE INFORMATION SYSTEM

6440-0097 For the purposes of a federally funded grant entitled, Commercial Driver License Information System 262,468

SAFETY DATA IMPROVEMENT PROGRAM

6440-0098 For the purposes of a federally funded grant entitled, Safety Data Improvement Program 292,651

REAL ID DEMONSTRATION GRANT PROGRAM

6440-0099 For the purposes of a federally funded grant entitled, Real ID Demonstration Grant Program 2,153,764

SECTION 5311 NON-URBANIZED AREA FORMULA PROGRAM

6642-0018 For the purposes of a federally funded grant entitled, Section 5311 Non-urbanized Area Formula Program 7,602,785

SECTION 5316 JOB ACCESS AND REVERSE COMMUTE

6642-0020 For the purposes of a federally funded grant entitled, Section 5316 Job Access and Reverse Commute 4,644,307

SECTION 5303 AND 5304 METROPOLITAN TRANSPORTATION PLANNING

6642-0023 For the purposes of a federally funded grant entitled, Section 5303 and 5304 Metropolitan Transportation Planning 4,901,037

SECTION 5317 NEW FREEDOM OPERATING SEGMENT

6642-0026 For the purposes of a federally funded grant entitled, Section 5317 New Freedom Operating Segment 5,845,912

SECTION 5310 SPECIAL NEEDS FOR ELDERLY INDIVIDUALS

6642-0049 For the purposes of a federally funded grant entitled, Section 5310 Special Needs for Elderly Individuals 3,673,448

FAST TRACK NEW BEDFORD - ARRA

6643-0011 For the purposes of a federally funded grant entitled, Fast Track New Bedford - ARRA 334,528

ARRA KNOWLEDGE CORRIDOR RESTORE VERMONTER PROJECT

6643-0012 For the purposes of a federally funded grant entitled, ARRA Knowledge Corridor Restore Vermonter Project 54,600,000

BOSTON SOUTH STATION EXPANSION		
6643-0013	For the purposes of a federally funded grant entitled, Boston South Station Expansion	24,375,000
Trust and Other Spending		**216,266,781**
6044-0000	MASSACHUSETTS DEPARTMENT OF TRANSPORTATION	195,286,390
6110-0003	PROMOTIONAL SERVICES	500,000
6110-0005	ARMENIAN HERITAGE PARK EXPENDABLE TRUST	1,333,390
6110-3328	DEBT COLLECTION	500,000
6130-0221	OVERSIZED & OVERDIMENSIONAL LOAD PERMIT	45,000
6130-0300	ACCIDENT RECOVERY	100,000
6130-0352	ROUTE 3 PROJECT EXPENDABLE TRUST	1,250,000
6430-0012	ENVIRONMENTAL REGISTRATION PLATE FOR PRIVATE PASSENGER VEHICLES	40,000
6430-0017	SPECIAL PLATE RETAINED REVENUE	180,000
6430-0054	MOTOR VEHICLE SAFETY INSPECTION TRUST FUND	15,882,320
6430-0213	CMVI HEARING FEE RETAINED REVENUE	100,000
6430-3992	DRIVER LICENSING EXPENDABLE TRUST	500,000
6710-0110	RETAINED REVENUE-FOR MANAGEMENT/MAINTENANCE	41,200
6810-0003	AERONAUTICS ADMINISTRATION	508,481

EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Housing and Economic Development	3,574	2,462	6,036	0
Department of Business Development	7,510	12	7,522	0
Department of Housing and Community Development	372,898	434,902	807,800	2,632
Consumer Affairs and Business Regulation	1,329	1,500	2,829	1,064
Division of Banks	16,466	0	16,466	22,574
Division of Insurance	13,333	3,393	16,726	81,322
Division of Professional Licensure	3,017	9,922	12,938	12,904
Division of Standards	1,340	0	1,340	2,675
Department of Telecommunications and Cable	2,868	0	2,868	4,956
Massachusetts Marketing Partnership	8,985	5,597	14,583	0
TOTAL	431,320	457,788	889,109	128,126

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of the Secretary of Housing and Economic Development	15	16	36	36	31
Department of Business Development	59	48	23	24	24
Department of Housing and Community Development	87	190	177	192	192
Consumer Affairs and Business Regulation	23	26	24	24	24
Division of Banks	156	156	160	161	161
Division of Insurance	120	120	109	124	124
Division of Professional Licensure	111	97	87	89	89
Division of Standards	17	17	16	17	17
Department of Telecommunications and Cable	27	22	20	23	23
Massachusetts Marketing Partnership	0	0	21	22	22
TOTAL	616	693	673	712	706

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Office of the Secretary of Housing and Economic Development

The Executive Office of Housing and Economic Development (EOHED) coordinates policies and programs across the Massachusetts Office of Business Development, the Office of Consumer Affairs and Business Regulation and the Department of Housing and Community Development. The mission of EOHED and its agencies is to enhance the quality of life of Massachusetts residents by expanding affordable housing opportunities and stimulating job growth in all regions of the Commonwealth. EOHED strives to create a positive climate for both commercial and residential development, while at the same time promoting principles of smart growth. Additionally, EOHED seeks to protect consumers through a reasonable regulatory approach to critical business areas such as banking, insurance and telecommunications.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Housing and Economic Development	3,574	2,462	6,036	0

www.mass.gov/econ

Direct Appropriations **3,574,281**

EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

7002-0010 For the operation of the office of the secretary of housing and economic development including the operation of the Massachusetts permit regulatory office and the operation of the office of the wireless and broadband affairs director; provided, that agencies within the executive office may, with the prior approval of the secretary, streamline and improve administrative operations through interdepartmental service agreements 621,520

HOUSING AND ECONOMIC DEVELOPMENT INFORMATION TECHNOLOGY COSTS

7002-0017 For the provision of information technology services within the executive office of housing and economic development 2,952,761

Intragovernmental Service Spending ***2,461,948***

CHARGEBACK FOR HOUSING AND ECONOMIC DEVELOPMENT IT COSTS

7002-0018 For the cost of information technology services provided to agencies of the executive office of housing and economic development 2,461,948

Intragovernmental Service Fund.....100%

Department of Business Development

The mission of the Massachusetts Office of Business Development (MOBD) is to promote economic growth by assisting in-state and out-of-state businesses of all sizes in creating new jobs and expanding their presence in Massachusetts.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Business Development	7,510	12	7,522	0

www.mass.gov/dbt

Direct Appropriations		**7,509,616**
REGIONAL ECONOMIC DEVELOPMENT GRANTS		
7007-0150	For the Massachusetts office of business development for contracts with regional economic development organizations under the program established by section 3J and 3K of chapter 23A of the General Laws	850,000
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT		
7007-0300	For the operation of the Massachusetts office of business development, which shall include the operation and support of capital grants programs, including but not limited to the MassWorks Capital Infrastructure Program, the operation of the Massachusetts office of small business and entrepreneurship and for marketing and promoting the commonwealth in order to attract and retain targeted businesses and industries	1,755,330
FOR MASSACHUSETTS BIOTECHNOLOGY RESEARCH		
7007-0500	For the operation and maintenance of the Massachusetts Biotechnology Research Institute for the purpose of promoting the commercialization of new, academic-based research and development and raising the scientific awareness of the communities of the commonwealth	200,000
SMALL BUSINESS DEVELOPMENT CENTER AT UMASS		
7007-0800	For a state matching grant for a small business development center; provided, that no funds may be expended from this item until the United States Small Business Administration has made a payment or has executed a contract to pay the University of Massachusetts at Amherst for the operation of the center; provided further, that the funds expended from this item shall not exceed 25 per cent of the gross operating cost of the center; provided further, that not more than $300,000 from this item shall be expended for federal procurement technical assistance services within the center, subject to the receipt of matching funds from federal or private sources including the Department of Defense; and provided further, that the services shall include, but not be limited to, assisting businesses in securing federal contracts, obtaining contract financing, generating responses to requests for proposals, interpreting bid documents, providing educational workshops and seminars and the electronic identification and tracking of federal bid opportunities	1,204,286
COMMONWEALTH ZOOLOGICAL CORPORATION		
7007-0952	For the operation of the Commonwealth Zoological Corporation under chapter 92B of the General Laws; provided, that the funds appropriated in this item shall be used to promote private fundraising, achieve self-sufficiency and serve as a catalyst for urban economic development and job opportunities for local residents; and provided further, that not less than $750,000 shall be expended on a matching program to encourage private and corporate donations to support the Franklin Park Zoo and Stone Zoo	3,500,000
Trust and Other Spending		**12,000**
9000-1809	INDUSTRY SPECIALIST PROGRAM	12,000

Department of Housing and Community Development

The Department of Housing and Community Development (DHCD) is the agency responsible for providing leadership, professional assistance and financial resources to promote safe, decent and affordable housing opportunities, economic vitality of communities and sound municipal management. These goals and objectives are reached in partnership with regional and local governments, public agencies, community-based organizations and the business community. DHCD is committed to programs and funding that primarily target populations of low-to-moderate incomes and those with special needs; coordinating, integrating and balancing agency responses to address the comprehensive needs and interests of communities; programs and technical assistance designed to facilitate informed decision-making at the local level and to encourage self-sufficiency of residents

and communities; and sound business practices that ensure the highest standards of public accountability and responsibility.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Housing and Community Development	372,898	434,902	807,800	2,632

www.mass.gov/dhcd

Direct Appropriations **372,897,858**

INDIAN AFFAIRS COMMISSION

7004-0001 For the operation of the commission on indian affairs 106,715

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ADMINISTRATION

7004-0099 For the operation of the department of housing and community development; provided, that notwithstanding any general or special law, rule or regulation to the contrary, the department may conduct annual verifications of household income levels based upon state tax returns for the purposes of administering the state and federal housing subsidy programs funded in items 7004-9005, 7004-9009, 7004-9014, 7004-9019, 7004-9020, 7004-9024, 7004-9030, 7004-9033 and 7004-9316; provided further, that for the purposes of conducting this income verification, the director of the department may enter into an interdepartmental service agreement with the commissioner of revenue to utilize the department of revenue's wage reporting and bank match system for the purpose of verifying the income and eligibility of participants in federally assisted housing programs and that of members of the participants' households; provided further, that as a condition of eligibility or continued occupancy by an applicant or a tenant, the department may require disclosure of the social security number of an applicant or tenant and members of the applicant's or tenant's household for use in verification of income eligibility; provided further, that the department may deny or terminate participation in subsidy programs for failure by an applicant or a tenant to provide a social security number for use in verification of income eligibility; provided further, that the department may also consult with the department of revenue, the department of transitional assistance or any other state or federal agency which it considers necessary to conduct this income verification; provided further, that notwithstanding any general or special law to the contrary, these state agencies shall consult and cooperate with the department and furnish any information in the possession of the agencies including, but not limited to, tax returns and applications for public assistance or financial aid; provided further, that for the purposes of clarification only, notwithstanding section 12 of chapter 490 of the acts of 1980, the department may authorize neighborhood housing services corporations to retain, re-assign and re-loan funds received in repayment of loans made under the neighborhood housing services rehabilitation program; provided further, that notwithstanding any general or special law to the contrary, the department may make expenditures for the purposes of the department against federal grants for certain direct and indirect costs under a cost overhead allocation plan approved by the comptroller; provided further, that the comptroller shall maintain an account on the Massachusetts management accounting and reporting system for the purpose of making these expenditures; provided further, that expenditures made against the account shall not be subject to appropriation and may include the cost of personnel 7,064,734

OPERATION OF HOMELESS PROGRAMS

7004-0100 For the operations of the homeless shelter and services unit, including the compensation of caseworkers and support personnel 6,018,310

EMERGENCY ASSISTANCE - FAMILY SHELTERS AND SERVICES

7004-0101 For certain expenses of contracted family shelters under the emergency assistance program pursuant to section 30 of chapter 23B of the General Laws; provided, that eligibility shall be limited to families with income at or below 115 per cent of the 2011 or later-issued higher federal poverty level for a period of no longer than 8 months from the date the family first enters a shelter, subject to a good cause exception for a disability; provided further, that any family whose income exceeds 115 per cent of the federal poverty level while the family is receiving assistance funded by this item shall not become ineligible for assistance due to exceeding the income limit during such 8 month period; provided further, that those families that shall be eligible for assistance through a temporary emergency family shelter shall include (1) families that there are at risk of domestic abuse in their current housing situation; (2) families that, through no fault of their own, are homeless due to fire or natural disaster; (3) families that have been subject to eviction from their most recent housing, through no fault of the family, due to foreclosure or condemnation or nonpayment of rent caused by documented loss of income within the past 12 months directly as a result of loss of a job or documented medical condition; and (4) families who are in a housing situation where they are not the primary lease holder and there is substantial health and safety risk that would likely result in a significant detriment should the family remain in the housing situation; provided further, that the department shall contract with the department of children and families to conduct health and safety risk assessments; provided further, that a family, who receives emergency housing assistance due to domestic abuse, shall be connected to the appropriate social service agency; provided further, that temporary assistance under this item shall be terminated upon the offer of available housing or housing assistance necessary to maintain housing under 7004-0108; provided further, that a family may not decline an offer for available housing or housing assistance necessary to maintain housing provided that the offer adequately accommodates the size and disabilities of the family and the new housing placement shall not result in a job loss for the client; provided further, that any family that declines an adequate offer of available housing or housing assistance necessary to maintain housing shall become ineligible for assistance from this item; provided further, that the department shall establish reasonable requirements for such families to escrow a portion of their income; provided further, that the escrowed funds shall be exempt from otherwise applicable asset limits; provided further, that the family may withdraw the amount placed in escrow upon transition to permanent housing or losing eligibility for shelter services; provided further, that benefits under this item shall be provided only to residents of the Commonwealth of Massachusetts who are citizens of the United States or aliens lawfully admitted for permanent residence or otherwise permanently residing under color of the law in the United States; provided further, that the department shall take all steps necessary to enforce regulations to prevent abuse of the emergency assistance program, including a wage match agreement with the department of revenue; provided further, that no emergency assistance expenditures shall be paid from this item unless explicitly authorized; provided further, that an eligible household that is approved for shelter placement shall be placed in a shelter as close as possible to the household's home community unless a household requests otherwise; provided further, that if the closest available placement is not within 20 miles of the household's home community, the household shall be transferred to an appropriate shelter within 20 miles of its home community at the earliest possible date unless the household requests otherwise; provided further, that the department shall make every effort to ensure that children receiving services from this item shall continue attending school in the community in which they lived prior to receiving services funded from this line item; provided further, that should a family with a child under the age of 3 be placed in a hotel or motel, the department of housing and community development shall ensure that the hotel or motel provides a crib for each child under the age of 3 that meets all the state and federal safety codes; provided further, that notwithstanding any other general or special law to the contrary, the department shall immediately provide shelter for up to 30 days to families who appear to be eligible for such shelter based on statements provided by the family and any other information in the possession of the department, 100,368,742

but who need additional time to obtain any third-party verifications reasonably required by the department; provided further, that shelter benefits received under the preceding proviso shall not render a family ineligible under any regulation providing that family who previously received shelter is ineligible for shelter benefits for a period of 12 months; provided further, that families receiving such shelter benefits who are found not to be eligible for continuing shelter benefits shall be eligible for aid pending a timely appeal pursuant to chapter 23B of the General Laws; provided further, that the department shall not impose unreasonable requirements for third-party verification and shall accept verifications from a family whenever reasonable; provided further, that the department shall use its best efforts to ensure that a family placed by the emergency assistance program shall be provided with access to refrigeration and basic cooking facilities; provided further, that upon the approval of the secretary of administration and finance, any amounts appropriated in this item may be transferred to item 7004-0108 or to item 7004-9316; provided further, that any transfer of funds shall not leave this item in a projected deficit; provided further, that no funds shall be expended for costs associated with the use and maintenance of the homeless management information system in connection with federally funded activities; and provided further, the department of housing and community development shall notify local school departments of the placement of a family in its district within 5 days of placement

HOMELESS INDIVIDUALS ASSISTANCE

7004-0102 For the homelessness program to assist individuals who are homeless or in danger of becoming homeless, including assistance to organizations that received funding in 2011 and that provide shelter, transitional housing and services that help individuals avoid entry into shelter or successfully exit shelter; provided, that no organization providing services to the homeless shall receive less than an average per bed/per night rate of $20; provided further, that the department may allocate funds to other agencies for the purposes of this program; provided further, that no funds shall be expended for costs associated with the homeless management information system; provided further, that programs that currently provide shelter may renegotiate how they will use their shelter fund, with the agreement of the department and the host cities or towns, to provide alternative services that have proven to be effective including housing first and rapid rehousing models; and provided further, that not less than $938,900 shall be provided for facilitating the conversion to or creation of housing first models and rapid rehousing models 38,902,231

HOME AND HEALTHY FOR GOOD PROGRAM

7004-0104 For the home and healthy for good program operated by the Massachusetts Housing and Shelter Alliance for the purpose of reducing the incidence of chronic homelessness in the commonwealth; provided, that the Massachusetts Housing and Shelter Alliance shall be solely responsible for the administration of this program 2,200,000

MASSACHUSETTS SHORT TERM HOUSING TRANSITION PROGRAM

7004-0108 For a program of short-term housing assistance to assist in addressing obstacles to maintaining or securing housing for: (1) families eligible for temporary emergency shelter under section 30 of chapter 23B of the General Laws and; and (2) families that received rental assistance under this item prior to July 1, 2012; provided, that except for families that receive rental assistance under the Massachusetts short term housing transition program, assistance provided under this item shall not exceed $4,000 in a 12 month period; provided further, that a family shall not be able to receive assistance hereunder for 12 months from the last date it received assistance, including housing stabilization and economic self-sufficiency case management services, through this program; provided further, that families that received rental assistance under the Massachusetts short term housing transition program prior to July 1, 2012 shall remain eligible for assistance greater than $4,000 under this item for use as rental assistance provided that: (1) the monthly rent for the housing does not exceed 80 per cent of the fair market rent for such housing, as determined in accordance with the U.S. Department of Housing and Urban Development; (2) that 83,374,371

the department shall allow for a higher monthly rent in the event that a household already housed, that is transitioning to this program from another time-limited assistance program, would be displaced due to the restriction on fair market rent; (3) the department may exceed 80 per cent of the fair market rent if the department determines that such placement is cost-effective and meets the short-term housing needs of eligible families in a timely manner; (4) eligible families shall pay no more than 35 per cent of household income towards rent and utilities; (5) a family's eligibility for assistance provided hereunder shall not exceed a period of 24 successive months from the date the family first received rental assistance under the Massachusetts short term housing assistance program, not including time spent in temporary accommodations; and (6) a family that is terminated from the program because it has received 24 successive months of rental assistance shall not be able to receive assistance hereunder or under items 7004-0101 or 7004-9316 for 12 months from the last date it received assistance through this program; provided further, that the assistance provided under this item shall include 12 months of housing stabilization and economic self-sufficiency case management services for each family receiving benefits hereunder; provided further, that the continued eligibility of the family shall be determined on an annual basis; provided further, that a family shall not be deemed ineligible as a result of any single violation of a self-sufficiency plan; provided further, that so long as they meet the requirements of their housing stabilization plan, a family that (1) did not receive rental assistance pursuant to this item prior to July 1, 2012 who exceeds the income eligibility criteria pursuant to section 30 of chapter 23B of the General Laws shall not become ineligible for assistance due to exceeding the income limit for a period of 6 months from the date that the 115 per cent level was exceeded, or (2) received rental assistance pursuant to this item prior to July 1, 2012 whose income exceeds 50 per cent of area median income, shall not become ineligible for assistance due to exceeding the income limit for a period of 6 months from the date that the 50 per cent level was exceeded; provided further, that a family that was terminated from the program or did not make a good faith effort to follow their housing stabilization plan during the term of their assistance shall be ineligible for benefits pursuant to said section 30 of said chapter 23B and short-term housing transition benefits for a period of 24 months from the last date upon which they received assistance, including housing stabilization and economic self-sufficiency case management services, hereunder; provided further, that no family with a head of household who is over 60 years of age or who is disabled and who is in compliance with the requirements of a housing stabilization plan that accommodates disabilities shall be denied short-term housing assistance; provided further, that any such family with a head of household who is over 60 years of age or who is disabled shall not have engaged in, or be engaged in, any activity that threatens the health, safety or security of the family, other program participants or program staff; provided further, that families receiving benefits under this program who are found not to be eligible for continuing benefits shall be eligible for aid pending a timely appeal pursuant to said chapter 23B; provided further, that families who are denied assistance under this item may appeal pursuant to said chapter 23B, including subsection (F) of section 30, and regulations adopted to implement said chapter 23B; provided further, that benefits under this item shall be provided only to residents of the commonwealth who are citizens of the United States or aliens lawfully admitted for permanent residence or otherwise permanently residing under color of law in the United States; provided further, that the department shall take all steps necessary to enforce regulations to prevent abuse in the short-term housing transition program including a wage match agreement with the department of revenue; provided further, that the department, as a condition of continued eligibility for assistance pursuant to this program, may require disclosure of social security numbers by all members of a family in the Massachusetts short-term housing transition program for use in verification of income with other agencies, departments and executive offices; provided further, that any family in which a member of the family shall fail to provide a social security number for use in verifying the family's income and eligibility shall no longer be eligible to receive benefits from the short-term housing transition program; provided further, that the department shall

administer the short-term housing transition program through the following agencies until administering agencies are otherwise procured by the department: Berkshire Housing Development Corp., Central Massachusetts Housing Alliance, Community Teamwork, Inc., Housing Assistance Corp., Franklin County Housing and Redevelopment Authority, Hap, Inc., Metropolitan Boston Housing Partnership, the Lynn Housing Authority and Neighborhood Development, South Middlesex Opportunity Council, Inc., South Shore Housing Development Corporation and RCAP Solutions, Inc.; provided further, that the department of housing and community development shall reallocate financing based on performance based statistics from under-performing service providers to above average service providers in order to move as many families from hotel, motels, or shelters into more sustainable housing; provided further, that the housing stabilization and economic self-sufficiency case management services funded by this program shall focus efforts on housing retention and economic self-sufficiency by linking households to supports including job training, education, job search, and childcare opportunities available and the department and the administrating entities may enter into agreements with other public and private agencies for the provision of such services, and that a stabilization worker shall be assigned to each household; provided further, that all of this item shall be subject to appropriation and, in the event of a deficiency, nothing in this item shall give rise to or shall be construed as giving rise to any enforceable right or entitlement to services in excess of the amounts appropriated in this item; provided further, that upon the approval of the secretary of administration and finance, any amounts appropriated in this item may be transferred to item 7004-0101 or to item 7004-9316; and provided further, that any transfer of funds shall not leave this item with a projected deficiency

INTERAGENCY COUNCIL ON HOUSING AND HOMELESSNESS

7004-0109	For the Interagency Council on Housing and Homelessness	1,000,000

HOUSING SERVICES AND COUNSELING

7004-3036	For housing services and counseling; provided, that funds shall be expended as grants to 9 regional housing consumer education centers operated by the regional nonprofit housing authorities; provided further, that the grants shall be awarded through a competitive application process under criteria created by the department; and provided further, that no funds shall be expended from this item in the AA object class for the compensation of state employees	1,495,996

TENANCY PRESERVATION PROGRAM

7004-3045	For a tenancy preservation program for neutral party consultation services in eviction cases before the housing court department of the Massachusetts trial court for individuals with disabilities and for families that contain individuals with disabilities if the disability is directly related to the reason for eviction	700,000

SERVICE COORDINATORS PROGRAM

7004-4314	For the expenses of a service coordinators program established by the department to assist tenants residing in housing developed under sections 39 and 40 of chapter 121B of the General Laws	350,401

SUBSIDIES TO PUBLIC HOUSING AUTHORITIES

7004-9005	For subsidies to housing authorities and nonprofit organizations including funds for deficiencies caused by certain reduced rentals in housing for the elderly, disabled, veterans and relocated persons under sections 32 and 40 of chapter 121B of the General Laws; provided, that the department may expend funds appropriated in this item for deficiencies caused by certain reduced rentals which may be anticipated in the operation of housing authorities for the first quarter of the subsequent fiscal year; provided further, that no monies shall be expended from this item for the purpose of reimbursing the debt service reserve included in the budgets of housing authorities; provided further, that the amount appropriated in this item shall be considered to meet any and all obligations under said sections 32 and 40 of said chapter 121B; provided further, that any new reduced rental units developed in fiscal year 2012	66,531,325

eligible for subsidies under this item shall not cause any annualization that results in an amount exceeding the amount appropriated in this item; provided further, that all funds in excess of normal utilities, operations and maintenance costs may be expended for capital repairs; and provided further, that the administration shall make every attempt to direct efforts toward rehabilitating local housing authority family units requiring $10,000 or less in repairs

MASSACHUSETTS RENTAL VOUCHER PROGRAM

7004-9024 For a program of rental assistance for low-income families and elderly persons through mobile and project-based vouchers; provided, that rental assistance shall only be paid under a program to be known as the Massachusetts rental voucher program; provided further, that the income of the households shall not exceed 50 per cent of the area median income; provided further, that the department may award mobile vouchers to eligible households currently occupying project-based units that shall expire due to the nonrenewal of project-based rental assistance contracts; provided further, that the department, as a condition of continued eligibility for vouchers and voucher payments, may require disclosure of social security numbers by participants and members of participants' households in the Massachusetts rental voucher program for use in verification of income with other agencies, departments and executive offices; provided further, that any household in which a participant or member of a participant's household shall fail to provide a social security number for use in verifying the household's income and eligibility shall no longer be eligible for a voucher or to receive benefits from the voucher program; provided further, that the vouchers shall be in varying dollar amounts and shall be set by the department based on considerations, including, but not limited to, family size, composition, income level and geographic location; provided further, that notwithstanding any general or special law to the contrary, the monthly dollar amount of each voucher shall be the department-approved total monthly rent of the unit less the monthly amount paid for rent by the household; provided further, that notwithstanding any general or special law to the contrary, the use of rent surveys shall not be required in determining the amounts of the mobile vouchers or the project-based units; provided further, that any household which is proven to have caused intentional damage to its rental unit in an amount exceeding 2 months of rent during any 1-year lease period shall be terminated from the program; provided further, that notwithstanding any general or special law to the contrary, a mobile voucher whose use is or has been discontinued shall be reassigned within 90 days; provided further, that the department shall pay agencies a base administrative fee for the costs of administering the program; provided further, that the base administrative fee may be increased for the Massachusetts rental voucher economic self-sufficiency program and the Massachusetts rental voucher supportive housing program; provided further, that subsidies shall not be reduced for the cost of accommodating the cost of the inspections; provided further, that notwithstanding any general or special law to the contrary, each household holding a project-based voucher shall pay at least 30 per cent but not more than 40 per cent of its income as rent, and each household holding a mobile voucher shall pay at least 30 per cent but not more than 40 per cent of its income as rent; provided further, that the department shall establish the amounts of the mobile vouchers and the project-based vouchers so that the appropriation in this item is not exceeded by payments for rental assistance and administration; provided further, that the department shall not enter into commitments which shall cause it to exceed the appropriation set forth in this item; provided further, that the households holding mobile vouchers shall have priority for occupancy of the project-based dwelling units in the event of a vacancy; provided further, that the department may impose certain obligations for each participant in the Massachusetts rental voucher program through a 12-month contract which shall be executed by the participant and the department; provided further, that such obligations may include, but shall not be limited to, job training, counseling, household budgeting and education, as defined in regulations promulgated by the department and to the extent these programs are available; provided further, that each participant shall be required to undertake and meet these contractually established obligations as a condition for continued 46,040,000

eligibility in the program; provided further, that for continued eligibility, each participant shall execute this 12-month contract on or before September 1, 2012, if the participant's annual eligibility recertification date occurs between June 30, 2012 and September 1, 2012, and otherwise on or before the annual eligibility recertification date; provided further, that any participant who is over the age of 60 years or who is disabled may be exempted from any obligations unsuitable under particular circumstances; provided further, that the department may assist housing authorities, at their written request, in the immediate implementation of a homeless prevention program utilizing alternative housing resources available to them for low-income families and the elderly by designating participants in the Massachusetts rental voucher program as at risk of displacement by public action through no fault of their own; provided further, that participating local housing authorities may take all steps necessary to enable them to transfer mobile voucher program participants from the Massachusetts rental voucher program into another housing subsidy program; provided further, that not less than $1,160,000 shall be available for a program to be known as the Massachusetts rental voucher supportive housing program to serve households with at least one child whose age upon determination of the household's eligibility for assistance under this item is less than 21 years; provided further, that assistance under the Massachusetts rental voucher supportive housing program shall be project-based and shall include case management services; and provided further, that the department of housing and community development shall strive to avoid a reduction in the value of the Massachusetts rental voucher from its value as of June 30, 2011

ALTERNATIVE HOUSING VOUCHER PROGRAM

7004-9030 For a program of rental assistance for non-elderly persons with disabilities established under chapter 179 of the acts of 1995; provided, that notwithstanding any general or special law to the contrary, rental assistance shall be in the form of mobile vouchers; provided further, that the vouchers shall be in varying amounts and set by the department based on considerations including, but not limited to, household size, composition, household income and geographic location; provided further, that any household which is proven to have caused intentional damage to its rental unit in an amount exceeding 2 months' rent during any 1-year lease period shall be terminated from the program; provided further, that the department shall pay agencies an administrative fee per voucher per month to be determined by the department for the costs of administering the program; provided further, that notwithstanding any general or special law to the contrary, there shall be no maximum percentage applicable to the amount of income paid for rent by each household holding a mobile voucher, but each household shall be required to pay not less than 25 per cent of its net income, as defined in regulations adopted by the department, for units if utilities are not provided by the unit owner or not less than 30 per cent of its income for units if utilities are provided by the unit owner; provided further, that payments for rental assistance may be provided in advance; provided further, that the department shall establish the amounts of the mobile vouchers, so that this appropriation is not exceeded by payments for rental assistance and administration; provided further, that the department shall not enter into commitments which will cause it to exceed this appropriation; provided further, that the amount of a rental assistance voucher payment for an eligible household shall not exceed the rent less the household's minimum rent obligation; provided further, that the word "rent" as used in this item shall mean payments to the landlord or owner of a dwelling unit under a lease or other agreement for a tenant's occupancy of the dwelling unit, but shall not include payments made by the tenant separately for the cost of heat, cooking fuel and electricity; and provided further, that nothing stated in this item shall give rise to or shall be construed as giving rise to enforceable legal rights in any party or an enforceable entitlement to any form of housing 3,450,000

RENTAL SUBSIDY PROGRAM FOR DEPARTMENT OF MENTAL HEALTH CLIENTS

7004-9033 For rental subsidies to eligible clients of the department of mental health; provided, that the department shall establish the subsidy amounts so that payment of the 4,000,000

subsidies and any other commitments from this item do not exceed the amount appropriated in this item

RESIDENTIAL ASSISTANCE FOR FAMILIES IN TRANSITION

7004-9316 For a program to provide assistance in addressing obstacles to maintaining or securing housing for families with: (1) a household income not greater than 30 per cent of area median income that are homeless and moving into subsidized or private housing or are at risk of becoming homeless, or (2) a household income greater than 30 per cent but not more than 50 per cent of area median income that are homeless and moving into subsidized or private housing, or are at risk of becoming homeless due to a significant reduction of income or increase in expenses; provided, that assistance shall be administered by the department through contracts with the regional non-profit housing agencies; provided further, that not less than 65 per cent of the funds shall be available to serve households with an income not greater than 15 per cent of area median income; provided further, that not less than 25 per cent of the funds shall be available to serve households with an income greater than 15 per cent but not more than 30 per cent of area median income; provided further, that not more than 10 per cent of the funds shall be available to serve households with an income greater than 30 per cent of income; provided further, that a family shall not be eligible for assistance hereunder for 12 months from the last date it received assistance under item 7004-0108, including housing stabilization and economic self-sufficiency case management services; provided further, that the amount of financial assistance shall not exceed $4,000 in any 12 month period; provided further, that prior to authorizing a residential assistance payment for a family, the administering agency shall make a finding that the family has secured new income or a change in circumstances and that the payment will enable the family to retain its current housing, obtain new housing or otherwise avoid homelessness; provided further, that prior to authorizing a residential assistance payment for a family with a household income greater than 30 per cent but not more than 50 per cent of area median income, the administering agency shall make a finding that the family that experienced a significant reduction of income or increase in expenses; provided further, that in making these findings the agency shall, unless the facts of the case warrant otherwise, apply a presumption that the payment will enable a family to retain its housing, obtain new housing or otherwise avoid homelessness if the family is paying less than or equal to 50 per cent of its income for that housing; provided further, that a family that is paying more than 50 per cent of its income for its housing shall be provided a fair opportunity to establish that a residential assistance payment will enable it to retain its housing, obtain new housing, or otherwise avoid homelessness; provided further, that residential assistance payments may be made through direct vendor payments according to standards to be established by the department; provided further, that the agencies shall establish a system for referring families approved for residential assistance payments, if the agencies determine that the family would benefit from these services, to existing community-based programs that provide additional housing stabilization supports, including assistance in obtaining housing subsidies and locating alternative housing that is safe and affordable for those families; and provided further, that the program shall be administered under guidelines established by the department 8,760,000

Retained Revenues

LOW-INCOME HOUSING TAX CREDIT FEE RETAINED REVENUE

7004-9315 The department of housing and community development may expend for the administration and monitoring of the low-income housing tax credit and local administration programs an amount not to exceed $2,535,033 from fees collected under those programs; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the 2,535,033

state accounting system

Federal Grant Spending		**422,307,807**
MCKINNEY EMERGENCY SHELTER GRANTS PROGRAM		
4400-0705	For the purposes of a federally funded grant entitled, McKinney Emergency Shelter Grants Program	4,100,000
CONTINUUM OF CARE		
4400-0707	For the purposes of a federally funded grant entitled, Continuum of Care	6,000,000
MCKINNEY SHELTER PLUS CARE - CONTINUUM OF CARE		
4400-9404	For the purposes of a federally funded grant entitled, McKinney Shelter Plus Care - Continuum of Care	3,400,000
WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS		
7004-2030	For the purposes of a federally funded grant entitled, Weatherization Assistance for Low-Income Persons	3,500,000
LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM		
7004-2033	For the purposes of a federally funded grant entitled, Low-Income Home Energy Assistance Program	75,000,000
COMMUNITY SERVICE BLOCK GRANT		
7004-2034	For the purposes of a federally funded grant entitled, Community Service Block Grant	12,875,566
SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT		
7004-3037	For the purposes of a federally funded grant entitled, Small Cities Community Development Block Grant	27,000,000
NEIGHBORHOOD STABILIZATION GRANT		
7004-3038	For the purposes of a federally funded grant entitled, Neighborhood Stabilization Grant	10,000,000
ARRA - COMMUNITY DEVELOPMENT BLOCK GRANTS		
7004-3041	For the purposes of a federally funded grant entitled, ARRA - Community Development Block Grants	500,000
ARRA - HOMELESSNESS PREVENTION AND RAPID REHOUSING PROGRAM		
7004-3051	For the purposes of a federally funded grant entitled, ARRA - Homelessness Prevention and Rapid ReHousing Program	17,000
SECTION 8 SUBSTANTIAL REHABILITATION PROGRAM		
7004-9009	For the purposes of a federally funded grant entitled, Section 8 Substantial Rehabilitation Program	9,622,242
FEDERAL HOUSING VOUCHER PROGRAM		
7004-9014	For the purposes of a federally funded grant entitled, Federal Housing Voucher Program	236,900,000
SECTION 8 MODERATE REHABILITATION PROGRAM		
7004-9019	For the purposes of a federally funded grant entitled, Section 8 Moderate Rehabilitation Program	10,100,000
SECTION 8 NEW CONSTRUCTION PROGRAM		
7004-9020	For the purposes of a federally funded grant entitled, Section 8 New Construction Program	6,690,959

HOME INVESTMENT PARTNERSHIPS

7004-9028	For the purposes of a federally funded grant entitled, Home Investment Partnerships	16,500,000

HOME TECHNICAL ASSISTANCE

7004-9039	For the purposes of a federally funded grant entitled, Home Technical Assistance	40,040

SHELTER PLUS CARE

7004-9051	For the purposes of a federally funded grant entitled, Shelter Plus Care	62,000

Trust and Other Spending		**12,594,675**
3724-3041	ECONOMIC DEVELOPMENT SET-ASIDE REVOLVING LOAN AND GRANT FUND	1,000,000
3770-6640	FEDERAL GRANT ADMINISTRATIVE FUNDS OVERHEAD ACCOUNT	565,421
3770-6700	OLD COLONY PLANNING COUNCIL FUND	103,636
7004-2361	SECTION 8 SUBSTANTIAL REHABILITATION ADMINISTRATIVE FEE	230,720
7004-2363	SECTION 8 ADMINISTRATIVE FEE HOUSING VOUCHER	2,990,000
7004-2364	SECTION 8 ADMINISTRATIVE FEE MODERATE REHABILITATION	192,000
7004-2365	SECTION 8 ADMINISTRATIVE FEE NEW CONSTRUCTION	405,000
7004-2369	TAX CREDIT ASSISTANCE PROGRAM & TAX CREDIT EXCHANGE ASSET MANAGEMENT FEE TRUST	280,368
7004-4500	SMART GROWTH HOUSING TRUST	1,500,440
7004-9300	AFFORDABLE HOUSING TRUST FUND	5,327,090

Consumer Affairs and Business Regulation

The mission of the Massachusetts Office of Consumer Affairs and Business Regulation (OCABR) is to protect Massachusetts consumers through advocacy, education and ensuring fair and honest business practices among the companies and licensees within our regulatory jurisdiction.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Consumer Affairs and Business Regulation	1,329	1,500	2,829	1,064

www.mass.gov/oca

Direct Appropriations		**1,328,806**

OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

7006-0000	For the operation of the office of consumer affairs and business regulation, including the expenses of an administrative services unit	828,806

Retained Revenues

HOME IMPROVEMENT CONTRACTORS RETAINED REVENUE

7006-0043	The office of consumer affairs may expend for the administration and enforcement of	500,000

the home improvement contractor program an amount not to exceed $500,000 from the revenue collected from fees for the registration and renewal of home improvement contractor registrations under section 11 of chapter 142A of the General Laws; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

Trust and Other Spending		**1,500,000**
9200-0140	GIFTS AND DONATIONS	150,000
9200-0300	RESIDENTIAL CONTRACTORS GUARANTY FUND	350,000
9200-0711	RACING STABILIZATION TRUST FUND	1,000,000

Division of Banks

The mission of the Division of Banks is to advance the public interest with the highest level of integrity and innovation by ensuring a sound, competitive and accessible banking and financial services environment.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Division of Banks	16,466	0	16,466	22,574

www.mass.gov/dob

Direct Appropriations **16,466,269**

DIVISION OF BANKS

7006-0010 For the operation of the division of banks; provided, that notwithstanding any general or special law to the contrary, the division shall assess 100 per cent of the amount appropriated in this item, and the associated fringe benefits costs for personnel paid from this item, upon financial institutions which the division currently regulates under section 2 of chapter 167 of the General Laws 13,816,269

Retained Revenues

LOAN ORIGINATOR ADMINISTRATION AND CONSUMER COUNSELING PROGRAM

7006-0011 The division of banks may expend for the costs associated with the licensure of loan originators under chapter 255F of the General Laws an amount not to exceed $2,650,000 from the revenue received from administrative fees associated with licensure fees and from civil administrative penalties under chapter 255F; provided, that funds in this item may be expended as competitive grants for the operation of a pilot program for best lending practices, first-time homeowner counseling for non-traditional loans and 10 or more foreclosure education centers under section 16 of chapter 206 of the acts of 2007; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 2,650,000

Division of Insurance

The mission of the Division of Insurance is to monitor the solvency of its licensees in order to promote a healthy, responsive and willing marketplace for consumers who purchase insurance products.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Division of Insurance	13,333	3,393	16,726	81,322

www.mass.gov/doi

Direct Appropriations **13,333,309**

DIVISION OF INSURANCE

7006-0020 For the operation of the division of insurance, including the expenses of the board of appeal on motor vehicle policies and bonds and the associated fringe benefits costs for personnel paid from this item and certain other costs of supervising motor vehicle liability insurance and the expenses of the fraudulent claims board; provided, that the positions of counsel I and counsel II shall not be subject to chapter 31 of the General Laws; provided further, that notwithstanding any general or special law to the contrary, 100 per cent of the amount appropriated in this item, and the associated fringe costs of personnel paid from this item, shall be assessed upon the institutions which the division currently regulates under general or special laws or regulations, except for licensed business entity producers; and provided further, that the assessment shall be in addition to any and all assessments currently assessed upon the institutions 12,233,309

HEALTH CARE ACCESS BUREAU ASSESSMENT

7006-0029 For the operation of the health care access bureau of the division of insurance; provided, that under section 7A of chapter 26 of the General Laws, the full amount appropriated in this item, as well as the associated fringe benefits costs for personnel paid from this item, shall be assessed upon the carriers licensed under chapters 175, 176A, 176B, and 176G of the General Laws 1,100,000

Federal Grant Spending **1,500,000**

HEALTH INSURANCE RATE REVIEW CYCLE 2

7006-6001 For the purposes of a federally funded grant entitled, Health Insurance Rate Review Cycle 2 1,500,000

Trust and Other Spending **1,892,867**

7006-0009 ALLOCATION OF AUTO INSURANCE BUREAU FUNDS TRUST 309,000

9222-7500 MEDICAL MALPRACTICE ANALYSIS BUREAU 332,000

9222-7650 WORKERS' COMPENSATION RATING BUREAU TRUST FUND 980,816

9222-7900 STATE RATING BUREAU MEDICAL MALPRACTICE INSURANCE TRUST 271,051

Division of Professional Licensure

The mission of the Division of Professional Licensure is to protect the public's health, safety and welfare by licensing qualified individuals who provide services to consumers and by fair and consistent enforcement of the statutes and regulations of the boards of registration.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Division of Professional Licensure	3,017	9,922	12,938	12,904

www.mass.gov/dpl

Direct Appropriations **3,016,754**

DIVISION OF PROFESSIONAL LICENSURE

7006-0040 For the operation and administration of the division of professional licensure; provided, that the division shall at all times employ not less than 2 hearing officers to facilitate the processing of cases pending before the various boards 2,476,631

Retained Revenues

PROPRIETARY SCHOOLS OVERSIGHT

7006-0151 For the division of professional licensure which may expend for the oversight of proprietary schools an amount not to exceed $540,123 540,123

Trust and Other Spending **9,921,694**

7006-0056 DIVISION OF PROFESSIONAL LICENSURE 50/50 TRUST 9,921,694

Division of Standards

The primary mission of the Division of Standards is to provide uniformity in the marketplace by enforcing standard accuracy requirements for devices used in the weighing or measuring of any item sold by weight, measure or count.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Division of Standards	1,340	0	1,340	2,675

www.mass.gov/standards

Direct Appropriations **1,340,009**

DIVISION OF STANDARDS

7006-0060 For the operation of the division of standards 760,886

ITEM PRICING INSPECTIONS

7006-0066 For the support of the division of standards' municipal inspection efforts; provided, that up to 15 per cent of this appropriation may be expended for administrative costs of the division 160,372

Retained Revenues

WEIGHTS AND MEASURES LAW ENFORCEMENT FEE RETAINED REVENUE

7006-0067	The division of standards may expend for enforcement of weights and measures laws an amount not to exceed $58,751 from revenues received from item pricing violations collected through municipal inspection efforts and from weights and measures fees and fines collected from cities and towns	58,751

MOTOR VEHICLE REPAIR SHOP LICENSING FEE RETAINED REVENUE

7006-0068	The division of standards may expend an amount not to exceed $360,000 from license fees collected from owners of motor vehicle repair shops	360,000

Department of Telecommunications and Cable

The mission of the Department of Telecommunications and Cable is to regulate the telecommunications and cable industries in accordance with statutory obligations imposed by the Commonwealth of Massachusetts and the federal government; to promote competition and protect consumers consistent with the public interest, including investigating and responding to carrier and consumer inquiries and complaints related to telecommunications and cable services; and to provide expert input, as requested by the Administration, to the development of telecommunications-related policies for the Commonwealth.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Telecommunications and Cable	2,868	0	2,868	4,956

mass.gov/dtc

Direct Appropriations **2,868,085**

DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

7006-0071	For the operation of the department of telecommunications and cable; provided, that notwithstanding the second sentence of section 7 of chapter 25C of the General Laws, the assessments levied for fiscal year 2013 under this section shall be made at a rate sufficient to produce 100 per cent of the amount appropriated in this item, and the associated fringe benefits costs for personnel paid from this item	2,868,085

Massachusetts Marketing Partnership

The Massachusetts Marketing Partnership (MMP) is comprised of the Massachusetts Office of Travel and Tourism and the Massachusetts International Trade Office. The Office of Travel and Tourism promotes Massachusetts as a friendly, family-oriented leisure travel destination set in the midst of rich historical and cultural tradition and administers financial assistance to Local Tourist Councils. The International Trade Office focuses on expanding the Massachusetts economy by marketing the state's business internationally, through focused export promotion, attracting foreign companies to invest in Massachusetts and handling protocol as it relates to trade and investment.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue

Massachusetts Marketing Partnership	8,985	5,597	14,583	0

Direct Appropriations **8,985,491**

MASSACHUSETTS OFFICE OF TRAVEL AND TOURISM

7008-0900 For the operation and administration of the office of travel and tourism; provided, that the office shall be the official and lead agency to facilitate and attract major sports events and championships in the commonwealth; provided further, that the office shall be the official and lead agency to facilitate motion picture production and development within the commonwealth 6,875,001

Massachusetts Tourism Fund 100%

LOCAL TOURIST COUNCILS FINANCIAL ASSISTANCE

7008-1000 For assistance to regional tourist councils under section 14 of chapter 23A of the General Laws; provided, that notwithstanding any general or special law or rule or regulation to the contrary, each of the councils may expend an amount not to exceed 20 per cent of the funds appropriated in this item for the cost of administrative services 2,000,000

Massachusetts Tourism Fund 100%

MASSACHUSETTS INTERNATIONAL TRADE COUNCIL

7008-1300 For the operation of the Massachusetts International Trade Office 110,490

Massachusetts Tourism Fund 100%

Trust and Other Spending **5,597,435**

7008-0501 ANNUAL GOVERNOR'S TOURISM CONFERENCE 64,937

7008-1050 MASSACHUSETTS MARKETING PARTNERSHIP INTERNATIONAL TRADE RELATED PROGRAM TRUST 195,000

7008-9018 MASSACHUSETTS OFFICE OF TRAVEL AND TOURISM EXPENDABLE TRUST 4,869,184

7008-9019 MASSACHUSETTS INTERNATIONAL TRADE & INVESTMENT EXPENDABLE TRUST 468,314

EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Labor and Workforce Development	1,152	22,561	23,713	250
Department of Career Services	14,686	74,551	89,237	485
Department of Unemployment Assistance	0	239,064	239,064	0
Department of Labor Standards	2,527	2,281	4,809	2,544
Department of Industrial Accidents	19,253	88,800	108,053	10
Department of Labor Relations	2,244	0	2,244	202
TOTAL	39,863	427,258	467,121	3,491

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of the Secretary of Labor and Workforce Development	19	17	14	12	12
Department of Career Services	9	8	7	0	0
Department of Labor Standards	35	31	28	26	26
Department of Industrial Accidents	230	213	202	207	202
Department of Labor Relations	24	17	19	19	19
TOTAL	316	285	269	264	259

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Office of the Secretary of Labor and Workforce Development

The Executive Office of Labor and Workforce Development's (EOLWD) mission is to enhance the quality, diversity and stability of the Commonwealth's workforce by making available new opportunities and training, protecting the rights of workers, preventing workplace injuries and illnesses, ensuring that businesses are informed of all employment laws impacting them and their employees, providing temporary assistance when employment is interrupted, promoting labor-management partnerships and ensuring equal access to economic self-sufficiency and opportunity for all citizens of the Commonwealth.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Labor and Workforce Development	1,152	22,561	23,713	250

www.mass.gov/eolwd

Direct Appropriations **1,152,067**

EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT

7003-0100 For the operation of the executive office of labor and workforce development; provided, that funds shall be expended to support the functions of the office of performance management in carrying out the executive order known as "Improving the Performance of State Government by Implementing a Comprehensive Strategic Planning and Performance Management Framework in the Executive Departments" 924,770

LABOR AND WORKFORCE DEVELOPMENT INFORMATION TECHNOLOGY COSTS

7003-0170 For the provision of information technology services within the executive office of labor and workforce development 227,297

Intragovernmental Service Spending ***19,041,430***

CHARGEBACK FOR LABOR AND WORKFORCE DEVELOPMENT IT COSTS

7003-0171 For the cost of information technology services provided to agencies of the executive office of labor and workforce development 19,041,430

Intragovernmental Service Fund.....100%

Federal Grant Spending **3,519,711**

WIA ARRA STATE ENERGY SECTOR PARTNERSHIP AND TRAINING GRANT

7002-1645 For the purposes of a federally funded grant entitled, WIA ARRA State Energy Sector Partnership and Training Grant 3,519,711

Department of Career Services

The mission of the Department of Career Services (DES) is to enhance the quality, diversity and stability of the Commonwealth's workforce by making available new opportunities and training through its 34 One-Stop Career Centers that assist businesses in finding qualified workers and provide job seekers with career guidance and referrals to jobs and training.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue

Department of Career Services	14,686	74,551	89,237	485

www.mass.gov/dcs

Direct Appropriations **14,686,481**

SUMMER JOBS PROGRAM FOR AT RISK YOUTH

7002-0012 For a youth-at-risk program targeted at reducing juvenile delinquency in high risk areas; provided, that these funds may be expended for the development and implementation of a year-round employment program for at-risk youth as well as existing year-round employment programs; and provided further, that $500,000 of these funds shall be matched by private organizations 8,609,158

MASSACHUSETTS MANUFACTURING EXTENSION PARTNERSHIP

7003-0605 For a grant to the Massachusetts Manufacturing Extension Partnership, Inc. 825,000

MASSACHUSETTS SERVICE ALLIANCE

7003-0735 For State Service Corps grants to be administered by the Massachusetts Service Alliance 500,000

ONE STOP CAREER CENTERS

7003-0803 For the operation of the one-stop career centers, including the administration and oversight to these centers provided by the department of career services 4,752,323

Federal Grant Spending **70,749,265**

EMERGENCY UNEMPLOYMENT COMPENSATION 2008 - PROGRAM EXTENSION

7002-6604 For the purposes of a federally funded grant entitled, Emergency Unemployment Compensation 2008 - Program Extension 457,641

EMPLOYMENT SERVICE PROGRAMS ADMINISTRATION

7002-6626 For the purposes of a federally funded grant entitled, Employment Service Programs Administration 19,730,719

FEDERAL DISABLED VETERANS OUTREACH

7002-6628 For the purposes of a federally funded grant entitled, Federal Disabled Veterans Outreach 1,374,403

FEDERAL LOCAL VETERANS EMPLOYMENT

7002-6629 For the purposes of a federally funded grant entitled, Federal Local Veterans Employment 1,449,101

EOL UNEMPLOYMENT ADMINISTRATION TRUST - ARRA

7002-6632 For the purposes of a federally funded grant entitled, EOL Unemployment Administration Trust - ARRA 1,919,641

ARRA - WORKFORCE INVESTMENT ACT RECOVERY ACT EMPLOYMENT SERVICES STIMULUS

7002-6646 For the purposes of a federally funded grant entitled, ARRA - Workforce Investment Act Recovery Act Employment Services Stimulus 195,041

TRADE EXPANSION ACT PROGRAM

7003-1010 For the purposes of a federally funded grant entitled, Trade Expansion Act Program 24,307,199

ADULT ACTIVITIES - WORKFORCE INVESTMENT ACT TITLE I

7003-1630 For the purposes of a federally funded grant entitled, Adult Activities - Workforce Investment Act Title I 12,908,817

YOUTH FORMULA GRANTS - WORKFORCE INVESTMENT ACT TITLE I

7003-1631 For the purposes of a federally funded grant entitled, Youth Formula Grants - 1,770,831

Workforce Investment Act Title I

DISLOCATED WORKERS - WORKFORCE INVESTMENT ACT TITLE I

7003-1632	For the purposes of a federally funded grant entitled, Dislocated Workers - Workforce Investment Act Title I	1,177,258

WORK INCENTIVE GRANT ACCESS TO EMPLOYMENT FOR ALL

7003-1633	For the purposes of a federally funded grant entitled, Work Incentive Grant Access to Employment for All	92,499

ARRA - WORKFORCE INVESTMENT ACT RECOVERY ACT DISLOCATED WORKER STIMULUS

7003-1642	For the purposes of a federally funded grant entitled, ARRA - Workforce Investment Act Recovery Act Dislocated Worker Stimulus	60,884

WIA DISLOCATED WORKER FORMULA GRANTS

7003-1778	For the purposes of a federally funded grant entitled, WIA Dislocated Worker Formula Grants	5,305,231

Trust and Other Spending		**3,801,445**
9081-6612	UNIVERSAL HEALTH INSURANCE COLLECTIONS	3,801,445

Department of Unemployment Assistance

The mission of the Department of Unemployment Assistance (DUA) is to provide temporary assistance when employment is interrupted and to ensure equal access to economic self-sufficiency and opportunity for all citizens of the Commonwealth, especially during times of economic crisis.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Unemployment Assistance	0	239,064	239,064	0

www.mass.gov/dua

Federal Grant Spending		**92,339,604**

UNEMPLOYMENT INSURANCE ADMINISTRATION

7002-6624	For the purposes of a federally funded grant entitled, Unemployment Insurance Administration	89,557,174

FEDERAL BUREAU OF LABOR AND STATISTICS GRANT

7002-9701	For the purposes of a federally funded grant entitled, Federal Bureau of Labor and Statistics Grant	2,782,430

Trust and Other Spending		**146,724,779**
7002-1601	UNEMPLOYMENT HEALTH INSURANCE CONTRIBUTION	143,202,561
7002-5819	ADMINISTRATION OF FAIRSHARE ASSESSMENT	3,067,987
9081-1106	UNEMPLOYMENT COMPENSATION CONTINGENT FUND	454,231

Department of Labor Standards

The mission of the Department of Labor Standards (DLS) is to promote and protect workers' safety, health, wages and working conditions. In collaboration with public and private entities, DLS protects workers by means of education and training, workplace safety and health consultation and assessment, occupational injury and illness data collection and analysis, and consistent and responsible administration and enforcement of its statutes and regulations. DLS carries out its objectives in a manner that supports employers and strengthens the Commonwealth's communities and economy. In addition, DLS also promotes, develops and services registered apprenticeship programs in the Commonwealth through its Division of Apprenticeship Training (DAT).

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Labor Standards	2,527	2,281	4,809	2,544

www.mass.gov/lwd/labor-standards/dls/

Direct Appropriations **2,527,448**

DEPARTMENT OF LABOR STANDARDS

7003-0200 For the operation of the department of labor standards; provided, that positions for a program to evaluate asbestos levels in public schools and other public buildings shall not be subject to chapter 31 of the General Laws 2,074,598

Retained Revenues

ASBESTOS DELEADING EA SERVICES

7003-0201 For the department of labor standards; provided, that the department may expend an amount not to exceed $452,850 received from fees authorized under section 3A of chapter 23 of the General Laws and civil fines issued under section 197B of chapter 111 of the General Laws, section 46R of chapter 140 of the General Laws and section 6F1/2 of chapter 149 of the General Laws 452,850

Federal Grant Spending **2,034,816**

MODERNIZATION APPRENTICESHIP SYSTEMS

7002-0108 For the purposes of a federally funded grant entitled, Modernization Apprenticeship Systems 39,471

MINE SAFETY AND HEALTH TRAINING

7002-2013 For the purposes of a federally funded grant entitled, Mine Safety and Health Training 63,182

BUREAU OF LABOR AND STATISTICS STATISTICAL SURVEY

7003-4203 For the purposes of a federally funded grant entitled, Bureau of Labor and Statistics Statistical Survey 80,006

ADULT BLOOD LEAD LEVELS SURVEILLANCE

7003-4204 For the purposes of a federally funded grant entitled, Adult Blood Lead Levels Surveillance 19,469

ASBESTOS LICENSING & MONITORING

7003-4212 For the purposes of a federally funded grant entitled, Asbestos Licensing & Monitoring 138,116

LEAD LICENSING & MONITORING

7003-4213	For the purposes of a federally funded grant entitled, Lead Licensing & Monitoring	265,057

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION DATA COLLECTION

7003-4215	For the purposes of a federally funded grant entitled, Occupational Safety and Health Administration Data Collection	76,946

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION ONSITE CONSULTATION

7003-6627	For the purposes of a federally funded grant entitled, Occupational Safety and Health Administration Onsite Consultation Program	1,352,569

Trust and Other Spending		**246,411**
7002-0109	APPRENTICE TRAINING IDENTIFICATION CARDS	246,411

Department of Industrial Accidents

The mission of the Department of Industrial Accidents (DIA) is to administer the Commonwealth's Workers' Compensation system and provide prompt and fair compensation to victims of occupational injuries and illness, and to see that medical treatment to injured workers is provided in a timely manner, while balancing the needs of employers to contain workers' compensation insurance costs.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Industrial Accidents	19,253	88,800	108,053	10

www.mass.gov/dia

Direct Appropriations		**19,253,073**

DEPARTMENT OF INDUSTRIAL ACCIDENTS

7003-0500	For the operation and administrative expenses of the department of industrial accidents	19,253,073

Trust and Other Spending		**88,800,365**
7003-0202	MASSACHUSETTS INDUSTRIAL ACCIDENT	24,489,632
7003-0204	GENERAL INDUSTRIAL ACCIDENT FUND	62,150,733
7003-0208	IMPARTIAL MEDICAL EXAMINATION	2,160,000

Department of Labor Relations

The Department of Labor Relations (DLR) is statutorily charged with the mission of preventing or promptly settling labor disputes by offering dispute resolution services to both public and private sector employers and the labor organizations that represent their employees. The four primary functions of the DLR are: (1) adjudication of prohibited practice charges; (2) handling of representation cases and bargaining unit clarification cases; (3) prevention and investigation of strikes by public employees; and (4) the provision of conciliation, arbitration and mediation services.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Labor Relations	2,244	0	2,244	202

www.mass.gov/dlr

Direct Appropriations **2,243,958**

DEPARTMENT OF LABOR RELATIONS

7003-0900 For the operation of the department of labor relations 1,993,958

COLLECTIVE BARGAINING PROCESS REFORM

7003-0935 For a collective bargaining process reform initiative 150,000

Retained Revenues

ARBITRATION AND MEDIATION RETAINED REVENUE

7003-0901 For the department of labor relations which may expend for the operation of the department an amount not to exceed $100,000 from fees collected under section 3B of chapter 7 of the General Laws or section 6 of chapter 150 of the General Laws; provided, that the first $100,000 of such fees collected by the department shall be deposited into the General Fund and any fees collected in excess of $200,000 shall be deposited into the General Fund; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 100,000

EXECUTIVE OFFICE OF EDUCATION

Fiscal Year 2013 Resource Summary ($000)

Secretariat	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Education	22,315	67,731	90,046	0
Department of Early Education and Care	499,029	1,690	500,719	197,731
Department of Elementary and Secondary Education	4,647,282	848,542	5,495,824	7,123
Department of Higher Education	107,057	5,392	112,449	0
University of Massachusetts	417,983	0	417,983	133,434
State Universities	191,585	883,256	1,074,841	14,696
Community Colleges	219,108	711,105	930,213	11,697
TOTAL	6,104,357	2,517,717	8,622,074	364,682

Historical Employment Levels

Secretariat	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Executive Office of Education	10	43	58	61	61
Department of Early Education and Care	205	186	178	181	185
Department of Elementary and Secondary Education	300	247	218	236	258
Board of Higher Education	55	46	42	28	28
University of Massachusetts	5,772	5,297	5,802	5,768	5,587
State Universities	3,695	3,156	3,315	3,483	3,483
Community Colleges	3,943	3,410	3,645	3,649	3,828
TOTAL	13,979	12,385	13,259	13,405	13,432

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

OFFICE OF THE SECRETARY OF EDUCATION

The Executive Office of Education is responsible for realizing Governor Patrick's vision of a unified education system that provides a high quality education to all students. The office helps direct the Commonwealth's education agencies - Department of Early Education and Care, Department of Elementary and Secondary Education, Department of Higher Education and the University of Massachusetts system. In addition, the Executive Office of Education advises the Governor on matters of education policy, helps shape the Governor's policy agenda, advances the work of the Readiness Project and works with the Commissioners to build a seamless Pre-K - 20 public education system.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Education	22,315	67,731	90,046	0

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of the Secretary of Education	10	43	58	61	61

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/edu

Direct Appropriations **22,314,668**

EDUCATION INFORMATION TECHNOLOGY COSTS

7009-1700 For the provision of information technology services within the executive office of education 11,401,909

EXECUTIVE OFFICE OF EDUCATION

7009-6379 For the operation of the office of the secretary of the executive office of education; provided, that funds shall be expended to support the functions of the office of performance management in carrying out the executive order known as "Improving the Performance of State Government by Implementing a Comprehensive Strategic Planning and Performance Management Framework in the Executive Departments" 939,759

PROGRAMS FOR ENGLISH LANGUAGE LEARNERS IN GATEWAY CITIES

7009-6400 For grants to establish and operate high-quality, intensive, and targeted programs that will rapidly increase English language learning for middle and high school students, in school districts serving Gateway Cities; provided, that grant applications must provide, at minimum, for after-school enrichment academies to operate during the spring of 2013; provided further, that applications may also provide for acceleration academies to be held during school vacations and/or for Saturday sessions during the spring of 2013; and provided further, that funds may be set aside for the administration of these programs 3,750,000

GATEWAY CITIES STUDENT SUPPORT COUNSELORS

7009-6401 For grants to establish or expand student support councils in school districts located in Gateway Cities, and to place student support counselors in schools within those 3,640,000

districts who will coordinate the provision of support services, including but not limited to, health and human services, to students within the school setting; provided, that funds shall be used to establish cross-sector, cross-stakeholder student support councils that will create strategic plans for delivering comprehensive student support services to students and families and also provide practical information and support to school districts and other educational institutions; provided further, that funds shall be used to hire district-level student support coordinators and school-level counselors; provided further, that grant applications may also propose placing such counselors in early education or higher education settings where appropriate

GATEWAY CITIES CAREER ACADEMIES

7009-6402 For grants to support the establishment of career academies in Gateway Cities, and to build stronger relationships and partnerships among high schools, institutions of higher education, local employers, and workforce development entities, in order to create multiple and seamless pathways to employment; provided, that funds shall be used to establish Education and Industry Coordinating Councils (EICCs); provided further, that the EICCs shall be chaired by the district superintendent and chair of the local workforce investment boards, and shall include representatives from district high schools, institutions of higher education, industry partners, and local/regional employers; provided further, that funding shall be used to engage in planning to establish career academies or to plan for the establishment of such academies during the following fiscal year 1,008,000

GATEWAY CITIES EARLY LITERACY PROGRAMS

7009-6403 For grants to provide targeted professional development opportunities for educators working in family child care programs in Gateway Cities, and to provide support to family members of children enrolled in these programs; provided, that funds shall be used to offer multiple types of professional development programs, including job-embedded opportunities, to educators on topics including but not limited to, language and literacy development, especially for students for whom English is not their first language, creating literacy-rich environments, and preparing children for kindergarten; provided further, that funds shall also be used to offer evening and/or Saturday sessions for family members to increase levels of understanding and engagement with literacy development; and provided further, that funds shall also be used to schedule home visits for children and families who need additional literacy support 575,000

INNOVATION FUND

7009-6404 For the commonwealth's contribution to the Innovation Fund established by section 96 of this act; provided, that the executive office shall seek matching money from local and national funders, business and industry partners, and other local organizations; and provided further, that funds shall be made available from the fund through grants to any district in the commonwealth whose applications propose to implement truly innovative and groundbreaking strategies that will close achievement gaps 1,000,000

Intragovernmental Service Spending ***1,873,124***

CHARGEBACK FOR EDUCATION INFORMATION TECHNOLOGY COSTS

7009-1701 For the cost of information technology services provided to agencies of the executive office of education 1,873,124

Intragovernmental Service Fund.....100%

Federal Grant Spending **65,858,061**

ARRA - STABILIZATION FUND RACE-TO-THE-TOP INCENTIVE GRANTS

7060-7888 For the purposes of a federally funded grant entitled, ARRA - Stabilization Fund Race-to-the-Top Incentive Grants 65,858,061

DEPARTMENT OF EARLY EDUCATION AND CARE

The Massachusetts Department of Early Education and Care provides the foundation that supports all children in their development as lifelong learners and contributing members of the community and supports families in their essential work as parents and caregivers.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Early Education and Care	499,029	1,690	500,719	197,731

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Department of Early Education and Care	205	186	178	181	185
TOTAL	205	186	178	181	185

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/eec

Direct Appropriations **499,028,560**

DEPARTMENT OF EARLY EDUCATION AND CARE ADMINISTRATION

3000-1000 For the administration of the department of early education and care and the costs of field operations and licensing provided through the department; provided, that notwithstanding chapter 66A of the General Laws, the department of early education and care, the child care resource and referral agencies, the department of elementary and secondary education, the department of transitional assistance, the department of children and families and the department of public health may share with each other personal data regarding the parents and children who receive services provided under early education and care programs administered by the commonwealth for waitlist management, program implementation and evaluation, reporting and policy development purposes; provided further, that the department of early education and care shall provide the caseload forecasting office with enrollment data and any other information pertinent to caseload forecasting that is requested by the office on a monthly basis; and provided further, however, that the information is provided in a manner that meets all applicable federal and state privacy and security requirements 12,183,705

ACCESS MANAGEMENT

3000-2000 For regional administration and coordination of resource and referral services; provided, that funding for activities shall include, but not be limited to program coordination and support, voucher management, outreach to hard-to-reach populations, intake and eligibility services for families seeking financial assistance to enroll in early education and care programs, resource and referral for families with disabilities in child care programs and walk-in services for homeless families 5,933,862

CHILDREN'S TRUST FUND OPERATIONS

3000-2050	For the administration of the Children's Trust Fund	1,082,028

CHILD CARE ACCESS

3000-4060	For income-eligible early education and care programs; provided, that teen parents at risk of becoming eligible for transitional aid to families with dependent children may be paid from this item; provided further, that informal early education and care benefits for families meeting income-eligibility criteria may be funded from this item; provided further, that not more than $2 per child per hour shall be paid for the services; provided further, that early education and care slots funded from this item shall be distributed geographically in a manner that provides fair and adequate access to early education and care for all eligible individuals; provided further, that the department may expend funds from this item on grants to support inclusive learning environments; provided further, that the commissioner of early education and care may transfer funds to this item from items 3000-1000, 3000-3050 and 3000-4050, as necessary, pursuant to an allocation plan, which shall detail by object class the distribution of the funds to be transferred and which the commissioner shall file with the house and senate committees on ways and means at least 10 days before the transfer; provided further, that not more than 15 per cent of any item may be transferred in fiscal year 2013; provided further, that this plan shall be filed with the house and senate chairs of the joint committee on education, the chairs of the house and senate committees on ways and means and the secretary of administration and finance; and provided further, that any payment made under any such grant with a school district shall be deposited with the treasurer of such city, town or regional school district and held as a separate account and shall be expended by the school committee of such city, town or regional school district without municipal appropriation, notwithstanding any general or special law to the contrary	434,697,067

GRANTS TO HEAD START PROGRAMS

3000-5000	For grants to head start programs; provided, that funds from this item may be expended on early head start programs	7,500,000

UNIVERSAL PRE-KINDERGARTEN

3000-5075	For the Massachusetts Universal Pre-Kindergarten Program; provided, that funds from this item shall be expended on grants to improve the quality of and expand access to preschool programs and services to children from the age of 2 years and 9 months until they are kindergarten eligible; provided further, that in awarding grant funds under this program, preference shall be given to establishing preschool classrooms in towns and cities with schools and districts at risk of or determined to be under-performing in accordance with sections 1J and 1K of chapter 69 of the General Laws, schools and districts which have been placed in the accountability status of identified for improvement, corrective action, or restructuring pursuant to departmental regulations or which have been designated commonwealth priority schools or commonwealth pilot schools pursuant to said regulations, schools or districts with a high percentage of students scoring in levels 1 and 2 on the MCAS exams or programs which serve children not less than 50 per cent of whom are from families earning at or below 85 per cent of the state median income; provided further, that funds may also be used to enhance community-wide capacity building efforts within statewide parameters established by the board; provided further, that any newly-funded programs designated as Massachusetts Universal Pre-Kindergarten Program participants shall fall within the quality standards established by the Massachusetts Quality Rating and Improvement System; provided further, that programs receiving grant funds may use the funds to enhance teacher and staff quality and compensation, enhance program quality through participation in the Massachusetts Quality Rating and Improvement System, enhance program ability to interpret and use assessment data effectively, enhance developmentally-appropriate practices, incorporate ancillary services into the program, facilitate or provide access to wrap-around services for working families or to increase capacity to expand access to age-eligible children on the centralized waitlist maintained by the	7,500,000

department; provided further, that preference shall be given in awarding grants to those programs which demonstrate affordability for middle class and working class parents according to standards to be developed by the department; and provided further, that any payment made under any such grant with a school district shall be deposited with the treasurer of such city, town or regional school district and held as a separate account and shall be expended by the school committee of such city, town or regional school district without municipal appropriation, notwithstanding any general or special law to the contrary

EARLY CHILDHOOD MENTAL HEALTH CONSULTATION SERVICES

3000-6075 For early childhood mental health consultation services in early education and care programs in the commonwealth; provided, that preference shall be given to those services designed to limit the number of expulsions and suspensions from these programs; and provided further, that eligible recipients for such grants may include municipal school districts, regional school districts, educational collaboratives, head start programs, licensed child care providers, child care resource and referral centers and other qualified entities 750,000

CHILDREN'S TRUST FUND

3000-7000 For the operation of the Children's Trust Fund, including parental education and home visiting programs for at-risk newborns; provided, that if the appropriation is sufficient, services may be made available to all parents under 21 years of age; and provided further, that priority for services shall be given to low-income parents 10,395,265

SERVICES FOR INFANTS AND PARENTS

3000-7050 For grants to provide coordinated family and community engagement services at the local level; provided, that services may include, but not be limited to, individual or community-wide early literacy activities, family education and engagement initiatives, coordination of services among community-based programs serving families, collaborative activities among and between public schools, or community-based early education and care providers and families; provided further, that such services may include the home-based parenting, family literacy, and school readiness program known as the parent-child home program; provided further, that family and community engagement activities funded through this item, where possible, may be available for families, and early education and care providers serving families, with children birth to school-age; provided further, that the department shall, to the maximum extent feasible, coordinate services provided through this item with services provided through items 3000-6000 and 3000-7000 in order to ensure that parents receiving services through this item are aware of all opportunities available to them and their children through the department; provided further, that grants funded through this item shall be in alignment with the quality requirements of the Massachusetts Universal Pre-Kindergarten Program and the Massachusetts Quality Rating and Improvement System; provided further, that the department shall take steps to streamline activities and programs funded through this line item; provided further, that funds may be expended for the home-based parenting, family literacy, and school readiness program known as the parent-child home program; and provided further, that the department may expend funds from the item on grants for supplemental services for children with individualized education 18,186,633

REACH OUT AND READ

3000-7070 For Reach Out and Read, a research-proven, pediatric literacy intervention program, which trains doctors and nurse practitioners to provide advice to parents on reading aloud to children and books for children living in poverty and in underperforming school districts through programs established in community health centers, medical practices and hospitals; provided, that the funds distributed through Reach Out and Read shall be contingent upon a match of not less than $1 in private or corporate contributions for every $1 in state grant funding; and provided further, that Reach Out and Read shall issue a report to the department, house and senate committees on ways and means and the joint committee on education, no later than February 15, 800,000

2013, detailing program success in meeting measurable goals and benchmarks

Federal Grant Spending		**1,149,287**
FISCAL YEAR 2007 HEAD START		
3000-0708	For the purposes of a federally funded grant entitled, Fiscal Year 2007 Head Start	175,000
ARRA - HEAD START ADVISORY COUNCIL		
3000-5050	For the purposes of a federally funded grant entitled, ARRA - Head Start Advisory Council	390,507
CHILD ABUSE PREVENTION		
3000-9002	For the purposes of a federally funded grant entitled, Child Abuse Prevention	583,780
Trust and Other Spending		**541,000**
3000-0008	HELP ME GROW EXPENDABLE TRUST	20,000
4130-0009	CHILDREN'S TRUST	21,000
4130-2900	LICENSE PLATE QUALITY ACCOUNT	500,000

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

The mission of the Massachusetts Board of Elementary and Secondary Education is to strengthen the Commonwealth's public education system so that every student is prepared to succeed in postsecondary education, compete in the global economy and understand the rights and responsibilities of American citizens.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Elementary and Secondary Education	4,647,282	848,542	5,495,824	7,123

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Department of Elementary and Secondary Education	300	247	218	236	258
TOTAL	300	247	218	236	258

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.gov/doe

Direct Appropriations **4,647,281,619**

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

7010-0005 For the operation of the department of elementary and secondary education 13,424,188

PROGRAMS TO ELIMINATE RACIAL IMBALANCE - METCO

7010-0012 For grants to cities, towns and regional school districts for payments of certain costs and related expenses for the program to eliminate racial imbalance established under section 12A of chapter 76 of the General Laws; provided, that funds shall be made available for payment for services rendered by METCO, Inc. and Springfield public schools 17,642,582

LITERACY PROGRAMS

7010-0033 For literacy programs, including the Bay State Reading Institute, Inc., early literacy grants to cities, towns and regional school districts and early intervention tutorial literacy programs designed as a pre-special education referral and short-term intervention for children who are at risk of failing to read in the first grade; provided, that evaluations shall be compared to measurable goals and benchmarks that shall be developed by the department; provided, that this program shall provide ongoing documentation and evaluation of results 3,547,940

SCHOOL TO CAREER CONNECTING ACTIVITIES

7027-0019 For school-to-career connecting activities; provided, that the board of elementary and secondary education, in cooperation with the department of workforce development and the state workforce investment board, may establish and support a public-private partnership to link high school students with economic and learning opportunities on the job as part of the school-to-work transition program; provided further, that this program may include the award of matching grants to workforce investment boards 2,770,000

or other local public-private partnerships involving local community job commitments and work site learning opportunities for students; provided further, that the grants shall require at least a 200 per cent match in wages for the students from private sector participants; provided further, that the program shall include, but not be limited to, a provision that business leaders commit resources to pay salaries, to provide mentoring and instruction on the job, and to work closely with teachers; and provided further, that public funds shall assume the costs of connecting schools and businesses to ensure that students serve productively on the job

ENGLISH LANGUAGE ACQUISITION

7027-1004 For English language acquisition professional development to improve the academic performance of English language learners and effectively implement sheltered English immersion as outlined in chapter 71A of the General Laws 364,937

SCHOOL-AGE CHILDREN IN INSTITUTIONAL SCHOOLS AND HOUSES OF COR

7028-0031 For the expenses of school-age children in institutional schools under section 12 of chapter 71B of the General Laws; provided, that the department may provide special education services to eligible inmates in county houses of correction 7,432,061

KINDERGARTEN EXPANSION GRANTS

7030-1002 For kindergarten expansion grants and technical assistance to provide quality enhancement of full-day kindergarten classrooms and to encourage the transition of half-day classrooms into full-day kindergarten classrooms; provided, that the department shall administer a grant program to encourage universal, high quality, full-day kindergarten education throughout the commonwealth; provided further, that all kindergarten programs in the commonwealth shall be eligible to apply for grants; provided further, that preference shall be given to grant applicants with high percentages of students scoring in levels 1 or 2 on the Massachusetts Comprehensive Assessment System exam, as determined by the department based on available data; and provided further, that any grant funds distributed from this item to cities, towns or regional school districts shall be deposited with the treasurer of the city, town, or regional school district and held in a separate account and shall be expended by the school committee of the city, town or regional school district without further appropriation, notwithstanding any general or special law to the contrary 25,948,947

EARLY INTERVENTION TUTORIAL LITERACY

7030-1005 For Reading Recovery, a one-to-one, early intervention, individual tutorial literacy program designed as a pre-special education referral and short-term intervention for children who are at risk of failing to read in the first grade; provided, that this program shall provide ongoing documentation and evaluation of results; provided further, that the evaluation shall be compared to measurable goals and benchmarks that shall be developed by the department; and provided further, that Reading Recovery shall provide to the house and senate committees on ways and means and the joint committee on education a report detailing, by recipient, program success in meeting measurable goals and benchmarks 400,000

ADULT BASIC EDUCATION

7035-0002 For grants to cities, towns, regional school districts and educational collaboratives for programs to provide and strengthen basic educational attainment and work-related programs in reading, writing and mathematics at adult learning centers, including grants to public and non-public entities; provided, that funds distributed from this item shall be deposited with the treasurer of that city, town, regional school district or educational collaborative and held in a separate account and shall be expended by the school committee of the city, town, regional school district or educational collaborative without further appropriation, notwithstanding any general or special law to the contrary 30,707,455

TRANSPORTATION OF PUPILS - REGIONAL SCHOOL DISTRICTS

7035-0006 For reimbursements to regional school districts for the transportation of pupils; 43,521,000

provided, that notwithstanding any general or special law to the contrary, the commonwealth's obligation for those reimbursements shall not exceed the amount appropriated in this item

NON-RESIDENT PUPIL TRANSPORT

7035-0007 For reimbursements to cities, towns, regional vocational or county agricultural school districts, independent vocational schools, or collaboratives for certain expenditures for transportation of non-resident pupils to any approved vocational-technical program of any regional or county agricultural school district, city, town, independent school or collaborative under section 8A of chapter 74 of the General Laws; provided, that upon receipt by the department of elementary and secondary education of required transportation cost reports, the department shall reimburse no more than 50 per cent of the total cost certified by the department; provided further, that the reports shall meet criteria established by the department; and provided further, that notwithstanding any general or special law to the contrary, the commonwealth's obligation shall not exceed the amount appropriated in this item 400,000

ADVANCED PLACEMENT MATH AND SCIENCE PROGRAMS

7035-0035 For implementation of a competitively bid, statewide performance-based, integrated program operating in no less than 60 high schools to drive a school culture of high expectations and dramatically increase participation and performance in Advanced Placement courses, particularly among underserved populations, to prepare students for college and career success in science, technology, engineering and mathematics (STEM); provided, that these funds shall support all of the following program elements, without exception, for each school: open access to courses, equipment and supplies for new and expanded AP courses, support for the costs of AP exams and support for student study sessions; provided further, that these funds support up to 9 days of teacher professional development annually, including a College Board endorsed AP Summer institute for math, science and English AP teachers, content coaches, the establishment and support of Lead Teachers for regional clusters of schools, and support for 4 vertical team meetings annually across grades 6-12 annually in each cluster; provided further, that such program shall provide a matching amount of at least $1 million in private funding; provided further, that the program be chosen through a single competitive process and the funds dispersed by the beginning of the 2012-2013 school year to cover costs expended between August 1 ,2012 and July 31, 2013; provided further, that this program shall work in conjunction with an existing, separately funded statewide pre-AP program; and provided further, that the department shall deliver to the legislature an independent evaluation of these programs and their impact on student achievement, particularly as it relates to closing achievement gaps 2,400,000

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

7051-0015 For the operation of the Massachusetts emergency food assistance program 1,000,000

SCHOOL LUNCH PROGRAM

7053-1909 For reimbursements to cities and towns for partial assistance in the furnishing of lunches to school children, including partial assistance in the furnishing of lunches to school children under section 6 of chapter 548 of the acts of 1948, and for supplementing funds allocated for the special milk program; provided, that notwithstanding any general or special law to the contrary, the school lunch payments shall not exceed, in the aggregate, the required state revenue match contained in Public Law 79-396, as amended, cited as the National School Lunch Act, and in the regulations implementing the act 5,426,986

SCHOOL BREAKFAST PROGRAM

7053-1925 For the school breakfast program for public and nonpublic schools and for grants to improve summer food programs during the summer school vacation period and supplemental reimbursement, including reimbursement for those elementary schools mandated to serve breakfast under section 1C of chapter 69 of the General Laws; 4,121,215

provided, that subject to regulations of the board that specify time and learning standards, universal breakfasts shall be served during regular school hours; and provided further, that nothing in the universal school breakfast program shall give rise to enforceable legal rights in any party or enforceable entitlement to services, prior appropriation continued

CHAPTER 70 PAYMENTS TO CITIES AND TOWNS

7061-0008	For school aid to cities, towns, regional school districts, counties maintaining agricultural schools and independent vocational or agricultural and technical schools to be distributed under section 3 of this act	4,136,391,547

CIRCUIT BREAKER - REIMBURSEMENT FOR SPECIAL EDUCATION RESIDENT

7061-0012	For reimbursements to school districts and direct payments to service providers for special education costs under section 5A of chapter 71B of the General Laws	213,150,377

EDUCATIONAL QUALITY AND ACCOUNTABILITY

7061-0029	For the office of school and district accountability, established in section 55A of chapter 15 of the General Laws	1,710,118

CHARTER SCHOOL REIMBURSEMENT

7061-9010	For fiscal year 2013 reimbursements to certain cities, towns and regional school districts of charter school tuition and the per pupil capital needs component included in the charter school tuition amount for commonwealth charter schools, as calculated under subsections (nn) and (oo) of section 89 of chapter 71 of the General Laws; provided, that notwithstanding subsection (nn) of section 89 or any other general or special law to the contrary, the per pupil capital needs component of the commonwealth charter school tuition rate for fiscal year 2013 shall be $893; and provided further, that if the amount appropriated is insufficient to fully fund all reimbursements required by section 89, the department shall fully reimburse the cost of the per pupil capital needs component and shall pro-rate the tuition reimbursements calculated under subsection (oo) of section 89	71,454,914

EDUCATION TECHNOLOGY PROGRAM

7061-9200	For the education technology program	898,474

STUDENT AND SCHOOL ASSESSMENT

7061-9400	For student and school assessment	24,403,482

MCAS LOW-SCORING STUDENT SUPPORT

7061-9404	For grants to cities, towns, regional school districts and charter schools to provide academic support and remediation for the Massachusetts Comprehensive Assessment System exam; provided, that any grant funds distributed from this item to a city, town or regional school district shall be deposited with the treasurer of the city, town or regional school district and held in a separate account and shall be expended by the school committee of the city, town or regional school district without further appropriation, notwithstanding any general or special law to the contrary	9,575,175

TARGETED INTERVENTION IN UNDERPERFORMING SCHOOLS

7061-9408	For targeted intervention to schools and districts at risk of or determined to be underperforming under sections 1J and 1K of chapter 69 of the General Laws	9,323,711

EXTENDED LEARNING TIME GRANTS

7061-9412	For grants to cities, towns and regional school districts for the purpose of implementing extended learning time; provided, that any grant funds distributed from this item to a city, town or regional school district shall be deposited with the treasurer of such city, town or regional school district and held in a separate account and shall be expended by the school committee of such city, town or regional school district without further appropriation, notwithstanding any general or special law to the contrary	14,918,030

CONCURRENT ENROLLMENT FOR DISABLED STUDENTS

7061-9600	For a discretionary grant program to provide funding to school districts and state public institutions of higher education that partner together to offer concurrent enrollment programs for students with severe disabilities as defined in section 1 of chapter 71B of the General Laws, but who are between 18 and 22 years of age, inclusive	400,000

AFTER-SCHOOL AND OUT-OF-SCHOOL GRANTS

7061-9611	For grants or subsidies for after-school and out-of-school programs	1,410,000

ALTERNATIVE EDUCATION GRANTS

7061-9614	For the alternative education grant program established under section 1N of chapter 69 of the General Laws; provided, that the commissioner shall allocate funds for both subsections (a) and (b) of section 1N of chapter 69	146,140

FRANKLIN INSTITUTE OF BOSTON

7061-9619	For the purpose of funding the Benjamin Franklin Institute of Technology; provided, that the institute shall have access to the Massachusetts education computer system; and provided further, that the institute may join the state buying consortium	1

YOUTH-BUILD GRANTS

7061-9626	For grants and contracts with youth-build programs for the purposes of providing comprehensive youth-build services	2,000,000

MENTORING MATCHING GRANTS

7061-9634	For a transfer of this item to the Mass Mentoring Partnership, which shall be responsible for administering a competitive statewide grant program for public and private agencies to start or expand youth mentoring programs according to current best practices and for purposes including advancing academic performance, self-esteem, social competence and workforce development; provided, that the department of elementary and secondary education shall transfer the amount appropriated in this item to the Mass Mentoring Partnership for the purpose of these grants; provided further, that in order to be eligible to receive funds from this item, each public or private agency shall provide a matching amount equal to $1 for every $1 disbursed from this item; and provided further, that the Mass Mentoring Partnership shall submit a report detailing the impact of grants, expenditure of funds and the amount and source of matching funds raised to the department of elementary and secondary education	250,000

TEACHER CONTENT TRAINING

7061-9804	For teacher content training in math and science; provided, that the training shall include math specialist, Massachusetts test for educator licensure preparation, and advanced placement training; and provided further, that the courses shall have demonstrated the use of best practices, as determined by the department, including data comparing pre-training and post-training content knowledge	737,022

Retained Revenues

TEACHER CERTIFICATION RETAINED REVENUE

7061-9601	For teacher preparation and certification, and to retain revenues related to the teacher certification process	1,405,317

Federal Grant Spending **848,542,186**

COMMON CORE DATA PROJECT

7010-9706	For the purposes of a federally funded grant entitled, Common Core Data Project	101,000

ADULT BASIC EDUCATION PROGRAM

7038-0107	For the purposes of a federally funded grant entitled, Adult Basic Education Program	10,399,860

TITLE I GRANTS TO LOCAL EDUCATION AGENCIES

7043-1001	For the purposes of a federally funded grant entitled, Title I Grants to Local Education Agencies	216,955,917

MIGRANT EDUCATION

7043-1004	For the purposes of a federally funded grant entitled, Migrant Education	1,669,739

TITLE I NEGLECTED AND DELINQUENT CHILDREN

7043-1005	For the purposes of a federally funded grant entitled, Title I Neglected and Delinquent Children	2,637,259

SCHOOL IMPROVEMENT GRANTS

7043-1006	For the purposes of a federally funded grant entitled, School Improvement Grants	8,000,000

TEACHER AND PRINCIPAL TRAINING AND RECRUITING

7043-2001	For the purposes of a federally funded grant entitled, Teacher and Principal Training and Recruiting	42,463,719

TITLE I MATH AND SCIENCE PARTNERSHIPS

7043-2003	For the purposes of a federally funded grant entitled, Title I Math and Science Partnerships	2,061,460

ENGLISH LANGUAGE ACQUISITION

7043-3001	For the purposes of a federally funded grant entitled, English Language Acquisition	12,582,753

AFTER SCHOOL LEARNING CENTERS

7043-4002	For the purposes of a federally funded grant entitled, After School Learning Centers	16,514,111

GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES

7043-6001	For the purposes of a federally funded grant entitled, Grants for State Assessments and Related Activities	7,236,907

EDUCATION FOR HOMELESS CHILDREN AND YOUTH

7043-6501	For the purposes of a federally funded grant entitled, Education for Homeless Children and Youth	955,551

SPECIAL EDUCATION GRANTS

7043-7001	For the purposes of a federally funded grant entitled, Special Education Grants	278,342,391

PRESCHOOL GRANTS

7043-7002	For the purposes of a federally funded grant entitled, Preschool Grants	9,718,123

VOCATIONAL EDUCATION BASIC GRANTS

7043-8001	For the purposes of a federally funded grant entitled, Vocational Education Basic Grants	17,912,559

PROJECT FOCUS ACADEMY

7044-0020	For the purposes of a federally funded grant entitled, Project Focus Academy	2,433,179

IMP HEALTH AND EDUCATION OUTCOMES - YOUNG PEOPLE

7048-0228	For the purposes of a federally funded grant entitled, IMP Health and Education Outcomes - Young People	1,019,177

MA HIGH SCHOOL GRADUATION INITIATIVE

7048-1500	For the purposes of a federally funded grant entitled, MA High School Graduation Initiative	3,000,000

TEACHER INCENTIVES

7048-2700	For the purposes of a federally funded grant entitled, Teacher Incentives	6,023,591

NUTS, FRESH FRUITS AND VEGETABLES

7053-2008	For the purposes of a federally funded grant entitled, Nuts, Fresh Fruits and Vegetables	2,081,281

SPECIAL ASSISTANCE FUNDS

7053-2112	For the purposes of a federally funded grant entitled, Special Assistance Funds	159,749,862

CHILD CARE PROGRAM

7053-2117	For the purposes of a federally funded grant entitled, Child Care Program	38,041,341

TEMPORARY EMERGENCY FOOD ASSISTANCE

7053-2126	For the purposes of a federally funded grant entitled, Temporary Emergency Food Assistance	529,620

SPECIAL SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

7053-2202	For the purposes of a federally funded grant entitled, Special Summer Food Service Program for Children	4,406,318

OFFICE OF SCHOOL LUNCH PROGRAMS - CHILD CARE PROGRAM ADMINISTRATION

7062-0008	For the purposes of a federally funded grant entitled, Office of School Lunch Programs - Child Care Program Administration	3,706,468

DEPARTMENT OF HIGHER EDUCATION

The Department of Higher Education is responsible for defining the mission of and coordinating the Commonwealth's system of public higher education and its institutions. The mission of the Department of Higher Education is to ensure that Massachusetts residents have the opportunity to benefit from a higher education that enriches their lives and advances their contributions to the civic life, economic development, and social progress of the Commonwealth. To that end, the programs and services of Massachusetts higher education must meet standards of quality commensurate with the benefits it promises and must be truly accessible to the people of the Commonwealth in all their diversity.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Higher Education	107,057	5,392	112,449	0

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Department of Higher Education	55	46	42	28	28
TOTAL	55	46	42	28	28

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

www.mass.edu

Direct Appropriations		**107,056,925**
DEPARTMENT OF HIGHER EDUCATION		
7066-0000	For the operation of the department of higher education	1,868,668
NEW ENGLAND BOARD OF HIGHER EDUCATION		
7066-0009	For the New England board of higher education	183,750
WORKFORCE DEVELOPMENT GRANTS TO COMMUNITY COLLEGES		
7066-0015	For the community college workforce training incentive grant program established in section 15F of chapter 15A of the General Laws	1,250,000
FOSTER CARE FINANCIAL AID		
7066-0016	For a program of financial aid to support the matriculation of certain persons at public and private institutions of higher learning; provided, that only persons in the custody of the department of children and families under a care and protection petition upon reaching the age of 18, or persons in the custody of the department matriculating at such an institution at an earlier age, shall qualify for this aid; provided further, that no such person shall be required to remain in the custody of the department beyond age 18 to qualify for this aid; provided further, that this aid shall not exceed $6,000 per recipient per year; and provided further, that this aid shall be granted after exhausting all other sources of financial support	1,356,189
DUAL ENROLLMENT GRANT AND SUBSIDIES		
7066-0019	For the department of higher education to support the dual enrollment program	751,000

allowing qualified high school students to take college courses; provided, that public higher education institutions may offer courses in high schools in addition to courses offered at the institutions or online if the number of students is sufficient

FOSTER CARE AND ADOPTED FEE WAIVER

7066-0021	For reimbursements to public institutions of higher education for foster and adopted child fee waivers under section 19 of chapter 15A of the General Laws; provided, that no funds shall be distributed from this line item prior to certification by the community colleges, state universities, and the University of Massachusetts of the actual amount of tuition and fees waived for foster and adopted children attending public institutions of higher education under said section 19 of said chapter 15A that would otherwise have been retained by the campuses, according to procedures and regulations promulgated by the board of higher education	1,716,291

SCHOOLS OF EXCELLENCE

7066-0024	For the school of excellence program at the Worcester Polytechnic Institute	1,300,000

PERFORMANCE MANAGEMENT SET ASIDE

7066-0025	For the Performance Management Set Aside incentive program for the University of Massachusetts, the state universities, and the community colleges; provided, that such funds shall be distributed by the commissioner of higher education to public institutions of higher education through a competitive grant process based on priorities determined by the board of higher education in pursuit of operational efficiency and goals articulated in the commonwealth's Vision Project	2,500,000

MASSACHUSETTS STATE SCHOLARSHIP PROGRAM

7070-0065	For a scholarship program to provide financial assistance to Massachusetts students enrolled in and pursuing a program of higher education in any approved public or independent college, university, school of nursing, or any other approved institution furnishing a program of higher education; provided, that the commissioner of higher education, in coordination with the Massachusetts state scholarship office, shall adopt regulations governing the eligibility and the awarding of financial assistance	87,549,363

TUFTS SCHOOL OF VETERINARY MEDICINE PROGRAM

7077-0023	For payments to the Tufts school of veterinary medicine; provided, that prior fiscal year costs may be paid from this item	3,000,000

HEALTH AND WELFARE RESERVE FOR HIGHER EDUCATION PERSONNEL

7520-0424	For a health and welfare reserve for eligible personnel employed at the community and state colleges	5,581,664

Section 2E

SCIENCE TECHNOLOGY ENGINEERING AND MATHEMATICS PIPELINE FUND

7066-0035	For the support of science, technology, engineering, and mathematics (STEM) initiatives through the STEM pipeline fund established in the 2006 Economic Stimulus Act	1,500,000

Federal Grant Spending **3,000,000**

GEAR UP II

7066-6033	For the purposes of a federally funded grant entitled, Gear Up II	3,000,000

Trust and Other Spending **2,392,000**

7066-0109	MATH, SCIENCE, TECHNOLOGY AND ENGINEERING GRANT FOUNDATION	1,100,000
7066-1081	SCHOLARSHIP - INTERNSHIP MATCH FUND	221,000

7066-6004	VETERANS' EDUCATION TRUST FUND	327,000
7066-6006	REGENTS' CENTRAL SERVICES TRUST	14,000
7066-6008	REGENTS LICENSING FEES TRUST ACCOUNT	100,000
7066-6010	AGNES M. LINDSAY TRUST	10,000
7066-6011	EDUCATIONAL OPPORTUNITY TRUST FUND	50,000
7066-6034	THE RONALD E. MCNAIR RESERVE ACCOUNT EXPENDABLE TRUST	520,000
7066-6035	VETERANS' EDUCATION TRUST FUND ADMINISTRATIVE OVERHEAD	50,000

UNIVERSITY OF MASSACHUSETTS

The University's mission is to provide an affordable and accessible education of high quality and to conduct programs of research and public service that advance knowledge and improve the lives of the people of the Commonwealth, the nation and the world.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
University of Massachusetts	417,983	0	417,983	133,434

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
University of Massachusetts	5,772	5,297	5,802	5,768	5,587
TOTAL	5,772	5,297	5,802	5,768	5,587

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

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Direct Appropriations **417,982,753**

UNIVERSITY OF MASSACHUSETTS

7100-0200 For the operation of the University of Massachusetts 417,982,753

STATE UNIVERSITIES

There are six comprehensive state Universities: Bridgewater State University, Fitchburg State University, Framingham State University, Salem State University, Westfield State University and Worcester State University; and three specialized colleges: Massachusetts College of Art and Design, Massachusetts College of Liberal Arts and Massachusetts Maritime Academy. All colleges integrate liberal arts and sciences programs with professional education, and the three specialized colleges also focus on academic areas identified in the college's name.

Each college and university places a special emphasis on teaching and lifelong learning and promotes a campus life that fosters intellectual, social and ethical development. Committed to excellence in instruction and to providing responsive, innovative, and educational programs of high quality, they seek to develop each student's critical thinking, quantitative, technological, oral and written communication skills and practical appreciation of the arts, sciences, and humanities as they affect good citizenship and an improved quality of life. The state colleges and universities provide a campus environment where the ideas, values, perspectives and contributions of all students are respected.

Massachusetts state colleges and universities are strategically located to facilitate access to baccalaureate and master's degree programs for Commonwealth residents who meet their high standards for admission. In recognition of their responsibilities to Massachusetts taxpayers to manage their resources efficiently and to maintain tuition and fees at a level as low as possible, each college and university has a distinctive academic focus based upon its established strengths and regional and state needs. Each college and university is a leader and resource for the community and contributes to the region's cultural, environmental and economic development.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
State Universities	191,585	883,256	1,074,841	14,696

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
State Universities	3,695	3,156	3,315	3,483	3,483
TOTAL	3,695	3,156	3,315	3,483	3,483

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Direct Appropriations	**191,585,150**
BRIDGEWATER STATE UNIVERSITY	
7109-0100 For Bridgewater State University	33,860,038
FITCHBURG STATE UNIVERSITY	
7110-0100 For Fitchburg State University	23,467,647
FRAMINGHAM STATE UNIVERSITY	
7112-0100 For Framingham State University	21,266,256

MASSACHUSETTS COLLEGE OF LIBERAL ARTS		
7113-0100	For the Massachusetts College of Liberal Arts	12,559,859
SALEM STATE UNIVERSITY		
7114-0100	For Salem State University	34,614,021
WESTFIELD STATE UNIVERSITY		
7115-0100	For Westfield State University	20,139,642
WORCESTER STATE UNIVERSITY		
7116-0100	For Worcester State University	19,941,794
MASSACHUSETTS COLLEGE OF ART		
7117-0100	For the Massachusetts College of Art	13,405,202
MASSACHUSETTS MARITIME ACADEMY		
7118-0100	For the Massachusetts Maritime Academy	12,330,691
Federal Grant Spending		**554,250**
UPWARD BOUND PAYROLL AND BENEFITS		
7110-6019	For the purposes of a federally funded grant entitled, Upward Bound Payroll and Benefits	492,750
NATIONAL SCIENCE FOUNDATION RECOVERY ACT RESEARCH SUPPORT		
7116-6270	For the purposes of a federally funded grant entitled, National Science Foundation Recovery Act Research Support	61,500
Trust and Other Spending		**882,701,754**
7107-0027	NAC - INTERCEPT ACCOUNT	15,000
7107-0029	WESTFIELD STATE UNIVERSITY - CONTINUING EDUCATION TRUST	4,000,000
7107-0030	WOR - CONTINUING EDUCATION TRUST	1,850,000
7107-0031	MCA - CONTINUING EDUCATION	3,000,000
7109-6001	BSC - AUTHORITY DORMITORY-PAYMENTS	4,276,848
7109-6010	BSC - NON-APPROPRIATED FUNDS	41,210,763
7109-6011	BSC - NON-APPROPRIATED FUNDS	85,634,787
7109-6012	BSC - AGENCY FUNDS	11,001,560
7109-6015	BSC - PELL GRANT	12,416,909
7109-6016	BSC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	188,672
7109-6017	BSC - COLLEGE WORK STUDY PROGRAM	441,938
7109-6018	BSC - PERKINS LOAN PROGRAM	323,922
7109-6047	STREAM	191,822
7109-6601	BSC - ELIZABETH CASE STEVENS FUND	5,000
7109-6620	BSC - AUXILIARY OPERATIONS	32,172,711

7109-6624	BSC - Direct Lending	54,028,817
7109-6625	Teach Grant	314,150
7109-8787	Out of State Tuition BSC	700,000
7110-6015	FSC - Professional Development Trust	452,250
7110-6038	FSC - Department of Education Grant Contract Revenue	450,000
7110-6045	FSC - Miscellaneous Payroll Trust	810,000
7110-6051	FSC - Continuing Education Trust	4,657,500
7110-6052	FSC - Authority Dormitory Payroll	1,863,000
7110-6058	FSC - Administrative Cost Trust Fund	360,000
7110-6060	FSC - Special Fee Interest Payroll	9,315,000
7110-6065	FSC - Grant Overhead Payroll	825,000
7110-6601	FSC - Trust Funds	75,000,000
7110-6602	FSC - Endowments	475,000
7110-6604	FSC - Pell Grant	4,900,000
7110-6605	FSC - Supplemental Educational Opportunity Grant	265,000
7110-6606	FSC - Perkins - Fitchburg State College	50,000
7110-6607	FSC - Work Study	310,000
7110-6608	FSC - Nursing Student Loans - Fitchburg	30,000
7110-6620	FSC - Agency Funds	33,000,000
7110-6630	FSC - Upward Bound	350,000
7110-6636	FSC - Unexpended Plant Fund	1,000,000
7110-6637	FSC - Retirement of Indebtedness	1,000,000
7110-6639	Academic Competitiveness Grant	965,000
7110-8787	Out of State Tuition FSC	1,200,000
7112-6101	FRC - Arts and Humanities Trust Fund	35,000
7112-6102	FRC - Athletics Trust Fund	750,000
7112-6104	FRC - Campus Police Trust Fund	145,000
7112-6109	FRC - College Center Trust Fund	690,000
7112-6110	FRC - Continuing Education Trust Fund	2,900,000

7112-6111	FRC - Residence Hall Trust Fund	9,800,000
7112-6112	FRC - Residence Hall Damage Trust Fund	10,000
7112-6113	FRC - Academic Support Trust Fund	550,000
7112-6114	FRC - College Operations Trust Fund	8,350,000
7112-6116	FRC - Federal Student Financial Aid	17,000
7112-6117	FRC - General Purpose Trust Fund	6,500,000
7112-6119	FRC - Health Trust Fund	85,000
7112-6120	FRC - Plant Fund	25,000
7112-6122	FRC - Library Trust Fund	445,000
7112-6128	FRC - Mass Regents Scholarship Trust Fund	60,000
7112-6130	FRC - Placement Trust Fund	30,000
7112-6132	FRC - President's Scholarship Trust Fund	400,000
7112-6134	FRC - Research, Grants and Contracts	2,100,000
7112-6136	FRC - Student Activities Trust Fund	410,000
7112-6137	FRC - Student Activities Class and Club Trust	117,000
7112-6139	FRC - Health Insurance Trust Fund	350,000
7112-6140	FRC - Clearing Accounts	1,000,000
7112-6141	FRC - Pell Grant	4,000,000
7112-6142	FRC - Supplemental Education Opportunity Grant	105,920
7112-6143	FRC - College Work Study Program	123,903
7112-6144	FRC - Perkins Loan Program	200,000
7112-6147	FRC - Marion Scherner Leonard (Non - Endowment)	40,000
7112-6902	FRC - Athletics Trust Fund - Payroll	370,000
7112-6904	FRC - Campus Police Trust Fund - Payroll	65,000
7112-6909	FRC - College Center Trust Fund - Payroll	240,000
7112-6910	FRC - Continuing Education Trust Fund - Payroll	4,500,000
7112-6911	FRC - Residence Hall Trust Fund - Payroll	2,675,000
7112-6913	FRC - Academic Support Trust Fund - Payroll	670,000
7112-6914	FRC - College Operations Trust Fund - Payroll	8,350,000
7112-6916	FRC - Federal Student Financial Aid	28,000

7112-6917	FRC - General Purpose Trust Fund - Payroll	650,000
7112-6919	FRC - Health Trust Fund - Payroll	200,000
7112-6922	FRC - Library Trust Fund - Payroll	140,000
7112-6930	FRC - Placement Trust Fund - Payroll	136,000
7112-6934	FRC - Research, Grants and Contracts	450,000
7112-6936	FRC - Student Activities Trust Fund - Payroll	77,000
7113-0130	NAC - Out of State Tuition Retained Revenue	480,000
7113-6603	NAC - Special Trust Fund	4,000,000
7113-6604	NAC Part-Time Trust Payroll	3,600,000
7113-6608	NAC - Trust Funds	25,000,000
7113-6701	NAC - Pell Grant	3,000,000
7113-6702	NAC - Supplemental Educational Opportunity Grant	64,952
7113-6703	NAC - College Work Study Program	319,024
7113-6704	NAC - Perkins Loan	200,000
7113-9706	NAC - Agency Fund	275,000
7114-1113	SSA - Other Non - General Appropriation Act Activity	41,089,250
7114-6607	SSA - Student Fee Intercept	170,248
7114-6650	SSA - Other Non-appropriated Funds	87,780,411
7114-6670	SSA - National Defense Student Loans	10,292
7114-6671	SSA - Pell Grant	10,405,849
7114-6672	SSA - Supplemental Educational Opportunity Grant	407,946
7114-6673	SSA - Nursing Loan Program	6,740
7114-6674	SSA - College Work Study Program	397,937
7114-6677	National Smart Grant	146,500
7114-6678	Academic Competitiveness Grant	360,716
7114-6680	Advanced Education Nursing Traineeship	32,446
7114-6681	Teach Grant	10,000
7115-0002	Westfield State University - Student Support	270,000
7115-0508	Westfield State University - Supplemental Educational Opportunity Grant	295,448

7115-6001	WESTFIELD STATE UNIVERSITY - DORMITORY - PAYMENTS	3,660,000
7115-6014	WESTFIELD STATE UNIVERSITY - SPECIAL TRUST FUND	23,165,000
7115-6603	WESTFIELD STATE UNIVERSITY - NATIONAL DEFENSE STUDENT LOAN	270,000
7115-6604	WESTFIELD STATE UNIVERSITY - PELL GRANT	6,500,000
7115-6605	WESTFIELD STATE UNIVERSITY - STUDENT FEES/INTEREST	83,430,000
7115-6606	WESTFIELD STATE UNIVERSITY - AGENCY FUND	10,300,000
7115-6607	WESTFIELD STATE UNIVERSITY - WORK STUDY	368,333
7116-6010	WOR - OVERHEAD GRANT EXPENSE TRUST	575,000
7116-6015	WOR - AUTHORITY DORMITORY TRUST	950,000
7116-6252	WOR - COLLEGE WORK STUDY	160,000
7116-6602	WOR - SUPPLEMENTAL FULL-TIME PAYROLL ACCOUNT	10,200,000
7116-6603	WOR - SPECIAL SALARIES ACCOUNT	500,000
7116-6604	WOR - NON - APPROPRIATED FUNDS	40,000,000
7116-6608	WOR - STUDENT WAGES - NON-WORK STUDY	330,000
7116-9707	WOR - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY	225,000
7116-9750	WOR - PERKINS LOAN	165,000
7117-2100	MCA - TRUST FUNDS	20,235,816
7117-2402	MCA - MASS COLLEGE OF ART SCHOLARSHIPS	2,800,000
7117-2502	MCA - COLLEGE WORK STUDY PROGRAM	88,712
7117-2504	MCA - PELL GRANT	2,271,308
7117-2508	MCA - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	96,056
7117-2600	MCA - AGENCY FUNDS - ACTIVITY	900,000
7117-3001	MCA - TRUST FUND PAYROLL	10,000,000
7117-4001	MCA - MASS ART TRUST PAYROLL	2,500,000
7117-4111	MCA - MASS ART STUDENT FINANCIAL ASSISTANCE	150,000
7117-6001	MCA - MASS COLLEGE OF ART - DORMITORY TRUST FUND	250,000
7118-0005	MMA - COLLEGE WORK STUDY PROGRAM	100,000
7118-0014	MMA - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	59,699
7118-0015	MMA - PELL GRANT	889,500
7118-1000	MMA - AGENCY FUNDS	7,125,361

7118-4000	MMA - ENTERPRISE FUNDS	25,505,107
7118-6001	MMA - AUTHORITY DORMITORY - PAYMENTS	1,471,550
7118-9000	MMA - CONTINUING EDUCATION PAYROLL ACCOUNT	2,297,081

COMMUNITY COLLEGES

The fifteen Massachusetts Community Colleges offer open access to high quality and affordable academic programs, including associate degree and certificate programs. They are committed to excellence in teaching and learning and provide academic preparation for transfer to four-year institutions, career preparation for entry into high demand occupational fields, developmental coursework and lifelong learning opportunities.

Community colleges have a special responsibility for workforce development and through partnerships with business and industry, provide job training, retraining, certification and skills improvement. In addition, they assume primary responsibility in the public system for offering developmental courses, programs and other educational services for individuals who seek to develop the skills needed to pursue college-level study or enter the workforce.

Rooted in their communities, the colleges serve as community leaders, identifying opportunities and solutions to community problems and contributing to the region's intellectual, cultural, and economic development. They collaborate with elementary and secondary education and work to ensure a smooth transition from secondary to post-secondary education. Through partnerships with baccalaureate institutions, they help to promote an efficient system of public higher education.

The community colleges offer an environment where the ideas and contributions of all students are respected. Academic and personal support services are provided to ensure that all students have an opportunity to achieve academic and career success.

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Community Colleges	219,108	711,105	930,213	11,697

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Community Colleges	3,943	3,410	3,645	3,649	3,828
TOTAL	3,943	3,410	3,645	3,649	3,828

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Direct Appropriations **219,107,766**

MASSACHUSETTS COMMUNITY COLLEGES

7100-4000 For funding to community college campuses in the commonwealth; provided, that the specific allocation of the funds shall be determined and approved by the board of higher education in consultation with the commissioner of higher education; provided further, that the allocation methodology shall include but not be limited to: accurate enrollment data for each college and the board's assessment of the operational goals and needs for each college; the current capacity of each campus to provide focused and effective workforce training and career readiness to the region they serve; an analysis of any plans each campus presents to the board to improve their efforts in these areas; institutional performance with respect to the Vision Project and other clearly defined goals and metrics established by the board, including but not limited to provision for transferable and stackable credits; innovation with respect to labor 218,562,027

market and board priorities, including but not limited to additional funds for partnerships with vocational-technical schools; a review of the efforts made by each campus to streamline their administrative and overhead costs, including joint purchasing and staffing efforts; and an analysis of the existing per-pupil state subsidy for each campus and any inequities that that distribution causes; and provided, further, that up to $900,000 may be expended by the board and department of higher education on the administration of this allocation and other tasks associated with implementation of section 30 of this act

Retained Revenues

REGGIE LEWIS TRACK AND ATHLETIC CENTER RETAINED REVENUE

7515-0121	For the operation of the Reggie Lewis Track and Athletic Center, Roxbury Community College may expend an amount not to exceed $545,739 from fees and rentals generated from track meets, conferences, meetings and other athletic events held at the center	545,739

Federal Grant Spending **3,305,724**

TITLE III - STRENGTHEN INSTITUTE PROGRAM

7503-6555	For the purposes of a federally funded grant entitled, Title III - Strengthen Institute Program	129,286

TRIO-TALENT SEARCH

7503-6557	For the purposes of a federally funded grant entitled, Trio-Talent Search	134,104

SPECIAL SERVICES FOR DISADVANTAGED

7503-9711	For the purposes of a federally funded grant entitled, Special Services For Disadvantaged	269,574

UPWARD BOUND PROGRAM

7503-9714	For the purposes of a federally funded grant entitled, Upward Bound Program	84,080

EDUCATIONAL OPPORTUNITY CENTERS PAYROLL

7509-1490	For the purposes of a federally funded grant entitled, Educational Opportunity Centers Payroll	288,680

SPECIAL SERVICES FOR THE DISADVANTAGED

7509-9714	For the purposes of a federally funded grant entitled, Special Services for the Disadvantaged	260,000

UPWARD BOUND MATH AND SCIENCE PROGRAM

7509-9717	For the purposes of a federally funded grant entitled, Upward Bound Math and Science Program	125,000

TALENT SEARCH

7509-9718	For the purposes of a federally funded grant entitled, Talent Search	250,000

GEAR UP 2011

7509-9720	For the purposes of a federally funded grant entitled, Gear Up 2011	300,000

SPECIAL SERVICES FOR THE DISADVANTAGED

7511-9711	For the purposes of a federally funded grant entitled, Special Services for the Disadvantaged	500,000

UPWARD BOUND

7511-9740	For the purposes of a federally funded grant entitled, Upward Bound	385,000

TALENT SEARCH		
7511-9750	For the purposes of a federally funded grant entitled, Talent Search	230,000
COLLEGE WORK STUDY PROGRAM		
7518-6127	For the purposes of a federally funded grant entitled, College Work Study Program	350,000
Trust and Other Spending		**707,799,566**
7502-2400	BERKSHIRE COMMUNITY COLLEGE - OTHER TRUST FUNDS	9,000,000
7502-2500	BCC - PELL GRANTS	4,422,500
7502-2501	BCC - WORK STUDY - FEDERAL	83,340
7502-2502	BCC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	48,836
7502-2503	BCC ACADEMIC COMPETITIVENESS GRANT	64,884
7502-2513	BCC - TRIO SUPPORT SERVICES	255,505
7502-9703	BCC TRUST FUND PAYROLL	3,000,000
7502-9707	BCC - CHARGEBACK ADMINISTRATION	46,800
7502-9709	BCC - MISCELLANEOUS GRANT FUNDS	2,000,000
7502-9729	BCC - BAY STATE SKILLS GRANT PROGRAM - INTERCEPTS	90,000
7503-2222	BRC - FINANCIAL AID 901	16,000,000
7503-2223	BRC - FEDERAL WORK - STUDY PROGRAM	270,000
7503-2224	BRC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	168,000
7503-2226	BRC - SCHOLARSHIP TRUST	85,220
7503-2228	BRC - AGENCY FUNDS - SCHOLARSHIP	981,759
7503-4000	BRC - PAYROLL CLEARING	20,274,500
7503-4111	BRC - TRUST DISBURSEMENTS	27,238,446
7503-4121	BRC - STUDENT ACTIVITY FEES	2,535,149
7503-6111	BRC - OVERHEAD GRANT TRUST	102,883
7503-6114	BRC - UPWARD BOUND	334,723
7503-6121	BRC - SPECIAL GRANTS	5,000,067
7503-6131	BRC - SPECIAL SERVICES	402,907
7503-6160	BRC - TITLE III STRENGTHENING INSTITUTIONS	377,168
7503-6200	BRC - DEPARTMENT OF EDUCATION GRANTS	1,796,395
7503-6551	BRC - OVERHEAD GRANT EXPENSE TRUST	1,023,434
7503-6553	BRC - STATE DEPARTMENT OF EDUCATION GRANTS	738,516

7503-8787	Out of State Tuition BRC	50,000
7505-0200	GCC - Bookstore Payroll	200,000
7505-0501	GCC - College Work Study	148,000
7505-0502	GCC - Pell Grants	3,700,000
7505-0503	GCC - Supplemental Educational Opportunity Grant	65,000
7505-0699	GCC - Agency Funds	200,000
7505-0799	GCC - Non-appropriated Funds	12,500,000
7505-6551	GCC - Overhead Grant Expense Trust	6,500,000
7505-7128	GCC - Federal Grants Reporting	500,000
7506-0001	HCC - Other Funds	14,000,000
7506-0008	HCC - Federal Title IV	14,000,000
7506-0012	HCC - Chargeback	17,500,000
7506-0017	HCC - Student Activity Agency Funds	400,000
7507-6553	MBC - Other Trust Funds	14,250,000
7507-6554	MBC - Pell Grant	7,500,000
7507-6556	MBC - Supplemental Educational Opportunity Grant	95,000
7507-6558	MBC - College Work Study	98,000
7507-6561	MBC - Trust Fund Payroll	13,500,000
7508-6025	MAS - Operating Fund	16,000,000
7508-6053	MAS - Trio-Student Support Services	281,500
7508-6054	MAS - Auxiliary Funds	990,000
7508-6101	MAS - Pell Grant	9,000,000
7508-6102	MAS - Supplemental Educational Opportunity Grant	115,000
7508-6103	MAS - College Work Study Program	130,000
7508-6104	MAS Academic Competitiveness Grant	130,000
7508-6125	MAS - Operating Fund	24,000,000
7508-6190	MAS - Agency Funds	375,000
7508-6199	MAS - Grant Activity	3,000,000
7508-7144	MAS - Direct Lending	6,500,000

7509-6551	MWC - Overhead Grant Expense Trust	168,000
7509-6709	MWC - Department of Education Federal Grant Allocations Payroll	680,000
7509-9200	MWC - Day Trust Funds	32,000,000
7509-9202	MWC - Day Trust Funds	205,000
7509-9800	MWC - Grants	150,000
7509-9802	MWC - Non-Federal Grants	300,000
7509-9902	MWC - DCE Trust Fund	8,500,000
7509-9903	MWC - College Day Trust Payroll	5,000,000
7510-7048	NEC - Guaranteed Student Loans	7,633,500
7510-7100	NEC - Financial Aid Trust	1,764,000
7510-7120	NEC - College Work Study	162,750
7510-7121	NEC - Pell Grants	13,400,000
7510-7122	NEC - Supplemental Education Opportunity Grant	180,000
7510-7158	Academic Competitiveness Grant	89,250
7510-8000	NEC - All College Purpose Trust Fund	38,325,000
7510-8705	NEC - Institutional Education Fee Fund	13,114,000
7510-8900	NEC - Endowment Scholarship Trust	41,580
7511-1961	NSC - General Student Fee Trust - Chargebacks	200,000
7511-1963	NSC - Student Activities	40,000
7511-1964	NSC - Student Activities	130,000
7511-1965	NSC - General Student Fee Trust	13,500,000
7511-1966	NSC - General Student Fee Trust	10,000,000
7511-1971	NSC - Educational Reserve and Development	650,000
7511-1972	NSC - Educational Reserve and Development	700,000
7511-1973	NSC - Bookstore	2,900,000
7511-1974	NSC - Bookstore	580,000
7511-1975	NSC - All College Purpose Trust	15,000
7511-1977	NSC - Pell Grant	14,000,000
7511-1978	NSC - Supplemental Education Opportunity Grant	140,000
7511-1979	NSC - College Work Study Program	150,000

7511-1980	NSC - Agency Funds Account	9,000,000
7511-1981	NSC - State Student Aid	1,200,000
7511-1983	NSC - Work Study Payroll College Trust	150,000
7511-6510	NSC - Department of Education Grants	900,000
7511-6511	NSC - Department of Education Grants	1,500,000
7511-6551	Overhead Expense Account For Federal	10,000
7511-6552	NSC - Overhead Trust	30,000
7514-8520	STC - Springfield Technical Community College Trust Fund	17,200,000
7514-8801	STC - College Work Study Program	220,000
7514-8802	STC - Pell Grant	14,200,000
7514-8803	STC - Supplemental Educational Opportunity Grant	200,000
7514-9702	STC - Evening Classes	10,200,000
7515-0910	RCC - Teaching Learning Center	20,000
7515-9003	RCC - Division of Extended Education	3,500,000
7515-9005	RCC - All College Purpose Trust Fund	2,400,000
7515-9101	RCC - College Work Study Program	86,000
7515-9102	RCC - Supplemental Educational Opportunity Grant	232,000
7515-9103	RCC - Pell Grant	6,700,000
7515-9104	RCC - Massachusetts State Scholarship Program	750,000
7515-9111	RCC - General Account	8,500,000
7515-9119	DFAFS Account	7,500,000
7515-9135	RCC - Disbursement Account	11,200,000
7515-9147	Investment Account	2,400,000
7515-9148	RCC Capital Contributions	285,000
7515-9149	RCC - Campus Managed Grants	1,300,000
7516-2000	MCC - Other Non-appropriated Trusts	30,500,000
7516-2075	MCC - Agency Funds	8,500,000
7516-2225	MCC - Pell Grants	11,000,000
7516-2325	MCC - Supplemental Educational Opportunity Grant	175,985

7516-2350	MCC - College Work Study	169,738
7516-2375	MCC - Talent Search	328,849
7516-2425	Common Ground Identity & Community	2,400,000
7516-2450	MCC - Student Support	321,288
7516-2476	Career Pathways	5,500,000
7516-2485	MCC - Upward Bound Program	235,194
7516-6551	MCC - Overhead Grant Expense Trust	677,000
7516-6553	MCC Benefited Employees	10,820,000
7516-6554	MCC Non-Benefited Employees	12,530,000
7516-6555	MCC Charter School	825,000
7518-6119	BHC - Program Development	3,250,000
7518-6120	BHC - Program Development	3,250,000
7518-6121	BHC - Federal Student Aid - Pell Grant	22,000,000
7518-6122	BHC - Supplemental Educational Opportunity Grant	360,000
7518-6128	BHC - Federal College Work Study	350,000
7518-6300	BHC - General College Trust	28,000,000
7518-6301	BHC - General College Trust	32,000,000
7518-6321	BHC - Custodial Accounts	8,000,000
7518-6322	BHC - Federal Student Services	16,900
7518-6323	BHC - Federal Nursing Grant	120,000

EXECUTIVE OFFICE OF PUBLIC SAFETY AND SECURITY

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Public Safety and Security	31,026	183,873	214,899	80
Office of the Chief Medical Examiner	24,692	0	24,692	2,105
Department of Criminal Justice Information Services	5,560	149	5,709	11,145
Sex Offender Registry Board	3,991	200	4,191	0
Department of State Police	279,214	48,110	327,325	33,606
Municipal Police Training Committee	3,480	0	3,480	902
Department of Public Safety	11,328	0	11,328	29,347
Department of Fire Services	15,259	898	16,157	18,469
Military Division	15,816	47,269	63,085	1,403
Massachusetts Emergency Management Agency	2,353	39,803	42,156	850
Department of Correction	556,653	8,571	565,224	11,808
Department of Re-Entry and Community Supervision	118,956	0	118,956	0
Parole Board	1,364	100	1,464	1,000
TOTAL	1,069,694	328,974	1,398,668	110,714

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Office of the Secretary of Public Safety and Security	27	119	127	128	129
Office of the Chief Medical Examiner	204	195	188	192	192
Department of Criminal Justice Information Services	58	33	31	31	48
Sex Offender Registry Board	62	56	56	54	54
Department of State Police	2,391	2,374	2,272	2,202	2,382
Municipal Police Training Committee	22	22	22	22	22
Department of Public Safety	116	109	128	131	129
Department of Fire Services	69	70	61	74	73
Merit Rating Board	52	52	52	0	0
Military Division	96	91	91	100	100
Massachusetts Emergency Management Agency	51	50	49	52	52
Department of Correction	5,113	5,067	4,983	4,938	4,848
Department of Re-Entry and Community Supervision	0	0	0	0	1,729
Parole Board	224	207	199	205	17
TOTAL	8,483	8,444	8,259	8,130	9,776

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Office of the Secretary of Public Safety and Security

Through leadership and support, the Executive Office of Public Safety and Security ensures that the Commonwealth's municipal and state public safety agencies protect and serve our citizens in a fair, equitable, cohesive and progressive manner.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Secretary of Public Safety and Security	31,026	183,873	214,899	80

www.mass.gov/eops

Direct Appropriations **31,025,751**

WITNESS PROTECTION BOARD

8000-0038 For the operation of a witness protection program under chapter 263A of the General Laws 94,245

SEXUAL ASSAULT EVIDENCE KITS

8000-0202 For the purchase and distribution of sexual assault evidence collection kits 86,882

EXECUTIVE OFFICE OF PUBLIC SAFETY

8000-0600 For the office of the secretary, including the administration of the office of grants and research and the highway safety division, to provide matching funds for a federal planning and administration grant pursuant to 23 U.S.C. section 402; provided, that local police departments, sheriff departments, the department of state police, the department of correction and other state agencies, authorities and educational institutions with law enforcement functions as determined by the secretary that receive funds for the cost of replacement of bulletproof vests through the office of the secretary may expend without further appropriation such funds to purchase additional vests in the fiscal year in which they receive the reimbursements; provided further, that the office of the secretary shall, in consultation with the Massachusetts sheriffs' association, develop a report on recidivism rates for all pretrial, county sentenced and state sentenced inmates utilizing data provided by the department of correction and sheriff departments; provided further, that funds under this items may be expended by office of the secretary to facilitate the sheriffs, in consultation with the Massachusetts sheriffs' association, in determining a standardized definition of recidivism for Massachusetts sheriffs and analyzing relevant data to provide above required recidivism reporting; provided further, that the department shall submit these reports to the executive office for administration and finance, the house and senate committees on ways and means and the joint committee on public safety, on a quarterly basis starting October 1, 2012, due no later than 30 days after the last day of each quarter; and provided further, that funds shall be expended to support the functions of the office of performance management in carrying out the executive order known as "Improving the Performance of State Government by Implementing a Comprehensive Strategic Planning and Performance Management Framework in the Executive Departments" 2,447,969

PUBLIC SAFETY INFORMATION TECHNOLOGY COSTS

8000-1700 For the provision of information technology services within the executive office of public safety and security 20,396,655

GANG PREVENTION GRANT PROGRAM

8100-0111 For the operation of the gang prevention grant program 8,000,000

Intragovernmental Service Spending ***11,462,348***

CHARGEBACK FOR PUBLIC SAFETY INFORMATION TECHNOLOGY COSTS

8000-1701 For the cost of information technology services provided to agencies of the executive office of public safety and security 11,462,348

Intragovernmental Service Fund.....100%

Federal Grant Spending **89,749,000**

ARRA - JUSTICE ASSISTANCE FUNDING

8000-2015 For the purposes of a federally funded grant entitled, ARRA - Justice Assistance Funding 640,000

JUVENILE JUSTICE DELINQUENCY AND PREVENTION ACT

8000-4603 For the purposes of a federally funded grant entitled, Juvenile Justice Delinquency and Prevention Act 708,000

STATISTICAL ANALYSIS CENTER

8000-4610 For the purposes of a federally funded grant entitled, Statistical Analysis Center 60,000

BYRNE JUSTICE ASSISTANCE GRANT

8000-4611 For the purposes of a federally funded grant entitled, Byrne Justice Assistance Grant 4,600,000

TITLE V - DELINQUENCY PREVENTION

8000-4619 For the purposes of a federally funded grant entitled, Title V - Delinquency Prevention 71,000

STOP VIOLENCE AGAINST WOMEN FORMULA GRANTS

8000-4620 For the purposes of a federally funded grant entitled, Stop Violence Against Women Formula Grants 3,100,000

CRIMINAL HISTORY IMPROVEMENT

8000-4623 For the purposes of a federally funded grant entitled, Criminal History Improvement 300,000

STATE PRISONER RESIDENTIAL SUBSTANCE ABUSE TREATMENT

8000-4624 For the purposes of a federally funded grant entitled, State Prisoner Residential Substance Abuse Treatment 150,000

JOHN JUSTICE GRANT

8000-4639 For the purposes of a federally funded grant entitled, John Justice Grant 130,000

HAMPDEN COUNTY REGIONAL RE-ENTRY PROGRAM

8000-4640 For the purposes of a federally funded grant entitled, Hampden County Regional Re-Entry Program 50,000

HOMELAND SECURITY GRANT PROGRAM II

8000-4692 For the purposes of a federally funded grant entitled, Homeland Security Grant Program II 26,250,000

PROJECT SAFE NEIGHBORHOODS

8000-4693 For the purposes of a federally funded grant entitled, Project Safe Neighborhoods 150,000

URBAN AREAS SECURITY INITIATIVE

8000-4694 For the purposes of a federally funded grant entitled, Urban Areas Security Initiative 7,000,000

HOMELAND SECURITY BUFFER ZONE PROTECTION

8000-4695 For the purposes of a federally funded grant entitled, Homeland Security Buffer Zone Protection 1,275,000

TRANSIT SECURITY GRANT		
8000-4696	For the purposes of a federally funded grant entitled, Transit Security Grant	15,000,000
HOMELAND CITIZEN CORP PROGRAM		
8000-4699	For the purposes of a federally funded grant entitled, Homeland Citizen Corp Program	325,000
HOMELAND METRO MEDICAL RESPONSE SYSTEM		
8000-4700	For the purposes of a federally funded grant entitled, Homeland Metro Medical Response System	1,175,000
HOMELAND PORT SECURITY		
8000-4701	For the purposes of a federally funded grant entitled, Homeland Port Security	2,000,000
HOMELAND INTEROPERABLE EMERGENCY COMMUNICATIONS		
8000-4702	For the purposes of a federally funded grant entitled, Homeland Interoperable Emergency Communications	725,000
HOMELAND REGIONAL CATASTROPHIC PREPAREDNESS		
8000-4703	For the purposes of a federally funded grant entitled, Homeland Regional Catastrophic Preparedness	4,500,000
HOMELAND EMERGENCY MANAGEMENT PREPAREDNESS		
8000-4705	For the purposes of a federally funded grant entitled, Homeland Emergency Management Preparedness	3,750,000
HOMELAND EMERGENCY OPERATION CENTER		
8000-4706	For the purposes of a federally funded grant entitled, Homeland Emergency Operation Center	125,000
HIGHWAY SAFETY PROGRAMS - GRANTS TRACKING SYSTEM		
8000-4804	For the purposes of a federally funded grant entitled, Highway Safety Programs - Grants Tracking System	16,750,000
ENFORCING UNDERAGE DRINKING LAWS		
8000-4840	For the purposes of a federally funded grant entitled, Enforcing Underage Drinking Laws	365,000
FATALITY ANALYSIS REPORTING SYSTEM		
8000-4841	For the purposes of a federally funded grant entitled, Fatality Analysis Reporting System	100,000
CLICK IT OR TICKET NEXT GENERATION		
8000-4842	For the purposes of a federally funded grant entitled, Click It or Ticket Next Generation	300,000
INCREASE NUMBER OF PROPERLY ENDORSED MOTORCYCLISTS		
8000-4843	For the purposes of a federally funded grant entitled, Increase Number of Properly Endorsed Motorcyclists	50,000
INCREASING BLOOD ALCOHOL CONCENTRATION REPORTING		
8000-4844	For the purposes of a federally funded grant entitled, Increasing Blood Alcohol Concentration Reporting	100,000
Trust and Other Spending		**82,662,000**
8000-0085	HIGHWAY SAFETY TRUST FUND	30,000
8000-0088	BULLETPROOF VEST REIMBURSEMENT EXPENDABLE TRUST	300,000

8000-0911	ENHANCED 911 FUND	81,000,000
8000-6612	SPECIAL PUBLIC EVENTS	600,000
8000-6613	JUVENILE ACCOUNTABILITY BLOCK GRANT TRUST	683,000
8000-6615	COMMUNITY SECURITY EXPENDABLE TRUST	49,000

Office of the Chief Medical Examiner

The Office of Chief Medical Examiner is responsible for investigating the cause and manner of death in violent, unexplained or suspicious deaths.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Office of the Chief Medical Examiner	24,692	0	24,692	2,105

www.mass.gov/ocme

Direct Appropriations		**24,692,313**
OFFICE OF THE CHIEF MEDICAL EXAMINER		
8000-0105	For the operation of the office of the chief medical examiner	7,681,063
STATE POLICE CRIME LABORATORY		
8000-0106	For the operation and related costs of the state police crime laboratory	14,911,250
Retained Revenues		
CHIEF MEDICAL EXAMINER FEE RETAINED REVENUE		
8000-0122	The office of the chief medical examiner may expend for the operation of the office an amount not to exceed $2,100,000 from fees for services provided by the office; provided, that notwithstanding any general or special law to the contrary, for the purposes of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the office may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	2,100,000

Department of Criminal Justice Information Services

The mission of the Department of Criminal Justice Information Services (DCJIS) is to provide timely and accurate criminal justice information and services to authorized law enforcement and non-criminal justice agencies and individuals in support of promoting the public safety and security of the Commonwealth of Massachusetts.

DCJIS recognizes and preserves the separate mission, priorities, constitutional objectives, governing laws and rules and regulations of the participating agencies responsible for criminal justice administration within the Commonwealth of Massachusetts. The DCJIS innovatively and collaboratively works to integrate, to the most reasonable extent possible, the functionality and interoperability of criminal justice information systems, focuses on enhancing the efficiency, effectiveness and accuracy of our criminal justice information, promotes enterprise

information technology architecture for an integrated criminal justice information sharing, and collaborates with stakeholders to develop, establish and maintain a governance structure.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Criminal Justice Information Services	5,560	149	5,709	11,145

www.mass.gov\cjis

Direct Appropriations **5,560,456**

CRIMINAL JUSTICE INFORMATION SERVICES

8000-0110 For the operation of the department of criminal justice information services 2,560,456

Retained Revenues

CORI RETAINED REVENUE

8000-0111 For the operation of the public safety information system and the criminal records review board within the department of criminal justice information services, which may expend for the operation of the office an amount not to exceed $3,000,000 from fees for services provided by the office; provided, that funding from this item may be retained and expended from fees charged and collected under section 172A of chapter 6 of the General Laws; provided further, that funding from this item may be used to assist ex-offenders in obtaining and maintaining employment and to provide education and assistance regarding criminal records as specified in said section 172A of said chapter 6, and that the commissioner of the department of criminal justice information services may make funds from this item available for a competitive grant process to provide such assistance, training and education; provided further, that for the purposes of accommodating discrepancies between the receipt of retained revenue and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system; and provided further, that any unexpended funds in this item shall not revert but shall be made available for the purposes of this item until June 30, 2014 3,000,000

Trust and Other Spending **149,000**

8000-0149 CRIMINAL OFFENDER RECORD INFORMATION ONLINE PROCESSING 149,000

Sex Offender Registry Board

The mission of the Sex Offender Registry Board is to promote public safety through educating and informing the public in order to prevent further victimization. This is accomplished through registering and classifying convicted sex offenders by risk of reoffense and degree of danger and disseminating the identifying information of those offenders who live, work and/or attend institutions of higher learning in the communities of the Commonwealth of Massachusetts.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Sex Offender Registry Board	3,991	200	4,191	0

www.mass.gov/sorb

Direct Appropriations **3,991,123**

SEX OFFENDER REGISTRY BOARD

8000-0125 For the operation of the sex offender registry program including, but not limited to, the costs of maintaining a computerized registry system and the classification of persons subject to the registry; provided, that notwithstanding any general or special law to the contrary, the registration fee paid by convicted sex offenders under section 178Q of chapter 6 of the General Laws shall be retained and expended by the sex offender registry board 3,991,123

Trust and Other Spending **200,000**

8000-0226 SEX OFFENDER REGISTRY BOARD EXPENDABLE TRUST 200,000

Department of State Police

The Massachusetts State Police is the principal statewide law enforcement agency in the Commonwealth. The Massachusetts State Police, in partnership with local communities, is dedicated to providing quality policing directed at achieving safer roadways and reducing crime through investigations, education and patrol services and by providing leadership and resources during natural disasters, civil disorders and critical incidents.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of State Police	279,214	48,110	327,325	33,606

www.mass.gov/msp

Direct Appropriations **279,214,334**

NEW STATE POLICE CLASS

8100-0515 For the estimated expenses of hiring, equipping and training state police recruits to maintain the strength of the state police 597,787

DEPARTMENT OF STATE POLICE

8100-1001 For the operation of the department of state police including overtime costs; provided, that the department shall expend funds from this item for the purposes of maximizing federal grants for the operation of a counter-terrorism unit; and provided further, that funds from this item may be used for the administration of budgetary, procurement, fiscal, human resources, payroll and other administrative services of the municipal police training committee and the department of criminal justice information services 245,422,047

Commonwealth Transportation Fund.....56.67%
General Fund 43.33%

Retained Revenues

PRIVATE DETAIL RETAINED REVENUE

8100-0006 The department of state police may expend for the costs of private police details, including administrative costs, an amount not to exceed $27,500,000 from fees charged for those details; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the 27,500,000

state accounting system

SPECIAL EVENT DETAIL RETAINED REVENUE

8100-0012 For the department of state police; provided, that the department may expend for the costs of security services provided by state police officers, including overtime and administrative costs, an amount not to exceed $1,050,000 from fees charged for these services; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 1,050,000

FEDERAL REIMBURSEMENT RETAINED REVENUE

8100-0018 For the department of state police, which may expend an amount not to exceed $4,501,500 for certain police activities provided pursuant to agreements authorized in this item; provided, that for fiscal year 2013, the colonel of state police may enter into service agreements with the commanding officer or other person in charge of a military reservation of the United States located in the Massachusetts Development Finance Agency, established in chapter 23G of the General Laws; provided further, that such agreements shall establish the responsibilities pertaining to the operation and maintenance of police services including, but not limited to: (1) provisions governing payment to the department for the cost of regular salaries, overtime, retirement and other employee benefits; and (2) provisions governing payment to the department for the cost of furnishings and equipment necessary to provide such police services; provided further, that the department may charge any recipients of police services for the cost of such services, as authorized by this item; provided further, that the department may retain the revenue so received and expend such revenue as necessary pursuant to this item to provide the agreed level of services; provided further, that the colonel may enter into service agreements as may be necessary to enhance the protection of persons, as well as assets and infrastructure located within the commonwealth, from possible external threat or activity; provided further, that such agreements shall establish the responsibilities pertaining to the operation and maintenance of police services including, but not limited to: (1) provisions governing payment to the department for the cost of regular salaries, overtime, retirement, and other employee benefits; and (2) provisions governing payment to the department for the cost of equipment necessary to provide such police services; provided further, that the department may charge any recipients of police services for the cost of such services, as authorized by this item; provided further, that the department may retain the revenue so received and expend such revenue as necessary pursuant to this item to provide the agreed level of services; provided further, that the colonel may expend from this item costs associated with joint federal and state law enforcement activities from federal reimbursements received therefore; and provided further, that notwithstanding any general or special law to the contrary, for the purposes of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue, estimate as reported in the state accounting system 4,501,500

TELECOMMUNICATIONS ACCESS FEE RETAINED REVENUE

8100-0020 For the department of state police, which may expend an amount not to exceed $35,000 in fees charged for the use of the statewide telecommunications system for the maintenance of the system 35,000

AUTO ETCHING FEE RETAINED REVENUE

8100-0101 For the department of state police, which may expend for the Governor's Auto Theft Strike Force an amount not to exceed $108,000 from fees for services performed through the auto etching program and from assessments upon the insurance industry 108,000

Intragovernmental Service Spending ***33,758,259***

CHARGEBACK FOR STATE POLICE DETAILS

8100-0002 For the costs of overtime associated with requested police details; provided, that for the purpose of accommodating discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate thereof as reported in the state accounting system 33,601,884

Intragovernmental Service Fund 100%

CHARGEBACK FOR STATE POLICE TELECOMMUNICATIONS

8100-0003 For the costs associated with the use of the statewide telecommunications system for the maintenance of the system 156,375

Intragovernmental Service Fund 100%

Federal Grant Spending **10,288,104**

REGION 1 TRAINING ACADEMY MOTOR CARRIER SAFETY ASSISTANCE

8100-0209 For the purposes of a federally funded grant entitled, Region 1 Training Academy Motor Carrier Safety Assistance 82,677

FEDERAL MOTOR CARRIER SAFETY ASSISTANCE

8100-0210 For the purposes of a federally funded grant entitled, Federal Motor Carrier Safety Assistance 457,464

FEDERAL MOTOR CARRIER SAFETY

8100-2010 For the purposes of a federally funded grant entitled, Federal Motor Carrier Safety 2,349,450

FEDERAL MOTOR CARRIER SAFETY ASSISTANCE - HIGH PRIORITY SEAT BELTS

8100-2020 For the purposes of a federally funded grant entitled, Federal Motor Carrier Safety Assistance - High Priority Seat Belts 239,700

FEDERAL MOTOR CARRIER SAFETY ASSISTANCE DATA IMPROVEMENT

8100-2021 For the purposes of a federally funded grant entitled, Federal Motor Carrier Safety Assistance Data Improvement 90,447

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION WORK ZONE

8100-2022 For the purposes of a federally funded grant entitled, Federal Motor Carrier Safety Administration Work Zone 193,406

NEW ENGLAND STATE POLICE ADMINISTRATORS' CONFERENCE - REGIONAL INVESTIGATION

8100-2058 For the purposes of a federally funded grant entitled, New England State Police Administrators' Conference - Regional Investigation 4,867,198

ARRA - INTERNET CRIMES AGAINST CHILDREN TASK FORCE GRANT

8100-2639 For the purposes of a federally funded grant entitled, ARRA - Internet Crimes Against Children Task Force Grant 111,312

INTERNET CRIMES AGAINST CHILDREN CONTINUATION

8100-2640 For the purposes of a federally funded grant entitled, Internet Crimes Against Children Continuation 355,159

NATIONAL INTERNET CRIMES AGAINST CHILDREN DATA SYSTEM

8100-2641 For the purposes of a federally funded grant entitled, National Internet Crimes Against Children Data System 686,291

CANNABIS ERADICATION CONTROLLED SUBSTANCE PROSECUTION DEA COOPERATIVE AGREEMENT

8100-9706 For the purposes of a federally funded grant entitled, Cannabis Eradication 55,000

Controlled Substance Prosecution DEA Cooperative Agreement

PAUL COVERDELL FORENSIC SCIENCE IMPROVEMENT GRANTS

8100-9750	For the purposes of a federally funded grant entitled, Paul Coverdell Forensic Science Improvement Grants	100,000

DNA BACKLOG REDUCTION PROGRAM GRANT

8100-9751	For the purposes of a federally funded grant entitled, DNA Backlog Reduction Program Grant	700,000

Trust and Other Spending		**4,064,000**
8000-0104	STATE DNA DATABASE TRUST	200,000
8100-4444	FEDERAL FORFEITURE ACCOUNT	2,270,000
8100-4545	STATE FORFEITURE ACCOUNT	494,000
8100-4949	FIREARMS FINGERPRINT IDENTITY VERIFICATION	1,100,000

Municipal Police Training Committee

The mission of the Municipal Police Training Committee (MPTC) is to set and enforce training standards, to identify and meet the training needs of the municipal, University of Massachusetts and environmental police officers of the Commonwealth, to facilitate the delivery of up-to-date, state-of-the-art training and to document training. At the same time, the MPTC must be responsive to the needs of municipal and University of Massachusetts departments, the Massachusetts Environmental Police and the communities they serve.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Municipal Police Training Committee	3,480	0	3,480	902

www.mass.gov/mptc

Direct Appropriations		**3,479,835**

MUNICIPAL POLICE TRAINING COMMITTEE

8200-0200	For the operation of veteran, reserve and in-service training programs conducted by the municipal police training committee	2,579,835

Retained Revenues

MUNICIPAL RECRUIT TRAINING PROGRAM FEE RETAINED REVENUE

8200-0222	The municipal police training committee may expend for the cost of training for law enforcement personnel an amount not to exceed $900,000 in fees charged for the training; provided, that the committee shall charge $2,700 per recruit for the training; provided further, that the charge shall be paid in full prior to the start of training; provided further, that notwithstanding any general or special law to the contrary, for the purposes of accommodating discrepancies between the receipt of retained revenues and related expenditures, the committee may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate thereof, as reported in the state accounting system; and provided further, that any unexpended funds in this item shall not revert and shall be made available for the purposes of this item until June	900,000

30, 2014

Department of Public Safety

The Massachusetts Department of Public Safety's mission is to reduce the risk to life and property by promoting safety in the design, construction, installation, inspection, operation, repair and alteration of boilers, pressure vessels, elevators, buildings and amusement devices. The Department of Public Safety seeks to ensure the safe ingress to and egress from all new and existing buildings for persons with physical disabilities as well as promote safety through inspections, licensing, regulatory compliance and implementation of programs for continuing education of all license programs. The Department licenses, certifies, registers or otherwise approves individuals and\or parties involved in a wide variety of areas. Educating license holders and others assists with the proper understanding and implementation of all Department regulations and helps reduce the number of complaints received relating to the varied programs.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Public Safety	11,328	0	11,328	29,347

www.mass.gov/dps

Direct Appropriations **11,328,094**

DEPARTMENT OF PUBLIC SAFETY AND INSPECTIONS

8311-1000 For the operation of the department of public safety, including the division of inspections 4,534,106

Retained Revenues

DEPARTMENT OF PUBLIC SAFETY INSPECTION AND TRAINING

8315-1020 The department of public safety may expend for the operation of the department and for state building code training and education materials an amount not to exceed $5,500,000 from fees charged for training and for elevator and amusement park inspections under sections 62 and 62A of chapter 143 of the General Laws, and section 205A of chapter 140 of the General Laws; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 5,500,000

BOILER INSPECTION

8315-1022 For the department of public safety, which may expend an amount not to exceed $1,200,000 in revenues collected from fees for issuance of boiler and pressure vessel certificates and inspections; provided, that funds shall be expended for the operation of the department and for the purposes of addressing the existing boiler and pressure vessels inspection backlog; provided further, that funds shall be expended for hiring additional engineering inspectors or engineers; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 1,200,000

BUILDING CODE TRAINING

8315-1025 For the department of public safety which may collect and expend an amount not to exceed $93,988 for the purposes of providing state building code training and courses for instruction; provided, that the agency may charge fees for the classes and education materials associated with administering training; and provided further, that for the purposes of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 93,988

Department of Fire Services

The mission of the Department of Fire Services is to promote and enhance firefighter safety through policy and training, assist and support the fire service community in protecting the lives and property of the citizens of Massachusetts and provide a presence in the Executive Office of Public Safety in order to direct policy and legislation on all fire related matters.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Fire Services	15,259	898	16,157	18,469

www.mass.gov/dfs

Direct Appropriations **15,259,224**

DEPARTMENT OF FIRE SERVICES ADMINISTRATION

8324-0000 For the administration of the department of fire services, including the state fire marshal's office, the hazardous materials emergency response program, the board of fire prevention regulations, under section 4 of chapter 22D of the General Laws, the expenses of the fire safety commission, and the Massachusetts firefighting academy, including the Massachusetts fire training council certification program, municipal and non-municipal fire training, and expenses of the council; provided, that $1,200,000 shall be allocated by the department for Student Awareness Fire Education; provided further, that $100,000 shall be allocated by the department for Critical Incident Stress Management; provided further, that $100,000 shall be allocated by the department for Critical Incident Stress Management Residential Services; provided further, that $1,296,000 shall be allocated by the department for the commonwealth's Hazardous Material Response Teams; provided further, that notwithstanding any general or special law to the contrary, 100 per cent of the amount appropriated in this item for the administration of the department of fire services, the state fire marshal's office, the Massachusetts firefighting academy, and the associated fringe benefits costs of personnel paid from this item for these purposes shall be assessed upon insurance companies writing fire, homeowners multiple peril, or commercial multiple peril policies on property situated in the commonwealth, and paid within 30 days after receiving notice of this assessment from the commissioner of insurance; provided further, that notwithstanding any general or special law to the contrary, 100 per cent of the amount appropriated in this item for the operation of the hazardous materials emergency response program and the associated fringe benefits costs of personnel paid from this item for these purposes shall be assessed upon insurance companies writing commercial multiple peril, non-liability portion policies on property situated in the commonwealth and commercial auto liability policies as referenced in line 5.1 and line 19.4 respectively, in the most recent annual statement on file with the commissioner of insurance; and provided further, that no more than 10 per cent of 15,250,724

the amount designated for the arson prevention program shall be expended for the administrative cost of the program

Retained Revenues

DEPARTMENT OF FIRE SERVICES RETAINED REVENUE

8324-0304	The department of fire services may expend for the purposes of enforcement and training an amount not more than $8,500 from revenue generated under chapter 148A of the General Laws and sections 8 and 9 of chapter 304 of the acts of 2004	8,500

Federal Grant Spending **26,000**

UNITED STATES FIRE ADMINISTRATION STATE FIRE TRAINING PROGRAM

8324-1505	For the purposes of a federally funded grant entitled, United States Fire Administration State Fire Training Program	26,000

Trust and Other Spending **871,637**

8324-0160	MASSACHUSETTS FIRE ACADEMY TRUST FUND	683,637
8324-0179	FIRE PREVENTION AND PUBLIC SAFETY FUND	13,000
8324-1010	HAZARDOUS MATERIALS EMERGENCY MITIGATION RESPONSE RECOVERY	175,000

Military Division

The Massachusetts National Guard's mission is to train, equip and provide joint service operational military forces that are capable of mobilizing and deploying in response to both federal and worldwide contingency operations. The National Guard provides military assistance to civil agencies during emergency operations within the Commonwealth and upon request through the Emergency Assistance Compact to other states. To ensure successful accomplishment of this mission, the Massachusetts National Guard must sustain a ready, reliable and robust joint and combined military team of Army, Air Force, federal and state civilian employees.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Military Division	15,816	47,269	63,085	1,403

www.mass.gov/guard

Direct Appropriations **15,816,002**

MILITARY DIVISION

8700-0001	For the operation of the military division, including the offices of the adjutant general and state quartermaster, the armories, the camp Curtis Guild rifle range and certain national guard aviation facilities; provided, that notwithstanding chapter 30 of the General Laws, certain military personnel in the military division may be paid salaries according to military pay grades	8,744,300

NATIONAL GUARD TUITION AND FEE WAIVERS

8700-1150	For reimbursement of the costs of the Massachusetts national guard tuition and fee waivers under section 19 of chapter 15A of the General Laws; provided, that no funds shall be distributed from this item prior to certification by the state and community colleges and the University of Massachusetts of the actual amount of tuition and fees waived for national guard members attending public institutions of	4,310,040

higher education under section 19 of chapter 15A that would otherwise have been retained by the campuses, according to procedures and regulations adopted by the military division of the Massachusetts national guard; and provided further, that funds from this item may be expended through August 31, 2013 for the reimbursement of the tuition and fees waived for classes taken during the summer months

WELCOME HOME BONUS LIFE INSURANCE PREMIUM REIMBURSEMENT

8700-1160	For life insurance premiums under section 88B of chapter 33 of the General Laws	1,361,662

Retained Revenues

ARMORY RENTAL FEE RETAINED REVENUE

8700-1140	The military division may expend for the costs of national guard missions and division operations an amount not to exceed $1,400,000 from fees charged for the non-military rental or use of armories and from reimbursements generated by national guard missions	1,400,000

Intragovernmental Service Spending ***300,000***

CHARGEBACK FOR ARMORY RENTALS

8700-1145	For the costs of utilities and maintenance associated with state armory rentals and related services Intragovernmental Service Fund.....100%	300,000

Federal Grant Spending **45,569,159**

METHUEN NATIONAL GUARD READINESS CENTER

8700-0006	For the purposes of a federally funded grant entitled, Methuen National Guard Readiness Center	8,187,412

ARMY NATIONAL GUARD FACILITIES PROGRAMS COOPERATIVE AGREEMENT

8700-1001	For the purposes of a federally funded grant entitled, Army National Guard Facilities Programs Cooperative Agreement	9,805,238

ARMY NATIONAL GUARD ENVIRONMENTAL PROGRAMS COOPERATIVE AGREEMENT

8700-1002	For the purposes of a federally funded grant entitled, Army National Guard Environmental Programs Cooperative Agreement	2,443,071

ARMY NATIONAL GUARD SECURITY COOPERATIVE AGREEMENT

8700-1003	For the purposes of a federally funded grant entitled, Army National Guard Security Cooperative Agreement	1,815,000

ARMY NATIONAL GUARD ELECTRONIC SECURITY COOPERATIVE AGREEMENT

8700-1004	For the purposes of a federally funded grant entitled, Army National Guard Electronic Security Cooperative Agreement	285,000

ARMY NATIONAL GUARD COMMUNICATIONS AND INFO MANAGEMENT COOPERATIVE AGREEMENT

8700-1005	For the purposes of a federally funded grant entitled, Army National Guard Communications and Info Management Cooperative Agreement	555,724

ARMY NATIONAL GUARD SUSTAINABLE RANGES COOPERATIVE AGREEMENT

8700-1007	For the purposes of a federally funded grant entitled, Army National Guard Sustainable Ranges Cooperative Agreement	497,000

ARMY NATIONAL GUARD ANTI-TERRORISM COOPERATIVE AGREEMENT

8700-1010	For the purposes of a federally funded grant entitled, Army National Guard Anti-Terrorism Cooperative Agreement	100,000

AIR NATIONAL GUARD FACILITIES OPERATIONS AND MAINTENANCE COOPERATIVE AGREEMENT

8700-1021	For the purposes of a federally funded grant entitled, Air National Guard Facilities Operations and Maintenance Cooperative Agreement	7,617,401

AIR NATIONAL GUARD ENVIRONMENTAL COOPERATIVE AGREEMENT

8700-1022	For the purposes of a federally funded grant entitled, Air National Guard Environmental Cooperative Agreement	61,821

AIR NATIONAL GUARD SECURITY COOPERATIVE AGREEMENT

8700-1023	For the purposes of a federally funded grant entitled, Air National Guard Security Cooperative Agreement	1,731,000

AIR NATIONAL GUARD FIRE PROTECTION COOPERATIVE AGREEMENT

8700-1024	For the purposes of a federally funded grant entitled, Air National Guard Fire Protection Cooperative Agreement	2,420,500

AIR NATIONAL GUARD DISTRIBUTED LEARNING PROGRAM COOPERATIVE AGREEMENT

8700-1040	For the purposes of a federally funded grant entitled, Air National Guard Distributed Learning Program Cooperative Agreement	331,780

NATICK NATIONAL GUARD READINESS CENTER

8700-2001	For the purposes of a federally funded grant entitled, Natick National Guard Readiness Center	9,568,212

AIR NATIONAL GUARD SERVICES PROGRAM - FOOD AND LODGING

8700-3076	For the purposes of a federally funded grant entitled, Air National Guard Services Program - Food and Lodging	150,000

Trust and Other Spending		**1,400,000**
8700-0143	FRIENDS OF MASSACHUSETTS NATIONAL GUARD AND RESERVE FAMILIES	950,000
8700-2240	NATIONAL GUARD ASSET FORFEITURE EXPENDABLE TRUST	450,000

Massachusetts Emergency Management Agency

The Massachusetts Emergency Management Agency (MEMA) is the state agency with primary responsibility for ensuring the state's resilience to disasters. MEMA's staff of professional planners, communications specialists, operations managers and support personnel is committed to an all hazards approach to emergency management. By building and sustaining effective partnerships with federal, state and local government agencies and with the private sector - individuals, families, non-profits and businesses, MEMA ensures the Commonwealth's ability to rapidly recover from large and small disasters by assessing and mitigating hazards, enhancing preparedness, ensuring effective response and building the capacity to recover.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Massachusetts Emergency Management Agency	2,353	39,803	42,156	850

www.mass.gov/mema

Direct Appropriations		**2,353,016**

MASSACHUSETTS EMERGENCY MANAGEMENT AGENCY

8800-0001	For the operation of the Massachusetts emergency management agency	1,620,262

NUCLEAR SAFETY PREPAREDNESS PROGRAM

8800-0100	For the Nuclear Safety Preparedness Program of the Massachusetts emergency management agency; provided, that the costs of the program, including fringe benefits and indirect costs, shall be assessed upon Nuclear Regulatory Commission licensees operating nuclear power generating facilities in the commonwealth; provided further, that the department of public utilities shall develop an equitable method of apportioning such assessments among such licensees; and provided further, that such assessments shall be paid during the current fiscal year as provided by the department	440,918

RADIOLOGICAL EMERGENCY RESPONSE PLAN EVALUATIONS

8800-0200	For the Radiological Emergency Response Program; provided, that the cost of the program, including associated fringe benefits and indirect costs, shall be assessed on electric companies in the commonwealth which own, in whole or in part, or purchase power from, nuclear power plants located outside the commonwealth whose nuclear power plant areas, as defined in section 2B of chapter 639 of the acts of 1950 include communities located within the commonwealth and shall be credited to the General Fund; provided further, that the department of public utilities shall develop an equitable method of apportioning such assessments among the licensees; provided further, that such assessments shall be paid during the current fiscal year as provided by the department; and provided further, that for the purposes of this item, "electric companies" shall mean all persons, firms, associations and private corporations which own or operate works or a distributing plant for the manufacture and sale or distribution and sale of electricity within the commonwealth, but shall not include municipalities or municipal light plants	291,836

Federal Grant Spending **37,053,328**

HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS GRANT PROGRAM

8800-0042	For the purposes of a federally funded grant entitled, Hazardous Materials Emergency Preparedness Grant Program	351,899

HAZARD MITIGATION GRANT PROGRAM

8800-0064	For the purposes of a federally funded grant entitled, Hazard Mitigation Grant Program	1,745,672

SEVERE WINTER STORM AND FLOODING DECEMBER 2008

8800-1813	For the purposes of a federally funded grant entitled, Severe Winter Storm and Flooding December 2008	2,682,072

SEVERE STORM AND FLOODING MARCH 2010

8800-1895	For the purposes of a federally funded grant entitled, Severe Storm and Flooding March 2010	5,019,761

JUNE 11 2011 TORNADOES / STORMS

8800-1994	For the purposes of a federally funded grant entitled, June 11 2011 Tornadoes / Storms	17,000,000

FEMA 3315 HURRICANE EARL

8800-3315	For the purposes of a federally funded grant entitled, FEMA 3315 Hurricane Earl	253,924

TROPICAL STORM IRENE

8800-4028	For the purposes of a federally funded grant entitled, Tropical Storm Irene	10,000,000

Trust and Other Spending **2,750,000**

8800-0024	EMERGENCY MANAGEMENT ASSISTANCE TRUST	2,750,000

Department of Correction

The Massachusetts Department of Correction's mission is to promote public safety by managing offenders while providing care and appropriate programming in preparation for successful re-entry into the community.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Correction	556,653	8,571	565,224	11,808

www.mass.gov/doc

Direct Appropriations **556,653,162**

DEPARTMENT OF CORRECTION FACILITY OPERATIONS

8900-0001 For the operation of the commonwealth's department of correction; provided, that the department of correction may expend $412,000 for the operation of the Western Massachusetts Regional Women's Correctional Center; and provided further, that the department of correction may expend $412,000 to transfer male inmates with less than 2 years left on their sentence to the Hampden sheriff department 545,990,712

PRISON INDUSTRIES AND FARM SERVICES PROGRAM

8900-0010 For the operation of the prison industries and farm services programs; provided, that the commissioner of correction or designee shall determine the cost of manufacturing motor vehicle registration plates and certify to the comptroller the amounts to be transferred from the Commonwealth Transportation Fund to the General Fund 4,062,450

RE-ENTRY PROGRAMS

8900-1100 For re-entry programs at the department of correction intended to reduce recidivism rates; provided, that the department of correction shall expend $1,449,861 on re-entry programs which may be recommended by the Re-entry Taskforce chaired by the secretary of the executive office of public safety and security; and provided further, that allowable costs under this item may include, but shall not be limited to, recidivism research to test the efficacy of re-entry investments 2,000,000

Retained Revenues

PRISON INDUSTRIES RETAINED REVENUE

8900-0011 The department of correction may expend for the prison industries and farm services programs an amount not to exceed $3,600,000 from revenues collected from the sale of products from those programs 3,600,000

REIMBURSEMENT FROM HOUSING FEDERAL INMATES RETAINED REVENUE

8900-0045 The department of correction may expend for the operation of the department, including personnel-related expenses, an amount not to exceed $1,000,000 from federal inmate reimbursements; provided, that $900,000 from those reimbursements shall not be available for expenditure and shall be deposited in the General Fund prior to the retention by the department of any reimbursements; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 1,000,000

Intragovernmental Service Spending ***8,050,000***

CHARGEBACK FOR PRISON INDUSTRIES AND FARM PROGRAM

8900-0021 For costs related to the production and distribution of products produced by the prison industries and farm programs, and for the costs of services provided by inmates 8,050,000

Intragovernmental Service Fund.....100%

Federal Grant Spending **71,139**

SECOND CHANCE ACT FAMILY BASED SUBSTANCE ABUSE TREATMENT PROGRAM

8903-9003 For the purposes of a federally funded grant entitled, Second Chance Act Family Based Substance Abuse Treatment Program 71,139

Trust and Other Spending **449,707**

8900-0081	INMATE WORKCREW EXPENDABLE TRUST	150,000
8900-0113	WALPOLE BOND INTEREST	6,418
8900-0115	FRAMINGHAM BOND INTEREST	6,289
8900-2495	DIVISION OF EDUCATION	125,000
8900-9000	INMATE PROGRAM FUND	162,000

Department of Re-Entry and Community Supervision

The Department of Re-entry and Community Supervision will align and consolidate all re-entry and community supervision services in the Commonwealth. The mission of the Department of Re-entry and Community Supervision is to improve public safety by reducing recidivism and promoting the successful reintegration of released offenders into the community. The Department of Re-entry and Community Supervision protects the public by supervising offenders and providing comprehensive programs and services that will assist in the successful re-entry of offenders.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Department of Re-Entry and Community Supervision	118,956	0	118,956	0

Direct Appropriations **118,956,082**

DEPARTMENT OF REENTRY AND COMMUNITY SUPERVISION

8940-0100 For the operation of the department of re-entry and community supervision established by chapter 127B of the General Laws; provided, that for the effective implementation of "An Act Reforming Re-entry and Community Supervision of Criminal Defendants and Offenders to Strengthen Public Safety," the secretary of administration and finance may authorize the transfer of funds between this item and items 8900-0001, 8950-0001 and 8940-0101 as necessary to achieve the purposes of the act; provided further, that no transfer authorized by this section shall exceed 5 per cent of the amount appropriated for this item; provided further, that the transfer may be made only with the written approval of the heads of the sending and receiving agencies and of the secretary of public safety and security; and provided further, that 15 days before any such transfer is made, the commissioner shall file with the secretary of administration and finance and the house and senate 114,397,696

committees on ways and means a plan showing the amounts to be transferred and the reason for the proposed transfer

INDIGENCY VERIFICATION PROGRAM

8940-0101 For the operation of an indigency verification unit at the department of re-entry and community supervision whose responsibility it shall be to ensure that the person claiming to be indigent meets the definition of indigency under section 2 of chapter 211D of the General Laws; provided, that the department shall develop a standard method of indigency verification that utilizes wage, tax and asset data from the department of transitional assistance, the department of revenue, the department of unemployment assistance and the registry of motor vehicles to verify the financial status of persons seeking appointment of counsel; provided further, that the department shall carry out such verifications under the guidelines found in Massachusetts Supreme Judicial Court Rule 3:10; provided further, that the department shall file an implementation plan by September 15, 2012 and shall report quarterly thereafter to the executive office for administration and finance and the house and senate committees on ways and means on the progress and outcomes of the department's indigency verification efforts including the number of defendants screened, the number found to be indigent, the results of both the required 60 day and 6 month re-assessments of need and suggestions for improvements to the process; provided further, that the commissioner may transfer up to 50 per cent of the amount appropriated in this item to item 8940-0100; and provided further, that 15 days before any such transfer is made, the commissioner shall file with the secretary of administration and finance and the house and senate committees on ways and means a plan showing the amounts to be transferred and the reason for the proposed transfer 3,958,386

Retained Revenues

COMMUNITY SUPERVISION FEE RETAINED REVENUE

8940-0200 The department of re-entry and community supervision may expend for the operation of the sex offender management program and the supervision of offenders an amount not to exceed $600,000 from fees charged for the supervision and rehabilitation of any person released to community supervision by the parole board 600,000

Parole Board

The Parole Board identifies those parole eligible offenders for whom there is sufficient indication that confinement has served its purpose and sets the conditions of parole. The Parole Board strives to understand the concerns of victims and the general public and gives full consideration to these concerns when setting policy and making parole decisions.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Parole Board	1,364	100	1,464	1,000

www.mass.gov/parole

Direct Appropriations **1,364,488**

PAROLE BOARD

8950-0001 For the operation of the parole board 1,364,488

Trust and Other Spending		**100,000**
8950-0009	PAROLE BOARD EXPENDABLE TRUST	100,000

LEGISLATURE

Fiscal Year 2013 Resource Summary ($000)

Department	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Senate	17,841	0	17,841	0
House of Representatives	35,393	0	35,393	0
Joint Legislative Operations	7,968	0	7,968	0
TOTAL	61,203	0	61,203	0

Historical Employment Levels

Department	June FY2009	June FY2010	June FY2011	Approved FY2012	Projected FY2013
Senate	340	317	304	305	305
House of Representatives	677	649	633	634	634
Joint Legislative Operations	44	29	30	30	30
TOTAL	1,061	995	968	969	969

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2013 FTE figures are preliminary and may not represent actual levels.

Senate

The Senate is comprised of 40 members, with each Senator elected to represent a district consisting of approximately 159,000 people. As required by the Massachusetts Constitution, the Senate meets every 3 days, year-round in either formal or informal session to consider legislation. The Massachusetts Senate is led by the President of the Senate who is elected by the members of the body at the beginning of each two-year legislative session. The Massachusetts Legislature, known as the General Court, has been meeting since 1713.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Senate	17,841	0	17,841	0

www.malegislature.gov/People/Senate

Direct Appropriations **17,841,227**

SENATE OPERATIONS

9500-0000 For the operation of the senate 17,841,227

House of Representatives

The Massachusetts House of Representatives is comprised of 160 members, each representing a district of approximately 40,000 people. As required by the Massachusetts Constitution, the House meets every 72 hours, year-round in either formal or informal session to consider legislation. The Massachusetts House is led by the Speaker of the House who is elected by the members of the body at the beginning of each two-year legislative session. The Massachusetts Legislature, known as the General Court, has been meeting since 1713.

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
House of Representatives	35,393	0	35,393	0

www.malegislature.gov/People/House

Direct Appropriations **35,393,116**

HOUSE OF REPRESENTATIVES OPERATIONS

9600-0000 For the operation of the house of representatives 35,393,116

Joint Legislative Operations

Resource Summary ($000)	FY2013 Budgetary Recommend-ations	FY2013 Federal, Trust, and ISF	FY2013 Total Spending	FY2013 Budgetary Non-Tax Revenue
Joint Legislative Operations	7,968	0	7,968	0

www.mass.gov/legis

Direct Appropriations		**7,968,231**
JOINT LEGISLATIVE OPERATIONS		
9700-0000	For the joint operations of the legislature	7,968,231

Operating Transfers 4-264

Operating Transfers 4-265

ADMINISTRATION AND FINANCE 4-265

HEALTH AND HUMAN SERVICES 4-266

TRANSPORTATION 4-267

EDUCATION 4-268

SECTION 2E. The sums set forth in this section are hereby appropriated from the General Fund unless specifically designated otherwise in this section, for the purposes and subject to the conditions specified in this section and subject to the laws regulating the disbursement of public funds for the fiscal year ending June 30, 2013. The secretary of administration and finance shall allot up to the amount appropriated in this section under section 9B of chapter 29 of the General Laws. Notwithstanding section 19A of said chapter 29, any transfer under this section shall be made by the comptroller in accordance with a transfer schedule to be developed for each item by the comptroller, after consulting with the appropriate agency secretary, the secretary of administration and finance and the state treasurer. The schedule for each appropriation shall provide for transfers in increments considered appropriate to meet the cash flow needs of each fund and all transfers under the schedule shall be completed not later than June 30, 2013. Not later than 7 days after the schedules receive final approval by the comptroller, they shall be reported to the house and senate committees on ways and means.

Fiscal Year 2013 Resource Summary ($000)

Government Area	FY2013 Budgetary Recommendations
Administration and Finance	1,172,165
Health and Human Services	580,933
Transportation	348,214
Education	1,500
Total	2,102,811

ADMINISTRATION AND FINANCE

Office of the Secretary of Administration and Finance 737,122,286

1595-5819 COMMONWEALTH CARE TRUST FUND 737,122,286

For an operating transfer to the Commonwealth Care Trust Fund, established under section 2OOO of chapter 29 of the General Laws; provided, that up to $30,000,000 shall be transferred from the Commonwealth Care Trust Fund to the Health Safety Net Trust Fund, established under section 36 of chapter 118G of the General Laws; provided further, that the hospital fiscal year 2013 payment amount to each hospital shall be funded by the Health Safety Net Trust Fund; provided further, that payments may be made either as safety net care payments under the commonwealth's section 1115 waiver, or as an adjustment to Title XIX service rate payments, or a combination thereof; provided further, that the executive office of health and human services and the health safety net office may use other federally permissible funding mechanisms available for public service hospitals, as defined in 114.1 CMR 36.02, to reimburse up to $70,000,000 of uncompensated care at the hospitals using sources distinct from the funding made available to the Health Safety Net Trust Fund; provided further, that the secretary of administration and finance, in consultation with the secretary of health and human services and the executive director of the commonwealth health insurance connector authority, shall on a quarterly basis evaluate the revenue needs of the health safety net program funded by the Health Safety Net Trust Fund and the Commonwealth Care subsidized health insurance program funded by the Commonwealth Care Trust Fund, and if necessary, transfer monies between these funds for the purpose of ensuring that sufficient revenues are available to support projected program expenditures; provided further, that the secretary of administration and finance shall report any transfers made between the Health Safety Net Trust Fund and the Commonwealth Care Trust Fund to

the house and senate committees on ways and means and the joint committee on healthcare financing within 30 days of the proposed transfer; and provided further, that notwithstanding section 7A of chapter 176Q, for fiscal year 2013, the connector shall provide an annual health insurance wellness subsidy not to exceed 15 per cent of certain health insurance premiums for certain small groups as determined by the commonwealth health insurance connector authority

Group Insurance Commission		435,042,237
1599-6152	STATE RETIREE BENEFITS TRUST FUND To provide for an operating transfer to the State Retiree Benefits Trust Fund, established pursuant to section 24 of chapter 32A of the General Laws	435,042,237

HEALTH AND HUMAN SERVICES

Office of the Secretary of Health and Human Services		580,932,667
1595-1067	Delivery System Transformation INITIATIVES TRUST FUND For an operating transfer to the Delivery System Transformation Initiatives Trust Fund established in section 35WW of chapter 10 of the General Laws; provided, that these funds shall be expended pursuant to the Delivery System Transformation Initiative Master Plan and hospital-specific plans approved in the MassHealth section 1115 demonstration for fiscal year 2013; provided further, that all payments from the Delivery System Transformation Initiatives Trust Fund shall be subject to the availability of federal financial participation, shall be made only in accordance with federally approved payment methods, shall be consistent with federal funding requirements and all federal payment limits as determined by the secretary of health and human services and shall be subject to the terms and conditions of an agreement with the executive office of health and human services; and provided further, that the secretary of health and human services shall make payments of up to $44,853,333 from the Delivery System Transformation Initiatives Trust Fund to the Cambridge Public Health Commission for fiscal year 2013 only after the Cambridge Public Health Commission transfers up to $22,426,667 of its funds to the Delivery System Transformation Initiatives Trust Fund using a federally permissible source of funds which shall fully satisfy the non-federal share of such payment	186,907,667
1595-1068	MEDICAL ASSISTANCE TRUST FUND For an operating transfer to the MassHealth provider payment account in the Medical Assistance Trust Fund established in section 2QQQ of chapter 29 of the General Laws; provided, that these funds shall be expended only for services provided during state or federal fiscal year 2013, and no amounts previously or subsequently transferred into the Medical Assistance Trust Fund shall be expended on payments described in the section 1115 demonstration waiver for services provided during state fiscal year 2013, or payments described in the state plan for services provided during federal fiscal year 2013; provided further, that all payments from the Medical Assistance Trust Fund shall be subject to the availability of federal financial participation, shall be made only in accordance with federally-approved payment methods, shall be consistent with federal funding requirements and all federal payment limits as determined by the secretary of health and human services and	394,025,000

shall be subject to the terms and conditions of an agreement with the executive office of health and human services; provided further, that the secretary of health and human services shall notify, in writing, the house and senate committees on ways and means and the house and the joint committee on healthcare financing for any increases in payments within 15 days; and provided further, that the secretary of health and human services shall make a payment of up to $308,050,000 from the Medical Assistance Trust Fund to the Cambridge Public Health Commission for dates of service in state and federal fiscal year 2013 only after the Cambridge Public Health Commission transfers up to $154,025,000 of its funds to the Medical Assistance Trust Fund using a federally permissible source of funds which shall fully satisfy the non-federal share of such payment

TRANSPORTATION

Department of Transportation		348,214,222
1595-6368	Massachusetts Transportation TRUST FUND For an operating transfer to the Massachusetts Transportation Trust Fund, established under section 4 of chapter 6C of the General Laws; provided, that funds shall be expended to support the functions of the office of performance management in carrying out the executive order known as "Improving the Performance of State Government by Implementing a Comprehensive Strategic Planning and Performance Management Framework in the Executive Departments"	165,191,136
1595-6369	Commonwealth Transportation FUND TRANSFER TO THE MBTA For an operating transfer to the Massachusetts Bay Transportation Authority pursuant to clause (1) of subsection (d) of section 2ZZZ of chapter 29 of the General Laws	160,000,000
1595-6370	Commonwealth Transportation FUND TRANSFER TO REGIONAL TRANSIT For an operating transfer to the regional transit authorities organized under chapter 161B of the General Laws or predecessor statutes under clause (2) of subsection (d) of section 2ZZZ of chapter 29 of the General Laws	15,000,000
1595-6379	MERIT RATING BOARD For the operation of the motor vehicle insurance merit rating board, including the rent, related parking and utility expenses of the board; provided, that the amount appropriated in this item, and the associated fringe benefits, shall be borne by insurance companies doing motor vehicle insurance business within the commonwealth, under section 57A of chapter 6C of the General Laws; and provided further, that notwithstanding any general or special law to the contrary, no safe driver insurance plan shall require the payment of an unsafe driver point surcharge for the first offense for non-criminal motor vehicle traffic violations as described in chapter 90C of the General Laws	8,023,086

EDUCATION

Department of Higher Education		1,500,000
7066-0035	Science Technology Engineering AND MATHEMATICS PIPELINE FUND For the support of science, technology, engineering, and mathematics (STEM) initiatives through the STEM pipeline fund established in the 2006 Economic Stimulus Act	1,500,000

Introduction ..... 7 - 3

Personal Income Tax - Introduction ..... 7 - 7

List of Personal Income Tax Expenditures ..... 7 - 11

Corporate and Other Business Excise Introduction ..... 7 - 32

List of Corporate and Other Business Excise Tax Expenditures ..... 7 - 40

Sales and Use Tax - Introduction ..... 7 - 51

List of Sales and Use Tax Expenditures ..... 7 - 54

Fiscal Year 2013 Tax Expenditure Budget: Appendix A ..... 7 - 65

Fiscal Year 2013 Tax Expenditure Budget: Appendix B Glossary Table ..... 7 - 70

Fiscal Year 2013 Tax Expenditure Budget: Appendix C Summary Table ..... 7 - 71

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Introduction

While taxes are an essential source of revenue for all state governments, the manner in which they are imposed varies widely from state to state. In its simplest form, a tax is an across-the-board levy on a base, such as income, to which a specific rate applies and for which no modifications exist. Taxes are rarely levied in this manner, however. Instead, most state tax codes incorporate a number of exemptions, deductions, credits, and deferrals designed to encourage certain taxpayer activities or to limit the tax burden on certain types of individuals or endeavors. Known as "tax expenditures", these provisions can have a significant impact on state tax revenues.

This document offers a summary of the tax expenditures affecting the taxes from which Massachusetts derives the bulk of its revenues: the personal income tax, the corporate excise and other business excises, and the sales and use tax. It also provides revenue estimates for each tax expenditure, as mandated by Massachusetts state law. Organized into five separate sections, this study analyzes all aspects of Massachusetts tax expenditures. Part I contains a detailed explanation of how we identify and estimate the costs of tax expenditure provisions in the tax code. In the next sections (Parts II - IV), we have provided detailed information about each of the three major tax types, including an explanation of how each tax is calculated and the ways in which that tax's basic structure is modified to produce the various types of tax expenditures. The tax expenditures for each tax are listed after the description of the tax.

Following the expenditure listings, Part V provides three appendices. The first lists recent law changes which affect this year's tax expenditure budget; a second gives three-year tax expenditure estimates that are consistent with our most recent estimation methodology; the third is a glossary that defines terms used throughout the text. In reviewing this document it is important to remember that although a tax expenditure represents a deviation from the generally agreed-upon, or basic, structure of a given tax, determining whether a provision is a tax expenditure is not the same as making a judgment about its desirability. An element of the basic structure of a tax can be inequitable or have undesirable economic effects, just as a tax expenditure can. If so, it can be changed by legislative action just as a tax expenditure can.

The estimates of the costs of tax expenditures included in this volume are revised annually. As improved methodologies and data become available over the course of the year, some estimates may be reexamined and occasionally revised.

What Are Tax Expenditures?

Tax expenditures are provisions in the tax code, such as exclusions, deductions, credits, and deferrals, which are designed to encourage certain kinds of activities or to aid taxpayers in special circumstances. When such provisions are enacted into the tax code, they reduce the amount of tax revenues that may be collected. Massachusetts General Laws (MGL), Ch 29, Sec 1 defines tax expenditures as

"State tax revenue foregone as a direct result of the provisions of any general or special law which allows exemptions, exclusions, deductions from, or credits against, the taxes imposed on income, corporations, and sales."

In this sense, the fiscal effects of a tax expenditure are just like those of a direct government expenditure. Some tax expenditures involve a permanent loss of revenue, and thus are comparable to a payment by the government; others cause a deferral of revenue to the future, and thus are comparable to an interest-free loan to the taxpayer. Since tax expenditures are designed to accomplish certain public goals that otherwise might be met through direct expenditures, it seems reasonable to apply to tax expenditures the same kind of analysis and review that the appropriations budget receives.

It is essential to distinguish between those provisions of the tax code that represent tax expenditures and those that are part of the "basic structure" of a given tax. The basic structure is the set of rules that defines the tax; a tax expenditure is an exception to those rules. In general, most taxes have a series of features that define their basic structure. These features are:

1. A base, on which the tax is levied, such as net income, or a particular class of transactions;
2. A taxable unit, such as a person or a corporation;
3. A rate, to be applied to the base;
4. A definition of the geographic limits of the state's exercise of its tax jurisdiction; and
5. Provisions for the administration of the tax.

Defining the Basic Tax Structure

A tax expenditure is a deviation from the generally agreed-upon, or basic, structure of a given tax. For example, the base of the sales tax includes all retail sales to final consumers. The exemption for sales of energy conservation equipment is an exception, created to encourage purchases of such equipment. The sales tax that is not collected because of the existence of this exemption is a tax expenditure.

While this general definition seems straightforward enough, the task of compiling a comprehensive list of tax expenditures presents many conceptual problems. For example, some of the deductions and exemptions allowed under the tax statutes are not tax expenditures. The broad category of income tax deductions allowed for business expenses is not listed as a tax expenditure. Since the income tax is generally considered to be a tax on income net of the costs of producing that income, deductions for business expenses are taken against gross income and therefore occur prior to calculation of the tax base. In addition, tax provisions reflecting constitutional prohibitions, such as the prohibition on taxation of sales to the federal government, are considered parts of the basic tax structure and therefore are not properly considered tax expenditures. These distinctions are fairly simple, but more complex analytical questions quickly arise.

For example, deductions for the depreciation of property and equipment used in a trade or business are considered part of the basic tax structure because the use of productive assets is a legitimate cost of doing business. However, federal depreciation rules allow larger depreciation deductions in the early years of a property's useful life. These accelerated depreciation rules could be viewed as properly reflecting changing notions of obsolescence and thus as part of the basic tax structure; or the faster rates of depreciation could be considered a special adjustment in the tax base designed to provide an incentive for investment, and therefore a tax expenditure. Past federal tax expenditure budgets prepared by the Congressional Budget Office and versions prepared by the Treasury Department have disagreed on exactly this issue.

We have adopted the point of view that accelerated depreciation is a tax expenditure. Although accelerated depreciation still allows the same total deduction for a piece of property; the rate of depreciation allowed in the early years is faster than would be permitted under traditional accounting principles. Generally, revenue cost estimates in this document for tax expenditures associated with accelerated depreciation rely on assumptions used in congressional federal tax expenditure analysis concerning ordinary depreciation rates.

We have chosen to view the rules for personal exemptions and for no tax status in the Commonwealth's personal income tax as provisions which help to define the income tax base, and thus as a part of the basic structure of the tax (much as the progressive rate structure of the federal income tax, which similarly reduces the tax burden on low-income people, is a part of its basic structure). The base of the tax is defined as net income above what is required for subsistence. Since personal exemptions help define the amount of income needed for subsistence, and therefore the base, they should not be classified as tax expenditures. According to this reasoning, exemptions allowed for dependents would also be considered part of the basic tax structure, since subsistence requirements increase with the size of the taxpayer's household. However, we note that this view of the tax structure does not always lead to easy conclusions. First, taxpayers are allowed exemptions for dependents even if those dependents have their own income and take personal exemptions for themselves. We have treated the use of the dependents' exemption as a tax expenditure. Second, the fact that the no tax status amount is greater than the personal exemption suggests that the intent behind the no tax status and personal exemptions goes beyond simple definition of an income base. Although personal exemptions and the no tax status are not listed in this document as tax expenditures, estimates for the revenue losses associated with these provisions are provided in an endnote.

Many Massachusetts tax expenditures in the personal income tax and corporate tax derive from federal income tax rules and thus piggy back on many but not all, federal tax expenditures. We have chosen to include such tax expenditures in this tax expenditure budget, as Massachusetts generally has the ability legally to “decouple” from piggybacking on federal tax expenditures, and has done so in certain cases (e.g., bonus depreciation) from time

to time. However, one can question whether federal tax expenditures should generally be included in the Massachusetts tax expenditure budget, because for the most part they simply reflect the fact that Massachusetts has generally chosen to incorporate much of the federal tax laws into the determination of Massachusetts taxable income for personal and corporate income tax purposes.

The sales tax presents the most difficult case. The sales tax statute and its legislative history indicate that the established base of the tax is all "retail" sales. At a minimum, the sales tax exemptions for business purchases of component parts and of products to be resold appear to be provisions that help define which sales are considered non-retail sales, and therefore should not be classified as tax expenditures. However, it is difficult if not impossible to decide which other sales tax exemptions might also cover non-retail sales. For example, manufacturing companies are allowed an exemption from the sales tax for purchases of machinery used in the production process. Since this machinery is not a direct component part of any product being manufactured and is not purchased simply to be resold, it could be argued that the machinery purchase is a retail sale and that the machinery exemption is a tax expenditure. Others would argue that because these purchases are not purchases by the final consumers of an end product, and because they represent legitimate business expenses, these sales tax exemptions should not be considered tax expenditures.

The largest proportion of Massachusetts tax expenditure dollars is attributable to sales and use tax. This is largely because of the exclusion (or non-taxation) of certain property and services (other than telecom) from sales and use taxation. The Center on Budget and Policy Priorities' tax expenditure survey report indicates that items such as non-taxation of services, which are so-called "implicit tax expenditures", should be included in the tax expenditure budget. They also report that about 16 states have such items in their annual tax expenditure reports (http://www.cbpp.org/files/4-9-09sfp.pdf). This provides a means of quantifying the cost of not taxing most services, and allows for comparison with other states that do apply their sales and use tax to various types of specified services.

As stated in the introduction, the most important thing to remember is that making a judgment about whether a provision is a tax expenditure is not the same as making a judgment about its desirability. With this in mind, we have attempted to provide more rather than fewer tax expenditure estimates, so that necessary information is available for those charged with making policy judgments.

Description of the Data

This budget should be considered part of an ongoing effort to list tax expenditures, describe their characteristics, and estimate their revenue costs. Each year, we attempt to improve upon the analysis presented in the prior year's tax expenditure budget. For purposes of comparison, we have provided an appendix containing updated tax expenditure estimates for the past two years as well as for Fiscal Year 2013.

Information collected by the Department of Revenue (DOR) from Massachusetts tax returns was an important source of data in this budget. Estimates made from these data tend to be the most reliable. Unfortunately, many tax expenditures cannot be estimated from DOR records. When a particular category of income is excluded from taxation, amounts often do not appear on tax records. This is especially likely to be the case for those tax expenditures brought about by "coupling" the state tax code to the federal code, since exclusions and some deductions are not reported explicitly, but are simply carried over to state tax calculations as part of the reporting of federal income. In such cases we have had to estimate a Massachusetts figure using national tax data, census information, sales statistics, and other information.

You will note that in several cases, this year's revenue estimate is very different from last year's. Revisions to the estimates occur for four reasons: we have new data sources; federal tax expenditure estimates on which we rely have changed; we have refined our estimation methodologies; or changes in Massachusetts tax law have modified existing estimates. In a few instances, more than one of these factors operates to explain the difference. All estimates are projections forward from a base year (which varies depending on the availability of data) to Fiscal Year 2013.

Data Limitations

There are some additional caveats that the reader should keep in mind when reading this budget. First, most revenue loss estimates have been made without taking into account how repeal of a provision might change taxpayer behavior. For example, if the sales tax exemption for a particular item were repealed, the item would

become more expensive to consumers, so one would expect sales of that item to decline. The revenue gain from repealing the provision would be, therefore, somewhat less than if the level of sales for the affected items remained the same. On the other hand, some of the income not spent on that item might be spent on other taxable items. To the extent that consumers and businesses pay more taxes and have less income available for other purposes, the repeal of a tax expenditure might have much broader economic and revenue effects. Clearly, the full estimation of these effects demands extensive data which are not easily available.

Second, interactions among different taxes and tax expenditures may be quite complex. Repealing some tax expenditures may increase or decrease the value of others. For example, increasing the no tax status amount would mean that fewer people would pay taxes, and thus fewer people would claim other exemptions. This would reduce the revenues lost through other exemptions.

Third, the revenue cost estimates do not generally reflect compliance factors that may significantly reduce revenues available from a tax expenditure repeal. In particular, where Massachusetts tax provisions are "coupled" with federal tax rules, audits of Massachusetts taxpayers generally compare state and federal returns. If Massachusetts tax provisions were "decoupled", taxpayers would have to make separate calculations for Massachusetts tax purposes, and these provisions would require special audit procedures. Compliance difficulties would certainly result.

And fourth, particular caution is appropriate with respect to the tax expenditure budget's totals for expenditures for particular taxes. Not only do these totals reflect the imprecision of the specific estimates, but they also omit those items for which no estimates were available. In consequence, particular totals may be substantially understated. At the same time, included in the totals, particularly with regard to the sales tax, are a number of substantial items that many analysts would not regard as tax expenditures, but rather as features of the underlying tax itself. The general approach in preparing the tax expenditure budget has been to count questionable items as tax expenditures, so that information concerning them would be available for analysis. The result is that the totals are higher than they would be under a more restrained analytic approach.

Reading the Budget

In this document, tax expenditures and cost estimates are listed according to the taxes to which they pertain: personal income, corporate excise, and sales and use. Beginning this year, the corporate section of the Tax Expenditure Budget includes other business excises along with the corporate excise. These additional business excise taxes are the financial institution excise, the public utility excise, the excises on insurance companies, and the excise on security corporations. Each of the three major taxes includes an introductory section with a description of the tax, followed by a listing of the tax expenditures for that tax. Each tax expenditure item includes a brief description, the cost estimate, a statutory citation, and an indication of the tax expenditure's type. The various special excises on motor fuels, cigarettes, and alcoholic beverages are not covered in this budget.

Personal Income Tax - Introduction

Although income from professions, trades or employment was taxed throughout the nineteenth century under the local property tax, it was not until 1916, under the authority of Article 44 of the Amendments to the Massachusetts Constitution, that the Massachusetts personal income tax was enacted as a separate tax. Because Article 44 requires that all income of the same class be taxed at the same rate, Massachusetts applies a flat tax rate regardless of total income; the federal tax structure (and that used in most states) uses graduated rates.

Generally, the Massachusetts personal income tax ties into the federal Internal Revenue Code as it was on January 1, 2005. To the extent that the Massachusetts tax takes federal law as its starting point, it adopts many federal tax expenditures (see Appendix A for more details).

The personal income tax is the state's largest revenue source, accounting for 56.7% of Department of Revenue tax collections in Fiscal Year 2011.

Personal Income Tax: Basic Structure

Tax Base: The personal income tax base is gross income minus the costs of producing the gross income (trade or business expenses). Massachusetts' gross income is defined as federal gross income with certain modifications. Effective January 1, 1996 it was divided into three classes: interest, dividends, and short-term capital gains ("Part A" income); long-term term capital gains ("Part C" income); and all other income ("Part B" income). Massachusetts' taxpayers are entitled to a basic personal exemption, which varies according to taxpayer status. The exempted amounts are considered to be outside the generally accepted tax base. They reflect the notion that income needed for bare subsistence should be free from tax. Thus, for the purposes of this document, these exemptions are not listed as tax expenditures. In addition, taxpayers whose income is below a specified level are entitled to "no tax status." For the same reason, this status is not listed as a tax expenditure. On the other hand, because policy makers are often interested in the effects of adjusting the dollar amounts for the personal exemptions and the no tax status, estimates are provided for them in endnote 3 to item 1.405 in the list of personal income tax expenditures.

Taxable Unit: Individuals are taxed separately, with the exception of married couples, who may file a joint return. The income of children is not aggregated with that of their parents. The income of trusts, estates and corporate trusts, including partnerships and associations with transferable shares, is also subject to the personal income tax.

Rate Structure: The rate structure has been evolving to a system where most income is taxed at the Part B rate. As of tax year 2012, the Part B rate is 5.25%. Currently, only short-term capital gains and long-term capital gains on collectibles are taxed at a different rate. The vast majority of income is linked to the Part B rate.

Prior to tax year 1999, the tax rate on interest and dividend income (one component of Part A income) was 12% compared with the Part B "earned" taxable income rate of 5.95%. Effective January 1, 2000, the rate on both Part B and the linked Part A income (Interest and Dividends) dropped to 5.85%, then to 5.60% on January 1, 2001, and to 5.30% on January 1, 2002. The rate was scheduled to decline to 5.00% on January 1, 2003; however, Chapter 186 of the Acts of 2002 ("An Act Enhancing State Revenues") delayed the final phase of the rate reduction. The estimates contained in this document assume that the tax rates on interest and dividend income and Part B income, which declined to 5.25% for tax year 2012, will remain at 5.25% for 2013. All other things being equal, a reduction in tax rates -- (which are part of the basic tax structure -- has the effect of reducing the value of tax expenditures, because when tax rates decline, so does the value of any exceptions to that basic structure.

Between January 1, 1996 and January 1, 2003, Part C income, long-term capital gains, was subject to the following tax rates based on how long the assets were held:

Holding Period	Tax Rate
more than one, but less than two years	5%
more than two, but less than three years	4%
more than three, but less than four years	3%
more than four, but less than five years	2%
more than five, but less than six years	1%
more than six years	0%

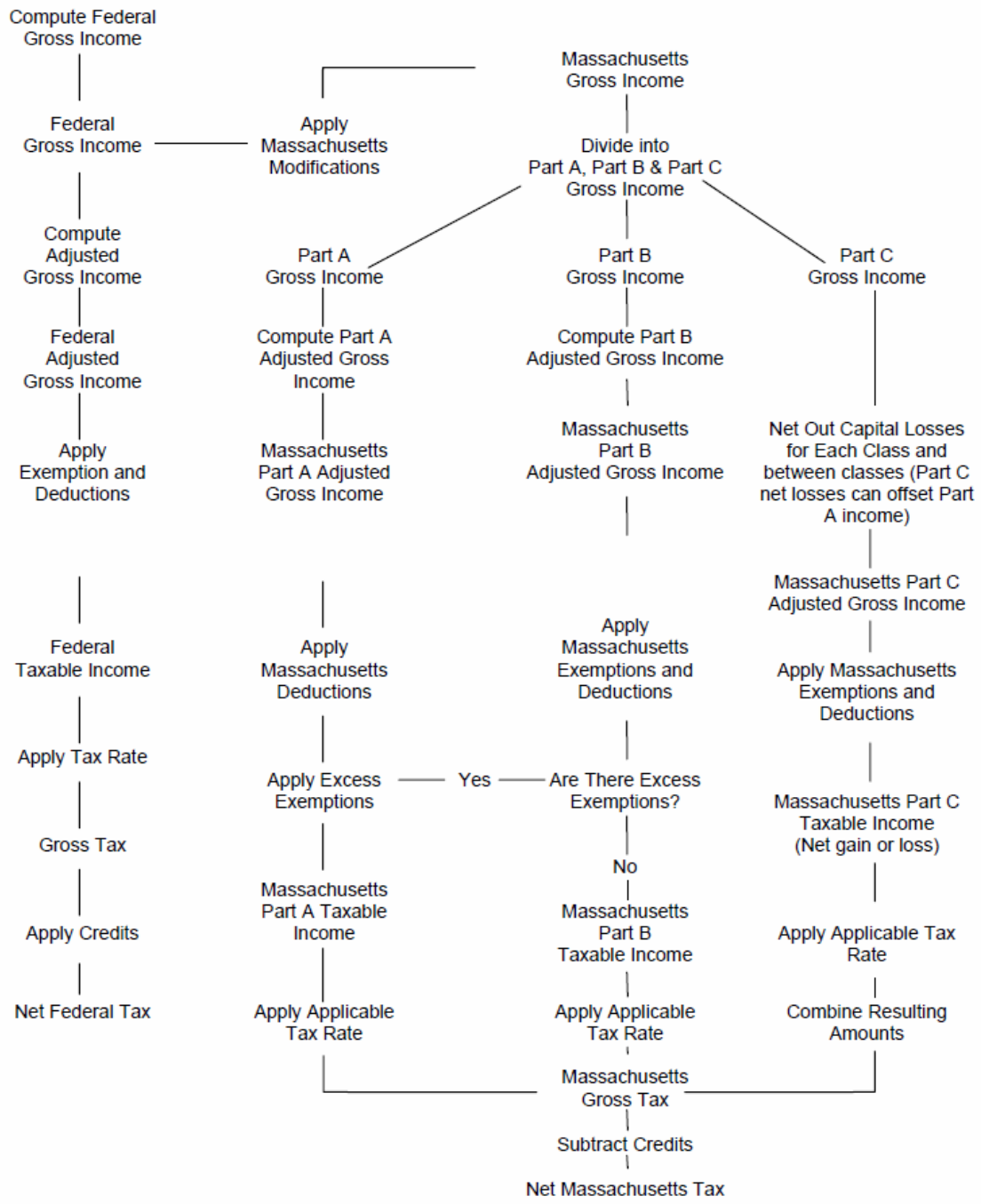
Assets acquired prior to January 1, 1996 were deemed to have been acquired on the later of January 1, 1995 or the actual date of acquisition. Note that capital assets held less than one year are considered Part A income, and are taxed at 12%.

Chapter 186 of the Acts of 2002 eliminated the “sliding scale” treatment of capital gains on assets held for more than one year. This was originally effective May 1, 2002; subsequent legislation changed the effective date of the tax change to apply to assets sold on or after January 1, 2003. Gains on such transactions are now taxed at the Part B rate; as noted above, the Part B rate is assumed to be 5.25% for tax years forecasted by this expenditure budget.

Taxable Period: The taxable period is one year (or less), usually the calendar year. Income may be reported according to the cash or accrual method. Where property is sold on a deferred payment basis, gains may be reported in the years the payments are received. There is no Massachusetts provision for income averaging. Net capital losses may be carried forward to future years.

Interstate and International Aspects: Residents are taxed upon their entire income, whether derived from Massachusetts’ sources or elsewhere, without allocation or apportionment. Nonresidents are taxed only on income from sources within Massachusetts. A resident may take a limited credit against the Massachusetts income tax for income taxes due to other states, the District of Columbia, any territory or possession of the United States, or Canada or its provinces on any item of Massachusetts gross income.

Computation of the Personal Income Tax



Types of Tax Expenditures under the Personal Income Tax

The basic structure of the personal income tax can be modified in a number of different ways to produce tax expenditures. Brief explanations of the various types of tax expenditures follow:

Exclusions from Gross Income: Gross income is the starting point in the calculation of income tax liability and, in the absence of tax expenditures, would include all income received from all sources. Typically, the taxpayer does not report items of income that are excluded from gross income on his or her tax return. Thus, they escape taxation permanently.

Deferrals of Gross Income: Where an item of income is not included in gross income in the year when it is actually received, but is instead included in a later year, the result is a tax expenditure in the form of an interest-free loan from the state to the taxpayer in the amount of the tax payment that is postponed.

Deductions from Gross Income: Certain amounts are subtracted from gross income to arrive at adjusted gross income (AGI). Many of these deducted amounts reflect the costs of producing income (business expenses), and are not properly part of the income tax base. Such deductions are not tax expenditures. Other deductions that do not reflect business expenses constitute tax expenditures, which permit corresponding amounts of income to escape taxation permanently.

Accelerated Deductions from Gross Income: In a number of cases, taxpayers are allowed to deduct business expenses from gross income at a time earlier than such expenses would ordinarily be recognized under Generally Accepted Accounting Principles. The total amount of the permissible deduction is not increased, but it can be utilized more quickly to reduce taxable income. The result is to defer taxes, thus in effect occasioning an interest-free loan from the state to the taxpayer.

Deductions from Adjusted Gross Income (AGI): Taxable income results from the subtraction of certain deductions and exemptions from AGI. Certain of these subtracted items represent amounts of income necessary for subsistence; their exclusion is part of the basic structure of the income tax. Other subtracted items represent tax expenditures, which permit corresponding amounts of income to escape taxation permanently.

Credits against Tax: After a taxpayer's basic tax liability has been calculated by applying the tax rates to taxable income, the taxpayer may subtract certain credit amounts from this initial liability in determining the actual amount of taxes that must be paid. It is important to note that, whereas a one-dollar exclusion or deduction results in a tax savings of only a few cents (one dollar times the applicable tax rate), a one-dollar credit results in a one-dollar tax savings.

Note on Personal Exemptions, Dependent Exemptions, No Tax Status, and Limited Income Credit: These exempted amounts are considered to be outside the generally accepted tax base, and thus, for the purposes of this document, these exemptions are not listed as tax expenditures. However, because policy makers are often interested in the impact of adjusting their dollar amounts, estimates are provided for them in a footnote following the “Credits against Tax” section.

List of Personal Income Tax Expenditures

1.000 EXCLUSIONS FROM GROSS INCOME

1.001 Exemption of Premiums on Accident and Accidental Death Insurance[1]

Employer contributions for premiums on accident and accidental death insurance are not included in the income of the employee and are deductible by the employer.

Origin: IRC § 106

Estimate: $23.7

1.002 Exemption of Premiums on Group-Term Life Insurance[1]

Employer payments of employee group-term life insurance premiums for coverage up to $50,000 per employee are not included in income by the employee and are deductible by the employer.

Origin: IRC § 79

Estimate: $11.5

1.003 Exemption of Interest on Life Insurance Policy and Annuity Cash Value

Interest, which is credited annually on the cash value of a life insurance policy or annuity contract, is not included in the income of the policyholder or annuitant. Only when a life insurance policy is surrendered before death or when annuity payments commence does the interest become subject to tax. (Interest on dividends left on deposit is taxable.)

Origin: IRC § 101

Estimate: $210.8

1.004 Exemption of Employer Contributions for Medical Insurance Premiums and Medical Care[1]

Employer contributions for medical insurance premiums and reimbursements for medical care are not included in the income of the employee and are deductible by the employer.

Origin: IRC §§ 105 and 106

Estimate: $943.1

1.005 Exemption of Annuity or Pension Payments to Fire and Police Personnel

Income from noncontributory annuities or pensions to certain retired fire and police personnel or their survivors are tax-exempt.

Origin: M.G.L. c. 32

Estimate: N.A.

1.006 Exemption of Distributions from Certain Contributory Pension and Annuity Plans[2]

Certain pensions and annuity distributions are tax-exempt under Massachusetts law. They are payments from contributory plans of the U.S. government, Massachusetts and its subdivisions, and other states that do not tax such income from Massachusetts. Any benefits in excess of contributions not taxed by Massachusetts constitute this tax expenditure.

Origin: M.G.L. c. 62, §§ 2(a)(2)(E) and 3B(a)(4)

Estimate: $280.1

1.007 Exemption of Railroad Retirement Benefits

Railroad retirement benefits are not taxed. (Massachusetts has not adopted Internal Revenue Code section 86, which taxes some of these benefits if a taxpayer's income is above a certain level.)

Comment: No adjustment is made for any prior payments taxpayers may have made to fund this system since employee payments to this system are taxes rather than contributions.

Origin: M.G.L. c. 62, § 2(a)(2)(H)

Estimate: $4.6

1.008 Exemption of Public Assistance Benefits

Public assistance or welfare benefits are not taxed. These include Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI) benefits, and the like.

Origin: Rev. Rul. 71-425, 1971-2 C.B. 76

Estimate: $229.8

1.009 Exemption of Social Security Benefits

Social Security benefits paid to people age 65 or older and their dependents, to persons under 65 who are survivors of deceased workers, and to disabled workers and their dependents are not taxed. Massachusetts has not adopted Internal Revenue Code section 86, which taxes a portion of these payments where a taxpayer's income is above a certain level.

Origin: M.G.L. c. 62, § 2 (a)(2)(H)

Estimate: $839.0

1.010 Exemption of Workers' Compensation Benefits

Workers' compensation benefits are not taxed. These are benefits paid to disabled employees or their survivors for employment-related injuries or diseases.

Origin: IRC § 104 (a)(1)

Estimate: $8.5

1.011 Exemption for Dependent Care Expenses[1]

Day care paid for or provided by an employer to an employee, the value of which does not exceed the employee's or employee's spouse's "earned" income, and does not exceed the amount of $5,000, is not included in the income of the employee and is deductible by the employer.

Origin: IRC § 129

Estimate: $9.0

1.012 Exemption of Certain Foster Care Payments

Qualified foster care payments are not includible in the income of a foster parent.

Origin: IRC § 131

Estimate: $3.1

1.013 Exemption of Payments Made to Coal Miners

Coal miners or their survivors may exclude from income payments for disability or death from black lung disease.

Origin: IRC § 104(a)(1)

Estimate: Negligible

1.014 Exemption of Rental Value of Parsonages[1]

A minister may exclude from gross income a rental allowance or the rental value of a parsonage furnished to him or her.

Origin: IRC § 107

Estimate: $2.1

1.015 Exemption of Scholarships and Fellowships

Degree candidates can exclude scholarships and fellowship income if the amounts are not compensation for services or for the payment of room, board or travel expenses.

Origin: IRC § 117

Estimate: $19.1

1.016 Exemption of Certain Prizes and Awards

Prizes and awards are generally required to be included in income. The exemption of certain prizes and awards is generally limited to taxpayers who donate the proceeds to a charitable organization. Certain employee achievement awards are also excluded from gross income.

Origin: IRC § 74

Estimate: N.A.

1.017 Exemption of Cost-Sharing Payments

Portions of government cost-sharing payments to assist in water and soil conservation projects are not includible in the recipient's income.

Origin: IRC § 126

Estimate: Negligible

1.018 Exemption of Meals and Lodging Provided at Work[1]

The value of meals and lodging furnished to the employee by the employer on the business premises for the employer's convenience is not included in the income of the employee. The employer's expenses are deductible.

Origin: IRC § 119

Estimate: $7.7

1.019 Treatment of Business-Related Entertainment Expenses[1]

With certain limitations, a business may take a deduction of up to 50% of the cost of business-related entertainment expenses. Generally, the value of the entertainment is not taxed as income to the persons who benefit from the expenditures. The effect is to provide the hosts and their guests with a nontaxable fringe benefit.

Origin: IRC § 162

Estimate: N.A.

1.020 Exemption of Income from the Sale, Lease, or Transfer of Certain Patents

Income from the sale, lease or other transfer of approved patents for energy conservation, and income from property subject to such patents, are excluded from gross income for a period of five years.

Origin: M.G.L. c. 62, § 2(a)(2)(G)

Estimate: N.A.

1.021 Exemption of Capital Gains on Home Sales

Taxpayers may exclude up to $250,000 of capital gain (or $500,000 if filing jointly) on the sale of a principle residence. This exclusion from gross income may be taken any number of times, provided the home was the filer's primary residence for an aggregate of at least two of the previous five years.

Comment: This expenditure and 1.105 (Deferral of Capital Gains on Home Sales) were changed by the Taxpayer Relief Act of 1997; item 1.105 (based on IRC 1034, the rollover of capital gains on the sale of a home) was repealed. In effect, both 1.105 and 1.021 were replaced with a modified IRC 121. The new IRC 121, which is the basis for Massachusetts tax expenditure 1.021, removed the age requirement and the "one-time-only" limitation.

Origin: IRC § 121

Estimate: $239.6

1.022 Nontaxation of Capital Gains at Death

Ordinarily, capital gains are taxed at the time appreciated property is transferred. However, no tax is imposed on a capital gain when appreciated property is transferred at death. The appreciation that accrued during the lifetime of the transferor is never taxed as income. Note: the FY13 estimate reflects the anticipation that capital gains realizations will be higher in tax year 2012 as a result of expiring favorable federal tax rates. FY14 tax loss for this item is likely to be 40% lower than FY13.

Comment: See also item 1.106 below.

Origin: IRC §§ 1001 and 1014

Estimate: $1217

1.023 Exemption of Interest from Massachusetts Obligations

Interest earned on Massachusetts bonds is exempt. The exclusion applies to bonds of Massachusetts agencie, and local subdivisions (cities and tows) as well.

Origin: M.G.L. c. 62, § 2 (a)(1)(A)

Estimate: $99.1

1.024 Exemption of Benefits and Allowances to Armed Forces Personnel[1]

Under the January 1, 1998 Code, Massachusetts allowed the federal exclusion for certain military fringe benefits including combat zone compensation, veterans' and medical benefits, disability benefits, moving allowances and a death gratuity benefit of $3,000. As a result of recent legislation under which the Commonwealth incorporated into Massachusetts personal income tax law the Code as amended and in effect on January 1, 2005 (hereinafter referred to as the "Code Update"). This exclusion was extended to include dependent care assistance under a dependent care assistance program, travel benefits received under the Operation Hero Miles program and an increased death benefit gratuity of $12,000.

Origin: IRC §§ 112-113

Estimate: $24.5

1.025 Exemption of Veterans' Pensions, Disability Compensation and G.I. Benefits

These veterans' benefits are not taxed.

Origin: 38 U.S.C. § 5301

Estimate: $30.1

1.026 Exemption of Military Disability Pensions

Disability pensions paid to service personnel are fully excluded from gross income. The portion of a regular pension that is paid on the basis of disability may also be excluded.

Origin: IRC § 104(a)(4)

Estimate: $0.5

1.027 Exemption of Compensation to Massachusetts-Based Nonresident Military Personnel

Compensation paid by the U.S. to nonresident uniformed military personnel on duty at bases within Massachusetts for services rendered while on active duty is defined as compensation from sources outside Massachusetts. It is therefore not taxed.

Comment: This tax treatment follows U.S. statutory law.

Origin: 50 U.S.C. App. § 574; M.G.L. c. 62, § 5A(c)

Estimate: $9.5

1.028 Exemption for Taxpayers Killed in Military Action or by Terrorist Activity

Massachusetts residents who die in combat while in active military service, or who die as a result of terrorist or military action outside of the U.S. while serving as military or civilian employees of the U.S. are exempt from income taxation.

Origin: M.G.L. c. 62, § 25

Estimate: N.A.

1.029 Exemption for Retirement Pay of the Uniformed Services

Effective January 1, 1997, income received from the United States government as retirement pay and survivorship benefits for a retired member of the Uniformed Services of the United States is exempt from the personal income tax. The Uniformed Services of the United States are: the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Commissioned Corps of the Public Health Service and National Oceanic and Atmospheric Administration.

Origin: M.G.L. c. 62, § 2

Estimate: $26.5

1.030 Parking, T-Pass and Vanpool Fringe Benefits

A federal and Massachusetts exclusion is allowed for employer-provided parking, transit passes and vanpool benefits (i.e. "qualified transportation benefits"), subject to monthly maximums. As a result of the Code Update, for tax years starting on or after January 1, 2005, Massachusetts adopts the federal exclusion without any differences in exclusion amounts or allowed benefits. Although the Tax Relief Act of 2010 temporarily increased this amount at the federal level, Massachusetts does not conform, and allows only a maximum exclusion of $120 per month (see Appendix A).

Origin: IRC § 132(f)

Estimate: $38.8

1.031 Health Savings Accounts

For federal income tax purposes, the earnings in a Health Savings Account (HSA) account accrue on a tax-free basis, and qualified distributions from a HSA are excluded from gross income. Prior to the most recent Code update, Massachusetts taxed earnings in a HSA and also taxed distributions to the extent such amounts were not previously taxed by Massachusetts. As a result of the Code Update, Massachusetts adopts the federal exclusion for earnings in, and qualified distributions from, a HSA.

Origin: IRC § 223

Estimate: Included in 1.422

1.032 Employer-Provided Adoption Assistance

Massachusetts adopts the federal exclusion for employer-provided adoption expenses paid (or treated as paid under IRC sec. 137) on or after January 1, 2005. The federal government extended this credit temporarily for 2011. However, as Massachusetts follows the 2005 Code, and so the credits sunset after 2010.

Origin: IRC § 137

Estimate: $0.0

1.033 Employer-Provided Educational Assistance

Under the January 1, 1998 Code, Massachusetts had adopted the federal exclusion for qualified educational expenses reimbursed to an employee under an employer-provided education assistance program, however, for courses that began after May 31, 2000, Massachusetts no longer allowed the exclusion. As a result of the 2005 Code Update, Massachusetts adopts the federal exclusion for qualified educational expenses for undergraduate and graduate education expenses up to the federal annual maximum of $5,250 per calendar year.

Origin: IRC § 127 and 132

Estimate: $8.4

1.034 Qualified Retirement Planning Services

Massachusetts adopts the federal exclusion for the employee fringe benefit of retirement planning advice or information provided to an employee and spouse by an employer maintaining a qualified employer plan. Qualified employer plans include IRC sec. 401(a) plans, annuity plans, government plans, IRC sec. 403(b) annuity contracts, SEPs and SIMPLE accounts. This exclusion is due to expire for tax or plan years beginning after December 31, 2010.

Origin: IRC § 132(m)

Estimate: N.A.

1.035 Department of Defense Homeowners Assistance Plan

Massachusetts adopts the federal exclusion for the employee fringe benefit of payments received under the Homeowners Assistance Plan. Such payments are intended to compensate military personnel and certain civilian employees for a reduction in the fair market value of their homes resulting from military or Coast Guard base closure or realignment.

Origin: IRC § 132(m)

Estimate: N.A.

1.036 Survivor Annuities of Fallen Public Safety Officers

For both Massachusetts and federal tax purposes, an exclusion from income is allowed for amounts paid under a governmental plan as an annuity to the survivor of a public safety officer killed in the line of duty. However, a federal Act subsequent to January 1, 1998, created differences between the Massachusetts and federal exclusion amounts. Massachusetts had allowed an exclusion for amounts received in tax years beginning after December 31, 1996, with respect to individuals dying after that date. As a result of the most recent Code update, Massachusetts adopts the federal exclusion as amended and in effect on January 1, 2005, that extends the exclusion for such annuities from, and including, individuals dying after December 31, 1996 to individuals dying on or before December 31, 1996.

Origin: IRC § 101(h)

Estimate: N.A.

1.037 Survivor Annuities of Fallen Astronauts

Massachusetts adopts the federal exclusion for death benefits paid by the U.S. government to the survivors of astronauts who die in the line of duty. The Massachusetts exclusion is effective for payments made on or after January 1, 2005.

Origin: IRC § 101(i)

Estimate: N.A.

1.038 Discharge of Indebtedness for Victims of Terrorism

Massachusetts adopts the federal exclusion for discharge of indebtedness due to the death of an individual resulting from the September 11, 2001, terrorist attacks or as the result of anthrax-related illness occurring on or after September 11, 2001, and before January 1, 2002.

Origin: IRC § 108 & P.L. 107-134

Estimate: N.A.

1.039 Discharge of Indebtedness for Health Care Professionals

Massachusetts adopts the federal exclusion for National Health Service Corps Loan Program repayments made to health care professionals. Loan repayments received under similar state programs eligible for funds under the Public Health Service Act are also excluded from income.

Origin: IRC § 108(f)(4)

Estimate: Negligible

1.040 Archer Medical Savings Accounts

For federal income tax purposes, the earnings in an Archer Medical Savings Account (MSA) account accrue on a tax-free basis, and qualified distributions from an Archer MSA are excluded from gross income. Prior to the 2005 Code Update, Massachusetts taxed earnings in an Archer MSA for individuals who became active participants on or after January 1, 2001 and also taxed distributions for such individuals to the extent such amounts were not previously taxed by Massachusetts. As a result of the Code Update, Massachusetts adopts the federal exclusion for earnings in, and qualified distributions from, an Archer MSA for all federally qualified individuals.

Origin: IRC § 220

Estimate: Included in 1.420

1.100 DEFERRALS OF GROSS INCOME

1.101 Net Exemption of Employer Contributions and Earnings of Private Pension Plans[2]

Employer contributions to private, qualified employee pension plans are deductible by the employer up to certain amounts and are not included in the income of the employees. Income earned by the invested funds is not currently taxable to the employees. Benefits in excess of any employee contributions previously taxed by Massachusetts are taxable when paid out. The value of the tax deferral on contributions and on the investment income is a tax expenditure.

Origin: IRC §§ 401-415 in effect January 1, 1985 and M.G.L. c. 62 §§ 2(a)(2)(F) and 5(b)

Estimate: $958.5

1.102 Treatment of Incentive Stock Options

Massachusetts has adopted the federal rules for employee stock options. Generally, employers may offer employees options to purchase company stock at a later date at a price equal to the fair market value of the stock when the option was granted. At the time employees exercise the option, they do not include in income the difference between the fair market value and the price they pay. If they later sell the stock, they are taxed on the amount by which the price they receive for the stock exceeds the price they paid. Thus, income is deferred and is taxed as a capital gain instead of as compensation.

Origin: IRC §§ 421-425

Estimate: N.A.

1.103 Exemption of Earnings on Stock Bonus Plans or Profit Sharing Trusts

Investment income earned by stock bonus plans or profit sharing trusts is not taxed currently for employees.

Origin: M.G.L. c. 62, § 5(b)

Estimate: N.A.

1.104 Exemption of Earnings on IRA and Keogh Plans[2]

This includes exclusions from income for some retirement contributions; these exclusions and the earnings from them are taxed upon distribution. The deferral of tax on the investment income is a tax expenditure.

Origin: M.G.L. c. 62, §§ 2(a)(2)(F)

Estimate: $326.2

1.106 Nontaxation of Capital Gains at the Time of Gift

Ordinarily, capital gains are taxed at the time appreciated property is transferred. However, no tax is imposed on a capital gain when appreciated property is transferred by gift. The taxation of appreciation is deferred until the recipient transfers the property. Note: the FY13 estimate reflects the anticipation that capital gains realizations will be higher in tax year 2012 as a result of expiring favorable federal tax rates. FY14 tax loss for this item is likely to be 40% lower than FY13.

Comment: See also item 1.022 above.

Origin: IRC §§ 1001, 1015

Estimate: $124.0

1.200 DEDUCTIONS FROM GROSS INCOME

1.201 Capital Gains Deduction

Long-term capital gains realized from the sale of collectibles (as defined by sec. 408 (m) of the IRC) are eligible for a 50% deduction from the 12% capital gains tax.

Origin: M.G.L. c. 62, § 2(c)(3)

Estimate: N.A.

1.202 Deduction of Capital Losses Against Interest and Dividend Income

Taxpayers may deduct up to $2,000 of net capital loss against interest and dividend income. This limit was reestablished in 2002.

Origin: M.G.L. c. 62, § 2(c)(2)

Estimate: N.A.

1.203 Excess Natural Resource Depletion Allowance

Individuals or investors in extractive industries (mining or drilling natural resources) may deduct a percentage of gross mining income as a depletion allowance. The allowance may exceed the actual cost of the resource property. For a more detailed description of this tax expenditure, see corporate excise item 2.204.

Origin: IRC §§ 613 and 613A as in effect January 1, 1985

Estimate: $0.3

1.204 Abandoned Building Renovation Deduction

Businesses renovating eligible buildings in Economic Opportunity Areas may deduct 10% of the cost of renovation from gross income. This deduction may be in addition to any other deduction for which the cost of renovation may qualify. To be eligible for this deduction, renovation costs must relate to buildings designated as abandoned by the Economic Assistance Coordinating Council.

Origin: M.G.L. c. 62, § 3(B)(a)(10)

Estimate: $4.2

1.300 ACCELERATED DEDUCTIONS FROM GROSS INCOME

1.301 Accelerated Depreciation on Rental Housing

Landlords and investors in rental housing may use accelerated methods of depreciation for new and used rental housing. Rental housing placed in service after 1988 is depreciated on a straight-line basis over a 27.5-year period. Rental housing placed in service before 1988 was depreciable over shorter periods (generally 19 or 20 years), and, instead of straight-line depreciation, the 175% declining balance method was permitted. Straight-line depreciation over the property's expected useful life is the generally accepted method for recovering the cost of building structures. The excess of allowable depreciation over such generally accepted depreciation is a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC § 168(b)

Estimate: $20.0

1.303 Accelerated Depreciation on Buildings (other than Rental Housing)

Individuals or investors in a trade or business may use accelerated methods of depreciation for buildings. Construction may be depreciated under methods that produce faster depreciation than economic depreciation. The precise rates have been changed repeatedly in recent years as the result of revisions in the federal tax code. Structures (other than rental housing) placed in service after 1987 are depreciated on a straight-line basis over a 31.5-year life. The excess of accelerated depreciation over economic depreciation is a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC §§ 167(j) and 168(b)

Estimate: $6.1

1.304 Accelerated Cost Recovery System (ACRS) for Equipment

For depreciable tangible personal property placed in service after 1980, capital costs may be recovered using the Accelerated Cost Recovery System (ACRS), which applies accelerated methods of depreciation over set recovery periods. For property placed in service after 1987, Massachusetts has adopted the Modified Accelerated Cost Recovery System (MACRS), which generally uses double declining balance depreciation over specified periods that are substantially shorter than actual useful lives (200% declining balance for 3-, 5-, 7- and 10-year recovery property and 150% declining balance for 15- and 20-year property). The excess of accelerated depreciation over economic depreciation is a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC § 168

Estimate: $46.8

1.305 Deduction for Excess First-Year Depreciation

Individuals or investors in a trade or business may elect to expense certain business assets purchased during the taxable year up to a maximum amount of $125,000. For taxpayers whose investment in eligible assets exceeds $500,000 in the year, the $125,000 ceiling is reduced by $1 for each dollar of investment above $500,000. Any remaining cost must be depreciated according to MACRS, as described in the preceding item. The immediate deduction is a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC § 179

Estimate: $7.7

1.306 Five-Year Amortization of Business Start-Up Costs

Individuals or investors in a trade or business may elect to treat business start-up expenditures as deferred expenses and amortize them over five years. For a more detailed description of this tax expenditure, see corporate excise item 2.304.

Origin: IRC § 195

Estimate: $4.5

1.308 Expensing Exploration and Development Costs

Individuals or investors in extractive industries (mining or drilling natural resources) may take an immediate deduction for certain exploration and development costs. For a more detailed description of this tax expenditure, see corporate excise item 2.309; the provisions for individual taxpayers are somewhat more liberal than those that apply to corporations.

Origin: IRC §§ 263(c), 616 and 617 in effect January 1, 1985

Estimate: Negligible

1.309 Expensing Research and Development Expenditures in One Year

Individuals or investors in a trade or business may take an immediate deduction for research and development expenditures. For a more detailed description of this tax expenditure, see corporate excise item 2.308.

Origin: IRC § 174

Estimate: $1.2

1.310 Five-Year Amortization of Pollution Control Facilities

Individuals or investors in a trade or business may elect to amortize the cost of a certified pollution control facility over a five-year period. For a more detailed description of this tax expenditure, see corporate excise item 2.311.

Origin: IRC § 169

Estimate: N.A.

1.311 Seven-Year Amortization for Reforestation

Individuals or investors in the forestry business may amortize the costs of reforestation over a seven-year period. For a more detailed description of this tax expenditure, see corporate excise item 2.311.

Origin: IRC § 194

Estimate: N.A.

1.312 Expensing Certain Capital Outlays of Farmers

Farmers may use certain favorable accounting rules. For instance, they may use the cash basis method of accounting and may deduct up to 50% of non-paid farming expenses as current expenses even though these expenditures are for inventories on hand at the end of the year. They also may deduct certain capital outlays, such as expenses for fertilizers and soil and water conservation if they are consistent with a federal- or state-approved plan. Generally, these special rules are not available to farming corporations and syndicates.

Origin: IRC §§ 175, 180 and 182 and Reg. §§ 1.61-4, 1.162-12 and 1.471-6

Estimate: $0.3

1.400 DEDUCTIONS FROM ADJUSTED GROSS INCOME

1.401 Deduction for Employee Social Security and Railroad Retirement Payments

Taxes paid by employees to fund the Social Security and Railroad Retirement systems are deductible against "earned" income up to a maximum of $2,000 per individual.

Comment: The estimate also covers item 1.402 below.

Origin: M.G.L. c. 62, § 3B(a)(3)

Estimate: $299.6

1.402 Deduction for Employee Contributions to Public Pension Plans[2]

Employee contributions to federal and state contributory pension plans are deductible against "earned" income up to a maximum of $2,000 per individual.

Origin: M.G.L. c. 62, § 3B(a)(4)

Estimate: Included in 1.401

1.403 Additional Exemption for the Elderly

A taxpayer age 65 or over is entitled to an additional exemption against "earned" income of $700 ($1,400 for a married couple filing jointly if both spouses are age 65 or over).

Origin: M.G.L. c. 62, §§ 3B(b)(1)(C) and (2)(C)

Estimate: $25.9

1.404 Additional Exemption for the Blind

A blind taxpayer is allowed an additional exemption against "earned" income of $2,200 ($4,400 for a married couple filing jointly if both spouses are blind).

Origin: M.G.L. c. 62, §§ 3B(b)(1)(B) and (2)(B)

Estimate: $1.3

1.405 Dependents Exemption Where the Child Earns Income[3]

Taxpayers are allowed an additional exemption of $1,000 for a dependent child even when the child earns income against which a personal exemption can be taken.

Comment: The estimate cannot be separated from the figure for the dependents exemption in endnote 3.

Origin: IRC § 151(c) in effect January 1, 1988 and M.G.L. c. 62 § 3B(b)(3)

Estimate: N.A.

1.406 Deduction for Dependents Under 12

Individual taxpayers and married taxpayers filing jointly with one or more dependents under age 12, who do not claim the deduction for child care described in item 1.409 below, may claim this deduction. Filers with one dependent under 12 may deduct $3,600, while filers with two or more dependents under 12 may deduct $7,200.

Origin: M.G.L. c. 62, § 3B(a)(8)

Estimate: $135.8

1.407 Personal Exemption for Students Age 19 or Over

A taxpayer may claim a dependent exemption of $1,000 for a child who is a full-time student even if he or she is 19 or over.

Origin: IRC § 151(c) in effect January 1, 1988 and M.G.L. c. 62 § 3B(b)(3)

Estimate: $8.4

1.408 Deduction for Adoption Fees

Adoption fees paid to a registered adoption agency are deductible against Part B income.

Origin: M.G.L. c. 62, § 3B(b)(5)

Estimate: $0.5

1.409 Deduction for Business-Related Child Care Expenses

Taxpayers qualifying for the credit for employment-related childcare expenses in the Internal Revenue Code are allowed a deduction against "earned" income for the amount of the expenses that qualify for the credit. Beginning in tax year 2001, the cap on this deduction was increased, and the coverage expanded to include elderly and disabled dependents. The cap increased from $2,400 to $3,600 for filers with one dependent, and from $2,400 to $4,800 for filers with two or more dependents. Beginning in tax year 2002, the cap was further increased to $4,800 for qualifying filers with one dependent and to $9,600 for filers with two or more dependents.

Comment: For federal tax purposes, the requirement that employment-related child care expenses relate only to children under age 15 was further restricted to children under age 13. In addition, a federal change now requires a taxpayer to include employer-provided dependent care expenses when calculating the limitation amount of qualifying expenses.

Origin: IRC § 21, and M.G.L. c. 62, § 3B(a)(7)

Estimate: $15.4

1.410 Exemption of Medical Expenses

Medical and dental expenses in excess of 7.5% of federal adjusted gross income are deductible against "earned" income for taxpayers who itemize deductions on their federal returns.

Origin: IRC § 213 and M.G.L. c. 62, § 3B(b)(4)

Estimate: $77.9

1.411 Rent Deduction

Renters are able to deduct against Part B income one-half of the rent paid for a principal residence located in Massachusetts up to a maximum deduction of $3,000 per year. This maximum was last raised in tax year 2001.

Origin: M.G.L. c. 62, § 3B(a)(9)

Estimate: $116.1

1.412 Nontaxation of Charitable Purpose Income of Trustees, Executors or Administrators

The adjusted gross income of trustees, executors or administrators, which is currently payable to or irrevocably set aside for public charitable purposes is tax-exempt.

Origin: M.G.L. c. 62, §§ 3A(a)(2) and B(a)(2)

Estimate: N.A.

1.413 Exemption of Interest on Savings in Massachusetts Banks

Up to $100 ($200 on a joint return) of interest from savings deposits or savings accounts in Massachusetts banks is excluded from "earned" income.

Origin: M.G.L. c. 62, § 3B(a)(6)

Estimate: $5.1

1.414 Tuition Deduction (Over 25% of Income)

A deduction is allowed for tuition payments paid, on behalf of a filer or their dependent, to a two-or four-year college leading to a degree or certificate. The deduction is equal to the amount by which the net tuition payments exceed 25% of the filer's Massachusetts AGI. See TIR 97-13 for more information.

Origin: M.G.L. c. 62, § 3B(a)(11),(12)

Estimate: $35.9

1.415 Charitable Contributions Tax Deduction

For tax year 2001, a deduction was allowed for charitable contributions in determining Part B taxable income. The deduction amount was equal to the taxpayer's charitable contributions for the year, as defined under the Federal Internal Revenue Code and without regard to whether the taxpayer elected to itemize deductions on his or her federal income tax return. Chapter 186 of the Acts of 2002 suspended this deduction, so no tax expenditure is recorded for the current fiscal year.

Origin: M.G.L. c. 62 § 6I

Estimate: N.A.

1.418 Deduction for Costs Involved in Unlawful Discrimination Suits

Massachusetts adopts the federal deduction for attorney fees and court costs paid to recover a judgment or settlement for a claim of unlawful discrimination, up to the amount included in gross income for the tax year from such claim.

Origin: IRC §§ 62(a)(19) and 62(e)

Estimate: N.A.

1.419 Business Expenses of National Guard and Reserve Members

Massachusetts adopts the deduction for unreimbursed overnight travel, meals and lodging expenses of National Guard and Reserve Members who must travel more than 100 miles from home to perform services as a National Guard or reserve member.

Origin: IRC §§ 62(a)(2)(E) and 162(p)

Estimate: Negligible

1.420 Archer Medical Savings Accounts

Under the January 1, 1998 Code, Massachusetts allowed a deduction for an Archer Medical Savings Account (MSA) contribution only for individuals who were active MSA participants before January 1, 2001. As a result of recently enacted legislation that aligned the Massachusetts tax code with the Internal Revenue Code as of January 1, 2005, Massachusetts adopts the federal deduction for Archer MSA contributions made on or after January 1, 2005 for all federally qualified individuals.

Origin: IRC § 220

Estimate: Negligible

1.421 Deduction for Clean-Fuel Vehicles and Certain Refueling Property

A federal and Massachusetts deduction is allowed for a portion of the cost of qualifying motor vehicles that use clean-burning fuel. Under the January 1, 1998 Code, this deduction was due to expire for vehicles placed in service after December 31, 2004. As a result of recently enacted legislation that aligned the Massachusetts tax code with the Internal Revenue Code as of January 1, 2005, Massachusetts adopted the new federal provision allowing the deduction for vehicles placed in service on or before December 31, 2006.

Origin: IRC §§ 62(a)(14) and 179A

Estimate: Negligible

1.422 Health Savings Accounts

Massachusetts adopted the federal deduction allowed to individuals for contributions to a Health Savings Account, subject to federal limitations, which are adjusted annually for inflation. For calendar year 2012, the maximum deduction limit is $3,100 for an individual plan and $6,250 for a family plan. The maximum additional deduction for individuals age 55 or older is $1,000.

Origin: IRC §§ 62(a)(19) and 223

Estimate: $12.3

1.423 Commuter Deduction

(Note: item 1.423 was formerly the temporary Tuition and Fees Deduction)

For tax years beginning on or after January 1, 2006, individuals may deduct certain commuting costs paid in excess of $150 for:

- Tolls paid through the Massachusetts FastLane account; and
- The cost of weekly or monthly passes for MBTA transit, bus, commuter rail, or commuter boat.

The total amount deducted may not exceed $750 per individual. Amounts paid must be reduced by any amounts reimbursed or otherwise deductible.

Origin: M.G.L. Chapter 62, § 3 (B) (a) (15)

Estimate: $6.7

1.424 Self-Employed Health Insurance Deduction

Massachusetts adopts the federal deduction allowed to self-employed individuals for premiums on health insurance. Insurance may be for the individual, spouse, or family member. The insurance must be established under the self-employed individual's business.

Origin: IRC § 162(I)

Estimate: $44.2

1.425 Student Interest Loan Deduction (allowed Federally or by Massachusetts)

Massachusetts allows as an option the federal "interest on education loans" deduction. The federal deduction phases out based on modified AGI. As a result of the 2005 Code update, Massachusetts adopted the federal provision that temporarily repealed the 60 month limitation raised taxpayer income limitations through the end of 2010. Note that while the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and Jobs and Growth Tax Relief Reconciliation Act of 2003 (JEGTRRA) have been temporarily extended at the federal level, these increases still sunset in Massachusetts at the end of 2010.

Alternatively, Massachusetts allows a deduction of undergraduate student loan interest. Filers may only choose one of these deductions.

Origin: M.G.L. c. 62, § 2(d)(1) and I.R.C. §§ 62(a)(17), 221.

Estimate: $29.5

1.426 Expenses of Human Organ Transplant

Massachusetts allows the expenses incurred in the donation of a human organ to be deducted from taxable income.

Origin: M.G.L. c. 62, § 3 (a) (16)

Estimate: $0.5

1.600 CREDITS AGAINST TAX

1.601 Renewable Energy Source Credit

Owners and tenants of residential property located within Massachusetts who are not dependents and who occupy the property as a principal residence are allowed a credit up to $1,000, or an amount equal to 15% of the cost of a renewable energy source. Unused credits may be carried

forward for three years.

Comment: This tax credit was originally for up to 35% of the cost of a renewable energy source; for tax years commencing after December 31, 1988 and before January 1, 1991, it was limited to 25%. It is currently limited to 15% with the $1,000 cap.

Origin: M.G.L. c. 62, § 6(d)

Estimate: $1.3

1.602 Credit for Removal of Lead Paint

A tax credit is provided in the amount of the cost of removing or covering lead paint on each residential unit up to $1,500. A seven-year carryover of any unused credit is permitted.

Origin: M.G.L. c. 62, § 6(e)

Estimate: $2.5

1.603 EDIP/Economic Opportunity Area Credit & Enhanced Economic Opportunity Area Credit

Businesses investing in qualified property in an Economic Opportunity Area are entitled to a credit against tax of 5% of the cost of the property. To qualify for the 5% credit, the property must be used exclusively in a certified project in an Economic Opportunity Area. To be certified, the Economic Assistance Coordinating Council must approve a project. See item # 2.605.

Origin: M.G.L. c. 62, § 6(g)

Estimate: $2.9

1.604 Credit for Employing Former Full-Employment Program Participants

Employers who continue to employ former participants of the S.110(1) full employment program in non-subsidized positions are eligible to receive a tax credit equal to $100 per month for each month of non-subsidized employment, up to a maximum of $1,200 per employee, per year.

Origin: St. 1995, c. 5, § 110(m)

Estimate: Expired

1.605 Earned Income Credit

Effective January 1, 1997, taxpayers were allowed a refundable credit against Massachusetts tax equal to 10% of the amount of the earned income credit claimed on their federal individual income tax returns. Effective January 1, 2001, the allowed percentage was increased to 15%. Note that, since the state credit amount is based on the federal, and changes, temporary or permanent, to the calculation of the federal credit will be automatically reflected in credit claims made against state tax.

Origin: M.G.L. c. 62, § 6(h)

Estimate: $132.3

1.606 Septic System Repair Credit

Taxpayers required to repair or replace a failed cesspool or septic system pursuant to the provisions of Title V, as promulgated by the Department of Environmental Protection in 1995, are allowed a credit equal to 40% of the design and construction costs incurred (less any subsidy or grant from the Commonwealth), up to a maximum of $1,500 per tax year and $6,000 in total. Unused credits may be carried forward for up to three years.

Origin: M.G.L. c. 62, § 6(i)

Estimate: $12.5

1.607 Low Income Housing Tax Credit

The Low-Income Housing Credit is administered by the Massachusetts Department of Housing and Community Development (DHCD) for the purpose of promoting the construction or development of low income housing. The LIHC is not subject to the 50% limitation rule for corporate taxpayers. If the taxpayer disposes of the property generating the LIHC, a portion of the credit may be subject to recapture.

Under prior law, the Massachusetts low-income housing tax credits were available only to taxpayers who had been allocated federal low-income housing tax credits. Effective August 1, 2010, the Act allows the Department of Housing and Community Development to grant state low-income housing credits (within the annual cap) to otherwise eligible projects that do not receive a federal low-income housing credit. Note that the annual cap will temporarily increase from $50 million per year to $100 million per year for tax years 2013 and 2014, but that this will not impact FY13.

The credits may be carried-forward for up to 5 years; they may be transferred or sold to another taxpayer, but are not refundable. See also Corporate item 2.609.

Origin: M.G.L. c. 62, § 6I a

Estimate: $2.0

1.608 Brownfields Credit

Recent legislation extended the Brownfields credit to nonprofit organizations, extended the deadline for incurring eligible costs, and permitted the credit to be transferred, sold, or assigned. Legislation changed the commencement cut-off date from August 5, 2011 to August 5, 2013, and the time for incurring eligible costs that qualify for the credit to January 1, 2014.

The amount of the credit varies according to the extent of the environmental remedy. If the taxpayer's permanent solution or remedy operation status includes an activity and use limitation, then the amount of the credit is 25% of the net response and removal costs incurred by the taxpayer. However, if there is no activity and use limitation, then the amount of the credit is 50% of the net response and removal costs.

Origin: M.G.L. c. 62, §6 (j)

Estimate: $3.2

1.609 Refundable State Tax Credit Against Property Taxes for Seniors ("Circuit Breaker")

Seniors are eligible for a tax credit to the extent that their property taxes - or 25% of rent - exceed 10% of their income. Income limits and a cap on the maximum assessed value of the filer's primary residence apply. The maximum credit is also adjusted annually for inflation. The maximum base credit was $385 for tax year (TY) 2001, $790 for TY02, $810 for TY03, $820 for TY04, $840 for TY05, $870 for TY06, $900 for TY07, $930 for TY08, $960 for TY09, and $970 for TY10.

Income limits and the maximum credit are adjusted for inflation over a 1999 base year; however, chapter 136 of the Acts of 2005 increased the assessed home valuation to $600,000 and set its base year to 2004. See Appendix A for more details.

Origin: M.G.L. c. 62, § 6 (k); Ch. 136 of the Acts of 2005.

Estimate: $77.6

1.610 Historic Buildings Rehabilitation Credit

If a structure is listed on the National Historic Register and has been substantially rehabilitated in keeping with its historical character, it may qualify for this credit. To qualify, the project must be certified by the Massachusetts Historical Commission, which determines the amount of qualifying expenditures. Filers may claim up to 20% of their qualified rehabilitation expenditures. Credits may be carried forward for up to 5 years. The expenditure for this item (combined with business filers claims, item 2.610) Chapter 131 of the Acts of 2010 extended the availability of the credit for an additional to December 31, 2017, with an annual cap of $50 million. The credits may be sold or transferred to another taxpayer.

Origin: M.G.L. c. 62, § 6 J, Ch. 464 of the Acts of 2004, St. 2006, c. 123, §§ 51 and 65

Estimate: $2.5

1.611 Film (or Motion Picture) Credit

Credit is transferable; see Corporate item 2.614 for details. Individual income tax filers engaged in the making of a motion picture are allowed two credits:

a) Payroll credit: This is a credit for the employment of persons within the Commonwealth in connection with the filming or production of 1 or more motion pictures in the Commonwealth within any consecutive 12 month period. The credit is equal to 25 percent of the total aggregate payroll paid by a motion picture production company that constitutes Massachusetts source income, when total production costs incurred in the Commonwealth equal or exceed $50,000 during the taxable year. The term "total aggregate payroll" may not include the salary of any employee whose salary is equal to or greater than $1,000,000.

b) Non-payroll production expense credit: Individual income tax filers are also allowed a credit equal to 25 percent of all motion picture related Massachusetts production expenses, not including the payroll expenses used to claim the aforementioned payroll credit. To be eligible for this credit, either Massachusetts motion picture production expenses must exceed 50 percent of the total production expenses for a motion picture or at least 50 percent of the total principal photography days of the film take place in the Commonwealth.

These tax credits are refundable at 90% of the approved credit amounts, or the amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the taxpayer to any of the 5 subsequent taxable years. Additionally, all or any portion of tax credits issued may be transferred, sold or assigned to other taxpayers with tax liabilities under chapter 62 (the individual income tax) or chapter 63 (the corporate or other business excise taxes). For applications submitted prior to January 1, 2007, film tax credits were capped at $7,000,000 for any one motion picture production has; for applications submitted on or after January 1, 2007, there is no cap. Also, the sunset date for the film incentives statute has been extended from January 1, 2013 to January 1, 2023. See TIR 07-15 for more information.

Origin: St. 2007, c. 63; M.G.L. c. 63.

Estimate: $2.6

1.613 Medical Device User Fee Credit

Medical device companies that develop or manufacture medical devices in Massachusetts can claim a credit equal to 100% of the user fees paid by them when submitting certain medical device applications and supplements to the United States Food and Drug Administration. The credit is also transferable. For the personal income tax, the credit applies to any qualifying entity organized as a sole proprietorship, partnership, limited liability company, corporate trust or other business where the income is taxed directly.

Origin: M.G.L. c. 62, § 6 1/2, Ch. 145 of the Acts of 2006.

Estimate: $0.4

1.614 Dairy Farmer Tax Credit

A taxpayer who holds a certificate of registration as a dairy farmer pursuant to section 16A of chapter 94 may be allowed a refundable income tax credit based on the amount of milk produced and sold. The total cumulative value of the credits authorized pursuant to this section combined with section 38Z of chapter 63 shall not exceed $4,000,000 annually.

Origin: M.G.L. c. 62, § 6 (o), Ch. 310 of the Acts of 2008 § 3.

Estimate: $0.4

1.615 Conservation Land Tax Credit

Filers who donate land for conservation in perpetuity for the use of all citizens of the Commonwealth can receive a credit of up to $50,000. Approval of the donation is required from the Secretary of the Office of Energy & Environment Affairs.

Origin: M.G.L. c. 62, § 6 (p), Ch. 509 Acts of 2008 § 1-4.

Estimate: $1.5

KEY	**ORIGIN**	
	IRC	Federal Internal Revenue Code (26 U.S.C.)
	U.S.C	United States Code
	M.G.L.	Massachusetts General Laws
	Rev. Rul.; C.B.	Revenue Ruling; Cumulative Bulletin of the U.S. Treasury
	ESTIMATES	All estimates are in $ millions.

[1] This item and others citing this endnote cover employee fringe benefits. We accept as standard the following treatment of these benefits: the expense incurred by the employer in providing the benefit is properly deductible as a business expense and the benefit is taxed as compensation to the employee as if the employee had received taxable compensation and then used it to purchase the benefit. Of course, there are problems with this analysis. In some cases, the "benefit" is more a condition of employment than a true benefit. For example, a teacher required to have lunch in the school cafeteria may prefer to eat elsewhere even if the school lunch is free. On the other hand, in many cases the provision of tax-free employee benefits is clearly a substitution for taxable compensation.

[2] This item and others citing this endnote cover contributory pension plans. The standard tax treatment of these plans is as follows:

Component	Standard Treatment
Contributions:	Made out of income that is currently taxed to employees.
Investment Income:	Taxed to the employee as "earned" income.
Distributions from Pension Funds:	Tax-free to the extent they are made out of dollars previously taxed to the employees as contributions or investment income.

The non-standard treatment of contributions, investment income, or distributions as described in items 1.006, 1.101, 1.104, and 1.402, results in either nontaxation or deferrals of tax.

[3] FY13 estimates for the basic personal exemptions and the no-tax status discussed in the introduction to the personal income tax are (in millions of dollars):

Personal exemption for single taxpayers: $298
Personal exemption for married couples: $556
Personal exemption for married taxpayers filing separately: $14
Dependents exemption: $93
Personal exemption for heads of households: $99
Limited income credits: $14
No tax status: $15

Corporate and Other Business Excise Introduction

Beginning this year, the corporate section of the Tax Expenditure Budget includes other business excises along with the corporate excise. These additional business excise taxes are the financial institution excise, the public utility excise, the excises on insurance companies, and the excise on security corporations. The financial institution excise and the public utility excise are structured similarly to the corporate excise. They begin with federal net income with certain Massachusetts modifications, proceed to additional Massachusetts deductions, apply the appropriate apportionment percentage, apply the appropriate tax rate to compute the excise due before credits and apply credits to reach the total excise due. The revenue estimates for the items in the list will now reflect their use by financial institutions and public utilities. Note that virtually all of the expenditure items are unavailable to insurance companies as these companies are not taxed on net income. However, insurance companies can apply certain credits to reduce their excises. Credits available to insurance companies are so indicated within the item descriptions and the revenue estimates for these credits will reflect their use.

In Fiscal Year 2011, revenues from the corporate excise and the other business excises mentioned above represented 10.9% of total Department of Revenue tax collections. Together these taxes ranked third in Fiscal Year 2011 in terms of total taxes collected, after the individual income tax and the sales and use tax.

Corporate Excise: Short History and Basic Structure

The corporate excise was enacted in 1919, replacing a corporate franchise tax, which was levied on the value of capital stock. Initially, the corporate excise was imposed on corporate excess and on net income.

In 1962, the corporate excess measure was repealed. The corporate excise tax is now levied on tangible property or net worth (depending on the mix of property held by the corporation) and on net income.

Tax Base:

Most business corporations are subject to tax under the corporate excise which has three components: an income measure, a non-income measure, and a minimum excise.

The income measure of the tax is based on net income for federal tax purposes with certain additions, such as interest earned on state obligations, and certain deductions, most of which are allowable under the provisions of the Internal Revenue Code. Many of the deductions are considered to be part of the basic structure. For example, in providing for depreciation deductions, the basic structure would allow the cost of property to be written-off evenly over its useful life (so-called “straight-line depreciation”). However, rules that allow accelerated depreciation deductions are listed as tax expenditures.

Under the non-income measure, corporations with qualifying tangible assets in Massachusetts that equal or exceed 10% of their qualifying total assets in Massachusetts (apportioned according to their income apportionment percentage) are taxed on the value of their tangible property. Other corporations are taxed on a net worth basis.

The minimum excise is $456.

Taxable Unit: A corporation is a taxpayer separate and distinct from its shareholders.

Rate Structure: Since January 2010, the rates have been scheduled to decline (see Appendix A for further details). However, the minimum excise remains unchanged at $456. Corporate tax expenditure items take into account these tax rate changes. The current (TY2012) excise rate on C-corporations is 8.00% of net income apportioned to Massachusetts, and $2.60 per $1,000 of the value of Massachusetts tangible property or net worth allocable to Massachusetts. The excise rate on S-corporations is 2.75% for companies with total receipts greater than $9M, and 1.83% for companies with total receipts between $6M and $9M. The tax rate on tangible property or net worth is the same as for C-corporations.

Taxable Period and Net Operating Loss Carry-forward: The taxable period for corporations is either calendar year or fiscal year. Estimated payments are made every three months during the taxable period. Federal accounting periods and methods also have been adopted for our estimation. Net operating loss carry-forwards are allowed for future deductions. Before January 2010, qualifying losses could be carried forward up to five years. However, there has been a statutory expansion of the general NOL carry-forward period from 5 to 20 years for business corporations. Refer to Appendix A for details.

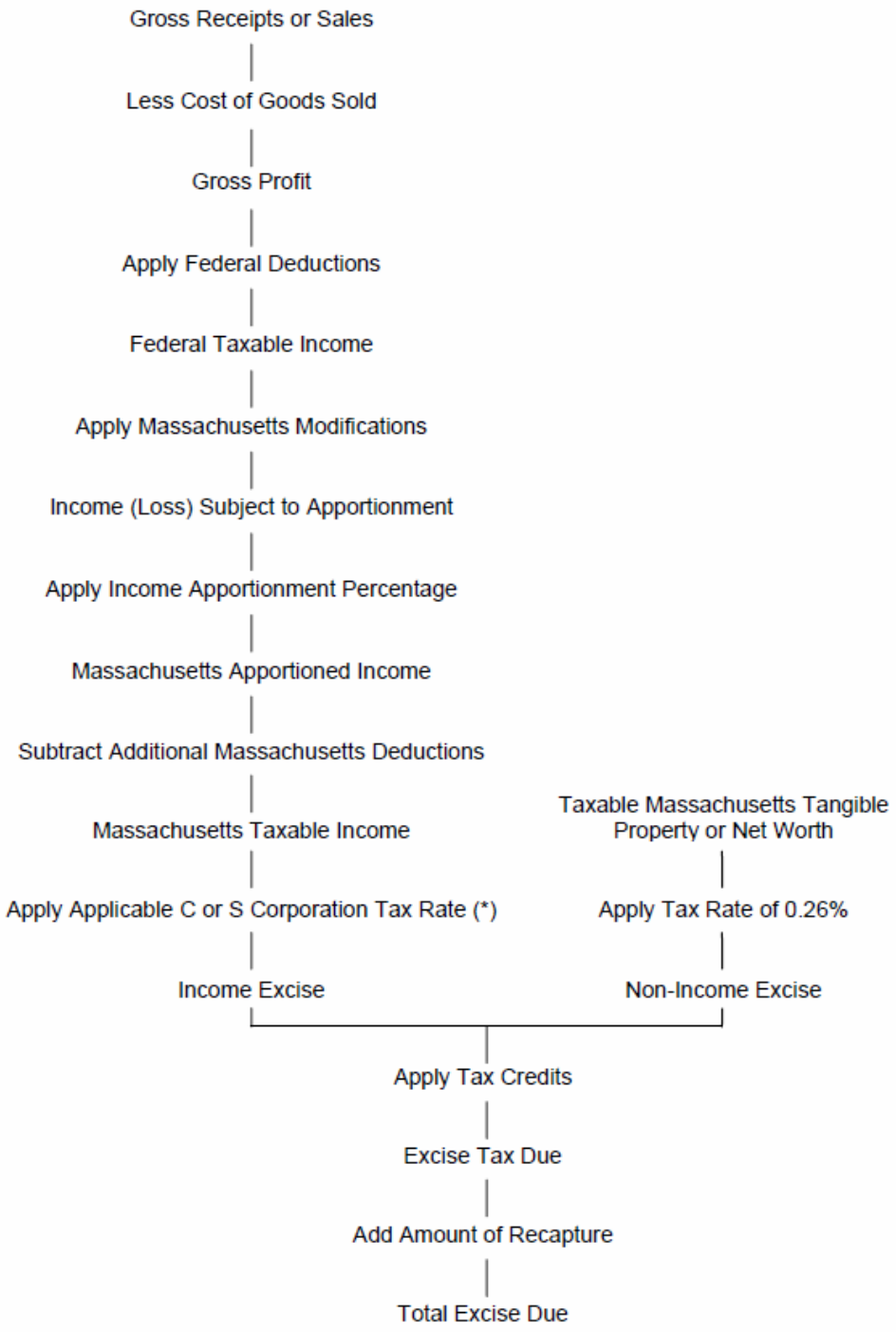
Interstate and International Aspects: All domestic and foreign corporations with nexus in Massachusetts are subject to the corporate excise. Corporations are required to apportion their net incomes if they have incomes from business activity that is taxable in another jurisdiction using a formula based on the proportions of corporate real and tangible personal property, payroll, and sales that are located in Massachusetts. Under certain circumstances, taxpayers may petition for, or the Commissioner may impose, alternative methods of accounting to reflect more fairly a taxpayer's income from business operations in Massachusetts.

Combined Reporting: Since January 1, 2009, Massachusetts has required certain businesses engaged in a unitary business to calculate their income on a combined basis. A corporation is subject to this requirement if it is subject to a tax on its income under Massachusetts General Laws (M.G.L). c. 63, §2, §2B, §32D, §39 or §52A and it is engaged in a unitary business with one or more other corporations under common control, whether or not the other corporations are taxable in Massachusetts. Those certain businesses can be general corporations, financial institutions, or public utilities. Note that combined reporting does not apply to the non-income measure of corporate excise.

The Other Business Excises

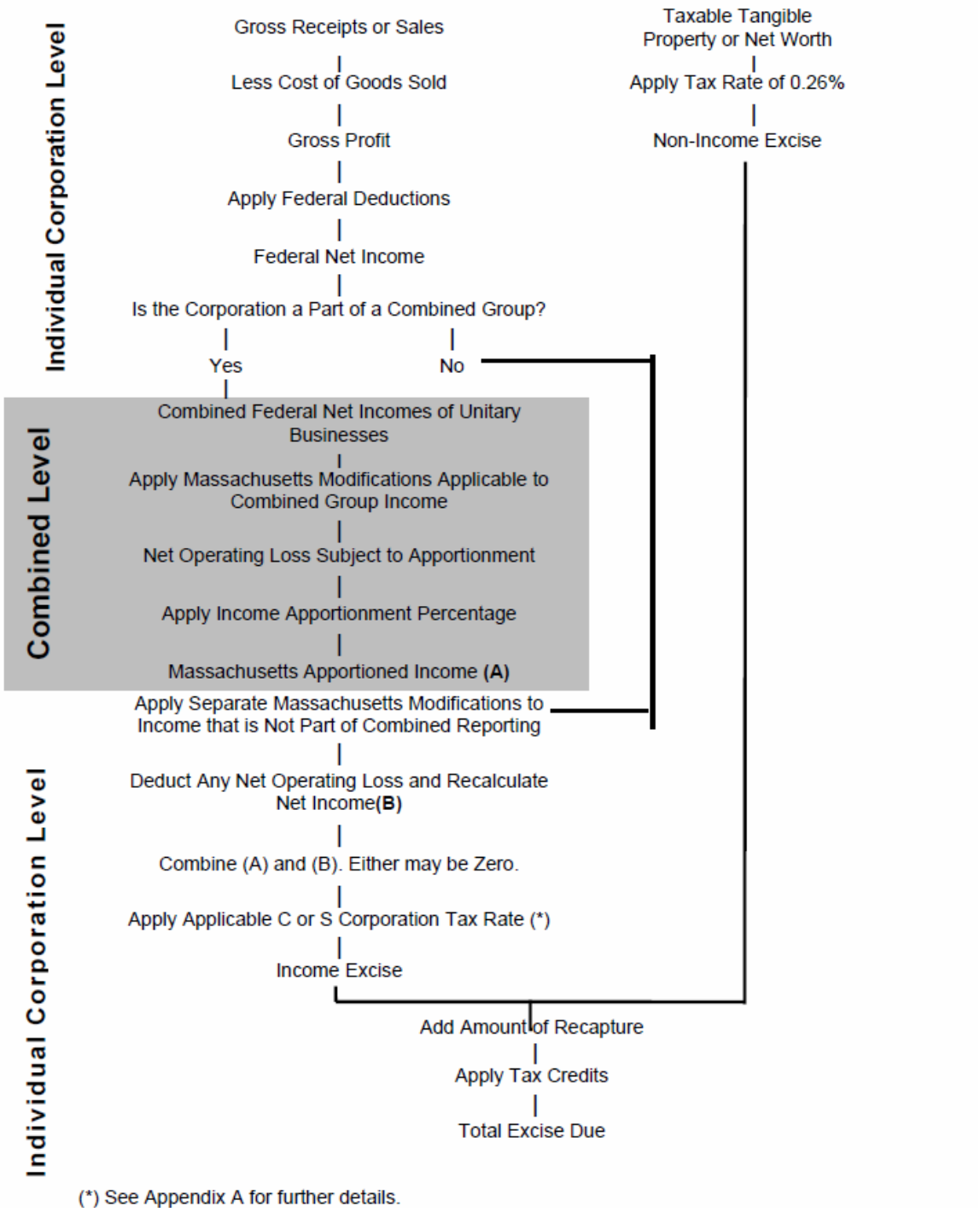
The other business excises possess some different features from the corporate excise. First, many of the financial institutions and public utilities still do not qualify for combined reporting, and no insurance companies are subject to combined reporting. Second, these businesses are not allowed to take net operating loss deductions. Third, financial institutions and public utility companies weigh the three apportionment factors (sales, payroll, property) equally. Fourth, the main tax base of insurance companies is the insurance premiums those companies have charged. Fifth, some credits such as the investment tax credit are not applicable to these businesses. There are some additional differences. For further details, refer to the applicable tax return forms. The basic structures of the excises for these businesses are described in the diagrams that follow.

Computation of Massachusetts Corporate Excise under Non-Combined Reporting



- See Appendix A for Further Details

- **Computation of Massachusetts Corporate Excise under Combined Reporting**



(*) See Appendix A for further details.

Computation of the Financial Institution Excise under Non-Combined Reporting

Financial Institution Excise

Federal Net Income
|
Apply Massachusetts Modifications
|
Total Net Income Before Massachusetts Deductions
|
Subtract Additional Massachusetts Deductions
|
Adjusted Net Income
|
Apply Apportionment Percentage
|
Massachusetts Taxable Income
|
Apply Applicable Financial Institution Tax Rate *
|
Apply Credits
|
Total Excise Due

* See Appendix A for Details

Computation of Massachusetts Public Utilities Organization Excises

Public Utility Company Excise

Federal Net Income

|

Apply Massachusetts Modifications

|

Total Net Income Before Massachusetts Deductions

|

Subtract Additional Massachusetts Deductions

|

Adjusted Net Income

|

Apply Income Apportionment Percentage

|

Massachusetts Taxable Income

|

Apply Tax Rate at 6.5%

|

Total Excise Due Before Applying Credits

|

Apply Credits

|

Total Excise Due

Summary of 2011 Tax Forms for Insurance Companies

Tax Form	Type of Company	Foreign or Domestic	Base of Tax	Tax Rate	Retaliatory Tax Provision
63-20P	Life Insurance	Domestic	Taxable life, accident and health insurance premiums, net value of policies	2% on life and acc./health ins. premiums	N/A
	Life Insurance	Foreign	Taxable life insurance premiums attributable to Massachusetts, accident and health insurance premiums	2% on all premiums	Yes
63-23P	Insurance Companies, except Life Insurance or Ocean Marine	Domestic	Taxable (non-life) insurance premiums and gross investment income	2.28% on premiums; then: 1%, 0.8%, 0.6%, 0.4%, 0.2% or 0.0% on investment income	N/A
	Insurance Companies, except Life Insurance or Ocean Marine	Foreign	Taxable premiums for insurance of property or interests attributable to Massachusetts	2.28%	Yes
	Preferred Providers (Accident and Health Insurers, Nonprofit Hospitals, HMO's, and other nonprofit medical, optometric or dental companies)	Domestic and Foreign	Gross premiums for coverage of persons who reside in Massachusetts	2.28%	N/A

Types of Tax Expenditures

As with the personal income tax, the basic structure of the corporate excise tax is subject to several different types of modifications that can produce tax expenditures.

Exclusions from Gross Income: Gross income is the starting point in the calculation of the income component of the corporate excise. In the absence of tax expenditures, it would include all income received from all sources. Items of income that are excluded from gross income escape taxation permanently.

Deferrals of Gross Income: Where an item of income is not included in gross income in the year when it is actually received, but is instead included in a later year, the result is a tax expenditure in the form of an interest-free loan from the state to the taxpayer in the amount of the tax payment that is postponed.

Deductions from Gross Income: Certain amounts are subtracted from gross income to arrive at taxable income. Many of these deducted amounts reflect the costs of producing income (business expenses) and are not included in the corporate income measure of excise; such deductions are not tax expenditures. Other deductions, which do not reflect business expenses, but permit income to escape taxation permanently, do constitute tax expenditures.

Accelerated Deductions from Gross Income: In a number of cases, corporations are allowed to deduct business expenses from gross income at a time earlier than such expenses would ordinarily be recognized under accepted accounting principles. The total amount of the permissible deduction is not increased but it can be utilized more quickly to reduce taxable income. The result is to defer taxes, thus in effect occasioning an interest-free loan from the state to the taxpayer.

Adjustments to Apportionment Formula: In the case of a business that earns income both inside and outside the Commonwealth, an apportionment formula is used to determine what portion of the total business income to allocate to Massachusetts for the calculation of corporate excise. When the standard formula is adjusted to reduce the apportionment ratios for certain businesses, tax expenditures result. The practical effect is to exclude certain portions of those business incomes from taxation.

Exclusions from Property Component: In addition to the excise based on income, corporations pay the excise tax based on the value of their property in the state. To the extent that certain classes of property are not included in the excise's property measure, tax expenditures result.

Credits against Tax: After a corporation has computed its basic tax liability, it may subtract certain credit amounts in determining the actual amount of taxes due. It is important to note that, whereas one-dollar exclusion or deduction results in tax savings of only a few cents (one dollar times the applicable tax rate), one-dollar credit results in one-dollar tax savings.

Entity Exempt from Taxation: In some cases, a business or other entity may be completely exempt from taxation. To the extent businesses or investment incomes go untaxed, tax expenditures result.

List of Corporate and Other Business Excise Tax Expenditures

2.000 EXCLUSIONS FROM GROSS INCOME

2.001 Small Business Corporations

In general, corporations organized under, or subject to, Chapters 156, 156A, 156B, 156C, 156D or 180 of Massachusetts General Laws (M.G.L.) or that have privileges, powers, rights or immunities not possessed by individuals or partnerships are subject to corporate excise. Certain corporations with no more than 100 shareholders may elect to be taxed, for both federal and state tax purposes, as "S corporations." ." The earnings of S corporations with total receipts of less than $6 million are not generally subject to taxation at the corporate level. As of 2012, S corporations with total receipts of $6 million or more are subject to a reduced corporate excise: 1.83%(*) for non-financial institutions and 2.5%(*) for financial institutions if receipts are $6 million or more but less than $9 million, and 2.75%(*) for non-financial institutions and 3.75%(*) for financial institutions if receipts are $9 million or more. In addition, S corporation net earnings (and losses) are attributed directly to shareholders (whether or not they are distributed as dividends) and are taxed at the individual shareholder level, generally at the applicable personal income tax rate (5.85% in tax year 2000, 5.6% in tax year 2001, 5.3% in tax years 2002 and 5.25% in tax year 2012). By contrast, ordinary corporate earnings are taxed twice: once when earned by the corporation at 8.0%(*) for non-financial institutions and 9.0%(*) for financial institutions, and once when distributed to shareholders in the form of dividends, which are generally taxable at the applicable personal income tax rate.

The difference between the manner in which income is taxed to an ordinary business corporation (including its shareholders) and an S corporation and its shareholders constitutes a tax expenditure. Massachusetts first adopted this treatment of corporations in 1986.

(*) See Appendix A for further details on corporate rate change.

Origin: IRC, §§ 1361-1363; M.G.L. c. 62, § 17A; M.G.L. c. 63, §§ 23, 32D

Estimate: $71.0

2.002 Exemption of Income from the Sale, Lease or Transfer of Certain Patents

Income from the sale, lease or other transfer of approved patents for energy conservation, and royalties and income from the sale, lease or other transfer of property subject to such patents are excluded from gross income for a period of five years.

Origin: M.G.L. c. 63, § 30.3, IRC, § 30(5)(a)

Estimate: negligible

2.100 DEFERRALS OF GROSS INCOME

2.101 Deferral of Tax on Certain Shipping Companies

Certain companies with merchant marine capital construction funds receive up to a 25-year deferral of tax on that portion of their net income, which is set aside for construction, modernization, and major repair of ships.

Origin: IRC, § 1177, § 7518(c), (g)(5)

Estimate: $1.1

2.200 DEDUCTIONS FROM GROSS INCOME

2.201 Charitable Contributions and Gifts Deduction

In computing net income, corporations may deduct charitable donations up to 10% of taxable income computed without the deductions. There is a carryover of excess contributions available for five succeeding taxable years.

Origin: IRC, § 170 (b)(2)(A), (d)(2)(A)

Estimate: $46.5

2.203 Net Operating Loss Carry-Over

There has been a statutory expansion of the general NOL carry-forward period from 5 to 20 years for business corporations, for taxable years beginning on or after January 1, 2010. There has also been a change to the calculation of an NOL carry-forward, and for tax years beginning on or after January 1, 2010; all carry-forward losses of an eligible business corporation are to be carried forward on a post-apportioned basis, applying the apportionment percentage of the corporation for the taxable year in which the loss is sustained. . Financial institutions, public utilities, and insurance companies are not allowed to deduct NOL. See TIR 10-15 for details:

Origin: IRC, § 172; M.G.L. c. 63, § 30.5; TIR 10- 15.

Estimate: $90.6

2.204 Excess Natural Resource Depletion Allowance

Taxpayers in extractive industries (mining or drilling for natural resources) may deduct a percentage of gross mining income as a depletion allowance ("percentage depletion") even if the cost basis of the property has been reduced to zero. The deduction may not exceed 50% (in some cases, 65%) of net income from the property. In the case of oil and gas, percentage depletion is available only to domestic oil and gas sold by "independent producers" (nonintegrated companies). The excess of the deduction available using the percentage of gross income method of depletion over a depletion deduction based on cost is a tax expenditure.

Origin: IRC, §§ 613, 613A; M.G.L. c. 63, § 30.3.

Estimate: Negligible

2.205 Deduction for Certain Dividends of Cooperatives

Farmers' cooperatives and certain corporations acting as cooperatives may deduct patronage dividends and other amounts from gross income. Cooperatives meeting certain requirements may deduct dividends on capital stock and certain payments to patrons such as investment income. Under generally accepted rules for taxing corporations, the corporation cannot deduct dividends paid to shareholders.

Origin: IRC, §§ 1381-1388

Estimate: N.A.

2.206 Economic opportunity areas; tax deduction for renovation of abandoned buildings

Businesses renovating eligible buildings in Economic Opportunity Areas may deduct 10% of the cost of renovation from gross income. This deduction may be in addition to any other deduction for which the cost of renovation may qualify. To be eligible for this deduction, renovation costs must relate to buildings designated as abandoned by the Economic Assistance Coordinating Council.

Origin: IRC, §§ 613, 613A ; M.G.L. c. 63, §38O

Estimate: Negligible

2.300 ACCELERATED DEDUCTIONS FROM GROSS INCOME

2.301 Accelerated Depreciation on Rental Housing

Landlords and investors in rental housing may use accelerated methods of depreciation for new and used rental housing. Rental housing placed in service after 1986 is depreciated on a straight-line basis over a 27.5 year period. Rental housing placed in service before 1987 was depreciable over shorter periods (generally 19 or 20 years), and, instead of straight-line depreciation, the 175% declining balance method was permitted. Straight-line depreciation over the property's expected useful life is the generally accepted method for recovering the cost of buildings. The excess of allowable depreciation over such generally accepted depreciation is a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC § 168

Estimate: $1.6

2.303 Expenditures to remove architectural and transportation barriers to the handicapped and elderly

Taxpayers may elect to deduct up to $35,000 of the costs of removing architectural or transportation barriers to the handicapped in the year these costs are incurred. The immediate deduction of these expenditures, which would otherwise have to be capitalized and depreciated over a longer period, results in a deferral of tax or an interest-free loan.

Origin: IRC, § 190

Estimate: $0.2

2.304 Five-Year Amortization of Start-Up Costs

Taxpayers may elect to treat certain capital costs of starting a business as deferred expenses and amortize them over five years. Without the election, only costs for particular assets could be recovered through depreciation deductions. Other costs would be part of the basis in the business and generally could not be recovered until the business was sold or discontinued. The election to amortize these costs allows for a deferral of tax or an interest-free loan.

Origin: IRC, § 195

Estimate: $0.2

2.305 The Accelerated Cost Recovery System (ACRS) for Equipment

For depreciable tangible personal property placed in service after 1980, capital costs must be recovered using the federal Accelerated Cost Recovery System (ACRS), which applies accelerated methods of depreciation over set periods. For property placed in service after 1986, the Federal Tax Reform Act of 1986 prescribes revised ACRS depreciation schedules, generally using double-declining balance depreciation over specified periods that are substantially shorter than actual useful lives. The excess of accelerated depreciation over what is considered to be normal depreciation for tangible personal property (double-declining balance over expected useful lifetimes) is a tax expenditure.

Origin: IRC, § 168

Estimate: $171.5

2.306 Deduction for Excess First-Year Depreciation

Taxpayers may elect to expense certain business assets purchased during the taxable year. The total deduction cannot exceed $25,000 ($100,000 in the case of taxable years beginning after 2002 and before 2010); for taxpayers whose investment in eligible assets exceeds $200,000 ($400,000 in the case of taxable years beginning after 2002 and before 2010) in the year, the $25,000 ceiling is reduced by $1 for each dollar of investment above $200,000. Any remaining cost may be depreciated according to ACRS as described in item 2.305. The immediate deduction results in a deferral of tax or an interest-free loan.

Origin: IRC, § 179

Estimate: $3.4

2.307 Accelerated Depreciation on Buildings (other than Rental Housing)

Construction may be depreciated under methods which produce faster depreciation than economic depreciation. The precise rules have been changed repeatedly in recent years by revisions of the federal tax code. For structures (other than housing) placed in service after 1986, federal law requires straight-line depreciation over a 31.5 year life. The excess of accelerated depreciation over economic depreciation is a tax expenditure. For a more detailed description of accelerated depreciation, see item 2.301 above.

Origin: IRC, § 168

Estimate: $4.4

2.308 Expensing Research and Development Expenditures in One Year

Taxpayers may elect to treat research or experimental expenditures incurred in connection with a trade or business as immediately deductible expenses. Under generally accepted accounting principles, at least some of these costs would otherwise be treated as capital expenditures and depreciated or amortized over a period of years. Their immediate deduction results in a deferral of tax or an interest-free loan.

Origin: IRC, § 174

Estimate: $61.1

2.309 Expensing Exploration and Development Costs

Certain capital costs incurred in bringing a known mineral deposit into production are deductible in the year incurred. A portion of domestic mining exploration costs can also be expensed, although they will be recaptured if the mine reaches the production stage. Certain intangible drilling and development costs of domestic oil, gas, and geothermal wells are deductible when made, but to a certain extent may be recaptured upon disposition of oil, gas, or geothermal property to which they are properly chargeable. The immediate expensing of these costs, which would otherwise be capitalized and recovered through depreciation or through depletion as the natural resource is removed from the ground, results in a deferral of tax or an interest-free loan.

Origin: IRC, §§ 193, 263(c), 616, 617; M.G.L. c. 63, § 30.3.

Estimate: Negligible

2.311 Five-Year Amortization of Pollution Control Facilities

Taxpayers may elect to amortize the cost of a certified pollution control facility over a five-year period, allowing for accelerated recovery of these costs. Accelerated recovery is only available for

pollution control facilities subsequently added to plants that were in operation before 1976. The excess of accelerated recovery over depreciation deductions otherwise allowable results in a deferral of tax or an interest-free loan.

Origin: IRC, § 169

Estimate: N.A.

2.312 Alternative energy sources; deduction

In determining net income, a corporation may elect to take an immediate deduction for expenditures made for certain solar or wind powered systems or units located in Massachusetts and used exclusively in the business, in lieu of all other deductions and credits including the deduction for depreciation. Without this provision, such expenditures would have to be capitalized and depreciated. The immediate deduction results in a deferral of tax or an interest-free loan.

Origin: M.G.L. c. 63, § 38H

Estimate: $0.5

2.313 Seven-Year Amortization for Reforestation

Taxpayers may elect to amortize reforestation costs for qualified timber property over a seven-year period. In the absence of this special provision, these costs would be capitalized and depreciated over a longer period or recovered when the timber is sold. The accelerated cost recovery results in a deferral of tax or an interest-free loan.

Origin: IRC, § 194

Estimate: $0.1

2.400 ADJUSTMENTS TO APPORTIONMENT FORMULA

2.401 Unequal Weighting of Sales, Payroll, and Property in the Apportionment Formula

Corporations with a presence in Massachusetts and other states allocate income to the Commonwealth using a three-factor apportionment formula. A corporation's sales, payroll, and property in Massachusetts are compared to those outside Massachusetts.

Exporters benefit from an apportionment formula that weights sales more heavily than the other factors. Effective January 1, 1996, eligible defense corporations are allowed a formula that weights sales 100%. For other qualified manufacturers, a 100% sales weight was phased-in over five years, and was fully effective January 1, 2000. All corporations other than mutual fund corporations (see below) will continue to use a formula that weights sales 50%.

Effective January 1, 1997 mutual fund corporations are allowed to attribute mutual fund sales to Massachusetts based on the domicile of shareholders in the mutual funds. Effective July 1, 1997, mutual fund corporations are allowed to apportion their income to Massachusetts based solely on the percentage of sales to Massachusetts residents.

Comment: In listing this item, it is assumed that a standard apportionment formula gives equal weight to sales, property and payroll. The estimate is of the impact of departing from this standard formula.

Origin: M.G.L. c. 63, § 38 (c), (k), (l), (m)

Estimate: $262.2

2.500 EXCLUSIONS FROM PROPERTY COMPONENT

2.501 Nontaxation of Certain Energy Property

Tangible property qualifying for the deduction for expenditures for alternative energy described in item 2.312 is not subject to taxation under the tangible property measure of the corporate excise.

Origin: M.G.L. c. 63, § 38H(f)

Estimate: N.A.

2.502 Exemption for Property Subject to Local Taxation

In computing the state corporate excise on tangible property, property subject to tax at the local level is exempt. Generally, the state taxes only the machinery of manufacturing corporations and exempts business real estate and tangible personal property.

For purposes of estimating revenue loss from this tax expenditure, the state's rate on property, $2.60 per $1,000, has been applied.

Origin: M.G.L. c. 63, § 30(7)

Estimate: $191.0

2.600 CREDITS AGAINST TAX

2.602 Investment Tax Credit

Manufacturing corporations and corporations engaged primarily in research and development, agriculture or commercial fishing are allowed a credit of 3% of the cost of depreciable real and tangible property. Such property must have a useful life of four years or more. The property must be used and located in Massachusetts on the last day of the taxable year. A corporation cannot take the credit on property which it leases to another. A corporation can take the credit on property which it leases from another (for property leased and placed in service on or after July 1, 1994). Generally, eligible corporate lessees making qualifying leasehold improvements may claim the credit. A corporation may carry over to the next succeeding three years any unused portion of its Investment Tax Credit (ITC)

To be consistent with all other estimates in this document, this estimate is based on actual investment tax credit claims of corporations from the most recent Corporate Excise Returns Report, and does not take into account increased tax revenues resulted from greater economic activity induced by the investment tax credit (i.e., the estimate is "static", not "dynamic")

Origin: M.G.L. c. 63, § 31A (i), (j)

Estimate: $56.5

2.603 Vanpool Credit

Business corporations are allowed a credit of 30% of the cost incurred during the taxable year for the purchase or lease of company shuttle vans used in the Commonwealth as part of an employer-sponsored ridesharing program. The shuttle vans must be used for transporting employees.

Origin: M.G.L. c. 63, § 31E

Estimate: Negligible

2.604 Research Credit

A credit is allowed for corporations which made basic research payments and/or incurred qualified research expenses conducted in Massachusetts during the taxable year. A corporation taking the research credit is limited in the amount that can be taken against the excise in any year. The credit cannot reduce the tax to less than $456. The amount of credit is equal to: 100% of the first $25,000 of excise; and 75% of any amount of excise remaining after the first $25,000. The deduction allowed to a corporation for any research expenses generating a Massachusetts Research Credit must be reduced by the amount of the credit generated. This amount is added back to income on Schedule E, line 13. Any corporation which is a member of a combined group may share excess research credits with other members of the combined group. Corporations which are members of a controlled group or which are under common control with any trade or business (whether or not incorporated) are treated as a single taxpayer for purposes of determining the allowable Research Credit. The credit may be carried-forward for up to 15 years with certain restrictions.

Origin: M.G.L. c. 63, § 38M

Estimate: $110.9

2.605 EDIP/Economic Development Incentive Program Credit

Businesses investing in qualified property in an Economic Opportunity Area are entitled to a credit against tax of 5% of the cost of the property. To qualify for the 5% credit, the property must be used exclusively in a certified project in an Economic Opportunity Area. To be certified, the Economic Assistance Coordinating Council must approve a project. Sections 21 to 24 and 47 of chapter 166 of the Acts of 2009 made significant changes to the Economic Development Incentive Program (EDIP) established pursuant to G.L. c. 23A, including the tax credit provided in G.L. c. 62, § 6(g) and G.L. c. 63, § 38N which is a key component of the EDIP. Under the provisions of the Economic Development Incentive Program (EDIP) established pursuant to M.G.L. Ch. 23A, the Economic Assistance Coordination Council (EACC) may authorize taxpayers participating in certified projects to claim tax credits. Certified housing credit has been recently created and managed under this incentive. The credit may be carried-forward for up to 10 years with certain restrictions. The credit is applicable to insurance companies as well.

Origin: M.G.L. c. 63, § 38N

Estimate: $21.7

2.606 Credit for Employing Former Full-Employment Program Participants

Employers who continue to employ former participants of the S.110(1) full employment program in non-subsidized positions are eligible to receive a tax credit equal to $100 per month for each month of non-subsidized employment, up to a maximum of $1,200 per employee, per year.

Origin: St. 1995, c. 5, § 110(m); 830 CMR 118.1

Estimate: Not active

2.607 Harbor Maintenance Tax Credit

Corporations are allowed a credit against the corporate excise for certain harbor maintenance taxes paid to the U.S. Customs Service pursuant to IRC sec. 4461. A corporation is eligible for the credit if the tax paid is attributable to the shipment of break-bulk or containerized cargo by sea and ocean-going vessels through a Massachusetts harbor facility. The credit is not subject to the 50% limitation; however, it may not reduce the tax to less than the minimum excise of $456. A taxpayer may carryover any excess credit to any of the next succeeding five taxable years.

Origin: M.G.L. c. 63, § 38P

Estimate: $1.0

2.608 Brownfields Credit

Taxpayers are allowed a credit for amounts expended to rehabilitate contaminated property owned or leased for business purposes and located within an economically distressed area. The eligibility period for the Brownfields Credit has been lengthened. The environmental response action commencement cut-off date has been extended by c. 240 of the Acts of 2010 from August 5, 2005 to August 5, 2013 and the time for incurring eligible costs that qualify for the credit has been extended to January 1, 2014. The Brownfields Credit may be transferred, sold or assigned to another taxpayer with a liability under chapter 62 or chapter 63, or to a nonprofit organization. The Brownfields Credit cannot offset more than 50% of the excise due nor reduce the excise below the minimum tax. The credit may be carried-forward for up to 5 years. The credit is applicable to insurance companies as well.

Origin: M.G.L. c. 63, § 38Q

Estimate: $24.6

2.609 Low Income Housing Credit

This credit is administered through the Massachusetts Department of Housing and Community Development (DHCD). The Low Income Housing Credit is available to taxpayers that claim a U.S. credit for the construction or development of low income housing. The amount of credit a taxpayer may claim for a qualified Massachusetts project is allocated by the DHCD and is based on a total pool of money awarded to the Commonwealth. The LIHC is not subject to the 50% limitation rule for corporate taxpayers. If the taxpayer disposes of the property generating the LIHC, a portion of the credit may be subject to recapture.

Under prior law, the Massachusetts low-income housing tax credits were available only to taxpayers who had been allocated federal low-income housing tax credits. Effective August 1, 2010, the Act allows the Department of Housing and Community Development to grant state low-income housing credits (within the existing $10 million annual cap) to otherwise eligible projects that do not receive a federal low-income housing credit.

The credit may be carried-forward for up to 5 years and may be transferred or sold to another taxpayer. The credit is applicable to insurance companies as well.

Origin: M.G.L. c. 63, § 31H

Estimate: $38.6

2.610 Historic Buildings Rehabilitation Credit

Effective for years beginning on or after January 1, 2005 and ending on or before December 31, 2017, taxpayers may be eligible for the Historic Rehabilitation Credit (HRC). To claim this credit, a historic rehabilitation project must be complete and have been certified by the Massachusetts Historical Commission. Unused portions of the credit may be carried-forward for up to 5 years and transferred or sold to another taxpayer. The HRC is not subject to the 50% limitation rule for corporate taxpayers. If the taxpayer disposes of the property generating the HRC, a portion of the credit may be subject to recapture.

The expenditure for this item (combined with the Historic Rehabilitation Credit for individual filers, item 1.610) was originally capped at $15 million per year, with a start date for the credit of January 1, 2005 and an end date of December 31, 2009. Chapter 123 of the Acts of 2006 extended the availability of the credit for an additional two years, to December 31, 2011, and increased the annual $15 million cap amount to $50 million. Again, the credit has been extended for an additional six

years, to December 31, 2017.

The credit is applicable to insurance companies as well.

Origin: M.G.L. c. 63, § 38R; TIR 10-11

Estimate: $47.5

2.614 Film (or Motion Picture) Credit

For taxable years beginning on or after January 1, 2006 and before January 1, 2023, Massachusetts allows two credits for motion picture production companies who meet certain qualification requirements. Production companies who incur at least $50,000 of production costs in Massachusetts are eligible for income and corporate excise tax credits equal to 20% of the total Massachusetts payroll for the production, excluding salaries of $1 million and higher. In addition, production companies whose Massachusetts production expenses exceed 50% of the total production cost receive an income and corporate excise tax credit of 25% of the total Massachusetts production expense. Supporting documentation is available to the Department of Revenue upon request.

This tax credit is refundable at 90% of the approved credit amounts. Also the credit may be carried-forward for up to 5 years. In addition, all or any portion of tax credits issued may be transferred, sold or assigned to other taxpayers with tax liabilities under chapter 62 (the individual income tax) or chapter 63 (the corporate or other business excise taxes). For applications submitted prior to January 1, 2007, film tax credits were capped at $7,000,000 for any one motion picture production has; for applications submitted on or after January 1, 2007, there is no cap. Also, the sunset date for the film incentives statute has been extended from January 1, 2013 to January 1, 2023. See TIR 07-15 for more information (See also item 1.611.) The credit is applicable to insurance companies as well.

Origin: M.G.L. c. 63, § 38X

Estimate: $82.6

2.615 Medical Device User Fee Credit

The Medical Device Credit is equal to 100% of the user fees actually paid to the United States Food and Drug Administration (USFDA) by a medical device company during the taxable year for which the tax is due for pre-market submissions (e.g., applications, supplements, or 510(k) submissions) to market new technologies or upgrades, changes, or enhancements to existing technologies, developed or manufactured in Massachusetts. The credit may be carried-forward for up to 5 years. Also the credit may be transferred or sold to another taxpayer. The credit is applicable to insurance companies as well.

Origin: M.G.L. c. 63, § 31L

Estimate: $3.6

2.616 Devens Refundable Tax Credit

Effective July 21, 2006, the Economic Opportunity Area credit is made refundable for certain projects. Notwithstanding subsections (b) to (d), inclusive, of section 38N of chapter 63 of the General Laws, in the event that a credit allowed under said section 38N of said chapter 63 exceeds the tax otherwise due under said chapter 63, the balance of that credit shall be refundable to the taxpayer in the taxable year in which qualified property giving rise to that credit is placed in service. This applies to credits for projects in the biotechnology industry, certified on or after June 1, 2006 and before June 1, 2008 by taxpayers who commit to investment of not less than $650 Million over a period of 8 years and the creation of not fewer than 550 new jobs at the project site. "Project" means the design, planning, permitting, site preparation, construction, development, and operation

of infrastructure and other improvements, including demolition of existing structures and design and construction of necessary replacement structures on adjacent or proximate land, and upgrades to the existing electric and gas utility systems serving the Devens Regional Enterprise Zone, as established by chapter 498 of the acts of 1993, to support the operation of a large scale biologics pharmaceutical manufacturing facility, or reasonably required to facilitate complete development, construction, and operation of such a facility. (See item 2.605)

Origin: M.G.L. c. 63, § 38N, St. 2006, c. 173, § 3

Estimate: $0.0

2.617 Life Sciences Tax Incentive Program

On June 16, 2008, "An Act Providing for the Investment in and Expansion of the Life Sciences Industry in the Commonwealth" was passed. The Act establishes the Life Sciences Investment Program as well as the Life Sciences Tax Incentive Program. It provides for a $1B dollar investment in the life sciences sector, including $25 million each year for 10 years for the Massachusetts Life Sciences Investment Fund (subject to required authorizations by the Massachusetts Life Sciences Center and to approval by the Secretary of Administration and Finance). These incentives are effective from January 1, 2009 through December 31, 2018. Since the tax expenditures in this item will be subject to approval and their composition will differ from year-to-year, it is not known what proportion will be in the form of corporate tax credits as opposed to other tax expenditures. However, the Department of Revenue believes that the largest portion of the tax expenditure will be in the form of corporate tax credits, and therefore has placed it in this section of the tax expenditure budget. Since July 1, 2010, the Life Sciences Refundable Jobs Credit has been added to this program. The credit is applicable to insurance companies as well.

Origin: M.G.L. c. 63, § 31M; 38CC; 38W; 38U

Estimate: $25.0

2.618 Dairy Farmers Credit

The Massachusetts dairy farmer tax credit was established to offset the cyclical downturns in milk prices paid to dairy farmers and is based on the U.S. Federal Milk Marketing Order for the applicable market, such that when the U.S. Federal Milk Marketing Order price drops below a trigger price anytime during the taxable year the taxpayer will be entitled to the tax credit. The total amount of credits granted cannot exceed $4 million in any year.

A taxpayer who holds a certificate of registration as a dairy farmer pursuant to M.G.L. Ch. 94, sec. 16A is allowed a refundable tax credit based on the amount of milk produced and sold. The dairy farmer tax credit as originally enacted was 90% refundable. Under the recent legislation, the dairy farmer tax credit is now 100% refundable. The credit is applicable to insurance companies as well.

Origin: M.G.L. c. 63, § 38Z

Estimate: $3.6

2.619 Conservation Land Credit(NEW)

Tax credit is allowed for qualified donations of certified land to a public or private conservation agency. The credit is equal to 50% of the fair market value of the qualified donation. The amount of the credit that may be claimed by a taxpayer for each qualified donation cannot exceed $50,000. The credit is refundable but not transferable. The credit is available to both chapter 62 and chapter 63 taxpayers. The credit is applicable to insurance companies as well.

Origin: M.G.L. c. 63, § 38AA

Estimate: $0.5

2.700 ENTITY EXEMPT FROM TAXATION

2.701 Exemption of Credit Union Income

Credit unions, which are in effect mutual business organizations, are considered tax-exempt organizations for federal income tax purposes and therefore are exempt from the corporate excise as well.

Comment: The estimate applies to state-chartered credit unions only.

Origin: IRC, § 501(c)(14)(A), M.G.L. c. 63, § 30(1)

Estimate: $2.6

2.702 Tax-Exempt Organizations

Corporations considered to be tax-exempt under section 501 of the Internal Revenue Code (such as religious, scientific and educational organizations) are exempt from tax under the corporate excise. The non-taxation of their net income and property creates a tax expenditure.

Origin: IRC, § 501, M.G.L. c. 63, § 30

Estimate: N.A.

2.703 Exemption for Regulated Investment Companies

Corporate Regulated Investment Companies are exempt from the corporate excise. The non-taxation of their net income and property creates tax expenditure.

Origin: M.G.L. c. 63, §§ 68C(8)

Estimate: N.A.

KEY	ORIGIN	
	IRC	Federal Internal Revenue Code (26 U.S.C.)
	M.G.L.	Massachusetts General Laws
	U.S.C	United States Code
	ESTIMATES	All estimates are in $ millions.

Sales and Use Tax - Introduction

Massachusetts imposes a sales and use tax on retail sales. In addition to the sales and use tax, there are several separate excises, each limited to a particular type of commodity. These special excises have not been included in this tax expenditure budget.

The Massachusetts sales and use tax, first imposed in 1966, was levied at a rate of 5%. Effective on and after August 1, 2009, the rate was changed from 5% to 6.25%. The sales tax applies to sales made within the state, and the use tax to property and services purchased outside of Massachusetts but intended for use within the state.

Revenue from the sales and use tax represented 24.0% of total Department of Revenue tax collections for Fiscal Year 2011, and was the second largest source of tax revenue after the income tax.

Sales and Use Tax: Basic Structure

Tax Base: For the purposes of this tax expenditure budget, we have chosen not to make any assumptions about the base of the Massachusetts sales and use tax. Some people take a narrow view of what a retail sale is, limiting the term to sales to final consumers, i.e., individuals. Others would include sales to businesses, especially in instances where the purchase will not become an ingredient or component in a product to be sold. In an effort to acknowledge both theories, we will simply list the various exemptions under the sales tax. Some or many of these exemptions could be considered to be properly excluded from the tax base depending upon one's point of view.

Taxable Unit: The sales and use tax is levied on the property or service to be sold or used.

Rate Structure: The sales and use tax rate is 6.25% of the price.

Taxable Period: Except for sales of motor vehicles, in which the tax is imposed and paid by the purchaser to the Registry of Motor Vehicles, the tax is imposed at the time of sale and remitted at specified intervals by the vendor. The use tax is paid directly to the Department of Revenue by the user of the item, and may be paid annually or more often (typically monthly).

Interstate and International Aspects: Massachusetts applies the destination principle to international and interstate sales. Accordingly, exports are exempt and imports are taxable under the sales and use tax. Statutory exemptions for exports of property and for services used outside of the Commonwealth are therefore not listed as tax expenditures.

Computation of Massachusetts Sales and Use Tax by Vendor*

Gross Receipts
From Taxable Sales

Apply 6.25% Tax

Sales Tax

* A purchaser is also responsible for paying use tax directly to the Commonwealth on the sales price of taxable property or services purchased out-of-state and stored, used, or otherwise consumed in the Commonwealth, provided that a sales and use tax of 6.25% or more has not been paid separately to another state.

Types of Tax Expenditures under the Sales Tax

In the case of the sales tax, all tax expenditures are of a single type. They all result from the exclusion of certain transactions from the taxable base. The exclusion can be based on any of a number of characteristics of the transaction - who the buyer is, who the seller is, what the product or service is, what the product or service will be used for, etc. - but structurally all such tax expenditures operate in the same way. Hence, we have omitted the designation of tax expenditure types from the descriptions in this section.

List of Sales and Use Tax Expenditures

3.000 EXEMPT ENTITIES

3.001 Exemption for Sales to the Federal Government

Sales to the federal government are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(d)

Estimate: N.A.

3.002 Exemption for Sales to the Commonwealth

Sales to the Commonwealth, its agencies and political subdivisions are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(d)

Estimate: N.A.

3.003 Exemption for Sales to Tax-Exempt Organizations

Non-profit organizations are exempt from sales tax on purchases of goods and services to be used in carrying out their tax-exempt purposes.

Comment: This estimate excludes sales of building materials and supplies used in construction contracts, which are covered under item 3.412.

Origin: M.G.L. c. 64H, § 6(e) and (x)

Estimate: $407.8

3.004 Exemption for Sales of Tangible Personal Property to Motion Picture Production Companies

Sales of tangible personal property to a qualifying motion picture production company or to an accredited film school student for the production expenses related to a school film project are exempt from the sales tax.

Origin: M.G.L. c. 64H, § 6(ww)

Estimate: $0.6

3.100 EXEMPT PRODUCTS/SERVICES

3.101 Exemption for Food

Food for human consumption is exempt from sales tax, including food purchased with federal food stamps. The exemption does not cover meals served in restaurants and similar establishments. Meals are taxed under the sales tax at a rate of 6.25%.

Origin: M.G.L. c. 64H, § 6(h) and (kk)

Estimate: $682.7

3.102 Exemption for Certain Food and Beverages Sold in Restaurants

Although generally food and beverages sold in restaurants are taxed, there are certain exceptions. These are: a) food sold by weight, measure, count, or in unopened original containers or packages (for example, milk, meat, bread); b) beverages in unopened original containers which have a capacity of at least 26 fluid ounces; and c) bakery products sold in units of six or more.

Origin: M.G.L. c. 64H, § 6(h)

Estimate: N.A.

3.103 Exemption for Clothing

Sales of clothing or footwear up to $175 per item are exempt from sales tax. The exemption does not include special clothing or footwear designed for athletic or protective uses and not normally worn except for these uses.

Origin: M.G.L. c. 64H, § 6(k)

Estimate: $282.0

3.104 Exemption for Medical and Dental Supplies and Devices

Medical and dental supplies and devices, such as prescription drugs, oxygen, blood, artificial limbs and eyeglasses, are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(l) and (z)

Estimate: $448.8

3.105 Exemption for Water

Sales and service of water are exempt from sales tax.

Comment: This estimate excludes sales of bottled water, which are included under item 3.101.

Origin: M.G.L. c. 64H, § 6(i)

Estimate: $50.5

3.106 Exemption for Newspapers and Magazines

Newspapers and magazines are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(m)

Estimate: $36.0

3.107 Exemption for the American Flag

The American flag is exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(w)

Estimate: N.A.

3.108 Exemption for Certain Precious Metals

Sales valued at $1,000 or more of the following precious metals are exempt from the sales tax: rare coins of numismatic value; gold or silver bullion or coins; and gold or silver tender of any nation which is traded and sold according to its value as precious metal. Fabricated precious metals that

have been processed or manufactured for industrial, professional, or artistic use do not qualify for the exemption.

Origin: M.G.L. c. 64H, § 6(ll)

Estimate: N.A.

3.109 Exemption for Cement Mixers

Concrete mixing units mounted on the back of trucks are exempt from sales tax. Spare parts for such units are also exempt. The truck chassis is subject to sales tax.

Origin: M.G.L. c. 64H, § 6(y)

Estimate: N.A.

3.112 Exemption for Aircraft & Aircraft Parts

Airplanes, helicopters, balloons and other aircraft are exempt from sales tax. Also exempt are parts used exclusively for the repair of aircraft.

Origin: M.G.L. c. 64H, § 6(uu) and (vv)

Estimate: $11.6

3.113 Exemption for Breast Pumps

Physician-prescribed, medically necessary breast pumps are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(l)

Estimate: Included in 3.104

3.200 EXEMPT, TAXED UNDER ANOTHER EXCISE

3.201 Exemption for Alcoholic Beverages

Alcoholic beverages, except those sold as part of a meal, were exempt from sales tax through July 31, 2009. Effective August 1, 2009, this exemption was repealed. However, as the result of a referendum question on the November 2, 2010 ballot, this exemption is reinstated, effective for sales on or after January 1, 2011. Alcoholic beverages are also subject to an excise tax determined by volume.

Comment: Revenues collected under the alcoholic beverages excise were $70.98 million in Fiscal Year 2010 and $72.73 million in Fiscal Year 2011.

Origin: M.G.L. c. 64H § 6(g)

Estimate: $113.9

3.202 Exemption for Motor Fuels

Motor fuels are exempt from sales tax. They are subject to an excise at a rate higher than 6.25% of the retail price. The estimate represents revenues that would be collected under the sales tax if motor fuels were taxed at 6.25% of the retail price. The Massachusetts motor fuels tax rate is $0.21 per gallon of gasoline or diesel fuel.

Comment: Revenues collected under the motor fuels excise were

$654.6 million in Fiscal Year 2010 and $660.8 million in Fiscal Year 2011.

Origin: M.G.L. c. 64H, § 6(g)

Estimate: $725.9

3.203 Exemption for Hotel/Motel Rooms

Rental charges for real property are exempt from sales tax. However, rentals of rooms in hotels, motels or lodging houses are subject to a state excise at a rate of 5.7% of the rental price, and, at a municipality's option, to a local excise of up to 6% of the rental price (6.5% in the city of Boston). A Convention Center financing fee of 2.75% is also included in certain areas.

Comment: Revenues collected under the budgeted state room excise were $101.6 million in Fiscal Year 2010 and $110.4 million in Fiscal Year 2011.

Origin: General exclusion of real property transactions

Estimate: $155.1

3.300 EXEMPT COMPONENT OF A PRODUCT OR CONSUMED IN PRODUCTION

3.301 Exemption for Items Used in Making Clothing

Sales of materials used in making clothes, such as thread and fabric, are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(v)

Estimate: N.A.

3.302 Exemption for Materials, Tools, Fuels and Machinery Used in Manufacturing

Materials, tools, fuels and machinery, including spare parts, used in manufacturing are exempt from sales tax if they become components of a product to be sold or are consumed or directly used in the manufacturing process.

Origin: M.G.L. c. 64H, § 6(r) and (s)

Estimate: $615.0

3.303 Exemption for Materials, Tools, Fuels and Machinery Used in Research and Development

Materials, tools, fuels and machinery, including spare parts, used in research and development by certified manufacturing or research and development corporations are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(r) and (s)

Estimate: $86.3

3.304 Exemption for Materials, Tools, Fuels, and Machinery Used in Furnishing Power

Materials, tools, fuels, and machinery, including spare parts, used in furnishing gas, water, steam, or electricity to consumers through mains, lines or pipes are exempt from sales tax if they are consumed or directly used in furnishing the power.

Comment: Estimate excludes costs associated with the natural gas industry due to a lack of reliable data.

Origin: M.G.L. c. 64H, § 6(r) and (s)

Estimate: $106.4

3.306 Exemption for Materials, Tools, Fuels, and Machinery Used in Newspaper Printing

Materials, tools, fuels, and machinery, including spare parts, used in newspaper printing are exempt from sales tax if they become components of a product to be sold or are consumed or directly used in newspaper publishing.

Origin: M.G.L. c. 64H, § 6(r) and (s)

Estimate: $62.3

3.308 Exemption for Materials, Tools, Fuels, and Machinery Used in Agricultural Production

Materials, tools, fuels, and machinery, including spare parts, used in agricultural production are exempt from sales tax if they become components of products to be sold or are consumed or directly used in agricultural production. The exemption includes the same items when used for the production of livestock, poultry and animals in research. Also included are seeds and plants used to grow food for human consumption outside the agricultural industry (e.g., by home gardeners).

Origin: M.G.L. c. 64H, § 6(r), (s) and (p)

Estimate: $14.3

3.309 Exemption for Vessels, Materials, Tools, Fuels, and Machinery Used in Commercial Fishing

Materials, tools, fuels, and machinery, including spare parts, used in commercial fishing are exempt from sales tax if they become components of a product to be sold or are consumed or directly used in commercial fishing.

Origin: M.G.L. c. 64H, § 6(r), (s) and (o)

Estimate: $10.5

3.310 Exemption for Materials, Tools, Fuels and Machinery Used in Commercial Radio and TV Broadcasting

Materials, tools, fuels and machinery, including spare parts, used in commercial radio and TV broadcasting are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(r) and (s)

Estimate: N.A.

3.400 EXEMPTIONS FOR SPECIFIED USES OF PRODUCTS/SERVICES

3.401 Exemption for Electricity

Residential electricity, electricity purchased by businesses with five or fewer employees, and electricity purchased for qualified industrial use is exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(i) and (qq)

Estimate: $306.4

3.402 Exemption for Fuel Used for Heating Purposes

Residential heating fuel, heating fuel purchased by businesses with five or fewer employees, and heating fuel purchased for qualified industrial use is exempt from sales tax.

Comment: This estimate is based on purchases of heating oil only; natural gas is included in item 3.403.

Origin: M.G.L. c. 64H, § 6(j) and (qq)

Estimate: $84.2

3.403 Exemption for Piped and Bottled Gas

Residential gas, gas purchased by businesses with five or fewer employees, and gas purchased for qualified industrial use is exempt from sales tax.

Comment: Estimate is for piped gas only.

Origin: M.G.L. c. 64H, § 6(i) and (qq)

Estimate: $180.2

3.404 Exemption for Steam

Residential steam, steam purchased by businesses with five or fewer employees, and steam purchased for qualified industrial use are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(i) and (qq)

Estimate: $14.4

3.405 Exemption for Certain Energy Conservation Equipment

Equipment for a solar, wind or heat pump system used as a primary or auxiliary energy source in a principal residence is exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(dd)

Estimate: N.A.

3.406 Exemption for Funeral Items

Coffins, caskets, and other funeral items are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(n)

Estimate: $16.2

3.407 Exemption for a Motor Vehicle for a Paraplegic

A motor vehicle owned and registered for the personal use of a paraplegic is exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(u)

Estimate: $1.3

3.408 Exemption for Textbooks

Textbooks and other books required for instruction in educational institutions are exempt from sales

tax.

Origin: M.G.L. c. 64H, § 6(m)

Estimate: $26.0

3.409 Exemption for Books Used for Religious Worship

Bibles, prayer books and other books used for religious worship are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(m)

Estimate: N.A.

3.410 Exemption for Containers

Most containers are exempt from sales tax. These include sales of empty returnable and non-returnable containers to be filled and resold, containers the contents of which are exempt from the sales tax, and returnable containers when sold with the contents or resold for refilling.

Origin: M.G.L. c. 64H, § 6(q)

Estimate: $157.7

3.411 Exemption for Certain Sales by Typographers, Compositors, Color Separators

Sales by typographers, compositors or color separators of composed type, film positives and negatives and reproduction proofs, or transfers of such items to a printer, publisher, or manufacturer of folding boxes for use in printing, are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(gg)

Estimate: N.A.

3.412 Exemption for Sales of Building Materials and Supplies to be Used in Connection with Certain Construction Contracts

Materials and supplies used in connection with construction contracts with the United States and the Commonwealth of Massachusetts, or any of its subdivisions are tax exempt where the construction is for public purposes. Materials and supplies used in connection with construction contracts with a tax-exempt organization are tax exempt where the construction is to be used exclusively in carrying out the organization's charitable purpose. The exemption includes rentals of equipment as well.

Origin: M.G.L. c. 64H, § 6(f)

Estimate: $222.9

3.417 Exemption for Commuter Boats

Vessels, materials, tools, repair and spare parts used exclusively to provide scheduled commuter passenger service are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(pp)

Estimate: N.A.

3.418 Exemption for Fuels, Supplies and Repairs for Vessels Engaged in Interstate or Foreign Commerce

Fuels, supplies and repairs for vessels engaged in interstate or foreign commerce are exempt from

sales tax.

Origin: M.G.L. c. 64H, § 6(o)

Estimate: $0.7

3.419 Exemption for Fuel Used in Operating Aircraft and Railroads

Fuel used in operating aircraft and railroads is exempt from sales tax.

Comment: At a community's option, kero-jet fuel may be subject to a local tax at of 5% of average price or $0.05 per gallon; whichever is higher.

Origin: M.G.L. c. 64H, § 6(j)

Estimate: $59.4

3.420 Exemption for Sales of Certain New or Used Buses

New and used buses that provide scheduled intra-city local service and are used by common carriers certified by the Department of Telecommunications and Energy are exempt from sales tax. The exemption includes replacement parts, materials and tools used to maintain or repair these buses.

Origin: M.G.L. c. 64H, § 6(aa)

Estimate: N.A.

3.421 Exemption for Films

Motion picture films for commercial exhibition are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(m)

Estimate: N.A.

3.422 Exemption for Telephone Services

Sales of residential telecommunications services of up to $30 per month are exempt from sales tax.

Comment: Telegraph services are also exempt, but are not included in this estimate.

Origin: M.G.L. c. 64H, § 6(i)

Estimate: $41.1

3.500 EXEMPT NOT TAXABLE AS TANGIBLE PERSONAL PROPERTY

3.501 Nontaxation of Transfers of Real Property

Real estate is exempt from sales tax but is subject to a deeds excise at a rate of 0.456% of the taxable price of the property (0.342% in Barnstable County). The estimate represents revenues that would be collected under the sales tax if sales of real property were taxed at 6.25%.

Comment: Revenues collected under the Deeds Excise Tax (including Secretary State Deeds) were $137.7 million in Fiscal Year 2010 and $140.2 million in Fiscal Year 2011.

Origin: General exclusion of real property transactions

Estimate: $1998

3.502 Nontaxation of Rentals of Real Property

Rental charges for real property, whether for residential or business purposes, are exempt from sales tax.

Comment: This estimate excludes rentals of hotel/motel rooms, which are separately stated under item 3.203.

Origin: General exclusion of real property transactions

Estimate: $1691

3.503 Nontaxation of Certain Services

Certain services are not subject to sales tax. This estimate includes a range of services to individuals and businesses which are excluded from taxation by their omission from the statutory definition of services.

Origin: M.G.L. c. 64H § 1

Estimate: $9519

3.504 Nontaxation of Internet Access and Related Services

Internet access services, electronic mail services, electronic bulletin board services, web hosting services or similar on-line computer services are not subject to the sales and use tax.

Origin: M.G.L. c. 64H § 1

Estimate: $147.2

3.600 MISCELLANEOUS EXEMPTIONS

3.601 Exemption for Casual or Isolated Sales

Casual or isolated sales (sales by private parties) are exempt from sales tax, except casual sales of motor vehicles, trailers, and boats. Sales of these listed items are exempt only when they are between family members.

Origin: M.G.L. c. 64H, § 6(c) and M.G.L. c. 64I, § 7(b)

Estimate: N.A.

3.602 Exemption for Vending Machine Sales

Vending machine sales of ten cents or less are exempt from sales tax. In addition, sales through vending machines, which exclusively sell snacks and candy with a sales price of less than one dollar, are exempt from the sales tax on meals.

Origin: M.G.L. c. 64H, § 6(h) and (t)

Estimate: N.A.

3.603 Exemption for Certain Meals

Meals prepared by churches and hospitals, meals provided to organizations for the elderly, and meals provided by educational institutions are exempt from sales tax.

Comment: Estimate is for meals served in schools only.

Origin: M.G.L. c. 64H, § 6(cc)

Estimate: $10.8

3.604 Exemption for Certain Bed and Breakfast Establishments from Sales Tax on Meals and Room Occupancy Excise

Owner-occupied one-, two-, and three-bedroom bed and breakfast establishments are exempt from both the sales tax on meals and the room occupancy excise.

Origin: M.G.L. c. 64G, § 1, 2, 3, 3A and 6, and M.G.L. c. 64H, § 6(h)

Estimate: N.A.

3.605 Exemption for Certain Summer Camps from Sales Tax on Meals and Room Occupancy Excise

An exemption from both the sales tax on meals and the room occupancy excise is provided for summer camps for children age 18 and under, or for summer camps for developmentally disabled individuals. Camps that satisfy the above criteria but offer their facilities during the off-season to individuals 60 years of age or over for 30 days or less in any calendar year will not lose their exemption.

Comment: Estimate is for meals only.

Origin: M.G.L. c. 64G, § 2 and M.G.L. c. 64H, § 6(cc)

Estimate: $2.5

3.606 Exemption for Trade-in Allowances for Motor Vehicles and Trailers

In most cases, motor vehicles and trailers bought in a trade-in transaction are only subject to sales tax on the excess of the purchase price over the amount credited for the trade-in.

Origin: M.G.L c. 64H, § 26, c. 64I, § 27

Estimate: $95.7

3.607 Exemption for Publications of Tax-Exempt Organizations

The publications of tax-exempt organizations are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(m)

Estimate: $13.2

3.608 Exemption for Gifts of Scientific Equipment

Gifts of scientific equipment or apparatus by manufacturers to non-profit educational institutions or to the Massachusetts Technology Park Corporation are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(jj)

Estimate: N.A.

3.609 Exemption for Vessels or Barges of 50 Tons or Over

Vessels or barges weighing 50 tons or more are exempt from sales tax when constructed in-state and sold by the builder.

Origin: M.G.L. c. 64H, § 6(o)

Estimate: N.A.

3.610 Exemption for Rental Charges for Refuse Containers

Rental charges in connection with service contracts by and between waste service firms and customers for refuse containers or bins are exempt from sales tax when the containers are placed on the customer's premises by the waste service firm.

Origin: M.G.L. c. 64H, § 6(ii)

Estimate: N.A.

3.611 Exemption for Honor Trays

Food items purchased from honor trays are exempt from sales and meals taxes, provided that no item on the honor tray is sold for $1 or more.

Comment: Honor trays are vending carts in workplaces from which snacks may be purchased on the honor system.

Origin: M.G.L. c. 64H, § 6(h)

Estimate: N.A.

KEY	**ORIGIN**	
	M.G.L.	Massachusetts General Laws
	ESTIMATES	All estimates are in $ millions.

Fiscal Year 2013 Tax Expenditure Budget: Appendix A

The following tax expenditures have been revised or created due to recent law changes:

The Personal Income Tax:

Circuit Breaker Tax Credit Increased (see item 1.609): A credit is allowed to an owner or tenant of residential property located in Massachusetts equal to the amount by which the real estate tax payment or 25% of the rent constituting real estate tax payment exceeds 10% of the taxpayer's total income. For tax year 2011, the credit is capped at $980. The amount of the credit is subject to limitations based on the taxpayer's total income and the assessed value of the real estate, which must not exceed $729,000. For tax year 2011, an eligible taxpayer's total income cannot exceed $52,000 in the case of a single filer who is not a head of household filer, $65,000 for a head of household filer, and $78,000 for joint filers. In order to qualify for the credit, a taxpayer must be age 65 or older and must occupy the property as his or her principal residence. See TIR 11-11 for more information.

Conservation Land Tax Credit (see item 1.615): Effective for tax years beginning on or after January 1, 2011, a credit is allowed for qualified donations of certified land to a public or private conservation agency. The credit is equal to 50% of the fair market value of the qualified donation. The amount of the credit that may be claimed by a taxpayer for each qualified donation cannot exceed $50,000. The credit is refundable but not transferable. The certification process is conducted by the Executive Office of Energy and Environmental Affairs (EEA). EEA has promulgated a regulation, 301 CMR 14.00, entitled Conservation Land Tax Credit, which sets forth criteria for authorizing and certifying the credit. See also, 830 CMR 62.6.4, entitled Conservation Land Tax Credit, promulgated by DOR to explain the calculation of the allowable credit.

Current Federal Code Provisions Allowed by Massachusetts:

As a general rule, Massachusetts will not adopt any federal tax law changes incorporated into the Internal Revenue Code ("Code") after January 1, 2005. However, certain specific provisions of the personal income tax automatically adopt the current Code, and are reflected in these estimates. Provisions of the Code adopted on a current Code basis are (i) Roth IRAs, (ii) IRAs, (iii) the exclusion for gain on the sale of a principal residence, (iv) trade or business expenses, (v) travel expenses, (vi) meals and entertainment expenses, (vii) the maximum deferral amount of government employees' deferred compensation plans, (viii) deduction for health insurance costs of self-employed, (ix) medical and dental expenses, (x) annuities, and (xi) health savings accounts. See TIRs 98-8, 02-11, 07-4, and 09-21 for further details on Massachusetts personal income tax current Code provisions.

Temporary Increase in Earned Income Credit (see item 1.605): The federal Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16) and subsequent legislation temporarily increased the beginning and end points of the earned income tax credit (EITC), increased the credit for three or more children and made other taxpayer beneficial changes, with changes set to expire December 31, 2010. For federal income tax purposes, the Tax Relief Act of 2010 extends the enhanced EITC for two years, through December 31, 2012. The Massachusetts earned income tax credit equals 15% of the federal earned income tax credit received by the taxpayer for the taxable year. Therefore, Massachusetts allows 15% of the amount the taxpayer receives federally under IRC sec. 32.

Temporary Increase in IRC Sec. 179 Expensing (see item 1.305): Effective for tax years beginning in 2010 and 2011, for federal income tax purposes, the federal Small Business Jobs Act of 2010 (Public Law 111-240) increased the IRC sec. 179 election to expense property in its initial year from $250,000 to $500,000. The federal Act also increased the sec. 179 overall investment phase-out threshold for the 2010 and 2011 tax years from $800,000 to $2,000,000. Further, the Act allows up to $250,000 of specified "qualified real property" to qualify for the expense election in 2010 and 2011. Massachusetts adopts these changes because sec. 179 is a trade or business expense deduction; these deductions are adopted by Massachusetts on a current Code basis.

Current Federal Deductions Not Allowed

Parking, Combined Commuter Highway Vehicle Transportation and T-Pass Fringe Benefit — IRC sec. 132(f) (see item 1.030): The federal exclusion amounts for tax year 2011 are $230 per month for qualified parking, and $230 per month for combined commuter highway vehicle transportation and transit passes. The Tax Relief Act of 2010 temporarily increased the exclusion amount for combined commuter highway vehicle transportation and transit passes to $230 per month through the tax year 2011. Massachusetts follows the January 1, 2005 Code and does not adopt the increased exclusion allowed by the Tax Relief Act of 2010 for combined commuter highway vehicle transportation and transit passes. The Massachusetts exclusion amounts for tax year 2011 are $230 per month for qualified parking, and $120 per month for combined commuter highway vehicle transportation and transit passes. For further discussion, see TIR 10-20.

Federal Deduction — Not Allowed Federal “Bonus” Depreciation —IRC sec. 168(k): For federal income tax purposes, the Tax Relief Act of 2010 expands the additional first-year depreciation deduction (“bonus depreciation”) under IRC sec. 168(k) to equal 100% of the cost of “qualified property;” the property must be placed in service after September 8, 2010, and before January 1, 2012. Under 2002 legislation, Massachusetts decoupled from bonus depreciation allowed under IRC sec. 168(k), as amended and in effect for the current year. Therefore, Massachusetts does not adopt this additional depreciation deduction. See TIRs 02-11 and 03-25 for further details.

Federal Deduction — Not Allowed Domestic Production Activity Deduction —IRC sec. 199: For federal income tax purposes, a business entity that pays wages to employees and conducts eligible domestic production activities is allowed a deduction for domestic production activities under IRC sec. 199. Generally, in the case of a non-corporate taxpayer, the deduction allows a business with qualified production activities to deduct 9% of its U.S. adjusted gross income. Under 2004 legislation, Massachusetts de-coupled from the production activity deduction allowed under IRC sec. 199, as amended and in effect for the current year. Therefore, Massachusetts does not adopt this deduction. See TIR 05-5.

Federal Exclusion — Not Allowed Mortgage Forgiveness — IRC sec. 108(a): The federal Mortgage Forgiveness Debt Relief Act of 2007 (P.L. 110-142) amended IRC sec. 108(a) by adding an exclusion for indebtedness that is discharged before January 1, 2010 and is qualified principal residence indebtedness. The Economic Stabilization Act of 2008 extended this exclusion for three years, until January 1, 2013. Massachusetts does not adopt this exclusion or the extension because they were enacted after January 1, 2005.

Corporate and Other Business Excise:

New Tax Incentive in the Life Science: Refundable Jobs Credit

The Life Sciences Tax Incentive Program in G.L.c. 23I, § 5, has a new tax incentive. A corporation may in certain circumstances be allowed a refundable jobs credit against its tax liability under G.L.c. 63. The credit must be authorized by the Life Sciences Tax Incentive Program; this is not a credit a taxpayer can claim without prior approval. Among the conditions for claiming this credit is the taxpayer’s commitment to create a minimum of 50 net new permanent full-time positions in Massachusetts. See TIR 11-06.

Conservation Land Credit (New)

Effective for tax years beginning on or after January 1, 2011, a credit is allowed for qualified donations of certified land to a public or private conservation agency. The credit is equal to 50% of the fair market value of the qualified donation. The amount of the credit that may be claimed by a taxpayer for each qualified donation cannot exceed $50,000. The credit is refundable but not transferable. The certification process is conducted by the Executive Office of Energy and Environmental Affairs (EEA). EEA has promulgated a regulation, 301 CMR 14.00, entitled Conservation Land Tax Credit, which sets forth criteria for authorizing and certifying the credit. See also, 830 CMR 62.6.4, entitled Conservation Land Tax Credit, promulgated by DOR to explain the calculation of the allowable credit.

Some administrative Changes

There are administrative changes that will affect corporations, relating to interest charges after audit, at G.L. c. 62C, § 32(f), and to overpayments of tax, applications for abatement and refunds, at G.L. c. 62C, §§ 36 and 37. See FY 2012 budget, St. 2011, c. 68, and TIR 11-06.

Updated corporate excise tax rate reduction schedule: The following tables have been created by referring to G.L. Ch. 63 Sections 32 D and 39, and Ch. 62 Section 4.

Corporations:

Tax Year	Non-income Measure Tax	Income Measure Tax C Corp. Rate	S Corp. Rate (Gross Sales $6M-$9M)	S Corp. Rate (Gross Sales > $9M)
2009	0.26%	9.50%	2.80%	4.20%
2010	0.26%	8.75%	2.30%	3.45%
2011	0.26%	8.25%	1.97%	2.95%
2012(*)	0.26%	8.00%	1.83%	2.75%

S Corporations:		Rate is equal to:
Large S Corp (Gross Sales > $9M):	2.75%	C Corp rate minus Part B individual income tax rate
Medium S Corp ($6M < Gross Sales < $9M	1.83%	2/3 of Large S Corp rate
Small S Corp (Gross Sales < $6M):	0%	0%

Financial Institutions:

Tax Year	Non-income Measure Tax	Income Measure Tax C Corp. Rate	S Corp. Rate (Gross Sales $6M-$9M)	S Corp. Rate (Gross Sales > $9M)
2009	No	10.50%		
2010		10.00%	3.13%	4.70%
2011		9.50%	2.80%	4.20%
2012(*)		9.00%	2.50%	3.75%

Public Utilities:

Tax Year	Non-income Measure Tax	Income Measure Tax C Corp. Rate	Net Operating Loss Carryovers	Apportionment Rule
2009	No	6.50%	No	**Equally weighted** tangible, payroll, property factors
2010		6.50%		
2011		6.50%		
2012(*)		6.50%		

Insurance Companies:

	Non-income Measure Tax (tax on Tangible Property or Networth)	Insurance Companies: Tax rates		Net Operating Loss Carryovers	Apportionment Rule
		Taxable Premiums	Gross Investment Income		
Tax Year					
2009	No	2.28%	Applicable rate (*)	No	**NA**
2010		2.28%	Applicable rate (*)		
2011		2.28%	Applicable rate (*)		
2012(*)		2.28%	Applicable rate (*)		

(*) Property and casualty insurers may reduce their tax rate on gross investment income from the 1% tax rate if they contribute the required amount to the initiative over a five-year period. The reduced rate schedule is as follows: 0.8% for the first year on or after January 1, 1999, in which it makes the required contribution and 0.6% for the second year it makes the required contribution or 0.4% for the third year it makes the required contribution. The tax rate is 0.2% in the fourth year it makes the required contribution. No gross investment income tax shall be due for the tax years beginning on or after the fifth year in which said company contributes its full proportionate share. A Certificate of Contribution issued by the Property and Casualty Insurance Company Initiative must accompany the return if claiming the lower rate. A company that does not make the required contribution in any year will continue to be taxed at the rate

	Life Insurance Companies: Tax Rates		Net Operating Loss Carryovers	Apportionment Rule
	Taxable Life Premiums	Taxable Accident & Health Premiums		
Tax Year				
2009	2.00%	2.00%	No	**NA**
2010	2.00%	2.00%		
2011	2.00%	2.00%		
2012(*)	2.00%	2.00%		

The Sales and Use Tax:

In June 2009 legislation was enacted that amended c. 64H (sales tax) and c. 64I (use tax), changing the rate of tax for sales and use of tangible personal property and telecommunications services from 5% to 6.25%. See Stat. 2009, c. 27, §§ 53, 55-57, 59. In addition, the new legislation repealed the exemption for alcoholic beverages, including beer, wine, and liquor, sold at retail by amending G.L. c. 64H, § 6(g) to omit reference to c. 138. These changes were effective on and after August 1, 2009. See TIR 09-11 for further details.

As the result of a referendum question on the November 2, 2010 ballot, the law extending the Massachusetts sales and use tax to alcoholic beverages sold at package stores and liquor stores for off-premises consumption, which was enacted on August 1, 2009, has been repealed, effective for sales on or after January 1, 2011. See TIR 10-24 for further details.

Effective July 1, 2011, physician-prescribed, medically necessary breast pumps are exempt from sales and use tax. See St. 2011, c. 68, § 72.

The estimates for TEB items for sales and use tax reflects these tax law changes.

Fiscal Year 2013 Tax Expenditure Budget: Appendix B
Glossary Table

AMORTIZATION: Annual deduction allowed for the gradual exhaustion or obsolescence of intangible assets having a limited useful life which are used in the production of income, such as patents and copyrights; analogous to depreciation of tangible assets.

CAPITAL EXPENDITURE: An expenditure made in acquiring, adding to or bettering a fixed asset. For accounting purposes, capital expenditures are not charged against current revenue. They are added to capital account or "capitalized" and then may be depreciated; amortized, or recovered when a business is sold. This concept should be distinguished from an expense.

CREDIT: Amount by which a taxpayer is allowed to reduce a tax liability, as computed by applying the tax rates to the tax base, to be distinguished from a deduction from the tax base.

DEDUCTION: Amount that a taxpayer is allowed to subtract from the gross tax base.

DEPRECIATION: Annual deduction allowed for the gradual exhaustion or obsolescence of tangible property used in the production of income.

EXCLUSION: The legal elimination from the tax base of items recognized as falling within its definition. The federal term for what is sometimes called an exemption for Massachusetts. (See below.)

EXEMPTION: The legal elimination from the tax base of items or transactions recognized as falling within its definition, or of taxable units that would normally be subject to tax.

EXPENSE: A revenue expenditure or cost, which, for accounting purposes, is charged against current revenue. To be distinguished from a capital expenditure.

GROSS INCOME: The total of all items included in the concept of income that a taxpayer receives during the taxable period.

NET INCOME: Amount remaining after subtracting exempt income and deductions from gross income.

PERSONAL EXEMPTION: A specific amount or percentage of net income on which the tax rate is zero. To be distinguished from an exemption as defined above, which applies to a class of income or taxpayers. Sometimes called an "allowance".

TAXABLE INCOME: Amount to which the tax rates are applied in computing tax liability, after subtracting personal exemptions from net income.

Fiscal Year 2013 Tax Expenditure Budget: Appendix C
Summary Table

The following table shows tax expenditure estimates for the three major taxes from Fiscal Year 2010 to Fiscal Year 2012. In general, the revenue estimate for a tax expenditure tends to follow the anticipated growth of tax collections. However, year-to-year changes in estimates may vary for four other principal reasons: new data sources; refinements to the estimate methodology; changes to federal tax expenditure estimates which are used as the basis for many of the state tax expenditure estimates; and changes in tax laws.

Where possible, we have recalculated past estimates based on revised data, improved methodologies, and changes in statute.

Personal Income Tax (In Millions)

Tax Expenditure	Item Number	FY2011	FY2012	FY2013
EXCLUSIONS FROM GROSS INCOME				
Exclusions from Gross Income	1.000	3,502.2	3,644.2	4,286.1
Exemption of Premiums on Accident and Accidental Death Insurance1	1.001	22.1	23.3	23.7
Exemption of Premiums on Group-Term Life Insurance1	1.002	10.4	11.0	11.5
Exemption of Interest on Life Insurance Policy and Annuity Cash Value	1.003	202.5	206.3	210.8
Exemption of Employer Contributions for Medical Insurance Premiums and Medical Care1	1.004	763.5	828.8	943.1
Exemption of Annuity or Pension Payments to Fire and Police Personnel	1.005	N.A.	N.A.	N.A.
Exemption of Distributions from Certain Contributory Pension and Annuity Plans2	1.006	266.6	272.5	280.1
Exemption of Railroad Retirement Benefits	1.007	4.2	4.4	4.6
Exemption of Public Assistance Benefits	1.008	192.8	210.5	229.8
Exemption of Social Security Benefits	1.009	775.6	806.7	839.0
Exemption of Workers' Compensation Benefits	1.010	7.6	8.0	8.5
Exemption for Dependent Care Expenses1	1.011	7.9	8.5	9.0
Exemption of Certain Foster Care Payments	1.012	3.3	3.2	3.1
Exemption of Payments Made to Coal Miners	1.013	Negligible	Negligible	Negligible
Exemption of Rental Value of Parsonages1	1.014	2.1	2.1	2.1
Exemption of Scholarships and Fellowships	1.015	17.3	18.6	19.1
Exemption of Certain Prizes and Awards	1.016	N.A.	N.A.	N.A.
Exemption of Cost-Sharing Payments	1.017	Negligible	Negligible	Negligible
Exemption of Meals and Lodging Provided at Work1	1.018	7.2	7.1	7.7
Treatment of Business-Related Entertainment Expenses1	1.019	N.A.	N.A.	N.A.
Exemption of Income from the Sale, Lease, or Transfer of Certain Patents	1.020	N.A.	N.A.	N.A.
Exemption of Capital Gains on Home Sales	1.021	225.5	233.4	239.6
Nontaxation of Capital Gains at Death	1.022	774.2	774.2	1,217.0
Exemption of Interest from Massachusetts Obligations	1.023	86.4	91.4	99.1
Exemption of Benefits and Allowances to Armed Forces Personnel1	1.024	22.8	23.6	24.5

Exemption of Veterans' Pensions, Disability Compensation and G.I. Benefits	1.025	31.6	29.9	30.1
Exemption of Military Disability Pensions	1.026	0.6	0.5	0.5
Exemption of Compensation to Massachusetts-Based Nonresident Military Personnel	1.027	9.0	9.2	9.5
Exemption for Taxpayers Killed in Military Action or by Terrorist Activity	1.028	N.A.	N.A.	N.A.
Exemption for Retirement Pay of the Uniformed Services	1.029	24.1	25.3	26.5
Parking, T-Pass and Vanpool Fringe Benefits	1.030	35.8	37.1	38.8
Health Savings Accounts	1.031	Included in 1.422	Included in 1.422	Included in 1.422
Employer-Provided Adoption Assistance	1.032	0.6	0.0	0.0
Employer-Provided Educational Assistance	1.033	8.5	8.5	8.4
Qualified Retirement Planning Services	1.034	N.A.	N.A.	N.A.
Department of Defense Homeowners Assistance Plan	1.035	N.A.	N.A.	N.A.
Survivor Annuities of Fallen Public Safety Officers	1.036	N.A.	N.A.	N.A.
Survivor Annuities of Fallen Astronauts	1.037	N.A.	N.A.	N.A.
Discharge of Indebtedness for Victims of Terrorism	1.038	N.A.	N.A.	N.A.
Discharge of Indebtedness for Health Care Professionals	1.039	Negligible	Negligible	Negligible
Archer Medical Savings Accounts	1.040	Included in 1.420	Included in 1.420	Included in 1.420
DEFERRALS OF GROSS INCOME				
Deferrals of Gross Income	1.100	1,035.5	1,176.2	1,408.7
Net Exemption of Employer Contributions and Earnings of Private Pension Plans2	1.101	700.2	818.7	958.5
Treatment of Incentive Stock Options	1.102	N.A.	N.A.	N.A.
Exemption of Earnings on Stock Bonus Plans or Profit Sharing Trusts	1.103	N.A.	N.A.	N.A.
Exemption of Earnings on IRA and Keogh Plans2	1.104	256.4	278.6	326.2
Nontaxation of Capital Gains at the Time of Gift	1.106	78.9	78.9	124.0
DEDUCTIONS FROM GROSS INCOME				
Deductions from Gross Income	1.200	4.1	4.3	4.5
Capital Gains Deduction	1.201	N.A.	N.A.	N.A.
Deduction of Capital Losses Against Interest and Dividend Income	1.202	N.A.	N.A.	N.A.
Excess Natural Resource Depletion Allowance	1.203	0.3	0.3	0.3
Abandoned Building Renovation Deduction	1.204	3.9	4.0	4.2
ACCELERATED DEDUCTIONS FROM GROSS INCOME				
Accelerated Deductions from Gross Income	1.300	94.1	90.7	86.6
Accelerated Depreciation on Rental Housing	1.301	22.8	21.7	20.0
Accelerated Depreciation on Buildings (other than Rental Housing)	1.303	6.2	6.2	6.1
Accelerated Cost Recovery System (ACRS) for Equipment	1.304	46.4	47.0	46.8
Deduction for Excess First-Year Depreciation	1.305	11.2	9.3	7.7
Five-Year Amortization of Business Start-Up Costs	1.306	6.0	5.0	4.5
Expensing Exploration and Development Costs	1.308	Negligible	Negligible	Negligible
Expensing Research and Development Expenditures in One Year	1.309	1.2	1.2	1.2
Five-Year Amortization of Pollution Control Facilities	1.310	N.A.	N.A.	N.A.
Seven-Year Amortization for Reforestation	1.311	N.A.	N.A.	N.A.
Expensing Certain Capital Outlays of Farmers	1.312	0.3	0.3	0.3
DEDUCTIONS FROM ADJUSTED GROSS INCOME				

Deductions from Adjusted Gross Income	1.400	774.0	793.9	814.9
Deduction for Employee Social Security and Railroad Retirement Payments	1.401	293.6	296.6	299.6
Deduction for Employee Contributions to Public Pension Plans2	1.402	Included in 1.401	Included in 1.401	Included in 1.401
Additional Exemption for the Elderly	1.403	24.9	25.3	25.9
Additional Exemption for the Blind	1.404	1.2	1.2	1.3
Dependents Exemption Where the Child Earns Income3	1.405	N.A.	N.A.	N.A.
Deduction for Dependents Under 12	1.406	136.8	136.5	135.8
Personal Exemption for Students Age 19 or Over	1.407	8.6	8.5	8.4
Deduction for Adoption Fees	1.408	0.5	0.5	0.5
Deduction for Business-Related Child Care Expenses	1.409	14.7	15.0	15.4
Exemption of Medical Expenses	1.410	72.3	74.9	77.9
Rent Deduction	1.411	113.6	114.8	116.1
Nontaxation of Charitable Purpose Income of Trustees, Executors or Administrators	1.412	N.A.	N.A.	N.A.
Exemption of Interest on Savings in Massachusetts Banks	1.413	4.9	5.0	5.1
Tuition Deduction (Over 25% of Income)	1.414	28.0	31.7	35.9
Charitable Contributions Tax Deduction	1.415	N.A.	N.A.	N.A.
Deduction for Costs Involved in Unlawful Discrimination Suits	1.418	N.A.	N.A.	N.A.
Business Expenses of National Guard and Reserve Members	1.419	Negligible	Negligible	Negligible
Archer Medical Savings Accounts	1.420	Negligible	Negligible	Negligible
Deduction for Clean-Fuel Vehicles and Certain Refueling Property	1.421	Negligible	Negligible	Negligible
Health Savings Accounts	1.422	7.3	9.7	12.3
Commuter Deduction	1.423	6.5	6.7	6.7
Self-Employed Health Insurance Deduction	1.424	39.1	41.6	44.2
Student Interest Loan Deduction (allowed Federally or by Massachusetts)	1.425	21.9	25.4	29.5
Expenses of Human Organ Transplant	1.426	N.A.	0.5	0.5
CREDITS AGAINST TAX				
Credits Against Tax	1.600	206.6	226.8	241.8
Renewable Energy Source Credit	1.601	0.7	1.2	1.3
Credit for Removal of Lead Paint	1.602	2.3	2.4	2.5
EDIP/Economic Opportunity Area Credit & Enhanced Economic Opportunity Area Credit	1.603	2.0	2.9	2.9
Credit for Employing Former Full-Employment Program Participants	1.604	Expired	Expired	Expired
Earned Income Credit	1.605	116.8	124.3	132.3
Septic System Repair Credit	1.606	11.9	12.2	12.5
Low Income Housing Tax Credit	1.607	1.2	1.9	2.0
Brownfields Credit	1.608	2.7	3.2	3.2
Refundable State Tax Credit Against Property Taxes for Seniors ("Circuit Breaker")	1.609	63.3	72.1	77.6
Historic Buildings Rehabilitation Credit	1.610	2.5	2.5	2.5
Film (or Motion Picture) Credit	1.611	3.0	1.5	2.6
Medical Device User Fee Credit	1.613	0.4	0.4	0.4
Dairy Farmer Tax Credit	1.614	0.0	0.7	0.4
Conservation Land Tax Credit	1.615	0.0	1.5	1.5

Fiscal Year 2013 Tax Expenditure Budget: Appendix C
Summary Table

Corporate and Other Business Excies (In Millions)

Tax Expenditure	Item Number	FY2011	FY2012	FY2013
EXCLUSIONS FROM GROSS INCOME				
Exclusions from Gross Income	2.000	72.2	71.3	71.0
Small Business Corporations	2.001	72.2	71.3	71.0
Exemption of Income from the Sale, Lease or Transfer of Certain Patents	2.002	negligible	negligible	negligible
DEFERRALS OF GROSS INCOME				
Deferrals of Gross Income	2.100	1.2	1.1	1.1
Deferral of Tax on Certain Shipping Companies	2.101	1.2	1.1	1.1
DEDUCTIONS FROM GROSS INCOME				
Deductions from Gross Income	2.200	142.6	137.8	137.1
Charitable Contributions and Gifts Deduction	2.201	50.4	47.6	46.5
Net Operating Loss Carry-Over	2.203	92.2	90.2	90.6
Excess Natural Resource Depletion Allowance	2.204	Negligible	Negligible	Negligible
Deduction for Certain Dividends of Cooperatives	2.205	N.A.	N.A.	N.A.
Economic opportunity areas; tax deduction for renovation of abandoned buildings	2.206	Negligible	Negligible	Negligible
ACCELERATED DEDUCTIONS FROM GROSS INCOME				
Accelerated Deductions from Gross Income	2.300	255.2	237.0	243.0
Accelerated Depreciation on Rental Housing	2.301	2.2	2.0	1.6
Expenditures to remove architectural and transportation barriers to the handicapped and elderly	2.303	0.2	0.2	0.2
Five-Year Amortization of Start-Up Costs	2.304	0.2	0.2	0.2
The Accelerated Cost Recovery System (ACRS) for Equipment	2.305	193.4	179.0	171.5
Deduction for Excess First-Year Depreciation	2.306	6.9	3.5	3.4
Accelerated Depreciation on Buildings (other than Rental Housing)	2.307	4.3	4.3	4.4
Expensing Research and Development Expenditures in One Year	2.308	47.6	47.3	61.1
Expensing Exploration and Development Costs	2.309	Negligible	Negligible	Negligible
Five-Year Amortization of Pollution Control Facilities	2.311	N.A.	N.A.	N.A.
Alternative energy sources; deduction	2.312	0.4	0.4	0.5
Seven-Year Amortization for Reforestation	2.313	0.1	0.1	0.1
ADJUSTMENTS TO APPORTIONMENT FORMULA				
Adjustments to Apportionment Formula	2.400	296.1	273.5	262.2
Unequal Weighting of Sales, Payroll, and Property in the Apportionment Formula	2.401	296.1	273.5	262.2
EXCLUSIONS FROM PROPERTY COMPONENT				
Exclusions from Property Component	2.500	200.3	195.5	191.0
Nontaxation of Certain Energy Property	2.501	N.A.	N.A.	N.A.
Exemption for Property Subject to Local Taxation	2.502	200.3	195.5	191.0
CREDITS AGAINST TAX				
Credits Against Tax	2.600	358.4	416.1	416.0
Investment Tax Credit	2.602	57.2	57.9	56.5
Vanpool Credit	2.603	Negligible	Negligible	Negligible

Research Credit	2.604	116.3	113.5	110.9
EDIP/Economic Development Incentive Program Credit	2.605	21.7	21.7	21.7
Credit for Employing Former Full-Employment Program Participants	2.606	Not active	Not active	Not active
Harbor Maintenance Tax Credit	2.607	1.1	1.0	1.0
Brownfields Credit	2.608	21.1	24.6	24.6
Low Income Housing Credit	2.609	23.2	37.1	38.6
Historic Buildings Rehabilitation Credit	2.610	47.5	47.5	47.5
Film (or Motion Picture) Credit	2.614	46.9	82.6	82.6
Medical Device User Fee Credit	2.615	3.4	3.6	3.6
Devens Refundable Tax Credit	2.616	0.0	0.0	0.0
Life Sciences Tax Incentive Program	2.617	20.0	20.0	25.0
Dairy Farmers Credit	2.618	0.0	6.3	3.6
Conservation Land Credit(NEW)	2.619	0.0	0.5	0.5
ENTITY EXEMPT FROM TAXATION				
Entity Exempt from Taxation	2.700	3.4	3.0	2.6
Exemption of Credit Union Income	2.701	3.4	3.0	2.6
Tax-Exempt Organizations	2.702	N.A.	N.A.	N.A.
Exemption for Regulated Investment Companies	2.703	N.A.	N.A.	N.A.

Fiscal Year 2013 Tax Expenditure Budget: Appendix C
Summary Table

Sales Tax (In Millions)

Tax Expenditure	Item Number	FY2011	FY2012	FY2013
EXEMPT ENTITIES				
Exempt Entities	3.000	363.7	381.8	408.4
Exemption for Sales to the Federal Government	3.001	N.A.	N.A.	N.A.
Exemption for Sales to the Commonwealth	3.002	N.A.	N.A.	N.A.
Exemption for Sales to Tax-Exempt Organizations	3.003	363.2	381.3	407.8
Exemption for Sales of Tangible Personal Property to Motion Picture Production Companies	3.004	0.4	0.5	0.6
EXEMPT PRODUCTS/SERVICES				
Exempt Products/Services	3.100	1,403.8	1,454.3	1,511.6
Exemption for Food	3.101	635.2	657.9	682.7
Exemption for Certain Food and Beverages Sold in Restaurants	3.102	N.A.	N.A.	N.A.
Exemption for Clothing	3.103	262.4	271.7	282.0
Exemption for Medical and Dental Supplies and Devices	3.104	412.3	428.8	448.8
Exemption for Water	3.105	47.0	48.7	50.5
Exemption for Newspapers and Magazines	3.106	36.1	36.0	36.0
Exemption for the American Flag	3.107	N.A.	N.A.	N.A.
Exemption for Certain Precious Metals	3.108	N.A.	N.A.	N.A.
Exemption for Cement Mixers	3.109	N.A.	N.A.	N.A.
Exemption for Aircraft & Aircraft Parts	3.112	10.8	11.2	11.6
Exemption for Breast Pumps	3.113	N.A.	Included in 3.104	Included in 3.104
EXEMPT, TAXED UNDER ANOTHER EXCISE				
Exempt, Taxed Under Another Excise	3.200	829.8	933.8	994.9
Exemption for Alcoholic Beverages	3.201	45.8	110.0	113.9
Exemption for Motor Fuels	3.202	638.2	668.8	725.9
Exemption for Hotel/Motel Rooms	3.203	145.7	154.9	155.1
EXEMPT COMPONENT OF A PRODUCT OR CONSUMED IN PRODUCTION				
Exempt Component of a Product or Consumed in Production	3.300	878.0	883.2	894.8
Exemption for Items Used in Making Clothing	3.301	N.A.	N.A.	N.A.
Exemption for Materials, Tools, Fuels and Machinery Used in Manufacturing	3.302	608.9	612.0	615.0
Exemption for Materials, Tools, Fuels and Machinery Used in Research and Development	3.303	76.2	80.2	86.3
Exemption for Materials, Tools, Fuels, and Machinery Used in Furnishing Power	3.304	111.4	106.8	106.4
Exemption for Materials, Tools, Fuels, and Machinery Used in Newspaper Printing	3.306	58.5	60.4	62.3
Exemption for Materials, Tools, Fuels, and Machinery Used in Agricultural Production	3.308	12.9	13.6	14.3
Exemption for Vessels, Materials, Tools, Fuels, and Machinery Used in Commercial Fishing	3.309	10.0	10.3	10.5
Exemption for Materials, Tools, Fuels and Machinery Used in Commercial Radio and TV Broadcasting	3.310	N.A.	N.A.	N.A.
EXEMPTIONS FOR SPECIFIED USES OF PRODUCTS/SERVICES				

Exemptions for Specified Uses of Products/Services	3.400	1,018.3	1,068.4	1,110.4
Exemption for Electricity	3.401	287.9	293.7	306.4
Exemption for Fuel Used for Heating Purposes	3.402	83.4	86.9	84.2
Exemption for Piped and Bottled Gas	3.403	162.8	170.9	180.2
Exemption for Steam	3.404	14.4	14.4	14.4
Exemption for Certain Energy Conservation Equipment	3.405	N.A.	N.A.	N.A.
Exemption for Funeral Items	3.406	15.6	16.1	16.2
Exemption for a Motor Vehicle for a Paraplegic	3.407	1.2	1.3	1.3
Exemption for Textbooks	3.408	23.7	24.8	26.0
Exemption for Books Used for Religious Worship	3.409	N.A.	N.A.	N.A.
Exemption for Containers	3.410	151.2	154.8	157.7
Exemption for Certain Sales by Typographers, Compositors, Color Separators	3.411	N.A.	N.A.	N.A.
Exemption for Sales of Building Materials and Supplies to be Used in Connection with Certain Construction Contracts	3.412	189.2	208.0	222.9
Exemption for Commuter Boats	3.417	N.A.	N.A.	N.A.
Exemption for Fuels, Supplies and Repairs for Vessels Engaged in Interstate or Foreign Commerce	3.418	0.6	0.7	0.7
Exemption for Fuel Used in Operating Aircraft and Railroads	3.419	47.6	56.0	59.4
Exemption for Sales of Certain New or Used Buses	3.420	N.A.	N.A.	N.A.
Exemption for Films	3.421	N.A.	N.A.	N.A.
Exemption for Telephone Services	3.422	40.6	40.8	41.1
EXEMPT NOT TAXABLE AS TANGIBLE PERSONAL PROPERTY				
Exempt Not Taxable as Tangible Personal Property	3.500	12,591.7	12,735.5	13,354.7
Nontaxation of Transfers of Real Property	3.501	2,022.7	1,835.9	1,997.5
Nontaxation of Rentals of Real Property	3.502	1,582.7	1,638.1	1,690.9
Nontaxation of Certain Services	3.503	8,840.8	9,118.8	9,519.0
Nontaxation of Internet Access and Related Services	3.504	145.5	142.8	147.2
MISCELLANEOUS EXEMPTIONS				
Miscellaneous Exemptions	3.600	113.2	117.0	122.1
Exemption for Casual or Isolated Sales	3.601	N.A.	N.A.	N.A.
Exemption for Vending Machine Sales	3.602	N.A.	N.A.	N.A.
Exemption for Certain Meals	3.603	9.2	9.8	10.8
Exemption for Certain Bed and Breakfast Establishments from Sales Tax on Meals and Room Occupancy Excise	3.604	N.A.	N.A.	N.A.
Exemption for Certain Summer Camps from Sales Tax on Meals and Room Occupancy Excise	3.605	2.3	2.4	2.5
Exemption for Trade-in Allowances for Motor Vehicles and Trailers	3.606	89.9	92.4	95.7
Exemption for Publications of Tax-Exempt Organizations	3.607	11.8	12.3	13.2
Exemption for Gifts of Scientific Equipment	3.608	N.A.	N.A.	N.A.
Exemption for Vessels or Barges of 50 Tons or Over	3.609	N.A.	N.A.	N.A.
Exemption for Rental Charges for Refuse Containers	3.610	N.A.	N.A.	N.A.
Exemption for Honor Trays	3.611	N.A.	N.A.	N.A.

ENDNOTES:

[1] Estimates may have been revised because of new data or improved methodology, and reflect current tax law.

[2] Subtotals and totals have been provided to give an idea of the revenue costs of tax expenditures by tax and in total. However, these sums should be used with extreme caution. The underlying estimates do not take into account such factors as the interaction of tax expenditures and taxpayer behavior. Also it should be noted that many estimates are not available due to a lack of data. These estimates are shown as N.A. and are not included in the subtotals and totals.

TABLE OF CONTENTS

Statistical Overview ……A-1
Population Characteristics ……A-2
Migration ……A-7
Personal Income, Consumer Prices and Poverty ……A-8
Personal Income ……A-8
Annual Pay in Nominal Dollars ……A-10
Wage and Salary Disbursements ……A-10
Consumer Prices ……A-11
Consumer Confidence, Present Situation and Future Expectations ……A-13
Poverty ……A-15
Transfer Payments ……A-16
Health Insurance ……A-17
Employment ……A-18
Employment by Industry ……A-18
Largest Employers in Massachusetts ……A-20
Massachusetts Companies in the Fortune 500 ……A-20
Unemployment Insurance Trust Fund ……A-21
Unemployment ……A-21
Education and Technology ……A-24
Educational Attainment ……A-24
Higher Education Data ……A-25
Internet Access ……A-27
Patents ……A-27
Primary and Secondary Education Expenditures ……A-28
National Assessment of Educational Progress ……A-29
Economic Base and Performance ……A-30
Economic Indicators ……A-30
Comparing BEA GDP for the US, Region and Massachusetts ……A-30
State Coincident Indexes ……A-31
Institute for Supply Management Purchasing Manager Indexes……A-32
International Trade ……A-33
Exports ……A-33
Industry Sector Detail (NAICS Basis) ……A-35
GDP Subsectors ……A-35
Industry Sector Analysis ……A-37
Government Revenues and Spending ……A-58
Federal Spending in Massachusetts ……A-58
Federal Contracts ……A-60
State Revenues ……A-63
State Expenditures ……A-64
Supplementary Section ……Appendix
Building Permits ……A-Appendix-2
Home Sales ……A-Appendix-3
Home Prices ……A-Appendix-4
Electricity Prices, Supply and Capacity by Source ……A-Appendix-5
Travel and Tourism ……A-Appendix-6
Transportation and Warehousing ……A-Appendix-6
Sources ……A-Source List

ECONOMIC INFORMATION - Quarter 1, FY 2012

The information in this section was prepared by the Massachusetts State Data Center (MassSDC) at the University of Massachusetts Donahue Institute and may be relevant in evaluating the economic and financial condition and prospects of the Commonwealth of Massachusetts. The State Data Center archives data about Massachusetts. The demographic information and statistical data, which have been obtained by the MassSDC from the sources indicated, do not necessarily present all factors that may have a bearing on the Commonwealth's fiscal and economic affairs.

All information is presented on a calendar-year basis unless otherwise indicated. **The section was prepared for release on November 7, 2011. Information in the text, tables, charts, and graphs is current as of October 3, 2011.** Sources of information are indicated in the text or immediately following the charts and tables, and also from the *Sources* on the last page of the Exhibit A section. Although the Commonwealth considers the sources to be reliable, it makes no independent verification of the information presented herein and therefore does not warrant its accuracy.

Statistical Overview

Population ***(p. A-2)***	***Massachusetts***	***United States***
Estimated Percent Change in Population, April 1, 2000 - July 1, 2010	4.4%	9.8%
Personal Income, Consumer Prices, and Poverty ***(p. A-8)***		
Per Capita Personal Income, 2010p	$51,552	$40,584
Average Annual Pay, All Industries, 2010	$57,739	$46,742
Percent Change in CPI-U*, 2009-2010	1.6%	1.6%
Percent Change in CPI-U*, May 2010 - May 2011	2.7%	3.6%
Poverty Rate, 2008-2010 Average	10.9%	14.2%
Average Weekly Earnings, Manufacturing Production Workers: 2010	$803.60	$765.08
Percent Change from previous year	-2.8%	5.4%
Employment ***(p. A-18)***		
Percent Change in Nonfarm Payroll Employment (Not Seasonally Adjusted), August 2010 - August 2011p	2.0%	1.1%
Unemployment Rate, 2010	8.5%	9.6%
Unemployment Rate, September 2011 (seasonally adjusted)	7.3%	9.1%
Education ***(p. A-24)***		
Expenditure Per Pupil K-12 Public, 2009	$14,118	$10,499
Percent of Adults with a Bachelor's Degree or higher, 2010	39.0%	28.2%
Economic Base and Performance ***(p. A-30)***		
Percent Change in Gross Domestic Product, 2009-2010	3.5%	2.9%
Percent Change in International Exports, 2009-2010	11.3%	21.0%
Percent Change in Housing Permits Authorized, 2009-2010	14.3%	3.7%

*NOTE: Percent changes in the Consumer Price Index for All Urban Consumers (CPI-U) are for the Boston-Worcester-Lawrence, MA-NH-ME-CT CMSA & the United States. p = preliminary.

Massachusetts is a densely populated state with a well-educated population, comparatively high income levels, and a relatively diversified economy. While the total population of Massachusetts has remained fairly stable in the last 25 years, significant changes have occurred in the age distribution of the population. Dramatic growth in residents between the ages of 20 and 44 since 1980 is expected to lead to a population distributed more heavily in the 65 and over age group in the next 25 years. Just as the working-age population has increased, income levels in Massachusetts since 1980 have grown significantly more than the national average, and a variety of measures of income show that Massachusetts residents have significantly higher amounts of annual income than the national average. These higher levels of income have been accompanied by a consistently lower poverty rate and with the exception of the recession of the early 1990s and a 17 month stretch between 2006 and 2007, considerably lower unemployment rates in Massachusetts than in the United States since 1980. The state unemployment rate fell to 7.3 percent in September 2011, and the state has typically seen a slower rise in unemployment than the nation as a whole. In 2008, Massachusetts was ranked second in the U.S. according to the American Human Development Index, modeled after the United Nations Human Development Index, which compares health, income and education outcomes.

The following five sections provide detailed information on population characteristics, personal income, employment, human resources, economic base and performance, and infrastructure.

POPULATION CHARACTERISTICS

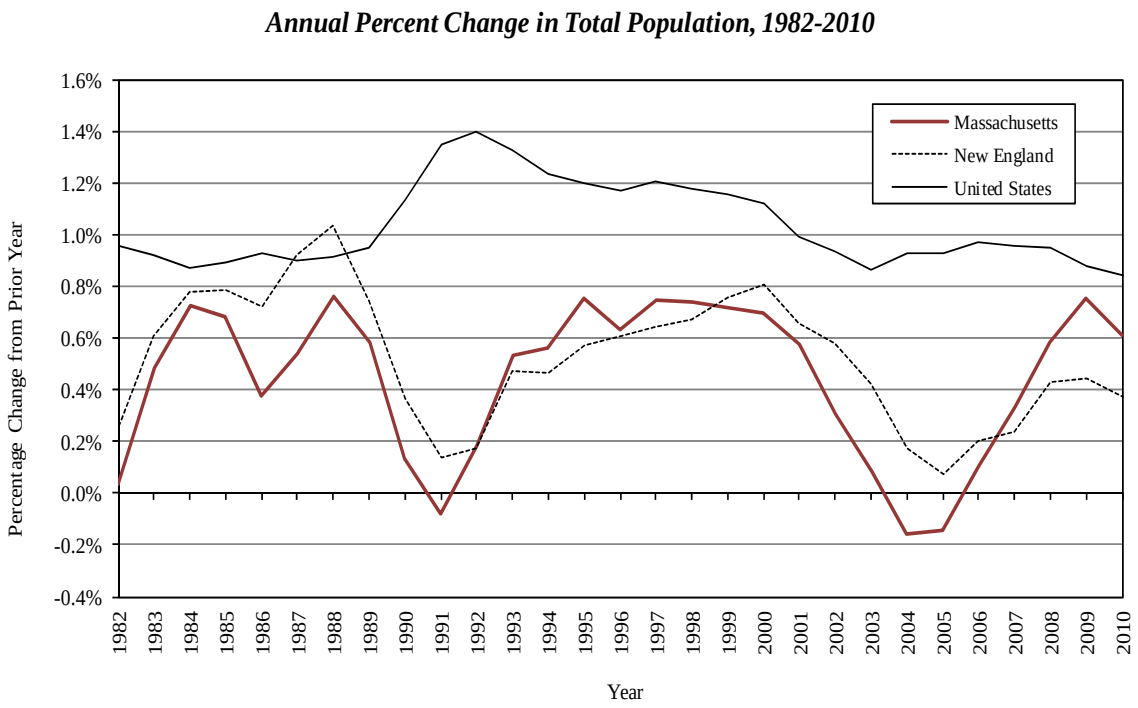
Massachusetts is a relatively slow growing but densely populated state with a comparatively large percentage of its residents living in metropolitan areas. The population density of Massachusetts was estimated as of July 1, 2010 to be 845.8 persons per square mile, as compared to 87.4 for the United States as a whole. Among the 50 states, only Rhode Island and New Jersey have a greater population density. Massachusetts also ranked just behind the same two states in percentage of residents living in metropolitan areas. According to the current county-based definition, 99.6 percent of the state’s population live in metropolitan areas.

The state's population is concentrated in its eastern portion. The city of Boston is the largest city in New England, with a July 1, 2010 population estimated at 617,594, or 9.4 percent of the state's population. Boston is the hub of the seven-county Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area (MSA), which includes the two southeastern New Hampshire counties, and had a total population in 2010 estimated at 4,622,636, or 31.9 percent of the total New England population. The three-county Boston-Quincy, MA Metropolitan division is the largest component of that MSA, with a total population in 2010 estimated at 1,933,608.

The second largest MSA in the state is the Worcester, MA MSA, with a 2010 population estimated at 808,309. The city of Worcester, situated approximately 40 miles west of Boston with a 2010 population of 181,045, is the second largest city, both in New England and the state. As a major medical and education center, the Worcester area is home to 18 patient care facilities, and 13 colleges and universities including the University of Massachusetts Medical School.

The third largest MSA in Massachusetts is the three-county Springfield, MA MSA, with a 2010 population estimated at 697,458. Springfield, the third largest city in the Commonwealth with a 2010 population of 153,060, is located in the Connecticut River Valley in Western Massachusetts and enjoys a diverse body of corporate employers, the largest of which are Baystate Health System, Big Y Supermarkets, Hartford Hospital, and MassMutual Financial Group. In addition, Springfield is home to three independent colleges.

As the following graph and table indicate, the population in Massachusetts generally grows at a rate similar to the population of New England and more slowly than the nation as a whole. According to the Census Bureau's latest revised estimates released in February 2011, the Massachusetts population has only grown by 4.4 percent since Census 2000 while 15 states have grown more slowly.



SOURCE: United States Department of Commerce, Bureau of the Census.
Note: Figures for all years shown are estimates as of July 1. p=preliminary

The following table compares the population level and percentage change in the population of Massachusetts to the New England states and the United States.

Population, 1972-2010
(in thousands)

	Massachusetts		New England		United States	
Year	**Total**	**Percent Change**	**Total**	**Percent Change**	**Total**	**Percent Change**
1972	5,760	0.4%	12,082	0.7%	209,284	1.2%
1973	5,781	0.4%	12,140	0.5%	211,357	1.0%
1974	5,774	-0.1%	12,146	0.0%	213,342	0.9%
1975	5,758	-0.3%	12,163	0.1%	215,465	1.0%
1976	5,744	-0.2%	12,192	0.2%	217,563	1.0%
1977	5,738	-0.1%	12,239	0.4%	219,760	1.0%
1978	5,736	0.0%	12,283	0.4%	222,095	1.1%
1979	5,738	0.0%	12,322	0.3%	224,567	1.1%
1980	5,737	0.0%	12,348	0.2%	226,546	0.9%
1981	5,769	0.6%	12,436	0.7%	229,466	1.3%
1982	5,771	0.0%	12,468	0.3%	231,664	1.0%
1983	5,799	0.5%	12,544	0.6%	233,792	0.9%
1984	5,841	0.7%	12,642	0.8%	235,825	0.9%
1985	5,881	0.7%	12,741	0.8%	237,924	0.9%
1986	5,903	0.4%	12,833	0.7%	240,133	0.9%
1987	5,935	0.5%	12,951	0.9%	242,289	0.9%
1988	5,980	0.8%	13,085	1.0%	244,499	0.9%
1989	6,015	0.6%	13,182	0.7%	246,819	0.9%
1990	6,023	0.1%	13,230	0.4%	249,623	1.1%
1991	6,018	-0.1%	13,248	0.1%	252,981	1.3%
1992	6,029	0.2%	13,271	0.2%	256,514	1.4%
1993	6,061	0.5%	13,334	0.5%	259,919	1.3%
1994	6,095	0.6%	13,396	0.5%	263,126	1.2%
1995	6,141	0.8%	13,473	0.6%	266,278	1.2%
1996	6,180	0.6%	13,555	0.6%	269,394	1.2%
1997	6,226	0.7%	13,642	0.6%	272,647	1.2%
1998	6,272	0.7%	13,734	0.7%	275,854	1.2%
1999	6,317	0.7%	13,838	0.8%	279,040	1.2%
2000	6,361	0.7%	13,950	0.8%	282,162	1.1%
2001	6,398	0.6%	14,041	0.7%	284,969	1.0%
2002	6,417	0.3%	14,122	0.6%	287,625	0.9%
2003	6,423	0.1%	14,182	0.4%	290,108	0.9%
2004	6,412	-0.2%	14,207	0.2%	292,805	0.9%
2005	6,403	-0.1%	14,217	0.1%	295,517	0.9%
2006	6,410	0.1%	14,246	0.2%	298,380	1.0%
2007	6,432	0.3%	14,279	0.2%	301,231	1.0%
2008	6,469	0.6%	14,340	0.4%	304,094	1.0%
2009	6,518	0.8%	14,404	0.4%	306,772	0.9%
2010	6,557	0.6%	14,457	0.4%	309,350	0.8%

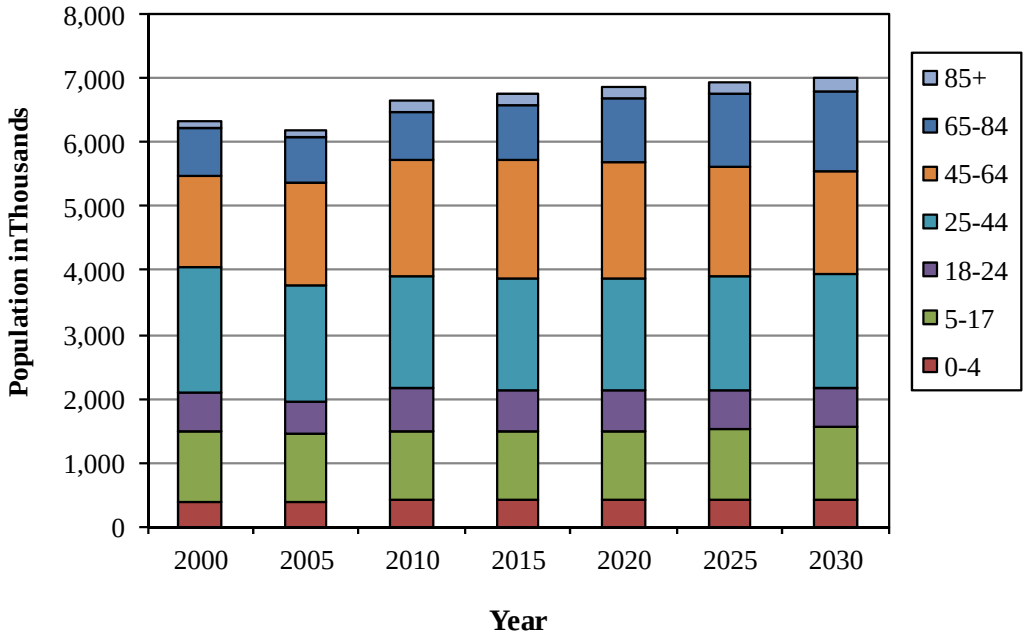
SOURCE: United States Department of Commerce, Bureau of the Census.

The next 25 years are expected to bring about a continued change in the age distribution of the Massachusetts population. As the following table and chart show, the share of the 65 and over age group and especially the 85 and over age group will continue to grow. The chart, table and population pyramids (below, and on the following page) show the projected population by age for Massachusetts for 2000 through 2030.

Projected Massachusetts Population by Age Group
2000-2030 (in thousands)

Year	0-4	5-17	18-24	25-44	45-64	65-84	85+	All Ages	Median Age
2000	397.3	1,102.8	579.3	1,989.8	1,419.8	743.5	116.7	6,349.1	36.5
2005	395.1	1,055.6	488.9	1,844.0	1,602.5	693.1	103.7	6,182.9	38.2
2010	400.7	1,083.1	670.2	1,769.7	1,817.1	750.6	158.0	6,649.4	38.8
2015	409.7	1,064.2	656.0	1,746.1	1,857.1	856.5	168.9	6,758.6	39.2
2020	422.3	1,070.9	617.5	1,775.8	1,809.3	987.8	172.0	6,855.5	39.5
2025	431.0	1,087.7	616.2	1,782.5	1,703.3	1,137.8	180.1	6,938.6	39.7
2030	430.6	1,115.0	610.7	1,783.9	1,608.7	1,251.2	211.9	7,012.0	40.2

Projected Massachusetts Population by Age Group
2000-2030



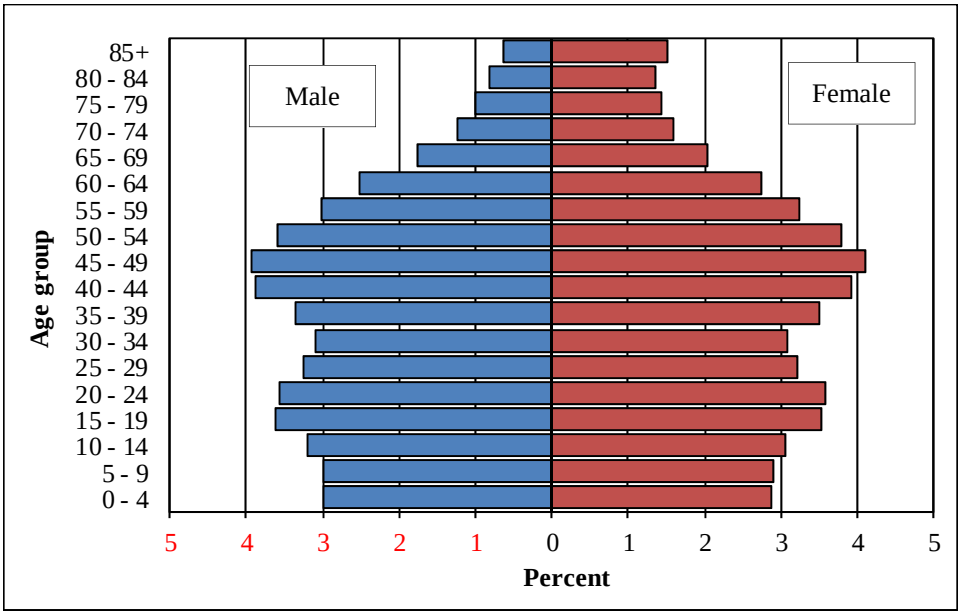
SOURCE: Interim Population Projections through 2030 released April 21, 2005 by the Population Division, Bureau of the Census, United States Department of Commerce. Note: Actual Census 2000 counts as of April 1; Population Estimates for 2005 as of July 1; all other figures are projections as of July 1 of the indicated year.

EXHIBIT A-5 Quarter 1, FY 2012

Population Pyramids of Massachusetts

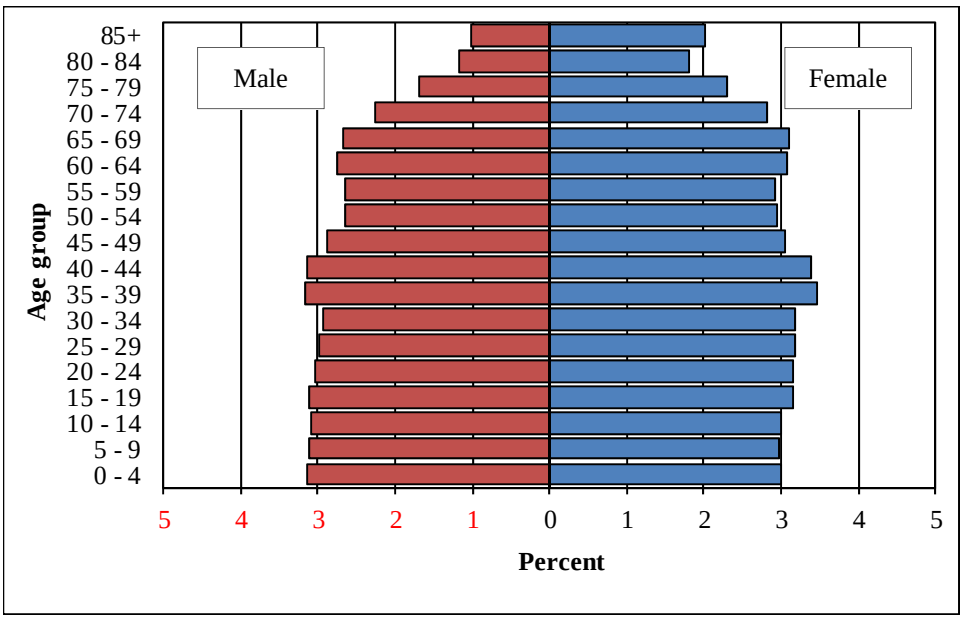
Percent of Total Population

2008*



*Note: Population Estimate as of July 1.

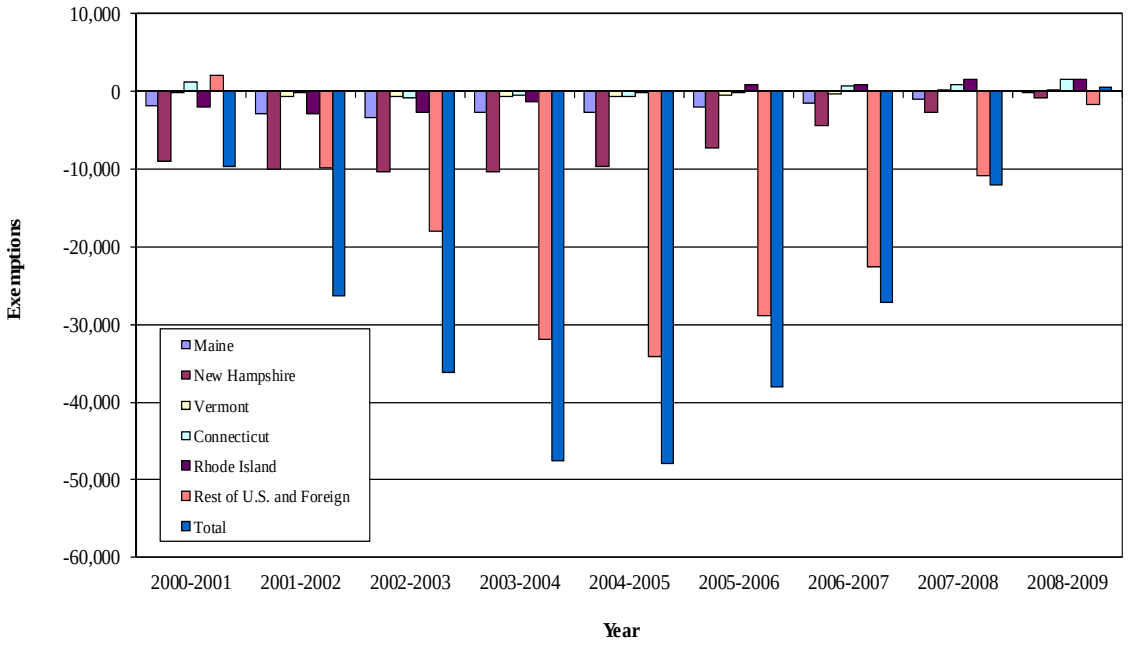
2030



SOURCE: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005.
Internet Release Date: April 21, 2005

Migration. Migration is one of several components of annual population change in Massachusetts. The movement of people from place to place is often linked to economic opportunities or downturns. These data are derived from the filing addresses and number of exemptions submitted with federal tax returns. A tax filer is considered a migrant when he/she files a tax return with an address different from the previous year's filing address. Of the New England states, New Hampshire was the largest net loss for Massachusetts and Rhode Island was the largest net gain for Massachusetts from 2000 through 2009. Massachusetts also sends many more migrants to Texas, North Carolina, California and Florida than it gains. The chart below illustrates the net migration for Massachusetts to and from the New England states and rest of the country using IRS data.

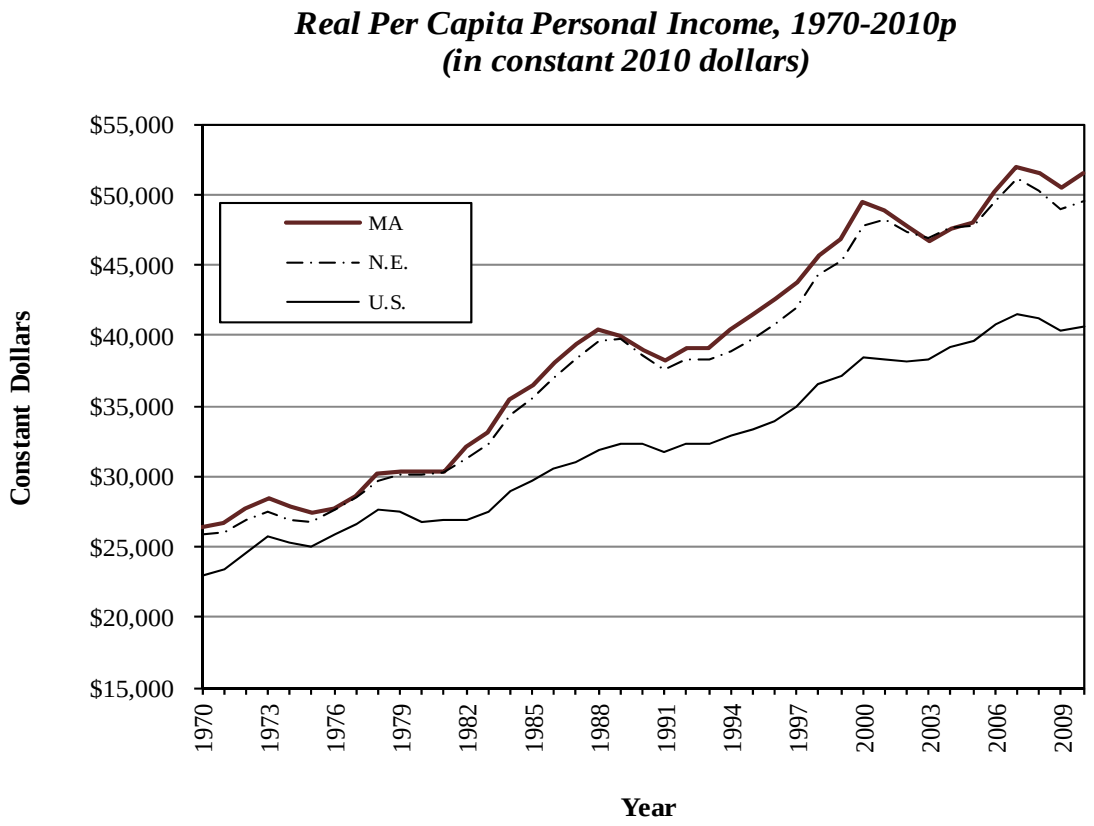
Massachusetts Net Migration Using U.S. IRS Exemption Data



SOURCE: U.S. Internal Revenue Service

PERSONAL INCOME, CONSUMER PRICES, AND POVERTY

Personal Income. Real per capita income levels in Massachusetts increased faster than the national average between 1994 and 1997. In 2000, Massachusetts had its highest per capita income growth in 16 years, exceeding the national growth rate by 2.4 percentage points. From 2001 to 2003, real income in both Massachusetts and the United States declined, with steeper declines in Massachusetts. However, real income levels in Massachusetts remained well above the national average. In 2004 and 2005, income growth was comparable in the state and the nation. In 2006 and 2007, income in the state grew faster than in the nation. In 2008 and 2009, real income fell in both the state and the nation, and in 2010 began to grow again but slowly. Only the District of Columbia, and Connecticut have had higher levels of per capita personal income. The following graph illustrates these changes in real per capita personal income in Massachusetts, New England, and the United States since 1970.



SOURCE: United States Department of Commerce, Bureau of Economic Analysis. p=preliminary

The following table compares per capita personal income in Massachusetts, New England, and the United States for the period 1970-2010.

Per Capita Personal Income, 1970-2010p

	Nominal Income (in current dollars)			Real Income (in 2010 dollars)			Percent Change in Real Income		
Year	**MA**	**N.E.**	**U.S.**	**MA**	**N.E.**	**U.S.**	**MA**	**N.E.**	**U.S.**
1970	4,472	4,438	4,084	26,409	25,948	22,957	2.0%	1.6%	2.4%
1971	4,743	4,674	4,340	26,682	25,964	23,372	1.0%	0.1%	1.8%
1972	5,102	5,025	4,717	27,717	26,831	24,612	3.9%	3.3%	5.3%
1973	5,541	5,477	5,230	28,411	27,546	25,691	2.5%	2.7%	4.4%
1974	6,011	5,954	5,708	27,871	26,933	25,252	-1.9%	-2.2%	-1.7%
1975	6,453	6,376	6,172	27,454	26,723	25,021	-1.5%	-0.8%	-0.9%
1976	6,993	6,954	6,754	27,669	27,565	25,888	0.8%	3.1%	3.5%
1977	7,611	7,586	7,402	28,635	28,477	26,640	3.5%	3.3%	2.9%
1978	8,422	8,407	8,243	30,111	29,700	27,574	5.2%	4.3%	3.5%
1979	9,371	9,381	9,138	30,392	30,136	27,452	0.9%	1.5%	-0.4%
1980	10,570	10,598	10,091	30,379	30,152	26,709	0.0%	0.1%	-2.7%
1981	11,744	11,800	11,209	30,371	30,326	26,894	0.0%	0.6%	0.7%
1982	12,892	12,833	11,901	32,048	31,328	26,897	5.5%	3.3%	0.0%
1983	13,942	13,770	12,583	33,165	32,268	27,554	3.5%	3.0%	2.4%
1984	15,639	15,342	13,807	35,460	34,335	28,983	6.9%	6.4%	5.2%
1985	16,798	16,440	14,637	36,452	35,469	29,668	2.8%	3.3%	2.4%
1986	18,003	17,592	15,338	38,092	37,032	30,522	4.5%	4.4%	2.9%
1987	19,397	18,958	16,137	39,324	38,221	30,981	3.2%	3.2%	1.5%
1988	21,127	20,612	17,244	40,383	39,577	31,791	2.7%	3.5%	2.6%
1989	22,095	21,848	18,402	39,949	39,732	32,367	-1.1%	0.4%	1.8%
1990	22,797	22,462	19,354	38,963	38,541	32,296	-2.5%	-3.0%	-0.2%
1991	23,314	22,867	19,818	38,171	37,529	31,735	-2.0%	-2.6%	-1.7%
1992	24,422	24,077	20,799	39,016	38,227	32,333	2.2%	1.9%	1.9%
1993	25,182	24,773	21,385	39,099	38,267	32,277	0.2%	0.1%	-0.2%
1994	26,393	25,804	22,297	40,450	38,909	32,814	3.5%	1.7%	1.7%
1995	27,662	27,048	23,262	41,406	39,759	33,290	2.4%	2.2%	1.5%
1996	29,279	28,521	24,442	42,565	40,771	33,976	2.8%	2.5%	2.1%
1997	30,911	30,087	25,654	43,706	41,983	34,861	2.7%	3.0%	2.6%
1998	33,006	32,128	27,258	45,636	44,198	36,472	4.4%	5.3%	4.6%
1999	34,671	33,581	28,333	46,766	45,265	37,091	2.5%	2.4%	1.7%
2000	38,210	36,601	30,318	49,407	47,714	38,399	5.6%	5.4%	3.5%
2001	39,460	37,966	31,145	48,918	48,151	38,355	-1.0%	0.9%	-0.1%
2002	39,451	38,096	31,461	47,662	47,340	38,141	-2.6%	-1.7%	-0.6%
2003	40,083	38,771	32,271	46,668	46,859	38,252	-2.1%	-1.0%	0.3%
2004	42,021	40,809	33,881	47,617	47,672	39,118	2.0%	1.7%	2.3%
2005	43,757	42,345	35,424	48,003	47,726	39,560	0.8%	0.1%	1.1%
2006	47,144	45,585	37,698	50,166	49,585	40,783	4.5%	3.9%	3.1%
2007	49,727	48,212	39,458	51,912	51,132	41,505	3.5%	3.1%	1.8%
2008	51,028	49,336	40,673	51,468	50,318	41,201	-0.9%	-1.6%	-0.7%
2009	49,643	48,049	39,626	50,412	48,997	40,284	-2.1%	-2.6%	-2.2%
2010p	51,552	49,520	40,584	51,552	49,520	40,584	2.3%	1.1%	0.7%

SOURCE: United States Department of Commerce, Bureau of Economic Analysis.
Notes: Using midyear population estimates from the Census Bureau and two CPI-U series from the U.S. Bureau of Labor Statistics for price inflation. p=preliminary

EXHIBIT A-9 Quarter 1, FY 2012

Annual Pay in Nominal Dollars. Massachusetts saw steady growth in average annual pay for most of the past decade, stalled growth in 2009, but resumed growth in 2010. Average annual pay is computed by dividing the total annual payroll of employees covered by Unemployment Insurance programs by the average monthly number of employees. Data are reported by employers covered under the Unemployment Insurance programs. Since 2001, average annual wages in the state have grown at an average annual rate of 2.9 percent, compared to 2.8 percent for the nation. The level of average annual pay in Massachusetts in 2010 was 23.5 percent higher than the national average: $57,739 compared to $46,742.

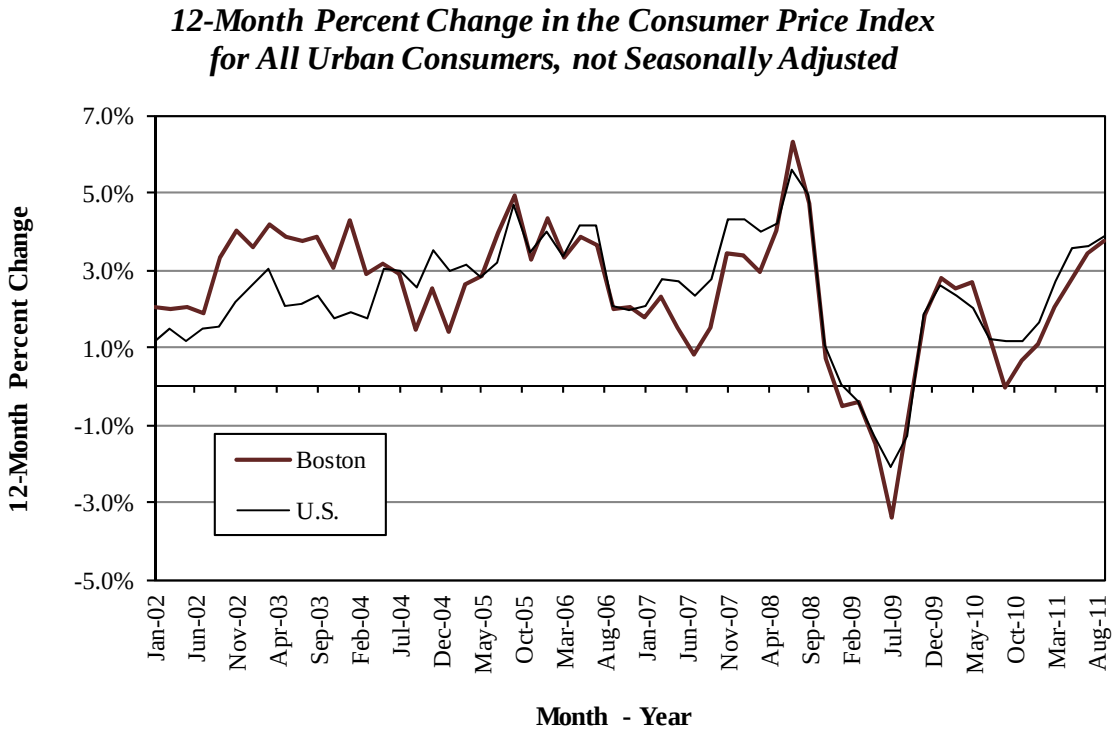
Wage and Salary Disbursements. Wage and salary disbursements by place of work is a component of personal income and measures monetary disbursements to employees. This includes compensation of corporate officers, commissions, tips, bonuses, and receipts in-kind. Although the data are recorded on a place-of-work basis, they are then adjusted to a place-of-residence basis so that the personal income of the recipients whose place of residence differs from their place of work will be correctly assigned to their state of residence. The table below details Wage and Salary Disbursements since 1990. Between 1998 and 2000, Massachusetts shares of the New England and overall U.S. totals increased. In subsequent years the Massachusetts shares of New England and the U.S. decreased slightly before rising again in 2006, reaching 50.5 and 2.9 percent respectively in 2010.

Annual Wage and Salary Disbursements, 1990-2010p
(in millions of dollars)

Year	U.S.	N.E.	MA	MA as a pct. of N.E.
1990	$ 2,729,807	$170,035	$82,353	48.4%
1991	$ 2,802,016	$169,101	$81,605	48.3%
1992	$ 2,964,907	$176,532	$85,257	48.3%
1993	$ 3,069,735	$181,878	$88,236	48.5%
1994	$ 3,225,744	$189,275	$92,297	48.8%
1995	$ 3,413,758	$200,510	$98,274	49.0%
1996	$ 3,612,171	$212,088	$104,565	49.3%
1997	$ 3,872,441	$228,515	$112,601	49.3%
1998	$ 4,177,476	$246,171	$121,971	49.5%
1999	$ 4,456,833	$264,389	$132,683	50.2%
2000	$ 4,823,727	$291,636	$149,379	51.2%
2001	$ 4,948,357	$299,079	$151,715	50.7%
2002	$ 4,993,197	$297,067	$148,724	50.1%
2003	$ 5,133,724	$303,347	$150,509	49.6%
2004	$ 5,419,559	$319,880	$158,685	49.6%
2005	$ 5,694,792	$330,876	$163,474	49.4%
2006	$ 6,060,261	$349,092	$172,880	49.5%
2007	$ 6,414,505	$370,462	$184,622	49.8%
2008	$ 6,551,432	$378,792	$190,222	50.2%
2009	$ 6,266,732	$363,013	$182,332	50.2%
2010p	$ 6,397,948	$372,982	$188,280	50.5%

Source: U.S. Department of Commerce, Bureau of Economic Analysis. p=preliminary

Consumer Prices. Higher income levels in Massachusetts relative to the rest of the United States are offset to some extent by the higher cost of living in Massachusetts. The following graph presents consumer price trends for the Boston metropolitan area and the United States for the period between January 2002 and May 2011. The table on the following page shows the annual average of the Consumer Price Index for All Urban Consumers (CPI-U) and the percentage change in that average from the previous year. In 2009 the Boston metropolitan area and U.S. experienced their first monthly year over year declines in the CPI-U since 1954 and 1955, respectively. The annual CPI-U for Boston and the U.S. rose slightly, both 1.6 percent in 2010. The latest available data for May 2011 show that the CPI-U for the Boston metropolitan area increased at a rate of 2.7 percent over May 2010, while the U.S. index increased by 3.6 percent over the same period.



SOURCE: United States Department of Labor, Bureau of Labor Statistics.

EXHIBIT A-11 Quarter 1, FY 2012

Consumer Price Index for All Urban Consumers (CPI-U), 1970-2011

(not seasonally adjusted; 1982-1984 base period average=100)

	Boston Metro Area		United States	
Year	**CPI-U**	**Pct.Change**	**CPI-U**	**Pct. Change**
1970	40.2		38.8	
1971	42.2	5.0%	40.5	4.4%
1972	43.7	3.6%	41.8	3.2%
1973	46.3	5.9%	44.4	6.2%
1974	51.2	10.6%	49.3	11.0%
1975	55.8	9.0%	53.8	9.1%
1976	60.0	7.5%	56.9	5.8%
1977	63.1	5.2%	60.6	6.5%
1978	66.4	5.2%	65.2	7.6%
1979	73.2	10.2%	72.6	11.3%
1980	82.6	12.8%	82.4	13.5%
1981	91.8	11.1%	90.9	10.3%
1982	95.5	4.0%	96.5	6.2%
1983	99.8	4.5%	99.6	3.2%
1984	104.7	4.9%	103.9	4.3%
1985	109.4	4.5%	107.6	3.6%
1986	112.2	2.6%	109.6	1.9%
1987	117.1	4.4%	113.6	3.6%
1988	124.2	6.1%	118.3	4.1%
1989	131.3	5.7%	124.0	4.8%
1990	138.9	5.8%	130.7	5.4%
1991	145.0	4.4%	136.2	4.2%
1992	148.6	2.5%	140.3	3.0%
1993	152.9	2.9%	144.5	3.0%
1994	154.9	1.3%	148.2	2.6%
1995	158.6	2.4%	152.4	2.8%
1996	163.3	3.0%	156.9	3.0%
1997	167.9	2.8%	160.5	2.3%
1998	171.7	2.3%	163.0	1.6%
1999	176.0	2.5%	166.6	2.2%
2000	183.6	4.3%	172.2	3.4%
2001	191.5	4.3%	177.1	2.8%
2002	196.5	2.6%	179.9	1.6%
2003	203.9	3.8%	184.0	2.3%
2004	209.5	2.7%	188.9	2.7%
2005	216.4	3.3%	195.3	3.4%
2006	223.1	3.1%	201.6	3.2%
2007	227.4	1.9%	207.3	2.8%
2008	235.4	3.5%	215.3	3.8%
2009	233.8	-0.7%	214.5	-0.4%
2010	237.4	1.6%	218.1	1.6%
Sep-10	237.7		218.4	
Sep-11	242.8	2.1%	226.9	3.9%

SOURCE: United States Department of Labor, Bureau of Labor Statistics.

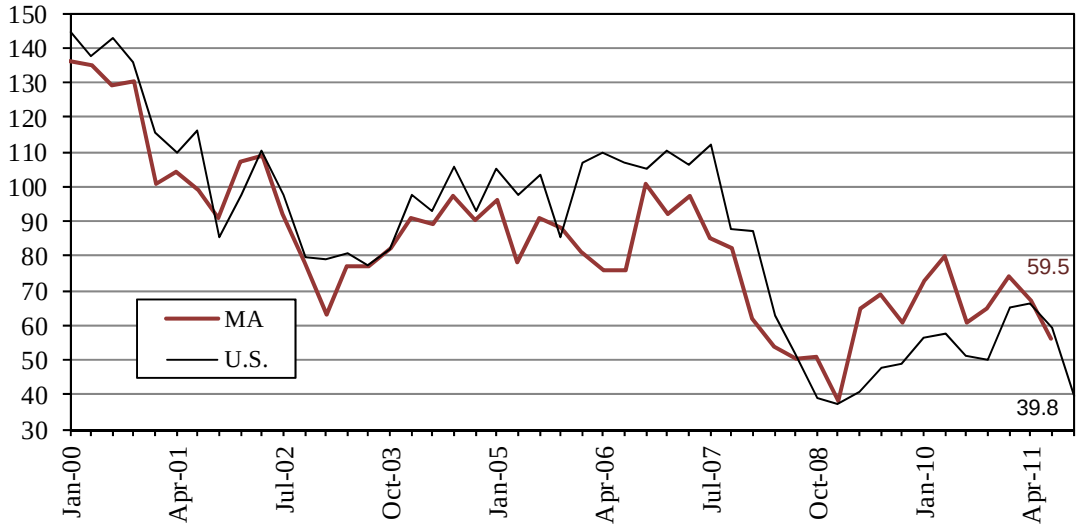
EXHIBIT A-12 Quarter 1, FY 2012

Consumer Confidence, Present Situation, and Future Expectations. These three measures offer multiple insights into consumer attitudes. The U.S. measures are compiled from a national monthly survey of 5,000 households and are published by The Conference Board, Inc. The survey for Massachusetts is conducted in a similar manner and the results are published by the Mass Insight Corporation, based on quarterly polling of 500 adult residents of Massachusetts. The "Present Situation" index measures consumers' appraisal of business and employment conditions at the time of the survey. The "Future Expectations" index focuses on consumers' expectations for six months hence regarding business and employment conditions, as well as expected family income. The overall "Consumer Confidence" index is a weighted average of the two sub-indices. Although the U.S. measures are compiled by a different source than the Massachusetts measures, according to the Federal Reserve Bank of Boston, the numbers are generally comparable. A score of 100 is considered neutral.

According to the Conference Board, consumer confidence nationally reached a six-year high point of 111.9 in July 2007, followed by an all time low of 25.3 in February 2009. U.S. consumer confidence was measured at 66.0 in April 2011. The Massachusetts index was significantly higher than the U.S. index since sharing lows in January 2009, but the most recent comparable values for Massachusetts and the U.S. were similar. The Mass Insight Corporation reported that the Massachusetts index stood at 67.0 in April 2011. The following graph and table detail the recent record of these measures.

Consumer Confidence: Massachusetts and the U.S., January 2000 – October 2011

(Massachusetts index not seasonally adjusted; 1985=100)



SOURCES: The Conference Board, Inc. (for U.S. measures, seasonally adjusted); Mass Insight Corporation (for MA measures, not seasonally adjusted).

EXHIBIT A-13 Quarter 1, FY 2012

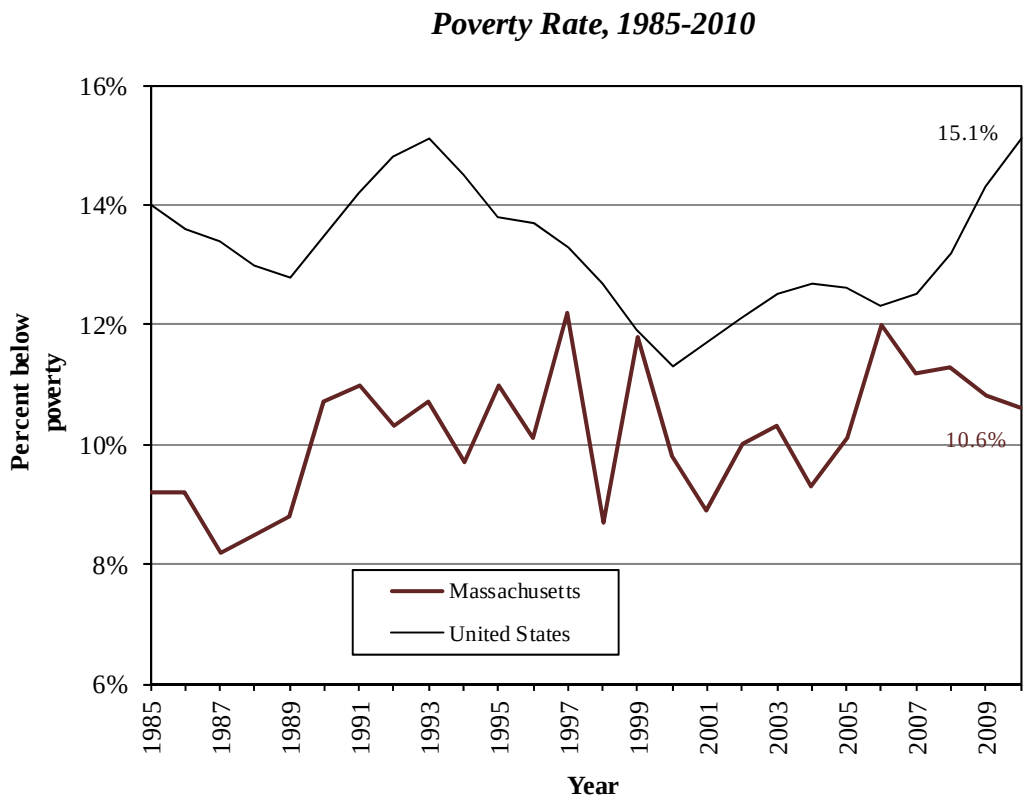
Consumer Confidence, Present Situation, and Future Expectations for Massachusetts and the U.S. January 2001 - October 2011 (1985=100)

	Consumer Confidence		Present Situation		Future Expectations	
	MA	U.S.	MA	U.S.	MA	U.S.
Jan-01	101.0	115.7	139.0	170.4	76.0	79.3
Apr-01	104.0	109.9	124.0	156.0	91.0	79.1
Jul-01	99.0	116.3	108.0	151.3	93.0	92.9
Oct-01	91.0	85.3	94.0	107.2	90.0	70.7
Jan-02	107.0	97.8	72.0	98.1	130.0	97.6
Apr-02	109.0	110.5	84.0	106.8	125.0	109.6
Jul-02	92.0	97.4	68.0	99.4	108.0	96.1
Oct-02	78.0	79.6	48.0	77.2	97.0	81.1
Jan-03	63.0	78.8	28.0	75.3	86.0	81.1
Apr-03	77.0	81.0	31.0	75.2	108.0	84.8
Jul-03	77.0	77.0	41.0	63.0	101.0	86.3
Oct-03	82.0	81.7	36.0	67.0	112.0	91.5
Jan-04	91.0	97.7	48.0	86.1	119.0	105.3
Apr-04	89.0	93.0	53.0	90.4	113.0	94.8
Jul-04	97.0	105.7	66.0	106.4	119.0	105.3
Oct-04	90.0	92.9	64.0	94.0	108.0	92.2
Jan-05	96.0	105.1	70.0	112.1	114.0	100.4
Apr-05	78.0	97.5	63.0	113.8	88.0	86.7
Jul-05	91.0	103.6	80.0	119.3	99.0	93.2
Oct-05	88.0	85.2	80.0	107.8	95.0	70.1
Jan-06	81.0	106.8	71.0	128.8	87.0	92.1
Apr-06	76.0	109.8	77.0	136.2	76.0	92.3
Jul-06	76.0	107.0	68.0	134.2	81.0	88.9
Oct-06	101.0	105.1	86.0	125.1	111.0	91.9
Jan-07	92.0	110.2	74.0	133.9	104.0	94.4
Apr-07	97.0	106.3	89.0	133.5	102.0	88.2
Jul-07	85.0	111.9	80.0	138.3	90.0	94.4
Oct-07	82.0	87.8	76.0	115.7	86.0	69.1
Jan-08	62.0	87.3	49.0	114.3	71.0	69.3
Apr-08	54.0	62.8	35.0	81.9	67.0	50.0
Jul-08	50.0	51.9	24.0	65.8	68.0	42.7
Oct-08	51.0	38.8	27.0	43.5	66.0	35.7
Jan-09	38.0	37.4	9.0	29.7	58.0	42.5
Apr-09	65.0	40.8	24.0	25.5	92.0	51.0
Jul-09	69.0	47.4	16.0	23.3	105.0	63.4
Oct-09	61.0	48.7	14.0	21.1	93.0	67.0
Jan-10	73.0	56.5	14.0	25.2	112.0	77.3
Apr-10	80.0	57.7	22.0	28.2	119.0	77.4
Jul-10	61.0	51.0	16.0	26.4	91.0	67.5
Oct-10	65.0	49.9	15.0	23.5	99.0	67.5
Jan-11	74.0	64.8	17.0	31.1	112.0	87.3
Apr-11	67.0	66.0	24.0	40.2	96.0	83.2
Jul-11	56.0	59.5	20.0	35.7	80.0	75.4
Oct-11		39.8		26.3		48.7

SOURCES: The Conference Board, Inc. (for U.S. measures, seasonally adjusted); Mass Insight Corporation (for MA measures, not seasonally adjusted).

EXHIBIT A-14 Quarter 1, FY 2012

Poverty. Through 2010, the Massachusetts poverty rate remained well below the national average. Since 1980, the percentage of the Massachusetts poverty universe below the poverty line has varied between 7.7 percent and 12.2 percent. During the same time, the national poverty rate varied between 11.3 percent and 15.1 percent. The estimated poverty rate in Massachusetts decreased from 10.8 percent in 2009 to 10.6 percent in 2010, while the poverty rate in the United States increased from 14.3 percent in 2009 to 15.1 percent in 2010. These official poverty estimates are based on a sample of households and are not adjusted for regional differences in the cost of living. The following chart illustrates the lower poverty rates in Massachusetts (1985 - 2010) compared with the national average during similar periods. Poverty estimates for states are not as reliable as national estimates. Not everyone has a poverty status determined; the poverty universe excludes foster children, college students in dormitories, military personnel in barracks, nursing home residents, and other groups of people in institutionalized settings. Poverty data for 2011 are not yet available.

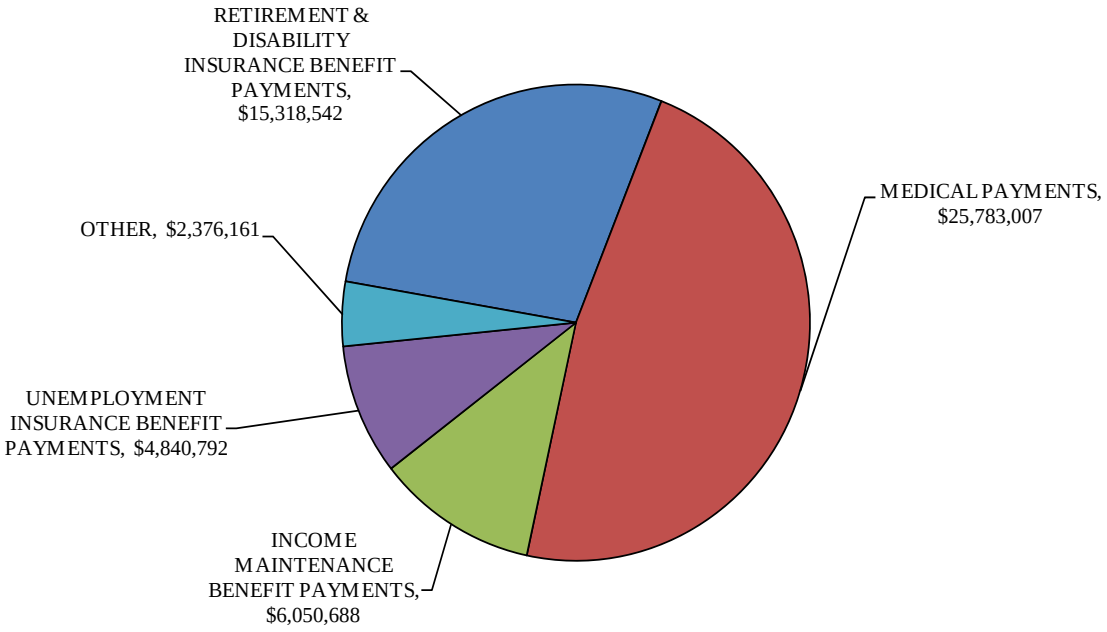


SOURCE: United States Department of Commerce, Bureau of the Census.

Transfer Payments. Transfer payment income is payment to individuals from all levels of government and from businesses, for which no current services are performed, including payments to nonprofit institutions serving individuals. These payments accounted for 16.5 percent of total personal income in Massachusetts in 2010, holding steady from 16.5 percent in 2009. The chart below does not include transfer payments from business or payments to non-profit organizations. Total transfer payments to individuals in Massachusetts from governments and businesses totaled $55.6 billion for 2010. Just over 47 percent of government transfer payments to individuals were medical payments, only slightly down from almost 48 percent in 2009.

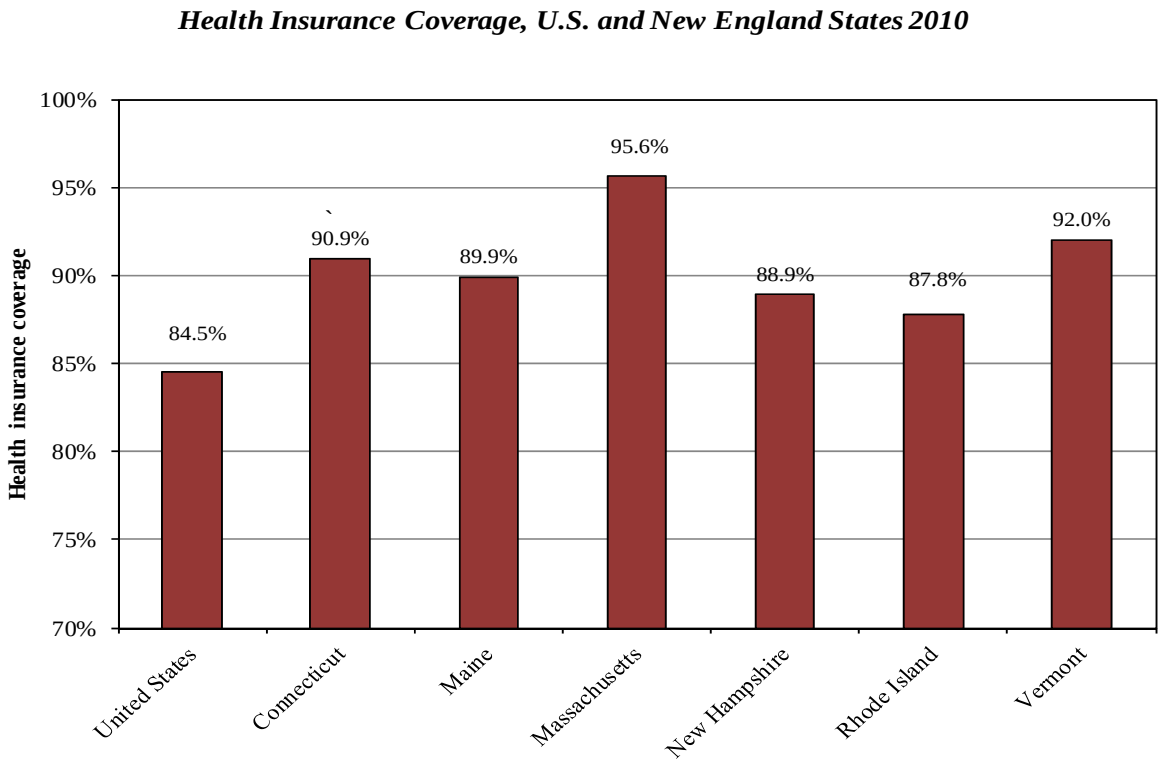
Transfer Payments from Governments to Individuals in Massachusetts in 2010 (From Annual State Personal Income Estimates)

(in thousands of current dollars)



SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Annual State Personal Income Estimates.
NOTE: The category "other" includes veterans' benefit payments, federal education and training assistance payments, and a small residual of miscellaneous other payments to individuals.

Health Insurance Coverage. Massachusetts leads the nation in the percent of individuals with health insurance coverage. This is mostly the result of the law passed in 2006 mandating universal coverage in the Commonwealth. In 2010, 95.6 percent of the civilian non-institutionalized population was covered in the state by either public or private insurance, compared with 84.5 percent nationwide. Massachusetts also leads the other New England states in coverage, with Vermont the next closest at 92 percent. All of the New England states have higher rates of coverage than the nation. These data do not indicate the comprehensiveness of coverage, however.



SOURCE: American Community Survey, U.S. Census Bureau, 2010 1-Year Estimates

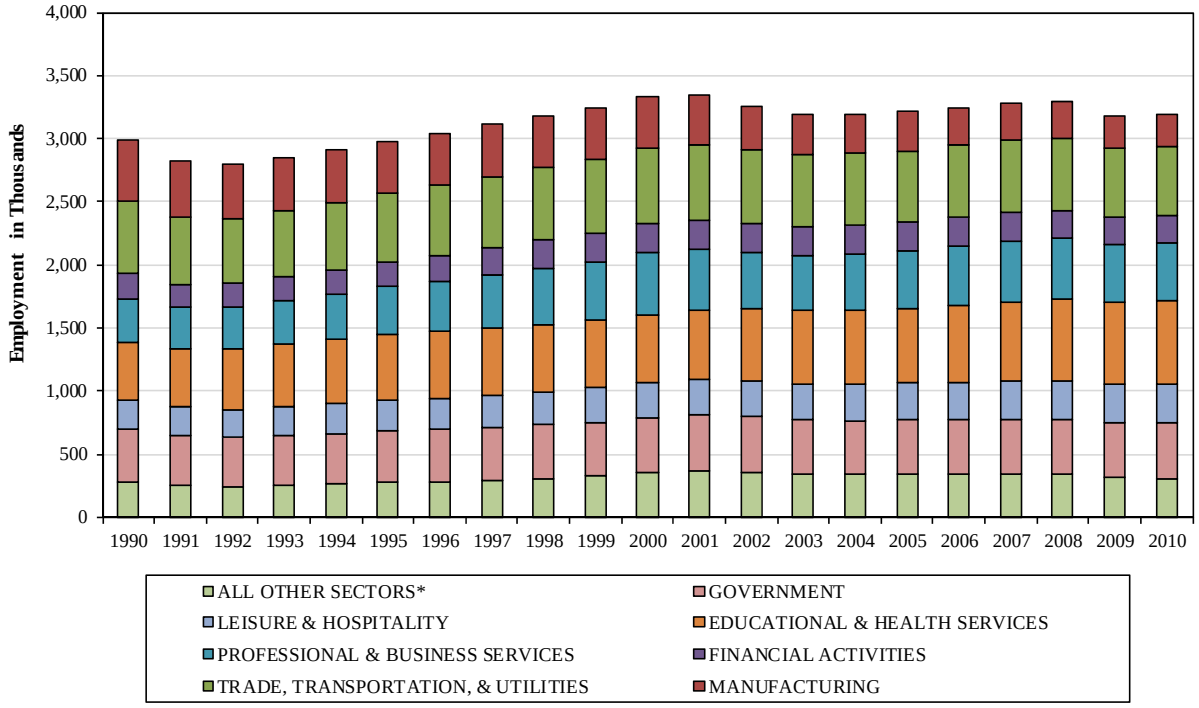
EMPLOYMENT

Employment by Industry. The chart on this page shows the annual level of non-agricultural payroll employment in Massachusetts based on the North American Industry Classification System (NAICS) for the seven largest NAICS supersectors starting with 1990, the earliest year for which NAICS data are available. The chart on the following page compares the super-sector shares for the 2009-2010 period with the corresponding shares for the 1990-1991 period. Like many industrial states, Massachusetts has seen a steady decline of its manufacturing jobs base over the last two decades, not only as a share of total employment, but in absolute numbers of jobs as well. Several NAICS service sectors have grown to take the place of manufacturing in driving the Massachusetts economy and now account for more than half of total payroll employment, while Financial Activities, Government, Information, Trade and Transportation & Utilities have remained relatively level or declined in share.

After significant declines in 2002 and 2003, total non-agricultural employment in Massachusetts eventually increased 0.5 percent in 2005 and continued to increase every year through 2008. After a 3.3 percent decline in 2009, employment grew 0.2 percent in 2010, still 4.6 percent below the last peak in 2001. The comparable growth rate for the nation in 2010 was down 0.8 percent from 2009 and down 1.5 percent from 2001. The latest seasonally adjusted estimate for the state (3.24 million for August 2011) is about 148.8 thousand below the peak month in 2001 (3.38 million in February 2001) and about 9.8 thousand above the 2009 peak in January (3.23 million).

After years of moderate but steady declines or near-zero growth in the late nineties and early 2000s, manufacturing employment in the state experienced steep annual declines in 2002 (10.2 percent) and 2003 (7.0 percent) before returning to more moderate declines in 2004 (3.5 percent). The declines for manufacturing employment in 2007 and 2008 were similar to the steady declines prior to 2002. After a steep decline of 9.7 percent in 2009, the decline returned to a less dramatic 2.0 percent in 2010. The seasonally adjusted estimates for the first eight months of 2011 were slightly higher than the estimates for the same period in 2010 (255.7 million compared to 253.1 million).

Annual Average Employment in Massachusetts, NAICS Super-Sectors, 1990-2010

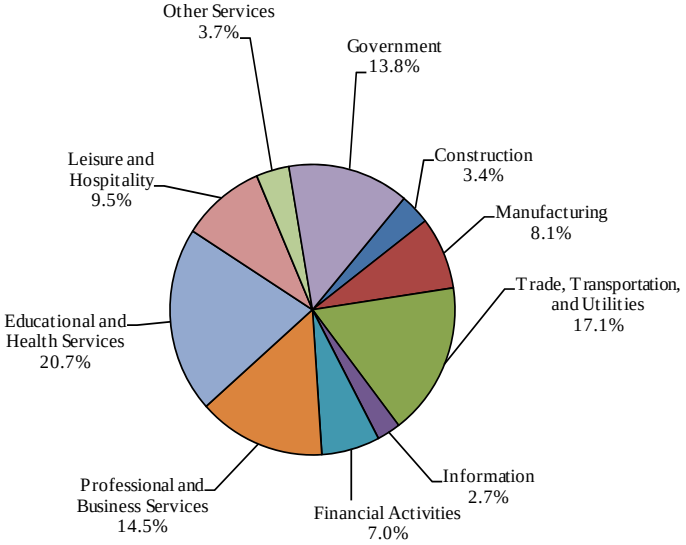


SOURCE: MA Division of Unemployment Assistance.
*Includes Mining & Natural Resources, Construction, Information, and Other Services.

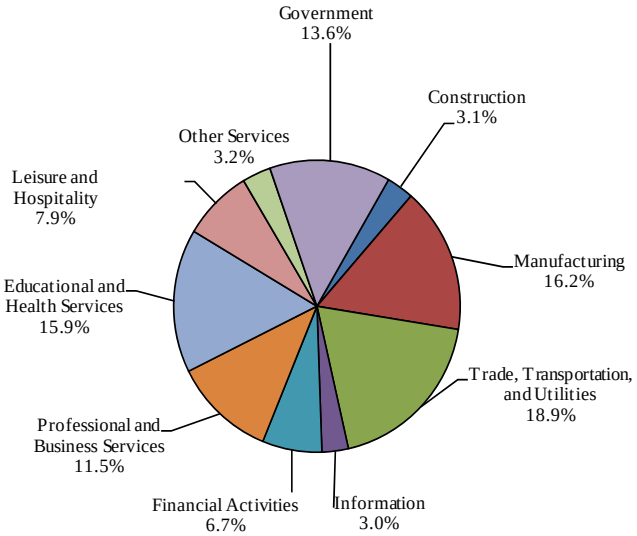
EXHIBIT A-18 Quarter 1, FY 2012

Massachusetts Non-Farm Payroll Employment
(NAICS Industry basis)

NAICS Super-Sectors: 2009-2010 Average Share



NAICS Super-Sectors: 1990-1991 Average Share



SOURCE: MA Division of Unemployment Assistance.

EXHIBIT A-19 Quarter 1, FY 2012

Largest Employers in Massachusetts. The following inset lists the 25 largest private employers in Massachusetts based upon employment covered by the Unemployment Insurance system for March 2011. UMass Memorial Medical Center replaces Tufts University from the March 2010 list. As noted, the list may not include some employers who do business in the state under multiple legal names or register each facility as a separate employer.

Twenty-five Largest Private Employers in Massachusetts in March 2011
(listed alphabetically)

Bank of America, NA
Baystate Medical Center, Inc.
Beth Israel Deaconess Medical Center
Boston Medical Center Corporation
Boston University
Brigham & Women's Hospital, Inc.
Demoulas Super Markets, Inc.
E.M.C. Corporation
General Hospital Corporation
Harvard University
Home Depot U.S.A., Inc.
Massachusetts CVS Pharmacy, LLC
Massachusetts Institute of Technology
Partners Healthcare Systems, Inc.
Raytheon Company
S & S Credit Company, Inc.
Shaw's Supermarkets, Inc.
Southcoast Hospitals Group, Inc.
State Street Bank & Trust Company
Target Corporation
The Children's Hospital Corporation
UMass Memorial Medical Center
United Parcel Service, Inc.
Verizon New England, Inc.
Wal-Mart Associates, Inc.

SOURCE: Massachusetts Executive Office of Labor & Workforce Development, Division of Unemployment Assistance, Research Department 10-14-11.
NOTE: This alphabetic listing includes private employers reporting large numbers of jobs covered by the Massachusetts unemployment insurance program. The information is based on March 2010 employment for employers as registered for unemployment insurance. The list may not include those employers who do business in Massachusetts under multiple legal corporations and those who register each store, facility or franchisee as a separate employer.

Massachusetts Companies in the Fortune 500 List. The economic base of Massachusetts is anchored by the thirteen 2011 Fortune 500 companies headquartered here. When comparing the 2011 Fortune 500 to that of 2010, three Massachusetts companies gained, nine lost rank, and one remained the same. EMC climbed 14 places on the list, the largest leap for a Massachusetts company.

Massachusetts Companies in the 2011 Fortune 500

Rank 2011	Rank 2010	Company	Industry	2010 revenues (millions)
82	71	Liberty Mutual Ins. Group (Boston)	Insurance: P & C (stock)	$33,193
101	93	Mass. Mutual Life Ins. (Springfield)	Insurance: Life, Health (mutual)	$25,647
104	95	Raytheon (Waltham)	Aerospace and Defense	$25,183
108	101	Staples (Framingham)	Specialty Retailers	$24,545
119	119	TJX (Framingham)	Specialty Retailers	$21,942
152	166	EMC (Hopkinton)	Computer Peripherals	$17,015
221	232	BJ's Wholesale Club (Westborough)	Specialty Retailers	$11,025
227	234	Thermo Fisher Scientific (Waltham)	Scientific, Photo, Control Equipment	$10,789
253	249	State St. Corp. (Boston)	Commercial Banks	$9,716
305	279	Boston Scientific (Natick)	Medical Products & Equipment	$7,806
306	368	Global Partners (Waltham)	Energy	$7,802
476	471	Biogen Idec (Weston)	Pharmaceuticals	$4,716
487	458	Genzyme (Cambridge)	Pharmaceuticals	$4,536

SOURCE: Fortune, May 23, 2011 issue.

Unemployment Insurance Trust Fund. The unemployment insurance system is a federal-state cooperative program established by the Social Security Act and the Federal Unemployment Tax Act to provide for the payment of benefits to eligible individuals when they become unemployed through no fault of their own. Benefits are paid from the Commonwealth's Unemployment Insurance Trust Fund, financed through employer contributions. The assets and liabilities of the Commonwealth Unemployment Insurance Trust Fund are not assets and liabilities of the Commonwealth.

As of July 31, 2011, the Massachusetts Unemployment Trust Fund had a balance of $252.6 million. This balance is the sum of the private contributory account balance of $156.2 million and the government contributory account balance of $96.4 million. This compares to an April 2011 balance of -$259 million with a private contributory portion of -$357 million. The August 2011 Unemployment Insurance Trust Fund report indicated that the private contributory account balance was estimated to be $2.658 billion by the end of 2015 according to the Moody's based outlook.

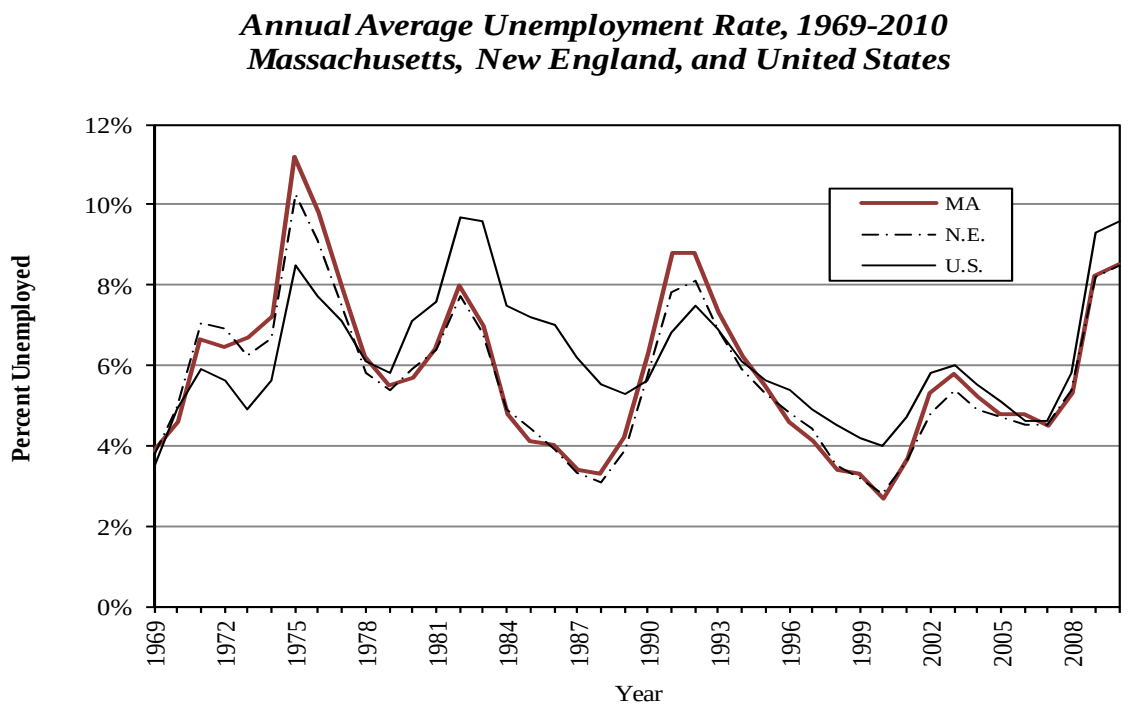
Unemployment. The unemployment rate in Massachusetts was consistently below the national average from mid-1995 through November 2005, with similar patterns of gradual improvement after the mid-2003 peak. The Massachusetts rate exceeded the U.S. rate for 17 months starting in December 2005, but only three of those differences exceeded 0.2%. Since April 2007, the state rate has been at or below the comparable U.S. rate, seasonally adjusted. In October 2007, the Massachusetts rate was 4.4 percent, the lowest it had been since October 2001. By September 2011, the Massachusetts rate had dropped to 7.3 percent from 7.6 percent in June 2011. The tables and graphs on the following two pages compare the unemployment rate in the state with those in New England and the U.S.

Annual Average Civilian Labor Force and Unemployment, 1969-2010

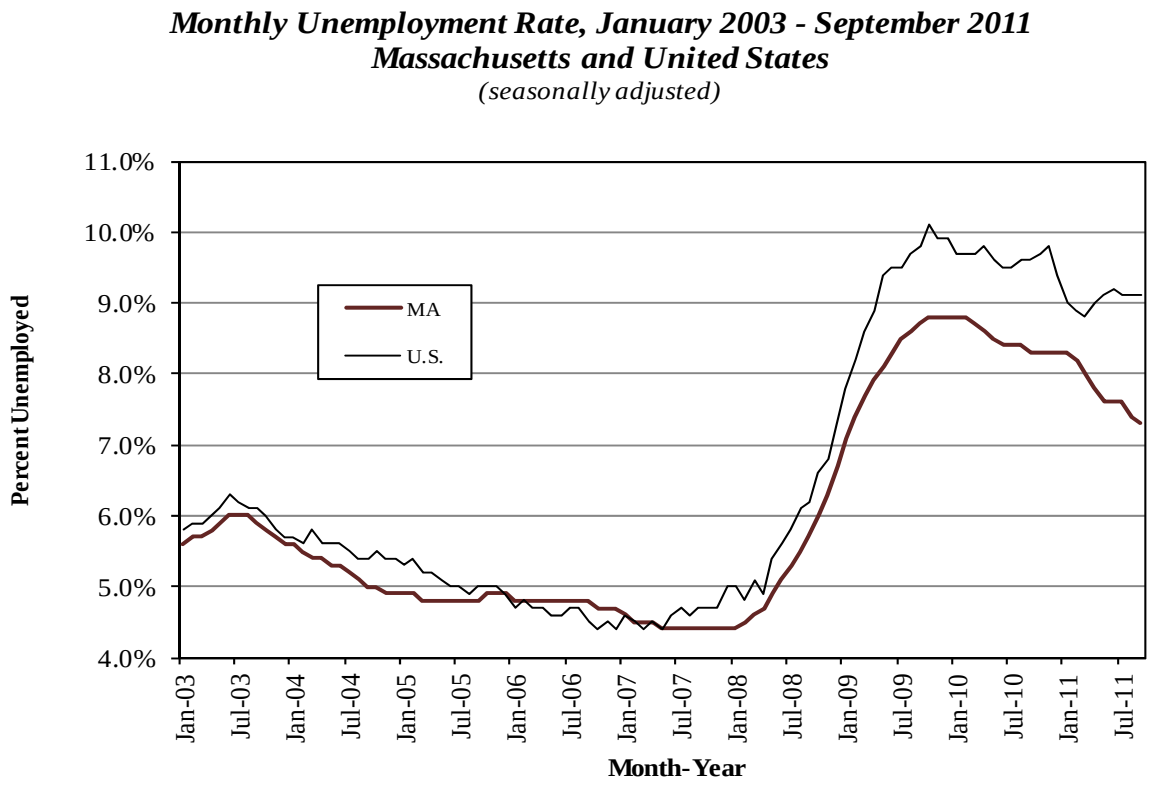
(in thousands)

	Civilian Labor Force			Unemployed			Unemployment Rate			MA Rate as
Year	MA	N.E.	U.S.	MA	N.E.	U.S.	MA	N.E.	U.S.	Pct. of U.S.
1969	2,581	5,201	80,734	100	198	2,832	3.9%	3.8%	3.5%	111.2%
1970	2,465	5,128	82,771	113	253	4,093	4.6%	4.9%	4.9%	93.7%
1971	2,459	5,157	84,382	163	364	5,016	6.6%	7.1%	5.9%	112.7%
1972	2,487	5,260	87,034	161	363	4,882	6.5%	6.9%	5.6%	115.6%
1973	2,557	5,387	89,429	171	336	4,365	6.7%	6.2%	4.9%	136.1%
1974	2,637	5,514	91,949	190	368	5,156	7.2%	6.7%	5.6%	128.5%
1975	2,725	5,633	93,775	305	578	7,929	11.2%	10.3%	8.5%	131.5%
1976	2,726	5,714	96,158	268	521	7,406	9.8%	9.1%	7.7%	127.3%
1977	2,760	5,820	99,009	218	437	6,991	7.9%	7.5%	7.1%	111.3%
1978	2,809	5,936	102,251	173	343	6,202	6.2%	5.8%	6.1%	101.6%
1979	2,863	6,080	104,962	156	326	6,137	5.5%	5.4%	5.8%	94.8%
1980	2,885	6,154	106,940	164	365	7,637	5.7%	5.9%	7.1%	80.3%
1981	2,938	6,268	108,670	189	400	8,273	6.4%	6.4%	7.6%	84.2%
1982	2,966	6,345	110,204	236	489	10,678	8.0%	7.7%	9.7%	82.5%
1983	2,972	6,386	111,550	209	434	10,717	7.0%	6.8%	9.6%	72.9%
1984	3,032	6,540	113,544	146	318	8,539	4.8%	4.9%	7.5%	64.0%
1985	3,049	6,630	115,461	125	290	8,312	4.1%	4.4%	7.2%	56.9%
1986	3,080	6,724	117,834	123	264	8,237	4.0%	3.9%	7.0%	57.1%
1987	3,114	6,827	119,865	104	228	7,425	3.4%	3.3%	6.2%	54.8%
1988	3,156	6,907	121,669	104	215	6,701	3.3%	3.1%	5.5%	60.0%
1989	3,189	7,004	123,869	132	274	6,528	4.2%	3.9%	5.3%	79.2%
1990	3,226	7,128	125,840	204	409	7,047	6.3%	5.7%	5.6%	112.5%
1991	3,199	7,112	126,346	283	558	8,628	8.8%	7.8%	6.8%	129.4%
1992	3,181	7,105	128,105	281	573	9,613	8.8%	8.1%	7.5%	117.3%
1993	3,173	7,062	129,200	232	486	8,940	7.3%	6.9%	6.9%	105.8%
1994	3,188	7,041	131,056	199	415	7,996	6.2%	5.9%	6.1%	101.6%
1995	3,205	7,053	132,304	176	375	7,404	5.5%	5.3%	5.6%	98.2%
1996	3,231	7,118	133,943	148	340	7,236	4.6%	4.8%	5.4%	85.2%
1997	3,293	7,228	136,297	135	315	6,739	4.1%	4.4%	4.9%	83.7%
1998	3,322	7,257	137,673	113	253	6,210	3.4%	3.5%	4.5%	75.6%
1999	3,355	7,327	139,368	110	234	5,880	3.3%	3.2%	4.2%	78.6%
2000	3,366	7,348	142,583	92	204	5,692	2.7%	2.8%	4.0%	67.5%
2001	3,401	7,424	143,734	126	266	6,801	3.7%	3.6%	4.7%	78.7%
2002	3,424	7,496	144,863	181	363	8,378	5.3%	4.8%	5.8%	91.4%
2003	3,407	7,508	146,510	198	407	8,774	5.8%	5.4%	6.0%	96.7%
2004	3,381	7,476	147,401	177	366	8,149	5.2%	4.9%	5.5%	94.5%
2005	3,383	7,516	149,320	164	353	7,591	4.8%	4.7%	5.1%	94.1%
2006	3,418	7,607	151,428	162	344	7,001	4.8%	4.5%	4.6%	104.3%
2007	3,434	7,652	153,124	153	341	7,078	4.5%	4.5%	4.6%	97.8%
2008	3,467	7,715	154,287	184	415	8,924	5.3%	5.4%	5.8%	91.4%
2009	3,477	7,733	154,142	286	633	14,265	8.2%	8.2%	9.3%	88.2%
2010	3,494	7,770	153,889	297	660	14,825	8.5%	8.5%	9.6%	88.5%

SOURCE: United States Department of Labor, Bureau of Labor Statistics.



SOURCE: United States Department of Labor, Bureau of Labor Statistics.

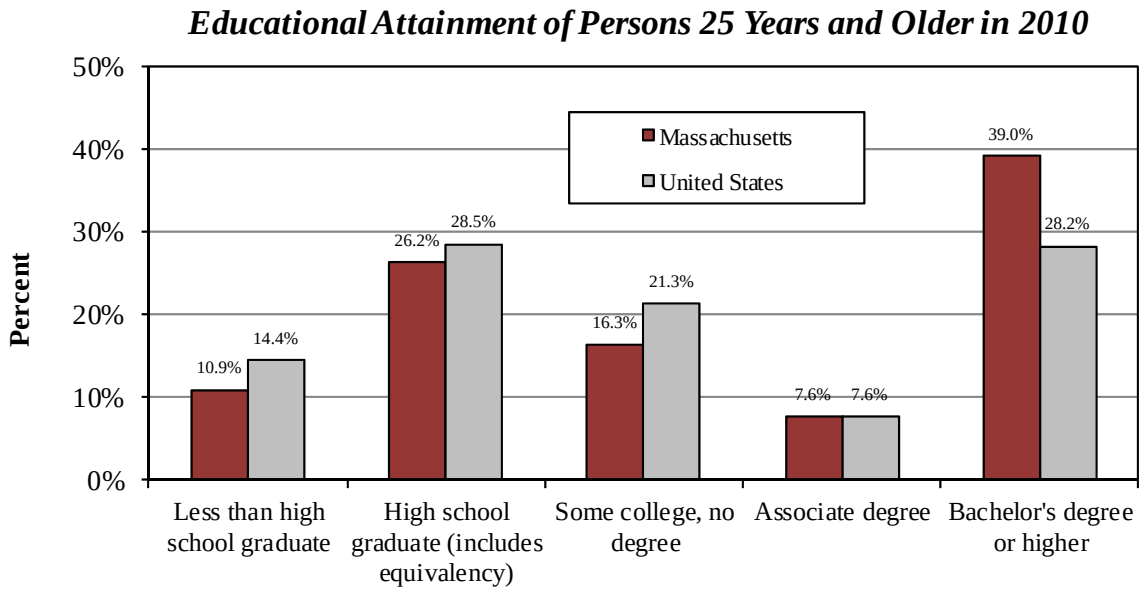


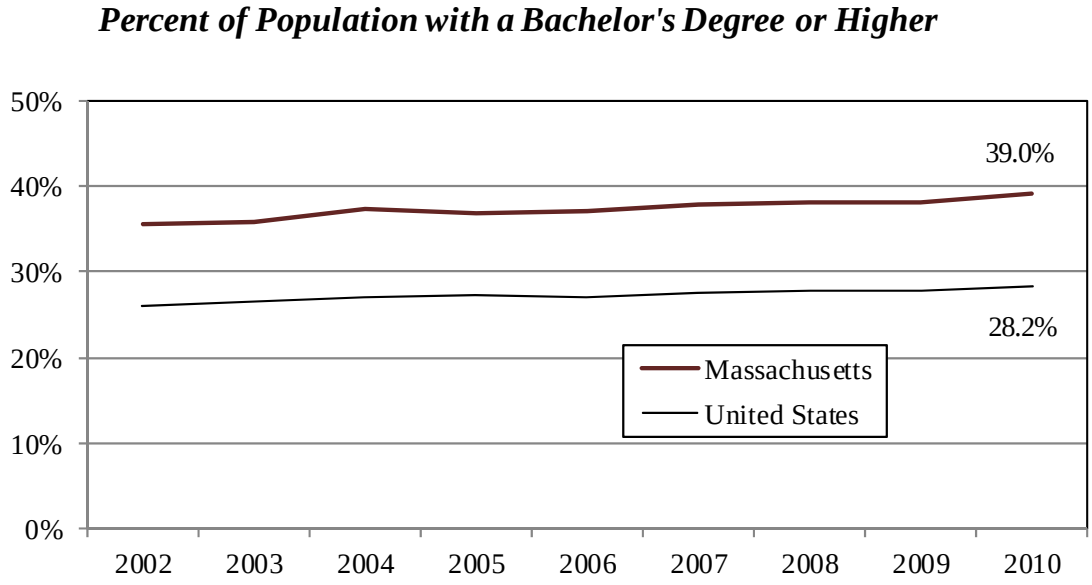
SOURCE: MA Division of Unemployment Assistance, United States Bureau of Labor Statistics

EXHIBIT A-23 Quarter 1, FY 2012

EDUCATION AND TECHNOLOGY

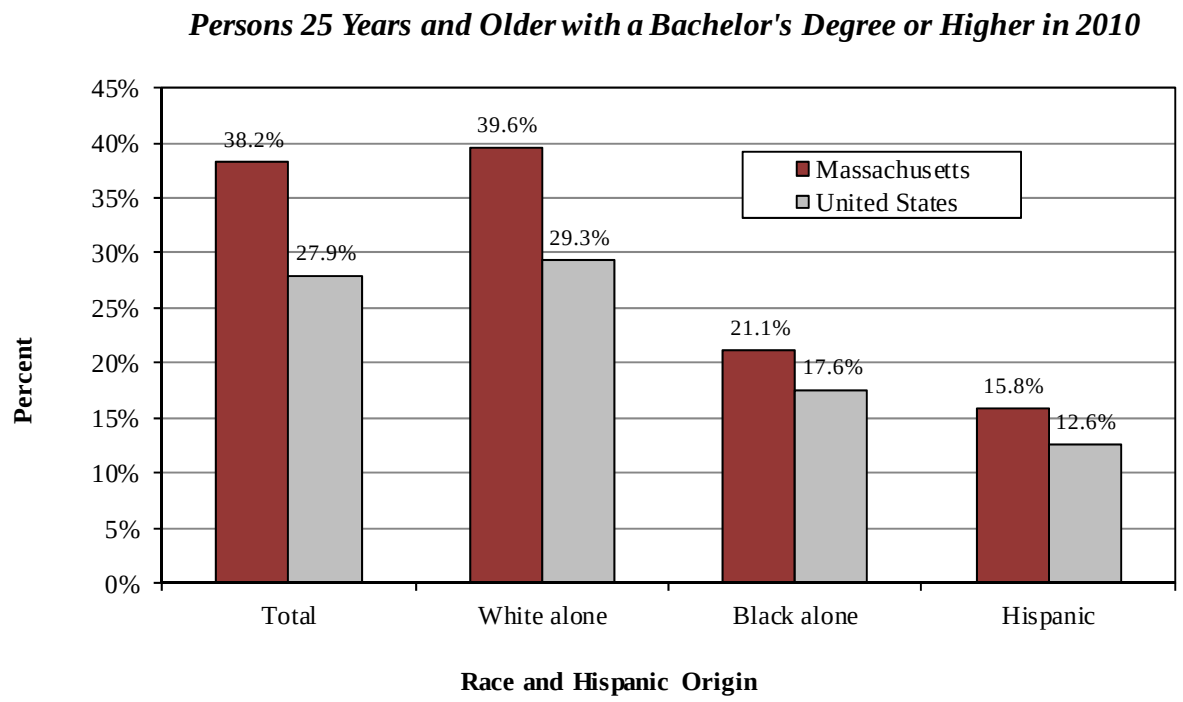
Educational Attainment. The availability of a skilled and well-educated population is an important resource for the Commonwealth. Approximately two out of five adults in Massachusetts had a bachelor's degree or more in 2010 according to the Census Bureau's American Community Survey (ACS). The ACS also found that Massachusetts had a smaller proportion of persons who had not completed high school, 10.9 percent, than the national average of 14.4 percent.





SOURCE: U.S. Census Bureau, American Community Survey Estimates.

Massachusetts' black and Hispanic populations achieved college degrees at roughly half the rate of its white population but their rates were higher than their national averages. The most current Census data are shown below.



SOURCE: U.S. Census Bureau, American Community Survey 2010 Estimates.

Higher Education Data. Massachusetts has a higher minority enrollment in institutions of higher education than New England. However, the percentage of enrolled Blacks and Hispanics in higher education in Massachusetts is below the national average. These percentages, which do not include military academy enrollment, are seen in the chart below.

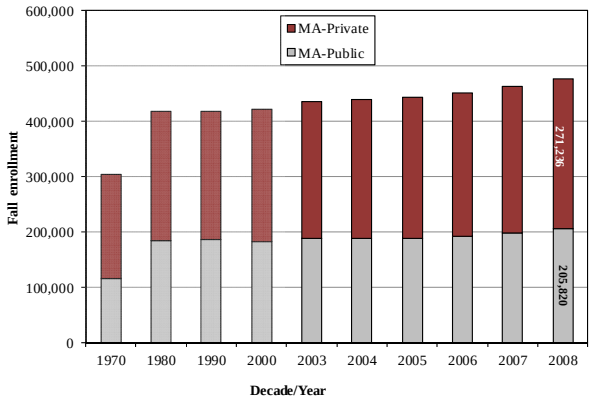
Higher Education Enrollment by Race and Hispanic Origin in 2010

	Total	White alone	Black alone	Asian alone	Other race	Hispanic or Latino
United States	22,255,504	73.2%	16.0%	7.8%	3.0%	14.6%
Massachusetts	554,736	80.6%	9.9%	9.5%	0.0%	8.9%

SOURCE: U.S. Census Bureau, American Community Survey estimates.

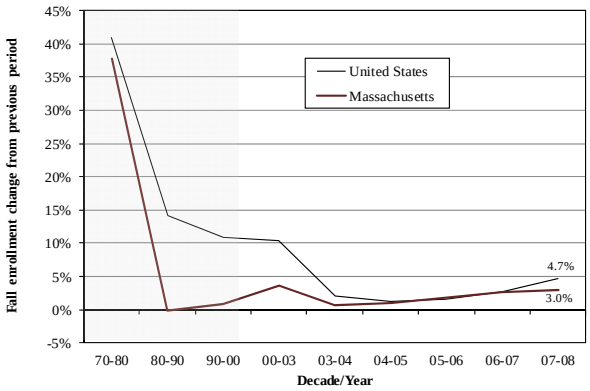
Survey data released by the Institute of International Education state that 35,313 foreign students were enrolled in Massachusetts colleges and universities in the 2009/2010 school year. This was an increase of 4.4 percent from the previous year. The national enrollment increased 3 percent. Massachusetts remains 4th ranked among states for foreign student enrollment.

Massachusetts Higher Education Public/Private Enrollment



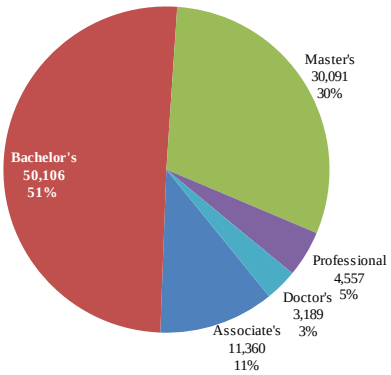
SOURCE: U.S. Department of Education, Digest of Education Statistics.

Massachusetts Total Higher Education Enrollment Percent Change in Total Enrollment



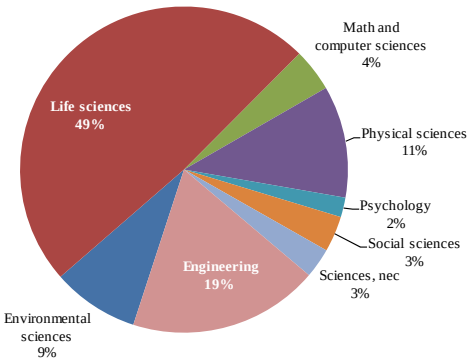
SOURCE: U.S. Department of Education, Digest of Education Statistics.

Degrees Conferred by Degree-granting Institutions in Massachusetts 2008-09



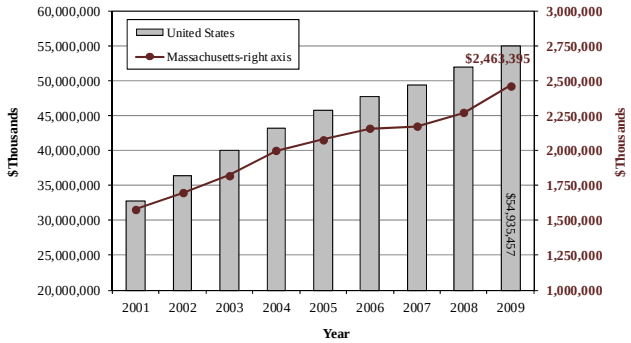
SOURCE: U.S. Department of Education, Digest of Education Statistics.

R&D Expenditures at Massachusetts Universities and Colleges, by Science and Engineering Field: FY 2009



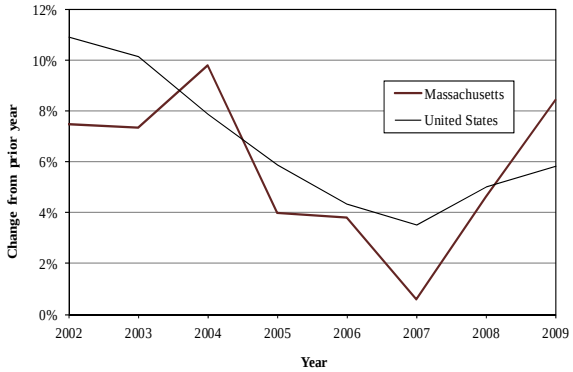
SOURCE: National Science Foundation.

Research and Development Expenditures at Universities and Colleges



SOURCE: National Science Foundation.

Research and Development Expenditures at Universities and Colleges



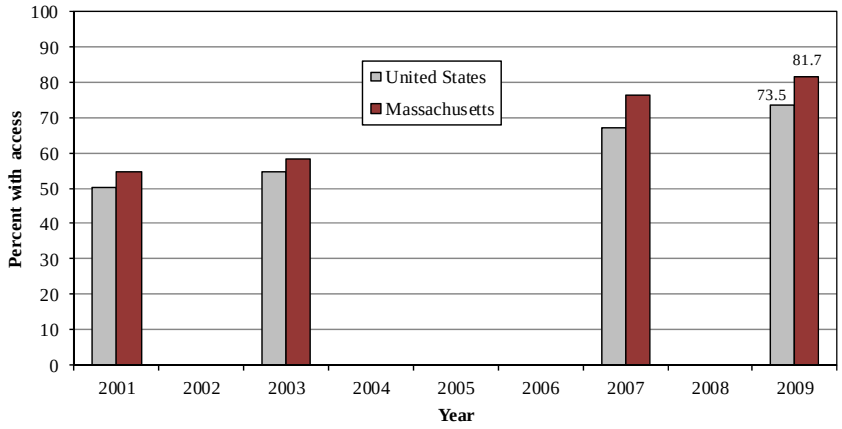
SOURCE: National Science Foundation.

Enrollment - Fall 2008	Rank	Degrees Awarded - 2008-09	Rank	Research & Development - FY2009	Rank
Total	12	Total	10	Total	6
Public	23	Associate's	21	Environmental sciences	3
Private	6	Bachelor's	9	Life sciences	8
		Master's	7	Math/computer sciences	7
		Professional	7	Physical sciences	3
		Doctorate	7	Psychology	6
				Social sciences	6
				Sciences, nec	2
				Engineering	6

EXHIBIT A-26 Quarter 1, FY 2012

Internet Access. A larger portion of the state's population has access to the internet compared to the nation as a whole according to the latest Census survey taken in 2009. Massachusetts ranked sixth among states and the District of Columbia when comparing the percent (81.7) of individuals who had access to the internet in their household.

Internet Access in Massachusetts and the United States

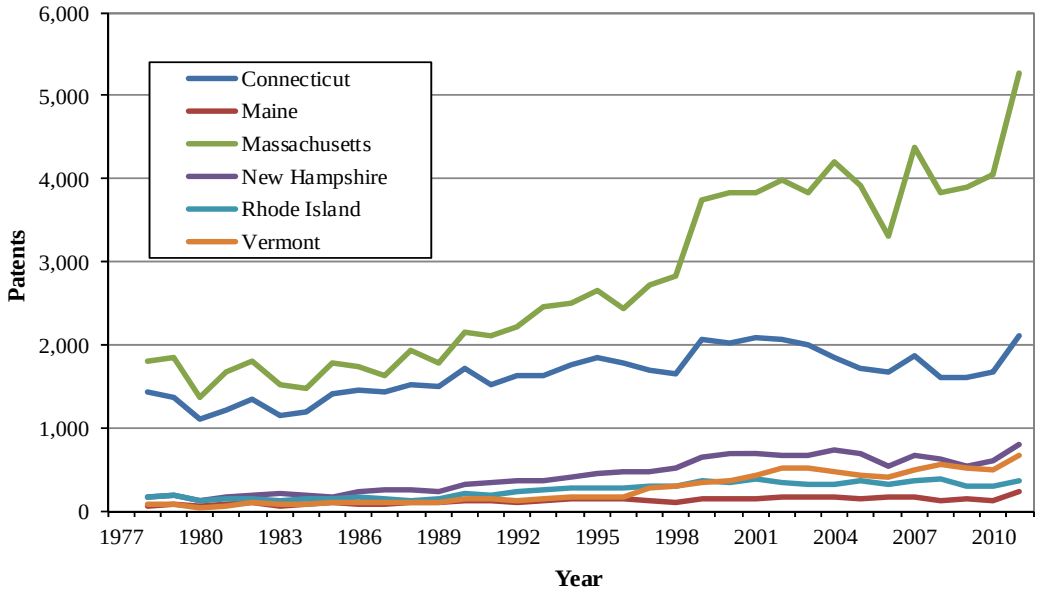


Source: U.S. Census Bureau, Current Population Survey. 2001 and 2003 data for households. 2007 and 2009 data for individuals 3 years or older.

Patents. The U.S. Patent and Trademark Office notes: "This report shows the number of U.S. patent documents (i.e., utility patents, design patents, plant patents, reissue patents, defensive publications, and statutory invention registrations) granted since 1977, broken down by the state or country of origin (patent origin is determined by the residence of the first-named inventor)."

In 2010, Massachusetts was fifth among all states for the number of new patents issued. Only five nations originated more U.S. patents than Massachusetts, putting the state on par with the United Kingdom, France, and Canada for origination of U.S. patents. Since 1977, Massachusetts has received more new patents than any other New England state. With 5,261 new patents in 2010, up over 30 percent from 2009, Massachusetts innovators were responsible for over twice as many patents as Connecticut, which originated 2,111 patents in 2010.

U.S. Patents for New England States, 1977-2010



SOURCE: U.S. Patent and Trademark Office, Patent Technology Monitoring Team (PTMT)

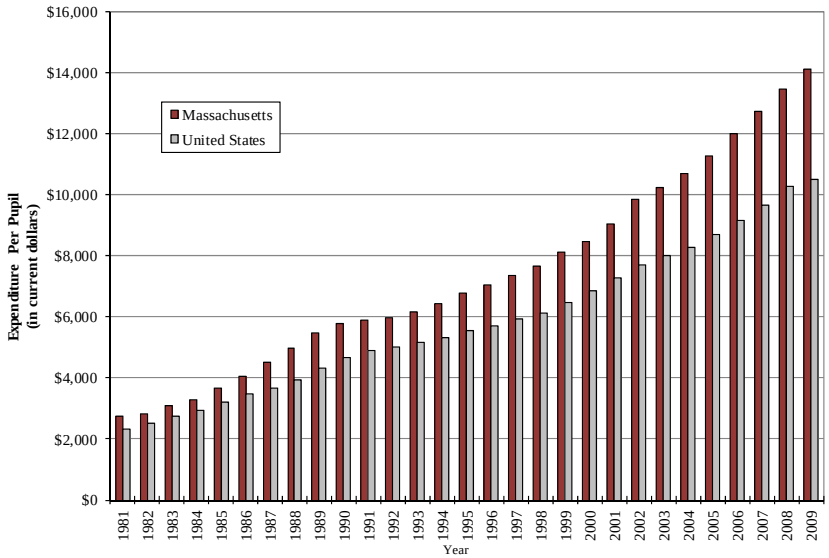
EXHIBIT A-27 Quarter 1, FY 2012

Primary and Secondary Education Expenditures. Although spending on education is not necessarily an indicator of results, Massachusetts has spent from 12 to 34 percent more per pupil on primary and secondary education than the national average since 1981. During the 2008-2009 school year, Massachusetts increased per student expenditures 4.9 percent to $14,118, which is eighth in the nation but less than its average increase of 6.1% since 1981. The table and chart below show expenditures per pupil for Massachusetts and the U.S. since fiscal 1981.

Per Pupil Expenditure in Public Elementary and Secondary Schools

(in current, unadjusted dollars)

Fiscal Year	Massachusetts	United States	Ratio (MA/U.S.)	MA change from previous year
1981	$2,735	$2,307	1.19	
1982	2,823	2,525	1.12	3.2%
1983	3,072	2,736	1.12	8.8%
1984	3,298	2,940	1.12	7.4%
1985	3,653	3,222	1.13	10.8%
1986	4,031	3,479	1.16	10.3%
1987	4,491	3,682	1.22	11.4%
1988	4,965	3,927	1.26	10.6%
1989	5,485	4,307	1.27	10.5%
1990	5,766	4,643	1.24	5.1%
1991	5,881	4,902	1.20	2.0%
1992	5,952	5,023	1.18	1.2%
1993	6,141	5,160	1.19	3.2%
1994	6,423	5,327	1.21	4.6%
1995	6,783	5,529	1.23	5.6%
1996	7,033	5,689	1.24	3.7%
1997	7,331	5,923	1.24	4.2%
1998	7,651	6,137	1.25	4.4%
1999	8,106	6,458	1.26	5.9%
2000	8,444	6,836	1.24	4.2%
2001	9,038	7,284	1.24	7.0%
2002	9,856	7,701	1.28	9.1%
2003	10,223	8,019	1.27	3.7%
2004	10,693	8,287	1.29	4.6%
2005	11,267	8,701	1.29	5.4%
2006	11,981	9,138	1.31	6.3%
2007	12,738	9,666	1.32	6.3%
2008	13,454	10,259	1.31	5.6%
2009	14,118	10,499	1.34	4.9%

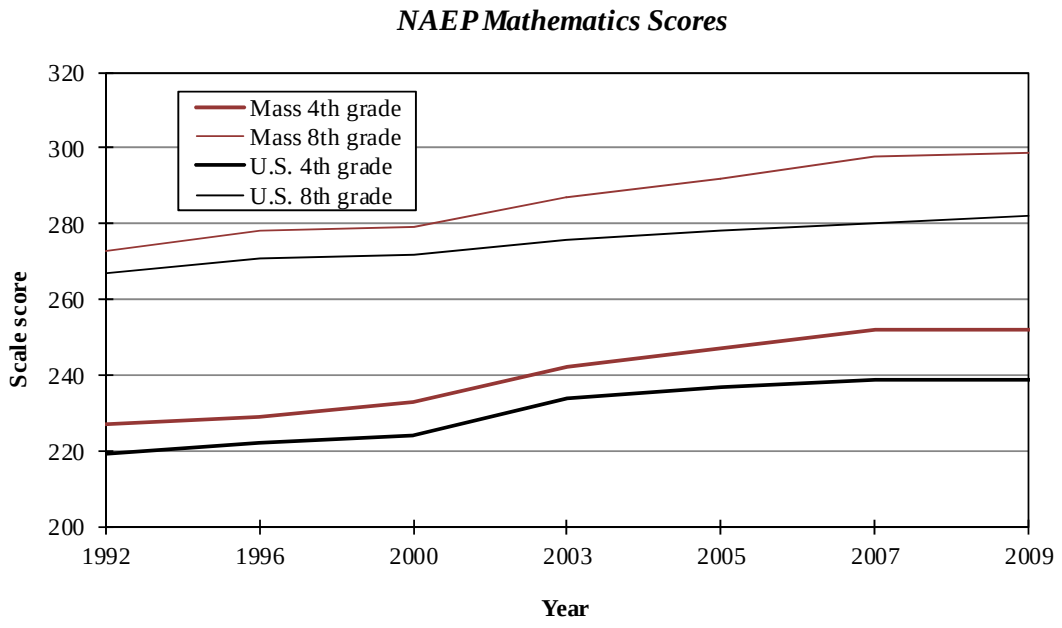


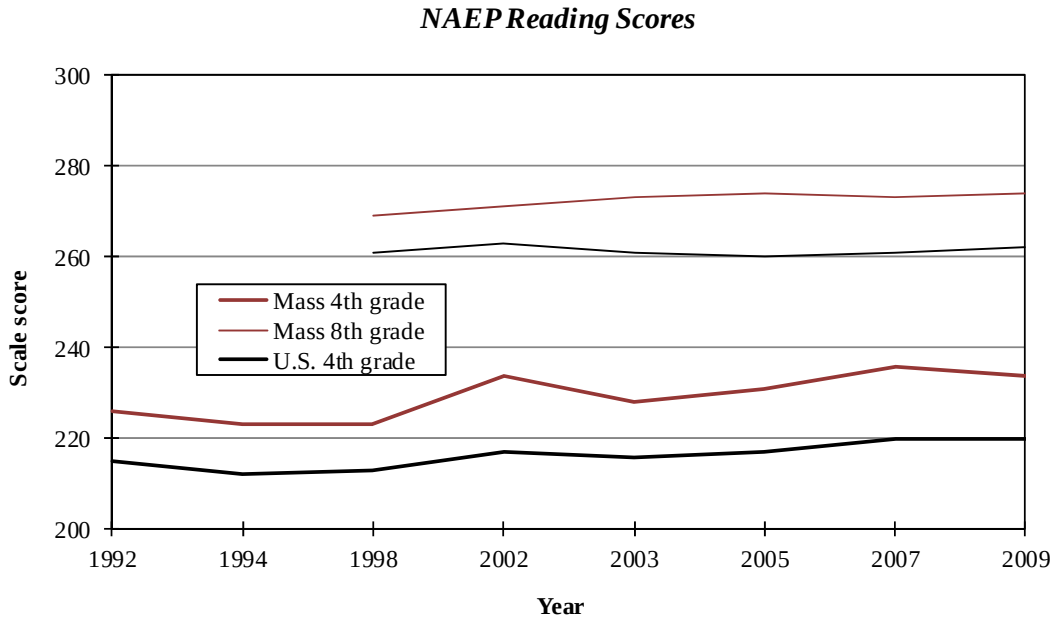
SOURCE: U.S. Census Bureau, http://www.census.gov/govs/www/school.html.

EXHIBIT A-28 Quarter 1, FY 2012

National Assessment of Educational Progress (NAEP) scores. The National Assessment of Educational Progress (NAEP), also known as "the Nation's Report Card," is the only nationally representative and continuing assessment of what America's students know and can do in various subject areas. Since 1969, assessments have been conducted periodically in reading, mathematics, science, writing, U.S. history, civics, geography, and the arts. Under the current structure, the Commissioner of Education Statistics, who heads the National Center for Education Statistics in the U.S. Department of Education, is responsible by law for administering the NAEP project.

Since 1990, NAEP assessments have also been conducted to give results for participating states. Those that choose to participate receive assessment results that report on the performance of students in that state. In its content, the state assessment is identical to the assessment conducted nationally. However, because the national NAEP samples were not, and are not currently designed to support the reporting of accurate and representative state-level results, separate representative samples of students are selected for each participating jurisdiction/state. The graphs below compare the data available for Massachusetts to the nation.





SOURCE: National Center for Education Statistics.

EXHIBIT A-29 Quarter 1, FY 2012

ECONOMIC BASE AND PERFORMANCE—STATE OVERVIEW

Comparing BEA GDP for the U.S., the region, and Massachusetts. The U.S. Bureau of Economic Analysis (BEA) defines Gross Domestic Product by State (GDP) as "the value added in production by the labor and property located in a state. GDP for a state is derived as the sum of the gross state product originating in all industries in a state. In concept, an industry's GDP, referred to as its "value added", is equivalent to its gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported)."

The BEA provides national, quarterly and annual state GDP estimates by industry. *Mass*Benchmarks releases quarterly estimates of Massachusetts economic activity. This is reported in the following section. While we do not have access to many of the components that BEA uses to calculate State GDP in advance of its release, we provide an overview of our state's components when they are available. Additionally, we provide state economic indexes and industrial sector data that are released more frequently and in some cases, are among the components used to calculate State GDP.

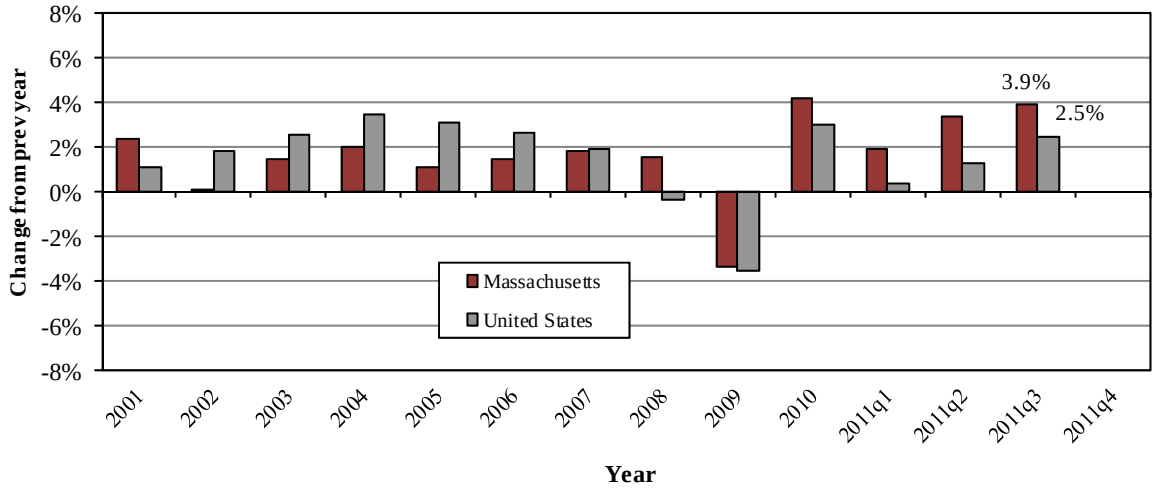
State Gross Domestic Product - Annual Change

(billions of chained 2005 dollars)

	Massachusetts		New England		United States	
Year	GDP	Annual change	GDP	Annual change	GDP	Annual change
1997	$254		$547		$9,846	
1998	$266	4.6%	$569	4.1%	$10,275	4.4%
1999	$280	5.3%	$593	4.1%	$10,771	4.8%
2000	$301	7.8%	$635	7.2%	$11,216	4.1%
2001	$309	2.4%	$647	1.8%	$11,338	1.1%
2002	$309	0.1%	$649	0.3%	$11,543	1.8%
2003	$313	1.5%	$659	1.5%	$11,836	2.5%
2004	$320	2.0%	$680	3.2%	$12,247	3.5%
2005	$323	1.1%	$687	1.0%	$12,623	3.1%
2006	$328	1.5%	$701	2.1%	$12,959	2.7%
2007	$334	1.9%	$713	1.7%	$13,206	1.9%
2008	$340	1.6%	$716	0.4%	$13,162	-0.3%
2009	$328	-3.3%	$697	-2.6%	$12,703	-3.5%
2010	$342	4.2%	$721	3.4%	$13,088	3.0%

Real GDP - Annual and Latest Quarterly Change

Seasonally Adjusted Annual Rates



SOURCE: U.S. Bureau of Economic Analysis advanced estimate for U.S., http://www.*Mass*Benchmarks.org.
Note: Massachusetts FY2011 Q1-Q3 are estimates.

EXHIBIT A-30 Quarter 1, FY 2012

ECONOMIC BASE AND PERFORMANCE—ECONOMIC INDICATORS

State Coincident Indexes. To track more recent changes in the state and national economies, we use the Federal Reserve Bank of Philadelphia's Coincident Indexes. It "produces a monthly coincident index for each of the 50 states. The indexes are released a few days after the Bureau of Labor Statistics (BLS) releases the employment data for the states.

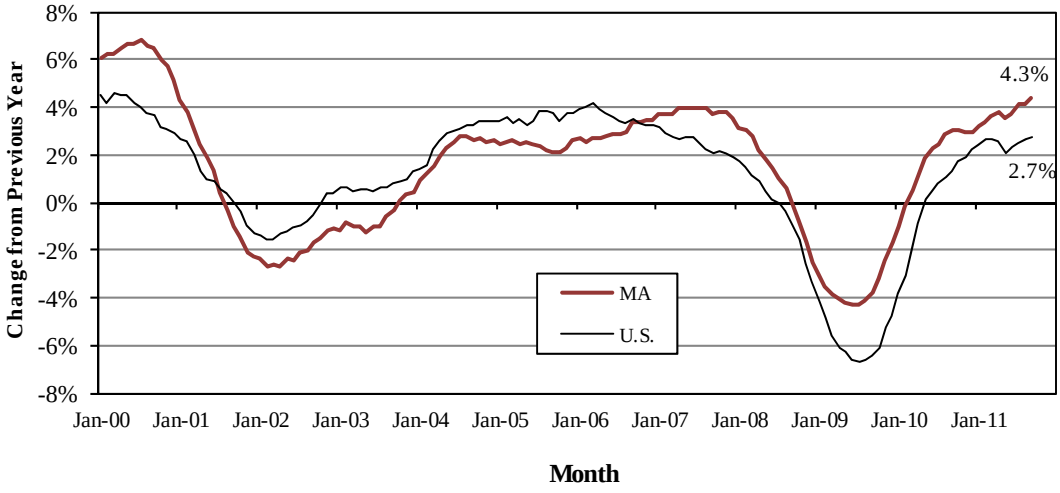
The coincident indexes combine four state-level indicators to summarize current economic conditions in a single statistic. The four state-level variables in each coincident index are nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average). The trend for each state's index is set to the trend of its gross domestic product (GDP), so long term growth in the state's index matches long term growth in its GDP."

The graph below indicates the state and national index change from 12 months prior. Massachusetts monthly trend follows the nation's, but since July 2006 it has performed better. The bottom table compares the Massachusetts' index to its New England neighbors.

Comparing the U.S. and New England States Coincident Indexes

Area	September 2011	1-Month Change	3-Month Change	12-Month Change
U.S.	153.4	0.2%	0.6%	2.7%
Massachusetts	173.6	0.3%	1.3%	4.3%
Connecticut	156.6	0.2%	0.6%	2.5%
Maine	136.3	0.2%	1.0%	1.8%
New Hampshire	183.7	-0.1%	-0.2%	2.4%
Rhode Island	149.6	0.2%	0.6%	2.1%
Vermont	144.8	0.4%	0.5%	2.3%

Comparing the U.S. and Massachusetts Coincident Indexes



SOURCE: Federal Reserve Bank of Philadelphia.
Note: Indexes are set to 100 at July 1992.

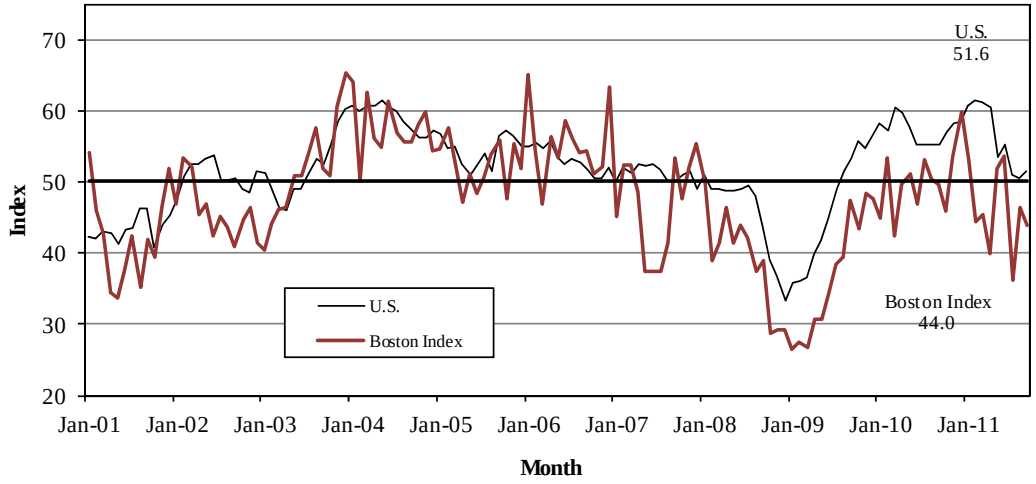
EXHIBIT A-31 Quarter 1, FY 2012

Institute for Supply Management Purchasing Manager Indexes (PMI). These indexes are compiled using survey data from purchasing and supply executives and are used as a leading business indicator. While the national index is based on a survey of manufacturers, the Boston region's is based on a survey of "companies representing industries as diverse as the banking and financial services, pharmaceuticals and biotechnology, software development and communication, medical products and equipment, computers, chemicals, consumer products, education, and the public sector."

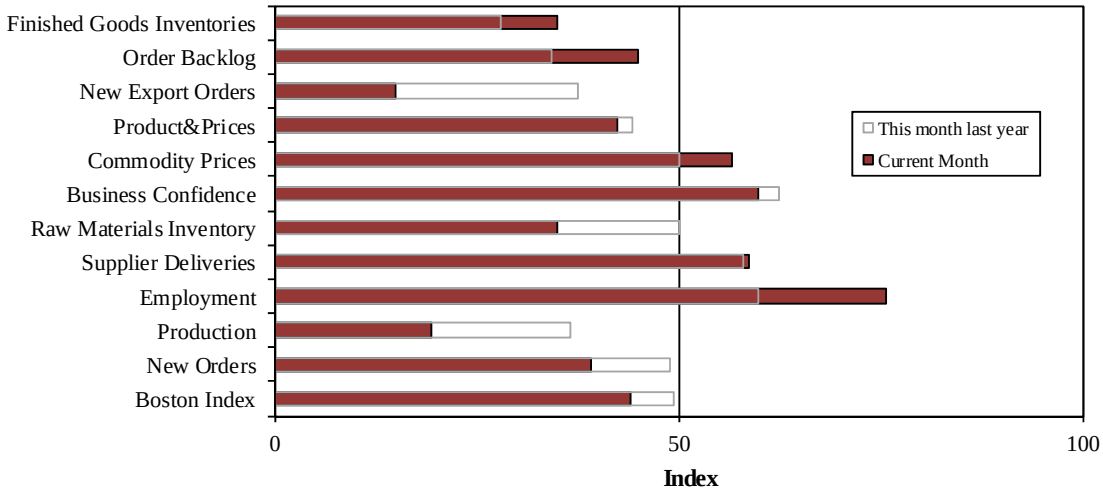
Index readings above 50 indicate the economy is generally expanding. Readings below 50 indicate the economy is generally contracting, although a reading above 42 for a period of time indicates the economy is generally expanding. Components of the national index include new orders, production, employment, supplier deliveries, inventories, customer inventories, prices, backlog of orders, exports and imports. The Boston region's components are slightly different and include new orders, production, employment, supplier deliveries, raw monthly materials inventory, business confidence, commodity prices, product prices, new export orders, order backlog and finished goods inventories. These components show which segments of the business supply chain are expanding or contracting.

The September 2011 national index indicated that the manufacturing sector was expanding for the 26th consecutive month. The Boston region's September 2011 index indicated that overall business conditions were contracting since July. Only four of the Boston region's components eleven components were above 50 while the business confidence component has been above 50 since June 2009. The employment component stands out at 75.7. See the second graph below for the current and previous year's component values.

U.S. and Boston Region Purchasing Managers Indexes - September 2011



Boston Region Components - September 2011

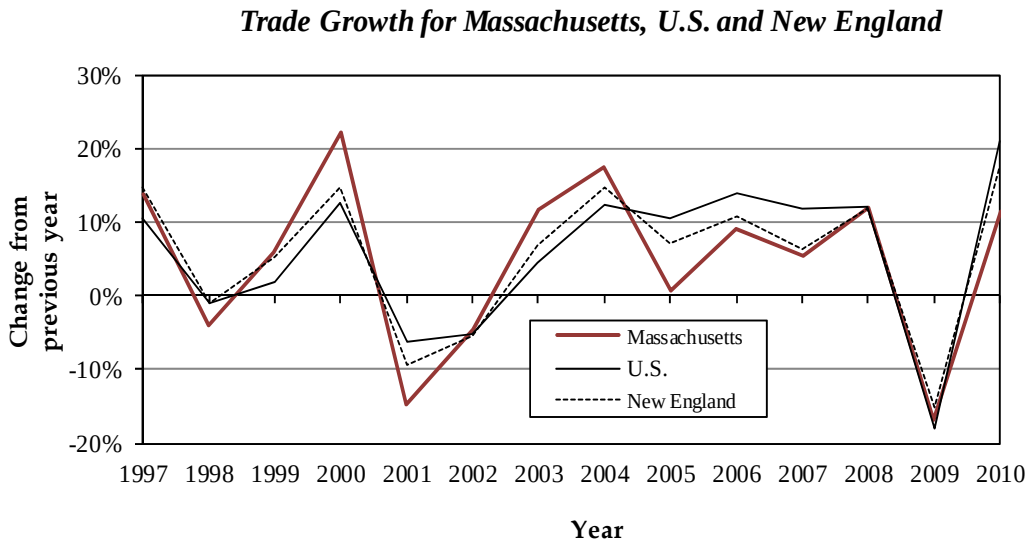


SOURCE: Institute for Supply Management and the Purchasing Management Association of Boston.

EXHIBIT A-32 Quarter 1, FY 2012

ECONOMIC BASE AND PERFORMANCE—INTERNATIONAL TRADE

Exports. Massachusetts ranked 14th in the United States, and first in New England, with $26.3 billion in international exports in 2010. This represents a 11.3 percent increase from the previous year's export value from the Commonwealth, while national exports increased by 21.0 percent. Total exports from New England also grew 17.5 percent. The United Kingdom was our top trading partner in 2009 and 2010 and replaced Canada, our top trading partner in 2008.



Massachusetts Top Export Partners

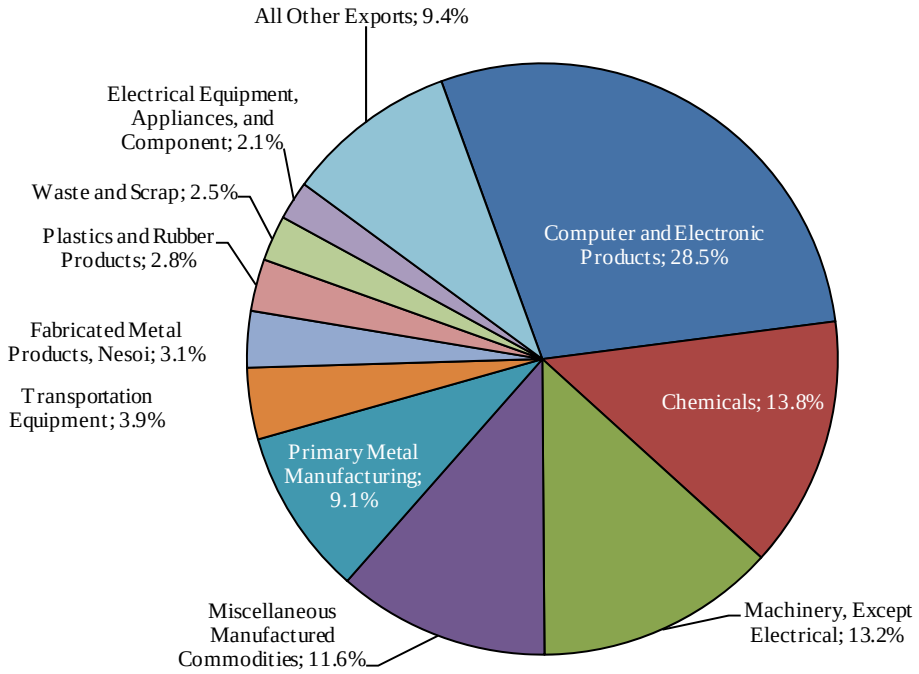
(top ten export destinations ranked by value of 2010 exports, in millions)

Country	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
United Kingdom	$1,851	$1,579	$1,430	$1,508	$1,628	$1,972	$2,306	$3,504	$4,049	$3,213
Canada	$2,844	$2,711	$2,646	$2,917	$2,927	$3,166	$3,480	$3,907	$3,086	$3,194
China (Mainland)	$425	$385	$572	$894	$884	$1,291	$1,375	$1,563	$1,372	$2,193
Japan	$1,964	$1,598	$1,635	$1,814	$1,893	$2,287	$2,166	$2,427	$1,717	$2,045
Germany	$1,401	$1,198	$1,599	$2,516	$2,151	$2,515	$2,370	$2,489	$1,750	$1,874
Netherlands	$820	$1,054	$1,759	$2,505	$3,000	$2,696	$2,215	$2,675	$1,982	$1,694
Mexico	$571	$569	$702	$755	$782	$824	$996	$1,163	$902	$1,273
China (Taiwan)	$513	$512	$528	$951	$798	$749	$1,018	$709	$619	$905
Korea, Republic Of	$491	$471	$558	$650	$803	$875	$821	$666	$624	$893
Hong Kong	$424	$382	$496	$523	$507	$561	$579	$590	$525	$669
All other countries	$6,186	$6,246	$6,726	$ 6,866	$6,681	$7,120	$8,026	$8,675	$6,968	$8,305
Total Exports	$17,490	$16,705	$18,652	$21,899	$22,052	$24,057	$25,351	$28,369	$23,593	$26,256
Change from Prior Year	-14.7%	-4.5%	11.7%	17.4%	0.7%	9.1%	5.4%	11.9%	-16.8%	11.3%

SOURCE: U.S. Census Bureau, Foreign Trade Division. Data prepared by the World Institute for Strategic Economic Research (WISER).

EXHIBIT A-33 Quarter 1, FY 2012

Composition of Massachusetts Exports by Industry Group, 2010



SOURCE: U.S. Census Bureau, Foreign Trade Division. Data prepared by the World Institute for Strategic Economic Research (WISER).

Value of International Shipments from Massachusetts

(top ten industry groups ranked by value of latest exports, in millions)

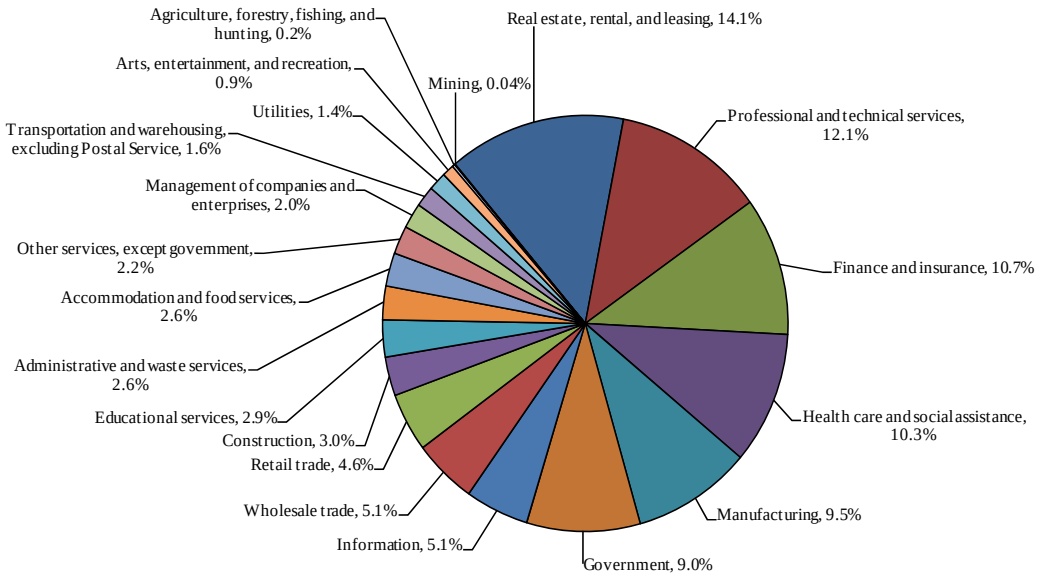
Major Industry Group	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Computer And Electronic Products	$8,122	$7,022	$7,688	$7,519	$7,012	$7,513	$7,711	$7,821	$6,600	$7,488
Chemicals	$1,534	$2,259	$3,216	$4,910	$5,285	$5,189	$5,258	$5,515	$3,863	$3,612
Machinery, Except Electrical	$2,044	$1,788	$1,672	$2,447	$2,311	$2,739	$2,881	$2,615	$2,008	$3,458
Miscellaneous Manufactured Commodities	$1,213	$1,211	$1,571	$1,930	$2,114	$2,240	$2,319	$3,120	$2,737	$3,045
Primary Metal Manufacturing	$272	$247	$425	$423	$405	$647	$982	$2,052	$2,735	$2,398
Transportation Equipment	$449	$346	$379	$461	$485	$557	$932	$1,237	$1,107	$1,029
Fabricated Metal Products, Nesoi	$569	$691	$534	$621	$664	$679	$615	$721	$605	$809
Plastics And Rubber Products	$400	$407	$375	$404	$470	$530	$582	$587	$563	$748
Waste And Scrap	$146	$190	$184	$326	$330	$597	$849	$1,373	$666	$655
Electrical Equipment, Appliances, And Component	$691	$649	$592	$752	$810	$871	$769	$624	$508	$557
Total Exports, Top Massachusetts Industries	$15,438	$14,809	$16,636	$19,792	$19,884	$21,563	$22,899	$25,664	$21,392	$23,796
All other exports	$2,052	$1,896	$2,016	$2,107	$2,168	$2,494	$2,453	$2,705	$2,202	$2,460

SOURCE: U.S. Census Bureau, Foreign Trade Division. Data prepared by the World Institute for Strategic Economic Research (WISER).

ECONOMIC BASE AND PERFORMANCE—INDUSTRY SECTOR DETAIL (NAICS BASIS)

The Massachusetts economy remains diversified among several industrial and non-industrial sectors. The four largest sectors of the economy, real estate and rental and leasing, professional and technical services, finance and insurance, and health care and social assistance, contributed 47.2 percent of the GDP in 2010. The following pie chart displays the latest sector contributions to the Massachusetts GDP.

NAICS* Sector Composition of Massachusetts Gross Domestic Product 2010
(in current dollars)



*North American Industry Classification System
SOURCE: United States Department of Commerce, Bureau of Economic Analysis.

GDP Subsectors. When measured in chained 2005 dollars, the change in Massachusetts total GDP was 6.4 percent between 2001 and 2010. Between 2001 and 2009 (the latest data available for subsector data), several industries grew much faster than the state average. Industry subsectors that experienced substantial cumulative growth or reduction are listed in the following chart.

Industry Subsectors with a Substantial Growth or Reduction
(chained 2005 dollars)

NAICS* Industry Subsector	Percent change 2001-2009
Support activities for mining	250.0%
Water transportation	210.3%
Funds, trusts, and other financial vehicles	199.9%
Computer and electronic product manufacturing	174.7%
Paper manufacturing	-46.0%
Fabricated metal product manufacturing	-48.7%
Textile and textile product mills	-57.4%
Mining, except oil and gas	-64.2%

*North American Industry Classification System.
SOURCE: United States Department of Commerce, Bureau of Economic Analysis. Revised November 2010.

EXHIBIT A-35 Quarter 1, FY 2012

Gross Domestic Product by Industry in Massachusetts

(as a percent of total GDP chained 2005 dollars)

NAICS* Industry Sector	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Gross Domestic Product by State	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Private industries	90.4%	90.8%	91.0%	91.0%	91.3%	91.5%	91.4%	91.2%	91.5%
Agriculture, forestry, fishing, and hunting	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Mining	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.3%	1.2%	1.2%
Construction	5.3%	4.9%	4.6%	4.3%	3.9%	3.5%	3.4%	2.9%	2.9%
Manufacturing	9.5%	10.1%	9.9%	10.1%	10.7%	11.2%	11.1%	9.7%	10.4%
Wholesale trade	5.5%	5.8%	5.9%	5.5%	5.6%	5.7%	5.6%	6.0%	5.9%
Retail trade	5.5%	5.6%	5.5%	5.4%	5.1%	5.0%	4.6%	4.8%	4.9%
Transportation and warehousing, excluding Postal Service	1.6%	1.6%	1.7%	1.7%	1.7%	1.7%	1.7%	1.5%	1.5%
Information	4.3%	4.2%	4.6%	5.1%	4.8%	5.0%	5.4%	5.2%	5.7%
Finance and insurance	11.1%	10.7%	10.6%	10.4%	10.6%	10.3%	10.3%	11.2%	10.7%
Real estate, rental, and leasing	14.3%	14.5%	14.4%	14.3%	14.0%	14.0%	14.0%	14.3%	14.4%
Professional and technical services	10.1%	9.8%	10.5%	10.7%	11.1%	11.3%	11.9%	12.0%	11.9%
Management of companies and enterprises	2.4%	2.3%	2.2%	2.1%	2.1%	2.0%	1.9%	2.1%	1.9%
Administrative and waste services	2.6%	2.7%	2.6%	2.8%	2.8%	2.9%	2.9%	2.6%	2.6%
Educational services	2.8%	2.7%	2.7%	2.5%	2.5%	2.5%	2.4%	2.4%	2.4%
Health care and social assistance	8.1%	8.4%	8.4%	8.6%	8.8%	8.9%	9.3%	9.7%	9.8%
Arts, entertainment, and recreation	0.8%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%	0.9%	1.0%
Accommodation and food services	2.8%	2.8%	2.8%	2.8%	2.8%	2.7%	2.5%	2.4%	2.4%
Other services, except government	2.5%	2.4%	2.4%	2.4%	2.3%	2.3%	2.2%	2.1%	2.0%
Government	9.7%	9.2%	9.0%	9.0%	8.7%	8.5%	8.6%	8.8%	8.5%

Rank of Industry Contribution to GDP in Massachusetts

(millions of chained 2005 dollars)

NAICS* Industry Sector	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Gross Domestic Product by State									
Private industries									
Agriculture, forestry, fishing, and hunting	19	19	19	19	19	19	19	19	19
Mining	20	20	20	20	20	20	20	20	20
Utilities	17	17	17	17	17	17	17	17	17
Construction	9	9	10	10	10	10	10	10	10
Manufacturing	5	3	4	4	3	3	3	5	4
Wholesale trade	8	7	7	7	7	7	7	7	7
Retail trade	7	8	8	8	8	9	9	9	9
Transportation and warehousing, excluding Postal Service	16	16	16	16	16	16	16	16	16
Information	10	10	9	9	9	8	8	8	8
Finance and insurance	2	2	2	3	4	4	4	3	3
Real estate, rental, and leasing	1	1	1	1	1	1	1	1	1
Professional and technical services	3	4	3	2	2	2	2	2	2
Management of companies and enterprises	15	15	15	15	15	15	15	15	15
Administrative and waste services	13	13	13	11	11	11	11	11	11
Educational services	11	12	12	13	13	13	13	12	12
Health care and social assistance	6	6	6	6	5	5	5	4	5
Arts, entertainment, and recreation	18	18	18	18	18	18	18	18	18
Accommodation and food services	12	11	11	12	12	12	12	13	13
Other services, except government	14	14	14	14	14	14	14	14	14
Government	4	5	5	5	6	6	6	6	6

* North American Industry Classification System
SOURCE: United States Department of Commerce, Bureau of Economic Analysis.

Industry Sector Analysis. The following section contains a summary for each of the twenty major NAICS sectors. The data series start in 2001, the last time the state experienced a downturn, commonly referred to as "The Telecom Bubble." We report the latest quarterly data at an annual rate where available. This may skew sectors that experience seasonal trends, such as construction. Graphs include data value labels for the latest annual and quarterly annualized points.

Not all datasets are reported for all of the major NAICS sectors. The Massachusetts Department of Workforce and Labor Development's Employment and Wages (ES-202) data series are available for every sector and contain the number of establishments, average monthly employment, total annual wages and average weekly wages for the establishments with employees. The data are reported annually and quarterly for employees in the private, federal government, state government, and local government sectors.

The next graph, nonemployer businesses and receipts, uses the U.S. Census Nonemployer Statistics series and is available for every sector except 55-Management of Companies and Enterprises and 92-Public Administration. Some sectors also lack subsector (we used four digit NAICS) detail. These are annual data, with a two-year reporting lag for businesses that do not have paid employees and are subject to federal income tax. Census reports that "Nonemployers account for a majority of all business establishments, but average less than four percent of all sales or receipts." These can be second or part-time businesses and not the owner's primary source of income.

State Gross Domestic Product is an annual series from the U.S. Bureau of Economic Analysis's Regional Economic Accounts. U.S. and state GDP is inflation adjusted to 2005. U.S. GDP is available quarterly.

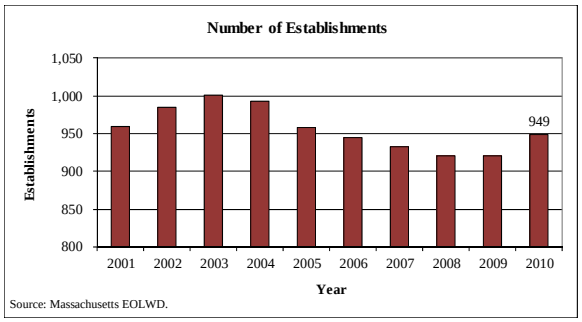
Foreign exports from the U.S. Census Bureau's Foreign Trade Division and WISERTrade, are available for four industries on a monthly basis. Total state exports are available on a monthly basis. Sector exports and the top ten export destinations for this industry sector are by dollar value.

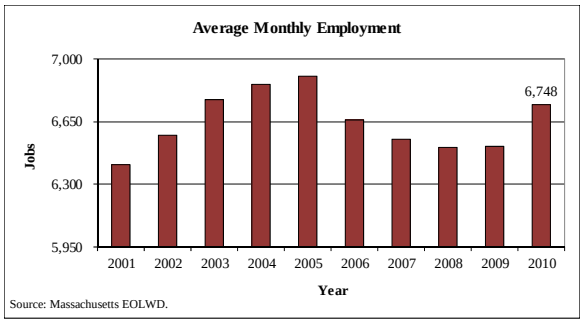
Each sector analysis has a summary at the bottom of each page. The summary provides (when available):

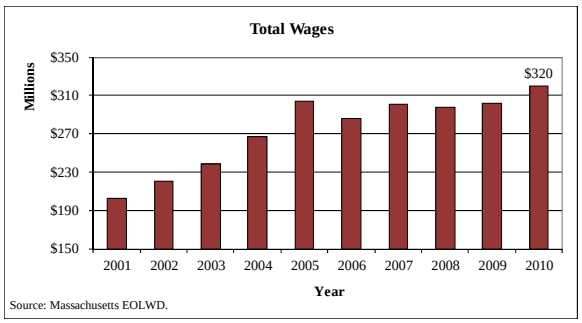
1. GDP contribution to state total: this sector's GDP divided by the state's total GDP.
2. GDP rank: this sector's GDP rank versus all state sectors.
3. Nonemployer to employer establishment ratio: the number of nonemployer establishments divided by the number of establishments with employers. In general, a ratio greater than one means there are more small businesses. A number less than one means there are more large business.
4. Establishments with employees: the subsector with the largest number of establishments who have employees.
5. Nonemployer establishments: the subsector with the largest number of establishments that do not have employees.
6. Employees: the subsector with the largest number of employees, at establishments with employees.
7. Annual wages: the subsector with the largest total annual wages, at establishments with employees.
8. Average weekly wage: the subsector with the largest average weekly wage, at establishments with employees.
9. Annual receipts at nonemployer establishments: the subsector with the most receipts, at establishments that do not have employees.
10. Most valuable export: the subsector export with the highest dollar value.
11. Large employers in Massachusetts: a few of the state's largest employers in this sector, from ReferenceUSA.com.

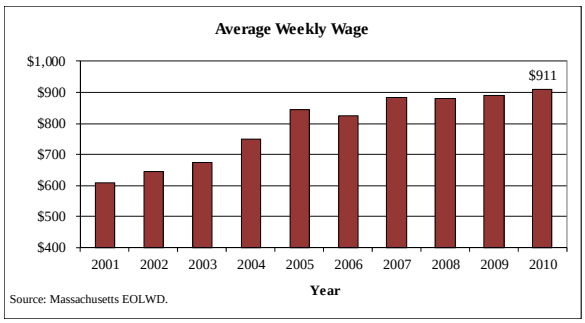
EXHIBIT A-37 Quarter 1, FY 2012

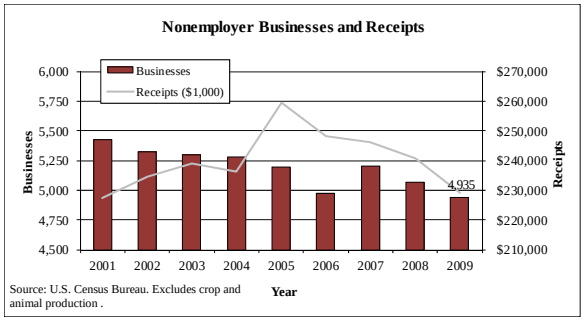
NAICS 11 - Agriculture, Forestry, Fishing & Hunting. The Agriculture, Forestry, Fishing and Hunting sector comprises establishments primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch, or their natural habitats.

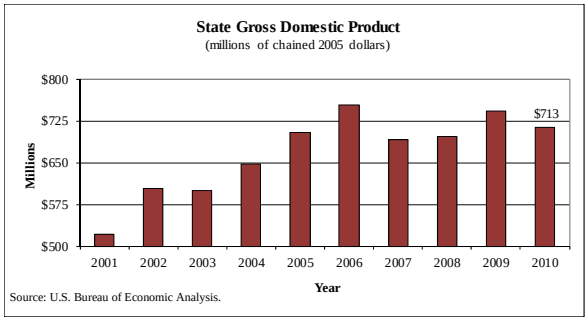


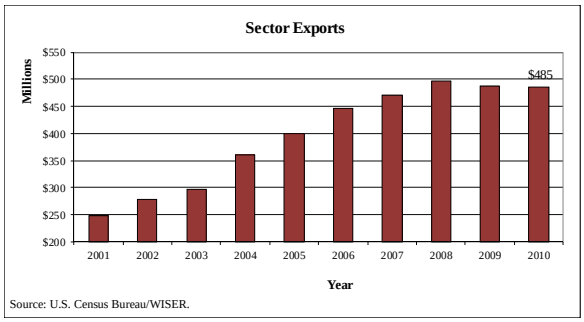


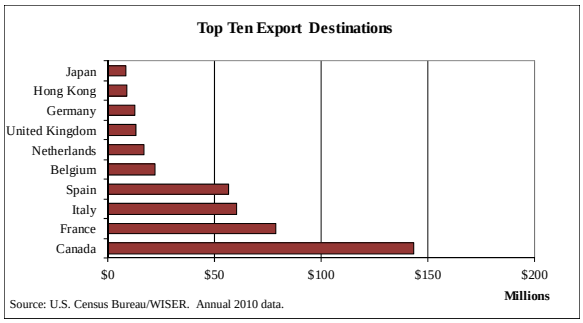








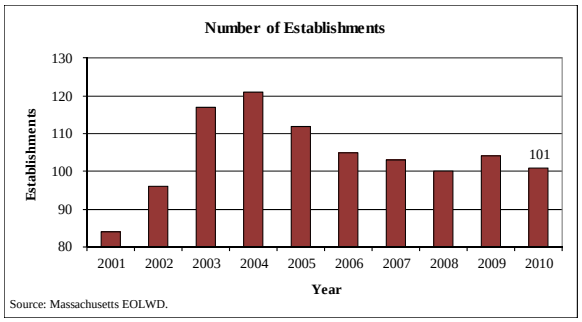


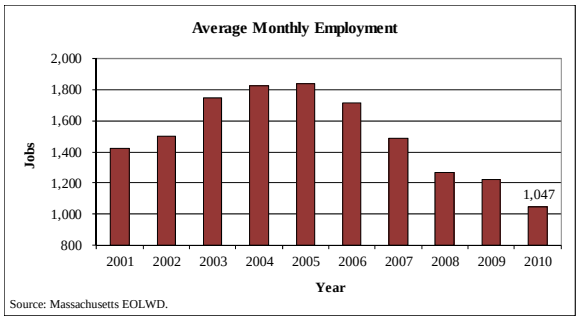


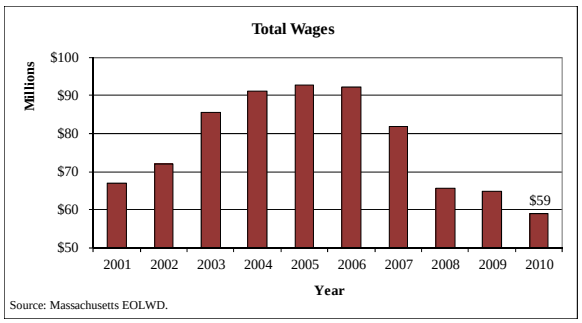
Summary.
GDP contribution to state total: **0.2%**
GDP rank: **19 of 20**
Nonemployer to employer establishment ratio: **5.5 to 1**

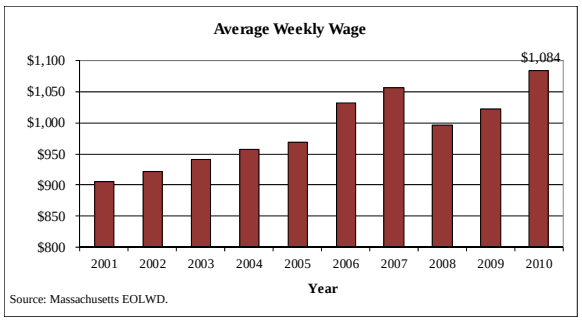
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Fishing**
Nonemployer establishments: **Fishing**
Employees: **Fishing and greenhouse and nursery production**
Annual wages: **Fishing**
Average weekly wage: **Fishing**
Annual receipts at nonemployer establishments: **Fishing**
Most valuable export: **Fish, fresh, chilled or other frozen marine products**
Large employers in Massachusetts: **Idlywilde Farm, Brown and Regan LLC, Bartlett's Ocean View Farm**

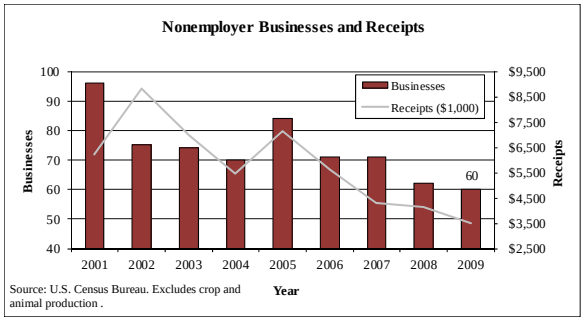
NAICS 21 – Mining. The Mining, Quarrying, and Oil and Gas Extraction sector comprises establishments that extract naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas. The term mining is used in the broad sense to include quarrying, well operations, beneficiating (e.g., crushing, screening, washing, and flotation), and other preparation customarily performed at the mine site, or as a part of mining activity.

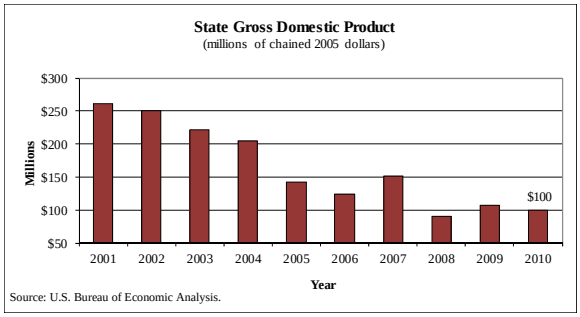


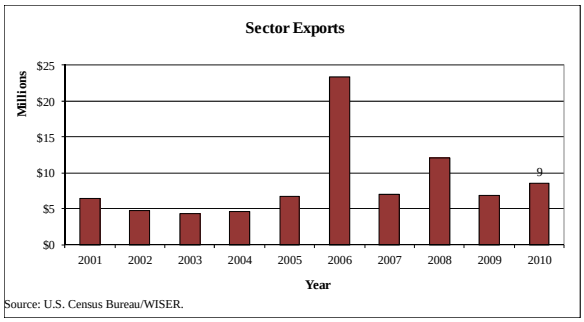


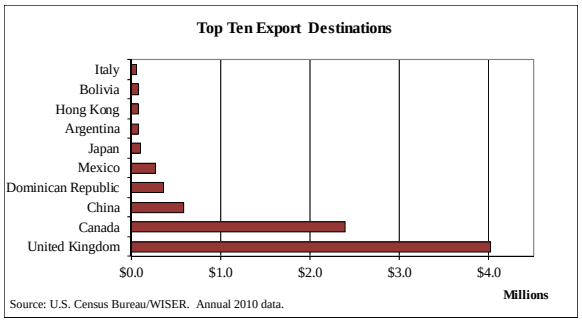










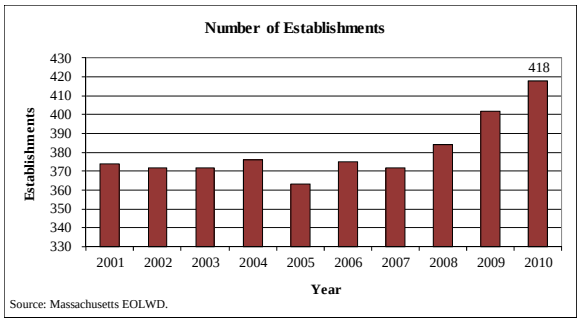


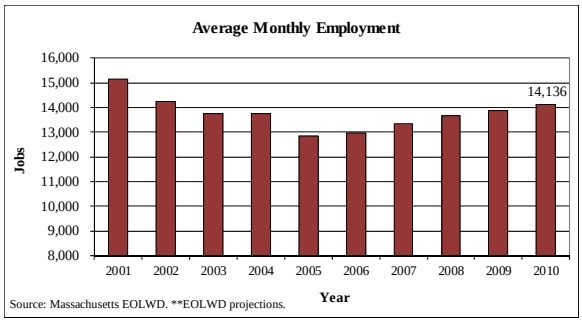
Summary.
GDP contribution to state total: **0.03%**
GDP rank: **20 of 20**
Nonemployer to employer establishment ratio: **0.6 to 1**

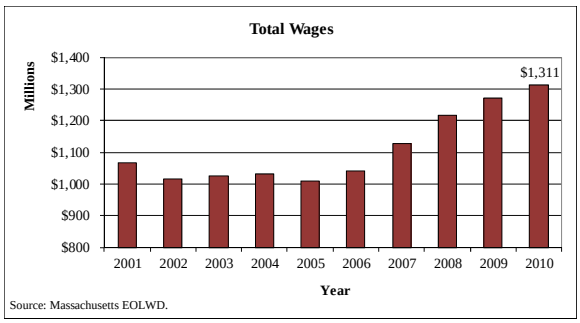
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Nonmetallic mineral mining and quarrying**
Nonemployer establishments: **Nonmetallic mineral mining and quarrying**
Employees: **Nonmetallic mineral mining and quarrying**
Annual wages: **Nonmetallic mineral mining and quarrying**
Average weekly wage: **Support activities for mining**
Annual receipts at nonemployer establishments: **Nonmetallic mineral mining and quarrying**
Most valuable export: **Minerals and ores**
Large employers in Massachusetts: **GulfOil Ltd., Specialty Minerals, S. M. Larusso and Sons and P. J. Keating**

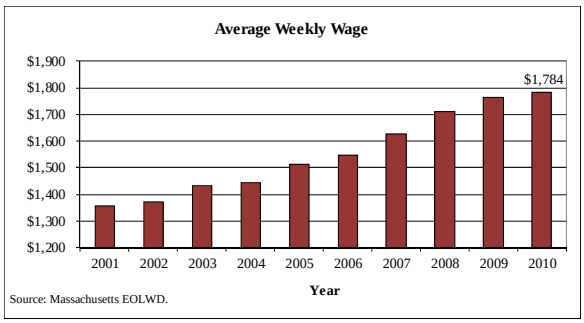
EXHIBIT A-39 Quarter 1, FY 2012

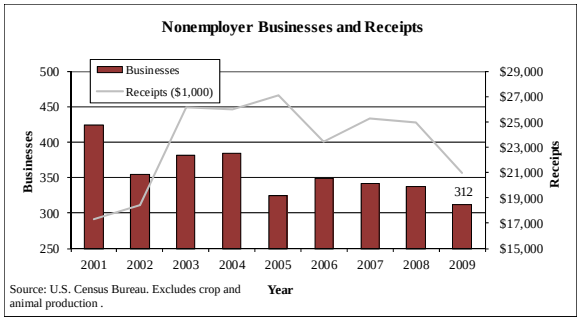
NAICS 22 – Utilities. The Utilities sector comprises establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal. See the appendix, pages five and six for supplemental tables regarding electricity generation, supply and capacity.

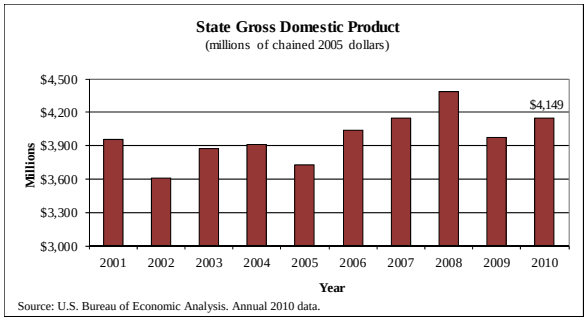










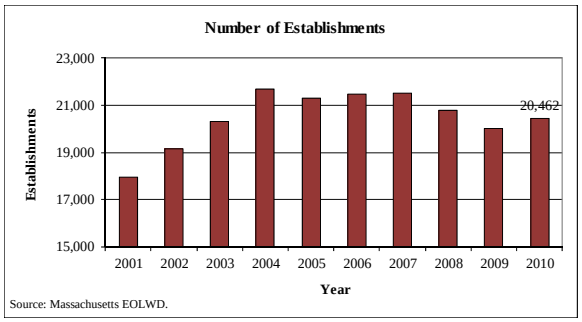


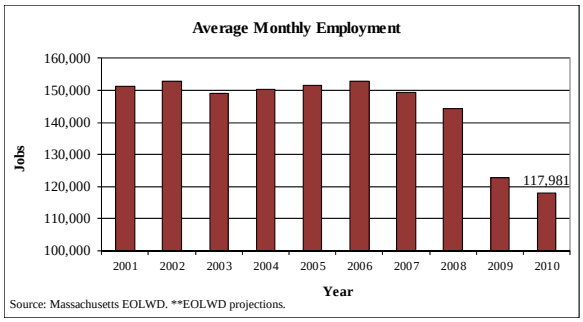
State export data are not available for this sector.

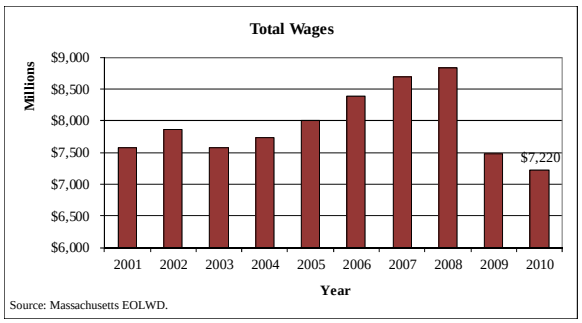
Summary.
GDP contribution to state total: **1.2%**
GDP rank: **17 of 20**
Nonemployer to employer establishment ratio: **0.9 to 1**

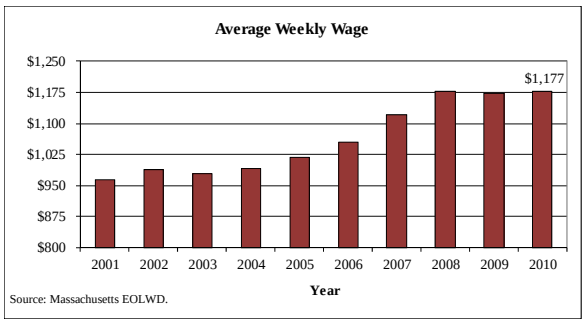
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Water, sewage and other systems**
Nonemployer establishments: Subsector detail N/A
Employees: **Power generation and supply**
Annual wages: **Power generation and supply**
Average weekly wage: **Power generation and supply**
Annual receipts at nonemployer establishments: Subsector detail N/A
Large employers in Massachusetts: **Bay State Gas CO, Mass Water Resources Authority, and National Grid USA**

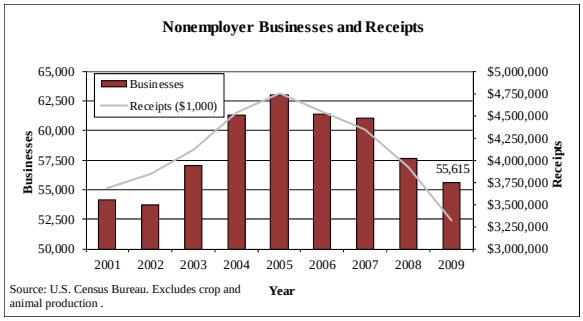
NAICS 23 – Construction. The Construction sector comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction and establishments primarily engaged in subdividing land for sale as building sites also are included in this sector. See the appendix pages two through four for housing permits, housing sales and housing sale prices.

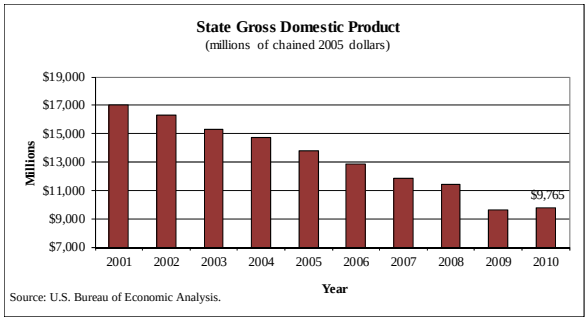










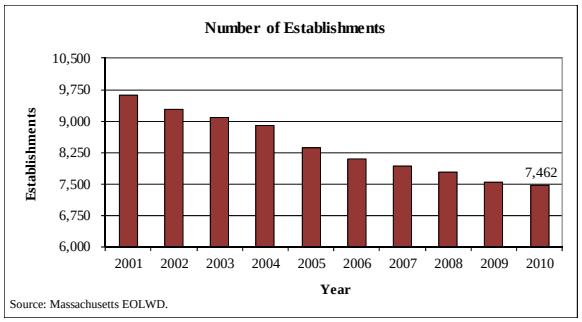


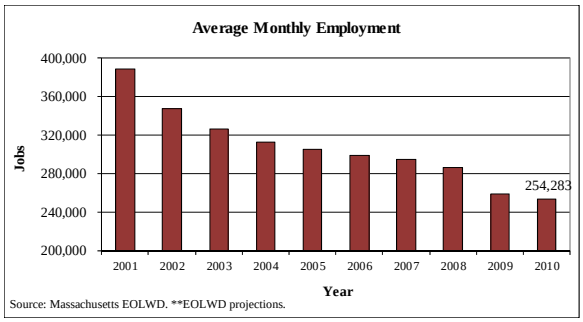
State export data are not available for this sector.

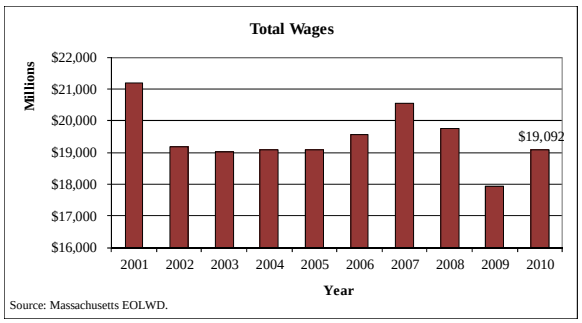
Summary.
GDP contribution to state total: **2.9%**
GDP rank: **10 of 20**
Nonemployer to employer establishment ratio: **2.8 to 1**

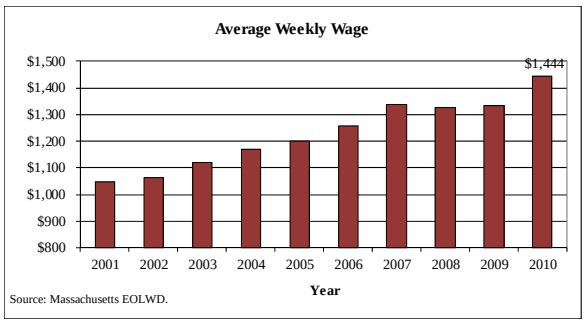
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Specialty Trade Contractors**
Nonemployer establishments: **Building finishing contractors**
Employees: **Building equipment contractors**
Annual wages: **Building equipment contractors**
Average weekly wage: **Utility system construction**
Annual receipts at nonemployer establishments: **Residential building construction**
Large employers in Massachusetts: **Shaw Group Inc., Suffolk Construction Company and R.H. White Company**

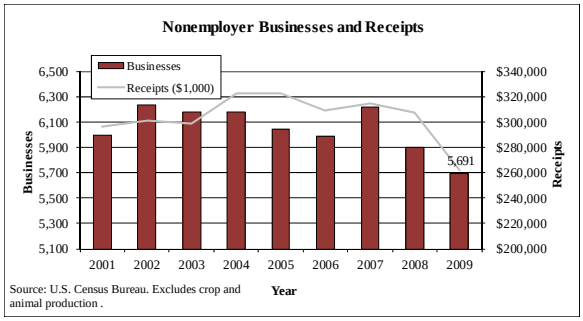
NAICS 31-33 – Manufacturing. The Manufacturing sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The assembling of component parts of manufactured products is considered manufacturing, except in cases where the activity is appropriately classified in Sector 23, Construction.

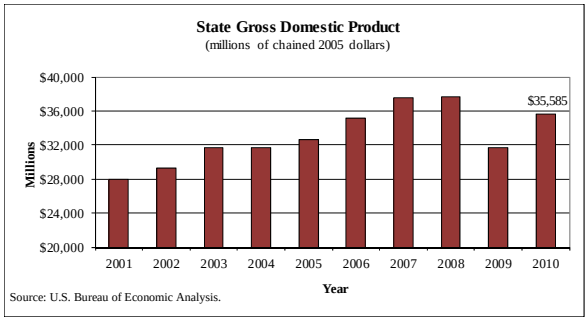


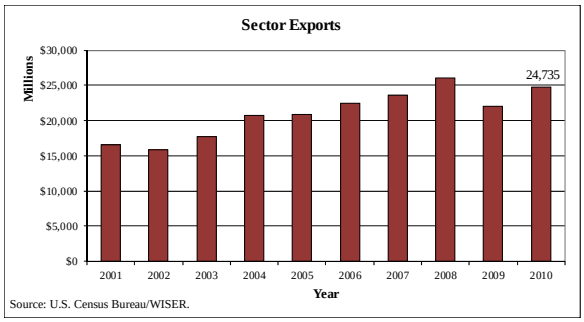


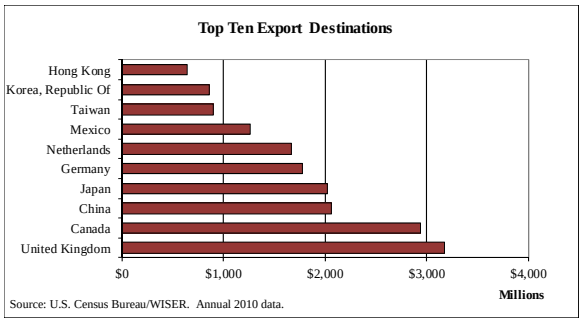








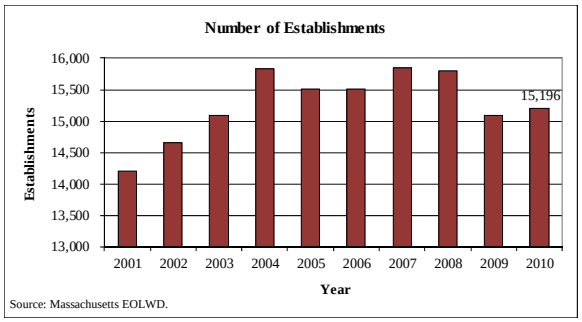


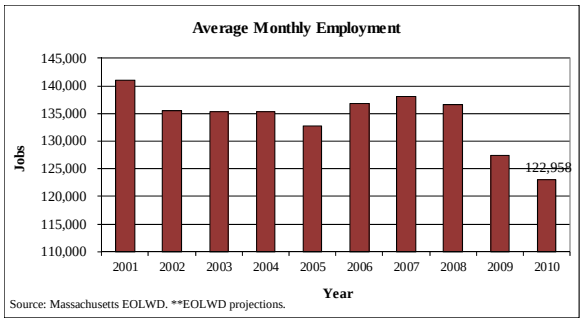


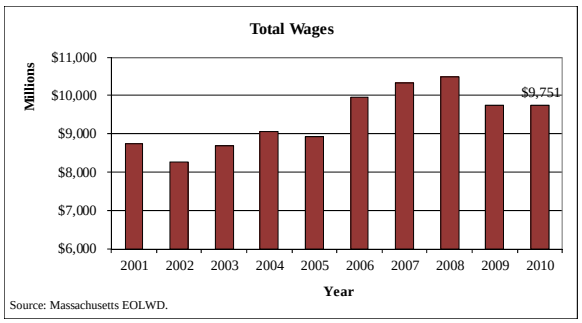
Summary.
GDP contribution to state total: **10.4%**
GDP rank: **4 of 20**
Nonemployer to employer establishment ratio: **0.8 to 1**

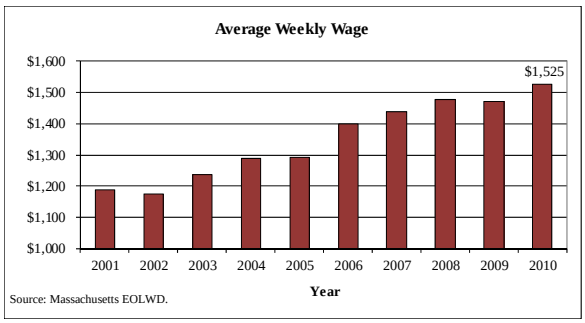
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Printing and related support activities**
Nonemployer establishments: **Other miscellaneous manufacturing**
Employees: **Electronic instrument**
Annual wages: **Electronic instrument**
Average weekly wage: **Computers and peripheral equipment**
Annual receipts at nonemployer establishments: **Agricultural chemical mfg.**
Most valuable export: **Computers and electronic products and chemicals**
Large employers in Massachusetts: **EMC Corporation, Yankee Candle and Wyeth Pharmaceuticals**

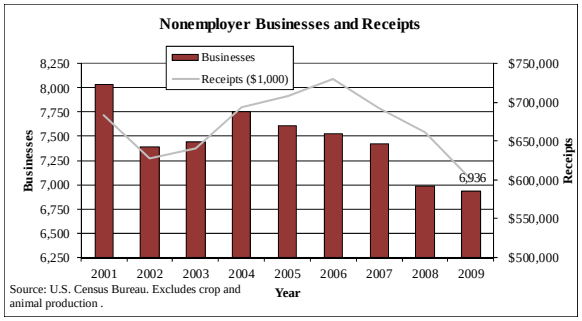
NAICS 42 - Wholesale Trade. The sector comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing. The wholesaling process is an intermediate step in the distribution of merchandise.

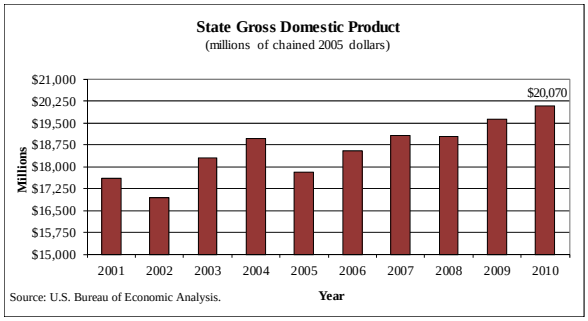










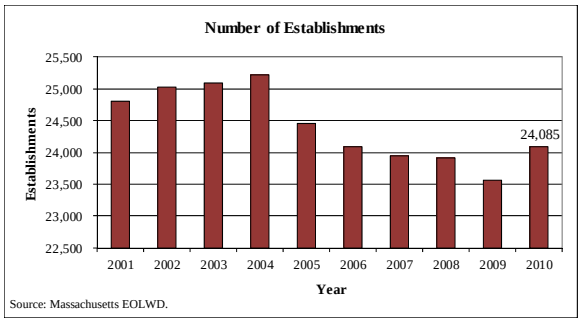


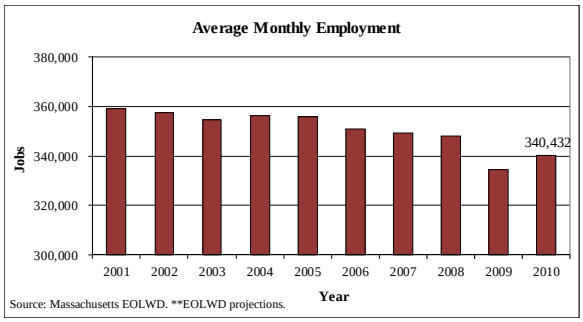
State export data are not available for this sector.

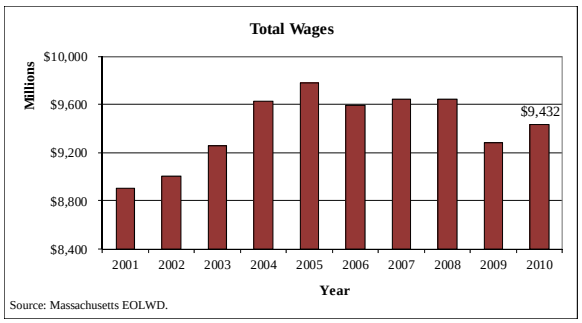
Summary.
GDP contribution to state total: **5.9%**
GDP rank: **7 of 20**
Nonemployer to employer establishment ratio: **0.4 to 1**

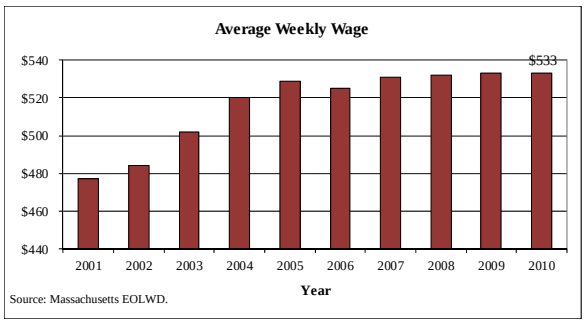
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Electronic markets and agents/brokers**
Nonemployer establishments: **Miscellaneous durable goods merchant wholesalers**
Employees: **Electronic markets and agents/brokers**
Annual wages: **Electronic markets and agents/brokers**
Average weekly wage: **Druggists' goods merchant wholesalers**
Annual receipts at nonemployer establishments: **Miscellaneous durable goods merchant wholesalers**
Large employers in Massachusetts: **Vertex Pharmaceuticals, Teradyne and C&S Wholesalers**

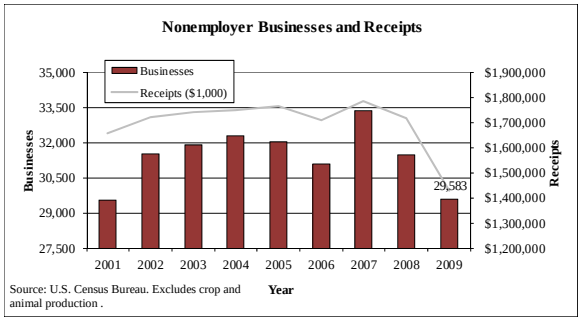
NAICS 44-45 - Retail Trade. The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise; retailers are therefore organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and nonstore retailers.

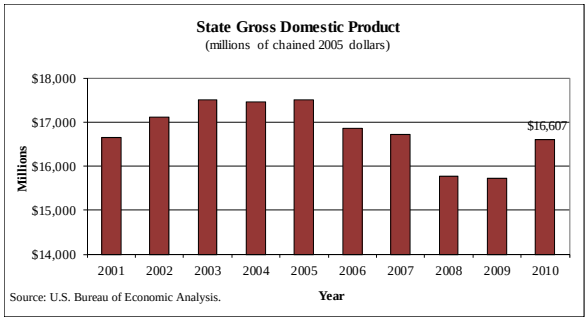










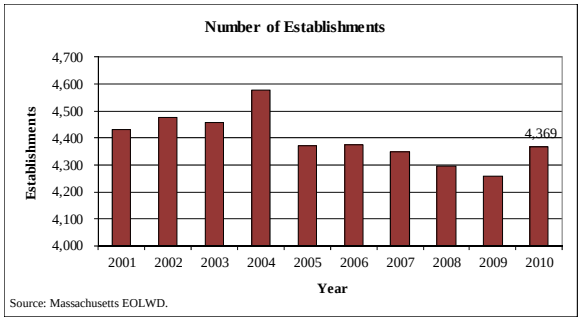


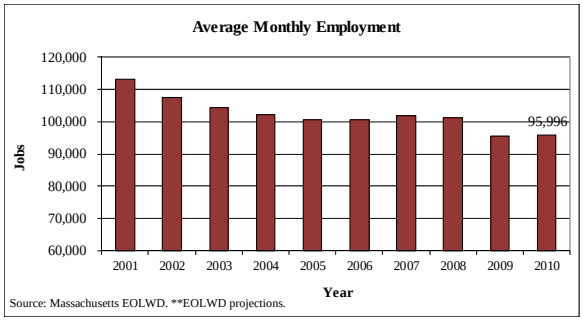
State export data are not available for this sector.

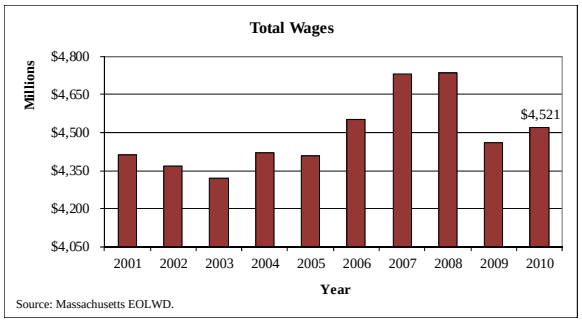
Summary.
GDP contribution to state total: **4.9%**
GDP rank: **9 of 20**
Nonemployer to employer establishment ratio: **1.3 to 1**

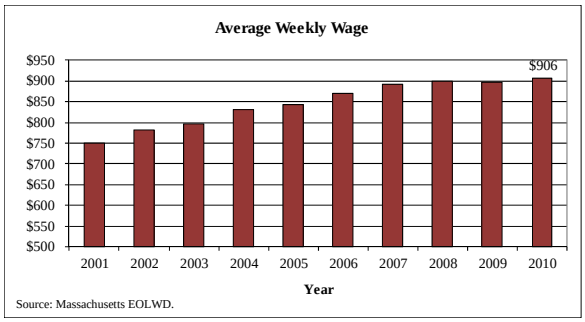
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Grocery stores**
Nonemployer establishments: **Direct selling establishments**
Employees: **Grocery stores**
Annual wages: **Grocery stores**
Average weekly wage: **Automobile dealers**
Annual receipts at nonemployer establishments: **Direct selling establishments**
Large employers in Massachusetts: **Walmart, CVS, Walgreen's, Wholefoods, Shaw's, Stop and Shop, TJX Co.**

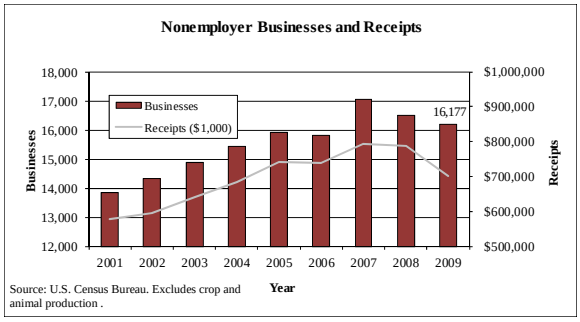
NAICS 48-49 - Transportation and Warehousing. The Transportation and Warehousing sector includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Establishments in these industries use transportation equipment or transportation related facilities as a productive asset. The type of equipment depends on the mode of transportation. The modes of transportation are air, rail, water, road, and pipeline. See pages six and seven of the appendix for more information regarding transportation and warehousing.

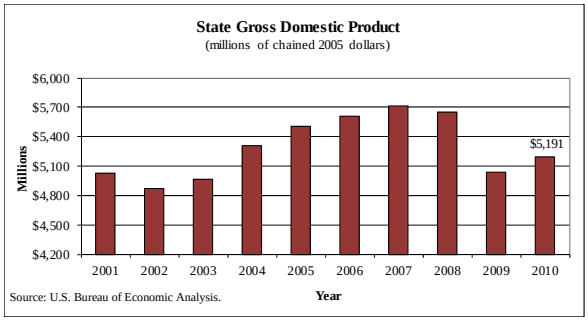










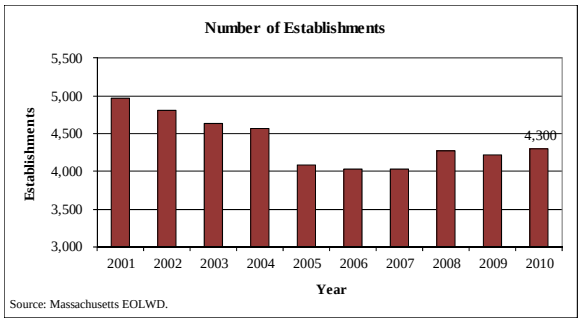


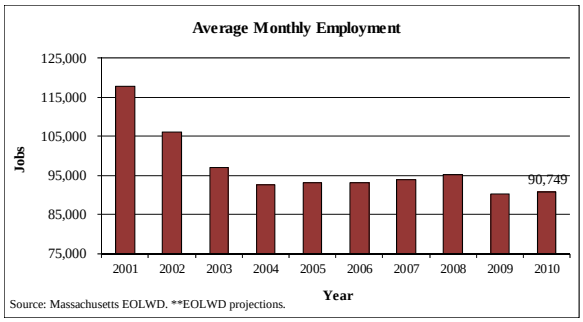
State export data are not available for this sector.

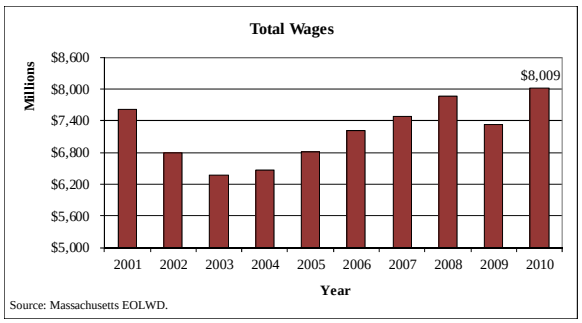
Summary.
GDP contribution to state total:**1.5%**
GDP rank:**16 of 20**
Nonemployer to employer establishment ratio: **3.8 to 1**

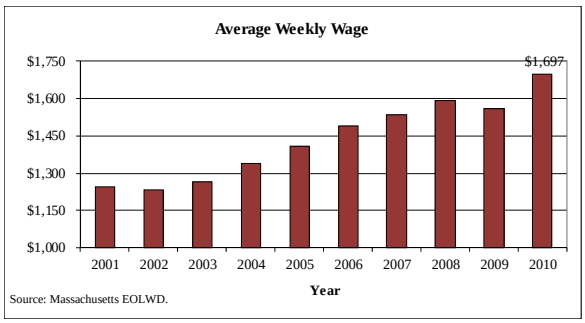
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **General freight trucking**
Nonemployer establishments: **Taxi and limousine service**
Employees: **Couriers**
Annual wages: **General freight trucking**
Average weekly wage: **Pipeline transportation of natural gas**
Annual receipts at nonemployer establishments: **General freight trucking**
Large employers in Massachusetts: **U.S. Post Office, MassPort, UPS and the Maine Central Railroad**

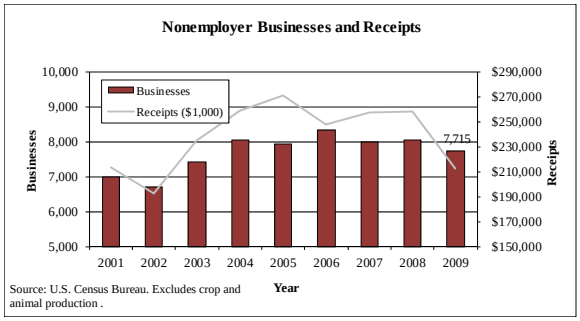
NAICS 51 – Information. The Information sector comprises establishments engaged in the following processes: producing and distributing information and cultural products, providing the means to transmit or distribute these products as well as data or communications, and processing data.

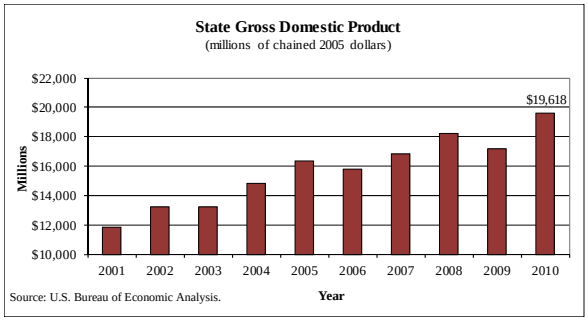


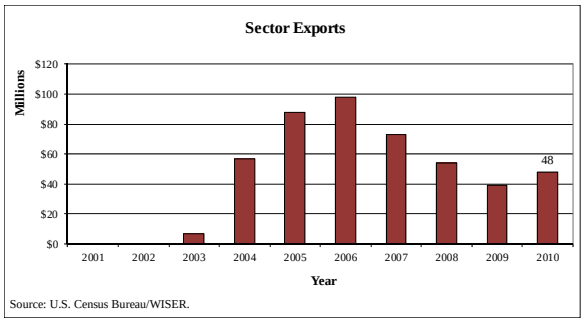


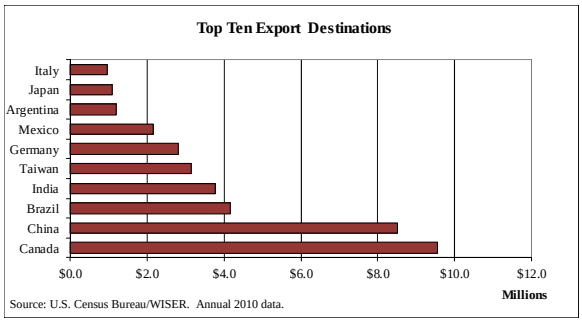








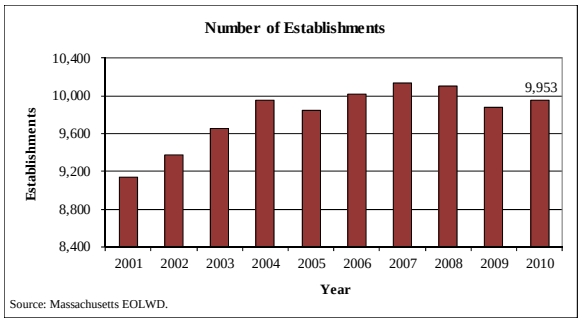


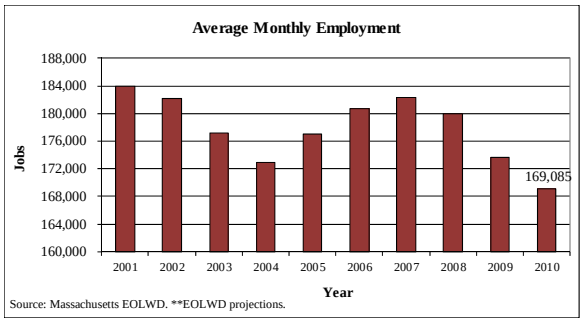


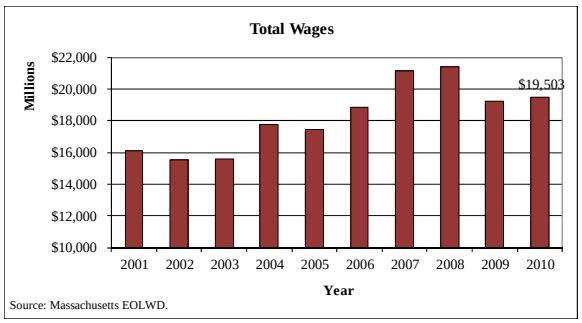
Summary.
GDP contribution to state total: **5.7%**
GDP rank: **8 of 20**
Nonemployer to employer establishment ratio: **1.9 to 1**

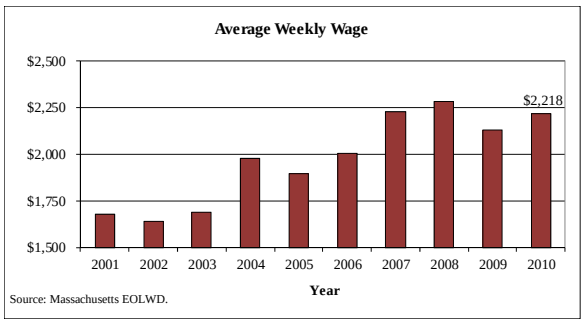
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Newspaper, book, & directory publishers**
Nonemployer establishments: **Other information services**
Employees: **Software publishers**
Annual wages: **Software publishers**
Average weekly wage: **Software publishers**
Annual receipts at nonemployer establishments: **Other information services**
Most valuable export: **Prepackaged software**
Large employers in Massachusetts: **Boston Globe, Christian Science Monitor, Houghton Mifflin Harcourt and Thompson Research**

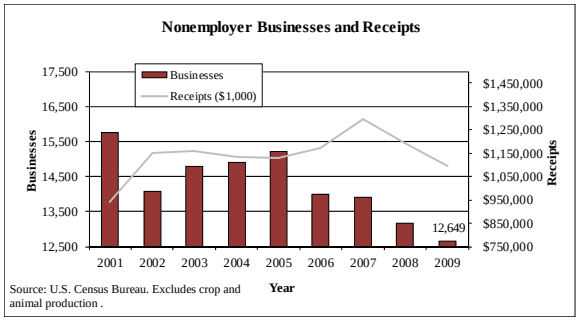
NAICS 52 - Finance and Insurance. The Finance and Insurance sector comprises establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions.

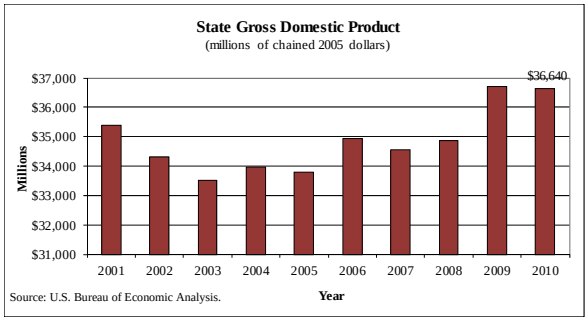










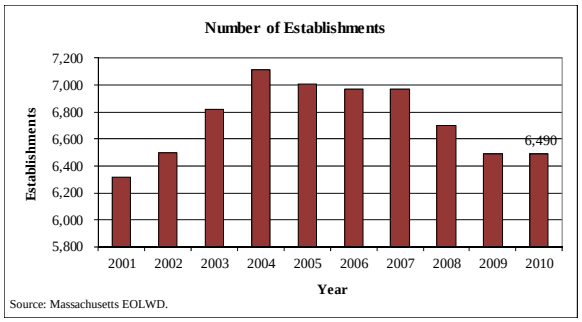


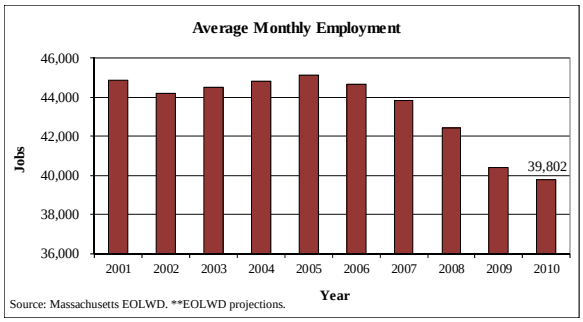
State export data are not available for this sector.

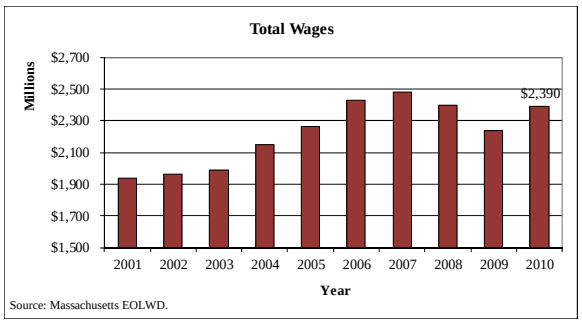
Summary.
GDP contribution to state total: **10.7%**
GDP rank: **3 of 20**
Nonemployer to employer establishment ratio: **1.3 to 1**

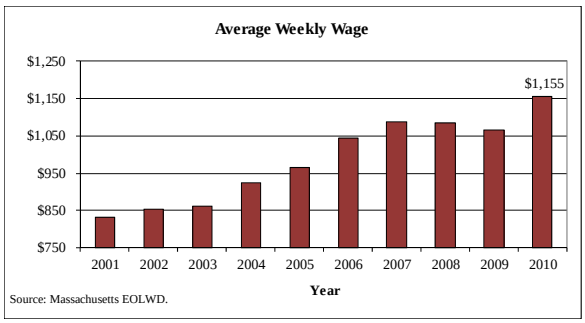
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Insurance agencies, brokerages & support**
Nonemployer establishments: **Agencies, brokerages, and other insurance related activities**
Employees: **Depository credit intermediation**
Annual wages: **Other financial investment activities**
Average weekly wage: **Other investment pools and funds**
Annual receipts at nonemployer establishments: **Other financial investment activities**
Large employers in Massachusetts: **Deutsche Bank, Fidelity Investments Life Ins., John Hancock Life Ins. and Liberty Mutual Group**

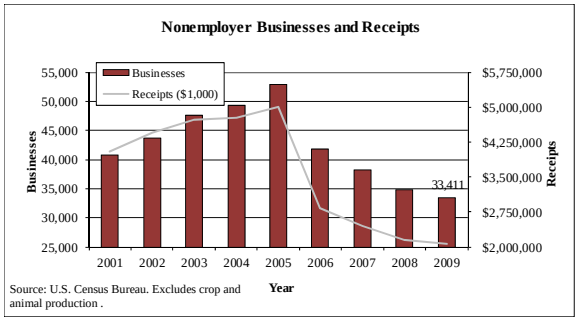
NAICS 53 - Real Estate and Rental and Leasing. The Real Estate and Rental and Leasing sector comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services. The major portion of this sector comprises establishments that rent, lease, or otherwise allow the use of their own assets by others. The assets may be tangible, as is the case of real estate and equipment, or intangible, as is the case with patents and trademarks.

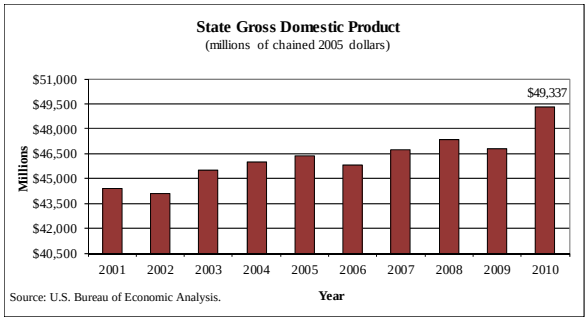










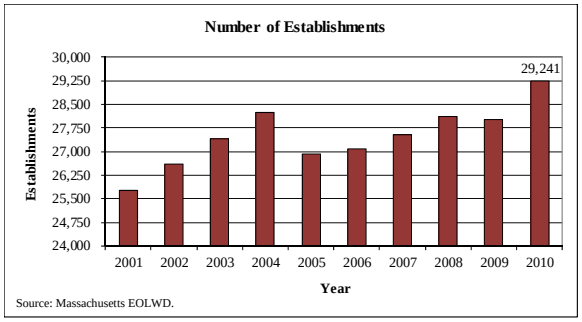


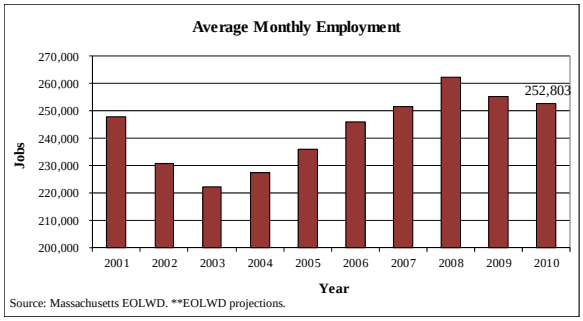
State export data are not available for this sector.

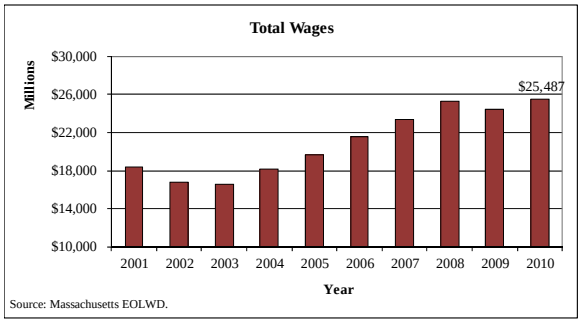
Summary.
GDP contribution to state total: **14.4%**
GDP rank: **1 of 20**
Nonemployer to employer establishment ratio: **5.2 to 1**

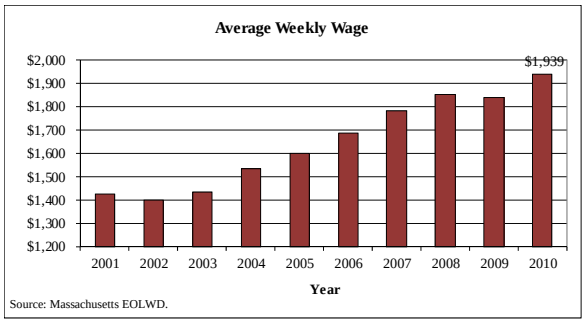
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Offices of real estate agents & brokers**
Nonemployer establishments: **Offices of real estate agents and brokers**
Employees: **Activities related to real estate**
Annual wages: **Activities related to real estate**
Average weekly wage: **Lessors, nonfinancial intangible assets**
Annual receipts at nonemployer establishments: **Lessors of real estate**
Large employers in Massachusetts: **John Hancock Life Ins., Liberty Mutual Group, Mass Mutual Financial Group**

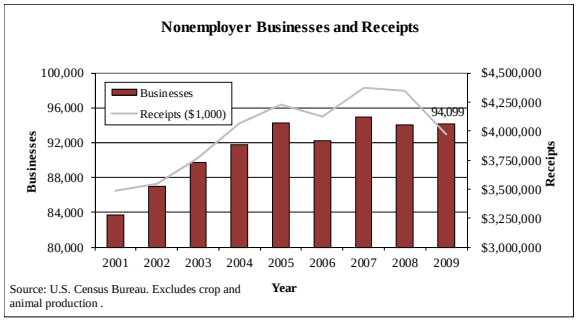
NAICS 54 - Professional and Technical Services. The Professional and Technical Services sector comprises establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training. The establishments in this sector specialize according to expertise and provide these services to clients in a variety of industries - in some cases, to households. Activities performed include: legal advice and representation, accounting, bookkeeping, and payroll services, architectural, engineering, and specialized design services, computer services, consulting services, research services, advertising services, photographic services, translation and interpretation services, veterinary services, and other professional, scientific, and technical services.

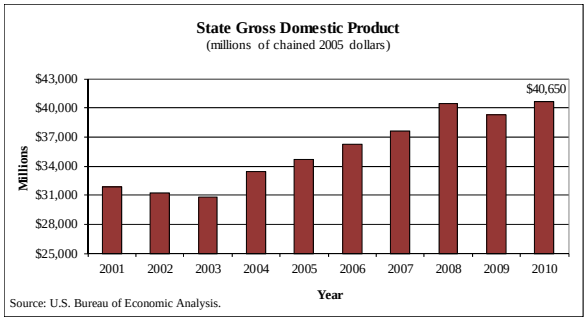










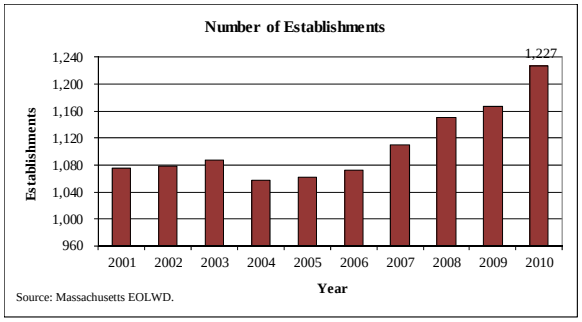


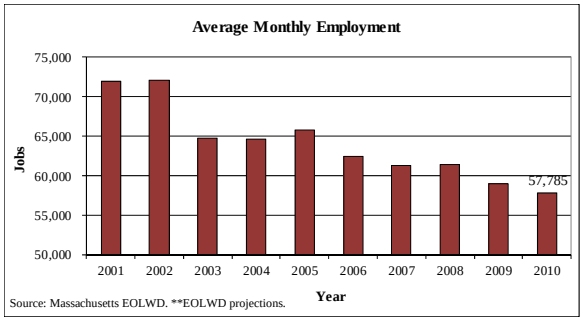
State export data are not available for this sector.

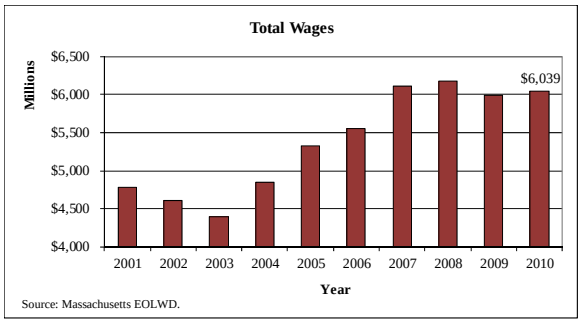
Summary.
GDP contribution to state total: **11.9%**
GDP rank: **2 of 20**
Nonemployer to employer establishment ratio: **3.3 to 1**

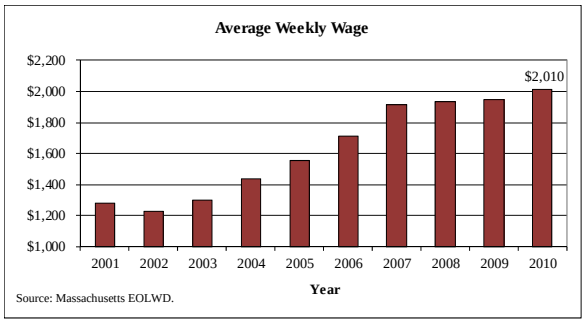
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Computer systems design and related services**
Nonemployer establishments: **Other professional, scientific, and technical services**
Employees: **Computer systems design and related services**
Annual wages: **Computer systems design and related services**
Average weekly wage: **Computer systems design and related services**
Annual receipts at nonemployer establishments: **Management, scientific, and technical consulting services**
Large employers in Massachusetts: **Massachusetts Institute of Technology, Alcatel-Lucent, Ropes and Gray LLP**

NAICS 55 - Management of Companies and Enterprises. The Management of Companies and Enterprises sector comprises establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision making role of the company or enterprise. Establishments that administer, oversee, and manage may hold the securities of the company or enterprise.

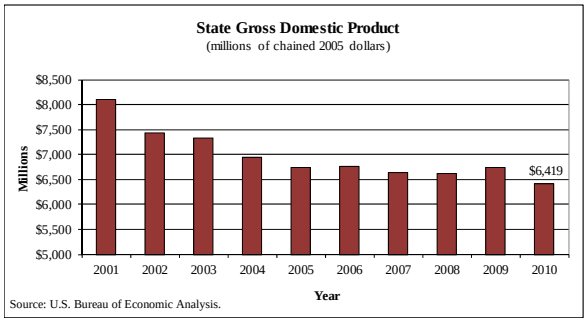








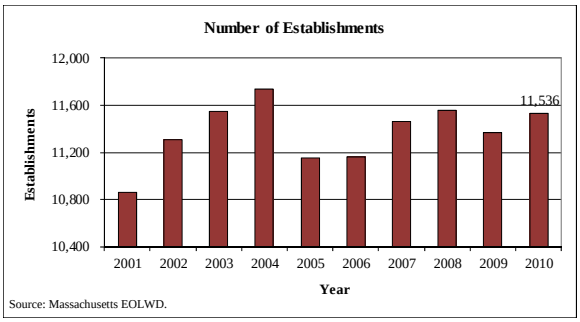
State nonemployer and export data are not available for this sector.

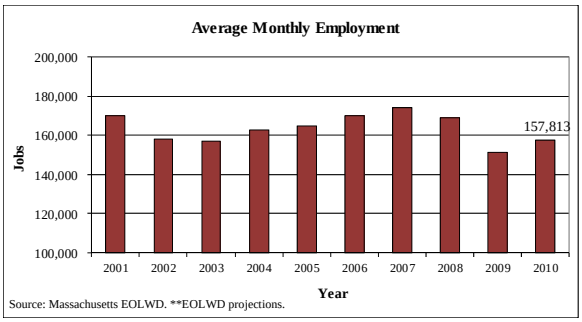


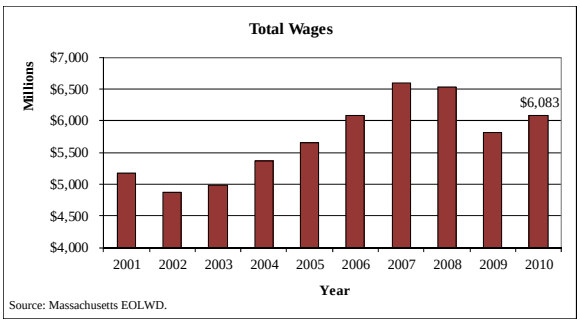
Summary.
GDP contribution to state total: **1.9%**
GDP rank: **15 of 20**
Nonemployer to employer establishment ratio: **N/A**

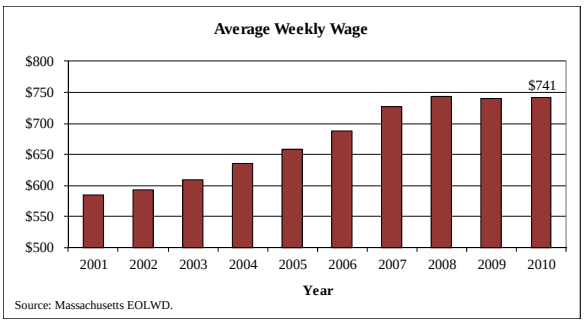
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: Subsector detail N/A
Nonemployer establishments: N/A
Employees: Subsector detail N/A
Annual wages: Subsector detail N/A
Average weekly wage: Subsector detail N/A
Annual receipts at nonemployer establishments: N/A
Large employers in Massachusetts: **State Street Corp. and Boston Private Financial Holdings**

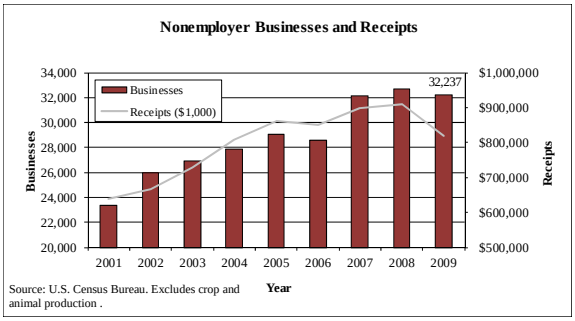
NAICS 56 - Administrative and Waste Services. The Administrative and Waste Services sector comprises establishments performing routine support activities for the day-to-day operations of other organizations. The establishments in this sector specialize in one or more of these support activities and provide these services to clients in a variety of industries and in some cases, to households. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

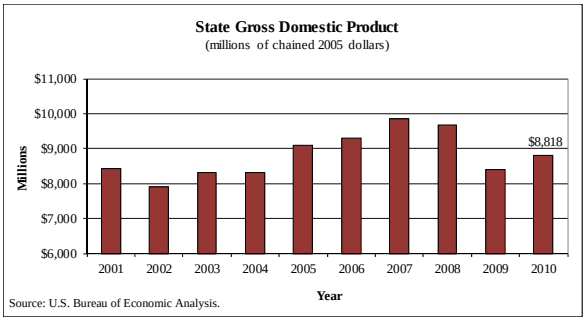










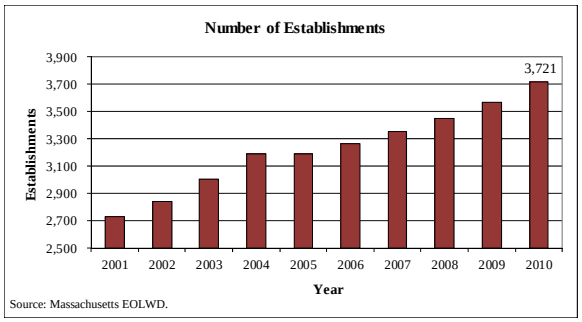


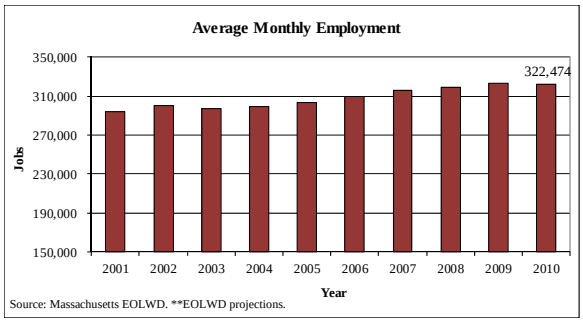
State export data are not available for this sector.

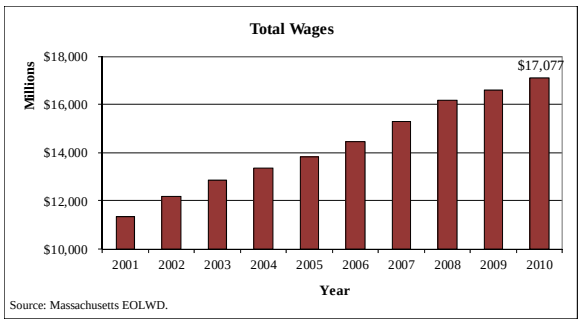
Summary.
GDP contribution to state total: **2.6%**
GDP rank: **11 of 20**
Nonemployer to employer establishment ratio: **2.8 to 1**

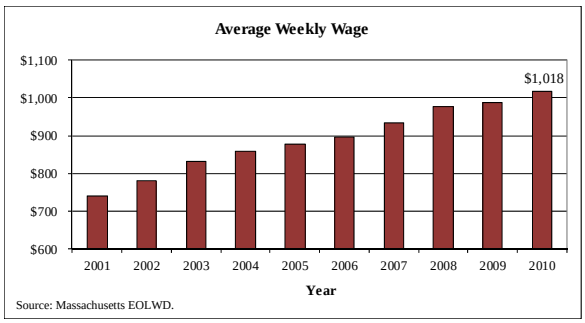
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Services to buildings and dwellings**
Nonemployer establishments: **Services to buildings and dwellings**
Employees: **Employment services**
Annual wages: **Employment services**
Average weekly wage: **Office administrative services**
Annual receipts at nonemployer establishments: **Services to buildings and dwellings**
Large employers in Massachusetts: **Technical Futures, ABM Janitorial Services and American Cleaning Co.**

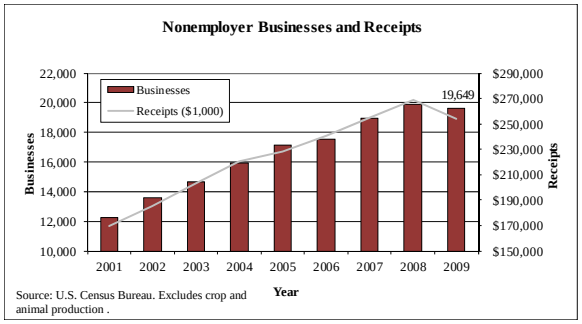
NAICS 61 - Educational Services. The Educational Services sector comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated. They may also offer food and/or accommodation services to their students.

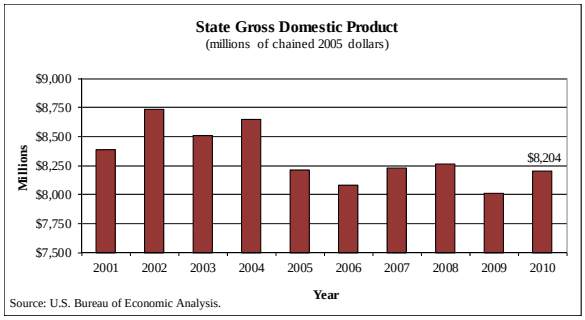










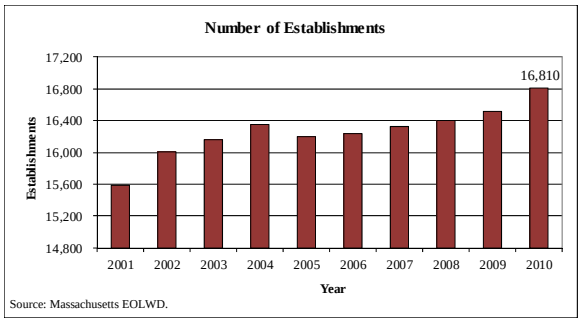


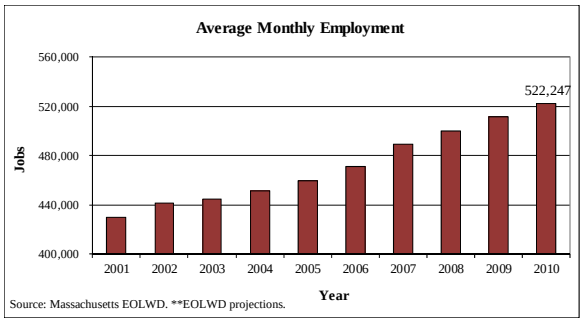
State export data are not available for this sector.

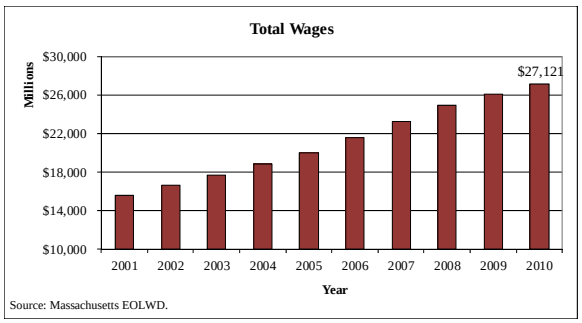
Summary.
GDP contribution to state total: **2.4%**
GDP rank: **12 of 20**
Nonemployer to employer establishment ratio: **5.8 to 1**

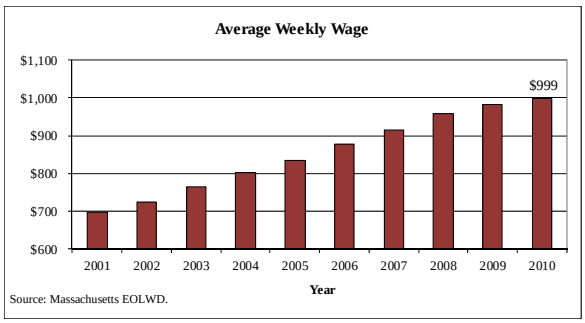
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Other schools and instruction**
Nonemployer establishments: Subsector detail N/A
Employees: **Elementary and secondary schools**
Annual wages: **Elementary and secondary schools**
Average weekly wage: **Colleges and universities**
Annual receipts at nonemployer establishments: Subsector detail N/A
Large employers in Massachusetts: **Boston University, Harvard University, MIT, University of Massachusetts-Amherst**

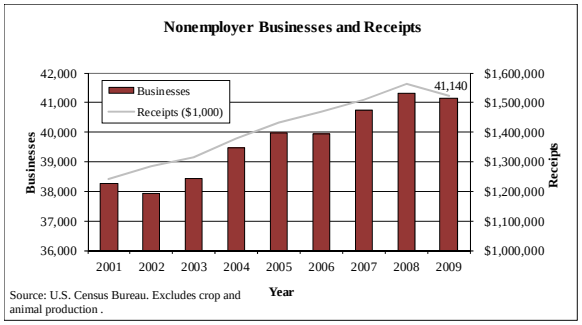
NAICS 62 - Health Care and Social Assistance. The Health Care and Social Assistance sector comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities.

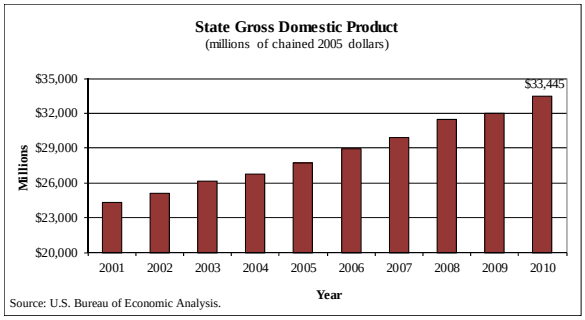










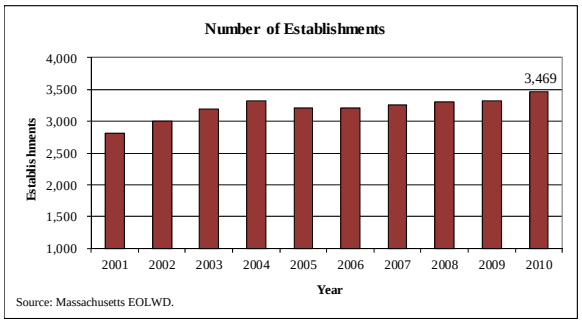


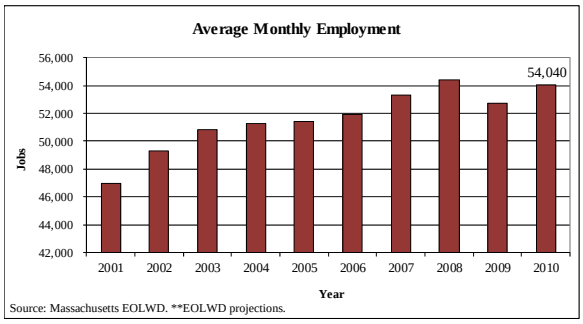
State export data are not available for this sector.

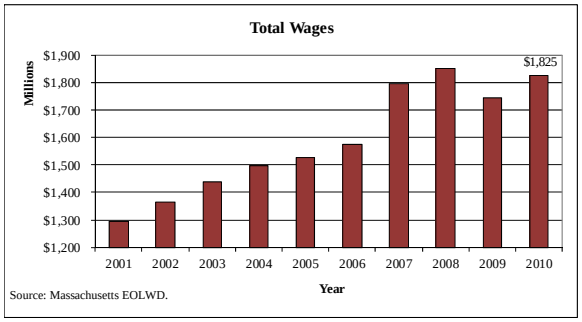
Summary.
GDP contribution to state total: **9.8%**
GDP rank: **5 of 20**
Nonemployer to employer establishment ratio: **2.5 to 1**

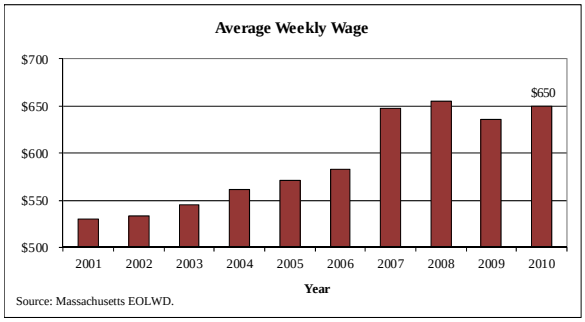
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Offices of physicians**
Nonemployer establishments: **Offices of other health practitioners**
Employees: **General medical and surgical hospitals**
Annual wages: **General medical and surgical hospitals**
Average weekly wage: **Offices of physicians**
Annual receipts at nonemployer establishments: **Offices of other health practitioners**
Large employers in Massachusetts: **Massachusetts General Hospital and Brigham and Women's Hospital**

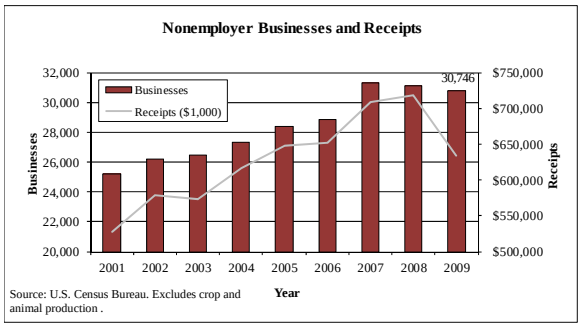
NAICS 71 - Arts, Entertainment, and Recreation. The Arts, Entertainment, and Recreation sector includes a wide range of establishments that: operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons, are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing, preserve and exhibit objects and sites of historical, cultural, or educational interest and operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests. See the Appendix page six for travel and tourism information.

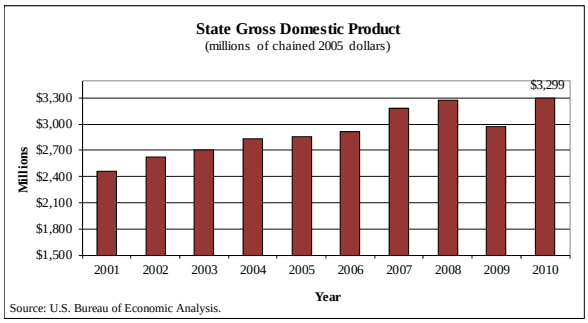










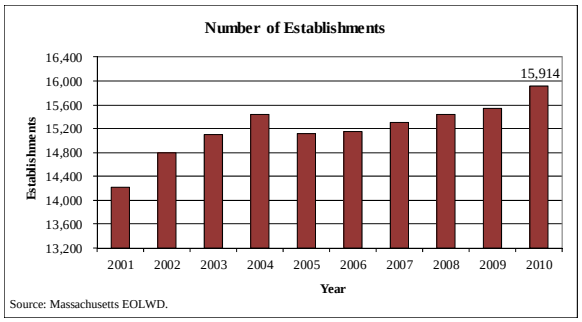


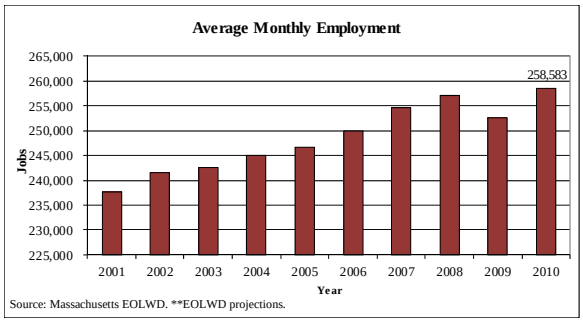
State export data are not available for this sector.

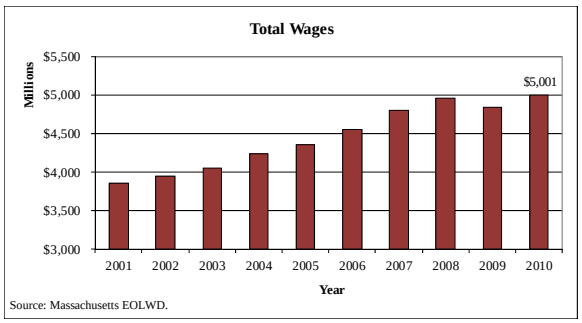
Summary.
GDP contribution to state total: **1.0%**
GDP rank: **18 of 20**
Nonemployer to employer establishment ratio: **9.4 to 1**

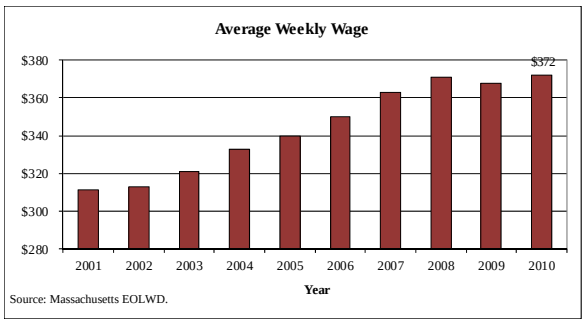
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Other amusement & recreation industries**
Nonemployer establishments: **Independent artists, writers, and performers**
Employees: **Other amusement & recreation industries**
Annual wages: **Other amusement & recreation industries**
Average weekly wage: **Spectator sports**
Annual receipts at nonemployer establishments: **Independent artists, writers, and performers**
Large employers in Massachusetts: **Boston Red Sox, Delaware North Companies and Museum of Fine Arts**

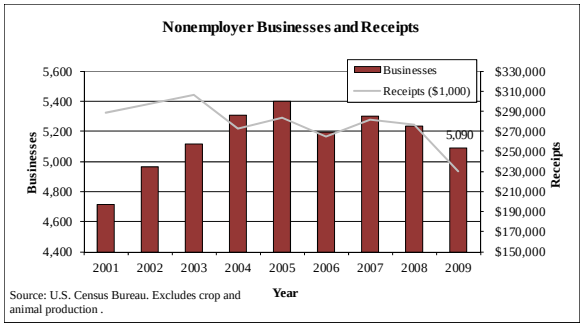
NAICS 72 - Accommodation and Food Services. The Accommodation and Food Services sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.

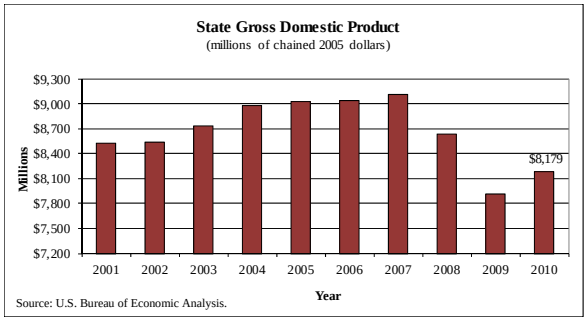










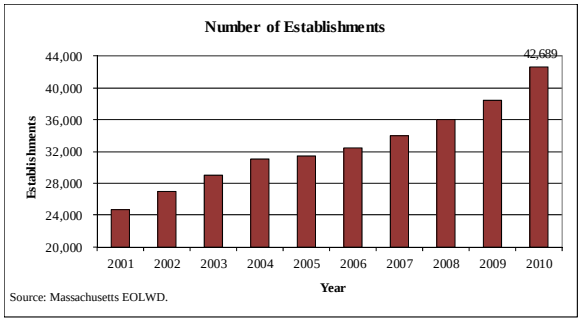


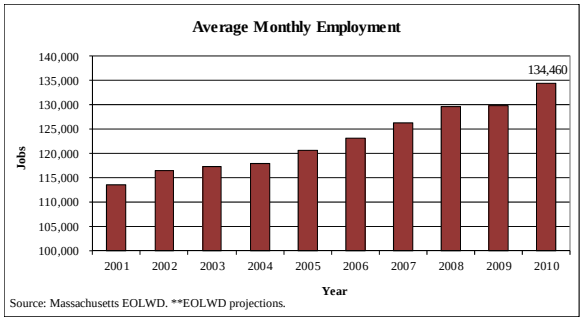
State export data are not available for this sector.

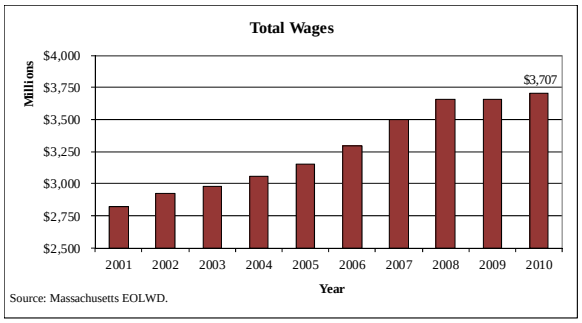
Summary.
GDP contribution to state total: **2.4%**
GDP rank: **13 of 20**
Nonemployer to employer establishment ratio: **0.3 to 1**

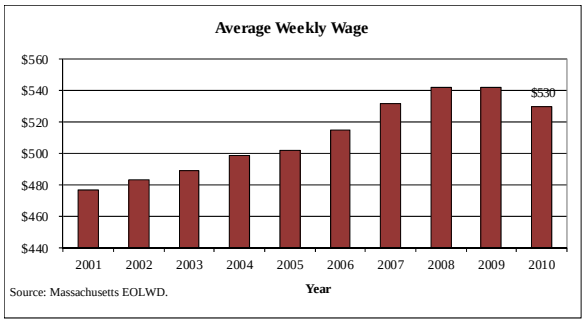
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Limited-service eating places**
Nonemployer establishments: **Special food services**
Employees: **Full-service restaurants**
Annual wages: **Full-service restaurants**
Average weekly wage: **Traveler accommodation**
Annual receipts at nonemployer establishments: **Limited-service eating places**
Large employers in Massachusetts: **Eurest Dining Services, Canyon Ranch, Four Seasons Boston, Sheraton Boston and Westin-Copley Place**

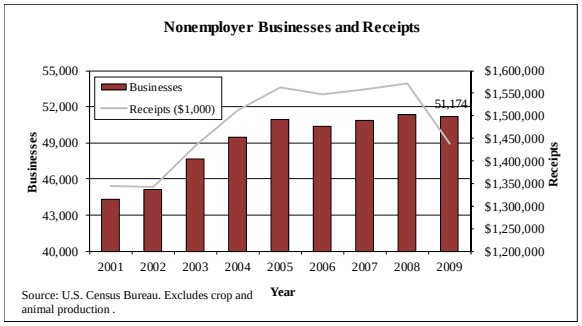
NAICS 81 - Other Services, Except Public Administration. The Other Services (except Public Administration) sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities such as equipment and machinery repairing, promoting or administering religious activities, grant making, advocacy, and providing dry cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

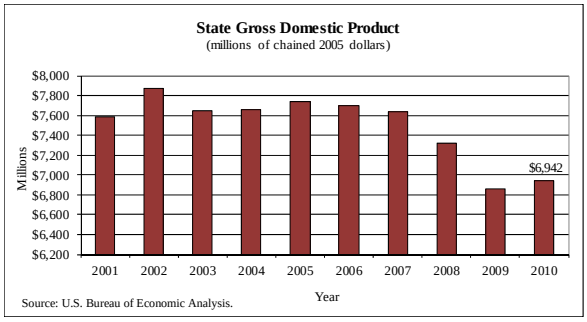










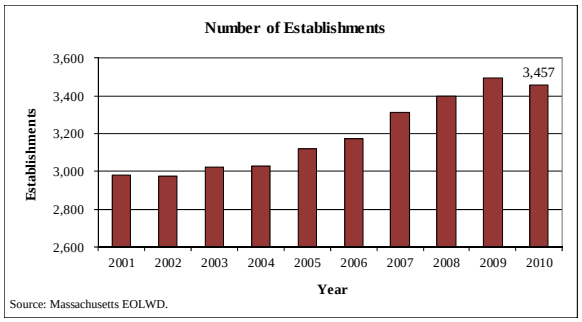


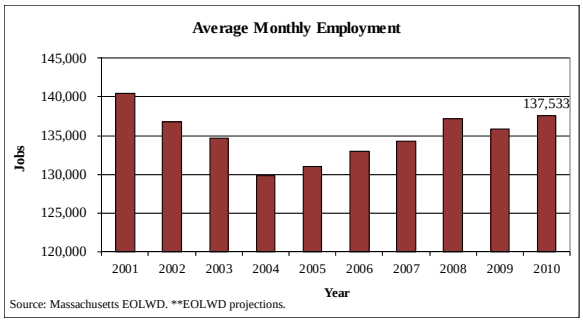
State export data are not available for this sector.

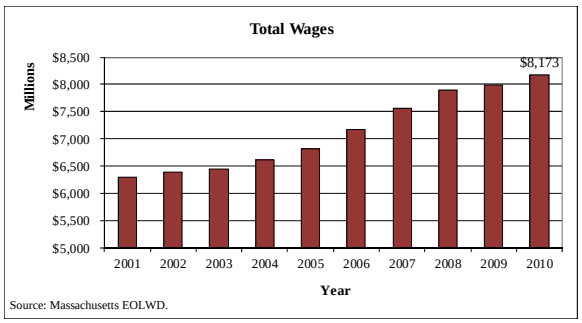
Summary.
GDP contribution to state total: **2.0%**
GDP rank: **14 of 20**
Nonemployer to employer establishment ratio: **1.4 to 1**

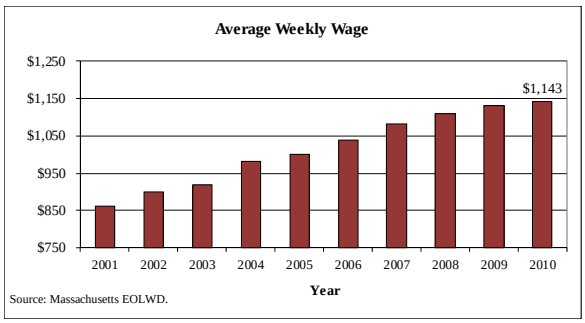
Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Private households**
Nonemployer establishments: **Other personal services**
Employees: **Private households**
Annual wages: **Automotive repair and maintenance**
Average weekly wage: **Electronic equipment repair/maintenance**
Annual receipts at nonemployer establishments: **Other personal services**
Large employers in Massachusetts: **Eastern Enterprise Group, Ancient Order of Hibernians and Greater Lynn Senior Services**

NAICS 92 - Public Administration. The Public Administration sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area. These agencies also set policy, create laws, adjudicate civil and criminal legal cases and provide for public safety and national defense.

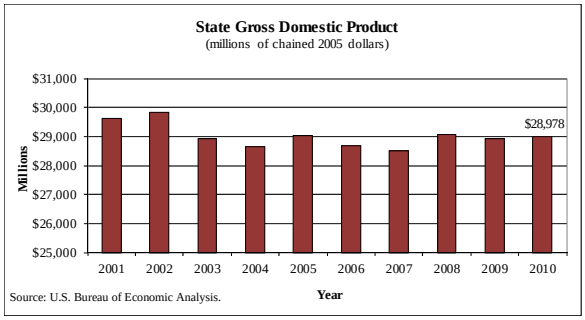








State nonemployer and export data are not available for this sector.

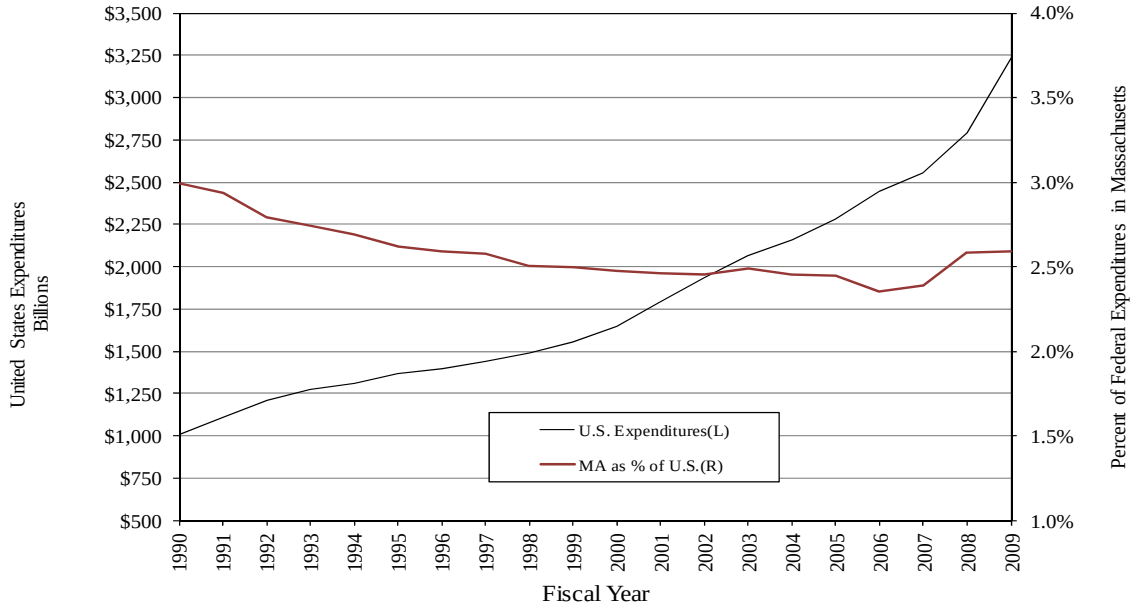


Summary.
GDP contribution to state total: **8.5%**
GDP rank: **6 of 20**
Nonemployer to employer establishment ratio: **N/A**

Sector leaders. Industry subsectors with the majority of establishments, employees, payroll and receipts**.**
Establishments with employees: **Executive, legislative, & general government**
Nonemployer establishments: **N/A**
Employees: **Justice, public order, and safety activities**
Annual wages: **Justice, public order, and safety activities**
Average weekly wage: **National security & international affairs**
Annual receipts at nonemployer establishments: **N/A**
Large employers in Massachusetts: **Boston Police, Hampden County House of Correction, MWRA, Suffolk County Sheriff**

Federal Spending in Massachusetts. Federal government spending contributes significantly to the Massachusetts economy. In fiscal 2009, Massachusetts received almost $83 billion, a 16 percent increase from 2008, and ranked seventh among states in per capita distribution of federal funds, with total spending of $12,723 per person, excluding loans and insurance. Massachusetts ranked 10th in fiscal 2008. While federal spending in Massachusetts has increased every year since 1990, its share of total U.S. spending has declined steadily since 1990, until 2008. The following graph shows total federal expenditures and the percentage of federal expenditures in Massachusetts. Federal spending includes grants to state and local governments, direct payments to individuals, wage and salary employment, and procurement contracts, and includes only those expenditures that can be associated with individual states and territories.

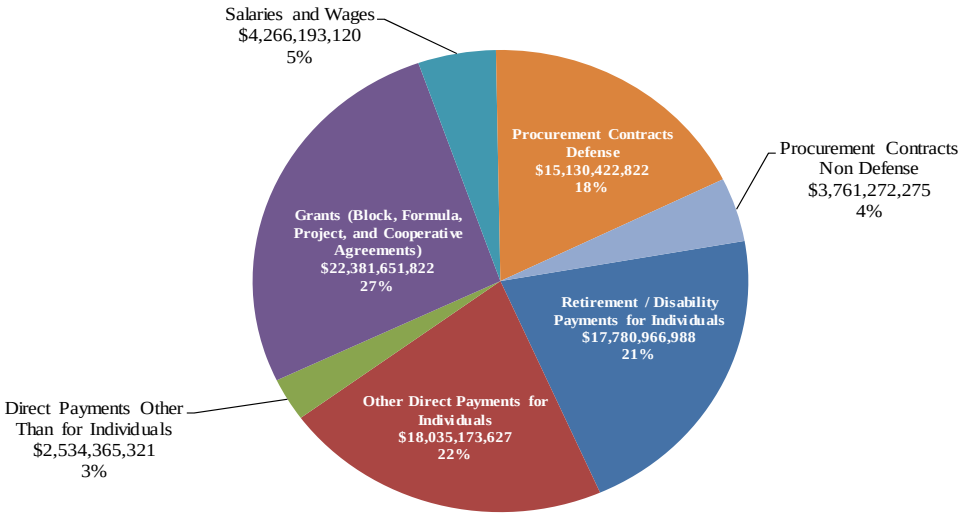
Total Federal Expenditures and Percentage of Federal Expenditures in Massachusetts



SOURCE: Consolidated Federal Funds Report. http://harvester.census.gov/cffr/index.html; r = revised.

In FY 2009, 42.7 percent federal spending in Massachusetts was composed of health care and social programs like Medicare, Medicaid, Social Security, unemployment benefits and Section 8 Housing Vouchers; 1.8 percent less than 2008. Massachusetts was 42 percent above the national average in per capita federal grants to state and local governments, receiving $3,394 per capita compared to a national average of $2,394. Per capita federal spending on salaries and wages was 33 percent lower in Massachusetts than in the rest of the nation, $647, compared to a national average of $963 in 2009. Massachusetts however, was nine percent above the national average in per capita direct federal payments to individuals, ($5,816) compared to a national average of $5,312. Massachusetts ranked seventh (10th in 2008), among states in per capita procurement contract awards ($2,865) compared to a national average of $1,727 in 2009. The following chart shows the composition of direct federal spending within Massachusetts in fiscal 2009, excluding loans and insurance.

Composition of $83.9 Billion Direct Federal Spending in Massachusetts by Program - Fiscal Year 2009



SOURCE: U.S. Census Bureau, Consolidated Federal Funds Report.

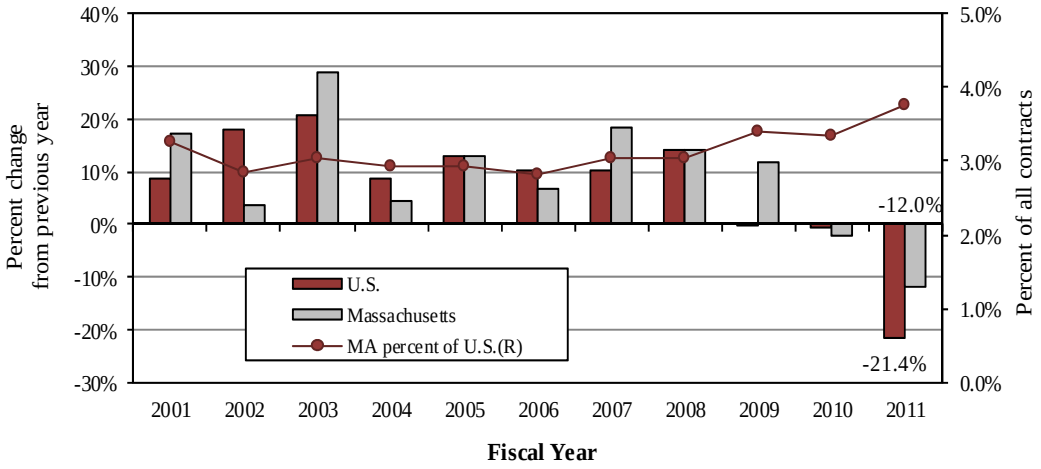
Federal Contracts. The total dollar value of all federal contracts performed in Massachusetts increased an average of 19.4 percent per year from 2000 to 2010; 1.4 percent faster then the 18.0 percent U.S. average. The following two pages compare Massachusetts federal contract dollars to the U.S. total and summarize the fiscal year periods from 2000 to 2011 as of July 21, 2011.

Federal Contracts Performed in Massachusetts and the U.S.

(millions of dollars)

Fiscal Year	Massachusetts	MA percent increase from previous year	MA portion of all	U.S.	U.S. percent increase from previous year
2000	$6,173		3.0%	$205,563	
2001	7,244	17.4%	3.2%	223,187	8.6%
2002	7,513	3.7%	2.9%	263,500	18.1%
2003	9,675	28.8%	3.0%	318,334	20.8%
2004	10,115	4.5%	2.9%	346,400	8.8%
2005	11,430	13.0%	2.9%	391,400	13.0%
2006	12,212	6.8%	2.8%	431,906	10.3%
2007	14,451	18.3%	3.0%	475,260	10.0%
2008	16,504	14.2%	3.0%	541,745	14.0%
2009	18,458	11.8%	3.4%	541,243	-0.1%
2010	18,066	-2.1%	3.4%	538,701	-0.5%
2011	15,906	-12.0%	3.8%	423,603	-21.4%
2012	234		6.2%	3,776	
Total	$147,980		3.1%	$4,704,619	

Massachusetts Federal Contracts FY 2000-2011



SOURCE: http://www.usaspending.gov.
NOTE: Reported as of 10/26/2011.

Summary of Federal Contracts Performed in Massachusetts

FY 2000 To 2011

Total Dollars: $126,768,872,622
Number of Transactions: 913,132

Top 5 Products Or Services Sold	
Gas Turbines And Jet Engines Aircraft; Prime Moving And Components	$12,712,695,098
Engineering -- Advanced Development (R&D)	$5,452,917,637
Defense Electronics And Communication Equipment -- Basic Research (R&D)	$4,592,855,623
Miscellaneous Communication Equipment	$4,508,446,560
Guided Missiles	$3,892,222,474

Top 5 Contracting Agencies Purchasing From Contractors	
Army (Except Corps Of Engineers Civil Program Financing)	$34,926,740,378
Navy	$34,100,473,050
Air Force	$24,393,559,914
Defense Logistics Agency	$3,957,542,780
Veterans Affairs	$3,453,632,183

Top 5 Recipients	
Raytheon Company	$29,274,233,701
General Dynamics Corporation	$15,038,658,934
General Electric Company	$14,377,789,695
Massachusetts Institute of Technology	$7,808,471,256
The Charles Stark Draper Laboratory Inc	$3,765,047,660

SOURCE: http://www.usaspending.gov.
Note: Reported as of 10/26/2011

EXHIBIT A-61 Quarter 1, FY 2012

Federal Contracts Performed in Massachusetts in:

Fiscal Year: 2012

Total Dollars: $233,846,930

The amount for this search is 6.2% of all awarded dollars for the fiscal year.

This state is ranked 7th among states, D.C. and territories for this year.

Number of Transactions: 2,634

Top 5 Prime Award Products Or Services Sold	
Precious Metals Primary Forms	$121,918,072
Engineering and Technical Services	$25,297,383
Operations Research and Quantitative Analysis Services	$16,964,666
Vocational/Technical	$6,848,926
Other ADP and Telecommunications Services	$6,424,257

Top 5 Prime Award Sub Agencies	
United States Mint	$121,917,425
Research and Innovative Technology Administration	$51,778,408
Veterans Affairs	$16,976,872
Employment and Training Administration	$9,311,714
Bureau of Prisoners/Federal Prison System	$4,060,187

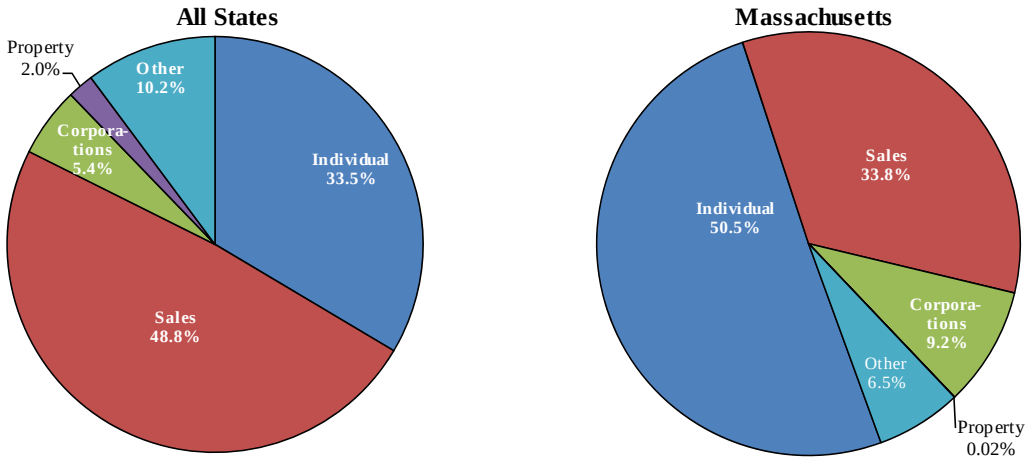
Top 5 Recipients	
Coins N Things	$89,521,890
Cookson Group Plc	$32,396,182
Sgt Inc.	$21,398,657
Massachusetts Institute of Technology	$16,964,666
Actionet	$5,067,409

SOURCE: http://www.usaspending.gov.
Note: Reported as of 10/26/2011

State Revenues. Taxes collected by all states in FY 2010 totaled $704.6 billion, 1.5 percent less than FY 2009. Massachusetts collected $20.1 billion in FY 2010, 2.9 percent more than it did in FY 2009. Massachusetts' revenues grew more than any other New England state. Massachusetts ranked 11th in total taxes collected in 2010, no change from 2009.

In fiscal year 2010, Massachusetts collected 50.5 percent of its revenue from individual income tax. Overall, states received 33.5 percent of their revenues from individual income taxes and seven states did not have the tax in 2010. In FY 2010; the state collected only 3.4 percent more than it did in FY 2006 without adjusting for inflation.

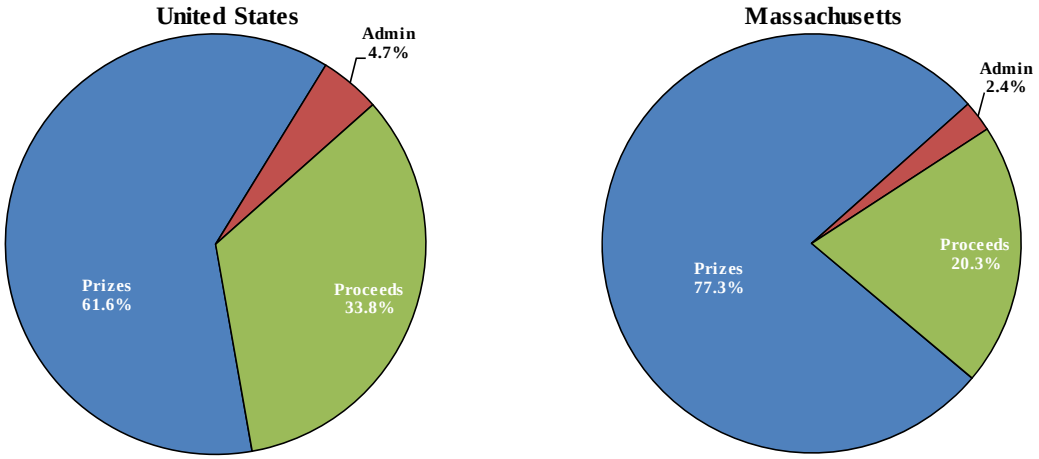
FY 2010 State Revenues by Type



SOURCE: U.S. Census Bureau.
Other: Licenses, death and gift, severance, documentary and stock transfer and other NEC.

State Lottery Proceeds. Massachusetts ranked second in revenue, $4.2 billion, and prize money awarded, $845 million, among the 42 states with lotteries in FY 2009. It ranked first on per capita sales, seventh in the portion of revenue used for its administration, and second in the portion of revenue used for prizes.

Apportionment of Lottery Funds in 2009



SOURCE: U.S. Census Bureau, Governments Division.

EXHIBIT A-63 Quarter 1, FY 2012

State Expenditures. The following table and graph depict fiscal 2009 per capita state general expenditures by category for the six New England states and the U.S. average state expenditure. Massachusetts ranked 8th in the nation in per capita expenditures, $7,373 in 2009, while it ranked 9th and spent $7,023 in 2008. This represents a 5.0 percent increase in per capita expenditures from 2008 to 2009 with the largest per capita dollar increase on Administration, Insurance Trust & Other.

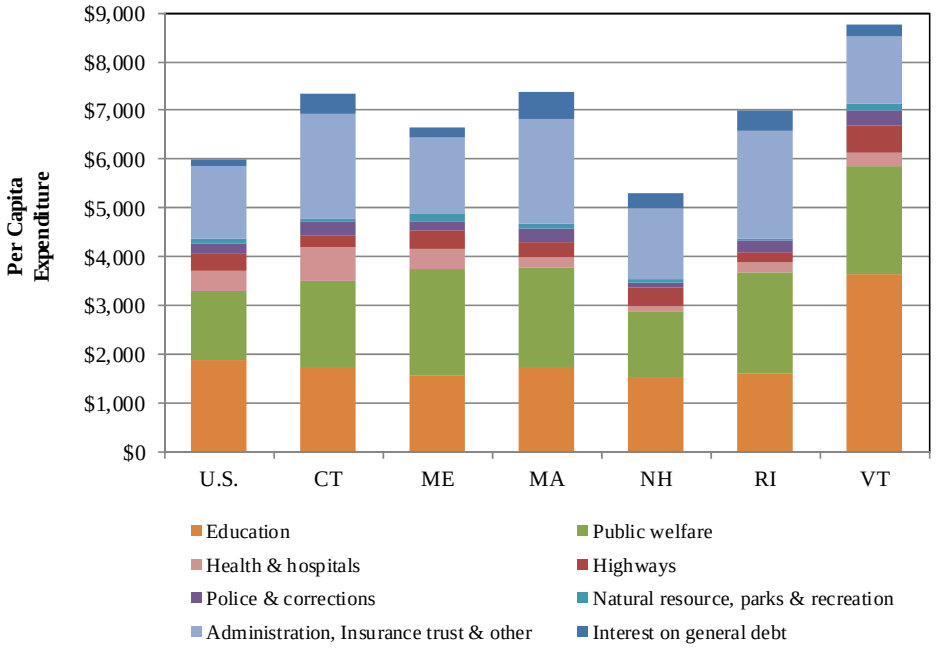
Massachusetts Per Capita State Government General Expenditures, by Type

General expenditures, by function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Education	$890	$1,026	$1,020	$1,055	$1,183	$1,346	$1,401	$1,640	$1,649	$1,735
Public welfare	$1,030	$1,135	$932	$824	$1,647	$1,719	$1,843	$1,877	$1,952	$2,030
Health & hospitals	$308	$363	$377	$372	$172	$177	$187	$227	$236	$237
Highways	$439	$400	$427	$378	$471	$276	$261	$267	$346	$294
Police & corrections	$191	$213	$223	$230	$215	$222	$248	$274	$293	$294
Natural resource, parks & recreation	$58	$88	$86	$95	$90	$76	$81	$87	$89	$96
Administration, Insurance trust & other	$1,392	$1,473	$1,630	$1,755	$1,815	$1,660	$1,690	$1,890	$1,901	$2,126
Interest on general debt	$335	$371	$418	$386	$401	$435	$487	$518	$558	$561
Total	$4,643	$5,067	$5,115	$5,095	$5,994	$5,911	$6,198	$6,779	$7,023	$7,373

Fiscal 2009 Per Capita State Government General Expenditures, by Type
(for the U.S. and the New England States)

General expenditures, by function	U.S.	CT	ME	MA	NH	RI	VT
Education	$1,865	$1,747	$1,570	$1,735	$1,519	$1,589	$3,653
Public welfare	$1,439	$1,741	$2,163	$2,030	$1,351	$2,071	$2,188
Health & hospitals	$392	$693	$417	$237	$120	$234	$297
Highways	$352	$272	$396	$294	$363	$210	$540
Police & corrections	$211	$270	$170	$294	$124	$235	$314
Natural resource, parks & recreation	$94	$49	$156	$96	$71	$45	$145
Administration, Insurance trust & other	$1,505	$2,155	$1,590	$2,126	$1,440	$2,191	$1,369
Interest on general debt	$149	$409	$208	$561	$298	$416	$265
Total	$6,008	$7,336	$6,670	$7,373	$5,287	$6,992	$8,771
State's rank of total per capita expenditures		9	16	8	38	13	3

Fiscal 2009 Per Capita State Government General Expenditures, by Type
(for the U.S. and the New England States)



SOURCE: U.S. Census Bureau, Governments Division

Supplementary Data Section. The following appendix contains more detailed data for industry sectors or subsectors.

Building Permits. The Census Bureau's Residential Construction Branch Building Permits Survey is a leading economic indicator used to track the housing industry.

Housing Permits Authorized						
	Massachusetts		New England		United States	
Year	Total Units	Percent Change	Total Units	Percent Change	Total Units	Percent Change
1969	33,572		70,539		1,330,161	
1970	38,330	14.2%	74,068	5.0%	1,354,746	1.8%
1975	17,697	-27.5%	41,645	-21.0%	934,511	-12.4%
1980	16,055	-20.4%	40,195	-25.1%	1,171,763	-23.6%
1981	15,599	-2.8%	38,067	-5.3%	985,600	-15.9%
1982	15,958	2.3%	39,470	3.7%	1,000,500	1.5%
1983	22,950	43.8%	57,567	45.9%	1,605,221	60.4%
1984	28,471	24.1%	72,356	25.7%	1,689,667	5.3%
1985	39,360	38.2%	96,832	33.8%	1,732,335	2.5%
1986	43,877	11.5%	108,272	11.8%	1,771,832	2.3%
1987	40,018	-8.8%	101,222	-6.5%	1,542,499	-12.9%
1988	31,766	-20.6%	82,123	-18.9%	1,450,583	-6.0%
1989	21,634	-31.9%	53,543	-34.8%	1,345,084	-7.3%
1990	15,276	-29.4%	36,811	-31.2%	1,125,583	-16.3%
1991	12,624	-17.4%	31,111	-15.5%	953,834	-15.3%
1992	16,346	29.5%	36,876	18.5%	1,105,083	15.9%
1993	17,715	8.4%	39,225	6.4%	1,210,000	9.5%
1994	18,302	3.3%	40,459	3.1%	1,366,916	13.0%
1995	15,946	-12.9%	37,357	-7.7%	1,335,835	-2.3%
1996	17,360	8.9%	40,425	8.2%	1,419,083	6.2%
1997	17,554	1.1%	42,047	4.0%	1,442,251	1.6%
1998	18,958	8.0%	47,342	12.6%	1,619,500	12.3%
1999	18,967	0.0%	47,632	0.6%	1,663,533	2.7%
2000	18,000	-5.1%	45,335	-4.8%	1,592,267	-4.3%
2001	17,034	-5.4%	44,594	-1.6%	1,636,676	2.8%
2002	17,465	2.5%	49,031	9.9%	1,747,678	6.8%
2003	20,257	16.0%	52,395	6.9%	1,889,214	8.1%
2004	22,477	11.0%	57,858	10.4%	2,070,077	9.6%
2005	24,549	9.2%	58,742	1.5%	2,155,316	4.1%
2006	19,580	-20.2%	46,782	-20.4%	1,838,903	-14.7%
2007	15,358	-21.6%	37,532	-19.8%	1,398,415	-24.0%
2008	9,883	-35.6%	24,454	-34.8%	905,359	-35.3%
2009	7,941	-19.6%	19,463	-20.4%	582,963	-35.6%
2010	9,075	14.3%	20,964	7.7%	604,610	3.7%

SOURCES: United States Census Bureau. May 2011.

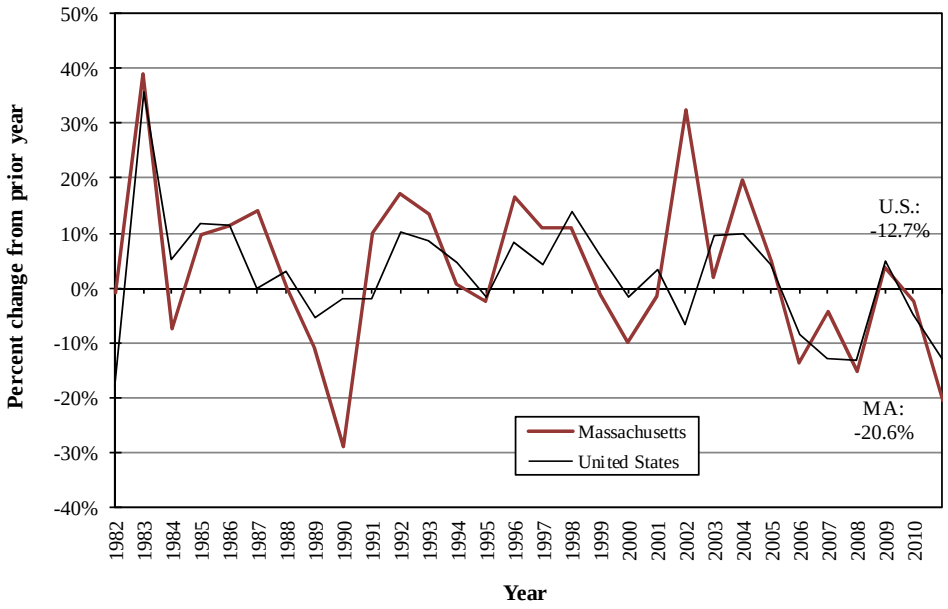
Home Sales. Sales of existing single-family homes for Massachusetts and the U.S. are presented in the following table and graph. The state existing-home sales report includes single-family houses, condos and co-ops.

Existing Home Sales

(quarterly rates are seasonally adjusted, rates in thousands)

	Massachusetts		United States	
Year	Sales	% Change	Sales	% Change
1981	43.0		2,575.0	
1985	60.2	40.2%	3,382.5	31.4%
1990	48.6	-19.4%	3,603.5	6.5%
1995	69.6	-2.6%	4,342.3	-1.5%
1996	81.2	16.6%	4,705.3	8.4%
1997	90.1	11.0%	4,908.8	4.3%
1998	99.9	10.8%	5,585.3	13.8%
1999	98.5	-1.3%	5,922.8	6.0%
2000	88.7	-10.0%	5,831.8	-1.5%
2001	87.5	-1.4%	6,026.3	3.3%
2002	115.9	32.5%	5,631.0	-6.6%
2003	118.3	2.1%	6,175.0	9.7%
2004	141.7	19.8%	6,778.0	9.8%
2005	148.6	4.9%	7,076.0	4.4%
2006	128.1	-13.8%	6,478.0	-8.5%
2007	122.4	-4.4%	5,652.0	-12.8%
2008	103.8	-15.2%	4,913.0	-13.1%
2009	107.8	3.9%	5,156.0	4.9%
2010	105.3	-2.3%	4,908.0	-4.8%
2010.QII	128.4		5,570.0	
2011.QII p	102.0	-20.6%	4,860.0	-12.7%

Change in Existing Home Sales - Annual and Latest Quarter
Massachusetts and the United States



SOURCES: National Association of Realtors. Federal Reserve Bank of Boston; p-preliminary.

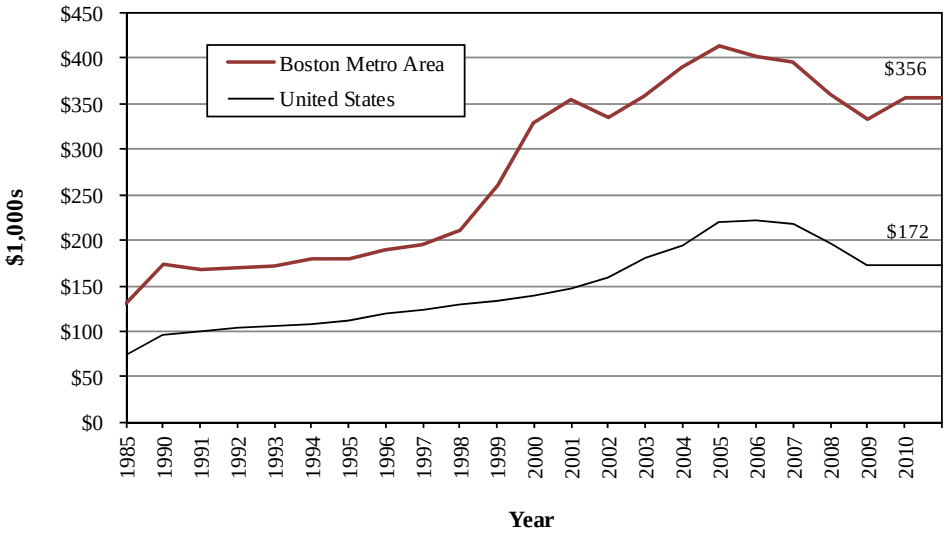
Home prices. Prices had been declining in the Boston metropolitan area since 2006 but increased in 2010. The median price in the Boston areas is two times the national median.

Median Sales Price for Existing Single-Family Homes

(quarterly price not seasonally adjusted, price in thousands)

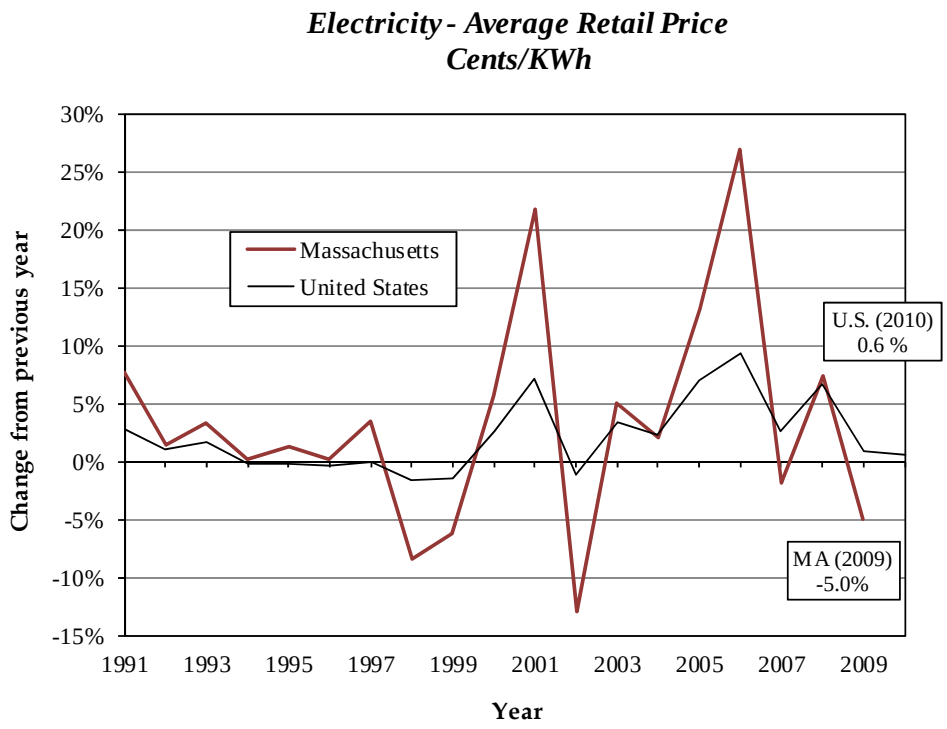
Year	Boston Metro Area	United States	Boston Prices as a Percent of the U.S.	Boston Annual Percent Change	U.S. Annual Percent Change
1985	$131	$75	173.7%	33.5%	4.0%
1990	$174	$95	182.6%	-4.2%	2.3%
1991	$169	$99	169.5%	-3.0%	4.4%
1992	$171	$104	164.6%	1.2%	4.2%
1993	$171	$107	160.9%	0.5%	2.8%
1994	$179	$109	164.7%	4.4%	2.1%
1995	$179	$113	158.6%	-0.2%	3.7%
1996	$189	$119	158.7%	5.7%	5.6%
1997	$195	$124	157.1%	3.0%	4.0%
1998	$212	$130	162.9%	8.9%	5.1%
1999	$261	$133	196.2%	23.1%	2.2%
2000	$330	$138	238.3%	26.4%	4.1%
2001	$355	$146	242.4%	7.6%	5.8%
2002	$335	$158	212.1%	-5.5%	8.0%
2003	$359	$180	198.9%	6.9%	14.0%
2004	$390	$195	199.6%	8.7%	8.3%
2005	$413	$219	188.7%	6.0%	12.2%
2006	$402	$222	181.3%	-2.7%	1.3%
2007	$396	$218	181.6%	-1.6%	-1.8%
2008	$361	$197	183.7%	-8.7%	-9.8%
2009	$333	$172	193.3%	-7.9%	-12.5%
2010	$357	$173	206.4%	7.4%	0.6%
2010.QII	$361	$177	204.1%		
2011.QII p	$356	$172	206.9%	-1.4%	-2.8%

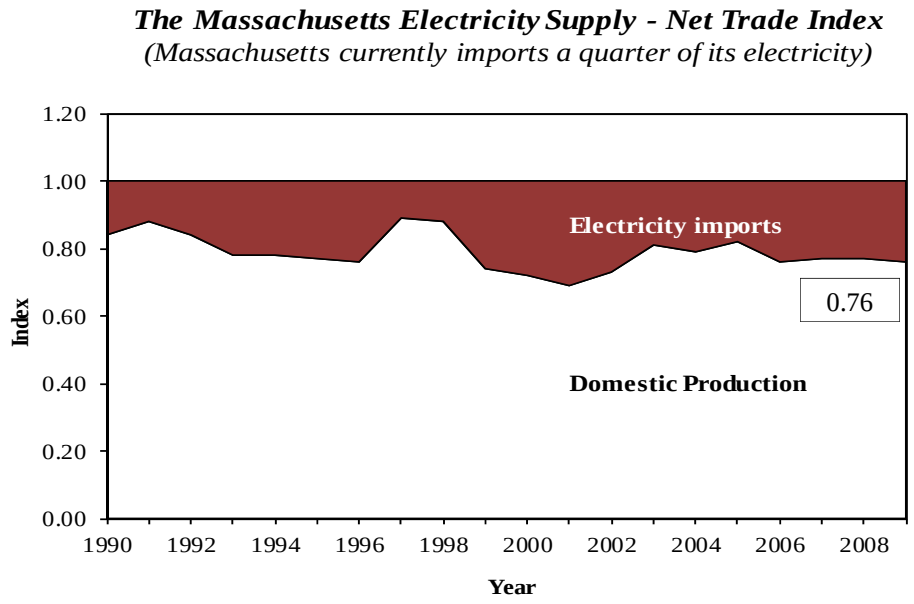
Median Sales Price, Existing Single-Family Homes
U.S. and Boston Metropolitan Area



SOURCES: National Association of Realtors. Federal Reserve Bank of Boston; p= preliminary, r=revised.*

Electricity Prices, Supply and Capacity by Source. Massachusetts electric utilities generated $4.6 billion in revenue as of July 2011 (YTD). This was 2.9 percent less than the same period in 2010, while they sold 0.6 percent less electricity. Massachusetts had the fourth highest electric rate in the country in 2009; 15.45 cents per kilowatt hour, while the U.S. average was 9.82. This was an decrease of 5.0 percent for Massachusetts and an increase of 0.8 percent for the U.S. from the previous year. Massachusetts's latest reported average combined electric rate, year-to-date July 2011, has dropped 2.3 percent compared to the same period last year 2010 to 14.19 cents per kilowatt hour. The Massachusetts Net Electricity Trade Index, which represents the state's electricity self-sufficiency, was 0.76 in 2009. This means that Massachusetts imported 24 percent of its electricity supply, 14,036 million kilowatt hours, from out-of-state. In 2009, two-thirds of Massachusetts generating capacity was oil and natural gas based.

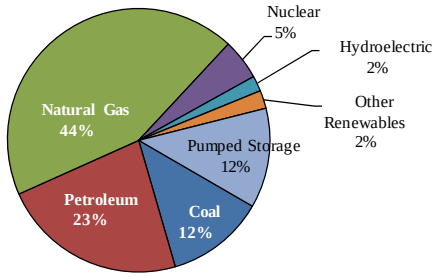




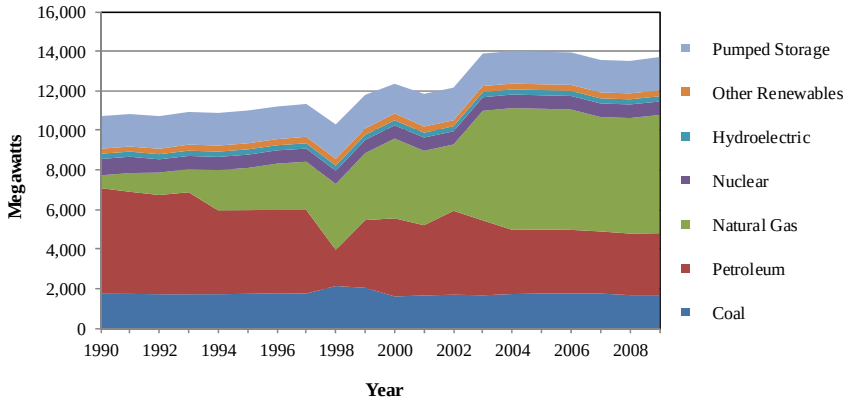
SOURCE: U.S. Dept. of Energy, http://www.eia.doe.gov/: state electricity profiles

EXHIBIT A-Appendix-5 Quarter 1, FY 2012

Electric Power by Primary Energy Source 2009



Electric Power Net Summer Capacity by Primary Energy Source



SOURCE: U.S. Dept. of Energy, http://www.eia.doe.gov/: state electricity profiles

Travel and Tourism. The Massachusetts Office of Travel and Tourism (MOTT) reported a 14.2 percent increase in museum and attraction attendance, 1.4 million visitors, in June 2011, compared to June 2010. June 2011 year-to-date museum and attraction attendance increased 212,000 from the same period last year.

Transportation and Warehousing. Between 2001 and 2010, the transportation and warehousing sector of Massachusetts GDP increased 3.2 percent when measured with year 2005 chained dollars. It contributed 1.5 percent to the total Massachusetts Real GDP in 2010; 0.12 percent less than it did in 2001.

Massachusetts' major air and seaports are managed by the Massachusetts Port Authority (Massport), an independent public authority. Based on total passenger volume in calendar year 2010 data, Logan Airport was the most active airport in New England, remaining the 19th most active in the U.S. according to the Federal Aviation Authority and 45th most active in the world according to Airports Council International. Massport reported that as of September 2011, total airport flight operations were up 5.4 percent and total airport passengers were up 6.7 percent from the same period in 2010. According to the FAA, in calendar year 2010 Logan Airport ranked 29th in the nation in total air cargo volume. In 2010, the airport handled 546 million pounds of cargo; a 5.6 percent increase from 2009. Massport reported that as of September 2011, the combined cargo volume was down 3.4 percent and total express mail was down 1.8 percent from the same period in 2010 Please refer to the Aviation Activity charts on the following page.

At Massport's Port of Boston properties, 2010 total cargo throughput was 11.9 million metric tons, a 12 percent decrease from 2009. Automobile processing increased 78.4 percent to 41,844 units, and cruise passenger trips increased 7 percent to 322,161. Total containerized cargo at public and private terminals decreased 12 percent to 1.2 million metric tons. Massport reported that as of August 2011, the volume of containerized cargo processed was down 12 percent from the same period last year while cruise passengers were up 7%.

The Army Corps of Engineers reported Massachusetts total waterborne cargo shipped or received in 2009 decreased by 3.8 percent to 25.0 million short tons from 2008. Waterborne cargo in New England decreased 7.8 percent while the U.S decreased 10.8 percent. Please refer to the Waterborne Tonnage by State charts on the following page.

Aviation Activity for Massachusetts' Primary Airports

Passenger Boardings	2003	2004	2005	2006	2007	2008	2009	2010p
General Edward Lawrence Logan International	11,087,799	12,758,020	13,214,923	13,544,552	13,783,297	12,820,489	12,566,797	13,561,806
Nantucket Memorial	229,300	243,313	252,757	276,866	282,197	258,214	204,981	112,419
Barnstable Municipal-Boardman/Polando Field	158,360	167,522	177,761	206,980	204,152	191,906	138,858	41,115
Worcester Regional	2,234	1,274	2,036	14,823	460	3,182	17,241	15,975
Laurence G Hanscom Field	19,375	17,049	13,887	14,560	16,568	8,385	7,350	7,667
Marthas Vineyard	53,011	49,480	48,977	45,881	49,205	45,002	42,248	43,871
New Bedford Regional	21,097	19,686	17,960	15,211	14,567	13,908	11,680	12,363
Provincetown Municipal	11,801	11,424	10,236	11,375	12,459	11,468	10,747	11,450
Total	11,582,977	13,267,768	13,738,537	14,130,248	14,362,905	13,352,554	12,999,902	13,806,666

Cargo - Gross Landed Weight (lbs.)	2003	2004	2005	2006	2007	2008	2009	2010p
General Edward Lawrence Logan International	1,199,383,800	1,172,103,700	1,148,881,400	1,100,485,850	1,059,947,900	984,258,400	835,954,035	817,235,460

Change in Aviation Activity at Massachusetts' Primary Airports

Passenger Boardings	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
General Edward Lawrence Logan International	0.1%	15.1%	3.6%	2.5%	1.8%	-7.0%	-2.0%	7.9%
Nantucket Memorial	-9.5%	6.1%	3.9%	9.5%	1.9%	-8.5%	-20.6%	-45.2%
Barnstable Municipal-Boardman/Polando Field	-12.4%	5.8%	6.1%	16.4%	-1.4%	-6.0%	-27.6%	-70.4%
Worcester Regional	-94.0%	-43.0%	59.8%	628.0%	-96.9%	591.7%	441.8%	-7.3%
Laurence G Hanscom Field	-52.1%	-12.0%	-18.5%	4.8%	13.8%	-49.4%	-12.3%	4.3%
Martha's Vineyard	-10.9%	-6.7%	-1.0%	-6.3%	7.2%	-8.5%	-6.1%	3.8%
New Bedford Regional	-2.6%	-6.7%	-8.8%	-15.3%	-4.2%	-4.5%	-16.0%	5.8%
Provincetown Municipal	12.0%	-3.2%	-10.4%	11.1%	9.5%	-8.0%	-6.3%	6.5%
Total	12.0%	14.5%	3.5%	2.9%	1.6%	-7.0%	-2.6%	6.2%

Cargo	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
General Edward Lawrence Logan International	-5.7%	-2.3%	-2.0%	-4.2%	-3.7%	-7.1%	-15.1%	-2.2%

SOURCE: Federal Aviation Administration June 2011. p=preliminary
http://www.faa.gov/airports_airtraffic/airports/planning_capacitypassenger_allcargo_stats/

Waterborne Tonnage by State (In Units of 1,000 Tons)

State	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
U.S. total	2,424,596	2,386,558	2,340,292	2,394,199	2,551,939	2,527,622	2,588,440	2,563,972	2,477,094	2,210,752
Maine	31,769	30,586	29,140	31,698	32,447	32,353	28,103	26,839	24,747	22,996
Massachusetts	26,973	26,446	26,117	30,655	31,787	28,812	27,411	28,043	25,993	25,018
Connecticut	18,959	18,267	17,610	18,579	20,075	19,617	19,340	20,148	18,196	16,767
Rhode Island	9,089	9,170	8,437	9,417	9,764	10,972	11,016	11,184	10,517	8,404
New Hampshire	4,462	4,447	4,108	4,971	4,795	5,254	4,823	4,026	3,833	3,583
Vermont	0	0	0	0	0	0	0	0	0	0
New England	91,252	88,916	85,412	95,320	98,868	97,008	90,693	90,240	83,286	76,768

Waterborne Tonnage by State - Percent Change from Previous Year

State	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
U.S. total	-1.6%	-1.9%	2.3%	6.6%	-1.0%	2.4%	-0.9%	-3.4%	-10.8%
Maine	-3.7%	-4.7%	8.8%	2.4%	-0.3%	-13.1%	-4.5%	-7.8%	-7.1%
Massachusetts	-2.0%	-1.2%	17.4%	3.7%	-9.4%	-4.9%	2.3%	-7.3%	-3.8%
Connecticut	-3.6%	-3.6%	5.5%	8.1%	-2.3%	-1.4%	4.2%	-9.7%	-7.9%
Rhode Island	0.9%	-8.0%	11.6%	3.7%	12.4%	0.4%	1.5%	-6.0%	-20.1%
New Hampshire	-0.3%	-7.6%	21.0%	-3.5%	9.6%	-8.2%	-16.5%	-4.8%	-6.5%
Vermont	-	-	-	-	-	-	-	-	-
New England	-2.6%	-3.9%	11.6%	3.7%	-1.9%	-6.5%	-0.5%	-7.7%	-7.8%

SOURCE: Army Core of Engineers, Waterborne Commerce Statistics Center (WCSC) November 2010.
http://www.iwr.usace.army.mil/ndc/wcsc/wcsc.htm

Sources

Listed below are the web sites of the original data sources used to compile Exhibit A.

Introduction
American Human Development Project
http://www.measureofamerica.org/

Population Characteristics
U.S. Department of Commerce, Bureau of the Census
http://www.census.gov
U.S. Internal Revenue Service
http://www.irs.gov

Personal Income, Consumer Prices, and Poverty
U.S. Department of Commerce, Bureau of Economic Analysis
http://www.bea.gov/regional/index.htm
U.S. Department of Labor, Bureau of Labor Statistics
http://www.bls.gov
The Conference Board, Inc.
http://www.conference-board.org
Mass Insight Corporation
http://www.massinsight.com/index.asp
U.S. Department of Commerce, Bureau of the Census
http://www.census.gov

Employment
Mass. Executive Office of Labor and Workforce Development, Division of Unemployment Assistance
http://lmi2.detma.org/Lmi/LMIDataProg.asp
U.S. Department of Labor, Bureau of Labor Statistics
http://www.bls.gov/data/home.htm.

Economic Base and Performance
U.S. Department of Commerce, Bureau of Economic Analysis
http://www.bea.gov/regional/index.htm
Fortune Magazine
http://www.fortune.com/fortune/

Economic Base and Performance - Sector Detail (NAICS Basis)
U.S. Department of Commerce, Bureau of Economic Analysis
http://www.bea.gov/regional/index.htm
U.S. Census Bureau, Foreign Trade Division. Prepared by the World Institute for Strategic Economic Research (WISER)
http://www.wisertrade.org
Massport
http://www.massport.com
Airports Council International
http://www.aci.aero
Federal Aviation Administration
http://www.faa.gov/airports_airtraffic/airports/planning_capacity/passenger_allcargo_stats/
Army Corps of Engineers
http://www.iwr.usace.army.mil.ndc/
Federal Reserve Bank of Boston
http://www.bos.frb.org
U.S. Department of Commerce
http://www/census.gov
National Association of Realtors; Federal Reserve Bank of Boston
http://www.bos.frb.org/economic/neei/neeidata.htm
Massachusetts Office of Travel and Tourism
http://www.massvacation.com
U.S. Census Bureau, Governments Division
http://www.census.gov/govs/www/statetax.html
http://www.census.gov/govs/www state.html
U.S. Department of Commerce, Bureau of the Census, Consolidated Federal Funds Report
http://www.census.gov/govs/www/cffr.html
Federal Spending - contract, grant, and other award data.
http://www.usaspending.gov
Large employers by sector.
http://www.referenceusa.com/Home/Home

Human Resources and Infrastructure
U.S. Census Bureau
http://www.census.gov/acs/www/
Massachusetts Department of Higher Education
http://www.mass.edu/campuses/facts.asp
New England Board of Higher Education
http://www.nebhe.org.connection.html
National Science Foundation
http://www.nsf.gov/statistics
U.S. Department of Education, National Center for Education Statistics
http://nces.ed.gov
Institute of International Education
http://www.iee.org
U.S. Patent Office
http://www.uspto.gov

A

Account

Account is an entity by which the Massachusetts Management Accounting and Reporting System (*MMARS)* records the status of expenditure authorizations and revenue estimates. Also known as Line-Item or Appropriation.

Accounts payable

Payments owed for goods or services received before the close of a *fiscal year*. Funds should be encumbered by June 30, and paid before August 31, when unspent *encumbrances* lapse. Under certain conditions, Administration and Finance may approve an extension until September 15.

Account type

There are six main account groupings for expenditure accounts, which are designated in *MMARS* by the indicated codes: *direct appropriation* (1CN, 1CS), *retained revenue* (1RN, 1RS), *capital* (2CN), *trust/other* (3TN, 3TX), *federal grant* (4FN), and *intragovernmental services* (1IN, 1IS).

Accrual basis of accounting

Revenues and expenditures are recognized and recorded in the period that they occur, rather than when cash is collected or disbursed. Also see *Statutory basis of accounting.*

Act

A law passed by the Legislature. The legislative session runs by calendar year and Acts are numbered consecutively in each session. So the first law passed in January is called Chapter 1 of the Acts of 20__; the next law is Chapter 2 of the Acts of 20__, etc. Unless an Act is of limited scope or duration, it is usually written as an amendment to the *General Laws*. *Appropriation* acts take effect immediately upon approval by the Governor. All other acts take effect 90 days after the Governor's approval, except for acts which have an *emergency preamble*, which take effect immediately.

Agency

See *Department*.

Allotment

The process of making money that has been appropriated by the Legislature available for expenditure. Although obligations can be incurred without money being allotted, money must be allotted before money can be paid out. A fraction of the money in budgetary accounts is automatically allotted periodically: between 1/12 for one month and 1/3 for four months. If an account needs to spend at a greater rate than the periodic allotment, the agency submits an allotment request. Retained revenue receipts, federal grants, and trust funds are automatically fully allotted. *Capital accounts* are administered through a different process.

American Reinvestment and Recovery Act

The American Recovery and Reinvestment Act of 2009, abbreviated ARRA or Federal Stimulus, is an economic stimulus package enacted by Congress in February 2009. The Act includes federal tax cuts, expansion of unemployment benefits and other social welfare provisions, and domestic spending in education, health care, and infrastructure, including the energy sector. The measures are nominally worth $787 billion.

Amortization

Annual deduction allowed for the gradual exhaustion or obsolescence of intangible assets having a limited useful life which are used in the production of income, such as patents and copyrights; analogous to depreciation of tangible assets.

Annualization

Positive annualization is the additional incremental cost in the next *fiscal year* of new programs, program expansions, or other efforts which are started sometime during the current *fiscal year*. Negative annualization is the incremental cost reduction in the next *fiscal year* resulting from savings efforts and other spending reductions begun sometime during the current *fiscal year*. Annualization is not the same as *annualized*

cost/saving.

Annualized cost/saving The full twelve-month cost or saving of an item. This is not the same as *annualization*.

Appropriation A specified sum of money authorized by the Legislature for a specific period of time to accomplish a specific purpose. See *Line Item*.

Appropriations Tracking The process of monitoring a budget bill through the legislative process.

ARRA See *American Reinvestment and Recovery Act*

Assessment A statutorily mandated form of reimbursement or up-front payment for state expenditures. Assessments are often mandated to charge private sector businesses for state services that are of particular benefit to them.

AT *Appropriations Tracking*

B

Balance See *Balance Sheet*, *Statutory Balance*, *Structural Balance*.

Balance Sheet A document produced by Administration and Finance, which summarizes revenue and spending by category and fund, and displays the resulting *condition*. Balance sheets are produced for prior years based on actual receipts and expenditures, and for current and future years based on projections.

Blanket contract Contract between the state and a vendor, guaranteeing a fixed price for a product. State agencies (and local governments) may buy items under a blanket contract without having to negotiate price.

Bond A financial instrument that is sold by the government for cash. A bond contains a written promise to pay a specified amount of money on a specified date or dates in the future, together with a periodic interest at a specified rate.

Bond cap The annual limit on bond-funded spending that will be permitted by the Governor in support of the capital program. The “Bond Cap” is set annually based on the Debt Affordability Policy, and published in the Commonwealth’s Five-Year Capital Investment Plan.

Bond fund A fund of the Commonwealth into which bond proceeds are deposited and from which spending may occur.

Budgetary accounts *Direct appropriation* and *retained revenue* accounts.

Budget fiscal year The period in which a fiscal year’s budget may be expended. This period includes the fiscal year (July 1 – June 30) plus the accounts payable period (July 1 – August 31) for that fiscal year.

Budgeted funds The funds that contribute to the commonwealth’s *statutory balance*, currently the General Fund, Highway Fund and Health and Wellness Fund. All other funds are considered *non-budgeted funds*.

Budget process The budgetary process is the normal approval mechanism that allows the Commonwealth to spend money it collects.

C

Capital account Entity in *MMARS* which records the status of a spending authorization to be funded from the sale of bonds. Capital authorizations are usually for facility and infrastructure

	construction and maintenance or large equipment purchases, and are generally authorized for 5 years.
Capital Expenditure	An expenditure made in acquiring, adding to or bettering a fixed asset.
Capital projects funds	Capital project funds are for acquisition, long-term construction and development activities legislatively authorized, but largely funded through bonds and federal receipts.
Chapter 29	The *General Laws* chapter that relates to state finance.
Charge back	A cost item for which payment is made by one state agency to another, for example, paying for central computer services. See *Intragovernmental Service Fund Account*.
Cherry sheet	A list, prepared annually by the Department of Revenue, of certain *local aid* distributions. It used to be published on cherry-colored paper, hence the name.
Citation	A reference to a specific statute or regulation.
CIW	Commonwealth *Information Warehouse*
Clerks	The Clerks of the House and Senate are the official recorders of all proceedings in the respective chambers. The Clerks publish the *Journals*, calendars, and other documents, and print copies of all bills filed.
Comptroller	The officer responsible for keeping the state's books and making rules to ensure that all the state's financial transactions are performed according to statute and regulation, and according to *generally accepted accounting principals* (*GAAP*). The Comptroller manages the state accounting system, which is called *MMARS*.
Condition	The result produced on the *balance sheet* when revenues are compared to spending. A positive condition indicates that revenues exceed spending.
Conference Committee	A group consisting of members from the House and members from the Senate, appointed to work out a compromise version of a bill, when the House-passed and Senate-passed versions of the bill differ.
Credit	Amount by which a taxpayer is allowed to reduce a tax liability, as computed by applying the tax rates to the tax base, to be distinguished from a deduction from the tax base.
Current services budget	Synonymous with "*maintenance budget*".
D	
Debt	The principal borrowed by the Commonwealth, usually to support capital projects, which in assets with a useful life over a number of years.
Deduction	Amount that a taxpayer is allowed to subtract from the gross tax base.
Deficiency	A shortfall in an existing *appropriation,* or an additional amount needed to accomplish a new or expanded purpose. It used to be that the former was always referred to as a "deficiency" and the latter was always referred to as a "*supplemental*", but the two terms have come to be used more or less interchangeably.
Department	A department is a legal entity of state government established by the legislature with a specific mission. Departments may report to cabinet-level units of government known as executive offices or secretariats or may be independent divisions or departments.

Department code	Three-letter identification field in *MMARS*, unique to each agency.
Depreciation	Annual deduction allowed for the gradual exhaustion or obsolescence of tangible property used in the production of income.
Direct appropriation account	Entity in *MMARS* which records the status of *appropriations* which are financed by budgeted fund *unrestricted revenues*.
E	
Earmarking	Language included in a *line item* which provides that a specific portion of the *appropriation* be spent for a particular purpose.
Effective date	See *Act*.
Emergency preamble	Language inserted at the beginning of some *Acts*, which declares that the *Act* is an emergency law. An emergency preamble causes the *Act* to take effect immediately upon the Governor's approval, rather than after 90 days.
Encumbrance	The setting aside of money in *MMARS* by an agency to meet known obligations. (Payroll is an exception. Even though it is a known obligation, payroll costs are not encumbered, except for *Accounts Payable* obligations at the end of a *fiscal year*.)
Estimated Receipt Amount	The field in *MMARS* that records the amount of money that Administration and Finance believes will become available during the *fiscal year* in *retained revenue*, *Intragovernmental Service Fund*, and *federal grant* accounts. This amount is used by the *Comptroller* as a limit to obligations.
Exclusion	The legal elimination from the tax base of items recognized as falling within its definition. The federal term for what is sometimes called an exemption for Massachusetts. *See exemption.*
Exemption	The legal elimination from the tax base of items or transaction recognized as falling within it definition, or of taxable units that would normally be subject to tax.
Expenditure	An expenditure is an outlay in cash for a specific purpose, which includes payroll expenses, payroll related chargebacks; contracts (grants, interdepartmental service agreements, leases; subsidies; administrative, operational, and programmatic expenses; and chargebacks and payments.
Expenditure Classification Handbook	A manual published by the *Comptroller* which sets forth the official *object class* and *object codes* used for budgeting funds and recording expenses within *accounts*, along with definitions.
Expense	A revenue expenditure or cost, which, for accounting purposes, is charged against current revenue. To be distinguished from capital expenditure.
F	
Federal Financial Participation	Reimbursement from the federal government for part of the cost of certain programs, such as Medicaid and TAFDC. Often referred to by the acronym "FFP".
Federal grant account	Entity in *MMARS* which records the status of grants authorized by the Legislature to be received from the federal government and subsequently expended.
Federal Stimulus	See *American Reinvestment and Recovery Act*
FFP	*Federal Financial Participation*

Fiscal year	Period that the Massachusetts budget covers: July 1 through June 30. (The federal fiscal year covers October 1 through September 30.)
Fringe benefits	Employee-related costs other than salary, e.g., insurance and retirement costs.
Fringe benefit charges	Costs assessed against federal grants and other non-budgetary accounts to defray the costs of employee benefits which are paid for centrally.
FTE	*Full-Time Equivalent*
Full-time equivalent	A measure of workforce personnel, equal to one position working full time. For example, two half-time positions equal one full-time equivalent. Often referred to by the acronym "FTE".
Fund	An accounting entity in *MMARS* to which all receipts are credited and against which all expenditures and other liabilities are charged. By law, Massachusetts uses a fund accounting system, where all financial activity is recorded by fund. The law specifies which receipts shall be deposited to which funds. Budget acts specify which expenditures shall be charged to which funds. Fund accounting is an overlay on accounting, which is also done by *account*, *object class* and *object code*.
Fund balance	A cumulative residual total of a fund's financial operations (revenues vs. expenditures), also measured as the difference between the fund's assets and its liabilities.
G	
GAA	*General Appropriation Act*
GAAP	*Generally Accepted Accounting Principals*
GASB	Government Accounting Standard Board
General Appropriation Act	The budget for a *fiscal year* which is passed by the Legislature and signed into law by the Governor to fund activities for the government for a specified budget fiscal year. The Massachusetts *General Laws* require that annual budgets are in *balance*.
General Court	The Legislature.
General Laws	The codified collection of laws passed by the Legislature, organized into Chapters and Sections by subject. Often referred to by one of the following acronyms: "GL", "MGL", "MGLA *(annotated)".*
Generally Accepted Accounting Principals	A set of accounting rules which are accrual-based and widely accepted and used. Often noted as *GAAP*. (The statutory accounting that the state primarily uses is largely cash-based.)
Governor's Council	A body of elected officials which, according to the state constitution, must approve all expenditures except those for debt service and salaries for legislators and the Supreme Court justices. The Governor's Council meets weekly to approve *warrants* of expenditures.
Government Accounting Standards Board	The independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. Often noted as *GASB*.
Governor's message	A letter to the Legislature from the Governor that covers legislation submitted by the Governor.
Grade	See S*tep Rate*.

Gross income	The total of al items included in the concept of income that a taxpayer received suring the taxable period.
H	
House 1; House 2	The Governor's budget recommendations for the next *fiscal year*. According to the Constitution, it must be filed within 3 weeks of the convening of the Legislature in January. Newly-elected governors must file House 1 within 8 weeks. In the second year of a legislative session, the Governor's budget is referred to as House 2.
HR/CMS	Human Resources Compensation Management System, the payroll system through which all non-UMass state employees are paid.
HRMS	The payroll system through which UMass employees are paid.
I	
Incremental budgeting	A budgeting technique where a base budget is established using uniform criteria for all agencies, and additions or deletions are added to or subtracted from that base. See also *performance-based budgeting, program budgeting* and *zero-based budgeting*.
Income Tax	Citizen payments based on annual revenue received from personal work, investment income, rental property, etc. Income taxes are defined by state law and the Department of Revenue.
Indirect cost	Overhead expense, including space rental and other administrative support costs, but not including employee *fringe benefits.*
Indirect cost rate	A percentage that the state charges to federal grants for overhead costs which are incurred by the state.
Information Warehouse	A sizeable database which contains an extensive and expanding set of financial and payroll data. State agency personnel can extract data to construct analytical and management summary reports and spreadsheets. Also referred to as the Commonwealth Information Warehouse, CIW.
Interagency service agreement	A contract between two state agencies where one agency agrees to perform specified services and the other agency agrees to pay for those services. Often referred to as an ISA.
Internal control	Internal control is a process, effected by an entity's board of directors, management and other personnel designed to provide reasonable assurance regarding the achievement of the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.
Inter-Secretariat Budget Team	Group of staff from multiple agencies formed to assist the Secretary of Administration and Finance and the Governor to identify and developing reforms proposals for the management of state government and delivery of state services.
Intragovernmental Service Fund account	Entity in *MMARS* which records the status of a certain type of *appropriation* where an agency is authorized to make payments for goods, services, and other obligations on behalf of other agencies, and to receive reimbursement from the accounts of those other agencies. These reimbursements are called *chargebacks*. Normally, Intragovernmental Services Fund spending and revenue are not included in statewide totals, since doing so would result in a double count. Also referred to as an ISF account.
ISA	*Interagency Service Agreement*

ISBT	*Inter-Secretariat Budget Team*
ISF account	*Intragovernmental Service Fund account*
J	
Journal	The official record of proceedings in each chamber of the Legislature. The House Journal and Senate Journal are published by the *Clerks* of the respective chambers.
Judicial Branch	The Massachusetts Judiciary branch is comprised of the Supreme Judicial Court, the Appeals Court, the Trial Court, and the Committee for Public Counsel Services. The Supreme Judicial Court has original jurisdiction over certain cases and hears appeals from both the Appeals Court, which is an intermediate appellate court, and in some cases, directly form the Trial Court.
L	
LCM	Labor Cost Management system, an interface between *HR/CMS* and *MMARS* that allows agencies to assign employee payroll expenses among different accounts and programs.
Legislative Branch	The Massachusetts Legislature or General Court is a two-house body consisting of 40 senators and 160 representatives. A professional and administrative staff supports legislator, primarily through the committee structure.
Line item	Unit by which the Legislature *appropriates* money. Line items consist of an *account* number, language that outlines how the money may be spent, the amount, and the *fund* designation. Where no *fund* designation is given, the *appropriation* is charged to the General Fund.
Line item veto	See *Veto*.
Local aid	Monies *appropriated* to be distributed to cities and towns. See also C*herry Sheet*.
M	
Maintenance budget	The projected cost in the next *fiscal year* of maintaining the level of operations that will exist at the end of the current *fiscal year*.
Master service agreement	A *blanket contract* which covers services, often referred to as an MSA.
MMARS	Massachusetts Management Accounting and Reporting System, the official accounting system of the Commonwealth.
Medicaid	Health coverage authorized in Title XIX of the Social Security Act for individuals and families who meet defined financial eligible criteria.
Model budget	A preliminary budget estimate developed in-house, by Administration and Finance, prior to the formal budget development process.
MSA	*Master Service Agreement* consists of qualified vendors with approved rates available to meet the needs of the Commonwealth.
N	
Net income	Amount remaining after subtracting exempt income and deductions from gross income.
Non-budgetary	Spending *accounts* other than *direct appropriation* and *retained revenue*.

accounts

Non-budgeted funds Financial activities authorized by the legislature but funded through receipts of dedicated revenues (such as assessments, federal grants, fees, fines, investment income) and certain designations of tax revenue. All *funds* except the General, Highway and Health and Wellness Funds, which are considered *budgeted funds.*

Non-budgeted special revenue funds Specific revenue sources that have been segregated from the budgeted funds to support specific governmental activities, such as federal grants, funds related to the tobacco settlement and operations of the state lottery.

O

Object Class Formerly known as subsidiary, and often interchanged. Sub-unit of an *account,* indicated by a two-character code, AA, BB, CC, etc. *Appropriations* are recorded in *MMARS* by object classes within an *account*. Object classes specify the purposes for which portions of *appropriations* are budgeted. For example, money budgeted in the AA can only be spent on salaries; money in KK can only be spent for equipment purchases. Monies in some *budgetary accounts*, and in most *non-budgetary accounts*, are not subsidiarized, and expenditures in those *accounts* are not limited by object class controls. See also *Expenditure Classification Handbook*.

Object code Three-character identifier used in *MMARS* to classify all expenditures. Object codes describe the types of goods and services procured. The hundreds of object codes can be summed into the 18 *object classes*, and are described in detail in the *Expenditure Classification Handbook*.

Official Statement A legally required disclosure document prepared at the time of bond offerings of the Commonwealth or of entities whose bonds are guaranteed by the Commonwealth, frequently referred to as an “OS”.

One-time cost An expenditure by an agency that would not normally be expected to recur in the next year, e.g., an expenditure for the installation of a computer network.

Operating budget A budget making *appropriations* for the ordinary maintenance or administration of activities for the *fiscal year*, i.e., it does not include *capital outlay* authorizations.

OS *Official Statement*

Outside sections Sections in a budget act following section 3, which contain specific provisions of law which govern the particular *appropriations* contained in the budget, make other special laws that usually apply for only one *fiscal year*, and amend the G*eneral Laws* to implement permanent changes included in the budget.

P

PAC *Prior Appropriation Continued*

Performance-based budgeting A budgeting technique which defines units of service, calculates a cost-per-unit, and makes recommendations based on the desired level of service. See also *incremental budgeting*, *program budgeting* and *zero-based budgeting*.

Personal exemption A specific amount or percentage of net income on which the tax rate is zero. Sometimes called an allowance.

Pocket veto Legislative bills sent to the Governor for signature at the end of a legislative session are considered to be vetoed if he does not sign them within 10 days. This is called a pocket veto. (While the Legislature is still in session, a bill held unsigned by the Governor becomes law after 10 days.)

Prior appropriation continued — In general, the balance of unspent and unobligated *appropriations* reverts at the end of a *fiscal year (*see *reversion)*. Each year, some *accounts* are specifically exempted from this provision, and are authorized in budget *acts* to carry a balance into the next *fiscal year*. Those *accounts* are called "prior appropriation continued accounts" or "PAC accounts". Sometimes "PAC" is used as a verb, and *accounts* are said to be "PAC'd". *Capital accounts*, at the end of their normal 5-year life span, may be subject to the same process.

Program budgeting — A budgeting technique which consolidates programs with similar or overlapping goals, gives managers broad discretion in the use of funds, and sets long-term goals based on the effect of the service provided rather than on the quantity of service units provided. See also *incremental budgeting*, *performance-based budgeting* and *zero-based budgeting*.

Proposition 2 1/2 — A Massachusetts referendum passed in 1980 that limits the growth of local property tax to an annual increase of 2.5%.

R

Rainy Day Fund — Common name for the *Stabilization Fund*.

Receipt Ceiling — See *Retained Revenue Account*.

Reserve — A *line item* which appropriates an amount to be transferred to other *line items* to fund a particular cost which is not already included in those other *line items*. Reserves are usually set up to fund new collective bargaining agreements, and other expenses when the distribution of costs across *accounts* is not know at the time of the *appropriation*.

Resolve — A document promulgated by the Legislature, expressing its intent.

Restricted revenue — Receipts which, instead of being deposited to general or "*unrestricted revenue*", are diverted for a specific purpose, usually for the purposes of retained *revenue account*.

Retained revenue account — Entity in *MMARS* which records the status of a certain type of *appropriation* where an agency is authorized to spend a specific amount of receipts from a particular revenue source for a particular purpose. The amount specified in the *line item* is entered into the "Receipt Ceiling" field in *MMARS*, and revenues deposited up to that amount may be retained and spent.

Reversion — Unexpended and unobligated money which returns at the end of a *fiscal year* to the *fund* from which it was appropriated. This money is no longer available for agencies to spend.

Revenue — Funds received by the Commonwealth from a variety of sources including taxes, federal reimbursements, federal grants, lottery revenue, assessments, motor vehicle license fees and registrations, fees and investment earnings.

S

Salary chart — See *step rate*.

Source code — A four-digit code used in *MMARS* to designate the specific type of activity from which revenue is generated. The last four digits of a revenue *account* number comprise the source code.

Spending plan — A document, submitted to Administration and Finance by all state agencies, which contains a detailed estimate of projected spending and revenue for the current year. The Spending Plan usually includes a detailed *maintenance budget* estimate for the following year as well.

Stabilization Fund A "rainy day" fund into which the end-of-year surplus is deposited up until the limit of 15 percent of budgeted revenues is reached. The stabilization fund is a reserve of surplus revenues used for the purposes of covering revenue shortfalls, state or local losses of federal funds or for any event that threatens the health, safety or welfare of the people or fiscal stability of the Commonwealth.

Statutory balance The amount on the *Balance Sheet* which indicates the *condition*, if excess revenue carried forward from the previous year is counted. (The laws, or statutes, allow a certain percentage of prior year excess revenue to be counted in the balance.) See also *Structural Balance*.

Statutory basis of accounting Under the statutory basis of accounting revenues are generally recognized when cash deposits are received by the Treasury and expenditures are generally recorded when cash disbursement occurs.

Statutory debt limit Enacted in December 1989, Section 60A of Chapter 29 of the General Laws set a fiscal 1991 limit of $6.8 billion on the amount of outstanding direct debt of the Commonwealth, and provided that the limit for each subsequent fiscal year was to be 105% of the previous fiscal year's limit. Certain bond issues, such as refunded bonds and bonds issued for the MBTA, Central Artery/Tunnel Project, Massachusetts School Building Authority and bonds issued to finance the Commonwealth's accelerated structurally deficient bridge program are exempt from the statutory debt limit.

Step rate Salary rates for unionized state employees are outlined in salary tables which contain grades and steps. Grades are determined by position title, e.g., a clerical position gets paid at a relatively low pay grade compared to a senior management position. Each grade contains several salary rates, increasing in increments from the bottom to the top. These are called step rates. Each year on their anniversary dates, and based on satisfactory performance, employees get a salary increase to the next step rate. When they reach the top step, they can proceed no further within a grade, unless specific collective bargaining agreements provide otherwise.

Structural balance The amount on the *Balance Sheet* which indicates the *condition*, if excess revenue carried forward from the previous year is not counted. Also called operating or current account balance. See also *Statutory Balance*.

Sub Short for *Subsidiary*.

Subsidiary See *Object Class*.

Supp Short for *Supplemental.*

Supplemental See *Deficiency*.

T

Taxable income Amount to which the tax rates are applied in computing tax liability, after subtracting personal exemptions from net income.

Tax Exempt Lease Purchase A program where state agencies may lease-purchase equipment, and which includes tax benefits for the vendor and price breaks for the state. Usually referred to by the acronym "TELP".

Tax expenditure Provisions in the tax code, such as exclusions, deductions, tax credits and deferrals, which are designed to encourage certain kinds of activities or aid taxpayers in special circumstances.

Tax expenditure Sources of revenue for all state government.

budget	
TELP	*Tax Exempt Lease Purchase*
Terms bill	A legislative bill authorizing terms and conditions of bond sales, which must be filed by the Governor, and passed by the Legislature, before previously authorized *capital outlay* bonds can be sold, and before bonded expenditures can be made.
Trust/other account	Unit in *MMARS* which records the status of monies authorized to be spent by various statutes, other than *appropriations*, *capital outlay* authorizations and *federal grants*.
U	
Unrestricted revenue	Receipts which are deposited to the commonwealth's general revenues, as opposed to *restricted revenue*.
V	
Veto	Action taken by the Governor, authorized by the Constitution, to disapprove a legislative bill. For *appropriations* bills, the Governor may disapprove *line items*, or in some instances portions of *line items*, and *outside sections*.
Veto override	Legislative power to nullify a Governor's *veto*. Requires a two-thirds vote of both the House and Senate.
W	
Warrant	A report produced weekly (and for some items monthly) which lists all payments about to be made, and which must be approved by the *Governor's Council* before the payments are made.
Ways and Means Committees	Legislative bodies in the House and Senate, which consist of members of the respective branches appointed by the House Speaker and Senate President. These bodies make recommendations to their respective chambers on all funding bills. The House and Senate Committees on Ways and Means employ budget staff, including analysts.
Z	
Zero-based budgeting	A budgeting technique that begins at zero and justifies every expenditure. See also *incremental budgeting*, *performance-based budgeting* and *program budgeting*.