

FY 2024 BUDGET RECOMMENDATION BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Investing in the Commonwealth's Workforce

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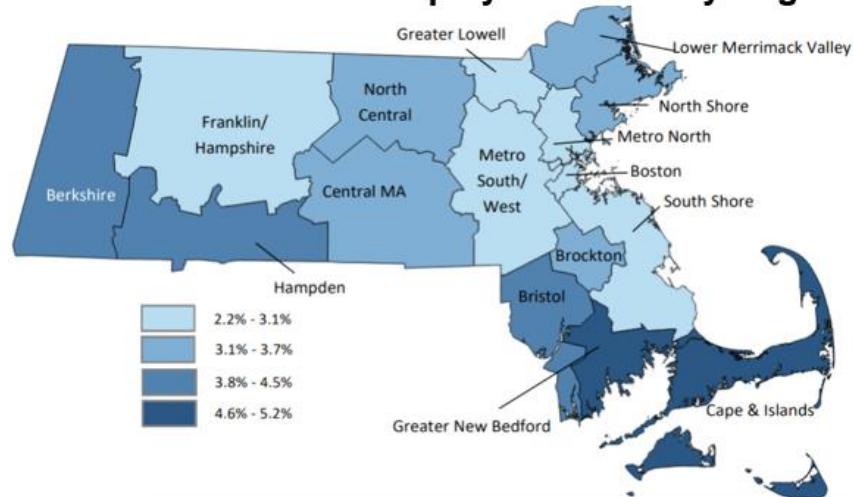
Introduction

The Healey-Driscoll administration is committed to developing a pipeline of skilled workers who will bolster the Commonwealth's economy and to increasing individuals' access to fulfilling and productive employment. The administration's FY24 H.1 budget recommendation builds upon existing programs to expand the Commonwealth's support for successful workforce development initiatives and introduces new programs focused on connecting Commonwealth residents with well-paying jobs.

Employment in Massachusetts

In December 2022, the Commonwealth's unemployment rate was 3.2%, approximately 1% lower than a year prior, which suggests "full employment," or the maximum employment level that can be reached without undue inflation. Even so, the unemployment rate may still be high for certain demographics, or the labor force participation rate may be low.

Massachusetts Unemployment Rate by Region



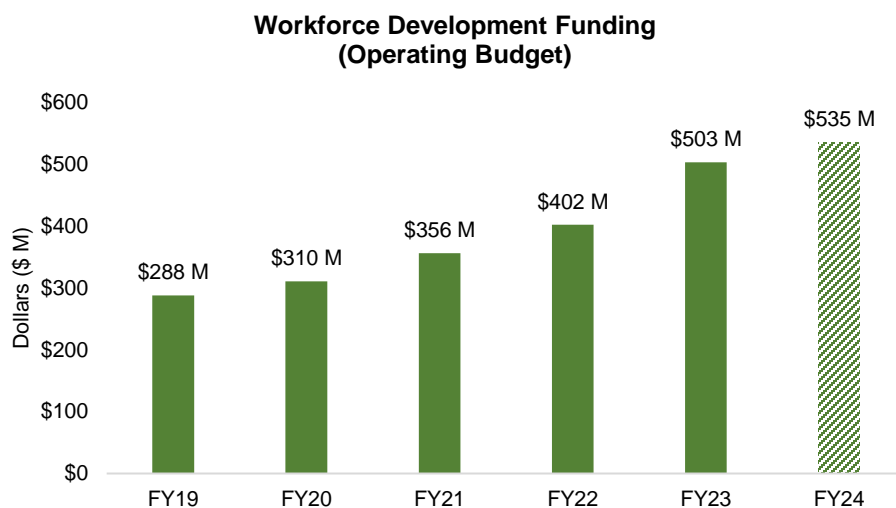
Therefore, in FY24, the Healey-Driscoll administration will focus on:

1. Closing workforce skills gaps to ensure that all Commonwealth residents are equipped to meet the needs of potential employers and that the Commonwealth's businesses have the capacity to thrive
2. Investing in workforce development resources for industries currently facing workforce shortages, such as healthcare, transportation, and technology
3. Reengaging underemployed and/or discouraged individuals who have exited the labor market

Workforce Development Spending at a Glance

The FY24 H.1 budget recommendation includes \$535.4 million in proposed workforce development spending across state government. This funding level represents a \$32.4 million (6%) increase over the FY23 budget and a \$247.9 million (86%) increase over pre-pandemic baseline spending (FY19). Notable new investments include:

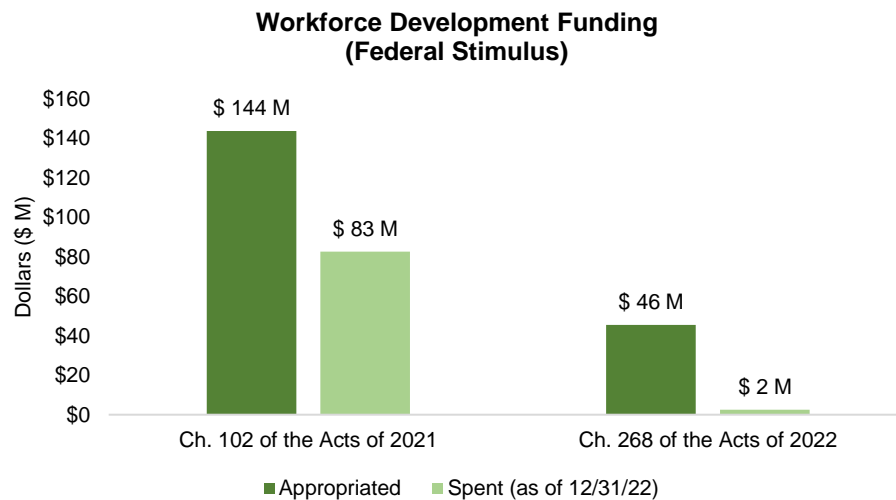
- \$21 million to expand job training in the clean energy industry
- \$20 million to establish MassReconnect, making community college free for Massachusetts residents over the age of 25 without a college degree
- \$14.4 million (\$46.9 million total) to expand access to Early College and Innovation Pathways programs
- \$4 million (\$5 million total) to increase apprenticeship opportunities by approximately one-third



H.1 also continues to support core workforce development programs, such as:

- Adult Basic Education programs to teach adults English, prepare them for the High School Equivalency Test, and facilitate transitions into post-secondary education
- Community Day and Work Programs for individuals with developmental disabilities
- Career Technical Institutes, which increase opportunities to retrain for high-demand occupations at vocational high schools running three shifts a day, including a night program for adults with credentialing, wrap-around, and placement services
- YouthWorks (Summer Jobs for At-Risk Youth), which provides job subsidies and soft skills curriculum for young adults between the ages of 14 and 25
- Workforce Competitiveness Trust Fund, which provides grant funding to pay for recruitment, education, training, and wraparound supports to build an occupational pipeline for participating employers
- MassHire Career Centers, which are primarily federally funded program but also receive operating funding to offer employment and job training services to job seekers

In addition, significant pandemic-related federal stimulus funding supplements these operating budget investments. Of the \$189.2 million appropriated for workforce development-related spending through [Chapter 102 of the Acts of 2021](#) (“ARPA”) and [Chapter 268 of the Acts of 2022](#) (“Economic Development Bill”), approximately \$104.2 million remains available to be spent through 2026. Distributing this funding quickly and equitably is a priority of the [Workforce Skills Cabinet](#), which the Healey-Driscoll administration plans to expand in FY24.



Careers in Clean Energy

FY24 H.1 includes a \$35 million transfer to the Massachusetts Clean Energy Center (MassCEC), which funds initiatives focused on reducing greenhouse gas emissions while investing in the clean energy economy, consistent with the [Massachusetts Clean Energy and Climate Plan for 2025 and 2030](#). Of this amount, \$21 million will facilitate partnerships with public higher education institutions and trades to increase training and re-training opportunities with the goal of expanding access to work in the clean energy industry. Specifically, MassCEC will focus its workforce development partnerships on clean transportation, building decarbonization, and renewable energy training opportunities. According to [MassCEC's 2022 Clean Energy Industry Report](#), Massachusetts employed more than 104,000 workers in the clean energy industry at the end of 2022. With this \$21 million investment, the Healey-Driscoll administration launches its efforts to expand the clean energy workforce; the administration aims to add at least 29,500 jobs in this industry by 2030.

MassReconnect

The Healey-Driscoll administration recognizes the important role that access to higher education plays in the lives of our residents and the strength of our workforce. For this reason, H.1 dedicates \$20 million to launch the [MassReconnect](#) scholarship and [Student Success](#) program, supporting residents 25 years and older with free associates degrees and high-quality certificates and public community colleges. MassReconnect is a program to help support students 25 years old and older complete their education and train them for good jobs in critical industries, including health care, education, clean energy, advanced manufacturing, and behavioral health. This financial support is not contingent on high school GPA and allows

for part-time enrollment with the goal of minimizing barriers to higher education that impede students who need to work or support families. Census data from 2020 indicates that more than 1.8 million Massachusetts residents may be eligible to participate in the program. See the [FY24 MassReconnect budget brief](#) for more information on this program.

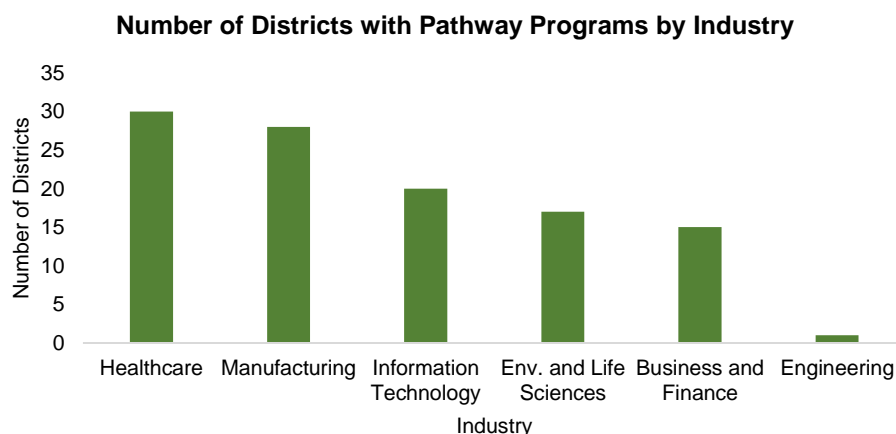
Early College and Innovation Pathways

Early college programs blend elements of high school and college to provide students with opportunities to complete college-level coursework while exploring potential career paths. By reducing the time and expense of earning college credentials, early college programs increase the likelihood that individuals will complete their college degree or certificate programs. Fifty-one Massachusetts high schools participate in early college partnerships at 24 institutions of higher education.

The Innovation Pathways program connects high school students with coursework and work opportunities in high-demand industries, such as manufacturing, healthcare, and information technology. At the beginning of the 2022-2023 school year, approximately 5,700 students were enrolled in Innovation Pathways programs.

To provide more access for students to career and college readiness programming, H.1 includes \$46.9 million for pathways programs including Early College and Innovation Pathways, a \$14.4 million expansion over FY23. This investment includes a \$3 million (+30%) increase in Early College Program grants and technical assistance to high schools implementing pathways programs and a \$1 million (+22%) increase in Innovation Pathways for implementation and planning grants. This also includes a \$10 million investment in broader pathway program support, allowing flexibility in expanding pathways for students. This investment will expand opportunities for high school students across the Commonwealth to explore college and career pathways before graduating from high school.

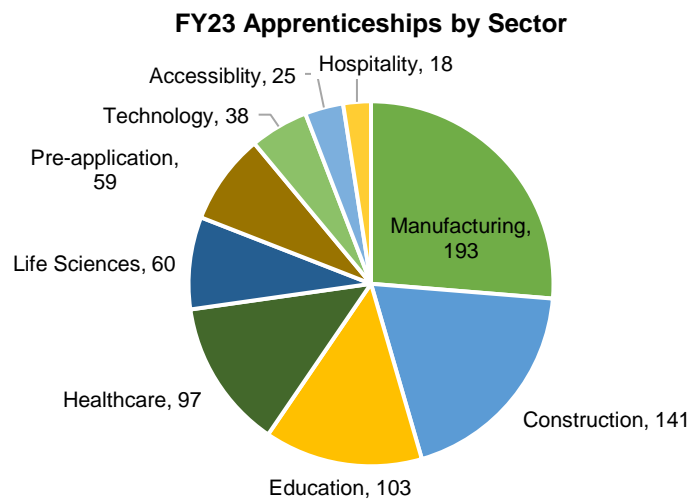
The Early College program under this budget would provide approximately 18,122 students in the 2023-2024 school year with the opportunity to earn up to 12 college credits before graduating, and the Innovation Pathways will enroll approximately 10,194 students in coursework across priority industries, including IT, engineering, healthcare, life sciences, and advanced manufacturing.



Registered Apprenticeships

The FY24 H.1 budget recommendation includes \$5 million for the Registered Apprenticeship program, which will fund 684 apprenticeships in FY24. Federal funding will support an additional 319 apprenticeships (1,003 total). This represents a one-third increase over FY23 apprenticeship opportunities in Massachusetts. The Division of Apprenticeship Standards will prioritize the expansion of apprenticeships in healthcare and nursing, teaching, biotechnology, and financial services, in addition to pursuing opportunities to increase diversity in construction and trade apprenticeships.

The proposed tax relief package, filed as companion legislation to H.1, also broadens the set of industries that may claim an existing tax credit available to corporations and pass-through entities who provide apprenticeship opportunities.



Self-Sufficiency Program

H.1 includes a dedicated \$1.5 million line item for a Self-Sufficiency Program. Modeled on the Federal Self-Sufficiency Program, this program will provide funding to Housing Authorities and Regional Administering Agencies for one staff member each to help state-aided public housing residents and MRVP voucher holders achieve better economic outcomes through education, job training, and employment. The staff member will offer coaching, guidance, and connection to programs. A key component of this initiative is the creation of escrow accounts that hold the increases in rents program participants pay as their incomes rise, which become participants' savings accounts when they complete the program, resulting in reduced reliance on public assistance and, in some cases, homeownership.

Looking Ahead

In FY24, the administration will continue to explore and expand investments in the workforce that prioritize equity and sustainability and increase the Commonwealth's competitiveness.