

The Commonwealth of Massachus::tts House of Representatives Itate House, Boston 02133-1054

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Representative Smola supports passage of \$43.1 billion state budget for Fiscal Year 2020

BOSTON - Representative Todd M. Smola (R-Warren, Ranking Member, Committee on Ways & Means) recently joined with his legislative colleagues to approve a \$43.1 billion state budget for Fiscal Year 2020 that makes record investments in local aid and takes steps to implement some of the Baker-Polito Administration's recommendations to curb prescription drug prices.

The budget, which passed the House of Representatives on a unanimous vote of 159-0 and the Senate by a 39-1 vote on July 22, calls for increased local aid for cities and towns, particularly in the areas of Chapter 70 education assistance and regional school transportation reimbursements. It also provides for a \$476 million deposit in the state's Stabilization Fund, which will bring the account's balance to more than \$3 billion to help mitigate future spending cuts in the event of an economic downturn.

The budget allocates a total of \$5.176 billion for Chapter 70 education aid, which represents an increase of \$268.4 million over Fiscal Year 2019 levels. Unrestricted general government aid, which can be used to support a variety of municipal spending priorities, is set at \$1.128 billion, a \$29.6 million increase over previous funding levels.

Under the proposed budget, Representative Smola noted that the House budget plan will provide: Brimfield with \$1,247,172 in Chapter 70 education aid and \$414,004 in unrestricted state aid; Holland with \$933,678 in Chapter 70 aid and \$214,328 in unrestricted state aid; Palmer with \$10,915,640 in Chapter 70 aid and \$2,129,586 in unrestricted state aid; Sturbridge with \$3,846,634 in Chapter 70 aid and \$822,696 in unrestricted state aid; Wales with \$994,373 in Chapter 70 aid and \$250,815 in unrestricted state aid; Ware with \$10,591,234 in Chapter 70 aid and \$1,833,298 in unrestricted state aid; Warren with \$960,737 in unrestricted state aid.

The Fiscal Year 2020 budget provides for significant increases in the Special Education Circuit Breaker, Regional School Transportation, and Charter School reimbursement accounts. Circuit breaker reimbursements are funded at \$345.1 million, an increase of \$25.8 million over Fiscal Year 2019, while Regional School Transportation increased by \$7 million, to a total of \$75.9 million, which will provide communities with a reimbursement rate of over 80 percent. Charter school reimbursements have also been increased by \$25 million, to a total of \$115 million.

To help control rising MassHealth costs, the budget authorizes the Executive Office of Health and Human Services to directly negotiate price discounts with drug manufacturers, and allows the Health Policy Commission to intervene if these negotiations are not successful. It also calls for studying the potential savings associated with employing a new purchasing approach for drugs, and assessing ways to increase transparency for pharmacy services by pharmacy benefit managers.

The budget includes \$19 million in grants to local Councils on Aging, while maintaining last year's formula grant rate increase of \$12 per elder. It also provides for \$415.4 million in nursing home reimbursements, an increase of \$50 million, to address recent closures within the industry, and creates a task force to study ways to ensure the future financial stability of the state's skilled nursing facilities.

Governor Baker has until August 1 to sign the budget and issue any vetoes. For additional information please contact Representative Smola at <u>Todd.Smola@mahouse.gov</u> or (617)722-2100.

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