



Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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WILLIAM McNAMARA
COMPTROLLER

February 26, 2025

Secretary Matthew J. Gorzkowicz
Executive Office for Administration & Finance
State House, Room 373
Boston, MA 02133

Mr. Timothy Carroll
Clerk of the House of Representatives
State House, Room 145
Boston, MA 02133

House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

Mr. Michael D. Hurley
Clerk of the Senate
State House, Room 335
Boston, MA 02133

Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

Legislative filing to be made in the LAWS system

Re: Reporting required by Chapter 214 of the Acts of 2024

Dear Sirs:

Chapter 214 of the Acts of 2024 established a “non-budgeted special revenue fund to be known as the Commonwealth Federal Matching and Debt Reduction Fund, which shall be administered by the secretary of administration and finance.” Among other things, the legislation also sets out the process for quarterly transfers into the new fund of interest credited to the Stabilization Fund (subject to certain tests and limitations) and reporting requirements, both of which were made responsibilities of my office. Finally, it directs that a one-time transfer be made of interest credited to the Stabilization Fund during Fiscal Year 2024.

The annual reporting is to occur within five days of the issuance of the annual Statutory Basis Financial Report (SBFR), which occurred on February 19, 2025.

Part 1: Tests related to potential transfers in Fiscal Year 2025. Section 2 says (in part):

(b) Quarterly, the comptroller shall transfer to the fund any interest credited to the Commonwealth Stabilization Fund during the previous quarter; provided, however, that no such transfer shall occur if: (i) the balance of the Commonwealth Stabilization Fund for the most recently ended fiscal year has decreased below the balance of the

Commonwealth Stabilization Fund at the close of the immediately preceding fiscal year as certified by the comptroller in the statutory basis financial report required pursuant to section 12 of chapter 7A; or (ii) the balance of the Commonwealth Stabilization Fund does not exceed 10 per cent of budgeted revenues for the immediately preceding fiscal year, as stated in the most recent statutory basis financial report; and provided further, that if the report for the immediately preceding fiscal year has not yet been issued, the comptroller shall make an estimate of the Commonwealth Stabilization Fund balance and budgeted revenues and other financing sources for the immediately preceding fiscal year.

The figures and outcomes of these two tests are shown below:

Test under “i”	\$000
Fiscal Year 2023 Stabilization Fund ending balance (a)	\$8,036,051
Fiscal Year 2024 Stabilization Fund ending balance (b)	\$8,523,632
Fiscal Year 2024 increase/(decrease) over Fiscal Year 2023 (b-a)	\$487,581
Result for test under “(i)”	Pass
Test under “ii”	\$000
Fiscal Year 2024 budgeted revenues and other financial sources ¹	\$61,734,552
...10% of the figure above	\$6,173,455
Stabilization Fund balance from FY24 SBFR	\$8,523,632
Stabilization Fund balance is greater than revenue figure?	Yes
Result for test under “(ii)”	Pass

Part 2: Transfers for Quarter 1 and Quarter 2 of Fiscal Year 2025

Fiscal Year 2025 is the first normal year of operation for the transfer. With the finalization and issuance of the Fiscal Year 2024 SBFR reflected in the tests shown above, the transfers for the first two quarters of Fiscal Year 2025 are as follows:

	\$
Stabilization Fund interest credited: Quarter 1 of FY2025	\$108,698,747
Stabilization Fund interest credited: Quarter 2 of FY2025	\$108,764,427
Total for Quarter 1 and Quarter 2 of FY2025	\$217,463,174

Part 3: One-time transfer for Fiscal Year 2024

In addition to establishing the fund and transfer for Fiscal Year 2025 and subsequent years, Chapter 214 included a transfer of Stabilization Fund interest credited for Fiscal Year 2024:

¹ “Budgeted revenues and other financial sources” figure from page 11 of the FY2024 SBFR. Page 11 also shows the Stabilization Fund balances reflected above.

SECTION 6. Notwithstanding section 2EEEEEE of chapter 29 of the General Laws or any other general or special law to the contrary, the comptroller shall transfer to the Commonwealth Federal Matching and Debt Reduction Fund, established in said section 2EEEEEE of said chapter 29, any interest credited to the Commonwealth Stabilization Fund during the 4 quarters of the fiscal year ending June 30, 2024.

The transfer in the amount of \$420,763,697 was made on October 9, 2024. Because the legislation directed that this transfer be made without requiring any calculation or test, it could proceed before the issuance of the SBFR.

Part 4: Annual reporting requirement

Chapter 214 includes this reporting requirement:

“Annually, not later than 5 business days after the issuance of the statutory basis financial report required pursuant to section 12 of chapter 7A, the comptroller shall report to the executive office for administration and finance, the clerks of the house of representatives and the senate and the house and senate committees on ways and means on: (i) the balance of the Commonwealth Stabilization Fund as of June 30 of the preceding fiscal year; and (ii) the interest earned by the Commonwealth Stabilization Fund during the preceding fiscal year.”


In fulfillment of that requirement:

The **Stabilization Fund balance was \$8,523,632** on June 30th for Fiscal Year 2024, as reported on page 11 of the Fiscal Year 2024 SBFR and shown above.

The **interest credited to the Stabilization Fund during Fiscal Year 2024 was \$420,763,697**. As noted in Part 3, this amount was duly transferred to the Commonwealth Federal Matching and Debt Reduction Fund.

In this first report, our goal was to provide informative context beyond the specific required figures. If you have any questions or concerns, please let me know.

Sincerely,

DocuSigned by:

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William McNamara
Comptroller

CC on the following page

cc: Danielle Cerny, Chief of Staff, Executive Office for Administration & Finance
Christopher Marino, Assistant Secretary of Budget, Executive Office for Administration & Finance
Martha Kwasnik, General Counsel, Executive Office for Administration & Finance
Brian Melanson, Director of Operations, Executive Office for Administration & Finance
Thomas Smith-Vaughan, Chief Operating Officer, Office of the Comptroller
Amy Nable, General Counsel / Assistant Comptroller, Office of the Comptroller
Pauline Lieu, Chief Financial Reporting Officer / Assistant Comptroller, Office of the Comptroller
Tamia Buckingham, Deputy Financial Reporting Officer, Office of the Comptroller
Kristin Lacroix, Chief Accounting Officer / Assistant Comptroller, Office of the Comptroller