



The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
STATE HOUSE, BOSTON 02133-1054

AARON M. MICHLEWITZ

3rd SUFFOLK DISTRICT BOSTON
STATE HOUSE, ROOM 243
TEL: 617-722-2990
FAX: 617-722-2998

Chairman
House Committee on Ways and Means

Aaron.M.Michlewitz@mahouse.gov

April 14, 2021

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 2022 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 impacts of a global pandemic.

Last year, the Commonwealth had an unusual budget timeline due to the outbreak of the COVID-19 virus. Between the public health crisis and economic uncertainty, the Legislature was forced to delay its budget process for seven months.

The final budget that was produced by the Legislature last December was one that was appropriate to the times we found ourselves in. In times of need, people rely on the services that government provides. Whether talking about housing stability, food security, education funding or combating the growing concerns surrounding domestic violence and substance addiction, the budget the Legislature passed accomplished that.

Despite dire revenue predictions in the spring of 2020, the Commonwealth's revenue picture has steadily improved over the last year. In January, the House and Senate Ways & Means committees', working closely with the office of Administration & Finance, agreed to a consensus revenue number for FY22 of \$30.12 billion, a 3.5% growth over the revised FY21 projections. Of this \$24.327 billion would be available for the budget after the transfers to the pension fund, MBTA, and other agencies.

This budget delivers on a shared commitment to the cities and towns we represent. Earlier this month, in order to give our municipalities some fiscal stability, the House and Senate Ways & Means committees reached a local aid funding agreement that will provide certainty and predictability for our cities and towns, funds the first year of the Student Opportunity Act (SOA) and ensures we get back on schedule to fully implement the SOA. The agreement funds Chapter 70 at its highest level ever at \$5.503 billion, an increase of \$219.6 million over FY 2021, which fully funds 1/6th implementation of SOA rates; Creates a \$40 million enrollment reserve fund targeted to stabilize school districts adversely impacted by pandemic-related enrollment changes; and funds Unrestricted General Government Aid (UGGA) at \$1.16 billion, an increase of \$39.5 million over FY 2021, providing additional local aid support to our cities and towns.

These funds builds off the \$2.6B in federal Elementary and Secondary School Emergency Relief funding that school districts have received to date. This agreement is reflective of the advocacy of the members of this House, as well as school districts and education stakeholders. All told, this budget would recommend an investment of over \$7.35 billion in local aid.

Under the leadership of Speaker Ronald Mariano, one of the House's priorities will be to continue to build back our economy and ensure that Commonwealth comes out of this crisis in a stronger and more resilient manner. To ensure an equitable recovery, this budget focuses on economic growth and job training, with investments like \$50 million for Adult education, \$24 million for Youthworks Summer Jobs, and a new \$10 million Offshore Wind Energy Career Training program to help the Commonwealth continue to be a leader in this field. These programs and more will allow the Commonwealth to ensure that all our residents are able to take advantage of any future economic growth.

In FY21, one of the main funding priorities of the House was in the area of 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 the FY22 budget, we plan to continue to prioritize these needs and build on previous investments to support individuals, families, and youth. In tandem with an anticipated \$800 million in Federal rental assistance funds, this budget will create hundreds of new vouchers that will be utilized to keep at risk families in their homes, particularly important during COVID. Other housing programs and homeless shelters for both individuals and families will also see significant investments.

Our investments in healthcare comprises a significant portion of the budget. MassHealth caseload has grown by over 7% since the start of the pandemic. 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 January of 2022. As a result, the House budget includes \$18.94 billion in spending to fully fund MassHealth caseload, a \$1.37 billion gross increase over H1. The costs of this increase is more than covered by the FMAP funds the Commonwealth receives so the net cost for MassHealth decreases as a result.

The House remains committed to expanding treatment options and providing resources for those struggling with substance use and mental health issues. We have focused on prevention, intervention, and long-term recovery. This budget will invest \$160 million into the Substance Use Disorder Trust Fund, allowing individuals across the addiction spectrum to access the services they need. The House budget also makes a renewed effort to combat domestic violence as well, including targeted grants to enhance services for victims of domestic violence and connecting survivors to local resources.

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 House Ways and Means FY 2022 budget includes \$50 million for State Parks and Recreation and \$63 million for the Department of Environmental Protection to help conduct environmental compliance and reflects the increased usage of our parks during the pandemic. This funding will allow agencies to hire new inspectors, permit writers, park rangers, and scientists to protect and enhance Massachusetts' 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,



Aaron M. Michlewitz
Chairman