

FY 2024 BUDGET RECOMMENDATION BUDGET BRIEF

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Climate Action

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Introduction

In taking on the climate crisis, the Commonwealth has an unprecedented opportunity to position itself as a global leader in clean technology, create thousands of well-paying jobs, lower the cost of energy for our residents, and build healthy, sustainable communities for all. The Healey-Driscoll administration's FY24 H.1 budget recommendation reflects Massachusetts' most significant investment in environmental justice, clean energy, clean energy workforce training, and environmental safety ever. H.1 makes the Executive Office of Energy and Environmental Affairs (EEA) 1% of the overall state budget for the first time, increasing EEA's funding by more than \$105.2 million, or 24%, and supporting 240 new staff, or 8% over current levels. Key investments include:

- Massachusetts Clean Energy Center (MassCEC), a quasi-governmental organization dedicated to spurring clean energy adoption across the Commonwealth; H.1 proposes first-time operating funding for MassCEC and, together with funding proposed in the upcoming supplemental budget, triples MassCEC's budget
- Climate adaptation and preparedness, including funding to investigate and develop a building decarbonization clearinghouse, a one-stop shop for energy efficiency, electrification, energy storage, and renewable programs in the state
- Strategic planning and research, including funding to develop a coastal resilience strategy, conduct climate and drought resilience planning, and increase air monitoring data analysis throughout the Commonwealth

EEA seeks to protect, preserve, and enhance the Commonwealth's environmental resources and deliver a clean energy future for the state. In 2007, Massachusetts became the first state in the nation to combine all environmental and energy agencies under one Cabinet Secretary – setting an example to recognize the interrelated missions of these agencies. Fifteen years later, the Commonwealth enacted groundbreaking climate change legislation, and H.1 reflects another major commitment to a green future.

H.1 focuses on those most impacted by climate change through a renewed commitment to environmental justice. Throughout all agencies and programs, environmental justice principles are embedded in EEA's actions and backed by an increase in funding for the expert staff, training, and services needed to facilitate an equitable approach to the climate crisis. These investments are accompanied by expansions in the enforcement of environmental standards, including funding for dozens of additional monitoring and compliance staff as well as \$1.5

EEA to 1% of FY24 Budget

\$543.6 million

FY24 H.1 Rec. for EEA

\$54.3 billion

*FY24 H.1 Total Appropriations,
excluding \$1 billion in Fair Share
investments earmarked for
education and transportation*

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million for the Department of Energy Resources to better represent the interests of citizens in adjudicatory hearings.

More than ever before, stakeholder, community, and resident engagement programs are central to the execution of the state's climate initiatives. New or expanded grant programs will provide \$25 million for the Food Security Infrastructure Grant program, making permanent first-time operating funding for investments in the infrastructure necessary for a thriving local agricultural economy and \$2.5 million for a new Ipswich River Watershed Grant program to help local and regional partners address water supply and quality issues. Investments unlocking federal matching funds will yield dividends for the Commonwealth's endangered species and aquatic life. The H.1 budget recommendation also maintains a \$63.4 million transfer to the Clean Water Trust to provide low-interest loans and grants to municipalities for water infrastructure maintenance and development.

First-ever operating support for MassCEC from the state budget will support a variety of clean energy initiatives, including promotion of clean transportation alternatives, clean energy job training, and energy infrastructure retrofits.

Environmental Justice

Environmental Justice (EJ) is the principle that all people have a right to be protected from environmental hazards and to live in and enjoy a clean and healthful environment. EJ programming works to ensure that resource distribution is equitable and that the relative vulnerability of communities is prioritized throughout the policy-planning process. It is critical for Massachusetts to make systemic, transformative investments in the communities that would otherwise bear the brunt of climate change's most hazardous impacts.

Environmental Justice Communities

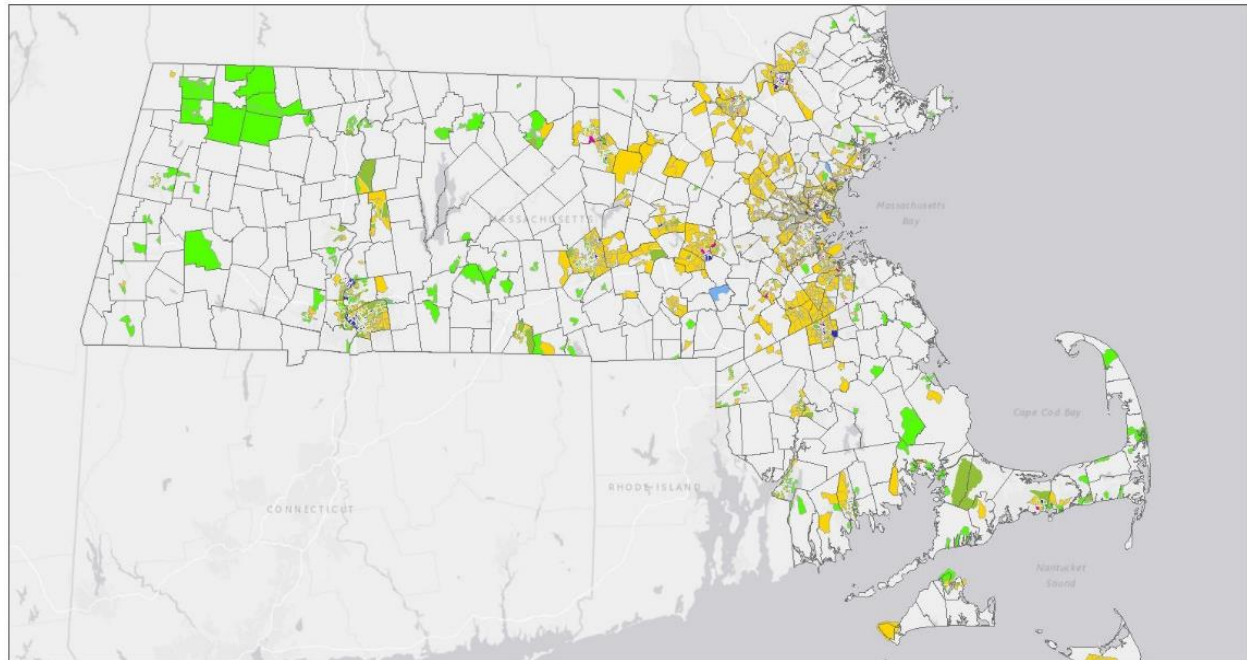
In Massachusetts, environmental justice communities are designated based on the proportion of residents who are low-income, identify with a minority group, or report speaking English less than "very well" on the latest U.S. Census. Each of these factors increases the likelihood that a community will be overlooked or excluded from the policymaking process, and thus bear a disproportionate burden of climate impacts. H.1 implements an environmental justice strategy informed by the Environmental Justice Council, created by *An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy* (Chapter 8 of the Acts of 2021) that will bolster community engagement, drive EEA-wide coordination, and assist our most vulnerable residents. Key investments include:

- Establishment of an Office of Environmental Justice led by the new Undersecretary of Environmental Justice and Equity
- 14 new Environmental Justice Liaisons (two per department) to support community outreach, public hearings, and stakeholder involvement, and better align hiring practices and inter-agency coordination with environmental justice principles – in addition to \$2 million for a secretariat-wide training program to ensure the principles of EJ are embedded in all EEA activities at all levels
- \$2 million to expand language outreach and translation services

- Additional resources for the Environmental Justice Council, the new inter-secretariat EJ working group, and partnering with indigenous communities

In total, H.1 adds more than \$70 million in new funding for environmental justice initiatives, a tenfold increase above the \$6.8 million already funded in the FY23 EEA budget.

2020 Environmental Justice Neighborhoods



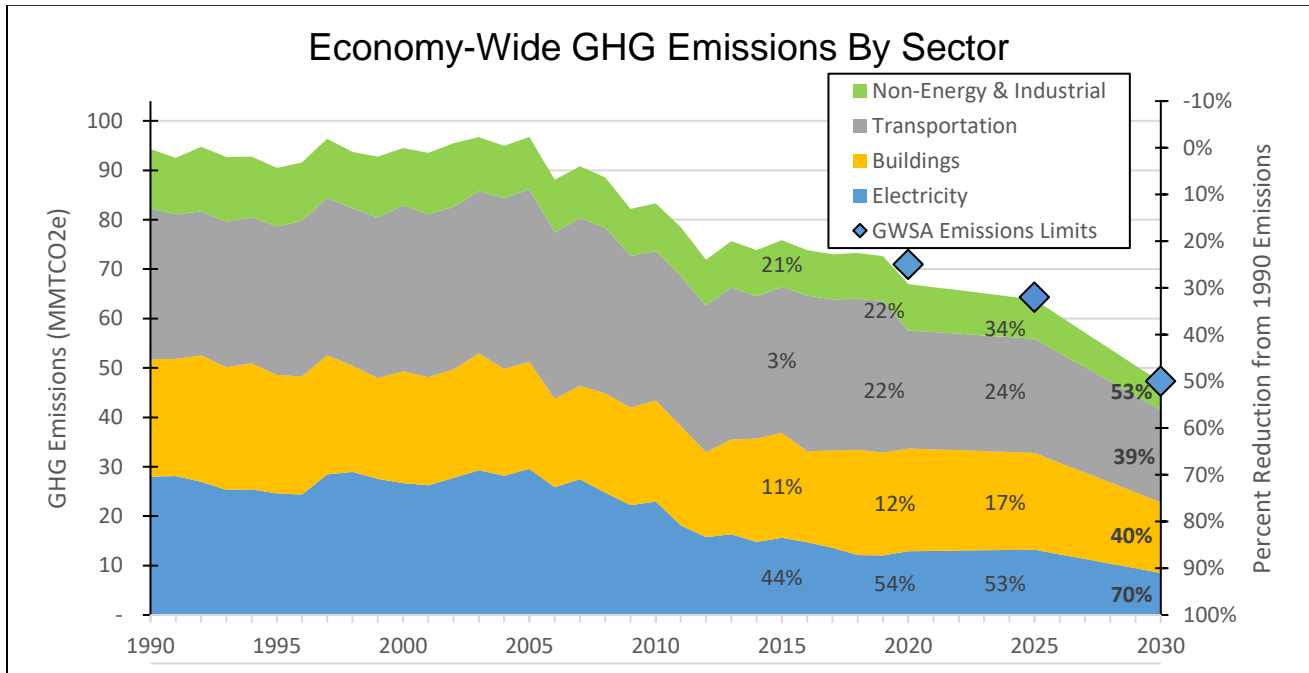
Clean Energy and Climate Plan

Developing clean energy resources and a skilled green workforce play critical roles in the Commonwealth's climate strategy. Massachusetts remains a national leader in the advancement of clean energy. The Massachusetts Clean Energy and Climate Plan for 2050 is a comprehensive plan designed to achieve net-zero greenhouse gas emissions by halfway through the 21st century. Some key components of the plan include:

1. A target of reducing emissions by at least 85% below 1990 levels by 2050, with the remaining emissions offset or sequestered to achieve net-zero emissions
2. Reducing emissions from the transportation sector through measures such as expanding and electrifying public transportation, incentivizing electric vehicle adoption, and implementing a regional carbon pricing system

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3. Decarbonizing the electricity sector by increasing the use of renewable energy sources, such as wind and solar power, and transitioning away from fossil fuels
4. Improving the energy efficiency of buildings through the implementation of new building codes and energy-saving measures
5. Promoting sustainable land use practices, including the preservation of forests and wetlands, and the promotion of urban green spaces
6. Investing in research and development of new clean technologies, as well as promoting innovation in clean energy and climate solutions



EEA has already identified approximately \$280 million in funding towards achieving the 2030 targets, including the American Rescue Plan Act, Infrastructure Investment and Jobs Act, the Regional Greenhouse Gas Initiative, and the DEP Climate Trust. In addition, FY24 H.1 includes \$40.4 million in operating funding for CECP priorities:

- \$21 million for job training across the transportation, building, and clean energy sectors, to focus on historically underserved populations and feature partnerships with state universities and community colleges
- \$7 million for building decarbonization and retrofit programs specifically focused on low-income households
- \$7 million for new and continued programming to commercial clean transportation and support adoption
- \$4.8 million for the development of a decarbonization clearinghouse, which functions as a one-stop shop for energy efficiency, electrification, energy storage, and renewable programs in the state
- \$600,000 to develop a holistic, long-term land use strategy and support Massachusetts Environmental Policy Act initiatives

Working in tandem with federal partners and leveraging a broad suite of resources, state agencies – coordinated by the first-ever Cabinet-Level Climate Chief and supported by the new EEA Federal and Regional Leadership Office – are prepared to meet climate challenges head on.

Environmental Safety

Massachusetts has a responsibility to protect our families, communities, and the environment that sustains us. Residents have a right to enjoy the Commonwealth’s natural resources and everyday services without fear of toxins, health hazards, or climate degradation. The changing climate presents new challenges which the Commonwealth needs to address. As our planet warms and heat islands become more dangerous, the preservation and expansion of greenspaces, tree cover, and recreational swimming will be even more important. H.1 includes several new or expanded initiatives focused on environmental safety:

- \$5 million to expand the engineering team at the Department of Conservation and Recreation and accelerate completion of deferred maintenance of physical assets
- \$2.5 million for a grant program to address water supply and quality issues in the Ipswich River Watershed
- \$1.6 million to increase landfill and water facility sampling for PFAS and to develop PFAS air standards
- \$1.5 million to expand air quality monitoring throughout the Commonwealth
- \$1.5 million for climate and drought resilience planning
- \$1.5 million for the Department of Energy Resources to utilize expert witnesses during state adjudication
- \$500,000 to develop a holistic land-use strategy and coordinate housing, transportation, natural resource conservation, energy infrastructure and other development areas to ensure consumer resilience and safety

Under the leadership of the Healey-Driscoll administration, environmental and energy permitting agencies will ensure Massachusetts residents can have confidence in the safety and quality of their water, air, and natural resources.

Capacity Improvements

Key to executing our strategy is ensuring that the state’s commitment to ambitious policy objectives is matched by the administrative and fiscal resources necessary to achieving them. The FY24 H.1 budget recommendation dedicates 1% of all operating funding to EEA, a 24% increase from the FY23 final budget. This investment includes funding for 240 new EEA staff, an 8% increase over current staffing levels. These resources will significantly expand EEA’s ability to safeguard public health in the Commonwealth through environmental stewardship, climate adaptation and mitigation, and clean energy expansion. Highlights include:

- Establishment of a Federal and Regional Leadership Office to coordinate with regional partners and states on topics such as transmission and hydropower lines
- 18 new employees to help meet recently promulgated federal PFAS standards through increased testing at landfills and water facilities and develop PFAS air standards

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- 18 field staff to improve the Department of Environmental Protection's (DEP) inspection and compliance evaluation capacity and thoroughly enforce agency rules and regulations
- 16 policy development staff to ensure the permitting and licensing of DEP's water programs adequately addresses climate change, especially for larger and more complex projects
- 16 application development staff to take enhance EEA's IT services and public-facing online resources
- 2 new employees and data management support to develop a coastal resilience strategy
- Fiscal, administrative, legal, HR, and other support staff to ensure EEA has the capacity to meet policy commitments

Next Steps

The climate crisis is one of the most pressing issues facing our planet and our communities. There is much work to be done to mitigate and respond to the inevitable impacts and harness the power of existing industry, academia, and workforce to grow our economy and lead this technological revolution. Through the strategic investments in the H.1 budget recommendation, the Commonwealth is well-poised to unleash economic prosperity, our robust natural resources, and the health and safety of our population.