



Executive Office for Administration & Finance

**COMMONWEALTH OF MASSACHUSETTS**

STATE HOUSE • BOSTON, MA 02133

(617) 727-2040

**CHARLES D. BAKER**  
GOVERNOR

**KRISTEN LEPORE**  
SECRETARY

**KARYN E. POLITO**  
LIEUTENANT GOVERNOR

December 6, 2016

His Excellency Charles D. Baker, Governor  
Executive Office  
State House, Room 360  
Boston, Massachusetts 02133

Dear Governor Baker:

Pursuant to the provisions of Section 9C of Chapter 29 of the Massachusetts General Laws, I hereby notify you that available revenues for Fiscal Year 2017 are projected to be insufficient to meet authorized expenditures. The amount of this probable deficiency is estimated at \$98 million.

The majority of the projected deficiency, approximately \$88 million, reflects probable non-discretionary spending obligations not accommodated in the FY17 General Appropriation Act. These projections include program-wide MassHealth costs after accounting for available spending and revenue initiatives, costs for the operations of four sheriffs' offices, the Fiscal Year 2017 impact of certain collective bargaining obligations, Department of Correction and Department of Mental Health costs, and Fiscal Year 2017 costs that are anticipated to be required under Chapter 257 of the Acts of 2008. I also project a shortfall in budgeted non-tax revenue of approximately \$10 million, which is attributable to a smaller projection of expected pharmacy-related revenues within the MassHealth program.

Upon your direction, I will implement reductions under Section 9C of Chapter 29 and take such other steps as necessary to eliminate this projected deficiency.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kristen Lepore".

Kristen Lepore  
Secretary

Cc: Chairs, House and Senate Committees on Ways and Means