

## Joint Committee on Higher Education

### Bill Summary

---

**BILL NUMBER:** H.54

**TITLE:** An Act to build resilient infrastructure to generate higher education transformation

**SPONSORS:** Governor Maura Healey

**HEARING DATE:** June 3<sup>rd</sup>, 2025

**REPORTING DEADLINE:** August 2<sup>nd</sup>, 2025

**PRIOR HISTORY:** New file

**CURRENT LAW:**

*M.G.L. Chapter 7C – Capital Asset Management and Maintenance*

*M.G.L. Chapter 7C, Section 5—Building project control and supervision by commissioner; delegation of project control and supervision to state agency or building authority:* provides that all state building projects with a cost above \$250,000 be supervised by the Division of Capital Asset Management and Maintenance (DCAMM) but allows the Commissioner of DCAMM to delegate project control and supervision to a state agency or building authority if the estimated cost of the project is under \$5,000,000 and the Commissioner deems the agency or authority capable of supervision.

*M.G.L. Chapter 7C, Section 59— Study or program required prior to contracting for design or construction services:* requires that all state building projects complete a schematic design plan and prohibits any state agency from spending money on design and construction unless (i) a schematic design has been completed, (ii) the state agency confirms in writing that the plan matches its current and long-term needs, (iii) a state official reviews the schematic plan and confirms that it meets the appropriate criteria, (iv) the Commissioner of DCAMM certifies and approves the project.

*M.G.L. Chapter 29— State Finance*

*M.G.L. Chapter 29, Section 2BBBBBB— Education and Transportation Fund; income surtax revenues:*

*M.G.L. Chapter 29, Section 2DDDDDD—Education and Transportation Innovation and Capital Fund; certification of fund balance*

*Chapter 703 of the Acts of 1963, Section 1—An Act establishing the Massachusetts State College Building Authority:* This section defines, among other things, the word “project”, which is any construction, renovation, alteration, acquisition of land or easements, demolition, landscaping, etc. on any land or buildings which are financed by bonds or notes issued by the Authority.

*Chapter 703 of the Acts of 1963, Section 3—An Act establishing the Massachusetts State College Building Authority:* This section establishes that the purpose of the Authority is to aid state colleges by “providing dormitories, dining commons, and other buildings and structures”, provided that the such other structures

are “designed primarily for the housing, feeding, medical care or extra-curricular use by students, staff, and dependents or facilities for use by a research foundation or other research organization”.

*Chapter 140 of the Acts of 2024, Section 255— An Act making appropriations for the fiscal year 2025 for the maintenance of departments, boards, commissions, institutions, and certain activities of the commonwealth, for interest, sinking fund, and serial bond requirements, and for certain permanent improvements:* This section provides that Section 57 of Chapter 150 of the Acts of 2024, which amended the annual spending threshold for the Education and Transportation Fund, will take effect on July 31<sup>st</sup>, 2025.

### **SUMMARY:**

This bill authorizes a total of \$3 billion for investment in public higher education infrastructure, as described below. Of that total, \$2.83 billion is allocated to the Division of Capital Asset Management and Maintenance (DCAMM) to be spent on deferred maintenance, decarbonization, modernization, planning and other studies, land acquisitions, and renovations and improvements at public institutions of higher education. The University of Massachusetts system is allocated \$1.25 billion in bond authorizations and another \$1.25 is to be split between the state universities and the community colleges. Further authorizations for DCAMM are as follows: (i) \$100 million for the transition of campus facilities and property into housing and mixed-used developments, (ii) \$80 million for costs associated with decarbonization and energy efficiency, (iii) \$120 million for lab modernization, projects at community colleges to support collaboration with vocational technical schools, and projects related to student health and well-being, and (iv) \$30 million for costs associated with developing campus master plans.

The remaining \$170 million is authorized for spending on several separate items as follows: (i) \$50 million for a grant program to be administered by the Executive Office of Administration and Finance for general improvements and climate-related upgrades at public institutions of higher education, (ii) \$20 million to the Executive Office of Technology Services and Security for costs associated with facilitating or enhancing remote or hybrid learning at public institutions of higher education, and (iii) \$100 million for a grant program to be administered by the Executive Office of Education for improvements to upgrade and expand career technical education and training programs.

This bill also amends existing requirements for oversight of state building projects by DCAMM to allow the Commissioner of DCAMM to delegate control and supervision of projects at state universities and community colleges with a cost of less than \$10 million to the Massachusetts State College Building Authority.

It also adds a new section to Chapter 7C that allows for DCAMM to dispose of real property owned by a public institution of higher education if the president or chancellor of that institution, with approval from the Commissioner of Higher Education, determines that it is surplus to its current or future needs. This section lays out the process for disposing of such property, which includes: (i) providing notice to the cities and towns in which the property is located, (ii) determination of restrictions for use of the property, (iii) how and whether public hearings related to reuse restrictions must be conducted, and (iv) valuation of the property. All proceeds realized from the sale of property would be deposited into the Higher Education Property Disposition Fund, which is established later in this act.

The bill amends Chapter 7C, Section 59 to exempt projects with estimated building costs of under \$500,000 from the requirements that no further money be spent on design and construction unless (i) a schematic design has been completed, (ii) the state agency confirms in writing that the plan matches its

current and long-term needs, (iii) a state official reviews the schematic plan and confirms that it meets the appropriate criteria, (iv) the Commissioner of DCAMM certifies and approves the project.

The bill amends the Chapter 29, Section 2BBBBBB to allow the state treasurer to issue bonds as special obligations of the Commonwealth payable from the Education and Transportation Fund. It allows the Treasurer and Secretary of A&F to pledge revenues from that fund, outlines what discretion the Treasurer and A&F have in determining the details of agreements entered into with bondholders, and requires that no funds pledged to debt service for these bonds be transferred out of the Education and Transportation Fund or applied to any other use. Further, it requires that as long as pledged revenues are necessary for debt service, the income surtax established by the Fair Share Amendment won't be reduced below what is in effect at the time of issuance of the bond. This section also changes the formula for determining the annual spending threshold for the Fund by requiring that the threshold be adjusted in accordance with annual growth in the amount of revenue raised by the Fair Share Amendment. It also subjects the Education and Transportation Fund to Sections 9B and 9C of Chapter 29, which govern the allotment of funding to state agencies by A&F and allow for mid-year budget cuts.

The bill also amends the Chapter 29, Section 2DDDDDD to expand and clarify the eligible uses for money credited to the Education and Transportation Innovation Fund to include "quality public education and affordable public colleges and universities and for the repair and maintenance of roads, bridges public transit and rail equipment and facilities, culverts, bicycle and pedestrian infrastructure such as paths, trails, sidewalks, walkways, and other public ways and similar public transportation infrastructure". Money from this Fund may also be used to pay any debt obligations secured by a trust under Section 2BBBBBB.

The bill also creates a new fund on the books of the Commonwealth known as the Higher Education Property Disposition Fund, which would be credited with any proceeds realized from the disposition or sale of property at public higher education institutions, as provided earlier in this bill. Amounts credited to the fund may be expended without appropriation for capital projects that address decarbonization, deferred maintenance, and critical repairs to campus or building infrastructure, including accessibility. Any unexpended balances would remain in the fund for future use.

The bill also amends the definition of the word "project" as it relates to the Massachusetts State College Building Authority to include any projects that the Commissioner of DCAMM delegates to the MSCBA under Section 3 of this act.

The bill expands the purview of the MSCBA to allow the Authority to provide academic and administrative facilities, improvements to decarbonization and energy efficiency, parking, athletic facilities, and other campus infrastructure. It also allows the MSCBA to provide facilities to community colleges, rather than just the state universities. No project could be initiated without the written request of the trustees of the institution, and the MSCBA is prohibited from building housing at community colleges without the express approval of the Board of Higher Education.

The bill also repeals a section of Chapter 140 of the Acts of 2024 which would have implemented some changes to the laws governing the Education and Transportation Fund and which would be superseded by some of the changes put forward in this bill.

Finally, the bill provides that in order to meet the obligations of authorizations provided for deferred maintenance, decarbonization, and modernization at UMASS, the state universities, and the community colleges, as well as the separate authorizations for grant programs and technology upgrades, the Treasurer shall sell bonds in an amount not to exceed \$2.83 billion and \$170 million, respectively. The bonds will

be payable by June 30<sup>th</sup>, 2070, and all interest and principal will come from the Education and Transportation Fund. This section also clarifies that these bonds would be special obligations of the Commonwealth and are therefore not subject to statutory debt limits.