



Office of
Representative Hannah E. Kane
Commonwealth of Massachusetts

For Immediate Release

Contact: Jessica Beliveau, 617-722-2430, Jessica.Beliveau@mahouse.gov

July 10, 2017

Representative Kane supports passage of \$40.2 billion state budget for Fiscal Year 2018

BOSTON – State Representative Hannah Kane, R-Shrewsbury, joined with her colleagues in the House of Representatives last Friday, July 7th, to approve a \$40.2 billion state budget for Fiscal Year 2018. The budget passed on a vote of 140-9 on July 7.

Despite a shortfall in projected revenues which necessitated \$400 million in spending reductions and other cost-saving measures, the budget provides for a significant increase in education assistance and unrestricted local aid for cities and towns. Chapter 70 aid is set at \$4.747 billion, which represents a \$118.9 million increase over last year's funding levels. Unrestricted local aid, which can be used for a variety of municipal spending purposes, is set at \$1.061 billion, or \$40 million more than was allocated in Fiscal Year 2017.

Representative Kane noted that the budget will provide Shrewsbury with \$19,706,038 in Chapter 70 education aid and \$2,782,874 in unrestricted state aid in Fiscal Year 2018. Westborough will receive \$7,878,155 in Chapter 70 education aid and \$1,157,670 in unrestricted state aid in Fiscal Year 2018. The budget also includes \$50,000 in funding for a Shrewsbury based substance abuse treatment clinic, operated by Veterans Inc. Representative Kane and Senator Michael Moore (D-Millbury) were able to jointly secure funding for this veteran focused, specialized 32 bed clinical stabilization services facility.

“The Fiscal Year 2018 budget provides critical funding to our cities and towns for local schools and other essential municipal services,” said Representative Kane. “I’m proud to support these funding increases on behalf of the residents of Shrewsbury and Westborough.”

In addition to the increases in Chapter 70 funding and unrestricted local aid, the budget assists cities and towns by addressing foundation budget health care rate increases. It also provides for:

- a guaranteed statewide minimum increase of \$30 per pupil;
- \$281 million for Special Education Circuit Breaker reimbursements, which represents a \$4 million increase over current funding levels; and
- \$61.5 million for regional school transportation reimbursements, an increase of \$500,000 compared to Fiscal Year 2017.

Other non-education spending priorities contained in the Fiscal Year 2018 budget include:

- \$132.5 million for the Bureau of Substance Addiction Services
- a \$61.7 million increase in developmental services, including the state's Turning 22 program; and

- a \$36 million increase in funding for the Department of Children and Families.

The final budget calls for a \$1.057 billion, or 2.7%, spending increase over Fiscal Year 2017. However, it is based on a revenue benchmark that is \$733 million lower than the amount initially projected to be available in Fiscal Year 2018.

To address this revenue shortfall, the conference committee reduced MassHealth spending by \$150 million while cutting another \$250 million in other areas of the budget. The conference committee was also able to identify \$205 million in anticipated department efficiencies and reversions, along with \$50 million in non-tax revenue savings. The budget is also based on an assumption that a reduction in the income tax rate to 5.05% will not take place in January, which will free up an additional \$83 million in revenues.

The budget, which has also been approved by the Senate, is now being reviewed by Governor Charlie Baker, who has until July 17 to sign it and issue any vetoes.

###