

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Brendan P. Crighton

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to the modernization of state agency information technology systems.

PETITION OF:

NAME:

Brendan P. Crighton

DISTRICT/ADDRESS:

Third Essex

SENATE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 26 OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act relative to the modernization of state agency information technology systems.

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

1 Chapter 23G of the general laws is hereby amended by inserting at the end thereof the
2 following new section:-

3 Section 48. Massachusetts Innovation Fund and State Agency Technology Upgrades
4 Account

5 (a) As used in this section, the following terms shall have the following meanings:-

6 "Account", the state agency technology upgrades account.

7 "Board", the Massachusetts innovation fund board.

8 "Cloud computing service", has the meaning given the term by the National Institute of
9 Standards and Technology in NIST Special Publication 800-145 and any amendatory or
10 superseding document thereto.

11 "Device-as-a-service", a managed service in which hardware that belongs to a managed
12 service provider is installed at a state agency and a service level agreement defines the
13 responsibilities of each party to the agreement.

14 "Fund", means the Massachusetts Innovation Fund.

15 "Information technology system", any equipment or interconnected system or subsystem
16 of equipment used by a state agency, or a person under a contract with a state agency if the
17 contract requires use of the equipment, to acquire, store, analyze, evaluate, manipulate, manage,
18 move, control, display, switch, interchange, transmit, print, copy, scan, or receive data or other
19 information. "Information technology system" shall include, but not be limited to, operational
20 technology, including industrial control systems, a computer, a device-as-a-service solution,
21 ancillary computer equipment such as imaging, printing, scanning, and copying peripherals and
22 input, output, and storage devices necessary for security and surveillance, peripheral equipment
23 designed to be controlled by the central processing unit of a computer, software and firmware
24 and similar procedures, and services, including support services, and related resources.
25 "Information technology system" shall not include equipment acquired by a contractor incidental
26 to a state contract.

27 "Legacy information technology system", is an information technology system that is
28 operated with outdated or obsolete, or inefficient hardware or software system of information
29 technology.

30 "Qualifying information technology modernization project", a project by a state agency to
31 (i) replace the agency's information technology systems; (ii) transition the agency's legacy
32 information technology systems to a cloud computing service or other innovative commercial
33 platform or technology; (iii) develop and implement a method to provide adequate, risk-based,
34 and cost-effective information technology responses to threats to the agency's information
35 security; (iv) reducing data, hardware, and software redundancy; (v) improving system and data
36 interoperability; or (vi) implementing cybersecurity solutions consistent with principles of Zero
37 Trust architecture as defined by the National Institute of Standards and Technology.

38 (b) The Massachusetts innovation fund board is established to administer the
39 Massachusetts innovation fund and the state agency technology upgrades account and to make
40 awards of financial assistance to state agencies from the fund or account for qualifying
41 information technology modernization projects. The board shall consist of: (i) the executive
42 director of Massachusetts Development Finance Agency or a designee; (ii) the secretary of the
43 executive office of technology services and security or a designee; (iii) the governor or a
44 designee; (iv) two members of the senate appointed by the president of the senate; (v) two
45 members of the house of representatives appointed by the speaker of the house of
46 representatives; (vi) one member of the public with relevant subject matter expertise appointed
47 by the governor; and (vii) three state employees primarily having technical expertise in
48 information technology development, financial management, cybersecurity and privacy, and
49 acquisition, appointed by the secretary of the executive office of technology services and
50 security.

51 (c) Members of the board shall serve up to six two-year terms. A board member is not
52 entitled to compensation for service on the board but is entitled to reimbursement of expenses
53 incurred while performing duties as a board member.

54 (d) The Massachusetts innovation fund and the state agency technology upgrades account
55 are each established and set up on the books of the commonwealth as a separate fund, and may
56 be expended from without further legislative appropriation, as provided by this section.
57 MassDevelopment shall hold the Massachusetts innovation fund and the state agency technology
58 upgrades account in separate accounts and apart from all other accounts.

59 (e) The fund consists of:

- 60 (1) money appropriated, credited, or transferred to the fund by the legislature;
- 61 (2) gifts, donations, grants, including federal grants, and any other third-party funds;
- 62 (3) money received by the board for the repayment of a loan made from the fund; and
- 63 (4) interest and other earnings earned on deposits and investments of money in the fund.

64 (f) The account consists of:

- 65 (1) money deposited to the account by the comptroller in the manner prescribed by
66 subsection (h); and
- 67 (2) interest and other earnings earned on deposits and investments of money in the
68 account.

69 (g) The Massachusetts Development Finance Agency, in consultation with the executive
70 office of technology services and security, shall establish a loan program to authorize the board

71 to use money from the fund to provide loans to state agencies for qualifying information
72 technology modernization projects. A state agency may apply to the board for a loan from the
73 fund. The application shall include a description of the qualifying information technology
74 modernization project for which the state agency is requesting a loan. The board may grant a
75 loan based upon a finding that the project is a qualifying information technology modernization
76 project. A loan agreement entered into under this subsection shall require the state agency to:

77 (1) repay the loan to the board within seven years of the date the loan is made to the
78 agency; and

79 (2) make annual reports to the board identifying cost savings realized by the agency as a
80 result of the project for which the agency received the loan.

81 (h) At the end of each state fiscal year, on the written request of a state agency,
82 MassDevelopment shall, in conjunction with the comptroller, deposit to the account the
83 unexpended balance of any money appropriated to the agency for that state fiscal year that is
84 budgeted by the agency for information technology services or cybersecurity purposes. A state
85 agency may request money from the account from the board at any time for a qualifying
86 information technology modernization project.

87 (i) The Massachusetts Development Finance Agency shall separately account for the
88 amount of money deposited to the account at the request of each state agency under Subsection
89 (h). Money deposited to the account under subsection (h) and any interest and other earnings on
90 that money may be provided only to the state agency for which the comptroller deposited the
91 money to the account and may be used by the agency only for a qualifying information
92 technology modernization project.

93 (j) Any money deposited to the account at the request of a state agency under subsection
94 (h) that is not requested by the agency within three years from the date the money is deposited
95 shall be transferred by the MassDevelopment, in conjunction with the comptroller, to the general
96 revenue fund to be used in accordance with legislative appropriation.

97 (k) A state agency that receives money from the fund or the account may collaborate with
98 one or more other state agencies that also receive money from the fund or the account to
99 purchase information technology systems that may be shared between the agencies.

100 (l) Funds provided to an agency under this section, for any fiscal year, shall be used to
101 supplement any appropriations made to the agency and shall not supplant any appropriations
102 made to the agency.

103 (m) MassDevelopment, in consultation with comptroller, MassDevelopment may adopt
104 rules and regulations to implement and administer this section.