

# Meeting of the Advisory Board to the Comptroller

February 4, 2025



OFFICE OF THE COMPTROLLER  
COMMONWEALTH OF MASSACHUSETTS

# Advisory Board to the Comptroller

## Statutory Members

- ★ **Matthew Gorzkowicz**, Secretary of Administration and Finance (Chair)
- ★ **The Honorable Diana DiZoglio**, State Auditor
- ★ **The Honorable Deborah B. Goldberg**, Treasurer and Receiver General
- ★ **The Honorable Andrea Joy Campbell**, Attorney General
- ★ **Thomas G. Ambrosino**, Court Administrator of Massachusetts Trial Court

## Appointed Members

- ★ **Michael Esmond**, Director of Municipal Finance, Town of Braintree
- ★ **Natalie S. Monroe**, Chief Magistrate, Division of Administrative Law Appeals

# Agenda

- I. (A) Call to Order. (B) Authorization for Remote Meeting. (C) Notice of Recording.**  
Matthew Gorzkowicz, Secretary, Executive Office for Administration and Finance
- II. Review and approval of the July 11, 2024 Advisory Board meeting minutes**  
Secretary Gorzkowicz
- III. Remarks from the Chair**  
Secretary Gorzkowicz
- IV. Fiscal Year 2024 reporting process overview and highlights**  
William McNamara, Comptroller of the Commonwealth
- V. Review of the Statutory Basis Financial Report (SBFR)**  
Pauline Lieu, Chief Financial Reporting Officer & Assistant Comptroller  
Howard Merkowitz, Senior Advisor
- VI. CliftonLarsonAllen (CLA), Report to the Board**  
Christian Rogers, CPA, Managing Principal, and colleagues
- VII. Brief update: pause in federal grants**  
Comptroller McNamara
- VIII. Items not reasonably anticipated by the Chair**  
Secretary Gorzkowicz
- IX. Timing outlook for next meeting**  
Secretary Gorzkowicz / Comptroller McNamara
- X. Meeting adjournment**  
Secretary Gorzkowicz

# Meeting Information

On March 29, 2023, Governor Healey signed into law a supplemental budget bill which, among other things, extends certain temporary provisions pertaining to the Open Meeting Law until March 31, 2025. Specifically, this further extension allows public bodies to continue holding meetings remotely without a quorum of the public body physically present at a meeting location, and to provide "adequate, alternative" access to remote meetings.

In accordance with that law, all members of the Advisory Board and members of the public are participating remotely in today's meeting.

Because members of the Board are participating remotely, all votes today will be taken by roll call.

Meeting Information	
Date and Time:	February 4, 2025 at 2:30pm
Location:	Zoom
Meeting ID:	878 2257 4512
Passcode:	056540
Link:	<a href="https://macomptroller.zoom.us/j/87822574512?pwd=SBqR2a3MMEROVfxi6rycSYuoCSBjkw.1">https://macomptroller.zoom.us/j/87822574512?pwd=SBqR2a3MMEROVfxi6rycSYuoCSBjkw.1</a>
Dial-in:	1-929-205-6099

# Agenda Item I

(A) Call to Order

(B) Authorization for Remote Meeting

(C) Notice of Recording

**Matthew Gorzkowicz**

**Secretary, Executive Office for Administration and Finance**

# Agenda Item II

## Review and approval of minutes

**Matthew Gorzkowicz**  
**Secretary, Executive Office for Administration and Finance**

# Agenda Item III

## Remarks from the Advisory Board Chair

**Matthew Gorzkowicz**  
**Secretary, Executive Office for Administration and Finance**

# Agenda Item IV

## Fiscal Year 2024 reporting process overview and highlights

**William McNamara**  
**Comptroller**



# Three major reporting requirements

SBFR	ACFR	Single Audit
<b>Statutory Basis Financial Report</b>	<b>Annual Comprehensive Financial Report</b>	<b>Federal requirement</b>
<ul style="list-style-type: none"> <li>• Required under state law (M.G.L. c. 7A, § 12)</li> <li>• Most other states have similar reports</li> <li>• Present the results of the prior fiscal year activity in the Commonwealth’s funds primarily on a cash, non-GAAP basis</li> <li>• Compute and certify the annual budget balance and end of fiscal year transfer to the Stabilization Fund</li> <li>• Disclose and report certain aspects of financial performance as directed by statute or judged relevant by the Comptroller</li> </ul>	<ul style="list-style-type: none"> <li>• 50-state requirement (plus other local government entities)</li> <li>• Financial statements of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB), which sets Generally Accepted Accounting Principles (GAAP) for those governments and entities</li> <li>• Key differences versus SBFR: Statements on a “modified accrual” basis; addition of multiple component units and other required information</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Uniform Guidance:</b> authoritative set of administrative and financial requirements for recipients of federal grants &amp; funds</li> <li>• <b>SEFA:</b> Schedule of Expenditure of Federal Awards; details the use of federal funds across the state</li> <li>• <b>Single Audit:</b> Organization-wide financial statement and federal awards’ audit of entities that expend \$750,000 or more in federal funds. Focused on internal controls and compliance with program requirements.</li> </ul>
<ul style="list-style-type: none"> <li>• Reviewed by the independent firm (CLA)</li> </ul>	<ul style="list-style-type: none"> <li>• Audited by the independent firm (CLA)</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted by the independent firm (CLA)</li> </ul>

# Content and timing notes

	SBFR	ACFR	Single Audit
<i>What's included?</i>	<ul style="list-style-type: none"> <li>Core functions of the state</li> </ul>	<ul style="list-style-type: none"> <li>Core functions of the state <i>plus...</i></li> <li>Business activities (universities &amp; colleges, unemployment, etc.)</li> <li>Component units (legally separate entities, required in ACFR due to close relationship)</li> </ul>	<ul style="list-style-type: none"> <li>Audit is structured around the federal programs</li> <li>Responsible state entity is identified and engaged</li> </ul>
<i>Key info sources</i>	<ul style="list-style-type: none"> <li>SBFR activities recorded on the Commonwealth's general ledger (G/L) system, MMARS</li> </ul>	<ul style="list-style-type: none"> <li>MMARS/SBFR info <i>plus...</i></li> <li>Financial statements from other entities</li> <li>Entities operate their own G/Ls</li> <li>Most issue audited financials</li> </ul>	<ul style="list-style-type: none"> <li>Financial data (MMARS, other)</li> <li>Eligibility/participant systems information (Unemployment, MassHealth, etc.)</li> <li>Program-specific documentation</li> </ul>
<i>Timing drivers</i>	<ul style="list-style-type: none"> <li>Closeout budget</li> </ul>	<ul style="list-style-type: none"> <li>Separately audited entities: slowest unit to issue statements</li> <li>Unaudited entities: financial statements that pass review and audit</li> </ul>	<ul style="list-style-type: none"> <li>Responsible state entity's delivery of relevant information and access for testing</li> </ul>

# Highlights of Fiscal Year 2024 and the SBFR

- ★ SBFR reflects that Fiscal Year 2024 financial activities were in accord with the **General Appropriations Act, supplementary budgets, and state finance law**
  - Expenditures reflected appropriations and occurred in a controlled financial process
  - All statutory transfers were executed as required
  - Newer provisions of state finance law were implemented as intended (example: the estimation of surtax revenue related transfers)
  - No accounts in deficit at year end
  - Balanced budget
- ★ **Timing of the fiscal/budgetary process and state reporting is a serious concern**
  - Today's SBFR meeting date is a slight improvement over the FY23 edition (February 15, 2024)
  - Fiscal Year 2024 closeout budget was signed on December 4, 2024
  - Statutory due date for the SBFR is October 31

# SBFR timing: historical trends

- ★ Significant delay in the SBFR has become a pattern
- ★ If the close-out supp is not signed before the end of October, the time to produce the SBFR can lengthen
  - Required work on the ACFR and Single Audit become competing priorities, rather than leveraging SBFR work
- ★ Timely signing of the closeout supp is more likely if:
  - Interim supps are submitted and enacted earlier as needed, resolving issues before year-end
  - The new Fiscal Year's budget is enacted and signed when the year begins (7/1). Recent dates include 07/29/24, 08/09/23, 07/28/22, and 07/16/22.
  - Any other financial bills, such as bond measures, are not seen as competing for focus
  - The closeout supp is focused (minimizing policy components), is submitted promptly, and is made a top legislative priority

Excerpted from the Comptroller's letter of November 1, 2024 to the statutory recipients of the SBFR

**Historical trend.** The table on the following page shows the SBFR issuance date over the past two decades:

Fiscal Year End	SBFR	Report Date	Fiscal Year End	SBFR	Report Date
06/30/2004	SBFR FY04	10/26/2004	06/30/2014	SBFR FY14	10/31/2014
06/30/2005	SBFR FY05	10/28/2005	06/30/2015	SBFR FY15	11/10/2015
06/30/2006	SBFR FY06	10/28/2006	06/30/2016	SBFR FY16	10/31/2016
06/30/2007	SBFR FY07	10/26/2007	06/30/2017	SBFR FY17	11/16/2017
06/30/2008	SBFR FY08	10/29/2008	06/30/2018	SBFR FY18	11/06/2018
06/30/2009	SBFR FY09	11/03/2009	06/30/2019	SBFR FY19	01/06/2020
06/30/2010	SBFR FY10	10/31/2010	06/30/2020	SBFR FY20	12/18/2020
06/30/2011	SBFR FY11	11/02/2011	06/30/2021	SBFR FY21	11/19/2021
06/30/2012	SBFR FY12	10/23/2012	06/30/2022	SBFR FY22	12/23/2022
06/30/2013	SBFR FY13	11/01/2013	06/30/2023	SBFR FY23	02/16/2024
<b>Legend</b>					
		On or before 10/31			
		Not more than 7 days late			
		>7 days late but in November			
		December or later			

In the fifteen years from 2004 through 2018, the SBFR was issued either by the deadline or following a relatively brief delay. Beginning in 2019, the length of delay became more serious, with delivery coming in December or later in four of the last five years.

**Agenda Item V**  
**Review of the Statutory Basis Financial Report**

**Pauline Lieu, Assistant Comptroller & Chief Financial Reporting Officer**  
**Howard Merkowitz, Senior Advisor**

# FY24 SBFR review: Basis of presentation

- ★ The SBFR is presented on a budgetary or statutory basis: cash receipts and expenditures, including two months accounts payable and receivable period ("modified cash basis"); by statute, excludes trust funds and most activity of so-called business-type activities such as Unemployment and the Institutions of Higher Education
- ★ The SBFR excludes “component units” such as Massachusetts School Building Authority (MSBA), some of the Massachusetts Department of Transportation (MassDOT), and Massachusetts Bay Transportation Authority (MBTA), Massachusetts Development Finance Agency (MassDevelopment)
- ★ The SBFR determines whether the budget is balanced according to state finance law. The report also determines the calculation of the “consolidated net surplus” and the end of year transfer to the Stabilization Fund.
- ★ Consolidated net surplus (CNS) is defined as the “undesignated” (or unreserved) balance in certain budgetary funds (i.e., funds subject to the Commonwealth’s annual budget process) as of June 30, of which the General Fund of (86.9%), the Federal Covid-19 Response Fund (3.6%), and Commonwealth Transportation Fund (3.5%) account for the bulk of spending activity

# FY24 SBFR review: Balances at year end

- ★ FY24 ended with balanced budget, i.e., a **“consolidated net surplus” of \$426 million** in the budgeted funds, all of which was, per statute (Chapter 248 Section 141 of the Acts of 2024), transferred to the Student Opportunities Act Investment Fund
- ★ There was an FY24 operating loss of \$334 million in the budgeted funds, compared to a \$2.862 billion operating loss in FY23
- ★ The \$334 million figure represents the excess of yearly expenditure over revenue received, which results in a lower year-end balance in budgeted funds. It does not represent deficit spending or an increase in debt.
- ★ There was a budgeted fund **ending balance of approximately \$15.004 billion**, of which:
  - \$8.524 billion is held in the Stabilization Fund
    - \$488 million deposited in the Stabilization Fund in FY24
  - \$599 million remains in the Transitional Escrow Fund from FY24 surpluses
  - \$3.172 billion is designated for FY25 appropriations (FY25 prior appropriations continued, or PACs) and debt service

# FY24 SBFR review: Total budgeted revenue / income tax revenue

- ★ **Total budgeted fund revenue (prior to transfers between budgeted funds) totaled \$61.735 billion**, an increase of \$4.320 billion, or 7.5%, from FY23
- ★ **Budgeted fund tax revenue (not including sales tax revenue allocated to the MBTA and MSBA) totaled \$38.138 billion**, up \$4.435 billion, or 13.2% from FY23, with most of the increase due to triggering of a law that resulted in a one-time reduction in FY23 revenues of \$2.875 billion relative to FY24, implementation of the 4% "fair share" surtax that increased FY24 revenue by \$2.460 billion, \$2.218 billion, more than in FY23, offset by tax reforms that reduced FY24 revenue by approximately \$431 million. Absent these tax law impacts, tax revenue would have been down \$228 million, or 0.6%.
  - **Total personal income tax collections were \$24.112 billion**, up \$5.117 billion, or 26.9%, but up \$455 million, or 2.1%, after adjusting for tax law changes.
  - **Personal income tax withholding was \$17.967 billion**, up \$1.320 billion, or 7.9%, and up \$1.007 billion, or 6.1%, after tax law change adjustments, as employment continued to grow steadily
  - **Non-withheld personal income tax was \$6.145 billion**, an increase of \$3.797 billion, or 161.7%, but down \$552 million, or 11.0% when adjusted for tax law changes, with the adjusted decline primarily due to a drop of \$271 million or 11.9% in capital gains tax revenue.



# FY24 SBFR review: Other taxes and revenues

- ★ **Sales & use tax totaled \$6.626 billion**, down \$21 million or 0.3%, as \$69 million increase in meals tax was offset by a slightly larger decline in regular sales tax.
- ★ **Corporate and business taxes totaled \$4.833 billion**, down \$275 million, or 5.4% from FY23 collections
- ★ Other notable changes in tax collections include a **decrease in the estate and inheritance tax of \$400 million**, or 41.0% and a **decline in the deeds excise tax of \$337 million**, or 9.9%
- ★ **Budgeted fund federal reimbursements totaled \$14.603 billion**, a decrease of \$622 million, or 4.1%, due primarily to a decline in the state's Medicaid federal reimbursements, which totaled \$13.210 billion, down \$989 million, or 7.0%, as Medicaid spending decreased
- ★ **Budgeted fund departmental revenue totaled \$6.429 billion**, an increase of \$347 million or 5.7%, mainly due to interest earnings, which increased from \$698 million in FY23 to \$980 million in FY24 as a result of higher interest rates on the Commonwealth's large cash balances
- ★ **Lottery profits totaled \$1.151 billion**, a decrease of \$37 million, or 3.1%, from FY23

# FY24 SBFR review: Expenditures and transfers

- ★ **Budgeted fund expenditures** and other uses (prior to transfers between budgeted funds) **totaled \$62.069 billion**, an increase of \$1.793 billion, or 3.0% from FY23
- ★ **Medicaid expenditures totaled \$20.070 billion**, a decrease of \$1.630 billion, or 7.5%, from FY23, as the pandemic-era suspension of eligibility redeterminations expired, and Medicaid beneficiaries were removed from the program because they no longer met eligibility requirements
- ★ **Direct local aid spending** (both education aid and unrestricted aid) **was \$7.949 billion**, was up \$654 million, or 9.0%
- ★ **Transfers to the state pension fund** in accordance with the Commonwealth's actuarially determined pension funding schedule were **\$4.104 billion**, an increase of \$360 million, or 9.6%, from FY23, and there was an additional pension contributions of \$30 million from capital gains taxes, as required by law
- ★ **Budgeted fund debt service totaled \$2.425 billion**, virtually identical to FY23 debt service expenditures

# FY24 SBFR review: Interfund transfers / “Fair Share” surtax

- ★ **Interfund transfers from budgeted to non-budgeted funds totaled \$1.520 billion**, an increase of \$281 million or 22.6%, from FY23
  - The net increase was due primarily to a \$420 million increase in a transfer to the Medical Assistance Trust Fund, which funds transfers to Massachusetts hospitals that care for large numbers of Medicaid-eligible patients, partially offset by smaller declines in other transfers.
  
- ★ **\$903 million in new education and transportation spending from "Fair Share" 4% personal income surtax revenues**, including:
  - \$264 million for Elementary and Secondary Education
  - \$207 million for Higher Education
  - \$430 million for Transportation
  - *Details of spending of Fair Share tax revenues are on page 185 of the SBFR*

# FY24 SBFR review: Summary

	2024 (\$ millions)	2023 (\$ millions)	\$ Change	% Change
Beginning Balances	\$ 15,338	\$ 18,200	\$ (2,862)	(15.7)%
Taxes	38,138	33,704	4,434	13.2%
Federal reimbursements	14,603	15,225	(622)	(4.1)%
Other budgeted revenues	8,993	8,486	507	6.0%
<b>Budgeted revenues and other financing sources</b>	<b>61,735</b>	<b>57,414</b>	<b>4,321</b>	<b>7.5%</b>
Transfers between budgeted funds ("gross-ups")	4,727	5,555	(828)	(14.9)%
<b>Total revenues and other financing sources</b>	<b>66,462</b>	<b>62,970</b>	<b>3,492</b>	<b>5.5%</b>
<b>Budgeted expenditures and other financing uses</b>	<b>62,069</b>	<b>60,276</b>	<b>1,793</b>	<b>3.0%</b>
Transfers between budgeted funds ("gross-ups")	4,727	5,555	(828)	(14.9)%
<b>Total expenditures and other financing uses</b>	<b>66,796</b>	<b>65,831</b>	<b>965</b>	<b>1.5%</b>
<b>Excess/(deficiency) of revenues over expenditures</b>	<b>(334)</b>	<b>(2,862)</b>	<b>2,528</b>	<b>N/A</b>
Ending fund balances:				
Reserved for Prior Appropriations Continued & Debt Service	3,172	4,578	(1,405)	(30.7)%
Reserved for Stabilization Fund	8,524	8,036	488	6.1%
Other Undesignated	3,308	2,725	583	21.4%
<b>Total ending fund balances</b>	<b>\$ 15,004</b>	<b>\$ 15,338</b>	<b>\$ (334)</b>	<b>(2.2)%</b>

# FY24 SBFR review: Stabilization Fund activity

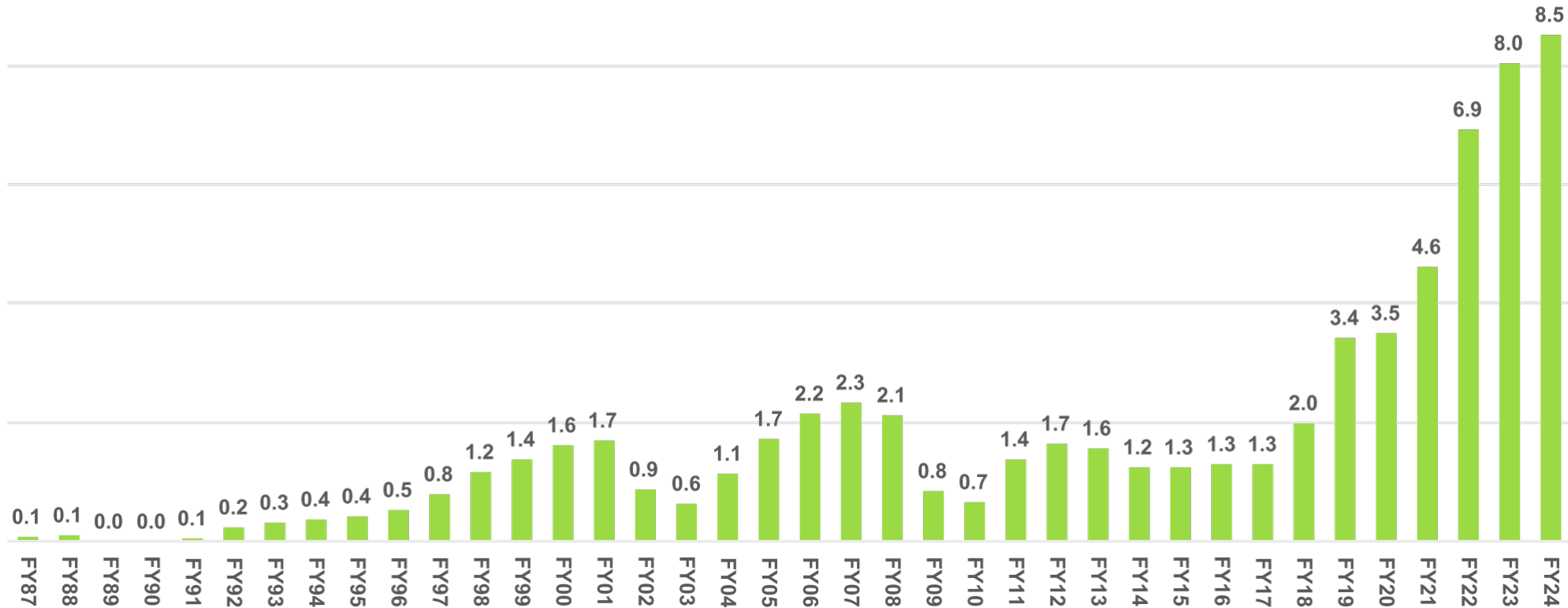
## FY24 Stabilization Fund Activity (in \$ Thousands)

<b>Stabilization Fund Balance as of July 1, 2023</b>	<b>\$</b>	<b>8,036,051</b>
Capital Gains Tax Revenue Transfers		29,542
Abandoned Property Transfer		7,030
Certain Lottery Withholding Taxes		214
Interest Earnings		420,764
Adjustment for Change in Value of Short-Term Bond Fund		4,406
Transfer of 10% of casino gaming tax revenue		25,625
<b>Stabilization Fund Balance as of June 30, 2024</b>	<b>\$</b>	<b>8,523,632</b>
Memo: Change in Stabilization Fund Balance, FY23-24	<b>\$</b>	<b>487,581</b>

- ★ As of June 30, 2024, the Commonwealth's Stabilization Fund balance as a percentage of General Fund own source expenditures was 19.6%, well above the national median of 13.5% as reported in the Fall 2024 survey of the National Association of State Budget Officers (NASBO)

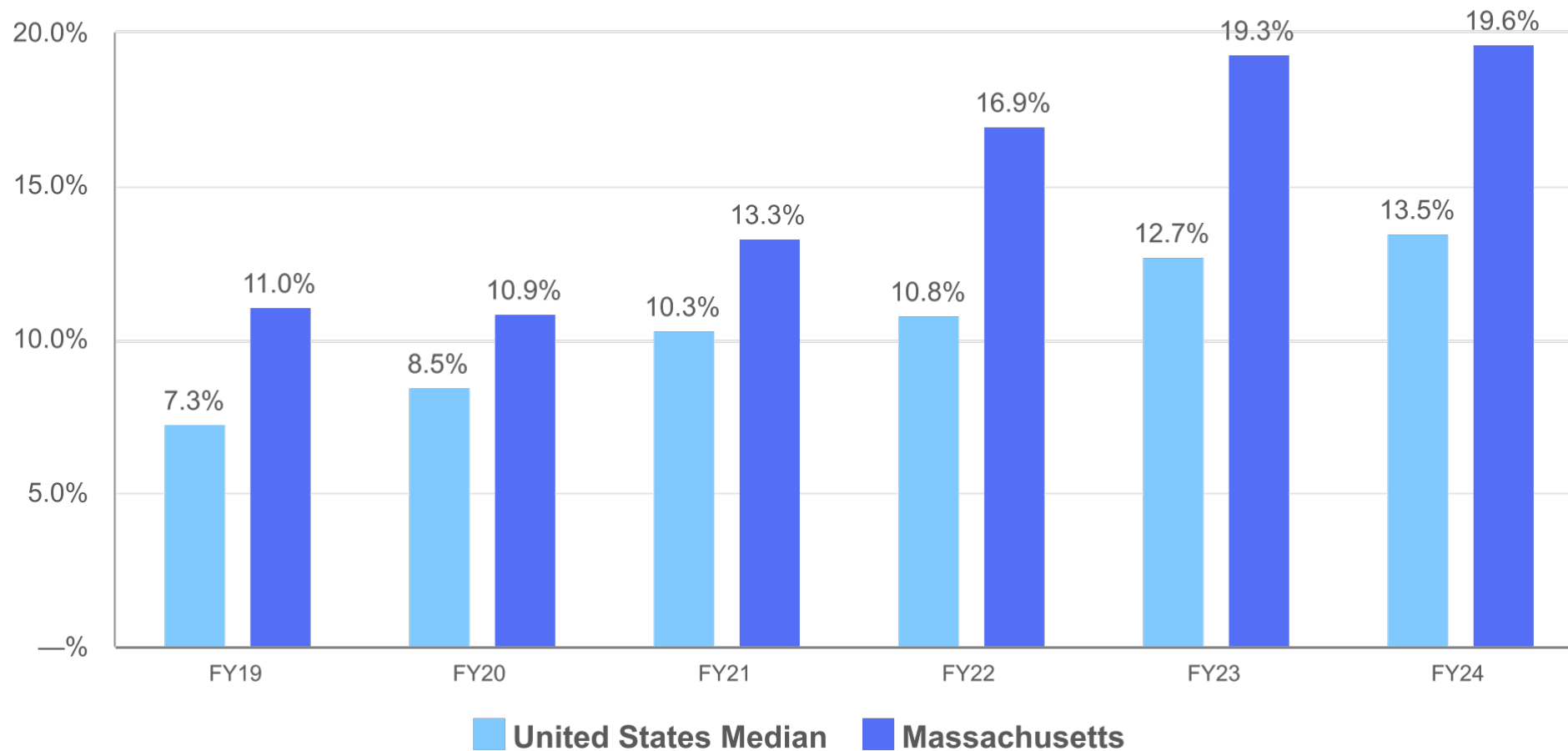
# FY24 SBFR review: Stabilization Fund balance history

End of Fiscal Year Stabilization Fund Balances  
In \$ Billions



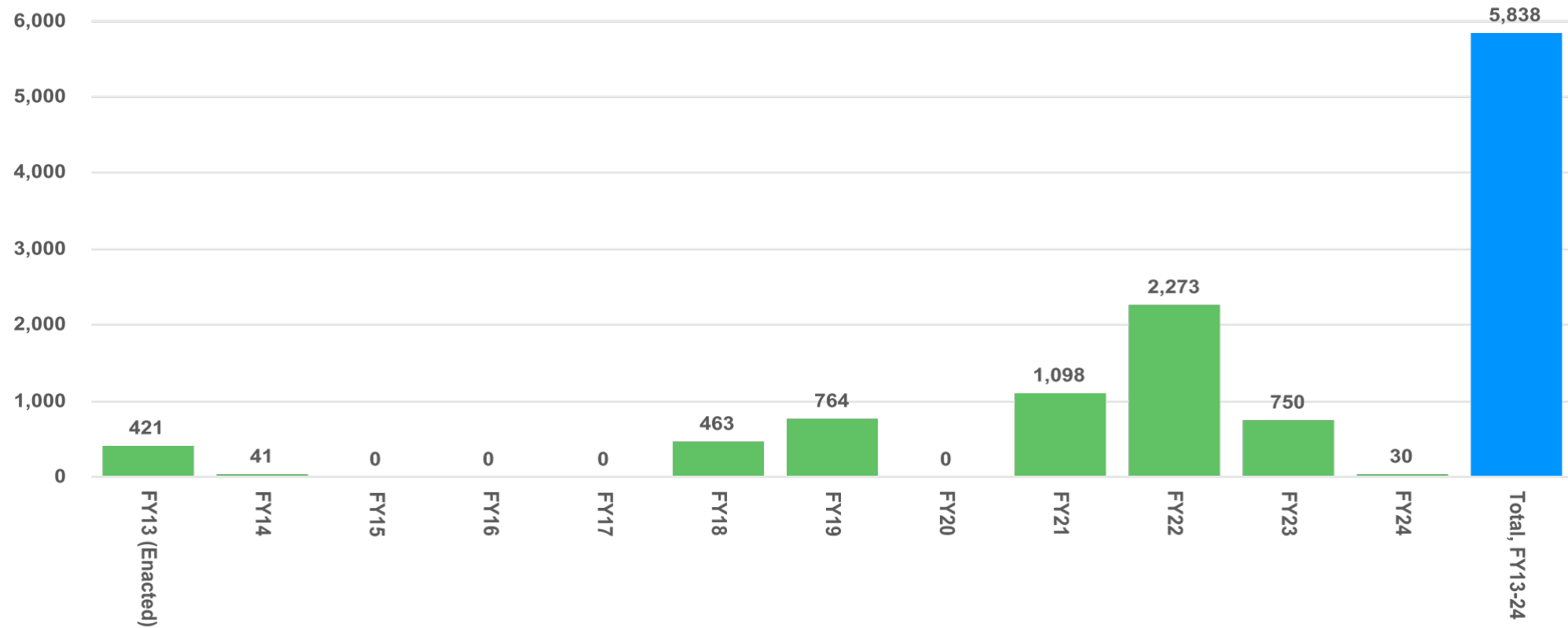
# FY24 SBFR review: Stabilization Fund comparison

Stabilization Fund Balance as a Percentage of General Fund Own-Source Spending  
Massachusetts vs. Median of all U.S. States



# FY24 SBFR review: Capital Gains Tax transfers to Stabilization

Capital Gains Tax Transfers to Stabilization Fund  
In \$ Millions



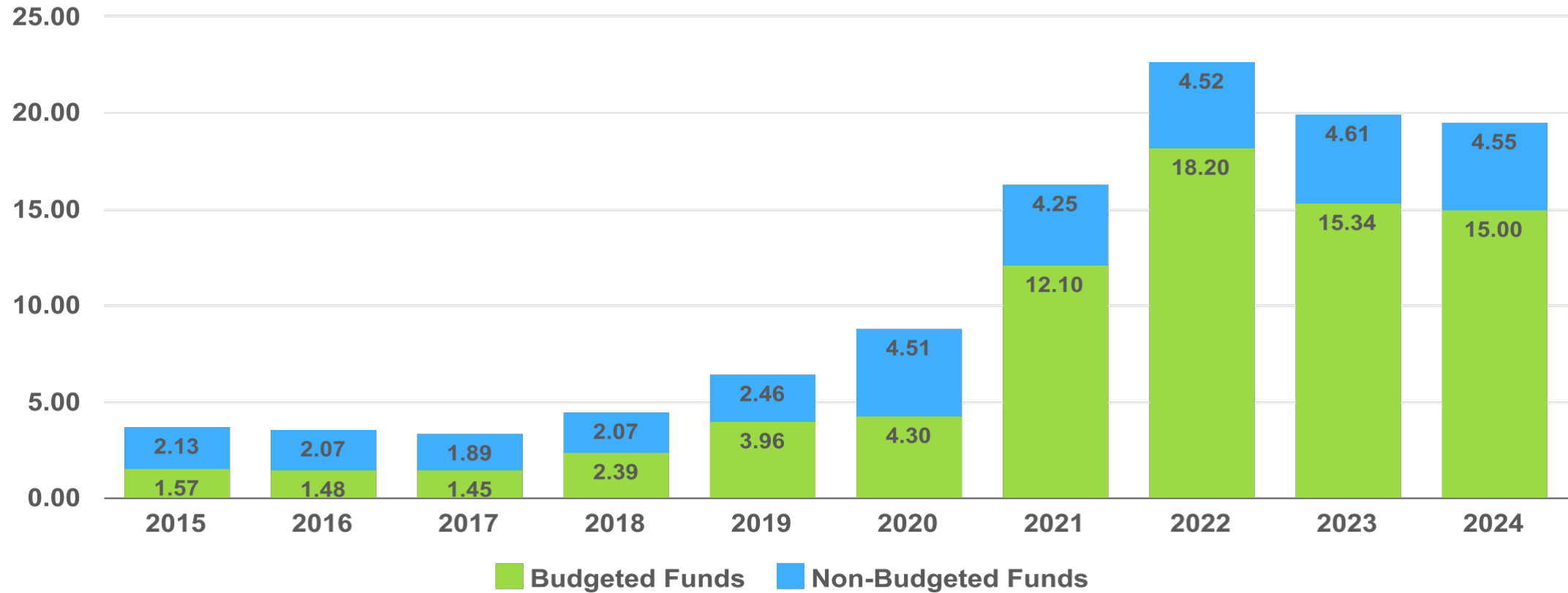


# FY24 SBFR review: Non-Budgeted Special Revenue Fund Revenues & Expenditures

- ★ **FY24 revenues and other financing sources totaled \$21.939 billion**, up \$1.280 billion or 6.2% from FY23
  - \$7.126 billion in federal revenues, up \$632 million, or 9.7% from FY23
  - Assessment revenue increased by \$356 million, or 27.2%
  - Departmental revenue increased by \$211 million, or 2.7%
  - Transfers of \$1.679 billion, virtually identical to FY23
  
- ★ **FY24 expenditures and other uses totaled \$22.001 billion**, up \$1.433 billion, or 7.0%, from FY23.  
Notable spending included:
  - COVID-related spending of \$2.117 billion, an increase of \$420 million from FY23
  - \$1.124 billion in spending, a \$230 million increase, from the Hospital Investment and Performance Trust Fund
  - \$275 million in spending, a \$249 million increase, from the Population Health Investment Trust Fund
  - \$241 million in spending, a \$213 million increase, from the Regional Greenhouse Gas Initiative Auction Trust

# FY24 SBFR review: Fund balances

Budgeted and Non-Budgeted Fund Balances as of June 30 (Excluding Capital)  
In \$ Billions



# FY24 SBFR review: Capital Projects Spending & Revenue

- ★ **FY24 Commonwealth spending on capital projects totaled \$3.941 billion**, down \$230 million or 6.2% from FY23 capital spending. Significant categories of capital spending included \$2.143 billion, or more than half of total capital spending, on transportation-related projects, \$508 million on non-transportation state infrastructure, \$316 million on housing, \$320 million on environmental projects, \$281 million on education, and \$191 million on information technology. A list of individual projects starts on page 20 of the SBFR.
- ★ To fund the FY24 capital budget and FY23 capital expenditures that had not been bonded as of June 30, 2023, the **Commonwealth borrowed by issuing general and special obligation bonds with proceeds of \$4.927 billion and issued refunding bonds with proceeds of \$2.308 billion**. The Commonwealth received \$779 million in federal reimbursements for capital spending (most of it for transportation projects).
- ★ At the end of FY24, the capital projects funds had a \$1.595 billion negative balance, as the Commonwealth had not yet reimbursed itself for capital spending that it typically funds in arrears through subsequent bond issues. The capital projects funds normally have a negative balance at the close of each fiscal year.

**Agenda Item VI**  
**CLA Report to the Advisory Board**

**Chris Rogers, CPA** Managing Principal of Industry  
**Mathew Goulet, CPA** Audit Manager  
**CliftonLarsonAllen**

# Agenda Item VII

Brief update: pause in federal grants

**William McNamara**  
**Comptroller**

# Federal grants pause: chronology

- ★ Monday January 27:  
OMB issues “Temporary Pause” memo
  - To be effective Tuesday January 28<sup>th</sup> at 5:00pm
  - Requires submission of related analysis by February 10<sup>th</sup>
- ★ Tuesday January 28:  
Federal judge issues temporary stay
  - Stay effective until Monday March 3<sup>rd</sup> 5:00pm
- ★ Wednesday January 29:  
OMB rescinds the memo
  - The memo is rescinded, but not the related executive orders
- ★ Friday January 31: Second federal judge issues restraining order
  - Administration cannot “pause, freeze, impede, block, cancel, or terminate” taxpayer money already allocated by Congress.


To implement these orders, each agency must complete a comprehensive analysis of all of their Federal financial assistance programs to identify programs, projects, and activities that may be implicated by any of the President’s executive orders. In the interim, to the extent permissible under applicable law, Federal agencies **must temporarily pause** all activities related to obligation or disbursement of all Federal financial assistance, and other relevant agency activities that may be implicated by the executive orders, including, but not limited to, financial assistance for foreign aid, nongovernmental organizations, DEI, woke gender ideology, and the green new deal.

**Administrative stay in lawsuit.** On January 28, 2025, Judge Alikhan issued a **temporary stay**. "ORDER. For the reasons stated in the attached document, it is hereby ORDERED that an ADMINISTRATIVE STAY is entered until 5:00 p.m. on February 3, 2025 . It is further ORDERED that Defendants shall respond to Plaintiffs' request for a temporary restraining order by 5:00 p.m. on January 30, 2025, and that Plaintiffs shall file a reply, if any, by 5:00 p.m. on January 31, 2025. The parties shall convene for a hearing on Plaintiffs' motion at 11:00 a.m. on February 3, 2025, in Courtroom 21. Signed by Judge Loren L. AliKhan on 1/28/2025

January 29, 2025

M-25-14

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

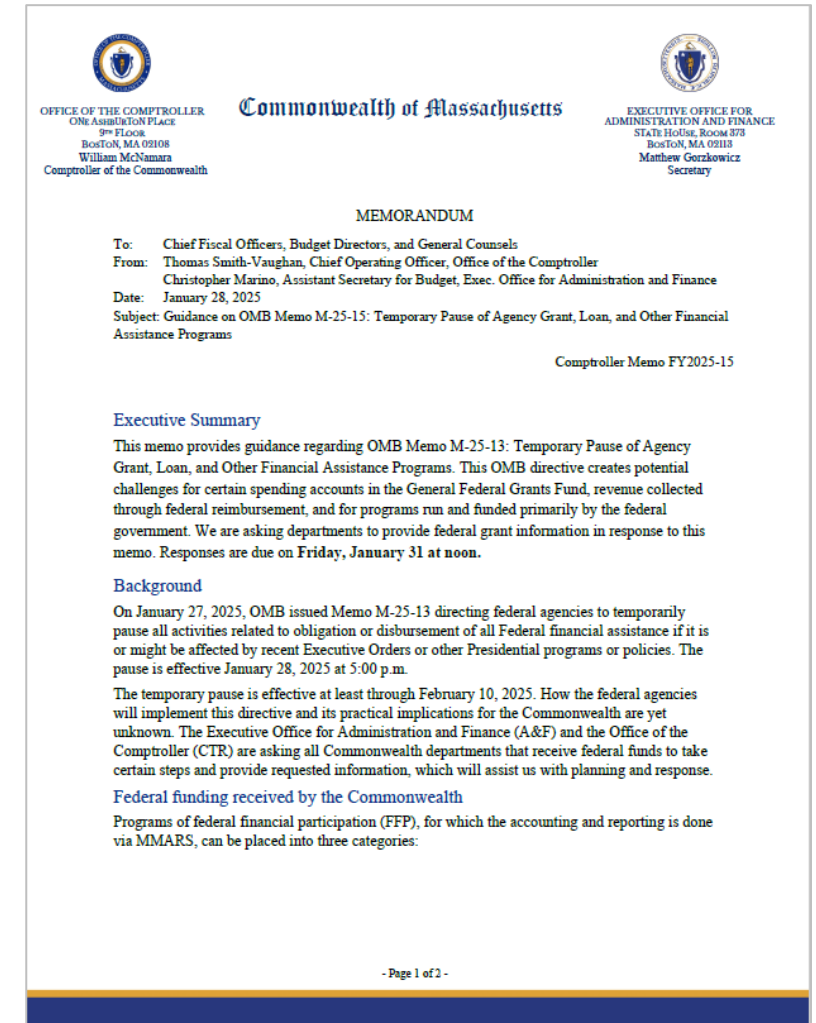
FROM: Matthew J. Vaeth, Acting Director, Office of Management and Budget 

SUBJECT: Rescission of M-25-13

OMB Memorandum M-25-13 is rescinded. If you have questions about implementing the President’s Executive Orders, please contact your agency General Counsel.

# Office of the Comptroller and the Executive Office for Administration & Finance act in concert to manage the federal grants situation

- ★ On January 28<sup>th</sup>, joint CTR/A&F memo directs statewide financial staffs to generate updated information on spending and balances related to federal grants, categorized by program and grant type
- ★ Similar activity has been regularly required when federal shutdowns are possible
- ★ In both situations, data is needed to identify and manage the impact “if the tap is turned off”
- ★ *Despite the judge’s stay and the rescission of the OMB memo, the Commonwealth’s memo is in force and the work is ongoing.*



# Federal grants pause: current status

## ★ Federal side:

- The current “state of play” is unclear: the memo was rescinded, but related executive orders remain in place
- Media, professional organizations, NASACT, consultancies, lobbying groups and others are watching and reporting
- One possibility: a more specific and targeted memorandum is issued

## ★ Commonwealth side:

- Massachusetts must prepare for what comes next despite uncertainty
- Statewide effort led by A&F and CTR will continue
- Too early for specifics on impact and response



**Agenda Item VIII**  
**Items not reasonably anticipated by the Chair**

**Matthew Gorzkowicz**  
**Secretary, Executive Office for Administration and Finance**

# Agenda Item IX

## Next meeting

**Matthew Gorzkowicz**  
**Secretary, Executive Office for Administration and Finance**

# Agenda Item X Adjournment

**Matthew Gorzkowicz**  
**Secretary, Executive Office for Administration and Finance**