



The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1054

TODD M. SMOLA
REPRESENTATIVE
1ST HAMPDEN DISTRICT

BRIMFIELD • HOLLAND • PALMER
STURBRIDGE • WALES • WARE • WARREN

STATE HOUSE, ROOM 124
TEL. (617) 722-2100
FAX: (617) 722-2390
www.reptoddsmla.org
Todd.Smola@mahouse.gov
Conor.Welch@mahouse.gov

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Contact: Conor Welch
617-722-2100

House and Senate approve three-month interim budget *\$16.53B spending plan to keep state government running until FY21 budget passed*

BOSTON –Faced with the continued economic uncertainty caused by the 2019 novel coronavirus, the House and Senate have approved a \$16.53 billion interim spending plan that will keep state government running through October 31.

State Representative Todd Smola (R-WARREN), said House Bill 4905, *An Act making certain appropriations for fiscal year 2021 before final action on the General Appropriation Bill*, will give legislators additional time to prepare a full-year spending plan for Fiscal Year 2021 (FY21). The bill was enacted in both branches on July 28, and will take effect on July 31 once Governor Charlie Baker signs it.

House Bill 4905 is the second interim budget to be enacted this year, following passage of a \$5.25 billion spending plan on June 26 to cover state operating expenses for the month of July. On July 21, Governor Baker filed a \$5.51 billion interim budget for the month of August, but the House and Senate chose to authorize a three-month spending plan instead.

With the state facing a projected FY21 deficit of \$6 billion or more, Representative Smola said it is virtually impossible for state officials to determine with any degree of certainty a realistic spending figure for the FY21 budget. He noted that the state income tax filing deadline was extended from April 15 to July 15 to assist residents impacted by COVID-19, a delay that has resulted in a significant drop in revenues. There are also unanswered questions about how much aid may be forthcoming from the federal government, which is currently working on another stimulus package.

The interim budget contains language requiring line items to be funded at not less than the lower of the FY20 budget or the Governor's FY21 operating budget recommendations, and requires the Secretary of Administration and Finance (A&F) to disclose any cost savings realized in a given line item that would result in a lower appropriation. It also authorizes the secretary to reduce the state's funding portion for specific line items if federal programs or other alternative funding sources are available to replace state funding.

House Bill 4905 also calls for A&F to provide monthly reports to the House and Senate committees on Ways and Means regarding allotments for each line item funded through the interim budget; assumed full-year appropriations for each line item based on the year-to-date allotments; and an explanation for any changes in the assumed full-year appropriation from the previous monthly report.

Representative Smola said state budget leaders have been working closely with the Baker-Polito Administration to determine local aid numbers for FY21, including Chapter 70 school aid, and are expected to make an announcement soon. For additional information please contact Representative Smola at Todd.Smola@mahouse.gov or (617)722-2100.

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