

To Members of the Massachusetts State Senate,

This is the second budget in which I have the distinct honor as Chair of the Senate Committee on Ways and Means to present you with the Committee's recommendations for the Fiscal Year 2021 (FY 2021) Budget. Thank you to Senate President Karen Spilka for her continued confidence in me to lead the Committee and for her compassion and steady leadership as we carefully navigate through this enormously challenging time. I also want to thank our colleagues in the Administration, specifically Secretary Heffernan and his team in the Executive Office of Administration and Finance, and in the House, specifically Chair Michlewitz and his team in the House Committee on Ways and Means, for their partnership and collaboration under these challenging circumstances.

Since Governor Baker declared a state of emergency in response to the novel coronavirus outbreak on March 10, 2020, our world has dramatically changed. With nearly 10,000 Massachusetts residents lives lost, our day-to-day routines upended and an economy ravaged, the pandemic has left many anxious and stressed as we continue our statewide efforts to respond to this devastating pandemic in hopes of returning to normal. While confronting public health and economic crises simultaneously, we have had to weigh the fiscal implications of the COVID-19 pandemic on our Commonwealth. Working diligently with our colleagues in the Administration and the House to monitor our state's fiscal health, we convened economic roundtables in April and October to learn more about the economic impacts of this pandemic directly from experts in the field. We have remained patient and resolute in our desire to complete a final FY2021 budget plan once we had a better sense of our economic outlook and we are now ready to act.

Therefore, I present the Committee's budget for FY 2021 for your consideration. The Committee's budget once again relies upon the dedicated advocacy of each Senator and the hard work of the talented Senate Ways and Means staff. With a focus on safeguarding our economic future, this budget is a fiscally responsible plan that provides stability, protects essential public services critical to our most vulnerable residents, addresses urgent COVID-19 related needs and takes concrete steps to begin the work of building towards an equitable economic recovery.

The Committee's budget uses a balanced approach to provide fiscal stability and preserve our Commonwealth's financial safety net. Through our partnership with the Administration and with the House, we have strengthened our Stabilization Fund, bringing its balance to more than \$3.4 billion. Thanks to our careful stewardship, we have been able to manage our way through FY 2020 and position ourselves to utilize this critical reserve judiciously.

The Senate Ways and Means FY 2021 budget is based upon a revised tax revenue estimate of \$27.592 billion, which provides us with \$3.558 billion less in available revenue than the original consensus revenue estimate of \$31.151 billion from January. To close this anticipated revenue shortfall, the FY21 budget includes \$1.5 billion from the Stabilization Fund,

ensuring a majority of the Stabilization Fund balance for future years, \$1.38 billion in available federal supports, and more than \$400 million in new revenue initiatives. It also avoids drastic budget cuts while leaving the Commonwealth in a sound fiscal position moving forward. With these prudent actions, the Senate is putting forth a responsible budget plan that provides fiscal stability and addresses urgent needs, while working towards an equitable recovery.

The Committee's budget provides critical support for cities and towns and protects access to educational opportunities. The Senate has always believed that access to high-quality public education is a fundamental right for every child. To protect this access, the Senate Ways and Means FY 2021 budget holds harmless Chapter 70 education funding consistent with the agreement we reached in July with our partners in the House and Administration. As such, it provides \$107 million in additional Chapter 70 funding above FY 2020's level of investment.

The Committee's budget also supports children with disabilities and diverse needs who deserve to receive equal access to a high-quality education and level funds the Special Education Circuit Breaker at \$345 million. In addition to making investments that expand and protect access to educational opportunities, the Senate recognizes that we must do all that we can to address the urgent needs of our Commonwealth's early educator workforce during this pandemic. To that end, the Committee's budget invests nearly \$820 million in early education and care programs to provide stability during these uncertain times, including \$65 million in new funding to support our early educators on the front lines and protect access to early education opportunities for families in need during this public health crisis.

The Committee's budget safeguards the health of our most vulnerable and protects critical safety net programs during this COVID-19 public health emergency. Since this emergency began, the Senate has reinforced its commitment to the health and well-being of our most vulnerable residents. Recognizing that we must balance costs that account for roughly 40% of the state budget while keeping health care accessible and affordable, the Committee's budget maintains access to essential health care for over 1.9 million of our residents by funding MassHealth at \$18.577 billion.

The Committee's budget also maintains and expands access to mental health services for our most vulnerable. To accomplish this, the budget invests over \$900 million in mental health services and prevention programs. This includes targeted investments to support children's mental health services, expand access to inpatient mental health beds and provide housing supports for individuals living with mental illness or a substance use disorder.

While reinforcing access to a strong safety net, the Committee's budget also invests significant new dollars in our public health system, including over \$12 million in new funding to strengthen our local public health infrastructure and support programs focused on responding to this unrelenting virus. This budget also maintains our steadfast support for children, young adults

and individuals with intellectual or development disabilities and holds harmless funding for programs and services that serve these critical populations during this time of vital need.

Finally, the Committee's budget begins the work of building towards an equitable recovery from this unprecedented pandemic. Over the past seven months, this crisis has caused instability and deepened economic insecurity. With jobless rates near historic highs, an economy slow to rebound, and cases of COVID-19 again rising, many hard working families are confronted with a Catch-22 between protecting the health of their family and working in an unsafe environment to avoid deep economic despair.

To confront this urgent need, the Senate is taking action in the FY 2021 budget to begin building an equitable recovery. To accomplish this, the Senate's budget provides \$26 million to support recovery efforts, including funding to empower communities disproportionately impacted by the criminal justice system, support for underserved populations experiencing economic hardship and efforts focused on enhancing regional economic equity. To complement our response, the Committee's budget invests over \$540 million in housing stability programs and includes new eviction protections measures to ensure our most vulnerable residents at-risk of eviction in the middle of a pandemic are safe and secure in their homes. The budget also recommends \$44 million in critical support for emergency food assistance programs to help families confronting food insecurity during this time of crisis.

Once again, thank you to my friend and partner, Senate President Karen Spilka, for her leadership and counsel during this unprecedented time. I would also like to thank the members of the Senate Ways and Means Committee, specifically Vice Chair Cindy Friedman of Arlington, Assistant Vice Chair Jason Lewis of Winchester and Ranking Minority Member Patrick O'Connor of Weymouth for their advocacy and collaboration in helping to craft the Committee's FY 2021 budget recommendations.

Thank you to my colleagues for your tireless work in advocating for the programs that you care so deeply about throughout this year. The prioritization of the programs and services in this budget reflects our work together to maintain fiscal responsibility, protect our most vulnerable populations and respond to the urgent needs of our Commonwealth.

Without your advocacy and dedication, we would not have managed to succeed in developing and putting forward a responsible plan during this difficult year. To that end, I look forward to continuing our work together to address shared priorities as we confront the ongoing public health and economic challenges brought on by this unprecedented COVID-19 pandemic and works towards an equitable recovery.

For the Committee,

A handwritten signature in blue ink, appearing to read "Michael J. Rodrigues", with a long horizontal flourish extending to the right.

Michael J. Rodrigues

Chair, Senate Committee on Ways and Means