



Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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WILLIAM MCNAMARA
COMPTROLLER

February 12, 2021

Honorable Michael J. Rodrigues
Senate Ways and Means Committee
State House, Room 212
Boston, MA 02133

Honorable Aaron Michlewitz
House Ways and Means Committee
State House, Room 243
Boston, MA 02133

Secretary Michael Heffernan
Executive Office for Administration and Finance
State House, Room 373
Boston, MA 02133

Attorney General Maura Healey
Office of the Attorney General
One Ashburton Place, 20th Floor
Boston, MA 02108

Dear Chair Rodrigues, Chair Michlewitz, Secretary Heffernan and Attorney General Healey:

Pursuant to M.G.L. c. 29, § 2TT, the Office of the Comptroller hereby submits this report of the activities of the Liability Management and Reduction Fund to the House and Senate Committees on Ways and Means, the Secretary of Administration and Finance, and the Attorney General.

This report was not submitted at the end of December as the report required the issuance of the audited Commonwealth Statutory Basis Financial Report (SBFR) was delayed. This report contains the Fund's financial statement for FY 2020 (**see attachment 1**), as published on page 115 in the SBFR. Revenues consist of interest income from investments, categorized as miscellaneous revenue and departmental premiums, derived from each department's five-year average for tort payments and litigation costs from FY 2015 through FY 2019 (**see attachment 2**).

If you have any questions regarding this information, please contact Kevin McHugh, Assistant Comptroller at (617) 973-2335 or me at (617) 655-3535. Thank you.

Sincerely,

William McNamara
Comptroller of the Commonwealth

WM/sp

Liability Management & Reduction Fund

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cc: Christopher Marino, Budget Director, Senate Ways and Means Committee
David Bunker, Budget Director, House Ways and Means Committee
Catharine Hornby, Undersecretary, Executive Office for Administration and Finance
Anne Sterman, Government Bureau Deputy Chief, Office of the Attorney General
Jeffrey Shapiro, Esq., First Deputy Comptroller, Office of the Comptroller
Amy Nable, General Counsel/Assistant Comptroller, Office of the Comptroller
Kevin McHugh, Assistant Comptroller, Office of the Comptroller

Non-Budgeted Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2020
(Amounts in thousands)

Non-Budgeted Other Funds

	<u>Liability Management and Reduction</u>
REVENUES AND OTHER FINANCING SOURCES	
Revenues:	
Taxes	\$ —
Assessments	—
Federal grants and reimbursements	—
Departmental	2,035
Miscellaneous	22
Total revenues	2,057
Other financing sources:	
Issuance of current refunding bonds	—
Bond premiums/(discounts) on current refunding bonds	—
Operating transfers in	—
Medical assistance transfer	—
Total other financing sources	—
Total revenues and other financing sources	2,057
EXPENDITURES AND OTHER FINANCING USES	
Expenditures:	
Judiciary	—
Inspector General	—
Governor and Lieutenant Governor	—
Secretary of the Commonwealth	—
Treasurer and Receiver-General	—
Attorney General	48
District Attorney	—
Office of Campaign and Political Finance	—
Sheriffs' Departments	—
Disabled Persons Protection Commission	—
Board of Library Commissioners	—
Massachusetts Gaming Commission	—
Comptroller	1,947
Administration and Finance	—
Energy and Environmental Affairs	—
Health and Human Services	—
Executive Office of Technology Services and Security	—
Massachusetts Department of Transportation	—
Office of the Child Advocate	—
Executive Office of Education	—
Public Safety and Security	—
Housing and Economic Development	—
Labor and Workforce Development	—
Debt service:	
Principal retirement	—
Interest and fiscal charges	—
Total expenditures	1,995
Other financing uses:	
Principal on current refundings	—
Fringe benefit cost assessment	33
Lottery operating reimbursements	—
Lottery distributions	—
Operating transfers out	—
Stabilization transfer	—
Total other financing uses	33
Total expenditures and other financing uses	2,028
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	29
Fund balances/(deficits) at beginning of year	2,538
Fund balances/(deficits) at end of year	\$ 2,567

LMRF Premiums for FY2020

Department	FY2020 Premium
AGO	1,502.62
AGR	18,881.64
ALA	122.60
ANF	532.28
BCC	5,855.06
BHC	2,351.58
BRC	37.66
BSC	1,423.37
BSD	13,457.02
CCC	526.43
CJT	1,487.35
CHE	588.68
CME	8,708.05
DCP	20,559.01
DCR	91,491.42
DFS	3,287.67
DMH	46,470.33
DMR	73,035.68
DOC	179,206.35
DOE	148.19
DOR	224.52
DOT	451,627.49
DPH	7,239.32
DPU	349.64
DSS	28,569.05
DYS	28,524.56
EHS	91,244.86
ENV	14,987.81
EOL	645.23
EPS	329.86
EQE	5,023.55
FRC	9,000.81
FSC	2,898.43
FWE	935.19

GCC	4,372.82
HCC	86.87
LOT	11,029.00
MAS	8,686.19
PLY	15.65
MCA	1,146.87
MCC	1,996.01
MIL	1,157.70
NAC	221.85
NEC	121.11
NFK	321.35
PAR	36,335.09
POL	364,878.23
QCC	532.28
RCC	609.78
REG	2,373.96
RGT	62.90
SDB	314.35
SDC	5,973.10
SDD	1,087.15
SDE	32,471.09
SDF	28,244.21
SDH	11,058.14
SDM	52,321.11
SDN	21,501.21
SDP	13,039.68
SDS	33,951.61
SDW	62,429.82
SJC	152.56
SOR	7,208.66
SRB	10,928.23
SSA	7,159.66
STC	3,268.61
SUF	2,074.48
TRC	26,539.22
UMS	247,370.57
WEL	1,136.84
WES	56.53
WOR	8.80
WSC	<u>1,587.78</u>

Total FY20 Revenue: **2,115,104.38**