



Office of
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For Immediate Release

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July 9th, 2015

House passes \$38.1 billion Fiscal Year 2016 budget
Representative Kane secures vocational school transportation funding

BOSTON – Representative Hannah E. Kane (R-Shrewsbury) joined with her colleagues in approving a \$38.1 billion budget for Fiscal Year 2016 that holds the line on taxes, increases local aid to cities and towns and implements key transportation reforms at the MBTA. The budget passed the House of Representatives on Wednesday on a vote of 153-1.

The final budget includes a \$4.5 billion allocation for Chapter 70 education aid, which represents an increase of \$111.2 million, or 2.5 percent, over the current year. Unrestricted general government aid, which helps fund many other essential municipal services, will see an increase of \$34 million, bringing the statewide total to \$979.8 million, an increase of 3.6 percent over current levels.

According to Representative Kane, the town of Shrewsbury will receive \$19,195,638 in Chapter 70 aid under the Fiscal Year 2016 budget plan, along with \$2,567,992 in unrestricted general government aid. The town of Westborough will receive \$5,113,078 in Chapter 70 aid as well as \$1,068,280 in unrestricted general government aid.

The budget calls for significant increases in reimbursements to cities and towns to help offset the costs associated with special education and regional school transportation services. The special education reimbursement, also known as the Circuit Breaker, is funded at \$271.7 million, an increase of 7.2 percent, or \$18.3 million, over this year, a level that fully funds the state's share of special education aid for local school districts at 75 percent. Regional school transportation will see a 14.6 percent increase, bringing the statewide total to \$59 million, up \$7.5 million from the current year.

An additional \$80.5 million has been set aside for charter school reimbursements to cities and towns. This represents an increase of \$3.6 million, or 4.7 percent, over current reimbursement levels.

The budget also includes \$1,750,000 secured by Representative Kane to fund non-resident pupil transportation (7035-0007) in the Commonwealth. Representative Kane filed for this funding as an amendment to the House Ways and Means Budget as the state mandates that districts that do not belong to a regional vocational technical school district must pay for tuition for students to enroll in such schools, and that the district must transport students to that program at no cost to the student because the state is supposed to reimburse the cost. This mandate has been poorly reimbursed in recent years.

Prior to the adoption of Representative Kane's amendment, this line item had not been included in the Governor's filed budget or in the original House Ways and Means filed budget, and the line-item had been zeroed out in the FY15 budget as part of the 9C cuts last fall. The funding cut had a significant impact on the Town of Shrewsbury's school budget as costs for vocational school transportation increased by one-third in FY14 and was a \$177,000 expense in FY15, due to an additional bus added to transport students to the Assabet Valley Regional Vocational School. In FY 14, the town received a \$89,646 reimbursement for its' FY13 costs, which amounted to about 86% reimbursement rate.

In regard to the amendment inclusion in the final budget, Representative Kane commented, “One of my priorities as State Representative is ensuring that the Commonwealth keeps its commitments and funds its mandates. While we would have needed over \$3.9M to fully fund this line-item for the Commonwealth, I am pleased that we were able to secure \$1.75M and appreciate the work of the House and Senate Conference Committee to include funding in the reconciled budget. This was also an issue of parity for me, as the Governors and House Ways and Means budgets included transportation funding for schools that are members of regional school districts, but not for districts that must pay tuition for their students to attend the regional vocational schools. We must support our students who choose a vocational school education to prepare them for successful careers and ensure that the funds are available to districts for transportation reimbursement.

For the first time in 8 years, the budget does not rely on a draw down from the state Stabilization Fund for balance. It also includes no new taxes, but does provide for an increase in the Earned Income Tax Credit (EITC) from 15 percent of the federal award to 23 percent of the federal award, effective January 1, 2016.

The current state EITC award ranges from \$74.40 – which is available to qualifying single heads of household with a federal adjusted gross income of \$14,590 and married couples filing jointly with an adjusted gross income of \$20,020 – to a high of \$921.45 for single heads of household with 3 or more children and an adjusted gross income of \$46,997, as well as married couples filing jointly with 3 or more children and an adjusted gross income of \$52,427. With the increase included in the Fiscal Year 2016 budget, the allowable state credit cap will now range from a low of \$114.08 to a high of \$1,412.89, based on the same family size and income guidelines.

The Fiscal Year 2016 budget also contains several key transportation reforms that have been endorsed by Governor Charlie Baker and the House Republican Caucus to put the MBTA back on solid financial footing and to ensure proper oversight of the authority’s operations moving forward. In addition to expanding the MassDOT Board of Directors from 7 to 11 members appointed by the Governor, the budget also creates a 5-member Fiscal Management Control Board that will remain in place until June 30, 2018. The budget contains provisions that would allow the Fiscal Management Control Board to continue for an additional two years, if the board and the Governor determine that it would be “in the best interest of the public and necessary to achieve operational stability and to establish performance metrics for the MBTA.”

One of the most significant transportation reforms included in the budget is a three-year moratorium on the Pacheco Law, which will provide the MBTA with more flexibility in determining whether certain operations can be outsourced at a savings to the state’s taxpayers. A new report released this week by the Pioneer Institute estimates that the MBTA has foregone nearly \$500 million in savings since the late 1990s due to the restrictions imposed by the anti-privatization law.

The budget, which was also enacted by the Senate today, now heads to Governor Charlie Baker for his review. Governor Baker has until July 18 to sign the budget and return it to the Legislature with any vetoes.

Representative Kane had also announced last week the inclusion of Shrewsbury’s Dean Park in Governor Baker’s Capital Plan for Fiscal Year 2016. The Capital Plan, which lays out the administration’s 5 year investment plan, has committed \$250,000 for capital improvements toward the park’s restoration.

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