

The Commonwealth of Massachusetts

House of Representatives,

The committee on Bills in the Third Reading, to whom was referred the

The Committee on Bills in the Third Reading, to whom was referred the Engrossed Bill transferring federal funds to the federal COVID-19 response fund (House, No. 3827, amended), which was returned by His Excellency the Governor with recommendation of amendment specified by him (in a message filed as House, No. 3902)

Reports recommending that the amendment recommended by His Excellency the Governor be considered in the following form:

By striking out all after the enacting clause and inserting in place thereof the following:

“SECTION 1. The sums set forth in section 2A are hereby appropriated from the federal COVID-19 response fund established in section 2JJJJ of chapter 29 of the General Laws, for the several purposes and subject to the conditions specified in this act, and subject to the laws regulating the disbursement of public funds for the fiscal year in which the sums are disbursed. These sums shall be in addition to any amounts previously appropriated and made available for the purposes of those items. These sums shall be made available until June 30, 2027.

SECTION 2A.

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

Reserves

1599-2020 For a reserve to create and maintain opportunities for homeownership for residents of municipalities disproportionately impacted by the pandemic; provided, that funds shall be expended to create and enhance access to homeownership in order to foster a strong, inclusive, and equitable recovery with long-term benefits for housing security, health and economic outcomes, and to address a systemic homeownership gap that contributed to more severe impacts of the pandemic in socially disadvantaged communities and among targeted populations; provided, that funds shall be expended to create opportunities for first-time homebuyers; provided, funds may be expended for down payment assistance programs, mortgage insurance programs, and mortgage interest subsidy programs administered by the Massachusetts Housing Finance Agency and the Massachusetts Housing Partnership; provided further, that funds may be expended to first-time homebuyer counseling and financial literacy programs; and provided further, that the secretary of administration and finance, in consultation with the secretary of housing and economic development and the executive directors of the Massachusetts Housing Finance Agency and the Massachusetts Housing Partnership, may transfer funding between this item and item 1599-2021 or 1599-2022 if necessary to optimize the programs.....\$300,000,000

1599-2021 For a reserve to support the production of for-sale housing to expand homeownership opportunities for residents of municipalities disproportionately impacted by the pandemic through programs administered by the Massachusetts Housing Finance Agency and the Massachusetts Housing Partnership; provided, that funds shall be

expended for programs including but not limited to the Commonwealth Builders Program; provided, that grants and loans to developers shall be used to facilitate production of affordable homeownership units; and provided further, that the secretary of administration and finance, in consultation with the secretary of housing and economic development and the executive directors of the Massachusetts Housing Finance Agency and the Massachusetts Housing Partnership, may transfer funding between this item and item 1599-2020 or 1599-2022, if necessary to optimize the programs.....\$200,000,000

1599-2022 For a reserve to support the production of affordable rental housing for residents of municipalities disproportionately impacted by the pandemic through programs administered by the department of housing and community development directly or through 1 or more of the following: the Massachusetts Housing Finance Agency, the Massachusetts Housing Partnership, and the Community Economic Development Assistance Corporation; provided, that funds shall be expended in the form of grants, loans, or other financial assistance to projects receiving federal or state low income housing tax credits, state tax-exempt bond financing, or other state financial assistance in the form of grants or loans; and provided further, that the secretary of administration and finance, in consultation with the secretary of housing and economic development and the executive director of the Massachusetts Housing Finance Agency, may transfer funding between this item and items 1599-2020 or 1599-2021, if necessary to optimize the programs.....\$200,000,000

1599-2023 For a reserve to support the production of housing for seniors and veterans in need of supportive services, through programs administered by the

department of housing and community development directly or through 1 or more of the following: the Massachusetts Housing Finance Agency, the Massachusetts Housing Partnership, and the Community Economic Development Assistance Corporation; provided, that funds shall be expended in the form of grants, loans or other financial assistance to projects that will provide supportive services to enable the targeted population to live in a community-based setting.....\$300,000,000

1599-2024 For a reserve to promote downtown recovery and revitalization in municipalities disproportionately impacted by the pandemic; provided that funds may be used to make grants through the Shared Streets and Spaces program administered by the Massachusetts Department of Transportation and the Massworks infrastructure program administered by the executive office of housing and economic development; provided further, that funds may be expended to acquire and improve, or to facilitate the private improvement or redevelopment of abandoned, vacant, or underutilized properties in downtown areas, including through the transformative development initiative and underutilized properties program administered by the Massachusetts Development Finance Agency; provided further, that funds may be granted to public entities for recovery planning and recovery plan implementation, community planning, and other technical assistance; provided further, that funds may be granted to public entities and non-profits for programs and services that aid businesses disproportionately impacted by the pandemic and located in these downtown areas; provided further, that funds may be used for other targeted and eligible downtown recovery initiatives in municipalities disproportionately impacted by the pandemic; provided further, that all or a portion of the funding appropriated by this line item may be transferred to the Massachusetts Development Finance Agency to coordinate and support these expenditures; and provided further, that grants

may include a requirement for matching

funds.....\$100,000,000

1599-2025 For a reserve to promote downtown recovery and revitalization in areas across the commonwealth suffering the negative economic impacts of COVID-19 and not eligible for funding from item 1599-2024; provided that funds may be used to make grants through the Shared Streets and Spaces program administered by the Massachusetts Department of Transportation and the Massworks infrastructure program administered by the executive office of housing and economic development; provided further, that funds may be expended to acquire and improve, or to facilitate the private improvement or redevelopment of, abandoned, vacant, or underutilized properties in downtown areas, including through the transformative development initiative and underutilized properties program administered by the Massachusetts Development Finance Agency; provided further, that funds may be granted to public entities for recovery planning and recovery plan implementation, community planning, and other technical assistance; provided further, that funds may be granted to public entities and non-profits for programs and services that aid businesses disproportionately impacted by the pandemic and located in these downtown areas; provided further, that funds may be used for other targeted and eligible downtown recovery initiatives, including in small towns and rural areas; provided further, that all or a portion of the funding appropriated by this line item may be transferred to the Massachusetts Development Finance Agency to coordinate and support these expenditures; and provided further, that grants may include a requirement for matching funds.....\$250,000,000

1599-2026 For a reserve for cultural and tourism assets; provided, that funds administered by the office of travel and tourism may be used to: (i) promote and advertise

in-state tourism in order to create jobs, support tourism-related businesses in the commonwealth and stimulate the state and local economies of the commonwealth; and (ii) improve facilities and destinations visited by in-state and out-of-state travelers, with the goals of increasing visitation, enticing repeat visitation and increasing the direct and indirect economic impacts of the tourism industry in all regions of the commonwealth; provided further, that grants shall support the design, repair, renovation, improvement, expansion and construction of facilities owned by municipalities or non-profit entities suffering the negative economic impacts of COVID-19; provided further, that funds may be transferred to the Cultural Facilities Fund for the purposes of this item; provided further, that grants may include a requirement for matching funds.....\$100,000,000

1599-2027 For a reserve to enhance workforce opportunities through workforce skills training; provided, that priority shall be given to workers dislocated from the workforce during the COVID-19 pandemic through layoffs, interruptions to educational opportunities, or other economic disruptions; provided further, that funds may be expended for apprenticeship programs for low income workers; provided further, that funds may be expended for the development and operation of career technical institutes in vocational technical schools in partnership with industry and community stakeholders, to build out industry recognized credentialing pathways for adult learners in technical and trade fields to retrain and grow the workforce; and provided further, that funds may be transferred to the Workforce Competitiveness Trust Fund and to the Workforce Training Fund; provided further, that funds may be expended to issue competitive contracting models to support the start-up and implementation of expanded models such as career technical institutes, rapid reemployment contracting, learn-to-earn, and additional models intended to enhance workforce opportunities;

provided further that programs may utilize performance-based contracts; provided further that funds may be expended for adult basic education skills including but not limited to training for English for speakers of other languages; provided further, that funds may be expended for youth-oriented engagement programs including but not limited to the safe and successful youth initiative; provided further, that funds may be expended for regional planning grants and equipment grants to support the implementation of data and accountability systems for enhanced oversight and management; and provided further, that funds may be expended to build and strengthen system capacity.....\$240,000,000

1599-2028 For a reserve for behavioral health and addiction services; provided, that funds shall be transferred to the executive office of health and human services, and its subordinate departments within the health and human services secretariat as directed by the secretary of administration and finance in consultation with the secretary of health and human services.....\$175,000,000

1599-2029 For a reserve for fiscally strained hospitals in municipalities disproportionately impacted by the pandemic; provided, that funds shall be transferred to the executive office of health and human services as directed by the secretary of administration and finance; provided further, that funds may be expended as stabilization grants to providers.....\$50,000,000

1599-2030 For a reserve for investments in publicly-owned lands and lands otherwise protected and conserved for public access, reservations, parks, rivers, lakes and other waterways, trails, beaches, fishing piers, boat ramps, and other recreational facilities and open spaces; provided, that funds may be transferred to the executive office of energy and

environmental affairs, the department of conservation and recreation, the department of agricultural resources, and the department of fish and game for expenditure; provided further, that funds shall be expended to clean, enhance, and modernize park facilities; and provided further, that funds shall be expended to enhance and modernize park facilities or other public or private facilities for outdoor recreation, to steward and conserve natural resources, or to improve the resilience of natural and working lands, plants, and wildlife in the commonwealth.....\$100,000,000

1599-2031 For a reserve for environmental infrastructure; provided, that funds shall be expended for municipal vulnerability preparedness planning and action grants to plan for and address priority projects identified through local vulnerability assessments; provided further, that funds shall be expended for investments and grants consistent with the priorities identified in the state hazard mitigation and climate adaptation plan, particularly those which will enable and facilitate statewide and local adaptation and resilience outcomes, including nature-based solutions; provided further, that funds may be transferred to the executive office of energy and environmental affairs for expenditure; provided further, that regional municipal partnerships, regional planning bodies, watershed associations, non-profit corporations, and other similar entities may serve as lawful grantees; provided further, that funds may be expended for tree planting; and provided further, that grants may include a requirement for matching funds.....\$300,000,000

1599-2032 For a reserve for water and sewer infrastructure; provided, that funds shall be expended for sewer separation projects and other methods of remediating combined sewer overflow into waterways, including projects to improve water quality in the

Merrimack river; provided, that funds may be transferred to the Drinking Water State Revolving Fund for the purpose of reducing the principal or interest costs of drinking water improvements under a program or programs administered under the umbrella of the Clean Water Trust; provided further, that funds may be transferred to the Clean Water State Revolving Fund for the purpose of reducing the principal or interest costs of water quality improvements under a program or programs administered under the umbrella of the Clean Water Trust; provided further, that grants may include a requirement for matching funds.....\$400,000,000

1599-2033 For a reserve to close the digital divide by facilitating broadband and internet access; provided, that funds shall be expended to promote broadband adoption and digital literacy; provided further, that funds may be expended on targeted infrastructure projects to improve service in unserved areas; and provided further, that funds may be expended to provide devices, digital literacy services and internet service plan support to targeted populations.....\$100,000,000

SECTION 3. Subsection (b) of section 2JJJJ of chapter 29 of the General Laws, as inserted by section 1 of chapter 254 of the acts of 2020, is hereby amended by adding the following sentence:- The fund shall not be subject to section 5C.

SECTION 4. Said section 2JJJJ of said chapter 29 is hereby further amended by striking out subsection (c), as so inserted, and inserting in place thereof the following subsection:-

(c) Amounts credited to the fund may be expended for any purpose allowed under subsection (c) of section 602 of Title VI of the federal Social Security Act, 42 U.S.C. 802.

SECTION 5. Notwithstanding any general or special law to the contrary, not later than 7 days after the effective date of this act, the comptroller shall transfer \$5,091,987,249.40 allocated to the commonwealth from the Coronavirus State Fiscal Recovery Fund pursuant to section 602 of Title VI of the federal Social Security Act, 42 U.S.C. 802, to the federal COVID-19 response fund established in section 2JJJJ of chapter 29 of the General Laws.

SECTION 6. Notwithstanding any general or special law to the contrary, and to the extent allowed by federal law, the secretary may transfer funds authorized for expenditure in this act to agencies charged with implementation of the American Rescue Plan Act of 2021 and incur expenditures for charges related to the administrative costs of the American Rescue Plan Act of 2021 and to ensure that the commonwealth meets the efficient administration and statewide accountability requirements in the American Rescue Plan Act of 2021. Administrative charges shall be based on rates approved in accordance relevant guidance, if any, issued by the office of management and budget applicable to federal funds provided under the American Rescue Plan Act of 2021.

SECTION 7. For the purposes identified in the items in section 2A of this bill, the secretary of administration and finance shall transfer funds to commonwealth departments and other public entities. Notwithstanding any general or special law to the contrary, said secretary shall require that all expenditures of Coronavirus State Fiscal Recovery

Fund money be spent in compliance with applicable federal law, including statutes, regulations, and sub-regulatory guidance. Said secretary shall endeavor to maximize federal revenue available to the commonwealth, and to minimize the risk that federal funds must be returned or left unspent due to noncompliance with federal requirements. Said secretary shall require that departments administering such funds and all recipients and sub-recipients shall receive funds conditioned on their cooperation with applicable federal reporting and compliance requirements. Said secretary shall approve the transfer of funds from reserves appropriated in this act only upon confirmation that they will be spent exclusively on allowable purposes under relevant federal law. Said secretary may direct the use of General Fund money for purposes authorized under this act where the secretary has determined that reimbursement from the Federal Emergency Management Agency or another federal source is available to reimburse spending.

SECTION 8. The secretary of administration and finance, in consultation with the office of the comptroller, shall provide reporting on expenditures made by the commonwealth for the purposes identified in section 2A in the manner described by chapter 288 of the acts of 2020.

SECTION 9. Notwithstanding any general or special law to the contrary, upon calculating the extent of the commonwealth's reduction in revenue pursuant to federal guidance related to section 602(c)(1)(C) of Title VI of the federal Social Security Act, 42 U.S.C. 802, the secretary of administration and finance shall submit the calculation, including the methodology used to determine said calculation, to the senate and house committees on ways and means; provided, however, that the calculation and methodology shall be submitted in accordance with this section for any year that the calculations are required to be calculated in accordance with federal guidance.”

And that when so amended the same will be correctly
drawn.

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For the Committee.