

5 Takeaways: Fiscal Year 2024 Massachusetts State Budget

Why Does the State Budget Matter?

State budgets play a critical role in providing resources to address residents' needs and creating opportunities for students, families, and communities to thrive. They reflect the administration's and legislature's commitments and values for the state. State budgets have the ability to direct resources and establish policies that reduce longstanding racial and economic disparities in access to jobs, housing, and education. This year the Commonwealth's budget includes **\$56.2 billion** in spending – including significant increases for early through postsecondary education.

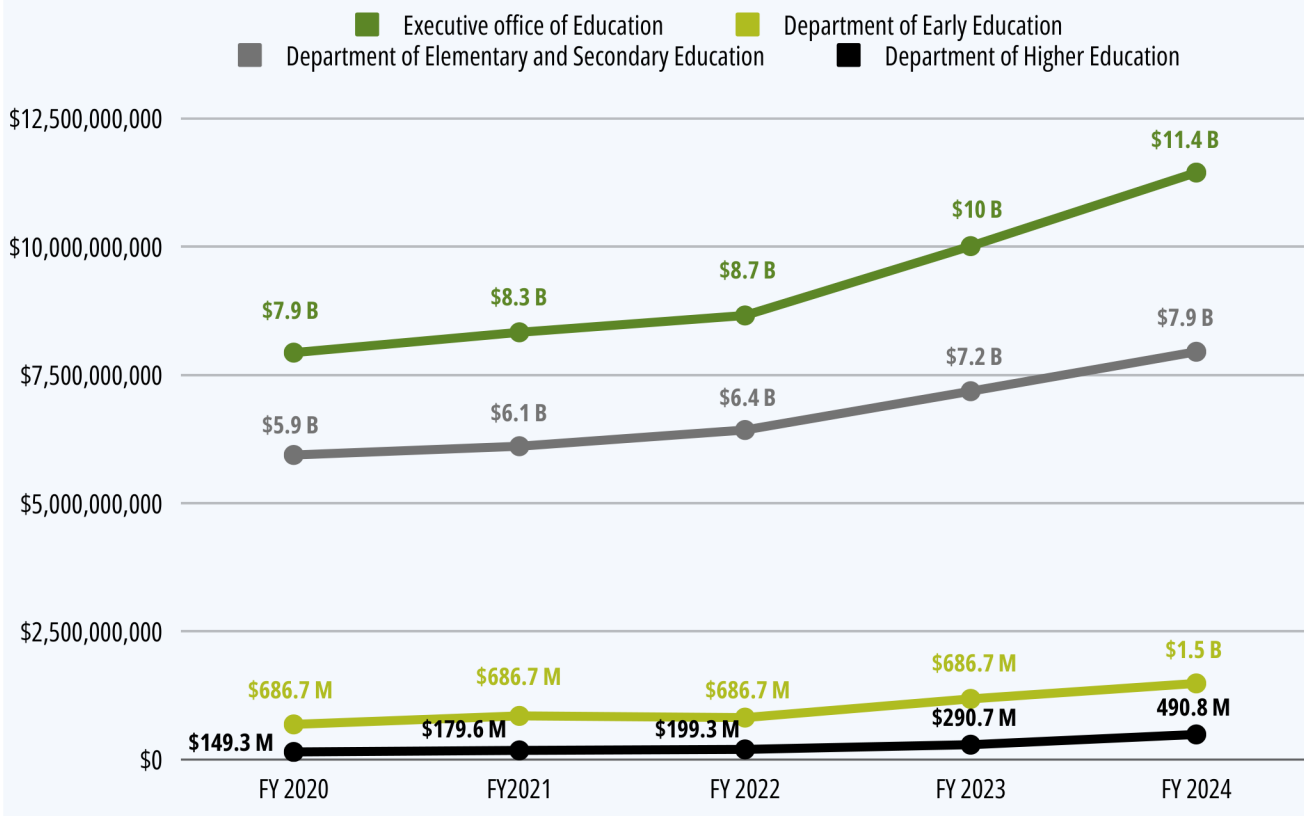
Here are takeaways from the FY24 Budget:

1

Governor Healey signed the fiscal year (FY) 2024 budget on August 9, 2023.

This year the Commonwealth's budget includes **\$56.2 billion in spending** – **\$3.5 billion more than last fiscal year**, including significant increases for early through postsecondary education.

FIGURE 1: Historic Budget Spending

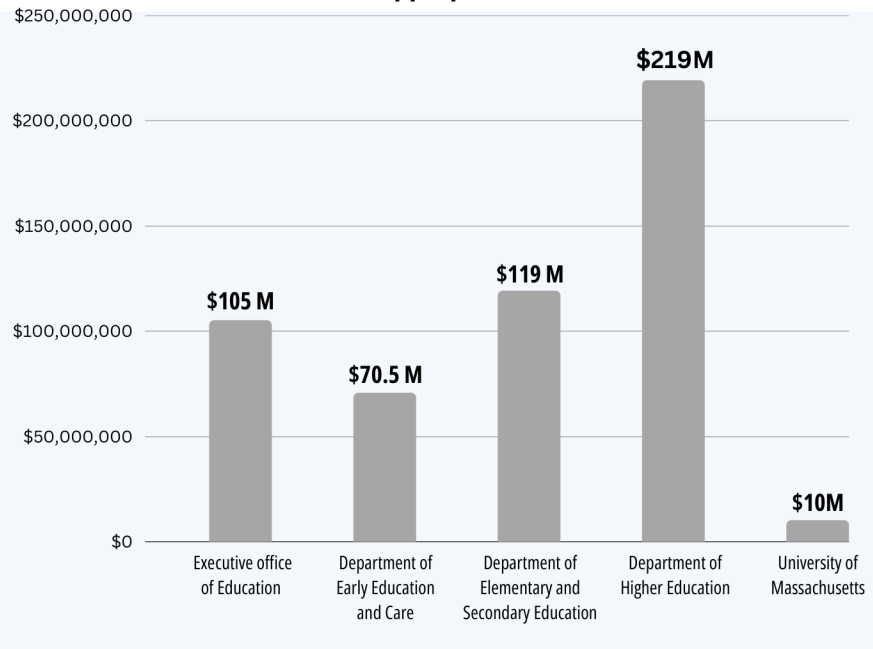


2

Just over half of the Expected Fair Share Amendment revenue was allocated for education.

\$1 billion in Fair Share surtax revenue was split almost evenly, with **\$523.5 million going toward education initiatives** and \$476.5 million for transportation initiatives. About 44% or **\$229 million of the education appropriations went towards higher education.**

FIGURE 2: Fair Share Appropriations for Education



What is the Fair Share Amendment?

In November 2022, Massachusetts voters approved Ballot Question 1 -- also known as the Fair Share

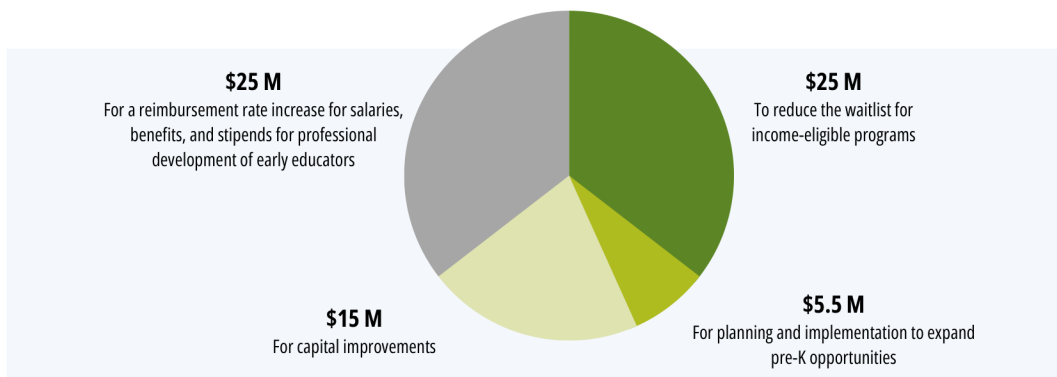
Amendment. The surtax revenue from this amendment is projected to generate about \$2 billion in yearly support for transportation and public education. The FY 2024 budget is the first to include this anticipated revenue.

3

The budget includes significant investments that increase access, affordability, and quality of early education and care.

The FY 2024 budget increases funding for early education and care, bringing the state closer to implementing several of the Special Legislative Early Education and Care Economic Review Commission's recommendations. In addition to \$70.5 million in new funds from the Fair Share Amendment, this budget also includes **\$475 million for the Commonwealth Cares for Children (C3) grants** – a \$225 million increase over the FY 2023 budget.

FIGURE 3: Fair Share Appropriations for the Department of Early Education and Care



4

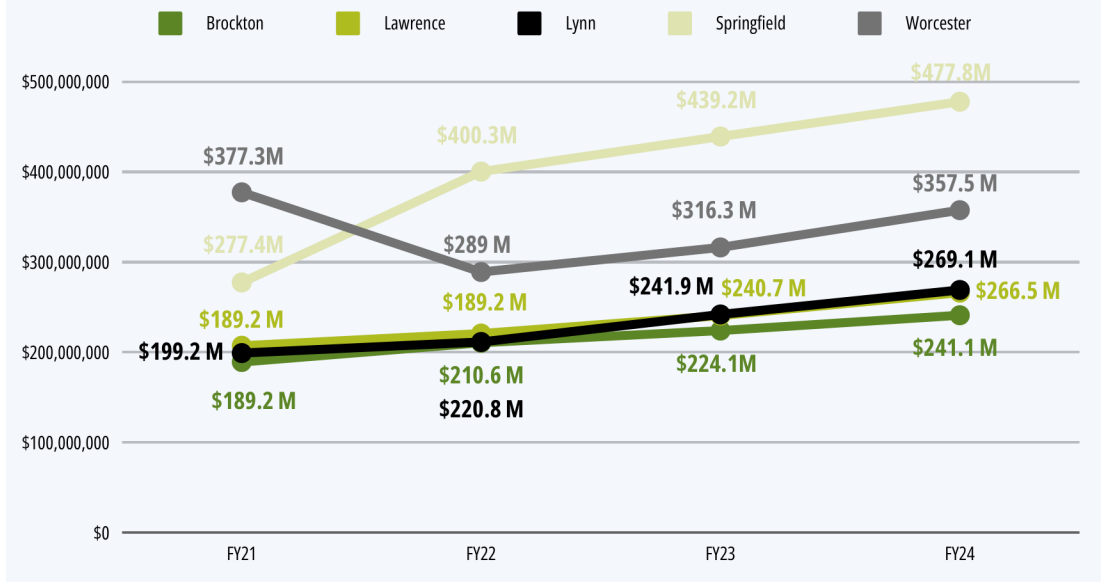
This year's K-12 investments include Student Opportunity Act (SOA) funding and universal free school meals.

The FY 2024 budget represented the third year of implementing the Student Opportunity Act (SOA), which changed the state's school funding formula, known as Chapter 70. This year's budget includes **\$6.58 billion in Chapter 70 aid** for school districts, a **\$595.8 million increase over the last budget**.



In addition to the big investments for Chapter 70, this year's budget also includes **\$172 million for universal free school meals** – making Massachusetts the seventh state in the country to make free meals permanent.

FIGURE 4: Gateway Districts Receiving the Largest Amount of Chapter 70 Aid

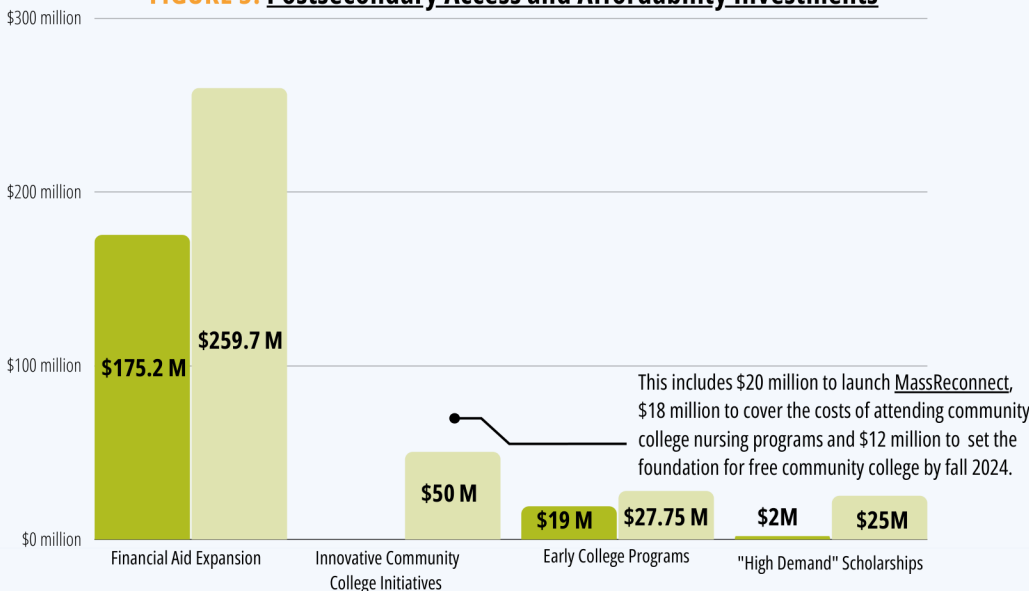


5

The budget includes historic investments that will improve higher education access and affordability.

The FY24 budget increases **postsecondary accessibility and affordability** for several systemically underserved students, including **undocumented students, adult learners, and students from low-income families**.

FIGURE 5: Postsecondary Access and Affordability Investments



Equity Spotlight

The FY 2024 budget allows **undocumented students to qualify for in-state tuition rates and state financial aid at public colleges or universities** if they have attended a Massachusetts high school for at least three years or obtained their GED in the Commonwealth.

