

# FY2027 H.2 BUDGET BRIEF

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

## ***Keeping Western Mass a Place You Can Live and Thrive***

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The Healey-Driscoll Administration has made sustained investments in Western Massachusetts, reflecting the region's importance to the Commonwealth's economic vitality, environmental resilience, and community well-being. These efforts include making investments in the Governor's operating and capital budget proposals, ensuring grant funding is geographically competitive, making capital investments, providing technical assistance to municipalities and regional partners, and filing legislation to address longstanding regional priorities. These efforts are informed by the administration's consistent on-the-ground presence in Western Massachusetts, with administration leaders regularly visiting communities and convening regional discussions to better understand local needs and priorities.

According to UMass Donahue Institute's analysis of U.S. Census Bureau estimates, the four Western Massachusetts counties – Berkshire, Franklin, Hampshire, and Hampden – are home to 829,147 residents, representing approximately 11.6 percent of the Commonwealth's population. This demographic context provides a useful reference point for understanding the scale and reach of investments described in the sections that follow.

### **Local Aid**

#### **Highlights in FY27 House 2**

- Unrestricted General Government Aid (UGGA) – The primary source of flexible state funding that cities and towns use to support critical municipal services such as public safety, public works, and general operations. Fiscal Year 2027 (FY27) House 2 proposes \$1.356 billion, \$33 million (2.5 percent) above the FY26 GAA.
- Payment in Lieu of Taxes (PILOT) – Provides payments to municipalities to offset the fiscal impact of tax-exempt state-owned land. FY27 House 2 proposes \$55.4 million. This is consistent with the FY26 GAA, and a \$9.5 million (21 percent) increase since FY23. 17 percent of the increase thus far has benefited Western Massachusetts communities.

Local aid is a core way the administration supports cities and towns across Western Massachusetts, helping municipalities deliver core services, manage local finances, and plan for long-term stability.

Beyond direct funding proposals, the administration has pursued policy and administrative actions to strengthen municipal capacity, particularly in smaller and rural communities. Launched in 2023, the Municipal Finance Fellowship addresses workforce and succession challenges in local finance offices by combining a structured training program managed by the Division of Local Services with paid, hands-on placements in host cities and towns. This

program helps communities build internal expertise in budgeting, accounting, and financial management. The program includes up to 30 Fellows each year; across the first three years of the program, 22 out of the 77 fellows were placed in Western Massachusetts communities.

In addition, the administration continues to advance the *Municipal Empowerment Act (MEA)*, a legislative package designed to support the modernization of local governance and improving municipal fiscal stability. Provisions expected to be especially helpful for rural and western communities include allowing the creation of Regional Boards of Assessors, centralizing valuation of telecom and utility property, making pandemic-era public meeting flexibility permanent, and codifying the ability to amortize emergency deficit spending. The administration refiled the *MEA* in early 2025 and continues to advocate for passage of the various proposals.

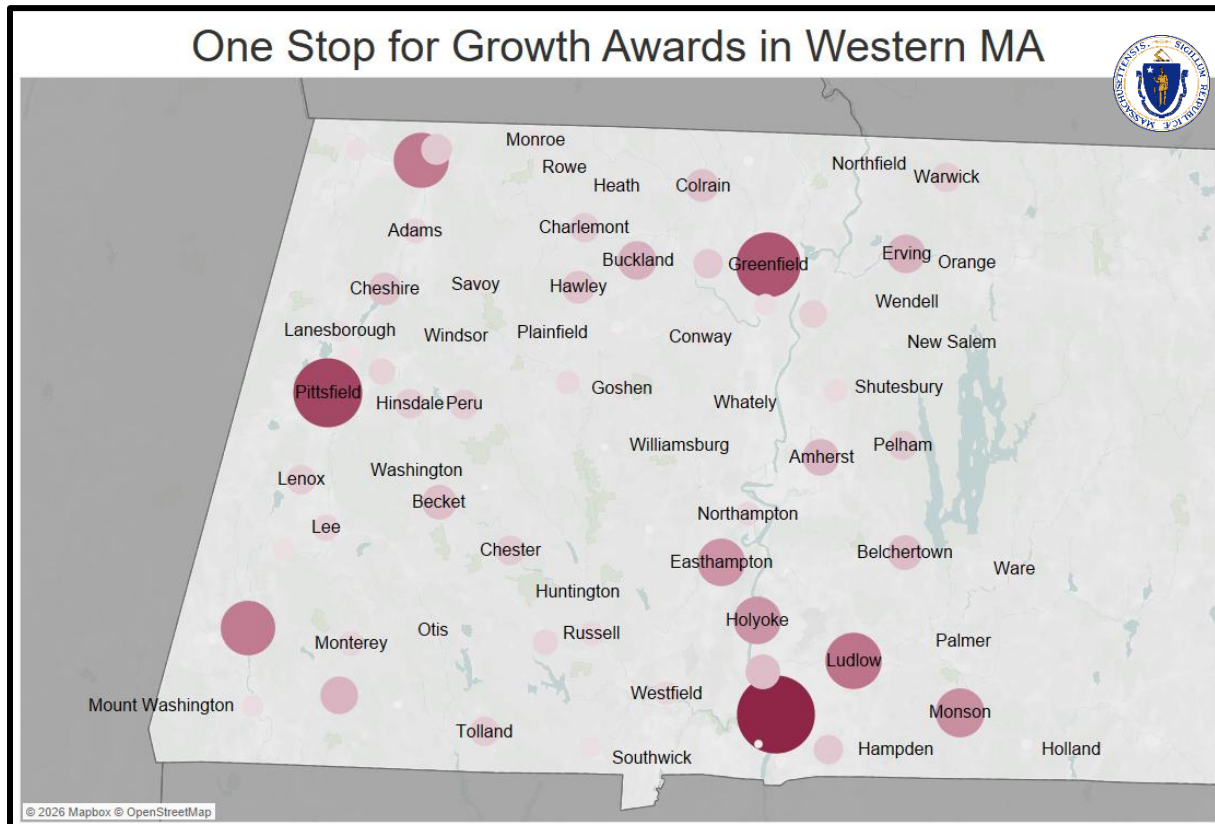
### **Economic Development**

The administration's primary vehicle for public economic development investment is the Community One Stop for Growth, a unified application and review process that brings together 13 of the Commonwealth's most widely used economic development and housing grant programs. By consolidating multiple programs into a single application and coordinating review across agencies, the One Stop lowers administrative barriers and makes it easier, particularly for smaller municipalities with limited staff capacity, to access state resources. At the same time, it helps ensure that state investments align with local and regional economic development strategies.

Western Massachusetts communities have been significant beneficiaries of this approach. In FY24, Western Massachusetts received \$24.4 million in competitive One Stop awards, increasing to \$42.9 million in FY25. Across the two funding rounds, 168 projects in Western Massachusetts received support advancing a wide range of locally-driven priorities, including:

- \$5.4 million across two awards to support redevelopment of a building in Greenfield in a partnership between the City and local developers;
- \$4.4 million for the City of Easthampton to advance housing development and pedestrian infrastructure along Ferry Street;
- \$2.8 million for the City of Springfield to improve safety along the West Street Corridor; and
- \$2.0 million for East Longmeadow to upgrade the Chestnut Street water pumping station, supporting long-term infrastructure and development capacity.

Within the One Stop framework, the Rural Development Fund provides a dedicated source of support for rural communities, recognizing the distinct economic development challenges they face and helping ensure rural municipalities in Western Massachusetts can compete successfully for state investment.



Massachusetts Executive Office of Economic Development. [Community One Stop for Growth Awards](#). Accessed Jan. 15, 2026.

## Education

### Highlights in FY27 House 2

- **Chapter 70 Aid** – The state's primary formula program for funding K-12 schools. FY27 House 2 proposes \$7.603 billion in total funding, a \$241.8 million increase over FY26, including a \$75 per-student minimum aid level, equal to the highest amount ever proposed by a Governor. Western Massachusetts districts educate 12 percent of the state's K-12 students and receive 17 percent of Chapter 70 aid, to address the needs of smaller and rural districts.
- **School Transportation Reimbursements** – Support for districts with the cost of transporting students. Across the FY27 House 2 budget proposal and the FY26 Fair Share supplemental budget, the administration recommends \$57.1 million for Regional School Transportation, \$35.2 million for Homeless Student Transportation, and \$62 for other Education Transportation, including for students studying outside of the districts they live in. School transportation is especially costly for regional and rural districts that must transport students further.
- **Rural School Aid** – Provides flexible operating support for rural districts. FY27 House 2 proposes \$20 million, an increase of \$8 million over the FY26 GAA, to help rural districts manage costs and pursue regional collaboration, consolidation, and other long-term efficiency strategies.

### Early Education and Care

Massachusetts is the only state to make pandemic-era childcare stabilization grants permanent through Commonwealth Care for Children (C3). Since January 2023, \$143 million has been delivered to Western Massachusetts providers, stabilizing operations, strengthening the workforce, and contributing to nearly 14 percent growth in average wages. Through the Child Care Financial Assistance (CCFA) program, providers in Western Massachusetts have also received more than \$165 million in rate increases since FY22 – ranging from 18 to 60 percent – to improve regional parity and support higher-cost care, particularly center-based infant care.

The administration has expanded access to high-quality early learning through the Commonwealth Preschool Partnership Initiative (CPPI). Funding is sustaining or growing investments of up to \$1 million annually in communities including Holyoke, Hoosac Valley, North Adams, Northampton, Westfield, and Springfield, and adding Pittsfield, Gateway Regional, Fitchburg, and Chicopee as new grantees in FY24 and FY25. Additional support for families is delivered through Coordinated Family and Community Engagement (CFCE) programs. Twenty CFCE programs now serve 103 cities and towns in Western Massachusetts, with annual funding growing from \$3.1 million in FY23 to \$3.35 million in FY24 through FY26. Since FY23, more than \$8.6 million in early education capital grants have supported facility improvements, contributing to 188 newly licensed programs and 3,294 new childcare seats across Western Massachusetts.

### K-12 Education

In addition to formula aid, the administration has invested in targeted initiatives to strengthen instruction and expand opportunities for students in Western Massachusetts. In FY26, the Department of Elementary and Secondary Education (DESE) granted several awards to promote early literacy success. To Western Massachusetts districts, DESE distributed \$589,000 in Early Literacy Grants for College and K-12 School Partnerships, \$587,000 for PRISM I grants, and \$1.5 million for PRISM II grants.

The administration is also helping students across Western Massachusetts connect learning with postsecondary and workforce opportunities by expanding access to Innovation Career Pathways, Early College, and Career Technical Education.

### Higher Education

The administration has prioritized affordability, student success, and campus modernization across Western Massachusetts public higher education. In FY25-26, the Department of Higher Education (DHE) provided \$71.7 million in state student financial aid to students enrolled at Western Massachusetts community colleges, state universities, and UMass Amherst through programs such as MassEducate, MassReconnect, MassGrant and MassGrant Plus. Additional investments include \$1.4 million to provide wraparound student support at Massachusetts College of Liberal Arts and Westfield State University.

Capital investments further support long-term institutional strength. Using voter-approved Fair Share surtax resources, the Division of Capital Asset Management and Maintenance (DCAMM) has provided \$13.9 million to Western Massachusetts public campuses for

decarbonization, energy efficiency, and deferred maintenance projects, along with \$3.5 million in planning funds to advance approximately \$35 to 40 million in future lab modernization projects.

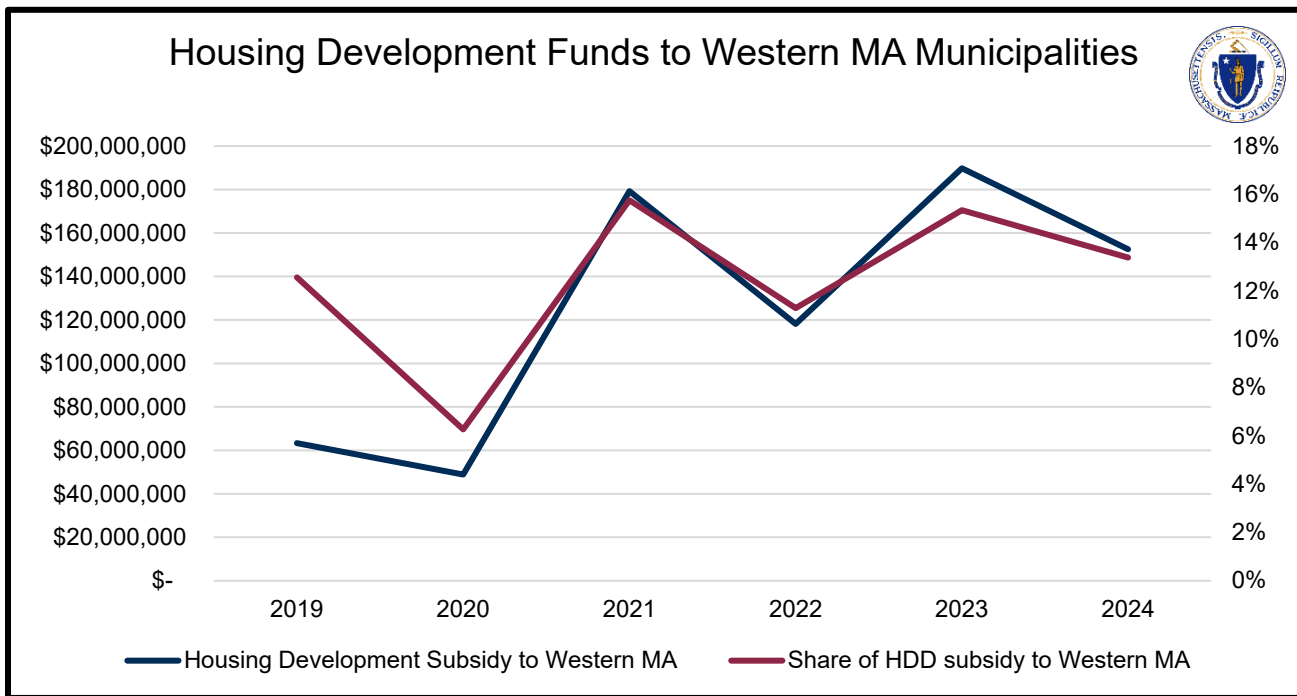
## Housing

### Highlights in FY27 House 2

- Subsidies to Public Housing Authorities – Supports local housing authorities in operating and maintaining state-aided public housing. FY27 House 2 proposes \$117.8 million in funding, a \$2.2 million increase over FY26.
- Massachusetts Rental Voucher Program (MRVP) – Provides rental assistance to help low-income households afford housing in the private market. FY27 House 2 proposes \$278.3 million in funding, a \$25 million increase largely driven by rising rental voucher costs.
- Alternative Housing Voucher Program (AHVP) – Provides rental assistance to people with disabilities who are transitioning from institutional settings or at risk of institutionalization. FY27 House 2 proposes \$19.3 million in funding.
- HomeBASE – Assists families experiencing homelessness with short- and medium-term housing stabilization. FY27 House 2 proposes \$82.3 million in funding, a \$25 million increase driven by projected caseload costs. This investment will allow more families to stay out of shelter and in their own homes, while ensuring that our housing programs are humane, efficient, and effective.
- Residential Assistance for Families in Transition (RAFT) – Provides short-term financial assistance to households at risk of eviction or housing instability. FY27 House 2 proposes \$201.2 million in funding.

### Expanding Housing Production and Preservation

The administration has significantly increased housing production and preservation investments in Western Massachusetts. In 2023 and 2024, the state awarded \$342 million for housing development and preservation projects in the region – 14.4 percent of all awards, up from 11.5 percent between 2019 and 2022. These investments have supported the production, acquisition, or preservation of more than 800 homes.



Targeted housing development tools also play a role. Since the start of the administration, five Housing Development Incentive Program (HDIP) projects in Western Massachusetts have been supported, totaling 152 housing units and \$9.6 million in investment – approximately 21 percent of all program funding statewide.

### Supporting Municipalities and Local Capacity

State housing investments play a critical role in reducing fiscal and operational pressures on municipalities. When households can access stable housing and rental assistance, communities face lower demands on emergency services, shelters, and local aid systems.

Through the federally-funded but state-distributed Community Development Block Grant (CDBG) program, Western Massachusetts communities have received a higher share of competitive resources relative to population. Western Massachusetts communities received 49 percent of the competitive portion of CDBG, the Community Development Fund, in Federal Fiscal Year 2024 and 50 percent in Federal Fiscal Year 2022-23, despite representing just 10 percent of residents in eligible communities. On a per-capita basis, Western Massachusetts communities received nearly five times more funding than other eligible communities statewide.

Additional municipal-focused housing investments include:

- Community Planning Grant Program: \$568,000 to Western Massachusetts in FY25 (21 percent of total awards)
- Housing Choice Grant Program: \$500,000 in FY25 (9 percent of total awards)
- HousingWorks Investment Program: \$5.9 million in FY25 (31 percent of total awards)



This administration has also created a new Rural and Small Town designation (RST-HCC) within the Housing Choice Initiative to give small and rural communities a better shot at housing resources. The Housing Choice Initiative recognizes and rewards municipalities that are producing housing and adopting local policies that support housing growth. The new RST-HCC designation and criteria is expected to increase the number of communities able to participate in Housing Choice from 77 in 2025 to an estimated 90 to 96 communities after the 2026 designation round.

### **Strengthening Public Housing Authorities**

The administration has increased capital and operating support for public housing authorities in Western Massachusetts, both in total funding and as a share of statewide investment. Since the beginning of 2023, the administration has awarded \$8.5 million in capital funding to Western Massachusetts housing authorities. In 2024, 6.8 percent of statewide housing authority capital awards went to Western Massachusetts counties, compared to 3.8 percent during the final five years of the prior administration. Western Massachusetts housing authorities have seen a high approval rate for capital requests, with 93 percent of requests awarded since 2023 and 87 percent of 2025 requests funded to date.

Operating support further addresses the region's needs. Western Massachusetts is home to 14 percent of the state's public housing units, and housing authorities in the region received 16.1 percent of statewide operating subsidies between FY23 and FY25. The administration has also invested in resident services, awarding \$830,000 to 21 Western Massachusetts local housing authorities for Resident Service Coordinators in FY26.

## **Environment, Food Security, and Rural Health**

### **Highlights in FY27 House 2**

- Healthy Incentives Program (HIP) – Provides nutrition incentives to SNAP households for the purchase of healthy foods, supporting food security and local agriculture. FY27 House 2 proposes \$29.7 million in funding, a \$9.6 million (47.8 percent) increase over FY26.
- Emergency Food Assistance – Provides nutritious food to food-insecure residents via the state's four regional food banks, including the Food Bank of Western Massachusetts. FY27 House 2 proposes \$55 million in funding, a \$4.4 million increase over FY26.

Since the start of the administration, the Executive Office of Energy and Environmental Affairs has made substantial investments in Western Massachusetts communities. To date, 1,376 grants and loans totaling \$468.5 million have been awarded in the region. Nearly three-quarters of this funding has been delivered through the Department of Environmental Protection, supporting projects related to recycling and waste reduction, air quality, clean water and PFAS mitigation, energy efficiency, and other core environmental priorities.

Building on this work, the administration responded directly to priorities raised by Western Massachusetts legislators and communities, recommending additional investments through the *Mass Ready Act*. Subject to passage and capital planning, the bill would allow

investments in areas including food security, farmland preservation, water and sewer infrastructure, and Connecticut River resiliency.

The administration has significantly increased funding for human services providers that deliver essential care across Western Massachusetts. Since FY23, grant funding and purchased human service provider services in the region have grown from \$768 million to \$935 million in FY25, representing 13.5 percent of statewide spending in these categories. These investments support providers delivering critical daily services for individuals with developmental disabilities, brain injuries, substance use disorders, and other complex needs.

Launched in 2024, the Advancing Health Equity in Massachusetts (AHM) Initiative focuses on reducing health disparities through coordinated state action and community-driven, place-based solutions. The initiative prioritizes locally led efforts to address premature mortality, with a particular focus on maternal and cardiometabolic health. Seven AHEM communities – North Adams, Pittsfield, Orange, Ware, Springfield, Chicopee, and Holyoke – are located in Western Massachusetts reflecting both need and opportunity for targeted investment in the region.

The Department of Public Health's (DPH's) State Office of Rural Health strengthens health care delivery in rural and underserved areas, including Western Massachusetts, by connecting communities with state and federal resources, coordinating rural health networks, and providing technical assistance. The Office also administers the Massachusetts Rural Hospital Programs, which support financial stability, operational improvements, and clinical quality in rural hospitals. A recent \$162 million award for 2026 will expand access to essential health care services statewide, with approximately half of the funding supporting rural communities in Western Massachusetts.

## **Transportation**

### **Highlights in FY27 House 2**

- Regional Transit Authorities (RTA) – Supports the state's 15 RTAs in giving residents affordable and equitable access to jobs, education, and community. Across FY27 House 2 and the FY26 Fair Share Supplemental Budget, the administration recommends \$277.5 million in funding, an \$8.5 million increase over FY26.
- Micro Transit and Last Mile Innovation Grants – Expands mobility options for rural communities, older adults, people with disabilities, and low-income individuals, and to extend equitable and affordable transportation mobility improvements across the state. In the FY26 Fair Share Supplemental Budget, the administration recommends \$15 million in funding.

### **Strengthening Local Transportation Infrastructure**

The administration's transportation investments in Western Massachusetts also focus on infrastructure resilience and maintenance. The Culvert Grant Program, now funded at \$200 million over ten years, supports the repair, replacement, removal, and modernization of culverts to improve safety, reduce flood risk, and enhance climate resilience. The program helps communities advance projects from planning through implementation.



MassDOT also administers the Unpaved Roads Grant Program, a \$7 million pilot that supports the maintenance and improvement of locally owned dirt and gravel roads. Through this competitive, reimbursement-based program, municipalities can seek funding for eligible costs after projects are completed – an important support for rural communities with extensive unpaved road networks.

The administration remains committed to helping municipalities improve road quality, build sidewalks, restore bridges, and more through the Chapter 90 local roadways program. In 2025, Governor Healey filed and signed into law a historic increase in Chapter 90 funding, bringing this investment to an all-time high of \$300 million. The bill allocated the new \$100 million according to a formula based exclusively on road miles, giving heavy advantage to rural communities.

### **Expanding Access to Transit and Mobility**

State funding has tripled for the Community Transit Program, expanding transportation options for older adults, people with disabilities, low-income residents, and those without access to a private vehicle. Grants to Regional Transit Authorities (RTAs) support initiatives such as partnering with Councils on Aging to expand senior transportation offerings, offering service in rural areas not served by fixed routes, and travel training to help riders use transit independently and safely.

The administration also supports community-based transportation, operated by municipalities and non-profits to address highly localized needs, including recent investments in driver pools, microtransit services, and connector routes.

In 2026, a \$35 million investment supported fare-free service across all RTAs, marking the first year that all 15 RTAs offered year-round fare-free transit. Eliminating fares reduces cost barriers for residents who rely on regional transit for daily travel and reflects the cumulative impact of recent operating investments. In the FY26 GAA, an additional \$10 million was designated for RTA connectivity projects, supporting route modifications and improved connections to other transportation networks, and in the FY25 Fair Share Supplemental Budget, another \$10 million was designated for microtransit and last mile initiatives.

## **Workforce**

### **Highlights in FY27 House 2**

- Establishing the Workforce Productivity Grant Program, an initiative within the Department of Family and Medical Leave for small employers to help with workforce needs while employees are on continuous family or medical leave

The administration has made workforce development in Western Massachusetts a priority, advancing investments that support regional employers, workers, and training partners. In 2025, the Executive Office of Labor and Workforce Development launched the MassHire 250 Workforce Innovation Tour in Pittsfield, with additional stops across Franklin, Hampshire, and Hampden counties, highlighting local workforce innovation in collaboration

with the State's 16 MassHire regional workforce boards. Since January 2023, the administration has invested more than \$30 million in workforce development grants across Western Massachusetts, supporting job training, career pathways, and apprenticeship opportunities through program such as the Workforce Competitiveness Trust Fund, Workforce Training Program, Career Technical Initiative, and GROW Apprenticeships.

## **Conclusion**

Taken together, the investments outlined in this brief reflect a sustained and multi-faceted approach to supporting Western Massachusetts. Through the Governor's FY27 House 2 budget proposal, capital investments, administrative actions, and targeted legislation, the administration is working to ensure that communities across the region have the resources, capacity, and flexibility they need to meet local priorities.

As the FY27 budget process moves forward, the administration remains committed to continued engagement with Western Massachusetts communities and legislators to ensure that state investments are responsive, effective, and aligned with regional needs.