

September 21, 2015 Investor Q&A

Q. How has the decline in energy priced affected the Massachusetts economy?

A. From a revenue perspective, it takes time for the change in prices to present itself in the larger picture. In the short-term, there has not been any appreciable effect. We will continue to monitor any developing impact. Many economists, including our vendors, think that such decline in energy prices is good news for states like Massachusetts, which do not have industries/refineries that are negatively affected by the lower energy prices. If energy prices stay at these levels for the foreseeable future, their positive impact on the state's economy will be more pronounced and perhaps such positive effects will be reflected in the state's revenue streams as well.

Q. What are your plans for the MassDirect Notes program?

A. The issuance of MassDirect Notes is incorporated in the Commonwealth's cash flow forecasts. The use of the program is still being reviewed, and we will make public announcements of any developments.

Q. What is the status of the Commonwealth's Asset/Liability Management program, and do you anticipate issuing any variable rate debt this year?

A. The ALM policy is still in place, and we are still operating with the goal of meeting an appropriate Asset/Liability match. We do anticipate issuing variable rate debt, but will do so opportunistically and as it makes sense for the overall debt portfolio.