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Massachusetts Workforce Investments: COVID Relief and State Surplus Funding

Most Important Things to Know

- **Policymakers dedicated \$550 million to workforce development programs between both COVID recovery and economic development bills.** These bills were supported by more than \$7.7 billion in federal fiscal recovery funds and state surplus funds to address pandemic-related challenges. Specifically, workforce investments focused on areas greatly impacted by workforce challenges and opportunities to provide transformative investments to train new workers and upskill incumbent workers.
- **Sector-Based workforce programs received 90 percent of all workforce development funding from both bills.** This is a significant shift compared to the 39 percent funding share of workforce spending in FY 2024. Funding for these programs focused on key industries such as health care and technical careers and included a range of services, including loan repayment assistance and sector-specific training programs. These investments demonstrate a major concern about workforce shortages in critical sectors and highlight the need to grow the workforce in emerging sectors.
- **Investments were aimed at expanding and diversifying the workforce.** Concerning demographic trends related to an aging population and significant outmigration of younger individuals were accelerated by the pandemic. To address record-low labor participation rates in Massachusetts, policymakers demonstrate the need to target untapped talent by investing in workforce programs that prioritize training a diverse workforce and providing educational debt assistance to individuals from populations underrepresented in their field and higher education.
- **We don't yet know how effective these investments will be.** As noted in MTF's previous workforce briefs, reporting structures and published data vary by workforce program. This concerning theme is also present in workforce investments made in the COVID bills and makes it challenging to assess the impact of significant spending. Without sufficient performance metrics on program outcomes, it is difficult for policymakers to make informed funding decisions on whether or not to continue these initiatives or what other investments might complement these goals.