Fiscal Overview

The Baker-Polito Administration's revised Fiscal Year 2021 (FY21) budget proposal protects essential services for the people of Massachusetts while promoting fiscal stability amid the COVID-19 pandemic.

This balanced budget, submitted as Revised House 2, represents the Administration's commitment to making substantial investments in economic development and education and sustaining core services – without relying on new taxes and while leaving substantial reserves available for the future.

The proposal increases Chapter 70 support for local public schools by $108 million compared to Fiscal Year 2020 (FY20), preserves critical local aid to cities and towns, and maintains current eligibility and benefit levels in social safety net programs with elevated caseloads. Revised House 2 ensures continued financial discipline and limits future exposure to ongoing economic challenges.

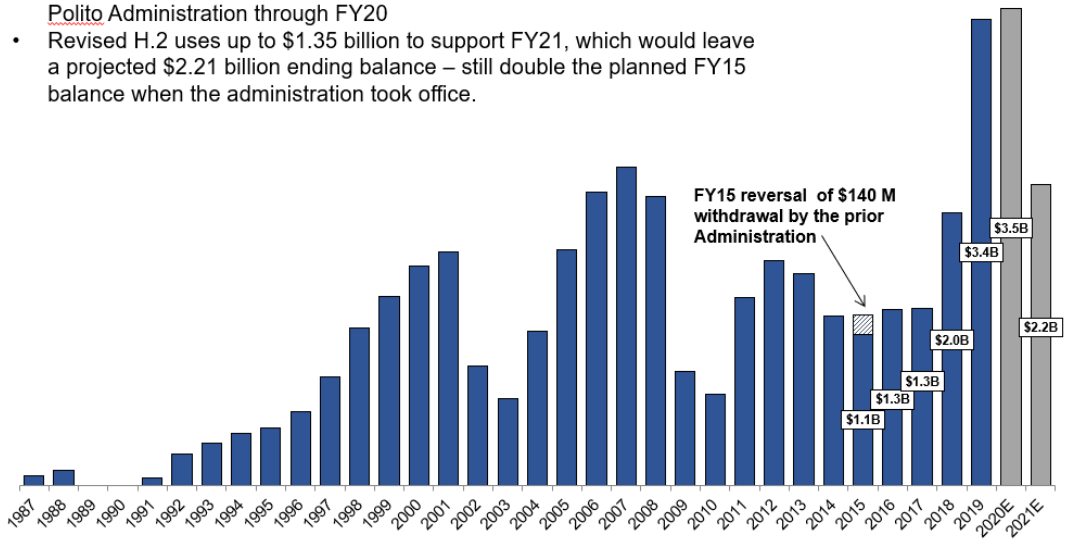
The proposal builds upon the progress made by the Baker-Polito Administration over the past five years and continues support for critical priorities including health care, municipalities, education, transportation, housing, workforce development, substance misuse treatment and prevention, behavioral health, and the environment, and includes new funding to support small businesses.

Revised House 2 optimizes available state and federal revenue to help mitigate risks to core government services during the COVID-19 pandemic. Consistent with the Administration's focus on fiscal responsibility and flexibility during this period of economic uncertainty, Revised House 2 authorizes a maximum $1.35 billion withdrawal from the Stabilization Fund. This withdrawal helps maintain essential government services during the pandemic, and the amount of the withdrawal would be reduced should tax collections or federal revenue improve.

The balance of the Stabilization Fund has increased threefold since 2015 to approximately $3.5 billion (Chart 1), because of the collaborative fiscal discipline of the Administration and Legislature. The withdrawal accounts for less than 3% of the total FY21 budget and represents less than half the fund's balance. This approach would responsibly protect reserves for Fiscal Year 2022 (FY22) and thereafter as the Commonwealth eases away from use of one-time revenue sources during this recession.

Stabilization Fund Balance, FY87-21

- 216% actual increase in Stabilization Fund balance during the Baker-Polito Administration through FY20
- Revised H.2 uses up to $1.35 billion to support FY21, which would leave a projected $2.21 billion ending balance – still double the planned FY15 balance when the administration took office.



The budget proposes a total of $45.5 billion in gross spending, excluding the Medical Assistance Trust Fund transfer, which is approximately 3.8% growth in spending over FY20. This represents an increase over the original House 2 spending proposal, primarily due to increased caseload costs at MassHealth related to the COVID-19 pandemic.

This budget proposal is built on a revised FY21 $27.592 billion tax revenue forecast.

This budget keeps to the pension schedule announced in January. It includes a $274 million increase over FY20 to pay for the Commonwealth's pension funding obligation, for a total investment of $3.115 billion. The final amortization payment towards the pension funding obligation will be made in Fiscal Year 2036, four years earlier than the statutory requirement.

This proposal absorbs the impact of the Part B individual income tax rate decrease from 5.05% to 5% effective January 1, 2020. Considering the exceptional fiscal challenges facing the Commonwealth, Revised House 2 proposes a one-year delay for the state charitable deduction that is scheduled to be introduced for the tax year beginning on January 1, 2021.

Revised House 2 includes $35 million in revenue in FY21 from pending legislation filed by the Baker-Polito Administration that would permit people in Massachusetts to wager on professional sports.

To continue providing a safe, reliable, and effective transportation system, this budget recommends increasing the per-trip assessment for Transportation Network Company (TNC) rides to one dollar. The proposal dedicates 70 cents of this assessment to the Commonwealth Transportation Fund (CTF) for investments in MBTA safety, reliability, and infrastructure, and 30 cents to municipalities based on the number of rides that originated in that city or town. The state portion supports a projected $55 million increase in CTF funds made available to the MBTA starting in FY22 and would triple the share of the funding available for municipalities.

Revised House 2 updates current sales tax procedures to improve remittance and collections. The proposal modernizes and optimizes a process that has not been significantly updated in decades and takes advantage of improvements in technologies and capabilities that are widely used by retailers in financial institutions throughout the Commonwealth.

Consumers currently pay the sales tax when they make a purchase, and those funds are then held by retail vendors for as many as 50 days because, under current law, retailers are not required to remit the sales tax to the Commonwealth until the 20th day of the following month. This antiquated process was established decades ago during the time of manual cash registers, handwritten checks, and mechanical adding machines.

Phase one of this modernization effort would begin in FY21 and require businesses that have collected and remitted more than $150,000 in sales tax or $150,000 in room occupancy and meals tax in the prior year to remit collections from the first three weeks of each month in the final week of the same month. These reforms would not impact consumers or nearly 95% of Massachusetts businesses, and would be focused on the largest companies in the Commonwealth, many of which have benefited from the changing economic landscape and new consumer patterns. During this three-year phase, remittance for the final week, and reconciliation of the monthly filing, will continue to occur in the following month.

This phase of the sales tax acceleration would fund an approximately $100 million initiative to encourage economic growth and development across the Commonwealth to mitigate the economic impacts of the COVID-19 public health emergency and would provide $40 million to the Massachusetts Bay Transportation Authority (MBTA) and $40 million for the Massachusetts School Building Authority (MSBA).

Phase two will require all retailers and credit card processors to capture sales tax at the time of purchase beginning in 2024 and to remit sales tax on credit card and other electronic transactions daily. Retailers already currently file and remit collections electronically, and this new requirement will further modernize and enhance collections.

Another component of the sales tax improvement effort involves establishing civil penalties related to the sale and installation of automated sales suppression devices or "zappers." These software programs falsify electronic records for purposes of tax evasion.

Accurate and efficient collection of sales tax revenue is crucial to ensuring the Commonwealth has the necessary resources for investing in critical priorities and programs. Modernizing the sales tax will ensure valid collections and streamline and optimize processes using readily available retail and financial technology, while not imposing a burden on small businesses and consumers. Preventing tax fraud not only improves revenue but also ensures that responsible and honest business owners are not put at a disadvantage.

Revised House 2 incorporates the impact of legislation signed by Governor Baker placing new restrictions on vaping and tobacco products including limiting the sale of flavored tobacco and nicotine vaping products to licensed smoking bars where they may only be smoked on-site, and imposing a 75% excise tax on the legal sale of vaping products. This public health legislation is expected to reduce sales and subsequent related tax revenue. Revised House 2 also proposes expanding the mandate of Illegal Tobacco Task Force to include vaping.

In recognition of the 30th Anniversary of the landmark Americans with Disabilities Act, the Baker-Polito Administration recommends the creation of a new Disability Employment Tax Credit to support businesses that hire individuals with disabilities. This credit would be $2,000 per employee who works a minimum of 18 consecutive months, furthering the Administration's commitment to improve employment opportunities and economic security for individuals with disabilities.

COVID-19 Response

COVID-19 has infected millions of people worldwide, devastated public health systems, and resulted in over 200,000 deaths across the United States. This novel, highly contagious virus has created an unprecedented public health crisis and impacted nearly every aspect of life for people in Massachusetts and throughout the world.

The state response to this pandemic has included emergency measures and funding to address a wide range of critical priorities – including health care, transportation, education, unemployment insurance, and more. Regarding ensuring the health, safety, and well-being of residents throughout the Commonwealth, the Baker-Polito Administration, in partnership with state, local, and federal officials, has already committed nearly $3 billion in funding since the start of the COVID-19 outbreak, largely from off-budget federal funds. This includes significant resources in key areas such as public health, Personal Protective Equipment (PPE), housing, food security, education, economic development, health care and human services, and support for local cities and towns.

The Administration is continuing to pursue aggressive measures, both on and off-budget, and using a variety of funding sources, to minimize transmission of the virus, address a variety of needs exacerbated by the public health emergency, and support the ongoing economic recovery.

Components of the COVID-19 response intended to protect the health and safety of residents of the Commonwealth and maintain their quality of life have included the following measures.

Public Health

The Baker-Polito Administration has taken unprecedent action to protect public health and support health and human services providers and local health departments across the Commonwealth during the COVID-19 public health emergency, and has sought to optimize the use of available off-budget, federal funds in this effort.

This includes infusing a total of $1 billion through MassHealth and the Executive Office of Health and Human Services agencies in critical stabilization funding to support health care providers impacted by and responding to COVID-19. Health care providers across the Commonwealth stepped up in historic ways while experiencing a significant impact on their revenue and operations. This funding supported hospitals, nursing facilities, primary care providers, behavioral health providers, and long-term services and supports providers.

The Administration has provided over $139 million in increased funding for health and human services providers, including residential and congregate care. This additional funding helped support increased staffing, enhanced infection control procedures, and PPE.

Throughout the public health emergency, the Commonwealth has taken significant steps to support nursing facility residents and staff, including over $260 million in state funding, staffing supports, and providing over 2.8 million pieces of PPE on top of $180 million in federal funding. In addition, the state has enhanced facility accountability through regular infection control surveys and other compliance audits. Since April, new COVID-19 cases in nursing facilities have declined by over 93%, and deaths have declined by 98%, based on 7-day averages.

The Administration also recently announced a new Nursing Facility Accountability and Supports package, a set of policy reforms and funding for nursing facilities that builds on the accountability and support measures taken in April to hold facilities to higher standards of care and infection control. The initiative will also invest up to $140 million, and restructures Medicaid rates, consistent with the recommendations of the Nursing Facility Taskforce.

To reduce the strain on the state's health care system and ensure care for vulnerable populations such as homeless individuals, the Administration worked in collaboration with numerous partners to establish field medical stations and isolation and quarantine shelters throughout the Commonwealth. A total investment of $47 million helped provide thousands of additional beds at several locations such as the Boston Hope site at the Boston Convention and Exhibition Center.

Massachusetts continues to prioritize expanding access to testing, with a key focus of that strategy being ensuring access to testing in skilled nursing facilities, rest homes, and assisted living residences and other 24/7 staffed congregate care settings. As of Tuesday, October 13, over 4.8 million molecular tests have been administered in the Commonwealth, translating into one of the highest per-capita rates in the United States and the world. The Commonwealth has lab testing capacity of over 100,000 tests per day and continues to ensure access to testing for all symptomatic individuals and their close contacts and increase access to testing for vulnerable and high-risk populations. These capabilities are being supported by $374 million in federal funding from the Paycheck Protection Program and Health Care Enhancement Act of 2020.

Through the Department of Public Health and in collaboration with Partners in Health and local Boards of Health, the Baker-Polito-Administration launched the Community Tracing Collaborative (CTC), a first in the nation statewide contact tracing initiative to mitigate the spread of COVID-19. This innovative program is utilizing $90 million in funding to contact those who have tested positive for COVID-19 and their close contacts, and make sure they have the support they need to isolate or quarantine.

PPE and Medical Equipment

The Baker-Polito Administration through its COVID-19 Response Command Center and the Massachusetts Emergency Management Agency (MEMA), has prioritized the procurement and distribution of PPE and medical equipment for front-line workers.

To date, the Commonwealth has distributed over 36 million pieces of PPE, including almost 11 million gloves, nearly 800,000 gowns, and over 24 million face masks to entities throughout all regions of Massachusetts. This includes community health centers, hospitals, local health departments, fire and police departments, first responders, long-term care facilities, as well as other public safety and state agencies.

These critical distributions have helped protect the health and safety of countless individuals and have been made possible thanks to over $350 million in state and federal funding as well as the remarkable, generous, and determined efforts of numerous public and private partners.

The Administration also established a Manufacturing Emergency Response Team (M-ERT) to assist and support local manufacturers seeking to adapt their business to produce PPE and medical equipment in Massachusetts. To date, $16.2 million in grant funding was awarded through the M-ERT to support Massachusetts companies that are producing needed items such as masks, gowns, ventilators, swabs, and testing materials.

Housing

The COVID-19 crisis has exacerbated housing pressures facing the Commonwealth and resulted in increased challenges for residents and families, especially vulnerable populations including homeless individuals.

The Baker-Polito Administration recently announced a comprehensive set of resources, known as the Eviction Diversion Initiative, to support tenants and landlords during the financial challenges caused by the pandemic. The goal of the Eviction Diversion Initiative is to keep tenants safely in their homes and to support the ongoing expenses of landlords once the Commonwealth's pause of evictions and foreclosures expires. This strategy was developed by a cross-agency team assembled by the Administration in coordination with the Massachusetts Trial Court to manage the end of the moratorium and reflects input from a broad range of stakeholders.

This Eviction Diversion Initiative comprises a $171 million total commitment this fiscal year, of which $112 million was first announced this week to support new and expanded housing stability programs during the remainder of the fiscal year, including:

- $100 million commitment this fiscal year to expand the capacity of the Residential Assistance for Families in Transition (RAFT) program to provide relief to renters and landlords impacted by COVID-19

- $48.7 million to HomeBASE and other rapid rehousing programs for when tenants are evicted and are at risk of homelessness

- $12.3 million to provide tenants and landlords with access to legal representation and related services prior to and during the eviction process, as well as community mediation to help tenants and landlords resolve cases outside of court

- $6.5 million for Housing Consumer Education Centers (HCECs), the "front door" for those facing a housing emergency

- $3.8 million for the Tenancy Preservation Program (TPP), to provide case management support and to act as a neutral party to help tenants and landlords come to agreement.

The Eviction Diversion Initiative announcement extends several other significant investments of COVID-19 related federal funds to help increase access to safe housing options including:

- $21.4 million for COVID-19 costs for shelter providers
- $13.5 million for Local Housing Authorities
- $11.8 million for the individual and family shelter systems
- $6 million in property stabilization funding for Community Development Corporations (CDCs)
- $2.5 million for the family shelter system

Food Security

Because of increased food security concerns for residents and families resulting from the COVID-19 pandemic, the Baker-Polito Administration's COVID-19 Command Center created a Food Security Task Force to address urgent food insecurity needs.

Following findings from the cross-disciplinary task force, the Administration committed $56 million in funding to address food insecurity and ensure a resilient, secure food supply chain. Consistent with the findings of the Food Security Task Force, these funds were directed toward immediate food assistance via the Commonwealth's food banks and pantries, along with investments in food security infrastructure.

This $56 million investment included:

- A $36 million COVID-19 Food Security Infrastructure Grant Program with a goal of ensuring that individuals and families have access to food. Eligible services include increasing capacity for food direct delivery, food banks and pantries, and local food distribution partners, innovative solutions to enable those receiving SNAP and WIC benefits to receive food more easily, and solutions for urban farming and farms, retailers, fisheries and other food system businesses.
- $12 million for the provision of 25,000 family food boxes per week through a regional food supply system. Each family food box contains 30 to 35 meals.
- $5 million increase for the Healthy Incentives Program (HIP) to meet increased demand for local produce and to increase access points that process SNAP and HIP benefits.
- $3 million in funding as an immediate relief valve to food banks.

These investments build on the Commonwealth's other initiatives to increase access to food during the COVID-19 pandemic including establishing emergency food distribution sites and school meal sites for food distribution, implementing Pandemic EBT (P-EBT) to provide food to nearly 500,000 youth who usually receive free or reduced priced lunch, distributing additional SNAP benefits to households, requesting implementing online EBT purchasing approval for SNAP consumers from the federal government, and streamlining food benefit program administration.

Education

Ensuring students can safely access a quality education has been a key priority for the Baker-Polito Administration throughout the COVID-19 pandemic. Since the spring, the Administration has provided guidance, data, and resources to support local school districts so they can bring students back to the classroom in communities where it is safe to do so. To support costs related to reopening public schools, the Administration allocated approximately $200 million from the Commonwealth's federal

Coronavirus Relief Fund. Schools are eligible to receive up to $225 per student for eligible costs incurred due to the COVID-19 public health emergency, such as training for school staff, supplemental social and academic services, reconfiguration of school spaces, leasing of temporary facilities, and acquisition of health and hygiene supplies.

Other education investments benefiting students and schools across Massachusetts include:

- $193.8 million in federal Elementary and Secondary School Emergency Relief Fund (ESSR) grants
- $45 million to support the reopening of childcare programs serving low-income children
- $25 million for a matching grant program to help school districts and charter schools close technology gaps that inhibit remote learning
- $21 million in ESSR discretionary grants

Economic Development

With the COVID-19 pandemic disrupting businesses and economic activity throughout Massachusetts and the region, the Baker-Polito Administration has taken several comprehensive steps to address the new realities brought on by the virus and promote growth and development.

This included providing economic support for small businesses through a $10 million loan fund to provide financial relief to those that have been affected by COVID-19. The Small Business Recovery Loan Fund provides emergency capital up to $75,000 to Massachusetts-based businesses impacted by COVID-19 with under 50 full- and part-time employees, including nonprofits.

To encourage consumers to support their local downtowns, main streets, and villages, the Baker-Polito Administration launched “My Local MA.” This campaign is an effort to highlight the importance of residents choosing the vast array of businesses and activities – from family-owned restaurants to artisan boutiques to world renowned museums – available right in their own backyards. The “My Local MA” campaign underscores the important role that Massachusetts-based small businesses play in defining the character of our communities and growing the Commonwealth’s economy. From Stockbridge to Provincetown, local retailers and restaurants are open for business, with protocols and standards in place that make traveling, dining, and shopping in Massachusetts safe for everyone. The campaign includes a website with resources that enable residents to learn more about local businesses in their communities so they can buy local.

Additionally, the Commonwealth has implemented administrative tax relief measures for local businesses impacted by the ongoing COVID-19 outbreak, especially in the restaurant and hospitality sectors. This includes the extension of the deferral of regular sales tax, meals tax, and room occupancy taxes for small businesses due from March 2020 through April 2021, so that they will instead be due in May 2021.

These efforts compliment initiatives and investments at the federal level such as:

- Providing $14.3 billion to Massachusetts businesses support through the Paycheck Protection Program
- Distributing $3.46 billion in Economic Injury Disaster Loans to Massachusetts businesses
- Supporting the Massachusetts fishing industry with approximately $28 million

Municipal Support

Responding to the COVID-19 pandemic has required an all-hands-on-deck effort with assistance and support from local governments across Massachusetts. The Administration has worked collaboratively

to support its partners at the municipal level and ensure these entities are able to help protect the health and safety of residents and families.

The Administration has made up to $502 million available from the federal Coronavirus Relief Fund to local cities and towns for eligible costs related to the COVID-19 response effort. This includes costs related to first responders, municipal staff, school reopening and distance learning, PPE, cleaning and disinfecting of public buildings, social distancing measures, and food security.

These funds have been made available on a per capita basis to each municipality and are being distributed in two rounds. The first round opened on May 15 and closed on June 12 and distributed approximately $96 million to 258 cities and towns. The second round began on October 1 and applications will be accepted until Oct. 30.

This followed previous efforts including allocating $31.6 million for municipalities to address emergency needs such as small business supports, social services, such as homelessness prevention, food pantries and assistance, and job training for in-demand health care workers and technicians. This funding was made through the federally funded Community Development Block Grant (CDBG) program to support communities in their work to provide vital services to low-income residents and small businesses affected by the pandemic.

The Administration is also supporting cities and towns with $10.3 million through the new Shared Streets and Spaces Emergency Grant Program. This effort is providing technical and funding assistance to help Massachusetts cities and towns conceive, design, and implement tactical changes to curbs, streets, on-street parking spaces and off-street parking lots in support of public health, safe mobility, and renewed commerce such as outdoor dining for local restaurants.

Budget Highlights

Protecting Core Services

Throughout the COVID-19 pandemic, the Baker-Polito Administration has worked collaboratively with federal, state, and municipal partners to ensure the continued delivery of the essential government services to support the people of Massachusetts. Revised House 2 protects these core government functions and helps provide individuals and their families with access to key services and programs which promote a high quality of life.

This revised FY21 budget sustains eligibility and benefit levels for social safety net programs such as MassHealth, Transitional Aid to Families with Dependent Children (TAFDC), child-care vouchers, Prescription Advantage, Homecare, Chapter 115 veteran benefits, and the Turning 22 program. The proposal also preserves Chapter 257 rate increases using a new rate methodology that better reflects the cost of benchmarking direct care and clinical staff wages.

Revised House 2 continues the Baker-Polito Administration’s core commitment to supporting local cities and towns in order to achieve the shared goals of economic stability and success and meeting the needs of all residents.

The proposal increases Chapter 70 education aid to local municipalities by $108 million – for a total investment of $5.284 billion. This funding includes increases for inflation and enrollment that will keep all school districts at foundation, under the law as it existed for FY20.

Further delivering on the commitment by the Administration and the Legislature to protect funding for local aid despite the current fiscal climate, Revised House 2 maintains the FY20 Unrestricted General Government Aid (UGGA) investment of $1.129 billion to local cities and towns across the

Commonwealth. Under the Baker-Polito Administration, total annual UGGA has increased by $182.9 million (19%).

This local aid investment builds upon at least $442 million in new federal supports for K-12 schools to assist with educating our students during the public health crisis. This total federal and state investment translates to higher total year-over-year K-12 education spending than what was originally proposed in House 2, which fully funded the first year of the Student Opportunity Act.

This budget proposal continues support for the Community Compact Cabinet Program, which is chaired by Lieutenant Governor Polito and provides municipalities with meaningful assistance and resources in delivering quality services to the Commonwealth's citizens. Since 2015, all 351 cities and towns throughout Massachusetts have signed Community Compact agreements and adopted reforms and best practices that allow them to gain access to grants that fund local initiatives. The Administration has awarded $31.3 million to municipalities through the Community Compact program, representing a combination of operating and capital grants, and enabling cities and towns to improve both their infrastructure and operations.

The revised FY21 budget recommends $4 million in funding for Community Compact related programs including best practices and regionalization and efficiency grants. Additionally, the budget includes $4.8 million for the Public Safety Staffing Grant Program managed by the Executive Office of Public Safety and Security, as well as $3 million for district local technical assistance.

Health and Human Services

Since taking office, and throughout the COVID-19 public health emergency, the Baker-Polito Administration has championed significant investments and improvements in health and human services programs to strengthen the health, resilience, and safety of individuals and families across Massachusetts.

Revised House 2 continues the Administration's efforts to improve outcomes for patients and increase access to care. The proposal recommends funding the Executive Office of Health and Human Services (EOHHS) at $25.254 billion, excluding supplemental payments to hospitals, a $1.430 billion (6%) increase over the FY20 budget.

This includes $160 million for Chapter 257 human service provider rate increases under a new rate methodology that better reflects the cost of benchmarking direct care and clinical staff wages. These significant rate increases reflect the Administration's ongoing commitment to supporting and strengthening human service programs so they can deliver meaningful service to citizens throughout Massachusetts.

Caring for Seniors

The Baker-Polito Administration has put age-friendly policies at the forefront of its agenda since taking office. Given the COVID-19 pandemic's impact on seniors and high-risk individuals, the Administration is redoubling its efforts to pursue significant investments in supporting older adults and ensuring they have adequate care during this challenging time.

In FY20, the Administration expanded the Medicare Savings Program, which assists with out-of-pocket health care spending and helps to reduce drug costs. An annual investment of $10 million in state funding leverages more than $100 million in federal Medicare prescription drug subsidies. This assistance helps low-income seniors pay for out-of-pocket federal Medicare Parts A and B premiums and cost-sharing. Participants automatically qualify for subsidies for Medicare Part D drug coverage, which is fully funded by the federal government. The first-time eligibility expansion of this program increased income limits from 100%-135% of the federal poverty level (depending on the program), to

130% - 165%, and doubled the asset limit. This initiative went into effect in January 2020 and is fully annualized in the revised FY21 budget.

Revised House 2 proposes funding the Executive Office of Elder Affairs at $575.5 million, which furthers the Administration's commitment to supporting older adults in Massachusetts to remain active, contributing and engaged members of their communities.

The revised FY21 budget includes $16.5 million in support of grants to Local Councils on Aging and an increase of $9.7 million above the FY20 budget to support consumer growth in the state HomeCare Program, which provides care management and in-home support services to help eligible elders age in place. The proposal also includes a $4.7 million increase for the Community Choices Program, which provides MassHealth-eligible elders with nursing facility levels of need with home care support.

The proposal also includes language from an FY20 supplemental budget that provides the Department of Public Health with greater authority to take action against a nursing facility in order to protect resident health and safety. This includes authorizing the Department to restrict or suspend a license for cause rather than only when an imminent risk of harm exists.

MassHealth

The revised FY21 budget proposal protects the state's Medicaid (MassHealth) program by maintaining all program benefits and not making any changes to eligibility or benefit levels. These protections are possible due in part to the Administration's focus on managing the sustainability and growth of the program, a focus since taking office, over the past five years. When the Administration took office, MassHealth had faced consistent year-over-year, double-digit growth, and immediately worked to control costs and implement creative reforms that would not sacrifice quality or reduce benefits. These reforms have resulted in significant decreases in cost growth while maintaining benefits for members and ensuring program integrity.

Revised House 2 builds upon these reforms and includes an outside section which would allow MassHealth to directly negotiate rebate agreements for drugs not subject to the Medicaid Drug Rebate Program and for certain non-drug products such as durable medical equipment.

The proposal recommends $18.261 billion gross, $6.617 billion net funding for MassHealth, a change of 10.1% gross, 0.1% net versus the FY20 budget. These changes incorporate COVID-19 related increases in caseload support and members, as well as costs for the public health response and provider relief. This investment also includes the conclusion of the temporary, enhanced Employer Medical Assistance Contribution that was completed at the end of calendar year 2019, per statute.

Substance Misuse

Addressing substance abuse and misuse has been a priority of the Baker-Polito Administration since taking office. The Administration, in collaboration with the Legislature, has more than doubled spending to address the opioid crisis and increased capacity by more than 1,200 treatment beds, including more than 800 adult substance use treatment beds at different treatment levels. Revised House 2 invests $315.9 million in FY21.

This proposal includes $3.1 million in funding for the startup of the Men's Recovery from Addiction Program, which builds on the successful model of the Women's Recovery from Addiction Program (WRAP).

Children and Families

The Administration has increased funding for the Department of Children and Families (DCF) since 2015 by $236 million and has introduced groundbreaking reforms to improve the protection of the Commonwealth's most vulnerable children. The revised FY21 budget proposal includes a total investment for DCF of $1.063 billion, maintaining the Administration's commitment to DCF front-line social workers and to the children and families DCF supports.

The budget includes:

- $9 million to continue progress towards a caseload level of no more than 15 clients per caseworker
- $7.1 million to sustain investments made in FY20 for the expansion of support and stabilization services for foster parents, and services and supports for transition-age youth
- $6 million to support growth in the rate of adoptions and guardianships which provide permanent family connections for children in DCF's care and custody
- $5 million for community providers to connect homeless youth with education, employment services and affordable housing
- $1.8 million for foster care rate increases for foster parents
- Funding of Chapter 766 rate increases for children in privately-run special education schools

Revised House 2 proposes $10 million in funding for the Safe and Successful Youth Initiative, which operates in cities with the highest incidences of youth crime and has a record of positive impact on crime and victimization rates.

Supporting Individuals with Disabilities

In recognition of the 30th Anniversary of the landmark Americans with Disabilities Act, the Baker-Polito Administration recommends the creation of a new Disability Employment Tax Credit to support businesses that hire individuals with disabilities. This credit would provide $2,000 per employee who works a minimum of 18 consecutive months, furthering the Administration's commitment to improve employment opportunities and economic security for individuals with disabilities.

For the fourth consecutive year, the budget proposal fully funds the Turning 22 Program at the Department of Developmental Services (DDS) and other agencies, supporting a class of over 1,300 young adults and continuing the Administration's commitment to fully support a program that was underfunded for nearly three decades.

The revised FY21 budget proposal includes $2.112 billion for DDS, an increase of $20.7 million over the FY20 budget. DDS supports more than 41,000 clients annually including over 10,000 individuals in full-time residential settings. Revised House 2 supports the DDS *Technology Forward* agenda by promoting innovative services and supports that will decrease reliance on 24/7 group home care. This includes $500,000 in dedicated funding to scale supportive technology approaches using assistive technology and remote supports that can both strengthen independence and community integration, as well as ensure appropriate support at home. These are increasingly important needs in the COVID-19 era given social distancing protocols.

The budget proposal continues support for DDS's FY20 efforts to leverage technology including providing laptops and smart phones to all 600 DDS Service Coordinators to increase the mobility and accessibility of DDS workers, making them more accessible and better able to serve their clients. In FY21, DDS will expand these technology-driven efforts to better meet the needs of its service population, including individuals with Autism Spectrum Disorder.

Revised House 2 recommends a $530,000 increase to the Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH) to expand access to American Sign Language (ASL) interpreters. MCDHH will work with higher education institutions that offer ASL to increase the interpreter workforce and develop a Communication Access Realtime Translation (CART) training and mentorship program. MCDHH is funded at a total of $6.9 million in Revised House 2, a $723,839 (12%) increase over the FY20 budget.

Behavioral Health

Revised House 2 continues the Baker-Polito Administration's commitment to increasing access to behavioral health treatment. The Administration is implementing significant changes to establish a true behavioral health system in the Commonwealth, creating a working "front door" for individuals who need real-time access to treatment, stronger integration of behavioral health treatment within primary care settings, and a functioning system of crisis and specialty outpatient behavioral health treatment.

The budget proposal includes language from the Governor's health care legislation that would make necessary behavioral health reforms such as encouraging practitioners to accept insurance by requiring all insurers to use a standardized credentialing form so providers only need to complete one application. It also promotes timely access to appropriate behavioral health treatment by prohibiting payers from denying coverage or imposing additional costs for same-day behavioral health and certain medical visits.

In FY21, MassHealth will invest more than $60 million to annualize rate increases for payment of psychiatry in behavioral health providers and community health centers at parity with other services, annualize investments in the Emergency Services Program (ESP) to expand access to mobile and community-based treatment, invest in telehealth, improve access to ambulatory behavioral health treatment, and address the increase in emergency department boarding by expanding inpatient behavioral health capacity.

The budget proposal funds the Department of Mental Health (DMH) at $904.2 million. Revised House 2 includes funding to continue the department's efforts to transfer continuing care patients who have been deemed clinically ready for discharge into community settings. Revised House 2 also builds on the Administration's commitment to the clinically strengthened Adult Community Clinical Services (ACCS) program, with funding at $91 million for providing treatment and support services to 10,100 DMH clients annually. The funding supports employment services for more than 780 DMH clients through the Massachusetts Rehabilitation Commission (MRC), and $3 million for housing supports for 290 DMH clients.

Revised House 2 provides $4.5 million to fund DMH's jail and arrest diversion programs to improve first responders' ability to recognize signs of mental illness and to adopt strategies to de-escalate those crises, resulting in fewer arrests, better engagement in treatment, and increased public safety.

Economic Development

Since taking office in 2015, the Baker-Polito Administration has worked closely with the Legislature to encourage development and promote equity and opportunity throughout Massachusetts.

To generate economic growth amidst the COVID-19 pandemic and support Main Streets across Massachusetts, Revised House 2 recommends over $100 million in funding for a small businesses recovery plan. This new initiative will be supported by the sales tax acceleration and will assist local communities and small and diverse businesses throughout the Commonwealth as they navigate the COVID-19 economic landscape.

This funding includes $92.7 million in new grants and technical assistance through Mass Growth Capital Corporation:

- $35 million for grants for small businesses, particularly businesses in underserved markets, minority-owned, women-owned, and veteran-owned businesses, and those who have not yet received federal aid
- $35 million for community development financial institutions (CDFI) grants and loans
- $15 million for matching grants for capital investments by businesses with twenty or fewer employers.
- $7.7 million for technical assistance and grants, including for small business online and digital tools.

This investment includes $6 million total for regional recovery planning grants, an increase of $5 million over FY20. It also recommends a $2.9 million increase over FY20 for small business technical assistance, which translates to a $6 million total investment to enable entrepreneurs and small businesses, especially those owned by women, immigrants, veterans, and people of color, to access capital, space, technical assistance, and other resources.

In June, the Administration announced a $275 million economic recovery package as an update to the Administration's *Act Enabling Partnerships for Growth*, the economic development legislation originally filed on March 4, 2020.

The strategies, efforts and investments detailed in the *Partnerships for Growth* plan are critical to ensuring future job growth and opportunity, and empowering local cities and towns to recover from the economic challenges caused by the COVID-19 public health emergency. The plan and original legislation were the product of a nearly year-long economic development planning process last year, and the now $275 million proposal represents a targeted package of investments across housing, community development, and business competitiveness.

Revised House 2 helps support the plan and promotes development through investments that educate and train the Commonwealth's workforce, leverage public-private partnerships, better connect workers and businesses, and help unlock Massachusetts' full economic potential.

Partnerships for Growth aims to better align training workers with employer needs, with a focus on manufacturing, trades, technology, and life sciences. Revised House 2 proposes $2.5 million for the advanced manufacturing training program, a critical program within the Workforce Skills Cabinet's suite of tools to connect businesses with unemployed and underemployed individuals including veterans. The proposal also supports $2.5 million for the Urban Agenda Grant program to expand targeted workforce development and technical assistance programs with a special focus on Gateway Cities and Black and Latino populations, as well as $1 million for regional economic development grants.

Education

Despite the fiscal challenges caused by the COVID-19 pandemic, the Baker-Polito Administration is continuing to support record investments in Massachusetts students and ensure they have the opportunities and resources to grow and succeed.

Revised House 2 does not make any year-over-year cuts to education funding and, after recognizing the significant level of federal funding available to cities, towns, and school districts, total year-over-year K-12 education spending is more than what was originally proposed in House 2, which fully funded the first year of the Student Opportunity Act. This includes a $108 million increase in the annual Chapter 70 investment and at least $442 million in new federal supports for K-12 schools to assist with educating our students during the public health crisis.

Early Education

Revised House 2 continues the Baker-Polito Administration's support for state-subsidized early childhood education to encourage the healthy growth and development of all children and provide high-quality programs and resources for families and communities. Since 2015, funding for the Department of Early Education and Care (EEC) has increased by over $230 million (44%).

The revised FY21 budget proposal maintains funding for EEC with a total investment of $775 million. The Department is also expected to experience a decrease in caseload due to reductions in attendance and capacity related to the COVID-19 public health emergency. Revised House 2 therefore proposes devoting $85.2 million into a new trust fund to support future caseload increases and initiatives to improve early education and care.

The proposal includes an additional $10 million to enable reductions in parent contributions under an anticipated new parent fee schedule for early education and childcare in Massachusetts.

Higher Education

Revised House 2 continues promoting college readiness, affordability, and degree completion through a $1.298 billion investment for the Department of Higher Education, University of Massachusetts, and state universities and community colleges, representing a $14.8 million (1.1%) increase over the FY20 budget.

The investment includes an approximately $900,000 increase above the FY20 budget for financial aid and fee waiver programs at college campuses to maintain support for students currently or previously in the custody and care of DCF, or who have been adopted through DCF.

Workforce Development

The COVID-19 global health emergency and the related economic challenges have impacted the livelihood of employers and workers across the Commonwealth. This revised FY21 budget proposal includes investments that will provide businesses, employees, and unemployed individuals with the resources and training needed to find stability and security during the ongoing economic recovery.

Revised House 2 proposes a total of $8.4 million in funding to transform vocational high schools into Career Technical Institutes running three shifts per day. This initiative, first proposed I the original House 2 filing in January, is designed to train 20,000 new workers over four years in skilled trades and technical fields including plumbing, HVAC, manufacturing, and robotics. This will consist of a combination of enrolling more high school students in high-impact vocational trade programs and expanding capacity for adults to earn industry-based credentials, aligned to apprenticeships and post-secondary degrees.

The plan to develop Career Technical Institutes utilizes a multi-pronged approach to increase student demand, boost business involvement in program development and credentials, reduce licensure barriers to enable mid-career professionals to become vocational teachers, and create incentives for completion and post-graduate employment through a pay-for-performance funding model.

Housing and Homelessness

The Baker-Polito Administration recognizes that the challenges of COVID-19 have exacerbated existing housing concerns and disproportionally impacted vulnerable populations. In response, the Administration recently announced a comprehensive set of resources, known as the Eviction Diversion Initiative, which is described above.

Revised House 2 continues the Administration's efforts to ensure that people of all socio-economic backgrounds have access to sustainable and affordable housing.

In February 2019, the Administration filed comprehensive housing legislation to enable cities and towns to adopt certain zoning best practices related to housing development by a simple majority vote, rather than the current two-thirds supermajority. These zoning reforms, which were also included in *An Act Enabling Partnerships for Growth*, will not mandate that cities and towns make any of these zoning changes but will allow municipalities that want to rezone for denser, transit- or downtown-oriented, and new housing development to do so more easily.

Housing is at the center of *Partnerships for Growth*, the Administration's economic development plan, because it is a core issue across the state, and Revised House 2 advances an ongoing commitment to increasing and strengthening the Commonwealth's housing portfolio. The Baker-Polito Administration has invested over $1 billion in capital funds since 2015 to support affordable housing options throughout the Commonwealth. These resources support the preservation and rehabilitation of existing affordable housing units, aid small public housing authorities with capital planning and project management, and finance construction of new affordable housing.

The Administration continues to use capital funding to support its Housing Choice Initiative which provides grant awards and technical assistance to cities and towns that have met housing production goals over the past five years. This equips them with an incentive to plan for and build diverse housing stock, furthering the Administration's goal of creating 135,000 new housing units in Massachusetts by 2025.

The revised FY21 budget proposal continues support for the most vulnerable populations, providing $181.7 million for the Emergency Assistance family shelter system, of which $1.8 million will help support 40 new family shelter units that are compliant with the Americans with Disabilities Act in order to accommodate homeless families that include a person with disabilities. The budget recommends $53.4 million to maintain an estimated 3,036 beds, services, and day programs at homeless shelters for individuals.

The Administration has decreased the number of families temporarily sheltered in hotels and motels from approximately 1,500 families in January 2015 to just 12 families as of October 2020. This significant achievement has been made possible in part due to the availability of additional housing and shelter options through budgetary resources.

Revised House 2 also makes the following funding available:

- $122.7 million for the Massachusetts Rental Voucher Program (MRVP), to support an estimated 9,427 vouchers in FY21, an increase of 33% compared to FY15
- $72 million in funding for Local Housing Authorities
- $7.5 million for the DMH Rental Subsidy Program, a collaborative program through which DMH provides mental health services and DHCD provides rental assistance
- $7.5 million for the Alternative Housing Voucher Program which provides mobile housing vouchers to the non-elderly disabled

Transportation

The COVID-19 pandemic and the measures necessary to protect public health such as social distancing and working remotely have altered the transportation habits and needs of travelers in Massachusetts and throughout the region. These changing demands, combined with the new fiscal landscape, have required strategic consideration to ensure transportation systems across the Commonwealth meet current and future needs.

Revised House 2 recognizes these changing considerations while continuing the Baker-Polito Administration's focus on ensuring residents and workers have access to safe, modern, reliable, and effective travel options.

MBTA

The revised FY21 budget proposal continues strong for public transit and provides a total operating budget transfer of $1.269 billion in the Massachusetts Bay Transportation Authority (MBTA), an increase of $64 million over FY20.

Thanks to effective and expeditious planning, the T is now investing more capital than ever before on improvements and upgrades. Historically, the T failed to spend half of the funding available for infrastructure projects, and then achieved $1.6 billion in capital spending for the first time in FY19. For the five years prior to 2016, the T spent less than $3 billion total on not only fixing the system, but also on expansion projects. The latest five-year capital spending plan calls for the T to spend over $8 billion for FY21-25.

The MBTA's ability to deliver on investments that will both repair and modernize the system depends on three things: sufficient capital, sufficient personnel and new tools for procurement and project delivery. Revised House 2 includes language from the Administration's Transportation Bond Bill that would allow the MBTA to utilize the Design, Build, Finance, Operate, and Maintain project delivery method. MassDOT is already authorized to utilize this innovative process which would help optimize capital delivery for upcoming MBTA projects that involve revenue streams or other partnership opportunities.

MassDOT

Revised House 2 proposes a total investment of $386 million in the Massachusetts Department of Transportation (MassDOT), an increase of $40 million over FY20 to fund snow and ice operations.

To promote safety on roadways throughout the Commonwealth, MassDOT is improving Registry of Motor Vehicles (RMV) operations and ensuring full service this fiscal year. This includes improving branch security and minimizing touchpoints in response to COVID19 challenges and continuing to add additional staff to addressing safety. Revised House 2 also proposes an increase of $800,000 to the Merit Rating Board which will enable to the board to fund new employees, enact reforms, and improve business practices.

This revised FY21 budget proposal supports key recommendations in MassDOT's report on roadway congestion, a need that is more evident given shifts in travel patterns due to COVID-19.This includes addressing transportation operations and congestion, advancing studies on managed lanes and other congestion-relief mechanisms and supporting grant funding to municipalities and employers who work to provide better commute options.

Revised House 2 includes language from the Governor's roadway safety legislation which would allow MassDOT to establish mandatory temporary lower speed limits in construction zones and double fines for violations when workers are present.

The FY21 revised budget proposal sustains the FY20 level of funding for Regional Transit Authorities (RTAs) with a total investment of $90.5 million. This includes $87 million in base funding as well as $3.5 million in innovation grants for RTAs that best demonstrate a commitment to service quality, and environmental sustainability.

Black Advisory Commission and Latino Advisory Commission

To promote racial equity and support diverse communities, Governor Baker created two commissions to identify the needs of Black and Latino residents of Massachusetts. This includes workforce skills, housing, education, career development, and other programs that help create opportunities and skills.

Ensuring the Commonwealth continues pursuing these goals remains a key priority for the Baker-Polito Administration – as the impacts of the pandemic have fallen disproportionately on people of color. Revised House 2 continues supporting the recommendations of the Black Advisory Commission (BAC) and the Latino Advisory Commission (LAC) with investments including:

- $5.9 million for Adult Basic Education (ABE) to continue to provide integrated workforce development training programs for adult learners, including English for speakers of other languages
- $3.1 million to continue recruitment efforts to enroll more Black and Latino youth in Youth Works Summer Jobs
- $2.5 million to fund a grant program which invests in local entrepreneurs and support workforce trainings through the Executive Office of Housing and Economic Development
- $1.5 million for the STEM Pipeline Fund to expand applied learning through student internships, evidence-based curriculum and professional development, establish STEM teacher externships, and grow early career Innovation Pathways in order to help increase participation in STEM by under-represented student groups
- $750,000 to expand the “Learn to Earn” initiative, a career pathway model that connects unemployed or underemployed individuals receiving public assistance to high-demand career pathways

Revised House 2 investments which help implement BAC and LAC recommendations also support early college, teacher diversity, small business development, financial literacy, job placement programming, and workforce training.

Addressing Sexual Assault and Domestic Violence

In some circumstances, the COVID-19 pandemic and the need for social distancing have increased risks for survivors of sexual assault and domestic violence. This includes instances where survivors must isolate or quarantine at home with an abuser and experience physical, emotional, or mental challenges. Revised House 2 recognizes this critical need and continues the Baker-Polito Administration’s ongoing efforts to strengthen and improve sexual assault and domestic violence prevention services.

In April 2015, Governor Baker re-launched the Governor’s Council to Address Sexual Assault and Domestic Violence and elevated the Council to the Governor’s Office. Over the last five years, with Lieutenant Governor Polito as Chair, the Council has successfully worked to help individuals, children, and families of the Commonwealth live a life free of sexual assault and domestic violence. The Council has advanced several important initiatives such as undertaking a 2018 Action Plan to address five priority areas including assessment and response, human trafficking, military veterans and families, housing stability and self-sufficiency, as well as prevention and education.

The revised FY21 budget proposal recommends a total investment of $82.8 million to address this key priority, a $2.4 million (3%) increase over the FY20 budget and a nearly 30% increase from FY15.

This includes $46.9 million in funding for the Department of Public Health to carry out domestic violence and sexual assault prevention and survivor services, as well as emergency and transitional residential services for victims and their children. This recommendation includes $6 million to support statewide

sexual assault nurse examiner programs for adults and adolescents in hospital settings, and pediatric sexual assault nurse examiner programs in child advocacy centers. $1 million will fund a grant program focusing on promoting healthy relationships and preventing dating violence among youth. This program is amplified by the highly regarded RESPECTfully public awareness campaign.

This budget proposes a total of $1.6 million for the Department of Children and Families to meet the needs of families involved in domestic violence incidents, as well as the Sexual Abuse Intervention Network. This interagency partnership intervenes in and investigate cases of suspected sexual and serious physical abuse of children and provides services for victims and non-offending family members, with the goal of minimizing secondary trauma to child victims of sexual abuse.

Revised House 2 recommends a total of $31.2 million for providing shelter, services, and housing assistance for individuals and families who are victims or at risk of domestic abuse in their current living situations.

Criminal Justice and Public Safety

The Executive Office of Public Safety and Security (EOPSS) is responsible for ensuring the safety and security of all residents and visitors in the Commonwealth. As law enforcement and first responders have increasingly diverse and complex responsibilities, the Baker-Polito Administration has increased funding for EOPSS by $259.7 million (25%) since taking office in 2015.

Revised House 2 builds on criminal justice reform legislation signed by Governor Baker in 2018 and includes $747.1 million for the Department of Correction. This recommendation provides $203.3 million for medical and mental health contract costs. Including the revised FY21 investment, the total annual amount spent on services for inmates has doubled since January 2015.

The proposal recommends $411.4 million for State Police public safety and crime lab operations and includes support for the 86th RTT class which is expected to graduate in FY22.

The Administration also recommends $1 million for the Nonprofit Security Grant Program which provides support for security enhancements to nonprofit organizations, including faith-based organizations.

Additional public safety investments in House 2 include:

- $644.4 million for fourteen Sheriff's Departments in the Commonwealth
- $62.9 million to continue funding for the clinical contract at Bridgewater State Hospital
- $31.3 million to support the Department of Fire Services, including $3.6 million for the newest facility in Bridgewater which offers recruit classes and specialized trainings, and serves as the only fire academy in eastern Massachusetts.
- $20.9 million for the supervision of parolees leaving custody and returning to local communities
- $18.8 million for the Office of the Chief Medical Examiner
- $11 million in funding for the Shannon Grant program to fund anti-gang and youth violence prevention efforts
- $10.4 million to fully fund tuition and fee waivers for National Guard members
- $5.4 million for the Municipal Police Training Committee which develops, delivers, and enforces training standards of municipal, University of Massachusetts, and Environmental police officers

Modernizing and Securing Government IT

The COVID-19 public health crisis has highlighted the critical need for available, reliable, and resilient technology systems to support our efforts to maintain continuity of government operations, while also enabling constituents to conduct business online while respecting social distancing. In addition to the

demand for modern IT services and updated technology infrastructure, there is an ongoing need to enhance the Commonwealth's cybersecurity posture and guard against increasingly complex cyber threats that seek to damage systems, obtain sensitive data, and disrupt operations for agencies and users.

The Baker-Polito Administration continues to recommend increased investments in technology infrastructure to ensure cyber security capacity, enable a modern workplace, and to provide secure and quality digital information, services, and tools. Bolstering investments in the Commonwealth's technology infrastructure and processes not only mitigates risks and vulnerabilities, but it also allows the state to better administer and deliver services and programs that directly benefit residents and businesses across the Commonwealth.

To help maximize the secure delivery of technology and digital services, the Executive Office of Technology Services and Security (EOTSS) was elevated to a cabinet-level secretariat in 2017. Working closely with other executive agencies and departments, along with local municipalities, EOTSS has prioritized operating and capital investments that enhance the Commonwealth's cybersecurity posture, improve the digital experience for our constituents, and modernizing our technology infrastructure to ensure business resiliency and continuity of government services.

Revised House 2 supports $135.6 million in estimated spending in FY21 by EOTSS. This funding request will allow for continued support for the Commonwealth's technology needs and support initiatives and investments such as:

- Managing a new cybersecurity operations center which provides 24/7 monitoring capabilities of systems to identify and help mitigate potential cyber threats
- Implementing a security incident event management software platform for threat monitoring and analytics
- Continue ongoing efforts to move Commonwealth systems and applications to the cloud
- Deploy the modern workplace device platform across the Executive Branch
- Centralized software and IT contract compliance program
- Continuation of the EOTSS Information Governance Program

Energy and the Environment

Massachusetts continues to invest in protecting the natural environment, addressing climate change, and encouraging the use and development of clean energy and energy efficiency. These are increasingly important priorities given limitations on indoor activities in the COVID-19 era and the need for social distancing and outdoor space.

Through initiatives such as the Municipal Vulnerability Preparedness Program (MVP) and the first-in-the-nation State Hazard Mitigation and Climate Adaptation Plan (SHMCAP), the Baker-Polito Administration is helping ensure cities and towns throughout the Commonwealth are prepared for climate change. As part of the largest release of climate change resilience funding for Massachusetts communities in state history, over $38 million has been awarded to municipalities in grants through MVP to identify vulnerabilities to climate change and implement projects that build local resilience. Since 2017, nearly 90% of municipalities have been designated as MVP Communities by the Administration due to their work in planning for and adapting to climate change.

Revised House 2 builds upon these efforts and recommends a total investment of $288.5 million for the Executive Office of Energy and Environmental Affairs (EOEEA).

The proposal includes a $825 K increase over the FY20 budget for the Department of Environmental Protection (DEP), for a total recommendation of $62.4 million. This funding increase strengthens ongoing efforts to protect residents and communities from per- and polyfluoroalkyl substances (PFAS)

in drinking water, as the FY19 supplemental budget previously provided $24 million in funds for water infrastructure including statewide PFAS testing and PFAS remediation. Revised House 2 supports new PFAS-dedicated personnel tasked with implementing a sampling program, responding to contamination, and carrying out remediation efforts. An additional $1.2 million at the Department of Public Health will enable proactive inspections and testing of bottled water and food supplies for PFAS contamination.

The revised FY21 budget proposal includes $29.4 million for the Department of Agricultural Resources, an increase of (3%) above the FY20 budget. Funding for addressing the spread of mosquito-borne diseases like Eastern Equine Encephalitis is fully funded at $1.4 million and will support pesticides, testing, ground sprays, and supplies. The investment also includes $20 million for the Massachusetts Emergency Food Assistance Program supporting more than 22.5 million healthy and nutritious meals for individuals in need.

The Administration recommends a $2.7 million (15%) increase to the Department of Public Utilities' FY20 budget, for a total of $20.8 million in Revised House 2. The recommendation sustains a $5 million investment in the pipeline safety division's critical testing, investigations, and oversight responsibilities to ensure that natural gas distribution companies and other utilities follow safety regulations. The revised FY21 budget also includes outside sections that would increase the safety of the Commonwealth's gas pipeline infrastructure by requiring gas companies to address aging or leaking natural gas infrastructure and increasing the penalties for violations of various safety regulations.

Revised House 2 also recommends:

- $98.9 million for the Department of Conservation and Recreation
- $31.8 million in funding for the Department of Fish and Game
- $4.5 million for the Department of Energy Resources

Conclusion

Massachusetts is in the midst of a historic public health emergency that has dramatically altered the economic and fiscal landscape. The Commonwealth, in coordination with state, local, and federal partners, has carried out an unprecedent response which has included addressing critical priorities such as public health, PPE, housing, food security, education, economic development, health care and human services, and support for local cities and towns.

The Revised House 2 budget proposal continues protecting vital government services, encourages economic growth and stability, and supports the ongoing response to COVID-19 – all without relying on new taxes or increasing the risk of future spending constraints.

The Baker-Polito Administration looks forward to working closely with the Legislature on finalizing a full spending plan for Fiscal Year 2021 and continuing to deliver the government services and programs that are essential to the people of Massachusetts. We appreciate the prompt consideration of these recommendations.