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MTF Bulletin

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MTF Summary of the DRIVE Act

On July 31st, 2025, Governor Healey filed H.4375, *An Act to preserve and advance Massachusetts' competitiveness in discovery, research, and innovation for a vibrant economy*, which proposes a \$400 million investment in the state's research and development sector in response to federal grant funding cuts and delays. The House and Senate have incorporated certain provisions of the Governor's bill, but their approach and funding amounts vary.

MTF has prepared a comprehensive summary of the proposals, which includes the following materials:

- An overview of the notable bill sections, how the plans differ, and the next steps in the legislative process; and
- A detailed section-by-section analysis of how each proposal amends existing Massachusetts General Law (MGL) or session law to support the state's public higher education institutions that have experienced changes in federal funding.

An Overview and Comparison of Notable Bill Sections

In spring 2025, the Trump Administration announced federal funding and policy changes that endangered grant funding for research and development projects, including programs supported by the National Institutes of Health (NIH), National Science Foundation (NSF), and National Oceanic and Atmospheric Administration (NOAA) grants. To mitigate the impacts of potential research cuts to Massachusetts institutions, the Healey-Driscoll administration released the DRIVE Act, which proposes a \$400 million investment to preserve the state's pace of scientific research, support talent recruitment and retention, and promote economic development.

Governor's Proposal

The Governor's \$400 million bill included 15 sections that are organized into three notable proposals:

- **Public Higher Education Bridge Funding Reserve** – The bill creates a new Public Higher Education Bridge Funding Reserve that is supported by \$200 million of surplus surtax resources from the Education and Transportation Innovation and Capital Fund that can be made available through Fiscal Year (FY) 2028.
- **Research Resilience Fund** - Appropriates \$200 million from the Public Higher Education Bridge Funding Reserve to capitalize a new Research Resilience Fund that supports public higher



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education and independent research institutions affected by federal funding changes. The Governor earmarks a portion of this investment across three approaches:

- **Flexible Funding (\$80 million)** - to support direct and indirect costs of research, workforce retention, and to preserve the pace of scientific research (\$80 million);
- **Workforce Retention (\$40 million)** – to retain graduate, post-doctorate, and early career research professionals (\$40 million)
- **Joint Partnerships (\$30 million)** - to fund research opportunities, partnerships, and joint ventures to support research activity in 17 targeted sectors that include advanced manufacturing and bioengineering and life sciences.
- **Federal Matching, Fiscal Resilience and Debt Reduction Fund** – Expands the use of \$200 million from the Federal Matching and Debt Reduction Fund, which is supported by accrued interest from the state’s Rainy Day Fund, to include matching grant programs for tax-exempt organizations that have experienced federal funding changes to protect jobs, improve employment opportunities, and support the state’s economic vitality and public health. The Governor proposes extending the period that funds can be obligated from December 1st, 2026, to December 1st, 2029.

DRIVE Act in the Legislature

The House and Senate have both included elements of the DRIVE Act through different legislative vehicles. While the House released its standalone version of the DRIVE Act from the Committees on Economic Development and Emerging Technologies and Health Care Financing, the Senate Committee on Ways and Means included a provision of the DRIVE Act in its FY 2027 Innovation and Capital supplemental budget.

The table below details the similarities and differences between each DRIVE Act proposal.

Major Provisions of the DRIVE Act Proposals

Proposal	Governor	House	Senate
Public Higher Education Bridge Funding Reserve	\$200 million transfer to the Research Resilience Fund	\$0	\$100 million
Research Resilience Fund	\$200 million	\$0	\$0
Federal Matching, Fiscal Resilience, and Debt Reduction Fund	\$200 million	\$200 million	\$0
Total	\$400 million	\$200 million	\$100 million

House’s Proposal



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The bill released by the House Committee on Economic Development and Emerging Technologies dedicates a total of \$200 million to public higher education institutions and federal matching grants for tax-exempt organizations that have experienced changes in federal funding – half as much funding as the Governor’s proposal. The House plan largely follows the administration’s proposal, except for several components:

- \$200 million from the Education and Transportation Innovation and Capital Fund
- Creation of the Research Resilience Fund
- Earmarks for flexible funds, workforce retention, and joint partnership efforts.

However, the House includes the Governor’s language related to allowable uses for the Research Resilience Fund, but instead applies the uses to the Federal Matching and Debt Reduction Fund.

Senate’s Proposal

Unlike the Governor and House, the Senate Committee on Ways and Means incorporated a provision of the DRIVE Act into its version of the FY 2027 Innovation and Capital Fund supplemental budget, through a \$100 million appropriation to support public higher education institutions that have experienced federal funding changes for scientific research, employment opportunities, talent development, and to enable partnership and joint ventures. The Senate dedicates less funding and does not include several provisions found in the Governor or House bill, including:

- Creation of the Research Resilience Fund
- Expansion of allowable uses of the Federal Matching and Debt Reduction Fund

The Senate includes language not found in the Governor and House bills that requires institutions to submit a federal funding disruption mitigation plan and prioritizes schools that demonstrate a multi-year bridge funding plan.

Next Steps in the Legislative Process

The next steps for the DRIVE Act remain unclear, since both the House and Senate have chosen different ways to act upon the Governor’s bill. The bill has several potential paths to Governor Healey’s desk:

- **Standalone DRIVE Act** - The House version of the DRIVE Act was recommended to the House Committee on Ways and Means after being reported favorably by the Committee on Economic Development and Emerging Technologies and the Committee on Health Care Financing. Should the Committee report the bill favorably, the bill would move to a floor vote before being referred to the Senate.



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- **Innovation and Capital Fund supplemental budget** – Since the House and Senate, which included a provision of the DRIVE Act, passed their respective versions of the FY 2027 Innovation and Capital Fund supplemental budget, the bill now goes to the conference committee for budget writers to reconcile the differences.
- **Mass Wins Act** – Last month, the Healey-Driscoll administration filed a wide-ranging economic development bill, the Mass Wins Act, that authorizes \$305 million across eight grant programs, including to support manufacturing, the development and application of AI, and to improve downtown areas. Past economic development bills have served as a vehicle for other proposals and provide another path for provisions of the DRIVE Act to make it to the Governor’s desk.

The Innovation and Capital supplemental budget is likely to have the quickest path to enactment, as members of the House and Senate have already been assigned to the conference committee. Portions of the DRIVE Act not tied to surtax resources could take longer, as the House bill still needs to head to a floor vote before being referred to the Senate.