



Maximizing Federal Funding Opportunities

Executive Office for Administration and Finance

Historic Federal Funding Opportunities

The Healey-Driscoll Administration is aggressively pursuing the historic amounts of funding available to Massachusetts through federal legislation including the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and the CHIPS and Science Act (CHIPS). These three acts have opened over \$1.4 trillion in funding opportunities across the U.S. for states, municipalities, tribes, nonprofits, and businesses in the coming years. Opportunities are spread across multiple policy areas including transportation, water and sewer infrastructure, broadband access, climate resiliency, industrial policy, and research and development. Current estimates show that Massachusetts is eligible for approximately \$17.5 billion in grant funding from these historic opportunities.¹

Massachusetts' Strategy to Win

With such significant resources available, it is critical that Massachusetts submit competitive applications to leverage these once-in-a-generation federal resources. To do so, the Commonwealth has developed a multifaceted strategy to maximize the state's competitiveness. Planning, coordination, a ready pool of funding, and rapid deployment when opportunities arise will make the difference in giving Massachusetts an edge over the competition.

Dedicated Team for Federal Opportunities

The Commonwealth's Federal Funds and Infrastructure Office (FFIO) is tasked with identifying key federal funding opportunities that will advance priorities including improved infrastructure, equity, job creation, economic competitiveness, climate resiliency and decarbonization, workforce development, and more. Through the FY24 budget, the Administration has secured resources to support FFIO's work, which includes identifying opportunities, actively monitoring federal grant information, tracking state applications, providing technical assistance, and collaborating with local and federal partners through the application process.

Advanced Planning

Massachusetts has already begun planning for federal grant opportunities and positioning the state to succeed in its applications. Through the FY24-FY28 Capital Investment Plan, the state has identified projects that are "shovel-ready" in areas like transportation, housing, climate, and technology. The state's strategic planning process, including updates to the economic development plan currently underway, presents additional opportunities to identify priorities that align with federal grants.

Matching Funds

Most federal grants through IIJA, IRA, and CHIPS require matching funds from the recipient. The most competitive applications often have readily available pools of matching funds when

¹ Estimated opportunities continue to evolve as federal agencies post Notices of Funding Opportunities.

Maximizing Federal Funding Opportunities

submitting their proposal. Massachusetts has multiple sources of matching funds available including over \$2 billion from existing state resources including the capital plan and other appropriations, \$125 million in bond authorization for CHIPS match, and \$50 million in the FY24 budget for transportation match via Fair Share resources. The Administration is also proposing to utilize \$750 million in resources from the newly proposed PAYGO Capital Investment and Debt Reduction Fund to pursue federal opportunities. The PAYGO Capital Fund, including its sources and uses, is described in detail in the [Accelerating Capital Investments with Pay-As-You-Go Funding](#) brief. The flexibility and availability of these funds makes a meaningful impact on the state's competitiveness in grant proposals.

Deploying Matching Funds

Current estimates show a potential need for up to approximately \$3 billion in state matching funds if Massachusetts applies for and receives all \$17.5 billion in grants for which we may be eligible. The level of match varies from program to program and will continue to evolve as notices are posted. To date, over \$2 billion of state matching funds have already been identified from funding sources available to the state, including through the FY24-FY28 Capital Investment Plan, the FY24 budget, and other appropriations.

Grant Opportunities by Policy Area		State Match Estimates		
Policy Area	Est Total Available	Funded	Additional Match	Total
1 Transportation	11,107.4	1,922.0	419.1	2,341.1
2 Energy and Environmental Affairs	4,787.8	127.8	442.1	569.9
3 Economic Development	1,529.1	45.8	184.5	230.3
4 Housing	49.9	0.0	0.0	0.0
5 Technology Services and Security	21.2	0.0	3.2	3.2
6 Labor and Workforce Development	7.0	0.0	0.4	0.4
Total	17,503.0	2,095.6	1,049.2	3,144.8

Massachusetts intends to aggressively compete for federal funding. The state has developed a strategy to create an additional pool of \$800 million in funds, representing approximately 75 percent of the matching funds that would be needed if Massachusetts secured every available dollar in federal funding opportunities. This new funding could be flexibly deployed to meet matching requirements and would unlock historic investments in the Commonwealth. We will seek funding beyond the \$800 million through additional strategies should the need arise. The current funding proposed includes \$750 million from the new PAYGO Capital Fund and \$50 million in previously appropriated FY24 Fair Share resources specifically designated for transportation matches.

With the support of FFIO during the application process, agencies may request matching funds from Administration and Finance (A&F). A&F and FFIO will jointly evaluate requests for their return on investment and benefit to the Commonwealth. The Secretary of A&F will approve matching fund requests that maximize return on investment for the Commonwealth and ensure the availability of funds to meet outstanding applications.

Supporting Municipalities

Additionally, the state will dedicate \$50 million of its matching funds pool to ensuring the competitiveness of local and regional partners. With some federal programs structured for applicants other than states, it is critical that the entire Commonwealth be equipped to compete on behalf of all the state's residents. The state also dedicates an additional \$12 million in funding set aside for municipalities can be used for preliminary work to ensure projects are shovel-ready, including technical assistance, design, planning, and other enabling work – all critical components of ensuring successful applications.