

The Commonwealth of Massachusetts
Department of the State Treasurer
State House
Boston, Massachusetts 02133

Steven Grossman
Treasurer and Receiver General

December 5, 2014

The Honorable Stephen M. Brewer, Chair
Senate Ways and Means Committee
State House, Room 212
Boston, MA 02133

The Honorable Brian S. Dempsey, Chair
House Ways and Means Committee
State House, Room 243
Boston, MA 02133

Dear Senator Brewer and Representative Dempsey:

Pursuant to Massachusetts General Laws Chapter 10, Section 10, the Office of the State Treasurer and Receiver General and the Executive Office for Administration and Finance hereby submit the current cash flow forecast for fiscal year 2015.

Certain cash items, such as the balance of the Stabilization Fund as well as a number of other funds, are required to be categorized as segregated and do not contribute to the Commonwealth's "pool" of non-segregated cash balances. These segregated items are statutorily restricted for a specific purpose.

Please note that the fiscal year 2015 cash flow forecast projects monthly cash closing balances. Given the variable nature of state cash expenditures and revenues, the daily cash balances often differ greatly from the projected monthly closing balance.

Highlights of Fiscal Year 2015

Fiscal year 2015 is based upon the General Appropriation Act (GAA) signed on July 11, 2014; all supplemental appropriations filed, enacted or anticipated and includes all prior appropriations continued into fiscal year 2015. Fiscal year 2015 projections are based on actual spending and revenue through October 2014, and estimates for the remainder of fiscal year 2015.

Total spending in the fiscal year 2015 budget approved by the Governor amounts to approximately \$36.507 billion. The budget assumes tax revenues of \$24.387 billion, reflecting the fiscal year 2015 consensus tax estimate of \$24.337 billion, adjusted for the impact of revenue initiatives enacted as part of the budget and economic development and county governments financial management bills, including a one-year delay of the FAS 109 deductions (an additional \$46.0 million), enhanced tax enforcement initiatives (an additional \$12.0 million), a tax amnesty program (an additional \$35.0 million) and a sales tax holiday (a revenue loss of \$25.9 million). Approximately \$1.17 billion of the \$24.387 billion tax estimate is assumed to be generated from taxes on capital gains. Pursuant to the excess capital gains revenue law, the forecast assumes that \$110.0 million of the projected capital gains tax revenue will be required to be deposited into the Stabilization Fund and will not be available for budgetary purposes. The budget relies upon a \$140.0 million withdrawal from the Stabilization Fund, which is a \$30.0 million net

"The use of the term "fiscal year" is generic, meaning the period from July 1, 2014 to June 30, 2015, rather than as the term is specifically defined for budget purposes. This is because for cash purposes the "fiscal year" includes "accounts payable" activity for fiscal year 2014, and excludes "accounts payable" activity for fiscal year 2015.

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withdrawal after accounting for the aforementioned projected deposit of fiscal year 2015 excess capital gains revenue. This forecast accounts for the impact of the income tax rate reduction from 5.20% to 5.15%, which was not assumed in the \$24.387 billion tax revenue estimate. The rate reduction is effective January 1, 2015 and is estimated to result in a \$70.0 million revenue loss in fiscal year 2015.

This forecast also reflects the recent fiscal action plan put forth by Governor Patrick to close a projected budgetary shortfall of \$329.0 million. The plan includes \$198.1 million in net spending reductions at Executive Branch agencies that the Governor can unilaterally implement and \$10.0 million of savings from the Massachusetts Department of Transportation. The Governor also filed legislation proposing 1.5% reductions to spending at most non-executive agencies (\$21.8 million) and a reduction to the unrestricted local aid (\$25.5 million). In addition, several quasi-public agencies will return a portion of the funding that they received in the economic development bill that was signed into law this past July. Finally, additional federal and departmental revenues have been identified which will close the remainder of the projected budget shortfall.

Capital Spending and Borrowing Projections

The Commonwealth's five-year capital investment plan, which is reviewed annually, calls for fiscal year 2015 capital spending of approximately \$3.39 billion, which includes \$2.13 billion in bond cap spending for fiscal year 2015, \$600.8 million for the Accelerated Bridge Program, \$427.4 million for projects funded by special obligation transit bonds and \$237.6 million for project finance spending.

The capital spending federal reimbursement estimates included in the fiscal year 2015 cash flow forecast assume re-capitalization of the Federal Highway Trust Fund. If necessary, future cash flow forecasts will be updated to take into account any lapse of federal funding or delay in reimbursements.

For cash flow needs for fiscal year 2015, the Treasurer's office issued \$1.2 billion in revenue anticipation notes (RANs) on September 30, 2014. As in previous years, the RANs will be repaid in April, May and June 2015.

Ongoing Cash Management Practices

Treasury, Administration and Finance and Comptroller staffs continue to meet regularly to monitor the status of the Commonwealth's cash position. In addition, this group actively seeks to improve the reader experience by enhancing the Commonwealth's cash flow forecast with additional features. Recent additions to the report include an estimate to actual variance analysis, a glossary of terms as well as a series of graphs displaying historical ending cash positions.

Please feel free to contact our respective staffs if you have any questions or require additional information.

Sincerely,



Steven Grossman
Treasurer and Receiver General



Glen Shor
Secretary of Administration and Finance

Enclosures

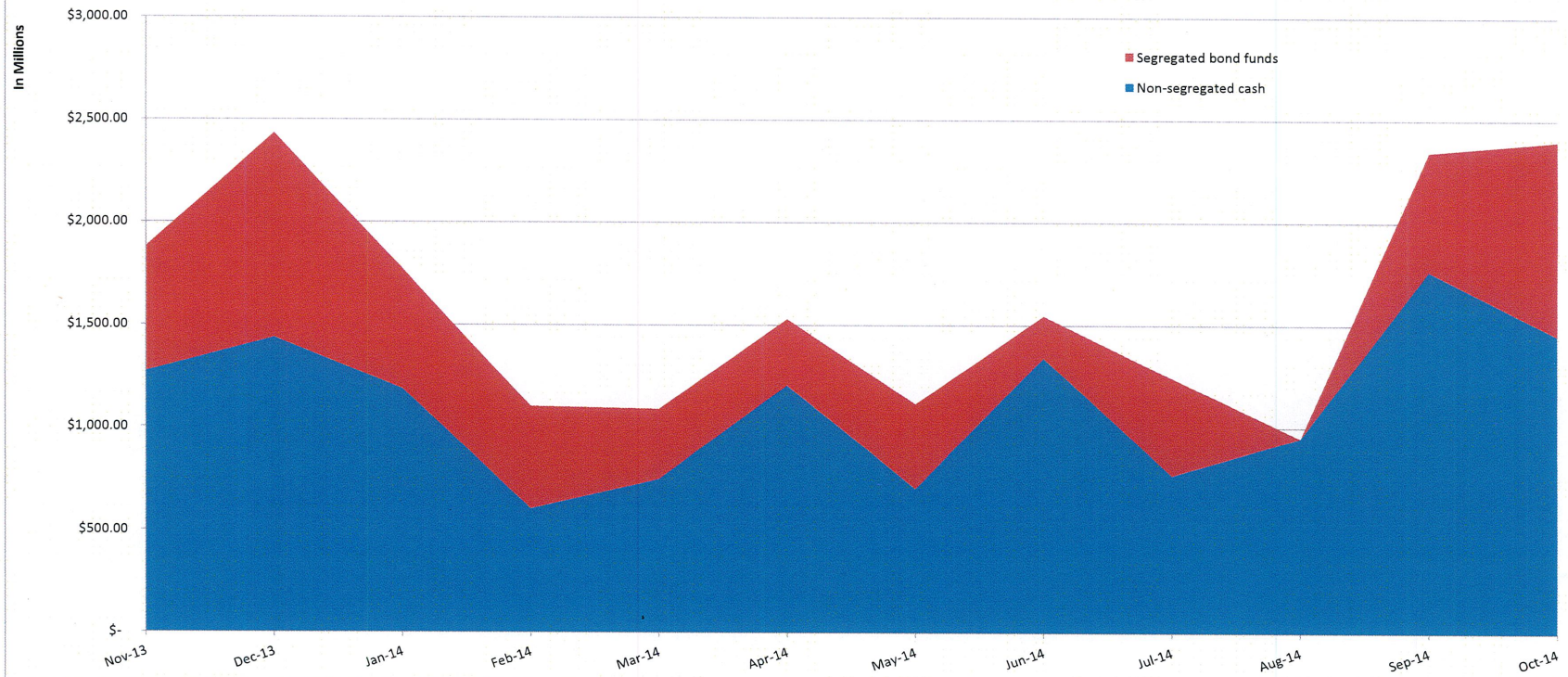
	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Total FY 2015
(presented in millions)	Actual	Actual	Actual	Actual	Est	Est	Est	Est	Est	Est	Est	Est	
OPENING NON-SEGREGATED OPERATING CASH BALANCE:	\$1,340.8	\$768.9	\$949.0	\$1,762.8	\$1,453.2	\$1,296.0	\$1,150.5	\$909.9	\$505.4	\$917.2	\$2,106.6	\$1,849.8	\$1,340.8
OPERATING ACTIVITIES:													
Budgetary Funds:													
Tax Revenue	\$1,658.9	\$1,710.0	\$2,546.5	\$1,804.7	\$1,650.0	\$2,272.0	\$2,422.0	\$1,640.7	\$2,479.6	\$3,559.9	\$1,654.2	\$2,756.6	\$26,155.0
Federal Reimbursements	\$1,044.1	\$707.0	\$611.6	\$768.8	\$818.2	\$905.2	\$727.0	\$730.4	\$1,077.6	\$680.7	\$925.5	\$651.6	\$9,648.0
Other Budgetary Revenue	\$257.7	\$273.4	\$167.0	\$392.2	\$303.5	\$356.2	\$392.2	\$354.4	\$360.6	\$756.0	\$413.3	\$508.3	\$4,534.8
Transfer from/(to) Stabilization Fund	\$84.6	\$300.5	\$2.5	\$0.0	\$95.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$482.7
Total Budgetary Revenue/Inflows	\$3,045.2	\$2,990.9	\$3,327.6	\$2,965.6	\$2,866.9	\$3,533.4	\$3,541.2	\$2,725.5	\$3,917.8	\$4,996.6	\$2,993.0	\$3,916.5	\$40,820.5
Local Aid	\$434.1	\$472.7	\$512.1	\$440.7	\$451.4	\$451.4	\$451.4	\$451.4	\$451.4	\$451.4	\$451.4	\$451.4	\$5,470.9
Tax Refunds	\$31.1	\$66.9	\$68.7	\$109.2	\$58.0	\$18.0	\$71.0	\$431.0	\$329.0	\$368.0	\$96.0	\$45.0	\$1,692.0
Debt Service for General Obligation (including CA/T)	\$79.4	\$512.9	\$203.8	\$98.5	\$344.4	\$118.7	\$217.4	\$142.2	\$5.2	\$76.8	\$100.0	\$81.7	\$1,981.1
Debt Service for Special Obligations	\$17.2	\$0.0	\$0.0	\$0.0	\$0.0	\$35.9	\$37.2	\$0.0	\$0.0	\$0.0	\$0.0	\$83.7	\$174.0
Debt Service for GANS	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$12.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$20.7	\$33.5
Other Budgetary Expenditures	\$2,793.3	\$2,393.3	\$2,254.9	\$2,478.0	\$2,369.3	\$2,788.1	\$2,707.3	\$2,377.0	\$2,565.5	\$2,286.6	\$2,180.9	\$1,973.3	\$29,165.9
Total Budgetary Expenditures/Outflows	\$3,353.9	\$3,445.8	\$3,039.6	\$3,126.5	\$3,223.1	\$3,424.8	\$3,494.3	\$3,401.5	\$3,351.1	\$3,182.7	\$2,828.3	\$2,655.7	\$38,517.4
Net Budgetary Funds	(\$308.7)	(\$454.9)	\$288.0	(\$160.8)	(\$356.1)	\$108.6	\$56.9	(\$676.0)	\$566.8	\$1,813.9	\$164.7	\$1,260.8	\$2,303.1
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):													
Lottery Revenue	\$117.8	\$178.7	\$61.9	\$193.8	\$142.7	\$142.7	\$142.7	\$142.7	\$142.7	\$142.7	\$142.7	\$142.7	\$1,694.1
Pension Receipts (PRIM and Annuity Receipts)	\$246.2	\$263.5	\$251.2	\$256.0	\$224.7	\$233.6	\$223.7	\$224.7	\$224.7	\$224.7	\$224.7	\$232.6	\$2,829.9
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	\$254.5	\$576.5	(\$136.4)	(\$85.1)	\$1,326.6	\$255.0	\$370.0	\$390.0	\$360.0	\$340.0	\$340.0	\$390.0	\$4,381.1
Non Budgetary Tax Receipts	\$32.4	\$37.6	\$38.7	\$43.4	\$56.0	\$45.0	\$46.0	\$28.0	\$80.0	\$47.0	\$39.0	\$45.0	\$538.1
Other Non Budgetary Revenue	\$308.5	\$295.5	\$439.4	\$394.2	\$78.5	\$231.2	\$127.8	\$189.2	\$242.5	\$45.0	\$36.6	\$209.9	\$2,601.2
Total Non Budgetary Revenue/Inflows	\$959.4	\$1,351.7	\$654.8	\$802.3	\$1,828.5	\$907.5	\$910.2	\$974.6	\$1,049.9	\$799.4	\$786.0	\$1,020.2	\$12,044.4
Lottery Payments	\$64.7	\$81.9	\$64.3	\$81.9	\$60.0	\$60.0	\$80.0	\$59.5	\$63.0	\$59.0	\$56.0	\$65.0	\$764.0
MBTA Sales Tax	\$64.0	\$72.1	\$68.8	\$72.1	\$98.3	\$78.3	\$98.3	\$83.3	\$78.3	\$84.3	\$78.3	\$94.5	\$970.6
MBTA Assessments	\$13.3	\$13.3	\$13.3	\$13.3	\$13.1	\$13.1	\$13.1	\$13.1	\$13.1	\$13.1	\$13.1	\$13.1	\$158.2
MSBA Payments	\$64.0	\$68.2	\$62.4	\$59.6	\$64.3	\$64.3	\$64.3	\$64.3	\$64.3	\$64.3	\$66.3	\$66.6	\$772.5
Pension Payments	\$372.4	\$378.4	\$385.5	\$384.2	\$363.0	\$498.0	\$391.0	\$363.0	\$363.0	\$363.0	\$363.0	\$398.6	\$4,623.1
Non Pooled / Trust / Fiduciary Fund Expenditures	\$295.7	\$278.5	\$344.1	\$207.6	\$780.0	\$255.0	\$370.0	\$390.0	\$360.0	\$340.0	\$340.0	\$390.0	\$4,350.9
Other Non Budgetary Expenditures	\$211.3	\$195.8	\$177.0	\$149.1	\$136.0	\$252.0	\$120.0	\$79.2	\$226.0	\$111.0	\$94.5	\$161.0	\$1,912.9
Total Non Budgetary Expenditures/Outflows	\$1,081.4	\$1,061.1	\$1,115.4	\$967.7	\$1,514.7	\$1,220.7	\$1,136.7	\$1,052.4	\$1,167.7	\$1,034.7	\$1,011.2	\$1,188.8	\$13,552.1
Net Non Budgetary Funds	(\$122.1)	\$290.6	(\$460.5)	(\$165.3)	\$313.8	(\$313.2)	(\$226.5)	(\$77.8)	(\$117.8)	(\$235.3)	(\$225.2)	(\$168.6)	(\$1,507.7)
Undesignated Revenue/Inflows and Expenditures/Outflows:													
General Fund Investment Earnings	\$0.9	\$1.2	\$0.9	\$16.8	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$31.1
Net Undesignated Revenue/Inflows and Expenditures/Outflows	\$0.9	\$1.2	\$0.9	\$16.8	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$31.1
NET OPERATING ACTIVITIES	(\$429.9)	(\$163.1)	(\$171.6)	(\$309.3)	(\$40.9)	(\$203.2)	(\$168.2)	(\$752.4)	\$450.4	\$1,580.0	(\$59.0)	\$1,093.6	\$826.4
FEDERAL GRANTS:													
Total Federal Grants Revenue/Inflows	\$27.6	\$44.7	\$161.8	\$145.7	\$100.0	\$200.0	\$210.0	\$205.0	\$210.0	\$205.0	\$200.0	\$225.0	\$1,934.7
Total Federal Grants Expenditures/Outflows	\$157.7	\$228.5	\$152.5	\$156.6	\$144.0	\$206.0	\$207.0	\$154.8	\$178.0	\$151.3	\$150.3	\$168.6	\$2,055.3
NET FEDERAL GRANTS	(\$130.1)	(\$183.9)	\$9.3	(\$10.9)	(\$44.0)	(\$6.0)	\$3.0	\$50.2	\$32.0	\$53.7	\$49.7	\$56.4	(\$120.6)
CAPITAL FUNDS:													
Capital Revenue/Inflows:													
Capital Inflow from Federal Reimbursements	\$0.4	\$0.0	\$53.0	\$52.5	\$93.3	\$170.5	\$46.2	\$43.7	\$24.5	\$32.7	\$34.7	\$115.4	\$666.9
Capital Inflow from Financing Activities:													
Capital Inflow to General Fund from Segregated Bond Funds	\$297.6	\$787.5	\$26.8	\$212.7	\$157.2	\$234.3	\$189.3	\$560.1	\$210.1	\$210.1	\$460.1	\$270.7	\$3,616.5
Total Capital Revenue/Inflows	\$298.0	\$787.5	\$79.8	\$265.2	\$250.5	\$404.8	\$235.5	\$603.8	\$234.6	\$242.8	\$494.8	\$386.1	\$4,283.4
Total Capital Expenditures/Outflows	\$309.9	\$260.5	\$303.6	\$254.5	\$322.9	\$341.1	\$311.0	\$306.1	\$305.2	\$284.1	\$339.2	\$382.2	\$3,720.3
NET CAPITAL FUNDS	(\$11.9)	\$526.9	(\$223.8)	\$10.7	(\$72.4)	\$63.7	(\$75.5)	\$297.7	(\$70.6)	(\$41.3)	\$155.6	\$3.9	\$563.1
FINANCING ACTIVITIES:													
Cash Flow Financing Activities Inflows:													
Commercial Paper	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Revenue Anticipation Notes (RANS)	\$0.0	\$0.0	\$1,200.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,200.0
Total Cash Flow Financing Activities Inflows	\$0.0	\$0.0	\$1,200.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,200.0
Cash Flow Financing Activities Outflows:													
Commercial Paper - (Principal + Interest)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
RANS - (Principal + Interest)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$403.0	\$403.0	\$403.0	\$403.0	\$1,209.0
Total Cash Flow Financing Activities Outflows	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$403.0	\$403.0	\$403.0	\$403.0	\$1,209.0
NET FINANCING ACTIVITIES	\$0.0	\$0.0	\$1,200.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$403.0)	(\$403.0)	(\$403.0)	(\$403.0)	(\$9.0)
ENDING NON-SEGREGATED OPERATING CASH BALANCE:	\$768.9	\$949.0	\$1,762.8	\$1,453.2	\$1,296.0	\$1,150.5	\$909.9	\$505.4	\$917.2	\$2,106.6	\$1,849.8	\$2,600.7	\$2,600.7
Capital Budget Bonding Activity:													
Opening Balance Segregated Bond Funds	\$205.3	\$474.4	\$0.0	\$572.9	\$934.7	\$1,423.5	\$1,234.1	\$1,044.8	\$1,194.7	\$1,044.6	\$894.5	\$1,219.5	\$4,981.3
Bonds	\$566.7	\$447.4	\$399.7	\$774.5	\$646.0	\$45.0	\$0.0	\$710.0	\$60.0	\$60.0	\$785.0	\$487.0	\$4,981.3
BANs	\$0.0	\$0.0	\$200.0	(\$200.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Segregated Bond Funds Available	\$772.0	\$921.8	\$599.7	\$1,147.4	\$1,580.7	\$1,468.5	\$1,234.1	\$1,754.8	\$1,254.7	\$1,104.6	\$1,679.5	\$1,706.5	\$3,616.5
Bond / BANs Proceeds Allocated	\$297.6	\$787.5	\$26.8	\$212.7	\$157.2	\$234.3	\$189.3	\$560.1	\$210.1	\$210.1	\$460.1	\$270.7	\$3,616.5
Ending Balance Segregated Bond Funds	\$474.4	\$0.0	\$572.9	\$934.7	\$1,423.5	\$1,234.1	\$1,044.8	\$1,194.7	\$1,044.6	\$894.5	\$1,219.5	\$1,435.8	

August 2014 in Millions				
	August 2014 Forecast	August 2014 Actual	Variance	
OPENING NON-SEGREGATED OPERATING CASH BALANCE:	768.900	768.944	1,322.821	
OPERATING ACTIVITIES:				
Budgetary Funds:				
Tax Revenue	1,555.240	1,709.969	154.729	
Federal Reimbursements	811.110	706.990	(104.120)	
Other Budgetary Revenue	266.180	273.435	7.255	
Transfer from/(to) Stabilization Fund	300.499	300.499		
Total Budgetary Revenue/Inflows	2,933.029	2,990.893	57.864	
Local Aid	451.400	472.686	21.286	
Tax Refunds	30.000	66.940	36.940	
Debt Service for General Obligation (including CA/T)	512.894	512.881	(0.013)	
Debt Service for Special Obligations				
Debt Service for GANS				
Other Budgetary Expenditures	2,347.360	2,393.327	45.967	
Total Budgetary Expenditures/Outflows	3,341.654	3,445.834	104.180	
Net Budgetary Funds	(408.625)	(454.941)	(46.316)	
Non Budgetary Funds (Non Budgetary, Higher Ed and Trust Funds):				
Lottery Revenue	142.725	178.695	35.970	
Pension Receipts (PRIM and Annuity Receipts)	230.750	263.453	32.703	
Transfers in & out for Non Pooled / Trust / Fiduciary Fund Investments	605.700	576.540	(29.160)	
Non Budgetary Tax Receipts	47.000	37.560	(9.440)	
Other Non Budgetary Revenue	248.100	295.494	47.394	
Total Non Budgetary Revenue/Inflows	1,274.275	1,351.743	77.468	
Lottery Payments	75.000	54.639	(20.361)	
MBTA Sales Tax	80.000	72.148	(7.852)	
MBTA Assessments	13.100	13.345	0.245	
MSBA Payments	64.250	68.214	3.964	
Pension Payments	392.000	378.441	(13.559)	
Non Pooled / Trust / Fiduciary Fund Expenditures	330.000	278.540	(51.460)	
Other Non Budgetary Expenditures	178.000	195.767	17.767	
Total Non Budgetary Expenditures/Outflows	1,132.350	1,061.093	(71.257)	
Net Non Budgetary Funds	141.925	290.649	148.724	
Undesignated Revenue/Inflows and Expenditures/Outflows:				
General Fund Investment Earnings	1.400	1.222	(0.178)	
Net Undesignated Revenue/Inflows and Expenditures/Outflows	1.400	1.222	(0.178)	
NET OPERATING ACTIVITIES	(265.300)	(163.070)	102.230	
FEDERAL GRANTS:				
Total Federal Grants Revenue/Inflows	200.000	44.655	(155.345)	
Total Federal Grants Expenditures/Outflows	212.000	228.509	16.509	
NET FEDERAL GRANTS	(12.000)	(183.854)	(171.854)	
CAPITAL FUNDS:				
Capital Revenue/Inflows:				
Capital Inflow from Federal Reimbursements	70.190		(70.190)	
Capital Inflow from Financing Activities:				
Capital Inflow to General Fund from Segregated Bond Funds	787.455	787.455		
Total Capital Revenue/Inflows	857.645	787.455	(70.190)	
Total Capital Expenditures/Outflows	399.300	260.522	(138.778)	
NET CAPITAL FUNDS	458.345	526.933	68.588	
FINANCING ACTIVITIES:				
Cash Flow Financing Activities Inflows:				
Commercial Paper				
Revenue Anticipation Notes (RANS)				
Total Cash Flow Financing Activities Inflows				
Cash Flow Financing Activities Outflows:				
Commercial Paper – (Principal + Interest)				
RANS – (Principal + Interest)				
Total Cash Flow Financing Activities Outflows				
NET FINANCING ACTIVITIES				
ENDING NON-SEGREGATED OPERATING CASH BALANCE:	950.000	948.952	(1.048)	

September 2014 in Millions		
September 2014 Forecast	September 2014 Actual	Variance
950.000	948.952	1,321.786
2,615.490	2,546.527	(68.963)
764.000	611.564	(152.436)
316.260	167.007	(149.253)
	2.462	2.462
3,695.750	3,327.560	(368.190)
451.400	512.118	60.718
50.000	68.716	18.716
205.559	203.819	(1.739)
2,572.730	2,254.949	(317.781)
3,279.689	3,039.602	(240.086)
416.061	287.957	(128.104)
142.725	61.905	(80.820)
230.650	251.221	20.571
355.000	(136.427)	(491.427)
61.910	38.703	(23.207)
226.500	439.419	212.919
1,016.785	654.821	(361.964)
45.000	64.315	19.315
60.000	68.767	8.767
13.100	13.345	0.245
64.250	62.366	(1.884)
363.000	385.484	22.484
300.000	344.073	44.073
345.000	177.011	(167.989)
1,190.350	1,115.359	(74.991)
(173.565)	(460.538)	(286.974)
1.400	0.944	(0.456)
1.400	0.944	(0.456)
243.896	(171.637)	(415.533)
160.000	161.776	1.776
147.000	152.501	5.501
13.000	9.275	(3.725)
56.750	53.016	(3.734)
215.000	26.781	(188.219)
271.750	79.797	(191.953)
353.200	303.595	(49.605)
(81.450)	(223.798)	(142.348)
1,200.000	1,200.000	
1,200.000	1,200.000	
1,200.000	1,200.000	
2,325.400	1,762.791	(562.609)

October 2014 in Millions		
October 2014 Forecast	October 2014 Actual	Variance
2,325.400	1,762.791	760.180
1,796.660	1,804.655	7.995
680.140	768.812	88.672
408.680	392.178	(16.502)
2,885.480	2,965.644	80.164
451.400	440.741	(10.659)
183.000	109.215	(73.785)
100.765	98.518	(2.247)
2,583.280	2,477.979	(105.301)
3,318.445	3,126.453	(191.992)
(432.965)	(160.808)	272.157
142.725	193.836	51.111
229.650	256.028	26.378
220.000	(85.119)	(305.119)
75.970	43.404	(32.566)
88.900	394.165	305.265
757.245	802.315	45.070
60.000	81.853	21.853
60.000	72.079	12.079
13.100	13.345	0.245
64.250	59.553	(4.697)
363.000	384.154	21.154
160.000	207.581	47.581
106.000	149.098	43.098
826.350	967.662	141.312
(69.105)	(165.347)	(96.242)
1.400	16.827	15.427
1.400	16.827	15.427
(500.670)	(309.328)	191.341
150.000	145.670	(4.330)
146.000	156.589	10.589
4.000	(10.919)	(14.919)
82.500	52.524	(29.976)
299.250	212.708	(86.542)
381.750	265.232	(116.518)
367.700	254.541	(113.159)
14.050	10.691	(3.359)
1,842.800	1,453.235	(389.565)

FY 15 Monthly Cash and Investment Positions



Commonwealth of Massachusetts

Cash Flow Forecast Glossary

BUDGETARY SECTION

Tax Revenue

These tax revenue figures are gross, and do not account for tax refunds (which are captured in the budgetary outflow section of the forecast) and include amounts that are statutorily dedicated transfers to the Massachusetts Bay Transportation Authority, Massachusetts School Building Authority, etc.

Federal Reimbursements

Federal revenues are collected through reimbursements for the federal share of entitlement programs such as Medicaid and through block grants for programs such as Transitional Assistance to Needy Families (TANF). The amount of federal reimbursements to be received is determined by state expenditures for these programs. For example, the Commonwealth receives reimbursement for approximately 50% of its spending for Medicaid programs.

Other Budgetary Revenue

This revenue reflects all non-tax and non-federal reimbursement revenue that is used to support the Commonwealth's operating budget. This includes departmental revenue collections (e.g., RMV fees and fines) as well as transfers of revenue from non budgetary funds to the General Fund (e.g., Tobacco Settlements are initially deposited into a non budgetary fund and then transferred to the General Fund. Unclaimed Property revenue is transferred from the Unclaimed Property Fund to the General Fund, etc.).

Transfer from/(to) Stabilization Fund

The Stabilization Fund is established by state finance law as a reserve of surplus revenues to be used for the purposes of covering revenue shortfalls, state or local losses of federal funds or for any event that threatens the health, safety or welfare of the people or the fiscal stability of the Commonwealth or any of its political subdivisions. The fund is sometimes referred to as the state's "rainy day fund", serving as a source of financial support for the state budget in times of slow or declining revenue growth and as the primary source of protection against having to make drastic cuts in state services in periods of economic downturns. The Stabilization Fund is a "segregated" fund, and balances in the fund do not contribute to Commonwealth's "pooled" cash.

Local Aid

This spending category represents local aid that is appropriated in the state budget and is primarily comprised of Chapter 70 (public education) local aid and unrestricted general government aid. These disbursements used to go out quarterly, but recently enacted legislation amended state finance law so that they are made on a monthly basis.

Tax Refunds

A tax refund is a refund to a taxpayer of amounts paid in excess of the full amount of tax, interest and penalties due from the taxpayer for a particular tax type and period. Under G.L. Chapter 62C, Section 36, the Commissioner can offset a tax refund for one tax type in order to pay amounts due from the taxpayer for another tax type.

Debt Service for General Obligation (including CA/T)

This line represents principal and interest payments on all of the Commonwealth's outstanding general obligation bonds. These payments, as general obligations of the Commonwealth, are secured by a pledge of the Commonwealth's full faith and credit. Within this line are payments on bonds and notes issued to finance the State's various capital expenditures. Debt service payments for general obligation bonds are made on a monthly basis.

Debt Service for Special Obligations

This line represents principal and interest payments on all of the Commonwealth's outstanding special obligation bonds. As special obligations of the Commonwealth, these payments are secured by specific revenue streams pursuant to the various trust agreements underlying each bond issuance. This line includes payments on bonds secured by motor vehicle fuels receipts, Commonwealth Transportation Fund ("CTF") revenues and a selection of tourism-related sales and excise taxes.

Debt Service for GANS

This line represents interest payments on Federal Grant Anticipation Notes (GANs). GANs are bonds issued by the Commonwealth that are secured by a pledge of future Federal Highway Trust Fund revenues and net CTF revenues. The Commonwealth's current outstanding GANs were issued to help finance the Central/Artery Tunnel Project as well as the Accelerated Bridge Program. GANs payments are made one year in advance of their scheduled release from the trustee and are made in December and June of each year.

Other Budgetary Expenditures

This captures all operating budget spending with the exception of Local Aid, Debt Service and the pension appropriation. This line includes: MassHealth spending, budgetary payroll

and other budgeted spending, either authorized in the GAA, supplemental budget legislation filed or enacted, or that may be anticipated.

NON BUDGETARY SECTION

Lottery Revenue

This revenue category represents the net operating revenues of the Massachusetts State Lottery Commission. It primarily consists of the sale of Lottery products minus prizes, commissions and bonuses that are paid by the Commission.

Pension Receipts (PRIM and Annuity Receipts)

Funds transferred from PRIM to reimburse the General Fund for the payment of monthly pension benefits and annuity payments and separation from state service.

Transfer in & out for Non Pooled / Trust / Fiduciary Fund Investments

Non budgetary funds are also referred to as Trust or Fiduciary funds. As defined in state finance law, "Trust fund", a fund into which are deposited monies held by the Commonwealth or state agencies in a trustee capacity and which must be expended in accordance with the terms of the trust. Funds held in trust earn interest, which accrues to the trust; so for cash flow purposes are categorized as non pooled cash. When a trust collects money it is recorded with the Treasury on MMARS (the Commonwealth's accounting system) then moved from the cash flow to a non pooled investment. When a trust spends money the investment is liquidated by the Treasury on MMARS and then moved from a non-pooled status back to the cash flow. Thus, the net amount of all non budgetary investments for a month could be a negative inflow.

Non Budgetary Tax Receipts

These taxes are collected by the Commonwealth but are deposited directly into non budgetary trust funds for dedicated purposes. For example, the Massachusetts Convention Center Fund annually receives dedicated hotel and sales taxes to support restricted purposes, such as the annual debt service expenses associated with the construction of the Boston Convention and Exhibition Center.

Other Non Budgetary Revenue

The recording of cash collections of all non budgetary funds, except Lottery, Pension and non budgetary tax receipts.

Lottery Payments

Payment of prizes, commissions and bonuses that are paid by the Commission.

MBTA Sales Tax

The MBTA receives 1% of the first 5% of sales tax receipts, excluding meals (MGL Chapter 10, Section 35T). The dedicated sales tax growth is capped at 3% annually (based on the inflation index), but has not been achieved in recent years. This revenue is drawn down from the Fund on a monthly basis with a quarterly true-up.

MBTA Assessments

The Local Assessments (MGL Chapter 161A, Section 9) are contributed by the 175 cities and towns that are served by the MBTA. Each share is based on a weighted percentage of the total population of all the communities as published by the most recent state census. The total Local Assessment is certified before March 1 of each year and is now drawn down from the Fund on a monthly basis.

MSBA Payments

The Massachusetts School Building Authority (“MSBA”) receives a dedicated sales tax revenue amount equal to 1% of receipts from sales, as defined by G.L. Chapter 64H and G.L. Chapter 64I (exclusive of taxes on sale of meals and sales in certain convention center districts). By the 15th business day of each month, the Department of Revenue (“DOR”) identifies the dedicated sales tax revenue amount from the gross receipts of sales and purchases received by the Commonwealth the previous month, and the Comptroller credits that identified amount to the School Modernization and Reconstruction Trust Fund (“SMART Fund”). Within two business days of the Comptroller crediting the identified amount for the previous month to the SMART Fund, the Office of the State Treasurer disburses that amount from the SMART Fund to the MSBA’s trustee.

Pension Payments

Payments to beneficiaries of the state and teachers retirement systems, payments of refunds for excess collections or separation from state service.

Non Pooled / Trust / Fiduciary Fund Expenditures

Any payments made from non pooled funds require cash on hand at the time of expenditure. These funds may be recently collected through Other Non Budgetary Revenue or may require liquidation of invested income.

Other Non Budgetary Expenditures

Non budgetary expenditures that are supported by pooled cash.

General Fund Investment Earnings

Interest earned from deposits at local banks and the Commonwealth's pooled investment trust, the Massachusetts Municipal Depository Trust.

FEDERAL GRANTS SECTION

Total Federal Grants Revenue/Inflows

This line represents the funds that have been authorized by federal agencies for federal grant expenditures/outflows that a state agency has incurred. Agencies must comply with regulations issued by the Comptroller for application and receipt of federal grants, which are generally then appropriated in section 2D of the General Appropriation Act.

Total Federal Grants Expenditures/Outflows

This line represents funds spent by state agencies from federal grant appropriation accounts. In accordance with the Cash Management Improvement Act (CMIA) all expenses are scheduled to be disbursed by the state agencies and then drawdowns from the federal funding agencies are made to time receipt with the payments clearing the bank.

CAPITAL SECTION

Capital Inflow from Federal Reimbursements

This line represents funds provided to the Commonwealth from federal agencies for capital expenditures that qualify for full or partial reimbursement. For example, the Federal Transit Authority typically reimburses the Commonwealth for approximately 80% of costs associated with maintaining state roads and bridges.

Capital Inflow to General Fund from Segregated Bond Funds

This line represents the allocated bond proceeds transferred from the segregated bond fund to the General Fund for reimbursement of General Fund expenditures on capital projects.

Total Capital Expenditures/Outflows

This line represents capital spending funded through the Commonwealth's "bond cap", which is based on an annual Debt-Affordability Study and is approved through the Commonwealth's Five-Year Capital Investment Plan, as well as gross federally-reimbursable spending, capital expenditures related to the Accelerated Bridge Program, which is secured through a separate stream of revenue that is not included in the Commonwealth's Debt-Affordability Study, and lastly, projects funded through the Clean Energy Investment Program, whereby the debt is secured by future savings related to increased energy efficiency.

Commercial Paper

This line item represents the proceeds from the Commonwealth's sale of commercial paper. Commercial paper is a short-term financial obligation of the Commonwealth that has a fixed maturity of no more than 270 days.

Revenue Anticipation Notes (RANS)

This line represents the proceeds from the sale of Commonwealth of Massachusetts revenue anticipation notes (RANs). RANs are general obligations of the Commonwealth, of which the State's full faith and credit is pledged, with a maturity of less than one year. RANs are issued in order to manage the cyclical variability in the Commonwealth's cash flow operations. Generally, they are issued in the beginning of a fiscal year, in anticipation of revenue to be received towards the end of the fiscal year.

Commercial Paper – (Principal + Interest)

This line item represents the principal and interest debt service payments on the Commonwealth's commercial paper. Commercial paper is a short-term financial obligation of the Commonwealth that has a fixed maturity of no more than 270 days.

RANS – (Principal + Interest)

This line item represents the principal and interest debt service payments on RANs issued by the Commonwealth. RANs are general obligations of the Commonwealth, of which the Commonwealth's full faith and credit is pledged, and carry a maturity of less than one year. RANs are issued in order to manage the cyclical variability in the Commonwealth's cash flow operations. Generally, they are issued in the beginning of a fiscal year, in anticipation of revenue to be received towards the end of the fiscal year.

Opening Balance Segregated Bond Funds

This line item represents the opening balance within the Commonwealth's segregated bond fund. The segregated bond fund is separate from the Commonwealth's operating and

budgetary funds and is only affected by the receipt of bond proceeds or the allocation of bond proceeds. The fund's opening balance at the beginning of a given day will be equal to the closing balance on the prior day.

Bonds

This line item represents the proceeds from the sale of Commonwealth bonds (both special obligation and general obligation).

BANs

This line item represents proceeds from the sale of bond anticipation notes. BANs allow the Commonwealth to access short-term liquidity for capital needs in anticipation of future longer-term borrowings.

Segregated Bond Funds Available

This represents the total sum of the fund's opening balance plus any bond or BAN proceeds.

Bond / BANs Proceeds Allocated

This represents any segregated funds allocated to the general fund for reimbursement of General Fund expenditures on capital costs.