

May 10, 2022

To Members of the Massachusetts State Senate,

For the fourth time as Chair of the Senate Committee on Ways and Means, I have the distinct honor to present you with the Committee's annual recommendations for the General Appropriations Act—the Fiscal Year 2023 (FY 2023) Budget.

Thank you to Senate President Karen Spilka for her friendship, leadership, and continued confidence in me to lead the Committee as we move forward together to build a post-pandemic future for our Commonwealth. Also, I would like to thank our colleagues in the House, Chair Aaron Michlewitz and his team in the House Committee on Ways and Means, and in the Administration, Secretary Michael Heffernan and his team in the Executive Office for Administration and Finance for their continued friendship and partnership.

Over these last two years, we have prioritized sound fiscal health and stability, carefully navigated the public health and economic challenges brought on by the COVID-19 pandemic and supported the urgent needs of our communities and our Commonwealth as we worked to recover and build anew. Now, as we move forward together with a budget plan for FY 2023, it is evident, in the wake of the ongoing conflict in Ukraine, mounting inflation, ongoing supply chain disruptions and the dogged persistence of the COVID-19 virus, that we are facing increasing economic anxiety, turbulence and uncertainty at home.

Yet, because of our state's economic resilience, we are well-positioned to respond nimbly to future challenges. Tax revenues to date for FY 2022 continue to far exceed expectations and outperform our consensus revenues forecasts. We have more than \$2 billion in available ARPA funds, affording us with an opportunity to consider how to strategically invest these one-time resources. Our Rainy-Day fund, which currently sits at nearly \$4.6 billion, is projected to grow to more than \$6.5 billion at the conclusion of FY 2023, ensuring we continue to responsibly grow our reserves and ready ourselves to utilize these resources wisely to meet future needs.

To that end, I present the Committee's FY 2023 budget for your respectful consideration. The Committee's FY 2023 budget reflects the advocacy of every Senator and the efforts of the incredibly hard-working Senate Ways and Means staff. These budget recommendations represent a fiscally responsible blueprint that reflects our shared priorities, ***supports our long-term economic health, and builds a post-pandemic future for our Commonwealth that equitably benefits all.***

As a hallmark priority of the Senate, the Committee's budget supports access to educational opportunities for people of all ages and backgrounds, provides significant local aid and centers students, families, and educators in our collective efforts to support our long-term economic health.

The Senate believes that supporting equitable access to educational opportunities for students of all ages is just as important to our state's economic foundation as is fixing our local roads and bridges that help people get to and from work. As such, the Committee's budget

strives to provide additional resources in each education sector, ensuring our students, families and educators are integral to shaping our post-pandemic recovery and supporting the long-term economic health and well-being of our state.

Building off the work of the Early Education and Care Economic Review Commission, the Committee's budget invests \$300 million in new resources to begin implementing the Commission's recommendations and laying the groundwork to support the long-term accessibility, affordability and stability of our state's early education and care workforce and system. In addition, the Committee's budget provides \$16.5 million for Head Start services and \$15 million for the Commonwealth Preschool Partnership, providing critical resources to maintain our strong support for early educators, at-risk children, and their families, who have been disproportionately impacted by the pandemic.

Consistent with the Senate's long-standing commitment to provide significant local aid to our communities to support students, educators and families, the Committee's budget invests \$6 billion in Chapter 70 funding, an increase of \$495 million over FY 2022, as well as doubling minimum Chapter 70 aid from \$30 to \$60 per pupil. With this step, we provide significant resources to fully fund the second year of the Student Opportunity Act (SOA) and remain on schedule to fulfill timely implementation of the law by FY 2027. It also dedicates \$1.231 billion in Unrestricted General Government Aid, an increase of \$63 million over FY 2022, and increases payments in lieu of taxes (PILOT) to cities and towns for state-owned land to \$45 million, reflecting our strong support for the state-local partnership that ensures communities receive their fair share of resources to meet the needs of their residents.

Recognizing that access to educational opportunity for students – across each education sector – has always been a hallmark Senate priority, the Committee's budget invests \$175 million in increased financial assistance to support students pursuing higher education opportunities and provides permanent tax relief by exempting forgiven student loans from being treated as taxable income. Additionally, the Committee's budget centers equity in our public higher education system by expanding inclusive education opportunities through the removal of existing barriers that currently limit access for young adults with disabilities, codifying the Massachusetts Inclusive Concurrent Enrollment grant program and dedicating \$4 million in flexible resources for our partners within the public higher education system to begin implementing and supporting inclusive learning options for this diverse student population.

Finally, the Committee's budget includes \$1.5 million for the Genocide Education Trust Fund to support the implementation of last year's genocide education framework law, ensuring we use the power of education to broaden awareness and shape our post-pandemic future free from hate and bigotry.

The Committee's budget remains deeply committed to strengthening our safety net and supporting access to health care services essential to the overall well-being of our individuals, families, and most vulnerable populations.

Whether supporting our state's pandemic response efforts, or providing resources to bolster behavioral health services, hospitals, and safety net providers, the Senate has consistently acted to strengthen our safety net and support investments to maintain equitable access to programs and services essential to overall health and well-being of our citizens.

To that end, the Committee's budget dedicates more than \$18.5 billion in resources to address the health care needs of more than 2.1 million people, including over \$1 billion in resources to support a gamut of mental and behavioral health services and programs across the state. It provides \$209 million for substance abuse recovery and treatment programming, preserving access to services at a critical time when the scourge of opioids remains prevalent in every corner of our state impacting families and their loved ones without prejudice. It also provides \$75 million in targeted resources to address acute nursing home workforce shortages further exacerbated in the wake of the pandemic and \$15 million for grants to support our local and regional boards of health.

The Committee's budget also makes a number of investments to ensure continued access to services for our children and families, providing nearly \$112 million to support the mental health needs of our children, \$28.8 million for Family Resource Centers to continue serving families in need, \$20 million for school-based health centers to support improved student well-being and \$20 million to support targeted behavioral health initiatives funded through the Behavioral Health, Access, Outreach and Support Trust Fund. It also includes \$4.4 million for the Office of the Child Advocate, \$3.5 million for the new Center on Child Wellbeing and Trauma and \$3 million for our children's advocacy centers located across the Commonwealth.

Additionally, to continue our collective work to reduce and tackle the front-line impacts of deep poverty, the Committee's budget helps families support the basic economic needs of their children, increasing the clothing allowance by \$50 to \$400 per child and providing a 10 per cent increase to Transitional Aid to Families with Dependent Children (TAFDC) and Emergency Aid to the Elderly, Disabled and Children (EAEDC) benefit level, proving again that the Senate is deeply committed to the economic wellbeing of our children and ensuring families receive the supports they need to live, work and provide stability for their children.

Meeting the needs of our Commonwealth's post-pandemic economic future, the Committee's budget prioritizes vital workforce development and housing stability programs critical to continuing an equitable recovery and supporting our long-term economic health.

The Committee's FY 2023 budget strives to continue support of an equitable recovery for our state, investing resources to better educate, better train, and better prepare our workforce for the jobs of tomorrow. It provides \$55 million for services to support adults seeking the needed skills to re-enter the workforce, \$20 million to reach and support small businesses in socially and economically disadvantaged communities, and \$17 million for the Workforce Competitiveness Trust Fund to connect unemployed and under-employed workers with better paying jobs. It also provides increased resources to build up our workforce and ready the next generation of workers to support the needs of our post-pandemic economy, including \$15.4 million for expanded career

technical training opportunities, \$10 million for Early College Programs and \$4.8 million for the Innovation Pathways program.

Finally, to complement our efforts to support an array of workforce development programs, the Senate recognizes that workers and families need housing and access to housing improves economic stability and security. As we transition away from the federal Emergency Rental Assistance Program (ERAP), which has helped many households impacted by the pandemic, the Committee's budget invests more than \$850 million in resources focused on keeping working families in their homes and maintaining a bridge to stable housing options. It includes \$210 million for Residential Assistance for Families in Transition, \$175 million for the Massachusetts Rental Voucher Program and \$19.3 million for the Alternative Housing Voucher Program, helping individuals and families find permanent housing solutions.

Once again, thank you to my friend, Senate President Karen Spilka, for her steadfast leadership and her continued confidence in me to lead the Committee. I would also like to thank the members of the Senate Committee on Ways and Means, especially Vice Chair Senator Cindy Friedman of Arlington, Assistant Vice Chair Senator Jason Lewis of Winchester and Ranking Minority Member Senator Patrick O'Connor of Weymouth for their continued contributions that have helped to guide the Committee's FY 2023 budget recommendations.

Finally, thank you to my colleagues for your continued contributions and dedication to public service, your communities, and our Commonwealth. Because of your advocacy, your efforts to collaborate, provide input, and generously bring ideas to the table, we are recommending a budget plan for your respectful consideration that aims to widely support our communities and the programs that you all have prioritized throughout this budget process.

I look forward to continuing our collaboration and partnership as we move forward together to address shared priorities, uphold fiscal responsibility, *support our Commonwealth's long-term economic health, and build a post-pandemic future that equitably benefits all.*

For the Committee,



Michael J. Rodrigues

Chair, Senate Committee on Ways and Means