

Representative Hogan's
Notes from the Hill

“America was not built on fear. America was built on courage, on imagination, and unbeatable determination to do the job at hand.” Harry S. Truman

As we all remember, the collapse of the financial markets last fall triggered an economic crisis of historic proportions. The Obama administration and Congress, heeding the consensus of top economists in the US, responded with the largest stimulus package in history. States have been one of the primary beneficiaries of this attempt to prime the economic pump.

This week, the Massachusetts Legislature delivered a fiscal year 2010 budget to the Governor that relies heavily on funding from the stimulus legislation, which is also called The American Reinvestment and Recovery Act (ARRA). There are \$1.5 billion in federal stimulus funds baked directly into our estimated revenues for FY 2010, providing critical support to the service base of state government:

Increased Medicaid reimbursement (FMAP): \$1.227 Billion
Fiscal Stabilization Funds for Education: \$323 Million
Nutrition Assistance Program: \$28 Million
Adoption and Childcare: \$5.6 Million

This funding has been essential to our ability to both maintain a reasonable level of necessary state services and close the budget gap for this year. Without it, our financial circumstance would be infinitely more difficult.

Massachusetts will also see federal funding for the following targeted projects:

Clean Energy & Environment: \$482,093,000 for Energy Efficiency & Conservation, Water & Sewer, Weatherization, Superfund and Brownfield initiatives.

Education: \$1,955,453,000 includes monies noted above as well as funding for Higher Education, Pell Grants, and Chapter 70 initiatives.

Housing: \$430,324,000 for programs including Public Housing Improvements, Home Investment Partnership, Neighborhood Stabilization, Homelessness Prevention, and Community Development Block Grants.

Transportation: \$809,079,000 for projects including Highways, Transit, Airports, High Speed Rail/Intercity Passenger Rail.

Labor & Workforce Development/Training Programs: \$90,170,000

Public Safety & Security: \$71,790,000 Community Policing, Violence against Women, Fire Stations, Port Security, and Emergency Shelter programs.

Safety Net: \$3,572,968,000 for Unemployment Insurance, Transitional Assistance for Needy Families, Children & Family Service Programs, and Food Stamps.

Technology & Research: \$1,295,048,000 for Electronic Health Records, Broadband Expansion, and National Science Foundation/National Institutes of Health grants.

In the near term, our state budget will continue to be buttressed by federal dollars as the President's plan continues to stimulate the economy while making investments in education, infrastructure, technology and other public services essential to the long-term economic health of our nation. This funding is not permanent. It is meant as life support for the economy, giving it time to recover from the downturn. We cannot take this funding for granted; the Administration, and all of us, hope to see the kind of economic growth that makes the funding no longer necessary.

The breadth and depth of the federal investment, however, is not just a down payment on addressing the Commonwealth's long-neglected infrastructure and socio-economic challenges, it is a statement of faith in the historic ability of this country--and this state--to overcome adversity and renew ourselves in the process.

(Kate Hogan represents Bolton, Hudson, Maynard and Stow in the Massachusetts House of Representatives. Contact her at [HYPERLINK "mailto:Rep.katehogan@hou.state.ma.us"](mailto:Rep.katehogan@hou.state.ma.us) Rep.katehogan@hou.state.ma.us or call 617-722-2060.)

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