July 26, 2018

To the Honorable Senate and House of Representatives:

Pursuant to Section 5 of Article 63 of the Amendments to the Constitution, we are today signing House Bill 4800, “An Act Making Appropriations for the Fiscal Year 2019 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements,” and returning certain portions to you for reconsideration.

The Fiscal Year 2019 (FY19) budget, the fourth of this administration, once again provides funding for stronger and safer communities, education, health care coverage, transportation, and important social service programs for mental health, substance misuse, children, and seniors.

The $41.232 billion spending plan represents a 3.2% growth rate over estimated spending in Fiscal Year 2018 (FY18), excluding MATF pensions and interfund transfers. This budget does not rely upon new taxes or fees to achieve balance and assumes an estimated $368 million net increase to the Stabilization Fund. The budget also limits the use of one-time revenue to $95 million, which is approximately 92% less than the one-time revenue used in the Fiscal Year 2015 budget.

**FY19 Budget Highlights**

* An increase in Unrestricted Local Aid of $37.2 M, or 3.5%, to $1.1 billion;
* $5.3 million for the Community Compact program, which all 351 communities have joined since its inception in 2015; and
* $8 million for Shannon Grants to support gang-prevention initiatives.

**Department of Children and Families**

* $1 billion in funding for the Department of Children and Families, an increase of $34.2 million over FY18. Since 2015, funding for DCF has increased by $180.2 million.

**Mental Health**

* $876 million for the Department of Mental Health, an increase of $109 million over FY18, which includes $83.8 million for Adult Clinical Care Services, representing an increase of $140 million for DMH since 2015.

**Health and Human Services**

* $25 million to fully fund the Department of Developmental Services “Turning 22” program, an increase of $2.1 million over FY18.

**Economic Development**

* $5 million for the Workforce Competitiveness Trust Fund, which will provide grants to support training and certification programs to help bridge the skills gap;
* $2 million for Small Business Technical Assistance grants, an increase of $1.25 million above FY18 spending, to provide technical assistance, education, and access to capital to small businesses;
* $1 million for Learn to Earn, providing grants designed to help build career pathways for unemployed and underemployed individuals and talent pipelines for businesses; and
* $500,000 for the Urban Agenda grant program.

**Transportation**

* $582.5 million for MassDOT, the MBTA, and Regional Transit Authorities, including $127 million in state support for the MBTA (in addition to the annual $1 billion transfer of sales tax revenue), and $88 million in state support for RTAs (a $7.6 million increase over FY18).

**Energy and Environment**

* $18.4 million to support 20.7 million healthy and nutritious meals for individuals dealing with food insecurity;
* $10.8 million in funding for environmental law enforcement, which will support a new class of 10 Environmental Police officers; and
* $2.2 million in new funding for municipal technical support, climate science, and targeted investments in environmental justice.

We appreciate the work of the Legislature in delivering the FY19 conference report, including their progress in funding accounts that have historically required supplemental appropriations. There remain, however, some items within the conference committee report that we believe require additional corrective actions to maintain fiscal restraint and remain flexible for unanticipated future events.

Accordingly, we are vetoing $48.9 million gross / $37.6 million net in line-item and outside-section spending. Of the 110 outside sections presented in the conference report, we are signing 91 and returning 19 for amendment.

Therefore:

* We are reducing appropriation amounts in items of section 2 of House 4800 that are enumerated in Attachment A of this message, by the amount and for the reasons set forth in that attachment;
* We are disapproving, or striking wording in, items of section 2 of House 4800 also set forth in Attachment A, for the reasons set forth in that attachment; and
* Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth, we are returning sections 12, 29, 38, 39, 52, 54, 56, 58, 59, 60, 62, 63, 82, 84, 87, 89, 99, 104, and 112 with recommendations for amendment. Our reasons for doing so and the recommended amendments are set forth in separate letters that are dated today and included with this message as Attachments B to M, inclusive.

Respectfully Submitted,

Charles D. Baker Karyn E. Polito

Governor Lieutenant Governor