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Press Release

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Senate Releases Fiscal Year 2011 Budget Recommendations, Continues Commitment to Reform During Fiscal Crisis

(BOSTON, MA) – The Senate Committee on Ways and Means today released its recommendations for the fiscal year 2011 budget. The \$27.88 billion budget proposal uses a combination of spending reductions and federal recovery act funds in order to close the \$2.85 billion budget gap. The Committee also upholds its commitment to not use any new taxes or a withdrawal from the state’s Stabilization Fund in order to balance the fiscal year 2011 budget.

Senator Steven Panagiotakos, Chairman of the Senate Committee on Ways and Means said, “I believe it is important to not burden the public with any new taxes and also leave the stabilization fund available for possible midyear drops in revenue or unanticipated spending exposures.”

The Committee’s recommendations level fund 154 line items and reduce spending in 321 items from fiscal year 2010 levels. Also recommended is a \$159 million cut from fiscal year

2010 level to Chapter 70 aid and Unrestricted General Government Aid. Under this plan agreed to with the House, all cities and towns will receive the level of education aid necessary to reach their foundation budget, but will absorb a reduction of up to 4% from 2010 levels; in 2003, during the last recession, many communities experienced Chapter 70 cuts of 20%.

The Ways and Means budget proposes new initiatives and reforms to accelerate the commonwealth's economic recovery and improve the lives of citizens in the Commonwealth. Recognizing that there will not be a full recovery until jobs return, the committee budget makes job creation and workforce training programs a top priority. The committee budget increases funding for career centers, workforce training grants and job programs for teenagers.

There is also funding for the new Massachusetts Marketing Partnership and for the regionally-based provisions of business development services, both of which were key features of the economic development bill recently passed by the Senate. That bill contained numerous provisions to make it easier for businesses to access resources and technical assistance from the state, and those initiatives are supported in the committee's 2011 budget. "In order for this economic tide to turn, we must continue to invest in job creation and economic development," said Chairman Panagiotakos. "Preparing workers for the future is an essential component of a full economic recovery."

The committee prioritizes programs used by the most vulnerable residents of the Commonwealth. This budget dedicates all revenue from the sales tax on alcohol to help those suffering from substance abuse addiction. With substance abuse being such a widespread epidemic and over 90,000 residents receiving prevention and treatment services through various state agencies, The Commonwealth Substance Abuse Treatment and Prevention Fund will be used to support essential substance abuse treatment and prevention programs across state government. In addition to support for substance abuse treatment, the committee budget also focuses on other essential services, including health services and elder care programs.

The committee budget also includes policy initiatives for higher education, housing and public safety. The major education initiative included in the budget proposal will allow the

commonwealth's public colleges and universities to retainin tuition they receive from out-of-state students and moves campuses towards retaining all tuition in the 2011-2012 academic year.

In an effort to move families out of shelters and into long-term housing, the committee budget includes \$3.5 million within the Emergency Assistance program. We also include \$37.9 million for Massachusetts Rental Voucher Program and increase funding for Residential Assistance for Families in Transition to \$1 million.

The committee recommendations also strengthen the rights of victims and witnesses and their families by requiring courthouses to provide a secure waiting area or room for crime victims and their family members and witnesses to crimes. This is an important step towards improving the rights of victims in this state.

The budget now heads to the Senate floor, to be debated by the Senate in its entirety next week.

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