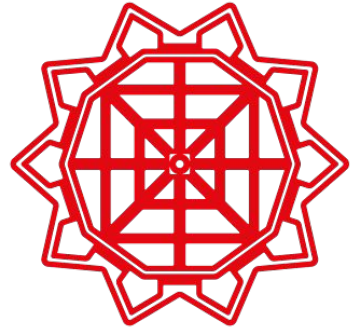




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We represent 351 cities and towns and the municipal officials who run them.



MMA

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Legislative Briefing

Spring 2024



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Agenda

- **PSAs**
- **Timeline**
- **State Revenue**
- **FY25 Budget**
- **Key Legislation & Regulatory Updates**
- **The Work Ahead & Where We Need You!**
- **Q&A**



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Look out for MMA's Legislative Alerts!



MMA Legislative Breakfast Meetings
February 28, March 6 and March 13

Please Register Today to Meet with Area Officials

February 5, 2020

Dear Lisa Adams,

The **MMA's Annual Spring Legislative Breakfast series** will start on February 28 as the Legislature begins work on the fiscal year 2021 state budget and sets final priorities for the legislative session that ends on July 31.



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Dear Lisa Adams,

The MMA's Annual Spring Legislative Breakfast series will start on February 28 as the Legislature begins work on the fiscal year 2021 state budget and sets final priorities for the legislative session that ends on July 31.

The MMA's regional meetings are scheduled for three Friday mornings (February 28, March 6 and March 13). We hope that you will join us at a meeting near you for coffee and conversation with officials from the region and MMA legislative staff on municipal priorities for the year.

[Please CLICK HERE to see the schedule, register for a meeting and get directions](#)

The Spring Legislative Breakfast meetings take place as the House and Senate start drafting the fiscal year 2021 state budget, with important decisions to be made on municipal and other accounts, based on the spending plan filed by the Governor in January. The Governor's staff will be drafting the state's capital spending plan for the new year with hundreds of millions of dollars being allocated for local government priorities, such as Chapter 90 local road projects and PFAS and other water infrastructure projects.

We expect that the next few months will feature fast-paced work on important public policy initiatives affecting cities and towns, including funding for state and local transportation projects, zoning and housing production legislation, an omnibus economic development bill, climate change initiatives in both branches, retail marijuana rules, labor law and a wide range of smaller but important bills.

These springtime meetings are a great opportunity to connect with colleagues and legislators on the key local government issues of the day as deliberations get underway at the State House.

PLEASE SIGN UP TODAY! You can register through www.mma.org or by contacting Alexandra Champion at alexchampion@mma.org or 617-426-7272. Meetings are scheduled for the following dates and locations:

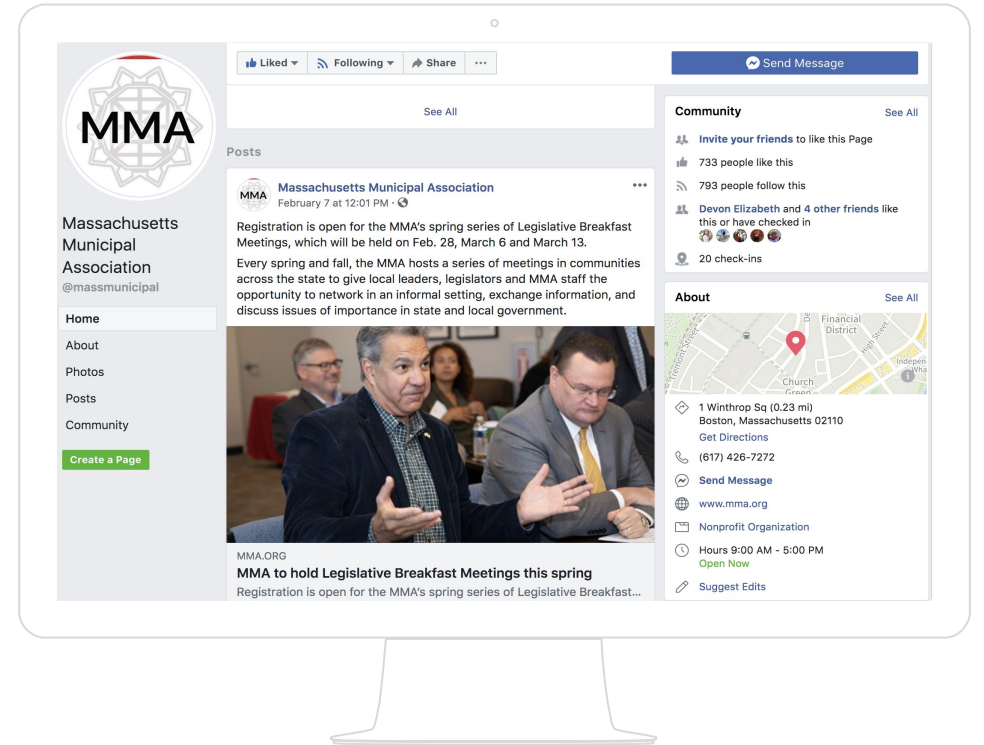


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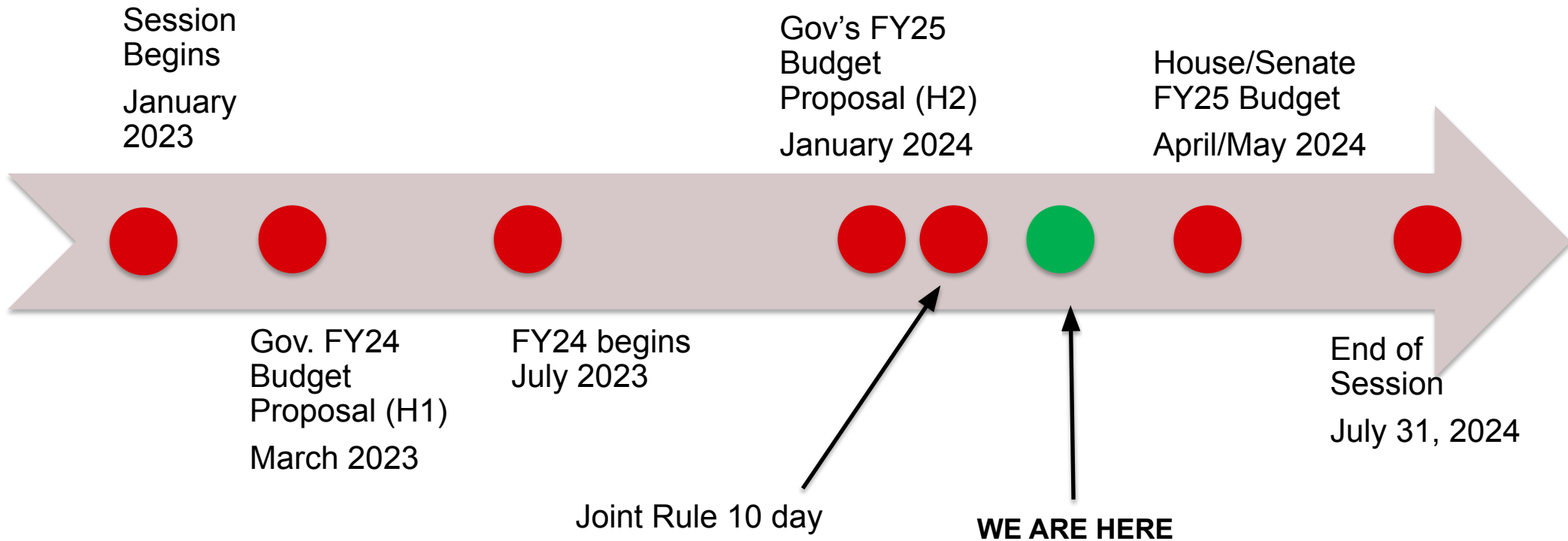
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Legislative Timeline





FY24 Revenue

Revenues are below benchmark

- Administration downgraded FY24 fiscal outlook by ~\$1 Billion
 - Announcement in early January, was followed by 9C cuts
 - \$375m in line item cuts
 - \$625m balance made up for with non-tax revenues (i.e. interest on investments)
- January collections 7% below revised benchmark; February revenues off by .6 %

Consensus Revenue Figure for FY25

- 2% increase
 - Above the recently *downgraded* estimate for FY24
 - Does not include anticipated, separated surtax revenue of ~\$1.3 Billion



FY25 House 2 Proposal

- **UGGA:** proposed increase of 3% (\$38.1 Million)
- **Chapter 70:** increased by \$263M
 - 211 districts out of 318 remain “Min. Aid”
 - only \$30/pp over last year’s aid
 - 93% of the increase is going to 28% of districts
- **Special Education Circuit Breaker**
 - funded at \$492M, a decrease from last year
 - Administration proposes using \$75M from the FY23 Closeout Supp budget to bridge the gap

FY25 House 2 Proposal

- **Charter School Mitigation Payments:** meets state obligation
- **Rural School Aid:** level funded at \$15m
- **School Transportation:**
 - **Regional School Transportation:** \$2m increase (80% of claims)
 - **OOD Vocational School Transportation:** level funded (17% of claims)
 - **McKinney-Vento Transportation:** level funded (93% of claims)
- **PILOT:** \$335k increase, level funded/holds harmless
- Creates new **Disaster Relief Fund**
- Establishes **iLottery** program
- **Local Road & Bridge Funding** via surtax: \$124m

FY24 Supp Budget (EA+)

FY24 Supp Budget (H. 4466 & S. 2711)

- \$260 m supplemental budget bill:
 - Funded through transitional escrow account
 - \$245 for state's emergency shelter system, some policy changes:
 - Codifies certain "COVID" provisions set to expire on April 1st
 - expedited outdoor dining (both)
 - to-go cocktails (House)
- Now headed to Conference Committee process



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Municipal Empowerment Act (MEA)

An Act Empowering Municipalities and Local Governments (S. 2571)

Filed Jan. 22; expansive bill intended to help:

- increase municipal flexibility
- strengthen municipal finances
- address municipal workforce challenges
- improve the efficiency of local operations



Municipal Operations in MEA

- Codify COVID-era policies:
 - Allow Remote/hybrid meetings
 - Outdoor dining flexibilities; To-Go cocktails
- Procurement reforms
- Double Poles enforcement
- OPEB Legislative Commission
- School construction bond terms 30→40yrs
- Amortization of emergency-related deficit
- “Critical Shortage” retiree exemption for Municipal workforce

Revenue Provisions in MEA

- **Local revenue options** to increase:
 - Meals tax from 0.75% to 1%
 - Would remain lowest combined meals/sales tax in region
 - Lodging tax from 6% to 7% (6.5% to 7.5% in Boston)
 - A new local-option 5% vehicle excise tax surcharge
- Local option property tax exemptions
- Allow regional Board of Assessors



Housing Bond Bill

Affordable Homes Act (H. 4138)

- \$4b bonding bill with 27 policy provisions including:
 - Lowering quantum of votes for inclusionary zoning
 - Local option transfer fee
 - As-of-right ADUs
 - “Seasonal communities” designation
 - Fair Housing Trust Fund

Economic Development Bill

Mass Leads Act (H. 4459)

- \$3.5b economic development bill
 - reflecting themes identified in recent state Eco Dev Plan
- Authorizations, policy provisions, and tax provisions targeting life sciences and climate technology
 - Also supporting small business, rural communities, and workforce development
- Reauthorizations for many Community One-Stop programs:
 - \$400m – Mass Works
 - \$100m – Rural Development Fund
 - \$100m – Broadband Incentive Fund
 - \$100m – Local Eco Dev Grants



Regulatory Updates

- **Municipal aggregation**
 - DPU's investigation seeks to streamline the review/approval
 - See more under DPU Docket #23-67
- **Waterways Resilience Regulations**
 - Would amend licenses for projects in waterways to better reflect consequences of climate change
- **Wetlands Protection Regulations**
 - Coastal Floodplains
 - Stormwater Standards



Federal Regulatory Updates

- **PFAS**

- EPA's national primary drinking water regulation expected soon
 - Would establish maximum contaminant levels of 4 ppt for PFOA, 4 ppt for PFOS
- CERCLA designation of PFAS as hazardous substances - expected finalization in 2024
 - Could trigger new PFAS management responsibilities in wastewater treatment

- **Lead and Copper Rule Revisions**

- Public water systems must develop and submit a service line inventory to MassDEP by October 16; Replacement in 10 yrs



Local Road and Bridges

Ch. 90 Bond bill (H. 4283)

- Gov. Healey proposed two-year, \$400 million authorization
- Bill just reported out from Transportation Committee:
 - \$200m for FY25 Chapter 90
 - \$25m each for:
 - Rural Roads
 - Municipal Pavement
 - Small Bridge
 - Complete Streets
 - Municipal Bus Enhancement
 - Mass Transit Access
 - Municipal/RTA Electric Vehicles



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Local Road and Bridges

FY24 <u>Approved</u>	FY25 <u>Proposed</u>
\$200m — Chapter 90 BB	\$200m — Chapter 90 BB
\$25m — Rural Road program, via BB (<10k population; <500 density; road miles)	\$25m — Rural Roads Program in BB \$24m earmarked via H2 funding
\$100m — FY24 Final Budget (50% road miles, 50% Ch. 90)	\$100m — H2 Budget Proposal (Ch. 90)



Other Key Issues

- **MassDOT**
 - Grants Central
 - Proposed Ch.90 working group
- **Governor's Transportation Funding Task Force**
- **Electrification!**
 - Electric Sector Modernization Plans
 - Reform of siting and permitting processes - CEISP
- **Climate bill** — action on siting and permitting reform



Civil Service Reform

An Act to modernize civil service laws (H. 4436)

- Stems from multi-year process of Special Legislative Commission
- Bill includes new “hybrid pathway” option:
 - Up to 50% of entry-level appointments could be hired *outside* of the traditional exam process
 - Prospective candidates would go through the same, pre-existing review process
- Other notable provisions:
 - Flexibility for municipalities in providing residency requirements
 - Adjusting formula for entry-level certifications (from $2n+1$ to $3n+1$)
 - Supporting cadet programs



Other Key Issues

- **Disaster Relief:**

- *An Act Creating a State Disaster Relief Fund for Emergency Management (H. 4181 / S. 2506)*
 - FY25 H2 Budget Provision
 - MEA Amortization extension

- **Federal Funding Match Bill**

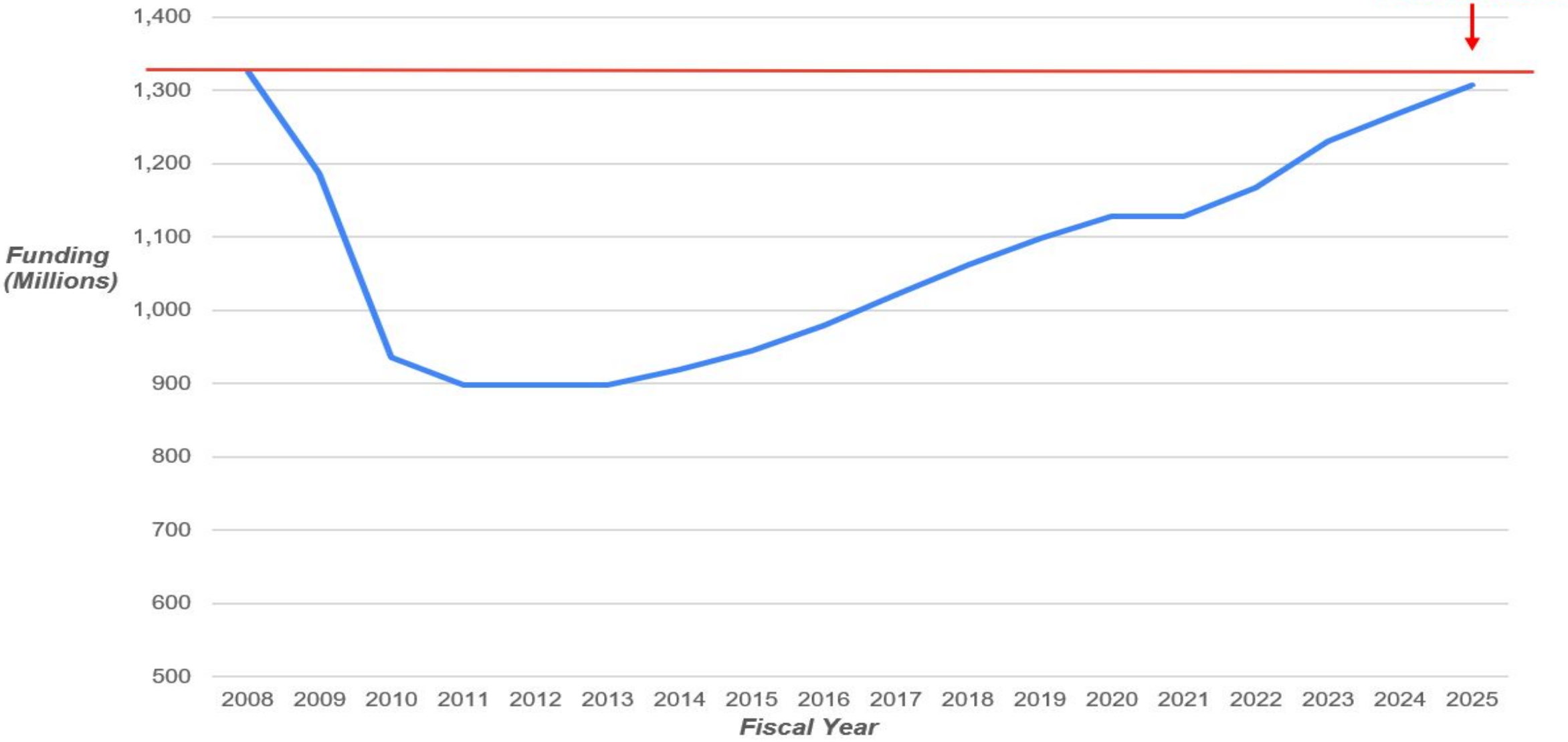
- *An Act to provide for competitiveness and infrastructure investment in Massachusetts (H. 4446, S. 2554)*
 - \$12m for technical assistance to municipalities
 - funding for matching requirements



Key Advocacy: FY25 Budget

- **Ch. 70 Minimum Aid Districts:**
 - Bring Minimum Aid to \$100/per student
- **School transportation accounts:**
 - Fully Fund for FY25
- **Local Road and Bridge funding:**
 - \$150m for FY25 – via surtax
- **Increase to UGGA of at least 3%:**
 - Support Essential Services via UGGA
 - Still impacted from Great Recession cuts

UGGA Funding FY 2008 - FY 2025





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Key Advocacy: Municipal Empowerment Act (MEA)

- Remote meeting flexibilities
- Local Option Revenues
- Procurement
- Post-retirement flexibilities

Pushing to Add:

- Remote town meeting options
- Municipal control of liquor licensing
- Legal notices



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Q&A



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Additional Resources & Links

- [FY25 State Budget Proposal](#)
- [MMA FY25 Budget Letter](#)
- [Municipal Empowerment Act](#)
- [Housing Bond Bill](#)
- [Ch. 90 bill](#)
- [Economic Development Bill](#)
- [CCC's HCA Guidance Document](#)
- [MassDEP Waterways Regulations](#)
- [Electric Sector Modernization Plans](#)
- [Copper & Lead Rule Revisions](#)
- [Clean Energy Siting](#)
- [Climate Action Webinar series](#)



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