

Massachusetts Gov. Baker to invest \$186 Million in COVID-19 funding for critical health care and workforce priorities

The Baker-Polito Administration today announced it will invest \$186 million of the Commonwealth's direct federal aid from the American Rescue Plan Act (ARPA) toward critical priorities including support for hospitals, health and human services, mental health, and workforce development. Utilizing these federal resources now will help further the Commonwealth's economic recovery and provide relief for residents hardest-hit by COVID-19, such as lower-wage workers and communities of color.

This \$186 million is part of a total of approximately \$5.3 billion in direct aid awarded to the Commonwealth through ARPA. The funding announced today is part of \$200 million provided to the Administration in recently signed legislation for addressing critical needs as a result of the COVID-19 pandemic. Governor Baker has filed legislation to put an additional \$2.915 billion of this funding to immediate use to address additional urgent and pressing needs including housing and homeownership, economic development and local downtowns, job training and workforce development, health care, and infrastructure.

"Our administration is putting this \$186 million to work now because many communities throughout Massachusetts – especially low-income families and communities of color – have been disproportionately impacted by COVID-19 and cannot wait for assistance. More than 400,000 residents are due to lose

enhanced unemployment benefits in the first week of September, making the workforce training funding particularly urgent,” said Governor Charlie Baker. “We look forward to working quickly with our colleagues in the Legislature in allocating additional funding and providing residents and families with relief from the housing, economic, workforce, health care, and other challenges which continue to face the Commonwealth as we recover from the COVID-19 pandemic.”

“Investing this \$186 million is an important step in helping those who have been hard-hit by the pandemic, and we must continue deploying federal resources to further the economic recovery,” said Lieutenant Governor Karyn Polito. “These funds will help address crucial health care and workforce priorities, and we look forward to quickly getting them out the door and into our local communities.”

Highlights of this \$186 million investment plan include:

Health Care

- \$55 million for health and human services’ workforce development. Funding will enable 10% immediate time-limited rate enhancements from July through December 2021, helping strengthen and stabilize the state’s provider networks’ workforce in response to the COVID-19 public health emergency.
- \$50 million for fiscally distressed hospitals. This funding will help stabilize safety net hospital systems that have experienced significant financial shortfalls according to the latest data published by CHIA and those serving communities that were disproportionately impacted by COVID-19.
- \$31 million for inpatient psychiatric acute facilities, both free-standing and in general hospitals. This investment will help bridge a significant staffing gap which is resulting in many individuals not being able to access licensed psychiatric beds and therefore spending extensive periods of time in emergency rooms. Funding will provide temporary supplemental

payments to recruit critically needed clinical and direct care staff.

Workforce

- Up to \$50 million to help train an estimated 15,000 unemployed or underemployed individuals across Massachusetts by providing industry credentials in critical areas of the economy such as advanced manufacturing, health care, information technology, and construction. Funding will also help scale up workforce development efforts in work readiness programs such as ESOL and the Signal Success soft skills-building curriculum.

The discretionary funds awarded to the Commonwealth through ARPA are intended to support urgent COVID-19 response efforts, replace lost revenue, support immediate economic stabilization for households and businesses, and address unequal public health and economic challenges in Massachusetts cities and towns throughout the pandemic. ARPA is also providing a total of \$3.4 billion in direct aid for local governments throughout Massachusetts.

Massachusetts expects to benefit from a total of approximately \$113 billion in COVID-related federal aid provided through the six pieces of federal legislation enacted during the pandemic. The majority of this funding is outside of the Commonwealth's discretion. For example, over \$50 billion is going directly to individuals and businesses in the form of stimulus payments, Paycheck Protection Program loans, Unemployment Assistance, and other initiatives.

Over \$3 billion has been awarded to the MBTA, RTAs, airports, and transportation. Approximately \$2.9 billion has been awarded in Elementary and Secondary School Emergency Relief (ESSER Grants) for local schools, over \$1.5 billion is being provided for higher education relief, and nearly \$700 million has been awarded for child care.