

FY2027 HWM Budget Summary

H.5500 House Budget

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On April 27th, the House began debating 1737 H.5500—their version of the FY27 budget. Debate concluded on XXX, with \$XX added to the \$63.33 billion version of the bill reported out by House Ways and Means on April 15. The House’s final proposal is a \$63.33 billion package, which is a \$33 million decrease from the Governor’s proposal in H.2 ([MAPC summary available here](#)) and a 3.6% increase over the FY26 budget.

The budget includes level funding for the [District Local Technical Assistance program](#) and the Senator [Charles E. Shannon Community Safety Initiative](#). It also reestablishes funding to the Community Mitigation Fund for the first time since FY24 at 4%. On the following pages, there is a summary of several key line items and outside sections that impact MAPC communities.

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 \$1.14 billion. Additionally, surplus FY25 Fair Share funds are proposed to be spent via a supplemental budget that is currently before a Conference Committee which will likely right-size the split between education and transportation.

What comes next: The budget now heads to the Senate, where the Committee on Ways and Means will begin the process of drafting their FY27 budget. Debate is expected later in May. 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>	<u>House Budget</u>
8100-0111	Senator Charles Shannon Community Safety Initiative	\$10.08 million	\$13.4 million	\$10.08	\$ million
1599-0026	District Local Technical Assistance	\$3 million	\$4 million	\$3 million	\$ million
	Community Compact Grants	\$0	\$2 million	\$2 million	\$0
Outside Section	Community Mitigation Fund Contribution	0%	6.5%	3%	4%

Local Aid

- **UGGA** (Unrestricted General Government Aid) (1233-2350) is proposed at \$1.33 billion, a slight increase over the \$1.32 billion allocated in FY26 but \$23 million below the Governor's proposal. MAPC supports increasing UGGA to the highest feasible level.
- **Chapter 70** (7061-0008) is proposed at \$7.055 billion, a 2.8% increase over FY26 and \$20 million over the Governor's proposal. Minimum aid is proposed at \$160 per student, a \$10 increase over FY26 and \$85 more than the \$75 per student the Governor proposed.
- **Chapter 70 Pothole Account** (1599-0008): The House Ways and Means budget includes \$10 million for a reserve to offset reductions in state aid distributed to cities and towns under chapters 70 of the General Laws due to unexpected reductions in English language learners.
- **Education:** The special education circuit breaker (7061-0012) is proposed at \$653 million, in line with the Governor's proposal and \$169 (35.2%) million more than in FY26. Regional school transportation reimbursements (7035-0006 and 1596-2451) are proposed at \$119 million, a 14.8% increase over FY26 and the same as the Governor's proposal. McKinney-Vento homeless student transportation (7035-0008) is funded at \$35 million, a \$6.5 million (23%) increase over FY26 but level with the Governor's proposal. Charter school reimbursements (7061-9010) are proposed at \$200 million, in line with FY26 and the Governor's proposal.

Transportation

- **MBTA** (1595-6369) is proposed at \$470 million, level funding with FY26 and the Governor's proposal. The supplemental budget in Conference Committee includes additional funding for the MBTA.
- **RTAs** (1595-6370) are proposed to be funded at \$217 million, in line with the Governor's proposal and \$8 million (4%) more than FY26. Included in this line item are the same earmarks from FY26: \$66 million for operational enhancements and improvements including expanded service, \$35 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 \$604 million, \$32 million (5.6%) more than FY26 but \$40 million (-6.2%) less than the Governor's proposal.
- **Red Line Transportation Study** (1595-6369): \$50,000 dollars was added via amendment to study the feasibility of either extending the Red Line and/or creating a Bus Rapid Transit (BRT) line from Alewife to the Concord Rotary.

Housing

- **MA Rental Voucher Program (MRVP)** (7004-9024) is proposed at \$281 million, a 1% increase over Governor's proposal and \$28 million (11%) over FY26.
- **Residential Assistance for Families in Transition (RAFT)** (7004-9316) is proposed at \$207 million, nearly \$6 million (3%) more than the Governor's proposal but still below FY26.
- **HomeBASE** (7004-0108) is proposed at \$82 million, level with the Governor's proposal and \$25 (43.6%) million over FY26.
- **Emergency Assistance Family Shelters and Services** (7004-0101) is proposed at \$258 million, a 6% decrease from FY26 and level with the Governor's proposal.

- **Right to Counsel** (0321-1800) is proposed at \$3 million, which is \$500,000 (20%) above FY26 and the Governor’s proposal.

Environment

- **Department of Environmental Protection** (2200-0100) is proposed at \$51.1 million, a \$2.5 million (4.9%) decrease from FY26 and a \$1 million (1.9%) decrease from the Governor’s proposal.
- **Climate Adaptation and Resiliency** (2000-0101) is proposed at \$4.28 million, below both FY26 and the Governor’s proposal.

Public Health and Safety

- **Healthy Incentives Program (HIP)** (4400-1004) is proposed at \$20 million, level with FY26 but \$9.7 million (-32.6%) less than the Governor’s proposal.
- **SNAP and DTA:** The DTA operations budget (4400-1000) is proposed at \$108 million, a \$1.8 million (2.1%) increase over FY26, but \$2.2 million (2%) decrease over the Governor’s proposal. The SNAP Participation Programs (4400-1001) are proposed at \$5 million, level with the Governor’s proposal and FY26.
- **Universal School Meals** (7053-1925 and 1596-2422) is proposed at \$202 million, in line with the Governor’s proposal and an \$18.6 million (10.4%) increase over the previous year.
- **SAPHE** (4512-2022) is proposed at \$12 million, \$3 million (-20%) less than the Governor’s proposal but still above FY26.
- **Childcare and Early Education Programs** (3000-4060, 1596-2452, 1596-2410) are proposed at \$983 million.
- **Immigration Legal Services** (4003-0124) is proposed at \$7 million, an increase of \$2 million over last year’s budget.

Fair Share Funding Overview

Notable transportation proposals include:

- \$220 million operating transfer to the MBTA (not included in Gov’s proposal)
- \$134 million operating transfer to RTAs (not included in Gov’s proposal)

Notable education proposals include:

- \$550 million for expansion of the Student Opportunity Act (same as Gov’s proposal)
- \$365 million for Childcare Grant to Providers (1596-2410) (\$5 million more than Gov’s proposal)
- \$127 million for free community college (1596-2700) (\$10 million less than Gov’s proposal) and \$36 million for SUCCESS grants (\$22 million more than Gov’s proposal)

Revenue Transfers:

- **Disaster Relief Fund Transfer** \$14 million (\$20 million in H.2)
- **Stabilization Fund Transfer** (from Excess Capital Gains)..... \$128 million (\$100 million in H.2)
- **Transfer to the MBTA** (from dedicated sales tax)\$1.44 billion (same as H.2)
- **Health Safety Net Trust Fund** (from Federal Matching and Debt Reduction Fund)....35.5 million

Priority Outside Sections

- **Workforce Investment Trust Fund and Economic Development Trust Fund (Sections 7 –10):**
Reduces the amount of Sports Wagering Fund dollars set aside for Workforce Investment Trust

Fund to 10% from 17.5%. The remaining 7.5% is allocated to the Sports and Entertainment Events Fund. The Governor's budget sent these dollars to the Economic Development Trust Fund (7.5%).

- **Casino Mitigation Dollars (Section 63):** This section restores a 4% contribution rate to the Community Mitigation Fund, a 1% increase over the 3% the Governor recommended. Prior to FY25, the fund received 6.5% of revenue the state received from category 1 casinos. Eligible 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:

- **Mass DOT Board Seats (Section 3A):** Increases the number of Mass DOT board members from 11 to 13 but it does not specify specific background. Board members are appointed by the Governor
- **Health Care Study (Section 6A – Added by Amendment):** Requires CHIA to study the impact of programs developed to assist the uninsured, underinsured, and geographically isolated on the role of employers in assisting their employees in affording health insurance.
- **Stabilization Fund and Long-Term Liability Financing Task Force and Budget Stress Test (Section 15):** This section requires ANF & DOR to conduct a multiyear budget forecast to evaluate for potential economic stress for the next three fiscal years. The Governor had a similar provision in her budget.
- **Special Education Transportation (Sections 31 – 33, 51):** These sections add requirements for schools that provide out of district special education transportation to include a detailed breakdown of cost components in both the school's solicitations and vendor's submissions. EOE will keep a database of procurements and contracts for all out of district transportation and will develop and annually update best practices for municipalities. EOE, OSD, and DPU and RMV will study areas to improve the marketplace.
- **HIV Prevention Drug Coverage (Section 28, 36, 38, 40, 44, 45, 46):** Several sections in the budget require coverage of HIV prevention drugs by insurers.
- **Preserving Rape Kits (Section 29):** Requires police departments to preserve rape kits for 15 years after collection.
- **School Nutrition Advisory Council (Section 30A):** Added by amendment, this section establishes a school meal nutrition standards advisory council to advise the commissioner on nutrition standards for meals served in schools. The Council will be made up of 11 members with 6 appointed by the Governor and members from Project Bread, School Nutrition Association of Massachusetts, Massachusetts Healthy School Lunch Coalition, Massachusetts Farm to School Project and from the Massachusetts Food System Collaborative.
- **Commission on Acupuncture & Wellness (Sections 35 & 74):** Creates a Commission on Acupuncture and Wellness to study the potential for greater integrated use of acupuncture services in health care services.

- **Immunization Program Changes (Sections 49A & 73A):** This amendment makes three changes to the state's vaccine and immunization programs: including updating the process for setting the annual surcharge that health insurers pay into the Vaccine Purchase Trust Fund and allows providers participating in state immunization programs the choice of any FDA-licensed or CDC-recommended vaccine brand or formulation, including combination vaccines.
- **Connector Care Expansion Pilot (Sections 48 and 49):** Extends the Connector Care Pilot for one additional year. This is similar to the Governor's budget.
- **Dental Benefits Study (Section 51A – Added by Amendment):** Creates a commission to study the level and structure of dental benefits provided by MassHealth and the health safety net.
- **Kendall Square Transportation Study (Section 51B):** Added via amendment, this section would require Mass DOT to conduct a feasibility study of bus rapid transit between Kendall Square, the Allston and North Brighton and the Longwood area.
- **Dental Coverage (Section 53):** Allows HHS to determine the extent of services covered for the federally optional dental services that are included in state and Mass Health coverage. HHS may impose coverage caps, changes, exclusions or limitations on these plans if they do not result in any cap of less than \$1,750.

Outside Sections from H.2 Not included in H.5500:

- **Speed Camera Enforcement:** 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:** Would end the practice of suspending drivers' licenses and vehicle registrations due to unpaid fines and fees in certain circumstances.
- **40A Electronic Notifications:** Allows for notification of hearings on zoning ordinances and bylaws to be sent electronically as well as physically.