

# 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

# SENATE . . . . . No. 2962

---

## 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

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

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

Massachusetts 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 a campus master plan approved by the president of the University of Massachusetts and the board of trustees of the University of Massachusetts; provided further, that all maintenance and repair work funded by this item shall be included in the capital asset management information system administered by the division of capital asset management and maintenance; provided further, that costs payable from this item shall include, but not be limited to, the costs of design, architecture and engineering and other services essential to these projects rendered by division of capital asset management and maintenance employees or by consultants; and provided further, that amounts expended for division employees may include the salary and salary-related expenses of these employees to the extent that they work on or in support of these projects.....\$1,250,000,000

## SECTION 2A.

### EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

#### Office of the Secretary

1100-2523 For a grant program to be administered by the executive office for administration and finance, in consultation with the executive office of education, to provide funding for repairs, construction, reconstruction, demolition, remediation, rehabilitation, modernization, disposition, renovations, improvements and maintenance, decarbonization and climate resilience upgrades and other related capital projects at public higher education campuses; provided, that the executive office for administration and finance shall consider 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:-



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 6. Section 2O of chapter 29 of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by striking out the third paragraph and inserting in place thereof the following paragraph:-

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 Commonwealth Transportation 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; and (iii) so long as such revenues are necessary, as determined by the state treasurer in accordance with any applicable trust agreement or credit enhancement agreement, for the purposes for which they have been pledged and, notwithstanding any general or special law to the contrary, the rates of the fees collected under sections 33 and 34 of chapter 90 and of the excises imposed in chapters 64A, 64E and 64F shall not be reduced below the amount in effect at the time of issuance of any such

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

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

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

“Dedicated higher education income surtax revenue amount”, the amount of \$125,000,000 for each fiscal year, to be credited to the Commonwealth Public Higher Education Capital Projects Fund established in section 2OOOOOO.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Bonds may be issued pursuant to paragraph (1) in such manner and on such terms and conditions as the state treasurer may determine in accordance with this paragraph and, to the extent not inconsistent with this paragraph, the General Laws for the issuance of bonds of the commonwealth. Bonds may be secured by a trust 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 may pledge or assign all or any part of monies credited to the Commonwealth Public Higher Education Capital Projects 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 may, with the concurrence of the secretary of administration and finance, 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 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 against all parties having claims of any kind in tort, contract or otherwise, whether such parties have notice thereof or not. Any such pledge shall be perfected by filing of the trust agreement or credit enhancement agreement in the records of the state treasurer and no filing need be made pursuant to chapter 106. Any such trust 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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

SECTION 14. Notwithstanding any general or special law to the contrary, to meet the expenditures necessary to carry out section 2 of this act, 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, \$3,106,000,000. All bonds issued by the commonwealth as provided in this section shall be designated on their face, Public

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

SECTION 15. Notwithstanding any general or special law to the contrary, to meet the expenditures necessary to carry out sections 2A and 2B of this act, 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 \$170,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on their face, Public Higher Education Capital Expenditure Act of 2025, and shall be issued for a maximum term of years, not to exceed 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. The bonds shall be payable not later than June 30, 2070. All interest and payments on account of principal on these obligations shall be payable from the Education and Transportation Fund established in section 2BBBBBB of chapter 29 of the General Laws. Bonds and interest on bonds issued under this section shall, 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.