

May 9, 2023

Dear Members of the Massachusetts State Senate,

For the fifth time as Chair of the Senate Committee on Ways and Means, I have the honor to present the Committee's annual recommendations for the General Appropriations Act—the Fiscal Year 2024 (FY 2024) Budget.

Thank you to Senate President Karen Spilka for her ongoing friendship, sage counsel, steady leadership, and continued confidence in me to lead the Committee as we work together to *move Massachusetts forward towards a more inclusive and resilient post-pandemic future.*

I would like to also thank our partners in the House, Chair Aaron Michlewitz and his team in the House Committee on Ways and Means, and in the Healey-Driscoll Administration, Secretary Matthew Gorzkowicz and his team in the Executive Office for Administration and Finance. Without their collaboration, cooperation and partnership throughout the budget development process, support for our residents, our communities, and our long-term economic health would not be possible.

Together, over these last four years, we have carefully navigated the COVID-19 pandemic and its many challenges. Adapting to a new normal utilizing an approach rooted in collaboration with our partners across state government, we addressed urgent needs and protected our most vulnerable populations. We maintained stability, built up our reserves, and made meaningful investments to support an equitable recovery for our people.

It was an approach that worked. Today, our Rainy Day Fund is projected to close FY 2024 with a historic balance of \$9 billion, and we have \$1.7 billion in surplus resources available for future use. More recently, Standard & Poor's (S&P) ratings agency upgraded our state's bond rating, a recognition that our long-standing adherence to sound fiscal discipline and efforts to reinforce the Commonwealth's economic foundation is paying dividends.

Now, as we strive to put forward a budget blueprint for FY 2024, we find ourselves at a precarious crossroads. Emerging from the pandemic stronger, and laser focused on building a more inclusive, post-pandemic Commonwealth, challenges remain. Workforce shortages are impacting employers across every sector of our economy. The inflated cost of living, working, going to college, and running a business has made it increasingly challenging for folks to afford to make ends meet.

There are growing signals that the global economy is cooling off and rising risks of a recession as current Fiscal Year 2023 tax collections have slowed after two years of robust revenue growth. Mindful of the decrease in April revenues, and clear-eyed about our current fiscal environment, we will continue to closely monitor revenues. While we must be fiscally prudent moving forward, our actions and diligent preparation thus far have put us in a strong position to act accordingly, manage the budget responsibly, and maintain our state's long-term fiscal health as we face this uncertainty, together.

To that end, I present the Senate Committee on Ways and Means FY 2024 budget for your respectful consideration. The Committee's FY 2024 budget underscores the advocacy of every single Senator and the arduous work of the talented Senate Ways and Means staff.

Reflective of our shared priorities and values, the Committee's budget recommendations prioritize prudent fiscal management, support the everyday needs of our communities, and *move Massachusetts forward towards a more inclusive and resilient post-pandemic future*.

Thoughtfully complementing our tireless efforts to support an equitable recovery throughout our Commonwealth, the Committee's budget invests \$1 billion in new public dollars to improve our education and transportation sectors in accordance with the approved 2022 Fair Share ballot initiative.

Maximizing this new source of revenue, our budget invests \$500 million into an array of initiatives across the education landscape pivotal to our state's economic competitiveness. It dedicates \$310 million for our public higher education sector, including \$55 million to lay the groundwork for a universal free community college system across all campuses by fall of 2024. It provides \$100 million to aid cities, towns and school districts with extraordinary school project costs impacted by post-COVID inflationary pressures, and it also invests \$80 million to improve the accessibility, affordability, and capacity of our early education and care system.

Recognizing the critical importance of maintaining our public transportation infrastructure, the Committee's budget also invests \$500 million of these new Fair Share revenues to improve and support our state's public transportation system as a core component of our economy. This includes \$200 million to fix aging local roads and bridges, \$195 million to support MBTA capital investments to enhance safety and reliability, and \$100 million to provide a historic level support for our regional transit authorities, totaling \$194 million, ensuring our transportation system connects all regions, and remains accessible, sustainable, and safe for all residents.

Subsequently, as we work together to make our Commonwealth a more affordable, competitive, and inclusive place to live, the Committee's budget makes historic investments in several areas essential to the growth of our state's economy and our overall competitiveness, including early education, K-12 education, higher education, housing, regional transportation, workforce development, health care, climate, and environment. Our budget also sets aside revenues to pay for a tax relief package that we intend to present to the Senate membership for consideration after we conclude our debate on the Committee's FY 2024 budget. This package will complement some of the significant investments made throughout our budget as we act to address inflationary pressures on our communities and boost our state's competitive advantage.

Finally, the Committee's budget centers equity, expands access to opportunity, and redoubles our efforts to ensure that every individual and family in this state can escape cycles of generational poverty. It welcomes students regardless of their race, national origin, citizenship, or immigration status, making it profoundly clear that *all* high school graduates in Massachusetts are eligible to receive in-state tuition at our public institutions of higher education. It also

supports the well-being of our children, working families, seniors, individuals with disabilities and the LGBTQ population, while enshrining into law the Affordable Care Act's preventive services provisions, ensuring we protect access to life-saving health care services vital to so many.

Once again, thank you to my friend, Senate President Karen Spilka, for her continued leadership and her 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 Jo Ann Comerford of Northampton and Ranking Minority Member Senator Patrick O'Connor of Weymouth for their invaluable input that has helped to mold and shape the Committee's FY 2024 budget recommendations.

Finally, thank you to my colleagues for lending your voices throughout this process. Because of your advocacy and your ideas, we are proposing a thoughtful budget plan for your respectful consideration that supports our shared priorities and reflects our shared values.

In the days and weeks ahead, I look forward to continuing our partnership – *together* – as we work to maintain our state's long-term economic health, uphold fiscal responsibility, navigate new challenges, and ***move Massachusetts forward on a path to a more inclusive and resilient post-pandemic future for our people.***

For the Committee,



**Michael J. Rodrigues**

**Chair, Senate Committee on Ways and Means**