



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:

With this document, the House Committee on Ways and Means presents its recommendations for the Fiscal Year 2023 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 aftereffects of the global COVID-19 pandemic.

The last few years have seen some challenging times as we have all dealt with the effects of the COVID-19 pandemic. The Commonwealth's fiscal picture has been no exception to these challenges, as we have seen our revenues go from one extreme to the other. Thanks in part to the generous assistance received from the Federal government and our own strong revenue numbers, we have seen healthy revenue growth over the last year. We have been able to use these strong revenue numbers to invest in those who have borne the brunt of the COVID-19 pandemic. In times of need, people rely on services that the government provides. The budgets the Legislature passed during the COVID-19 pandemic have accomplished that and provided for residents in the Commonwealth, whether talking about housing stability, food security, or early education funding.

In January, the House and Senate Committees on Ways & Means, working closely with the office of Administration & Finance, agreed to a consensus revenue number for FY23 in the amount of \$36.92 billion, a 2.7% growth over the revised FY22 projections. Of this total amount, \$29.78 billion is available for the FY23 budget after the transfers to the pension fund, MBTA, and other agencies.

This budget delivers on a shared commitment to the cities and towns across the Commonwealth that we represent. The House budget fully funds 2/6th of the goal rate for Chapter 70 to meet the Student Opportunity Act (SOA) obligations that were delayed due to the COVID-19 pandemic. Chapter 70 is funded at its highest level ever at \$5.988 billion, an increase of \$485 million over FY22. The House budget also includes additional funding to bring minimum aid up to \$60 per pupil, fully funds charter school reimbursement at 100%, and funds year 2 and 3 of circuit breaker transportation reimbursement. The House budget also funds Unrestricted General Government Aid (UGGA) at \$1.19 billion, an increase of \$31.54 million over FY22, providing additional local aid support to our cities and towns.

Under the leadership of Speaker Ronald Mariano, one of the House's priorities is to continue to build back our workforce and ensure that Commonwealth comes out of this crisis stronger and more resilient. To ensure an equitable recovery, this FY23 budget focuses on economic growth and job training, with investments like \$60 million for Adult Education, \$28.3 million for Youthworks Summer Jobs, \$17 million into the Workforce

Competitiveness Trust Fund, and \$20.4 million into Career Technical Institutes. These programs and more will allow the Commonwealth to ensure that all our residents are able to take advantage of future economic growth.

In order to continue to support our workforce, this budget will offer a number of programs that help diverse communities and employers succeed. These programs include a \$20 million investment into a new loan forgiveness program within the Department of Mental Health; \$15 million to support teachers of color; \$10 million for loan repayment and bonuses to those who work in homeless shelters; and a \$1 million public awareness campaign to ensure all communities can utilize these programs. These initiatives will help strengthen some of the most critical aspects of the Commonwealth's workforce.

No area has had a greater impact on our workforce than early education and care. The lack of adequate and affordable childcare has hampered our recovery. The House remains committed to investing more into early education. As such, the House budget will invest \$70 million into rate increases for early childcare providers, including \$10 million to pay for childcare needs for early educators. This budget also provides \$16.5 million for Head Start grants, \$15 million for childcare and referral agencies, and \$10 million for higher education opportunities for early education and care workers. While a great deal of work needs to be done in this sector, these investments are a first step to provide immediate improvements into our early education and care system.

In FY22, one of the main funding priorities of the House was in housing and homelessness. That budget funded programs like the Rental Assistance for Families in Transition (RAFT) and Massachusetts Rental Voucher Program (MRVP) at historically high levels. As we move into FY23, we plan to continue to prioritize these needs and build on previous investments to support individuals, families, and youth in this budget. This FY23 budget funds RAFT at \$140 million, MRVP at \$150 million, \$100 million for programs for Homeless Individuals, \$92 million for Public Housing, and \$59.4 million for HomeBASE.

Our investments in healthcare comprise a significant portion of the budget. Due to the federal public health emergency, MassHealth has received enhanced federal funding for money spent on services, often referred to as Federal Medical Assistance Percentage (FMAP). In order to receive this funding, MassHealth is unable to re-determine eligibility for members until July of 2022, at the earliest. As a result, the House budget includes \$18.406 billion in spending to fully fund the MassHealth caseload, a \$595 million gross increase over H.2. The costs of this increase are more than covered by the FMAP funds the Commonwealth receives and as a result the net cost for MassHealth decreases.

The House remains committed to expanding treatment options and providing resources for those struggling with mental health and substance use disorders. We have focused on prevention, intervention, and long-term recovery. This budget will invest \$188.6 million into the Substance Use Disorder Trust Fund, allowing individuals across the addiction spectrum to access the services they need.

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 Committee's FY23 budget includes \$78.7 million for State Parks and Recreation and \$72.8 million for the Department of Environmental Protection to help conduct environmental compliance and reflects the increased usage of our parks during the COVID-19 pandemic. This funding will allow agencies to hire new inspectors, permit writers, park rangers, and scientists to protect and enhance the Commonwealth's 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 Ann-Margaret Ferrante of Gloucester, and our Assistant Vice-Chair, Representative Paul Donato of Medford, 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