SO MUCH OF THE MESSAGE

FROM

HIS EXCELLENCY THE GOVERNOR

RETURNING THE GENERAL APPROPRIATION BILL

FOR FISCAL YEAR 2020

(SEE HOUSE, NO. 4000)

AS RELATES TO ATTACHMENTS A THROUGH G,

FOR ITEMS RETURNED WITH DISAPPROVAL OF WORDING

UNDER THE PROVISIONS OF

SECTION 5 OF ARTICLE LXIII

AND SECTIONS RETURNED WITH

RECOMMENDATIONS OF AMENDMENTS

UNDER THE PROVISIONS OF ARTICLE LVI

OF THE AMENDMENTS TO THE CONSTITUTION.

July 31, 2019.



EXECUTIVE DEPARTMENT STATE HOUSE • BOSTON 02133 (617) 725-4000

July 31, 2019.

To the Honorable Senate and House of Representatives:

Pursuant to Section 5 of Article 63 of the Amendments to the Constitution, we are today signing House Bill 4000, "An Act Making Appropriations for the Fiscal Year 2020 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements," and returning certain portions to you for reconsideration.

The Fiscal Year 2020 (FY20) budget, the fifth of this administration, once again provides funding to support education, stronger and safer communities, transportation, health care coverage, and important social service programs for mental health, substance misuse, children, and seniors.

The \$43.321 billion spending plan represents an approximately 3.3% growth rate over estimated spending in Fiscal Year 2019 (FY19), excluding certain trust fund transfers, pensions, and interfund transfers. This budget does not rely upon new taxes or fees to achieve balance and assumes an estimated \$476 million net increase to the Stabilization Fund. The budget also limits the use of one-time revenue to \$33.5 million.

FY20 Budget Highlights

- Chapter 70 funding for education of \$5.2 billion, a \$268 million increase over FY19
- An increase in Unrestricted Local Aid of \$30 M, or 2.7%, to \$1.1 billion;
- New drug pricing authority to restrain cost growth in the MassHealth pharmacy program

Combating the Opioid Epidemic

• \$246 million across several state agencies for substance misuse treatment and services, a \$27 million increase over FY19 and a total increase of \$127 million since FY15 (not including MassHealth)

Caring for our seniors

• Expansion of the income eligibility for the Medicare Savings Program, delivering savings to approximately 40,000 low-income seniors for their prescription drug costs

Transportation

• \$698 million for transportation overall, including MassDOT operations, the MBTA, and Regional Transit Authorities, including \$127 million in state support for the MBTA (in addition to the \$1.1 billion transfer of sales tax revenue) and \$90.5 million for RTAs

Energy and Environment

- \$5 million increase for the Department of Public Utilities' Pipeline Safety Division
 - Increased assessment on utility distribution companies to fund an increase in the number of DPU pipeline inspectors
- \$2.2 million for Climate Adaptation and Preparedness

Black Advisory Commission and Latino Advisory Commission

- A total of \$20.3 million to support the recommendations of the Administration's Black Advisory Commission and Latino Advisory Commission, including:
 - Expansion of college and career pathways for high school students
 - Targeted workforce development programs to prepare more Blacks and Latinos for successful employment
 - Improvement and expansion of English for Speakers of Other Languages (ESOL) programs

Housing

- \$179 M in emergency assistance funding to provide shelter to homeless families
- \$110 million for the Massachusetts Rental Voucher (MRVP) program
- \$72 million for Local Housing Authorities (LHAs)
- \$53 million for homeless shelters serving individuals
- \$4 million in new funding to expand ADA-accessible units within the homeless shelter system

Health and Human Services

• \$902 million for the Department of Mental Health, an increase of \$26 million over FY19, representing an increase of \$166 million for DMH since 2015.

- Fully funds the Department of Developmental Services' Turning 22 program at \$25 million
- \$10.2 million for the Safe and Successful Youth initiative

Workforce and Economic Development

- \$7 million for the Workforce Competitiveness Trust Fund for grants to support training and certification programs to help bridge the skills gap
- \$3 million for Small Business Technical Assistance grants to provide technical assistance, education, and access to capital to small businesses
- \$2.5 million for the Urban Agenda grant program
- Transfer of any FY19 consolidated net surplus to the Community Preservation Trust Fund (\$20 million) and the Massachusetts Life Sciences Center (\$10 million)

We appreciate the work of the Legislature in delivering the FY20 conference committee report. There remain, however, some items within the report that we believe require additional corrective actions.

Of the 108 outside sections presented in the conference report, we are signing 99 and returning 9 for amendment.

Therefore:

- We are striking wording in, items of section 2 of House 4000 also set forth in Attachment A, for the reasons set forth in that attachment; and
- Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth, we are returning sections 14, 47, 59, 69, 89, 97, 103, 104, and 108 with recommendations for amendment. Our reasons for doing so and the recommended amendments are set forth in separate letters that are dated today and included with this message as Attachments B to G, inclusive.

Respectfully Submitted,

CHARLES D. BAKER, *Governor*.

KARYN POLITO, Lieutenant-Governor

Attachment A FY20 Budget Veto Items: Line Item Accounts

Item Number	Action	Reduce By	Reduce To
Climate Adaptation	and Preparedness		
2000-0101	Strike Wording		
striking a reporting	deadline because it does	sistent with my House 1 recommendation of provide sufficient time to ensure ce can complete this report for subm	e thorough
Conservation and R	ecreation Administration	n	
2800-0100	Strike Wording		
the Commonwealth and there are appro Commonwealth. In DCR to conduct a s	would incur significant ximately a dozen other s the 2018 Environmental tudy to assess all private	pects that if it were to assume owner costs associated with making capital imilarly situated privately-held dams Bond Bill, I returned with amendme ly held dams in need of repairs, but the ling to conduct the study as proposed	around the ent a request for the amendment
State Parks and Rec	preation		
2810-0100	Strike Wording		
I am striking this la	nguage because it is not	consistent with my House 1 recomm	endation.
DCR Retained Rev	enue		
2810-2042	Strike Wording		
	nguage to ensure that no uded from prioritization	n-profit youth groups that organize v in this line item.	vithin for-profit

Item Number	Action	Reduce By	Reduce To	
Department of Correction Facility				
8900-0001	Strike Wording			
I am striking this language because the purview of the investigation exceeds federal standards, which tether state protection and advocacy systems to areas accessible or used by residents receiving treatment.				
DOC Prison Industries and Farms				
8900-0010	Strike Wording			
I am striking this language because the level of detail in the report is beyond the scope of the department's mission since it would require the department to contact individuals no longer under its supervision.				
Transportation Trust Funds				
1595-6368	Strike Wording			
I am striking this language because it does not provide sufficient time or resources to ensure thorough completion of the reporting requirement.				



KARYN POLITO LIEUTENANT GOVERNOR EXECUTIVE DEPARTMENT STATE HOUSE • BOSTON 02133 (617) 725-4000

- ATTACHMENT B-

July 31, 2019.

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment Section 14 of House Bill No. 4000, "An Act Making Appropriations for the Fiscal Year 2020 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

Section 14 requires that grants allocated to Regional Tourism Councils through the Massachusetts Tourism Trust Fund be distributed not later than September 1 in the fiscal year in which the grants are allocated.

Last year a similar section that applied to Fiscal Year 2019 became law after I proposed changes based on the original section's ambiguous language, and I continue to believe it is most prudent to apply a provision of this nature on a single fiscal year basis so that this section may be judged in the context of the overall budget as opposed to being done on an annual basis as this section proposes. Further, this section retains ambiguous language relating to the timing of the distribution required by this section and does not accurately reflect the revenues collected by the Massachusetts Tourism Trust Fund. As a result, I am recommending changes that clearly indicate that the section is designed to apply only to Fiscal Year 2020, and only to the portion of grants generated from the room occupancy excise.

For these reasons, I recommend that Section 14 be amended by striking out the section and inserting in place thereof the following section:-

SECTION 14. Grants from the amounts collected pursuant to subsection (a) of section 13T of chapter 23A of the General Laws allocated to regional tourism councils pursuant to clause (ii) of subsection (d) of said section 13T of said chapter 23A for fiscal year 2020 shall be distributed not later than September 1, 2019.

Respectfully submitted,



KARYN POLITO LIEUTENANT GOVERNOR STATE HOUSE • BOSTON 02133 (617) 725-4000

EXECUTIVE DEPARTMENT

- ATTACHMENT C —

July 31, 2019.

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment Section 47 of House Bill No. 4000, "An Act Making Appropriations for the Fiscal Year 2020 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

Section 47 requires EOHHS to provide 270 days' notice to hospitals and the Legislature before implementing any restriction on an eligible hospital's access to discounted drugs pursuant to section 340B of the federal Public Health Service Act. While I do not object to providing adequate notice prior to taking such action, 270 days' notice will cause undue delay.

For these reasons, I recommend that Section 47 be amended by striking out the words, "not less than 270 days" and inserting in place thereof the following:- not less than 180 days.

Respectfully submitted,



KARYN POLITO LIEUTENANT GOVERNOR EXECUTIVE DEPARTMENT STATE HOUSE • BOSTON 02133 (617) 725-4000

- ATTACHMENT D -

July 31, 2019.

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment Section 59 of House Bill No. 4000, "An Act Making Appropriations for the Fiscal Year 2020 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

Section 59 requires the Board of the Health Connector to provide 60 days' notice to the Joint Committee on Health Care Financing and the House and Senate Committees on Ways and Means before it applies for any waiver under the Affordable Care Act. Additionally, it requires the Connector to report quarterly to these committees on the status of any active waiver applications.

While I do not object to providing adequate notice for waiver requests, I believe that 60 days' notice will cause undue delay, particularly where federal law already requires the Health Connector to have a public process before submitting a waiver request.

For these reasons, I recommend that Section 59 be amended by striking out the words, "not less than 60 days" and inserting in place thereof the following:- not less than 30 days.

Respectfully submitted,



KARYN POLITO LIEUTENANT GOVERNOR EXECUTIVE DEPARTMENT STATE HOUSE • BOSTON 02133 (617) 725-4000

- ATTACHMENT E —

July 31, 2019.

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment Sections 69, 103, 104 and 108 of House Bill No. 4000, "An Act Making Appropriations for the Fiscal Year 2020 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

Sections 69, 103, 104 and 108 modify the conditions by which the Department of Public Utilities (the "Department") may approve certain long-term contracts resulting from solicitations for proposals for offshore wind energy generation conducted under Section 83C of Chapter 169 of the Acts of 2008, the Green Communities Act ("Section 83C"), as inserted by Section 12 of Chapter 188 of the Acts of 2016. Section 83C requires that, following an initial procurement for offshore wind energy generation by no later than June 30, 2017, the Department shall not approve any long-term contract resulting from one or more subsequent solicitations if the levelized price per megawatt hour, plus associated transmission costs, exceed the comparable amounts resulting from the previous procurement. Section 69 of House Bill No. 4000 modifies this provision to require the Department to adjust the price of the subsequent solicitation for the availability of federal tax credits, inflation and incentives, and to exclude mitigation efforts designed to support employment and economic development in the Commonwealth. Section 103 in turn, appears intended to clarify that this modification applies to the currently pending solicitation issued in calendar year 2019, but erroneously

characterizes it as being "subject" to the Department's review as of July 1, 2019. Sections 104 and 108 operate to provide a sunset date for Section 69.

I support the underlying goals of Section 69, especially the consideration of the decline of federal tax credits in approving a long-term contract resulting from the current offshore wind procurement. However, the timing of this amendment at this late stage will most certainly disrupt the procurement schedule and jeopardize the Commonwealth's ability to take advantage of any cost savings from federal tax incentives. Under the current schedule, the bids for the current solicitation are due on August 9, 2019. In the event of a change of law occurring after the Department's approval of the solicitation, the distribution companies and the Department of Energy Resources, in consultation with the Independent Evaluator, are obligated to return to the Department to either file a conforming report or seek amendments to the solicitation if needed. Because Section 69, as drafted, will require amendments to specify precisely how the declines in federal tax credits since 2017 would affect pricing and how "mitigation efforts" to support employment and economic development should be defined, it will most likely result in a termination of the current solicitation and reissuance at an unspecified later date, following a full adjudication by the Department. This delay, together with the time needed for the distribution companies to evaluate and select the winning bidder and to negotiate and execute a long-term contract, may eliminate the ability of the winning bidder to make the investments necessary by the end of the calendar year to take advantage of the 2019 federal tax credit (this is the last year in which the credit is available). It also creates significant uncertainty for all potential bidders to the current solicitation.

To appropriately take into account declines in federal tax incentives since 2017 without jeopardizing the current schedule for selecting a second offshore wind proposal, I recommend that the price cap required by Section 83C be removed altogether for this procurement. This modification would allow the current solicitation to be completed in this calendar year without a complex amendment requiring adjudication before the Department. Further, the current solicitation already contains requirements for cost effectiveness and economic development measures, which I believe sufficiently address our shared goals of maximizing ratepayer savings and promoting employment and economic growth in the Commonwealth.

Because I agree that the price cap set forth in Section 83C should apply to future solicitations, I am returning Sections 104 and 108 for amendment to implement an appropriate sunset provision.

For the reasons stated above, I recommend that Section 69 be amended by striking out the text and inserting in place thereof the following text:-

SECTION 69. Subsection (b) of section 83C of chapter 169 of the acts of 2008, as inserted by section 12 of chapter 188 of the acts of 2016, is hereby amended by striking out, in the fifth sentence, the words, "provided, however, that the department of public utilities shall not approve a long-term contract that results from a subsequent solicitation and procurement period if the levelized price per megawatt hour, plus associated

transmission costs, is greater than or equal to the levelized price per megawatt hour plus transmission costs that resulted from the previous procurement".

SECTION 69A. Subsection (b) of section 83C of chapter 169 of the acts of 2008, as inserted by section 12 of chapter 188 of the acts of 2016, is hereby amended by adding, in the fifth sentence, the words, "provided, however, that the department of public utilities shall not approve a long-term contract that results from a subsequent solicitation and procurement period if the levelized price per megawatt hour, plus associated transmission costs, is greater than or equal to the levelized price per megawatt hour plus transmission costs that resulted from the previous procurement".

I also recommend that Section 103 and Section 104 be amended by striking out the text and inserting in place thereof the following text:-

SECTION 103. Section 69 shall apply to any long-term contract that results from a solicitation issued in calendar year 2019.

SECTION 104. Section 69 is hereby repealed.

I further recommend that Section 108 be amended by striking out the text and inserting in place thereof the following text:-

SECTION 108. Sections 69A and 104 shall take effect on January 1, 2021.

Respectfully submitted,



EXECUTIVE DEPARTMENT STATE HOUSE • BOSTON 02133 (617) 725-4000

- ATTACHMENT F ---

July 31, 2019.

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment Section 89 of House Bill No. 4000, "An Act Making Appropriations for the Fiscal Year 2020 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

Section 89 establishes a special commission, known as the Restaurant Promotion Commission that will review and develop recommendations and best practices for the promotion and continued growth and vitality of the restaurant industry in the Commonwealth. I support the efforts of this Commission. However, there is an immediate issue that relates to the restaurant industry in the Commonwealth that needs correction ahead of the 2019 annual sales tax holiday that is set for August 17th and 18th. The statute that established the annual sales tax holiday in the "Grand Bargain" legislation of 2018, Chapter 121 of the Acts of 2018, did not explicitly state that meals were not included in the sales tax holiday as had been done in prior versions of the sales tax holiday legislation. As a result, and to ensure that there is consistent application of the law for all retailers, the amendment below proposes to explicitly exclude meals from the sales tax holiday, which would mean that meals would continue to be subject to the sales tax as has been the case for previous sales tax holidays.

For these reasons, I recommend striking out section 89 and inserting in place thereof the following 2 sections:-

SECTION 89. There shall be a special commission, known as the Restaurant Promotion Commission to review and develop recommendations and best practices for the promotion and continued growth and vitality of the restaurant industry in the commonwealth. The commission shall consist of the following 11 members: the house and senate chairs of the joint committee on tourism, arts and cultural development; 3 persons to be appointed by the speaker of the house of representatives; 3 persons to be appointed by the president of the senate; 1 person to be appointed by the minority leader of the house of representatives; 1 person to be appointed by the minority leader of the senate; and the executive director of the Massachusetts office of travel and tourism, or their designee, who shall serve as chair of the commission.

The commission shall examine ways to increase promotion of and visitation to restaurants operating in the commonwealth, including but not limited to: challenges to maintaining and operating restaurants, including issues related to the training, development and retention of the industry's workforce; barriers to establishing new restaurants; licensing and permitting issues impacting emerging business models; strategies for increased marketing to attract visitors to the commonwealth's restaurants; and strategies for cross-promotional partnerships, including but not limited to partnerships with the hospitality, agriculture and seafood industries. The commission shall consider successful programs and national and local best practices.

The commission shall recommend programs for the use of the funds available in item 7008-1024. The commission shall hold its first meeting not later than 30 days after the effective date of this act and shall meet not less frequently than monthly thereafter. The commission shall hold meetings in various geographic regions of the commonwealth. The chair of the commission shall work to facilitate information and data requests of the commission members, ensure that the work of the commission incorporates feedback from the industry statewide and coordinate interagency cooperation. The commission shall submit a report of its review and its recommendations, if any, together with drafts of legislation necessary to carry those recommendations into effect by filing the same with the clerks of the house of representatives and the senate not later than January 31, 2020.

SECTION 89A. Subsection (a) of section 6A of chapter 64H of the General Laws, as appearing in the 2018 Official Edition, is hereby amended by inserting, in line 9, after the word "motorboats" the words:- , meals.

Respectfully submitted,



KARYN POLITO LIEUTENANT GOVERNOR EXECUTIVE DEPARTMENT STATE HOUSE • BOSTON 02133 (617) 725-4000

- ATTACHMENT G -

July 31, 2019.

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment Section 97 of House Bill No. 4000, "An Act Making Appropriations for the Fiscal Year 2020 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

Section 97 requires the University of Massachusetts to select an independent scientific organization to conduct a study and survey of the environmental health of the Blue Hills Reservation, including a study of the effectiveness of controlled public hunting and deer management programs in culling the deer population since 2015. Together with requiring a study, Section 97 imposes a moratorium on the Blue Hills Reservation deer management program and any controlled deer hunting in the reservation until July 31, 2021.

While I support the goals of this study, I do not concur that a ban on all deer hunting must be imposed while the study is ongoing. This is an annual activity that has been managed well, and has contributed to efforts to control the deer population. A moratorium should be considered only if the study demonstrates that controlled deer hunting and deer management efforts are not effective in achieving their goals. For the reasons stated above, I recommend that Section 97 be amended by striking out the words, "There shall be a moratorium on the Blue Hills Reservation deer management program and any controlled deer hunting in the reservation until July 31, 2021."

Respectfully submitted,

The actions taken by the Governor are delineated on this excerpt from the original parchment:—

I disapprove in the following items in Section 2 the wording as indicated:

Section 2 Wording Stricken
2000-0101 "; provided further, that not later than February 3, 2020, the executive office shall submit a report to the house and senate committees on ways and means that shall include, but not be limited to, the: (a) number of full-time equivalent positions assigned to the executive office's environmental justice staff; (b) responsibilities held by the executive office's environmental justice staff; and (c) status of environmental justice policies, strategies and initiatives being pursued for both the current and coming fiscal years"

and

"not later than October 31, 2019,"

- 2800-0100 "; provided further, there shall be a special commission to study and report on the feasibility of whether the ownership of Willett Pond and its appurtenances should be transferred to the state department of conservation and recreation at no cost to the commonwealth in order to provide new public access for outdoor recreation and to preserve the species and ecosystem of said pond; provided further, that the commission shall consist of: the secretary of the executive office of energy and environmental affairs, or a designee, the commissioner of the department of conservation and recreation, or a designee, the commissioner of the department of fish and game, or a designee, the chairs of the boards of selectmen of the towns of Walpole, Westwood and Norwood, or their designees, a representative or designee from the Willett Pond Charitable and Protective Association; a representative or designee from the North Walpole Fish and Game Club, Inc.; a representative or designee from the Neponset River Watershed Association, Incorporated; and provided further, that not later than June 30, 2020, the commission shall make recommendations, including any proposed legislation, with the clerks of the house of representatives and the senate;"
- 2810-0100 "; provided further, that not later than February 3, 2020 the department shall report to the house and senate committees on ways and means : (1) the status of hiring for additional staffing; (2) the staffing levels for the previous 10 fiscal years; and (3) the average staffing level at each park"
- 2810-2042 "; provided further, that when assigning time for the use of its skating rinks, the department shall give first priority to general public skating and then to an entity which qualifies under applicable state and federal law as a nonprofit organization or as a public school"
- 8900-0001 "; provided further, that the Disability Law Center, Inc. may investigate the physical environment of said facilities, including infrastructure issues, and may use methods including, but not limited to, testing and sampling the physical and environmental conditions, regardless of whether they are utilized by patients or inmates"
- 8900-0010 "and their employment rate after release"

I disapprove in the following items in Section 2E the wording as indicated:

Section 2E Wording Stricken

1595-6368 "; provided further, that not later than November 1, 2019 the Massachusetts Department of Transportation shall report to the house and senate committees on ways and means, the clerks of the house of representatives and senate, and the joint committee on transportation, on the feasibility of using state-owned property as a staging area to provide micro-mobility device or any other suitable mode of conveyance for last mile point to point transportation to and from commuter rail stops, rapid transit stops, or rapid transit transfer stations; and provided further, that the report shall include, but not be limited to, a listing of all state-owned property within 1 mile of mass transit stops and the feasibility of adding the property information as a layer to the Massachusetts interactive property map, developed by MassGIS"

I return for amendment, pursuant to the authority vested in me by Article 56, as amended by Article 90, Section 3, of the Amendments to the Constitution, Sections 14, 47, 59, 69, 89, 97, 103, 104, and 108. The text of my recommended amendments is set forth in separate letters of this date to the Senate and House of Representatives.

The remainder of this bill I approve.

Approved, July 31, 2019

at

o'clock and

minutes.

.M.

Charles D. Baker

Governor