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February 20, 2026

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

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

Honorable Michael J. Rodrigues, Chair
Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

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.

The annual reporting is to occur within five days of the issuance of the annual Statutory Basis Financial Report (SBFR), which occurred on January 30, 2026.

Part 1: Tests related to potential transfers in Fiscal Year 2026. 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

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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 2024 Stabilization Fund ending balance (a)	\$8,523,632
Fiscal Year 2025 Stabilization Fund ending balance (b)	\$8,110,684
Fiscal Year 2025 increase/(decrease) over Fiscal Year 2024 (b-a) ¹	(\$412,948)
Result for test under “(i)”	Fail
Test under “ii”	\$000
Fiscal Year 2025 budgeted revenues and other financial sources	\$67,101,687
...10% of the figure above	\$6,710,169
Stabilization Fund balance from FY25 SBFR	\$8,110,684
Stabilization Fund balance is greater than revenue figure?	Yes
Result for test under “(ii)”	Pass

Part 2: Transfers for Fiscal Year 2026

The Fiscal Year 2025 Stabilization Fund balance is less than the Fiscal Year 2024 Stabilization Fund balance. Therefore, the conditions for the first test fail. No interest has been transferred in Fiscal Year 2026 from the Stabilization Fund to the Commonwealth Federal Matching and Debt Reduction Fund.

Because the tests in Part 1 use annual measures, there will also be no interest transfers for the third and fourth quarters of Fiscal Year 2026.

Part 3: 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

¹ “Budgeted revenues and other financial sources” figure from page 10 of the FY2025 SBFR. Page 10 also shows the Stabilization Fund balances reflected above.

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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 \$ 8.110,684b** on June 30th for Fiscal Year 2025, as reported on page 10 of the Fiscal Year 2025 SBFR and shown above.

The **interest credited to the Stabilization Fund during Fiscal Year 2025 was \$406,228,726.31**. This amount was duly transferred to the Commonwealth Federal Matching and Debt Reduction Fund.

If you have any questions or concerns, please let me know.

Sincerely,

DocuSigned by:

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William McNamara
Comptroller

cc: Brian Donahue, Budget Director, House Committee on Ways and Means
Christopher Czepiel, Budget Director, Senate Committee on Ways and Means
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
Emily Ackman, Director of Administration and 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