

MTA's Proposals for State Appropriated Federal Funds:

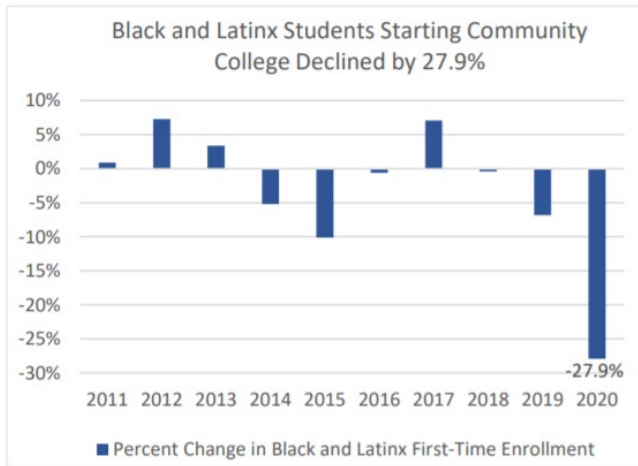
Recovery and Justice After the Pandemic

The American Rescue Plan Act is designed to address challenges created by the COVID-19 pandemic and to accelerate our nation's recovery in a way that is equitable, sustainable and just. The Massachusetts Teachers Association is presenting three proposals for the use of some of the \$5.3 billion in discretionary funds available to the Legislature to appropriate. The proposals directly address pandemic-related challenges: first, the steep decline in enrollment in public higher education, especially among students of color at the state's community colleges; second, unequal benefits and working conditions that make essential workers at our schools and colleges financially vulnerable; and third, the critical need to invest in public facilities – in this case our schools and colleges – to make them safe, healthy and environmentally sustainable.

The proposals, outlined in greater detail below, offer triple-bottom-line benefits to the Commonwealth – directly addressing emergency needs created by the pandemic, helping to accelerate the state's economic recovery, and addressing long-term challenges of economic inequality, systemic racism, and climate justice.

1. Emergency Financial Aid to Help Students Who Face New and Historic Barriers to Success

The Problem



We have a crisis in enrollment in public higher education by our working-class students of color that has been made far worse by the pandemic. At our community colleges, new enrollments dropped sharply for Black and Latinx students, falling by 27.9%. To make ends meet while attending college, students need to pay not only for tuition and fees, but also for housing, food, sometimes child care, and other necessities. As a result, low-income students often need to work long hours, making completion harder, and take on substantial debt. Losing a job or experiencing reduced hours of employment can cause students to drop out. The COVID-19 health and economic crisis increased these historic barriers to success.

Building a strong, high-wage economy depends on having a well-educated workforce. When we see low-income students, and particularly students of color, being denied access to college by financial

barriers, it not only harms those students but also threatens the long-term strength of our state economy.

The Proposal

To address this crisis, the state should expand the MassGrant program to cover the full cost of tuition and fees for lower-income students who are attending a public community college or are in their first two years at a state university or the University of Massachusetts. This would allow those students to use Pell Grants and earnings to pay for food, housing and other necessities. This could be paid for by combining an allocation of about \$570 million from the State Fiscal Recovery Fund (SFRF) with existing resources and Higher Education Emergency Relief Funds.

While cost is a major obstacle to success for many students, it is not the only challenge. In FY21, the Legislature provided limited initial funding for a new program, [SUCCESS](#) (see page 8 in the linked document), to help community colleges provide “supports to increase attainment, particularly among students of color.” It includes “investing in culturally sustainable wraparound support services, such as peer mentoring, academic skills workshops, transportation stipends, [and] dependent care supports, as well as targeting academic, career, transfer and scholarship advising.” Providing an additional \$45 million for this program would allow campuses to provide the supports needed to help our students thrive.

With strong evidence that a diverse educator workforce is crucial to providing a high-quality education, creating a clearer path into the profession is critical. With \$60 million in debt relief for graduates of public colleges and universities who want to become educators in our public schools, we could remove barriers that may be keeping great teachers, including teachers of color, from entering the profession.

2. Education Worker Justice

Pay Equity and Access to Healthcare for Adjunct Faculty

The Problem

Adjunct faculty teach the majority of courses at many of our public colleges, yet unlike other state employees, they are generally not eligible for employer-sponsored health insurance and often work for low pay.

The Proposal

To help provide fair working conditions for public higher education adjunct faculty, funding should be provided to expand adjunct access to health insurance and support equity between full-time and adjunct faculty for per-course pay. An allocation of \$40 million from the SFRF would cover two years of full funding for this proposal.

Paid Family and Medical Leave for Municipal Workers

The Problem

More than 240,000 municipal employees are exempt from the state's Paid Family and Medical Leave law – PFML – which covers all other employees in the public and private sectors. The majority of these workers are women who are paid less than their private-sector counterparts. For most municipal employees, unpaid leave is not a financially viable option, particularly for low-income and single-parent households.

The Proposal

The state should establish a reserve, available for several years, to provide the funding needed to cover the employer and employee share of costs of the first year a municipality, district, political subdivision, or authority adopts PFML. This reserve could be funded with an allocation of \$40 million from the SFRF.

3. Safe, Green and Healthy Public School and College Buildings

The Problem

Massachusetts public school buildings and college and university campuses need extensive renovations to protect the health of students and educators as well as to protect the environment.

The Proposal

In our public schools, there are many projects that would help create safer, healthier and greener conditions for students and educators. These include sealing windows, adding insulation and replacing inefficient and failing ventilation systems to increase energy efficiency and keep people healthy. With \$100 million in additional funding, the Massachusetts School Building Authority could start addressing the most urgent needs while establishing green, healthy and equitable building standards.

For our public colleges and universities, funding should be provided for campus carbon mitigation plans, including “go-fast” thermal opportunities such as air-sealing, insulation and building heat-recovery projects, and for installing electric vehicle charging stations. Initial funding also should be provided for more ambitious products such as shifting from steam heat to low-temperature hot water heat distribution systems. A \$100 million allocation from the SFRF could be a valuable down payment for the backlog of critical projects.

Special Note: These Investments Qualify as Allowable Uses

Funds from the \$5.3 billion in the ARPA State Fiscal Recovery Fund can be used for these types of initiatives to create more equitable access and make critical investments in higher education. Providing funding to serve students at colleges and universities definitely qualifies as ***“the provision of government services,”*** which is allowed to the extent of the state’s ***“reduction in revenue.”***

In addition to fitting within that allowable use, funds used to expand access to higher education and provide support services for students from “Qualified Census Tracts” could fit within the allowable use of addressing educational disparities exacerbated by COVID-19.

When using SFRF funds to replace lost revenue, the state can fund higher education with those funds.

If the state is using State Fiscal Recovery Fund money to replace lost revenue, those funds can be used for any government service. The Treasury Department has [advised](#) (see page 11 in the linked document): “The Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. Government services can include ... school or educational services.”

The SFRF defines revenue loss as the amount by which actual state revenue is less than it would be if it had grown at an annual rate of 4.1 percent since fiscal 2019. The state makes this calculation each calendar year beginning in 2020, and the sum of those amounts is the total “lost revenue.” There are still some data issues that need to be resolved. But the bulk of relevant state revenue is tax revenue, and that data is available. The Massachusetts Taxpayers Foundation’s [preliminary analysis](#) (starting at 33:40), based only on tax data, is that for 2020 our lost revenue amount is between \$1.3 billion and \$1.6 billion. That would mean that the state can spend that amount of the SFRF funds on any government services, including education.

The state could also use SFRF funds to expand access to higher education and provide support services for students from “Qualified Census Tracts” as a strategy for addressing educational disparities exacerbated by COVID-19.

The U.S. Treasury [FAQ](#) on the SFRF explains: “In recognition of the disproportionate impacts of the COVID-19 virus on health and economic outcomes in low-income and Native American communities, the Interim Final Rule identifies a broader range of services and programs that are considered to be in response to the public health emergency when provided in these communities.” (See page 6.) The FAQ includes “addressing educational disparities exacerbated by COVID-19” among eligible services that can be funded by SFRF when provided in or to families living in those low-income communities (specifically in [Qualified Census Tracts](#)). This allowable use is in addition to the category of replacing lost revenue described above. The Treasury FAQ is our best source of guidance because the Treasury won’t be preapproving spending. If there are any issues with what fits within this category, the spending in question could be funded with revenue replacement dollars.