



Making sense of the Governor's revised FY 2021 budget proposal

Monique Ching, Policy Analyst
(she/her/hers)

Massachusetts Budget and Policy Center





Gov. Baker's revised FY 2021
budget **does not rise to the
occasion.**

1) Revised H.2 does not account for the surge in need

Governor's revised FY21 budget compared with FY20 final budget, example categories (amounts in millions)

	FY20 (in 2021\$)	FY21 Gov REVISED	Change from FY20
Early Education & Care	694.09	775.06	11.7%
Higher Education	1,300.73	1,303.74	0.2%
K-12: Chapter 70 Aid	5,242.34	5,283.65	0.8%
Human Services	4,896.64	5,047.95	3.1%
Housing	523.59	510.89	-2.4%
Unrestricted General Government Aid (UGGA)	1,140.77	1,128.62	-1.1%

NOTE: These numbers do not include federal money, through the CARES Act, to help pay for new, COVID-related costs.

1) Revised H.2 does not account for the surge in need

- New unemployment claims rose to **almost 40,000** in early October.
- The UMass system recently **laid off 500 workers** and **furloughed thousands more**.
- **More than 100,000** households may be unable to pay their rent or mortgages.
- Child care centers have lost **more than \$250 million each month** in private revenue during the spring shutdown and now face added costs to keep their children and staff safe.

2) Revised H.2 is a weakened version of an already insufficient proposal

Governor's revised FY21 budget compared with Governor's original FY21 budget, example categories (amounts in millions)

	FY21 Gov ORIGINAL	FY21 Gov REVISED	Change from Gov ORIGINAL
Early Education & Care	778.58	775.06	-0.5%
Higher Education	1,322.10	1,303.74	-1.4%
K-12: Chapter 70 Aid	5,479.53	5,283.65	-3.6%
Human Services	5,087.74	5,047.95	-0.8%
Housing	516.89	510.89	-1.2%
Unrestricted General Government Aid (UGGA)	1,160.22	1,128.62	-2.7%

NOTE: These numbers do not include federal money, through the CARES Act, to help pay for new, COVID-related costs.

These cuts will disproportionately harm **Black, Latinx, immigrant, low-income, and other communities** who already have been disproportionately harmed by the effects of the COVID-19 crisis.




Gov. Baker balances the books by:

- making modest spending cuts (compared to FY20),
- using federal funds (one-time, specially-available relief),
- using Rainy Day Fund money (the state's savings), and
- making one-time tax changes.

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These are temporary fixes that will require long-term solutions.



The wealthiest households and large corporations can and should contribute more during this time of need.

Three ways to raise progressive revenue



Raise the tax rate on **corporate profits**

Revenue per year

\$375-500 mil


Curb egregious forms of **off-shore tax dodging** by multi-national corporations (GILTI)

\$200-400 mil

Increase the tax rate on "**unearned income**" (stock market transactions, dividends, interest income)

\$400-500 mil





A better budget is
possible.

One that will help us
weather this storm and
thrive when it passes.



Further digging:

- Our Budget Browser tool (updated soon, bear with us!)
 - <https://archive.massbudget.org/browser/index.php>
- Email us
 - Monique Ching, mching@massbudget.org
 - Phineas Baxandall, pbaxandall@massbudget.org