



The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
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Chairman
House Committee on Ways and Means

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To the Members of the Massachusetts House of Representatives:

It is safe to say that these past few months have been some of the most unusual and difficult times the Commonwealth has faced. In March, before the pandemic hit, the Committee was preparing a FY2021 Budget proposal to place before the House in our traditional April timeline. The world has dramatically changed since then.

Since March, the committee has worked closely with members of the House, our counterparts in the Senate, and the Administration to keep a close eye on the Commonwealth's fiscal health. In October, we convened an economic roundtable to hear about the state's current and future financial status from stakeholders and experts. These discussions were productive and were invaluable in the construction of this budget.

With this document, the House Committee on Ways and Means presents its recommendations for the Fiscal Year 2021 General Appropriations Act. The Committee's proposal makes fiscally responsible decisions and targeted investments that allow the Massachusetts economy to continue to grow and diversify while dealing with the impacts of a global pandemic. This is a budget that funds the necessities of our present and invests in the promise of our future.

Since July, the Commonwealth has been operating under a series of temporary budgets, which has allowed us more time to see how deeply the pandemic has affected our fiscal standing. And while COVID-19's toll on our economy is stark and ongoing, this budget recommendation takes advantage of a number of one-time revenue sources and is also reflective of better tax revenues over the last few months being better than initially expected.

In October, the Governor adjusted the consensus revenue numbers that the House and Senate had agreed to back in January. We are now expecting a 6.8% reduction from FY20 tax revenues, which would equal out to \$27.592 billion. \$22.408 billion would be available for the budget after the transfers to the pension fund, MBTA, and other agencies.

Despite these reductions, this budget delivers on a shared commitment to the cities and towns we represent. Back in July, in order to give our municipalities some fiscal stability, the Legislature and the Baker Administration pledged to hold local aid harmless to the levels of support they received in FY20. After the passage of the Student Opportunity Act last year, we were eager to make a large investment in its first year. Unfortunately, the pandemic has complicated those plans. That being said, we are still increasing Chapter 70 funding by \$108 million to keep up with inflation and we are making other large investments into Education in this budget. Including other local aid accounts, such as charter school reimbursements and special education circuit breaker, this budget recommends an increase over FY20 levels in funds for our municipalities.

Under the leadership of Speaker Robert A. DeLeo, Massachusetts has prioritized the field of early education and care, investing in both access and quality. This document continues these historic investments, including another \$20 million rate reserve for early educators, which will help to raise salaries allowing education providers to recruit and retain high quality staff. This funding ensures Massachusetts' youngest residents will receive the best possible care from experienced teachers during their most formative years.

The Committee's proposal prioritizes housing and homelessness needs and builds on previous investments to support individuals, families, and youth. Some of these investments include the Rental Assistance for Families in Transition (RAFT) and Massachusetts Rental Voucher Program (MRVP), which will see its funding increased to historically high levels and create hundreds of new vouchers that will be utilized to keep at risk families in their homes, particularly important during COVID. Other housing programs and homeless shelters for both individuals and families will also see significant investments.

Our investment in healthcare comprise a significant portion of the budget. This budget provides \$18.577 billion for MassHealth so that we can continue our commitment to our most vulnerable residents. While these costs grew at slower rates than anticipated in FY2020 due to the postponement of elective surgeries and routine medical procedures during the pandemic, the projected need is expected to increase at a faster rate in FY2021.

The House remains committed to expanding treatment options and providing resources for those struggling with substance use and mental health issues. We have focused on prevention, intervention, and long term recovery. This budget will invest \$11 million more than FY20 into the Substance Use Disorder Trust Fund, allowing individuals across the addiction spectrum the services they need. The House budget also makes a renewed effort to combat domestic violence as well, including targeted grants to enhance services for victims of domestic violence and connecting survivors to local resources.

The Committee's budget makes investments in environmental programs, understanding the role they play in protecting public health and in making climate resiliency investments for the Commonwealth. The House Ways and Means FY2021 budget includes \$50 million for State Parks and Recreation and \$40 million for the Department of Environmental Protection to help conduct environmental compliance and reflects the increased usage of our parks during the pandemic. This funding will allow agencies to hire new inspectors, permit writers, park rangers, and scientists to protect and enhance Massachusetts' air, water, and land.

I would like to thank all members of the House, including members of the House Committee on Ways and Means, for their input during this unique process. I extend a special thank you to our Vice-Chair, Representative Denise C. Garlick of Needham, and our Assistant Vice-Chair, Representative Elizabeth A. Malia of Boston, for their advice and assistance in creating this budget proposal.

I look forward to working closely with all the members of the House of Representatives in the upcoming debate. I know that we will work together to produce a fiscally responsible budget that reflects our shared priorities.

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron Michlewitz". The signature is fluid and cursive, with a long horizontal stroke at the end.

Aaron M. Michlewitz
Chairman