



Office of  
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Commonwealth of Massachusetts

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## **Representative Kane supports \$56B-plus House budget for Fiscal Year 2024**

**BOSTON** – State Representative Hannah Kane (R-Shrewsbury) recently supported a \$56 billion-plus state budget for Fiscal Year 2024, which provides for increased local aid, free universal school meals, childcare provider assistance, and eviction protections for renters.

The preliminary House budget was approved on a vote of 156-0 on April 26, following three days of debate on 1,566 amendments that were filed by members. During floor debate, Representative Kane advocated for the inclusion of several local initiatives for her district, including \$75,000 for Shrewsbury Youth and Family Services Funding to provide mental health services, \$45,000 for the Westborough Cedar Swamp Restoration, \$30,000 for furniture for the Shrewsbury Public Library Children’s Room and \$15,000 for Automated External Defibrillators for Shrewsbury’s recreation programs and athletic fields.

Representative Kane said that the proposed House budget funds Chapter 70 education aid at \$6.58 billion, an increase of \$595.8 million, which fully funds 3/6ths of the goal rate mandated under the 2019 Student Opportunity Act, while also providing an additional \$7.86 million in minimum aid supplemental funding to boost per pupil minimum aid from \$30 to \$60. Unrestricted General Government Aid (UGGA), which can be used by communities to support a wide range of municipal services, is funded at \$1.25 billion, an increase of \$19.7 million. According to Representative Kane, the House spending proposal will provide Shrewsbury with \$20,971,468 in direct education aid and \$3,278,528 in unrestricted state aid and will provide Westborough with \$11,912,580 in direct education aid and \$1,363,861 in unrestricted state aid for the new fiscal year that begins July 1.

Representative Kane noted the House budget funds charter school aid, regional school transportation and homeless student transportation at 100% reimbursement rates by providing \$232.7 million in charter school reimbursements for sending districts, along with \$107.86 million in regional school transportation (an increase of \$25.68 million), and \$28.67 million for homeless student transportation (\$5.69 million more than this year). The House budget also includes \$506 million in Special Education Circuit Breaker reimbursements, an increase of \$55 million over the current year, and provides for \$10 million in Rural School Assistance Grants.

Under the proposed House budget, the state would spend \$1 billion in anticipated revenues from the voter-approved Millionaires Tax by investing this funding equally in education and transportation initiatives. The largest share of education-related funding (\$161 million) would go towards making free universal school meals permanent, while half of the transportation-related funding (\$250,000) would be dedicated to capital investments for the MBTA.

More than 80,000 students a day have eaten lunch in schools since the universal school meals program started, saving households up to \$1,200 per child per year. Representative Kane noted the budget also establishes a

commission to study school meal nutrition and requires the Department of Elementary and Secondary Education (DESE) to study and make recommendations for minimizing school food waste.

Provisions included in the House budget require that 85% of any Millionaires Tax revenues collected in excess of \$1 billion be deposited in an Education and Transportation Innovation Fund that would be available for use in any subsequent spending bill for one-time spending purposes. The remaining 15% of excess revenues would be deposited in an Education and Transportation Stabilization Fund, which could be drawn down as needed. The balance of this fund would be capped at 33% of the surtax spent in the previous fiscal year.

During floor debate, Representative Kane supported an amendment filed by Republican Leadership to strike language from the budget that would exempt Millionaires Tax revenues deposited into the Education and Transportation Stabilization Fund from counting towards the allowable state tax revenue limitations under Chapter 62F and 62F calculations. Chapter 62F was approved by the state's voters in 1986 and requires that excess tax revenues be returned to the state's taxpayers whenever revenue collections in a fiscal year exceed an annual cap tied to wage and salary growth. The amendment failed on a party-line vote of 25-132.

Representative Kane said the proposed exclusion is not justified, as all other taxes including taxes constitutionally designated towards specific uses like the gas tax are included in the current calculation, and tax rate increases have not been held aside from the formula previously. She argued the Legislature should not be making these changes unilaterally, as they only serve to undermine the will of the voters.

Other education and transportation initiatives set to be funded through the proceeds generated by the Millionaires Tax include:

- \$100 million for Green School Works, a competitive grant program to be administered by DESE to encourage public schools to install and maintain clean energy infrastructure;
- \$84 million for MassGrant Plus, which provides financial assistance to undergraduate students who reside in Massachusetts;
- \$50 million for High Demand Targeted Scholarships to assist Massachusetts students pursuing an in-demand profession at a community college or state college or university, with a requirement that the student commit to working for five years in an in-demand industry in Massachusetts after graduation;
- \$40 million for C3 (Commonwealth Cares for Children) Stabilization Grants, which support early education and care providers' day-to-day operational and workforce costs;
- \$25 million to reduce the waitlist for income-eligible early education and care programs;
- \$20 million for MassReconnect, which provides financial assistance to scholarships to community college students who are 25 or older and do not have a degree;
- \$20 million for endowment matches to encourage private fundraising by the Commonwealth's public higher education institutions;
- \$100 million for highway bridge preservation;
- \$70 million for regional transit funding & electrification grants;
- \$65 million for an MBTA Workforce/Safety Reserve;
- \$10 million for a pilot project to provide grants for operational assistance to ferry services; and
- \$5 million to conduct a feasibility study of offering means-tested fares on the MBTA

Representative Kane highlighted some of the other key initiatives contained in the House budget, which include:

**EARLY EDUCATION** – In addition to the \$40 million in Millionaires Tax revenues earmarked for the C3 Stabilization Grants, the House budget allocates another \$450 million in non-surtax funding for this program, for a total of \$490 million in Fiscal Year 2024. The budget requires the Department of Early Education and Care (EEC) to report on the current C3 grant formula by October 15, 2023, with recommendations to ensure the formula is producing optimal results for families and communities with the greatest needs.

The budget also includes \$100 million for childcare provider rate increases, along with \$17.5 million in Head Start grants, \$20 million for childcare resource and referral agencies, \$10 million for EEC provider opportunities, and \$5 million for early childhood mental health grants. It also provides for \$328.2 million for childcare for children involved with the Department of Children and Families (DCF) and the Department of Transitional Assistance (DTA), along with \$385.6 million for childcare for low-income families.

**MASSACHUSETTS SCHOOL BUILDING AUTHORITY** – The House budget increases the limit on the amount of grants the MSBA provides to municipalities to assist with school building construction and renovation projects. For Fiscal Year 2024, the cap will increase more than \$300 million, from \$800 million to \$1.1 billion.

**HIGHER EDUCATION** – The House budget invests in higher education by providing \$327.3 million for the Commonwealth’s state universities, \$337.7 million for community colleges, and \$691.9 million for the UMass system. It also commits \$175 million for scholarship funding.

**HOUSING** – The House budget allocates \$180.6 million for the Rental Assistance for Families in Transition (RAFT) program and would offer \$7,000 in assistance per household per year, along with \$173 million for the Massachusetts Rental Voucher Program (MRVP). It also allocates \$110.8 million for programs for homeless individuals, \$10 million for shelter workforce assistance, and \$102 million in subsidies for public housing authorities.

**EVICTION PROTECTION** – Under the House spending plan, permanent eviction protections would be put in place for renters who have applications pending for emergency rental assistance and are facing an action for summary process for nonpayment of rent. In such cases, language included in the budget would prohibit the courts from entering a judgement or issuing an execution until the emergency rental assistance application has been approved or denied. Another \$50,000 has been earmarked for direct legal assistance for tenants’ rights through the University of Massachusetts School of Law.

**HUMAN SERVICES** – The House budget invests \$173 million for health and human service workers’ Chapter 257 rates, along with \$112 million for nursing facilities base rate increases. Another \$26 million is set aside for rate increases to targeted providers, including non-emergent ambulance services and substance use disorder treatment.

**PUBLIC HEALTH/MENTAL HEALTH** – The Bureau of Substance Abuse Services is funded at \$208.2 million in the House budget, which also provides for \$42.9 million for the early intervention program and \$1.25 million for prostate cancer awareness, education and research. Children’s mental health services are funded at \$117.9 million, while \$584.9 million is provided for adult support services and \$5 million is allocated for a loan forgiveness program for mental health professionals.

**BROWNFIELDS TAX CREDIT** – In its budget, the House includes language extending the expiring Brownfields tax credit program through 2028, so that eligible taxpayers may claim a credit for certain costs related to the cleanup of contaminated properties to prepare them for redevelopment opportunities. The current sunset date would be extended from August 5, 2023, to August 5, 2028 and allow for the credit to be applied to costs incurred on eligible projects between August 1, 1998 and January 1, 2029.

**STABILIZATION FUND** – The House budget proposes transferring \$525 million in excess capital gains proceeds to the Commonwealth’s Stabilization Fund, also known as the Rainy Day Fund, which is designed to protect vital state programs and services from being cut during economic downturns. The fund is expected to have a balance of \$8.5 billion this year, and the proposed transfer would push the balance to over \$9 billion in the new fiscal year.

The budget now moves to the Senate, which is scheduled to begin debating its own spending proposal prior to Memorial Day. The differences between the House and Senate budgets will then be resolved by a joint conference committee, which will produce a final spending plan to send to Governor Maura Healey.

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