



THE COMMONWEALTH OF MASSACHUSETTS

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Meeting Minutes

Federal Funds Equity & Accountability Review Panel

Tuesday, February 15, 2022

2:00 pm

Zoom URL: [https://mass-gov-](https://mass-gov-anf.zoom.us/j/85376377641?pwd=LytJSi9SeHY0MDdJeU44VjhCK0RaZz09)

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Password: 325713

Teleconference Line: 713-353-7024, conference code: 319738#

A meeting of the Federal Funds Equity & Accountability Review Panel was held via teleconference on Tuesday, February 15, 2022, in accordance with Section 20 of Chapter 20 of the Acts of 2021.

Meeting was called to order at 2:04PM

Panel members comprising a quorum:

Jose Delgado, Panel Co-Chair, Access and Opportunity, Office of the Governor
Nicole Obi, Panel Co-Chair, Coalition for an Equitable Economy
Suzanne Bump, Auditor of the Commonwealth
Amy Nable, Office of the Comptroller
Michael Frieber, Inspector General's Office
Bill McAvoy, Supplier Diversity Office
Kristina Johnson, Chief Data Officer, Executive Office of Technology Services and Security
Julia Gutierrez, Chief Digital Officer, Executive Office of Technology Services and Security
Shaheer Mustafa, Massachusetts Nonprofit Network, Inc.
Leemarie, Mosca, Massachusetts Nonprofit Network, Inc.
Denella Clark, Commission on the Status of Women
Geoff Foster, Common Cause Massachusetts
Joe Kriesberg, Massachusetts Association of Community Development Corporations
Yasmin Padamsee, Commission on the Status of Asian Americans and Pacific Islanders
Raquel Halsey, North American Indian Center of Boston, Inc.
Bishop Tony Branch, NAACP New England Area Conference
Marie-Frances Rivera, Massachusetts Budget and Policy Center, Inc.
Elizabeth Weyant, Massachusetts Association of Regional Planning Agencies
Beverley Johnson, Massachusetts Minority Contractors Association, Inc.
Joe Curtatone, Northeast Clean Energy Council, Inc.

Others in attendance:

Kelly Govoni, Executive Office for Administration and Finance, Panel Secretary
Christine McCarthy, Executive Office for Administration and Finance
Kate Mayer, Executive Office for Administration and Finance
Heath Fahle, Executive Office for Administration and Finance
Carrie Benedon, Massachusetts Office of the Attorney General
Judith Bromley, State Auditor's Office
Bryan Hirsch
Courtney Brunson
Marino Fernandes
Matt Moran
Kevin McColaugh
Erica Seery
Peter Kirgis
Matt Moran
Lena Shapiro
Katherine Hillenbrand

1. Administrative Matters

- I.** Ms. Govoni conducted the roll call for the meeting. Co-chair Delgado called the meeting to order and went over some housekeeping items for the meeting.
- II.** Materials used during the meeting: Open Meeting Law Overview PowerPoint, Federal Funds Overview PowerPoint, Equity Panel Overview PowerPoint.

2. Discussion of Panel

- I.** Panel members introduced themselves.
- II.** Ms. Benedon presented an overview of the Open Meeting Law. Ms. Benedon is the Director of the Division of Open Government for the Attorney General's Office. Ms. Benedon noted that this Panel is considered a public body and is subject to the Open Meeting Law. Ms. Benedon then went over Open Meeting Law basics, key components of the Open Meeting Law and opened the meeting up to any questions from Panel members. Ms. Benedon noted that she would share the presentation with Panel members.
- III.** Mr. Fahle, the Director of Federal Funds at the Executive Office for Administration and Finance, proceeded to provide an overview of ARPA. Mr. Fahle noted that the team he leads, was created in response to the COVID19 pandemic with two objectives in mind. First, to maximize the utility of the federal revenue provided to the Commonwealth to respond to COVID19, and second, to minimize the compliance risks associated with using federal funds. Within that role, the Federal Funds team coordinates and monitors COVID related federal funds in the Commonwealth and the team serves as the grant administrator for four grant programs for specific federal grants, one of which is the Coronavirus State Fiscal Recovery Fund, a portion of which is the focus of this Panel's efforts. Mr. Fahle noted that there have been at least six pieces of federal legislation enacted in response to COVID19, the most notable being the CARES Act signed into law in March 2020, and the American Rescue Plan Act signed into law in March 2021. Together the six pieces of legislation and the FEMA Program, have provided benefits totaling \$115 billion dollars to Massachusetts in several different programmatic structures. Mr. Fahle noted that about half of this assistance is provided directly by the federal government through programs, or initiatives such as stimulus checks, the Paycheck Protection Program, etc. and were created and administered directly by the federal

government to the beneficiaries. Mr. Fahle noted that a lot of the federal assistance has flowed through the Commonwealth in one way or another. Mr. Fahle noted some are passthroughs, where the Commonwealth acts as a distribution agent for federal resources, others are grants, where the federal government will give the Commonwealth money for a specific purpose, and others are reimbursements.

Mr. Fahle noted that the real focus of this Panel's work is in the discretionary or flexible federal grants provided to the Commonwealth. Mr. Fahle noted that these are pretty unusual and there are federal rules and regulations about how those funds can be used, but the recipient has wide latitude to determine how best to use those resources across different policy areas based on program design and choosing the beneficiaries of each set of programs as the recipients see fit. Mr. Fahle noted that the Coronavirus Relief Fund was created in the CARES Act, and the funds that this Panel is focused on is the Coronavirus State Fiscal Recovery Fund. Mr. Fahle noted that these are two interrelated programs, where a portion went to the state and to local governments. Mr. Fahle noted that the state received \$5.286 billion dollars in Fiscal Recovery Fund dollars and local governments are on track to receive \$3.4 billion dollars through this program. Mr. Fahle noted that for these fiscal recovery fund dollars there is a considerable amount of information about how you can use these dollars, but within that, the recipients have pretty broad latitude about how to deploy those funds. Mr. Fahle then turned it over to Kate Mayer.

Co-chair Delgado asked panelists if there were any questions. Ms. Rivera asked Mr. Fahle to clarify what we are calling ARPA dollars in terms of what is spent and unspent at this point. Mr. Fahle noted that the \$5.3 billion dollars the state received from the U.S Treasury on May 19th, 2021, was initially handled how the state handles any other federal grant, which meant that the funds could be deployed by the executive branch, and executive agencies as they determined to be necessary. From May to June 2021 the funds were deployed for a small handful of programs totaling about \$394.1 million. On June 28th, 2021. The legislature made the balance of these funds subject to appropriation. The enabling legislation for this Panel was part of Chapter 102 of the Acts of 2021, signed into law December 13, 2021. Mr. Fahle explained that between the \$391.4 million and the \$2.55 billion authorized by Chapter 102, that is the total amount of what has been allocated. In terms of spent, about \$165 million has been spent as of the end of December 2021.

Co-chair Delgado clarified that for the focus of this Panel, it seems like the third row on the slide is what the Panel is focusing on, which is federal, discretionary funding? Mr. Fahle noted that within the flexible discretionary funding, the ARPA dollars (\$5.3 billion) is the federal grant that is the motivating factor behind this Panel and the enabling legislation is focused on the deployment of that one federal grant, the State Fiscal Recovery Fund.

Ms. Clark asked if Mr. Fahle could give the bottom-line number of what is left to be spent from the State Fiscal Recovery Fund. Mr. Fahle answered that \$2.342 billion is what is left to be spent.

Ms. Mosca asked if the Panel is responsible for any assessment or further determination of funds already allocated? Mr. Fahle noted that his read of the legislation is that the Panel's charge is focused on the \$2.55 billion dollars appropriated in the enabling legislation.

Ms. Mayer, the Director of Analytics and Transparency for Executive Office for Administration and Finance (A&F), proceeded to provide an overview of the Panel and its charge. Ms. Mayer noted that the Panel has 25 members and is focused on tracking how \$2.55

billion in federal funds are spent, particularly in communities that were disproportionately impacted by COVID-19. Ms. Mayer noted that the Panel is within the Executive Office for Administration and Finance but not subject to the control of the Office. The Panel dissolves January 1, 2028, or upon a majority vote that it has completed its work. Ms. Mayer explained that the scope of the Panel is the federal funds appropriated under the act, which is the \$2.55 billion portion of the States Fiscal Recovery Fund. Ms. Mayer noted that H.4269 appropriates a total of \$4 billion dollars of which \$2.55 billion is to come from the federal funds and the remaining \$1.45 billion is to come from the FY21 state surplus. The bill gives A&F discretion over which programs will be funded by the federal funds versus the state funds. Ms. Mayer noted that A&F is in an ongoing process of analysis and is working with state agencies as they design these programs to determine which of the programs should be funded with federal funds based on federal compliance and eligibility rules. From a preliminary analysis A&F expects that out of the \$2.55 billion the breakdown will be:

- \$595 million for housing
- Over \$800 million for health and human services
- \$500 million transfer to UI trust fund
- \$460 million in payments to low-income workers
- Smaller programs in workforce training, economic development, water/ sewer infrastructure

Ms. Mayer noted that as a result, what is in the \$2.55 billion could change a bit. Ms. Mayer then explained that the Panel's goal is to create a user-friendly tracking system and website with data about federal funds spent, based on the following framework:

- In communities disproportionately impacted by COVID-19
- For environmental justice populations or communities with a high social vulnerability index
- Via contracts and subcontracts awarded to diverse businesses
- Spending by zip code
- Any other data or analysis the panel deems necessary to carry out its charge

Furthermore, the Panel must create forms and processes to collect this data from state agencies and municipalities as necessary, set allocation foals for percentage of funds allocated to disproportionately impacted communities, and review published data from the tracking system and make recommendations to improve performance.

3. Q&A

- I. Co-chair Obi asked Panelists if they had any questions. Mr. Bishop Branch noted that it does not seem that the Panel needs to reinvent the wheel, noting that a lot of these forms for data capture and mining is already readily available for the Panel to review and approve. Mr. Bishop Branch then asked if the dollars that are already assigned to certain areas can be allocated elsewhere if the Panel decides to do so with respect to the \$2.55 billion dollars. Ms. Mayer stated that the legislature has already allocated certain dollars to certain areas and that would not be able to change. Ms. Mayer, noted that the Panel's charge is to look at where the funding is being allocated and determine what the goals should be as far as the communities where that is going to happen, taking into account the equity concerns on where and on whom within that.

Ms. Bump then asked if this is flexible, discretionary money and does that mean that it is being spent outside of existing programs that already do provide a sum of this kind of service to citizens across the Commonwealth or is the Panel helping design new programs to funnel this

money to for new purposes? Further noting this does go to Bishop Branch's question regarding which systems already exist for distributing funds and collecting data. Mr. Fahle noted that the legislation authorizes spending in some programs and areas that are completely new such as the Essential Worker Pay, but there are other programs that are effectively expanded by this legislation, such as programs in the housing space, but to Kate's point the charge of the Panel is to measure how, where and who benefits from the expenditure of these resources.

Ms. Clark then noted that on December 13, 2021, Governor Baker signed legislation appropriating some of these ARPA dollars and very few of these dollars went to Roxbury, Dorchester, and Mattapan and wants to ensure that this information informs the Panel's decisions moving forward.

Ms. Nable then provided an overview of what the Comptroller's Office tracking and reporting system can do. Ms. Nable noted that the Comptroller's Office uses MMARS software, which does have some functional limitations. Ms. Nable noted that one challenge with the data that they have versus with what the Panel is charged with doing, is with respect to someone who has a contract with the state. The Comptroller's Office has the name of the business and the address of the business, so to the extent that this Panel is charged with figuring out where the services were provided, the information in the states accounting system may not get you that information if the business is not located in the community that they are serving. Also, they are limited in the number of fields that they can put in the system, and this may be a reason to explore additional data collection sources.

Mr. Frieber noted that he understands that A&F will eventually determine what is funded under federal funds versus the state surplus and would like to know when that determine will be made so that the Panel knows what they are looking at in Chapter 102. Mr. Fahle noted that A&F is required to submit a report to the legislature on March 31st, 2022, that provides that information and that the deck presented to the Panel provides a preliminary breakdown.

Ms. Johnson asked who is responsible for implementing the goals that the Panel develops? Co-chair Delgado noted that his understanding is that the Panel will set goals and then the Administration, working with A&F will work to achieve those goals.

Ms. Gutierrez noted that there are two requirements on the technical side that she would like to discuss. The first one is around automated basis and calls for a near real time working on an automated basis. Ms. Gutierrez noted that A&F has been doing great work on the existing COVID spending reporting and it seems like we need to do some analysis and technical discovery on what we have to date that we can use and if it meets our need for automated reporting. If it does not meet the Panel's needs, then getting an understanding of where and what new infrastructure needs to be built to meet this requirement is important. The second requirement is understanding what data we already have and what mechanisms are in place. Ms. Gutierrez noted that those are two things that given the tight timeline need to be identified so that the Panel can have enough time to do any building that needs to be done.

Mr. McAvoy noted that at the Supplier Diversity Office (SDO) they establish goals and can assist with the process. Mr. McAvoy noted that the MMARS system mentioned earlier tracks direct spend but if any of the Panel's goals is to track indirect spending through prime contractors, SDO is in the process of building the Supplier Diversity Hub, which will track this information. Mr. McAvoy also noted that SDO has a lot of rich data that shows historically

how the Commonwealth has spent with diverse businesses and other policies, forms and procedures that could be useful if folks have questions about how to develop policies.

4. Next Steps

- I. Co-chair Obi noted that there is a website associated with this Panel, which will be shared with Panelists. Co-chair Obi mentioned that creating subcommittees will be discussed at the next Panel meeting. Co-chair Delgado noted that copies of the presentations will also be shared with Panel members.

5. Adjournment

- I. The meeting was adjourned at 3:29 pm.

Kelly Govoni, Secretary