

Two Years of Fair Share Funding at Work

Nearly two years after Massachusetts voted to create a more equitable tax system to directly support education and transportation, \$2.3 billion dollars have been dispersed to a wide variety of important programs, with more than \$1 billion in additional funding to be dispersed in the coming months.

The Fair Share Amendment, passed by voters in 2022, is an additional tax on households with incomes over \$1 million. For more information, [please see MassBudget's Fair Share resources page.](#)

Fair Share Has Helped Education and Transportation Funding

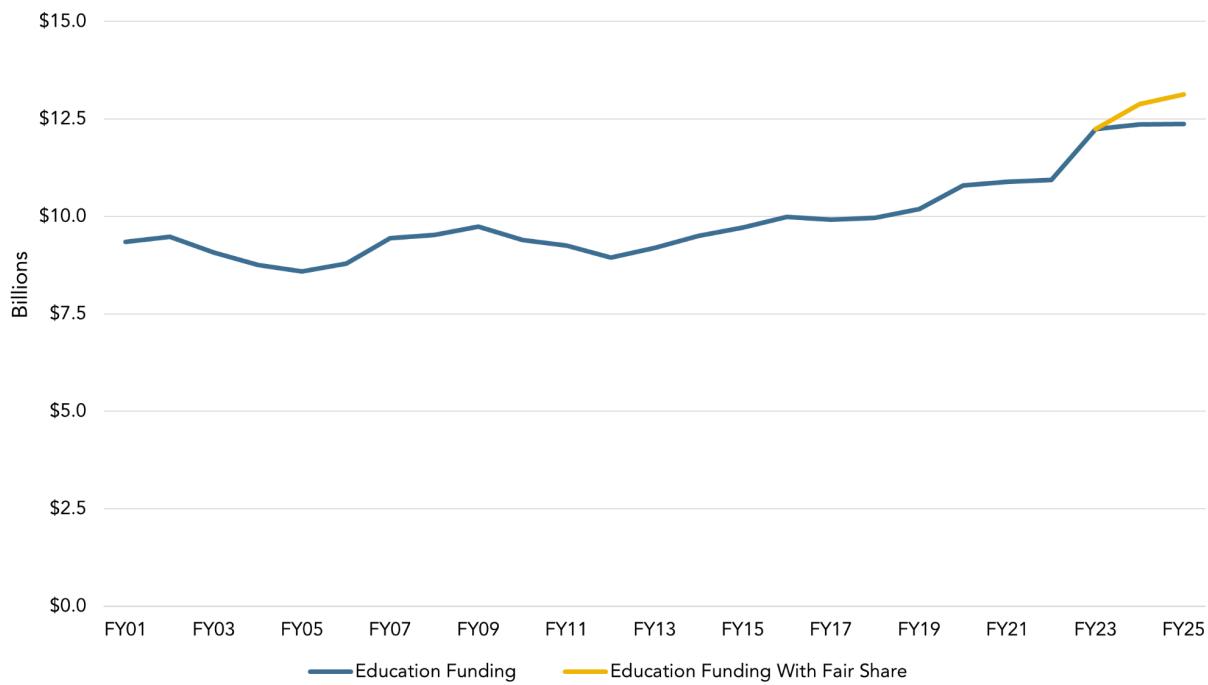
There were some initial concerns that the Fair Share Amendment would not have the intended effect of increasing state spending on transportation and public education. Opponents warned that legislators would divert the new revenue to other areas, and there would be no real increase for the Commonwealth's transportation and public education systems. Over the first two budgets of Fair Share spending, however, these fears have so far proved to be unjustified.

Education

In Fiscal Years (FY) 2024 and 2025, there was substantial new state investment in education, including early childhood, K-12, and higher education. With Fair Share investments, funding for education in the state budget grew in inflation-adjusted dollars much more than it would have otherwise. Fair Share funding enabled the Commonwealth to sustain new pandemic-era programs in education and supported continued year-over-year increases.

Fair Share Dollars are Increasing Education Funding

Inflation-Adjusted Education Funding, Fiscal Years 2001-2025



A Closer Look at Fair Share's Effect on Education Funding

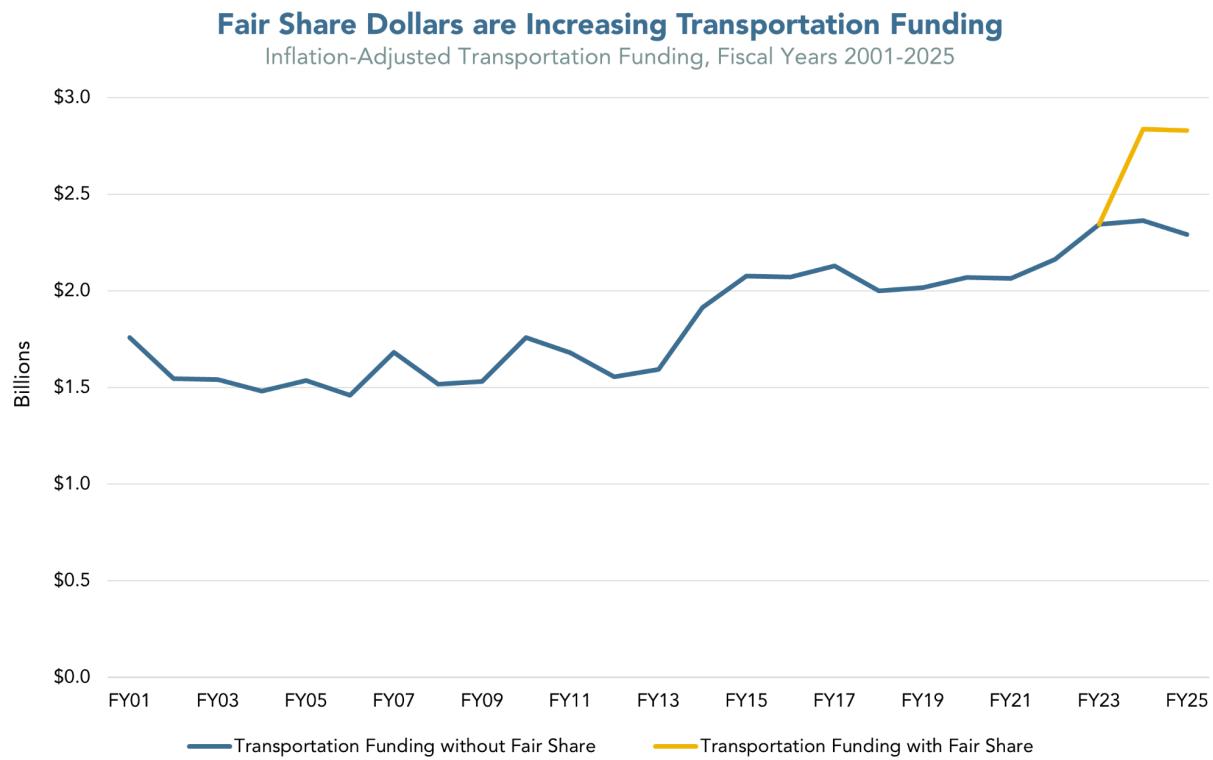
without Fair Share with Fair Share

	Percent Change	1%	5%
		Dollar Change	
FY23 to FY24		\$120,015,306	\$638,927,953
	Percent Change	0.03%	2%
FY24 to FY25	Dollar Change	\$3,927,255	\$246,514,608

Transportation

Transportation funding has grown sharply as a result of Fair Share dollars. In FY 2024, transportation funding increased 21 percent over FY 2023 totals. Part of this steep increase was due to a substantial 2023 investment in the MBTA's [Safety/Workforce Reserve Fund](#) that was not fully spent and carried forward into FY 2024. Transportation funding experienced a slight decrease from that heightened level between FY 2024 to FY 2025, as shown in the graph below. The state budget provided \$180 million for an [MBTA Capital Investments](#) program in FY 2024 to fund important non-recurring safety and performance improvements that received another \$60 million in FY 2025. While the "lumpiness" of capital investments

across fiscal years largely accounts for the less than one percent decrease from FY 2024 to FY 2025, transportation funding sustained a clear upward trajectory as a result of Fair Share investments.

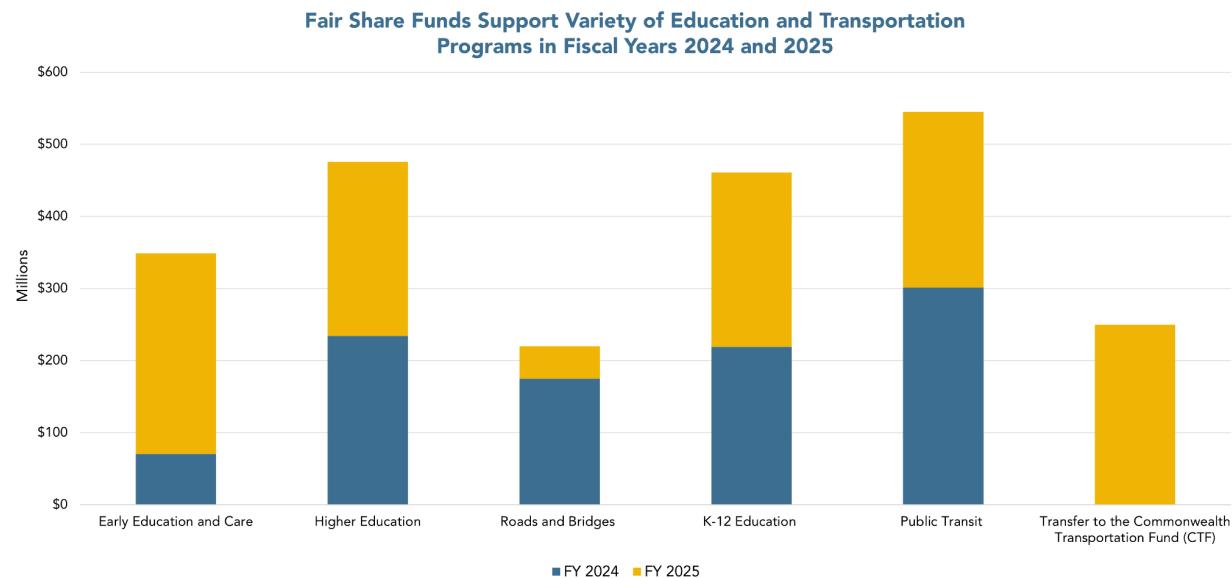


A Closer Look at Fair Share's Effect on Transportation Funding

		without Fair Share	with Fair Share	
		Percent Change	1%	21%
FY23 to FY24	Dollar Change	\$18,883,023	\$491,207,524	
	Percent Change	-3%	-0.20%	
FY24 to FY25	Dollar Change	-\$72,023,733	-\$5,848,234	

*note: FY 2024 and FY 2025 funding for the MBTA Safety/Workforce Reserve Fund are based on [projections](#) from the Executive Office for Administration and Finance.

Where Fair Share Dollars are Going



Subcategory	Percent of Fair Share Funding in FY 2024	Percent of Fair Share Funding in FY 2025	Percent of Cumulative Fair Share Funding
Early Education and Care	7%	21%	15%
Higher Education	23%	19%	21%
Roads and Bridges	18%	3%	10%
K-12 Education	22%	19%	20%
Public Transit	30%	19%	24%
Transfer to the Commonwealth Transportation Fund (CTF)	0%	19%	11%
Totals	100%	100%	100%

***For information on all Fair Share line items, please see the appendix*

The Fair Share Amendment created a more equitable tax system and investments from Fair Share are helping to advance racial equity in the budget.

Fair Share dollars have been, and continue to be, transformational for Massachusetts residents. Below are some critical investments that illustrate its direct and immediate effects through increased affordability and access to crucial programs.

Longer term, Fair Share revenue will allow us to fix bridges, repair buildings at public universities, or annually finance \$250 million in bonds to pay for transportation infrastructure improvements. These projects will have a real impact on the quality of life for everyone in the Commonwealth.

Examples of Fair Share Investments

Fare-Free Regional Transit: [Initially funded by pandemic-era federal investments](#), fare-free regional transit services received state funding via Fair Share funds in FY 2024 and FY 2025. A [\\$30 million investment in FY 2025](#) will allow Regional Transit Authorities to continue supporting fare-free programs that have been successful in [increasing ridership](#), with riders [more likely](#) to be people of color and lower-income.

Free School Meals: \$170 million of Fair Share revenue in FY 2025 will go to provide free school meals for Massachusetts's children, regardless of income. Free school meal programs have been shown to reduce [food insecurity](#) for children and [ease financial burdens on families](#).

Free Community College: [The MassReconnect program](#), initially funded via Fair Share in FY 2024, provides free community college for people aged 25 and up. After years of decline, enrollment in community colleges across Massachusetts rose by 9 percent in Fall 2023, likely due to this additional investment. In FY 2025, \$117.5 million of Fair Share revenue was allocated to MassEducate to expand on the success of the MassReconnect program by offering universal tuition-free community college and \$1,200 stipends for books, supplies, and other expenses for students with low incomes. Tuition-free community college will be helpful for Massachusetts's residents and employers alike, allowing students to receive education and training in sectors facing [workforce shortages](#). With over [50 percent of community college attendees students of color](#), this program is important to promote racial equity and to begin to close the racial wealth gap.

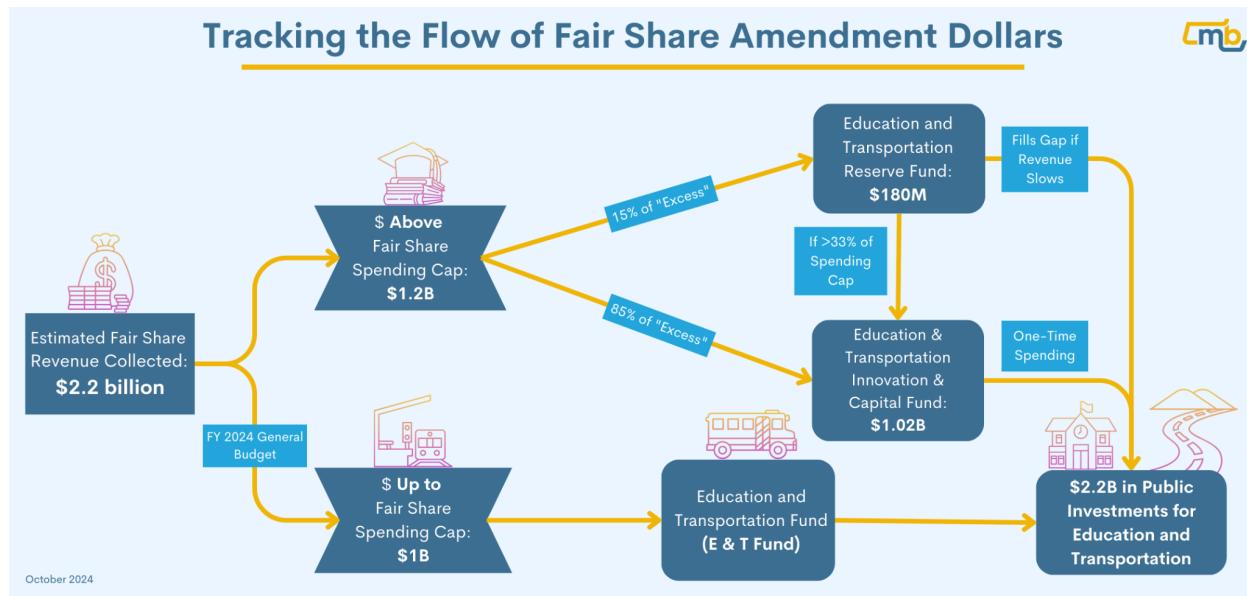
Early Education and Care Operational Grant Fund: \$175 million of Fair Share revenue will support the creation of a new Early Education and Care Operational Grant Fund to continue providing Commonwealth Cares for Children (C3) grants. These grants have been instrumental in [increasing child care slots](#) and [stabilizing the child care sector](#). The grants work to promote equity by [reserving a majority of funds for providers enrolling a considerable portion of children who receive child care subsidies](#).

MBTA Capital Investments: The MBTA received \$240.8 million of Fair Share revenue for Capital Investments over these two years. In FY 2024, \$180.8 million went toward infrastructure improvements for the commuter rail, bridge repairs and replacement, and signal improvements on the T, among other important improvements. These infrastructure improvements, like eliminating slow zones, will improve service for MBTA riders, of which [61 percent](#) are people of color or Hispanic/Latino.

More Fair Share Funding Opportunities on the Way

The Legislature initially budgeted \$1 billion for Fair Share in FY 2024, but current estimates are that Massachusetts collected \$2.2 billion in Fair Share revenue. According to current law, 15 percent of the

overage will go to the Education and Transportation Reserve Fund, which acts as a “rainy day” fund for Fair Share spending. The other 85 percent of the overage is transferred to the Education and Transportation Innovation and Capital Fund, which can be used for one-time investments. The Legislature is likely to budget these one-time investment funds from the revenue collected in FY 2024 in supplementary budgets in late 2024. This presents an opportunity to invest in important education and transportation programs that were left unfunded or underfunded in the FY 2024 and FY 2025 budgets.



In the coming months, lawmakers will distribute \$1 billion of unspent Fair Share revenue, most likely through supplementary budgets. To ensure Fair Share funds go to where voters intended to allocate them, advocates and lawmakers should consider one-time education and transportation investments that directly benefit their communities.

Appendix

Category	Program	FY 2024	FY 2025	Total Funding
Education	Childcare Grants to Providers	\$0	\$175,000,000	\$175,000,000
Education	Community College and State University Wraparound Supports	\$0	\$2,500,000	\$2,500,000
Education	CPPI Pre-K Initiative	\$5,500,000	\$5,000,000	\$10,500,000
Education	DHE Endowment Match	\$10,000,000	\$5,000,000	\$15,000,000
Education	Early College and Innovation Pathways	\$5,000,000	\$2,500,000	\$7,500,000

Education	Early Education & Care Provider Capital	\$15,000,000	\$0	\$15,000,000
Education	Early Education and Care Reimbursement Rate Increase	\$25,000,000	\$65,000,000	\$90,000,000
Education	Early Education Waitlist Reduction	\$0	\$18,000,000	\$18,000,000
Education	Financial Aid Expansion	\$84,000,000	\$80,000,000	\$164,000,000
Education	Free Community College	\$0	\$93,500,000	\$93,500,000
Education	Free Community College Implementation Supports	\$12,000,000	\$0	\$12,000,000
Education	Green Schoolworks	\$50,000,000	\$10,000,000	\$60,000,000
Education	Higher Education Capital Funding	\$50,000,000	\$0	\$50,000,000
Education	Income Eligible Waitlist	\$25,000,000	\$15,000,000	\$40,000,000
Education	Literacy Launch Initiative, FAIR SHARE	\$0	\$20,000,000	\$20,000,000
Education	MassReconnect	\$20,000,000	\$24,000,000	\$44,000,000
Education	Mental Health Birth to Higher Education	\$0	\$5,000,000	\$5,000,000
Education	Minimum Per Pupil Aid	\$0	\$37,000,000	\$37,000,000
Education	MSBA Capital Supports	\$100,000,000	\$0	\$100,000,000
Education	Nursing Programs Free Community College	\$18,000,000	\$0	\$18,000,000
Education	School Meals	\$69,000,000	\$170,000,000	\$239,000,000
Education	SUCCESS for State Universities	\$0	\$14,000,000	\$14,000,000
Education	Targeted In-Demand Scholarships	\$25,000,000	\$10,000,000	\$35,000,000
Education	UMass Endowment Match	\$10,000,000	\$10,000,000	\$20,000,000
Transportation	Federal Matching Funds	\$25,000,000	\$0	\$25,000,000
Transportation	Highway Bridge Preservation	\$50,000,000	\$0	\$50,000,000
Transportation	MBTA Academy	\$0	\$10,000,000	\$10,000,000
Transportation	MBTA Capital Investments	\$180,800,000	\$60,000,000	\$240,800,000
Transportation	MBTA Means Tested Fares	\$5,000,000	\$20,000,000	\$25,000,000

Transportation	MBTA Workforce/Safety Reserve	\$20,000,000	\$36,000,000	\$56,000,000
Transportation	Regional Transit Funding and Grants	\$90,000,000	\$110,000,000	\$200,000,000
Transportation	Roads & Bridges Supplemental Aid	\$100,000,000	\$45,000,000	\$145,000,000
Transportation	Transfer to the Commonwealth Transportation Fund (CTF)	\$0	\$250,000,000	\$250,000,000
Transportation	Water Transportation	\$5,700,000	\$7,500,000	\$13,200,000