

**OFFICE OF THE  
TOWN MANAGER**



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**Town of Shrewsbury**  
**MASSACHUSETTS 01545-5398**

October 21, 2010

To: Board of Selectmen

From: Daniel J. Morgado

Re: Annual Financial Workshop

I have altered the method of presentation for this year's financial workshop to include at the opening some of the questions that I suggest the Board will need to consider as you prepare for the Fiscal Year 2012 budget season which are:

1. What are those services and programs that the Board places the highest priority? Which are the lowest? What premium does the Board place on continued library certification?
2. What is the amount of staffing that the Board wishes to see in the Police and Fire Departments?
3. Does the Board support continued erosion of staffing from the remaining municipal departments?
4. How will the needs of the School Department be met relative to the needs of the municipal departments?
5. What guidance, if any, will the Board give the School Committee on the matter of contracting?
6. Will the fees charged by the Board be increased? What are the Board's instructions on the matter of fees in general?
7. What changes should be made in the budget development process?

Enclosed are a series of exhibits and attachments detailing the Town's current fiscal position as background as you consider these and other questions.

Please advise.

Cc Finance Committee  
Department Heads

FINANCIAL ISSUES  
FOR THE  
FY 2011 BUDGET SEASON

- At the time of printing, values for FY 2011 were still being developed.

FY	Levy Limit without Debt & Capital Exclusions	Maximum Levy Limit	Total Tax Levy	Excess Capacity	Excess as a % of Maximum Levy	Tax Levy Ceiling	Assessed Value	Tax Levy as % of Assessed Value
2011								
2010	\$45,822,874	\$49,185,892	\$49,102,728	\$83,164	0.17%	\$119,065,779	\$4,762,631,162	1.03%*
2009	\$44,300,270	\$48,092,949	\$48,045,025	\$33,287	0.07%	\$124,126,806	\$4,965,072,250	0.97%
2008	\$42,708,480	\$45,896,770	\$45,864,506	\$32,264	0.07%	\$125,449,961	\$5,017,998,457	0.91%
2007	\$41,119,263	\$44,686,206	\$44,644,721	\$41,485	0.09%	\$128,881,988	\$5,155,279,506	0.87%
2006	\$39,143,375	\$43,235,918	\$43,214,514	\$21,404	0.05%	\$116,922,387	\$4,676,895,485	0.92%
2005	\$37,653,331	\$41,425,381	\$41,399,263	\$26,118	0.06%	\$106,260,943	\$4,250,437,722	0.97%
2004	\$36,196,865	\$40,381,102	\$39,549,134	\$831,968	2.06%	\$99,670,197	\$3,986,807,862	0.99%
2003	\$34,764,572	\$39,797,377	\$37,027,303	\$2,770,074	6.96%	\$87,328,544	\$3,493,141,773	1.06%
2002	\$33,131,548	\$36,263,184	\$36,060,964	\$202,220	0.56%	\$66,386,164	\$2,655,446,563	1.36%
2001	\$31,465,027	\$32,315,523	\$32,224,086	\$91,437	0.28%	\$64,707,000	\$2,588,280,006	1.24%

\* 60<sup>th</sup> in the Commonwealth

Actual unused capacity in FY 2003 was \$365,056 due to the use of the \$2,385,000 bond premium via Free Cash

- The CIP ratio saw a slight up move last year. Town of Shrewsbury tax burden continues to be below communities in the region:

FY	Residential	Open Space	Commercial	Industrial	Personal Property	Total	Res/OS as % of Total	CIP as % of Total***
2011								
2010	\$43,134,738	\$0	\$3,642,583	\$1,622,709	\$702,698	\$49,102,727	87.85	12.15
2009	\$42,274,362	\$27,940	\$3,578,347	\$1,651,273	\$529,977	\$48,061,899	88.02	11.98
2008	\$40,508,943	\$27,512	\$3,324,985	\$1,577,782	\$425,283	\$45,864,506	88.38	11.62
2007	\$39,398,448	\$27,101	\$3,171,601	\$1,687,643	\$359,927	\$44,644,720	88.31	11.69
2006	\$38,039,674	\$24,760	\$3,101,144	\$1,688,763	\$360,174	\$43,214,515	88.08	11.92
2005	\$36,287,392	\$31,000	\$3,116,629	\$1,601,200	\$363,043	\$41,399,264	87.73	12.27
2004	\$34,417,527	\$28,748	\$3,093,957	\$1,624,559	\$384,343	\$39,549,134	87.10	12.90
2003	\$31,669,588	\$23,373	\$3,155,765	\$1,584,456	\$594,120	\$37,027,302	85.59	14.41
2002	\$30,155,270	\$26,203	\$3,428,258	\$1,647,785	\$803,448	\$36,060,964	83.70	16.30
2001	\$26,894,514	\$23,913	\$3,079,012	\$1,487,858	\$738,789	\$32,224,086	83.54	16.46

- FY 2010 New growth was the lowest in decades. There will be an improvement for FY 2011 and FY 2012.

Fiscal Year	New Growth
2011	
2010	\$414,006
2009	\$524,078
2008	\$561,235
2007	\$997,304
2006	\$548,711
2005	\$551,544
2004	\$563,179
2003	\$804,735
2002	\$879,895
2001	\$1,419,357

- Status of school choice and charter schools assessments and reimbursements. The Charter School program is heavily subsidized and a change in formula or practice will have an impact to the bottom line. Town of Shrewsbury now has (17) choice students at SHS:

Fiscal Year	Number of Students (FTE)	Net Cost of Charter School Tuition	Number of Students (FTE)	Cost of School Choice Program
2011	137 (est)	\$881,952	23.0 (est)	\$115,000
2010	127.16	\$692,945	21.2	\$113,286
2009	110.15	\$510,991	18.5	\$106,835
2008	86.00	\$344,886	13.7	\$78,480
2007	61.23	\$224,890	10.0	\$61,861
2006	38.30	\$204,783	16.5	\$88,162
2005	25.48	\$168,898	17.1	\$104,140
2004	20.00	\$160,161	16.5	\$78,761
2003	23.50	\$170,601	10.7	\$46,558
2002	21.15	\$94,256	13.2	\$53,319
2001	24.44	\$52,736	4.7	\$21,108

- The status of State Aid in FY 2011 and beyond. As of this writing the Town is awaiting word on any “9C” reductions in FY 2011 (viewed as unlikely). The greater question is on FY 2012 relative to a projected \$2 Billion structural deficit for the Commonwealth (absent affect of passage of Question #1 and/or Question #3)

Fiscal Year	Net State Aid
2011*	\$19,753,425
2010*	\$20,065,744
2009	\$21,438,820
2008	\$20,461,664
2007	\$18,978,815
2006	\$16,370,723
2005	\$14,157,471
2004	\$12,552,773

\* Not shown are ARRA funds

- Local receipts have stabilized in the \$11.8 Million range. Adoption of the meals tax and increase in hotel tax will assist in growth for FY 2011.
- The current health insurance agreement will end on June 30, 2011. Actions taken in concert with all employees over the past number of years have been greatly successful.

Fiscal Year	Amount Expended	Change
2010	\$6,972,309	10.99%
2009	\$6,282,138	-6.72%
2008	\$6,734,763	18.48%
2007	\$5,684,151	5.72%
2006	\$5,376,598	-2.77%
2005	\$5,529,698	23.35%
2004	\$4,483,109	16.84%
2003	\$3,836,906	28.28%
2002	\$2,991,004	16.22%
2001	\$2,573,606	36.90%
2000	\$1,879,964	10.46%

- Growth in the Medicare Match Account seems to have stabilized.

Fiscal Year	Amount	Percent Increase	Notes
2010	\$648,207	0.4%	No transfer required (\$650,000 aprtn)
2009	\$645,367	6.1%	No transfer required (\$655,000 aprtn)
2008	\$608,243	11.6%	No transfer required (\$610,000 aprtn)
2007	\$545,000	1.97%	No transfer required (\$645,000 aprtn)
2006	\$534,477	4.26%	No transfer required (\$575,000 aprtn)
2005	\$512,640	12.89%	Transfer of \$7,360 was required
2004	\$454,086	11.46%	No transfer required (\$480,000 aprtn)
2003	\$407,410	12.15%	No transfer required (\$453,000 aprtn)
2002	\$363,278	11.60%	No transfer required (\$375,000 aprtn)
2001	\$325,524	20.79%	\$13,000 Transfer was not Required

- FY 2010 saw a drop in investment income that will continue through FY 2011.

Fiscal Year	Total Income
2010	\$929,436
2009	\$1,179,559
2008	\$1,780,717
2007	\$1,621,437
2006	\$1,126,738
2005	\$932,675
2004	\$1,229,492
2003	\$1,561,045
2002	\$980,007

Affect of call provisions of bondholders taking advantage of lower interest rates

- The valuation study of the pension system as of January 1, 2010 as been issued and a new funding schedule has been adopted. The Town’s July 1, 2007 Other Post Employment Benefit (OPEB) Study is being updated (\$35 to \$73 Million).

Date	Funded Ratio	Unfunded Accrued Liability	Appropriation
January 1, 2010	70.8%	\$26,592,340	\$3,201,207
January 1, 2008	77.0%	\$19,591,281	\$2,629,497
January 1, 2006	71.3%	\$21,831,496	\$2,538,769
January 1, 2004	77.9%	\$14,419,434	\$1,879,499
January 1, 2002	78.9%	\$12,533,566	\$1,240,656
January 1, 2000	97.1%	\$1,414,990	\$1,559,742
January 1, 1999	83.9%	\$7,517,187	\$1,541,285

- Free Cash and Stabilization balances are stable and are consistent with the Board’s fiscal policy.
- Whether there will be a continued ability to redefine how the various municipal departmental services are provided in the form of contracting, consolidation and the like. Ongoing efforts are in the area of Public Health, Public Works and Public Facilities. The primary consolidation being planned for FY 2012 is the entire MIS/IT operations of the Municipal, SELCO and School Departments being consolidated into SELCO with the Municipal and School Departments becoming customers of SELCO.
- The affect of the five (5) significant issues identified in the 2010 Annual Town Meeting Report of the Finance Committee:
  - The loss of Federal stimulus funding
  - Wage pressure resulting from a two year wage freeze among the DH, PAT and Dispatcher groups
  - The new pension funding schedule
  - Current year (FY 2011) operational deficits
  - The full effect of health insurance premium increases since changes in the HIP instituted on July 1, 2010 resulted in a cost avoidance for FY 2011
- Impact on the single family taxpayer of pending financial matters:
  - Sewer rate increases
  - Sherwood Middle School Project
  - Library Project (potential)
  - Allen property permanent financing
  - Other building/capital projects
  - Capital Budget and delayed capital purchases.
  - Storm water utility
- **Additional for reference purposes:**
  - Free Cash Report dated September 23, 2010 (separate cover)
  - Fiscal Policies of the Board dated October 4, 2010 (separate cover)
  - Public Works Priority List (separate cover)
  - Retirement System Actuarial Valuation Report (separate cover)

- **Additional attached for reference purposes**

Summary of Single Family Tax Rates  
Comparison of Single Family Tax Bills  
Tax Levies of selected communities (news article)  
Illustration of the “Shrewsbury Taxpayer Surplus”  
Figure Four - State Aid and Charges  
Figure Three - Schedule A Receipts  
Figure Twelve - Surplus Revenue  
Massachusetts Taxpayers Foundation PowerPoint Slides

**Summary of Single Family Tax Bills  
Fiscal Years 1988 to 2009**

FY	Assessed Value	Parcels	Average Value	Tax Rate	Single Family Tax Bill	Increase	Percent Increase	Hi-Lo Rank	# of Towns Included	State Average	Variance to State Average
1990	\$1,072,459,683	6,314	\$169,854	\$10.02	\$1,702.00			112	323	\$1,711	(\$9)
1991	\$1,099,088,583	6,400	\$171,733	\$10.40	\$1,786.00	\$84.00	4.94%	99	265	\$1,831	(\$45)
1992	\$972,972,119	6,447	\$150,919	\$11.93	\$1,800.00	\$14.00	0.78%	133	339	\$1,897	(\$97)
1993	\$1,015,893,420	6,677	\$152,148	\$12.22	\$1,859.00	\$59.00	3.28%	136	339	\$1,993	(\$134)
1994	\$1,067,739,013	6,938	\$153,897	\$12.74	\$1,961.00	\$102.00	5.49%	132	340	\$2,081	(\$120)
1995	\$1,082,234,386	7,135	\$151,680	\$13.38	\$2,029.00	\$68.00	3.47%	137	340	\$2,182	(\$153)
1996	\$1,124,419,977	7,319	\$153,630	\$13.84	\$2,126.00	\$97.00	4.78%	133	340	\$2,272	(\$146)
1997	\$1,166,241,040	7,485	\$155,810	\$14.42	\$2,247.00	\$121.00	5.69%	129	340	\$2,360	(\$113)
1998	\$1,274,284,500	7,718	\$165,106	\$13.32	\$2,199.00	-\$48.00	-2.14%	155	340	\$2,463	(\$264)
1999	\$1,340,116,000	7,952	\$168,526	\$13.45	\$2,267.00	\$68.00	3.09%	155	340	\$2,557	(\$290)
2000	\$1,473,016,300	8,225	\$179,090	\$13.34	\$2,389.00	\$122.00	5.38%	148	340	\$2,679	(\$290)
2001	\$1,753,632,800	8,441	\$207,752	\$12.45	\$2,587.00	\$198.00	8.29%	140	340	\$2,826	(\$239)
2002	\$1,817,609,000	8,572	\$212,040	\$13.58	\$2,880.00	\$293.00	11.33%	124	340	\$3,015	(\$135)
2003	\$2,466,221,700	8,672	\$284,389	\$10.60	\$3,015.00	\$135.00	4.69%	136	340	\$3,206	(\$191)
2004	\$2,860,861,900	8,760	\$326,582	\$9.92	\$3,239.70	\$224.70	7.45%	133	340	\$3,412	(\$172)
2005	\$3,069,672,100	8,861	\$346,425	\$9.74	\$3,374.18	\$134.48	4.15%	138	340	\$3,588	(\$214)
2006	\$3,402,311,500	8,890	\$382,712	\$9.24	\$3,536.26	\$162.08	4.80%	141	338	\$3,801	(\$265)
2007	\$3,718,735,600	8,950	\$415,501	\$8.66	\$3,598.24	\$61.98	1.75%	149	339	\$3,962	(\$364)
2008	\$3,589,670,000	8,974	\$400,008	\$9.14	\$3,656.07	\$57.83	1.61%	149	336	\$4,110	(\$454)
2009	\$3,552,273,792	8,992	\$395,048	\$9.68	\$3,824.07	\$168.00	4.59%	149	337	\$4,250	(\$426)
2010	\$3,403,292,000	9,012	\$377,640	\$10.31	\$3,893.47	\$69.40	1.81%	155	337	\$4,390	(\$497)

Comparison of Single Family Tax Bills  
Fiscal Year 2005 to 2010  
for Selected Communities

Rank	Community	Ave Residential Tax Bill (2005)	Ave Residential Tax Bill (2006)	Ave Residential Tax Bill (2007)	Ave Residential Tax Bill (2008)	Ave Residential Tax Bill (2009)	Ave Residential Tax Bill (2010)	Change 2009 to 2010
1	Fitchburg	\$2,365.00	\$2,449.00	\$2,523.00	\$2,584.00	\$2,630.00	\$2,687.00 *	\$57.00
2	Leicester	\$2,264.00	\$2,498.00	\$2,565.00	\$2,633.00	\$2,690.00	\$2,726.00	\$36.00
3	Oxford	\$2,519.00	\$2,665.00	\$2,694.00	\$2,714.00	\$2,839.00	\$2,909.00	\$70.00
4	Northbridge	\$2,581.00	\$2,734.00	\$2,752.00	\$2,846.00	\$3,072.00	\$3,001.00	(\$71.00)
5	Clinton	\$2,654.00	\$2,722.00	\$2,830.00	\$2,947.00	\$3,028.00	\$3,098.00 *	\$70.00
6	Worcester	\$2,781.00	\$2,879.00	\$2,995.00	\$3,112.00	\$3,162.00	\$3,129.00 *	(\$33.00)
7	Auburn	\$2,580.00	\$2,602.00	\$2,793.00	\$2,917.00	\$3,016.00	\$3,229.00 *	\$213.00
8	Millbury	\$2,643.00	\$2,999.00	\$3,006.00	\$3,093.00	\$3,124.00	\$3,268.00	\$144.00
9	Leominster	\$2,801.00	\$2,881.00	\$3,003.00	\$3,104.00	\$3,206.00	\$3,296.00	\$90.00
10	Bellingham	\$2,684.00	\$2,783.00	\$2,953.00	\$3,040.00	\$3,184.00	\$3,301.00 *	\$117.00
11	Norwood	\$2,961.00	\$2,987.00	\$3,081.00	\$3,163.00	\$3,268.00	\$3,442.00 *	\$174.00
12	<b>Shrewsbury**</b>	<b>\$3,374.00</b>	<b>\$3,536.00</b>	<b>\$3,598.00</b>	<b>\$3,656.00</b>	<b>\$3,824.00</b>	<b>\$3,893.00</b>	<b>\$69.00</b>
13	Tewksbury	\$3,343.00	\$3,610.00	\$3,742.00	\$3,850.00	\$3,946.00	\$4,034.00 *	\$88.00
14	Billerica	\$3,449.00	\$3,696.00	\$3,780.00	\$3,873.00	\$3,958.00	\$4,077.00 *	\$119.00
15	Hudson	\$3,200.00	\$3,544.00	\$3,607.00	\$3,703.00	\$3,888.00	\$4,098.00 *	\$210.00
16	Holden	\$3,576.00	\$3,705.00	\$3,598.00	\$3,809.00	\$3,992.00	\$4,102.00	\$110.00
17	West Boylston	\$3,638.00	\$3,843.00	\$3,981.00	\$4,066.00	\$4,132.00	\$4,192.00	\$60.00
18	Sutton	\$3,208.00	\$3,557.00	\$3,560.00	\$3,889.00	\$4,022.00	\$4,197.00	\$175.00
19	Milford	\$3,424.00	\$3,574.00	\$3,756.00	\$3,915.00	\$3,952.00	\$4,215.00 *	\$263.00
20	Grafton	\$3,486.00	\$3,583.00	\$3,854.00	\$3,923.00	\$4,016.00	\$4,281.00	\$265.00
21	Franklin	\$3,515.00	\$3,742.00	\$3,872.00	\$4,210.00	\$4,298.00	\$4,436.00	\$138.00
22	Sterling	\$3,885.00	\$4,282.00	\$4,111.00	\$4,312.00	\$4,494.00	\$4,449.00	(\$45.00)
23	Danvers	\$3,751.00	\$3,883.00	\$4,034.00	\$4,231.00	\$4,391.00	\$4,577.00 *	\$186.00
24	Foxborough	\$3,878.00	\$4,230.00	\$4,296.00	\$4,424.00	\$4,507.00	\$4,633.00	\$126.00
25	Paxton	\$3,800.00	\$3,866.00	\$3,965.00	\$4,156.00	\$4,256.00	\$4,911.00	\$655.00
26	Framingham	\$4,129.00	\$4,306.00	\$4,564.00	\$4,821.00	\$4,735.00	\$4,979.00 *	\$244.00
27	Millis	\$4,083.00	\$4,180.00	\$4,733.00	\$4,842.00	\$5,098.00	\$4,979.00	(\$119.00)
28	Boylston	\$4,385.00	\$4,504.00	\$4,717.00	\$4,810.00	\$4,814.00	\$4,992.00	\$178.00
29	Mansfield	\$4,533.00	\$4,625.00	\$4,690.00	\$4,823.00	\$4,849.00	\$4,992.00 *	\$143.00
30	Canton	\$4,147.00	\$4,445.00	\$4,509.00	\$4,566.00	\$4,894.00	\$5,008.00 *	\$114.00
31	Upton	\$4,119.00	\$4,379.00	\$4,522.00	\$4,800.00	\$4,881.00	\$5,040.00	\$159.00
32	Berlin	\$4,519.00	\$4,813.00	\$4,865.00	\$4,999.00	\$5,139.00	\$5,127.00	(\$12.00)
33	Chelmsford	\$4,467.00	\$4,688.00	\$4,966.00	\$5,105.00	\$5,069.00	\$5,267.00	\$198.00
34	Natick	\$4,303.00	\$4,559.00	\$4,727.00	\$4,829.00	\$5,223.00	\$5,282.00	\$59.00
35	Walpole	\$4,499.00	\$4,727.00	\$4,903.00	\$4,939.00	\$5,159.00	\$5,283.00 *	\$124.00
36	Ashland	\$4,713.00	\$5,067.00	\$5,180.00	\$5,338.00	\$5,493.00	\$5,642.00	\$149.00
37	Medway	\$4,961.00	\$5,283.00	\$5,494.00	\$5,511.00	\$5,733.00	\$5,901.00	\$168.00
38	Northborough	\$4,891.00	\$5,078.00	\$5,355.00	\$5,556.00	\$5,774.00	\$5,992.00	\$218.00
39	Norfolk	\$4,859.00	\$5,556.00	\$5,803.00	\$5,894.00	\$6,095.00	\$6,161.00	\$66.00
40	Holliston	\$5,293.00	\$5,548.00	\$5,810.00	\$6,015.00	\$6,157.00	\$6,434.00	\$277.00
41	Westborough	\$5,922.00	\$6,234.00	\$6,198.00	\$6,689.00	\$6,784.00	\$7,182.00	\$398.00
42	Andover	\$6,009.00	\$6,400.00	\$6,658.00	\$6,799.00	\$7,054.00	\$7,239.00 *	\$185.00
43	Hopkinton	\$6,015.00	\$6,440.00	\$7,060.00	\$7,338.00	\$7,508.00	\$7,687.00	\$179.00
44	Southborough	\$6,667.00	\$6,884.00	\$7,289.00	\$7,231.00	\$7,879.00	\$7,714.00	(\$165.00)
45	Acton	\$6,900.00	\$7,724.00	\$7,926.00	\$8,051.00	\$8,388.00	\$8,767.00	\$379.00
46	Marlborough	\$3,796.00	N/A	N/A	N/A	N/A	N/A	N/A

\* Indicates communities that classified their tax rate in FY 2009

\*\* Shrewsbury was 15th on this list in FY 2005; 12th in FY 2006; 13th in FY 2007; 12th in FY 2008; 14th in FY 2009

## Tax Levies

Twelve MetroWest communities have split tax rates between residential and commercial property. The biggest differential in the region is in Framingham, where the commercial rate is 2.3 times greater than the residential rate.

	Residential	Commercial
Acton	17.12	17.12
Ashland	15.10	15.10
Ayer	11.49	25.54
Bellingham	11.96	16.79
Berlin	13.37	13.37
Bolton	17.61	17.61
Boxborough	16.53	16.53
Carlisle	14.62	14.62
Chelmsford	15.15	15.15
Concord	13.09	13.09
Foxborough	11.79	11.79
Framingham	14.52	33.65
Franklin	12.03	12.03
Groton	15.78	15.78
Harvard	14.33	14.33
Holliston	16.31	16.31
Hopedale	13.52	21.52
Hopkinton	15.76	15.76
Hudson	13.02	25.30
Littleton	14.63	23.11
Marlborough	13.41	25.42
Maynard	16.14	25.72
Medfield	14.24	14.24
Medway	16.29	16.29
Mendon	12.47	12.47
Milford	14.08	24.40
Millis	13.64	13.64
Natick	11.67	11.67
Norfolk	14.07	14.07
Northborough	14.38	14.38
Plainville	12.57	12.57
Sherborn	17.44	17.44
Shrewsbury	10.31	10.31
Southborough	14.06	14.06
Stow	16.58	16.58
Sudbury	16.08	20.13
Upton	12.77	12.77
Wayland	17.78	17.78
Westborough	16.98	16.98
Westford	14.63	14.82
Wrentham	13.12	14.98
<b>MetroWest Average</b>	<b>14.40</b>	<b>16.96</b>

Source: Massachusetts Department of Revenue.  
 Note: Rates are for fiscal year 2010.

## Illustration of the "Shrewsbury Taxpayer Surplus"\*

### Illustrative Example #1 (Actual Property)

Property assessed at \$557,100

Listed for \$639,800

Sold for \$641,000 in 28 days

Community	Tax Rate	Tax Bill	"Shrewsbury Taxpayer Surplus"
Auburn**	\$14.34	\$7,988.81	\$2,245.11
Grafton	\$12.43	\$6,924.75	\$1,181.05
Milford**	\$14.08	\$7,843.97	\$2,100.27
Millbury	\$13.46	\$7,498.57	\$1,754.87
Northborough	\$14.38	\$8,011.10	\$2,267.40
<b>Shrewsbury</b>	<b>\$10.31</b>	<b>\$5,743.70</b>	
Westborough	\$16.98	\$9,459.56	\$3,715.86
Worcester**	\$15.15	\$8,440.07	\$2,696.36

### Illustrative Example #2 (Average Single Family Property)

Community	Tax Rate	Tax Bill	"Shrewsbury Taxpayer Surplus"
Auburn**	\$14.34	\$3,229.00	(\$664.00)
Grafton	\$12.43	\$4,281.00	\$388.00
Milford**	\$14.08	\$4,215.00	\$322.00
Millbury	\$13.46	\$3,268.00	(\$625.00)
Northborough	\$14.38	\$5,992.00	\$2,099.00
<b>Shrewsbury</b>	<b>\$10.31</b>	<b>\$3,893.00</b>	
Westborough	\$16.98	\$7,182.00	\$3,289.00
Worcester**	\$15.15	\$3,129.00	(\$764.00)

\* Based upon the economic principle of consumer surplus

\*\* Community that classifies its tax rate

**FIGURE FOUR  
STATE AID AND CHARGES  
FISCAL YEAR 2004 TO 2011**

Line Item	Fiscal Year 2011 Actual	Fiscal Year 2010 Actual	Fiscal Year 2009 Actual	Fiscal Year 2008 Actual	Fiscal Year 2007 Actual	Fiscal Year 2006 Actual	Fiscal Year 2005 Actual	Fiscal Year 2004 Actual
<b>REVENUE</b>								
<b>A. EDUCATION</b>								
Chapter 70	\$18,412,775	\$18,489,475	\$18,866,811	\$17,419,669	\$15,898,949	\$13,800,607	\$11,948,701	\$10,287,704
School Transportation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School Construction (Removed in FY 2006)	\$0	\$0	\$0	\$0	\$0	\$0	\$3,702,732	\$3,697,772
Charter School Tuition Reimbursement	\$439,559	\$669,148	\$539,381	\$351,651	\$222,350	\$193,772	\$131,443	\$10,440
Tuition State Wards	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chater School Capital Facility Reimbursement	\$0	\$0	\$0	\$0	\$0	\$34,870	\$28,196	\$0
School Lunch (Offset)	\$27,459	\$33,698	\$31,073	\$33,298	\$26,597	\$28,245	\$26,723	\$27,247
School Choice Receiving Tuition	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub-Total</b>	<b>\$18,979,793</b>	<b>\$19,192,321</b>	<b>\$19,437,265</b>	<b>\$17,804,618</b>	<b>\$16,147,896</b>	<b>\$14,057,494</b>	<b>\$15,837,795</b>	<b>\$14,023,163</b>
<b>B. GENERAL GOVERNMENT</b>								
Unrestricted General Government Aid (2009)	\$2,356,176	\$2,454,350	\$0	\$0	\$0	\$0	\$0	\$0
Lottery, Beano & Charity Games	\$0	\$0	\$2,859,417	\$3,168,140	\$3,107,117	\$2,493,603	\$2,110,492	\$2,110,492
Additional Assistance	\$0	\$0	\$269,738	\$298,861	\$298,861	\$298,861	\$298,861	\$298,861
Highway Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Police Career Incentive	\$15,400	\$31,340	\$157,078	\$143,439	\$159,050	\$166,024	\$150,155	\$140,291
Veteran's Benefits	\$53,523	\$33,353	\$29,272	\$17,277	\$13,048	\$12,907	\$3,406	\$3,738
Exemptions (Vets.Blind.Survivino)	\$94,439	\$91,799	\$67,515	\$70,048	\$31,591	\$31,025	\$34,421	\$34,499
Exemptions (Elderly)	\$0	\$0	\$22,798	\$22,804	\$22,782	\$22,768	\$22,670	\$22,328
State Owned Land	\$137,967	\$112,672	\$129,345	\$120,634	\$107,973	\$156,870	\$123,183	\$78,725
Public Libraries	\$37,323	\$36,435	\$50,669	\$48,050	\$46,734	\$45,664	\$40,664	\$34,165
<b>Sub-Total</b>	<b>\$2,694,828</b>	<b>\$2,759,949</b>	<b>\$3,585,832</b>	<b>\$3,889,253</b>	<b>\$3,787,156</b>	<b>\$3,227,722</b>	<b>\$2,783,852</b>	<b>\$2,723,099</b>
<b>Total State Aid</b>	<b>\$21,674,621</b>	<b>\$21,952,270</b>	<b>\$23,023,097</b>	<b>\$21,693,871</b>	<b>\$19,935,052</b>	<b>\$17,285,216</b>	<b>\$18,621,647</b>	<b>\$16,746,262</b>
<b>CHARGES</b>								
County Tax	\$0	\$25,729	\$49,947	\$49,947	\$49,947	\$49,947	\$49,947	\$49,947
Mosquito Control	\$59,538	\$60,013	\$59,166	\$57,811	\$56,482	\$52,245	\$47,364	\$47,261
Mosquito Control (Underestimate)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Air Pollution Districts	\$9,802	\$9,608	\$9,434	\$9,220	\$9,076	\$8,834	\$8,484	\$8,187
RMV Non-Renewal Surcharge	\$22,320	\$21,520	\$21,780	\$19,380	\$20,240	\$16,700	\$13,500	\$16,400
WRTA Assessment	\$95,756	\$74,028	\$69,072	\$75,438	\$68,366	\$71,306	\$82,522	\$80,509
Special Education	\$18,451	\$17,305	\$12,816	\$0	\$0	\$0	\$9,648	\$5,501
MBTA	\$115,750	\$139,262	\$141,794	\$142,329	\$132,034	\$112,991	\$91,481	\$42,430
School Choice Tuition	\$113,286	\$106,835	\$78,710	\$61,947	\$99,364	\$104,140	\$78,761	\$45,890

**FIGURE FOUR  
STATE AID AND CHARGES  
FISCAL YEAR 2004 TO 2011**

Line Item	Fiscal Year 2011 Actual	Fiscal Year 2010 Actual	Fiscal Year 2009 Actual	Fiscal Year 2008 Actual	Fiscal Year 2007 Actual	Fiscal Year 2006 Actual	Fiscal Year 2005 Actual	Fiscal Year 2004 Actual
Charter School Tuition	\$1,321,511	\$1,362,093	\$1,059,816	\$734,787	\$447,240	\$424,421	\$312,350	\$138,180
Sub-Total	\$1,756,414	\$1,816,393	\$1,502,535	\$1,150,859	\$882,749	\$840,584	\$694,057	\$434,305
Overestimate - Mosquito Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overestimate - Special Education	\$0	\$0	\$0	\$0	(\$157)	\$0	\$0	\$0
Overestimate - Regional Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$0	\$0	\$0	\$0	(\$157)	\$0	\$0	\$0
Total Net Charges	\$1,756,414	\$1,816,393	\$1,502,535	\$1,150,859	\$882,906	\$840,584	\$694,057	\$434,305
School Lunch Offset	\$27,459	\$33,698	\$31,073	\$33,298	\$26,597	\$28,245	\$26,723	\$27,247
Library Offset	\$37,323	\$36,435	\$50,669	\$48,050	\$46,734	\$45,664	\$40,664	\$34,165
School Choice Receiving Tuition	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Off-Sets	\$164,782	\$70,133	\$81,742	\$81,348	\$73,331	\$73,909	\$67,387	\$61,412

Line Item	Fiscal Year 2011 Actual	Fiscal Year 2010 Actual	Fiscal Year 2009 Actual	Fiscal Year 2008 Actual	Fiscal Year 2007 Actual	Fiscal Year 2006 Actual	Fiscal Year 2005 Actual	Fiscal Year 2004 Actual
"Education" Local Aid	\$18,979,793	\$19,192,321	\$19,437,265	\$17,804,618	\$16,147,896	\$14,057,494	\$12,135,063	\$10,325,391
"General Government" Local Aid	\$2,694,828	\$2,759,949	\$3,585,832	\$3,889,253	\$3,787,156	\$3,227,722	\$2,783,852	\$2,723,099
Charges and Offsets	\$1,921,196	\$1,886,526	\$1,584,277	\$1,232,207	\$956,237	\$914,493	\$761,444	\$495,717
Total	\$19,753,425	\$20,065,744	\$21,438,820	\$20,461,664	\$18,978,815	\$16,370,723	\$14,157,471	\$12,552,773
"General Government" Less Charges	\$938,414	\$943,556	\$2,083,297	\$2,738,394	\$2,904,407	\$2,387,138	\$2,089,795	\$2,288,794

**FIGURE THREE  
SCHEDULE A RECEIPTS  
FISCAL YEAR 2004 TO 2010**

ITEM	ACTUAL FY 10	ACTUAL FY 09	ACTUAL FY 08	ACTUAL FY 07	ACTUAL FY 06	ACTUAL FY 05	ACTUAL FY 04
MOTOR VEHICLE EXCISE	\$4,295,450	\$4,351,092	\$4,872,855	\$4,411,326	\$4,688,251	\$4,680,209	\$4,260,729
OTHER EXCISE	\$47,864	\$51,900	\$61,823	\$60,720	\$49,047	\$47,454	\$44,571
PENALTIES AND INTEREST	\$218,805	\$241,101	\$205,595	\$185,248	\$217,472	\$220,875	\$203,838
PAYMENT IN LIEU OF TAXES	\$34,001	\$33,425	\$30,987	\$28,471	\$28,152	\$27,057	\$29,515
CHARGES FOR SERVICES - WATER	\$3,518,453	\$3,409,443	\$3,500,366	\$3,138,007	\$2,939,701	\$2,827,012	\$2,750,427
CHARGES FOR SERVICES - ASH DISPOSAL	\$872,566	\$812,552	\$768,626	\$573,251	\$580,000	\$570,000	\$961,582
FEES	\$116,107	\$106,172	\$116,104	\$108,154	\$97,333	\$118,150	\$138,184
RENTALS	\$13,442	\$12,640	\$12,871	\$12,462	\$12,702	\$15,698	\$12,764
DEPARTMENTAL REVENUE - SCHOOLS	\$16,575	\$37,320	\$38,869	\$45,768	\$45,958	\$40,501	\$0
DEPARTMENTAL REVENUE - LIBRARIES	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEPARTMENTAL REVENUE - CEMETERIES	\$29,994	\$56,839	\$59,774	\$81,348	\$42,297	\$31,380	\$34,820
OTHER DEPARTMENTAL REVENUE	\$280,106	\$255,566	\$279,873	\$255,636	\$295,018	\$227,967	\$337,487
LICENSE AND PERMITS**	\$672,673	\$597,761	\$621,311	\$609,097	\$1,237,994	\$373,429	\$423,937
SPECIAL ASSESSMENTS	\$27,440	\$21,805	\$35,538	\$30,131	\$35,150	\$31,575	\$21,584
FINES AND FORFEITS	\$195,951	\$245,537	\$308,415	\$296,276	\$271,803	\$186,372	\$310,446
INVESTMENT INCOME	\$929,436	\$1,179,559	\$1,780,717	\$1,621,437	\$1,126,738	\$932,675	\$1,229,492
MISCELLANEOUS RECURRING	\$0	\$31,291	\$0	\$0	\$0	\$0	\$0
MISCELLANEOUS NON-RECURRING	\$198,823	\$151,712	\$292,926	\$190,576	\$150,070	\$172,413	\$185,840
MEDICAID REIMBURSEMENT	\$215,698	\$222,924	\$341,212	\$197,470	\$107,257	\$51,139	\$49,779
SUPPLEMENTAL TAX PROGRAM	\$19,628	\$16,603	\$48,840	\$147,927	\$47,040	\$169,937	\$178,455
REIMBURSEMENT E-RATE	\$41,864	\$0	\$0	\$0	\$0	\$0	\$0
MEALS TAX*	\$0	\$0	\$0	\$0	\$0	\$0	\$0
* Meals adopted in February 2010	\$11,744,876	\$11,835,242	\$13,376,702	\$11,993,305	\$11,971,983	\$10,723,843	\$11,173,450
ESTIMATE	\$10,939,000	\$11,978,000	\$11,260,800	\$11,400,000	\$10,388,000	\$10,415,000	\$10,244,000
OVER(UNDER)	\$805,876	(\$142,758)	\$2,115,902	\$593,305	\$1,583,983	\$308,843	\$929,450
PERCENT OVER(UNDER)	7.4%	-1.2%	18.8%	5.2%	15.2%	3.0%	9.1%

FY 2003 total includes a bond premium of \$247,705 and coal ash revenue of \$364,000

FY 2006 total includes permit fees for the Charles River Labs & Avalon Shrewsbury Projects

**FIGURE TWELVE  
SURPLUS REVENUE  
FISCAL YEAR 1990 TO 2010**

	RECEIPTS						CHARGES		
	UNEXPENDED SCHOOL	APPROPRIATION TOWN	BALANCES TOTAL	EXCESS LOCAL RECEIPTS	EXCESS STATE RECEIPTS	EXCESS REAL ESTATE	TAX LEVY REDUCTION	SPECIAL ARTICLE APPROPRIATIONS	FREE CASH JULY1
1990	\$124	\$622,537	\$622,761	\$804,000			\$770,000	\$130,609	\$1,269,570
1991	\$23,091	\$607,625	\$630,716	\$303,894			\$770,000	\$80,000	\$1,560,672
1992	\$85,560	\$893,095	\$979,655	\$221,655			\$770,000	\$97,000	\$2,275,622
1993	\$22,566	\$539,375	\$561,941	\$902,505	\$114,373	\$218,531	\$770,000	\$352,000	\$3,039,269
1994	\$64,901	\$506,092	\$570,993	\$1,007,659	\$146,282	\$205,135	\$770,000	\$1,260,500	\$2,672,855
1995	\$0	\$684,790	\$684,790	\$1,368,791	\$212,716	\$578,173	\$770,000	\$1,094,000	\$3,909,803
1996	\$14,501	\$1,008,838	\$1,023,339	\$1,401,250	\$264,215	(\$38,780)	\$770,000	\$2,524,500	\$2,996,394
1997	\$140,410	\$678,033	\$818,443	1,631,358*	\$29,708	\$305,627	\$1,030,000	\$270,000	\$4,555,647
1998	\$97,934	\$574,473	\$672,407	\$2,204,849	\$188,104	\$237,102	\$1,130,000	\$2,288,656	\$4,611,834
1999	\$58,855	\$588,350	\$647,205	2,672,911**	\$220,504	\$618,813	\$1,130,000	\$1,880,784	\$5,588,576
2000		\$529,300	\$529,300	\$446,885	\$255,716	(\$38,720)	\$1,130,000	\$1,348,000	\$2,884,606
2001	\$17,842	\$727,089	\$744,931	\$1,144,419	\$388,157	\$87,125	\$435,000	\$981,000	\$4,087,506
2002	\$1	\$934,185	\$934,186	3,687,900***	\$218,595		\$500,000	\$1,577,612	\$6,858,300
2003	\$10,000	\$1,216,670	\$1,226,670	\$2,329,608			\$728,416	\$5,385,000	\$3,616,392
2004	\$0	\$871,381	\$2,101,529	\$929,450			\$500,000	\$2,380,000	\$2,837,137
2005	\$0	\$1,629,696	\$1,629,696	\$498,843			\$500,000	\$2,000,000	\$1,930,113
2006	\$0	\$2,101,529	\$2,101,529	\$1,583,983			\$500,000	\$1,250,000	\$4,185,519
2007	\$349,032	\$1,685,900	\$2,034,932	\$593,304	\$222,844		\$500,000	\$2,000,000	\$4,850,038
2008	\$873	\$1,484,340	\$1,485,213	\$2,115,902	\$26,258		\$500,000	\$3,000,000	\$4,597,946
								Adjusted	\$4,197,946
2009	\$200,004	\$2,566,759	\$2,766,763	(\$142,757)			\$500,000	\$1,310,000	\$4,778,074
2010	\$0	\$2,054,486	\$2,054,486	\$805,876			\$500,000	\$1,431,069	\$5,845,970

Pending Adjustment

\* Includes \$600,000 from Treatment Plant Lawsuit  
 \*\* Includes \$1,688,000 in non-recurring ash revenue from Wheelabrator  
 \*\*\* Includes \$ 2,384,822.59 In Bond Premiums/Accrued Interest

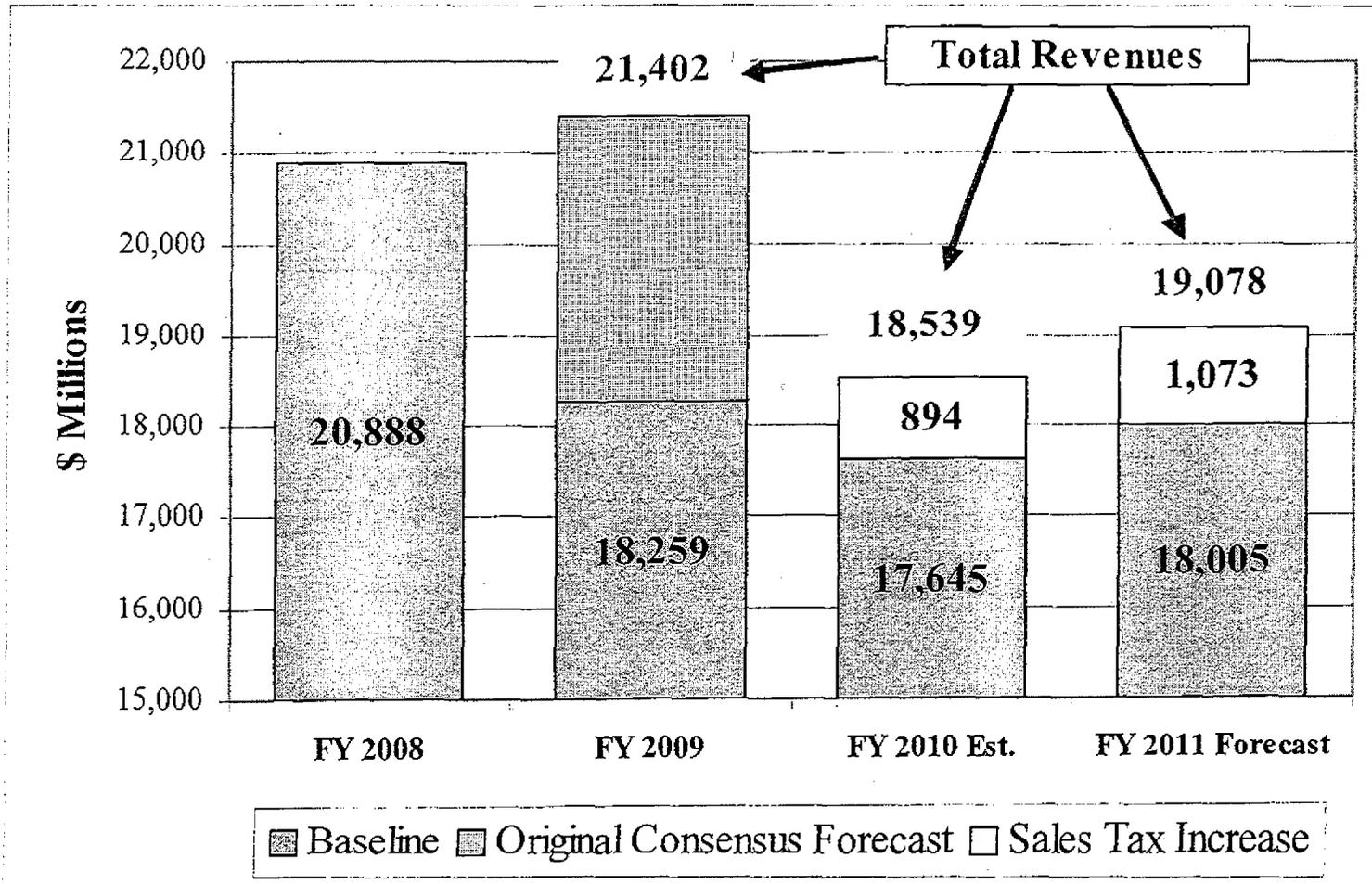


*Massachusetts Taxpayers Foundation*

# State Finances: Heading Over the Cliff?

Michael J. Widmer  
September 14, 2010

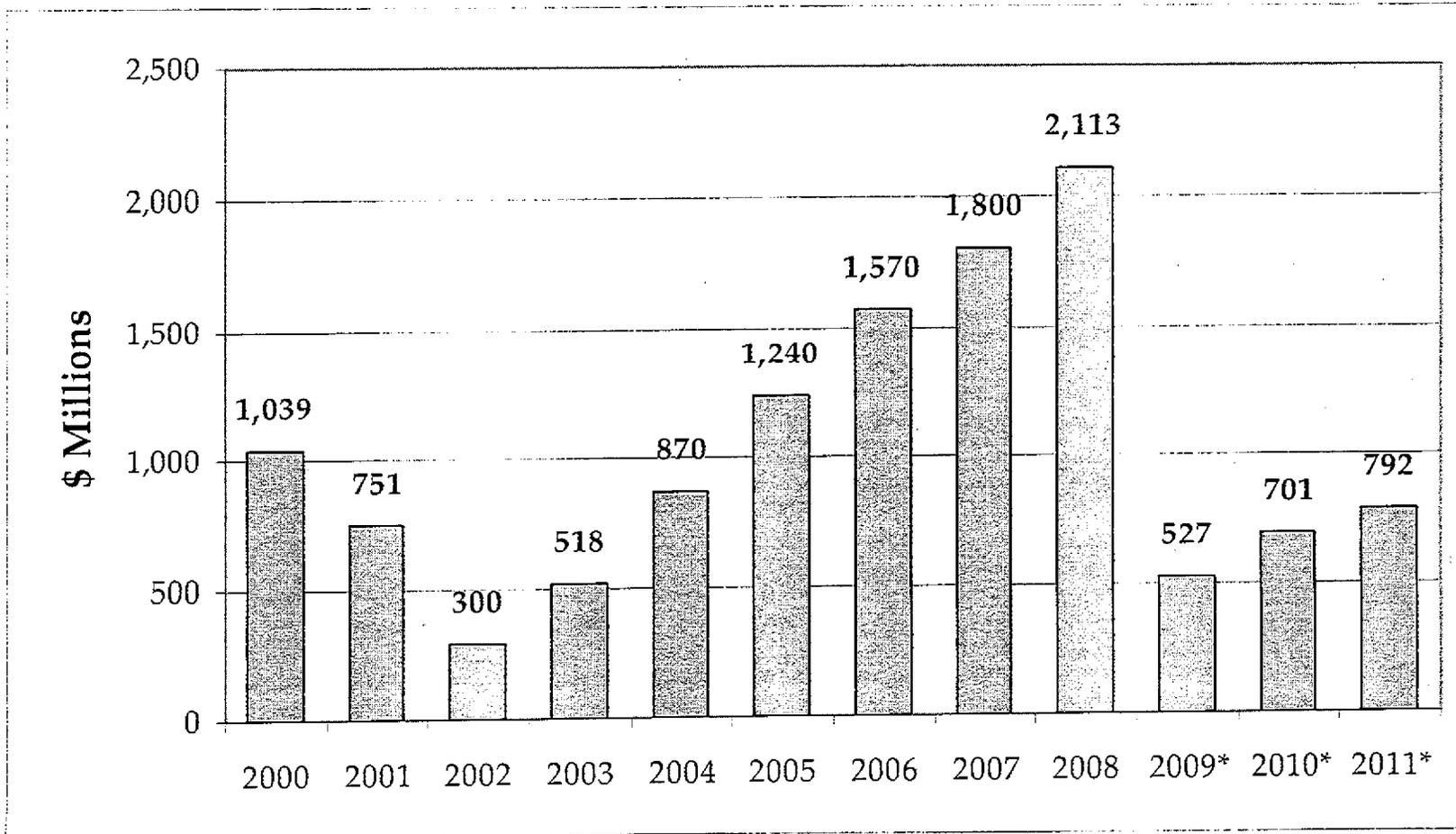
# Dramatic Decline in State Tax Revenues



# Historic Loss of Revenues

- Between fiscal 2008 and 2010, the state experienced the largest ever two-year decline in tax collections – baseline tax revenues dropped nearly 16 percent from \$20.9 billion to \$17.6 billion
- Even with last year's increase in the sales tax from 5 percent to 6.25 percent, 2010 tax revenues of \$18.54 billion were \$2.35 billion, or 11 percent, less than 2008
- Should fiscal 2012 revenues grow by 5 percent, total tax revenues of approximately \$20 billion would still be \$800 million below fiscal 2008

# Volatility of Capital Gains Taxes

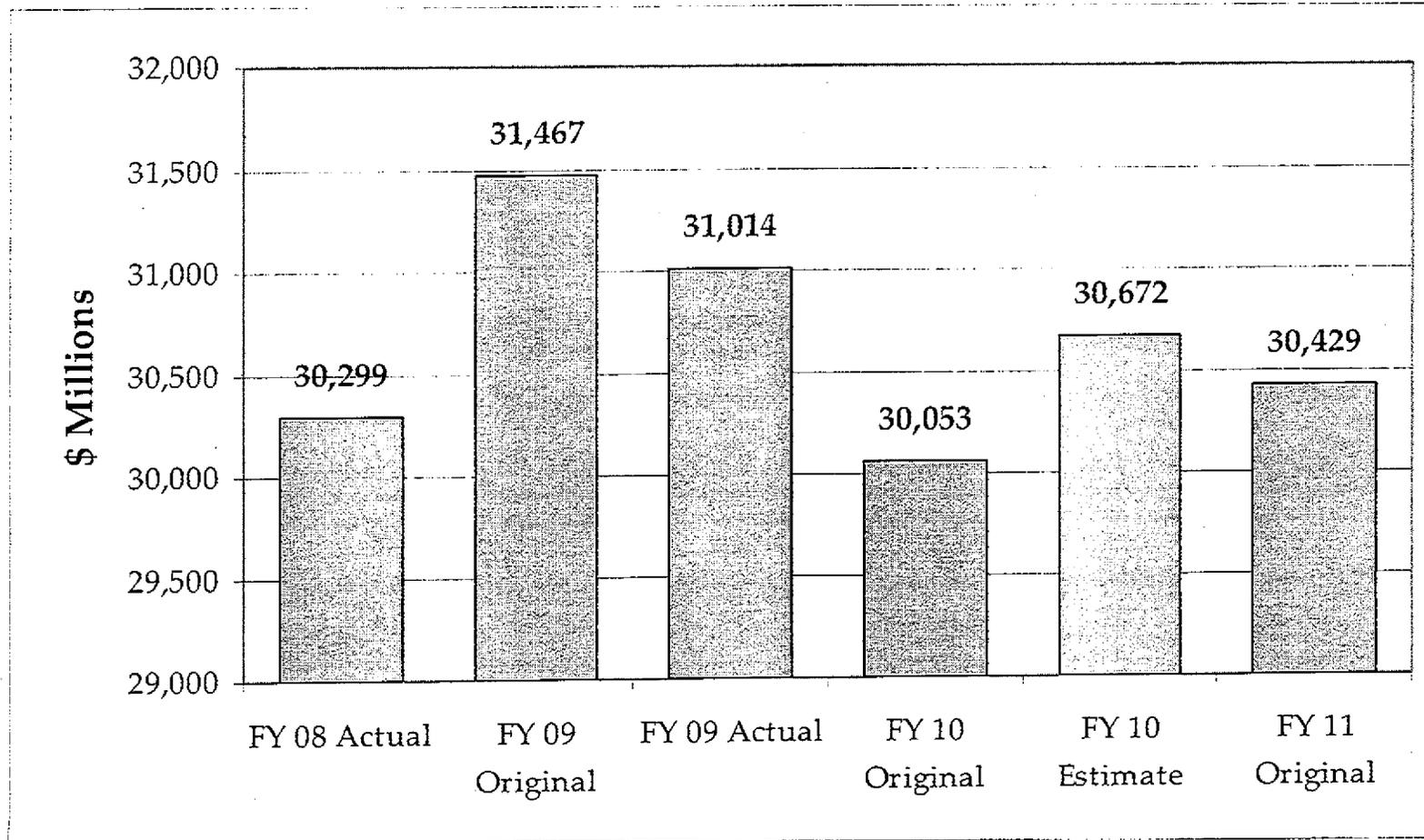


\* Administration and Finance Estimates

# Capital Gains Tax Reform Passed in the 2011 Budget

- Places a limit of \$1 billion on the use of capital gains tax revenues in the operating budget
  - 95 percent of excess deposited into rainy day fund
  - Remaining 5 percent used to fund state's OPEB obligations
- Advantages
  - Prevents reliance on exceedingly volatile source of revenues
  - Builds up stabilization fund during growth years
  - Limits spending cuts required in future economic recessions

# State Spending – 2008-2011

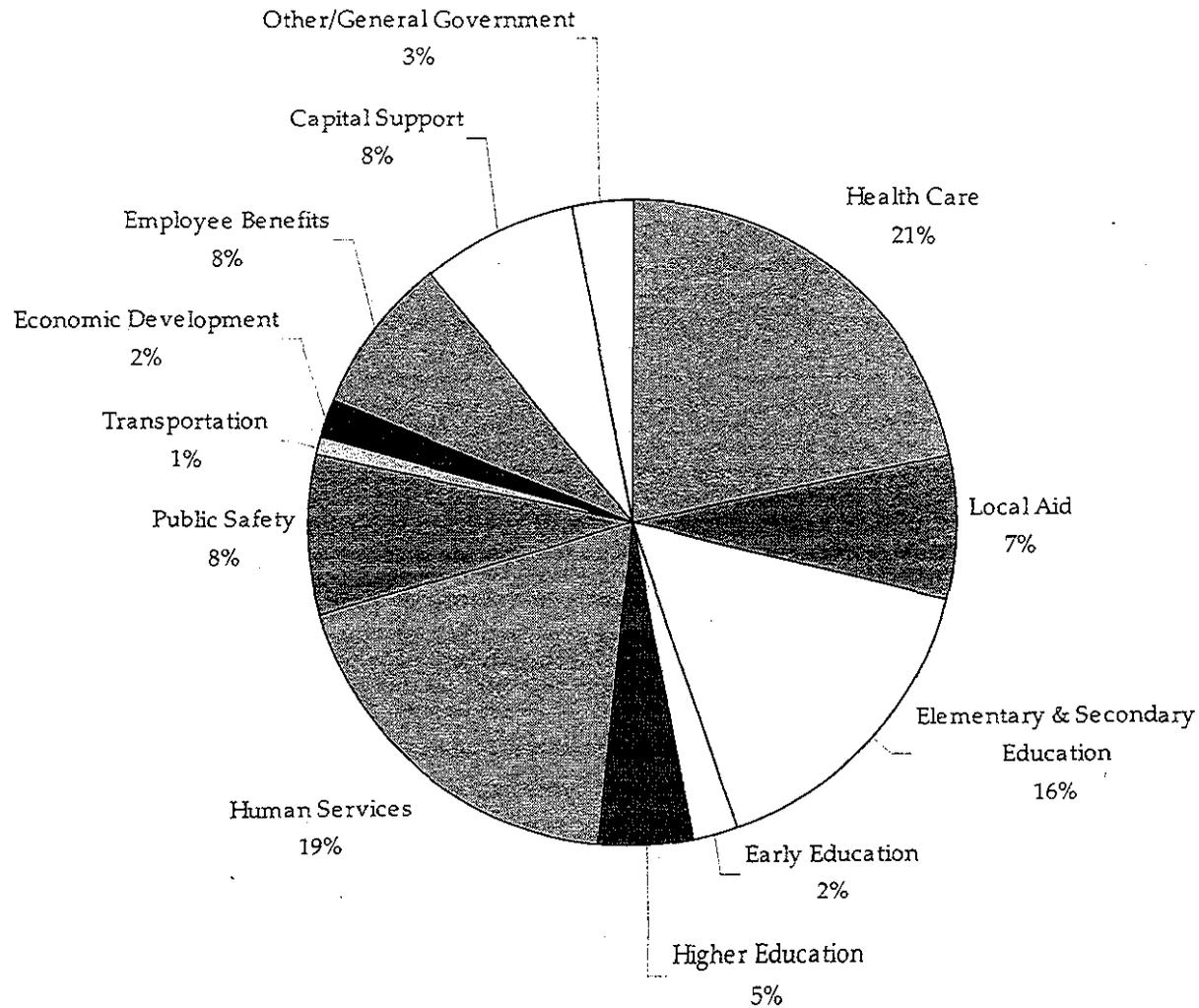


# Spending Cuts Across State Government

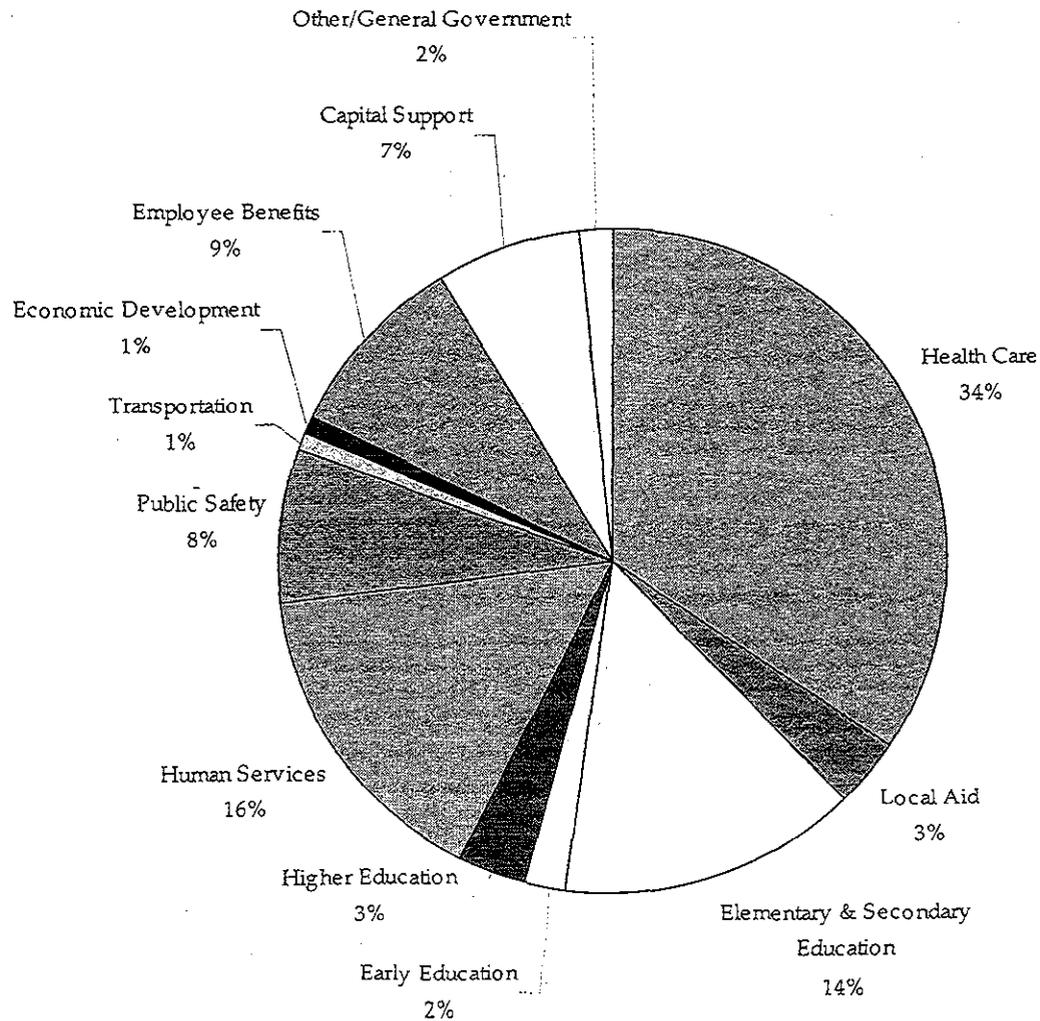
	FY 11 vs. FY 10	FY 11 vs. FY 09 Original
Medicaid	354	893
Employee/Retiree Health Care & Pensions	201	128
<b>Total</b>	<b>555</b>	<b>1,022</b>
Local Government Support*	(170)	(704)
Higher Education (including ARRA)*	(117)	(140)
Early Education	(16)	(85)
Human Services	(104)	(422)
Public Safety	(167)	(232)
Economic Development	(35)	(148)
Health Care Reform and other Health	(74)	(166)
General Government	(12)	(121)
<b>Total</b>	<b>(694)</b>	<b>(2,018)</b>

\* Does not include allocation of \$204 million from Congress' recent extension of federal stimulus aid for all of FY 11

# FY 2000 State Spending



# FY 2010 State Spending



# FY 11 Tax Revenues – Slow Growth; Cautions Remain

- Consensus forecast of \$19.08 billion, \$540 million more than fiscal 2010
  - \$180 million from extra 2 months of sales tax collections at 6.25% in fiscal 2011
  - Additional \$360 million is a 2% increase, which appears conservative given baseline growth of 5.3% in the April – June quarter
- However, August revenues fell \$70 million below benchmark after July revenues were \$78 million above
- National economy slowing
  - Unemployment remains stubbornly high; consumer confidence is falling; housing market is stalling; commercial real estate defaults are looming; severe state and local budget cuts are accelerating

# 2011 Budget Depends Heavily on One-Time Funds

(\$ Millions)

	2009	2010	2011 Original	2011 w/ Federal Aid*
Federal Stimulus	1,322	1,977	879	1,546
State Stabilization	1,390	169	106	106
Other	420	364	640	640
<b>Total</b>	<b>3,132</b>	<b>2,510</b>	<b>1,625</b>	<b>2,292</b>

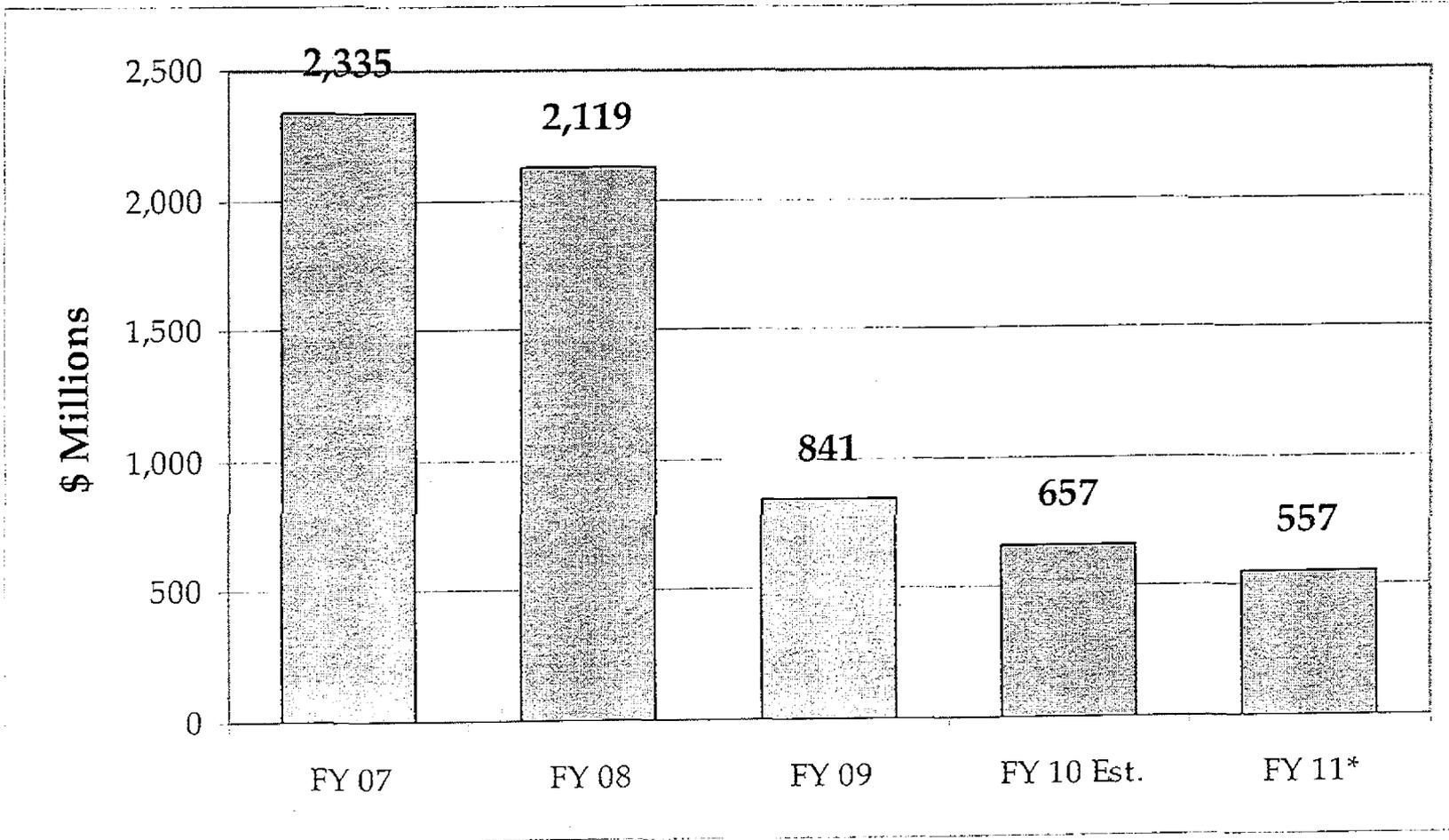
\* Congress recently approved an extension of stimulus aid to cover all of FY 11, which will provide an additional \$463 million in Medicaid matching dollars (FMAP) and \$204 million in aid for education

# One-Time Funds in 2011 Budget

(\$ Millions)

	2011 Original	2011 w/ Federal Aid
Federal Stimulus Aid (ARRA)		
State Fiscal Stabilization Funds	96	300
FMAP	690	690
FMAP II	0	463
Transitional Assistance for Needy Families	23	23
Medicare Part D Clawback	70	70
<b>Subtotal</b>	<b>879</b>	<b>1,546</b>
Other One-Time Funds		
Medicare Reimbursement	160	160
Debt Restructuring	300	300
State Stabilization Fund	106	106
State Land/Trust Funds	68	68
Transfers from Quasi-Public Agencies	17	17
Revenue Carry Forward	95	95
<b>Subtotal</b>	<b>746</b>	<b>746</b>
<b>Total</b>	<b>1,625</b>	<b>2,292</b>

# Year End Stabilization Fund Balance



\*Assumes no further draws in FY 11

# Uncertainties in the 2011 Budget

- Estimated \$600 million budget shortfall largely driven by Medicaid increases
  - Net Medicaid cost ~ \$240 million
  - Emergency shelters, private counsel compensation also running deficiencies
- \$160 million Medicare reimbursement remains uncertain
- State would lose \$1 billion in revenues mid-year if Question 3 passes
- State likely to use most, if not all, of the additional federal stimulus aid to balance 2011 budget
  - This would add several hundred million dollars to the 2012 structural deficit

# Fiscal 2012 Structural Deficit

(\$ Millions)

	2011 Original	2011 w/ Federal Aid
One-Time Funds in 2011 Budget	-1,625	-2,292
Spending on Obligatory Accounts*	-1,400	-1,400
5% Revenue Growth	1,000	1,000
Stabilization Fund	0	0
Federal Stimulus	0	0
<b>Total</b>	<b>-2,025</b>	<b>-2,692</b>

\* Medicaid, Chapter 70 education aid, pensions, and debt service

# FY 2012 – More Challenging than FY 2011

- Structural deficit at least \$2 billion; could top \$2.5 billion
- Virtually no more one-time funds to fill gap
- Severe cuts needed to balance budget
  - On top of multiple rounds over the past three years
  - Overall spending likely to decline from fiscal 2011
- Medicaid costs will continue to grow, squeezing other spending

# November Ballot Questions

- Reduce sales tax from 6.25 to 3 percent
  - Annual loss of \$2.5 billion in revenues
- Repeal the sales tax on alcoholic beverages approved by the Legislature in 2009
  - Annual loss of \$100 million in revenues
- Both would take effect January 1, 2011

# Revenue Loss From Question 3

(\$ Millions)

Fiscal 2011 (Feb. - June 2011)	1,000
Fiscal 2012	2,500

# Fiscal 2012 Gap of ~ \$5 Billion if Question 3 Passes

(\$ Millions)

	2011 Original	2011 w/ Federal Aid
Fiscal 2012 Structural Deficit	-2,000	-2,700
Loss of Sales Tax Revenues	-2,500	-2,500
<b>Fiscal 2012 Shortfall</b>	<b>-4,500</b>	<b>-5,200</b>

# Huge Spending Cuts Required to Close ~\$5 Billion Gap

- Depleted stabilization fund and no federal stimulus aid to fill shortfall
- Obligatory spending on five major accounts consumes almost half of state budget
- Would necessitate across-the-board cuts of 30% for most programs including human services, public safety, higher education and local aid

# \$15.1 Billion of Obligatory Spending

<b>Program</b>	<b>Total Spending*</b>	<b>Mandated Spending*</b>
MassHealth	10,045	7,836
Chapter 70 Education Aid	3,926	3,657
Debt Service	2,039	2,039
MBTA	927	927
School Building Authority	644	644
<b>Total</b>	<b>17,581</b>	<b>15,104</b>

\* Total and mandated spending based on 2011 budget with the exception of debt service which reflects 2012 obligations

# Cuts of ~ 30% in “Discretionary” Spending

	2012 Structural Deficit	
	\$2 Billion	\$2.7 Billion
2011 Total Spending	32,000	32,000
Obligatory Spending	-15,104	-15,104
<b>Balance of Budget</b>	<b>16,896</b>	<b>16,896</b>
Cuts to 2012 Budget	-4,500	-5,200
Federal Revenue Loss	-300	-400
<b>Total Cuts Required</b>	<b>-4,800</b>	<b>-5,600</b>
Final Balance	12,096	11,296
<b>Across-the-Board Cuts</b>	<b>28.4%</b>	<b>33.1%</b>

# Impact of 30% Cuts in 2012 Budget

Program	FY 11 Spending	Cut	Balance
<b>Health Care</b>	<b>4,421</b>	<b>-1,326</b>	<b>3,095</b>
MassHealth - Non-Obligatory	2,209	-663	1,546
Health Refrom and Other Care	967	-290	677
Employee & Retiree Health Benefits	1,245	-374	872
<b>Local Government Support</b>	<b>1,665</b>	<b>-499</b>	<b>1,165</b>
Non-Obligatory Education Aid	691	-207	484
Municipal Aid	974	-292	682
<b>Other Education</b>	<b>1,456</b>	<b>-437</b>	<b>1,019</b>
Early Education	505	-152	354
Higher Education	950	-285	665
<b>Human Services</b>	<b>4,719</b>	<b>-1,416</b>	<b>3,304</b>
Developmental Services	1,321	-396	925
Family Services	886	-266	620
Cash Assistance	767	-230	537
Mental Health	622	-187	435
Public Health	489	-147	342
Housing Support	273	-82	191
Senior Support	244	-73	171
Veteran Services	117	-35	82
<b>Public Safety</b>	<b>2,222</b>	<b>-666</b>	<b>1,555</b>
Corrections <sup>1</sup>	1,004	-301	703
Judiciary	731	-219	511
State Police	260	-78	182
District Attorneys	91	-27	64
Attorney General	38	-12	27
Crime Lab, Fire Services, and other Public Safety	97	-29	68
<b>Transportation</b>	<b>213</b>	<b>-64</b>	<b>149</b>
MassDOT Admin.	12	-4	9
Highways	83	-25	58
Regional Transit	59	-18	41
Registry	59	-18	41
<b>Economic Development</b>	<b>286</b>	<b>-86</b>	<b>200</b>
Business and Labor	97	-29	68
Div. of Industrial Accidents	20	-6	14
Workforce Training and Summer Jobs	22	-6	15
Tourism and Tourist Councils	4	-1	3
Commonwealth Zoo	4	-1	2
Environment and Energy	189	-57	132
Environmental Protection	45	-14	32
State Parks and Beaches	58	-17	41
Fisheries and Wildlife	21	-6	15
<b>General Government</b>	<b>473</b>	<b>-142</b>	<b>331</b>
Legislative Operations	51	-15	36
Department of Revenue	141	-42	99
State Lottery	82	-25	57
<b>Employee Pensions</b>	<b>1,442</b>	<b>-433</b>	<b>1,009</b>
<b>TOTAL</b>	<b>16,896</b>	<b>-5,069</b>	<b>11,827</b>

<sup>1</sup> Includes Dept. of Corrections, Parole Board, and County Sheriffs

