

FY2027 Budget Summary:

H.2 Governor's Budget

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On January 28th, Governor Healey filed her [FY27 budget recommendations](#). The Governor's budget proposal is a \$63.36 billion package, a 3.8% increase over the [final FY26 budget](#) that was signed into law in July 2025. This is the fourth year that Fair Share surtax revenue is available, which is again split between education (\$1.480 billion) and transportation (\$975 million). The Governor also filed a FY26 Fair Share Surplus Budget to accompany H.2, that can be found [here](#).

The bill includes level funding for the [District Local Technical Assistance program](#) and the Senator Charles E. Shannon Community Safety Initiative. It also re-establishes funding to the Community Mitigation Fund for the first time since FY24. Below is a summary of several key line items and outside sections that impact MAPC served communities.

What comes next: The budget now heads to the House for that branch's consideration. Debate is anticipated in April, and the Senate's debate is expected in May. The Joint Ways and Means Committee will hold oversight hearings in the coming months, prior to debate, with each agency offering testimony in support of the Administration's proposal. The FY27 fiscal year begins on July 1st, so it is anticipated that a final bill will be signed into law by that date or soon after.

Key MAPC Line Items

line item		<u>FY26 Final Budget</u>	<u>MAPC's FY27 - Request</u>	<u>FY27 - Governor Budget</u>
8100-0111	Senator Charles Shannon Community Safety Initiative	\$10.08 million	\$13.4 million	\$10.08
1599-0026	District Local Technical Assistance	\$3 million	\$4 million	\$3 million
	Community Compact Grants	\$0	\$2 million	\$2 million

Local Aid

- **UGGA** (Unrestricted General Government Aid) (1233-2350) is proposed at \$1.35 billion, a slight increase over the \$1.32 billion allocated in FY26.
- **Chapter 70** (7061-0008) is proposed at \$7.053 billion, an increase of 3% over FY26.
- **Education** The special education circuit breaker (7061-0012) is proposed at an increased level of \$652 million. Regional school transportation reimbursements (7035-0006) are proposed at \$57 million with \$62 million available for further reimbursement through (1596-2451). McKinney-Vento homeless student transportation (7035-0008) is level funded at \$35 million. Charter school reimbursements (7061-9010) are proposed at \$200 million.

Transportation

- **MBTA** (1595-6369) is proposed at \$470 million, level funding with FY26.

- **RTAs (1595-6370)** are proposed to be funded at \$217 million. Included in this line item is a \$66 million earmark for operational enhancements and improvements including expanded service, \$30 million for fare equity programs, \$10 million on regional connectivity grants, and \$4 million to support the Community Transit Grant Program.
- **MassDOT (1595-6368)** is proposed at \$644 million, \$72 million more than FY26.

Housing

- **MA Rental Voucher Program (MRVP) (7004-9024)** is proposed at \$278 million, an increase of \$25 million (10%) over FY26.
- **Residential Assistance for Families in Transition (RAFT) (7004-9316)** is proposed at \$201 million, a 3% decrease from the FY26 budget.
- **HomeBASE (7004-0108)** is proposed at \$82 million, a 44% increase over FY26.
- **Emergency Assistance Family Shelters and Services (7004-0101)** is proposed at \$258 million, a 6% decrease from FY26.
- **Right to Counsel (0321-1800)**: The Governor's budget proposes \$2.5 million dollars to increase access to legal counsel for low-income tenants and low-income owner occupants in eviction proceedings. This recommendation is in line with the final FY26 budget.

Environment

- **Department of Environmental Protection (2200-0100)** is proposed at \$53.1 million, a \$1.5 million decrease over FY26.
- **Climate Adaptation and Resiliency (2000-0101)** is proposed at \$4.36 million, a 13.9% decrease from the \$5.01 million in the final FY26 budget.

Public Health and Safety

- **Healthy Incentives Program (HIP) (4400-1004)** is proposed at \$29.7 million, a 50% increase from last year's budget.
- **SNAP and DTA**: The DTA operations budget (4400-1000) is proposed at \$110 million, a 4% increase over FY26, and the SNAP Participation Programs (4400-1001) are proposed at \$5 million, level with last year's final budget.
- **Universal School Meals (7053-1925 and 1596-2422)** is proposed at \$202 million, an \$18.6 million increase over the previous year.
- **SAPHE (4512-2022)** is proposed at \$15 million, \$5.7 million over last year's budget.
- **Childcare and Early Education Programs (3000-4060, 1596-2452, 1596-2410)** are proposed at \$983 million.
- **Immigration Legal Services (4003-0124)** is proposed at \$5 million, in line with last year's budget.

Fair Share Funding Overview:

FY27 is the fourth year that **Fair Share funding**, which established a 4% surtax on annual personal income over \$1 million, is available to support education and transportation. In FY27, the consensus spending figure is \$2.7 billion in funding that will be allocated to the Education and Transportation Fund where transportation proposals receive \$975 million, and education proposals receive \$1.148 billion. Additionally, \$1.15 billion in FY25 Fair Share funds were also proposed to be spent via a supplemental budget filed by the Governor on January 28th. This bill allocated \$785 million towards transportation and \$358 towards education. Combined, these two bills propose spending 51% of the fair share surtax on education and 49% on transportation.

Notable education proposals include:

- \$550 million for expansion of the Student Opportunity Act.
- \$360 million for Childcare Grant to Providers (1596-2410) that supports capacity to maintain current rates paid to providers participating in the state’s childcare financial assistance programs.
- \$137 million for free community college (1596-2700).

Revenue Transfers:

Disaster Relief Fund Transfer (from Excess Capital Gains)	\$20 million
Stabilization Fund Transfer (from Excess Capital Gains)	\$100 million
Transfer to the MBTA (from dedicated sales tax)	\$1.44 billion

Priority Outside Sections

- **Workforce Investment Trust Fund and Economic Development Trust Fund (Sections 9 –14):** Reallocates the Sports Wagering Fund dollars set aside for Workforce Investment Trust Fund into funding for the Workforce Investment Trust Fund (10%) and Economic Development Trust Fund (7.5%).
- **Dedicated Transportation Income Surtax Revenue (Section 16):** Increases dedicated transportation surtax funding from \$550 million to \$975 million.
- **Casino Mitigation Dollars (Section 88):** This section restores a 3% contribution rate to the Community Mitigation Fund. Prior to FY25, the fund received 6.5% of revenue the state received from category 1 casinos. Municipalities use these dollars for regional transportation, economic development, and public safety projects that mitigate the impacts of gambling on local communities.

Other Noteworthy Outside Sections:

- **Speed Camera Enforcement (Sections 4, 29, 30, 46, 96, and 100):** Allows MassDOT and municipalities to establish a speed camera enforcement program to allow DOT and municipalities to enforce posted speed limits through speed cameras in construction zones and school zones, respectively.
- **Ends some drivers license suspensions due to fines and fees (Sections 5, 28, and 31-45):** Would end the practice of suspending drivers' licenses and vehicle registrations due to unpaid fines and fees in certain circumstances.
- **Stabilization Fund and Long-Term Liability Financing Task Force and Budget Stress Test (Section 17):** This section codifies the Stabilization Fund and Long-term Liability Financing Task Force and requires the Executive Office for Administration and Finance to annually review potential prospective stress impacts of economic scenarios for future fiscal years.
- **40A Electronic Notifications (Sections 23 – 26):** Allows for notification of hearings on zoning ordinances and bylaws to be sent electronically as well as physically.
- **Connector Care Expansion Pilot (Sections 73, 74 and 76):** Extends the Connector Care Pilot for one additional year.