



Office of  
**Representative Hannah E. Kane**  
Commonwealth of Massachusetts

FOR IMMEDIATE RELEASE  
March 19, 2026

CONTACT: Kerry Shea, 617-722-2810

## **Representative Kane supports supplemental budget to fund education and transportation initiatives**

*Bill includes food donation tax credit based on legislation filed by Representative Kane*

*Also pushes for more equitable distribution of surplus Fair Share surtax revenues to cities and towns to alleviate local budget constraints*

**BOSTON** – State Representative Hannah Kane (R-Shrewsbury) recently supported a \$1.8 billion supplemental budget that allocates surplus Fair Share surtax revenues to pay for a wide range of education and transportation-related initiatives across the state, while also advocating for the creation of a dedicated fund that would annually devote a portion of these surplus revenues to assist cities and towns.

Released by the House Ways and Means Committee on March 17 as House Bill 5264, the initial supplemental budget authorized \$885 million in transportation funding, primarily for the MBTA but also to cover snow and ice removal costs and workforce training for Regional Transit Authorities. Another \$417 million in Fair Share surtax revenues was allocated for education-related priorities, including Special Education and Early Education Childcare costs, with additional funding added during floor debate to help support members' district priorities.

Approved by Massachusetts voters as a constitutional amendment in 2022, the Fair Share surtax places an additional 4% surtax on income over \$1 million, taxing it at a rate of 9%. The revenue raised is to be used only for education and transportation purposes.

House Bill 5264, as amended, was engrossed by the House of Representatives on a vote of 150-3 on March 18. It will now advance to the Senate for its consideration.

During floor debate, Representative Kane supported an amendment, offered by Representative Justin Thurber (R-Somerset), to provide for a more equitable distribution of surplus Fair Share funding to Massachusetts cities and towns. His proposal called for the creation of a Municipal Roads and Schools Capital Distribution Fund that would annually receive \$100 million – or half of the prior year's Fair Share surplus, whichever is greater – for distribution to cities and towns on a per capita basis. This additional funding would make a real difference for cities and towns that are being forced to pursue Proposition 2 ½ overrides to balance their budgets and maintain critical services, Representative Kane noted.

Under this proposal, municipalities would be required to split the funding they receive equally between road and bridge projects and school capital expenses. Although this funding could be used for debt retirement or saved for future capital projects, communities would be prohibited from using the money for operating expenses and would also be required to file a report annually with the State Comptroller detailing how these funds are spent. The amendment was fully supported by the House Republican Caucus but failed on a vote of 25-128.

Representative Kane noted the supplemental budget contains \$150 million to cover Special Education Circuit Breaker costs, providing critical funding support to cities and towns that are struggling under tight budget constraints. She was also able to secure additional funding in the bill for local initiatives through the amendment process, including \$50,000 for Shrewsbury Public Schools, \$50,000 to offset Shrewsbury's special education costs, and \$50,000 for road repairs in Shrewsbury. In addition, Representative Kate Donoghue (D-Westborough) and Representative Kane filed an amendment that secured \$50,000 for road and sidewalk improvements in Westborough.

House Bill 5264 also addresses some recent federal tax law changes that would affect Massachusetts, including a Research and Experimental credit and others pertaining to businesses. The bill aligns with Governor Healey's proposal to delay implementation of these tax changes for one or two years to help mitigate their financial impact on the state. But it also calls for decoupling the state from these tax credits in the event that voters approve this November's ballot question to lower the personal income tax from 5% to 4%.

An amendment filed by Representative Kenneth Swezey (R-Duxbury) to strike this language from the bill was unsuccessful. Representative Kane acknowledged having concerns about the unprecedented move to implement policy changes in anticipation of a ballot question that has not yet come before the state's voters but said she felt the bill was worth supporting due to some of the vital funding assistance it provides to cities and towns.

In addition to the \$150 million earmarked for Special Education Circuit Breaker costs, House Bill 5264 allocates:

- \$150 million for Early Education Childcare costs
- \$38.7 million for the Early Education and Care Income Eligibility waitlist, including \$7.5 million for loan forgiveness for childcare providers
- \$20 million for school clean energy upgrades through the Green SchoolWorks program
- \$5.1 million for the Tomorrow's Teachers Loan Forgiveness Program

Representative Kane said House Bill 5264 also utilizes non-Fair Share revenues from the state's General Fund to provide:

- \$300 million for the Group Insurance Commission
- \$54.4 million to address budget deficiencies in the state sheriffs' offices, which will be required to report on how these funds are being used
- \$41.6 million to support Department of Transitional Assistance (DTA) caseworkers
- \$10 million for FIFA Boston for expenses related to Massachusetts hosting World Cup games this summer

**Food Donation Tax Credit** - According to Representative Kane, House Bill 5264 also ratifies eight collective bargaining agreements and includes a Food Donation Tax Credit for farm businesses, which will be capped at \$5,000 annually per individual and would be based on the amount of food donated to a nonprofit food distribution organization. The tax credit included in House Bill 5264 is based on legislation Representative Kane has filed and advocates for since 2017 to establish a food donation tax credit, titled *An Act encouraging the donation of food to persons in need*.

###