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SECRETARY

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September 30, 2025

Michael D. Hurley
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 September 30, 2025. This report also includes the planned source of revenue matched to items in Chapter 268 of the Acts of 2022 ("Chapter 268"), Chapter 26 of the Acts of 2023 ("Chapter 26"), Chapter 77 of the Acts of 2023 ("Chapter 77"), Chapter 88 of the Acts of 2024 ("Chapter 88"), and Chapter 206 of the Acts of 2024 ("Chapter 206").

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; Section 2A of Chapter 26 and Section 2A of Chapter 77 authorize spending from the CSFRF, the General Fund, and the Transitional Escrow Fund; and Section 2A of Chapter 88 authorize spending from the General Fund and the Transitional Escrow Fund. The Secretary of Administration and Finance assigns appropriations to the most appropriate funding source.

Section 55 of Chapter 206 authorizes the Secretary of Administration and Finance to allocate unexpended federal funds from the CSFRF for items funded from the General Fund, which would create a corresponding surplus in the General Fund. The Secretary can then fund items that were previously federally funded with the General Fund dollars newly made available. This encapsulates the Executive Office for Administration & Finance's ("A&F") strategy to fully liquidate the remainder of the CSFRF grant well ahead of federal deadlines to ensure that funds are not returned to the federal government. A&F is pleased to say that the entire CSFRF grant was reported as fully obligated and expended in its report submitted to the U.S. Treasury on January 31st. Items that were previously federally funded will be funded with state dollars in FY25 and beyond, significantly reducing compliance and timing risks associated with this federal grant.

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, Chapter 268, Chapter 26, Chapter 77, Chapter 88, and Chapter 206 labeled Attachment A.

Sincerely,



Matthew J. Gorzkowicz

Secretary

Executive Office for Administration and Finance