



The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
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Chairman
House Committee on Ways and Means

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To the Members of the Massachusetts House of Representatives:

With this document, the House Committee on Ways and Means presents its recommendations for the Fiscal Year 2027 General Appropriations Act. The Committee's proposal makes fiscally responsible decisions and targeted investments that allow the Massachusetts economy to continue to grow and remain competitive while recognizing the financial realities the state is confronted with.

Despite the multitude of challenges that the current leadership in Washington presents towards the Commonwealth, our economy, along with our revenue numbers, continues its slow but consistent growth. Yet with slower growth, we as a Commonwealth need to determine how to continue to meet the needs of our residents. This budget aims to accomplish that with major investments in housing, education, and workforce development, all while keeping Massachusetts a competitive economic engine.

In January, the House and Senate Committees on Ways and Means, working closely with the office of Administration and Finance, agreed to a consensus tax revenue number for FY27 in the amount of \$44.9 billion. Of this total amount, \$33.3 billion is available for the FY27 budget after transfers to the pension fund, MBTA, and other agencies.

The FY27 budget is the fourth year that revenue from the Fair Share amendment will be allocated. The Committee has created a clear and transparent process on how the money is being spent and where it will be going. This budget makes \$2.7 billion in new investments into both education and transportation needs. These sectors are two of the main drivers of our economy, and the additional infusion of funds into these areas will help propel the Commonwealth forward. Some highlights of how the Fair Share funds will be allocated include: \$198 million for permanent universal school meals, \$127 million for Free Community College, and a combined \$975 million out of Fair Share towards the Commonwealth Transportation Fund.

This budget delivers on a shared commitment to the cities and towns across the Commonwealth that we represent. The Committee budget fully funds the sixth and final year of the goal rate for Chapter 70 to meet the Student Opportunity Act (SOA) obligations. Chapter 70 is funded at its highest level ever at \$7.66 billion. This budget also includes additional funding to bring minimum aid up to \$160 per pupil, fully funding charter school reimbursement at 100%, and allocating \$653.4 million for circuit breaker transportation reimbursement. The budget also funds Unrestricted General Government Aid (UGGA) at \$1.333 billion, providing vital local aid to support our cities and towns.

Under the leadership of Speaker Ronald Mariano, the House has led the way in prioritizing workforce development initiatives so that the Commonwealth can strengthen our economic vitality in the face of uncertain times. To ensure equitable growth in this endeavor, the FY27 budget focuses on competitiveness and job training, with investments including \$58.4 million for Adult Education, \$10 million into the Workforce Competitiveness Trust Fund, and \$8.9

million into Career Technical Institutes. These programs, among others, will allow our residents to take advantage of future economic growth in the Commonwealth.

No area has had a greater impact on our workforce than early education and care. The lack of adequate and affordable childcare threatens to be a drag on our economy. The House remains committed to investing more towards early education. As such, this FY27 budget will invest a total of \$1.86 billion towards early education. This includes fully funding the Commonwealth Cares for Children, or C3, grants at \$475 million. This budget also includes \$20 million for Head Start grants, \$20 million for childcare and referral agencies, and \$7.5 million for an early education scholarship.

Housing and homelessness continue to see significant resource commitments in this budget. Massachusetts Rental Voucher Program (MRVP) and Rental Assistance for Families in Transition (RAFT) will be funded at \$281.3 million and \$210 million respectively. Other successful programs such as HomeBase and Home and Healthy for Good will receive \$82.3 million and \$8.9 million respectively. The House will also continue to fund the Shelter workforce assistance needs at \$10 million, giving our shelter system the workforce support it needs.

Healthcare continues to be the most significant area of investment in the budget, with a combined \$32.369 billion committed. \$22.36 billion of those funds are for MassHealth. \$175 million is allocated for Chapter 257 rates, a large and well-deserved increase for human service workers across the Commonwealth. This budget also invests \$12.5 million towards the safe and successful youth initiatives.

The House remains committed to expanding treatment options and providing resources for those struggling with mental health and substance use disorders. We have focused on prevention, intervention, and long-term recovery. This budget will invest \$183.6 million into the Substance Use Disorder Trust Fund, allowing individuals across the addiction spectrum to access the services they need.

The Committee's budget makes investments in environmental programs, understanding the role they play in protecting public health and in making climate resiliency investments for the Commonwealth. The FY27 budget includes \$153.3 million for the Department of Conservation and Recreation and \$81.1 million for the Department of Environmental Protection. On top of that this budget contains \$10 million for the Massachusetts Clean Energy Center, and another \$5 million for the Green SchoolWorks program the House led the way over the last three years to help decarbonize and increase energy efficiency in our public schools through green energy projects.

I would like to thank all members of the House, including the members of the House Committee on Ways and Means, for their input during this unique process. I extend a special thank you to our Assistant Vice-Chair, Representative Kipp Diggs of Barnstable, for his advice and assistance in creating this budget proposal. Unfortunately, this proposal was unable to have the input of our former Vice Chair, Representative Ann-Margaret Ferrante, due to her untimely passing in November. The committee is not the same without her, and we will miss her guidance and support.

I look forward to working closely with all the members of the House of Representatives during the upcoming debate. I know that we will work together to produce a fiscally responsible budget that reflects our shared priorities.

Sincerely,



Aaron M. Michlewitz
Chairman