



MATTHEW
GORZKOWICZ
SECRETARY

Commonwealth of Massachusetts

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

STATE HOUSE, ROOM 373
BOSTON, MASSACHUSETTS 02133
TELEPHONE (617) 727-2040
WWW.MASS.GOV/ANF

Governor Maura Healey
Massachusetts State House, 24 Beacon St.
Office of the Governor, Room 280
Boston, MA 02133

January 28, 2025

Michael D. Hurley
Senate Clerk
State House, Room 335
Boston, MA 02133

Timothy Carroll
House Clerk
State House, Room 145
Boston, MA 02133

The Honorable Michael J. Rodrigues
Chair, Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

The Honorable Aaron Michlewitz
Chair, House Committee on Ways and
Means State House, Room 243
Boston, MA 02133

Governor Healey, Honorable Clerks of the House and Senate, Chairs Rodrigues, Michlewitz:

On behalf of the Higher Education Capital Working Group, I am pleased to submit to you the working group's report assessing the capital needs of the state's public higher education institutions and the feasibility of new sources of revenue to support transformational change. This report was commissioned in the FY25 General Appropriations Act, which required the report to be completed by March 1st, 2025. The Group's work and its report were done early so its recommendations could inform the Governor's FY26 budget proposal and the filing of a higher education bond bill, which the administration hopes will be enacted this year.

The Working Group's analysis demonstrates the urgent need for new capital investments to sustain and modernize campus facilities across the state. Construction on state campuses peaked in the 1970s and our campuses' capital infrastructure requires significant new resources to address mounting deferred maintenance needs and to ensure safe, modern, decarbonized campuses that meet the demands of current and future students. These needs are growing well beyond what traditional capital funding sources can accommodate.

Thankfully, the Working Group's review demonstrates that securitizing a portion of the voter-approved Fair Share surtax revenues annually can unlock up to \$3 billion for public higher ed capital over the next 10 years by supporting the issuance of high investment-grade credit special obligation bonds. This new capital funding could repair, modernize, and decarbonize higher education infrastructure without impacting the state's General Obligation credit rating.

The Group also developed guiding principles to inform a future allocation of capital funding, identified areas for improvement in the current process for distributing those resources and considered ways to improve the capacity of the university and college building authorities to plan for and utilize increased capital funds.

The findings in this report informed both the House 1 proposal to securitize \$125 M in Fair Share revenue for higher education capital funding and the companion Act to Build Resilient Infrastructure to Generate Higher-Ed Transformation (the BRIGHT Act) that the administration filed in January. Contributions from officials from the University of Massachusetts, State College, and Community College systems, and the UMass and State College building authorities, as well partners in the legislature, were invaluable to the success of this important effort. I look forward to working with you to implement the report's recommendations.

Sincerely,



Matthew J. Gorzkowicz, Secretary
Executive Office for Administration and Finance

Attachment: Higher Education Capital Working Group Final Report

CC Higher Education Capital Working Group Members:

The Honorable Joanne Comerford
Chair, Joint Committee on Higher Education
State House, Room 410
Boston, MA 02133

The Honorable David Rogers
Chair, Joint Committee on Higher Education
State House, Room 473B
Boston, MA 02133

The Honorable Edward Kennedy
Chair, Joint Committee on Bonding, Capital
Expenditures and State Assets
State House, Room 109-E
Boston, MA 02133

The Honorable Michael J. Finn
Chair, Joint Committee on Bonding, Capital
Expenditures and State Assets
State House, Room 42
Boston, MA 02133