



ML Strategies Alert

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Massachusetts Fiscal Year 2013 Budget

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Yesterday, Massachusetts Governor Deval L. Patrick signed into law a \$32.5 billion FY13 budget, leaving largely intact the compromise document that the Legislature sent to him on June 27th. This is the second budget document that Patrick has addressed this year; he signed a \$1.25 billion interim budget in late June to ensure that the state had sufficient resources to operate while awaiting passage of the full fiscal year budget.

Despite facing challenging economic times, albeit in a state managing relatively better than others, the Legislature and Governor Patrick managed to pass a budget devoid of new taxes and fees. Instead, the FY13 budget relies on one-time revenues, spending reductions, and savings initiatives to eliminate the projected \$1.3 billion deficit. The budget spends \$350 million from the state's "rainy day" fund, leaving the balance at just over \$1 billion.

In addition to the appropriations, the FY13 budget includes a number of policy initiatives, including:

- Authorizes co-payment assistance for brand name pharmaceuticals with a five-year sunset clause.
- Amends the so-called Gift Ban Law to, among other things, permit the payment of modest meals and refreshments to Massachusetts physicians when done so in connection to an educational event [\[click here to see a prior MLS Alert on Gift Ban\]](#).
- Reforms the electronic benefits transfer (EBT) card system for welfare recipients that would penalize willful misuse and prohibit certain purchases and vendors.
- Requires Massachusetts mutual companies to disclose all compensation awarded to executive officers and directors.
- Reforms the Community Preservation Act by providing cities and towns more flexibility to collect revenue for local CPA funds; allowing municipalities to rehabilitate existing parks, playgrounds and athletic fields; and allocating an additional \$25 million to the matching grant program to be funded by potential surplus revenue.
- Provisions pertaining to immigration enforcement, including new penalties for forging drivers' licenses, knowingly employing unlicensed drivers, and proof of immigration status to receive a car registration.

The Legislature remains in full formal session until July 31, 2012. A number of key legislative priorities remain, including health care payment reform [\[click here for prior MLS Alerts on Health Care\]](#), foreclosure legislation [\[click Here for a prior MLS Alert on Foreclosure\]](#), an economic development bill, and energy reform legislation. ML Strategies will continue to monitor these public policy matters and issue new Alerts.

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