July 31, 2019

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 4000, “An Act Making Appropriations for the Fiscal Year 2020 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 2020 (FY20) budget, the fifth of this administration, once again provides funding to support education, stronger and safer communities, transportation, health care coverage, and important social service programs for mental health, substance misuse, children, and seniors.

The $43.321 billion spending plan represents an approximately 3.3% growth rate over estimated spending in Fiscal Year 2019 (FY19), excluding certain trust fund transfers, pensions, and interfund transfers. This budget does not rely upon new taxes or fees to achieve balance and assumes an estimated $476 million net increase to the Stabilization Fund. The budget also limits the use of one-time revenue to $33.5 million.

**FY20 Budget Highlights**

* Chapter 70 funding for education of $5.2 billion, a $268 million increase over FY19
* An increase in Unrestricted Local Aid of $30 M, or 2.7%, to $1.1 billion;
* New drug pricing authority to restrain cost growth in the MassHealth pharmacy program

**Combating the Opioid Epidemic**

* $246 million across several state agencies for substance misuse treatment and services, a $27 million increase over FY19 and a total increase of $127 million since FY15 (not including MassHealth)

**Caring for our seniors**

* Expansion of the income eligibility for the Medicare Savings Program, delivering savings to approximately 40,000 low-income seniors for their prescription drug costs

**Transportation**

* $698 million for transportation overall, including MassDOT operations, the MBTA, and Regional Transit Authorities, including $127 million in state support for the MBTA (in addition to the $1.1 billion transfer of sales tax revenue) and $90.5 million for RTAs

**Energy and Environment**

* $5 million increase for the Department of Public Utilities’ Pipeline Safety Division
  + Increased assessment on utility distribution companies to fund an increase in the number of DPU pipeline inspectors
* $2.2 million for Climate Adaptation and Preparedness

**Black Advisory Commission and Latino Advisory Commission**

* A total of $20.3 million to support the recommendations of the Administration’s Black Advisory Commission and Latino Advisory Commission, including:
  + Expansion of college and career pathways for high school students
  + Targeted workforce development programs to prepare more Blacks and Latinos for successful employment
  + Improvement and expansion of English for Speakers of Other Languages (ESOL) programs

**Housing**

* $179 M in emergency assistance funding to provide shelter to homeless families
* $110 million for the Massachusetts Rental Voucher (MRVP) program
* $72 million for Local Housing Authorities (LHAs)
* $53 million for homeless shelters serving individuals
* $4 million in new funding to expand ADA-accessible units within the homeless shelter system

**Health and Human Services**

* $902 million for the Department of Mental Health, an increase of $26 million over FY19, representing an increase of $166 million for DMH since 2015.
* Fully funds the Department of Developmental Services’ Turning 22 program at $25 million
* $10.2 million for the Safe and Successful Youth initiative

**Workforce and Economic Development**

* $7 million for the Workforce Competitiveness Trust Fund for grants to support training and certification programs to help bridge the skills gap
* $3 million for Small Business Technical Assistance grants to provide technical assistance, education, and access to capital to small businesses
* $2.5 million for the Urban Agenda grant program
* Transfer of any FY19 consolidated net surplus to the Community Preservation Trust Fund ($20 million) and the Massachusetts Life Sciences Center ($10 million)

We appreciate the work of the Legislature in delivering the FY20 conference committee report. There remain, however, some items within the report that we believe require additional corrective actions.

Of the 108 outside sections presented in the conference report, we are signing 99 and returning 9 for amendment.

Therefore:

* We are striking wording in, items of section 2 of House 4000 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 14, 47, 59, 69, 89, 97, 103, 104, and 108 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 G, inclusive.

Respectfully Submitted,

Charles D. Baker Karyn E. Polito

Governor Lieutenant Governor