



REPUBLICAN LOCAL AID AMENDMENT INCLUDED IN FINAL FY12 BUDGET

Cities and Towns Stand to Receive Thousands in Reverted Funds

FOR IMMEDIATE RELEASE:

BOSTON- State Representative Geoff Diehl, House Minority Leader Bradley H. Jones, Jr. and the House Republican Caucus are pleased to announce the inclusion of a Republican led Local Aid Amendment which, if implemented, stands to distribute up to \$65 million in one-time funding to local cities and towns, into the final Fiscal Year 2012 budget.

Communities in Massachusetts will see local aid restored to last year's levels through funds from reversions, if the Governor does not veto the section from the budget.

Having passed on a unanimous voice vote during the House budget debate in April, the amendment was later approved by a six-member, bi-partisan Conference Committee composed of House and Senate legislators. This marks the first time in over four years that a Republican-offered amendment has been included in the final version of the state budget.

"Restoring Local Aid cuts was one of the principal reasons I decided to run for office, once I'd seen the negative affects to our schools and public safety departments due to continued reductions in prior years," said Representative Diehl. "I couldn't be happier with the work we've accomplished to restore the funding cuts to towns from the initial budget proposal and my continued focus is on curbing wasteful spending on Beacon Hill."

The Local Aid amendment stands to distribute unused funding from Fiscal Year 2011 back to cities and towns. Using the Lottery formula, the Local Aid amendment will allow half of the Commonwealth's reversions, up to \$65 million, to be distributed to municipalities by October 31, 2011.

"At a time where Local Aid has been consistently cut, I strongly urge the Governor to sign this amendment into law, thus putting the needs of municipalities first and foremost." said House Minority Leader Bradley H. Jones Jr. "I am pleased that the members of the bi-partisan Conference Committee have afforded our municipalities the opportunity to alleviate the financial burden of the past three fiscal years."

Historically, reversions to the General Fund have averaged approximately \$150-\$200 million per fiscal year. The final version of the budget is currently before the Governor for his review.

Other details regarding the budget:

The budget increases Chapter 70 funding by \$140 million and SPED Circuit Breaker funding by \$80 million over their FY11 appropriations.

The budget includes a plan to reform municipal health insurance that provides savings for cities and towns while ensuring that employees and retirees have a strong voice without a veto. The conference report allows municipalities to alter co-payments, deductibles and other plan design features so long as such features are no greater in dollar amount than those offered by the Group Insurance Commission (GIC) plan with the largest subscriber enrollment. The GIC provides health insurance to state workers and legislators.

The municipal employee health reform plan does not alter collective bargaining rights associated with premium splits. Furthermore, as a local option proposal, cities and towns will not be required to implement plan design changes for employees. Rather, municipalities will have the option to implement or abstain from plan design changes.

The spending plan also includes no new taxes while preserving services for some of the neediest residents of the Commonwealth by focusing limited resources for the Department of Mental Health, early intervention services and public safety initiatives.

Selected highlights of the budget conference committee agreement include:

- \$213 million for special education circuit breaker funding, an increase of \$80 million over FY11;
- Full funding for the state's inpatient mental health beds, club houses and mental health community services;
- Full funding for the Early Intervention program that addresses developmental delays in children ages 0-3;
- A \$4.5 million increase in funding from FY11 for District Attorneys;
- Increased funding for the State's Veteran Outreach Centers and Veterans homeless shelters by 10% at \$1.91 million and \$2.29 million, respectively;
- Regional School Transportation was funded at \$43.52 million, an increase of \$3 million from FY11, allowing school districts to receive a reimbursement rate of 61%;
- \$2 million in funding for a new State Police Class;
- \$525 million to the Department of Correction, which will prevent any facility closures;
- \$6 million in funding for Regional Tourism Councils;

Policy Initiatives included in the report include:

- A municipal health care proposal that provides strong incentives for municipalities and employees to come to a mutually agreed upon solution on health care benefits. The language builds on the plan adopted by the House of Representatives by adding protections to ensure the integrity of the negotiation process while protecting retirees, specifying that any cost-savings proposal from a municipality must also include a plan to mitigate or cap the impact of changes on subscribers, specifically retirees, low-wage workers, and heavy users of health care;
- A requirement that 25% of indigent defense be provided by public defenders by the end of FY11. The substantial increase in the number of public defenders will help control costs, while maintaining the quality of the existing indigent defense system;
- The establishment of a new Office of Commonwealth Performance, Accountability and Transparency that will evaluate programs, coordinate grant activity and allow greater transparency. The office will also have a specific focus on projecting caseloads for a number of state programs;
- Includes three new initiatives that will provide state agencies with resources necessary to aggressively pursue and recoup unnecessary expenditure of funds and instances of fraud or overpayment. A new auditing and program integrity grant program for state agencies; a line item to support MassHealth auditing and recoveries; and a new unit within the Operational Services Division to conduct vendor audits. The investments will generate revenue and protect government resources;

House and Senate negotiators assigned to resolving differences between the branches' versions of the budget were faced with the most difficult budget since the economy collapsed in 2008. Moving forward without the aid of \$1.5 billion in federal stimulus funds that has provided relief in past years, legislators relied on funding reductions, ongoing revenue initiatives and one-time revenues to find a balanced approach of cuts and revenues. This balanced approach preserved services for the neediest citizens and targeted programs aimed to provide financial assistance to education initiatives, municipalities and families.

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