

Governor's Budget Recommendation

January 22, 2025

Budget Briefs

Maura T. Healey

Governor

Kimberley Driscoll

Lieutenant Governor

House 1

Fiscal Year 2026

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FY2026 H.1 BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

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FY2026 H.1 BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Fiscal Overview

Christopher Marino, Assistant Secretary for Budget

Introduction

The Healey-Driscoll Administration's House 1 recommendation represents a balanced budget that prioritizes affordability, competitiveness and equity for our Commonwealth. The administration continues to focus on being good fiscal stewards for Massachusetts residents, as well as making key investments to move Massachusetts forward.

As the state continues to grapple with the post-pandemic stresses on our safety net systems and elevated costs driven by inflation across all sectors, this budget recommendation ensures that each dollar is spent efficiently and effectively. House 1 focuses on maintaining and preserving our most critical programs and services in a fiscally responsible, sustainable manner, while continuing to be a leader amongst our peers.

Bottom Line

The Governor's budget recommendation totals \$59.561 billion, excluding spending tied to the 4 percent income surtax and the Medical Assistance Trust Fund. This represents an increase of \$1.489 billion, or 2.6 percent, over current FY25 estimated.

In addition, House 1 includes \$1.95 billion in income surtax spending for education and transportation. These resources support transformative recommended investments that will allow us to expand access to early education and care, provide affordable higher education opportunities, maintain our commitment to the Student Opportunity Act, and provide safe and reliable transportation across the state.

<i>\$ in millions</i>	FY25 Est. Spend	FY26 House 1	\$ vs. FY25 Est. Spend	% vs. FY25 Est. Spend
Line Item Spending	\$58,089	\$59,577	\$1,489	2.6%
Medical Assistance Trust Fund (MATF)	\$838	\$548	-\$290	-34.6%
Surtax	\$1,330	\$1,950	\$620	46.7%
Total	\$60,256	\$62,075	\$1,819	3.0%

Since signing the FY25 GAA, the state has seen significant cost growth in some of our core programs, including more than \$1 billion in gross MassHealth growth driven by increased caseloads and higher enrollee acuity following the pandemic, as well as enhanced

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caseload demands for core safety net programs like home care and early education services.

House 1 contends with the annualization of these increased cost pressures through targeted, thoughtful savings and revenue initiatives. This balanced blueprint ensures that our residents remain supported while keeping the state on a sustainable fiscal track.

Tax Revenue

House 1 relies on the FY26 consensus tax revenue agreement of \$43.614 billion, including \$2.4 billion in 4 percent income surtax collections. Total non-surtax revenue growth represents 2.2 percent, or \$907 million, over FY25 benchmarks.

\$ in millions	FY25 Benchmark	FY26 House 1	\$ vs. FY25 Benchmark	% vs. FY25 Benchmark
Baseline Tax Revenue	\$40,307	\$41,214	\$907	2.2%
4% Income Surtax Revenue	\$1,300	\$2,400	\$1,100	
Total Tax Revenue	\$41,607	\$43,614	\$2,007	

Surtax

In alignment with the FY26 consensus tax revenue agreement, House 1 assumes \$2.4 billion in total income surtax collections. Of this total, the agreement includes a spending cap of \$1.95 billion, which is \$650 million more than was available in FY25. This spending cap will allow us to program surtax-supported spending in a sustainable manner. The \$550 million in estimated collections over the spending cap will be made available for one-time education and transportation needs through the Innovation and Capital Fund, as well as to the Reserve Fund to backstop any future volatility in surtax collections.

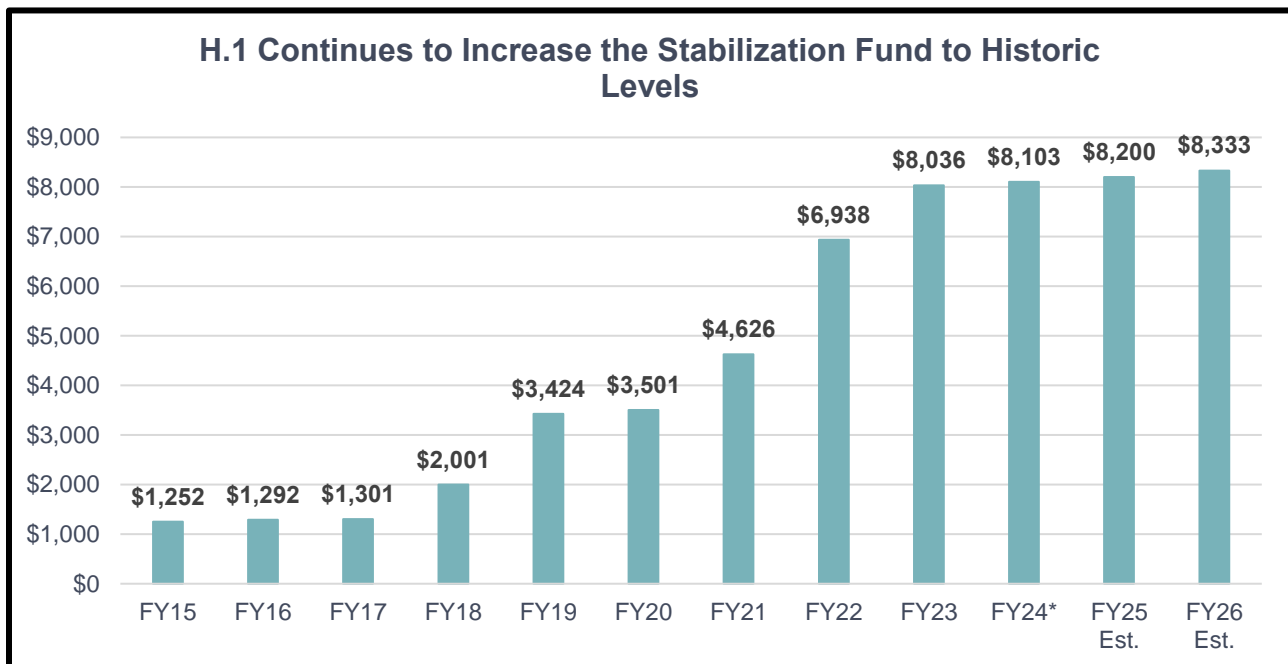
\$ in millions	FY26 House 1
Total Surtax Revenue	\$2,400
Spending Cap (Amount Available for Budget)	\$1,950
Innovation and Capital Fund (85% of est. excess collections)	\$383
Reserve Fund (15% of est. excess collections)	\$68

Pre-Budget Commitments

The Governor's budget maintains statutory pre-budget tax revenue transfers, totaling \$8.317 billion. This includes \$4.933 billion for our annual pension transfer, which represents a \$433 million (9.6 percent) increase over FY25. House 1 also transfers a combined \$2.692 billion in sales tax revenues to the MBTA and the Massachusetts School Building Authority, as well as \$27 million for the Workforce Training Trust Fund.

\$ in millions	FY26 H.1
Total Taxes (excluding Surtax)	\$41,214
Pension Fund Transfer	\$4,933
MBTA - Sales Tax Transfer	\$1,426
MA School Building Authority - Sales Tax Transfer	\$1,265
Excess Capital Gains for Stabilization Fund, Pension and State Retiree Benefits	\$666
Workforce Training Trust Fund	\$27
Total Pre-Budget Transfers	-\$8,317
Taxes Available for Budget	\$32,897

In addition, House 1 provides \$666 million for some of our largest long-term liabilities through our capital gains tax collections. This includes an estimated \$133 million deposit into the Stabilization Fund, bringing it to an historic high of \$8.717 billion by the end of FY26.

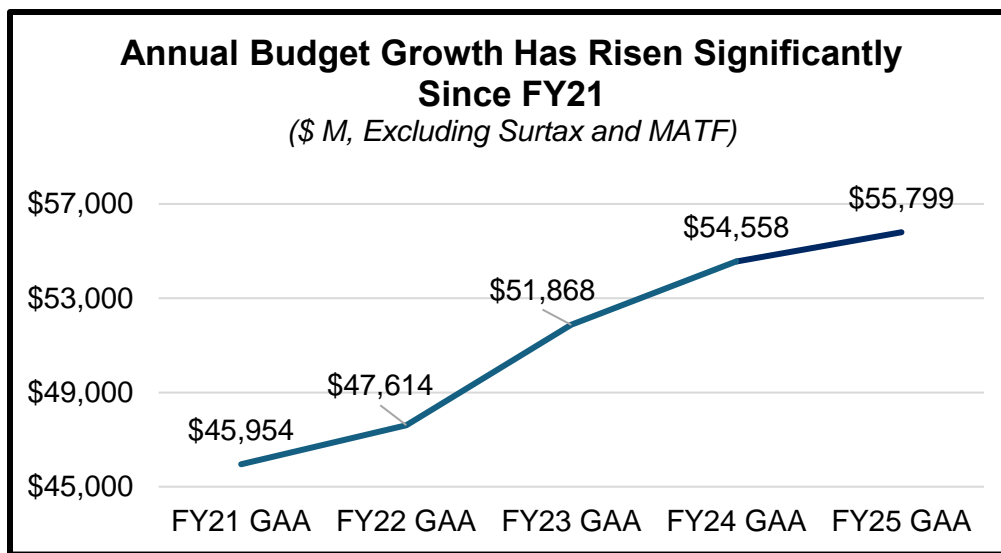


**FY24 Stabilization Fund balance adjusted for the enactment of federal matching fund legislation, which redirects fund interest to support state match for federal grants*

After accounting for these transfers, non-surtax revenues available for the budget total \$32.897 billion, an increase of \$414 million over the current FY25 benchmark.

Fiscal Pressures

Excluding new surtax spending and transfer to the Medical Assistance Trust Fund, the General Appropriations Act (GAA) grew by nearly \$10 billion, or more than 21 percent, between FY21 and FY25. This spending growth reflects the increased demand for state services and programming supporting our most vulnerable populations during and after the pandemic.



Today, the state continues to experience exacerbated demands on those key services – health care, high-quality early education and care, and housing stabilization, just to name a few. The FY26 House 1 recommendation continues to support many of the programs that our residents rely on to educate their children, find meaningful employment, reach their destinations safely and reliably, and secure stable, affordable housing.

At the same time, our tax revenue estimates, while projecting modest growth at 2.2 percent, cannot keep up with these demands on state services. FY21 and FY22 saw cumulative tax revenue growth of 35.7 percent, as the economy benefited from federal pandemic stimulus. In contrast, total tax collections between FY23 and FY24 decreased by 6.83 percent. The precipitous decrease in tax revenue collections in FY23 came at the end of the fiscal year, which compounded the impacts of those losses as we moved into FY24 and experienced further erosion.

This mismatch between spending and revenue growth has required us to examine the budget to create meaningful savings, so that our most critical services can be maintained sustainably. Overperforming tax revenues from FY21 to FY22 allowed the state to support additional programming; however, as tax revenues have leveled out, the administration has needed to be thoughtful and deliberate in how to deploy more limited resources.

Balancing the Budget

FY26 Strategy

Given the challenges laid out above, the House 1 proposal relies on a thoughtful combination of spending reductions and resources to produce a balanced, responsible budget. This recommendation proposes new policies to create permanent revenues for future fiscal years, while also taking advantage of available one-time resources to maintain the programming our residents rely on. Some of House 1's most notable solve proposals include:

Resource	Amount (\$ in millions)	Description
Excess Capital Gains for Long-Term Liabilities	\$533	The House 1 recommendation adjusts our distribution of excess capital gains to use more of these resources for our pension (\$433 million) and post-retiree benefit liabilities (\$100 million). This shift in resources allows us to reduce other state resources for these purposes to provide relief on the operating budget. This shift still allows us to meet our full commitment to our triennial pension schedule. Even with these shifts, House 1 still makes an estimated transfer of \$133 million to the Stabilization Fund.
Ch. 102 and 268 Program Reductions	\$200	House 1 grants the Secretary of Administration and Finance the authority to reduce certain programs from chapter 102 of the acts of 2021 and chapter 268 of the acts of 2022. These programs used 1-time surpluses to support new programs across state government. Given budget pressures, the Administration proposes to reduce or eliminate programs that have not been spending down their appropriations or have remaining balances after completing the designed programs.
Charitable Deduction Cap	\$164	The Governor's budget proposal allows the charitable donation deduction, first implemented in tax year 2023; however, to structure it like several other deductions, the budget proposes caps on the deduction (\$10,000 for joint filers and \$5,000 for individual filers). The inclusion of a cap will situate the charitable donation deduction in alignment with other tax benefits, including the commuter and rent deductions that working families rely on.

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Tax Fairness and Modernization Policies	\$145	Like the FY25 budget, House 1 proposes several tax fairness and modernization initiatives focused on closing loopholes and ensuring that Massachusetts businesses and residents remain competitive.
Penalty for Excessive Drug Pricing	\$60	The administration is focused on making life more affordability for Massachusetts residents. House 1 proposes an excessive price penalty on drug manufacturers when the price of a drug exceeds inflation. This will result in real savings in people's pockets without jeopardizing their ability to purchase life savings medication.
Elimination of Sales Tax Exemption on Candy	\$25	Currently, candy is exempt from the sales tax. House 1 proposes to remove this exemption. It is critical that our tax policy decisions align with our general policy opinions. In this case, incentivizing the purchase of candy does not align with our public health goals, especially for our youth.
Subjecting Synthetic Nicotine to Tobacco Excise	\$2	Aligns synthetic nicotine product taxation with other similar products.

While House 1's recurring solves contribute to a structurally balanced budget in future fiscal years, the FY26 budget recommendation also relies on one-time resources that must be managed carefully. For example, the Governor's budget draws from the Student Opportunity Act Investment Fund and the Early Education and Care Operational Grant Fund to support Chapter 70 aid to schools and the Commonwealth Care for Children (C3) Grant Program, respectively.

The administration is deploying these resources mindfully to ensure that the state does not move towards an unavoidable fiscal cliff and continues to actively work on permanent solutions to stabilizing these priority programs. The administration has also continued to build these reserves in partnership with the legislature to ensure that we can provide these vital supports to our school districts and child care providers.

Reserve	Amount Used in House 1 (\$ in millions)	Remaining Balance after House 1* (\$ in millions)	Use in House 1
Student Opportunity Act Investment Fund	\$207	\$519	Ch. 70 for the implementation of the Student Opportunity Act

Early Education and Care Operational Grant Fund	\$115	\$135	C3 Grants to support child care providers
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**Remaining fund balances based on estimates as of House 1 filing, including proposed transfer from the administration's Fair Share supplemental budget to the Early Education and Care Operational Grant Fund*

In addition, the Governor's recommendation relies on savings initiatives that mitigate direct cuts to services, while helping to curb spending growth. Based on the annualization of our prior commitments, including rates, formula-driven obligations and the impacts of inflation, the costs to provide level services over FY25 estimated spending would have grown by more than double the rate of inflation. The Governor's recommendation includes more than \$2.5 billion in gross savings to right-size the budget and bring that rate of growth under the current rate of inflation compared to FY25 estimate spending. These savings initiatives focus on:

- Promoting a more efficient and sustainable government
- Consolidating programs and services to more effectively serve residents
- Maximizing our federal and off-budget resources to get the most value for taxpayers

For example, the House 1 budget realizes savings from consolidation of hospital services under the Department of Public Health. The transfer of pediatric services from the Pappas Rehabilitation Hospital for Children to Western Massachusetts Hospital Campus in Westfield will both improve the delivery of care, as well as create efficiency savings.

In another instance, the House 1 budget moves funding for the Food Security Infrastructure Grant Program to the capital budget, which is a more appropriate funding source for the program. This will provide space on the budget to maintain food security operating supports, such as the Massachusetts Emergency Food Assistance Program.

While MassHealth continues to see elevated growth due to higher caseload and higher acuity in its members, the House 1 recommendation proposes savings via service rates – in some cases holding rates flat and in others making targeted reductions. These savings are necessary to proactively control MassHealth's growth at a time when the need for state-supported coverage remains well-above our pre-pandemic levels.

Future Sustainability

Looking beyond FY26, these current fiscal challenges are expected to continue. House 1 proposes a blueprint reliant on meaningful savings measures, recurring revenues, and one-time resources to put the state on a path towards long-term sustainability.

This budget proposal, in tandem with recently enacted legislation, aims to make Massachusetts more affordable for families and increase our competitiveness in order to grow our economy. These efforts should help to ensure that we can preserve the key services that our residents rely on year in and year out and continue to make Massachusetts the best place to work and grow your family.

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Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Local Aid

Jake Rooney, Fiscal Policy Manager

Introduction

The Healey-Driscoll Administration recognizes that the strength of Massachusetts's 351 cities and towns underpins the overall success of the Commonwealth and its people. That's why this administration is committed to ensuring that every municipality, from Provincetown to Pittsfield, has the resources it needs to succeed. Cities and towns need support and flexibility to chart their own course, which is why—alongside our strong commitment to funding local schools and programs through our FY26 House 1 budget recommendation—the administration is also refiling the **Municipal Empowerment Act** to address a range of issues that communities have cited as holding them back from achieving their goals.

Critical Resources to Cities and Towns

The administration's commitment to cities and towns is reflected in our House 1 recommendation, which provides over \$9.205 billion for local aid, a \$480 million (6 percent) increase over FY25 GAA.

Values in \$ Millions	FY24	FY25	FY26 H.1
Chapter 70 Payments to Cities and Towns	6,592.6	6,901.9	7,322.2
Charter School Reimbursement	232.7	199.0	179.1
Transportation of Pupils	126.7	129.1	150.8
Smart Growth	0.8	0.8	0.8
Subtotal: Education	6,952.8	7,230.8	7,652.9
Unrestricted General Government Aid	1,270.6	1,308.7	1,337.5
Veterans' Benefits	68.2	68.2	81.8
Payments in Lieu of Taxes on State Owned Land	51.5	53.0	54.5
Tax Abatements for Veterans, Widows, Blind Persons, and Elderly	24.0	24.0	39.0
Public Libraries Local Aid	17.6	20.0	20.0
Regional Libraries Local Aid	16.7	19.0	19.0
Payments for Local Share Racing Tax Revenue	1.1	1.1	0.9
Subtotal: General Government	1,449.7	1,494.0	1,552.7
Total	8,402.5	8,724.8	9,205.6

A Statewide Partnership: Unrestricted General Government Aid (UGGA)

A cornerstone of this commitment is the reliable expansion of Unrestricted General Government Aid (UGGA), which supports essential local government services, including public safety, public works, and economic development. UGGA is a critical resource for cities and towns, providing the only fully flexible, unrestricted source of state local aid to

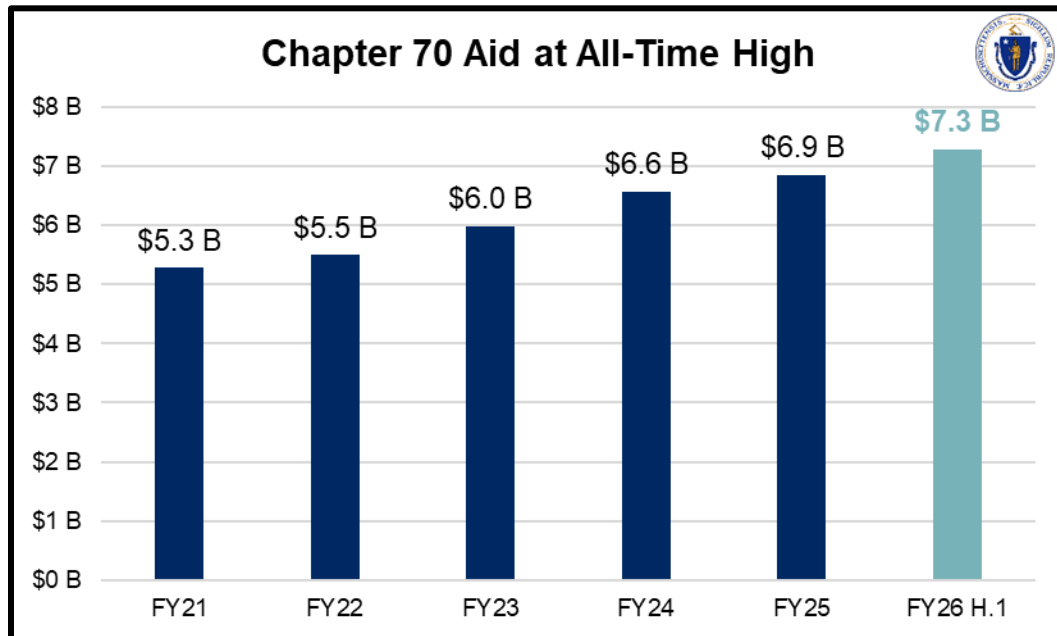
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Local Aid

municipalities. House 1 recommends a \$28.8 million (2.2 percent) increase over FY25 GAA, which aligns with consensus tax revenue growth.

Good Schools, Strong Communities: Fully Funding the Student Opportunity Act (SOA)

The administration is focused on ensuring that all students have access to a high-quality education. House 1 funds Chapter 70 school aid at \$7.322 billion, a \$420 million (6 percent) increase over FY25 GAA. This funding guarantees a minimum per pupil aid rate of \$75.



House 1 proposes full funding for Charter School Reimbursements at \$179.1 million. This funding level reflects a leveling off of Charter School enrollment increases.

It also proposes fully funding the Special Education Circuit Breaker at \$682 million, \$532 million of which is provided in House 1, with the other \$150 million provided in the Fair Share supplemental budget. This funding level reflects full phase-in of out-of-district transportation cost reimbursement provided for in the SOA.

For more information on how the Healey-Driscoll Administration is supporting education, please see our [Access to Education](#) budget brief.

Partnering with our Municipalities

The House 1 proposal maintains the administration's commitment to supporting school transportation, investing an additional \$21 million (17 percent) in various programs:

- Regional School Transportation reimbursement is funded at \$116 million, an increase of \$16.5 million, providing reimbursements for approximately 95 percent of local costs.

- Non-Resident Pupil Transportation (vocational) reimbursement funded at \$6.2 million, providing reimbursements for approximately 100 percent of local costs.
- Homeless Student Transportation reimbursement is funded at \$28.7 million. Additional funds for this program are available outside the budget.

In addition, House 1 maintains \$15.8 million for Rural School Aid, sustaining FY25 projected spending. This program provides rural districts with additional funding for the fixed costs of running a school district and supports strategies to improve longer-term operational efficiencies.

House 1 also increases Payments in Lieu of Taxes (PILOT) for state-owned land to ensure full and equitable reimbursement. The PILOT program makes payments to cities and towns to replace property tax revenue forgone due to state ownership of certain land. House 1 funds PILOT at \$54.5 million, a \$1.5 million (3 percent) increase over FY25 GAA. This funding level reflects the most up-to-date property valuations while ensuring all municipalities will receive equal or higher payments than in FY25.

Additionally, House 1 recommends continuing support for public and regional libraries. Public libraries play a pivotal role within our communities, from serving our youngest residents to our most vulnerable populations. House 1 maintains funding to strengthen libraries' ability to continue innovating, offer eBooks, promote resource sharing, support digital equity through Wi-Fi access and library devices, and provide accessible programming regardless of physical or intellectual ability.

- Local aid for public libraries is funded at \$20 million
- Regional Libraries are funded at \$19 million
- Library Technology and Automated Resource-Sharing is funded at \$6.2 million

Vibrant and Safe Communities

House 1 also promotes safety and security by proposing \$10.1 million for the Shannon Community Safety Initiative. This initiative provides a multi-faceted approach to addressing gang and youth violence in communities by supporting youth development, recreation, case management, street outreach, education, employment, targeted suppression, and community mobilization programs. These funds are also directed towards research intended to develop strategy and implementation of funding at Shannon sites. This funding complements the DCR Summer Nights program, neighborhood-based gun and violent crime prevention, and Department of Justice's Project Safe Neighborhoods.

Additionally, House 1 proposes \$4 million for the Nonprofit Security Program, to be administered by the Executive Office of Public Safety and Security. The program provides resources to nonprofit entities at particular risk of experiencing hate crimes and acts of violence, especially faith-based organizations and medical facilities. Funding is typically used to enhance security measures, including infrastructure for security systems, security personnel, and strengthening entryways and exits. This grant program is an important tool in ensuring the safety of the organizations that contribute significantly to the fabric of our communities.

Supporting Municipal Innovation

House 1 also recommends \$7.5 million for the Municipal Regionalization and Efficiencies Incentive Reserve. This includes:

- \$3 million for the District Local Technical Assistance Fund, which supports the state's 13 regional planning agencies (RPAs) and enables them to provide technical assistance for cities and towns.
- \$2 million in funding for the Community Compact Program. This funding will help municipalities implement best practices in areas including cybersecurity, housing production, and solid waste disposal.
- \$2 million for public safety and emergency staffing. These grants, used to enhance staffing levels, are awarded to communities that have populations of at least 60,000 and demonstrate that their police departments had an operating budget per capita of less than \$200 in FY25.
- \$500,000 to continue the Local Finance Commonwealth Fellowship Program. This fellowship supports about 30 participants from community colleges in gaining an understanding of municipal finance through a training program managed by the Division of Local Services and work-based learning through local government partnerships with host cities and towns across Massachusetts.

Finally, House 1 also proposes using Fair Share surtax resources to expand capital capacity which will enable Chapter 90 funding to reach \$300 million annually, a 50 percent increase over the traditional \$200 million. With these resources, the administration can commit to making a \$1.5 billion investment in local road improvement over the next five years. This long-term funding increase will also allow the funding distribution formula to be updated, ensuring all cities and towns see a significant increase but recognizing that construction inflation in recent years has particularly eroded the buying power of smaller and rural communities that need extra support to complete road projects. This investment will assist local governments to ease congestion, address needs associated with climate change adaptation and resilience and fix more of the state's aging roads and bridges.

Municipal Empowerment Act

The Healey-Driscoll Administration is refiling legislation designed to arm local governments with greater tools and supports so they can better chart their own course and administer vital services more effectively and efficiently. The bill will include reforms to grant municipalities greater flexibilities, reduce burdens, and address fiscal pressures. This includes:

- Creating new property tax exemptions for seniors to allow cities and towns to adopt a Senior Means Tested Property Tax Exemption for qualifying seniors and to increase existing senior property tax exemptions.
- Addressing long-term benefit funding pressures by establishing a new OPEB Commission to take a fresh look at opportunities to address unfunded liabilities from non-pension employee benefits.

- Implementing central valuation of telecom and utility property through the Department of Revenue's Division of Local Services (DLS) to relieve cities and towns of the cost of individually hiring experts and consultants.
- Reforms procurement law to equalize 30B thresholds for advertised procurements to \$100,000 for all municipal purchasing, makes it easier to use cooperative purchasing agreements, and streamlines rules for purchasing electric school buses and associated charging infrastructure.

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Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Fair Share Two Years Later: Investments and Impacts

Caroline Elmendorf, Deputy Chief of Staff, Amelia Marceau, Assistant Budget Director, Jake Rooney, Fiscal Policy Manager, Hannah Frisch, Fiscal Policy Analyst

Fair Share Revenue

In November of 2022, the voters approved a “Fair Share” ballot initiative to impose a 4% income surtax on individuals earning over \$1 million annually. Over the partial year of collections in FY23 and the first year of complete collections in FY24, revenues have come in well above forecast; Massachusetts’ Department of Revenue (DOR) has certified \$2.702 billion in collections for both FY23 and FY24. \$2.460 billion alone was collected in FY24, well over the spending cap agreed upon in consensus of \$1 billion. Our approach to spending has remained conservative to protect against potential revenue volatility. The consensus revenue number for FY26 has been set at \$2.400 billion and in addition to the H.1 budget, the Administration is filing a supplemental budget proposal on spending a portion of the excess Fair Share revenue from fiscal year 2024.

Fair Share Revenue Projections and Actuals (\$M)

Fiscal Year	FY23	FY24	FY25	FY26	Total
Consensus Estimate	-	\$1,000	\$1,300	\$2,400	\$4,700
Actual Collections	\$242	\$2,460	TBD*	TBD*	TBD*
Appropriated Spend	-	\$1,000	\$1,300	\$1,950**	\$4,250

*Fair Share actual collections are certified in October for the fiscal year ending on the preceding June 30. Fair Share actuals for FY 2025 (ending June 30, 2025) and FY 2026 (ending June 30, 2026) won’t be known until October 2025 and October 2026 respectively.

**Planned appropriations in FY26 House 1

These revenues are constitutionally dedicated to “quality public education and affordable public colleges and universities, and for the repair and maintenance of roads, bridges, and public transportation.” Across FY24 and FY25, the Commonwealth has appropriated a total of \$2.3 billion of Fair Share revenues, split across priority education and transportation programs without supplanting prior commitments.

The Administration has focused on targeting investments to date to achieve transformative change that increases affordability, equity, and competitiveness across the Commonwealth. The investment goals to date have included supporting and stabilizing the child care sector,

providing wraparound supports for K-12 and higher education students, providing free community college to residents of the Commonwealth, increasing Chapter 90-type support to municipalities, providing support for Regional Transit Authorities, and increasing support for the MBTA, among others.

Education

Fair Share revenues have enabled Massachusetts to make transformative investments in education at all levels, from early childhood to higher education. Over FY24 and FY25, \$348.5 million has been allocated to expand access to and the affordability of early education and child care through grant programs, subsidies, and pilot initiatives. Elementary and secondary education has received \$468.5 million, supporting universal school meals, student learning programs, and critical infrastructure projects. For higher education, \$468 million has been committed to initiatives like free community college, scholarship programs, and campus capacity-building projects. Together, these investments are improving education opportunities and outcomes across the Commonwealth.

Early Education and Child Care

Early Education and Care investments have been focused on increasing affordability and access for families, supporting and stabilizing providers, and making capital investments to improve and expand the capacity of early education facilities. Specifically, across FY24 and FY25, \$58 million in Fair Share revenues has been allocated to child care financial assistance for income-eligible families. In FY25, through a combination of Fair Share and General Funds, the Commonwealth invested \$872 million in Child Care Financial Assistance (CCFA) programs. Today, more than 65,000 low-income children and their families receive state support to better access and pay for early education and care.

Other FY24 and FY25 investments from Fair Share revenues in Early Education and Care include:

- \$175 million out of Fair Share revenues for the Commonwealth Cares for Children (C3) Program, combined with \$300 million in General Fund revenues, maintains federal pandemic-era funding levels, supporting 7,900 child care programs, employing more than 41,000 educators, and sustaining more than 25,000 licensed seats for children and families statewide. The funding in FY25 budget also made the C3 program permanent.
- To further assist providers, \$25 million in Fair Share revenues, combined with \$40 million in General Fund revenues, funded a 5.5% rate increase for both center-based and family child care providers in FY24. This funding allowed for updates to the rate methodology to reflect the cost of care, ensuring regions with similar economic conditions receive equitable rates. A further \$65 million was appropriated for rate increases in FY25, \$45 million of which annualizes the FY24 rate increases and \$20 million of which will go to new rate increases.
- \$15 million for two capital investment grant programs in FY24. One improved and expanded capacity of 20 center-based early education programs. Established a second grant program, the first to be dedicated to family child care programs, that will award grants of up to \$25,000.

- \$10.5 million was appropriated across both fiscal years to expand universally accessible pre-K through the Commonwealth Preschool Partnership Initiative (CPPI), increasing capacity in Gateway Cities and rural communities. CPPI is now supporting 203 preschool classrooms and serving 2,891 young learners statewide, including 31 new classrooms directly funded by Fair Share revenues.

K-12 Education

To support student learning and growth, Fair Share revenues in FY24 and FY25 have funded Universal School Meals, enhanced mental health supports, and increased minimum per-pupil aid through Chapter 70. In FY24, Massachusetts required schools, and provided the needed funding, to provide breakfast and lunch free of charge to all students, becoming one of only eight states to maintain universal free meals after the expiration of federal pandemic-era funding. During school year 2022-2023:

- Schools served 12.2 million more lunches and 9 million more breakfasts compared to the last pre-pandemic year of data (school year 2018-2019);
- This commitment of funding has allowed 61,500 more students to eat lunch and 43,400 more to eat breakfast daily.

Revenues have also supported the Healey-Driscoll Administration's Literacy Launch initiative to address one of the most pressing issues in K-12 education: early literacy. Literacy Launch received \$20 million in FY25, which, alongside \$38.4 million in federal funds, provides high quality literacy materials, coaching, and professional development for educators working with students in preschool through third grade.

Other FY24 and FY25 investments in K-12 Fair Share highlights include:

- \$5 million in FY25 to address mental health and behavioral health needs, specifically supporting the development of a comprehensive framework for children from birth through higher education.
- \$7.5 million across both fiscal years for expansion to the network of early college, workforce, technical, and innovation career pathway programs. This supported the launch of 11 new Innovation Career Pathway programs in previously underserved districts, the expansion of existing programs in 15 districts.
- \$160 million for two construction and infrastructure grant programs, distributed through MassCEC for the Clean Energy Infrastructure Grants and Technical Assistance (Green School Works) and the Massachusetts School Building Authority (MSBA) for capital supports.

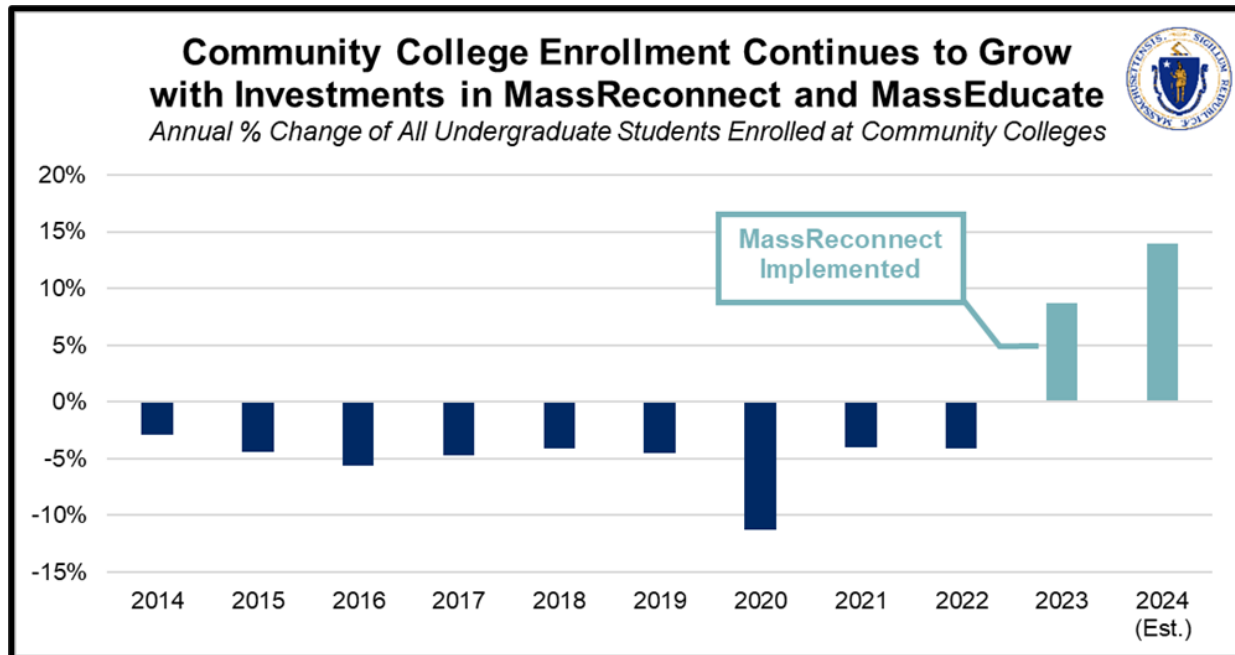
Higher Education

Massachusetts is known for its excellent higher education system, which drives innovation and strengthens our economy. To support access to, and the affordability of, the state's public higher education system, Massachusetts used Fair Share to make community college tuition and fee free through two critical programs: MassEducate, which makes public community colleges free for all students, and MassReconnect, through which residents aged 25 and older can pursue associate degrees or high-quality certificates in in-demand fields such as healthcare and clean energy. The MassReconnect program, begun in FY24, increased adult enrollment by 45% and supported over 4,500 students in its first

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Fair Share Two Years Later

year. The MassEducate initiative built upon that success, covering tuition and fees for eligible students with additional allowances for books, supplies, and other costs. These initiatives, combine, have resulted in a 14% enrollment increase in the fall semester of 2024.



To further improve affordability and access for students, the Commonwealth has distributed additional Fair Share revenues across several grant programs that reduce barriers and improve outcomes for public higher education students:

- Financial Aid Expansion including MASSGrant Plus (\$164 million over FY24 and FY25), which covers tuition, fees, books, and supplies for Pell Grant-eligible students while offering a 50% discount on remaining costs for middle-income families.
- The In-Demand Professions Financial Aid (\$35 million over FY24 and FY25) and Scholarships for Nursing Students at Community Colleges (\$18 million in FY24) programs, which support students in areas that are critical to the Massachusetts workforce.
- For the first time, the SUCCESS Grant (\$14 million in FY25), which already provided wraparound services for vulnerable students at community colleges, was expanded to state universities.
- Basic needs assistance (\$2.5 million in FY25), helping students cover non-tuition costs like transportation, food security, and childcare.

Another \$97 million in Fair Share revenues supports key capital and capacity-building projects in higher education across FY24 and FY25. Highlights include:

- A one-time investment in FY24 in decarbonization, accessibility, and campus security projects (\$50 million) at public colleges and universities

- Funding for the UMass system (\$20 million over FY24 and FY25) and for state universities and community colleges (\$15 million over FY24 and FY25) to match private fundraising for endowments including scholarships, professorships, STEM programs, research positions, and more
- Additional revenues (\$12 million in FY24) for community colleges to expand staffing and make system upgrades at community colleges, supporting their ability to serve expanding student populations

Education (\$ in millions)	FY24 GAA	FY25 GAA	FY26 H.1	Fair Share Supplemental
Executive Office of Education	-	-	-	32.5
Reimagining High School	-	-	-	32.5
Early Education & Care	70.5	278.0	373.0	150.0
Commonwealth Cares for Children (C3) Program	-	175.0	275.0	-
Child Care Supports	-	-	98.0	-
EEC Capacity Building	-	-	-	100.0
Provider Rates	25.0	65.0	-	-
CPPI Pre-K Initiative	5.5	5.0	-	50.0
Child Care Affordability	-	18.0	-	-
Reduce Income Eligible Waitlist	25.0	15.0	-	-
Child Care Provider Capital Improvements	15.0	-	-	-
K-12 Education	224.0	244.5	475.0	280.0
Student Opportunity Act (Ch. 70)	-	-	225.0	-
Universal School Meals	69.0	170.0	170.0	-
Special Education Circuit Breaker	-	-	-	150.0
Career Technical Education Schools Capital/Grants	-	-	-	75.0
Literacy Launch	-	20.0	25.0	-
Adult Basic Ed/ESOL	-	-	-	30.0
High Dosage Tutoring	-	-	-	25.0
Mental Health Systems and Wraparounds	-	5.0	5.0	-
Early College and Innovation Pathways	5.0	2.5	-	-
Clean Energy Infrastructure Grants	50.0	10.0	-	-
MSBA Project Cost Increase Mitigation	100.0	-	-	-
Minimum Per Pupil Aid	-	37.0	-	-
Education Transportation	-	-	50.0	-
Higher Education	229.0	239.0	337.0	-
Higher Education Capital Funding	50.0	-	125.0	-
MassEducate	-	93.5	94.0	-
MASSGrant Plus	84.0	80.0	80.0	-
MassReconnect	20.0	24.0	24.0	-
In-Demand Professions Financial Aid	25.0	10.0	-	-
State U and Community College Endowment Match	10.0	5.0	-	-
UMass Endowment Match	10.0	10.0	-	-
Capacity Building for Free Community College	12.0	-	-	-
Scholarships for Nursing Students at Community Colleges	18.0	-	-	-
State U SUCCESS	-	14.0	14.0	-
Higher Education Persistence and Basic Needs	-	2.5	-	-
Total	523.5	761.5	1,185.0	462.5

Transportation

Fair Share revenues have significantly reshaped the transportation landscape, driving transformative investments while ensuring the sustainability of historical services. Over FY24 and FY25, a total of \$1.015 billion has been allocated to strengthen the Commonwealth's transportation system. This funding has enhanced the Commonwealth Transportation Fund's (CTF) bonding capacity, supported MassDOT operations, stabilized and bolstered the MBTA, expanded services offered by the Regional Transit Authorities (RTAs), and provided vital municipal assistance through Chapter 90.

CTF Bonding Capacity Pledge

In FY25, \$250 million of Fair Share revenues was dedicated to expand the borrowing capacity of the CTF by an additional \$1.1 billion from FY25 to FY29. This dedicated investment will strengthen debt service coverage in the CTF and enable the financing of additional capital projects for both MassDOT and the MBTA over the next five years. Through the expansion of CTF capital, the MBTA will receive an additional \$601 million in capital funding for the Rail Reliability Program, including \$85 million allocated specifically for the Track Improvement Program. Riders felt the effects of the Track Improvement Program as it helped remove over 200 speed restrictions and replaced over 250,000 feet of rail resulting in riders saving 2.4 million minutes every weekday commute. Without the Fair Share investment, the CTF bond programs would remain at capacity, with just \$740 million in planned borrowing available, all of which had already been committed to existing projects.

To learn more about unlocking capital capacity from the CTF, please refer to the **Transportation in the Commonwealth** budget brief.

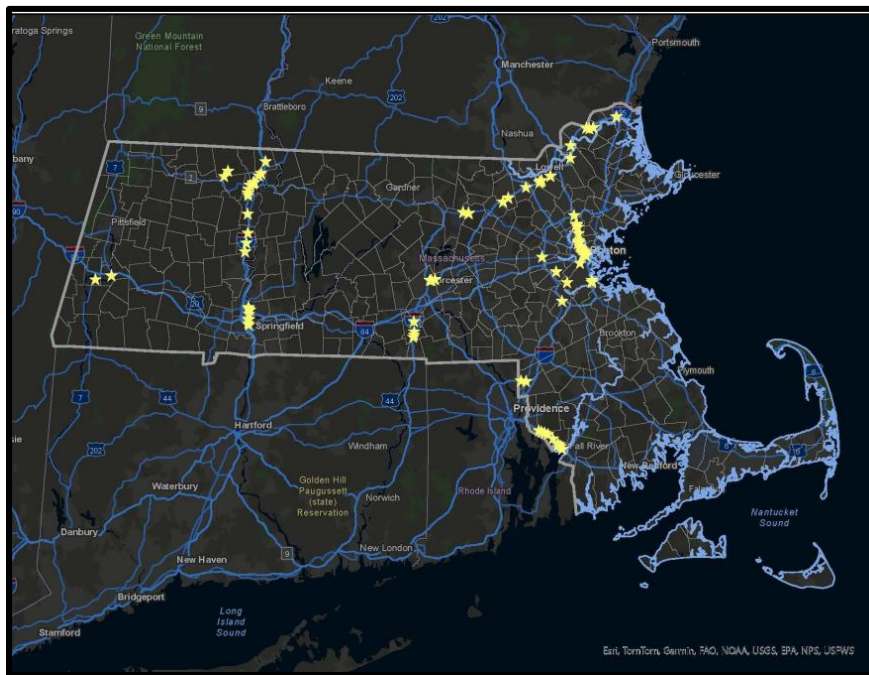
MassDOT Operations

To bolster Massachusetts's primary transportation authority, the Department of Transportation, Fair Share revenues have been allocated to fund a range of new initiatives while maintaining essential services. From FY24 and FY25, MassDOT operations received \$135 million in Fair Share revenue, which supported service investments, highway bridge preservation, and federal matching funds.

In FY25, MassDOT received a \$60 million service investment. This helped to support core operations. Notably, MassDOT funneled funds towards implementing the Work and Family Mobility Act (WFMA). Under WFMA, eligible residents could obtain a Standard (Class D or M) driver's license.

Another \$50 million in FY24 was dedicated to the construction, preservation, reconstruction and repair of highway bridges. With this, MassDOT supported the funding for 20 projects statewide. MassDOT utilized a multi-factor prioritization that weighed current conditions, anticipated near term deterioration, resiliency, and network significance. Projects selected in FY24 were primarily preservation-focused - i.e. sought to extend the useful life of a structure by preventing deterioration and/or address existing defects. A consistent preservation program reduces the number of poor condition bridges that continue to deteriorate and increases the need for more costly replacement.

Bridge Locations Across the Commonwealth



Also in FY24, MassDOT received \$25 million for matching funds to unlock funding from the federal United States Department of Transportation for state or municipal transportation projects. As of September 30, 2024, two noteworthy projects have secured federal matching dollars from the following grant programs: Safe Streets and Roads for All and Consolidated Rail and Infrastructure (CRISI). Safe Streets and Roads' total awarded federal funding amounts to \$4.3 million to date and aims to provide grants to local, regional, and tribal communities for the implementation and planning efforts to reduce deaths and serious injuries on the nation's roadways. Specifically, Massachusetts regional planning agencies have received funds to develop regional safety action plans. Additionally, \$1.8 million of federal funding to date was awarded to the Springfield Reconfiguration project from the CRISI program. MassDOT, as the recipient of these federal funds, will use these dollars for track, signal, and infrastructure improvements in and around Union Station in Springfield.

MBTA

The MBTA has received \$345 million in Fair Share funds to support a range of infrastructure, service, and rider experience improvements to date. Specifically, these funds have been directed towards initiatives such as the Federal Transit Administration's (FTA) Workforce and Safety Reserve; Income-Eligible Reduced Fares; Capital Investments; Water Transportation; and the MBTA Academy.

With the release of the FTA's report in August 2022, the MBTA has been focused on responding to the findings of the report. The FTA identified 20 findings and outlined numerous required action items across four categories: managing the impact of operations,

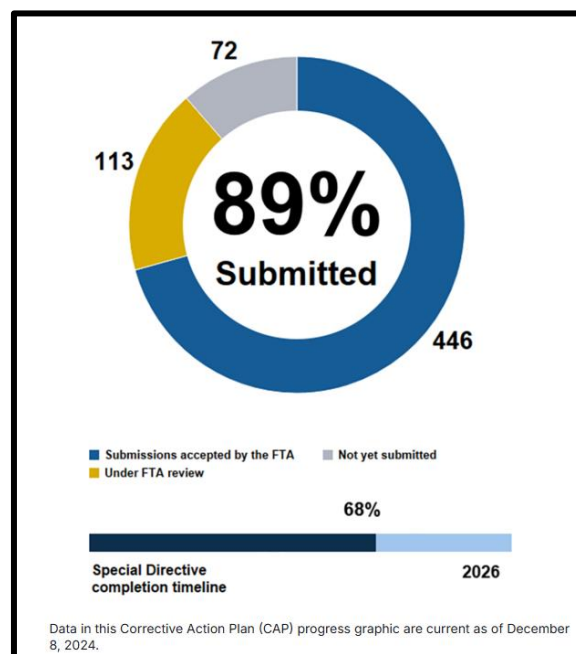
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maintenance, and capital project requirements on the existing workforce; prioritization of safety management information; effectiveness of safety communications; and operating conditions and policies, procedures, and training.

To address these required action items, the MBTA created Corrective Action Plans (CAP). The chart below illustrates the status of those CAPs as of December 8, 2024. To resolve CAPs, the MBTA has been given additional state assistance, supplemented by a Fair Share investment to the FTA Workforce and Safety Reserve.

Since FY24, the FTA Workforce and Safety Reserve has received \$56 million from Fair Share revenues. These funds have been used to cover existing CBAs to stabilize the existing workforce, reducing turnover, and addressing remaining CAPs.



Note: Total number of CAPs generated by the FTA's special directive is funded with a combination of Fair Share revenues and other sources.

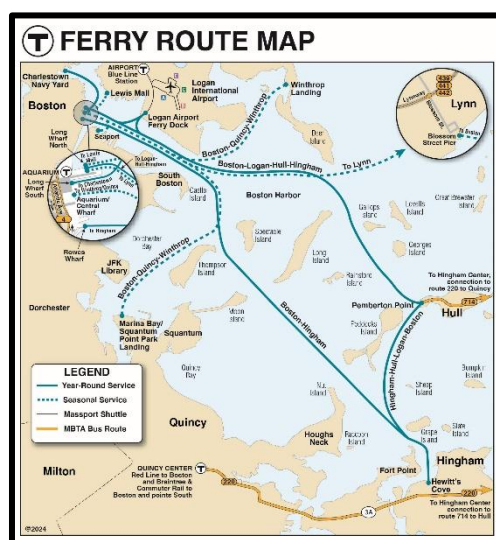
Another noteworthy Fair Share transportation investment has been Income-Eligible Reduced Fares. In FY24, the MBTA received \$5 million to research the feasibility of means-tested or income-eligible reduced fares program. These funds were used to engage with community-based partners, update fare collection technology, expand staffing for the fare revenue department, and support other initiatives. Building on the feasibility study, MBTA was authorized to implement the program with a \$20 million Fair Share investment in FY25. Since its recent launch, MBTA is actively working to enroll eligible individuals to ensure that they can benefit from this program. Since the program launched in September, 33,724 eligible riders have enrolled through early January 2025.

In FY24, MBTA received \$181 million for capital investments, supporting the following infrastructure projects:

Capital Investments	FY24 State Budget
Fairmount Line Bridge Repair and Rehabilitation	\$50.0M
Central Square Station Accessibility	\$37.6M
Ruggles Station Improvements	\$9.7M
Rapid Transit Elevator Repairs	\$7.7M
Free Standing Mini-Highs at Inaccessible Commuter Rail Stations	\$15.0M
Red-Blue Connector	\$10.8M
Rail Modernization Early Actions	\$20.0M
Subway Line Track and Signal Improvements - Green and Blue Line	\$30.0M
Total	\$180.8 M

In FY25, capital investments received an additional \$60 million in Fair Share revenues. These dollars are currently being programmed out to support existing and new physical infrastructure and MBTA assets.

The MBTA operates ferry services across six lines – Hingham, Hingham/Hull/Logan, East Boston, Charlestown, Lynn, and Winthrop. These operations were supported by Fair Share funds through a \$5 million investment in FY24 and a \$7.5 million investment in FY25. Furthermore, investments in ferry services were notably useful during the closure of the Sumner Tunnel in the summers of 2023 and 2024. During the closure, residents and visitors could use ferry services as an alternative form of transportation to alleviate traffic.



The MBTA is budgeted to spend \$22.6 million on training in FY25. Increased training activities are made possible through the \$10 million MBTA Academy appropriation. Along with training, MBTA Academy also supports hiring ventures. Examples of initiatives funded via the \$10 million include the following:

- Piloting an MBTA apprentice program for critical positions, such as machinists and rail repairers
- Increased training space leased at South Station

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- Internship programs for juniors and seniors at technical high schools to gain experience working at the MBTA
- Purchasing driving simulators for heavy rail, light rail, and bus drivers
- Providing de-escalation training

Regional Transit Authorities

Across FY24 and FY25, \$200 million in Fair Share revenue has been allocated to Massachusetts's 15 Regional Transit Authorities (RTAs) for purposes including operational enhancements and improvements, expanded service hours, expanded bus service, innovation in areas like rural connectivity and service delivery models, and more. The RTAs service urban, suburban, and rural areas across the Commonwealth, providing fixed route and paratransit services to connect people to jobs, education, medical care, and other necessities.

A portion of this funding has been dedicated to fare-free programs, demonstrating a commitment to equity and affordability. In FY24, \$15 million of the funding was allocated to RTAs as operating funds to pilot fare-free programs. Building on the success of these pilots, \$30 million in FY25 funding was used to implement year-round systemwide fare-free service in 13 of Massachusetts's 15 RTAs. These investments align with the Administration's emphasis on supporting affordability for working families, including those who ride the RTA regularly. RTA ridership rose from 13.7 million rides in FY21 to 18.77 million in FY22, and further to 22.5 million in FY23.

The remaining funding was distributed as follows:

- Operational enhancements and improvements: \$122 million across both fiscal years was allocated to RTAs to support improvements to their operations and services
- Innovation initiatives: FY24 funding included \$15 million for an innovation grant program administered by MassDOT, supporting projects such as electrification and innovative service delivery models
- Connectivity between public transportation routes: In FY25, \$10 million was provided as grants to RTAs to create or alter routes that advance regional connectivity between existing public transportation services
- Mobility options for vulnerable populations: \$8 million across both fiscal years went to the Community Transit Grant Program, which expands mobility options for older adults, people with disabilities, and low-income individuals

Supplemental Chapter 90/ Rural Road Aid

In FY24 and FY25, the Commonwealth allocated supplemental funds for Chapter 90 and rural road aid to support municipal road construction and reconstruction. The funding included \$100 million in FY24 and \$45 million in FY25, representing increases over the traditional \$200 million allocation. These additional funds enabled the Commonwealth to revisit its funding distribution formula. In FY24, 50% of the funds were distributed using the traditional formula, which considers local road mileage, population, and employment, while the remaining 50% was distributed based solely on road mileage, providing enhanced support for rural communities with extensive road networks.

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Fair Share Two Years Later

Transportation (\$ in millions)	FY24 GAA	FY25 GAA	FY26 H.1	Fair Share Supplemental
CTF Debt Service	-	63.0	100.0	-
MassDOT	175.0	105.0	55.0	52.5
Winter Resilience Assistance Program (WRAP)	-	-	-	25.0
MassDOT Service Investments	-	60.0	55.0	17.5
MicroTransit and Last Mile Innovation Grants	-	-	-	10.0
Supplemental C90/Rural Road Aid	100.0	45.0	-	-
Service, Safety, and Sustainability	-	-	-	-
Highway Bridge Preservation	50.0	-	-	-
Federal Matching Funds	25.0	-	-	-
MBTA	211.5	260.5	500.0	780.0
MBTA Operating Subsidy/Supports	-	127.0	500.0	780.0
FTA Findings Workforce & Safety Reserve	20.0	36.0	-	-
Low-income fares	5.0	20.0	-	-
Capital Investments	180.8	60.0	-	-
MBTA Academy	-	10.0	-	-
Water Transportation	5.7	7.5	-	-
RTAs	90.0	110.0	110.0	25.0
RTA Funding, Grants, and Fare Equity/Supports	90.0	110.0	110.0	25.0
Total	476.5	538.5	765.0	857.5

FY2026 H.1 BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Fair Share Investments in FY25 and FY26

Caroline Elmendorf, Deputy Chief of Staff, Amelia Marceau, Assistant Budget Director, Jake Rooney, Fiscal Policy Manager, Hannah Frisch, Fiscal Policy Analyst

FY26 Fair Share Funding

Through a collaborative Consensus Revenue process, the Executive Office for Administration and Finance and the Committees on Ways and Means have arrived at \$1.950 billion as a reasonable level of spend from Fair Share revenues in the FY26 budget. On top of this, the FY26 budget is complimented by a Supplemental Budget that utilizes \$1.320 billion in Fair Share surplus revenues that have come in above FY24 estimates. Across these two pieces of legislation, the Governor's proposal achieves a nearly 50/50 split in Fair Share funding between Education and Transportation, totaling \$3.270 billion.

	FY26 H.1	Fair Share Surplus	Combined Total	
	\$ (in millions)	\$ (in millions)	\$ (in millions)	%
Education	1,135	463	1,598	49%
Transportation	815	858	1,673	51%
Total	1,950	1,320	3,270	

Investments are distributed across various sectors of education and transportation, with an emphasis on creating affordable and equitable outcomes. Continuing the Administration's commitment to transformative change that increases affordability, equity, and competitiveness across the Commonwealth, Fair Share investments are designed in align with other allocations within the budget to maximize their benefit to residents. For detailed information on each investment, please refer to the budget briefs listed below.

- [Access to High-Quality Education](#)
- [Transportation in the Commonwealth](#)

Education

The FY26 House 1 budget dedicates \$1.185 billion for transformational education investments at all levels. A summary table of the FY26 H.1 Education budget investments is included below. See the [Access to High-Quality Education](#) brief for more information.

FY26 H.1 Budget Briefs
Fair Share Two Years Later

Education (\$ in millions)	FY26 H.1
Early Education & Care	373.0
Commonwealth Cares for Children (C3) Program	275.0
Child Care Supports	98.0
K-12 Education	475.0
Student Opportunity Act (Ch. 70)	225.0
Universal School Meals	170.0
Education Transportation	50.0
Literacy Launch	25.0
Mental Health Systems and Wraparounds	5.0
Higher Education	337.0
Higher Education Capital Funding	125.0
MassEducate	94.0
Financial Aid Expansion	80.0
MassReconnect	24.0
State U SUCCESS	14.0
Total	1,185.0

The House 1 budget continues our commitment to improving affordability and access to education at all levels, from early childhood through post secondary. Some highlights of the Fair Share funds:

- \$275 million (adding to the operating investment for a total of \$475 million) for supporting stabilization of the early education and care system through continued funding of the Commonwealth Cares for Children (C3) program
- \$225 million to support the 5th (of 6th) year implementation of the Student Opportunity Act
- \$125 million to unlock an estimated \$3 billion in capital funding for infrastructure improvements across public higher education campuses
- \$98 million for child care financial assistance, including to maintain current rates paid to providers participating in the state's child care financial assistance programs
- \$50 million for education transportation reimbursements (which, when combined with operating investments leads to total investments of \$116 M for regional school and \$6.2 million for non-resident vocational transportation)
- \$25 million for the expansion of Literacy Launch, helping equip students with the reading and writing skills necessary for academic success and lifelong learning
- \$14 million for State University SUCCESS to provide wraparound supports and services to improve outcomes for their most vulnerable populations
- \$5 million to fund mental and behavioral health services in schools
- Maintains historic higher education investments with \$94 million for MassEducate, \$80 million for MASSGrant Plus, and \$24 million for MassReconnect

Education investments in the Fair Share Supplemental Budget

Education (\$ in millions)	Fair Share Supplemental
Executive Office of Education	32.5
Reimagining High School	32.5
Early Education & Care	150.0
EEC Capacity Building	100.0
Commonwealth Preschool Partnership Initiative	50.0
K-12 Education	280.0
Special Education Circuit Breaker Reserve	150.0
Career Technical Education Schools Capital/Grants	75.0
Adult Basic Ed/ESOL	30.0
High Dosage Tutoring	25.0
Total	462.5

Accompanying the House 1 budget filing, the Fair Share supplemental budget allows for additional investments in Education from FY24 Fair Share resources that were collected above benchmark. These supplemental investments include:

- \$32.5 million for Reimagining High School initiatives to support a multi-year expansion of programs like Early College and Innovation/Career Pathways
- \$100 million for early education and care capacity building, family access and affordability, and workforce supports; support for the implementation of the Early Education and Care Task Force recommendations
- \$50 million for the Commonwealth Preschool Partnership Initiative (CPPI) to continue a path towards universally accessible Pre-K, prioritizing Gateway Cities and other high need and rural communities
- \$150 million for Special Education Circuit Breaker Reserve
- \$75 million for Career Technical Education Schools Capital funding
- \$30 million to better coordinate and address the growing waitlist for ESOL services
- \$25 million for high dosage literacy tutoring to support 10,000 students in grades K-3, with priority given to students in grade 1

Transportation

The FY26 House 1 budget dedicates \$765 million to the CTF to increase borrowing capacity up to \$3.5 billion over the next ten years. A summary table of the FY26 H.1 Transportation budget investments is included below. See the **Transportation in the Commonwealth** budget brief for more information.

FY26 H.1 Budget Briefs
Fair Share Two Years Later

Transportation (\$ in millions)	FY26 H.1
MBTA	500.0
RTAs	110.0
Debt Service	100.0
MassDOT	55.0
Total	765.0

Commonwealth Transportation Fund Bonding Capacity

In the FY25 GAA, the Healey-Driscoll Administration and the Legislature embraced an innovative approach to expanding available capital investment for transportation by dedicating Fair Share revenues to the existing CTF. This approach created new capacity within the CTF financing program to fund additional infrastructure for public transportation. In this budget proposal, the Healey-Driscoll Administration is increasing its commitment to this successful approach, by dedicating \$765 million of Fair Share funds to the CTF to unlock over \$5 billion in additional capital funding resources for transportation over the next 10 years, enabling the following capital programs:

- \$1.5 billion over five years for Ch. 90 reform (including rural roads)
- \$1.5 billion for road and bridge lifecycle asset management program to address pavement and bridge condition
- \$850 million for the MBTA to support maintenance facilities modernization and power system resilience
- \$615 million for the Allston multi-modal project
- \$200 million for culvert and small bridge statewide
- \$185 million for safety and congestion hotspots

Transportation investments in the Fair Share Supplemental Budget

Transportation (\$ in millions)	Fair Share Supplemental
MBTA	780.0
MBTA Supports	780.0
MassDOT	52.5
Winter Resilience Assistance Program (WRAP)	25.0
MassDOT Workforce & Project Delivery Reserve	17.5
MicroTransit and Last Mile Innovation Grants	10.0
RTAs	25.0
RTA Supports	25.0
Total	857.5

Through the deployment of excess FY24 Fair Share funds in the supplemental budget, additional Transportation investments include:

- \$400 million for the FTA reserve
- \$300 million for replenishing the MBTA's stabilization reserve
- \$67 million for the continuation of the MBTA Income-Eligible Fare Relief program
- \$25 million for Winter Resilience Assistance Program
- \$25 million for RTA workforce initiatives (i.e. CDL cost assistance, training, etc.)
- \$17.5 million for MassDOT workforce and project delivery reserve
- \$13 million for Sumner Tunnel mitigation efforts undertaken to support commuters and travelers affected by the closure of the Sumner Tunnel for repairs in the summers of 2023 and 2024
- \$10 million for MicroTransit and Last Mile Innovation Grants

FY2026 H.1 BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Access to High-Quality Education

Jake Rooney, Fiscal Policy Manager

Introduction

Massachusetts has long been and continues to be a national leader in providing accessible, high-quality education, with some of the best public schools and educators in the country. This is the result of sustained, strategic investment in our students, educators and schools. Through state programming and local partnerships, the Healey-Driscoll Administration is committed to maintaining this competitive advantage by making high-quality education available to all Massachusetts residents, regardless of age, zip-code, or socioeconomic status. Within the first two years of this administration, the Executive Office of Education has advanced this commitment to student success by:

- Launching free community college: first through MassReconnect, providing free community college to students ages 25 and older without a prior higher education credential, and then expanding to all students through MassEducate.
- Fully funding the annual rate increase schedule established for implementation of the Student Opportunity Act (SOA), delivering historic local school aid to cities and towns throughout Massachusetts.
- Guaranteeing universal free school meals for all public K-12 students in Massachusetts, providing approximately 300 million meals for students in the Commonwealth.
- Awarding Innovation Career Pathway designations to an additional 36 high schools across Massachusetts, growing the program by more than 30 percent.
- Expanding the Early College program to 62 high schools, allowing more than 8,200 students to attend a college course for free while still in high school.
- Maintaining \$84 million for a historic expansion of financial aid, making public higher education more affordable for 25,000 students, in addition to providing tuition and fee-free higher education to all Pell Grant recipients.
- Sustaining \$475 million for the Commonwealth Cares for Children (C3) Program.
- Under the administration, child care financial assistance provider rates have increased by almost \$90 million. The funding this year sustains the current rates and payment structure that moves closer to the true cost of providing care.

The Healey-Driscoll Administration's FY26 House 1 budget recommendation upholds these commitments to student success, proposing \$12.6 billion across child care, K-12, and higher education segments, an increase of \$818 million (+7%) over FY25 GAA.

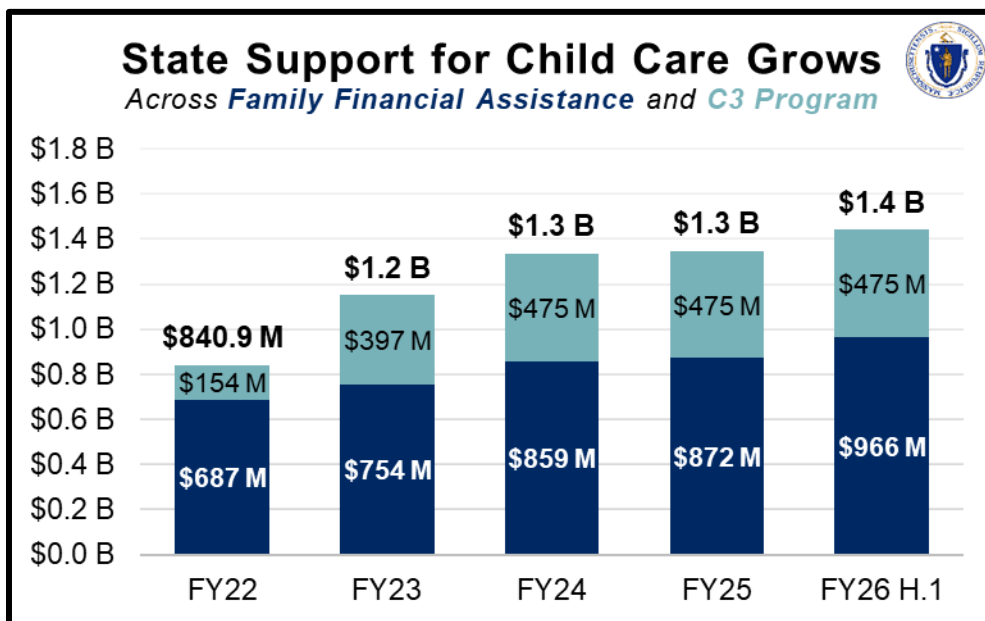
For more details on the Administration's Fair Share investment proposals in FY26, please see the **Fair Share Two Years Later** budget brief.

Gateway to PreK: Early Education Access and Affordability

Ensuring the stability and affordability of the early education and child care sector is critical for the development of the state's youngest learners and the state of the economy. When families can afford to enroll their children in child care and pre-k programs that provide high-quality care, parents are able to get to work, and their children gain the skills they need to succeed in and out of school.

With child care costs in Massachusetts among the highest in the country, many families struggle to afford the full cost of high-quality early education. To improve family access to care, House 1 funds the Department of Early Education and Care's Child Care Financial Assistance programs at \$1.1 billion to help families pay for care, including families working with the Department of Children and Families and the Department of Transitional Assistance.

House 1 also recommends sustaining \$475 million of state investment in the C3 program, continuing critical operational supports to early education and child care programs. The C3 program represents a paradigm shift in the way in which child care providers are supported, basing monthly payments on current program, enrollment, and operating costs. In doing so, the C3 program has helped to mitigate challenges that early education and child care programs have long faced—even before the pandemic—in balancing high operating costs with the competing goals of fair workforce compensation and affordability for families.



Commonwealth Preschool Partnership Initiative (CPPI)

House 1, together with the Fair Share supplemental budget, recommends a combined \$67.7 million for the CPPI, a targeted effort to expand access to high-quality preschool for four-year-olds across the state, with a focus on Gateway Cities. This represents a commitment of \$45 million of Fair Share Funding to CPPI, allowing additional districts to participate in the program and expanding preschool access through the mixed public and private delivery system. CPPI focuses on building equal access to high quality preschool for all 4-year-olds, while ensuring multiple provider options exist to meet the needs of working families. This additional multi-year funding will help advance that mission.

Literacy Launch: Reading Success from Age 3 through Grade 3

House 1 proposes funding to ramp up the Healey-Driscoll Administration's Literacy Launch program to improve early literacy rates among the state's youngest learners. This strategic investment of \$25 million represents year two of the multi-year initiative to improve how our youngest students learn to read. Literacy Launch builds off of demonstrated best practices to support districts with professional development, technical assistance, assessment and screening, and the adoption of evidence-based, high-quality materials. This support through best practices ensure that all school districts and community-based preschools have the knowledge and materials they need for successful literacy education.

High Dosage Tutoring

In coordination with the goals of Literacy Launch, the Fair Share supplemental budget proposes \$25 M for a new High Dosage Tutoring initiative. This funding will create opportunities for high dosage literacy tutoring for 10,000 students in grades K-3, with priority given to students in grade 1, resulting in a decrease in students categorized as "significantly below benchmark", as measured by the early literacy screener, at the end of the school year, as compared to the number of participating students identified within that category at the beginning of the year. This initiative offers schools financial support and assistance to work with approved tutoring providers to provide high dosage tutoring for students, and to support acceleration academies to accelerate student learning through engaging, standards-aligned lessons that meet specific academic needs of participating students.

Career Technical Education School Capital Grants

The Fair Share supplemental budget includes \$75 million to support grants for planning, start up, and expansion of instructional capacity of high school and public school career and technical education programs. The grants may support capital improvement projects such as:

- The purchase and installation of equipment

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Access to High-Quality Education

- Improvements and renovations to facilities necessary for the installation and use of such equipment; and
 - Facility modernization improvements to increase capacity.
- Preference in distributing funds may be given to applicants with demonstrable waiting lists for admission and to districts and municipalities with limited access to career and technical education programs.

Adult Basic Ed/ESOL

The Fair Share supplemental budget proposes \$30 million for an Adult Basic Education English for Speakers of Other Languages (ESOL) initiative. This funding will expand capacity across the public education system allowing Massachusetts to serve an additional 10,000 learners as well as reduce the growing waitlist for ESOL literacy services. The Executive Office of Education, in partnership with the Executive Office of Labor and Workforce Development, will use this investment to fund programs supporting traditional literacy services, workforce readiness, workplace training, and industry credential training.

A Promise to Massachusetts's Learners: The Student Opportunity Act

The Student Opportunity Act (SOA), enacted in 2019, has supported historic investments to advance high-quality K-12 education across the state. House 1, along with the Fair Share supplemental budget, fully funds the fifth year of a six-year implementation strategy for this landmark legislation by recommending \$8.2 billion to ensure that a high-quality education is available to all learners in Massachusetts, regardless of zip code or socio-economic status.

The cornerstone of state funding for K-12 education is the aid formula set forth in Chapter 70 of the General Laws, generally referred to as Chapter 70. Chapter 70 establishes a foundation budget representing the total base-line cost of a high-quality education for all students within a school district through a combination of municipal and state funding. State funding aid is then provided to meet that foundation budget amount based on each district's need and the municipal aid contribution amounts. House 1 recommends funding Chapter 70 school aid at \$7.3 billion, a \$420 million (+6%) increase over FY25 GAA. This increase builds upon a \$263 million increase in FY25 and is the largest nominal increase in the history of the program since FY24.

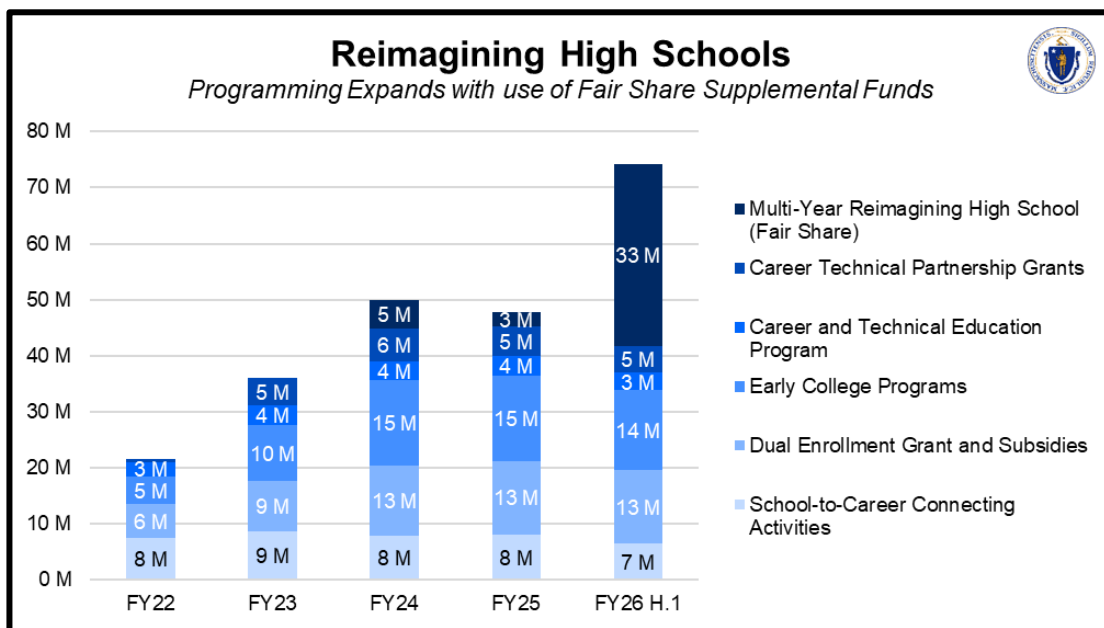
Additionally, the House 1 and Fair Share supplemental budget package recommends \$682 million to fully fund Special Education Circuit Breaker through \$532 million in operational funds and another \$150 million of Fair Share supplemental budget funding. The Special Education Circuit Breaker program reimburses school districts for out-of-district special education costs, ensuring that all students can attend a school that is able to accommodate their needs. This funding level will ensure that the Commonwealth can meet its obligation for both instructional and transportation reimbursements for this program.

For more information on how House 1 recommends supporting school districts and municipalities, please see the **Local Aid Budget Brief**.



Reimagining High Schools

To expand student access to career and college readiness programming, House 1, along with the Fair Share supplemental budget, recommends a total of \$74.6 million for high school pathways programs such as Early College, Innovation Career Pathways and Career Technical Education. This investment will expand opportunities for high school students across the state to explore college and career opportunities before graduating high school.



FY26 H.1 Budget Briefs

Access to High-Quality Education

Early College programs combine high school and college programming, providing students with opportunities to complete college-level coursework for free while exploring potential future career paths. By reducing the time and expense of earning college credentials, and by demystifying the experience, early college programs increase the likelihood that students will complete their college degree or certificate programs. As of FY25, 62 Massachusetts high schools are participating in more than 50 partnerships with institutions of higher education across the state.

The Innovation Career Pathways program connects high school students with applied, hands-on coursework and work opportunities in high-demand industries, such as clean energy, manufacturing, healthcare, and information technology. As of FY25, 99 high schools in Massachusetts have Innovation Career Pathways programs, allowing over 6,500 students to enroll in the program.

The funding recommended for the Early College program in this budget would provide over 75 high schools students the opportunity to participate in pathways programs for the 2024-2025 school year, allowing them to earn up to 12 college credits before graduating from high school. House 1 also recommends adding funding for this program, giving 100 new high schools, approximately 7,000 new students, the opportunity to enroll in Innovation Career Pathways coursework across priority industries.

Supporting Mental and Behavioral Health

Schools serve as not only a place for students to learn, but also a support system for children from birth through adolescence. While the significance of schools providing mental health supports predates the pandemic, the challenges of recent years have underscored the importance of strengthening these programs. In recognition of this importance, House 1 proposes \$24.9 million for mental and social-emotional health supports, including funds to continue the development and implementation of a statewide birth-through-higher-education framework for mental and behavioral health.

Account	FY26 H.1
Social Emotional Learning Grants	6.0 M
Early Childhood Mental Health Consultation Services	5.0 M
Mental Health Systems and Wrap-around Supports (Fair Share)	5.0 M
State University & Community College Mental Health	4.2 M
UMass Student Behavioral Health Services	4.0 M
Safe and Supportive Schools	0.7 M
Total	24.9 M

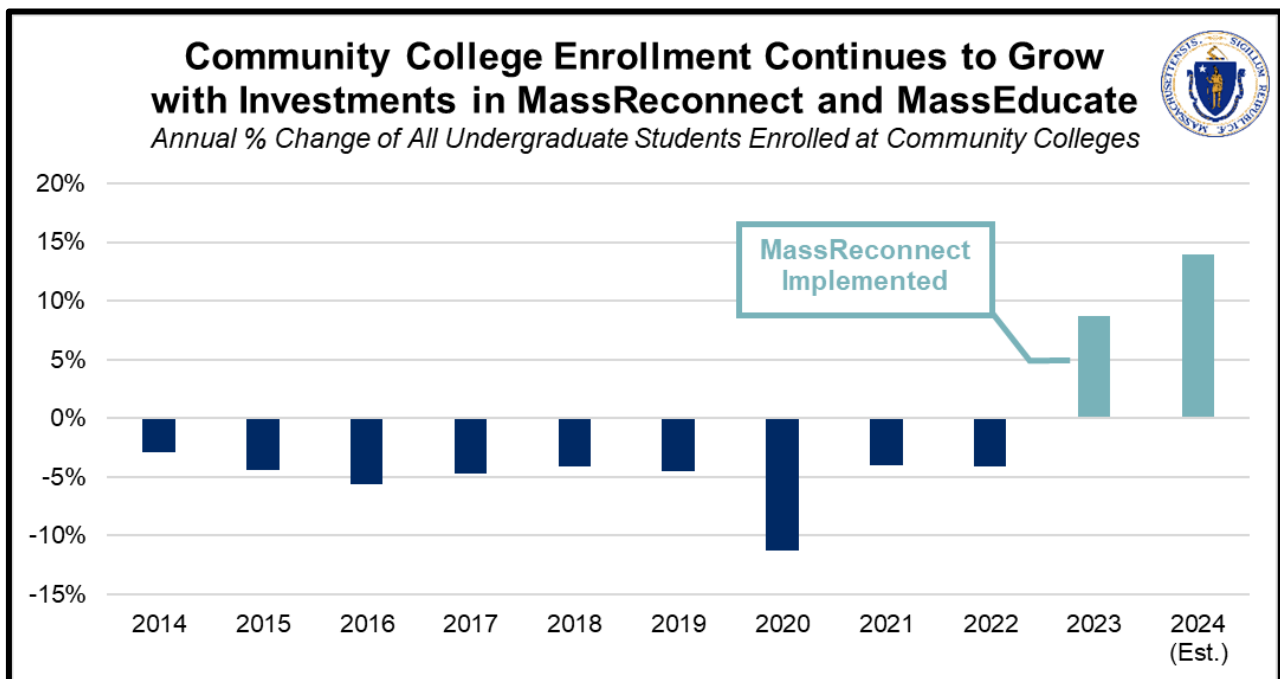
Affordable Higher Education and Strategic Investments

House 1 advances the Healey-Driscoll Administration's commitment to accessible and high-quality higher education by expanding college and career pathway opportunities for students and sustaining historic financial aid expansion to make public higher education more affordable. Massachusetts has one of the most comprehensive free community

college programs in the country through MassReconnect and MassEducate. The Commonwealth also covers the cost of tuition and fees for Pell Grant-eligible students at public universities through MASSGrant Plus while reducing costs for middle-income students. House 1 also proposes leveraging Fair Share revenues to unlock capital asset transformation across the State's public higher education campuses.

MassReconnect provides students 25 years of age and older, without a higher education credential, the opportunity to obtain a free associate degree at any public community college in Massachusetts. MassEducate builds on the success of MassReconnect, making public community college free for students of any age and income in Massachusetts who have not yet earned a bachelor's degree. These programs empower students to reach their education goals and pursue training for in-demand jobs across industries, such as health care, education, clean energy, advanced manufacturing, and behavioral health. Since its creation in FY24, more than 8,400 students have received MassReconnect grants, including more than 2,000 new students 25 years and older who enrolled in community colleges in fall 2023, reflecting a 45% increase in new students ages 25+ enrolled in community colleges in fall 2022.

Overall, enrollment across the state's 15 community colleges grew by 14% in fall 2024, greatly as a result of the success of the MassReconnect and MassEducate programs. FY26 House 1 proposes to maintain this important investment with \$24 million in funding for MassReconnect and \$94 million in funding for MassEducate.



FY26 H.1 Budget Briefs

Access to High-Quality Education

To improve access to higher education, House 1 proposes \$255.2 million for financial aid and student success. In addition to the investment in MassReconnect and MassEducate, this includes a recommendation for \$80 million in Fair Share funding to sustain the MASSGrant Plus and additional financial aid expansions. MASSGrant Plus covers tuition, fees, books, and supply costs for Pell Grant-eligible students and reduces out-of-pocket expenses for middle-income students by up to half. Additionally, this investment recommends \$175.2 million for the Massachusetts State Scholarship Program, which provides financial assistance to Massachusetts students enrolled in and pursuing a program of higher education in any approved public or independent college, university, school of nursing, or any other approved institution furnishing a program of higher education.

Higher Education Capital Funding

The Healey-Driscoll Administration recognizes the importance of investments in high-quality infrastructure for the Commonwealth's public institutions of higher education. Reflecting the findings of the Higher Education Capital Working Group report that was established in the FY25 budget, House 1 proposes securitizing \$125 million in Fair Share revenues annually to issue high investment-grade credit special obligation bonds over the next 10 years. This utilizes a structure based on the Commonwealth Transportation Fund model. The investment will unlock approximately \$2.5 billion in new resources that will support the study, design, and construction from major capital projects to instructional lab facilities, addressing modernization, decarbonization, and critical repairs, while also helping to address the growing backlog of deferred maintenance across higher education institutions. These new resources will provide the type of transformational change and investment our public higher education campuses need to best serve their students, our workforce, and our state.

Conclusion

Through these strategic and historic education investments, the Healey-Driscoll Administration will continue to make high-quality education more accessible and attainable throughout the state, at every stage of learning and life.

FY2026 H.1 BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Transportation in the Commonwealth

Hannah Frisch, Fiscal Policy Analyst

Introduction

A strong transportation system is integral for a thriving economy and vibrant communities. Since voters approved the “Fair Share Amendment” in 2022, the 4% surtax on personal incomes over \$1 million has transformed the transportation landscape. This surtax has produced \$1.015 billion for transportation since the Healey-Driscoll Administration has taken office, and it has acted as the catalyst to launch new initiatives while sustaining previous investments and assets.

The Healey-Driscoll Administration has prioritized building a safe, reliable, and efficient transit system for residents and visitors. Grounded in the belief that transportation should serve everyone, regardless of their economic status or where they live, the administration is committed and continues to work towards supporting transportation both across the region and across different modes. In partnership with the Massachusetts Department of Transportation (MassDOT), the administration has maintained relationships with municipalities, transit agencies, and other service providers to improve and strengthen the Commonwealth’s transit network.

The House 1 budget recommendation furthers the commitment reflected in last year’s historic investments by recommending \$3.2 billion in total transportation funding. The proposal of \$3.2 billion includes \$1.5 billion of sales tax dedicated to the Massachusetts Bay Transportation Authority (MBTA) and \$765 million of Fair Share revenues to support key operating investments to stabilize public transportation across the state. House 1 proposes maintaining services and initiatives at MassDOT and extend historic investments in RTAs for service and affordability, while making substantial investments in the MBTA to stabilize operations and improve service.

Notably, House 1 proposes:

- \$687 million to stabilize the MBTA's operations, including \$500 million from Fair Share revenues. This funding will maintain and extend investments made in previous years, including the Income-Eligible Fare Relief program, MBTA Academy, and water transportation.
- \$617 million for MassDOT operations, including \$55 million from Fair Share revenues. This funding will preserve historical services, notably restoring the snow and ice allocation to \$80 million, an increase above the FY25 GAA.
- \$204 million for continued investments in regional transit authorities (RTAs) to sustain prior year funding levels and maintain fare equity and service needs, bolstered by \$110 million of Fair Share resources.

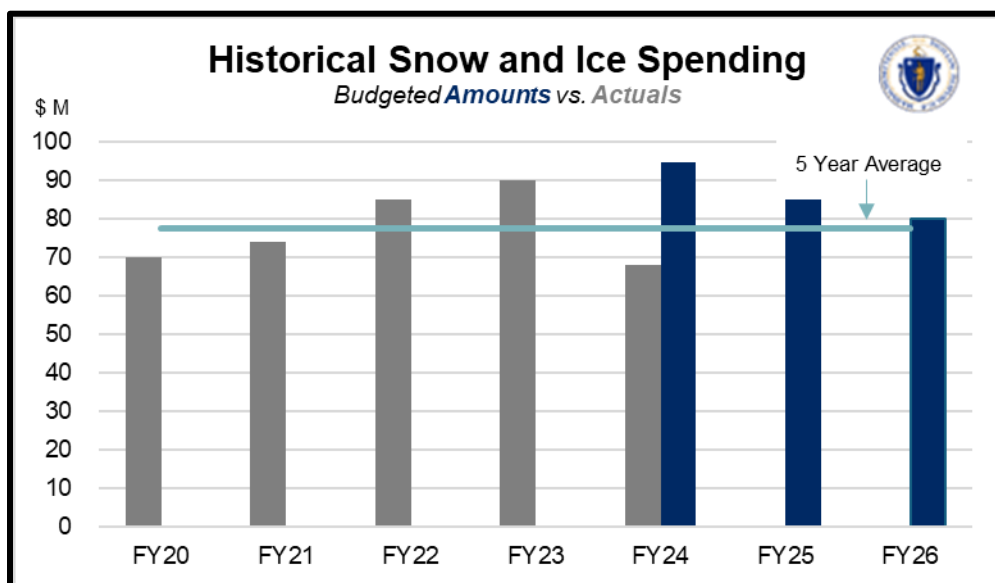
FY26 H.1 Budget Briefs

Transportation in the Commonwealth

- \$100 million for debt service on new Commonwealth Transportation Fund (CTF) bonds. Over the next 10 years, the CTF capital financing program will unlock over \$5 billion of additional capital funds for transportation

MassDOT

House 1 recommends \$617 million for MassDOT operations. This investment includes \$80 million for snow removal and ice along with \$55 million of fair share funds. The \$80 million aligns with the five-year average of \$77.4 million spent on those winter operations. These efforts are essential for maintaining safe road conditions during wintery weather and storm events. These have become increasingly severe and unpredictable due to the effects of climate change. As of December 31, 2024, MassDOT has already used \$19.7 million towards these operations.



In addition to funding for snow and ice removal, House 1 proposes increasing staffing to enhance MassDOT's capacity to deliver capital projects. These new positions will help MassDOT manage an expanding capital program, including key initiatives such as the West-East Rail, Cape Bridges, and various road and bridge projects across the Commonwealth. The additional staff will also support MassDOT's operations in providing technical assistance and highway maintenance, as well as performing bridge and highway repairs and resilience improvements statewide. Establishing the pipeline of projects and building technical capacity to manage and deliver these projects efficiently and effectively will ensure that MassDOT can implement the capital plan in an integrated and optimal way.

School Transportation

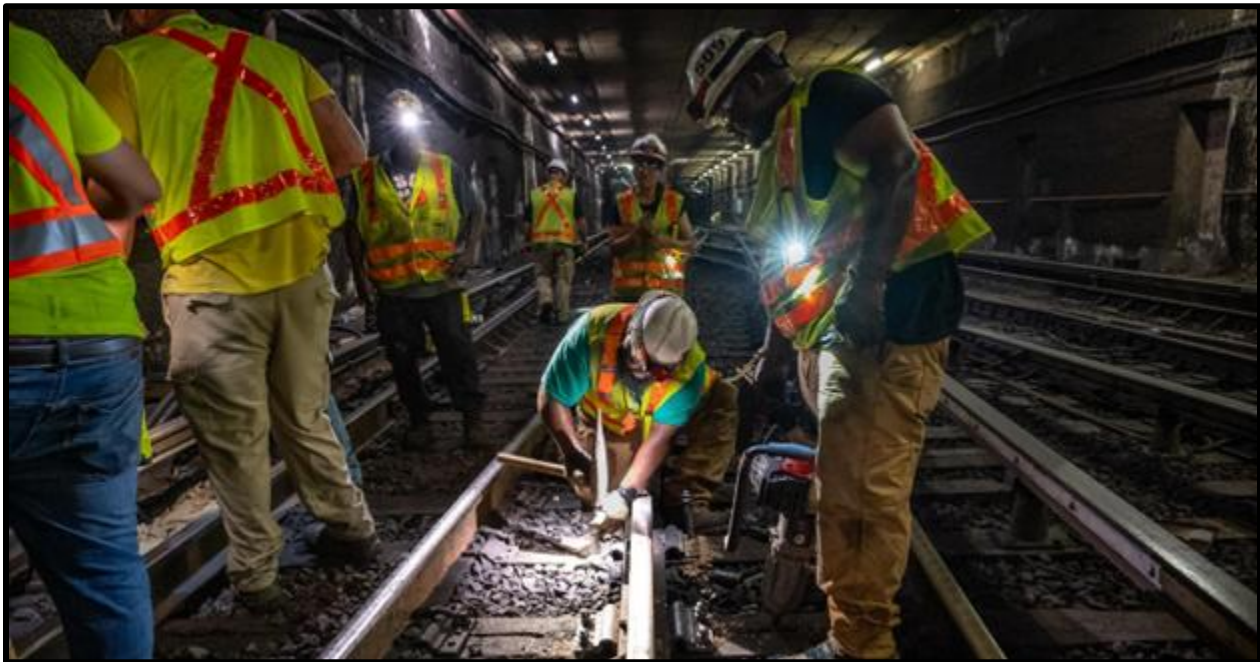
Transportation includes programming outside the budgets of MassDOT, MBTA, and RTAs. Local cities and towns spend substantial amounts to provide transportation services to students. The Healey-Driscoll Administration recognizes that school transportation is a key part of quality educational opportunity as well as a critical mobility need. The Healey-

Driscoll Administration proposes an investment of \$50 million to support student transportation and the local governments providing this transportation service.

MBTA

The MBTA has faced significant fiscal challenges in recent years. While the agency benefits from several revenue sources, including a portion of state's sales tax revenue, direct assistance from the Commonwealth Transportation Fund, and rider fares, there has still been a decline in fare revenue because of shifts in commuter behavior coming out of the COVID-19 pandemic. At the same time, expenses are growing faster than available revenues due to rising personnel costs, service expansions, the adoption of new technology, and inflation affecting materials and services. To stabilize the MBTA, the Healey-Driscoll Administration proposes a substantial \$2.2 billion investment, including a \$1.5 billion sales tax transfer, \$187 million of annual operating support, and \$500 million in Fair Share funds. The Fair Share resources will help stabilize the MBTA's operations and support key initiatives introduced in previous fiscal years, including low-income fare relief, the MBTA Academy and water transportation.

For detailed information on each previous investment, please refer to the **Fair Share Two Years Later** budget brief.



MBTA Track Reconstruction

Regional Transit Authorities

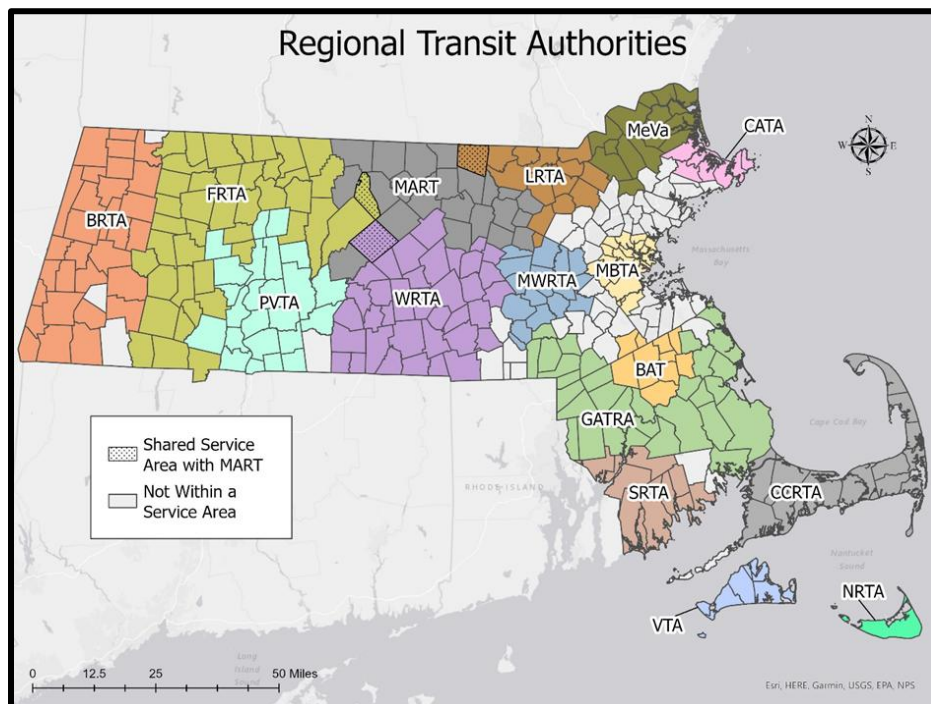
The Commonwealth's 15 Regional Transit Authorities (RTAs) operate independently to provide essential transit services statewide. Specifically, RTAs serve urban, suburban, and some rural areas across the Commonwealth and play a vital role supporting elderly and disabled residents who rely on paratransit.

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Transportation in the Commonwealth

House 1 recommends \$204 million to support RTAs, comprising \$94 million of historical state investment and \$110 million of Fair Share funding. The \$110 million is allocated across several categories to support and strengthen the services provided by the RTAs, including:

- \$66 million for additional State Contract Assistance for RTAs to support operational enhancements and improvements, including expanded service hours, weekend services, and route expansions.
- \$30 million for fare free RTAs. Thirteen RTAs will receive funding to provide year-round, fare-free regional transit transportation.
- \$10 million for connectivity projects. Ten projects across nine RTAs will receive funding for the creation or altering of routes that advance connectivity between existing public transportation routes including, but not limited to, RTA routes and MBTA routes.
- \$4 million for the Community Transit Grant Program to expand mobility options. This annual grant program provides funding to transit providers to address the transportation needs of older adults, people with disabilities and low-income individuals. Specifically, the grant provides funds for mobility management activities and operating costs.



Unlocking Capital Capacity of the CTF

In the state budget for fiscal year 2025, the Healey-Driscoll Administration and the Legislature embraced an innovative approach to expanding available capital investment for transportation by dedicating Fair Share revenues to the existing CTF. This approach created new capacity within the CTF financing program to fund additional infrastructure for

public transportation. In this budget proposal, the Healey-Driscoll Administration is increasing its commitment to this successful initiative, by dedicating \$765 million of Fair Share funds to the CTF.

This will unlock over \$5 billion in additional capital funding resources for transportation over the next 10 years, enabling the following capital programs:

- Chapter 90 Reform requires legislative authorization in a separately filed Chapter 90 bill
 - This program will directly benefit all 351 cities and towns in Massachusetts
 - The Chapter 90 Reform follows up on a commission recommendation to expand funding, making 50% more funding available annually for this program
 - 5-year Chapter 90 authorization will allow \$300 million/year investment in local transportation aid, increasing aid for communities, especially rural towns
- Bridge and Pavement Lifecycle Asset Management Program (LAMP)
 - Funding will be used to by MassDOT to reduce number of bridges and pavement in poor condition to <10%
 - Lifecycle asset management strategy will help prevent deterioration across portfolio and build to higher resilience standard, so that bridges and pavements are more prepared for the effects of climate change in the future
- MBTA Rail Reliability Program (RRP) program
 - Following on the success of the Rail Enhancement Program (REP) the state will provide CTF funding to supplement the MBTA's capital program to stabilize MBTA's core infrastructure
 - MBTA's maintenance facilities are vulnerable to climate change and require modernization to meet reliability, technology, resilience needs across the rail and bus system
 - Better maintenance will lead to more reliable service, less operating costs over the long term, and better resilience to climate change
 - Updates and improved resiliency to prepare for electrification across power systems and maintenance facilities will help advance decarbonization and make the system greener and cleaner
- Allston I-90 Project
 - \$615 million for the Allston I-90 megaproject funding will come from CTF to match major federal discretionary grants and contributions from the City of Boston, Harvard University, and Boston University for this transformative multimodal project
 - This project is critical for the expansion of West-East Rail, more reliable commuter rail service to Worcester and throughout the South Side of the Commuter Rail system, as well as facilitating neighborhood road, bike and pedestrian connections
- Culverts & Small Bridges Statewide Strategy
 - There are over 25,000 culverts & small bridges (defined as stream or river crossings <20' span) statewide, including approximately 17,000 that are

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Transportation in the Commonwealth

- locally owned, and owned by various state agencies outside the MassHighway system
- Many of these culverts and small bridges are beyond useful life & design capacity, vulnerable to climate change, and ecologically sensitive
- Climate change disasters in Massachusetts, as well New York, New Jersey, Vermont and Western North Carolina have demonstrated how culverts designed years ago can lead to significant or even catastrophic failures
- These funds will be used to upgrade, repair, and replace vulnerable culverts and small bridges owned by state agencies & local governments - a game changer for transportation resilience, public safety, and preparedness going forward
- Safety & Congestion Hotspots
 - This funding will allow MassDOT to respond to pain points and critical issues with flexible funds that will target safety and ease congestion in identified hotspots statewide
 - Funding will be applied to any mode: bike, pedestrian, road, rail, or an intersection or location where safety or congestion issues are critical

Conclusion

Through the House 1 recommendations, the Healey-Driscoll Administration maintains and expands its commitment to building a safe, reliable, and efficient transit system for residents and visitors. These efforts not only address immediate transportation needs but also support long-term stabilization and equitable access. By prioritizing strategic transportation investments, the Healey-Driscoll Administration aims to enhance the quality of life for all who live and travel through the Commonwealth.

FY2026 H.1 BUDGET BRIEF

Maura Healey, Governor | Kim Driscoll, Lt. Governor

Housing and Homelessness

Natalie Albanese, Fiscal Policy Analyst

Lowering our Housing Costs

Since day one in office, the Healey-Driscoll Administration has remained steadfast in its commitment to tackling the housing crisis. As a part of that work, Governor Healey signed the [Affordable Homes Act](#) (AHA) in 2024, the most ambitious housing legislation in Massachusetts history. The AHA includes funding and policy proposals to create or save 65,000 homes – helping ensure the people who work in our communities can afford to live in our communities. At the same time, the Healey-Driscoll Administration has partnered with 116 MBTA communities to pass new zoning laws that support increased transit-oriented housing. Nearly 3,000 new units are already in the pipeline as a result. In 2024, Governor Healey’s billion-dollar tax cuts went into effect, putting money back in the pockets of nearly every Massachusetts resident, including 868,000 renters who have benefited from the expanded rental deduction. Further, the administration’s increases to the Housing Development Incentive Program (HDIP) and the Low-Income Housing Tax Credit (LIHTC) caps are bolstering the development of the state’s affordable housing stock.

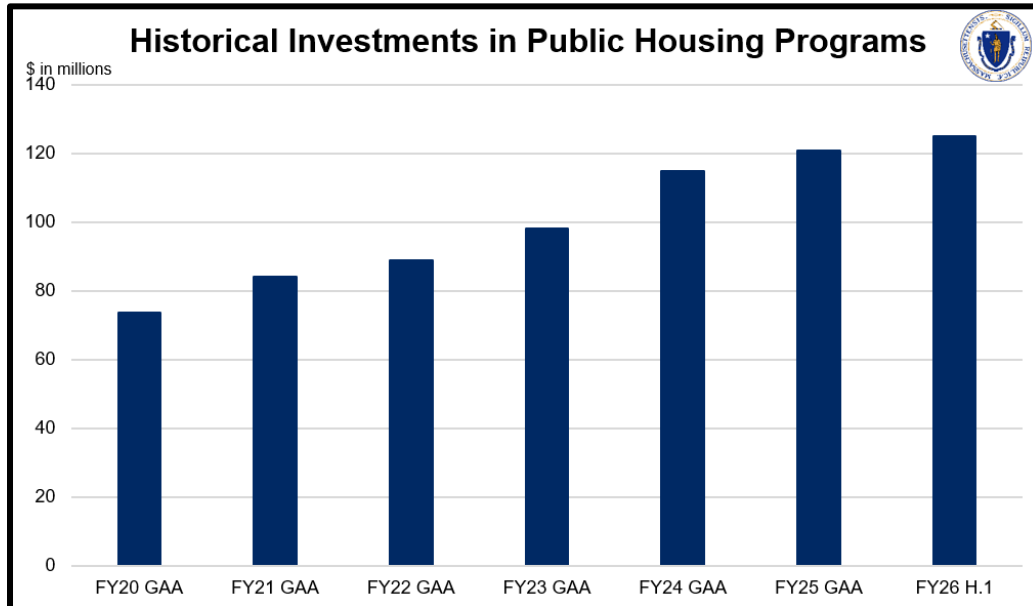
The FY26 House 1 budget recommendation furthers the administration’s housing goals with a record \$1.2 billion in targeted and strategic investments at the Executive Office of Housing and Livable Communities to make housing more affordable and accessible in Massachusetts.



Investing in Public Housing

Supporting Local Housing Authorities

The FY26 House 1 budget proposal recommends \$125 million for public housing programs, a 4% increase over the FY25 GAA. Public housing provides affordable and safe housing for vulnerable populations at higher risk of housing insecurity, including low-income families and individuals, the elderly, and persons with disabilities. The state-aided public housing portfolio houses approximately 70,000 of our state's residents in 43,558 housing units, operated by 229 Local Housing Authorities located across the state.



The administration's FY26 budget proposal includes \$115.5 million for Subsidies to Local Housing Authorities, a \$2.5 million (+2%) increase above the FY25 GAA. Increased funding will allow for an increase in per unit budget caps to help Local Housing Authorities keep pace with inflation.

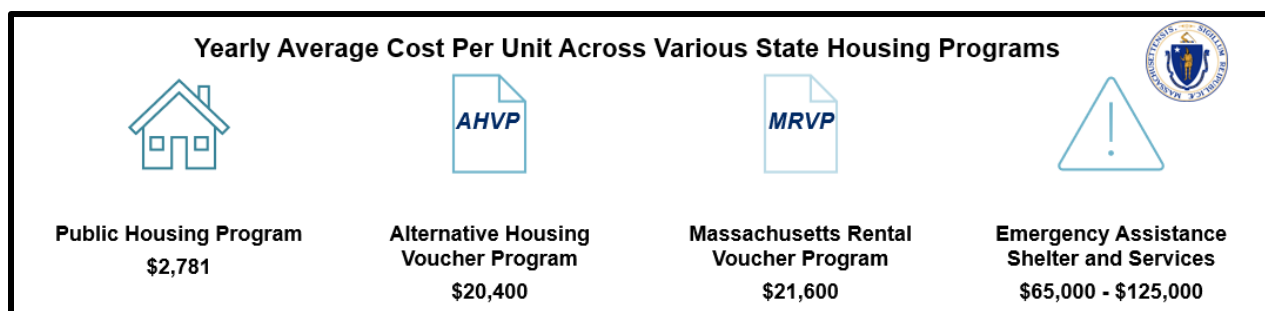
Preserving Tenancies in Public Housing

House 1 recommends \$7.5 million, a \$1 million (+15%) increase above the FY25 GAA, for the Resident Service Coordinators program to provide dedicated funding to Local Housing Authorities (LHAs) to hire a resident service coordinator. This investment will allow LHAs to hire 15 additional coordinators who help preserve tenancies in senior housing, connect elders with healthcare services and transportation, and mediate disputes. 150 of the 229 Local Housing Authorities currently participate in the program, and this investment intends to raise that number. The program successfully preserved over 2,600 tenancies last year, safeguarding vulnerable populations from entering homelessness, shelter, or unstable living conditions.

Increasing Shelter Exits through Public Housing

The Healey-Driscoll Administration's FY26 budget recommendation proposes additional investments in the public housing space with \$627,000 for the Local Housing Authority

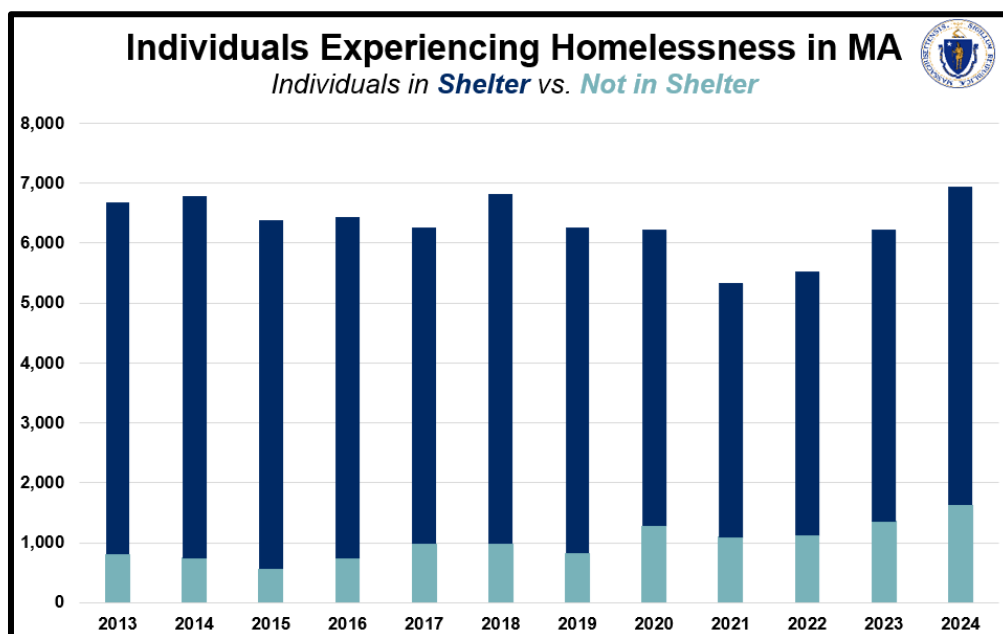
Housing Now Program. Housing Now allows our most vulnerable families to transition out of the Emergency Assistance Family Shelter and Services program to achieve housing stability in public housing units. This targeted investment will expand the program's 99 units by 51 additional units, resulting in a total of 150 units. Investing in public housing is one of the strategies the administration is incorporating in the effort to prioritize the most cost effective programs to keep people stably housed and to prevent people from entering the shelter system. Average yearly costs per unit in public housing are historically much more efficient for the Commonwealth compared to housing individuals and families in the shelter system.



Advancing Housing Security and Stability

Helping Individuals Experiencing Homelessness

The Healey-Driscoll Administration's FY26 budget proposal adopts a multifaceted approach to addressing homelessness through prevention, outreach services, temporary shelter, and other rapid re-housing mechanisms. The FY26 House 1 recommendation maintains a \$110.8 million investment in Homeless Individual Shelters to support 2,500 shelter beds. Facilitating access to shelter beds is crucial, especially for the growing number of individuals who are not in shelter.



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Housing and Homelessness

The U.S. Department of Housing and Urban Development projects that individual homelessness is at an all-time high across the country, including the number of people who are not in shelter and are sleeping in places not meant for human habitation. House 1 recommends \$10.1 million for Sponsor-Based Permanent Supportive Housing, a \$1.2 million increase over the FY25 GAA, to adjust for fair market rent increases and to expand the permanent supportive housing pipeline by approximately 16 additional units. This strategic investment will allow the most vulnerable individuals to exit shelter and enter permanent housing and to access case management services – ultimately increasing availability of shelter beds for others with unmet needs.

Assisting Vulnerable Populations through Rental Assistance

The House 1 budget recommendation further underscores the administration's commitment to actively targeting populations who are most likely to experience challenges in accessing affordable housing. The House 1 budget recommendation incorporates the following investments to combat the affordability crisis:

- Includes \$19.5 million for the Alternative Housing Voucher Program to provide rental assistance for persons with disabilities. House 1's proposed investment will support 800+ vouchers, – a record 19% increase over the previous year's budget.
- Maintains \$16.5 million for the Rental Program for Department of Mental Health Clients which, coupled with additional funding from DMH, will support 2,877 vouchers for DMH clients, an increase of 265 vouchers over FY25.
- Maintains \$3 million for Housing Assistance for Re-Entry Transition to provide service-intensive programming and vouchers for folks exiting incarceration, in partnership with Executive Office of Public Safety and Security – with the goal of reducing rates of recidivism.

The House 1 budget proposal recommends a historic investment of \$253 million for the Massachusetts Rental Voucher Program, a 16% increase above the FY25 GAA. This funding level maintains the payment standard at 110% of Small Area Fair Market Rents, a crucial initiative that came into effect under the Healey-Driscoll Administration in FY24. Preserving the payment standard is a critical component of ensuring the affordability of housing units. The FY26 House 1 proposed level of funding is expected to support the leasing of 10,400+ vouchers, including 130+ new project-based vouchers. Ensuring a strong investment in the Massachusetts Rental Voucher Program is an important step in the administration's effort to keep people securely housed in their units, during a time when housing inflation is increasing across the country.

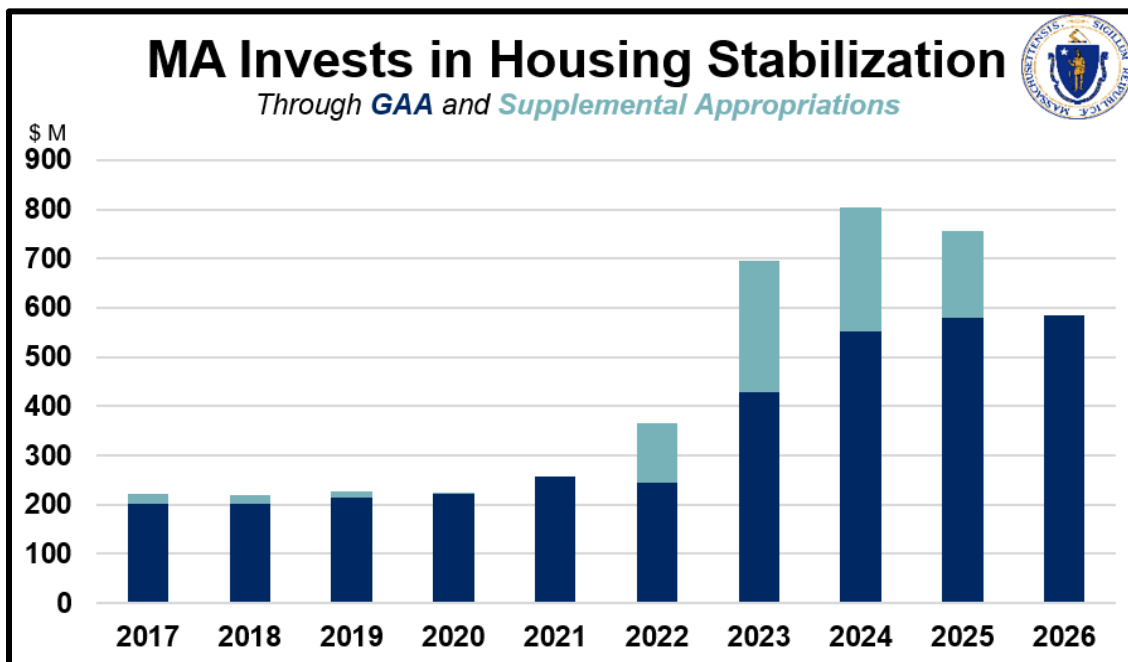
Eliminating Renter-Paid Broker Fees

The House 1 budget proposal notably includes an outside section to eliminate renter-paid broker fees. Broker fees can be financially burdensome for renters and eliminating them is an integral step in making housing more affordable in Massachusetts. The FY26 budget proposal will require the fee to be paid by whomever hires the broker, which is usually the landlord.

Stabilizing our Shelter System

Making Shelter Brief, Rare, and Non-recurring

Over the past year and a half, the Healey-Driscoll Administration has worked to make the emergency shelter system more fiscally sustainable, responsible, and operationally manageable. In December 2024, the administration announced policy and programmatic changes to streamline the state's shelter portfolio by phasing out the use of hotels and motels to shelter families and by facilitating access to programs that expedite exits from shelter.



GAA Appropriations include Emergency Assistance Family Shelter and Services (EA), HomeBASE, and Residential Assistance for Families in Transition (RAFT).

Investing in Housing Stabilization

The FY26 House 1 budget proposal maintains these stabilization efforts with an investment of \$325 million for the Emergency Assistance Family Shelter and Services program and \$57 million for HomeBASE, a flexible financial assistance program to rapidly rehouse families. House 1 also proposes \$202.5 million for Residential Assistance for Families in Transition (RAFT), a short-term eviction and homelessness prevention program. RAFT is a successful and flexible tool, averaging \$3,700 per family per year, to keep a family safely in their home and out of the unstable nature of the shelter system. Diversion tools and case management services are critical in preventing more families and children from entering shelter.

For more information on the Commonwealth's efforts to stabilize the emergency assistance shelter system, please review the administration's Emergency Assistance Fiscal Blueprint.

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Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

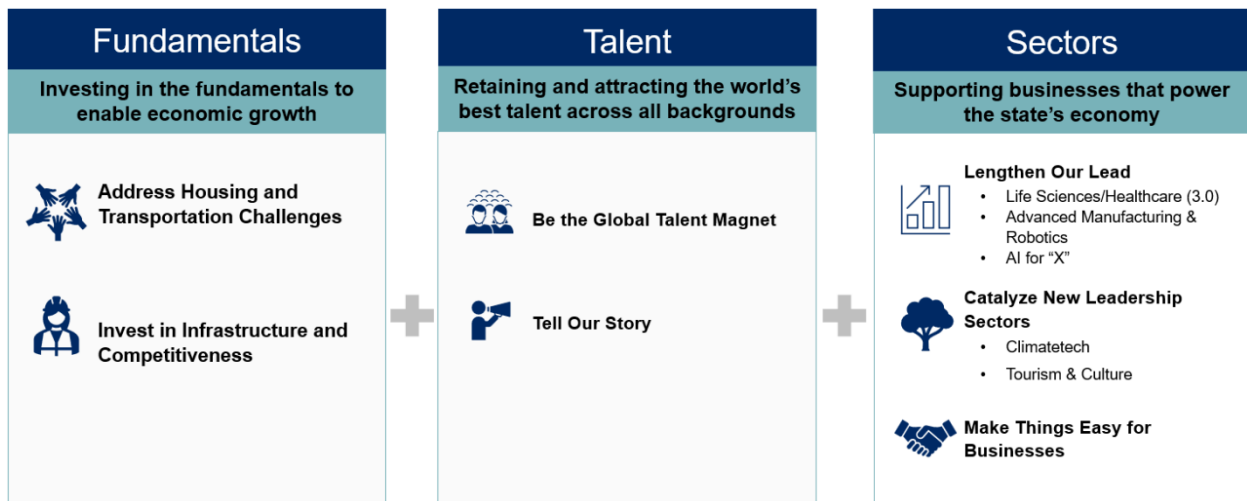
Massachusetts's Economic Leadership

Jake Little, Compliance Director

Delivering on the Economic Development Plan

Since its revolutionary start nearly 250 years ago, Massachusetts has embodied a spirit of innovation and leadership in America. The Healey-Driscoll Administration continues to make key investments that secure Massachusetts's place as a national and global leader which fosters opportunity for all individuals and businesses pursuing success. With the recently passed Economic Development Bond Bill, *An Act relative to strengthening Massachusetts's economic leadership*¹, or "Mass Leads," the Commonwealth is well positioned to make strides towards the administration's core goals of advancing equity, affordability, and competitiveness.

The Governor's FY26 House 1 budget recommendation builds upon successful initiatives and new legislative tools to continue supporting the administration's Economic Development Plan, "Team Massachusetts: Leading Future Generations." The Governor's budget recommends measured steps towards targeted investments while still supporting key areas of focus within the Economic Development Plan.



Fundamentals

Securing Our Economic Foundations through Community One Stop

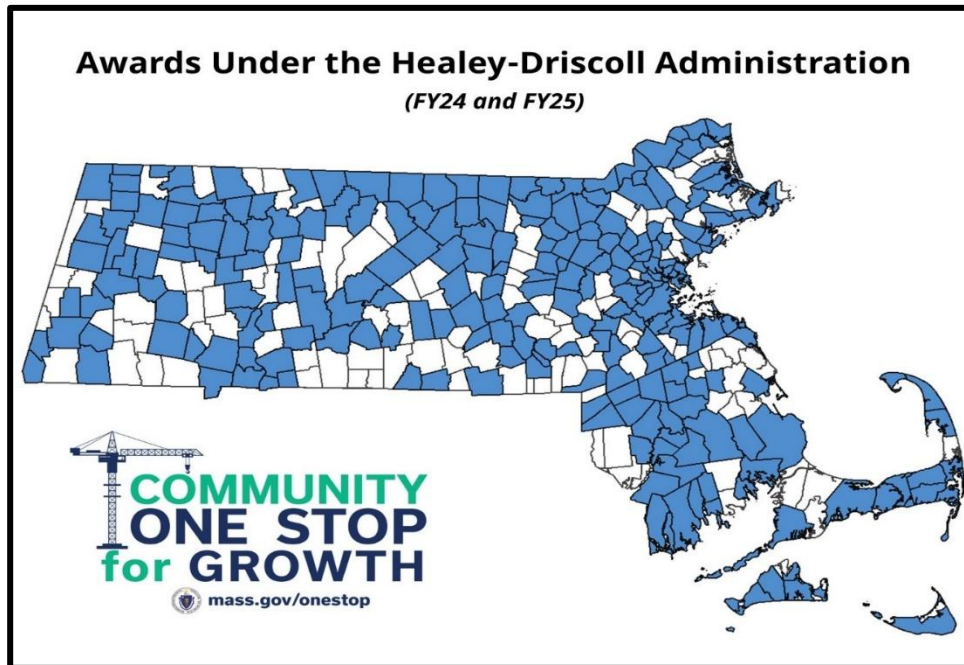
Investments on the ground and in our local economies remains a priority for the Healey-Driscoll Administration as a powerful driver for creating new jobs, supporting businesses, and opening new opportunities for all communities. The Governor's budget recommendation maintains our commitment to building and revitalizing local

¹ Mass Leads Act - <https://www.mass.gov/economic-development-bill>

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Massachusetts's Economic Leadership

infrastructure and our belief in competitive grant programs through on- and off-budget resources. These grant programs flow through Community One Stop for Growth, an online portal that centralizes resources and applications for all communities of the Commonwealth.



In FY25, the Healey-Driscoll Administration awarded \$161 million in grants through Community One Stop for Growth to support local projects in 171 communities. This marks the fourth year of grant awards which have now supported projects in 283 communities, or over 80% of the Commonwealth. To keep up momentum, House 1 maintains funding levels for ongoing, successful programs, including \$600,000 for Massachusetts Downtown Initiative (MDI) to assist communities seeking to revitalize their downtown. The Executive Office of Economic Development awarded all MDI funding across two dozen communities.

Utilizing All Tools Available

In addition to the operating and capital budget, the Executive Office of Economic Development has identified creative solutions to maintain equity-focused initiatives as part of the administration's commitment to our economic fundamentals by utilizing the Workforce Investment Trust Fund. This off-budget funding source, which utilizes a portion of revenues generated by sports wagering, focuses on targeted initiatives that support historically underrepresented communities and has supported equitable opportunities for skills development. Adjustments to the Trust Fund included in *Mass Leads* have widened its scope to include career training initiatives, supporting at-risk youth, and adult literacy. Together with this critical resource, House 1 funds the following programs in FY26:

- \$15 million for the Community Empowerment and Reinvestment Program to drive positive economic outcomes in communities that face disproportionate challenges to economic growth.
- \$2.5 million for Urban Agenda Economic Development Grants that build economic vitality and stronger urban neighborhoods through community-driven action.

Talent

The Healey-Driscoll Administration recognizes the need to make continued investments in Massachusetts's workforce and to embrace a whole-of-government approach to equipping families and individuals with the tools to chart their own careers. Programs like MassReconnect and MassEducate help our workforce attain a higher education through free community college. As tech-focused sectors grow and our economy diversifies, education and training programs are vital for the state's workforce pipeline that places talented workers in jobs in life sciences, climatetech, and advanced manufacturing. House 1 funds proven initiatives to help individuals of all backgrounds develop new skills through off-budget resources including the Workforce Investment Trust Fund:

- \$10 million for the Pathmaker program, launched in FY24 to fund new training partnerships between life science companies and training providers.
- \$2.5 million for the Advanced Manufacturing Training Program

Partnerships between the Executive Offices of Economic Development (EOED), Education (EOE), and Labor and Workforce Development (EOLWD) continue to inform the administration's overarching workforce development efforts. These combined efforts have coalesced in programs like the Talent H-1B Retention Visas for Entrepreneurs (THRiVE) which is recommended by House 1 at \$750,000. This more than doubles funding for the previously named Entrepreneurs in Residence program aiming to attract and retain talent in key sectors. Boosting this program will help more high-skilled international students navigate the federal H1-B visa framework and continuing to grow in the state they have lived and learned in. The Division of Occupational Licensure will also continue its work in FY26 through the reciprocity ombudsperson unit, which helps professionals navigate the occupational licensing process in Massachusetts.

Sectors

Extending our Lead in Life Sciences

Through long-term, strategic investments, Massachusetts has become a global hub for sectors like life sciences, which remains a driving force behind the State's economy. 18 of the largest 20 life science companies have a presence in Massachusetts, fostering an ecosystem of innovation and economic growth. The Healey-Driscoll Administration recognizes that new and continued investments are necessary to maintain our lead in

FY26 H.1 Budget Briefs

Massachusetts's Economic Leadership

the sector. By taking an active role in establishing industry hubs, the state can leverage both private and federal funding sources resulting in new jobs and growth.

The Governor's House 1 budget recommendation continues to support a flourishing ecosystem by proposing a \$12 million transfer to the Massachusetts Life Science Center (MLSC) for new and ongoing programming. Funding for MLSC programming adds to important investments that builds towards greater competitiveness, equity, and innovation for Massachusetts-based life science companies. Funding in House 1 ensures continued success at MLSC, which has played a critical role in leveraging federal and private investment while driving new opportunities for sustainable growth. This programmatic and operational support is necessary to successfully execute initiatives funded in *Mass Leads*, which authorized \$500 million of capital resources and a further \$250 million of tax incentives over the next ten years.

Boosting Newer High-Growth Industries

The Healey-Driscoll Administration recognizes that the State must take an active role in developing the climatetech and clean energy sector which is an absolute necessity to face the threat of climate change. The need for greater innovation through our best and brightest institutions has prompted the launch of the administration's \$1 billion, ten-year investment strategy, and a whole-of-government approach to tackling the challenges presented by climate change. The Executive Office of Economic Development is actively partnering with the Executive Office of Energy and Environmental Affairs (EOEA) and Massachusetts Clean Energy Center (MassCEC) in the State's pursuit of establishing a leading global climatetech ecosystem. House 1 builds upon growing momentum by recommending a \$30 million transfer to MassCEC to support climatetech and clean energy initiatives. This funding proposal is necessary to fully implement climatetech resources included in the *Mass Leads Act* which provides \$400 million of capital resources and \$30 million of tax incentives annually for the development of climatetech technologies. For more additional details on the administration's progress towards leadership in this key sector, please see the **Energy and Environmental Affairs** budget brief.

Through partnerships with academic institutions and industry leaders, Massachusetts is uniquely positioned to create greater equitable growth opportunities across the state in emerging industries. House 1 recommends a total transfer of \$6 million to the Massachusetts Technology Collaborative that will support initiatives for high-growth industries like AI and robotics. The proposed transfers are also critical for leveraging private investment along with implementing resources included in *Mass Leads* like \$100 million of authorized capital spending for applied AI research and adoption.

Providing Tools for Successful Small Business

The Healey-Driscoll Administration remains committed to fostering a thriving economy enabling small business success, which is why House 1 recommends maintaining resources beyond sector-focused supports including the following programs:

- \$7.5 million for the Small Business Technical Assistance program to provide technical assistance for Massachusetts-based small businesses in towns and cities across the state.
- \$1.4 million for a transfer to the University of Massachusetts Amherst Small Business Development Center to provide free training and business strategizing and leverage federal resources
- \$1 million for the Innovation Voucher Program to help provide access to facilities such as lab spaces for early-stage small businesses in partnership with the University of Massachusetts system.

Leveraging New Resources for Federal Match Commitments

Securing federal grants is a critical component to the Healey-Driscoll Administration's approach to unlocking greater investments. To this end, Governor Healey signed into law *An Act to Provide for Competitiveness and Infrastructure Investment in Massachusetts*² which establishes a new off-budget fund for meeting grant matching commitments, also known as the "PAYGO" fund. This fund utilizes a portion of unused earned interest from the Massachusetts Stabilization Fund and dedicates this to forward-facing projects while responsibly leveraging resources for equitable and sustainable growth. This new source of funding demonstrates the state's readiness to compete for federal awards like nearly \$350 million in potential awards under the CHIPS and Science Act.



Massachusetts has already secured hundreds of millions of dollars in federal grants from the CHIPS and Science Act which named the state as the region-wide leader of the Northeast Microelectronics Commons. PAYGO is integral to the State's funding strategy and will empower Massachusetts as a regional hub and a national leader in advanced manufacturing and innovative technologies.

² PAYGO Federal Matching Funds - <https://malegislature.gov/Laws/SessionLaws/Acts/2024/Chapter214>
Massachusetts's Economic Leadership: Page 5

Improving Our Services

Building Efficient Systems for Consumers and Professionals

The Healey-Driscoll Administration's House 1 budget recommendation includes support for new tools for efficient, streamlined services for consumers and small businesses that are set to launch across FY25 and FY26. The Executive Office of Economic Development has begun testing for the Business Front Door (BFD), an online, one-stop platform for businesses to more easily access approximately \$250 million in statewide resources across over 50 programs. The Executive Offices of Economic Development and Technology Services and Security (EOED and EOTSS) jointly developed this tool with small business utility in mind. The BFD will streamline and simplify access to information and funding opportunities available to businesses from state and quasi-public agencies.

Within EOED, the Office of Consumer Affairs and Business Regulation is actively developing additional resources aimed at improving consumer services and streamlining business interactions, in collaboration with EOTSS. House 1 supports the development and operation of a new Home Improvement Contractor (HIC) registration, renewal, and claims portal which will streamline access for registrants as well as homeowners seeking financial compensation because of judgements resulting from incomplete or substandard home improvements. Separately, the Division of Occupational Licensure is collaborating with EOTSS to modernize its systems across the Division and the Office of Public Safety and Inspections, the main enforcement body for maintaining building safety code among many areas of public safety. House 1 also includes additional resources to support this multi-year effort that will result in more efficient inspections and operations across all consumer-facing professional licensure functions.

Celebrating Our History and Culture



As the 250th anniversary of the American Revolution approaches, the Healey-Driscoll Administration is gearing up to commemorate this historic occasion and to celebrate our Commonwealth's rich cultural heritage. The Massachusetts Office of Travel and Tourism will continue its work to support municipalities and arts and tourism centers that spotlight our revolutionary past. This includes promotion through the MA 250 website³, marketing, grants for tourism, and programming for ceremonies, all which stand to draw visitors from around the globe. As the birthplace of America and home to incredible moments in history, Massachusetts will showcase its revolutionary spirit in 2025 and 2026. House 1 continues to enable this work.

³ MA250 - <https://massachusetts250.org>

FY2026 H.1 BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Promoting Health, Resilience, and Independence

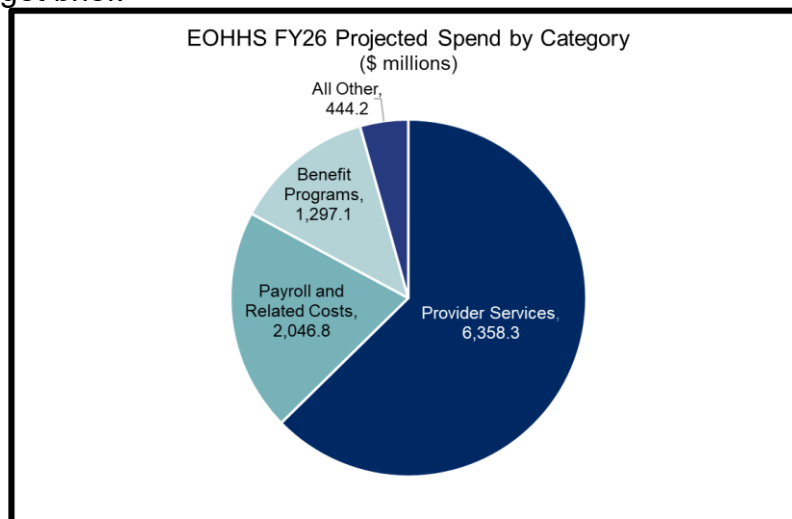
Victoria Gudaitis, Fiscal Policy Manager, and Alexa Gruener and Jackson Humphreys, Fiscal Policy Analysts

Introduction

The Executive Office of Health and Human Services (EOHHS) is the largest Secretariat in state government with 11 agencies and over 23,000 employees. EOHHS focuses on improving health outcomes, building economic resilience, maximizing independence, fighting food insecurity, addressing social determinants of health, supporting individuals with disabilities, and increasing the accessibility and affordability of care. EOHHS directly delivers services and programming to nearly one in every three residents of the Commonwealth.

EOHHS agencies have seen historic growth during and since the COVID-19 pandemic, necessitating significant investments in human services and other supports for individuals and families. The costs of service delivery have continued to increase, and the needs of our target populations have grown both in caseload and acuity. These rising demands have outpaced overall revenue growth, leaving the state in a position that requires hard choices. House 1 aims to maintain the core services that HHS agencies provide, while managing this growth within the available resources.

The Healey-Driscoll Administration's FY26 House 1 budget proposal recommends funding EOHHS at \$10.156 billion, a \$452.5 million (5%) increase over the FY25 GAA, excluding MassHealth. This funding level supports \$207 million for new provider rate increases through the Ch. 257 reserve, \$524.2 million to annualize FY25 provider rate increases, and \$460 million for projected caseload growth. For information on MassHealth, please see the [MassHealth](#) budget brief.



FY26 H.1 Budget Briefs

Promoting Health, Resilience, and Independence

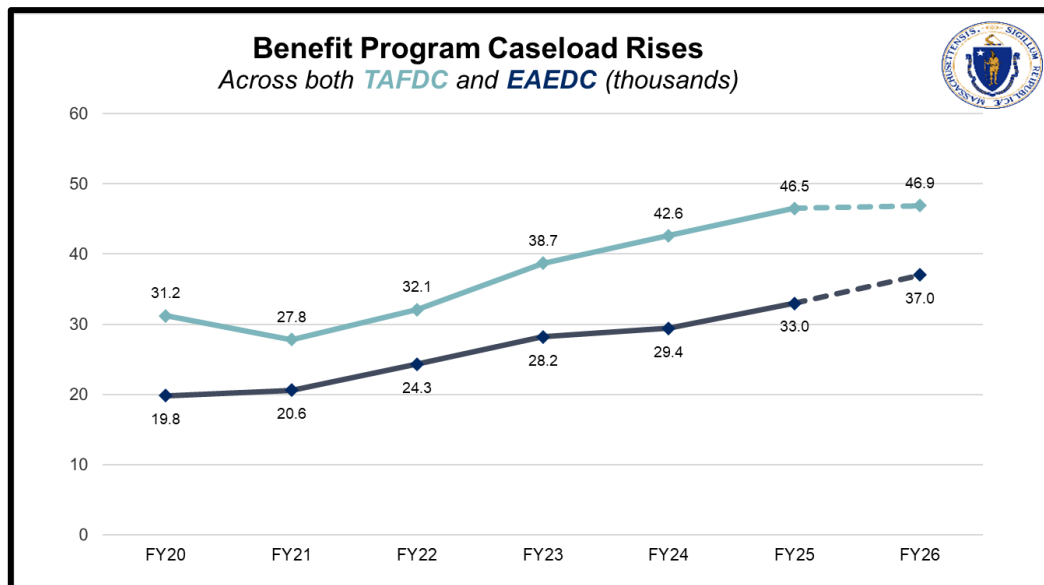
Managing Unprecedented Caseload Demand

Demand for health and human services in Massachusetts remains heightened following the COVID-19 pandemic at EOHHS and **MassHealth**. In response, the state has made targeted investments to expand benefits, eligibility, and achieve equity. The FY26 budget recommendation manages these demands and supports vulnerable populations.

Department of Transitional Assistance

The Department of Transitional Assistance (DTA) is integral to Massachusetts' efforts to support its most vulnerable residents through direct financial assistance, food support, and employment and training programs. Since FY20, the Department has experienced year-over-year caseload growth of 9% on average. This growth reflects rising housing and healthcare costs and the Commonwealth's commitment to providing nation-leading financial and nutritional support.

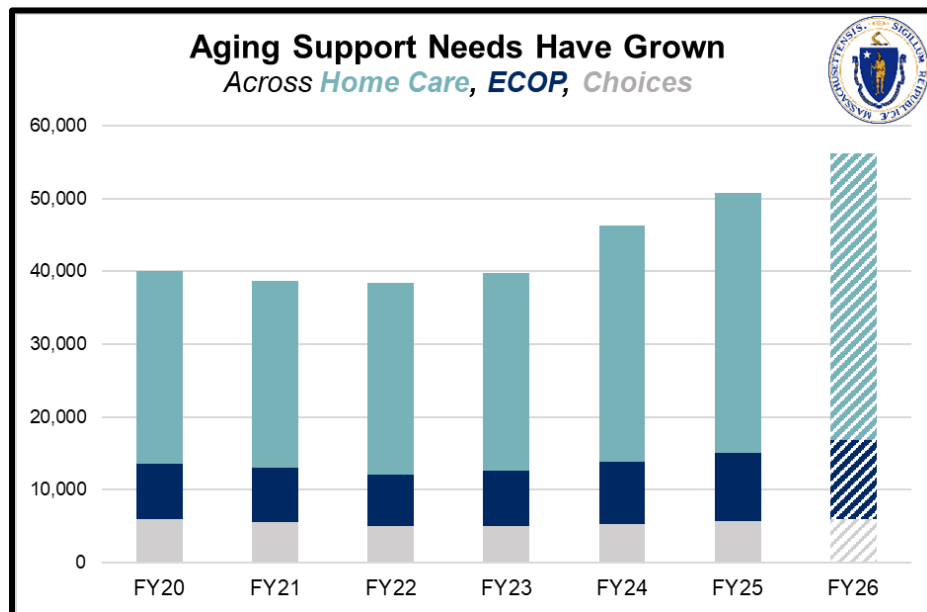
FY26 House 1 proposes \$209 million for Emergency Aid to the Elderly, Disabled, and Children (EAEDC) and \$466.7 million for Transitional Aid to Families with Dependent Children (TAFDC). This funding level maintains historic growth in caseload and benefits but does not raise average benefit levels above those in effect as of January 2025. The chart below highlights the increase in TAFDC and EAEDC caseload growth from FY20 to FY26 projections.



Executive Office of Aging & Independence, (Formerly Executive Office of Elder Affairs)

While the total Massachusetts population has grown by less than 2% over the last five years, the age 60+ population has grown by 13%. As a result, there are more residents over the age of 60 than under the age of 20. This has contributed to heightened demand for services tailored to older adults and significant fiscal pressures for the Executive Office of Aging & Independence. Aging & Independence offers programming, including \$824.7 million for Home Care, Enhanced Community Options (ECOP), and Community Choices, to help keep older adults in their communities rather than in nursing homes, providing more

independence and lower cost of care. See below for a chart on historic caseload increases for these programs.



FY26 House 1 continues to support unprecedented caseload growth and includes \$104.4 million to cover substantial growth over FY25 funding levels. To manage this rate of growth going forward, Aging & Independence will implement managed intake, delaying services for its lowest acuity members in order to preserve services for existing home care clients and prioritize new enrollment for our most vulnerable residents.

Department of Developmental Disabilities (DDS)

In addition to supporting the largest Department of Developmental Disabilities (DDS) Turning 22 (T22) class in agency history (see detail below), the FY26 House 1 recommendation supports the full annualization cost of the FY24 and FY25 T22 classes with \$190.9 M, as well as \$44.3 million to fund the changing support needs of individuals as they age.

ConnectorCare Expansion Pilot

House 1 proposes to extend the two-year pilot program expanding eligibility for the Massachusetts Health Connector ConnectorCare program from 300% to 500% of the Federal Poverty Level (FPL). Originally included in the FY24 GAA, the current pilot is slated to run from January 2024 to December 2025. Language included in House 1 proposes to extend this for an additional year through December 2026. Total Health Connector enrollment has increased by 91,000 since the expansion, with over 60,000 members becoming eligible through this pilot. Maintaining expanded eligibility will continue to increase access to affordable health care in Massachusetts.

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Promoting Health, Resilience, and Independence

Promoting Efficiency

The FY26 budget recommendation includes several changes to promote operational efficiencies in response to rising demand, increased costs, and staffing shortages.

In response to the increased demand for services, EOHHS has invested in a redesigned system of Human Service Transportation routes, better connecting clients with necessary services. House 1 maintains an FY25 investment implementing operational efficiencies as well as expansions in capacity. Together, these enhancements allow the Commonwealth to provide transportation to over 400 additional consumers who previously did not have transportation to therapeutic and educational day programs, including those who attend DDS, Day Habilitation, Early Intervention, and Department of Mental Health (DMH) Clubhouse programs.

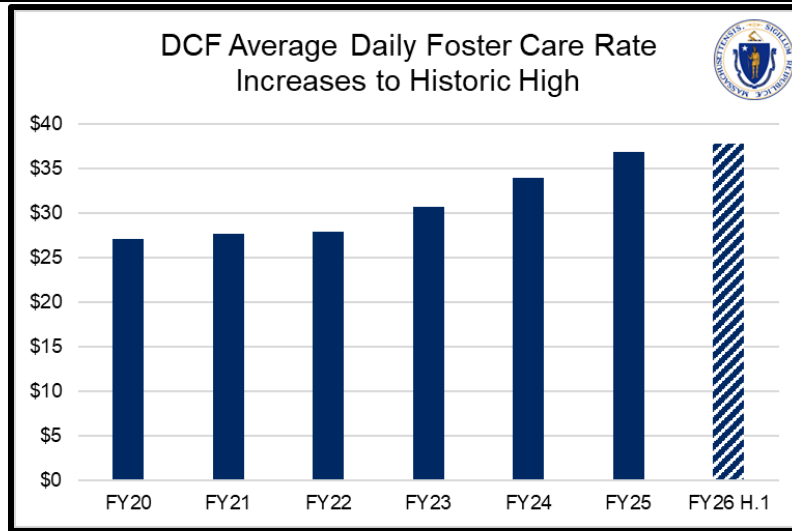
DDS has identified existing capacity in residential programs that can support consolidating homes, which will more efficiently utilize existing housing and staffing infrastructure. DDS will work closely with individuals and families to identify appropriate placements and carefully transition clients as needed to ensure continuity of care.

The Department of Mental Health (DMH) also plans to consolidate three Intensive Residential Treatment programs into one facility to more effectively utilize the available workforce.

Serving Youth

EOHHS agencies deliver care to youth and adolescents in the Commonwealth designed to meet the unique needs of those who may have complex medical and mental health needs or have experienced unsafe or harmful conditions in their family home. FY26 House 1 maintains our commitment to this population.

FY26 House 1 funds a 2.53% increase for supports for DCF foster parents to an average daily rate of \$37.72. This increase recognizes the costs incurred by foster families who temporarily care and provide food, clothing, housing, and transportation to children who are unable to remain safely with their parents.



The Department of Public Health (DPH) also plans to upgrade and transfer all pediatric medical services at the Pappas Rehabilitation Hospital for Children to Western Massachusetts Hospital Campus in Westfield. This will improve the delivery of care to children with complex medical needs and is the result of a clinical service line strategic review across DPH's Public Health Hospital System and a feasibility study of facilities and infrastructure on the Canton campus.

Prioritizing Maternal Health and Reproductive Care

Massachusetts is at the forefront of maternal health and reproductive care nationally, with initiatives aimed at addressing labor and delivery complications and reducing racial disparities in outcomes. Building on the historic progress made under the Healey-Driscoll Administration, the FY26 budget recommendation sustains \$1 million in critical investments made in previous years along with \$700,000 in newer perinatal mental health initiatives and expanded access to cash benefits to low-income pregnant people. This continued commitment ensures that Massachusetts remains a leader in advancing maternal health equity and care.

Maintaining Doula Certification/Other DPH investments

FY26 House 1 maintains \$1 million at DPH for a Doula Certification Program to provide subsidized training and mentorship for prospective providers and expand community-based doula programs. Supporting the doula workforce helps to enhance maternal health outcomes for MassHealth members as the state Medicaid agency continues to cover doula services. Doula enrollment at MassHealth has exceeded its three-year target in the program's first year and served more than 700 members. These services are expected to provide long-term benefits and are a preventative healthcare measure that helps to reduce the number of cesarean deliveries, low birth weight, preterm births, and rates of postpartum depression. For more about these services, please see the [MassHealth](#) budget brief.

Expanding TAFDC to Perinatal Individuals

Research demonstrates that poverty during pregnancy is closely linked to adverse child health outcomes. Although Massachusetts consistently has one of the lowest poverty rates

FY26 H.1 Budget Briefs

Promoting Health, Resilience, and Independence

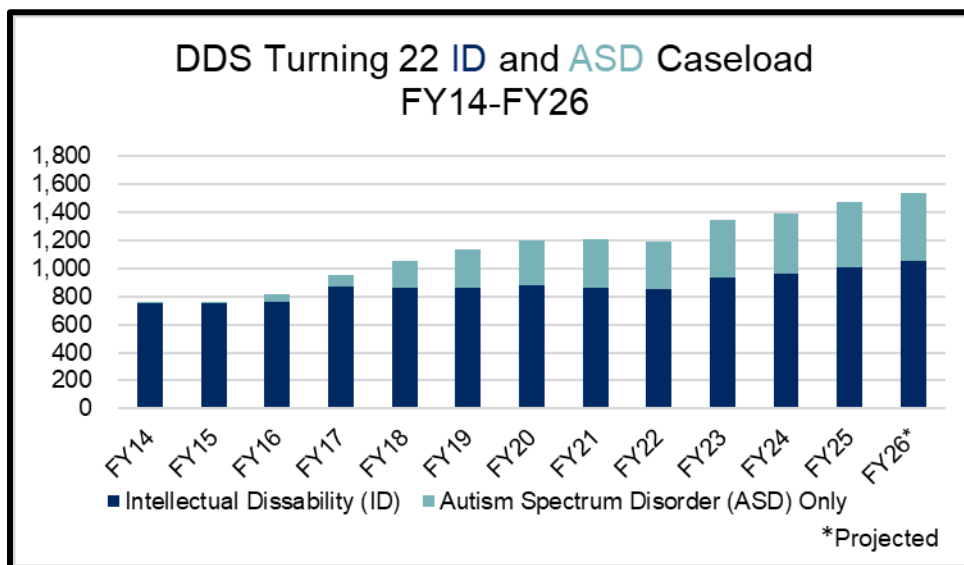
in the country, it is a priority of the Healey-Driscoll Administration to ensure that all pregnant individuals have access to resources and opportunities to improve their financial stability. In response to this need, House 1 proposes an investment of \$700,000 to expand the Transitional Aid to Families with Dependent Children (TAFDC) program to extend cash assistance to pregnant individuals at any stage of pregnancy, rather than limiting it to those in their third trimester. This expansion provides crucial financial support earlier in pregnancy, helping ensure better health outcomes for both parents and children.

Empowering People with Disabilities

Turning 22

The Turning 22 program serves transition-age young adults with disabilities as they leave special education services and transition to adult services offered through DDS, MassAbility, and the Massachusetts Commission for the Blind (MCB).

FY26 House 1 invests \$116.8 million in annualizing services for the FY24 and FY25 Turning 22 classes while also supporting a new FY26 class. This growth is needed to support caseload, annualize rate growth, and maintain prior investments. An estimated 1,537 individuals will become age-eligible for DDS services in FY26, an increase of 62 individuals (4.2%) over the FY25 class. This growth reflects rising clinical need for services available to neurodiverse individuals, including those with Autism Spectrum Disorder (ASD) and Intellectual Disabilities (ID). The ASD population served by DDS has grown rapidly over the past decade and continued growth is expected in the coming years.



MassAbility also continues to see a significant number of youth apply for services. In FY24, 23% of the 18,000 total applications came from individuals under the age of 25. This trend has continued into FY25 as the agency averages 345 youth applications a month.

MassAbility (formerly Massachusetts Rehabilitation Commission)

In September 2024, Governor Healey signed legislation to rename the Massachusetts Rehabilitation Commission (MRC) to MassAbility. The legislation also removed outdated

terms from general laws like “handicap” and “handicapped” replacing them with “barrier,” “person with a disability,” and “person with an intellectual disability.” The agency’s rebranding focuses on names and terms that reflect the strength and capabilities of the disability community and supports the Commonwealth’s goal of breaking down barriers and stigma. The new brand raises awareness of MassAbility’s services for participants and jobseekers, provides a platform to better collaborate with businesses, and builds additional partnerships, all while propelling the disability movement forward.

Supporting the Human Services Workforce

Chapter 257 and Human Services Workforce

The FY26 House 1 recommendation includes annualization of \$524.2 million of FY25 rate increases, including \$388.4 million at DDS, and \$207.0 million to fund FY26 rate increases to human and social service providers via the Chapter 257 and Human Service Reserve. These investments, which establish minimum salary benchmarks of \$20 per hour for direct care professionals and maintain the commitment to benchmark salaries to the 53rd percentile of the Bureau of Labor Statistics (BLS), are critical to addressing workforce shortages and increasing access to services across the human service provider network. House 1 also annualizes historic Collective Bargaining Agreements for direct care Commonwealth employees, totaling \$161.5 million.

Direct Care Staffing

The direct care workforce in Massachusetts has undergone significant strain, exacerbated by the COVID-19 pandemic. Workers leaving the industry and difficulties with recruiting new staff forced state agencies to rely more heavily on temporary direct care staff in state-run facilities operated by DDS, DPH, and DMH. In the past two years, these agencies have worked to unwind this reliance, supported by intensive recruiting efforts, historic collective bargaining increases, and other investments to grow the direct care workforce pipeline. House 1 includes continued support to reduce reliance on temporary staff, enabling these agencies to deliver care at a lower cost to the Commonwealth.

Investing in Home and Community Based Services

Temporary COVID-era funding sources allowed the state to stabilize the home and community based services industry through critical rate increases, as well as make innovative investments to help clients remain in their homes. FY26 House 1 recommends maintaining the most beneficial and cost-effective of these programs to help address critical health disparities and strengthen the foundations of public health in Massachusetts.

DDS Home and Community Based Services

The FY26 House 1 budget proposal includes \$2 million for a collaborative pilot between DDS and DMH that provides critical services to individuals with autism and significant mental health challenges that enable them to maintain housing, employment, and community stability. House 1 also funds the continued operation of two 24/7 respite homes serving families needing emergency stabilization as well as medically complex individuals at \$2.1 million.

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Promoting Health, Resilience, and Independence

Safe Haven Housing

The FY26 House 1 budget proposal includes \$3.1 million to support the DMH Safe Haven Housing program. This will support approximately 30 beds and provide a stable and long-term living environment over two years for individuals who are chronically unhoused and actively engaged in mental health treatment programs. By offering a safe, supportive alternative to homelessness, this program reduces the reliance on emergency medical services and hospital stays, promoting more compassionate and fiscally responsible housing for individuals with behavioral health conditions.

Community Transition Liaison Program

The Community Transition Liaison Program (CTLP) at the Executive Office of Aging & Independence (AGE) maintains \$5.8 million for our commitment to support adults who opt to transition to community-based living from a facility through essential advocacy, case management, and care coordination to meet their complex needs. Demographic trends in Massachusetts are in line with national patterns, where people are living longer and requiring increased community supports. Keeping residents in the least restrictive care setting will allow them to continue receiving high-quality care in their homes at a significantly lower cost to the state.

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Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

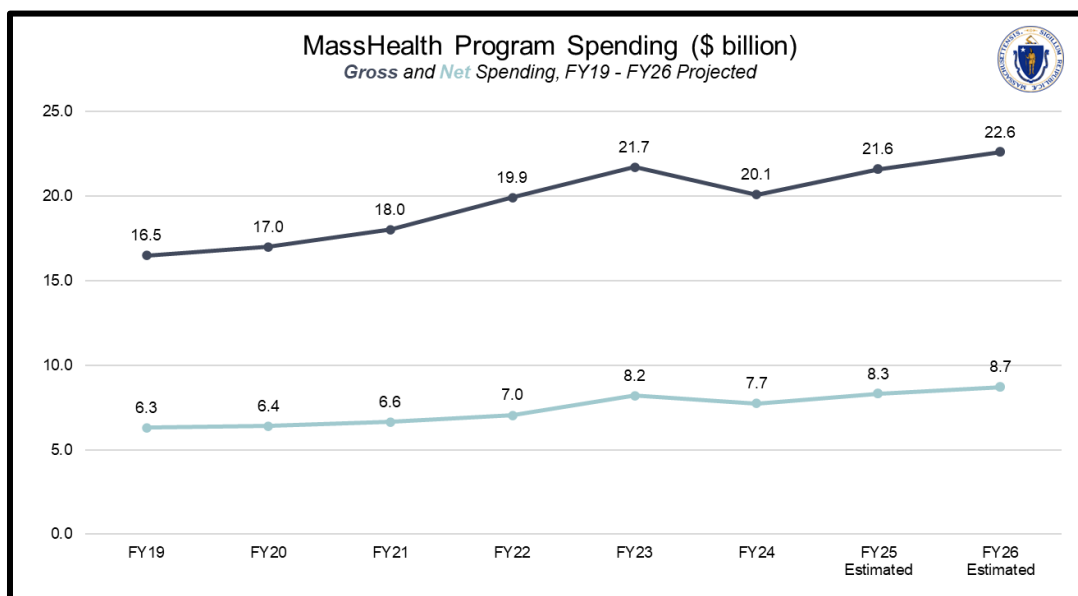
MassHealth

Victoria Gudaitis, Fiscal Policy Manager, and Alexa Gruener, Fiscal Policy Analyst

Introduction

MassHealth, the State's Medicaid and Children's Health Insurance Program (CHIP) agency, provides coverage of health care and related critical services to over two million members, including over 45% of Massachusetts children and over 70% of Massachusetts residents living in nursing facilities.

The Healey-Driscoll Administration's FY26 House 1 budget recommendation proposes funding MassHealth at \$22.599 billion gross/\$8.672 billion net, an increase of \$1.040 billion gross/\$415.8 million net above estimated FY25 spending. The federal government partially reimburses states for Medicaid services at a rate known as the Federal Medical Assistance Percentage (FMAP). Massachusetts typically receives 50 cents reimbursement for every state dollar spent, generating ~\$13 billion of revenue for the Commonwealth.

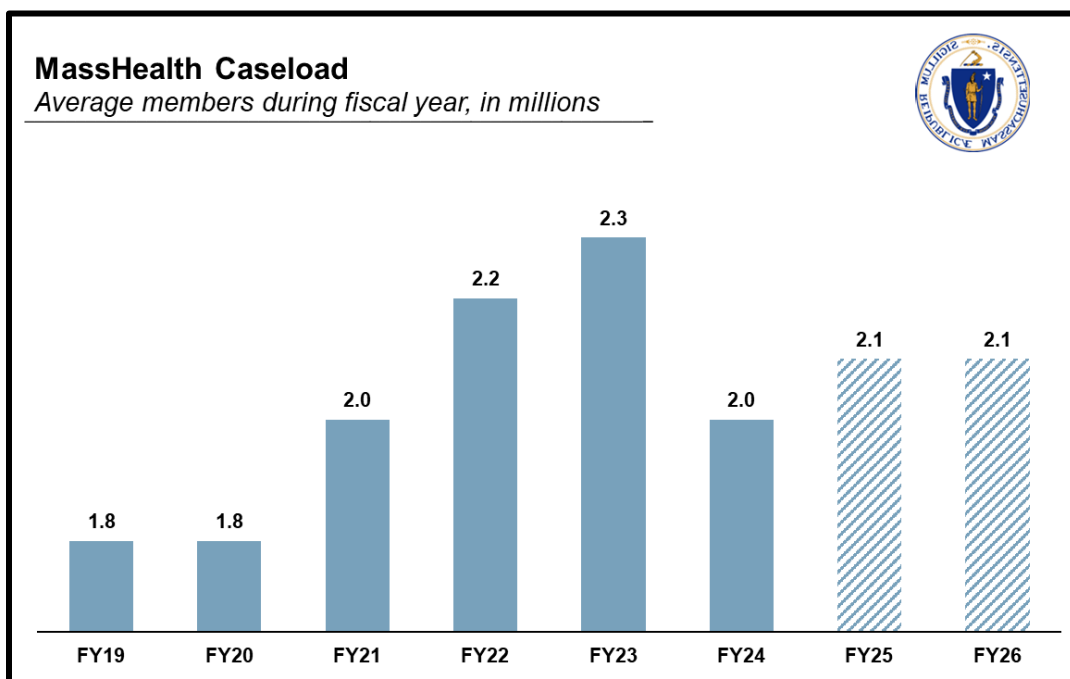


Like other EOHHS agencies, MassHealth has experienced historic growth in recent years, requiring significant state investment to continue providing essential human services programs. Though the current fiscal climate has forced MassHealth to make difficult choices, House 1 preserves access to medically necessary services and maintains our commitment to universal coverage through targeted investments, including raising the asset limit for seniors on MassHealth for the first time in 35 years and continuing to grow primary care as a share of total medical expense.

Major Drivers of Growth

Since the end of the public health emergency in early 2023, MassHealth has faced significant fiscal pressures, beginning with the loss of \$1.0 billion annually in enhanced federal revenue. While MassHealth managed these pressures in FY25 by strategically managing costs and utilizing one-time resources, the program remains under fiscal strain as healthcare costs continue to rise nationally. After concluding a year-long effort to evaluate the eligibility of its 2.4 million member caseload following the federally mandated pause on eligibility determinations during the COVID-19 public health emergency, MassHealth caseload remains 260,000 members higher and significantly more acute than pre-pandemic.

Net spending per member on pharmaceuticals grew 16% last year, and utilization is up across acute hospital, behavioral health, and other settings. In addition, the percentage of members utilizing long-term services and supports has increased 11% since 2023. These increases are mirrored across commercial insurers in the state and in other Medicaid programs nationwide. Additionally, as reported by the Center for Health Information and Analysis (CHIA), there has been approximately a ~200,000-member shift away from employer-sponsored coverage to state-funded coverage (MassHealth and ConnectorCare). This has resulted in ~\$1.0 billion in gross annual health insurance costs shifting from employer-sponsored insurance to state-funded coverage. See additional details on caseload growth below:



In FY26, MassHealth must also contend with new statutory spending requirements, contract obligations, and growth in Medicare premiums that contribute to about \$300 million net in spending growth. These include the impact of rebasing rate years for MassHealth nursing facility rates, wage increases for Personal Care Attendants, and other mandated increases. In addition, MassHealth helps ~300,000 people pay their Medicare Part B premiums (medical services) and ~330,000 people pay their Medicare Part D premiums (prescription drugs), which experienced 5.9% and 8.6% increases from the prior year, respectively. Finally, MassHealth must also absorb a roughly \$600 million net impact of savings initiatives and one-time revenues expiring, which were used to partially mitigate the loss of enhanced federal match in FY25. All told, these factors, in addition to routine health care growth, result in ~\$1.3 billion net in new spending projected in FY26.

To bring spending more in line with available revenue, MassHealth plans to strategically manage down costs while still protecting coverage, access and essential services. MassHealth's FY26 budget proposal is designed to be fiscally sustainable while ensuring ongoing access to high-quality services for members. Even in the face of these budget pressures, House 1 continues investments in MassHealth priorities including advancing health equity, simplifying member experience, improving customer service, strengthening primary care, and promoting member independence.

Investments

Simplifying Benefits for Seniors

To advance health equity in the state, House 1 proposes to raise the asset limit for seniors on MassHealth for the first time in 35 years. MassHealth proposes to raise the asset limit for Medicaid eligibility from \$2,000 as an individual/\$3,000 as a couple to \$5,000 for an individual/ \$7,500 for a couple, which reflects historical growth in the Federal Poverty Level. MassHealth proposes to eliminate up to \$10,000 in life insurance policies from eligibility determinations. Together, these initiatives will expand eligibility for low-income seniors, providing valuable peace of mind and access to health care coverage.

Primary Care and Behavioral Health

To promote affordability and ensure access for members, MassHealth is proposing \$13.8 million in increased investment in primary care. With this investment, MassHealth seeks to support a broader, multi-payor goal of increasing primary care's share of total medical expense. In addition, MassHealth will invest \$5 million to expand access to behavioral health services that support the most complex members in the community.

Continuing to Invest in Maternal Health, including Doula Services

MassHealth launched its doula program in December 2023. Since then, doula enrollment exceeded 3-year target and enrolled over 150 doulas within the first year, with 18 languages spoken among enrolled doulas and over 1,000 members served. MassHealth is

FY26 H.1 Budget Briefs

MassHealth

preserving this investment in FY26 to continue promoting health equity among pregnant individuals in Massachusetts.

Partnering with Correctional Facilities to support Continuity of Care for MassHealth Members

In 2024, MassHealth received approval from the Federal government to enroll individuals in a carceral setting 90-days pre-release to ensure that people who are incarcerated have continuity in health and other services when they return to living in the community.

MassHealth is proposing an investment of \$5 million to support correctional facilities to build capacity and institutional infrastructure, including staffing, billing, and technical support. Once fully implemented, this initiative will bring in tens of millions of dollars in federal revenue annually to Massachusetts.

Savings Initiatives

MassHealth's FY26 House 1 recommendation reflects a commitment to maintaining core services while ensuring fiscal responsibility. MassHealth will continue to achieve ambitious program integrity and other administrative savings. To further manage spending growth, MassHealth proposes the following policies:

- **Implement a pharmacy assessment that progressively redistributes funding toward high-Medicaid pharmacies and generates revenue for the General Fund.** In recent years, there have been several pharmacy closures in lower income neighborhoods with a high proportion of MassHealth members. MassHealth proposes a \$145 million assessment on pharmacies with a corresponding \$165 million increase in rates. This will generate a \$20 million net increase in pharmacy reimbursement through the MassHealth program, draw down significant new federal revenues, and bolster pharmacy access in low-income communities.
- **Expand the allowable uses of the Behavioral Health Access and Crisis Intervention Trust Fund** to further promote payor-agnostic access to Community Based Health Center (CBHC) services and deploy \$50 million of unspent funds to support MassHealth and other EHS behavioral health spending.
- **Begin implementation of new Long Term Care Law.** As included in Chapter 197 of the Acts of 2024, the new Long Term Care Law requires MassHealth to rebase nursing facility rates every year. House 1 proposes to give MassHealth the flexibility to continue basing Nursing Facility rates on 2019 cost data and raise rates by \$102 million gross, beginning to gradually phase in the requirements of the law. A portion of this increase would be funded by a \$22 million increase in the Nursing Facility User Fee, yielding a net increase of \$80 million for nursing facilities.
- **Continue to manage provider rates:** MassHealth proposes to hold most provider rates flat in FY26 and make targeted adjustments to certain provider rates.
- **Adjust eligibility and coverage to ensure MassHealth is the payor of last resort.** MassHealth will undertake several caseload reforms, including clinical assessment for Family Assistance members seeking long-term services and supports to ensure eligibility, transitioning MassHealth-only members out of the SCO

program, requiring members who are eligible for Medicare to sign up for the program, and other eligibility integrity initiatives.

- **Implement targeted adjustments to OneCare revenues to continue reducing cross-subsidy of Medicare underfunding.** MassHealth partners with Medicare to serve ~40,000 members under age 65 who are dually eligible for both programs. Medicare and MassHealth both fund managed care plans to administer a single, person-centered benefit. Today, Medicare underpays relative to the cost of providing services to members. MassHealth intends to work closely with One Care plans to increase Medicare revenues and correspondingly decrease the cross-subsidy in rate year 2026.
- **Manage long-term spending growth in the PCA program to the HPC Health Care Cost Growth Benchmark.** This does not generate any assumed savings in FY26, but sets the program on a sustainable long-term fiscal trajectory.

MassHealth has experienced unprecedented growth in membership and acuity, and a pandemic relief funding cliff. It is imperative that we take steps to right size the program and target payments to the most vulnerable people and the providers who serve them. FY26 House 1 proposes a series of difficult but necessary steps to address these fiscal headwinds in order to preserve access to services for 2 million residents of the Commonwealth served by the MassHealth program.

FY2026 H.1 BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

A Clean & Affordable Future for All

Alaina Martin, Senior Fiscal Policy Analyst

Introduction

The Executive Office of Energy and Environmental Affairs (EEA) works every day to move Massachusetts toward energy independence, protect our beautiful outdoor spaces, and ensure our state is a safe and healthy place to live, raise a family, and grow a business. EEA stewards open space, protects natural resources, invests in outdoor recreation, and advances clean energy and building efficiency. The Healey-Driscoll administration continues to prioritize investments across EEA to ensure that our ambitious climate goals are met, and our infrastructure is strong in the face of increasingly extreme weather. The FY26 House 1 budget recommendation invests in clean energy and climate mitigation, climate adaptation and resilience, climatetech, environmental justice (EJ) and natural resource stewardship.

In 2007, Massachusetts became the first state in the nation to combine all environmental and energy agencies under one Cabinet Secretary – recognizing the interrelated missions of these agencies. In the FY26 budget recommendation, the administration continues to provide unprecedented support to EEA and maintains critical investments in groundbreaking areas added over the last two years. In total, House 1 funds EEA at \$559.8 million, which will support historic staffing levels and ensure the successful implementation of recently passed climate legislation.

Climatetech and Clean Energy

Make Massachusetts the Climatetech Capital of the World

As the world races for a competitive edge in the climatetech, the Healey-Driscoll administration's FY26 House 1 budget recommendation utilizes operating, capital and federal resources to continue Massachusetts' leadership in this global industry.

H.1 proposes \$30 million for the Massachusetts Clean Energy Center (MassCEC) to support start-up ventures, expand access to clean jobs, and invest in offshore wind infrastructure and supply chain. Additionally, EEA has partnered with the Executive Office of Economic Development (EOED) to secure \$400 million in capital resource authorization to advance the offshore wind industry and stimulate innovation, manufacturing, and deployment of climatetech through the MassLeads Act. MassLeads will launch game-changing investments in climatetech in addition to \$30 million in tax incentives annually. For additional details, please see the **Massachusetts's Economic Leadership** budget brief.



Building Clean Energy Infrastructure

Massachusetts is working to achieve the ambitious climate goals outlined in law by transitioning to homegrown clean energy, electrifying and improving the efficiency of our homes and transportation, and protecting our forests and marshlands. House 1 moves us closer to these goals through the strong support of our energy agencies. This budget fully staffs the Federal and Regional Affairs Office, created under Governor Healey to ensure New England is working together to share clean energy resources. Further, H.1 significantly expands the Department of Energy Resources (DOER) and Department of Public Utilities' (DPU) staffing resources to implement "*An Act promoting a Clean Energy Grid, Advancing Equity and Protecting Ratepayers*" (Chapter 239 of the Acts of 2024). These organizations have been critical to securing over \$1 billion in federal climate funding and lowering customer bills.

Notably, the administration supports building clean energy infrastructure through funding for the following investments:

- \$2 million for 22 new staff to right-size DPU's core operating teams, including the Railway Safety, Pipeline Safety, Rates, Gas, and Electric Power divisions.
- \$2 million for 20 new staff across DOER to meet legislative mandates, including:
 - Establishing a Division of Clean Energy Siting and Permitting to develop siting and permitting standards for municipal use
 - Conducting large-scale procurements of energy storage and multi-state procurements for energy generation
 - Implementing additional provisions related to Electric Sector Modernization Plans, portfolio standards, and reporting
- \$1.6 million for 14 new staff at DPU to meet legislative mandates, including:
 - Establishing a new Division of Public Participation
 - Administering the new Intervenor Support Fund and revising EFSB Regulations
 - Promulgating new rules for the siting and permitting of clean energy
 - Implementing other provisions to advance affordability, grid enhancement, EV-charging, and net crediting for clean energy facilities

Strengthening Infrastructure & Protecting the Environment

Help Communities Stay Strong in the Face of Storms, Floods, and Droughts

A changing climate presents new challenges for the Commonwealth to address. As the planet warms and heat islands become more dangerous, the preservation and expansion of greenspaces, tree cover, and recreational swimming will become even more important. House 1 continues to support staffing to implement the ResilientMass Plan and Municipal Vulnerability Planning and Action Grants (MVP), and continued development of the ResilientCoasts initiative, which collectively provide over \$65 million in programming through the Capital Investment Plan. These programs help identify state and local vulnerabilities to climate change impacts and implement solutions to reduce local risk such as infrastructure protection, ecological restoration, climate-smart agriculture, and urban cooling through tree planting. The FY26 budget recommendation also maintains several initiatives focused on climate resiliency and environmental protection, including:

- \$2.8 million for Culvert and Small Bridges Technical Assistance Program, in response to increasing demand for investment in these critical assets.
- \$1 million for Dam Safety Technical Assistance Program to help cities and towns initiate dam safety projects, support dam owners in meeting regulatory safety requirements such as emergency planning and advancing dam repairs and removals.
- \$175,000 for a new Biodiversity Officer and support to oversee the Commonwealth's Biodiversity Plan, which is a holistic and proactive strategy to guide Biodiversity protection at the state and local level.



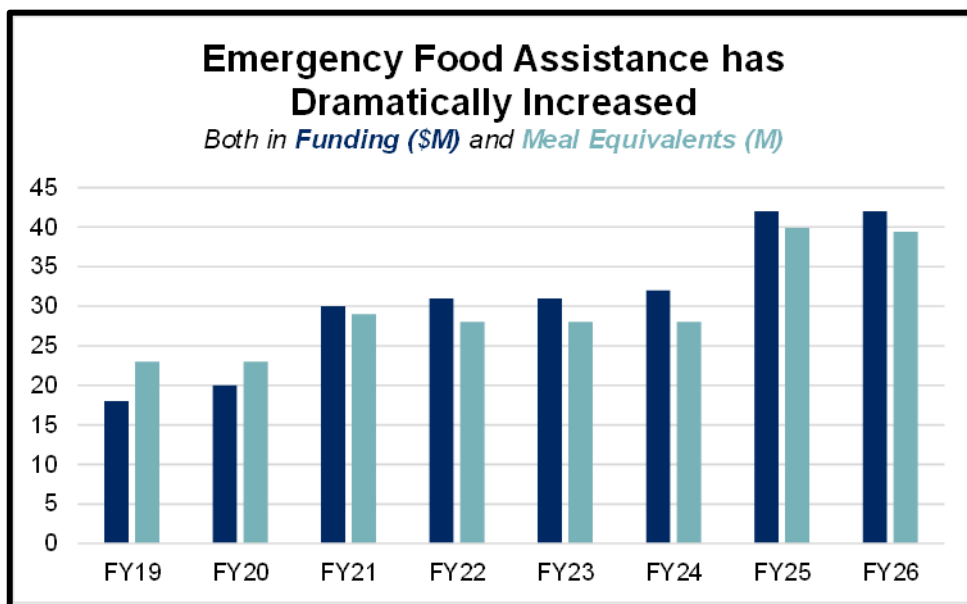
Making Massachusetts Thrive

As a result of our strong environmental protections, widespread access to public outdoor spaces, and emphasis on green jobs, Massachusetts is a great place to live and raise a family. The Healey-Driscoll administration continues to prioritize investments in Massachusetts' residents' health, safety, and enjoyment.

FY26 H.1 Budget Briefs

A Clean & Affordable Future for All

As we saw from the 2023 floods, Massachusetts farmers are on the front lines of climate change, and continued support for our overall food system is imperative. The FY26 budget proposal accomplishes this by investing \$42.0 million for the Emergency Food Assistance Program, projected to provide 39.4 million meals to Massachusetts residents. The Food Security Infrastructure Grant (FSIG) program will also continue to be supported through the Capital Investment Plan.



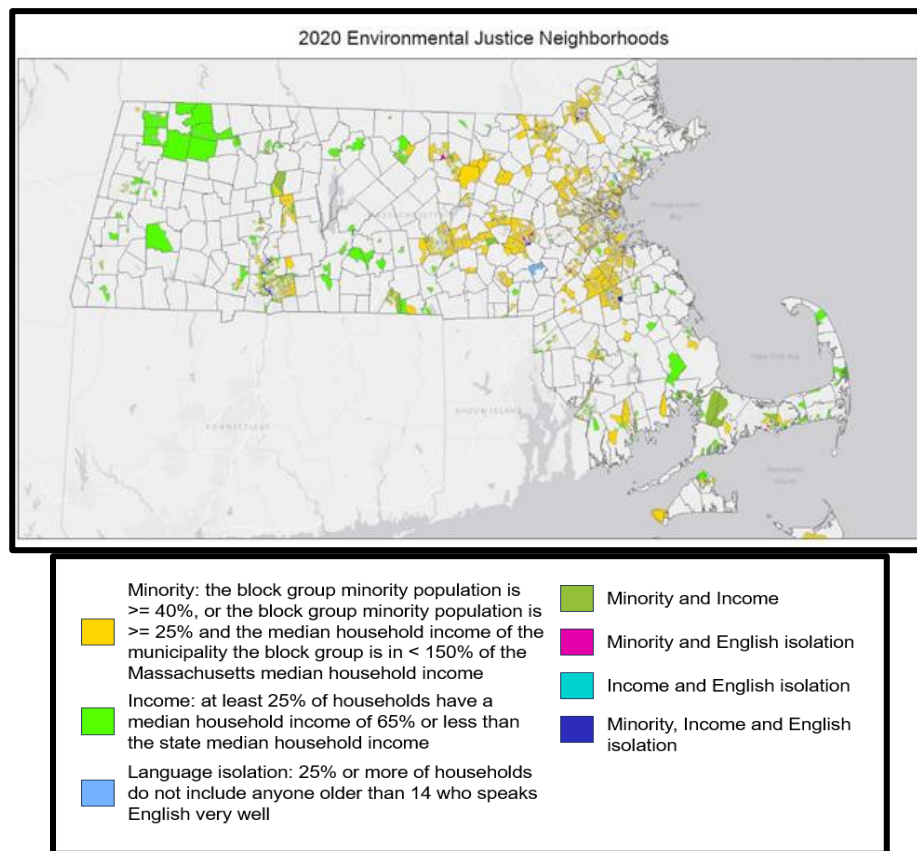
House 1 continues to support widespread efforts to ensure clean air and clean water, including clean-up of PFAS. This budget recommendation maintains funding for 100 DEP staff added during this administration to accomplish this. Additionally, H.1 maintains a \$63.4 million transfer to the Clean Water Trust to provide low-interest loans and grants to municipalities for water infrastructure maintenance and development.



The Department of Conservation and Recreation (DCR) manages over 150 state parks across the Commonwealth, including mountains, beaches, pools, and other facilities and properties for Massachusetts residents to enjoy. House 1 prioritizes Massachusetts residents by maintaining investment in 120 DCR staff added during this administration, to improve customer service and maintenance in our public spaces. Additionally, House 1 provides \$2.5 million for the Summer Nights to connect youth in urban areas with sports, nature, and the arts, and \$600,000 for targeted investments in youth and young adult-targeted programs, including the Climate Conservation Corps, Historic Conservation Corps, and Stewardship Corps.

Environmental Justice

Environmental justice communities have been historically burdened by high costs, pollution, and climate change impacts. In recent years, Massachusetts has made significant progress in the representation of and investment in these communities. House 1 continues to build on that advancement. These investments include support for the Environmental Justice Council and environmental justice strategy, 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.



Environmental justice principles are embedded in EEA's actions, backed by funding for the expert staff, training, and services needed to facilitate an equitable approach to the climate

FY26 H.1 Budget Briefs

A Clean & Affordable Future for All

crisis. The House 1 budget recommendation focuses on equity, providing additional resources for facilitation support for the EJ inter-secretariat working group and supporting environmental justice teams at all EEA agencies to support community outreach, public hearings, and stakeholder involvement and better align hiring practices and inter-agency coordination with environmental justice principles. House 1 also maintains \$8.3 million to ensure environmental justice and equity are integrated into all EEA agency actions, by providing training and translation services and maintains \$5 million to enhance DEP's ability to address PFAS, Air Pollution, and Solid Waste.

FY2026 H.1 BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Serving Our Veterans

Victor Luis Martins, Fiscal Policy Analyst

Veterans Services in the Commonwealth of Massachusetts

The Healey-Driscoll Administration demonstrates its commitment to veterans and their families with a \$201 million House 1 budget recommendation for the Executive Office of Veterans Services (EOVS). This funding strengthens organizational capacity, supports the expansion of veteran services, and sustains 888 employees across the secretariat. EOVS's mission is to provide the highest quality programs, benefits, and advocacy for veterans and their families. The administration's recommendation ensures veterans, and their families can access essential benefits and services, are respected for their service, and can lead healthy and productive lives.

EOVS fulfills its mission by:

- Operating the Chelsea and Holyoke Veterans Homes, which provide high-quality long-term care to those who have served.
- Administering needs-based benefits through municipal veteran service officers.
- Funding annuities for disabled veterans, Gold Star families, widows, and spouses.
- Supporting veterans' housing, education, employment, and peer services.
- Managing and expanding veterans' cemeteries in Agawam and Winchendon.
- Ending veteran homelessness, combatting mental health crises, and reducing suicide rates.

The Healey-Driscoll Administration is transforming the Commonwealth's veterans' services through improved operations at Veterans Homes, expanded outreach efforts, and new legislation focused on veteran welfare. By maintaining core services and introducing enhancements, this budget recommendation reflects the Commonwealth's unwavering commitment to those who have served.

HERO Act

In November 2023, the Healey-Driscoll Administration filed the HERO Act, the most comprehensive veteran-focused legislation in nearly two decades. Following its passage, the Act is fully funded in the FY26 House 1 budget recommendation. It enhances benefits, modernizes services, and promotes equity, with implementation set to begin in February 2025—marking the first fiscal year in which these provisions will take effect.¹

¹ [Governor Maura Healey Signs Historic HERO Act, New Era for Veterans in Massachusetts | Mass.gov](#)

Key provisions include:²

- **Disabled Veteran Annuity:** Increasing the annuity to \$2,500 annually for disabled veterans, Gold Star parents, and surviving spouses.
- **Expanded Exemptions:** Extending tax and fee exemptions to 100% service-connected disabled veterans.
- **Behavioral Health Access:** Expanding eligibility for low-income veterans.
- **Veteran Definition:** Broadening the definition of “veteran” and “veteran dependent” to improve benefit access
- **Vet-Hire Tax Credit:** Increasing the tax credit by \$500 to \$2,500 for small businesses employing unemployed or low-income veterans.

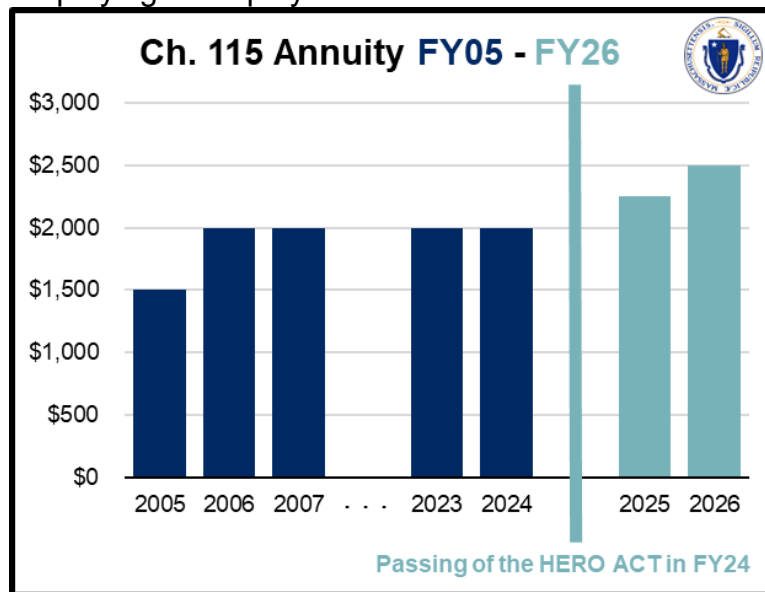


Chart 1: This chart illustrates Chapter 115 Annuity payments from FY05 to FY26; the significant increase in payments starting in FY25 reflects the policy changes enacted by the HERO Act.

The HERO Act enhances mental health services and homelessness prevention for veterans through key program expansions. It adds behavioral health reimbursements to existing Chapter 115 benefits, ensuring low-income veterans can access critical mental health services. The Act establishes a Post-Traumatic Stress Disorder (PTSD) Commission to explore innovative treatment options and directs funding to programs that prevent suicide.

To address homelessness, the HERO Act builds on the End Veteran Homelessness campaign that was launched in March of 2024.³ The campaign invested a one-time \$20 million allocation from the American Rescue Plan Act (ARPA) funds, aimed at providing immediate resources to support expanding outreach, enhancing housing infrastructure, and providing supplementary aid to prevent veteran homelessness, and the Act expands on these investments.

² [HERO Act | Mass.gov](#)

³ [Healey-Driscoll Administration Launches Campaign to End Veteran Homelessness in Massachusetts | Mass.gov](#)

Veterans Homes in Chelsea and Holyoke

Veterans Homes in Chelsea and Holyoke provide essential long-term care and foster community for those who served. The FY26 House 1 budget recommendation includes \$46.5 million for the Chelsea Home and \$33.3 million for the Holyoke Home, resources that will be key in supporting the costs of staffing and care. Further, EOVS continues to utilize an additional \$25.4 million in federal ARPA funds to increase veterans' access to housing, economic development in the form of job development and retraining programs, and expanding veterans' access to essential services.



Figure 1: The newly opened Community Living Center in Chelsea

Both Homes are undergoing transformations to replace outdated facilities with modern, community-focused centers, funded through the Commonwealth's Capital Investment Plan (CIP) and federal contributions. The CIP also includes \$163.9 million over four fiscal years (FY25-FY29) for continued support of Community Living Centers (CLCs) in both Chelsea and Holyoke.



Figure 2: Entrance of the Agawam Veteran Cemetery.

Agawam and Winchendon Veteran Cemetery Expansion

To plan for more space at Agawam and Winchendon Veterans' Cemeteries, the Commonwealth is expanding capacity to honor veterans with dignity and provide families with places to reflect on their service and sacrifice. This effort demonstrates the Commonwealth's commitment to veterans and their families.⁴

Phase I began in March 2024, focusing on cemetery studies and expansion research to establish the groundwork for future development and ensuring the project aligns with regulatory standards. Phase II, set to start in January 2025, will focus on detailed design studies necessary to move forward with construction.

Phase III, involving construction, is scheduled to start in FY26, supported by a \$3.8 million federal grant that reimburses expenses dollar-for-dollar. The project is expected to be completed by September 2027, providing veterans with a more dignified and accessible resting place, while also meeting the growing need for cemetery services.

This phased approach ensures the Commonwealth provides veterans with the recognition and respect they deserve, while leveraging federal support to maximize efficiency and impact.

⁴ [Massachusetts Veterans Memorial Cemetery Services Explained | Mass.gov](https://www.mass.gov/news/massachusetts-veterans-memorial-cemetery-services-explained)

FY2026 H.1 BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Legislation Spotlight

Natalie Albanese and Victor Luis Martins, Fiscal Policy Analysts, and Jake Little, Compliance Director

The FY26 House 1 budget proposal includes numerous investments that support implementation of critical legislation that was passed last session.

Implementing the Affordable Homes Act

Smart Housing and Livable Communities

On August 6, 2024, Governor Healey signed the Affordable Homes Act, a bold initiative to increase housing production and invest in livable communities. This historic legislation authorizes over \$5 billion in spending over the next five years along with nearly 50 policy initiatives to counter rising housing costs caused by high demand and limited supply. This blueprint to create or save 65,000 homes will help ensure the people who work in our communities can afford to live in our communities. The bill includes unprecedented authorizations to modernize the state's public housing system, boost programs that support first-time homebuyers and homeownership, and build more housing for low to moderate-income residents. The law also includes many policy changes that will unlock housing production in our state, such as allowing accessory dwelling units by right, support for the conversion of vacant commercial space to housing and support for sustainable and green housing initiatives.



The FY26 House 1 budget recommendation includes \$700,000 for additional staffing capacity at the Executive Office of Housing and Livable Communities to expedite critical housing production functions. New positions include additional counsel to support new guidelines and regulations associated with the Affordable Homes Act, regional and capital planners focused on accessory dwelling units, seasonal communities, and public housing, and a Director of Fair Housing to lead the newly created Office of Fair Housing, as well as other key personnel.

Celebrating our Housing Milestones

The Healey-Driscoll Administration continues to take pivotal steps in implementing the Affordable Homes Act. The Executive Office of Housing and Livable Communities is on track to announce draft regulations on accessory dwelling units by the effective date of the ADU law, February 2, 2025. An accessory dwelling unit is a secondary residential living space located on the same lot of a single-family home and will be integral in unlocking more housing across the state. In early November, the Healey-Driscoll Administration held a webinar for municipal officials across Massachusetts to learn more about the ADU legislation. More than 850 interested parties participated. Additionally, the Seasonal Communities Advisory Council held its inaugural meeting in mid-December – marking an important step toward helping seasonal communities, and the workforces that support them, with their housing needs. With 41 percent of policies having been implemented in the first 100 days following the signing of the bill, the Healey-Driscoll Administration’s momentum on meeting the housing moment is not slowing down.

Federal Match

In September of 2024, Governor Healey signed legislation to dramatically improve the state’s ability to receive federal funding for infrastructure, climate, and economic development projects through the creation of a Capital Investment and Debt Reduction Fund. This new matching fund pool, mostly funded through interest generated on the state’s robust Stabilization Fund, will make up to \$750 million available over the next three years to expand the state’s capacity to satisfy fund matching requirements of federal grant programs and cover project costs. Notably, this legislation also unlocks unprecedented resources for communities to compete for federal grants by making funds available to municipalities seeking assistance in matching federal dollars and technical expertise in crafting applications for funding. The bill dedicates up to \$12 million for technical assistance for local governments and tribes, and up to \$50 million for grants, loans and other financial assistance for federal programs. This transformative legislation builds on the Healey-Driscoll Administration’s ongoing commitment to aggressively pursue federal dollars and bring historic investment to Massachusetts.

Mass Leads

Implementing Our Economic Development Plan

Governor Healey signed into law the landmark Mass Leads Act delivering a wide array of tools and resources in support of the Administration’s Economic Development Plan -- Team Massachusetts: Leading Future Generations. The recently passed legislation includes nearly \$4 billion in critical bond authorizations, additional tax credits, and necessary policy provisions for boosting economic growth centered around making Massachusetts a more affordable, equitable, and competitive state.



The Healey-Driscoll Administration's House 1 budget recommendation supports implementation of *Mass Leads* through strategic and responsible investments in our agencies and our quasi-governmental agencies. The Executive Office of Economic Development's House 1 budget proposal supports implementing the provisions of *Mass Leads*, including funding for the Massachusetts Life Sciences Center and Small Business Technical Assistance. The House 1 budget recommendation, together with *Mass Leads*, enables us to invest in our economic future through the initiatives that focus on the administration's three priority areas: Fundamentals, Talent, and Sectors.

Fundamentals: Securing Our Economic Foundations

House 1 includes sustained support for the Executive Office of Economic Development and incorporates additional operating funding within the Community One Stop for Growth grant award process. Programs like the Massachusetts Downtown Initiative (\$600,000) and Transformative Development Fund (\$250,000) complement over \$600 million of capital authorizations included in Mass Leads. These support the building blocks of economic growth, which begins in our communities.

Talent: Retaining and Attracting Talent Across All Backgrounds

Mass Leads provided modifications to the Workforce Investment Trust Fund and now allows for greater utilization of resources to support more equitable growth opportunities in historically underrepresented communities. House 1 taps into this funding source to supplement ongoing workforce development and community action programs including Community Empowerment and Reinvestment Grants (\$15 million), the life sciences Pathmaker program (\$10 million), and Urban Agenda Economic Development Grants (\$2.5 million). Additionally, Mass Leads established a new internship tax credit program that rewards companies for taking on interns from Massachusetts-based colleges. Along with the Talent H-1B Retention Visas for Entrepreneurs program, or THRiVE, funded by House 1 at \$750,000, the Administration will build up the state's workforce pipeline that attracts and retains our most talented individuals.

Sectors: Supporting Industries that Drive Our Economy

Mass Leads and House 1 both provide critical resources for keeping Massachusetts competitive and drawing in new jobs and investment. Notably, House 1 transfers \$12 million for programming and administration at Massachusetts Life Sciences Center (MLSC), which will help maintain the Administration's ten-year \$1 billion investment strategy in the life sciences sector. Mass Leads authorizes major capital spending along with renewed tax

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Legislation Spotlight

incentives for initiatives tied to job creation. House 1 proposes an additional transfer of \$30 million for operations at the Massachusetts Clean Energy Center to keep the Administration on track to invest \$1 billion over ten years in climatetech through capital resources and renewed tax credits for offshore wind.



Mass Leads and House 1 each maintain support for developing tech-focused industries and small businesses. Six million of operational transfers to the Massachusetts Technology Collaborative will help administer capital grant programs that further advance Massachusetts's position as a global hub for advanced manufacturing while building an ecosystem for innovation in robotics and AI. Additionally, The Executive Office of Economic Development is preparing to fully launch the Business Front Door, an online portal that connects businesses and organizations to all available public resources including business competitiveness programs authorized by Mass Leads.

HERO Act

Supporting our Veterans

In November 2023, the Healey-Driscoll Administration filed the HERO Act, the most comprehensive veteran-focused legislation in two decades. Fully funded in the FY26 House 1 budget proposal, the Act enhances benefits, modernizes services, and promotes equity, with implementation set to begin in February 2025. Key provisions include increasing annuities for disabled veterans, expanding exemptions for 100% disabled veterans, and broadening the definition of “veteran” to improve benefit access. The Act also raises the Vet-Hire Tax Credit to \$2,500 to encourage small businesses to employ veterans.





Chapter 90 Funding and Reform

Healey-Driscoll Administration

Background

The Chapter 90 local roadways program has provided vital funding for all 351 cities and towns since 1973. These resources have enabled municipalities to improve pavement quality, build sidewalks, restore bridges and finance bike and pedestrian infrastructure. Rising construction costs and changing travel patterns however necessitated a renewed focus on the program and, this past year, Governor Healey and Lt. Governor Driscoll asked MassDOT and the Executive Office for Administrative and Finance to convene an Advisory Group to assess program challenges and consider solutions.

Recommendations from the Advisory Group (find their report here: [Chapter 90 Program Advisory Group - A Report on Challenges & Recommendations for Improvement](#)), which included municipal leaders and public works officials from all corners of the state and all types of communities, informed the funding and reform proposals described below.

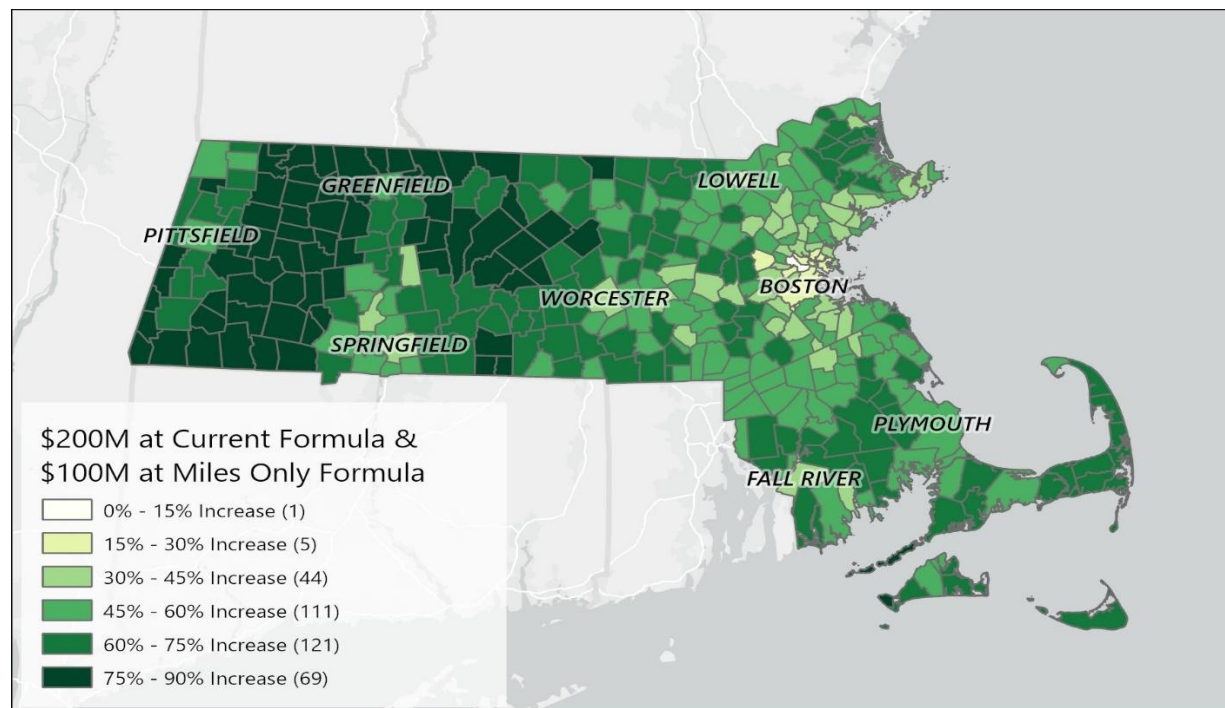
Increased Funding and Distribution Formula Revisions

The Chapter 90 Program has been funded at \$200 million annually since 2012, except for a one-time increase in 2015 and some supplemental funds from the Fair Share surtax in 2023 and 2024. The Advisory Group felt strongly that funding was not keeping pace with municipal needs considering inflation, rising construction costs, and the impacts of climate change. Flat funding levels have made it difficult for municipalities to address larger projects in a timely manner, forcing them to store annual program funds over multiple years to cover such work. The distribution formula, based on roadway mileage, population, and employment, has not been changed in 50 years and the Group found it outdated considering demographic and work pattern changes over that time.

These challenges will be addressed in the Chapter 90 Bond Bill the Healey-Driscoll Administration filed on January 24, 2025. This bill provides an historic increase in annual funding, raising the annual total to \$300 million. Due to this funding increase, the distribution formula can also be revised. The Bond Bill commits that the additional \$100 million provided each year be distributed on the basis of road mileage only, and not according to the formula in place for the current \$200 million. Together, the growth in funding and formula change ensures every community receives a significant increase in local road support, but smaller and rural communities get an additional level of aid.

The map below shows the magnitude of the funding hike across all cities and towns. Individual funding levels for each community are provided in the appendix.

Map: Percentage funding increases for cities and towns under proposed plan



Thinking Long-Term

The Advisory Group recommended that alongside additional funding and formula change the state authorize Chapter 90 dollars for multiple years. It found that one-year authorizations created uncertainty and delayed projects as funds moved through the system. The Bond Bill recently filed addresses this issue by authorizing \$1.5 billion over five years, committing an additional \$500 M to the program over the remainder of this decade. A multi-year authorization will enable communities to better plan how they will deploy roadway funding to reach long-term goals which can only serve to improve pavement quality and user experience. The Bond Bill encourages the development of five-year capital plans for roadways that will aid the effective deployment of these resources.

This historic investment in local road infrastructure is possible because the state plans to utilize revenues from the Fair Share surtax to expand its capacity to borrow via the Commonwealth Transportation Fund.

Streamlining Administration

Making the process for accessing program funding simpler and providing better information and training to municipal staff were also raised by the Advisory Group. MassDOT will be looking at implementing program improvements that could reduce the

need for project approvals where a community has a long-term plan in place. Enhanced training is also being explored. Municipalities have also sought to use Chapter 90 to cover preservation activities, and eligibility for program funds to cover such endeavors, including catch-basin cleaning, and guard rail plant clearing will be expanded. MassDOT will also look at improving the pre-qualification process for contractors that work on Chapter 90 projects.

Appendix: City and Town Allocations Under Proposed Chapter 90 Bond Bill

<u>City/Town</u>	<u>FY26 Allocation</u>	<u>Five-Year Total</u>
ABINGTON	\$586,470.16	\$2,932,350.79
ACTON	\$1,084,091.60	\$5,420,458.00
ACUSHNET	\$511,216.11	\$2,556,080.56
ADAMS	\$470,458.65	\$2,352,293.27
AGAWAM	\$1,237,135.58	\$6,185,677.88
ALFORD	\$128,210.81	\$641,054.05
AMESBURY	\$675,616.46	\$3,378,082.30
AMHERST	\$1,184,454.58	\$5,922,272.90
ANDOVER	\$1,993,376.48	\$9,966,882.41
AQUINNAH	\$70,055.67	\$350,278.34
ARLINGTON	\$1,133,336.81	\$5,666,684.07
ASHBURNHAM	\$582,225.24	\$2,911,126.18
ASHBY	\$394,214.09	\$1,971,070.47
ASHFIELD	\$527,778.40	\$2,638,892.00
ASHLAND	\$732,625.38	\$3,663,126.92
ATHOL	\$834,102.51	\$4,170,512.53
ATTLEBORO	\$1,848,808.81	\$9,244,044.07
AUBURN	\$927,862.75	\$4,639,313.73
AVON	\$261,916.88	\$1,309,584.38
AYER	\$394,826.17	\$1,974,130.83
BARNSTABLE	\$3,155,469.90	\$15,777,349.49
BARRE	\$751,504.85	\$3,757,524.25
BECKET	\$421,288.62	\$2,106,443.12
BEDFORD	\$878,356.15	\$4,391,780.76
BELCHERTOWN	\$1,067,410.08	\$5,337,050.42
BELLINGHAM	\$847,223.60	\$4,236,118.02
BELMONT	\$794,729.81	\$3,973,649.06
BERKLEY	\$440,866.25	\$2,204,331.27
BERLIN	\$331,554.26	\$1,657,771.31
BERNARDSTON	\$319,228.17	\$1,596,140.87
BEVERLY	\$1,480,007.10	\$7,400,035.52
BILLERICA	\$1,987,812.47	\$9,939,062.34
BLACKSTONE	\$365,733.58	\$1,828,667.91
BLANDFORD	\$470,160.77	\$2,350,803.87
BOLTON	\$493,527.99	\$2,467,639.96
BOSTON	\$17,734,595.39	\$88,672,976.97
BOURNE	\$933,592.79	\$4,667,963.95
BOXBOROUGH	\$313,831.56	\$1,569,157.79
BOXFORD	\$708,234.91	\$3,541,174.56
BOYLSTON	\$336,824.67	\$1,684,123.36

BRAINTREE	\$1,306,299.10	\$6,531,495.52
BREWSTER	\$498,494.45	\$2,492,472.24
BRIDGEWATER	\$1,098,067.47	\$5,490,337.34
BRIMFIELD	\$489,501.01	\$2,447,505.04
BROCKTON	\$2,846,260.85	\$14,231,304.24
BROOKFIELD	\$288,112.35	\$1,440,561.77
BROOKLINE	\$1,243,309.43	\$6,216,547.17
BUCKLAND	\$321,995.94	\$1,609,979.69
BURLINGTON	\$1,399,206.67	\$6,996,033.34
CAMBRIDGE	\$3,351,078.14	\$16,755,390.72
CANTON	\$1,123,019.59	\$5,615,097.93
CARLISLE	\$434,714.91	\$2,173,574.57
CARVER	\$673,522.57	\$3,367,612.86
CHARLEMONT	\$318,337.69	\$1,591,688.45
CHARLTON	\$1,041,486.82	\$5,207,434.10
CHATHAM	\$561,662.38	\$2,808,311.92
CHELMSFORD	\$1,734,338.97	\$8,671,694.83
CHELSEA	\$754,315.98	\$3,771,579.89
CHESHIRE	\$342,198.67	\$1,710,993.37
CHESTER	\$417,301.89	\$2,086,509.45
CHESTERFIELD	\$390,968.25	\$1,954,841.26
CHICOPEE	\$1,952,416.34	\$9,762,081.72
CHILMARK	\$112,970.61	\$564,853.06
CLARKSBURG	\$126,001.48	\$630,007.40
CLINTON	\$485,041.68	\$2,425,208.41
COHASSET	\$333,793.05	\$1,668,965.26
COLRAIN	\$574,109.23	\$2,870,546.15
CONCORD	\$1,028,364.27	\$5,141,821.33
CONWAY	\$473,011.77	\$2,365,058.87
CUMMINGTON	\$357,020.85	\$1,785,104.27
DALTON	\$348,283.03	\$1,741,415.16
DANVERS	\$1,227,434.82	\$6,137,174.11
DARTMOUTH	\$1,804,593.10	\$9,022,965.49
DEDHAM	\$957,570.02	\$4,787,850.10
DEERFIELD	\$636,455.01	\$3,182,275.04
DENNIS	\$1,220,511.04	\$6,102,555.22
DIGHTON	\$501,926.64	\$2,509,633.18
DOUGLAS	\$615,562.84	\$3,077,814.18
DOVER	\$475,835.32	\$2,379,176.58
DRACUT	\$1,292,752.36	\$6,463,761.79
DUDLEY	\$700,822.93	\$3,504,114.66
DUNSTABLE	\$322,299.99	\$1,611,499.94
DUXBURY	\$880,254.66	\$4,401,273.32
E.BRIDGEWATER	\$619,846.91	\$3,099,234.55

E.BROOKFIELD	\$157,105.99	\$785,529.95
E.LONGMEADOW	\$901,167.84	\$4,505,839.18
EASTHAM	\$413,222.34	\$2,066,111.68
EASTHAMPTON	\$754,579.88	\$3,772,899.39
EASTON	\$1,113,138.78	\$5,565,693.91
EDGARTOWN	\$391,523.12	\$1,957,615.61
EGREMONT	\$269,181.51	\$1,345,907.57
ERVING	\$141,862.97	\$709,314.84
ESSEX	\$207,122.73	\$1,035,613.64
EVERETT	\$889,834.88	\$4,449,174.40
FAIRHAVEN	\$780,299.06	\$3,901,495.31
FALL RIVER	\$2,645,603.05	\$13,228,015.26
FALMOUTH	\$2,022,893.55	\$10,114,467.75
FITCHBURG	\$1,706,728.21	\$8,533,641.05
FLORIDA	\$291,598.27	\$1,457,991.33
FOXBOROUGH	\$930,931.30	\$4,654,656.52
FRAMINGHAM	\$2,487,177.72	\$12,435,888.59
FRANKLIN	\$1,411,328.68	\$7,056,643.38
FREETOWN	\$658,504.53	\$3,292,522.63
GARDNER	\$909,931.27	\$4,549,656.37
GEORGETOWN	\$495,467.45	\$2,477,337.23
GILL	\$261,013.63	\$1,305,068.14
GLOUCESTER	\$945,737.66	\$4,728,688.30
GOSHEN	\$186,739.57	\$933,697.87
GOSNOLD	\$15,196.49	\$75,982.47
GRAFTON	\$787,161.14	\$3,935,805.71
GRANBY	\$465,367.07	\$2,326,835.34
GRANVILLE	\$472,112.17	\$2,360,560.87
GR.BARRINGTON	\$658,844.23	\$3,294,221.13
GREENFIELD	\$963,125.54	\$4,815,627.70
GROTON	\$857,366.36	\$4,286,831.80
GROVELAND	\$374,841.64	\$1,874,208.19
HADLEY	\$571,299.59	\$2,856,497.93
HALIFAX	\$435,599.46	\$2,177,997.32
HAMILTON	\$383,318.11	\$1,916,590.54
HAMPDEN	\$430,411.87	\$2,152,059.37
HANCOCK	\$116,473.14	\$582,365.71
HANOVER	\$808,355.31	\$4,041,776.53
HANSON	\$520,161.13	\$2,600,805.65
HARDWICK	\$638,153.41	\$3,190,767.03
HARVARD	\$566,710.43	\$2,833,552.14
HARWICH	\$1,149,221.78	\$5,746,108.89
HATFIELD	\$403,554.63	\$2,017,773.15
HAVERHILL	\$2,344,733.76	\$11,723,668.78

HAWLEY	\$299,212.31	\$1,496,061.54
HEATH	\$379,248.09	\$1,896,240.47
HINGHAM	\$1,138,965.78	\$5,694,828.89
HINSDALE	\$270,703.43	\$1,353,517.13
HOLBROOK	\$378,903.60	\$1,894,518.00
HOLDEN	\$1,033,501.91	\$5,167,509.55
HOLLAND	\$266,591.31	\$1,332,956.57
HOLLISTON	\$801,391.85	\$4,006,959.25
HOLYOKE	\$1,440,793.24	\$7,203,966.18
HOPEDALE	\$265,979.93	\$1,329,899.66
HOPKINTON	\$989,832.66	\$4,949,163.29
HUBBARDSTON	\$636,362.46	\$3,181,812.32
HUDSON	\$867,011.65	\$4,335,058.25
HULL	\$442,707.43	\$2,213,537.14
HUNTINGTON	\$280,431.69	\$1,402,158.46
IPSWICH	\$685,517.35	\$3,427,586.73
KINGSTON	\$643,660.49	\$3,218,302.46
LAKEVILLE	\$669,986.32	\$3,349,931.61
LANCASTER	\$533,639.82	\$2,668,199.12
LANESBOROUGH	\$370,210.23	\$1,851,051.14
LAWRENCE	\$1,764,502.80	\$8,822,514.02
LEE	\$466,247.39	\$2,331,236.96
LEICESTER	\$701,403.79	\$3,507,018.97
LENOX	\$445,908.10	\$2,229,540.51
LEOMINSTER	\$1,669,545.02	\$8,347,725.08
LEVERETT	\$262,392.72	\$1,311,963.60
LEXINGTON	\$1,402,410.11	\$7,012,050.55
LEYDEN	\$257,062.24	\$1,285,311.21
LINCOLN	\$441,354.91	\$2,206,774.56
LITTLETON	\$616,905.05	\$3,084,525.26
LONGMEADOW	\$758,545.94	\$3,792,729.72
LOWELL	\$2,493,660.84	\$12,468,304.18
LUDLOW	\$1,096,807.47	\$5,484,037.33
LUNENBURG	\$689,701.60	\$3,448,508.00
LYNN	\$2,045,232.75	\$10,226,163.76
LYNNFIELD	\$642,054.75	\$3,210,273.75
MALDEN	\$1,234,685.37	\$6,173,426.86
MANCHESTER	\$225,122.31	\$1,125,611.55
MANSFIELD	\$1,112,463.75	\$5,562,318.77
MARBLEHEAD	\$677,062.33	\$3,385,311.65
MARION	\$261,778.18	\$1,308,890.90
MARLBOROUGH	\$1,648,704.44	\$8,243,522.21
MARSHFIELD	\$1,178,947.84	\$5,894,739.22
MASHPEE	\$976,795.88	\$4,883,979.38

MATTAPOISETT	\$372,495.17	\$1,862,475.84
MAYNARD	\$400,701.24	\$2,003,506.18
MEDFIELD	\$665,429.90	\$3,327,149.52
MEDFORD	\$1,254,039.24	\$6,270,196.20
MEDWAY	\$626,071.06	\$3,130,355.29
MELROSE	\$761,557.04	\$3,807,785.18
MENDON	\$460,841.17	\$2,304,205.84
MERRIMAC	\$323,527.69	\$1,617,638.45
METHUEN	\$1,774,821.60	\$8,874,107.99
MIDDLEBOROUGH	\$1,409,112.67	\$7,045,563.35
MIDDLEFIELD	\$278,493.02	\$1,392,465.08
MIDDLETON	\$474,907.55	\$2,374,537.77
MILFORD	\$1,177,261.97	\$5,886,309.85
MILLBURY	\$656,693.85	\$3,283,469.24
MILLIS	\$439,567.53	\$2,197,837.65
MILLVILLE	\$183,408.75	\$917,043.76
MILTON	\$944,880.94	\$4,724,404.72
MONROE	\$118,710.00	\$593,550.02
MONSON	\$788,379.67	\$3,941,898.36
MONTAGUE	\$824,283.75	\$4,121,418.73
MONTEREY	\$354,742.49	\$1,773,712.47
MONTGOMERY	\$224,042.58	\$1,120,212.89
MT.WASHINGTON	\$126,878.33	\$634,391.65
NAHANT	\$143,324.07	\$716,620.34
NANTUCKET	\$1,068,952.22	\$5,344,761.10
NATICK	\$1,398,430.51	\$6,992,152.54
NEEDHAM	\$1,301,986.47	\$6,509,932.33
NEW ASHFORD	\$77,468.19	\$387,340.94
NEW BEDFORD	\$2,942,703.15	\$14,713,515.73
NEW BRAINTREE	\$369,506.00	\$1,847,530.01
NEW MARLBOROUGH	\$614,298.50	\$3,071,492.48
NEW SALEM	\$261,304.24	\$1,306,521.20
NEWBURY	\$441,768.81	\$2,208,844.05
NEWBURYPORT	\$753,241.25	\$3,766,206.25
NEWTON	\$3,171,978.66	\$15,859,893.32
NORFOLK	\$655,773.92	\$3,278,869.61
NORTH ADAMS	\$649,273.17	\$3,246,365.86
NORTH ANDOVER	\$1,200,554.72	\$6,002,773.62
N.ATTLEBOROUGH	\$1,185,983.76	\$5,929,918.78
N.BROOKFIELD	\$534,977.90	\$2,674,889.49
NORTH READING	\$779,766.71	\$3,898,833.56
NORTHAMPTON	\$1,536,988.07	\$7,684,940.33
NORTHBOROUGH	\$785,373.69	\$3,926,868.44
NORTHBRIDGE	\$726,485.17	\$3,632,425.83

NORTHFIELD	\$496,979.25	\$2,484,896.26
NORTON	\$857,521.88	\$4,287,609.40
NORWELL	\$715,143.06	\$3,575,715.32
NORWOOD	\$1,153,602.78	\$5,768,013.91
OAK BLUFFS	\$319,708.15	\$1,598,540.76
OAKHAM	\$324,981.83	\$1,624,909.17
ORANGE	\$692,630.10	\$3,463,150.49
ORLEANS	\$442,083.10	\$2,210,415.49
OTIS	\$316,291.86	\$1,581,459.31
OXFORD	\$807,366.15	\$4,036,830.73
PALMER	\$751,585.40	\$3,757,926.98
PAXTON	\$318,936.21	\$1,594,681.07
PEABODY	\$1,767,119.57	\$8,835,597.85
PELHAM	\$173,346.17	\$866,730.87
PEMBROKE	\$871,303.50	\$4,356,517.50
PEPPERELL	\$689,991.43	\$3,449,957.14
PERU	\$259,010.91	\$1,295,054.54
PETERSHAM	\$452,480.48	\$2,262,402.42
PHILLIPSTON	\$334,735.28	\$1,673,676.38
PITTSFIELD	\$1,973,951.66	\$9,869,758.32
PLAINFIELD	\$345,537.31	\$1,727,686.55
PLAINVILLE	\$449,893.26	\$2,249,466.28
PLYMOUTH	\$2,379,327.77	\$11,896,638.87
PLYMPTON	\$282,566.71	\$1,412,833.53
PRINCETON	\$599,288.62	\$2,996,443.11
PROVINCETOWN	\$194,601.72	\$973,008.60
QUINCY	\$2,496,841.18	\$12,484,205.89
RANDOLPH	\$1,029,266.56	\$5,146,332.82
RAYNHAM	\$758,767.39	\$3,793,836.96
READING	\$900,681.49	\$4,503,407.46
REHOBOTH	\$1,074,428.59	\$5,372,142.95
REVERE	\$1,093,302.09	\$5,466,510.47
RICHMOND	\$291,832.37	\$1,459,161.87
ROCHESTER	\$533,854.38	\$2,669,271.92
ROCKLAND	\$558,372.29	\$2,791,861.46
ROCKPORT	\$289,662.61	\$1,448,313.04
ROWE	\$257,832.84	\$1,289,164.22
ROWLEY	\$381,231.82	\$1,906,159.09
ROYALSTON	\$508,738.36	\$2,543,691.80
RUSSELL	\$172,229.00	\$861,145.01
RUTLAND	\$652,446.27	\$3,262,231.36
SALEM	\$1,131,132.37	\$5,655,661.86
SALISBURY	\$358,387.32	\$1,791,936.60
SANDISFIELD	\$590,094.64	\$2,950,473.21

SANDWICH	\$1,270,610.30	\$6,353,051.49
SAUGUS	\$938,671.03	\$4,693,355.14
SAVOY	\$357,406.19	\$1,787,030.97
SCITUATE	\$898,735.09	\$4,493,675.46
SEEKONK	\$925,920.12	\$4,629,600.61
SHARON	\$937,549.36	\$4,687,746.82
SHEFFIELD	\$622,825.77	\$3,114,128.85
SHELBURNE	\$370,083.70	\$1,850,418.49
SHERBORN	\$436,578.46	\$2,182,892.32
SHIRLEY	\$391,738.11	\$1,958,690.55
SHREWSBURY	\$1,485,987.62	\$7,429,938.08
SHUTESBURY	\$234,807.86	\$1,174,039.29
SOMERSET	\$782,536.78	\$3,912,683.92
SOMERVILLE	\$1,527,494.52	\$7,637,472.62
SOUTH HADLEY	\$776,854.16	\$3,884,270.82
SOUTHAMPTON	\$553,024.58	\$2,765,122.89
SOUTHBOROUGH	\$665,078.09	\$3,325,390.46
SOUTHBRIDGE	\$756,558.00	\$3,782,789.99
SOUTHWICK	\$616,443.09	\$3,082,215.44
SPENCER	\$818,951.77	\$4,094,758.83
SPRINGFIELD	\$5,064,711.45	\$25,323,557.24
STERLING	\$751,088.00	\$3,755,440.00
STOCKBRIDGE	\$335,593.40	\$1,677,966.99
STONEHAM	\$682,078.18	\$3,410,390.89
STOUGHTON	\$1,145,483.81	\$5,727,419.06
STOW	\$461,422.47	\$2,307,112.34
STURBRIDGE	\$688,698.32	\$3,443,491.61
SUDBURY	\$1,190,574.95	\$5,952,874.73
SUNDERLAND	\$304,270.27	\$1,521,351.37
SUTTON	\$780,874.78	\$3,904,373.91
SWAMPSCOTT	\$438,216.42	\$2,191,082.09
SWANSEA	\$909,577.91	\$4,547,889.55
TAUNTON	\$2,145,175.96	\$10,725,879.81
TEMPLETON	\$611,514.42	\$3,057,572.11
TEWKSBURY	\$1,383,507.92	\$6,917,539.62
TISBURY	\$215,386.14	\$1,076,930.71
TOLLAND	\$284,290.62	\$1,421,453.08
TOPSFIELD	\$422,026.04	\$2,110,130.22
TOWNSEND	\$693,895.66	\$3,469,478.31
TRURO	\$297,754.99	\$1,488,774.95
TYNGSBOROUGH	\$706,494.81	\$3,532,474.07
TYRINGHAM	\$187,059.61	\$935,298.07
UPTON	\$532,444.55	\$2,662,222.74
UXBRIDGE	\$831,950.30	\$4,159,751.50

WAKEFIELD	\$937,204.54	\$4,686,022.71
WALES	\$196,164.95	\$980,824.76
WALPOLE	\$1,204,141.50	\$6,020,707.52
WALTHAM	\$1,954,202.63	\$9,771,013.14
WARE	\$709,735.10	\$3,548,675.48
WAREHAM	\$1,167,645.87	\$5,838,229.35
WARREN	\$492,957.64	\$2,464,788.19
WARWICK	\$403,854.68	\$2,019,273.41
WASHINGTON	\$307,520.72	\$1,537,603.61
WATERTOWN	\$974,110.62	\$4,870,553.08
WAYLAND	\$762,055.91	\$3,810,279.54
WEBSTER	\$708,289.96	\$3,541,449.81
WELLESLEY	\$1,184,090.65	\$5,920,453.27
WELLFLEET	\$427,104.46	\$2,135,522.31
WENDELL	\$343,763.75	\$1,718,818.76
WENHAM	\$246,764.02	\$1,233,820.10
WEST BOYLSTON	\$462,473.54	\$2,312,367.71
W.BRIDGEWATER	\$489,394.70	\$2,446,973.50
W.BROOKFIELD	\$397,716.54	\$1,988,582.69
WEST NEWBURY	\$364,900.16	\$1,824,500.81
W.SPRINGFIELD	\$1,243,979.31	\$6,219,896.53
W.STOCKBRIDGE	\$269,529.79	\$1,347,648.93
WEST TISBURY	\$130,239.54	\$651,197.70
WESTBOROUGH	\$1,104,057.43	\$5,520,287.15
WESTFIELD	\$1,818,345.02	\$9,091,725.11
WESTFORD	\$1,394,329.09	\$6,971,645.47
WESTHAMPTON	\$328,872.43	\$1,644,362.15
WESTMINSTER	\$721,591.03	\$3,607,955.14
WESTON	\$753,448.35	\$3,767,241.76
WESTPORT	\$1,155,503.93	\$5,777,519.66
WESTWOOD	\$840,077.24	\$4,200,386.22
WEYMOUTH	\$1,659,433.38	\$8,297,166.88
WHATELY	\$247,340.60	\$1,236,702.98
WHITMAN	\$492,697.73	\$2,463,488.64
WILBRAHAM	\$893,163.14	\$4,465,815.68
WILLIAMSBURG	\$327,911.71	\$1,639,558.56
WILLIAMSTOWN	\$468,541.51	\$2,342,707.54
WILMINGTON	\$1,104,472.50	\$5,522,362.48
WINCHENDON	\$798,656.09	\$3,993,280.46
WINCHESTER	\$757,998.11	\$3,789,990.56
WINDSOR	\$454,146.59	\$2,270,732.96
WINTHROP	\$401,324.13	\$2,006,620.66
WOBURN	\$1,698,020.69	\$8,490,103.46
WORCESTER	\$5,596,133.61	\$27,980,668.04

Chapter 90 Funding and Reform

WORTHINGTON	\$423,454.70	\$2,117,273.50
WRENTHAM	\$632,960.74	\$3,164,803.70
YARMOUTH	\$1,336,774.57	\$6,683,872.85
<u>Total</u>	<u>\$299,999,568.21</u>	<u>\$1,499,997,841.06</u>



Strategy to Drive Rural and Geographic Equity

Healey-Driscoll Administration

Introduction

Rural and western Massachusetts communities play a vital role in the Commonwealth's economic and social fabric. Recognizing their unique challenges and opportunities, the Healey-Driscoll Administration has prioritized targeted investments and policy initiatives to bolster municipal infrastructure, enhance transportation networks, and expand local government resources for these areas. These efforts build on extensive engagement with municipal leaders and stakeholders to ensure that policies are responsive to local needs.

The Healey-Driscoll Administration's proposals reflect a clear commitment to geographic equity: Investments in rural communities and western Massachusetts are woven throughout the Healey-Driscoll Administration's agenda – from historic investments in local aid, to the hiring of a Director of Rural Affairs, to proposing that more than \$5.6 billion of the administration's \$8 billion transportation financing plan to statewide priorities outside the MBTA service area. The Healey-Driscoll Administration is committed to advancing geographic equity and ensuring that all of our residents, statewide, have the resources and services they need to thrive.

Education

In recent years, the state has had to grapple with a challenging fiscal environment, with post-pandemic stresses on our safety net systems and elevated costs driven by inflation across all sectors. Against this background, the Healey-Driscoll Administration has prioritized investments in services that our residents rely on and that continue to make Massachusetts more affordable, competitive, and equitable. This includes historic investments to make high-quality education available to all Massachusetts residents, regardless of age, zip-code, or socioeconomic status.

As part of an unprecedented level of funding for local aid, the Governor's FY26 House 1 budget proposes **\$7.322 billion for Chapter 70 school aid, representing a \$420 million (6 percent) increase over the FY25 GAA – the highest level of funding in the program's history.** This investment includes setting the per-student minimum aid at \$75 per student, which is well above the statutory minimum of \$30 and the **highest level ever proposed in a Governor's budget.** Without this increase, the Chapter 70 foundation formula would allocate lower funding to many rural communities due to declining enrollments. By funding at a minimum of \$75 per student, this proposal ensures that 58 of the 67 rural school districts would qualify for minimum aid and receive a higher per-pupil allocation, helping to offset the financial challenges of enrollment declines. As the Commonwealth enters year five of six of fully implementing

the Student Opportunity Act (SOA), the Healey-Driscoll Administration remains committed to working with legislative partners to explore opportunities to further strengthen Chapter 70, with an emphasis on geographic equity and ensuring the formula meets the needs of all students and communities.

In addition to making all-time high investments in education across the board, the Healey-Driscoll Administration has proposed several targeted investments to support education in rural and western communities, recognizing the unique financial and logistical challenges faced by these districts. These investments include:

- **Rural School Aid:** The FY26 H.1 budget recommends maintaining funding for Rural School Aid at \$16 million, continuing the support provided in the FY25 GAA. Given current fiscal constraints, even maintaining level funding required difficult choices, underscoring the Administration's commitment to supporting rural school districts. This grant program helps school districts experiencing declining enrollment explore options for regionalization and shared services to improve efficiencies while maintaining high-quality education.
- **Regional School Transportation:** The FY26 H.1 budget recommendation proposes increasing funding for regional school transportation reimbursements from \$99.4 million in the current fiscal year to \$116 million. By leveraging surtax funds, this investment is projected to cover approximately 95% of local transportation costs, helping rural districts manage the financial burden of transporting students across large geographic areas.
- **Non-Resident School Transportation:** The FY26 H.1 budget recommends funding this program at \$6.2 million, a \$5.2 million increase (+517%) over the FY25 GAA. This program provides reimbursements to school districts for the costs of transporting students to an out-of-district school that offers the program they want to study. This proposed increase would bring the rate of reimbursement from 17% in FY25 to 100% in FY26.
- **Special Education Circuit Breaker:** The FY26 H.1 budget recommendation proposes a funding level of \$682.0 million, a \$188.8 million increase (+38.3%) over the FY25 GAA. This funding level would annualize the supplemental funding added in previous years and bring transportation reimbursements to 75%. The Circuit Breaker program provides financial assistance to public school districts to offset the cost of delivering high-cost special education services to students.

Transportation

The Healey-Driscoll Administration is committed to a comprehensive transportation strategy that strengthens infrastructure, expands mobility, and ensures long-term

Healey-Driscoll Strategy to Drive Rural and Geographic Equity

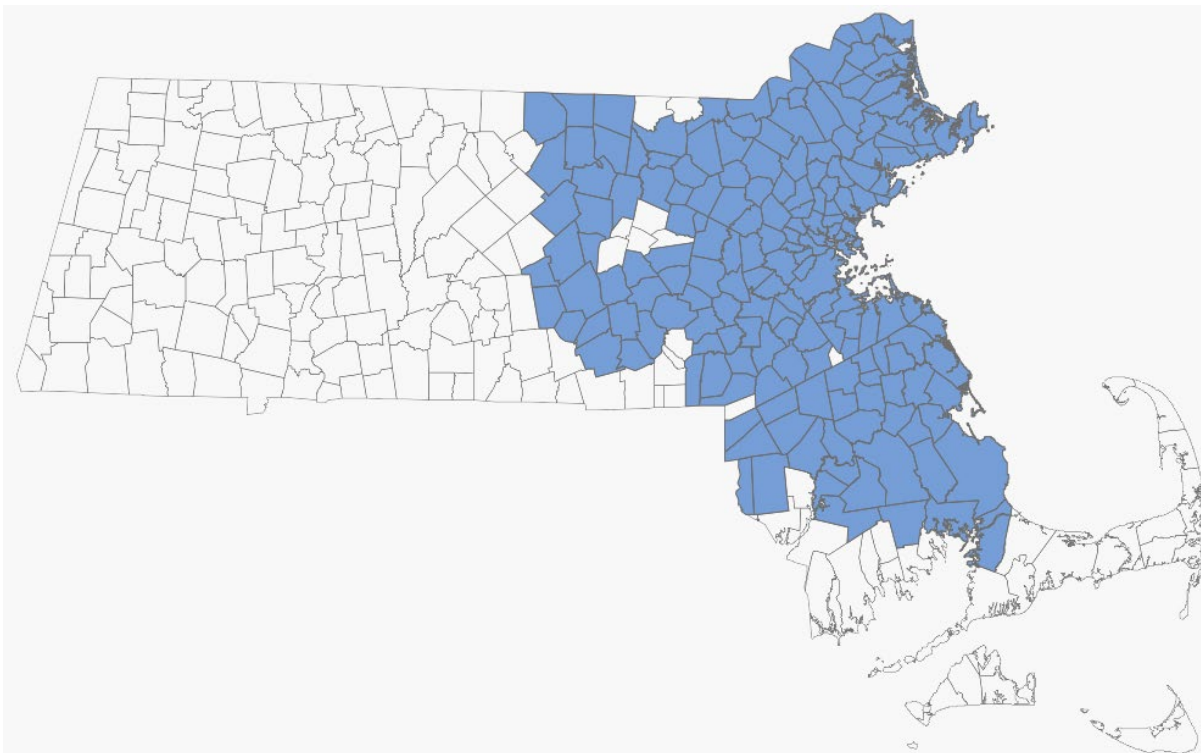
sustainability. The Administration's recently announced plan makes historic investments in local and regional transportation – not just the Massachusetts Bay Transportation Authority (MBTA) – ensuring that state highways, municipal roads, regional transit systems, and targeted infrastructure improvements receive the support they need. It sustains affordability initiatives and supports geographic equity by expanding transit options in underserved areas.

The Governor's \$8 billion transportation proposal works through several vehicles, with funding split among critical transportation needs statewide, including Chapter 90 local road construction funds; various MassDOT projects and programs including pavement, bridges and culverts; the MBTA and Regional Transit Authorities (RTAs). The Administration's plan incorporates recommendations from the Transportation Funding Task Force.

\$M	Fair Share Operating Funds	Fair Share Capital Investments	Federal Matching Fund Pool & Grant Anticipation Notes (GANs)	Total
MassDOT	\$172.5	\$2,500.0	\$1,220.6	\$3,893.1
Municipalities	\$25.0	\$1,500.0	\$50.0	\$1,575.0
RTAs & Microtransit	\$145.0	-	-	\$145.0
Subtotal	\$324.5	\$4,000.0	\$1,270.6	\$5,613.1
MBTA	\$1,280.0	\$1,400.0	\$170.0	\$2,850.0

Of the Healey-Driscoll Administration's proposed \$8 billion in new investments in transportation, over \$5.6 billion is for statewide priorities *other than the MBTA*. These investments include Fair Share funding for MassDOT and RTA operating needs; Chapter 90 investments in local infrastructure; new capital for culverts, bridges and pavement statewide; and other significant transportation investments. Approximately \$2.8 billion is for capital and operating support for the MBTA throughout its extended service area, including commuter rail, ferry, bus and subway service. While the MBTA is often associated with the Boston metropolitan area, its service area extends across much of eastern Massachusetts, as seen in the map below. This regional network plays

a vital role in supporting economic activity by connecting workers, students, and visitors to jobs, schools, and cultural destinations throughout the area.



These amounts are in addition to the amounts recommended in the Healey-Driscoll Administration's House 1 budget proposal that are from General Fund revenues, which include \$562 million for statewide investments in MassDOT, including snow and ice management around the state, \$94 million for the RTAs, and \$187 million for operating subsidy to the MBTA.

MassDOT

The Administration's proposal includes significant investments in MassDOT to strengthen the state's transportation infrastructure and workforce statewide. These investments prioritize maintaining and improving roads and bridges, enhancing project delivery, and ensuring long-term sustainability. Notable funding areas include:

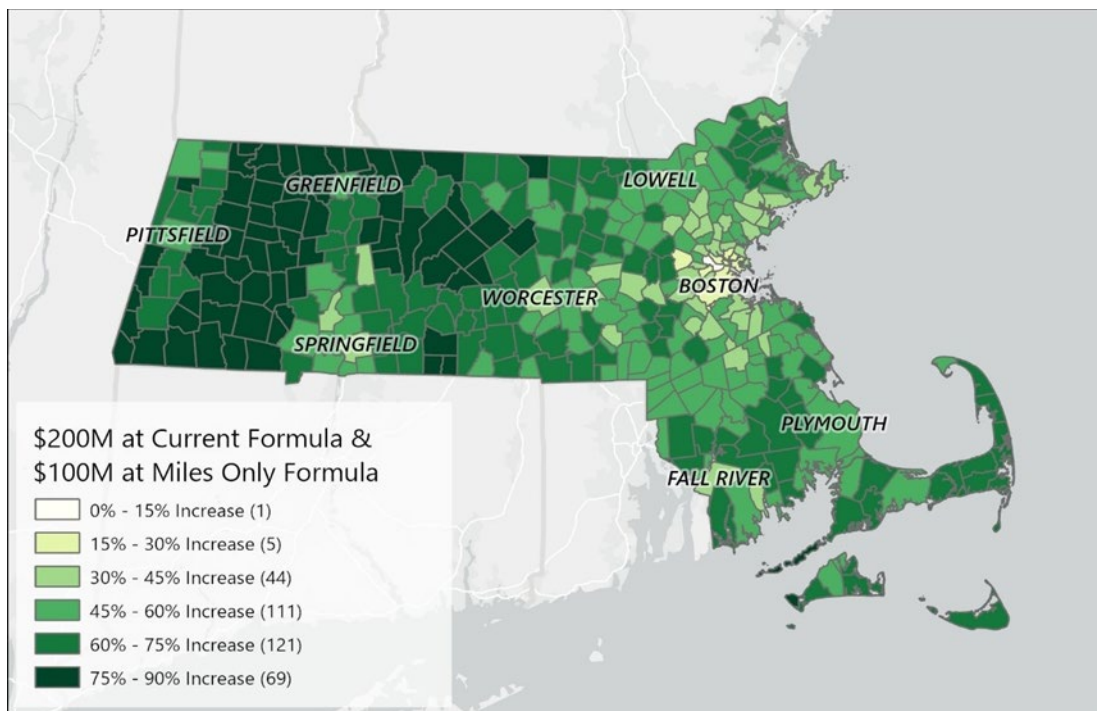
- **\$1.5 billion for lifecycle asset management** to maintain and modernize state-owned bridges and pavements across the state, benefitting every highway district. These funds will be targeted to repair bridges that are in poor condition and prevent additional at-risk bridges from falling into poor condition, using lifecycle asset management principles and investment. They will also be used to improve the quality and resilience of pavement statewide.

- **\$200 million to launch a statewide culvert and small bridge resiliency strategy.** This strategy will coordinate the efforts of MassDOT, municipalities, and state environmental agencies in addressing climate resiliency and upgrade aging culvert infrastructure, including both state- and locally-owned structures that are highly vulnerable to climate risks.
- **\$185 million to target high-priority congestion and safety hotspots** across the Commonwealth, to ease congestion and improve safety, including critical improvements to intersections, bicycle, and pedestrian infrastructure, rail crossings, and other transportation-oriented safety concerns across the state and affecting various modes of transportation.
- **\$55 million for MassDOT operating investments**, including workforce and enhanced capital project delivery funding. This will include support for project managers and other key roles to accelerate infrastructure improvements including regionally significant Highway and Mega-Projects, rail expansion including the West-East Rail program, and will assist MassDOT to build capacity to deliver technical assistance to municipal partners.
- **\$17.5 million for a workforce and capital project delivery reserve** to enable MassDOT to deliver more projects, programs, and technical assistance to local and regional partners.

Municipalities

The Administration's transportation plan includes direct support for municipalities, ensuring they have the resources and flexibility to maintain local infrastructure and respond to climate-related challenges.

- **Chapter 90 Expansion and Rural Roads:** \$1.5 billion over five years to increase Chapter 90 funding to \$300 million annually, a 50% increase over the traditional \$200 million. This proposal also introduces a revised distribution formula, allocating the additional \$100 million based solely on road mileage to better support smaller and rural communities. A map below illustrates how the new Chapter 90 formula distributes the additional \$100 million statewide, and a table at the bottom of the brief shows the breakdown by municipality. The multi-year Chapter 90 authorization will allow municipalities to plan long-term road and bridge projects more effectively, providing stability and predictability for local infrastructure investments and reducing the need for frequent project approvals. MassDOT will also be updating program eligibility, to include various activities that preserve the life of the roadway. To learn more, see the Chapter 90 reform brief here: [FY26 H1 Budget Brief - Chapter 90](#).



- **Winter Resilience Assistance Program (WRAP):** \$25 million to help municipalities cover the cost of winter operations, distributed based on each community's share of locally-owned road mileage. These funds will be provided as reimbursements, helping municipalities address snow and ice removal without straining local budgets. Based on a \$25 million program and using the most recent mileage stats, MassDOT estimates that the average WRAP apportionment would be approximately \$71,000.
- **Local Matches and Technical Assistance:** Legislation filed by the Healey-Driscoll Administration and enacted by the Legislature in 2024 (see Chapter 214 of the Acts of 2024) included \$50 million to help municipalities leverage state and federal funding opportunities for local infrastructure projects, including \$12 million of technical assistance. These funds are not exclusive to transportation projects, but can be used to enhance local transportation projects seeking federal funding.

Regional Transit Authorities and Micro-Transit

The administration's broad transportation proposal, reflected in both H.1 and the surplus surtax supplement budget filed in parallel, would also make strategic investments to strengthen RTAs and improve mobility across the Commonwealth. These investments focus on enhancing service offerings, increasing accessibility, and supporting workforce development to ensure that transit options meet the needs of all residents, especially those in underserved regions. Specifically:

- **\$66 million for RTAs to fund operational improvements**, such as expanded service hours and route expansions.
- **\$30 million to fund year-round, fare-free regional transit** for thirteen RTAs, improving access and affordability.
- **\$25 million for an RTA workforce reserve** to support recruitment and retention efforts.
- **\$10 million for connectivity projects** to support ten initiatives across nine RTAs that will enhance links between RTA and MBTA routes, improving overall system integration.
- **\$10 million for micro-transit grants** to support smaller, flexible transportation services that fill gaps between RTA systems.
- **\$4 million for the Community Transit Grant Program**, which supports mobility management activities and operational costs for transit providers focused on enhancing services for older adults, people with disabilities, and low-income individuals.

These investments ensure that municipalities, particularly those in rural and western areas, have the resources necessary to maintain their infrastructure and provide reliable transportation services to residents.

Economic Development

The Healey-Driscoll Administration is committed to supporting local economic development, particularly in rural and western Massachusetts communities that often face unique challenges in accessing resources and funding. Through key programs like the **Community One Stop for Growth** platform and the **Rural Development Fund**, the state is expanding economic opportunities and strengthening infrastructure across Massachusetts.

The Community One Stop for Growth is the state's primary vehicle for public economic development investment. By combining 12 of the most widely used economic development and housing grant programs into a single application portal and collaborative review process, the One Stop streamlines access to funding for municipalities and organizations across the state. This approach makes it easier – especially for smaller municipalities with limited staff and fewer resources – to apply for grants while ensuring state investments align with local economic development strategies. In fall 2024, the administration announced more than \$161 million for 313 grant awards to support local economic development projects in 171 communities, with 33 percent awarded to rural or small towns. Additionally, 40 communities received a One Stop grant for the first time, expanding access to state economic development resources.

One of the 12 programs within the One Stop framework is the **Rural Development Fund (RDF)**, which is specifically designed to support smaller and rural communities that face unique challenges in accessing economic development resources. The RDF provides targeted funding for projects that address infrastructure, housing, community planning, and economic development needs, with a focus on municipalities that have a population density of 500 persons per square mile or fewer, or a total population under 7,000, as determined by the 2020 U.S. Census. When the Healey-Driscoll Administration took office, EOED **streamlined eligibility, refined evaluation criteria, and adjusted project types for RDF to better focus resources on the most pressing rural development needs**. In FY25, the RDF awarded \$10 million to 49 projects, helping ensure rural communities have access to targeted economic development funding.

Additionally, the Administration established a **dedicated Director of Rural Affairs** to support and inform the Executive Office of Economic Development's efforts to strengthen rural economies. Serving as an advocate and liaison for the state's 181 rural communities, the Director of Rural Affairs helps ensure that these towns can access state resources, navigate grant opportunities, and advance their local economic goals. The Director also ensures a specific focus on rural and geographic equity in program design and grant distributions, working across state agencies to address the unique challenges faced by rural communities and unlock new opportunities for growth.

Supporting Massachusetts Farmers

As part of its commitment to supporting small businesses and rural economies, the Healey-Driscoll Administration has **strengthened the Dairy Farmers Tax Credit** to provide greater financial stability for Massachusetts dairy farmers. Recognizing the challenges posed by fluctuations in milk prices, the Administration proposed and implemented an increase in the credit cap from \$6 million to \$8 million in FY25 to better protect farmers from market downturns. When milk prices fall below a federally determined threshold, eligible dairy farmers can apply for a tax credit against their personal income tax or corporate excise tax, with the credit amount based on the volume of milk produced and sold during the tax year. This enhancement ensures that dairy farms, many of which are small, family-run businesses, can continue operating despite volatile market conditions, helping to preserve a critical sector of the state's agricultural economy.

The **Healthy Incentives Program (HIP)** strengthens food security and supports local agriculture by helping SNAP recipients purchase fresh, locally grown fruits and vegetables. The FY26 H.1 budget recommends \$18.8 million for HIP, a \$3.8 million increase (+26%) over the FY25 GAA, to maintain benefits for a growing caseload and

increased utilization. Through HIP, SNAP recipients receive an automatic reimbursement on their EBT card – up to \$30 a month – when purchasing eligible produce from over 600 participating farmers markets, farm stands, and mobile markets across the state. By connecting residents with fresh, healthy food while supporting local farmers, HIP serves as a vital investment in both public health and Massachusetts' agricultural economy.

Recognizing the importance of strengthening the state's food supply chain and increasing access to locally produced food, the **Food Security Infrastructure Grant (FSIG) Program** will continue in FY26, with funding shifted to the capital budget. Originally launched as a pandemic-era initiative, FSIG received \$25 million through the operating budget in FY25. While the state has sunset or significantly reduced many pandemic-era initiatives in recent years to reflect the end of federal COVID-support and reduced state revenue, the Healey-Driscoll Administration prioritized continuation of FSIG, securing \$20 million in capital allocations for this important program. The FSIG Program enhances food security by supporting farmers, commercial fishermen, food producers, and distributors in building a more resilient food system. It also ensures that families across the Commonwealth — particularly in underserved communities — have equitable access to fresh, local food. By transitioning FSIG funding to the capital budget, the state maintains its commitment to long-term food security while aligning resources with the program's infrastructure-focused objectives in a challenging budget environment.

Housing

Since day one in office, the Healey-Driscoll Administration has remained steadfast in its commitment to tackling the housing crisis. As a part of that work, Governor Healey signed the **Affordable Homes Act (AHA) in 2024, the most ambitious housing legislation in Massachusetts history**. The AHA includes funding and policy proposals to create or save 65,000 homes across the state. Additionally, the Administration has made several investments that will particularly benefit rural and western communities, including.

- **Public Housing:** Public housing plays a critical role in providing stable, affordable homes for low-income individuals and families across Massachusetts, including in rural communities where housing options can be limited. The FY26 H.1 budget recommends \$115.5 million in funding for Local Housing Authority (LHA) subsidies, a \$2.5 million increase (+2%) over the FY25 GAA. This adjustment accounts for inflation and ensures that LHAs can continue to operate and maintain state-aided public housing developments, which serve thousands of

residents statewide. By supporting LHAs, the state helps preserve and improve access to quality public housing for those most in need.

- **Safe Haven Supportive Housing:** To sustain critical housing and mental health services for individuals experiencing chronic homelessness, FY26 H.1 significantly increases funding for Safe Haven Supportive Housing to \$3.4 million, a \$3.1 million increase (+310%) over the FY25 GAA. Safe Haven programs provide low-threshold housing with on-site mental health support for individuals with significant behavioral health conditions, many of whom are high users of emergency medical services and have frequent involvement with law enforcement. By providing stable housing and targeted support, Safe Havens serve as a preventative intervention, helping to reduce reliance on local medical services and law enforcement resources. This investment ensures the continued operation of 14 Safe Haven programs across the Commonwealth as one-time federal ARPA funding sunsets. The primary goal of Safe Havens is to support a successful transition into permanent housing, often with ongoing services, helping to break the cycle of chronic homelessness.
- **Voucher Programs:** The FY26 House 1 budget also proposes a historic investment in housing vouchers, including a \$253 million investment in the **Massachusetts Rental Voucher Program (MRVP)** and a \$19.5 million investment in the **Alternative Housing Voucher Program (AHVP)**. The MRVP funding, a 16% increase over the FY25 GAA, maintains the payment standard at 110% of Small Area Fair Market Rents, a policy introduced by the Healey-Driscoll Administration to improve housing affordability. The proposed funding will support over 10,400 vouchers, including 130+ new project-based vouchers, helping low-income households stay securely housed amid rising housing costs. The AHVP funding, a record 19% increase over the FY25 GAA, provides rental assistance for persons with disabilities.
- **Housing Stabilization Programs:** The FY26 House 1 budget proposal supports housing stabilization with an investment of \$57 million for **HomeBASE**, a flexible financial assistance program to rapidly rehouse families. HomeBASE funding supports families located in rural regions, including Hampden, Hampshire, Berkshire, and Franklin counties. House 1 also proposes \$202.5 million for **Residential Assistance for Families in Transition (RAFT)**, a short-term eviction and homelessness prevention program. \$35 million of total RAFT funding is estimated to support families in rural regions. RAFT is a successful and flexible tool, averaging \$3,700 per family per year, to keep a family safely in their home and out of the unstable nature of the shelter system. Diversion tools and case management services are critical in preventing more families and children from entering shelter.

Additional Support for Rural and Western Municipalities

Finally, the Healey-Driscoll Administration recognizes that the strength of Massachusetts's 351 cities and towns underpins the overall success of the Commonwealth and its people. That's why this administration is committed to ensuring that every municipality, from Provincetown to Pittsfield, has the resources it needs to succeed. The Healey-Driscoll Administration's supports for municipalities are reflected in two key efforts: the FY26 H.1 budget proposal and the recently refiled Municipal Empowerment Act. Collectively, these initiatives provide critical financial support and strengthen local governance and tools, ensuring that communities across Massachusetts have the resources and flexibility needed to thrive.

The FY26 H.1 budget includes \$9.205 billion across all local aid programs, reflecting a \$480 million increase (+6%) over the FY25 GAA. In addition to the education investments highlighted above, the budget proposes funding the **Payment in Lieu of Taxes (PILOT)** program at \$54.5 million, representing a \$1.5 million increase (+3%) over the FY25 GAA. The PILOT program makes payments to cities and towns to offset property tax revenue lost because the state owns land in the municipality. This proposed funding level would ensure that all municipalities receive equal or greater payments than in FY25 despite recent valuation changes.

Additionally, FY26 H.1 proposes a \$15 million transfer into the newly established **Disaster Relief and Resiliency Fund (DRRF)**, which Governor Healey established in FY25 to ensure a permanent state resource for communities facing increasingly severe natural disasters. Recognizing the challenges municipalities face in accessing federal aid, the Governor advanced this fund to provide faster, more reliable relief. The DRRF will serve as a valuable resource for municipalities, particularly smaller and rural communities, helping them recover from major storms and other disasters. DRRF funds will be allocated to both respond to the damage caused by natural disasters and increase the resilience of infrastructure as municipalities rebuild to mitigate the impact of future disasters.

Outside the budget, the **Municipal Empowerment Act** also introduces numerous provisions to strengthen local governance and financial stability. Proposals that are expected to particularly assist rural and western communities include allowing municipalities to create **Regional Boards of Assessors**, **establishing central valuation of telecom and utility property**, **making COVID-era public meeting flexibility permanent**, and **codifying the ability to amortize emergency deficit spending**.

For more information, see: [Municipal Empowerment Act – Rural Supports Brief](#), [Chapter 90 Funding and Reform Brief](#), [Fair Share Investments in FY25 and FY26 Brief](#), [Transportation in the Commonwealth Brief](#).

Appendix: City and Town Allocations Under Proposed Chapter 90 Bond Bill

Municipality	FY25 Amount	FY26 Amount	Amount Increase
Abington	\$385,435	\$586,470	\$201,035
Acton	\$709,809	\$1,084,092	\$374,283
Acushnet	\$313,888	\$511,216	\$197,328
Adams	\$284,946	\$470,459	\$185,513
Agawam	\$805,391	\$1,237,136	\$431,745
Alford	\$70,567	\$128,211	\$57,644
Amesbury	\$437,424	\$675,616	\$238,192
Amherst	\$833,877	\$1,184,455	\$350,578
Andover	\$1,362,139	\$1,993,376	\$631,237
Aquinnah	\$39,411	\$70,056	\$30,645
Arlington	\$790,987	\$1,133,337	\$342,350
Ashburnham	\$336,128	\$582,225	\$246,097
Ashby	\$223,282	\$394,214	\$170,932
Ashfield	\$289,986	\$527,778	\$237,792
Ashland	\$472,316	\$732,625	\$260,309
Athol	\$503,211	\$834,103	\$330,892
Attleboro	\$1,220,613	\$1,848,809	\$628,196
Auburn	\$605,026	\$927,863	\$322,837
Avon	\$182,627	\$261,917	\$79,290
Ayer	\$266,419	\$394,826	\$128,407
Barnstable	\$1,980,780	\$3,155,470	\$1,174,690
Barre	\$426,910	\$751,505	\$324,595
Becket	\$233,920	\$421,289	\$187,369
Bedford	\$636,803	\$878,356	\$241,553
Belchertown	\$632,286	\$1,067,410	\$435,124
Bellingham	\$539,407	\$847,224	\$307,817
Belmont	\$546,536	\$794,730	\$248,194
Berkley	\$260,415	\$440,866	\$180,451
Berlin	\$191,674	\$331,554	\$139,880
Bernardston	\$180,576	\$319,228	\$138,652
Beverly	\$1,046,159	\$1,480,007	\$433,848
Billerica	\$1,327,921	\$1,987,812	\$659,891
Blackstone	\$229,253	\$365,734	\$136,481
Blandford	\$257,382	\$470,161	\$212,779
Bolton	\$289,192	\$493,528	\$204,336
Boston	\$15,104,336	\$17,734,595	\$2,630,259
Bourne	\$603,110	\$933,593	\$330,483
Boxborough	\$201,736	\$313,832	\$112,096
Boxford	\$410,397	\$708,235	\$297,838

Healey-Driscoll Strategy to Drive Rural and Geographic Equity

Boylston	\$203,872	\$336,825	\$132,953
Braintree	\$959,128	\$1,306,299	\$347,171
Brewster	\$311,313	\$498,494	\$187,181
Bridgewater	\$718,971	\$1,098,067	\$379,096
Brimfield	\$276,893	\$489,501	\$212,608
Brockton	\$2,029,666	\$2,846,261	\$816,595
Brookfield	\$167,473	\$288,112	\$120,639
Brookline	\$932,977	\$1,243,309	\$310,332
Buckland	\$180,774	\$321,996	\$141,222
Burlington	\$1,058,712	\$1,399,207	\$340,495
Cambridge	\$2,949,411	\$3,351,078	\$401,667
Canton	\$805,131	\$1,123,020	\$317,889
Carlisle	\$253,121	\$434,715	\$181,594
Carver	\$407,774	\$673,523	\$265,749
Charlemont	\$177,452	\$318,338	\$140,886
Charlton	\$620,276	\$1,041,487	\$421,211
Chatham	\$340,670	\$561,662	\$220,992
Chelmsford	\$1,153,375	\$1,734,339	\$580,964
Chelsea	\$601,965	\$754,316	\$152,351
Cheshire	\$195,993	\$342,199	\$146,206
Chester	\$228,641	\$417,302	\$188,661
Chesterfield	\$214,769	\$390,968	\$176,199
Chicopee	\$1,312,999	\$1,952,416	\$639,417
Chilmark	\$66,055	\$112,971	\$46,916
Clarksburg	\$73,345	\$126,001	\$52,656
Clinton	\$326,366	\$485,042	\$158,676
Cohasset	\$222,193	\$333,793	\$111,600
Colrain	\$314,701	\$574,109	\$259,408
Concord	\$678,089	\$1,028,364	\$350,275
Conway	\$260,606	\$473,012	\$212,406
Cummington	\$195,985	\$357,021	\$161,036
Dalton	\$214,429	\$348,283	\$133,854
Danvers	\$872,429	\$1,227,435	\$355,006
Dartmouth	\$1,156,180	\$1,804,593	\$648,413
Dedham	\$676,712	\$957,570	\$280,858
Deerfield	\$379,535	\$636,455	\$256,920
Dennis	\$725,434	\$1,220,511	\$495,077
Dighton	\$301,897	\$501,927	\$200,030
Douglas	\$362,456	\$615,563	\$253,107
Dover	\$278,137	\$475,835	\$197,698
Dracut	\$820,059	\$1,292,752	\$472,693

Healey-Driscoll Strategy to Drive Rural and Geographic Equity

Dudley	\$426,586	\$700,823	\$274,237
Dunstable	\$184,722	\$322,300	\$137,578
Duxbury	\$536,289	\$880,255	\$343,966
East Bridgewater	\$389,516	\$619,847	\$230,331
East Brookfield	\$93,423	\$157,106	\$63,683
East Longmeadow	\$573,373	\$901,168	\$327,795
Eastham	\$244,752	\$413,222	\$168,470
Easthampton	\$479,018	\$754,580	\$275,562
Easton	\$724,420	\$1,113,139	\$388,719
Edgartown	\$240,493	\$391,523	\$151,030
Egremont	\$150,037	\$269,182	\$119,145
Erving	\$83,502	\$141,863	\$58,361
Essex	\$130,002	\$207,123	\$77,121
Everett	\$696,953	\$889,835	\$192,882
Fairhaven	\$507,654	\$780,299	\$272,645
Fall River	\$1,889,867	\$2,645,603	\$755,736
Falmouth	\$1,255,705	\$2,022,894	\$767,189
Fitchburg	\$1,106,435	\$1,706,728	\$600,293
Florida	\$159,304	\$291,598	\$132,294
Foxborough	\$621,564	\$930,931	\$309,367
Framingham	\$1,765,973	\$2,487,178	\$721,205
Franklin	\$939,828	\$1,411,329	\$471,501
Freetown	\$401,116	\$658,505	\$257,389
Gardner	\$595,266	\$909,931	\$314,665
Georgetown	\$306,938	\$495,467	\$188,529
Gill	\$146,502	\$261,014	\$114,512
Gloucester	\$652,942	\$945,738	\$292,796
Goshen	\$104,057	\$186,740	\$82,683
Gosnold	\$8,553	\$15,196	\$6,643
Grafton	\$502,553	\$787,161	\$284,608
Granby	\$272,708	\$465,367	\$192,659
Granville	\$259,425	\$472,112	\$212,687
Great Barrington	\$400,670	\$658,844	\$258,174
Greenfield	\$622,758	\$963,126	\$340,368
Groton	\$511,162	\$857,366	\$346,204
Groveland	\$226,403	\$374,842	\$148,439
Hadley	\$352,859	\$571,300	\$218,441
Halifax	\$262,573	\$435,599	\$173,026
Hamilton	\$234,493	\$383,318	\$148,825
Hampden	\$251,250	\$430,412	\$179,162
Hancock	\$66,837	\$116,473	\$49,636

Healey-Driscoll Strategy to Drive Rural and Geographic Equity

Hanover	\$520,536	\$808,355	\$287,819
Hanson	\$319,282	\$520,161	\$200,879
Hardwick	\$353,856	\$638,153	\$284,297
Harvard	\$354,085	\$566,710	\$212,625
Harwich	\$680,375	\$1,149,222	\$468,847
Hatfield	\$236,836	\$403,555	\$166,719
Haverhill	\$1,556,313	\$2,344,734	\$788,421
Hawley	\$162,221	\$299,212	\$136,991
Heath	\$206,384	\$379,248	\$172,864
Hingham	\$767,198	\$1,138,966	\$371,768
Hinsdale	\$152,640	\$270,703	\$118,063
Holbrook	\$250,542	\$378,904	\$128,362
Holden	\$632,306	\$1,033,502	\$401,196
Holland	\$151,532	\$266,591	\$115,059
Holliston	\$507,781	\$801,392	\$293,611
Holyoke	\$1,000,258	\$1,440,793	\$440,535
Hopedale	\$172,319	\$265,980	\$93,661
Hopkinton	\$637,543	\$989,833	\$352,290
Hubbardston	\$357,072	\$636,362	\$279,290
Hudson	\$575,936	\$867,012	\$291,076
Hull	\$273,737	\$442,707	\$168,970
Huntington	\$159,073	\$280,432	\$121,359
Ipswich	\$437,677	\$685,517	\$247,840
Kingston	\$413,800	\$643,660	\$229,860
Lakeville	\$410,595	\$669,986	\$259,391
Lancaster	\$323,173	\$533,640	\$210,467
Lanesborough	\$212,254	\$370,210	\$157,956
Lawrence	\$1,355,037	\$1,764,503	\$409,466
Lee	\$284,382	\$466,247	\$181,865
Leicester	\$422,454	\$701,404	\$278,950
Lenox	\$274,945	\$445,908	\$170,963
Leominster	\$1,125,569	\$1,669,545	\$543,976
Leverett	\$147,269	\$262,393	\$115,124
Lexington	\$964,592	\$1,402,410	\$437,818
Leyden	\$140,594	\$257,062	\$116,468
Lincoln	\$267,235	\$441,355	\$174,120
Littleton	\$397,563	\$616,905	\$219,342
Longmeadow	\$476,861	\$758,546	\$281,685
Lowell	\$1,867,903	\$2,493,661	\$625,758
Ludlow	\$684,604	\$1,096,807	\$412,203
Lunenburg	\$418,227	\$689,702	\$271,475

Healey-Driscoll Strategy to Drive Rural and Geographic Equity

Lynn	\$1,513,008	\$2,045,233	\$532,225
Lynnfield	\$414,236	\$642,055	\$227,819
Malden	\$920,974	\$1,234,685	\$313,711
Manchester	\$144,654	\$225,122	\$80,468
Mansfield	\$730,448	\$1,112,464	\$382,016
Marblehead	\$447,867	\$677,062	\$229,195
Marion	\$166,641	\$261,778	\$95,137
Marlborough	\$1,188,863	\$1,648,704	\$459,841
Marshfield	\$740,623	\$1,178,948	\$438,325
Mashpee	\$596,055	\$976,796	\$380,741
Mattapoiset	\$229,721	\$372,495	\$142,774
Maynard	\$264,869	\$400,701	\$135,832
Medfield	\$411,101	\$665,430	\$254,329
Medford	\$947,821	\$1,254,039	\$306,218
Medway	\$395,457	\$626,071	\$230,614
Melrose	\$523,286	\$761,557	\$238,271
Mendon	\$274,704	\$460,841	\$186,137
Merrimac	\$197,327	\$323,528	\$126,201
Methuen	\$1,190,944	\$1,774,822	\$583,878
Middleborough	\$874,773	\$1,409,113	\$534,340
Middlefield	\$151,250	\$278,493	\$127,243
Middleton	\$310,954	\$474,908	\$163,954
Milford	\$815,521	\$1,177,262	\$361,741
Millbury	\$419,799	\$656,694	\$236,895
Millis	\$270,792	\$439,568	\$168,776
Millville	\$109,084	\$183,409	\$74,325
Milton	\$621,685	\$944,881	\$323,196
Monroe	\$64,298	\$118,710	\$54,412
Monson	\$454,957	\$788,380	\$333,423
Montague	\$481,778	\$824,284	\$342,506
Monterey	\$194,808	\$354,742	\$159,934
Montgomery	\$123,052	\$224,043	\$100,991
Mount Washington	\$68,974	\$126,878	\$57,904
Nahant	\$88,312	\$143,324	\$55,012
Nantucket	\$658,778	\$1,068,952	\$410,174
Natick	\$975,699	\$1,398,431	\$422,732
Needham	\$903,528	\$1,301,986	\$398,458
New Ashford	\$42,533	\$77,468	\$34,935
New Bedford	\$2,061,233	\$2,942,703	\$881,470
New Braintree	\$203,707	\$369,506	\$165,799
New Marlborough	\$337,028	\$614,299	\$277,271

Healey-Driscoll Strategy to Drive Rural and Geographic Equity

New Salem	\$143,939	\$261,304	\$117,365
Newbury	\$265,986	\$441,769	\$175,783
Newburyport	\$523,352	\$753,241	\$229,889
Newton	\$2,248,505	\$3,171,979	\$923,474
Norfolk	\$401,897	\$655,774	\$253,877
North Adams	\$414,871	\$649,273	\$234,402
North Andover	\$809,565	\$1,200,555	\$390,990
North Attleboro	\$785,095	\$1,185,984	\$400,889
North Brookfield	\$306,023	\$534,978	\$228,955
North Reading	\$515,025	\$779,767	\$264,742
Northampton	\$1,022,897	\$1,536,988	\$514,091
Northborough	\$515,682	\$785,374	\$269,692
Northbridge	\$465,747	\$726,485	\$260,738
Northfield	\$279,723	\$496,979	\$217,256
Norton	\$546,160	\$857,522	\$311,362
Norwell	\$466,014	\$715,143	\$249,129
Norwood	\$819,496	\$1,153,603	\$334,107
Oak Bluffs	\$199,233	\$319,708	\$120,475
Oakham	\$181,160	\$324,982	\$143,822
Orange	\$403,790	\$692,630	\$288,840
Orleans	\$275,485	\$442,083	\$166,598
Otis	\$177,064	\$316,292	\$139,228
Oxford	\$503,847	\$807,366	\$303,519
Palmer	\$462,925	\$751,585	\$288,660
Paxton	\$190,353	\$318,936	\$128,583
Peabody	\$1,229,337	\$1,767,120	\$537,783
Pelham	\$97,737	\$173,346	\$75,609
Pembroke	\$555,482	\$871,304	\$315,822
Pepperell	\$411,959	\$689,991	\$278,032
Peru	\$141,971	\$259,011	\$117,040
Petersham	\$247,664	\$452,480	\$204,816
Phillipston	\$186,179	\$334,735	\$148,556
Pittsfield	\$1,322,042	\$1,973,952	\$651,910
Plainfield	\$188,463	\$345,537	\$157,074
Plainville	\$293,916	\$449,893	\$155,977
Plymouth	\$1,591,041	\$2,379,328	\$788,287
Plympton	\$166,890	\$282,567	\$115,677
Princeton	\$336,691	\$599,289	\$262,598
Provincetown	\$129,959	\$194,602	\$64,643
Quincy	\$1,874,058	\$2,496,841	\$622,783
Randolph	\$698,647	\$1,029,267	\$330,620

Healey-Driscoll Strategy to Drive Rural and Geographic Equity

Raynham	\$504,207	\$758,767	\$254,560
Reading	\$593,266	\$900,681	\$307,415
Rehoboth	\$623,996	\$1,074,429	\$450,433
Revere	\$814,448	\$1,093,302	\$278,854
Richmond	\$162,118	\$291,832	\$129,714
Rochester	\$308,387	\$533,854	\$225,467
Rockland	\$393,441	\$558,372	\$164,931
Rockport	\$181,232	\$289,663	\$108,431
Rowe	\$140,676	\$257,833	\$117,157
Rowley	\$238,091	\$381,232	\$143,141
Royalston	\$277,963	\$508,738	\$230,775
Russell	\$98,085	\$172,229	\$74,144
Rutland	\$383,782	\$652,446	\$268,664
Salem	\$832,548	\$1,131,132	\$298,584
Salisbury	\$236,788	\$358,387	\$121,599
Sandisfield	\$321,214	\$590,095	\$268,881
Sandwich	\$772,959	\$1,270,610	\$497,651
Saugus	\$636,530	\$938,671	\$302,141
Savoy	\$194,485	\$357,406	\$162,921
Scituate	\$557,192	\$898,735	\$341,543
Seekonk	\$587,425	\$925,920	\$338,495
Sharon	\$579,154	\$937,549	\$358,395
Sheffield	\$353,183	\$622,826	\$269,643
Shelburne	\$207,678	\$370,084	\$162,406
Sherborn	\$250,981	\$436,578	\$185,597
Shirley	\$247,770	\$391,738	\$143,968
Shrewsbury	\$986,757	\$1,485,988	\$499,231
Shutesbury	\$132,021	\$234,808	\$102,787
Somerset	\$498,650	\$782,537	\$283,887
Somerville	\$1,228,927	\$1,527,495	\$298,568
South Hadley	\$494,765	\$776,854	\$282,089
Southampton	\$321,565	\$553,025	\$231,460
Southborough	\$430,388	\$665,078	\$234,690
Southbridge	\$490,528	\$756,558	\$266,030
Southwick	\$371,626	\$616,443	\$244,817
Spencer	\$489,629	\$818,952	\$329,323
Springfield	\$3,588,375	\$5,064,711	\$1,476,336
Sterling	\$440,954	\$751,088	\$310,134
Stockbridge	\$194,385	\$335,593	\$141,208
Stoneham	\$470,712	\$682,078	\$211,366
Stoughton	\$772,871	\$1,145,484	\$372,613

Healey-Driscoll Strategy to Drive Rural and Geographic Equity

Stow	\$278,809	\$461,422	\$182,613
Sturbridge	\$426,931	\$688,698	\$261,767
Sudbury	\$730,018	\$1,190,575	\$460,557
Sunderland	\$178,961	\$304,270	\$125,309
Sutton	\$465,974	\$780,875	\$314,901
Swampscott	\$295,774	\$438,216	\$142,442
Swansea	\$556,305	\$909,578	\$353,273
Taunton	\$1,454,274	\$2,145,176	\$690,902
Templeton	\$359,925	\$611,514	\$251,589
Tewksbury	\$914,127	\$1,383,508	\$469,381
Tisbury	\$143,908	\$215,386	\$71,478
Tolland	\$154,564	\$284,291	\$129,727
Topsfield	\$255,702	\$422,026	\$166,324
Townsend	\$409,427	\$693,896	\$284,469
Truro	\$170,665	\$297,755	\$127,090
Tyngsboro	\$438,519	\$706,495	\$267,976
Tyringham	\$101,979	\$187,060	\$85,081
Upton	\$315,657	\$532,445	\$216,788
Uxbridge	\$507,363	\$831,950	\$324,587
Wakefield	\$655,627	\$937,205	\$281,578
Wales	\$111,572	\$196,165	\$84,593
Walpole	\$788,081	\$1,204,142	\$416,061
Waltham	\$1,578,180	\$1,954,203	\$376,023
Ware	\$424,825	\$709,735	\$284,910
Wareham	\$743,428	\$1,167,646	\$424,218
Warren	\$282,942	\$492,958	\$210,016
Warwick	\$219,806	\$403,855	\$184,049
Washington	\$167,308	\$307,521	\$140,213
Watertown	\$730,176	\$974,111	\$243,935
Wayland	\$469,118	\$762,056	\$292,938
Webster	\$466,431	\$708,290	\$241,859
Wellesley	\$815,683	\$1,184,091	\$368,408
Wellfleet	\$246,990	\$427,104	\$180,114
Wendell	\$188,049	\$343,764	\$155,715
Wenham	\$154,497	\$246,764	\$92,267
West Boylston	\$290,754	\$462,474	\$171,720
West Bridgewater	\$321,318	\$489,395	\$168,077
West Brookfield	\$229,488	\$397,717	\$168,229
West Newbury	\$212,580	\$364,900	\$152,320
West Springfield	\$839,810	\$1,243,979	\$404,169
West Stockbridge	\$150,421	\$269,530	\$119,109

Healey-Driscoll Strategy to Drive Rural and Geographic Equity

West Tisbury	\$83,964	\$130,240	\$46,276
Westborough	\$786,646	\$1,104,057	\$317,411
Westfield	\$1,187,965	\$1,818,345	\$630,380
Westford	\$885,139	\$1,394,329	\$509,190
Westhampton	\$183,355	\$328,872	\$145,517
Westminster	\$422,637	\$721,591	\$298,954
Weston	\$466,877	\$753,448	\$286,571
Westport	\$691,954	\$1,155,504	\$463,550
Westwood	\$567,748	\$840,077	\$272,329
Weymouth	\$1,157,820	\$1,659,433	\$501,613
Whately	\$142,758	\$247,341	\$104,583
Whitman	\$323,088	\$492,698	\$169,610
Wilbraham	\$552,500	\$893,163	\$340,663
Williamsburg	\$186,590	\$327,912	\$141,322
Williamstown	\$294,414	\$468,542	\$174,128
Wilmington	\$782,667	\$1,104,473	\$321,806
Winchendon	\$467,919	\$798,656	\$330,737
Winchester	\$515,501	\$757,998	\$242,497
Windsor	\$247,194	\$454,147	\$206,953
Winthrop	\$281,583	\$401,324	\$119,741
Woburn	\$1,262,257	\$1,698,021	\$435,764
Worcester	\$4,151,465	\$5,596,134	\$1,444,669
Worthington	\$232,797	\$423,455	\$190,658
Wrentham	\$409,265	\$632,961	\$223,696
Yarmouth	\$834,116	\$1,336,775	\$502,659
Total	\$199,990,228	\$299,999,568	\$100,009,340