



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE FOR  
ADMINISTRATION AND FINANCE  
STATE HOUSE • ROOM 373  
BOSTON, MA 02133

DEVAL L. PATRICK  
GOVERNOR

TIMOTHY P. MURRAY  
LIEUTENANT GOVERNOR

JAY GONZALEZ  
SECRETARY

TEL: (617) 727-2040  
FAX: (617) 727-2779  
[www.mass.gov/eoaf](http://www.mass.gov/eoaf)

November 13, 2009

The Honorable Charles Murphy, Chair  
House Committee on Ways and Means  
State House, Room 243  
Boston, MA 02133

The Honorable Steven C. Panagiotakos, Chair  
Senate Committee on Ways and Means  
State House, Room 212  
Boston, MA 02133

**Re:** Additional fiscal stability legislation concerning (1) municipal liability for state Quinn Bill reimbursements, and (2) resolving MassHealth's deficiency.

Dear Chairmen Murphy and Panagiotakos:

I am writing to ask your consideration of several additional sections in connection with the recent legislation proposed by the Governor entitled "An Act implementing fiscal stability measures for fiscal year 2010" (House bill 4303), now before the House Committee on Ways and Means. These additional sections concern (1) municipal liability for state Quinn Bill reimbursements, and (2) additional legislation to resolve MassHealth's deficiency.

**1. Municipal Liability for State "Quinn Bill" Reimbursements**

As you know, because of the ongoing fiscal crisis, the Commonwealth has been unable to reimburse cities and towns fully for its share of payments under the police education incentive statute, G.L. c. 41, § 108L ("Quinn Bill"). The Governor's pending legislation further reduces the state fiscal year 2010 appropriation for this purpose from \$10 million to \$5 million.

The Governor recognizes that municipalities are also facing difficult fiscal problems. He wishes to mitigate the effects of this reduction in state funding. He therefore proposes the



following legislation to clarify that municipalities are not liable for the state share of Quinn Bill payments, unless a collective bargaining agreement specifically so provides.

SECTION A. The fifth paragraph of section 108L of chapter 41 of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by inserting after the first sentence the following 2 sentences:- Notwithstanding the previous sentence, and notwithstanding any general or special law to the contrary, an employee of a city or town police department who is covered by this section shall be entitled to  $\frac{1}{2}$  the amount of such payments during the employing city's or town's fiscal year. The employee's entitlement to the remaining  $\frac{1}{2}$  of the amount of such payments shall be conditioned upon the commonwealth's satisfying its reimbursement obligation under the first sentence of this paragraph, and that amount shall not be due to the employee unless the commonwealth makes the reimbursement payment to the employing city or town, and then only to the extent of the percentage of the amount that is actually paid to the employing city or town.

SECTION B. In a city or town in which an existing collective bargaining agreement provides for payment of the full amount of career incentive salary increases without regard to reimbursement by the commonwealth, section A shall not take effect until that agreement expires.

## **2. Additional Legislation to Resolve MassHealth's Deficiency**

MassHealth is facing a \$307 million gross deficiency (\$118 million net deficiency) in fiscal year 2010 (projected spending in excess of currently enacted appropriations). This deficiency is primarily driven by caseload and utilization increases due to a declining economy.

The Administration has recently finalized its plan to help to address MassHealth's deficiency in fiscal year 2010. The plan includes a combination of carefully targeted savings and supplemental funding consistent with maintaining a balanced budget. This plan is distinct from the Administration's proposed 9C emergency spending cuts, as it does not involve reducing MassHealth's appropriations but rather attempting to keep spending as close as possible to appropriated amounts.

Unlike in prior recessions, the Administration is continuing to preserve eligibility for MassHealth (and Commonwealth Care), including for the 265,000 people who have newly signed up for these programs since health care reform. This preserves a core foundation of the social safety net for families in need and complies with the federal recovery act's "maintenance of effort" requirement regarding eligibility.

For savings, the Administration's options are constrained because of timing, federal rules and the fact that many savings opportunities were already being implemented as part of