



Federal Match Legislation: Support for Local Governments

Provisions in *An Act to Provide for Competitiveness and Infrastructure in Massachusetts* ([S.2482](#))

Massachusetts has a unique opportunity to access up to \$17.5 billion in federal funds through the Inflation Reduction Act (IRA), the Bi-Partisan Infrastructure Law (BIL), and the CHIPS & Science Act (CHIPS). However, that opportunity requires an [estimated \\$3 billion in state matching resources](#). To aggressively pursue and win these federal grants, Governor Healey filed legislation in October that will unlock **\$800 million in additional state funding over the next three years**: a projected \$250 million per year in interest earnings from the state’s Stabilization fund (the “Rainy Day Fund”) and \$50 million from Fair Share resources. The money adds to approximately \$2 billion in state matching funds that have been identified through such sources as the FY24-FY28 Capital Investment Plan, the FY24 budget, and other appropriations.

The PAYGO Fund

The legislation will create a permanent [pay-as-you-go \(PAYGO\) Capital Investment and Debt Reduction Fund](#) that, for the next three years, leverages interest earnings on the Rainy Day Fund to make matching funds available and strengthen the competitiveness of applications for federal grants -- delivering a strong return on investment that will advance the state’s goals on infrastructure, climate, equity, labor and workforce development, and innovation and research. The PAYGO fund affects neither the balance of the Rainy Day Fund nor adds an additional revenue stream from taxpayers. The Secretary of Administration and Finance will report the fund’s activities to the Legislature annually.

Infrastructure Bank and Municipal Matching Grants

The legislation includes **\$50 million for municipal matching grants and a local infrastructure bank**. The bank will give additional financing options to local governments to make possible critical infrastructure projects, and will support their ability to meet the matching fund requirements in federal grant applications.

Technical Assistance

The legislation also includes **\$12 million towards local government technical assistance** for cities, towns, tribes, and regional organizations, such as regional planning agencies and community development corporations. This assistance will provide support to municipalities with grant tracking, grant writing, and program implementation assistance.

An Act to Provide for Competitiveness and Infrastructure in Massachusetts Summary:

