

Introduction

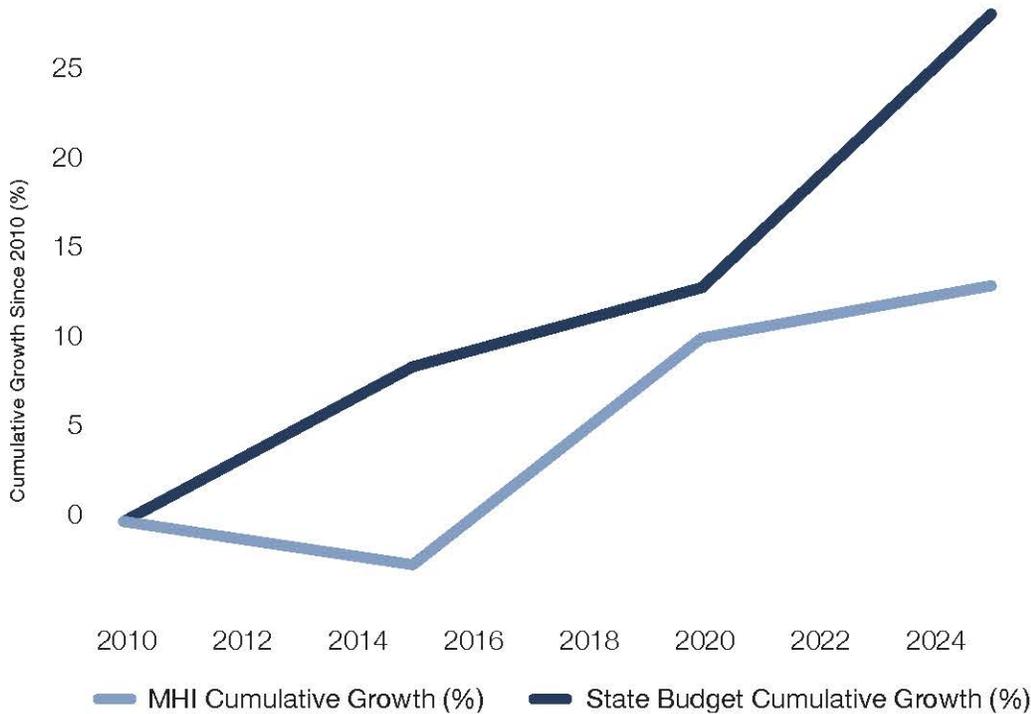
Between 2010 and 2025, Massachusetts’ state budget grew, in nominal terms, from \$32.3 billion to \$61 billion (see figure 1). Adjusting all figures to 2025 dollars to remove inflation, the state budget increased by 28.2 percent; by contrast, median Massachusetts household income (MHI) rose just 13.2 percent. In practical terms, this means that state spending grew at more than twice the annual rate of household income, with the gap widening over time. MHI accurately reflects the financial reality of typical households, and relative to budget growth its gains have been modest. The 2015–20 stretch stands out as the only period in which households got a breather, as MHI increased 12.6 percent compared with budget growth of just 4.4 percent. As a result, the state now demands significantly more from taxpayers while delivering proportionally less in areas such as local aid, housing, and regulatory responsiveness.

The takeaway is that Massachusetts’ state budget grew by more than twice the growth in median household income from 2010 to 2025. The imbalance raises serious questions about the state’s long-term sustainability; that is, state spending is rising far faster than the economic capacity of the households that support it. Figure 2 shows the variance graphically.

Figure 1. MHI vs MA State Budget, 2010–25¹

Year	Median HH Income (2025\$ est)	MA Budget (2025\$ est \$B)	MHI % Growth (2025\$)	Budget % Growth (2025\$)	Cumulative Growth	
					MHI (2010–Year, %)	Budget (2010–Year, %)
2010	\$95,600	\$47.6			0	0
2015	\$93,300	\$51.7	-2.4	8.6	-2.4	8.6
2020	\$105,100	\$53.8	12.6	4.1	9.9	13
2025	\$108,200	\$61.0	2.9	13.4	13.2	28.2

Figure 2. Cumulative Growth: MHI vs MA State Budget, 2010–25 (2025\$)



Growth in the state workforce and payroll have far outpaced both population growth and the economic reality of most residents. As of August 2025, Massachusetts employed

133,800 state workers. That’s a 4.4 percent increase over the past five years, or 5,600 new positions, despite only a modest increase in services.

According to CTHRU, the Massachusetts comptroller’s data dashboard, there has been a rise in full-time equivalents from 85,000 in 2021 to almost 91,000 in 2024. There were more than 90,000 full-time State employees in 2024, with another 31,000 working part time. Base pay alone totaled \$9.3 billion in 2024, and total compensation—including overtime, buybacks, and add-ons—reached \$10.26 billion. That’s a 28 percent jump since 2019, and a staggering 58 percent increase since 2014.

Much of the growth is happening in a web of quasi-public authorities and off-budget entities that operate with little oversight and scant transparency, consuming public dollars without public accountability.

This fiscal sprawl is not just expensive—it’s a sign of systemic dysfunction. The state clings to outdated laws like the Pacheco Law that block competition, mandate union-only service delivery, and shut out private firms that could deliver better results at lower cost. Public construction contracts sometimes exclude over 80 percent of the construction workforce, especially small, minority-, and immigrant-owned firms. Meanwhile, municipalities face rising responsibilities with stagnant state support. Local governments are burdened by complex permitting rules, delayed approvals, and rigid mandates that stifle development and economic growth.

Massachusetts isn’t leading—it’s stuck. Stuck in outdated structures. Stuck in unsustainable spending. And stuck in a mindset that refuses to learn from states that are building smarter, faster, and more affordably.

Our vision for an effective Massachusetts government includes strategic attrition to responsibly reduce the state workforce, a comprehensive review of quasi-public entities and off-budget authorities, a repeal or overhaul of the Pacheco Law to restore competitive service delivery, an end to union-only project labor agreements on public construction, means-testing programs to generously support those who need it, ensuring the integrity of major benefits and support programs, and rebalancing fiscal policy to strengthen local governments and frontline services.

Taken together, the reforms outlined in this section could conservatively yield more than \$1 billion per year in recurring savings, with near-term (year 1 and 2) savings of around \$1.1 billion and by year 4 savings of \$1.8 billion (see Figure 3). These figures rely on modest, evidence-based assumptions—often at the low end of observed savings in other states—and exclude one-time savings and broader economic effects such as faster permitting, increased competition, and improved service delivery. The estimates reflect partial implementation and are intended to illustrate the order of magnitude of achievable savings, not to serve as a formal budget projection.

Figure 3. Illustrative Annual Savings from Fiscal Reform Agenda

Reform Area	Est. Savings (\$M)
Strategic workforce attrition (≈1% annually)	\$120–130
Transparency and consolidation of quasi-public entities	\$150–200
Competitive service delivery (Pacheco Law reform)	\$200–300
Open competition in public construction (PLA reform)	\$150–250
Means-testing universal free school meals	\$90–125
Means-testing free community college	\$30–40
AI-enabled integrity controls (UI, procurement, major benefits)	\$350–\$750M
Total (range)	\$1.1–1.8 Billion

Note: Estimates reflect conservative assumptions, recurring savings only, and partial implementation. Figures exclude one-time savings, avoided future cost growth, and broader economic impacts.

Massachusetts doesn't need to spend more; it needs to spend smarter, govern better, and get out of the way when others can do the job more effectively. Now is the time to rein in the sprawl, reset priorities, and put results ahead of bureaucracy.

Six Commonsense Reforms to Improve Government Efficiency

Reduce Agency Payroll Through Strategic Attrition

Massachusetts continues to expand its public payroll despite advances in automation and major shifts in service delivery. According to the Comptroller's CTHRU website, the Commonwealth spent \$10.6 billion on payroll in 2024—up from \$6.3 billion in 2014, yet core responsibilities like local aid remained underfunded. According to the Federal Reserve Bank of St. Louis, as of August 2025, the state employed approximately 133,800 full and part-time workers². The state's comptroller reported that in 2024, there were 90,758 full-time employees.³

Annual attrition is significant—in the last two quarters of FY25, about 2,000 people terminated employment in executive branch departments alone.⁴ Employees leave state service each year through retirement, resignation, or other separations. A focused reform effort could redirect this natural turnover. Rather than filling all vacated positions, the state should reduce total headcount by about 1 percent per year—approximately 900 full-time positions—with special emphasis on low-priority roles and those in the bottom 1 percent of performance. Such a minimal impact on positions should be feasible not only because of expected attrition, but also because of the advent of new tools and technologies, including AI.

According to CTHRU, 2025 compensation data show the average salary for full-time state workers is \$65,000. Fringe benefit costs—including health care, pensions, and payroll taxes—run about 36.5 percent of total compensation, or roughly 62.6 percent of base salary, or \$12,200 per employee. This brings total annual compensation to about \$115,700 per employee. Eliminating 900 positions annually could therefore yield \$124 million in savings per year, totaling close to \$500 million in four years, before offsetting health care is factored in.

This approach requires maximum managerial flexibility. Cabinet secretaries must be empowered to eliminate outdated or duplicative positions, address underperformance, and invest in modernization, partnerships, and essential services. Frontline roles in child protection, public safety, and essential services should be exempt to maintain critical functions.⁵

Recommendation: Reduce state agency headcount by 1 percent annually (~900 positions/year) through strategic attrition and performance-based elimination. Prioritize low-performing and nonessential roles, maintain essential level flexibility, and reallocate savings toward frontline services, modernization, and local aid.

Increase Transparency for Massachusetts' Hidden Government

Massachusetts' sprawling network of authorities, quasi-public entities, and independent boards and commissions represents a parallel government operating with minimal transparency and virtually no centralized oversight. While cabinet-level executive agencies face regular audits and reporting requirements, these non-executive bodies often operate in the shadows, despite commanding billions in public funds and employing thousands.

There are over 700 boards and commissions in Massachusetts, many with unclear missions, duplicative roles, or minimal public engagement. While most are advisory or regulatory and do not control significant spending, their rulemaking authority can carry