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## **MTF Session Preview: Budget & Legislative Timeline**

Not only is 2023 the first year of a new two-year legislative session, it is occurring in the first year of a new administration. Many standard legislative processes are altered to accommodate the gubernatorial transition, making the first 6 months of this session a unique one.

This preview provides an overview of the budget process, the legislative process, and committee and leadership appointments. Each of these areas will be at the public policy forefront over the first few months of the new session. In each case, the information below provides a basic overview, but more detailed resources are available on the [Legislature's website](#).

### **Budget Process**

#### *Pension Contribution*

Every third year, the administration, with the agreement of the House and Senate committees on Ways and Means, establishes an actuarially sound pension funding schedule. The triennial schedule was due by January 15<sup>th</sup> of 2023. Usually, the triennial schedule is established as part of the consensus revenue agreement, but will occur prior to the Consensus Revenue Hearing this year.

Under law, the state's pension must be fully funded by 2040, but the current schedule would fully fund it by 2037.

#### *Consensus Revenue*

The consensus revenue agreement, required by Massachusetts General Law (MGL) chapter 29, section 5B, establishes the tax revenue figure to be used in the upcoming budget. In most years, the agreement is required no later than January 15<sup>th</sup>, but in the first year of a Governor's first term, the agreement is required by January 31<sup>st</sup>.

It is important to note that the establishment of a consensus revenue process does not prevent subsequent budget plans from proposing tax changes that could reduce or increase revenues collected.

#### *Governor's Budget in Standard Year*

The annual budget process begins with the Governor submitting their appropriations proposal. The timing for the submission is established in Massachusetts General Law (MGL) 29:7H. In a standard year, that law dictates that the Governor's budget must be filed within 3 weeks of the

convening of the General Court. The budget is based on the consensus revenue figure which needs to be agreed upon by the House, Senate, and administration by January 15<sup>th</sup>.

*Governor’s Budget in First Year of their First Term*

The budget timeline is altered in the first year of a Governor’s first term, allowing more time to submit their first budget proposal. Instead of having three weeks, the Governor’s budget must be filed within 8 weeks of the convening of the General Court. In 2023, the General Court convenes on January 4<sup>th</sup>, which means that the new Governor will have until March 1<sup>st</sup> to file the budget.

*Timeline for Governor’s Budget*



*House and Senate’s Budget*

House Ways and Means (HWM) is the first to take up the Governor’s budget proposal. HWM examines the Governor’s proposal and then develops its own recommendations for the annual budget. HWM typically releases their budget the Wednesday before April vacation, which would be April 12<sup>th</sup> in 2023.

After HWM releases the budget, members usually have until Friday of the same week to file budget amendments. House debate typically occurs the week after April vacation.

Once the House budget is finalized, it moves to Senate Ways and Means (SWM), where a similar process begins in the Senate. The Senate budget timeline is oriented around Memorial Day, with debate occurring the week before Memorial Day and the SWM budget being released two weeks prior to debate. In 2023, SWM is likely to release their budget on Tuesday, May 9<sup>th</sup> and debate is likely to be held the week of May 22<sup>nd</sup>. Once SWM releases its version of the budget, Senators will have until the end of the same week to file amendments.

*Possible Timeline for the Budget for this Year*



Once both branches have their final budgets it moves to Conference Committee to reconcile both versions for the start of the fiscal year. The six budget conferees are usually the House and Senate Ways and Means committee chairs, vice chairs and ranking minority party members. While the new fiscal year begins on July 1<sup>st</sup>, recent budget conference committees have extended past that date.

*Budget Enactment Dates, FY 2018 – FY 2023*

	<b>Date Enacted</b>	<b>Date Signed</b>
FY 2019	July 18	July 26
FY 2020	July 22	July 31
FY 2021	December 4	December 11
FY 2022	July 9	July 16
FY 2023	July 18	July 28

**Legislative Process**

Massachusetts is entering a new two-year legislative session encompassing calendar years 2023 and 2024. This means that all incomplete bills from the prior session are no longer being considered. In order for any legislation to be acted on, including previously filed bills, they will have to be filed or refiled in the new session.

Below is a basic overview of major elements of the legislative process that are important to know at the start of the session. You can find a more detailed description of elements of the legislative process [here](#).

The House and Senate are governed by Joint Rules that establishes 5pm on the third Friday in January as the deadline for timely filed bills in the new session. Bills filed by the deadline will automatically be referred to a joint legislative committee and begin the legislative process (Joint Rule 12).

Many bills are filed after this initial deadline. These bills, called late-filed bills, require both the House and Senate to act to refer the bill to the appropriate committee. The Governor, on the other hand, can file legislation at any point in the session and the bill is automatically referred to committee.

Committees are required to:

- Hold public hearings on every bill. Hearings are typically organized by topic area. For example, the Joint Committee on Education will hear all bills related to charter schools at the same hearing.
- Take action on all bills in the committee no later than the dates established in House and Senate Joint Rule 10 (for bills referred to the committee by the start of the second year of the session the deadline for action is currently the first Wednesday in February of the second year of the session).<sup>1</sup> Committees can act on legislation in the following ways:
  - Favorable report – the committee can give a favorable report to a bill as filed or as redrafted, which means the bill has been amended or combined with other legislation. Favorable reports are made with either the House or Senate clerk’s office (typically based on the filer of the bill). The clerk’s office then refers the bill to a standing committee in the relevant branch (i.e. the Ways and Means Committee, the Rules Committee).<sup>2</sup>
  - Study order – bills attached to a study order are effectively killed. Study orders typically include related bills that the committee does not plan to act on for the remainder of the session.
  - Adverse report – adverse reports are quite rare. Even though they imply the committee does not approve of the legislation, unfavorable reports go directly to the branch of origin which then votes whether or not to accept the adverse report.

Once a bill moves from a joint committee to a standing committee (such as Ways and Means) there is no requirement that further action be taken on the bill and in many cases, bills referred to the Ways and Means or Rules committee never emerge.

### **Legislative Committees**

Each session, the House and Senate appoint new committee membership and leadership. At the start of the session, the House and Senate typically appoint temporary Ways and Means and other critical committee memberships until new committee appointments are made. In sessions where the Speaker and Senate President begin the term unchanged, there tends to be continuity in appointments, but there are always changes. For example, at the start of last session:

- The House and Senate:
  - Switched Bonding from separate House and Senate standing committees to a joint committee.
  - Created three new Joint Committees:
    - Advanced Information Technology, the Internet & Cybersecurity;
    - COVID-19, Emergency Preparedness & Management; and
    - Racial Equity, Civil Rights, & Inclusion.

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<sup>1</sup> The Joint Committee on Health Care Financing has until the last Wednesday in March to act on all legislation referred to them by the fourth Wednesday in February.

<sup>2</sup> Bills can also be referred to two joint committees: the Joint Committee on Healthcare Finance and the Joint Committee on Bonding, Capital Expenditures and State Assets.

- The House changed most leadership and chairs, as it was the first full term for Speaker Mariano.
- The Senate maintained the same leadership team, but changed the chair of 14 joint or standing committees.

In the last two sessions, committee appointments have been made in the second week in February.