The Commonwealth of Massachusetts Bond Financing Programs

August 14th, 2026

Commonwealth Credit Review

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EXECUTIVE OFFICE FOR ADMINISTRATION & FINANCE (A&F)

Matthew Gorzkowicz

Secretary

Robert Tufo

Assistant Secretary for Capital

Christopher Marino

Assistant Secretary for Budget

Fiscal Year 2026

Fiscal Year 2026 Approved Operating Budget

- The fiscal year 2026 budget was approved by the Governor on July 4, 2025, providing for approximately **$60.9 billion** in authorized spending. In signing the budget, the Governor vetoed **$130 million in spending** approved by the Legislature. Subsequently, the Legislature **overrode $70 million** of said vetoes
  - These actions resulted in a budget that is **$434 million** or **0.7%** less than the Governor's initial budget proposal
- The fiscal year 2026 budget is approximately **5.5%** greater than the fiscal year 2025 enacted budget at the time of the Governor's approval. The fiscal year 2026 budget as approved by the Governor incorporates a **$43.164 billion** tax revenue forecast, which reflects the consensus tax revenue estimate of **$41.214 billion** and the **$2.4 billion** estimate of revenue from the 4% surtax on personal income above $1 million (adjusted annually for inflation)
- The enacted budget additionally allows **$599 million** in capital gains tax revenue above the threshold to be diverted from the Stabilization Fund to be used toward the annual pension transfer

Fiscal Year 2026

Fiscal Year 2026 Approved Operating Budget (cont.)

- On April 6, 2026, the Legislature enacted and the Governor signed a **$300 million** supplemental appropriation for the Group Insurance Commission to address immediate needs for state employee health insurance costs. The Governor originally filed for this appropriation in a late January supplemental budget

- On April 14, 2026, the Governor filed an additional **$227 million** in supplemental appropriations, including **$160 million** for snow and ice removal costs**, $23 million** for free communications in correctional facilities, and **$9 million** for emergency management costs. This bill is pending with the Legislature

- On June 12, 2026, the Governor signed a supplemental budget into law that included **$1.353 billion** in spending from fiscal year 2025 income surtax revenue and **$208 million to** support time sensitive deficiencies and emerging needs. This supplemental budget included **$780 million** in transportation investments and **$574 million** in education investments. These investments were made using excess income surtax collections and included **$595 million** in supports for the MBTA, **$152 million** for special education costs, and **$101 million** for municipal winter road repair assistance. In addition, the law provided **$41 million** for caseworkers at the Department of Transitional Assistance, and **$31 million** for the Department of Correction to support medical costs. This final version combined two supplemental budgets the Governor first filed in late January

Fiscal Year 2027

Consensus Revenue Estimates for Fiscal Year 2027

- On January 14, 2026, the Secretary of Administration & Finance and the chairs of the House and Senate Committees on Ways and Means agreed to a fiscal year 2027 consensus tax revenue estimate of **$42.2 billion**, as well as a **$2.7 billion** estimate of revenue from the 4% surtax on personal income above the surtax threshold of $1 million (adjusted for inflation annually in each tax year after 2023)

- The fiscal year 2027 consensus tax revenue estimate of **$42.2 billion** (excluding estimated income surtax revenues) represents revenue growth of **2.4%** above the fiscal year 2026 benchmark

- After accounting for statutorily required transfers for pensions, and to the MBTA, the MSBA and the Workforce Training Fund, the Secretary and Committee chairs agreed that **$33.589 billion** (exclusive of the expected additional income surtax revenue) would be the maximum amount of tax revenue available for the fiscal year 2027 budget

Fiscal Year 2027

Fiscal Year 2027 Approved Operating Budget

- The fiscal year 2027 budget was approved by the Governor on July 9, 2026, totaling **$63.416 billion** with **$2.7 billion** in spending tied to the income surtax. The non-surtax spending total represents **3.6%** growth above fiscal year 2026 General Appropriations Act
  - The final budget is **$54 million**, or 0.1%, higher than the Governor's proposal
- The fiscal year 2027 budget assumes a deposit of **$51.2 million** into the Commonwealth Stabilization Fund
- The fiscal year 2027 budget incorporates the phase-in of certain tax changes made in federal H.R.1, signed into law on July 4, 2025, with which the state conforms
- In addition, the budget accounts for new food donation, sustainable aviation fuel, and housing production sales tax credits

Fiscal Year 2027

Capital Investment Plan (CIP)

- On June 30, 2025, the Governor announced the five-year capital investment plan for fiscal years 2026 through 2030 with an administrative general obligation (G.O.) bond cap **of $3.227 billion** for **fiscal year 2026** and **$3.337 billion** for **fiscal year 2027**, which represents $110 million of year over year annual growth, a change from recent years when only one year of growth had been factored into the plan

- The plan focused on making fiscally responsible investments designed to make the Commonwealth more affordable, more competitive, and create more jobs, and prioritized building homes to lower the cost of housing, creating jobs in innovative industries (such as life sciences, climate tech and artificial intelligence), and repairing critical infrastructure and advancing capital projects to help grow the economy

- On June 30, 2026, the Governor published an updated capital investment plan for fiscal year 2027 which, consistent with the plan released last year, builds on progress made and makes investments that will drive Massachusetts forward and have meaningful and impactful improvements to our communities

- We expect to release a capital investment plan for fiscal years 2028 through 2032 in June 2027

- Actual capital spending is subject to variance due to the nature of capital projects and the programs comprising the capital investment plan

OFFICE OF THE STATE TREASURER
Debt/Capital Presentation

Sue Perez

Deputy Treasurer

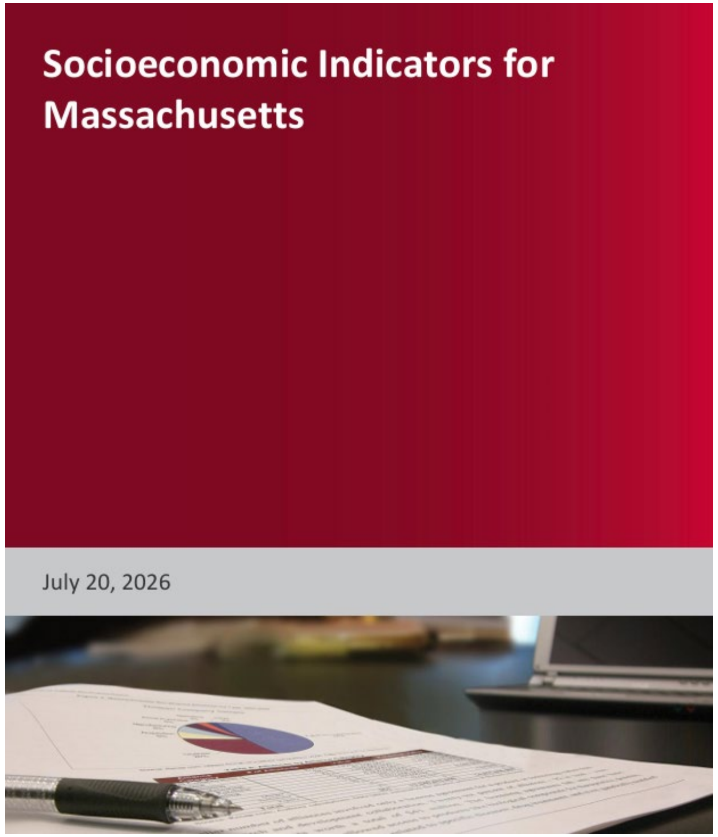
Bond Sale Calendar – 2026*

Timing	Par Amount	Type	Credit	Method of Sale
September 9th	$879 million	New Money/Refunding	GO (Tax Exempt & Taxable)	Competitive
Week of October 19th	TBD	New Money	DTR (Tax Exempt)	Negotiated
Week of October 19th	TBD	New Money	GANS (Tax Exempt)	Negotiated
TBD	$750 million	New Money	GO (Tax Exempt)	Negotiated

* Preliminary, subject to change.

Socioeconomic Indicators Report

The latest edition of our Socioeconomic Indicators Report was published in July. This report includes four sections: **Economy**, **Workforce**, **Environment** and **Residents**. Each section paints a picture on Massachusetts providing a story along with economic data



Highlights from this Edition

- **Leisure & Hospitality Subsector Detail**
- **Trade Exports and Imports Detail**
- **Massachusetts Workforce**
- **Artificial Intelligence and Workforce**
- **Unemployment and Job Quits**
- **Massachusetts Population Changes**
- **Inflation**

Plan of Finance*

New Money Bonds

- Finance or reimburse the Commonwealth for a variety of capital expenditures which are included within the capital investment plan maintained by the Executive Office for Administration and Finance

Refunding Bonds

- The Commonwealth is expected to current refund certain maturities of General Obligation Refunding Bonds 2016 Series A and General Obligation Bonds Consolidated Loan of 2016 Series J

Maturity	Series 2026 E,F,G New Money (08/01)*	Series 2026 H Taxable New Money (08/01)*	2026 Series C Refunding (12/01)*
2027	-	-	-
2028	20,000,000	10,000,000	-
2029	-	10,000,000	-
2030	10,000,000	10,000,000	-
2031	-	10,000,000	37,830,000
2032	-	10,000,000	-
2033	20,000,000	10,000,000	-
2034	25,000,000	10,000,000	-
2035	30,000,000	-	-
2036	30,000,000	-	47,000,000
2037	30,000,000	-	21,850,000
2038	35,000,000	-	21,685,000
2039	40,000,000	-	-
2040	40,000,000	-	-
2041	-	-	-
2042	40,000,000	-	-
2043	40,000,000	-	-
2044	20,000,000	-	-
2045	45,000,000	-	-
2046	40,000,000	-	-
2047	30,000,000	-	-
2048	25,000,000	-	-
2049	40,000,000	-	-
2050	25,000,000	-	-
2051	30,000,000	-	-
2052	35,000,000	-	-
2053	30,000,000	-	-
Total	$680,000,000	$70,000,000	$128,365,000

*Preliminary, subject to change

Transaction Timeline and Contacts

September 2026						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Financing Schedule*	
Date	**Event**
Tuesday, September 1st	Mail Preliminary Official Statement
Wednesday, September 9th	Competitive Sale
Thursday, September 17th	Closing

Representatives from the Commonwealth are available for one-on-one discussions.

For additional information or to schedule a one-on-one call, please contact:

The Commonwealth of Massachusetts

Sue Perez
Deputy Treasurer of Debt Management
Tel.: 617-367-9333 x816
sperez@tre.state.ma.us

For more information, please visit: www.massbondholder.com

*Preliminary, subject to change

Questions