

HOUSE No. 3922

The Commonwealth of Massachusetts



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June 28, 2021

To the Honorable Senate and House of Representatives,

I am filing for your consideration, “An Act Relative to Immediate COVID Recovery Needs” in order to immediately put to use \$2.915 billion of the Commonwealth’s direct federal aid to address urgent hardships and challenges facing those that have been hard-hit by the COVID-19 pandemic, including communities of color and low-wage workers.

This bill reflects the priorities and investments laid out in the amendment that I proposed to H.3827, “An Act Relative to Transferring Federal Funds to the Federal COVID-19 Response Fund,” on June 17, 2021, plus one additional item for marine port development.

I am filing this legislation while also signing an amended version of H.3827 to avoid delays in appropriating these funds so the Commonwealth can move forward as quickly as possible to address the difficulties that continue to burden individuals, families, and businesses across Massachusetts. The near-term needs of the Commonwealth far exceed the \$200 million in spending authorized by the Legislature in H.3827. There is an urgent need to appropriate the full amount that I am requesting.

More than 400,000 Massachusetts residents will lose their enhanced unemployment benefits on September 6 of this year. We need to invest in workforce training now to help those who have been laid off or unable to find work during the pandemic get back to work. There is also an urgent need for further investment in behavioral health and addiction treatment services, problems that have been exacerbated by the public health crisis. And this is also the time to invest in our tourism and cultural institutions, during the peak of the tourism season when they

are best positioned to take advantage of these dollars. For these reasons, this bill requires immediate action and I urge the Legislature to hold a hearing on this bill within the first two weeks of July.

We must not stall the recovery effort by delaying the use of these funds, nor defer providing relief to the people and businesses of Massachusetts that have been hit hardest by the pandemic. A delayed or inadequate response will only further impact communities of color and lower-wage workers, jeopardize our quality of life, and weaken the competitive advantages which have allowed Massachusetts to grow and thrive.

My proposal makes use of existing programs that are familiar to the Legislature and that can be scaled up quickly, including proven housing and homeownership programs, infrastructure initiatives, and workforce training. Given implementation times and the pressing needs facing many residents and families, I urge you to act now on this legislation to support the people of Massachusetts at this critical time in the economic recovery.

In total, as described in more detail below, I am recommending that \$1 billion be devoted to funding homeownership and housing priorities, a significant investment to help increase housing production and reduce barriers to owning a home as part of the ongoing COVID-19 recovery effort, so that Massachusetts remains a great place to live, work, and raise a family. I also propose substantial investments in downtown development, job training, addiction treatment, hospitals, environmental infrastructure and the improvement of public spaces, cultural facilities and tourism assets, water and sewer infrastructure, as well as broadband and internet access.

As noted above, this legislation contains a proposal to spend an additional \$100 million for marine port development. This funding would support public and private improvements that need to be made in communities like New Bedford, Salem, and Somerset to enable the Commonwealth to fully realize the promise of short-term and long-term economic growth associated with burgeoning offshore wind development.

My full list of funding recommendations is as follows:

Housing

- \$300 million to support expanded homeownership opportunities, focused on first-time homebuyers who are residents of disproportionately impacted municipalities;
- \$200 million to support housing production through MassHousing's Commonwealth Builder Program and similar efforts, which aim to help communities of color build wealth by promoting home ownership among residents of disproportionately impacted municipalities;

- \$200 million to fund rental housing production and provide increased housing options to workers and residents of disproportionately impacted municipalities;
- \$300 million to finance the statewide production of senior and veteran housing. These new housing options would contain a supportive services component and would be combined with other resources including Low-Income Housing Tax Credits, rental payments, and, in the case of veteran housing, VA health care.

Economic Development

- \$100 million for Downtown Development to concentrate economic growth activities, resources, and investments within local neighborhood areas in municipalities disproportionately impacted by COVID;
- \$250 million to support investments and regional collaboration aimed at invigorating downtowns throughout Massachusetts. These resources would provide grant funds to municipalities and other eligible public entities for a range of projects;
- \$100 million to support cultural facilities and tourism assets throughout Massachusetts.

Workforce Development

- \$240 million to fund a suite of job training programs and address skills gaps, to better position residents who want to be hired into jobs that Massachusetts businesses need filled. Areas of investment include:
 - \$150 million for workforce credentials for entry and mid-level wages;
 - \$35 million to fund English for Speakers of Other Languages programs and Adult Basic Education;
 - \$25 million for work readiness and essential skills programs.

Health Care

- \$50 million for fiscally stressed hospitals in disproportionately impacted municipalities as these hospitals have taken extraordinary measures to support their communities during the pandemic despite interruptions to their revenue streams;
- \$175 million for addiction treatment and related behavioral health services.

Infrastructure Investment

- \$400 million to fund grants for water and sewer infrastructure;

- \$300 million to improve culverts, dams, and other environmental infrastructure;
- \$100 million to enhance and modernize state park facilities;
- \$100 million to close the digital divide and increase broadband internet access, helping to promote workforce development and economic growth;
- \$100 million for marine port development.

This proposal relies on programs that exist now and can quickly put the \$2.915 billion outlined above to work. If the Legislature approves this spending, another \$2.0 billion in direct federal aid would remain in the Federal COVID-19 Response Fund, to be appropriated by the Legislature. Our Administration stands ready to support lawmakers as we together craft additional plans to invest these resources in fiscally responsible ways that comply with all relevant federal guidance.

We appreciate the collaboration we have had with the Legislature, and other state, federal and local partners in responding to the pandemic and maximizing all available resources to date. We must all continue working together to prioritize distributing funding efficiently to ensure those hit hardest by the virus receive relief as quickly as possible.

For these reasons, I urge your immediate consideration and prompt enactment of this legislation.

Respectfully submitted

Charles D. Baker,
Governor

10 1599-2020 For a reserve to create and maintain opportunities for homeownership for
11 residents of municipalities disproportionately impacted by the pandemic; provided, that funds
12 shall be expended to create and enhance access to homeownership in order to foster a strong,
13 inclusive, and equitable recovery with long-term benefits for housing security, health and
14 economic outcomes, and to address a systemic homeownership gap that contributed to more
15 severe impacts of the pandemic in socially disadvantaged communities and among targeted
16 populations; provided, that funds shall be expended to create opportunities for first-time
17 homebuyers; provided, funds may be expended for down payment assistance programs,
18 mortgage insurance programs, and mortgage interest subsidy programs administered by the
19 Massachusetts Housing Finance Agency and the Massachusetts Housing Partnership; provided
20 further, that funds may be expended to first-time homebuyer counseling and financial literacy
21 programs; and provided further, that the secretary of administration and finance, in consultation
22 with the secretary of housing and economic development and the executive directors of the
23 Massachusetts Housing Finance Agency and the Massachusetts Housing Partnership, may
24 transfer funding between this item and item 1599-2021 or 1599-2022 if necessary to optimize the
25 programs.....\$300,000,000

26 1599-2021 For a reserve to support the production of for-sale housing to expand
27 homeownership opportunities for residents of municipalities disproportionately impacted by the
28 pandemic through programs administered by Massachusetts Housing Finance Agency and
29 Massachusetts Housing Partnership; provided, that funds shall be expended for programs
30 including but not limited to the Commonwealth Builders Program; provided, that grants and
31 loans to developers shall be used to facilitate production of affordable homeownership units; and
32 provided further, that the secretary of administration and finance, in consultation with the

33 secretary of housing and economic development and the executive directors of the Massachusetts
34 Housing Finance Agency and the Massachusetts Housing Partnership, may transfer funding
35 between this item and item 1599-2020 or 1599-2022, if necessary to optimize the
36 programs.....\$200,000,000

37 1599-2022 For a reserve to support the production of affordable rental housing for
38 residents of municipalities disproportionately impacted by the pandemic through programs
39 administered by the department of housing and community development directly or through one
40 or more of the following: Massachusetts Housing Finance Agency, Massachusetts Housing
41 Partnership, and Community Economic Development Assistance Corporation; provided, that
42 funds shall be expended in the form of grants, loans, or other financial assistance to projects
43 receiving federal or state low income housing tax credits, state tax-exempt bond financing, or
44 other state financial assistance in the form of grants or loans; and provided further, that the
45 secretary of administration and finance, in consultation with the secretary of housing and
46 economic development and the executive director of the Massachusetts Housing Finance
47 Agency, may transfer funding between this item and items 1599-2020 or 1599-2021, if necessary
48 to optimize the programs.....\$200,000,000

49 1599-2023 For a reserve to support the production of housing for seniors and veterans
50 in need of supportive services, through programs administered by the department of housing and
51 community development directly or through one or more of the following: Massachusetts
52 Housing Finance Agency, Massachusetts Housing Partnership, and Community Economic
53 Development Assistance Corporation; provided, that funds shall be expended in the form of
54 grants, loans or other financial assistance to projects that will provide supportive services to
55 enable the targeted population to live in a community-based setting.....\$300,000,000

56 1599-2024 For a reserve to promote downtown recovery and revitalization in
57 municipalities disproportionately impacted by the pandemic; provided that funds may be used to
58 make grants through the Shared Streets and Spaces program administered by Massachusetts
59 Department of Transportation and the Massworks infrastructure program administered by the
60 executive office of housing and economic development; provided further, that funds may be
61 expended to acquire and improve, or to facilitate the private improvement or redevelopment of
62 abandoned, vacant, or underutilized properties in downtown areas, including through the
63 transformative development initiative and underutilized properties program administered by
64 Massachusetts Development Finance Agency; provided further, that funds may be granted to
65 public entities for recovery planning and recovery plan implementation, community planning,
66 and other technical assistance; provided further, that funds may be granted to public entities and
67 non-profits for programs and services that aid businesses disproportionately impacted by the
68 pandemic and located in these downtown areas; provided further, that funds may be used for
69 other targeted and eligible downtown recovery initiatives in municipalities disproportionately
70 impacted by the pandemic; provided further, that all or a portion of the funding appropriated by
71 this line item may be transferred to Massachusetts Development Finance Agency to coordinate
72 and support these expenditures; and provided further, that grants may include a requirement for
73 matching funds.....\$100,000,000

74 1599-2025 For a reserve to promote downtown recovery and revitalization in areas
75 across the commonwealth suffering the negative economic impacts of COVID-19 and not
76 eligible for funding from item 1599-2024; provided, that funds may be used to make grants
77 through the Shared Streets and Spaces program administered by Massachusetts Department of
78 Transportation and the Massworks infrastructure program administered by the executive office

79 of housing and economic development; provided further, that funds may be expended to acquire
80 and improve, or to facilitate the private improvement or redevelopment of, abandoned, vacant, or
81 underutilized properties in downtown areas, including through the transformative development
82 initiative and underutilized properties program administered by Massachusetts Development
83 Finance Agency; provided further, that funds may be granted to public entities for recovery
84 planning and recovery plan implementation, community planning, and other technical assistance;
85 provided further, that funds may be granted to public entities and non-profits for programs and
86 services that aid businesses disproportionately impacted by the pandemic and located in these
87 downtown areas; provided further, that funds may be used for other targeted and eligible
88 downtown recovery initiatives, including in small towns and rural areas; provided further, that all
89 or a portion of the funding appropriated by this line item may be transferred to Massachusetts
90 Development Finance Agency to coordinate and support these expenditures; and provided
91 further, that grants may include a requirement for matching funds.....\$250,000,000

92 1599-2026 For a reserve for cultural and tourism assets; provided, that funds
93 administered by the office of travel and tourism may be used to: (i) promote and advertise in-
94 state tourism in order to create jobs, support tourism-related businesses in the commonwealth
95 and stimulate the state and local economies of the commonwealth; and (ii) improve facilities and
96 destinations visited by in-state and out-of-state travelers, with the goals of increasing visitation,
97 enticing repeat visitation and increasing the direct and indirect economic impacts of the tourism
98 industry in all regions of the commonwealth; provided further, that grants shall support the
99 design, repair, renovation, improvement, expansion and construction of facilities owned by
100 municipalities or non-profit entities suffering the negative economic impacts of COVID-19;
101 provided further, that funds may be transferred to the Cultural Facilities Fund for the purposes of

102 this item; provided further, that grants may include a requirement for matching
103 funds.....\$100,000,000

104 1599-2027 For a reserve to enhance workforce opportunities through workforce skills
105 training; provided, that priority shall be given to workers dislocated from the workforce during
106 the COVID-19 pandemic through layoffs, interruptions to educational opportunities, or other
107 economic disruptions; provided further, that funds may be expended for apprenticeship programs
108 for low income workers; provided further, that funds may be expended for the development and
109 operation of career technical institutes in vocational technical schools in partnership with
110 industry and community stakeholders, to build out industry recognized credentialing pathways
111 for adult learners in technical and trade fields to retrain and grow the workforce; and provided
112 further,that funds may be transferred to the Workforce Competitiveness Trust Fund and to the
113 Workforce Training Fund; provided further, that funds may be expended to issue competitive
114 contracting models to support the start-up and implementation of expanded models such as
115 career technical institutes, rapid reemployment contracting, learn-to-earn, and additional models
116 intended to enhance workforce opportunities; provided further that programs may utilize
117 performance-based contracts; provided further that funds may be expended for adult basic
118 education skills including but not limited to training for English for speakers of other languages;
119 provided further, that funds may be expended for youth-oriented engagement programs including
120 but not limited to the safe and successful youth initiative; provided further, that funds may be
121 expended for regional planning grants and equipment grants to support the implementation of
122 data and accountability systems for enhanced oversight and management; and provided further,
123 that funds may be expended to build and strengthen system capacity.....\$240,000,000

124 1599-2028 For a reserve for behavioral health and addiction services; provided, that
125 funds shall be transferred to the executive office of health and human services, and its
126 subordinate departments within the health and human services secretariat as directed by the
127 secretary of administration and finance in consultation with the secretary of health and human
128 services.....\$175,000,000

129 1599-2029 For a reserve for fiscally strained hospitals in municipalities
130 disproportionately impacted by the pandemic; provided, that funds shall be transferred to the
131 executive office of health and human services as directed by the secretary of administration and
132 finance; provided further, that funds may be expended as stabilization grants to
133 providers.....\$50,000,000

134 1599-2030 For a reserve for investments in publicly-owned lands and lands otherwise
135 protected and conserved for public access, reservations, parks, rivers, lakes and other waterways,
136 trails, beaches, fishing piers, boat ramps, and other recreational facilities and open spaces;
137 provided, that funds may be transferred to the executive office of energy and environmental
138 affairs, the department of conservation and recreation, the department of agricultural resources,
139 and the department of fish and game for expenditure; provided further, that funds shall be
140 expended to clean, enhance, and modernize park facilities; and provided further, that funds shall
141 be expended to enhance and modernize park facilities or other public or private facilities for
142 outdoor recreation, to steward and conserve natural resources, or to improve the resilience of
143 natural and working lands, plants, and wildlife in the commonwealth.....\$100,000,000

144 1599-2031 For a reserve for environmental infrastructure; provided, that funds shall
145 be expended for municipal vulnerability preparedness planning and action grants to plan for and

146 address priority projects identified through local vulnerability assessments; provided further, that
147 funds shall be expended for investments and grants consistent with the priorities identified in the
148 state hazard mitigation and climate adaptation plan, particularly those which will enable and
149 facilitate statewide and local adaptation and resilience outcomes, including nature-based
150 solutions; provided further, that funds may be transferred to the executive office of energy and
151 environmental affairs for expenditure; provided further, that regional municipal partnerships,
152 regional planning bodies, watershed associations, non-profit corporations, and other similar
153 entities may serve as lawful grantees; provided further, that funds may be expended for tree
154 planting; and provided further, that grants may include a requirement for matching
155 funds.....\$300,000,000

156 1599-2032 For a reserve for water and sewer infrastructure; provided, that funds shall
157 be expended for sewer separation projects and other methods of remediating combined sewer
158 overflow into waterways, including projects to improve water quality in the Merrimack River;
159 provided, that funds may be transferred to the Drinking Water State Revolving Fund for the
160 purpose of reducing the principal or interest costs of drinking water improvements under a
161 program or programs administered under the umbrella of the Clean Water Trust; provided
162 further, that funds may be transferred to the Clean Water State Revolving Fund for the purpose
163 of reducing the principal or interest costs of water quality improvements under a program or
164 programs administered under the umbrella of the Clean Water Trust; provided further, that grants
165 may include a requirement for matching funds.....\$400,000,000

166 1599-2033 For a reserve to close the digital divide by facilitating broadband and
167 internet access; provided, that funds shall be expended to promote broadband adoption and
168 digital literacy; provided further, that funds may be expended on targeted infrastructure projects

169 to improve service in unserved areas; and provided further, that funds may be expended to
170 provide devices, digital literacy services and internet service plan support to targeted
171 populations.....\$100,000,000

172 1599-2034 For a reserve for marine port development; provided, that funds shall be
173 utilized to support the deployment, construction, manufacturing, or the operation and
174 maintenance of offshore wind for the purpose of promoting both short-term and long-term
175 economic development in the Commonwealth; provided further, that funds may be used for the
176 design, construction, reconstruction, improvement, rehabilitation or expansion of port areas in
177 New Bedford, Salem, Somerset, and additional port areas with the potential to facilitate
178 economic development activity for the offshore wind industry.....\$100,000,000

179 SECTION 3. Notwithstanding any general or special law to the contrary, and to the
180 extent allowed by federal law, the secretary may transfer funds authorized for expenditure in this
181 act to agencies charged with implementation of the American Rescue Plan Act of 2021 and incur
182 expenditures for charges related to the administrative costs of the American Rescue Plan Act of
183 2021 and to ensure that the commonwealth meets the efficient administration and statewide
184 accountability requirements in the American Rescue Plan Act of 2021. Administrative charges
185 shall be based on rates approved in accordance relevant guidance, if any, issued by the office of
186 management and budget applicable to federal funds provided under the American Rescue Plan
187 Act of 2021.

188 SECTION 4. For the purposes identified in the items in section 2A of this bill, the
189 secretary of administration and finance shall transfer funds to commonwealth departments and
190 other public entities. Notwithstanding any general or special law to the contrary, said secretary

191 shall require that all expenditures of Coronavirus State Fiscal Recovery Fund money be spent in
192 compliance with applicable federal law, including statutes, regulations, and sub-regulatory
193 guidance. Said secretary shall endeavor to maximize federal revenue available to the
194 commonwealth, and to minimize the risk that federal funds must be returned or left unspent due
195 to noncompliance with federal requirements. Said secretary shall require that departments
196 administering such funds and all recipients and sub-recipients shall receive funds conditioned on
197 their cooperation with applicable federal reporting and compliance requirements. Said secretary
198 shall approve the transfer of funds from reserves appropriated in this act only upon confirmation
199 that they will be spent exclusively on allowable purposes under relevant federal law. Said
200 secretary may direct the use of General Fund money for purposes authorized under this act where
201 the secretary has determined that reimbursement from the Federal Emergency Management
202 Agency or another federal source is available to reimburse spending.

203 SECTION 5. The secretary of administration and finance, in consultation with the office
204 of the comptroller, shall provide reporting on expenditures made by the commonwealth for the
205 purposes identified in section 2A in the manner described by chapter 288 of the acts of 2020.

206 SECTION 6. Notwithstanding any general or special law to the contrary, upon
207 calculating the extent of the commonwealth's reduction in revenue pursuant to federal guidance
208 related to section 602(c)(1)(C) of Title VI of the federal Social Security Act, 42 U.S.C. 802, the
209 secretary of administration and finance shall submit the calculation, including the methodology
210 used to determine said calculation, to the senate and house committees on ways and means;
211 provided, however, that the calculation and methodology shall be submitted in accordance with
212 this section for any year that the calculations are required to be calculated in accordance with
213 federal guidance.