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# *Bulletin*

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April 3, 2007

## **Governor Patrick Proposes Tight 2008 Budget**

Governor Patrick's fiscal 2008 state budget includes a proposed spending increase of 3.8 percent. Tables 1 and 2 summarize his recommendations by category and track spending from 2001 to 2008. After adjusting for inflation, proposed 2008 spending is less than 2001 for almost all categories except for Medicaid and employee benefits.

Table 1

<b>BUDGET SUMMARY<sup>1</sup></b>							
<b>Comparison FY08 to FY01</b>							
(\$ Millions)	2001	2001	2008	<u>Unadjusted for Inflation</u>		<u>Adjusted for Inflation</u>	
	Actual	Infl. Adj.	Governor	\$ Change	% Change	\$ Change	% Change
<b>Investment in Children</b>	<b>\$5,758.8</b>	<b>\$7,469.2</b>	<b>\$6,743.4</b>	<b>\$984.6</b>	<b>17.1%</b>	<b>-\$725.8</b>	<b>-9.7%</b>
Education Local Aid	3,453.7	4,479.4	4,246.8	793.1	23.0%	-232.6	-5.2%
Higher Education	1,109.1	1,438.5	1,036.5	-72.6	-6.5%	-402.0	-27.9%
Services to Children	573.6	744.0	790.3	216.6	37.8%	46.3	6.2%
Youth Services	118.3	153.4	160.0	41.7	35.2%	6.6	4.3%
Child Care Services	504.1	653.8	509.9	5.8	1.1%	-144.0	-22.0%
<b>Criminal Justice and Law Enforcement</b>	<b>\$1,708.6</b>	<b>\$2,216.0</b>	<b>\$2,127.3</b>	<b>\$418.7</b>	<b>24.5%</b>	<b>-\$88.8</b>	<b>-4.0%</b>
Corrections	799.3	1,036.7	971.4	172.0	21.5%	-65.4	-6.3%
Judiciary	588.7	763.5	745.5	156.8	26.6%	-18.1	-2.4%
Police	205.3	266.3	276.5	71.1	34.6%	10.1	3.8%
DAs	81.4	105.6	93.5	12.1	14.8%	-12.1	-11.5%
Attorney General	33.8	43.8	40.4	6.7	19.8%	-3.4	-7.7%
<b>Local Government</b>	<b>\$1,541.0</b>	<b>\$1,998.7</b>	<b>\$1,583.8</b>	<b>\$42.8</b>	<b>2.8%</b>	<b>-\$414.9</b>	<b>-20.8%</b>
<b>Assistance to the Poor</b>	<b>\$5,893.6</b>	<b>\$7,644.0</b>	<b>\$9,426.1</b>	<b>\$3,532.5</b>	<b>59.9%</b>	<b>\$1,782.1</b>	<b>23.3%</b>
Medicaid/Other Health <sup>2</sup>	4,860.0	6,303.4	8,266.3	3,406.3	70.1%	1,962.8	31.1%
Cash/Housing Asst.	804.5	1,043.4	872.3	67.9	8.4%	-171.1	-16.4%
Elderly	229.1	297.2	287.5	58.4	25.5%	-9.7	-3.3%
<b>Assistance to the Sick and Disabled</b>	<b>\$2,032.2</b>	<b>\$2,635.7</b>	<b>\$2,421.6</b>	<b>\$389.5</b>	<b>19.2%</b>	<b>-\$214.1</b>	<b>-8.1%</b>
Mental Retardation	916.1	1,188.2	1,215.8	299.7	32.7%	27.6	2.3%
Mental Health	602.3	781.2	664.0	61.7	10.3%	-117.1	-15.0%
Public Health	513.7	666.3	541.8	28.0	5.5%	-124.5	-18.7%
<b>Transportation</b>	<b>\$260.4</b>	<b>\$337.7</b>	<b>\$209.8</b>	<b>-\$50.5</b>	<b>-19.4%</b>	<b>-\$127.9</b>	<b>-37.9%</b>
Regional Transit	41.2	53.4	52.3	11.1	26.8%	-1.2	-2.2%
Highways	155.4	201.5	95.4	-59.9	-38.6%	-106.1	-52.6%
Registry	63.8	82.8	62.1	-1.7	-2.6%	-20.6	-24.9%
<b>Economic Development</b>	<b>\$403.5</b>	<b>\$523.3</b>	<b>\$375.0</b>	<b>-\$28.5</b>	<b>-7.1%</b>	<b>-\$148.3</b>	<b>-28.3%</b>
Business and Labor	158.4	205.4	156.7	-1.7	-1.1%	-48.8	-23.7%
Environment	245.1	317.8	218.3	-26.7	-10.9%	-99.5	-31.3%
<b>Central Costs</b>	<b>\$3,184.4</b>	<b>\$4,130.1</b>	<b>\$4,586.4</b>	<b>\$1,402.0</b>	<b>44.0%</b>	<b>\$456.3</b>	<b>11.0%</b>
Employee Benefits <sup>3</sup>	1,677.2	2,175.3	2,605.0	927.8	55.3%	429.7	19.8%
Debt Service	1,507.2	1,954.8	1,981.4	474.2	31.5%	26.6	1.4%
<b>Other</b>	<b>\$1,037.9</b>	<b>\$1,346.1</b>	<b>\$1,061.4</b>	<b>\$23.5</b>	<b>2.3%</b>	<b>-\$284.7</b>	<b>-21.2%</b>
<b>Total</b>	<b>\$21,820.2</b>	<b>\$28,300.9</b>	<b>\$28,534.8</b>	<b>\$6,714.5</b>	<b>30.8%</b>	<b>\$233.9</b>	<b>0.8%</b>

1. Amounts are adjusted to include certain off-budget authorizations, primarily for health care and pensions, and to exclude MBTA, school building assistance, convention center, mosquito control and certain other expenditures moved off-budget during this period.
2. The 2008 figures have been adjusted downward, removing Medicaid buy-in costs that first were moved on-budget in 2006, in order to allow proper comparison with 2001 figures.
3. Does not include workers' compensation and unemployment insurance which are budgeted in agency accounts.

Table 2

**BUDGET SUMMARY<sup>1</sup>**  
**Fiscal 2001-2008**

(\$ Millions)	2001	2002	2003	2004	2005	2006	2007	2008	\$ Change	% Change
	Actual	Actual	Actual	Actual	Actual	Actual	GAA	Governor	2007 to 2008	2007 to 2008
<b>Investment in Children</b>	\$5,758.8	\$5,966.9	\$5,825.5	\$5,503.5	\$5,814.0	\$6,083.2	\$6,470.5	\$6,743.4	\$272.9	4.2%
Education Local Aid	3,453.7	3,679.6	3,617.6	3,428.9	3,624.4	3,750.3	4,032.9	4,246.8	213.9	5.3%
Higher Education	1,109.1	1,037.1	982.3	829.3	911.0	989.7	994.9	1,036.5	41.6	4.2%
Services to Children	573.6	631.8	646.0	677.1	700.6	729.5	775.2	790.3	15.1	1.9%
Youth Services	118.3	122.5	122.8	124.9	131.1	143.0	157.5	160.0	2.4	1.6%
Child Care Services	504.1	495.9	456.7	443.3	446.9	470.6	510.0	509.9	-0.2	0.0%
<b>Criminal Justice and Law Enforcement</b>	\$1,708.6	\$1,752.6	\$1,674.6	\$1,746.0	\$1,805.7	\$1,947.5	\$2,056.7	\$2,127.3	\$70.6	3.4%
Corrections	799.3	824.6	769.5	827.7	845.7	899.4	927.4	971.4	43.9	4.7%
Judiciary	588.7	580.0	566.5	583.7	616.8	668.2	744.6	745.5	0.8	0.1%
Police	205.3	230.8	230.6	224.7	229.1	259.0	254.6	276.5	21.9	8.6%
DAs	81.4	81.4	75.8	77.1	79.5	85.5	91.4	93.5	2.1	2.3%
Attorney General	33.8	35.7	32.2	32.7	34.7	35.4	38.6	40.4	1.8	4.7%
<b>Local Government</b>	\$1,541.0	\$1,523.1	\$1,295.7	\$1,242.4	\$1,348.1	\$1,373.8	\$1,561.1	\$1,583.8	\$22.7	1.5%
<b>Assistance to the Poor</b>	\$5,893.6	\$6,652.0	\$7,004.8	\$7,432.3	\$7,939.1	\$8,901.3	\$9,333.0	\$9,657.9	\$324.9	3.5%
Medicaid/Other Health Care <sup>2</sup>	4,860.0	5,572.6	5,925.8	6,367.2	6,837.9	7,758.9	8,186.9	8,498.1	311.2	3.8%
Cash/Housing Assistance	804.5	825.2	798.7	780.1	802.8	838.3	859.5	872.3	12.8	1.5%
Elderly	229.1	254.1	280.3	285.0	298.4	304.2	286.6	287.5	0.9	0.3%
<b>Assistance to the Sick and Disabled</b>	\$2,032.2	\$2,054.2	\$1,986.1	\$1,963.1	\$2,058.5	\$2,199.5	\$2,287.4	\$2,421.6	\$134.2	5.9%
Mental Retardation	916.1	966.1	986.4	1,013.4	1,066.5	1,131.4	1,172.5	1,215.8	43.3	3.7%
Mental Health	602.3	607.6	597.3	590.4	594.9	629.6	646.3	664.0	17.8	2.7%
Public Health	513.7	480.6	402.4	359.3	397.2	438.5	468.6	541.8	73.1	15.6%
<b>Transportation</b>	\$260.4	\$215.2	\$222.1	\$216.2	\$265.4	\$234.9	\$212.6	\$209.8	-\$2.8	-1.3%
Regional Transit	41.2	49.3	42.4	53.2	48.8	52.1	51.7	52.3	0.5	1.0%
Highways	155.4	98.8	115.4	97.4	152.5	115.1	99.7	95.4	-4.2	-4.3%
Registry	63.8	67.1	64.3	65.7	64.1	67.6	61.2	62.1	1.0	1.6%
<b>Economic Development</b>	\$403.5	\$373.7	\$315.5	\$398.5	\$324.8	\$428.0	\$381.6	\$375.0	-\$6.6	-1.7%
Business and Labor	158.4	142.3	127.3	208.4	129.5	200.4	164.5	156.7	-7.9	-4.8%
Environment	245.1	231.5	188.2	190.0	195.2	227.6	217.1	218.3	1.2	0.6%
<b>Central Costs</b>	\$3,184.4	\$2,922.0	\$3,027.7	\$3,140.1	\$3,824.4	\$4,089.6	\$4,408.7	\$4,586.4	\$177.7	4.0%
Employee Benefits <sup>3</sup>	1,677.2	1,510.0	1,550.3	1,497.1	2,081.8	2,294.8	2,421.6	2,605.0	183.3	7.6%
Debt Service	1,507.2	1,411.9	1,477.4	1,643.0	1,742.5	1,794.8	1,987.0	1,981.4	-5.6	-0.3%
<b>Other</b>	\$1,037.9	\$1,034.6	\$907.1	\$859.3	\$920.4	\$879.3	\$990.3	\$1,061.4	\$71.1	7.2%
<b>Total</b>	\$21,820.2	\$22,494.3	\$22,259.2	\$22,501.5	\$24,300.4	\$26,137.2	\$27,701.9	\$28,766.6	\$1,064.7	3.8%

1. Amounts are adjusted to include certain off-budget authorizations, primarily for health care and pensions, and to exclude MBTA, school building assistance, convention center, mosquito control and certain other expenditures moved off-budget during this period.

2. Since 2006, Medicare buy-in costs previously carried as an offset to revenues have been appropriated as an on-budget expenditure (the 2006 amount was \$231.8 million).

3. Does not include workers' compensation and unemployment insurance that are budgeted in agency accounts.