

HOUSE No. 3730

The Commonwealth of Massachusetts



CHARLES D. BAKER
GOVERNOR

OFFICE OF THE GOVERNOR COMMONWEALTH OF MASSACHUSETTS · , MA

KARYN POLITO
LIEUTENANT GOVERNOR

May 31, 2017

To the Honorable Senate and House of Representatives,

I am filing for your consideration a bill entitled “An Act Providing for Immediate Capital Improvement Needs of the Commonwealth.”

This bill authorizes the Commonwealth to borrow \$3.795 billion to fund capital improvements to various facilities of the Commonwealth. It includes technical language changes to make small repair and maintenance projects easier and more efficient to deliver.

It authorizes additional borrowing in the amount of \$85 million for municipal capital grant programs to enhance information technology, accessibility and other capital needs of Commonwealth cities and towns, and authorizes \$20 million for equipment to be acquired by the Executive Office of Public Safety and Security and used by agencies within the Secretariat.

It also reauthorizes the successful Clean Energy Investment Program (CEIP) and Accelerated Energy Program (AEP), and adds capital authorization for a new climate adaptation and resiliency program.

Passage of this legislation will ensure that the Commonwealth’s facilities can continue on their path to a state of good repair. The Commonwealth’s facilities improved by this bill will house and serve some of our neediest citizens, help educate our future workforce, prepare for climate change, keep our communities and workers safe, and will realize savings in energy and reduced greenhouse gas emissions. Accordingly, I urge you to enact this legislation promptly.

In addition, the bill includes my recommendation for the terms of the bonds to be issued thereunder. In this connection, to meet the expenditures necessary in carrying out Sections 2 and 2A of the bill, for purposes including but not limited to capital projects at state facilities, facilities operated by agencies within the Executive Office of Health and Human Services, facilities operated by agencies within the Executive Office of Public Safety and Security, facilities operated by Commonwealth community colleges, state universities and the University of Massachusetts system, and facilities operated by the Courts; state treasurer shall, upon my request, issue and sell bonds of the Commonwealth in an amount not exceeding, in the aggregate, \$3,455,000,000. All such bonds issued by the Commonwealth shall be issued for a maximum term of years, not exceeding 30 years, as recommended in this message under Section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not later than June 30, 2052, pursuant to said Section 3.

The bill also includes my recommendation for the terms of the bonds to be issued thereunder. In this connection, to meet the expenditures necessary in carrying out Section 2B of the bill, for purposes including but not limited to municipal grant programs, CEIP, AEP, and climate adaptation and resiliency; state treasurer shall, upon my request, issue and sell bonds of the Commonwealth in an amount not exceeding, in the aggregate, \$320,000,000. All such bonds issued by the Commonwealth shall be issued for a maximum term of years, not exceeding 20 years, as recommended in this message under said Section 3. All such bonds shall be payable not later than June 30, 2042, pursuant to said Section 3.

Further, the bill includes my recommendation for the terms of the bonds to be issued thereunder. In this connection, to meet the expenditures necessary in carrying out Section 2C of the bill, for purposes including but not limited to equipment for agencies within the Executive Office of Public Safety and Security; state treasurer shall, upon my request, issue and sell bonds of the Commonwealth in an amount not exceeding, in the aggregate, \$20,000,000. All such bonds issued by the Commonwealth shall be issued for a maximum term of years, not exceeding 10 years, as recommended in this message under said Section 3. All such bonds shall be payable not later than June 30, 2032, pursuant to said Section 3.

Respectfully submitted,

Charles D. Baker,
Governor

HOUSE No. 3730

Message from His Excellency the Governor recommending legislation relative to providing for immediate capital improvement needs of the Commonwealth.

The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court
(2017-2018)

An Act providing for immediate capital improvement needs of the Commonwealth.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to provide forthwith for the immediate capital improvement needs of the commonwealth, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. To provide for a program to protect, repair and improve the capital
2 facilities of the commonwealth and for a program of capital asset acquisitions, dispositions and
3 other improvements for general government operations, the sums set forth in sections 2, 2A, 2B
4 and 2C, inclusive, for the several purposes and subject to the conditions specified in this act are
5 hereby made available, subject to the laws regulating the disbursement of public funds, which
6 sums shall be in addition to any other amounts previously appropriated for these purposes.

7 SECTION 2.

8 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

9 Division of Capital Asset Management and Maintenance

1102-2017 For costs associated with planning and studies, dispositions, acquisition of land and buildings and interests therein by purchase, prepayment of lease for a term that exceeds the useful life of the facility, gift or other transfer or by eminent domain pursuant to chapter 79 of the General Laws, for the preparation of plans and specifications, disparity studies, repairs, construction, renovations, improvements, asset management, accessibility improvements, demolition, disposition, and remediation of state-owned and former county facilities and grounds and for costs associated with repair and maintenance of buildings and building systems and equipment at various facilities of the commonwealth; provided that any federal reimbursement received by a state agency in connection with projects funded from this item may be retained by the executive office for administration and finance and expended for the purposes of the project, without further appropriation, in addition to the amounts appropriated in this item; provided further, that all maintenance and repair work funded in this item shall be listed in the capital asset management information system administered by the division of capital asset management and maintenance; provided further, that where appropriate, the commissioner of capital asset management and maintenance may transfer funds authorized herein in accordance with a delegation of project control and supervision process pursuant to section 5 of chapter 7C of the General Laws; provided further, that funds so transferred shall be distributed based on the severity of the need that the repair shall address and other criteria developed by the division, in consultation with the secretary of administration and finance.....\$880,000,000

4000-2024 For costs associated with planning and studies, dispositions, acquisition of land and buildings and interests therein by purchase, prepayment of lease for a term that exceeds the useful life of the facility, gift or other transfer or by eminent domain pursuant to chapter 79

of the General Laws, for the preparation of plans and specifications, repairs, construction, renovations, improvements, modernization, construction, reconstruction, furnishing, equipping, acquiring, remodeling, refurbishing, asset management, accessibility improvements, demolition, disposition and remediation of facilities and grounds operated by the various departments within the executive office for health and human services, all as the commissioner of capital asset management and maintenance, in consultation with the secretary of health and human services and the appropriate commissioners of the departments within the executive office, shall consider appropriate; provided, that costs payable from this item shall include, but not be limited to, the costs of leases of temporary relocation space or equipment as required for completion of a project; provided further, that any federal reimbursement received by a state agency including, but not limited to, projects related to the provision of health care, human services and veterans' services in connection with projects funded from this item may be retained by the executive office for administration and finance and expended for the purposes of the project, without further appropriation, in addition to the amounts appropriated in this item.....\$700,000,000

Division of Capital Asset Management and Maintenance

7066-8110 For costs associated with plans and specifications, planning and studies, repairs, reconstruction, demolition, remediation, rehabilitation, modernization, disposition, renovations, improvements and maintenance at Massachusetts public higher education campus facilities and grounds; provided, that all projects approved for design and construction by the division of capital asset management and maintenance shall be consistent in priority and need with regional capital master plans developed by the division of capital asset management and maintenance, in consultation, as applicable, with the presidents of the community colleges, state

56 universities, and University of Massachusetts and approved by the board of higher education,
57 with respect to the community colleges and state universities, or approved by the board of
58 trustees of the University of Massachusetts, as applicable; provided further, that all maintenance
59 and repair work funded by this item shall be included in the capital asset management
60 information system administered by the division of capital asset management and
61 maintenance.....\$950,000,000

62 8000-3502 For costs associated with planning and studies, dispositions, acquisition of
63 land and buildings and interests therein by purchase, prepayment of lease for a term that exceeds
64 the useful life of the facility, gift or other transfer or by eminent domain pursuant to chapter 79
65 of the General Laws, for the preparation of plans and specifications, repairs, construction,
66 renovations, improvements, remediation, rehabilitation, modernization, and demolition for public
67 safety and security facilities, all as the commissioner of capital asset management and
68 maintenance, in consultation with the secretary of public safety and security and the appropriate
69 commissioners of the departments within the executive office, shall consider appropriate;
70 provided, that costs payable from this item shall include, but not be limited to, the costs of leases
71 of temporary relocation space or equipment as required for completion of a
72 project.....\$550,000,000

73 SECTION 2A.

74 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

75 Division of Capital Asset Management and Maintenance

76 JUDICIARY

77 Trial Court

78 1102-5700 For capital needs at court facilities, including, but not limited to, expenditures
79 for the planning, design, and acquisition of land and buildings and interests therein by purchase,
80 lease for a term, including any extensions, not to exceed 50 years, gift or other transfer, or by
81 eminent domain under chapter 79 of the General Laws, the preparation of plans and
82 specifications, the construction, renovation, reconstruction, alteration, improvement, demolition,
83 expansion, repair and improvements, including furnishings and equipment and temporary
84 relocation costs, as needed for priority projects identified by the division of capital asset
85 management and maintenance and the administrative office of the trial court; for building repairs
86 necessary to correct unsafe and overcrowded conditions, for the remediation of life safety code
87 violations, for the remediation of access code and civil rights violations, for the remediation of
88 environmental hazards and for security improvements and other necessary repairs at court
89 facilities owned by the commonwealth or by political subdivisions of the commonwealth;
90 provided further, that expenditures made from this item shall include, but not be limited to,
91 expenditures for the projects identified through the court capital repair needs assessment
92 database as developed and maintained by the division of capital asset management and
93 maintenance and reviewed and approved by the administrative office of the trial
94 court.....\$375,000,000

95 SECTION 2B.

96 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

97 Office of the Secretary

98 1100-3005 For a grant program to cities, towns, regional organizations whose
99 membership is exclusively composed of municipal governments or municipal redevelopment
100 authorities or agencies, or similar governmental development agencies to provide funding for
101 capital purposes, including, but not limited to planning and studies, preparation of plans and
102 specifications, site assembly and preparation, dispositions, acquisitions, repairs, renovations,
103 improvements, construction, demolition, remediation, modernization, and reconstruction of
104 facilities, infrastructure, equipment and other capital assets, technical assistance, information
105 technology equipment and infrastructure, and for costs associated with improving accessibility of
106 municipal facilities, including, but not limited to, assessments, transition plans, technical
107 assistance to cities, towns, municipal councils on aging and disability, and regional organizations
108 whose membership is exclusively composed of municipal governments, under guidelines
109 adopted by the secretary of administration and
110 finance.....\$85,000,000

111 1102-2018 For the accelerated energy and resiliency program to improve the energy
112 efficiency, climate change readiness, environmental risk reduction, resiliency and carbon
113 emissions reduction of state-owned facilities, equipment and related capital assets, including
114 costs associated with planning and studies, prepayment of lease for a term that exceeds the useful
115 life of the facility, gifts or other transfers or by eminent domain under chapter 79 of the General
116 Laws, for the preparation of plans and specifications, repairs, construction, renovations,
117 improvements, asset management and demolition, disposition and remediation of state-owned
118 and former county facilities and grounds and repair and maintenance of buildings and building
119 systems and equipment at various state-owned facilities; provided, that all maintenance and
120 repair work funded in this item shall be listed in the capital asset management information

121 system administered by the division of capital asset management and maintenance; provided
122 further, that the commissioner of capital asset management and maintenance may, if appropriate,
123 transfer funds in accordance with the delegation of project control and supervision process under
124 section 5 of chapter 7C of the General Laws; provided further, that costs payable from this item
125 shall include, but not be limited to, the costs of engineering and other services essential to these
126 projects rendered by division of capital asset management and maintenance employees or by
127 consultants; provided further, that amounts expended for division employees may include the
128 salary and salary-related expenses of such employees to the extent that they work on or in
129 support of these projects; provided, however, that the division shall not expend more than 5 per
130 cent of the funds authorized in this item for such costs; and provided further, that the
131 commissioner of capital asset management and maintenance shall maximize efforts to utilize all
132 available means to minimize use of capital funds to pay for salaries of division
133 employees.....\$150,0
134 00,000

135 1102-2019 For the accelerated energy program to improve the energy efficiency of state-
136 owned facilities, including costs associated with planning and studies, prepayment of a lease for
137 a term that exceeds the useful life of the facility, gifts or other transfers or by eminent domain
138 under chapter 79 of the General Laws, for the preparation of plans and specifications, repairs,
139 construction, renovations, improvements, asset management and demolition, disposition and
140 remediation of state-owned and former county facilities and grounds and repair and maintenance
141 of buildings and building systems and equipment at various state-owned facilities; provided, that
142 all maintenance and repair work funded in this item shall be listed in the capital asset
143 management information system administered by the division of capital asset management and

144 maintenance; provided further, that the commissioner of capital asset management and
145 maintenance may, where appropriate, transfer funds in accordance with the delegation of project
146 control and supervision process under section 5 of chapter 7C of the General Laws; provided
147 further, that for projects which the secretary of administration and finance certifies to the
148 comptroller directly or indirectly generate new state revenue or budgetary savings, the
149 comptroller shall transfer those budgetary savings or revenue to the state treasurer for payment of
150 debt service related to those projects; provided further, that costs payable from this item shall
151 include, but not be limited to, the costs of engineering and other services essential to these
152 projects rendered by division of capital asset management and maintenance employees or by
153 consultants; provided further, that amounts expended for division employees may include the
154 salary and salary-related expenses of such employees to the extent that they work on or in
155 support of these projects; provided, however, that the division shall not expend more than 5 per
156 cent of the funds authorized in this item for such costs; and provided further, that the
157 commissioner of capital asset management and maintenance shall maximize efforts to utilize all
158 available means to minimize use of capital funds to pay for salaries of division

159 employees.....\$85,000,

160 000

161 SECTION 2C.

162 EXECUTIVE OFFICE FOR PUBLIC SAFETY AND SECURITY

163 Office of the Secretary

8000-0702 For equipment for the department of correction and other agencies within the executive office of public safety and security including, but not limited to, medical equipment, security equipment, safety equipment, communications equipment and vehicles.....\$20,000,000

SECTION 3. To meet the expenditures necessary in carrying out sections 2 and 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, \$3,455,000,000. All such bonds issued by the commonwealth shall be designated on their face, Capital Improvement Act of 2017, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court pursuant to section 3 of Article LXII of the Amendments to the Constitution. The bonds shall be payable not later than June 30, 2052. All interest and payments on account of principal on these obligations shall be payable from the General Fund. Bonds and interest thereon issued pursuant to this section shall, notwithstanding any other provision of this act, be general obligations of the commonwealth.

SECTION 4. To meet the expenditures necessary in carrying out 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, \$320,000,000. All such bonds issued by the commonwealth shall be designated on their face, Capital Improvement Act of 2017, and shall be issued for a maximum term of years, not exceeding 20 years, as the governor may recommend to the general court pursuant to section 3 of

Article LXII of the Amendments to the Constitution. The bonds shall be payable not later than June 30, 2042. All interest and payments on account of principal on these obligations shall be payable from the General Fund. Bonds and interest thereon issued pursuant to this section shall, notwithstanding any other provision of this act, be general obligations of the commonwealth.

SECTION 5. To meet the expenditures necessary in carrying out section 2C, 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, \$20,000,000. All such bonds issued by the commonwealth shall be designated on their face, Capital Improvement Act of 2017, and shall be issued for a maximum term of years, not exceeding 10 years, as the governor may recommend to the general court pursuant to section 3 of Article LXII of the Amendments to the Constitution. The bonds shall be payable not later than June 30, 2032. All interest and payments on account of principal on these obligations shall be payable from the General Fund. Bonds and interest thereon issued pursuant to this section shall, notwithstanding any other provision of this act, be general obligations of the commonwealth.

SECTION 6. Section 5 of chapter 7C of the General Laws as appearing in the 2016 Official Edition, is hereby amended by striking out, in line 9, the figure “\$2,000,000” and inserting in place thereof the following figure:- \$5,000,000.

SECTION 7. Said section 5 of said chapter 7C, as so appearing, is hereby further amended by adding the following sentence:- Notwithstanding the foregoing, the commissioner may delegate project control and supervision to the University of Massachusetts over projects involving structural or mechanical work with an estimated cost of less than \$10,000,000 if the commissioner determines that the University of Massachusetts has the ability to control and

208 supervise such project. As used in this section, “estimated cost” means the estimated
209 construction cost stated in a study or program prepared in accordance with section 59.

210 SECTION 8. Subsection (e) of section 46 of said chapter 7C, as so appearing, is hereby
211 amended by striking out clauses (i) and (ii) and inserting in place thereof the following clauses:-
212 (i) the design fee under the contract is less than \$30,000; or (ii) the estimated construction cost of
213 the project for which the design services are required is less than \$300,000;

214 SECTION 9. Item 7066-8000 of section 2 of chapter 258 of the acts of 2008, as amended
215 by section 7 of chapter 237 of the acts of 2014, is hereby further amended by striking out the
216 figure “\$1,303,055,630” and inserting in place thereof the following figure:-\$1,403,055,630.

217 SECTION 10. Item 7100-1000 of section 2 of said chapter 258, as amended by sections
218 8 and 9 of chapter 237 of the acts of 2014, is hereby further amended by striking out the figure
219 “\$1,101,500,000” and inserting in place thereof the following figure:- \$1,201,500,000.

220 SECTION 11. Section 3 of said chapter 258, as amended by section 10 of chapter 237 of
221 the acts of 2014, is hereby further amended by striking out the figure “\$2,404,555,630” and
222 inserting in place thereof the following figure:- \$2,604,555,630.

223 SECTION 12. Said section 3 of said chapter 258 is hereby further amended by striking
224 out the figure “2048” and inserting in place thereof:- 2052.

225 SECTION 13. Item 1102-2008 of section 2C of chapter 304 of the acts of 2008 is hereby
226 amended by striking out, in line 37, the figure “\$60,000,000” and inserting in place thereof the
227 following figure:- \$21,100,000.

SECTION 14. Item 1102-5600 of said section 2C of said chapter 304 is hereby amended by striking out the following words: “that not less than \$72,000,000 shall be expended for the costs of the renovation of the probate and family court building located in the city of Salem”.

SECTION 15. Subsection (d) of section 49 of chapter 9 of the acts of 2011, as amended by section 23 of chapter 119 of the acts of 2015, is hereby further amended by striking out, in the second sentence, the figure “\$100,000” and inserting in place thereof the following figure:- \$150,000.

SECTION 16. Subsection (e) of said section 49 of said chapter 9, as so amended, is hereby further amended by striking out the words, “January 1, 2017,” and inserting in place thereof the following words:- January 1, 2019.

SECTION 17. Subsection (f) of said section 49 of said chapter 9, as so amended, is hereby further amended by striking out, the words “June 30, 2017” and inserting in place thereof the following words:- June 30, 2019.

SECTION 18. To provide for the continued availability of certain bond-funded spending authorizations which otherwise would expire, the balances of the following items and any allocations thereof shall be extended through June 30, 2020 for the purposes of, and subject to, the conditions stated for these items in the original authorizations and any amendments to such authorizations: 0640-0035, 1100-9201, 1599-7061, 1599-7062, 1599-7063, 1790-3001, 1790-3002, 1790-3003, 1790-3004, and 8000-2030.

SECTION 19. To provide for the continued availability of certain bond-funded spending authorizations which otherwise would expire, the balances of the following items and any allocations thereof shall be extended through June 30, 2022 for the purposes of, and subject to,

250 the conditions stated for these items in the original authorizations and any amendments to such
251 authorizations: 0640-0302, 0330-2223, 1100-3002, 1100-3003, 1102-2009, 1102-2014, 1102-
252 5600, 1790-2500, 4000-2020, 4000-2022, 7000-9091, 7066-8000, 7100-1000, 8000-3501, 8000-
253 0701, 8000-2021, 8000-2022, 8100-2026, 8900-7500, and 8900-8500.

254 SECTION 20. Notwithstanding any general or special law to the contrary, the bonds that
255 the state treasurer may issue pursuant to sections 2 and 2A of this act shall be issued for terms
256 not to exceed 30 years. All such bonds shall be payable not later than June 30, 2052, as
257 recommended by the governor in a message to the general court dated May 31, 2017, under
258 section 3 of Article LXII of the Amendments to the Constitution.

259 SECTION 21. Notwithstanding any general or special law to the contrary, the bonds that
260 the state treasurer may issue pursuant to section 2B of this act shall be issued for terms not to
261 exceed 20 years. All such bonds shall be payable not later than June 30, 2042, as recommended
262 by the governor in a message to the general court dated May 31, 2017, under section 3 of Article
263 LXII of the Amendments to the Constitution.

264 SECTION 22. Notwithstanding any general or special law to the contrary, the bonds that
265 the state treasurer may issue pursuant to section 2C of this act shall be issued for terms not to
266 exceed 10 years. All such bonds shall be payable not later than June 30, 2032, as recommended
267 by the governor in a message to the general court dated May 31, 2017, under section 3 of Article
268 LXII of the Amendments to the Constitution.