

May 6, 2025

Dear Members of the Massachusetts State Senate,

For the seventh time as the Chair of the Senate Committee on Ways and Means, I have the great honor and distinct privilege to present the Committee's annual recommendations for the General Appropriations Act—the Fiscal Year 2026 (FY 2026) Budget.

Thank you to Senate President Karen Spilka for her enduring partnership and continued confidence in me to lead the Committee as we work together to advance a fiscally responsible and sound budget plan for FY 2026. Faced with rising federal uncertainty, our budget strives to protect core services for our most vulnerable populations and chart a sustainable pathway forward for the Commonwealth.

I would like to also thank our friends in the House Committee on Ways & Means, especially Chair Aaron Michlewitz and his staff as well as our counterparts in the Healey-Driscoll Administration, Secretary Matthew Gorzkowicz and his staff in the Executive Office for Administration and Finance. Because of their ongoing partnership, our diligent efforts to collaborate and remain clear-eyed over these last few years have allowed us to preserve our state's fiscal health and responsibly meet the needs of our residents.

Today, we find ourselves in an “*all-hands on deck*” situation as discussions about major federal funding plans to cut billions in spending have ramped up in Washington and fueled further uncertainty. Clouding the Commonwealth's short- and long-term fiscal outlook, the plans being contemplated at the federal level represent a visibly growing threat that could impact nearly \$16 billion in federal financial assistance, primarily related to MassHealth, which is used to support our most vulnerable populations. While Congress has yet to act, significant concerns persist about the future of the second largest revenue source, which we rely upon to balance the state budget, potentially undermining our capacity to navigate uncharted fiscal terrain if reductions to federal Medicaid funding become reality.

Additionally, the ongoing trade war propelled by the federal government is driving the economy towards the precipice of a possible downturn. Simply considering the costs alone brought on by federally imposed trade barriers could have far-reaching ripple effects for the health of our economy, further burdening our residents, sapping business confidence, hurting Main Street, and blunting our ongoing work to advance the state's competitiveness and tackle affordability challenges. Moreover, highlighting the uncertain fiscal climate before us, tax revenue collections – after spiking to record highs during the pandemic – have regressed to a more modest pre-pandemic level of revenue growth, arriving at a time when significant cost pressures have intensified, and the future of available federal financial assistance has grown murkier.

Mindful of our current challenges, the fog of federal uncertainty, and stiff economic headwinds, a steady and stable hand is essential as we adjust to the evolving landscape without undermining the fiscal integrity of the Commonwealth. To that end, I present the Senate Committee on Ways and Means FY 2026 budget recommendations for your respectful consideration. The Committee's FY 2026 budget proposal reflects the advocacy of residents across

the Commonwealth, considers the voices of every single Senator, and underscores the diligent work of the dedicated staff at Senate Ways and Means, whose commitment to public service is exemplary.

Anchored in the principle of fiscal responsibility, the Committee's budget reflects the Senate's deep and steadfast desire to achieve long-term sustainability and protect core services for our most vulnerable populations during this increasingly volatile and uncertain economic time. Built on a sensible consensus revenue tax estimate, the Committee's budget recommends an approach that endeavors to address several areas essential to reinforcing and strengthening the Commonwealth's broader economic foundation, investing significant resources into education, transportation, local aid, health and human services, housing, public safety and other vital areas, while further ensuring that we never forget state government's solemn responsibility to care for, help, and support the residents of this Commonwealth, especially our most vulnerable populations.

Again, thank you to my good friend, Senate President Karen Spilka, for her steadfast leadership and continued confidence in me to lead the Committee. I would also like to thank all the members of the Senate Committee on Ways and Means, especially Vice Chair Senator Jo Ann Comerford of Northampton, Assistant Vice Chair Senator Paul Feeney of Foxboro, and Ranking Minority Member Senator Patrick O'Connor of Weymouth for providing their invaluable input and help in writing the Committee's FY 2026 budget recommendations.

Finally, thank you to all my colleagues for lending your voices and sharing your concerns throughout this process. The time, effort, and dedication that went into crafting and producing this Committee budget reflect your thoughtfulness, sincerity, and passion for addressing our shared priorities, helping our constituents, and supporting policy making that upholds Senate values.

In the days and weeks ahead, I am confident that we – in the Senate – will all work together to pass a balanced and fiscally responsible FY 2026 budget plan that strives to protect core services for our most vulnerable and charts a sustainable pathway forward as we navigate rising uncertainty without undermining the fiscal integrity of the Commonwealth.

For the Committee,



**Michael J. Rodrigues**

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