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MTF Bulletin

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Fiscal Year 2027 House Final Budget

On April 29th, the House finalized its \$63.41 billion Fiscal Year (FY) 2027 budget, after adding \$82.9 million (gross) in spending and 21 outside policy sections to their spending plan over three days of debate.

The House took action on 1,737 amendments through a combination of seven consolidated amendments and 29 separate votes. Some version of at least 792 amendments were adopted; 777 added new spending or line-item language and 15 added or amended outside policy sections. The majority of adopted amendments (766) added earmarks for specific communities, programs, or projects across the state.

This brief summarizes the House debate action and assesses the new spending and policy proposals.

FY 2027 House Final Spending Summary

	FY 2026 GAA	Governor's Budget	HWM Budget	Floor Spend	House Final
Line-Item Spending	\$58,073.0	\$60,113.7	\$60,084.6	\$82.9	\$60,167.5
Surtax Spending	\$2,400.0	\$2,700.0	\$2,700.0	\$0.0	\$2,700.0
Medical Asst. Trust Fund	\$547.6	\$548.0	\$548.0	\$0.0	\$548.0
B.H. Outreach, Access, Support	\$25.4	\$0.0	\$0.0	\$0.0	\$0.0
Total Line-Item Spending	\$61,046.0	\$63,361.7	\$63,332.7	\$82.9	\$63,415.5

\$ in millions

The FY 2027 House budget now includes \$63.41 billion in total line-item spending, \$53.8 million (0.08 percent) more than the Governor’s proposal and \$2.4 billion (3.9 percent) above the FY 2026 General Appropriations Act (GAA) signed into law last July.

Over the course of debate, the greatest amount of new spending was added in the areas of Labor and Economic Development; Health and Human Services, and Elder Affairs; and Public Health, Mental Health, and Disability Services. The least amount of spending was added to the areas of Constitutional Offices, State Administration, and Transportation.

House Debate – Spending Overview

Through the adoption of seven consolidated amendments, the House added \$82.9 million (gross)¹ in new spending to their FY 2027 budget. This figure is \$925K more than the amount of spending added during House debate in FY 2026, which totaled \$81.9 million. The three-year average for House debate spending is now \$86.9 million.

Approximately 90 percent (\$74.5 million) of new spending is attributable to earmarks for specific communities, organizations, or projects; while 10 percent (\$8.4 million) is related to larger, programmatic increases or new line-items.

FY 2027 House Floor Spending by Category

Category	Total Fiscal Note	Earmark Spending	Non-Earmark Spending	Revenue Offsets	Net New Spending
Education & Local Aid/Social Services/Veterans	\$9.40	\$8.90	\$0.5	\$0.0	\$9.4
HHS and Elder Affairs	\$13.72	\$7.50	\$6.2	\$1.5	\$12.2
Public Safety, Judiciary, and Housing	\$8.11	\$8.11	\$0.0	\$0.0	\$8.1
Public Health/Mental Health and Disability	\$13.43	\$12.83	\$0.6	\$0.0	\$13.4
Constitutionals & State Admin./Transportation	\$3.43	\$3.26	\$0.2	\$0.0	\$3.4
Energy and Environmental Affairs	\$8.30	\$8.30	\$0.0	\$0.0	\$8.3
Labor and Economic Development	\$26.48	\$25.58	\$0.9	\$0.0	\$26.5
Totals	\$82.86	\$74.47	\$8.39	\$1.50	\$81.36

\$ in millions

Earmark Spending

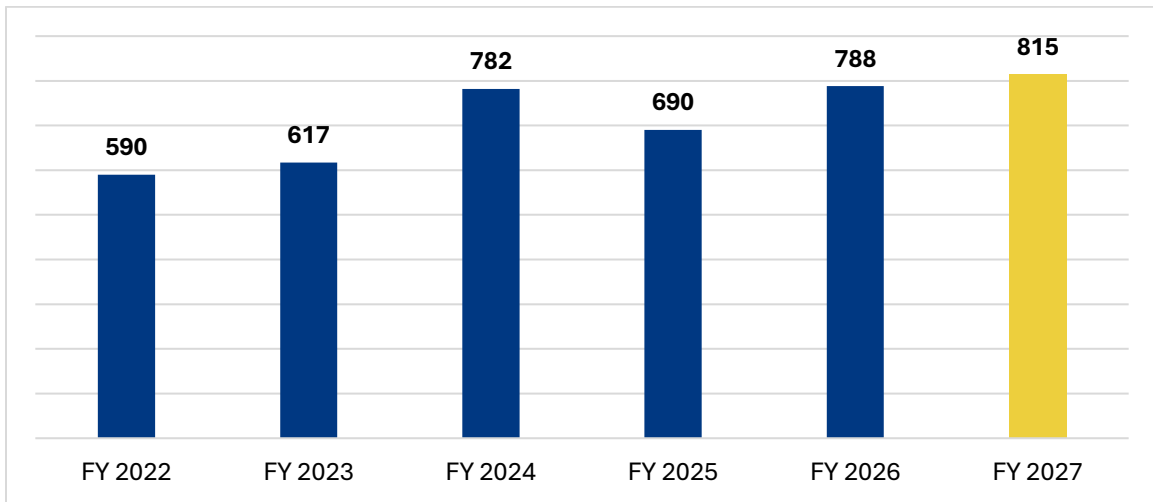
The House added 815 earmarks to its budget during debate, leading to \$74.5 million in new spending. This is 26 more earmarks than were added to the HWM budget in FY 2026.

The number of earmarks added to the budget – in both the House and Senate – has steadily increased over the last several years. While part of this shift towards providing a greater amount of funding for local programs, communities, and projects may be explained by increasing concerns at the local level about the impacts of federal action or other uncertainties, it also appears to be a by-product of the state budget spending growth that took place between FY 2022 and FY 2024.

The number of earmarks added to the House budget exceeds the number of amendments adopted because one amendment may include multiple earmarks. Additionally, the consolidated amendment process allows new earmarks to be adopted to the budget without an underlying amendment having been filed. In FY 2027, the House adopted 43 earmarks that were not originally filed as amendments.

¹ During the House debate, \$3 million in additional funding was adopted for MassHealth Fee-for-Service. This funding is eligible for an estimated 50 percent federal reimbursement. The net spending total adopted by the House is \$81.4 million.

House Earmarks Added by Year, FY 2021 – FY 2027



In FY 2027, the median value of an earmark added to the House budget is \$50,000; demonstrating that while the majority of earmarks carry a modest fiscal impact, combined they make up a significant amount of spending. During House debate, the greatest amount and number of earmarks were added to the Labor and Economic Development category.

FY 2027 House Earmark Spending by Category

Category	Earmark Spending	# of Earmarks
Education & Local Aid/Social Services/Veterans	\$8.90	107
HHS and Elder Affairs	\$7.50	42
Public Safety, Judiciary, and Housing	\$8.11	111
Public Health/Mental Health and Disability	\$12.83	68
Constitutionals & State Admin./Transportation	\$3.26	58
Energy and Environmental Affairs	\$8.30	111
Labor and Economic Development	\$25.58	318
Total	\$74.47	815

\$ in millions

Other Notable Spending

The House added \$8.4 million in non-earmark spending to their final budget, including funds for new line-items and other statewide programs. Notable non-earmark funding increases include:

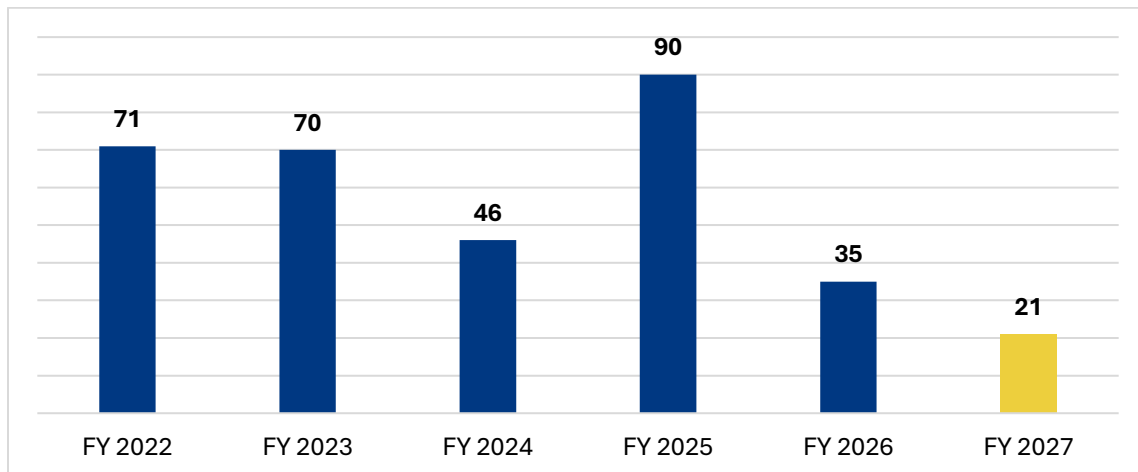
- \$5 million to support supplemental nursing home rates, increasing the total appropriation from \$650 million to \$655 million.
- \$900K for the Commonwealth Zoological Corporation, bringing total spending to \$6.7 million.
- \$775K for the Elder Nutrition Program, increasing total funding to \$13.4 million.

- \$500K for the Genocide Education Trust Fund, to support the instruction of middle and high school students on the history of genocide, underlying causes, international reaction, and the aftermath.
- \$500K for reproductive health access, infrastructure, and security; including total funding to \$2.5 million.
- \$250K for the Edward M. Kennedy Community Health Center, Inc.

House Debate – Policy Sections

This year, the House debate process was notable for the lack of policy amendments adopted, leading to the lowest number of new sections added to the committee budget in at least ten years. Over the course of House debate, 21 new outside policy sections were added and 7 existing sections were amended through the adoption of 15 amendments.

New Policy Sections Added to the HWM Budget by Year



Notable policy amendments include:

- **Teachers’ Retirement Benefits** (Sections 17A, 17B, 17C, and 52A) – Clarifies the retirement status of individuals vested in the teachers’ retirement system or the Boston retirement system who are subsequently employed by the Executive Office of Education or the Department of Elementary and Secondary Education. Additionally establishes a one-time opportunity for certain active and inactive members of the teachers’ retirement system and the Boston retirement system to participate in an alternative superannuation retirement benefit program.
- **Large Employer Healthcare Benefits Report** (Section 6A) – Requires the Center for Health Information and Analysis (CHIA) to submit an annual report on employers with 50 or more employees who are enrollees of MassHealth or the Health Connector. The report must include whether or not the employer offers any employee health benefits, the cost to the state of providing benefits to said employees, and an analysis of the employees attributable to a single franchisor licensing ten or more franchises in Massachusetts.

- **Health Safety Net Transfer** (Section 56A) – Directs the Comptroller, at the direction of the Executive Office for Administration and Finance, to transfer \$37.5 million from the Commonwealth Federal Matching and Debt Reduction Fund to the Health Safety Net Trust Fund to address projected shortfalls in FY 2027 and future fiscal years. The Federal Matching and Debt Reduction Fund is capitalized with interest earnings on the Stabilization Fund.
- **General Fund Transfer** (Section 56B) – Directs the Comptroller, at the direction of the Executive Office for Administration and Finance, to transfer \$8 million from the Commonwealth Federal Matching and Debt Reduction Fund to the General Fund.
- **Special Commission on Dental Benefits** (Section 51A) – Creates a special commission to study and report on the appropriate level and structure of dental benefits provided by MassHealth and the Health Safety Net. The FY 2027 House budget includes a proposal to cap adult dental benefits provided by MassHealth at \$1,725 annually; consistent with the average GIC dental benefit.
- **School Meal Nutrition Advisory Council** (Section 30A) – Directs the Board of Elementary and Secondary Education to establish a school meal nutrition standards advisory council to advise the department on nutrition standards for meals served in schools.

Bottom Line

Over the course of three days of debate, the House added \$82.9 million in new spending to their budget proposal for FY 2027; approximately \$1 million more than the total amount of new spending added in FY 2026 and \$4 million less than the three-year average of House debate spending of \$86.9 million. Total spending in the House budget is now \$63.14 billion, \$53.8 million higher than the Governor’s original proposal.

This marks first time since the FY 2024 budget development process that the final House budget includes a higher spending total than the administration’s recommendation; however, the gap between the two spending plans remains at less than 1 percent.

New spending added to the House budget is predominantly in support of earmarks, while new programmatic investments comprise only 10 percent of new spending. Consistent with prior years, Labor and Economic Development was the category that saw the largest increase in funding during debate. This spending is driven by the addition of \$25.6 million in earmarks for local programs and communities.

The House also added 21 new outside policy sections to their budget, the lowest number of new sections added during debate in at least the last ten years. This is notable because the Legislature is approaching the final months of the two-year legislative session, which has historically led to an increased number of policy proposals adopted through the budget.