

SENATE No. 2962

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

SENATE, February 19, 2026.

The committee on Senate Ways and Means to whom was referred the House Bill to build resilient infrastructure to generate higher-ed transformation (House, No. 4769); 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 2962. (Bond Authorization: \$3,276,000,000.00)

For the committee,
Michael J. Rodrigues

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

1 SECTION 1. To provide for a program of capital improvements to public higher
2 education institutions to provide support for these institutions in carrying out their educational
3 missions and to enhance regional economic development through their educational initiatives,
4 the sums set forth in sections 2 to 2B, inclusive, for the several purposes and subject to the
5 conditions specified in this act, are hereby made available, subject to the laws regulating the
6 disbursement of public funds, which sums shall be in addition to any other amounts previously
7 appropriated for these purposes.

8 SECTION 2.

9 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

10 Division of Capital Asset Management and Maintenance

11 7066-8001 For costs associated with deferred maintenance, modernization,
12 decarbonization and major capital projects, planning and studies, dispositions, acquisition of land
13 and buildings and interests therein by purchase or by eminent domain under chapter 79 of the
14 General Laws and for the preparation of plans and specifications, repairs, construction,
15 renovations, improvements, maintenance and repair, asset management and demolition at state
16 university and community college campus facilities and grounds; provided, that all projects

17 approved for design and construction by the division of capital asset management and
18 maintenance shall be consistent in priority and need with campus master plans developed by the
19 division of capital asset management and maintenance, in consultation with the presidents of the
20 state universities and community colleges and approved by the secretary of education and the
21 secretary of administration and finance; provided further, that all maintenance and repair work
22 funded by this item shall be included in the capital asset management information system
23 administered by the division of capital asset management and maintenance; provided further, that
24 costs payable from this item shall include, but not be limited to, the costs of design, architecture
25 and engineering and other services essential to the managing of projects under this item and
26 rendered by division of capital asset management and maintenance employees or by consultants;
27 and provided further, that amounts expended for division employees may include the salary and
28 salary-related expenses of these employees to the extent that they work on or in support of the
29 projects authorized under this item.....\$1,250,000,000

30 7066-8002 For costs associated with plans and specifications, planning and studies,
31 dispositions, acquisition of land and buildings and interests therein by purchase or by eminent
32 domain under chapter 79 of the General Laws, redevelopment, demolition, remediation,
33 relocation and other capital projects to support the transition of campus facilities and real
34 property for the purposes of housing and mixed use development with the approval of the
35 secretary of administration and finance, in consultation with the secretaries of education and
36 housing and livable communities; provided, that funds from this item may be granted to the
37 Massachusetts State College Building Authority established pursuant to chapter 703 of the acts
38 of 1963, as amended, for the purpose of supporting adaptive reuse of state university and
39 community college campus facilities for housing and associated infrastructure with the approval

40 of the secretary of administration and finance, in consultation with the secretaries of education
41 and housing and livable
42 communities.....\$100,000,000

43 7066-8003 For costs associated with developing decarbonization plans for
44 Massachusetts public institutions of higher education and costs associated with decarbonization
45 and energy efficiency projects, including, but not limited to, preparation of plans and
46 specifications, electrification and replacement of fossil fuel-dependent campus and building
47 infrastructure, renovation of building envelopes to reduce energy consumption, purchase and
48 installation of energy efficiency or other capital equipment, construction, reconstruction,
49 renovation, demolition and other improvements and retrofits to facilities including those
50 necessary for the installation and use of such equipment and for decarbonization grants to public
51 institutions of higher education; provided, that all projects approved for design and construction
52 by the commissioner of the division of capital asset management and maintenance under this
53 item shall be consistent with approved decarbonization plans developed by the division of capital
54 asset management and maintenance.....\$80,000,000

55 7066-8004 For costs associated with: (i) laboratory modernization, furnishing,
56 equipping and related safety, ventilation, rehabilitation, construction, reconstruction and other
57 associated renovations to support laboratory modernization at public institutions of higher
58 education in the commonwealth; (ii) repair, renovation, furnishing, construction, reconstruction,
59 remediation, modernization and equipping of facilities at Massachusetts community colleges and
60 vocational technical schools to support collaborations between Massachusetts community
61 colleges and vocational technical schools; and (iii) repair, renovation, furnishing, construction,
62 reconstruction, remediation, modernization and equipping of facilities to support student health,

63 mental health, wellness, accessibility, equity, safety, community engagement and other student
 64 support needs at Massachusetts public higher education campuses; provided, that not later than
 65 December 31, 2026, the secretary of administration and finance and the secretary of education
 66 shall jointly submit an annual report to the clerks of the house of representatives and the senate,
 67 the house and senate committees on ways and means and the joint committee on higher
 68 education detailing: (i) the number of stackable credentials earned by students across
 69 collaborations between Massachusetts community colleges and vocational technical schools; (ii)
 70 the percentage of vocational technical school students utilizing programs or facilities at partner
 71 Massachusetts community colleges; and (iii) each project from initiation to completion,
 72 including project phase, cost and anticipated completion
 73 date.....\$120,000,000

74 7066-8005 For costs associated with developing campus master plans for
 75 Massachusetts public institutions of higher education\$30,000,000

76 7066-8006 For costs associated with addressing the Huntington Tower building at the
 77 Massachusetts College of Art and Design.....\$275,000,000

78 7066-8007 For higher education capital projects
 79\$1,000,000

80 7100-1001 For costs associated with deferred maintenance, modernization,
 81 decarbonization and major capital projects, planning and studies, dispositions, acquisition of land
 82 and buildings and interests therein by purchase or by eminent domain under chapter 79 of the
 83 General Laws, for the preparation of plans and specifications, repairs, construction, renovations,
 84 improvements, maintenance and repair, asset management and demolition at the University of

85 Massachusetts campus facilities and grounds; provided, that all projects approved for design and
86 construction by the division of capital asset management and maintenance shall be consistent in
87 priority and need with a campus master plan approved by the president of the University of
88 Massachusetts and the board of trustees of the University of Massachusetts; provided further,
89 that all maintenance and repair work funded by this item shall be included in the capital asset
90 management information system administered by the division of capital asset management and
91 maintenance; provided further, that costs payable from this item shall include, but not be limited
92 to, the costs of design, architecture and engineering and other services essential to these projects
93 rendered by division of capital asset management and maintenance employees or by consultants;
94 and provided further, that amounts expended for division employees may include the salary and
95 salary-related expenses of these employees to the extent that they work on or in support of these
96 projects.....\$1,250,000,000

97 SECTION 2A.

98 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

99 Office of the Secretary

100 1100-2523 For a grant program to be administered by the executive office for
101 administration and finance, in consultation with the executive office of education, to provide
102 funding for repairs, construction, reconstruction, demolition, remediation, rehabilitation,
103 modernization, disposition, renovations, improvements and maintenance, decarbonization and
104 climate resilience upgrades and other related capital projects at public higher education
105 campuses; provided, that the executive office for administration and finance shall consider
106 equitable distribution of grants among the university of Massachusetts segment, the state

107 university segment and the community college segment, including, but not limited to, equitable
108 geographic distribution across the commonwealth when awarding grants under this
109 item.....\$50,000,000

110 SECTION 2B.

111 EXECUTIVE OFFICE OF TECHNOLOGY SERVICES AND SECURITY

112 Office of the Secretary

113 1790-3019 For costs associated with technology capital projects and initiatives that
114 facilitate or enhance remote and hybrid learning opportunities and student support at
115 Massachusetts public institutions of higher education, including, but not limited to, the
116 preparation of plans and specifications, purchase, procurement, acquisition, licensing and
117 implementation of information technology, telecommunications and data-security-related
118 equipment, hardware, software, systems, including, but not limited to, enterprise resource
119 planning systems and intellectual property and related projects approved by the secretary of
120 technology services and security, in consultation with the secretary of administration and
121 finance.....\$20,000,000

122 EXECUTIVE OFFICE OF EDUCATION

123 Office of the Secretary

124 7009-2009 For a competitive grant program to be administered by the executive
125 office of education, in consultation with the executive office of economic development and the
126 executive office of labor and workforce development, to provide funding for the purchase and
127 installation of equipment and related improvements and renovations to facilities necessary for the

128 installation and use of such equipment and to establish, upgrade and expand career technical
129 education and training programs that are aligned with regional economic and workforce
130 development priorities; provided, that grant applications may facilitate collaboration to provide
131 students enrolled in high schools with vocational and technical programs with postsecondary
132 opportunities consistent with those reported in clause (o) of the first paragraph of section 22 of
133 chapter 15A of the General Laws and section 37A of chapter 74 of the General Laws; provided
134 further, that grants may be made available to eligible vocational technical schools to provide
135 such opportunities to students enrolled in high schools with vocational and technical programs ;
136 and provided further, that the executive office of education shall consider the equitable
137 distribution of grants among the university of Massachusetts segment, the state university
138 segment and the community college segment, including, but not limited to, equitable geographic
139 distribution across the commonwealth when awarding grants under this
140 item.....\$100,000,000

141 SECTION 3. Section 5 of chapter 7C of the General Laws, as appearing in the 2024
142 Official Edition, is hereby amended by inserting after the third sentence the following sentence:-

143 Notwithstanding the foregoing, the commissioner may delegate control and supervision
144 over projects involving structural or mechanical work with an estimated cost of less than
145 \$10,000,000 to the Massachusetts State College Building Authority if the commissioner
146 determines that the Massachusetts State College Building Authority has the ability to control and
147 supervise such project.

148 SECTION 4. Said chapter 7C is hereby further amended by inserting after section 34 the
149 following section:-

150 Section 34A. (a)(1) Notwithstanding section 34, if the chancellor or president of a public
151 institution of higher education as defined in section 5 of chapter 15A, determines, with the
152 approval of the commissioner of higher education, that real property of any such public
153 institution of higher education is surplus to the current and foreseeable needs of the public
154 institution of higher education, the commissioner may dispose of such property permanently or
155 temporarily pursuant to this section; provided, however, that the public institution of higher
156 education's board of trustees may disapprove the determination within 60 days after the
157 chancellor or president makes such determination.

158 (2) Any disposition pursuant to paragraph (1) shall be subject to section 36.

159 (b) If the commissioner determines that a property is surplus to the current and
160 foreseeable needs of a public institution of higher education, the commissioner shall provide
161 written notice, for each city or town in which the property is located, to: (i) the city manager in
162 the case of a city having a Plan E form of government, the mayor and city council in the case of
163 all other cities, the town manager in a town having a town council form of government, the select
164 board in all other towns ; (ii) the county commissioners, where applicable; (iii) the regional
165 planning agency; and (iv) the members of the general court who represent the city or town
166 wherein the property is located. The notice shall include a description of the property and a
167 declaration that the property is surplus to the current or foreseeable needs of the public institution
168 of higher education.

169 (c)(1) If the commissioner determines that the property is surplus to the current and
170 foreseeable needs of such institution and that the property should be disposed of, either

171 temporarily or permanently, the commissioner shall declare that the property is available for
172 disposition and shall determine appropriate reuse restrictions.

173 (2) The commissioner shall ensure that any deed, lease agreement or separate disposition
174 agreement as deemed appropriate by the commissioner, sets forth the reuse restrictions pursuant
175 to paragraph (1). The deed, lease or other agreement shall provide: (i) for effective remedies on
176 behalf of the commonwealth including, if deemed appropriate by the commissioner, that title to
177 or lesser interest in the property subject to the disposition agreement shall revert to the
178 commonwealth if there is a violation of any reuse restriction; and (ii) in the case of a disposition
179 to a public agency for a direct public use, that the title to or lesser interest in the property subject
180 to the disposition agreement shall revert to the commonwealth if the property ceases to be used
181 for a direct public use.

182 (3)(A) In determining reuse restrictions under paragraph (2), the commissioner shall
183 comply with all restrictions pertaining to the property which may have been mandated by the
184 general court and may adopt additional restrictions, taking into account any established state and
185 local plans and policies.

186 (B) The commissioner shall conduct a public hearing to consider reuse restrictions under
187 paragraph (2) if the property exceeds 2 acres or if the gross square footage of all structures on the
188 property is greater than or equal to 150,000 square feet; provided, however, that the
189 commissioner may hold a hearing for the reuse of a smaller parcel. Notice of the public hearing
190 shall be: (i) published at least once each week for the 4 consecutive weeks preceding the hearing
191 in newspapers with sufficient circulation to inform the public in the affected municipality; (ii)
192 posted on the department's website; and (iii) published in the central register pursuant to section

193 20A of chapter 9. The hearing shall be held in the municipality in which the property is located
194 not less than 30 days and not more than 35 days after notice thereof is published in the central
195 register. After the hearing is conducted, the commissioner shall make a draft of any reuse
196 restrictions and make such draft available to the public and shall accept written comments
197 thereon for 21 days after the draft has been made available to the public. If after the hearing is
198 conducted the commissioner determines that no reuse restrictions are necessary, the
199 commissioner shall make that determination available to the public and accept written comments
200 thereon for 21 days after such determination has been made available to the public.

201 (d) The commissioner shall provide for an appraisal of the property using generally
202 accepted appraising practices for determining the property value, for both its highest and best use
203 as currently encumbered and under the reuse restrictions as determined pursuant to this section.
204 The commissioner shall submit the appraisal to the inspector general for review and comment.
205 The inspector general shall review and approve the appraisal and the review shall include an
206 examination of the methodology utilized for the appraisal. The inspector general shall prepare
207 and file a report with the commissioner. The commissioner shall submit copies of the appraisal
208 and the inspector general's review and approval and comments, if any, to the house and senate
209 committees on ways and means and the joint committee on state administration and regulatory
210 oversight not less than 15 days prior to the execution of any documents effecting the disposition.

211 (e) No deed executed by or on behalf of the commonwealth and no lease agreement for
212 the rental or other disposition of state-owned real property disposed of pursuant to this section
213 shall be valid unless the agreement or deed contains the following declaration, signed by the
214 commissioner:

215 “The undersigned certifies under the penalties of perjury that I have fully complied with
216 sections 34A and 36 of chapter 7C of the General Laws in connection with the disposition of the
217 property described herein.”.

218 (g) The proceeds realized from the conveyance, lease or other disposition of real property
219 pursuant to this section shall be deposited into the Commonwealth Public Higher Education
220 Capital Projects Fund established in section 2000000 of chapter 29.

221 SECTION 5. Section 59 of said chapter 7C, as appearing in the 2024 Official Edition, is
222 hereby amended by striking out, in lines 18 to 20, inclusive, the words “No provider of design
223 services for any building project for which a state agency is the using agency shall be selected by
224 the designer selection board or by the administering agency and no” and inserting in place
225 thereof the following words:- For any building project with an estimated construction cost
226 greater than \$500,000, no.

227 SECTION 6. Said chapter 7C is hereby further amended by adding the following
228 section:-

229 Section 74. (a) Annually, not later than December 31, the commissioner and the secretary
230 of administration and finance, in consultation with the president of the University of
231 Massachusetts, the presidents of the state universities, the presidents of the community colleges,
232 the University of Massachusetts Building Authority and the Massachusetts State College
233 Building Authority, shall jointly submit a comprehensive report on capital expenditures for
234 public higher education to the clerks of the senate and house of representatives, the senate and
235 house committees on ways and means and the joint committee on higher education.

236 (b)(1) The report shall include an executive summary synthesizing capital investments,
237 outcomes and system-wide trends across items 7066-8001, 7066-8004 and 7100-1001.

238 (2) The executive summary shall include, but shall not be limited to: (i) total capital
239 expenditures, delineated by institution type and project category; (ii) system-wide progress
240 toward decarbonization, deferred maintenance reduction and programmatic modernization,
241 including comparative cost and timeline analysis with key contextual factors; (iii) identification
242 of cross-institutional best practices and recommendations for improving capital project delivery
243 efficiency and coordination; and (iv) a system-wide forecast of capital needs and funding gaps.

244 (c) The report shall include, but shall not be limited to: (i) a list of public institutions of
245 higher education and capital facility projects receiving funds; (ii) the associated amounts
246 committed and expended for each project; (iii) a categorization of each project by primary
247 purpose, including decarbonization, programmatic improvements and deferred maintenance,
248 including critical repairs to campus or building infrastructure; (iv) a summary of how campus
249 master plan priorities informed the annual project selection process, including any deviations
250 from stated priorities and the rationale for such deviations; (v) an annual statement of cash
251 inflows and outflows detailing the sources and uses of funds; (vi) the cumulative amount of
252 funds committed versus expended; (vii) a forecast of future expenditures based on committed
253 projects; (viii) a detailed breakdown of costs charged, including design, architecture, engineering
254 and consultant services, division of capital asset management and maintenance employee salary
255 and salary-related expenses and other administrative costs; (ix) a status report tracking each
256 project from initiation to completion, including project phase, anticipated completion date and
257 confirmation that relevant data has been entered into the capital asset management information
258 system; and (x) outcome metrics for completed projects, including, but not limited to: (A) square

259 footage constructed, renovated or demolished; (B) estimated annual emissions reductions
260 measured in metric tons of carbon dioxide equivalent; (C) the estimated dollar value of deferred
261 maintenance addressed; and (D) for land or building acquisitions, the purpose and strategic value
262 of the acquisition relative to institutional master planning goals.

263 SECTION 6. Section 20 of chapter 29 of the General Laws, as appearing in the 2024
264 Official Edition, is hereby amended by striking out the third paragraph and inserting in place
265 thereof the following paragraph:-

266 In order to increase the marketability of any such bonds or notes issued by the
267 commonwealth and in consideration of the acceptance of payment for any such bonds or notes,
268 the commonwealth covenants with the purchasers and all subsequent holders and transferees of
269 any such bonds or notes that while any such bond or note shall remain outstanding, and so long
270 as the principal of or interest on any such bond or note shall remain unpaid: (i) no pledged funds
271 shall be diverted from the Commonwealth Transportation Fund; (ii) in any fiscal year of the
272 commonwealth and until an appropriation has been made which is sufficient to pay the principal,
273 including sinking fund payments, of and interest on all such bonds and notes of the
274 commonwealth and to provide for or maintain any reserves, additional security, insurance or
275 other forms of credit enhancement required or provided for in any trust agreement securing any
276 such bonds or notes, no pledged funds shall be applied to any other use; and (iii) so long as such
277 revenues are necessary, as determined by the state treasurer in accordance with any applicable
278 trust agreement or credit enhancement agreement, for the purposes for which they have been
279 pledged and, notwithstanding any general or special law to the contrary, the rates of the fees
280 collected under sections 33 and 34 of chapter 90 and of the excises imposed in chapters 64A,
281 64E and 64F shall not be reduced below the amount in effect at the time of issuance of any such

282 bond or note, the rates of the excise imposed in subsection (d) of section 4 of chapter 62 shall not
283 be reduced below the amount in effect at the time of issuance of any such bond or note and the
284 dedicated transportation income surtax revenue amount as defined in paragraph (a) of section
285 2BBBBBB of chapter 29 shall not be reduced below the amount in effect at the time of issuance
286 of any such bond or note.

287 SECTION 7. Said chapter 29 is hereby further amended by striking out section
288 2BBBBBB, as amended by section 18 of chapter 9 of the acts of 2025, and inserting in place
289 thereof the following section:-

290 Section 2BBBBBB. (a) As used in this section, the following words shall have the
291 following meanings unless the context clearly requires otherwise:

292 “Dedicated higher education income surtax revenue amount”, the amount of
293 \$125,000,000 for each fiscal year, to be credited to the Commonwealth Public Higher Education
294 Capital Projects Fund established in section 2000000.

295 “Dedicated transportation income surtax revenue amount”, the amount of \$550,000,000
296 for each fiscal year, to be credited to the Commonwealth Transportation Fund established in
297 section 2ZZZ;

298 “Income surtax”, the tax specified in subsection (d) of section 4 of chapter 62.

299 “Income surtax revenue”, tax revenue from the tax specified in said subsection (d) of said
300 section 4 of said chapter 62, as adjusted, pursuant to Article XLIV of the Amendments to the
301 Constitution of the Commonwealth.

302 “Remaining income surtax revenue”, in each fiscal year, the income surtax revenue less
303 the dedicated transportation income surtax revenue amount and the dedicated higher education
304 income surtax revenue amount and in each calendar quarter, the portion of the income surtax
305 revenue collected in such calendar quarter less the portion attributable to the dedicated
306 transportation income surtax revenue amount and the dedicated higher education income surtax
307 revenue amount.

308 (a 1/2) The dedicated transportation income surtax revenue amount shall be credited to
309 the Commonwealth Transportation Fund established in section 2ZZZ. The sums to be credited to
310 the Commonwealth Transportation Fund under this subsection are hereby impressed with a trust
311 for the benefit of the holders from time to time of any special obligation bonds or notes payable
312 solely from monies credited to the Commonwealth Transportation Fund as provided in section
313 2O. Any increase in capacity to issue special obligation bonds or notes payable under said
314 section 2O shall be for approved transportation projects in geographically equitable locations;
315 provided, however, that said increase in capacity shall not be used to support or fund, in whole or
316 in part, a single transportation project with a total project cost, regardless of source, in excess of
317 \$1,000,000,000 unless the borrowing for the project is specifically authorized and approved by
318 the general court after being proposed in the 5-year spending plan required by this paragraph;
319 and provided further, that the Massachusetts Department of Transportation shall maintain a
320 public website to track and monitor spending and progress on projects funded as a result of the
321 increase in capacity to issue special obligation bonds or notes from the dedicated transportation
322 income surtax revenue amount dedicated pursuant to this section. Annually, not later than
323 October 31, the secretary of administration and finance shall submit a report to the joint
324 committee on transportation and the chairs of the senate and house committees on ways and

325 means detailing: (i) approved transportation projects funded during the prior fiscal year; (ii) a 5-
326 year spending plan for the project, in whole or in part, by special obligation bonds or notes
327 issued by virtue of the increase in bonding capacity from the dedicated transportation income
328 surtax revenue amount dedicated pursuant to this section; and (iii) the bonds or notes issued or
329 scheduled to be issued.

330 (b) There shall be established and set up on the books of the commonwealth a separate
331 fund known as the Education and Transportation Fund. The fund shall be credited with: (i)
332 remaining income surtax revenue, following the application of the dedicated higher education
333 income surtax revenue amount and the dedicated transportation income surtax revenue amount to
334 their respective funds in that order; (ii) appropriations or other money authorized or transferred
335 by the general court and specifically designated to be credited to the fund; (iii) funds from public
336 and private sources, including, but not limited to, gifts, grants and donations; and (iv) any
337 interest earned on the assets of the fund. Amounts credited to the fund shall be expended, subject
338 to appropriation, for quality public education and affordable public colleges and universities and
339 for the repair and maintenance of roads, bridges and public transportation. The fund shall not be
340 subject to section 5C.

341 (c) Quarterly, the comptroller shall transfer from the Education and Transportation Fund
342 the amount of tax revenues the department of revenue estimates to have been collected from
343 income surtax revenue that exceeds the threshold established pursuant to subsection (g), as
344 follows: (i) 15 per cent of such amount shall be transferred to the Education and Transportation
345 Reserve Fund established in section 2CCCCCC; and (ii) 85 per cent of such amount shall be
346 transferred to the Education and Transportation Innovation and Capital Fund established in
347 section 2DDDDDD; provided, however, that if in any year the transfer required under clause (i)

348 would cause the balance of the Education and Transportation Reserve Fund to exceed 33 per cent
349 of the threshold established pursuant to said subsection (g), such transfer shall be adjusted to
350 meet a total balance of 33 per cent and all remaining funds shall be transferred to the Education
351 and Transportation Innovation and Capital Fund.

352 (d) Income surtax revenues shall not be subject to the allowable state tax revenue
353 limitations established by chapter 62F. Annually, not later than September 1, the commissioner
354 of revenue shall estimate, for the preceding fiscal year, the amount of revenue to exclude from
355 the calculation pursuant to chapter 62F and shall include such estimate in the report submitted to
356 the state auditor pursuant to subsection (a) of section 5 of said chapter 62F; provided, however,
357 that such estimate shall be final.

358 (e) Income surtax revenues shall not be considered tax revenues collected from capital
359 gains income for the purposes of section 5G. The commissioner of revenue shall estimate, in the
360 capital gains tax certification in the fourth quarter of the fiscal year, the amount of revenue to
361 exclude from the section 5G calculation; provided, however, that this estimate shall be final.

362 (f) Annual expenditures from the fund shall not exceed that year's spending threshold,
363 less the dedicated transportation income surtax revenue amount and the dedicated higher
364 education income surtax amount. Each year's spending threshold shall be equal to the prior year
365 spending threshold plus an adjustment factor equal to the 10-year rolling rate of growth of
366 income subject to the tax specified under subsection (d) of section 4 of chapter 62 as certified by
367 the commissioner of revenue. For years in which the tax specified in said subsection (d) of said
368 section 4 of said chapter 62 was not in effect, the commissioner shall calculate the amount of
369 income that would have been subject to the taxes, adjusted for increases in the cost of living in

370 the same manner as described in Article XLIV of the Amendments to the Constitution of the
371 Commonwealth and set forth pursuant to said subsection (d) of said section 4 of said chapter 62.

372 (g) Any expenditure authorized from the Education and Transportation Fund shall be
373 subject to sections 9B and 9C, without respect to whether such purposes would otherwise be
374 subject to allotment; provided, however, that section 9C shall only apply where the amount of
375 certified revenue in any fiscal year is less than the annual spending threshold established under
376 subsection (f).

377 SECTION 8. Section 2CCCCC of said chapter 29, as appearing in the 2024 Official
378 Edition, is hereby amended by inserting after the figure “2BBBBBB”, in line 16, the following
379 words:- and the Commonwealth Public Higher Education Capital Projects Fund established
380 under section 2OOOOOO.

381 SECTION 9. Said chapter 29 is hereby further amended by inserting after section
382 2NNNNNN the following section:-

383 Section 2OOOOOO. (a) There shall be established and set up on the books of the
384 commonwealth a separate non-budgeted special revenue fund to be known as the
385 Commonwealth Public Higher Education Capital Projects Fund, which shall be administered by
386 the secretary of administration and finance. The fund shall be credited with: (i) the dedicated
387 public higher education income surtax revenue amount under section 2BBBBBB; (ii)
388 appropriations or other money authorized or transferred by the general court and specifically
389 designated to be credited to the fund; (iii) funds from public and private sources, including, but
390 not limited to, gifts, grants and donations; and (iv) any interest earned on the assets of the fund.

391 Amounts credited to the fund shall be expended, without further appropriation, for the
392 following purposes in the following priority order: (i) to pay or reimburse the General Fund for
393 payment of debt service on bonds issued by, or otherwise payable under a lease of other contract
394 assistance agreement by, the commonwealth for public higher education purposes; (ii) for pay-go
395 capital funding of projects that address deferred maintenance at public higher education
396 campuses; and (iii) for pay-go funding of specifically authorized projects at public higher
397 education campuses with capital authorizations enacted by the general court. Annually, not later
398 than September 30, the secretary of administration and finance shall submit a report to the joint
399 committee on higher education and the senate and house committees on ways and means
400 detailing fund activity including, but not limited to, the amount of pay-go capital funding
401 expended in the prior year delineated by project.

402 The unexpended balance in the fund at the end of a fiscal year shall remain available for
403 expenditure in subsequent fiscal years. The fund shall not be subject to section 5C. No
404 expenditure made from the fund shall cause the fund to be in deficit at any point.

405 (b)(1) The sums to be credited to the Commonwealth Public Higher Education Capital
406 Projects Fund under this section shall be impressed with a trust for the benefit of the holders
407 from time to time of any special obligation bonds or notes payable solely from monies credited
408 to the fund. When authorized by a vote taken by the yeas and nays of two-thirds of each house of
409 the general court present and voting on such authorization, the state treasurer, upon the request of
410 the governor, may issue bonds of the commonwealth as hereinafter provided. Any such bonds
411 shall be special obligations of the commonwealth payable solely from monies credited to the
412 fund; provided, however, that notwithstanding any general or special law to the contrary,

413 including, but not limited to, section 60A, such bonds shall not be general obligations of the
414 commonwealth.

415 (2) Bonds may be issued pursuant to paragraph (1) in such manner and on such terms and
416 conditions as the state treasurer may determine in accordance with this paragraph and, to the
417 extent not inconsistent with this paragraph, the General Laws for the issuance of bonds of the
418 commonwealth. Bonds may be secured by a trust agreement entered into by the state treasurer,
419 with the concurrence of the secretary of administration and finance, on behalf of the
420 commonwealth, which trust agreement may pledge or assign all or any part of monies credited to
421 the Commonwealth Public Higher Education Capital Projects Fund and rights to receive the
422 same, whether existing or coming into existence and whether held or thereafter acquired, and the
423 proceeds thereof. The state treasurer may, with the concurrence of the secretary of administration
424 and finance, enter into additional security, insurance or other forms of credit enhancement which
425 may be secured on a parity or subordinate basis with the bonds. A pledge in any such trust
426 agreement or credit enhancement agreement shall be valid and binding from the time such pledge
427 shall be made without any physical delivery or further act and the lien of such pledge shall be
428 valid and binding against all parties having claims of any kind in tort, contract or otherwise,
429 whether such parties have notice thereof or not. Any such pledge shall be perfected by filing of
430 the trust agreement or credit enhancement agreement in the records of the state treasurer and no
431 filing need be made pursuant to chapter 106. Any such trust agreement or credit enhancement
432 agreement may establish provisions defining defaults and establishing remedies and other
433 matters relating to the rights and security of the holders of the bonds or other secured parties as
434 determined by the state treasurer, including provisions relating to the establishment of reserves,
435 the issuance of additional or refunding bonds, whether or not secured on a parity basis, the

436 application of receipts, monies or funds pledged pursuant to such agreement, the regulation of
437 the custody, investment and application of monies and such other matters deemed necessary or
438 desirable by the state treasurer for the security of such bonds. Any such bonds shall be deemed to
439 be investment securities under chapter 106, securities in which any public officer, fiduciary,
440 insurance company, financial institution or investment company may properly invest funds and
441 securities which may be deposited with any public custodian for any purpose for which the
442 deposit of bonds is authorized by law. Any such bonds, the transfer of such bonds and the
443 income from such bonds, including profit on the sale of such bonds, shall at all times be exempt
444 from taxation by and within the commonwealth.

445 (3) The provisions of this section relating to bonds shall also be applicable to the issuance
446 of notes insofar as such provisions may be appropriate for such notes.

447 (4) In order to increase the marketability of any such bonds or notes issued by the
448 commonwealth pursuant to this section and in consideration of the acceptance of payment for
449 any such bonds or notes, the commonwealth covenants with the purchasers and all subsequent
450 holders and transferees of any such bonds or notes that while any such bond or note shall remain
451 outstanding, and so long as the principal of or interest on any such bond or note shall remain
452 unpaid: (i) no pledged funds shall be diverted from the Commonwealth Public Higher Education
453 Capital Projects Fund; (ii) in any fiscal year of the commonwealth and until an appropriation has
454 been made which is sufficient to pay the principal, including sinking fund payments, of and
455 interest on all such bonds and notes of the commonwealth and to provide for or maintain any
456 reserves, additional security, insurance or other forms of credit enhancement required or
457 provided for in any trust agreement securing any such bonds or notes, no pledged funds shall be
458 applied to any other use; and (iii) so long as such revenues are necessary, as determined by the

459 state treasurer in accordance with any applicable trust agreement or credit enhancement
460 agreement, for the purposes for which they have been pledged, and, notwithstanding any general
461 or special law to the contrary, the rates of the excise imposed in subsection (d) of section 4 of
462 chapter 62 shall not be reduced below the amount in effect at the time of issuance of any such
463 bond or note, and the dedicated higher education income surtax revenue amount as defined in
464 subsection (a) of section 2BBBBBB shall not be reduced below the amount in effect at the time
465 of issuance of any such bond or note.

466 SECTION 10. Said chapter 29 is hereby further amended by striking out section 5I, as
467 appearing in the 2024 Official Edition, and inserting in place thereof the following section:-

468 Section 5I. (a) Quarterly, not later than February 20, May 20, July 20 and October 20,
469 pursuant to paragraph (1) of subsection (b), and annually, not later than November 30, pursuant
470 to paragraph (2) of said subsection (b), the commissioner of revenue shall certify to the
471 comptroller the amount of tax revenues estimated to have been collected during the preceding
472 period due to the additional 4 per cent income tax levied pursuant to Article XLIV of the
473 Amendments of the Constitution of the Commonwealth with adjustments described in subsection
474 (c).

475 (b)(1) For the purposes of this section, quarterly periods shall be defined as October 1 to
476 January 31, inclusive, February 1 to April 30, inclusive, May 1 to June 30, inclusive, and July 1
477 to September 30, inclusive.

478 (2) Each quarterly period certification under subsection (a) shall include, as necessary,
479 adjustments to estimates made with respect to prior quarters of the same fiscal year; provided,
480 however, that annually, not later than November 30, the commissioner shall issue to the

481 comptroller the preliminary certification of tax revenues collected during the preceding fiscal
482 year due to the additional 4 per cent income tax levied pursuant to Article XLIV of the
483 Amendments of the Constitution of the Commonwealth, plus adjustments as necessary for prior
484 fiscal years.

485 (3) Each quarterly period certification shall include the total balance, in the aggregate, of
486 the funds established in sections 2BBBBBB to 2DDDDDD, inclusive.

487 (c) Upon the quarterly certification by the commissioner pursuant to subsection (a), the
488 comptroller shall transfer quarterly all such certified revenue, as provided in subsection (b) of
489 section 2BBBBBB, net of all necessary adjustments, from the General Fund. Transfers shall be
490 credited in the same fiscal year during which the certification is issued; provided, however, that
491 any transfers resulting from the July 20 certification shall be credited in the fiscal year ending on
492 the immediately preceding June 30.

493 SECTION 11. Section 1 of chapter 703 of the acts of 1963, as most recently amended by
494 section 121 of chapter 68 of the acts of 2011, is hereby further amended by striking out
495 paragraph (e) and inserting in place thereof the following paragraph:-

496 (e) "Project", the construction of new buildings or structures and the acquisition, addition
497 to, alteration, enlargement, reconstruction, rehabilitation, remodeling and other similar work,
498 including, but not limited to, the alteration or modification of existing facilities or the
499 construction of additional or new facilities required or authorized by changes in or enactments of
500 new law or regulation or changes in or new circumstances including, but not limited to, provision
501 for access or use by persons with a disability, provision for conservation of energy, provision for
502 safety and security of persons and property, provision for other compliance with changed or new

503 law, regulation or circumstance, in or upon or respecting existing buildings or structures, the
504 provision and installation therein or in respect thereof of furnishings, furniture, machinery,
505 equipment, facilities, approaches, driveways, walkways, parking areas, planting and landscaping,
506 the acquisition of land, other property, rights, easements and interests acquired for or in respect
507 to any thereof, the demolition or removal of any buildings or structures, including buildings or
508 structures owned by the commonwealth on land so acquired or interests in which are so acquired
509 and site preparation, with respect to which the Authority shall provide by resolution for the
510 issuance of a series of bonds or notes; provided, however, that the term “project” shall also
511 include the control and supervision of a building project delegated to the Authority by the
512 commissioner of capital asset management and maintenance pursuant to section 5 of chapter 7C
513 of the General Laws; and provided further, that whenever appropriate the term “project” shall
514 also include such land, buildings or structures and such appurtenances.

515 SECTION 12. Section 2 of said chapter 703 of the acts of 1963, as most recently
516 amended by section 6 of chapter 258 of the acts of 2008, is hereby further amended by striking
517 out the second paragraph and inserting in place thereof the following paragraph:-

518 The Authority shall consist of 9 members appointed by the governor, of whom 3
519 members shall be appointive members of the trustees and shall be graduates of a state college or
520 university; 1 member, who shall serve as a non-voting member, appointed by the council of
521 presidents of the Massachusetts state university system who shall be a president of a
522 Massachusetts state university or a designee; and 1 member, who shall serve as a non-voting
523 member, appointed by the Massachusetts association of community colleges who shall be a
524 president of a Massachusetts community college or a designee. The members appointed from the
525 appointive members of the trustees shall serve as members of the Authority so long as they serve

526 on the board of trustees, and such dual membership shall not invalidate any action heretofore or
527 hereafter taken by the Authority or by the trustees in which such a member of the Authority
528 holding such dual membership has participated or may participate; provided, however, that all
529 other members shall serve for a term expiring on June 30 in the sixth calendar year next after the
530 calendar year in which the term of office of such member began, except that a person appointed
531 to fill a vacancy in any such membership shall serve only for the remainder of the unexpired
532 term; provided, however, that each member shall continue in office until the successor of such
533 member shall have been appointed and qualified, but the term of office of a member appointed
534 other than from the appointive members of the trustees shall be deemed to have commenced in
535 the calendar year in which the stated term of office of the predecessor of such member shall have
536 expired. Any member of the Authority may be removed by the governor for cause after notice
537 and a public hearing unless such notice and hearing are expressly waived in writing. The
538 Authority shall annually elect from its members a chair, a vice-chair and a secretary-treasurer
539 and may elect an assistant secretary-treasurer who need not be a member of the Authority.
540 Members who serve as non-voting members shall have the right to be present at any meeting and
541 involved in any matters relating to official business of the Authority and the right to receive all
542 information, reports, studies and other relevant information that voting members are entitled to
543 receive.

544 SECTION 13. Section 3 of said chapter 703, as most recently amended by section 122 of
545 chapter 68 of the acts of 2011, is hereby further amended by striking out the first and second
546 sentences and inserting in place thereof the following 2 sentences:-

547 The Authority is created for the general purposes of aiding and contributing to the
548 performance of the educational and other purposes of the state universities and community

549 colleges by providing academic and administrative facilities, campus infrastructure,
550 improvements related to energy efficiency and decarbonization, dormitories, dining commons
551 and other buildings, structures and facilities designed primarily for housing, feeding, medical
552 care, parking, athletics, cultural, extracurricular and other student life activities and services
553 primarily: (i) for the use by 1 or more state universities or community colleges, students, staff
554 and their dependents; (ii) for lease to or use by an organization or association, in any form, of
555 students or others for activities which are a part of the activities at 1 or more state universities or
556 community colleges and subject to regulation by the trustees; or (iii) for lease to or use by any
557 other entity for activities which are approved by the trustees as furthering the purposes of 1 or
558 more of the state universities or community colleges, any of the foregoing of which may be
559 located at such places as the trustees may designate and may be provided in collaboration with,
560 and for joint use by, other agencies, boards, commissions or departments and authorities created
561 by the laws of the commonwealth; provided, however, that the Authority shall not provide
562 housing facilities at community colleges unless the board of higher education authorizes the
563 action. The Authority shall not initiate any project except upon written request made by authority
564 of the trustees and upon written approval from the secretary of administration and finance and
565 the secretary of education. Any project initiated by the Authority shall be consistent with the
566 campus master plan for the state university or community college.

567 SECTION 14. Notwithstanding any general or special law to the contrary, to meet the
568 expenditures necessary to carry out section 2 of this act, the state treasurer shall, upon request of
569 the governor, issue and sell bonds of the commonwealth in an amount to be specified by the
570 governor from time to time but not exceeding, in the aggregate, \$3,106,000,000. All bonds
571 issued by the commonwealth as provided in this section shall be designated on their face, Public

572 Higher Education Capital Expenditure Act of 2025, and shall be issued for a maximum term of
573 years, not to exceed 30 years, as the governor may recommend to the general court under section
574 3 of Article LXII of the Amendments to the Constitution. The bonds shall be payable not later
575 than June 30, 2070. All interest and payments on account of principal on these obligations shall
576 be payable from the Education and Transportation Fund established in section 2BBBBBBB of
577 chapter 29 of the General Laws. Bonds and interest on bonds issued under this section shall,
578 notwithstanding any other provision of this act, be special obligations of the commonwealth.
579 Such bonds shall not be included in the computation of outstanding bonds for purposes of the
580 limit imposed by the second paragraph of section 60A of said chapter 29, nor shall debt service
581 with respect to such bonds be included in the computation of the limit imposed by section 60B of
582 said chapter 29.

583 SECTION 15. Notwithstanding any general or special law to the contrary, to meet the
584 expenditures necessary to carry out sections 2A and 2B of this act, the state treasurer shall, upon
585 request of the governor, issue and sell bonds of the commonwealth in an amount to be specified
586 by the governor from time to time but not exceeding, in the aggregate \$170,000,000. All bonds
587 issued by the commonwealth as aforesaid shall be designated on their face, Public Higher
588 Education Capital Expenditure Act of 2025, and shall be issued for a maximum term of years,
589 not to exceed 30 years, as the governor may recommend to the general court under section 3 of
590 Article LXII of the Amendments to the Constitution. The bonds shall be payable not later than
591 June 30, 2070. All interest and payments on account of principal on these obligations shall be
592 payable from the Education and Transportation Fund established in section 2BBBBBBB of
593 chapter 29 of the General Laws. Bonds and interest on bonds issued under this section shall,
594 notwithstanding any other provision of this act, be special obligations of the commonwealth.

595 Such bonds shall not be included in the computation of outstanding bonds for purposes of the
596 limit imposed by the second paragraph of section 60A of said chapter 29, nor shall debt service
597 with respect to such bonds be included in the computation of the limit imposed by section 60B of
598 said chapter 29.

599 SECTION 16. Not later than March 1, 2027, the commissioner of capital asset
600 management and maintenance shall submit the first report required pursuant to section 74 of
601 chapter 7C of the General Laws.

602 SECTION 17. Notwithstanding any general or special law to the contrary, in fiscal year
603 2027, amounts credited to the Commonwealth Public Higher Education Capital Projects Fund
604 established in section 2000000 of chapter 29 of the General Laws shall be subject to
605 appropriation.