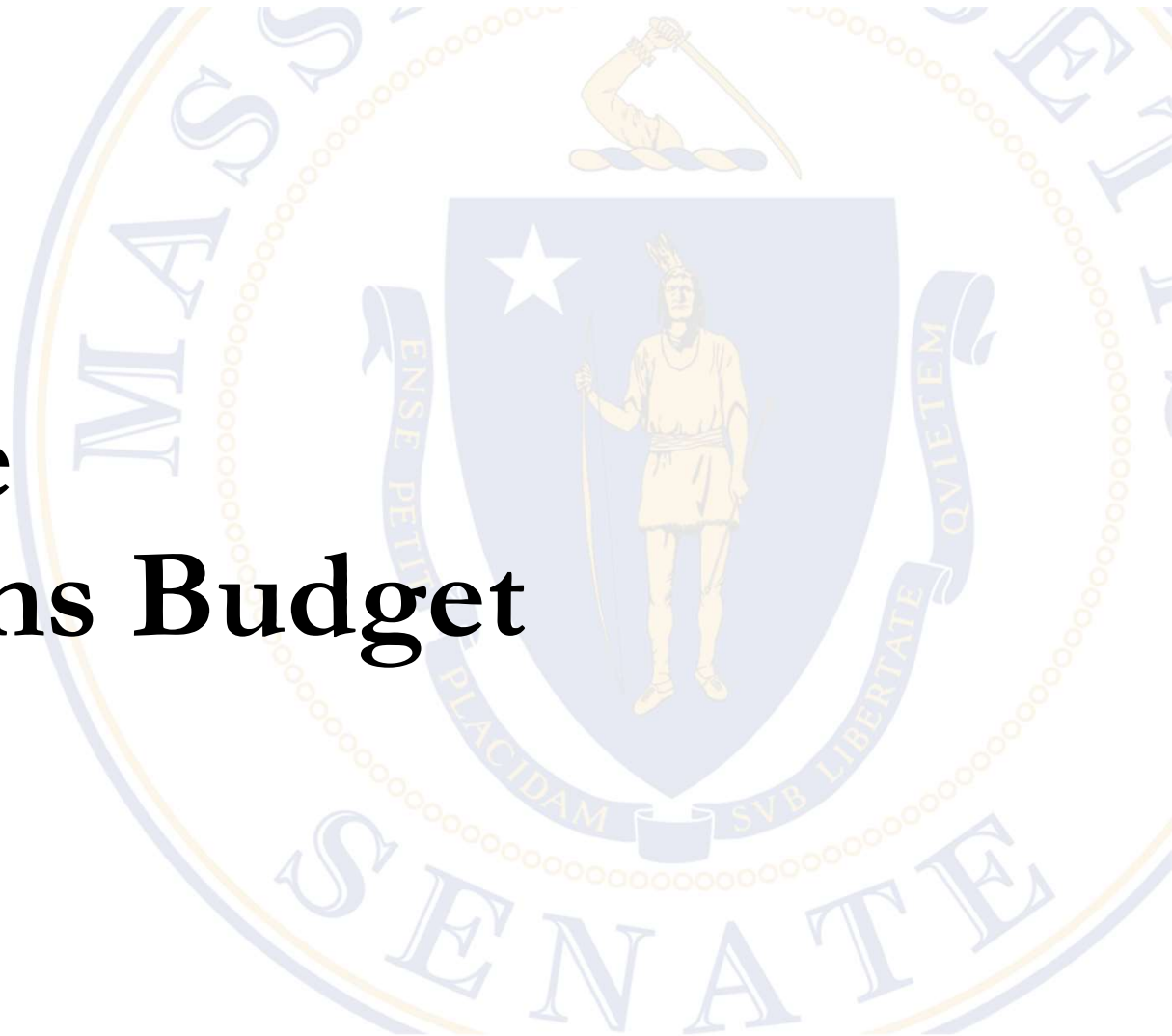


# FY 2025 Senate Ways and Means Budget

Democratic Caucus – May 7, 2024





# Commonwealth Fiscal Overview – FY 2025

*Consensus tax revenue agreement represents a (\$208M), -0.5% reduction from FY 2024.*

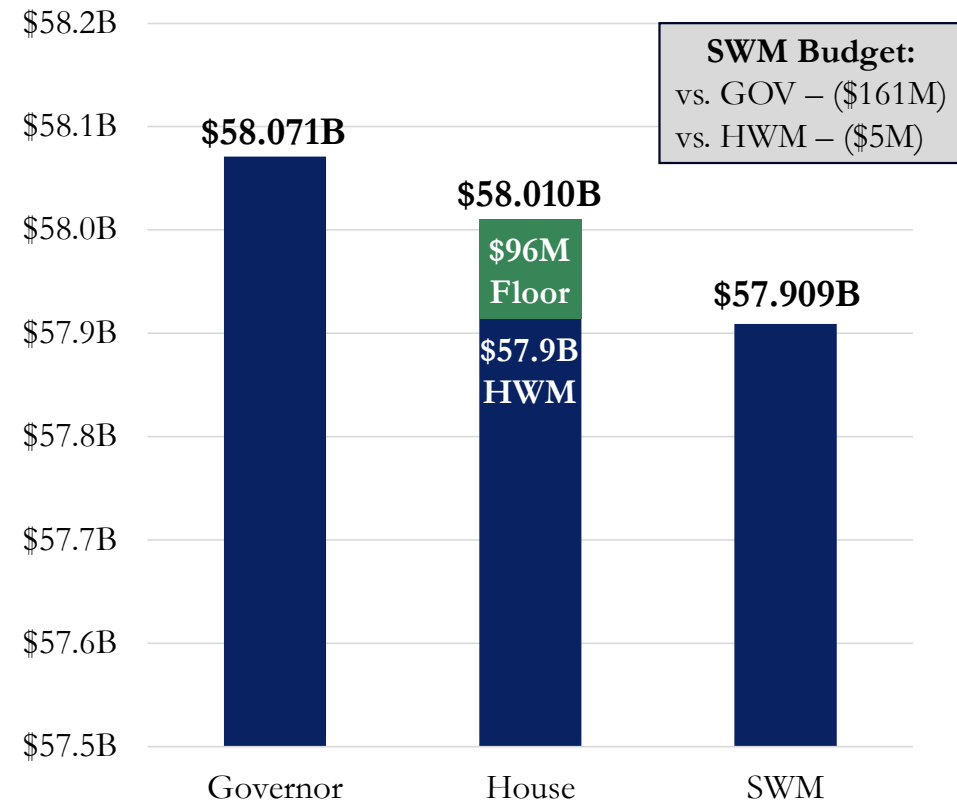
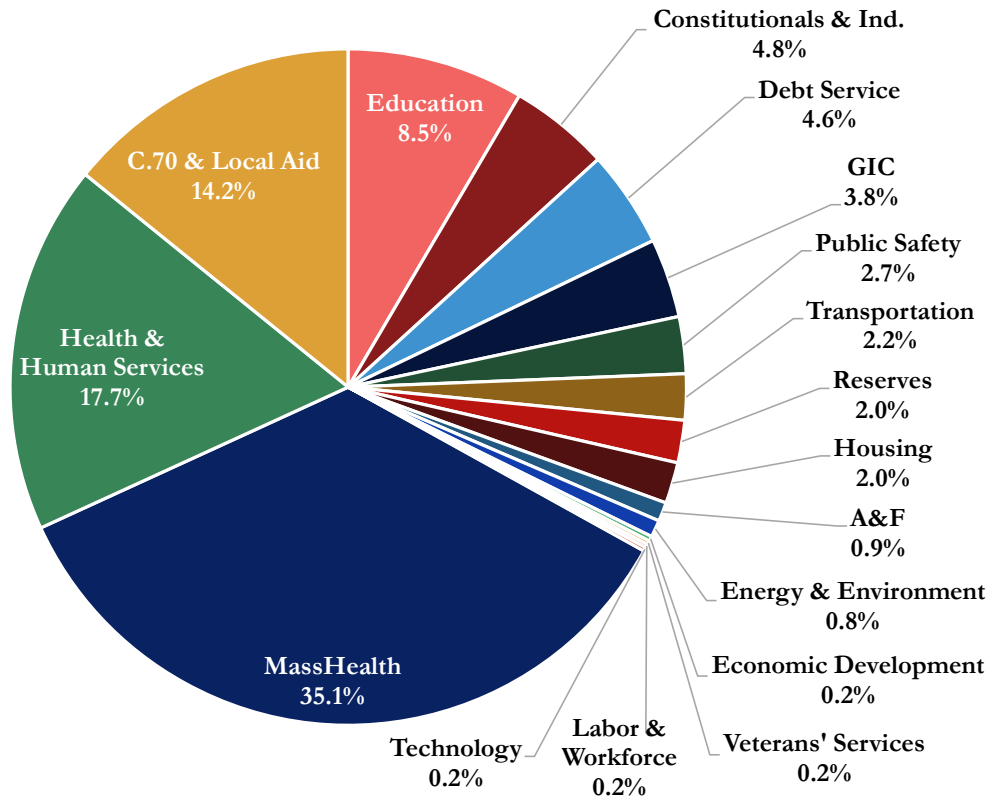
- Consensus revenue agreement, as required by M.G.L. c.29 §5B, was reached in January with the Administration and House
- FY 2025 revenues are responsibly estimated to fall slightly below FY 2024’s original estimate.
- Total collections (excluding surtax) are estimated at \$40.2B in FY 2025.
- Fair Share surtax collections estimated to increase to \$1.3B in FY 2025.
- Tax revenue estimates also include required off-budget transfers including:
  - \$4.5B to the pension fund
  - \$1.47B to the MBTA
  - \$1.3B to the MSBA

<b>Tax Revenue Category (\$ in millions)</b>	<b>FY 2025 Estimate</b>
Income	\$22,761
Sales	\$9,829
Corporate and Business	\$5,041
Other	\$2,571
<b>Total Consensus Tax Revenue (excl. surtax)</b>	<b>\$40,202</b>
Fair Share Surtax	\$1,300
<b>Total Consensus Tax Revenue</b>	<b>\$41,502</b>



# FY 2025 Senate Ways and Means Budget

*\$57.9B in total investments – \$1.8B or 3.3% higher than FY 2024 GAA.*





# Resources for Balance

*SWM budget makes judicial use of new and one-time resources to achieve balance.*

- Like both the Governor and House, the SWM budget utilizes a menu of one-time and new revenue sources to make key investments and maintain fiscal responsibility.
- Key areas where the Senate is leading:
  - Making the gaming funds redistribution permanent and expanding funding for the Public Health Trust.
  - Preserving additional Student Opportunity Act funds for future years' implementation.

One-Time or New Revenue Source	GOV	HOU	SWM
Capital Gains Excess	\$375M	\$375M	\$375M
Student Opportunity Act Fund	\$300M	\$300M	\$225M
High-Quality EEC Fund	\$265M	\$200M	\$265M
Gaming Funds Redistribution	\$100M	\$80M	\$100M
Online Lottery	\$75M	\$100M	-
Debit Cards for Lottery	Incl. above	Incl. above	\$25M
Tax Amnesty	\$75M	\$75M	\$100M
Tax Expenditure Repeals	\$60M	\$60M	\$60M
<b>Total</b>	<b>\$1.25B</b>	<b>\$1.19B</b>	<b>\$1.15B</b>



# Fair Share Investments

*\$1.3B in critical public education and transportation investments utilizing the Fair Share surtax.*

Education	SWM
<b>Early Education</b>	<b>\$310.0M</b>
Childcare Grants to Providers	\$150.0M
CPPI Pre-K Initiative	\$15.0M
Rate Increase	\$65.0M
Childcare Affordability	\$80.0M
<b>K-12</b>	<b>\$192.5M</b>
Early College and Innovation Pathways	\$5.0M
School Meals	\$170.0M
Mental Health Systems and Wraparounds	\$7.5M
Early Literacy	\$10.0M
<b>Higher Education</b>	<b>\$232.5M</b>
Financial Aid Expansion	\$105.0M
Free Community College	\$117.5M
College and University Wraparound Supports	\$10.0M
<b>Total Education</b>	<b>\$735.0M</b>

Transportation	SWM
<b>Roads &amp; Bridges</b>	<b>\$263.0M</b>
Chapter 90 Supplement	\$125.0M
MassDOT Operating Assistance*	\$60.0M
CTF Capacity Expansion (Debt Service)*	\$63.0M
Municipal Small Bridges and Culverts	\$15.0M
<b>MBTA</b>	<b>\$174.5M</b>
MBTA Operating Assistance*	\$127.0M
MBTA Means Tested Fares	\$23.0M
Commuter Rail Capital Improvements	\$24.5M
<b>Regional Transit</b>	<b>\$127.5M</b>
Regional Transit Funding and Grants	\$120.0M
Water Transportation	\$7.5M
<b>Total Transportation</b>	<b>\$565.0M</b>

\*\$250M transferred to CTF to expand debt capacity by over \$1B.  
Investments with asterisks funded through CTF transfer from Fair Share.

# Key Investments by Policy Area





# Expanding High-Quality Early Education and Care

*Ensuring accessible and affordable care for children and families across Massachusetts.*

- \$1.58B in total EEC investments.
- \$475M for C3 stabilization grants to EEC providers.
- \$774M for subsidized childcare slots.
- \$80M to expand income-eligible childcare to families making 85% of state median income.
- \$65M to increase EEC provider rates.
- \$54M for early educator workforce training and quality improvements.
- \$32.5M for CPPI, expanding access to pre-K and preschool in the gateway cities.
- \$18.5M in grants to Head Start programs.
- \$5M for childhood mental health.
- \$2.5M for a new public-private pilot program to encourage employers to create new childcare slots.

## Spotlight on:

### The EARLY ED Act

- In March, the Senate unanimously passed the EARLY ED Act, a comprehensive strategy to support and build the EEC sector.
- The FY 2025 budget includes funding to implement these strategies, including:
- Making the C3 operational grant program permanent.
- Expanding eligibility for childcare subsidies.
- Establishing a career ladder for early educators.
- Creating a matching grant pilot program for employers investing in childcare.



# Lengthening our Lead on Elementary and Secondary Ed.

*Supporting all school districts – urban, suburban, regional, vocational–technical, and rural.*

- \$6.9B for Chapter 70 aid.
  - Fully funds fourth year of the Student Opportunity Act.
  - Increases minimum aid to \$104 per pupil.
- \$492M for Special Education Circuit Breaker.
- \$199M for charter school reimbursements.
- \$99M for regional school transportation.
- \$15M for rural school aid.
- \$59M for adult basic education.
- \$37M for early college, innovation pathways, and dual enrollment.
- \$7.5M for K-12 mental health supports.
- Creates a commission regarding MSBA capacity to meet facility needs and the equity of the grant funding formula.

## Spotlight on:

### The Student Opportunity Act: Chapter 70 Aid

- The SWM budget fully funds the fourth year of implementation of the Student Opportunity Act, totaling \$6.9B in aid to local school districts – a \$316M increase over FY 2024.
- This year’s budget features an historic level of minimum aid, at \$104 per pupil, supporting districts of all sizes across the Commonwealth.
- This crucial support will help districts confront the increasing cost pressures that come with delivering high-quality education to all students.





# Building an Equitable Future for Public Higher Education

*Expanding access to public higher education for all and sustaining support for our public institutions.*

- \$117.5M to make community college free of tuition and fees universally.
- \$280M for scholarships to students, including expansion of MassGrant Plus for students attending public institutions.
- \$28M for wraparound services to support higher education students, including SUCCESS and the student persistence fund.
- \$4M for mental health supports at the state universities and community colleges.
- \$760M for the University of Massachusetts system.
- \$381M for our 15 community colleges.
- \$367M for our 9 state universities.
- Creates a credit transfer program for public institutions of higher education and a quality and affordability commission.

## Spotlight on:

### Community College

- The SWM budget makes permanent a universal community college program – free of tuition and fees – expanding economic opportunity for all residents.
- With an investment of \$117.5M, free community college will be implemented in an affordable and equitable manner across the Commonwealth, while leaving no federal dollars on the table.
- Additionally, the FY 2025 budget makes investments in student support services, including funds for mental health, wraparound services, and student persistence.



# Supporting Our Local and Regional Partners

*Demonstrating the Senate's commitment to supporting communities across the Commonwealth.*

- \$1.3B for Unrestricted General Government Aid (UGGA).
  - A 3% increase from FY 2024.
- \$125M in supplemental aid for municipal roads and bridges.
  - In addition to \$200M in the recently-passed Chapter 90 bill.
- \$15M for municipal small bridges and culverts.
  - In addition to \$25M for small bridges in the recently-passed Chapter 90 bill.
- \$115M for local housing authorities.
- \$53M for Payments in Lieu of Taxes (PILOT) for state-owned land.
- \$48M for regional and municipal libraries.
- \$28M in grants to councils on aging.
- \$12.5M for local boards of health.

## Spotlight on:

### Regional Transit

- The SWM budget provides \$214M in funding for the state's regional transit authorities.
- Of that, \$40M is dedicated to ensuring year-round, fare-free access to transit at all RTAs statewide.
- Additionally, \$10M will provide new funding for bus routes between RTAs, expanding access to transit in communities where RTA borders can create challenges for mobility.
- \$160M in funding is provided through formula-based operating assistance to RTAs, providing needed resources to maintain and improve service levels for riders.



# Protecting Massachusetts' Health and Wellbeing

*Over half of the state's budget is dedicated to health and human service investments.*

- \$20.33B in MassHealth funding, providing healthcare to over 2 million of the Commonwealth's children, seniors, and low-income residents (\$8.19B net of federal funding).
- Maintains funding, eligibility, and benefit levels for the Personal Care Attendant (PCA) program.
- Approximately \$1.3B in mental health investments, ranging from assisted outpatient programming for adults (\$622M) to DMH hospital and community-based services (\$385M) and children's mental health (\$131M).
- Over \$1B in public health investments from DPH hospital operations and staffing (\$217M) to local programming like school-based health centers (\$26M).
- \$3B in services and supports for people with intellectual, physical, and developmental disabilities, including \$288M for the DDS Community Day and Work program, \$124M for the Turning 22 program, and \$5.5M for the Children's Autism Waiver.
- Gender Identity on Records – Allows an individual to change the sex listed on their birth record, marriage certificate and drivers license to "X".

## Spotlight on:

### Direct Care Workforce

- The SWM budget provides \$390M in to increase direct care provider rates covered under Chapter 257.
- This increase, combined with \$95M in off-budget resources, will ensure a provider rates meet the 53<sup>rd</sup> percentile of Bureau of Labor Statistics wages.
- This historically large increase in provider rates demonstrates the Senate's commitment to addressing direct care workforce challenges, as well as workforce challenges across the health and human services field.



# Fighting Poverty and Strengthening Families

*Building upon investments in child welfare, food security, and economic opportunity.*

- Increases benefit levels through the Transitional Aid to Families with Dependent Children (TAFDC) and Emergency Aid to the Elderly, Disabled and Children (EAEDC) programs.
  - 10% benefit increase funded in both programs to help fight deep poverty.
  - \$450 clothing allowance per child for families receiving TAFDC benefits.
- \$140M for DCF family support and stabilization services targeted at preserving family unity and preventing the placement of children into foster families or congregate care facilities.
- \$34M for Family Resource Centers to provide mental health resources and programming to families.

## Spotlight on:

### Food Security

- The SWM budget provides \$87M in critical funding to support a host of food security initiatives, including:
  - \$42M for the Massachusetts Emergency Food Assistance Program (MEFAP), providing meals to those who are the most food insecure.
  - \$20M for the Healthy Incentives Program (HIP) to maintain access to healthy food options for SNAP households.
  - \$15M for the Women, Infants, and Children (WIC) Nutrition Program.
  - \$10M for Food Security Infrastructure Grants (FSIG) promoting access to locally-sourced food.



# Promoting Housing Affordability and Accessibility

*\$1.14B in investments in housing stability, residential assistance, emergency shelter services, and homelessness assistance programs.*

- \$325M for Emergency Assistance Family Shelters, in addition to \$175 million in resources passed in the recent supplemental budget, which will place our shelter system on a fiscal glidepath into FY 2025.
- \$232M, including \$13M in funds carried forward from FY 2024, for the Massachusetts Rental Voucher Program, providing over 10,000 rental vouchers to Massachusetts families by the end of FY 2025.
- \$197M for Residential Assistance for Families in Transition (RAFT), providing financial assistance to families in need of resources to avoid eviction.
- \$57.3M for the HomeBASE program, providing resources to rapidly rehouse families who are eligible for shelter into permanent homes.
- \$36M across DMH and EOHLC for the DMH Rental Subsidy Program (DMHRSP), providing rental vouchers to DMH clients.
- \$27M for the Alternative Housing Voucher Program (AHVP), including \$10.7M in funds carried forward from FY 2024, providing rental assistance to people with disabilities.
- \$8M for the Home and Healthy for Good re-housing and supportive services program.



# Driving Economic and Workforce Development

*Ensuring the economic health and prosperity of our Commonwealth.*

## Economic Development \$136M

- \$7.5M for the Community Empowerment and Reinvestment Grant Program.
- \$5M for Small Business Technical Assistance.
- \$2.5M for the Advanced Manufacturing Program.
- \$2.5M for the Massachusetts Cybersecurity Innovation Fund, including \$1.5M to continue partnerships with community colleges and state universities to provide workforce training to students and services to municipalities, non-profits, and small businesses.
- \$2M for Regional Economic Development Organizations.
- \$1.5M for microlending grants to support small businesses.

## Labor and Workforce Development \$103M

- \$15.7M for summer jobs and work-readiness training for at-risk youth through the YouthWorks program. This will combine with \$23M in remaining ARPA funding for the program.
- \$10.4M for Career Technical Institutes to increase our skilled worker population and provide residents access to career technical training opportunities. This will combine with \$12.3M in remaining ARPA funding for the program.
- \$9.9M for One-Stop Career Centers.
- \$5M for the Workforce Competitiveness Trust Fund.
- \$1.7M for the Massachusetts Manufacturing Extension Partnership.



# Preserving Our Environment

*\$478M to protect our natural resources, ensure clean air and water, and mitigate climate change.*

- \$86.1M for the Department of Environmental Protection to steward the Commonwealth's air, land, and waterways.
- \$64.4M for the Department of Agricultural Resources to promote the Commonwealth's food security and local food economy.
- \$26.2M for the Department of Public Utilities to ensure proper pipeline and utility safety.
- \$10M for climate change adaptation and preparedness programs to enhance resilience and to address the mounting threat of climate change.
- \$5.4M for the Division of Ecological Restoration to protect the Commonwealth's rivers, wetlands, and watersheds.
- \$5M for a transfer to the Massachusetts Clean Energy Center to support investments in clean transportation, building retrofitting and the green economy workforce.

## Spotlight on:

### Department of Conservation and Recreation

- The SWM budget provides \$159M in funding for preserving our natural, cultural, and recreational resources through DCR.
- These investments will support needed staffing at DCR facilities, including seasonal staff across the Commonwealth's parks, pools, waterfront, and reservations.
- This funding will also continue the Summer Nights program, which partners with local youth organizations to offer free recreational, educational, and skill-building activities to at-risk teens and young adults.



# Keeping Massachusetts Safe

*\$1.57B in investments supporting public safety, security, and criminal justice.*

- \$42.7M for the Department of Fire Services, including \$2M for the Student Awareness Fire Education program and \$1.5M for the Critical Incident Stress Management program.
- \$24.2M for the Municipal Police Training Committee, including funding to continue the implementation of police training requirements established pursuant to the 2020 police reform legislation.
- \$12.9M for the Shannon Grants gang violence prevention and intervention program.
- \$7M for the continuation of an emerging adult reentry program to help reduce recidivism among our younger resident populations.
- \$6M for municipal public safety and emergency staffing grants.
- \$5M for the Non-Profit Security Grants, including \$300,000 to support security personnel at non-profits vulnerable to acts of violence.
- \$2M for a Safe Neighborhood Initiative, modeled after the Department of Justice's Project Safe Neighborhoods program, to develop comprehensive solutions that reduce crime and protect communities in response to emerging statewide violent trends.
- Correction Commission - Establishes a commission to study opportunities for collaboration and consolidation among the Department of Correction, the county Sheriffs, the Parole Board and the Office of Community Corrections.
- State Police Promotions - Updates the promotional examination process for uniformed members of the State Police by allowing assessments designed to evaluate members' relevant knowledge, skills and abilities.