



Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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WILLIAM MCNAMARA
COMPTROLLER

February 5, 2021

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

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

RE: Prior Year Deficiency Report for Quarter 2 Fiscal Year 2021

Dear Chairman Rodrigues and Chairman Michlewitz:

In accordance with Item 1599-2040 of Section 2B of Chapter 227 of the Acts of 2020, the Office of the Comptroller hereby submits the attached report on prior year deficiencies to the Senate and House Committees on Ways and Means.

The attached Paid Prior Year Deficiency Report contains information regarding payment of prior year deficiencies through chargebacks to Fiscal Year 2021 funds.

Through the second quarter of Fiscal Year 2021, as detailed in the attached report, a total of \$1,068,200.28 was spent in prior year deficiencies for twenty-one departments. Of that amount, \$716,416.56 was incurred in accounts that had sufficient funds (the department reverted funds to the General Fund at the end of Fiscal 2020) and \$351,783.72 was from accounts that had insufficient funds (the department did not revert funds to the General Fund at the end of Fiscal 2020). Whether there were sufficient or insufficient funds, the funding for prior year deficiencies is recouped from each department's current year appropriation.

The pattern of prior year deficiency spending in Fiscal 2021 is different than that of Fiscal 2020, but the total amount is consistent with earlier patterns. We believe the difference in timing is attributable to the impact of the pandemic on administrative activities such as billing and payment processing, both by vendors and by respective departments. The table on the following page shows the pattern:

Prior Year Deficiency Report for Quarter 2 Fiscal Year 2021

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Prior Year Deficiency Spending			
	Q1	Q2	Fiscal YTD as of Q2
Fiscal Year 2020	\$167,410	\$783,989	\$951,398
Fiscal Year 2021	\$34,860	\$1,033,341	\$1,068,200
\$ change FY21 vs FY20	(\$132,550)	\$249,352	\$116,802
% change FY21 vs FY20	-79%	32%	12%

As the table shows, prior year deficiency spending was pushed from Q1 into Q2. The net increase of 12% and \$116,802 in the Fiscal YTD metric is relatively modest, given the scale of the budget overall and spending needs that may have arisen during the pandemic.

If we can provide any additional information or respond to any questions, please let me know.

Sincerely,



William McNamara

Comptroller of the Commonwealth

WMcN/hl

Enc. Prior Year Deficiency Report—FY 2021, Quarter 2

cc: Michael Heffernan, Secretary, Executive Office for Administration and Finance
Catharine Hornby, Undersecretary, Executive Office for Administration and Finance
Christopher Marino, Budget Director, Senate Ways and Means Committee
David Bunker, Budget Director, House Ways and Means Committee
Jeffrey Shapiro, Esq., First Deputy Comptroller, Office of the Comptroller
Kevin McHugh, Assistant Comptroller, Office of the Comptroller
Amy Nable, General Counsel/Assistant Comptroller, Office of the Comptroller