

FY 2025 BUDGET RECOMMENDATION BUDGET BRIEF

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



Investing in Our Workforce

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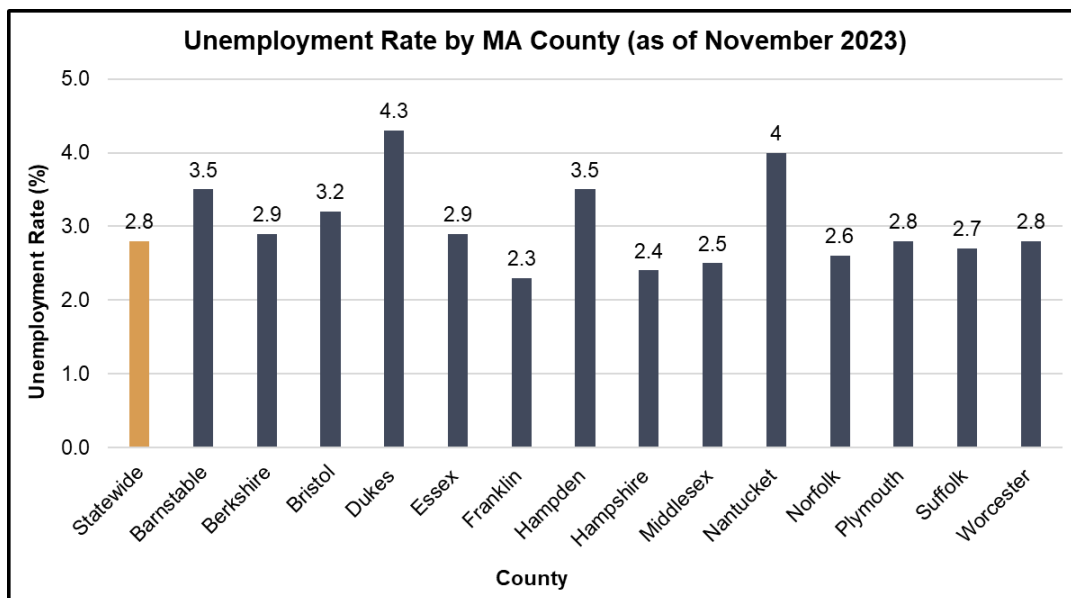
Introduction

The Healey-Driscoll Administration is committed to developing a pipeline of skilled workers who will bolster the state's economy and to increasing individuals' access to meaningful employment. The administration's FY25 House 2 budget recommendation builds upon existing programs to expand the state's support for successful workforce development initiatives and introduces new programs focused on connecting Massachusetts residents with well-paying jobs.

Employment in Massachusetts

In November 2023, the seasonally adjusted Massachusetts unemployment rate was 2.9% (compared to 3.7% nationally), a 0.8% decrease compared to our state's rate in November 2022. While the state's overall unemployment rate is currently indicative of a healthy workforce, the Healey-Driscoll Administration remains committed to improving employment outcomes for all Massachusetts jobseekers. In particular, the administration strives to empower those whose experiences are not accurately portrayed by our state's low overall unemployment rates.

The chart below reflects seasonally unadjusted unemployment rates by county.



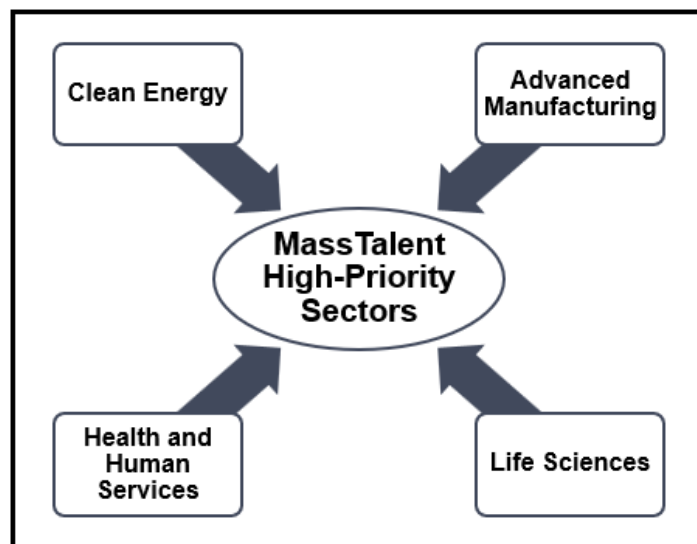
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In FY25, the Healey-Driscoll Administration will continue to focus on:

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

MassTalent

To fully leverage the powerful resources, workforce expertise, and strategic partnerships across state government, the Healey-Driscoll Administration launched MassTalent in 2023, with the goal of creating a streamlined user experience for employers to find trained talent and for jobseekers to access career exploration and training. MassTalent is currently focused on four priority sectors as displayed below.



MassTalent will help employers and job seekers navigate the many job skills training programs that exist statewide in each of the four priority industries.

A component of MassTalent, the Pathmaker training program operated by the Massachusetts Life Sciences Center is supporting partnerships between industry and training providers to build the skilled workforce needed in this high-growth industry. MassMakes, operated by the Massachusetts Technology Collaborative, also brings industry expertise and input into the training development process to ensure our workforce is being trained in the skills needed for the future.

Workforce Development Spending at a Glance

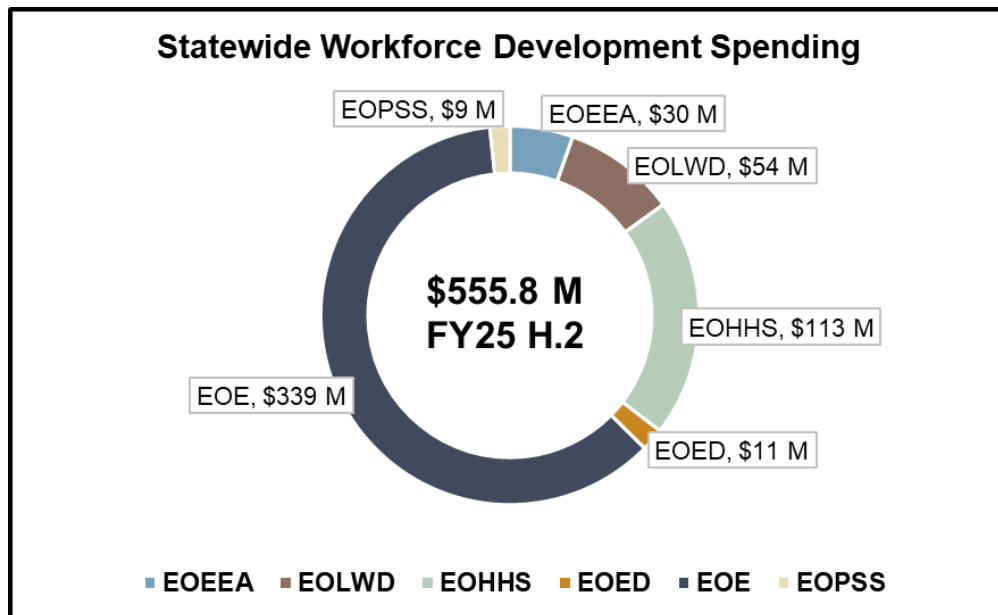
The FY25 House 2 budget recommendation includes \$555.8 million in proposed workforce development spending across state government. Included in this recommendation are many programs that were first introduced by the administration in the FY24 House 1 budget and ultimately adopted in the FY24 GAA, signaling the administration's emphasis on generating equitable workforce opportunities. Notable investments include:

- \$24 million to uphold MassReconnect, making community college free for Massachusetts residents over the age of 25 without a college degree
- \$20.4 million to support access to Early College and Innovation Career Pathways programs, including a new Clean Energy Innovation Pathway announced in 2023
- \$5 million to advance critical clean energy training programs
- \$5 million maintained for the Secure Jobs program to combine housing and workforce development supports
- \$4 million added to expand the capacity of MassHire Career Centers in providing one-stop employment services and to continue the role of MarketMakers to help employers navigate workforce development resources and needs

House 2 also continues to support core workforce development programs, such as:

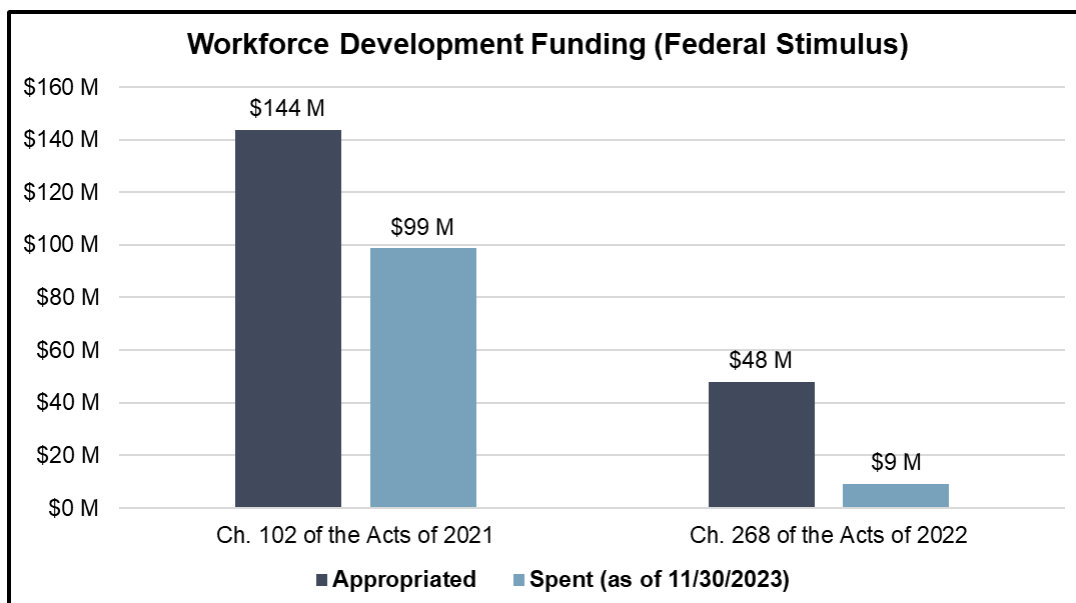
- \$59.4 million for Adult Basic Education programs to teach adults English, prepare them for the High School Equivalency Test, and facilitate transitions into the workforce or post-secondary education
- \$15.7 million for YouthWorks (Summer Jobs for At-Risk Youth), which provides job subsidies and soft skills curriculum for young adults between the ages of 14 and 25
- \$10 million for 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
- \$10.4 million for Career Technical Institutes, which increase opportunities to train individuals for high-demand occupations by leveraging vocational high schools, including a night program for adults with credentialing, wrap-around, and employment placement services

The chart below reflects House 2 investments in workforce development programs across the Education (EOE), Health and Human Services (EOHHS), Labor and Workforce Development (EOLWD), Energy and Environmental Affairs (EOEEA), Economic Development (EOED), and Public Safety (EOPSS) secretariats.



Federal Workforce Development Spending

In addition, significant pandemic-related federal stimulus funding supplements these operating budget investments. Of the \$191.6 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 \$83.9 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 will continue to champion FY25.



Careers in Clean Energy

FY25 House 2 builds on clean energy commitments and maintains \$30 million for the Massachusetts Clean Energy Center (MassCEC), which funds initiatives focused on reducing

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greenhouse gas emissions while investing in the clean energy economy, consistent with the Massachusetts Clean Energy and Climate Plan for 2025 and 2030. This sustained investment will help 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. With this investment, the Healey-Driscoll Administration advances its efforts to bolster the clean energy workforce.

Supports in Health and Human Services

The Healey-Driscoll Administration will reduce barriers to training and employment in the health and human services sector by investing in certified nurse aid (CNA) testing in languages other than English and in increasing our clinical nurse educators and faculty. For more information on this investment, please see the **Mass Cares: Promoting Health, Resilience, and Independence** budget brief.

House 2 also maintains critical programs at EOHHS to ensure residents are able to work, including:

- \$49.8 million Community Day and Work at the Department of Developmental Services (DDS) which connects people with developmental disabilities to employment services, job training, and counseling
- \$26.2 million for Vocational Rehabilitation at the Massachusetts Rehabilitation Commission (MRC) which connects disabled residents with job skill retraining programs and employment services
- \$24.4 million for employment services at the Department of Transitional Assistance (DTA). Through specific programs for different populations, these services connect DTA clients with career pathways and resolve barriers to continued employment
- \$300,000 for workforce development of ASL interpreters at the Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH)

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, House 2 dedicates \$24 million to continue the MassReconnect scholarship program which supports students 25 years old and older complete their education and train them for good jobs to support industries across the state. 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. Since its creation in FY24, more than 4,500 students have received MassReconnect grants, including more than 2,000 new students 25 years and older who enrolled in community colleges this past fall semester. More than 8,400 new students ages 25+ enrolled in community colleges in fall 2023, a 45% increase over fall 2022. For more information on MassReconnect, please see the **Access to Education** budget brief.

Early College and Innovation Pathways

Early college programs combine high school and college programming, providing students with opportunities to complete college-level coursework for free 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. As of FY24, 58 high schools are participating in more than 50 partnerships with higher education institutions, allowing more than 8,200 students to participate in Early College. With the funding proposed in House 2, approximately 10,000 Early College students are expected to enroll in the 2024-2025 school year.

The Innovation Career Pathways program connects high school students with applied, hands-on learning and work opportunities in high-demand industries, such as manufacturing, healthcare, and information technology. As of FY24, 78 high schools have Innovation Career Pathways programs, allowing close to 7,000 students to enroll in the program. In FY25, approximately 8,400 students are expected to be enrolled in coursework across priority industries.

Registered Apprenticeships

Registered Apprenticeship programs have a proven track record in meeting the workforce needs of our state's key industries, including the construction and the building trades. The FY25 House 2 budget recommendation includes \$3.8 million for the Registered Apprenticeship program. The Division of Apprenticeship Standards will prioritize the expansion of apprenticeships in areas such as healthcare and human services, education, biotechnology, and financial services, in addition to pursuing opportunities to increase diversity in construction and trade apprenticeships.

The tax relief package, signed into law by Governor Healey in October 2023, also broadens the set of industries that may claim an existing tax credit available to corporations and pass-through entities who provide apprenticeship opportunities.

