

Gov. Charlie Baker files Massachusetts \$840 Million Fiscal Year 2022 supplemental budget

Governor Charlie Baker today is filing a final Fiscal Year 2022 (FY22) supplemental budget that proposes investments in transportation, health and human services, school safety and other fiscal year closeout needs.

The proposal includes approximately \$1.622 billion gross / \$840 million net spending and is supported by an FY22 state revenue surplus of \$2.3 billion – up from a preliminary surplus figure shared in early August of \$1.9 billion. This surplus figure accounts for \$2.941 billion in refunds that will be returned to taxpayers under Chapter 62F, the state law that requires net state tax revenues that exceed allowable revenues be returned to taxpayers. The Department of Revenue today submitted this amount in its annual report to the State Auditor for certification. The Auditor is required to certify if the threshold under 62F has been met by September 20.

Revenues in FY22 exceeded Fiscal Year 2021 revenue collections by approximately 20.5%. This fiscal year, \$2.3 billion was deposited into the Stabilization Fund, bringing the FY22 balance to a historic \$6.9 billion.

“With tax revenues coming in far above budgeted amounts this year, the Commonwealth is well-positioned to deliver relief to taxpayers, while still making investments in key areas, like transportation, as we close the fiscal year,” said Governor Charlie Baker. “Our administration is confident that with these high surplus revenues, there remains more than enough funding to support the tax relief, economic development and

climate infrastructure proposals that are under consideration in the Legislature.”

“The supplemental budget proposal will fund many important priorities including strengthening school infrastructure, making significant investments in transportation and providing more resources for individuals dealing with substance misuse issues,” said Lt. Governor Karyn Polito. “We look forward to working with the Legislature to enact this proposal to address these needs throughout the Commonwealth.”

The supplemental budget proposed today does not fully allocate the FY22 state surplus. Instead, it leaves \$1.5 billion of the surplus available, which in combination with \$2.2 billion remaining in American Rescue Plan Act Funds, is sufficient to support the tax relief measures and other critical investments in the FORWARD/economic development bill pending with the Legislature.

The supplemental budget proposal includes targeted investments in transportation, with \$200 million proposed to support the MBTA’s work to address the Federal Transit Administration’s safety directives and \$10 million to establish a training academy that will create a talent pipeline to address MBTA staffing challenges.

The proposal also recommends \$37.3 million to support a number of school safety initiatives announced last week by the Administration, which includes \$20 million for matching grants that will enable security and communications upgrades in K-12 schools and public higher education institutes and \$10 million for child care providers to support safety measures and multi-hazard emergency planning.

Other notable investments include:

- \$108 million net for a reserve to support ongoing and future potential costs related to COVID-19, including for personal protective equipment, testing, treatment and vaccines

- \$50 million to support the construction, development and capacity of new provider-operated community housing options for individuals being discharged from skilled nursing facilities and psychiatric, chronic and rehabilitation hospitals
- \$39 million to modernize the Commonwealth's information technology infrastructure, improve cybersecurity and resiliency efforts and optimize space efficiency across Executive department offices
- \$30 million to support the implementation of federal funding received through the Infrastructure Investment and Jobs Act in Fiscal Year 2023, including for project design, permitting, real estate transactions, and engineering
- \$30 million to support the appointment of a guardian ad litem in Department of Children and Families custody cases
- \$20 million to address the needs of immigrants and refugees, including temporary housing costs
- \$20 million to establish regional low threshold housing for homeless or housing unstable individuals with substance use disorder

Outside policy sections propose necessary corrections that will allow for the successful implementation of various new statutes that became law earlier this month, including related to new offshore wind development tax credits, the employment of Massachusetts National Guard personnel, and the 1% allocation of the retail sales price of marijuana based on social equity businesses. Another correction proposed follows other similar statutes to allow the Department of Revenue to intercept sports wagering winnings for outstanding child support and tax debts.

The legislation also includes several other policy proposals, including those that would:

- Establish a trust fund in tandem with the \$50 million appropriation noted above to increase provider-operated community housing options

- Provide the Department of Veterans' Services with the authority to access the FBI national criminal database prior to hiring employees for the Soldiers Homes located in Chelsea and Holyoke, in order to ensure that our most vulnerable residents are kept safe and secure
- Establish effective and efficient administrative processes through which the Department of Public Health will manage the licensure and oversight of Registered Sanitarians and Certified Health Officers
- Mandate the appointment of a guardian ad litem in every proceeding at the Juvenile Court in which it is alleged that a child has been subjected to child abuse or neglect to serve as an independent advocate responsible for considering only the child's best interests
- Permit the Department of Conservation and Recreation to extend the leases at certain skating rinks while also making changes that will encourage the lessees to make capital improvements to the rinks in order to ensure the continued operation of the facilities