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OFFICE OF THE GOVERNOR
COMMONWEALTH OF MASSACHUSETTS
STATE HOUSE ▪ BOSTON, MA 02133
(617) 725-4000

CHARLES D. BAKER
GOVERNOR

KARYN E. POLITO
LIEUTENANT GOVERNOR

January 27, 2021

To the Honorable Senate and House of Representatives,

Today, we submit to you our Fiscal Year 2022 (FY22) House 1 budget recommendation which protects core government services, provides significant support for local cities and towns, and encourages economic growth and development without raising taxes on residents, as we promote a strong, equitable recovery from the COVID-19 public health emergency.

This balanced budget proposal includes substantial investments and maintains financial discipline as the Commonwealth begins to transition away from one-time revenue and spending needed to combat the pandemic. These one-time initiatives have utilized various state and federal resources, both on and off-budget, to help ensure public health and address a variety of needs. The proposal also keeps the Administration's promise to the Commonwealth's cities and towns by ensuring unrestricted local aid increases at the same rate as consensus tax revenue growth.

Through this proposal, the Administration is recommending fully funding the first year of the landmark Student Opportunity Act with \$246.3 million in new funding added for initiatives laid out in this legislation. This includes an increase of \$197.7 million in Chapter 70 funding, with a particular focus on school districts serving low-income students. The Administration's proposal also provides increased funding for charter schools and special education circuit breaker reimbursement. Additionally, the Administration is proposing to allow municipalities to count federal dollars towards their Chapter 70 required local contribution increases, a commonsense measure to provide important flexibility and needed fiscal relief to cities and towns.

House 1 recommends \$45.6 billion in gross spending, a decrease of 0.7% over the Fiscal Year 2021 (FY21) projected spending, (excluding transfer to the Medical Assistance Trust Fund). This year-over-year decrease accounts for current tax projections and is primarily driven by caseload and cost decreases at MassHealth which previously experienced significant cost increases in FY21 due to the pandemic.

This budget recommendation authorizes a withdrawal of up to \$1.6 billion from the Stabilization Fund to help ensure the continuation of essential government services and responsibly preserve financial reserves for Fiscal Year 2023 and beyond. Working together, the Legislature and this Administration have been able to grow the Stabilization Fund since 2015, which now enables us to face the budget challenges associated with COVID-19 while still making substantial investments in education, economic development, and our communities – all without raising taxes on our residents.

Improvements in tax collections or new federal revenue will allow the amount of this withdrawal to be reduced. This current Stabilization Fund withdrawal accounts for less than 3.5% of the total proposed FY22 budget and would leave the fund with a balance of approximately \$1.11 billion.

Consistent with previous budget proposals, House 1 maintains the Administration's commitment to being a reliable partner for municipalities. This Administration is proposing an increase in the Unrestricted General Governmental Aid (UGGA) investment that is equivalent to the expected 3.5% tax revenue growth in the consensus revenue forecast announced on January 15, 2021. This translates to a \$39.5 million increase and a \$1.168 billion total investment, which would be \$222 million (23.5%) more than the Fiscal Year 2015 investment. House 1 also includes \$4 million for Community Compact-related programs including best practices and regionalization and efficiency grants, as well as \$3 million for district local technical assistance and \$4.8 million for the Public Safety Staffing Grant Program. These programs provide all 351 cities and towns with access to grant funding and resources to ensure quality services for their residents.

This proposal preserves pre-COVID-19 pandemic 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.

To continue promoting racial equality and opportunity, this proposal includes over \$30 million to support the recommendations of the Black Advisory Commission and Latino Advisory Commission. This includes investments in teacher diversity, small business development, financial literacy, job placement programming, and workforce training. The recommendation provides \$2.5 million in funding to support the newly created Supplier Diversity Office's work to increase and improve state contracting opportunities for minority-owned businesses.

House 1 invests substantial funding towards critical priorities including \$96 million to address sexual assault and domestic violence and \$357.3 million for substance misuse treatment and prevention, an increase of \$22.1 million (7%) above the FY21 budget. With this recommendation, the Administration is also continuing strong support for transportation, early and higher education, housing, workforce development, behavioral health, the environment, and economic development.

This budget includes a total investment of \$16.9 million in additional funding for transforming vocational high schools into Career Technical Institutes and training 20,000 new workers in skilled trades and technical fields over four years. This initiative will increase student demand, involve businesses in program development and credentials, reduce barriers to licensure, and create incentives for completion and post-graduate employment.

The Commonwealth continues to benefit from the strong partnership between our Administration and the House and Senate. We look forward to developing a final spending plan for Fiscal Year 2022 that invests in essential government services and critical priorities while ensuring fiscal discipline and stability for current and future budgets. We appreciate your prompt consideration of these recommendations.

Sincerely,



Charles D. Baker
Governor



Karyn Polito
Lieutenant Governor

Fiscal Overview

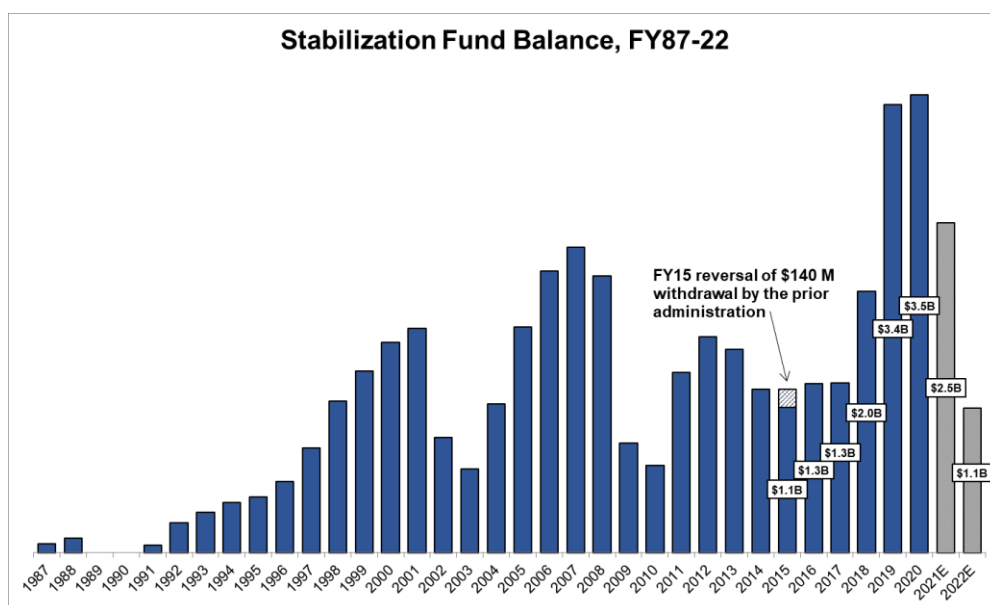
The Baker-Polito Administration remains focused on promoting growth and opportunity throughout Massachusetts while ensuring fiscal responsibility. This Fiscal Year 2022 (FY22) budget proposal continues the Administration's commitment to critical priorities including supporting economic growth and fully funding the first year of the historic Student Opportunity Act and economic development – while preserving substantial financial reserves for the future and without raising taxes on the Commonwealth's residents.

This FY22 budget proposal, submitted as House 1, builds upon the achievements of the Baker-Polito Administration over the past six years and provides funding for several critical issues, including: health care, education, transportation, housing, workforce development, substance misuse treatment and prevention, behavioral health, the environment, and support for local communities.

House 1 optimizes the use of available state and federal revenue to ensure fiscal responsibility and limit budgetary risks. This proposal authorizes a maximum \$1.6 billion withdrawal from the Stabilization Fund to maintain essential government services during the pandemic. The amount of the withdrawal would be reduced should tax collections or federal revenue improve.

Since taking office in 2015, the Administration has worked closely with the legislature to promote financial discipline and build up the Stabilization Fund. COVID-19 posed substantial budget challenges for states across the country and proved how critical financial reserves are for handling major unexpected economic disruptions. The Administration's work with the Legislature to grow the Stabilization Fund has enabled the Commonwealth to continue investing in key priorities during these challenging times, without raising taxes on residents.

This proposed Stabilization Fund withdrawal accounts for less than 3.5% of the total filed FY22 budget and would leave the fund with a balance of approximately \$1.11 billion for Fiscal Year 2023.



House 1 includes a total of \$45.6 billion in gross spending, excluding the Medical Assistance Trust Fund transfer, which is approximately 0.7% below Fiscal Year 2021 (FY21). This decrease accounts for current tax projections and is primarily driven by caseload and cost decreases at MassHealth which previously experienced significant cost increases in FY21 due to the pandemic.

The proposed FY22 budget investment is based on the \$30.120 billion consensus tax revenue estimate which anticipates a 3.5% growth in total tax collections over revised FY21 tax estimates.

This budget recommendation keeps to the current pension schedule and includes a \$300 million increase over FY21 to pay for the Commonwealth's pension funding obligation, for a total investment of \$3.415 billion. The final amortization payment towards the unfunded pension liability should be made in Fiscal Year 2036, four years earlier than the statutory requirement.

To promote continued fiscal stability and minimize risks to essential government services, House 1 recommends delaying the new charitable deduction until the state budget is balanced without a withdrawal from the Stabilization Fund.

The proposal includes language which would make permanent the Massachusetts Education Financing Authority's College Savings Tax Deduction Program, which is currently scheduled to sunset at the end of 2021. Nearly 30,000 tax filers across Massachusetts benefit from this program each year and save a total of approximately \$2.3 million.

House 1 also anticipates \$35 million in revenue in FY22 from a proposal that will be refiled by the Baker-Polito Administration to permit people in Massachusetts to wager on professional sports.

Continuing the Administration's efforts to optimize collection of the sales tax, House 1 includes an outside section that would require third-party payment processors for businesses with gross sales above a certain threshold to capture sales tax at the time of purchase and remit sales taxes on credit card and other electronic transactions daily. This initiative would begin in Fiscal Year 2024, and it builds upon the measures signed into law in December 2020 which require the largest businesses in the state to remit sales tax collections from the first three weeks of each month in the final week of the same month. Retailers already currently file and remit collections electronically, and this latest proposal would further modernize and enhance collections.

The proposal includes previously filed language which would create 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 improving employment opportunities and economic security for individuals with disabilities.

Budget Highlights

Education

The Baker-Polito Administration continues to support record investments in local schools to ensure Massachusetts students have access to the opportunities and resources they need to grow and succeed. The Administration is supporting school districts with significant levels of investment to ensure students can safely learn from their classrooms, where they are best positioned to grow and thrive.

House 1 fully funds the first year of the landmark Student Opportunity Act, adding a total of \$246.3 million in new spending for initiatives laid out in this legislation. The Student Opportunity Act will significantly increase investments in public schools when fully phased in over the next seven years. These investments will ensure school districts have additional resources to provide high-quality education to all students by revamping the formula used by the state to calculate the cost of educating students by updating costs related to health care and special education, as well as educating English Language Learners and low-income students.

This proposal builds on the collaborative work of the Administration and the Legislature in the FY21 budget, which included a \$108 million increase in the annual Chapter 70 investment and complemented significant federal supports. Together, these state and federal FY21 investments provided more resources for local schools than the Administration's initial FY21 budget proposal, which fully funded the first year of the Student Opportunity Act.

The Administration has also included language in House 1 which allows municipalities to count federal Elementary and Secondary School Emergency Relief Fund (ESSER) dollars towards their Chapter 70 required local contribution. Massachusetts is expected to receive over \$800 million in ESSER funding through the latest federal COVID-19 legislation in addition to over \$200 million received through previous federal legislation. This commonsense measure would help optimize the use of all available revenue while also providing fiscal relief to local cities and towns, many of which have budgets that are already fiscally constrained by COVID-19.

This Student Opportunity Act investment involves an increase of \$197.7 million in Chapter 70 funding, for a total Chapter 70 investment of \$5.481 billion. Separately, it recognizes \$114.1 million in federal supports for cities and towns throughout Massachusetts to offset costs of required local contributions. These investments would prioritize local school districts with low-income students. This proposal would also provide an increase of \$22.5 million for special education circuit breaker reimbursement for local cities and towns, as well as \$26.1 million in additional funding for charter school reimbursement.

House 1 includes a total investment of \$778.5 million in the Department of Elementary and Secondary Education, excluding Chapter 70.

Early Education

The Baker-Polito Administration continues to make significant investments in state-subsidized early childhood education to promote the healthy growth and development of all children and provide high-quality programs and resources for families and communities. Funding for the Department of Early Education and Care (EEC) has increased by \$230.5 million (43.6%) since 2015.

As a result of the COVID-19 public health emergency, there has been a decline in enrollment in early childhood education programs. As a result of this enrollment decline, EEC caseload spending continues to remain below FY20 levels, even after accounting for more generous payment policies, covering more school aged-care, and fully paying parent fees.

House 1 recommends \$758.5 million in funding for EEC which maintains caseload account funding and preserves flexibility. This investment includes \$20 million to maintain the center-based rate increase enacted in FY21, as well as \$14 million for family and community engagement services, \$5 million for the Commonwealth Preschool Partnership Initiative, \$2.5 million for early childhood mental health consultation services and \$1 million for Reach Out and Read.

This proposed FY22 investment complements caseload funding that may be carried forward from FY21 to FY22 due to the potential for under-enrollment relative to pre-pandemic levels, as well as \$130 million in Child Care and Community Development Block Grant funding included in the most recent federal COVID-19 legislation. In addition, due to the mid-year adoption of the FY21 budget, some new or expanded line items include expenditures stretching into FY22.

Higher Education

House 1 continues to promote degree completion, and college readiness and affordability through a \$1.310 billion investment for the Department of Higher Education, University of Massachusetts, and state universities and community colleges. This funding has increased by \$146.1 million (12.6%) since 2015.

This proposal includes over \$131 million for financial aid and fee waiver programs at college campuses, including last-dollar scholarships for low-income students at both state universities and community colleges, support for the continued expansion of early college and dual enrollment programs, and full funding for Commonwealth Commitment, while maintaining support for 1,400 eligible students currently or previously in the custody and care of DCF, or who have been adopted through DCF.

Health and Human Services

For the past six years, the Baker-Polito Administration has prioritized improving the health, safety, and resilience of individuals and families across Massachusetts. These efforts have continued during the COVID-19 pandemic and have resulted in significant achievements including the recent comprehensive health care legislation which was passed by the Legislature and signed by Governor Baker on January 1, 2021.

That recently signed legislation helps achieve key priorities initially included in the Administration's health care legislation filed in 2019. The new law increases insurance coverage for telehealth services, expands the scope of practice for nurse practitioners, other specialized nurses, and optometrists, and takes steps to protect consumers from surprise medical bills. Recognizing the continuing impacts of COVID-19, the law also extends requirements for all insurance carriers in Massachusetts to cover COVID-19 testing and treatment.

House 1 phases out several one-time COVID-19 health care related spending items but continues to preserve pre-COVID-19 eligibility and benefit levels for important 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 Administration is continuing its overall strategy of responding to the pandemic while increasing access to care, protecting public health, and improving outcomes for patients. The budget recommendation includes \$24.762 billion in funding for the Executive Office of Health and Human Services (EOHHS), excluding supplemental payments to hospitals.

This recommendation includes \$79 million in Chapter 257 human service provider funding using the updated rate methodology that better reflects the cost of benchmarking direct care and clinical staff wages. These investments sustain the Administration's ongoing commitment to supporting and strengthening human service programs so they can deliver meaningful service to citizens throughout Massachusetts.

House 1 also includes provisions originally included in the Administration's health care legislation which holds drug companies accountable for excessive price increases, supports distressed community hospitals and community health centers, and imposes a gross receipts tax on the revenues of opioid manufacturers from the sales of their opioid products in Massachusetts.

Public Health

The Administration has maintained a focus on the health and safety of Massachusetts residents throughout the COVID-19 pandemic, carrying out a historic response using emergency measures and funding to address a wide range of public health priorities. This response has comprised spending initiatives, both on and off-budget and using a variety of sources, targeted at minimizing transmission of the virus and addressing needs exacerbated by the pandemic.

Ongoing public health priorities associated with the COVID-19 response effort include ensuring the availability of Personal Protective Equipment (PPE) and medical equipment, field hospitals, testing, tracing, and distributing COVID-19 vaccines.

Through its COVID-19 Response Command Center and the Massachusetts Emergency Management Agency (MEMA), the Administration has prioritized procuring, stockpiling, and distributing PPE and medical equipment for front-line workers. To date, the Commonwealth has distributed over 41 million pieces of PPE, including over 12 million gloves, over 800,000 gowns, and more than 28 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, congregate care facilities, as well as other public safety and state agencies.

The Administration has worked in collaboration with numerous partners to establish field hospitals and isolation and quarantine hotels throughout the Commonwealth in order to increase health care capacity and ensure care for vulnerable populations such as individuals who are homeless. A total investment of over \$60 million is helping to provide thousands of additional beds in FY21 and F22 at locations across Massachusetts.

Massachusetts continues to be a national leader in ensuring access to testing, with a key focus of that strategy being ensuring access to testing in long term care facilities including nursing homes and rest homes and other 24/7 staffed congregate care settings. As of January 18, 2021, nearly 12.4 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.

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. A collaborative effort of the Department of Public Health, Partners in Health, and local health departments, this innovative program contacts those who have tested positive for COVID-19 and their close contacts and making sure they have the support they need to isolate or quarantine.

These testing and tracing priorities are being supported by an estimated \$452.1 million in the most recent federal COVID-19 legislation in addition to previous federal funding.

The Administration, through its Command Center and the Department of Public Health, recently announced a COVID-19 vaccine distribution plan after consultation with the Massachusetts Vaccine Advisory Group, made up of leaders from health care, the faith community, community organizations, local government, and others. The plan reflects three primary objectives: preserving our health care system capacity; addressing equity; and protecting our most vulnerable. Vaccine distribution in Massachusetts is rolling out in a phased approach and the most recent federal COVID-19 legislation includes an estimated \$88.9 million for Massachusetts for vaccine distribution efforts.

House 1 recommends \$707.1 million in funding for the Department of Public Health in order to ensure access to high-quality public health and health care services. This investment supports key new positions with a focus on the State Lab and public health hospitals and maintains \$10 million in grants to health departments to support municipalities' capacity to respond to the COVID-19 pandemic.

Caring for Seniors

With COVID-19 having a significant impact on older adults across Massachusetts, the Baker-Polito Administration is continuing to pursue investments and policies to support the Commonwealth's older adults and promote access to quality care during this challenging time.

House 1 recommends funding the Executive Office of Elder Affairs at \$594.3 million, which represents a \$322 million (119%) increase compared to FY15. This investment highlights the Administration's commitment to supporting older adults throughout Massachusetts and ensuring they can remain active and contributing members of their communities.

The FY22 proposal provides \$17.1 million in support of grants to Local Councils on Aging and an increase of \$16.3 million above the FY21 budget for the Community Choices Program, which provides MassHealth-eligible elders with nursing facility levels of need with home care support. The proposal also provides support for the Home Delivered Meal Program and fully funds the expected caseload in the Elder Home Care Program.

In response to the public health emergency and the disproportionate impact of COVID-19, the Administration infused over \$400 million in a financial and accountability package to support the long-term care industry. In addition, beginning in FY21, the Administration made structural reforms to the MassHealth nursing home rates, including over \$80 million of new investments in line with the recommendations of the legislatively-created Nursing Facility Task Force to promote a high quality, sustainable nursing facility industry. This FY22 proposal maintains this unprecedented investment to ensure our most vulnerable residents have continued access to high- quality care through the pandemic and beyond.

Veterans

The Baker-Polito Administration continues to invest in veterans throughout the Commonwealth and work to improve their quality of life. House 1 provides a total investment of \$94.9 million for the Department of Veterans Services.

This budget proposal includes \$27.1 million in funding for the Soldiers' Home in Holyoke, a \$1.7 million increase over the Administration's Revised House 2 proposal. This investment funds adequate staffing levels at the Home to support quality care and infection control protocols.

To support required staffing and services in preparation for the opening of the Chelsea Soldiers' Home Community Living Center in FY23, House 1 includes \$36.1 million for the Soldiers' Home in Chelsea, a \$6 million increase above the FY21 budget.

MassHealth

The House 1 budget protects the state's Medicaid (MassHealth) program by maintaining all eligibility and benefit levels at pre-COVID-19 pandemic levels.

The proposal recommends \$17.569 billion gross, \$6.910 billion net funding for MassHealth, a change of -3.4% gross, 7.2% net versus FY21 estimated spending. This investment maintains existing benefits while addressing the expected changes resulting from the abatement of the COVID-19 public health emergency. This includes caseload decreases as well as utilization increases and revenue impacts, continued investments in Community Health Center rates, and the annualized impact of restoring full dental coverage for adults.

House 1 includes \$84 million to improve the access and availability of the front door and ambulatory behavioral health services to address current access challenges to treatment which have been further exacerbated by the pandemic. The recommendation includes increased funding to expand Substance Use Disorder treatment and inpatient psychiatric services, including consistency of rates of payment for inpatient psychiatric treatment across the MassHealth system.

This budget proposal incorporates the end of the enhanced Federal Medical Assistance Percentages which is providing \$880 million in one-time funding in FY21. These percentage rates determine the federal share of funding for certain health care and social services and were increased due to the COVID-19 public health emergency.

House 1 includes a \$100 million increase to the hospital assessment in FY22, as well as an extension of the assessment beyond FY22. This assessment will enable EOHHS to significantly expand its investment in hospital services for MassHealth members, preserve critical payments to safety net hospitals, and ensure ongoing sustainability for all hospitals assessed. EOHHS will work closely with its hospital partners to ensure that the assessment meets these objectives prior to seeking federal approval.

House 1 also proposes to restructure and extend the former Community Hospital Reinvestment Trust Fund (CHRTF), which sunsets at the end of FY21, into the Community Hospital and Health Center Investment Trust Fund (CHHCITF). Consistent with the recently enacted health care legislation, community hospitals would initially receive \$35 million and community health centers would receive up to \$12.5 million in FY2022, for a total of up to \$47.5 million per year. Beginning in calendar year 2023, both community hospitals and community health centers would receive up to \$12.5 million, for a total of up to \$25 million per year. The trust is supported by the proposal to hold drug companies accountable for excessive price increases.

House 1 is able to recommend these protections and investments thanks in part to its commitment to managing the growth and sustainability of MassHealth over the last six years. After taking office in 2015, the Administration immediately focused on controlling costs and implementing creative reforms as the program was experiencing consistent year-over-year, double-digit growth. These reforms resulted in substantial decreases in cost growth while maintaining benefits for members and preserving program integrity.

House 1 continues building upon these reforms and includes an outside section that 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.

Substance Misuse

Supporting a broad range of substance misuse prevention and treatment options and recovery supports has been a priority of the Baker-Polito Administration since taking office. The Administration, working closely with the Legislature, has 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.

House 1 invests a total of \$357.3 million in FY22 across a variety of state agencies to address substance misuse, a \$22.1 million (7%) increase above the FY21 budget.

This funding includes a total of \$157 million to the Department of Public Health, \$30 million for the Department of Mental Health, \$105.2 million through a Section 115 Substance Use Disorder (SUD) waiver from the federal government, \$2.6 million for education-related initiatives, and \$62.5 million in criminal justice investments.

Children and Families

Since taking office in 2015, the Baker-Polito Administration has increased funding for the Department of Children and Families (DCF) by \$260.7 million and has championed significant reforms to better protect and care for the Commonwealth's most vulnerable children.

House 1 proposes a total of \$1.088 billion in support for DCF, continuing the Administration's commitment to DCF front-line social workers and to the children and families DCF supports.

The investment includes:

- \$20 million in new funding to support the new congregate care network designed to achieve safety, permanency, and well-being outcomes for 2,000 DCF-involved children, adolescents, and young adults
- \$8 million to continue progress towards a caseload level of no more than 15 clients per caseworker
- Foster care rate increases for foster parents
- Funding of Chapter 766 rate increases for children in privately-run special education schools

This FY22 budget proposal recommends \$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.

House 1 also includes \$169.1 million in funding for the Department of Youth Services in order to support justice-involved youth who are committed and detained youth awaiting judicial action.

Supporting Individuals with Disabilities

This House 1 budget proposal fully funds the Turning 22 Program at the Department of Developmental Services (DDS) and other agencies for the fifth consecutive year. This investment supports a class of over 1,200 young adults and continues the Administration's commitment to fully support a program that was underfunded for nearly three decades.

The proposal includes a total investment of \$2.260 billion to support individuals with intellectual disabilities, an increase of \$127.4 million (6%) over the FY21 budget. DDS supports more than 41,000 clients annually including over 10,000 individuals in full-time residential settings. The budget proposal includes \$133.6 million to annualize Chapter 257 Adult Long-Term Residential (ALTR) rates which incorporate benchmark salaries from the Federal Bureau of Labor Statistics and were implemented in January 2021. This rate increase supports approximately 100 private providers operating over 2,200 24/7 group homes which serve over 7,700 individuals with intellectual and developmental disabilities.

House 1 includes \$7.2 million in total funding for the Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH), a 5% increase over the FY21 budget. This investment includes support for their initiative to expand access to American Sign Language (ASL) interpreters.

This recommendation provides \$1 million across EOHHS and its agencies, including the Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH), to expand the production of vlogs in American Sign Language (ASL) and increase communication access to public services for individuals who are Deaf and Hard of Hearing.

This budget proposal recommends \$67.6 million in funding for the Massachusetts Rehabilitation Commission and \$25.6 million in funding for the Massachusetts Commission for the Blind.

House 1 also includes language from the Administration's FY21 budget proposal which would create 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 improving employment opportunities and economic security for individuals with disabilities.

Behavioral Health

The Baker-Polito Administration continues to put substantial reforms in place in order to increase access to behavioral health treatment including the creation 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. These reforms were further supported by several sections from the FY21 budget that promoted access and affordability of behavioral health service and were originally included in the Administration's health care legislation.

House 1 funds the Department of Mental Health (DMH) at \$943.9 million, a \$32.2 million (4%) increase above the FY21 budget. This investment includes funding to re-procure Children, Youth, and Family Intensive Community Services (ICS) and better meet the needs of children and adolescents. The ICS program builds on the success of the intensive home-based treatment program, allowing many more children and youth to stay home with supports, avoiding lengthy and costly congregate care stays.

Economic Development

On January 14, 2021, Governor Baker signed "An Act Enabling Partnerships for Growth," which will better position the Commonwealth to address and respond to the economic challenges resulting for COVID-19. This legislation provides more than \$626 million in capital authorization to drive economic growth and improve housing stability over the next five years.

The bill directs capital dollars to support advanced manufacturing and target new and emerging opportunities through the technology research and development fund. Importantly, this bill also dedicates key resources for underserved populations with \$25 million in authorization for microbusinesses and another \$35 million for grants to community development financial institutions and community development corporations to support women-owned and minority-owned businesses.

House 1 continues the Baker-Polito Administration's focus on promoting economic development, opportunity, and equity for communities across the Commonwealth. The proposal includes \$4 million for the Small Business Technical Assistance Grant Program for entrepreneurs and small businesses, especially those owned by women, immigrants, veterans, and people of color. It also provides \$1 million for regional economic development grants.

This budget recommendation complements the Administration's ongoing initiatives which are making use of federal and state resources to support small and diverse businesses as they recover from the impacts of the COVID-19 public health crisis. This includes the \$668 million small business relief grant program which is providing financial assistance to Massachusetts businesses by offering grants up to \$75,000 for employee wage and benefits costs, space-related costs, and debt service obligations. This program is targeted toward minority- and women-owned businesses, as well as those sectors most impacted by the pandemic's impacts. It also includes the \$50.8 million small business grant program which was announced in October 2020, as a key component of *Partnerships for Recovery*, the Administration's comprehensive \$774 million plan to get people back to work, support small businesses, foster innovation, revitalize downtowns, and ensure housing stability.

Supporting Local Government

Since taking office in 2015, the Baker-Polito Administration has prioritized being a reliable partner for every city and town throughout Massachusetts. This commitment has continued throughout the COVID-19 pandemic, as the Administration has collaborated with its municipal partners to ensure the continuation of essential government services.

House 1 continues protecting core government functions and providing individuals and their families with access to services and programs which promote a high quality of life. The proposal increases the Unrestricted General Government Aid (UGGA) investment by \$39.5 million compared to the FY21 budget, which is consistent with the expected 3.5% growth in tax revenue. This translates to a total

UGGA investment of \$1.168 billion to local cities and towns across the Commonwealth. Under the Baker-Polito Administration, total annual UGGA has increased by \$222 million (23.5%).

This budget recommendation also continues strong support for the Community Compact Cabinet Program, which is chaired by Lieutenant Governor Polito and provides cities and towns with substantial support and resources in delivering essential government services to the people of Massachusetts.

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.

House 1 provides \$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.

The proposal also includes an outside section that would establish a working group to analyze the future of county government in Massachusetts.

Promoting Equality and Opportunity

Shortly after taking office, Governor Baker created two commissions to identify the needs of Black and Latino residents of Massachusetts and promote racial equality and opportunity. This includes workforce skills, housing, education, career development, and other programs that help create opportunities and skills. Continuing to pursue these important goals remains a key priority for the Baker-Polito Administration – as the impacts of the pandemic have fallen disproportionately on people of color.

House 1 provides over \$30 million to support the recommendations of the Black Advisory Commission (BAC) and the Latino Advisory Commission (LAC) through 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
- \$4.8 million to fund the STEM Starter program at 15 community colleges, impacting 8,000 to 9,000 students
- \$4.5 million for YouthWorks Summer Jobs
- \$2.5 million for early college
- \$2.5 million for the Urban Agenda Program which fosters workforce development and entrepreneurship
- \$1.9 million for the Workforce Competitiveness Trust Fund which supports occupationally-specific training and job placement programs for unemployed individuals
- \$1.5 million for high demand scholarships for Black and Latino students attending public higher education institutions or career technical institutes

House 1 also provides other investments which help implement BAC and LAC recommendations by supporting teacher diversity, small business development, financial literacy, job placement programming, and workforce training.

More recently, in November 2020, the Administration announced a series of measures to continue ongoing efforts to ensure equal opportunity and increase access for diverse companies in state contracting. These measures included legislation that established the Supplier Diversity Office (SDO)

as a separate state agency with tools and resources to ensure accountability and compliance with diversity goals, oversee agency diversity spending, and audit and review spending data. House 1 recommends funding the newly established Supplier Diversity Office at \$2.5 million.

Housing and Homelessness

The COVID-19 global pandemic has intensified existing housing concerns and disproportionately impacted vulnerable populations. In response, the Baker-Polito Administration put in place a comprehensive set of resources, known as the Eviction Diversion Initiative, which includes \$171 million in funding to promote household stability and provide more support for tenants and small landlords. The most recent federal COVID-19 legislation also includes an estimated \$459 million in federal rental assistance for Massachusetts families with past due rent, future rent payments, and to pay utility and energy bills to prevent shutoffs.

The economic development bond bill passed by the Legislature and signed by Governor Baker on January 14, 2021, provides more than \$626 million in capital authorization to drive economic growth, and improve housing stability over the next five years. This includes \$50 million to neighborhood stabilization, \$50 million for transit-oriented housing development, and \$10 million in climate resilient housing that will allow the Commonwealth to support more sustainable and resilient housing. Communities around the state will benefit from a \$40 million authorization for the revitalization of underutilized properties and \$10 million for regional and community assistance, tools that are more important than ever for the COVID-19 recovery. Recognizing the challenges that rural and small towns face, the new rural and small town development fund will provide up to \$20 million to support municipalities on local goals.

The legislation also includes many policy changes that will help Massachusetts businesses, workers, and residents. Foremost among these are the Housing Choice provisions the Administration proposed more than three years ago which will make it easier to build housing in communities that want it. Housing Choice has been a top priority, and thanks to the strong partnership between the Administration and the Legislature, this represents the first significant zoning reform in decades. This legislation also includes language that will encourage multifamily zoning in MBTA communities.

House 1 continues the Administration's ongoing work to promote access to sustainable and affordable housing for individuals and families of all socio-economic backgrounds. The proposal includes \$195.9 million to fund the Emergency Assistance family shelter system, a \$15 million (8%) increase above the FY21 budget. This investment maintains a total of 98 ADA-accessible units annually at an estimated cost of \$5.2 million. House 1 also includes \$26.0 million for HomeBASE Household Assistance to support projected costs for 3,000 households.

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 November 2020. This significant achievement has been made possible in part due to the availability of additional housing and shelter options through budgetary resources.

House 1 also recommends the following investments:

- \$135 million for the Massachusetts Rental Voucher Program (MRVP), to support an estimated 9,771 vouchers in FY22, an increase of 42% compared to FY15
- \$75 million in funding for Local Housing Authorities
- \$54.9 million to maintain an estimated 2,000 beds, services, and day programs at homeless shelters for individuals
- \$10.5 million for the DMH Rental Subsidy Program, a collaborative program through which DMH provides mental health services and DHCD provides rental assistance

- \$10.6 million for the Alternative Housing Voucher Program which provides mobile housing vouchers to the non-elderly disabled and supports 1,880 families and individuals
- \$4.9 million for the Homeless Individuals Rapid Rehousing Program
- \$4.8 million for Housing Consumer Education centers to provide direct support to households facing housing insecurity
- \$1 million for public housing reform

Transportation

The COVID-19 pandemic and the resulting public health response have impacted the transportation patterns and demands of people throughout Massachusetts. These changing travel needs, and the new fiscal dynamics, have required strategic consideration and planning to ensure the Commonwealth is able to meet the current and future needs of its travelers.

Throughout the COVID-19 public health crisis, the Baker-Polito Administration has continued to invest in the Commonwealth's transportation systems to ensure all individuals have access to safe, modern, reliable, and effective travel options.

Governor Baker recently signed legislation authorizing over \$16 billion in capital spending to invest in building and modernizing a transportation system that meets the needs of residents, businesses, and municipalities across the Commonwealth. Of note, this legislation creates the long anticipated Next Generation Bridge Program, which will dramatically accelerate the Commonwealth's bridge investments. The legislation provides authorization for several local transportation programs, which have become very popular with municipalities over the past six years, including the Municipal Small Bridge Program, Complete Streets Funding Program, and the more recent "public realm" improvements in the COVID-related Shared Streets and Spaces Program. The legislation also supports a suite of new programs focused for municipalities, from the new Municipal Pavement program, to assistance to communities seeking to improve transit infrastructure and connectivity.

House 1 continues efforts to accelerate the pace of construction projects, improve capital delivery, and allow investments to be made using methods and procedures that appropriately balance safety, efficiency, and reliability. House 1 includes language previously filed in the Administration's Transportation Bond Bill which would enable MassDOT and the MBTA to enter real estate deals that include mitigation for public facilities, allow MassDOT to utilize the alternative contract method of "A+B" or "cost-plus-time" bidding, and 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.

This budget proposal also includes language that would improve the collection of data regarding trips made by Transportation Network Companies (TNCs) throughout Massachusetts. This measure would allow the Commonwealth to analyze TNC trips, which play a role in traffic congestion and emissions, and better understand what ridership and congestion patterns are going to look like after the pandemic.

MBTA

The COVID-19 pandemic and the related economic impacts have caused ridership to sharply decline at public transit agencies across the country. The Massachusetts Bay Transportation Authority (MBTA) continues to transport 330,000 trips on an average weekday, which is a significant reduction from the 1.26 million daily trips the MBTA would transport prior to the pandemic.

As a result, the MBTA has carried out its Forging Ahead initiative and implemented short-term service adjustments while ridership remains low relative to the amount of service provided. These temporary

changes ensure service remains in line with ridership and sustain resources to help increase service levels when ridership and durable revenue returns.

The FY21 House 1 budget proposal continues strong current and future support for public transit and provides a total investment of \$1.36 billion. This includes an estimated consensus sales tax figure of \$1.174 billion, \$127 million in operating assistance, as well as \$60 million in supplemental capital assistance.

The MBTA is also estimated to receive between approximately \$250 million and \$300 million through the federal government's most recent COVID-19 legislation to reimburse operating expenses and backfill lost revenue. The MBTA will carefully implement these resources to ensure they are available to support the system throughout the coming months and as ridership returns.

Additionally, House 1 contains language from the Administration's original FY21 budget proposal which establishes a new, permanent governance structure for the MBTA to replace the MBTA Fiscal and Management Control Board (FMCB). After being extended for one-year in June 2020, the FMCB is set to sunset per statute on June 30, 2021.

The FMCB was created following the winter of 2015 in order to monitor the agency's finances, management, and operations, and improve the safety and reliability of the system, and has done its job well. But as the FMCB has recognized and recommended, the time has come for the MBTA to have a permanent governance structure independent of the MassDOT Board of Directors.

The proposal creates a seven-member board including the Secretary of Transportation, a representative from the communities which contribute revenue to the MBTA via assessments (selected by the MBTA Advisory Board), a safety expert, and various subject matter experts appointed by and accountable to the Governor.

MassDOT

House 1 recommends \$401.6 million in total funding for the Massachusetts Department of Transportation (MassDOT), a \$20.5 million (5%) increase over the FY21 budget.

This investment fully supports the Registry of Motor Vehicles (RMV) which issues and maintains credentials for approximately 5.8 million people across the Commonwealth. House 1 includes \$11.3 million in funding for the Merit Rating Board, an approximately \$300k (3%) increase over the FY21 budget to support additional safety critical information technology and cyber security improvements.

This funding includes \$95 million dedicated for snow and ice response operations which can make use of over 3,900 pieces of equipment at various times during winter storms. This investment also funds operations at the MassDOT Highway Division which maintains nearly 10,000 lane-miles of roadway and 3,500 bridges, the Rail and Transit Division which owns 16 rail lines totaling nearly 300 miles of track, and the Aeronautics Division which supports 36 public-use general aviation airports.

The FY21 budget proposal provides 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 performance grants for RTAs that best demonstrate a commitment to service decisions, quality of service, and environmental sustainability. RTAs in Massachusetts received over \$213 million through the federal CARES Act and are expected to receive significant additional funding through the most recent federal COVID-19 legislation and therefore will be able to serve existing and returning customers at this state appropriation level.

Labor and Workforce Development

COVID-19 and its resulting economic impacts have created challenges for businesses and employees throughout Massachusetts. This House 1 budget proposal recommends significant investments to provide businesses, employees, and unemployed individuals with the resources necessary for stability and security during the ongoing economic recovery. This includes a total of \$87.3 million for the Executive Office of Labor and Workforce Development (EOLWD).

House 1 provides a total of \$16.9 million in funding between EOLWD and the Department of Elementary and Secondary Education (DESE) to continue transforming vocational high schools into Career Technical Institutes running three shifts per day. This Career Tech initiative is designed to train 20,000 new workers over four years in skilled trades and technical fields including plumbing, HVAC, manufacturing, and robotics. This consists 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.

Sexual Assault and Domestic Violence

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 six 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.

House 1 includes \$96 million in total funding to continue addressing this key priority, a \$13.2 million (16%) increase over the revised FY21 budget recommendation and a 48% increase from FY15.

This investment includes \$50.3 million 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. \$6 million would 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. The proposal also includes \$1 million for the 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 recommendation includes a total of \$1.7 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.

House 1 also provides a total of \$33.8 million to the Department of Housing and Community Development to continue 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

Law enforcement and first responders throughout the Commonwealth face increasingly complex challenges as they help ensure the safety and security of all residents and visitors in Massachusetts.

The Baker-Polito Administration, together with its partners in the Legislature, continues to support law enforcement while also working to increase trust and accountability. On December 31, 2020, Governor Baker signed into law police reform legislation which creates a mandatory certification process for police officers, increases accountability and transparency in law enforcement, and gives police departments a greater ability to hire or promote only qualified applicants. Resources to support the implementation of this law, which is creating the new Peace Officer Standards and Training commission, are expected to be requested in future supplemental spending legislation.

House 1 continues to invest in improving and strengthening public safety by recommending \$1.309 billion in total funding for the Executive Office of Public Safety and Security, a 2% increase above the FY21 budget.

This proposal provides \$747.5 million for the Department of Correction, including \$213.9 million for medical and mental health contract costs. The total annual amount spent on inmate services has more than doubled since the Baker-Polito Administration took office in 2015.

House 1 proposes \$4.1 million for the Massachusetts Emergency Management Agency (MEMA), a \$2.2 million increase from the FY21 budget. This increased investment would improve the state of readiness across the Commonwealth and enable MEMA to do more frequent and in-depth reviews on emergency management plans, increase trainings and exercises, add staffing, and warehouse critical commodities. Throughout the pandemic, MEMA has played a critical role in several key priorities, including PPE warehousing and distribution and food security efforts.

The proposal recommends \$415.3 million for the Massachusetts State Police. This includes \$23.1 million for the State Police Crime Lab to support measures associated with criminal justice reform legislation as well as support for the 87th RTT class which is expected to graduate in October 2022.

Additional public safety investments in House 1 include:

- \$661.3 million for the fourteen Sheriff's Departments in Massachusetts
- \$61.8 million for reentry and diversion planning across the Commonwealth
- \$64.1 million to continue funding for the clinical contract at Bridgewater State Hospital
- \$31.6 million to support the Department of Fire Services
- \$20.9 million for the supervision of parolees leaving custody and returning to local communities
- \$18.9 million for the Office of the Chief Medical Examiner
- \$11.3 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

Energy and the Environment

The Baker-Polito Administration continues to promote policies and investments which protect the natural environment, address climate change, and encourage the use and development of clean energy and energy efficiency.

On December 21, 2020, Governor Baker joined officials from other New England States and Washington, D.C., in signing a Memorandum of Understanding committing to a groundbreaking multi-state program to reduce motor vehicle pollution by at least 26 percent and generate over \$1.8 billion in

Massachusetts by 2032. The bipartisan Transportation and Climate Initiative Program (TCI-P) would allow participating jurisdictions to invest in equitable, cleaner transportation options, and create significant new employment opportunities while substantially improving public health across the Commonwealth and New England.

Building on its ambitious commitment to achieve Net Zero greenhouse gas (GHG) emissions in the Commonwealth by 2050, the Administration recently released two reports – the Massachusetts 2050 Decarbonization Roadmap Report and an interim 2030 Clean Energy and Climate Plan (CECP) – that detail policies and strategies to equitably and cost-effectively reduce emissions and combat climate change. To maximize the Commonwealth's ability to meet its 2050 target, the Executive Office of Energy and Environmental Affairs (EOEEA) set an interim 2030 statewide emissions limit of 45% below 1990 levels.

With 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 municipalities throughout the Commonwealth are prepared for climate change. Through the largest investment in climate change resilience funding for Massachusetts cities and towns in state history, \$44 million has been awarded to municipalities in grants through MVP to identify vulnerabilities to climate change and implement projects that build local resilience. Nearly 90% of municipalities have been designated as MVP Communities by the Administration since 2017 due to their work through the MVP program in planning for and adapting to climate change.

House 1 builds on this significant progress and recommends a total investment of \$293.3 million for EOEEA.

This investment includes \$2.2 million for climate change adaptation and preparedness in order to support personnel, data collection, programs such as MVP and the State Hazard Mitigation and Climate Adaptation Plan (SHMCAP).

The proposal provides \$62.4 million for the Department of Environmental Protection (DEP). This funding includes support for dedicated personnel working to protect residents and communities from per- and polyfluoroalkyl substances (PFAS) in drinking water and implement the new PFAS drinking water standards created by the Administration. These personnel are tasked with implementing a sampling program, responding to contamination, and carrying out remediation efforts. An additional \$1.3 million at the Department of Public Health would enable proactive inspections and testing of bottled water and food supplies for PFAS contamination.

House 1 recommends \$29.2 million for the Department of Agricultural Resources. This investment includes \$1.4 million for addressing the spread of mosquito-borne diseases like Eastern Equine Encephalitis as well as \$959k for cannabis and hemp oversight.

House 1 includes \$20 million for the Massachusetts Emergency Food Assistance Program supporting more than 24.8 million healthy and nutritious meals for individuals in need. These resources complement the efforts of the Administration's Food Security Task Force which is working to address urgent food insecurity needs because of the COVID-19 pandemic. 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. The most recent COVID-19 federal legislation also includes additional nutrition and agriculture funding for Massachusetts and its residents including enhanced SNAP and P-EBT benefits, along with initiatives such as child nutrition programs, the Emergency Food Assistance Program, and the Coronavirus Assistance Program.

The Administration included \$32.2 million in funding for the Department of Fish and Game in House 1. This funding would support efforts by the Division of Marine Fisheries (DMF) to implement new conservation measures for whales and sea turtles as part of the upcoming amendments to the Atlantic Large Whale Take Reduction Plan and as part of DMF's application for an Incidental Take Permit under the Endangered Species Act.

House 1 also includes:

- \$102.5 million for the Department of Conservation and Recreation
- \$20.8 million for the Department of Public Utilities
- \$4.5 million for the Department of Energy Resources

Securing and Modernizing Government IT

The Baker-Polito Administration continues to invest in technology infrastructure to improve cyber security capacity, enable a modern workplace for a hybrid workforce, and provide secure and quality digital information, services, and tools.

The COVID-19 pandemic highlighted the clear value of investments in flexible, reliable, and resilient technology systems that support continuity of government services and enable our citizens and businesses to operate online. With a focus on security as the foundation to a more secure, more resilient, and more stable technology infrastructure, the Commonwealth is positioned to adapt and modernize its technology systems to meet the evolving needs of 'the future of work' in the digital era.

As part of the COVID-19 response, the Administration implemented several technology-related initiatives and measures. This response included rapidly transitioning approximately 20,000 employees to remote working arrangements with the deployment of devices and a new VPN service, standing up cloud-based contact centers for the Department of Unemployment Assistance to support the unprecedented claims volume, and developing and publishing an extensive digital communications campaign in support of the Department of Public Health. Additionally, the Administration launched AlertsMA and Resident Connection AlertsMA to support public health messaging campaigns throughout the emergency.

House 1 supports \$138.8 million in estimated spending in FY22 by the Executive Office of Technology Services and Security (EOTSS). This funding would allow for continued support for the Commonwealth's technology needs and support initiatives and investments such as:

- Management of Cyber Security Operations Center (SOC)
- Continued implementation of Security Incident Event Management (SIEM) software platform across the Commonwealth
- Deployment of modern workplace single-device platform across the Executive Branch
- Continued migration of applications and infrastructure to cloud, third-party on-premise, and Software as a Service (SaaS)
- Continuation of EOTSS Customer and Service Engagement Enhancement Program
- IT Strategy Services to state agencies
- Business Intelligence (BI) and Data Analytics support for agencies
- Centralized software and IT contract compliance program

Conclusion

The Baker-Polito Administration, in coordination with its partners at the state, local, and federal levels, has carried out an unprecedented response to the COVID-19 public health emergency. As the Commonwealth begins transitioning away from one-time revenue sources and spending related to the pandemic, this House 1 budget recommendation continues supporting ongoing efforts to ensure public health and promote economic growth and recovery.

This proposal protects essential government services, maintains fiscal stability and responsibility, and invests in key priorities including education and economic development – all without raising taxes on the Commonwealth's residents or increasing risks for future state budgets.

The Baker-Polito Administration looks forward to working with the Legislature to develop a final spending plan for Fiscal Year 2022 that continues to deliver the core programs and services that are important to the people of the Commonwealth. We appreciate the prompt consideration of these recommendations.