

# SENATE . . . . . No. 2218

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## The Commonwealth of Massachusetts

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In the Year Two Thousand Fourteen  
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SENATE, June 23, 2014

The committee on Bonding, Capital Expenditures and State Assets, to whom was referred the House Bill financing information technology equipment and related projects (House, No. 3770, amended); reports, recommending that the same ought to pass with an amendment striking out all after the enacting clause and inserting in place thereof the text of Senate document numbered 2218.

For the committee,  
Brian A. Joyce

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In the Year Two Thousand Fourteen  
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1           SECTION 1. To provide for a program of capital information technology improvements  
2 to various state institutions and properties and to fund the Massachusetts Broadband Institute, the  
3 sums set forth in this act, for the several purposes and subject to the conditions specified in this  
4 act, are hereby made available, subject to the laws regulating the disbursement of public funds,  
5 which sums shall be in addition to any other amounts previously appropriated for these purposes.

6           SECTION 2.

7                   EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

8                           *Information Technology Division*

9           1790-2018 For the continued implementation of a second, active data center capable of  
10 maintaining mission critical applications and a supporting network infrastructure, including  
11 salaries and other personnel costs of staff assigned to that project; provided, that the center shall  
12 be connected to the Massachusetts information technology center and shall be used on a daily  
13 basis to support applications providing the commonwealth with the capacity for business  
14 continuity and quick recovery in the event of unplanned outages.....\$5,500,000

1790-3001 For costs associated with planning and studies, the preparation of plans and specifications, purchase, procurement and implementation of information technology-related equipment and related projects.....\$185,000,000

0640-0035 For costs associated with upgrades and replacements to agent and terminal hardware, a host system, terminal applications, and related components at the Massachusetts State Lottery Commission .....\$60,000,000

1790-3002 For costs associated with planning and studies, the preparation of plans and specifications, purchase, procurement and implementation of information technology-related equipment and related projects which are eligible for federal reimbursement, including, but not limited to, projects related to the provision of health care, unemployment insurance and human services; provided, that any federal reimbursement received by a state agency in connection with projects funded from this item may be retained by the state agency and expended for the purposes of the project, without further appropriation, in addition to the amounts appropriated in this item; and provided further, that any state agency receiving federal reimbursements for a project funded from this item shall file a quarterly report with the executive office for administration and finance, the house and senate committees on ways and means, and the house and senate committees on bonding, capital expenditures, and state assets that details, by project, an annual estimate of anticipated federal reimbursement to be received on behalf of and expended for the project, as well as year-to-date actual federal reimbursement received and year-to-date actual expenditures of the reimbursement, by project.....\$100,000,000

## SECTION 2A.

### EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

Information Technology Division

1790-3003 For costs associated with planning and studies, the preparation of plans and specifications, purchase, procurement and implementation of information technology-related equipment and related projects; provided, that \$5,000,000 shall be expended to improve wireless internet accessibility at the Massachusetts State House; provided, that for projects the secretary of administration and finance certifies to the comptroller directly or indirectly generate new state revenue or budgetary savings, the comptroller shall transfer those budgetary savings or revenue to the state treasurer for payment of debt service related to those projects; provided further, that any federal reimbursement received by a state agency in connection with projects funded from this item may be retained by the state agency and expended for the purposes of the project, without further appropriation, in addition to the amounts appropriated in this item; and provided further, that any state agency receiving federal reimbursements for a project funded from this item shall file a quarterly report with the executive office for administration and finance, the house and senate committees on ways and means, and the house and senate committees on bonding, capital expenditures, and state assets that details, by project, an annual estimate of anticipated federal reimbursement to be received on behalf of and expended for the project, as well as year-to-date actual federal reimbursement received and year-to-date actual expenditures of the reimbursement, by project..... \$230,000,000

SECTION 2B.

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

Office of the Secretary

1599-7061 For a reserve to provide funds to the Massachusetts Broadband Incentive  
Fund established by section 6C of chapter 40J of the General Laws..... \$50,000,000

1599-7062 For a competitive, matching grant program, administered by the department  
of elementary and secondary education, in consultation with the information technology division,  
to assist public school districts in improving student instruction and assessment through the use  
of information technology; provided that such assistance shall include, but shall not be limited to,  
enhanced information technology infrastructure and increased broadband access as defined in  
section 6B of chapter 40J of the General Laws; provided further, that no grants shall be awarded  
until the department, in consultation with the information technology division, develops a  
detailed strategic plan to ensure that the program maximizes taxpayer value, student access to  
information technology and information technology preparedness; provided further, that the  
department shall submit said plan to the secretary of administration and finance, the governor  
and the clerks of the house and senate on or before March 1, 2015; provided further, that grants  
for information technology infrastructure or broadband access shall not be awarded to school  
buildings scheduled for decommissioning or razing within a period of 10 years from the time of  
the completion of the installation, retrofit or capital improvement; provided further, that such  
installations, retrofits and capital improvements may occur only on and within publicly-owned  
real property maintained for the benefit of the school district; provided further, that the school  
district may contribute matching funds from either a public or private source; provided further,  
that the department, in consultation with the information technology division, shall determine the  
criteria used to evaluate applications for the matching grant program; and provided further, that  
such criteria shall include, but not be limited to, the commitment of the school district to improve  
the efficiency and productivity of education through the use of technology, to deliver statewide

81 online assessments, to provide student access to individualized and rigorous digital learning  
82 experiences, and to ensure that educators and administrators have the knowledge and skills to  
83 develop and implement digital learning curricula..... \$38,000,000

84 1599-7063 For costs associated with the planning, preparation of plans and  
85 specifications, purchase, procurement and implementation of information technology related  
86 equipment and related projects for the executive office of health and human services to establish  
87 an integrated confidential data system among all state agencies that interact with individuals with  
88 autism to track diagnosis, treatment, services and outcomes of individuals with  
89 autism..... \$12,000,000

90 SECTION 2C.

91 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

92 *Information Technology Division*

93 1790-3004 For costs associated with planning and studies, the preparation of plans and  
94 specifications, purchase, procurement and implementation of information technology-related  
95 equipment and related projects for the Massachusetts department of transportation  
96 .....\$60,000,000

97 SECTION 2D.

98 JUDICIARY

99 *Trial Court.*

0330-0935 For costs associated with planning and studies, the preparation of plans and specifications, purchase, procurement and implementation of information technology-related equipment and related projects for the Massachusetts trial court.....\$30,000,000

SECTION 2E.

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

*Office of the Secretary.*

1100-9201 For costs associated with the procurement and purchase of capital equipment necessary for general government operations, provided that the secretary of administration and finance, in consultation with the state treasurer, shall adopt regulations establishing a program by which state agencies will be assessed from their annual appropriations for the costs of debt service and administrative expense, and the comptroller shall transfer agency assessments to the state treasurer for the repayment of debt without further appropriation, provided further that the comptroller may create such accounts on the books of the commonwealth as he may deem necessary for the administration of this section..... \$100,000,000

SECTION 3. Section 4A of chapter 7 of the General Laws, as appearing in the 2012 Official Edition, is hereby amended by striking subparagraph (d) and inserting in place thereof the following subparagraph:-

(d) The information technology division shall be headed by the commonwealth chief information officer, or CCIO, who shall also serve as undersecretary for information technology. The CCIO shall carry out such functions as the secretary may from time to time deem necessary for the efficient and economical administration of information technology systems within the

121 executive departments including, but not limited to, the functions set forth in sections 4S and 22P  
122 of this chapter. The CCIO may establish such bureaus, offices and other functional units within  
123 the division as he or she may deem appropriate.

124         The division may also coordinate with and provide assistance, advice and expertise in  
125 connection with business relationships between state agencies and private sector providers of  
126 information technology; eliminate, where appropriate, duplication of duties and functions among  
127 information technology personnel within state agencies; monitor trends and advances in  
128 information technology resources; oversee and supervise the maintenance of information  
129 technology and the initiation of information technology updates or projects for state agencies;  
130 initiate procurements of information technology resources for state agencies and enter into an  
131 agreement or contract in connection with such procurement on behalf of a state agency or  
132 agencies or other political subdivision of the commonwealth, if so authorized; review and  
133 approve the information technology budget requests of a state agency and, in consultation with  
134 the directors, review and approve each state agency's information technology spending priorities;  
135 implement information technology standards including, without limitation, those for product or  
136 service specifications, characteristics or performance requirements of information technology  
137 resources that increase efficiency and improve security, and identify opportunities for cost  
138 savings within state agencies based on such standardization; and establish special requirements  
139 for vendors of information technology services to state agencies.

140         The division may also offer information technology services to municipalities,  
141 authorities, constitutional offices, other political subdivisions of the commonwealth and other  
142 states of the United States where the provision of these services to other states will decrease the  
143 costs or improve the efficiency of the services provided by the information technology division



144 to the commonwealth. The information technology division shall consult with the division of  
145 local services to identify ways to better assist municipalities and regional entities in procuring  
146 and developing information technology services.

147         The division shall include an office of geographic information through which the CCIO  
148 shall develop, maintain, update and distribute geographic information, technology, data and  
149 services for use by state agencies, municipalities and the public. The office shall coordinate all  
150 geographic information activities in state and local government, and shall collect, manage and  
151 distribute geographic information maintained by state agencies and local government agencies. It  
152 shall also provide technical services related to geographic information to state agencies and  
153 municipalities. The CCIO shall set standards for the acquisition, management, and reporting of  
154 geographical information, and the acquisition, creation or use of applications employing such  
155 information, by any executive department agency, and the reporting of such information by  
156 municipalities.

157         SECTION 4. Chapter 7 of the General Laws is hereby amended by inserting after section  
158 4F 1/2 the following section:-

159         Section 4F 3/4. There shall be established and set up a separate account, to be known as  
160 the Commonwealth Federal Grants Management Trust, in this section called the trust. The  
161 secretary of administration and finance shall expend funds in the trust, without further  
162 appropriation, to support the purposes of the federal grants management unit within the office of  
163 commonwealth performance, accountability and transparency, established by subsection (e) of  
164 section 4A. The secretary shall charge all federal grants, an amount determined by the secretary  
165 for these purposes, not exceeding 0.5 per cent per grant.

SECTION 5. Chapter 7 of the General Laws, as so appearing, is hereby amended by adding the following section:-

Section 4S. Information Technology Division; Duties.

(a) As used in this section and section 22P, the following words shall have the following meanings:

“Information technology” shall mean hardware, software, and telecommunications equipment including, but not limited to, personal computers, mainframes, wide and local area networks, servers, mobile or portable computers, peripheral equipment, telephones, wireless communications, handheld devices, cloud-based application and platform services, public safety radio services, facsimile machines, technology facilities including, but not limited to, data centers, dedicated training facilities, switching facilities, and other relevant hardware and software items as well as personnel tasked with planning, implementation, and support of technology;

“Infrastructure services” shall mean data and telecommunications networks, premise or hosted data center services, and shared enterprise services such as email and directory services, but shall not include the provision of website information architecture and content;

“Secretariat” shall mean an executive office in the executive department;

“State agencies” (or “agencies”) shall mean all executive offices, boards, commissions, agencies, departments, divisions, councils, bureaus, and offices now existing and hereafter established; and

186 “Telecommunications” means any origination, transmission, emission, or reception of  
187 signs, signals, writings, images, and sounds or intelligence of any nature, by wire, radio,  
188 television, optical, or other electromagnetic systems.

189 (b) The Secretary of Administration and Finance shall appoint the commonwealth’s chief  
190 information officer, or CCIO, who shall head the information technology division and who shall  
191 also serve as undersecretary for information technology. The CCIO shall appoint a chief  
192 operating officer, who shall have immediate charge of service delivery and operational issues  
193 and who shall have the same rank as the secretariat chief information officers, or SCIOs,  
194 appointed under this section.

195 (c) In consultation with and upon the approval of the CCIO, the secretary of each  
196 secretariat shall appoint a secretariat chief information officer, or SCIO. Each SCIO shall report  
197 both to the secretary of his or her respective secretariat and to the CCIO. Where operationally  
198 warranted, and following consultation with agency heads, each SCIO shall have the authority to  
199 appoint agency chief information officers, or agency CIOs, for agencies within his or her  
200 secretariat. Each agency CIO shall report to the SCIO of his or her secretariat. All agency  
201 information technology personnel shall report to the agency CIO or to his or her designee, or,  
202 where no agency CIO is appointed, to the SCIO for the agency’s secretariat.

203 (d) Agency budgets for information technology shall be aggregated at the secretariat  
204 level. Each SCIO shall manage the information technology budget for his or her secretariat. The  
205 SCIO shall approve all secretariat and agency information technology expenditures for his or her  
206 secretariat, regardless of funding source.

(e) The CCIO shall establish an infrastructure services board, which shall advise the CCIO regarding the infrastructure services provided by the information technology division. The CCIO shall determine the size and membership of the board, which the chief operating officer of the information services division shall chair. The board shall provide information and advice, as requested by the CCIO, but shall not have decision making authority.

(f) The CCIO shall develop a detailed information technology strategic plan for the commonwealth in collaboration with the SCIOs and shall manage technology investments and initiatives in accordance with said plan. The CCIO shall submit said plan to the secretary of administration and finance, the governor and the clerks of the house and senate on or before June 15 of each year. Said plan shall detail, at a minimum:

(1) his or her plan to further progress toward the migration of infrastructure services for all executive department agencies to the division, except those services, if any, that the CCIO determines he or she cannot centralize due to technical viability or restrictions imposed by state or federal law;

(2) a strategic plan for the acquisition, management and use of information technology, including the specific projects contemplated for the next three fiscal years needed to implement that plan, regardless of source of funding; and

(3) any opportunities for cost savings based on standardization, cross-agency collaboration, use of shared services and centralization of resources, and a plan to realize such cost savings.

(g) In consultation with and upon the approval of the CCIO, each SCIO shall maintain an approved secretariat consolidation plan and shall manage information technology for his or her

229 secretariat in accordance with said plan. Subject to the approval of the CCIO, said plans may  
230 provide for the acquisition and maintenance of agency-specific applications to remain at the  
231 agency level. Each SCIO shall submit said plan to the CCIO, the secretary of administration and  
232 finance, the governor and the clerks of the house and senate on or before June 15 of each year.  
233 Each approved secretariat consolidation plan shall, at a minimum:

234 (1) demonstrate how the secretariat will maintain or transition the most efficient model  
235 for the delivery of information technology services; and

236 (2) address how the SCIO will manage and consolidate, or, where appropriate, retain at  
237 the agency level or regionalize, information technology.

238 (h) Pursuant to the reporting requirements established by the CCIO, each SCIO shall  
239 prepare and submit periodic information technology plans to the CCIO for review and approval.  
240 Each plan shall, at a minimum, detail:

241 (1) information technology operational and project priorities, consistent with the strategic  
242 business goals of the secretariat;

243 (2) information technology budgets;

244 (3) all information technology procurements planned for the current and the next fiscal  
245 year, regardless of source of funding;

246 (4) strategies to enhance the efficiency, effectiveness and security of information  
247 technology services at the secretariat level;

248 (5) information technology staffing plans; and

(6) alignment with the commonwealth's balanced portfolio strategy set forth in subsection (d) of section 22P of this chapter.

(i) In consultation with the CCIO, the cabinet secretary for each secretariat shall develop and publish an annual business innovation plan on or before June 15 of each year. Said plan shall include, but shall not be limited to, the following:

(1) strategies that the secretariat will implement in order to use information technology to transform the business of government consistent with the secretariat's strategic plan;

(2) specific business cost savings and efficiencies that the strategic use of information technology by the secretariat will generate; and

(3) any necessary one-time or ongoing information technology investment needed to realize such business cost savings or efficiencies.

(j) The CCIO shall conduct annual compliance reviews across the executive departments to ensure full compliance with statutes, regulations, policies, standards and contractual obligations related to information security and information technology. With the approval of the secretary of administration and finance, the CCIO may enforce compliance with said requirements. The CCIO shall report the results of such reviews to the cabinet secretaries, the governor, and the clerks of the house and senate on or before January 1 of each year.

SECTION 6. Said chapter 7 is hereby further amended by inserting the following new section:-

Section 22P. Information Technology Project Selection and Procurement.

(a) The CCIO shall supervise all executive department information technology project selection, development and maintenance. The CCIO shall use a rigorous methodology that incorporates return on investment and risk calculation to evaluate all potential projects. The CCIO shall obtain return on investment and benefits verification for any project for which the CCIO determines that such an analysis would be of value and for any project which the CCIO determines may apply for self-financing, is uniquely complex or is projected to exceed \$20,000,000, including the costs of all hardware, software and services.

(b) In consultation with the assistant secretary for operational services, the CCIO shall supervise all executive department information technology procurement. The CCIO shall adopt policies, standards and guidelines governing information technology procurement, development and maintenance, specifically including provisions for:

(1) identifying which information technology procurements shall require express approval of the CCIO;

(2) ensuring effective project management and oversight configurations;

(3) establishing strategic incentive and requirement structures;

(4) increasing competition among information technology vendors;

(5) disqualifying underperforming vendors;

(6) undertaking smaller, shorter information technology projects in order to provide improved programmatic flexibility and increased competition amongst information technology vendors;

(7) preferring off-the-shelf information technology products, except where such products would not result in the best value for the commonwealth;

(8) increasing technology procurement innovation using pilot programming;

(9) identifying varying contracting approaches based on the risk levels for varying types of project categories; and

(10) implementing other best practices, including those identified in legislative reports and legislatively required reports.

(c) In consultation with the assistant secretary for operational services, the CCIO shall develop a strategic information technology procurement team to provide planning, writing and negotiating assistance to agencies procuring information technology projects, using the policies, standards and guidelines set forth in subsection (b) of this section. Said team shall assist agencies in preparing requests for responses, quotations, and information, selecting vendors and drafting contract terms and any necessary amendments. Said team shall also develop standard contract terms to serve as the default language for all agreements with private sector vendors for information technology services, except where the CCIO determines that the use of such terms would not result in the best value to the commonwealth. Said team shall update and improve such language as the needs of the commonwealth, changes in the information technology industry, and trends in information technology contracting so require.

(d) The CCIO shall appoint an information technology oversight committee, which shall be purely advisory and shall not be a public body under section 18 of chapter 30A. Membership of the committee shall include: the CCIO, who shall act as chair; the information capital planning officer; two individuals appointed by the secretary of administration and finance who shall be



employed by the executive department and who shall have experience in business and information technology; two individuals appointed by the CCIO who shall be employed by the executive department and who shall have experience in business and information technology; 2 individuals appointed by the governor who shall be residents of the commonwealth and not employed by state government, either as a state employee or as an independent contractor, and who as individuals, as well as the private sector entities with which they are affiliated either through contract, employment, or ownership interest shall not be eligible to bid on the projects considered by or related to the projects considered by the committee, and who shall not have or be employed by, under contract with, or have an ownership interest in any matters before the committee. Said committee shall:

(1) recommend a strategic, balanced information technology portfolio strategy for the purpose of keeping the Commonwealth at the forefront of innovation;

(2) provide input to the CCIO on projects to be funded, regardless of source of funding, based on the division's project evaluation methodology;

(3) identify any missing or key resource necessary for project successes;

(4) review ongoing projects on a quarterly basis to ensure business value; and

(5) recommend to the CCIO a list of information technology projects that have significantly failed to deliver the anticipated business benefits, of which the CCIO should conduct, through the use of an external resource, an analysis of the causes of such failure.

SECTION 7. To meet the expenditures necessary in carrying out items 1790-2018, 1790-3001 and 1790-3002 in section 2, the state treasurer shall, upon request of the governor, issue

and sell bonds of the commonwealth, in an amount to be specified by the governor from time to time, but not exceeding, in the aggregate, the sum of \$290,500,000. All bonds issued by the commonwealth, under this section, shall be designated on their face, Information Technology and Innovation Act of 2014, and shall be issued for such maximum terms of years not exceeding 10 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution, but all such bonds shall be payable not later than June 30, 2029. All interest and payments on account of principal of these obligations shall be payable from the General Fund unless otherwise specified. Bonds and interest thereon issued under the authority of this section, notwithstanding any other provision of this act, shall be general obligations of the commonwealth.

SECTION 8. (a) To meet the expenditures necessary to carry out item 0640-0035 in section 2, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time, but not exceeding, in the aggregate, \$60,000,000. All bonds issued by the commonwealth under this section shall be designated on their face, Lottery Financing Act of 2014, and shall be issued for a maximum term of years, not exceeding 10 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not later than June 30, 2029.

(b) All interest and payments on account of principal of these obligations shall be payable solely from the State Lottery and Gaming Fund. Bonds issued under the authority of this section shall be special obligations of the commonwealth and shall be excluded from the debt limit established by section 60A of chapter 29 of the General Laws.

(c) Bonds of the commonwealth may be issued under authority of this section in such manner and on such terms and conditions as the state treasurer, with the concurrence of the secretary of administration and finance, may determine in accordance with the provisions of this subsection and, to the extent not inconsistent with the provisions hereof, provisions of General Law for the issuance of bonds of the commonwealth. Bonds may be secured by a trust agreement or other security agreement entered into by the state treasurer, with the concurrence of the secretary of administration and finance, on behalf of the commonwealth, which trust agreement or other security agreement may pledge or assign all or any part of the State Lottery and Gaming Fund, and rights to receive the same, whether existing or coming into existence and whether held or thereafter acquired, and the proceeds thereof. The state treasurer is also authorized, with the concurrence of the secretary of administration and finance, to enter into additional security, insurance or other forms of credit enhancement which may be secured on a parity or subordinate basis with the bonds. A pledge in any such trust or other security agreement or credit enhancement agreement shall be valid and binding from the time such pledge shall be made without any physical delivery or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice thereof. Any such pledge shall be perfected by filing of the trust or other security agreement or credit enhancement agreement in the records of the state treasurer, and no filing need be made under chapter 106 of the General Laws. Any such trust agreement, security agreement or credit enhancement agreement may establish provisions defining defaults and establishing remedies and other matters relating to the rights and security of the holders of the bonds or other secured parties as determined by the state treasurer, including provisions relating to the establishment of reserves, the issuance of additional or refunding

bonds, whether or not secured on a parity basis, the application of the agency assessments and other moneys and funds pledged pursuant to such agreement, in this act referred to as pledged funds, and other matters deemed necessary or desirable by the state treasurer for the security of such bonds, and may also regulate the custody, investment and application of moneys. Any such bonds, the transfer thereof and the income therefrom, including profit on the sale thereof, shall at all times be exempt from taxation by and within the commonwealth. The provisions hereof relating to bonds shall also be applicable to the issuance of notes insofar as such provisions may be appropriate therefor.

In order to increase the marketability of any such bonds or notes issued by the commonwealth and in consideration of the acceptance of payment for any such bonds or notes, the commonwealth covenants with the purchasers and all subsequent holders and transferees of any such bonds or notes that while any such bond or note shall remain outstanding, and so long as the principal of or interest on any such bond or note shall remain unpaid: (i) no pledged funds shall be diverted from the State Lottery and Gaming Fund; (ii) in any fiscal year of the commonwealth and until an appropriation has been made which is sufficient to pay the principal, including sinking fund payments, of and interest on all such bonds and notes of the commonwealth and to provide for or maintain any reserves, additional security, insurance or other forms of credit enhancement required or provided for in any trust agreement securing any such bonds or notes, no pledged funds shall be applied to any other use.

(d) In lieu of issuing all or any portion of the bonds authorized by this section, the state treasurer, with the concurrence of the secretary of administration and finance, may instead enter into lease agreements or other alternate financing arrangements, which agreements or arrangements shall be payable from the State Lottery and Gaming Fund and the amount of

which, together with any bonds issued or to be issued, shall not exceed the amount specified in Section 7B(a). The provisions of the General Laws applicable to bonds of the commonwealth shall also apply to any such agreements or arrangements.

SECTION 9. To meet the expenditures necessary in carrying out section 2A, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth, in an amount to be specified by the governor from time to time, but not exceeding, in the aggregate, the sum of \$230,000,000. All bonds issued by the commonwealth, under this section, shall be designated on their face, Information Technology and Innovation Act of 2014, and shall be issued for such maximum terms of years not exceeding 10 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution, but all such bonds shall be payable not later than June 30, 2029. All interest and payments on account of principal of these obligations shall be payable from the General Fund unless otherwise specified. Bonds and interest thereon issued under the authority of this section, notwithstanding any other provision of this act, shall be general obligations of the commonwealth.

SECTION 10. To meet the expenditures necessary to carry out items 1599-7061 and 1599-7062 in section 2B, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time, but not exceeding, in the aggregate, \$88,000,000. All bonds issued by the commonwealth under this section shall be designated on their face, Information Technology and Innovation Act of 2014, and shall be issued for a maximum term of years, not exceeding 20 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not later than June 30, 2039. All interest and

423 payments on account of principal of these obligations shall be payable from the General Fund.  
424 Bonds issued under the authority of this section shall be general obligations of the  
425 commonwealth.

426         SECTION 11. To meet the expenditures necessary to carry out item 1599-7063 in section  
427 2B, the state treasurer shall, upon request of the governor, issue and sell bonds of the  
428 commonwealth in an amount to be specified by the governor from time to time, but not  
429 exceeding, in the aggregate, \$12,000,000. All bonds issued by the commonwealth under this  
430 section shall be designated on their face, Information Technology and Innovation Act of 2014,  
431 and shall be issued for a maximum term of years, not exceeding 10 years, as the governor may  
432 recommend to the general court under section 3 of Article LXII of the Amendments to the  
433 Constitution. All such bonds shall be payable not later than June 30, 2029. All interest and  
434 payments on account of principal of these obligations shall be payable from the General Fund.  
435 Bonds issued under the authority of this section shall be general obligations of the  
436 commonwealth.

437         SECTION 12. To meet the expenditures necessary to carry out section 2C, the state  
438 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an  
439 amount to be specified by the governor from time to time, but not exceeding, in the aggregate,  
440 \$60,000,000. All bonds issued by the commonwealth under this section shall be designated on  
441 their face, Information Technology and Innovation Act of 2014, and shall be issued for a  
442 maximum term of years, not exceeding 10 years, as the governor may recommend to the general  
443 court under section 3 of Article LXII of the Amendments to the Constitution. All such bonds  
444 shall be payable not later than June 30, 2029. All interest and payments on account of principal

of these obligations shall be payable from the Commonwealth Transportation Fund. Bonds issued under the authority of this section shall be general obligations of the commonwealth.

SECTION 13. To meet the expenditures necessary to carry out section 2D, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time, but not exceeding, in the aggregate, \$30,000,000. All bonds issued by the commonwealth under this section shall be designated on their face, Information Technology and Innovation Act of 2014, and shall be issued for a maximum term of years, not exceeding 10 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not later than June 30, 2029. All interest and payments on account of principal of these obligations shall be payable from the General Fund. Bonds issued under the authority of this section shall be general obligations of the commonwealth.

SECTION 14. (a) To meet the expenditures necessary to carry out section 2E, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time, but not exceeding, in the aggregate, \$100,000,000. All bonds issued by the commonwealth under this section shall be designated on their face, Capital Equipment Financing Act of 2014, and shall be issued for a maximum term of years, not exceeding 5 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not later than June 30, 2024.

(b) All interest and payments on account of principal of these obligations shall be payable from agency assessments charged under regulations established under Section 2D herein. Bonds

issued under the authority of this section shall not be general obligations of the commonwealth and shall be excluded from the debt limit established by section 60A of chapter 29 of the General Laws.

(c) Bonds of the commonwealth may be issued under authority of this section in such manner and on such terms and conditions as the state treasurer, with the concurrence of the secretary of administration and finance, may determine in accordance with the provisions of this subsection and, to the extent not inconsistent with the provisions hereof, provisions of General Law for the issuance of bonds of the commonwealth. Bonds may be secured by a trust agreement or other security agreement entered into by the state treasurer, with the concurrence of the secretary of administration and finance, on behalf of the commonwealth, which trust agreement or other security agreement may pledge or assign all or any part of the agency assessments, and rights to receive the same, whether existing or coming into existence and whether held or thereafter acquired, and the proceeds thereof. The state treasurer is also authorized, with the concurrence of the secretary of administration and finance, to enter into additional security, insurance or other forms of credit enhancement which may be secured on a parity or subordinate basis with the bonds. A pledge in any such trust or other security agreement or credit enhancement agreement shall be valid and binding from the time such pledge shall be made without any physical delivery or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice thereof. Any such pledge shall be perfected by filing of the trust or other security agreement or credit enhancement agreement in the records of the state treasurer, and no filing need be made under chapter 106 of the General Laws. Any such trust agreement, security agreement or credit enhancement agreement may establish provisions



490 defining defaults and establishing remedies and other matters relating to the rights and security  
491 of the holders of the bonds or other secured parties as determined by the state treasurer, including  
492 provisions relating to the establishment of reserves, the issuance of additional or refunding  
493 bonds, whether or not secured on a parity basis, the application of the agency assessments and  
494 other moneys and funds pledged pursuant to such agreement, in this act referred to as pledged  
495 funds, and other matters deemed necessary or desirable by the state treasurer for the security of  
496 such bonds, and may also regulate the custody, investment and application of moneys. Any such  
497 bonds, the transfer thereof and the income therefrom, including profit on the sale thereof, shall at  
498 all times be exempt from taxation by and within the commonwealth. The provisions hereof  
499 relating to bonds shall also be applicable to the issuance of notes insofar as such provisions may  
500 be appropriate therefor.

501 (d) In lieu of issuing all or any portion of the bonds authorized by this section, the state  
502 treasurer, with the concurrence of the secretary of administration and finance, may instead enter  
503 into lease agreements or other alternate financing arrangements, which agreements or  
504 arrangements shall be payable from agency assessments and the amount of which, together with  
505 any bonds issued or to be issued, shall not exceed the amount specified in Section 7A(a). The  
506 provisions of the General Laws applicable to bonds of the commonwealth shall also apply to any  
507 such agreements or arrangements.

508 SECTION 15. The secretary of administration and finance shall submit a report on the  
509 progress of any projects funded through the authorizations in this act and included in the  
510 governor's 5- year capital investment plan to the clerks of the senate and house of  
511 representatives, the chairs of the senate and house committees on ways and means, and the  
512 senate and house chairs of the committees on bonding, capital expenditures and state assets. The

513 report shall include, but not be limited to, the previous year planned spending, previous year  
514 spending, current year planned spending, current year spending to date, original estimated total  
515 project cost, project description, purpose, location of the project, type of spending, type of asset  
516 and useful life of the project once completed. The report shall be submitted on June 30 and  
517 December 31 of each year for a period of 8 years after the effective date of this act.

518         SECTION 16. The executive office of administration and finance shall study and report  
519 on the cost and feasibility of making available on the searchable website under section 14C of  
520 chapter 7 of the General Laws all agreements or combination or series of agreements by which a  
521 non-governmental person or entity agrees with any public agency to provide goods or services,  
522 valued at more than \$1,000,000, the total amount that the public agency has committed to expend  
523 under said agreement or combination or series of agreements and the total amount actually  
524 expended by the public agency under said or combination or series of agreements to date. The  
525 executive office of administration and finance shall submit said report, along with a plan to  
526 implement the report's findings, on or before January 1, 2015.

527         SECTION 17. To provide for the continued availability of certain bond-funded spending  
528 authorizations which otherwise would expire, the balances of the following appropriation items  
529 and any allocations thereof are hereby extended through June 30, 2017, for the purposes of and  
530 subject to the conditions stated for these items in the original authorizations and any amendments  
531 to such authorizations: 1599-7060, 1790-2013, 1790-2016, 1790-2017, and 1790-2500.