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SECRETARY

Commonwealth of Massachusetts

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July 1, 2023

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Senate Clerk
State House, Room 335
Boston, MA 02133

Steven T. James
House Clerk
State House, Room 145
Boston, MA 02133

Michael Rodrigues, Chair
Senate Committee on Ways & Means
State House, Room 212
Boston, MA 02133

Aaron Michlewitz, Chair
House Committee on Ways & Means
State House, Room 243
Boston, MA 02133

Honorable Clerk of the House, Clerk of the Senate, Senate Ways and Means Committee Chair and members, and House Ways and Means Committee Chair and members,

Pursuant to Section 81 of Chapter 102 of the Acts of 2021, *An Act Relative to Immediate COVID-19 Recovery Needs* ("Chapter 102"), I write to provide a status report detailing the planned source of revenue matched to each item in Chapter 102 as of the quarter ending June 30, 2023. This report also includes the planned source of revenue matched to each item in Chapter 268 of the Acts of 2022 ("Chapter 268").

As you know, the funding sources for appropriations in Chapter 102 are quite different from other legislation. The Commonwealth received \$5.286 billion from the federal Coronavirus State Fiscal Recovery Fund (CSFRF), which was created by the American Rescue Plan Act of 2021, Pub. L. 117-2 (March 11, 2021) (ARPA). The Commonwealth also deposited approximately \$1.46 billion of the fiscal 2021 surplus to the Transitional Escrow Trust. Chapter 102 requires the Secretary of Administration and Finance to assign appropriations to the most appropriate funding source. Similarly, Section 2A of Chapter 268 as enacted authorized spending from either the CSFRF or the General Fund. The Secretary of Administration and Finance assigns appropriations to the most appropriate funding source.

The Commonwealth aims to maximize the federal revenue available to respond to and recover from the public health emergency caused by COVID-19 and minimize the compliance risks associated with federal funds.

The Executive Office for Administration & Finance (“A&F”) engages in a robust dialogue with state agencies and other stakeholders to evaluate programs for compliance with federal rules and regulations, including but not limited to the US Treasury’s Final Rule (31 CFR Part 35), the federal Uniform Guidance (2 CFR Part 200), and other applicable regulations.

Please find the table that assigns a funding source to each item included in Chapter 102 and Chapter 268 labeled Attachment A. Note that this assignment is subject to change as A&F evaluates the programs and projects to be supported with these funds.

Sincerely,

Matthew J. Gorzkowicz
Secretary
Executive Office for Administration and Finance