

FY2027 H.2 BUDGET BRIEF

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

Delivering on Fair Share: Impact Report

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In November 2022, Massachusetts voters approved a 4 percent surtax on annual income above \$1 million, known as the Fair Share surtax. This new revenue source is constitutionally dedicated to quality public education and affordable public colleges and universities, and to the repair and maintenance of roads, bridges, and public transportation. The amendment reflects a mandate from voters to address long-standing underinvestment in the Commonwealth's public education and transportation systems.

Since its adoption, the Healey-Driscoll Administration has approached Fair Share revenues with a focus on fiscal discipline, long-term impact, and alignment with voter intent. Fair Share funds are being used to strengthen core education and transportation systems, expand access and affordability, and accelerate critical capital and operating investments.

Because Fair Share is both a volatile and relatively new revenue source, the administration has deliberately taken a conservative approach when incorporating it into ongoing budgets. From Fiscal Year 2024 (FY24) through FY26, approximately \$6.0 billion in Fair Share revenues has been appropriated for education and transportation, with recurring investments anchored to cautious consensus revenue assumptions rather than peak performance.

To ensure every dollar is put to use, the administration has paired these conservative baselines with supplemental budgets that direct excess Fair Share revenues to targeted, one-time investments. Given strong collections to date, the FY27 consensus revenue estimate has been set at \$2.7 billion and is complemented by a supplemental budget that allocates a portion of FY25 Fair Share revenues toward time-bound priorities—allowing the Commonwealth to advance urgent needs while protecting long-term fiscal stability.

Together, these investments are delivering tangible results. This brief highlights the outcomes achieved through Fair Share investments since the amendment's inception, organized around eight core themes that reflect both the amendment's constitutional purpose and the administration's strategic priorities:

- Widening access to affordable child care and early education
- Giving students the support they need to succeed
- Driving academic success from early to higher education
- Developing the workforce our economy needs
- Making higher education more affordable
- Upgrading roads and bridges across the state

FY27 H.2 Budget Briefs

Delivering on Fair Share: Tracking Investments and Outcomes

- Making public transit safer, more affordable, and more reliable
- Supporting local education and transportation priorities

To support transparency and ongoing accountability, the administration is also publishing a public **Delivering on Fair Share: Impact Report**, which will be updated over time and provides additional interactive detail on program investments and results. This brief focuses on Fair Share appropriations to-date, with a summary of the administration's House 2 and FY26 Fair Share supplemental budget recommendations at the conclusion.

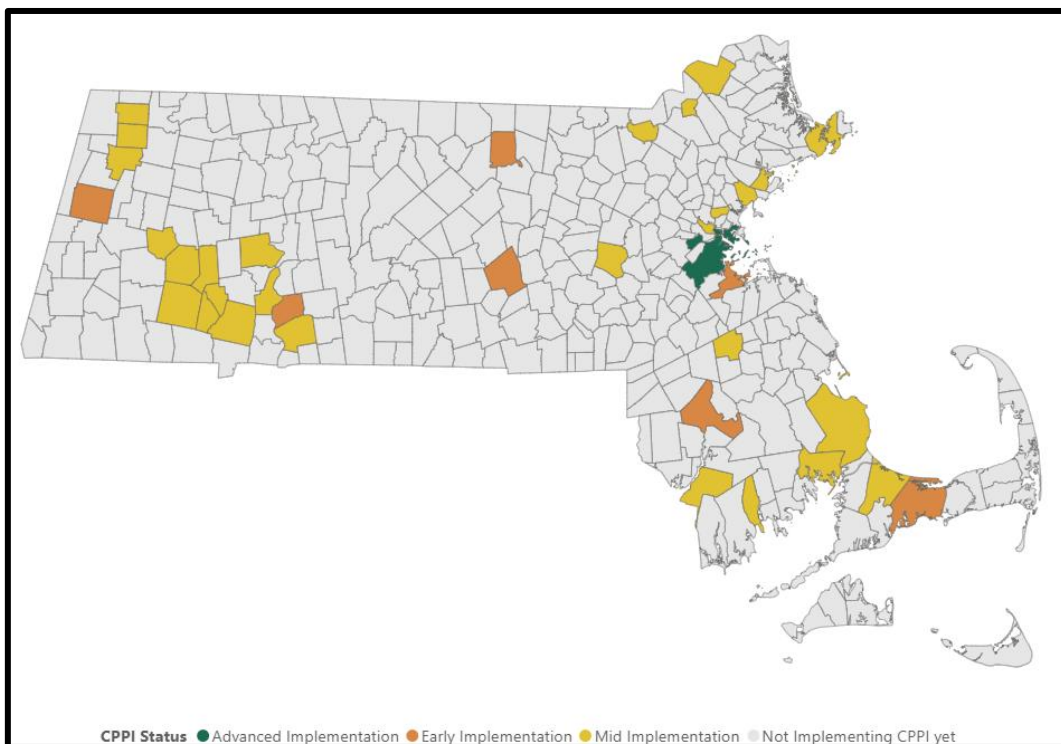
Expanding Access to Affordable Child Care and Early Education

Widening Access to Affordable Child Care for Working Families

Fair Share revenues have expanded access to affordable child care through the Child Care Financial Assistance (CCFA) program, which provides subsidies to help eligible families afford care while working, pursuing education, or participating in job training. In FY26, with \$331.3 million in Fair Share support, this investment is increasing affordability of child care by increasing rates, wraparound services, and supporting continuity of care for approximately 18,500 children served through CCFA. It also supports parents' ability to remain in the workforce while ensuring more children experience stable, high-quality early learning environments and continued access to wraparound supports.

Growing High-Quality Preschool Opportunities Across the State

Fair Share investments are expanding access to high-quality, affordable preschool through the Commonwealth Preschool Partnership Initiative (CPPI), which supports kindergarten readiness by helping communities build and operate high-quality preschool programs.



Map showing the CPPI implementation status of communities across the Commonwealth. Explore the interactive version of this map at mass.gov/FairShareImpact.

With \$26 million in Fair Share funding since FY24, CPPI has expanded to 23 of the Commonwealth's 30 Gateway Cities. CPPI also supports seven non-Gateway grantees. Twenty-two communities (16 Gateway and seven non-Gateway) are mid-implementation, at which point grantees have begun operating classrooms. This phase will span multiple years and grantees are expected to progress at different rates. Another seven communities are in the early stage, meaning they are in transition from planning to on-the-ground implementation. Funding supports staff hiring, materials procurement, and family outreach, enabling communities to move from planning to on-the-ground delivery while advancing access, quality, and equity in early education statewide.

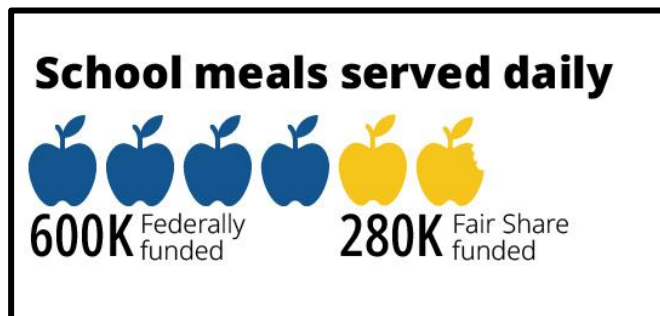
Supporting Child Care Providers Statewide

Fair Share revenues have strengthened the Commonwealth's child care system through the Commonwealth Cares for Children (C3) program, which provides stable operational funding to more than 8,300 child care programs and supports over 42,000 early educators in 308 communities across Massachusetts. With \$535 million in Fair Share support since FY25, C3 has helped the state's child care system rebound to and then exceed pre-pandemic licensed capacity by covering essential operating costs such as educator compensation, professional development, classroom materials, and facility expenses. On average, center-based programs received \$11,271 per month while family child care providers received an average of \$1,628 per month. By sustaining C3 through the state budget after the expiration of federal COVID-era relief, Massachusetts has become the only state in the nation to maintain child care funding at pandemic-era levels, helping providers remain open, recruit and retain staff, bring more classrooms online, and limit cost increases for families.

Giving Students the Wraparound Support They Need to Succeed

Powering Learning with Free, Healthy School Meals

Fair Share investments have enabled Massachusetts to permanently provide free, healthy school breakfast and lunch to all K-12 students, ensuring that no child goes hungry during the school day and removing stigma associated with meal assistance. With approximately \$180 million in Fair Share support through the FY26 GAA, universal free school meals save families time and money – up to \$1,200 per year per child – while supporting student learning and well-being. Research consistently shows that well-nourished students perform better academically. Codified in the FY23 budget, Massachusetts became one of the first eight states to permanently adopt universal free school meals, providing schools with stable funding to plan and invest in nutritious meals. In the program's third year, schools served 103.56 million lunches, serving 589,000 students every school day, and 51.4 million breakfasts, serving 292,000 students breakfast daily.



Developing a Comprehensive Birth to Higher Education Mental Health Framework

FY27 H.2 Budget Briefs

Delivering on Fair Share: Tracking Investments and Outcomes

Fair Share revenues have kickstarted the development of a comprehensive birth-to-higher education mental health and student support framework, establishing a statewide strategy that integrates academic, social, and behavioral health supports across early education, K-12 schools, and public higher education. With \$5 million in Fair Share funding, the Commonwealth is aligning policies and investments to ensure continuity across key transitions – from early literacy and student engagement to college access and completion – while strengthening coordination among schools, families, and community-based providers. This framework supports initiatives such as Literacy Launch, which promotes evidence-based reading instruction from age three through grade three; Reimagining High School, which prepares students for college and careers in a changing economy; and expanded access to free and affordable public higher education, helping ensure students are supported at every stage of learning.

Supporting Students at Our Public Colleges and Universities

Fair Share investments are supporting student persistence and completion in public higher education by funding wraparound services, basic-needs supports, and campus improvements that help students stay enrolled and succeed. With \$30.5 million distributed to public colleges, institutions have expanded services such as tutoring, success coaching, career counseling, child care and nutrition assistance, mental health support, and emergency financial aid to address costs outside of tuition and fees that can derail enrollment.

Driving Academic Success from Early to Higher Education

Equipping Teachers with Proven Literacy Strategies

Fair Share investments are supporting Literacy Launch, the Healey-Driscoll Administration's multi-year initiative to transform early literacy instruction across Massachusetts. With \$4.2 million invested in teacher training and \$21.7 million in grants to school districts, Literacy Launch is helping educators implement evidence-based reading curricula and instructional practices that ensure more students learn to read – and read well – by the end of third grade. These investments are equipping teachers with the tools and training needed to deliver high-quality literacy instruction and strengthen early learning outcomes statewide.

500

teachers attended Literacy Launch Institutes in August 2025 to receive training on early literacy instruction

700

training seats are available for the remainder of the 2025/26 school year

To complement Literacy Launch, the administration launched a \$25 million high-dosage tutoring program in August 2025. Through this initiative, currently available at 272 schools, children in Grades 1 to 3 receive one-on-one or small-group tutoring to develop the foundational literacy skills that are essential for long-term success.

Tackling Achievement Gaps to Help Every Child Reach Their Potential

Fair Share revenues have supported \$687.2 million to phase in the fifth year of commitments made in the *Student Opportunity Act (SOA)*, landmark education legislation enacted in 2019 to modernize the Chapter 70 school funding formula and address long-standing inequities in K-12 education. The SOA established a multi-year schedule of funding increases to better reflect the true cost of educating students, with targeted investments for districts serving low-income students, English learners, and students with disabilities.

Fair Share dollars are being used to support the growth in Chapter 70 as promised by the SOA, enabling support for our local school districts to climb to historic levels. This approach ensures that Fair Share revenues are accelerating progress on long-term equity goals without displacing prior commitments, helping districts expand supports, reduce achievement gaps, and deliver high-quality education regardless of zip code.

Reimagining High School to Prepare Students for College or Careers

Fair Share investments have funded \$15.5 million in innovative high school programs designed to prepare students for success after graduation, whether in college or the workforce. These investments support initiatives such as Early College programs, which enable high school students to earn college credits, reduce the cost of postsecondary education, and gain real-world skills while still in high school – giving students a head start on their future and expanding access to college and career pathways. See testimonials of the impact of one of these programs, the New Bedford Early College Program, at the **Delivering on Fair Share: Impact Report**.

Providing the High-Quality Facilities Our College Students Need

Fair Share supported \$165 million in campus improvements in FY24 across all 29 institutions, funding more than 170 projects that improved over 200 buildings, including investments in decarbonization and energy efficiency, deferred maintenance, security upgrades, accessibility, and green infrastructure. Another \$115 million was set aside in the FY25 Supplemental Budget for further campus improvements, including modernizing laboratory spaces and simulation learning spaces.

Making Higher Education More Affordable***Unlocking Access to Free Community College***

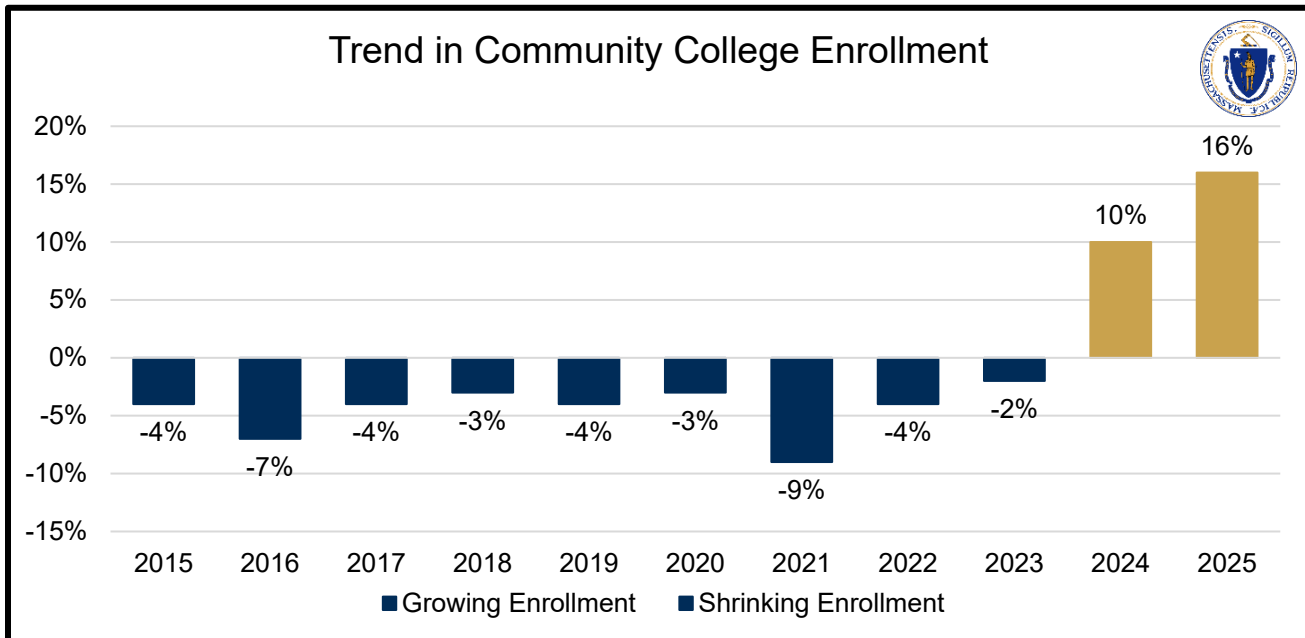
Fair Share revenues have supported \$257.5 million to make community college tuition- and fee-free through the MassReconnect and MassEducate programs, removing cost as a barrier to postsecondary education for students of all ages. MassReconnect (launched in 2023) covers tuition and fees for eligible residents aged 25 and older, while MassEducate (launched in 2024) extends the same benefit to students regardless of age. With the launch of these programs, community college enrollment has grown for the first time since 2014, reflecting renewed access and demand. Since fall 2022, community college enrollment has grown 38 percent. In fall 2025, there were over 86,000 students enrolled across Massachusetts's 15 public community colleges, demonstrating the impact of free community college in helping residents advance their careers and meet the needs of the

FY27 H.2 Budget Briefs

Delivering on Fair Share: Tracking Investments and Outcomes

Commonwealth's economy. Additional student testimonials highlighting the impact of free community college will be available on the **Delivering on Fair Share: Impact Report**.

Lowering the Cost of a Four-Year Degree



Fair Share investments have also reduced the cost of attending public four-year colleges and universities through expanded financial aid, including \$249 million to grow the MASSGrant Plus program. MASSGrant Plus covers the full cost of tuition and fees for low-income students eligible for Pell Grants, with an additional allowance of up to \$1,200 for books and supplies. Under MASSGrant Plus Expansion, middle-income students can receive up to a 50 percent reduction in out-of-pocket tuition and fee costs, saving each student \$3,856 a year on average. These historic financial aid investments helped more than 34,000 students save \$110 million on college costs in the 2023-2024 academic year. In addition to making community college free, these investments are making four-year degrees more affordable at Massachusetts's nine state university and four undergraduate UMass campuses, supporting degree completion, and helping students graduate with less debt.

Making Public Transit Safer, More Affordable, and More Reliable

Building a Safer and More Reliable MBTA

Since the inception of Fair Share, approximately \$1.5 billion has been invested to support a safer, more reliable MBTA through critical infrastructure and safety improvements, financial stabilization, and workforce growth. These investments are improving day-to-day service, addressing long-deferred maintenance, and expanding capacity across all major transit modes:

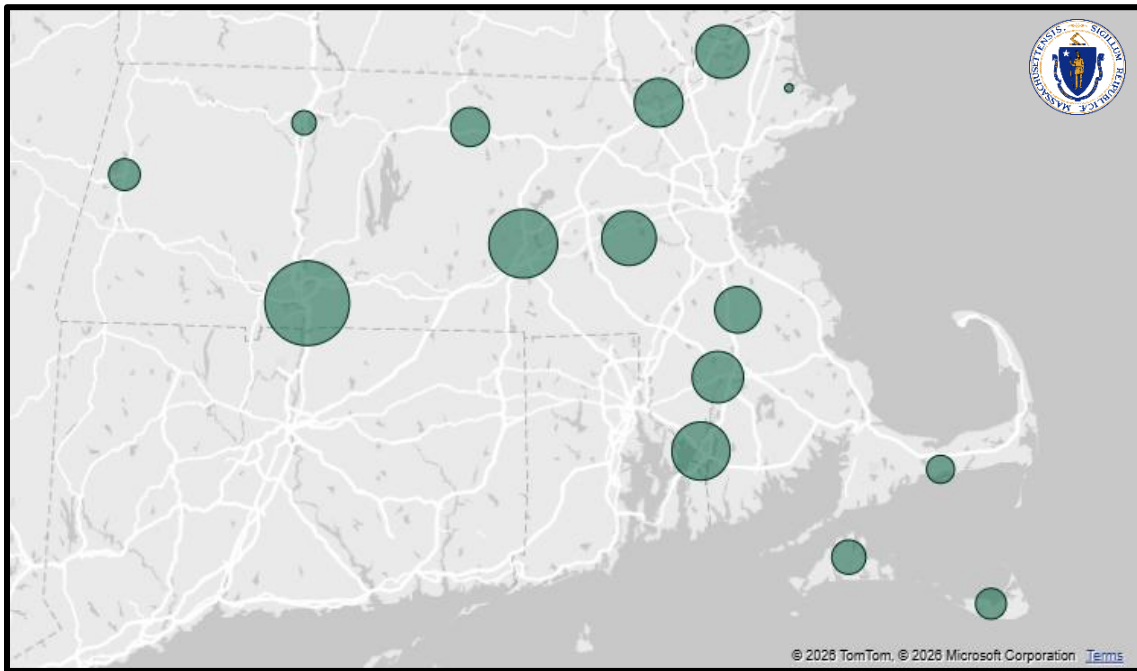
- Subway: Since FY23, Green Line ridership has increased by 23 percent, alongside an 11 percent increase in cars in service, while the Orange, Red, and Blue Lines have seen a combined 12 percent increase in passenger trips.

- Bus: Bus service, a key connector between Boston and surrounding communities, experienced a 9 percent increase in total passengers from FY23 to FY25.
- Commuter Rail: Passenger service hours increased by 16 percent, and the number of locomotives in service grew by 8 percent, expanding capacity across the Greater Boston region.
- Ferry: Ferry routes expanded by 50 percent, with annual ridership rising 23 percent since FY23, supported by fleet investments such as the acquisition of the *Millenium*, the MBTA's largest ferry, which provides South Shore riders an additional commuting option.

Making Public Transit More Affordable in Greater Boston and Beyond

Fair Share investments are making transit more affordable by expanding reduced-fare and fare-free programs both at the MBTA and the Regional Transit Authorities (RTAs). At the MBTA, \$45 million in Fair Share funding supported the launch of the Income-Eligible Reduced Fares Program, which offers riders aged 18-64 enrolled in approved assistance programs discounts on one-way fares and monthly passes across subway, bus, Commuter Rail, and ferry services. Since its launch in September 2024, the program has enrolled more than 35,000 riders, with participants saving an average of \$228 annually – or roughly \$19 per month – on transit costs.

Across the Commonwealth, \$80 million of Fair Share revenues has also supported fare-free transit at the RTAs, expanding access in urban, suburban, and rural communities. In FY24, a \$15 million investment launched the program, followed by \$30 million in grants in FY25 that 13 RTAs received to operate year-round fare-free routes, with individual grants as large as \$9.5 million. In FY26, the program expanded to all 15 RTAs, with total grant funding increasing to \$35 M, ensuring fare-free transit options are available statewide.



Map showing Fair Share funding distributed to Regional Transit Authorities.
Explore the interactive version of this map at mass.gov/FairShareImpact.

FY27 H.2 Budget Briefs

Delivering on Fair Share: Tracking Investments and Outcomes

Improving Public Transit Service for Riders Across Massachusetts

Fair Share investments are also improving transit service quality and accessibility across Massachusetts, including for riders with disabilities and those in underserved communities. The RIDE, which provides door-to-door paratransit service across 58 cities and towns, has seen growing demand, with a 65 percent increase in on-demand trips and a 31 percent increase in total service hours from FY23 to FY25. In addition, \$375 million in Fair Share funding was distributed as of January 2026 to RTAs to support service improvements across five priority areas: fare-free service, improved connectivity between transit modes, operational improvements such as expanded hours and routes, innovation and infrastructure upgrades, and community-focused transit serving older adults, people with disabilities, and low-income riders. Together, these investments are strengthening regional transit networks and improving mobility for residents across the Commonwealth.

See the **Delivering on Fair Share: Impact Report** for the impact of these investments at the Merrimack Valley Regional Transit Authority.

Upgrading Roads and Bridges Across the State

Supporting Cities and Towns to Upgrade Locally Owned Infrastructure

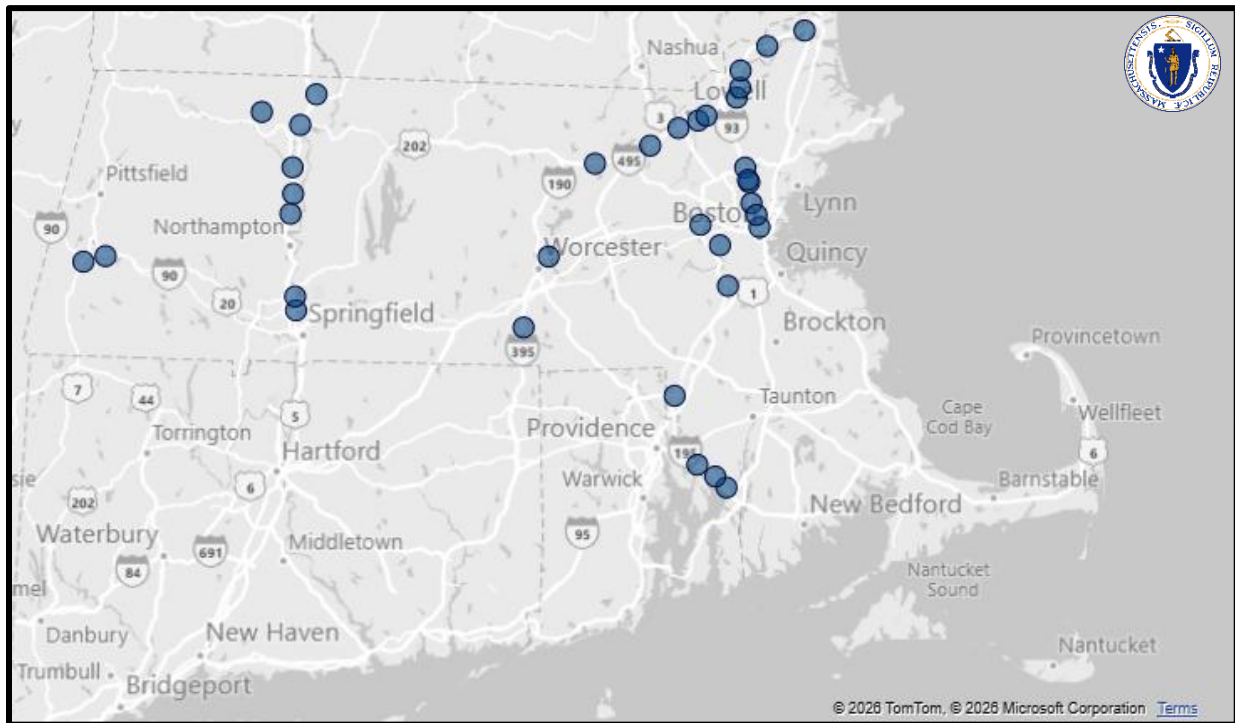
Fair Share revenues provided \$225 million in Roads and Bridges Supplemental Aid to support improvements to locally owned roads and bridges in all 351 cities and towns across the Commonwealth. This flexible funding allowed communities to address local priorities and accelerate pavement and bridge repairs. Specific projects include:

- Beverly used \$235,000 to expand its annual paving program and improve more than ten streets
- Pittsfield applied \$297,000 toward a citywide paving and striping initiative
- Franklin resurfaced five major roadways, including Pond, Washington, and Grove Streets, using \$200,000 from the program

These investments supplemented existing Chapter 90 funding and helped communities advance projects critical to safety and local mobility.

Modernizing State-Owned Bridges to Meet New Safety Standards

Fair Share investments have also supported \$50 million for the Highway Bridge Preservation program, funding projects to bring state-owned bridges up to modern safety and reliability standards. A key investment includes the replacement of six bridges on I-495 at the Andover-Lawrence border, which carry interstate traffic over Route 28 and the MBTA Haverhill Commuter Rail line. I-495 is a vital corridor linking eastern Massachusetts with southern New Hampshire and Cape Cod, while Route 28, which runs under I-495, serves an important regional roadway connecting homes, businesses, medical care, and educational opportunities. Replacing these bridges will improve long-term durability, reduce maintenance-related disruptions, and enhance safety through modern design features that minimize future impacts to roadway users.



Map showing the locations of highway bridges repaired or upgraded with Fair Share funds. Authorities. Explore the interactive version of this map at mass.gov/FairShareImpact.

Unlocking Capital to Invest in Our Transportation Network

Beyond pay-as-you-go investments, the Healey-Driscoll Administration is leveraging Fair Share revenues to unlock historic levels of capital investment in transportation infrastructure. Fair Share dollars are supporting \$305.8 million in capital investments across transportation programs, including \$30 million for track and signal repairs on the Green and Blue Lines to remove speed restrictions and deliver faster, more reliable trips. In addition, legislation enacted in 2025 dedicates up to \$550 million per year in Fair Share revenues to the Commonwealth Transportation Fund (CTF), expanding its credit capacity by more than \$5 billion over the next decade. Complementary actions – including securing a 50 percent increase in Chapter 90 funding, with increased support for rural communities – build on these investments to scale up bridge preservation and roadway improvements statewide.

Developing the Workforce Our Economy Needs

Strengthening the Career Pipeline for In-Demand Professions

Fair Share investments have supported \$58 million in scholarships to help residents train for good jobs in high-demand fields, strengthening the pipeline for key industries across the state. A total of 6,025 students received scholarships to pursue training for in-demand professions, including:

- 2,320 in nursing and allied health care
- 1,623 in business and management
- 642 in computer and information sciences
- 1,440 across other priority sectors

FY27 H.2 Budget Briefs

Delivering on Fair Share: Tracking Investments and Outcomes

These investments are helping Massachusetts meet employer needs while opening pathways to stable, well-paying careers for residents.

Training Skilled Workers for Our Transit System

Fair Share investments have supported \$20 million in hiring, retention, and training initiatives at the MBTA, including expanded programming at the MBTA Academy and curriculum improvements across bus, light rail, and heavy rail operations. Following a 2022 Federal Transit Administration audit that identified staffing and training gaps, Fair Share dollars provided \$10 million in FY25 and FY26 to expand training staff from 76 to 112 instructors, thereby increasing training capacity and supporting the skilled workforce needed to improve safety, reliability, and service delivery across the network.

Preparing English Language Learners for the Workplace

Fair Share revenues have strengthened adult education and workforce training by investing \$10 million to expand English for Speakers of Other Languages (ESOL) and workforce preparation programs. This investment will support training for approximately 3,000-3,500 residents, reduce waitlists for ESOL services, and help learners build the language skills needed to access career pathways and in-demand jobs. In FY26 alone, 669 trainees enrolled in these programs, with an expected expansion of capacity by approximately 1,434 additional trainees over the next two years – helping more residents fully participate in the Commonwealth's economy.

Healey-Driscoll Administration Proposed Fair Share Investments:

Across House 2 and the Supplemental Budget, the administration is proposing to use a total of \$3.85 billion in Fair Share revenues to continue making transformative improvements to Massachusetts's education and transportation systems.

In addition to House 2 and the FY26 Supplemental Budget bill, the administration filed the *DRIVE* legislation in 2025, which includes \$200 million in Fair Share funding collected in FY25 for research at public higher education institutions.

Education (\$ in millions)	FY27 H.2	Fair Share Supplemental
Early Education & Care	636.2	150.0
Commonwealth Cares for Children (C3) Program	360.0	-
EEC Subsidized Caseload	244.2	-
Commonwealth Preschool Partnership Initiative (CPPI)	32.0	-
EEC Fund	-	150.0
K-12 Education	790.8	190.0
Student Opportunity Act (Ch. 70)	550.6	-
Universal School Meals	198.0	-
Literacy Launch	25.0	-

FY27 H.2 Budget Briefs

Delivering on Fair Share: Tracking Investments and Outcomes

Reimagining High School	11.2	-
Mental Health Systems and Wraparounds	6.0	-
Special Education Circuit Breaker Reserve	-	150.0
High Dosage Tutoring	-	25.0
Accelerating Achievement	-	10.0
Adult Basic Ed/ESOL	-	5.0
Higher Education	236.0	18.3
Free Community College	137.0	-
MASSGrant Plus	85.0	-
State U SUCCESS	14.0	-
Financial Aid Supplement	-	18.3
Education Total	1,663.0	358.3
Transportation (\$ in millions)	FY27 H.2	Fair Share Supplemental
MBTA Supports	470.0	644.7
MBTA Operating Subsidy	470.0	523.0
FTA Reserve	-	121.7
MassDOT	220.2	80.0
MassDOT Service Investments	220.2	43.0
Sustainable Aviation Fuel (SAF) Credit	-	30.0
Unpaved Roads	-	7.0
RTAs	184.8	60.0
RTA Supports	184.8	45.0
Micro Transit and Last Mile Innovation Grants	-	15.0
Other Transportation	162.0	-
HHS Transportation	100.0	-
Education Transportation	62.0	-
Transportation Total	1,037.0	784.7
Other Fair Share	FY27 H.2	Fair Share Supplemental
Academic Spinout	-	5.0
Transportation Spinout	-	5.0
Other Fair Share Total	-	10.0
Fair Share Total	2,700.0	1,153.0