

Report on Capital Spending & Borrowing in the Commonwealth of Massachusetts 2017-2018



**House Committee on Bonding, Capital
Expenditures and State Assets**

Representative Antonio F. D. Cabral, Chairman

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A Message from the Chairman

The House Committee on Bonding, Capital Expenditures and State Assets is pleased to release this Report on Capital Spending & Borrowing that details the capital spending and borrowing activities of the Commonwealth during the 2017-2018 legislative session. In addition, the report provides a general review of the nature of capital budget spending executed by the Commonwealth in FY2016 and FY2017. While the Commonwealth's operating budget undergoes thorough analysis and outside scrutiny on an annual basis, the capital budget process is often considered to be less understood, and ultimately, less critiqued. This report aims to provide context and transparency as it relates to state capital borrowing and spending, to evaluate trends and better inform future decision-making.

The Massachusetts capital budget is a critical part of state government that operates as a long-term investment tool that funnels resources to benefit our communities' economic and social fabric. This report is a product of the research and analysis performed by the Committee pursuant to Rule 17G of the *Rules of the Massachusetts House of Representatives*. The goal of this report is to inform the discussion among legislators and the public regarding the investment and borrowing choices that the Commonwealth must make annually. The Committee recommendations, contained in Chapter 5 of this report, emphasize that there are tools at the General Court's disposal, to influence and guide how capital dollars are spent, that should be utilized. The Committee also recommends that the Commonwealth continue to focus on improving the capital asset and capital spending data available to both policy makers and the public. Progress has been made with the introduction of the Office of the Comptroller's CTHRU Open Records Platform in the fall of 2016, which includes project-level capital spending data.

I would like to thank the leadership and staff of each of the secretariats, agencies and authorities, who provided the Committee with thoughtful, in-depth presentations and data upon which this report is based. The Committee would like to specifically thank Secretary Michael Heffernan and Undersecretary Jennifer Sullivan at the Executive Office of Administration & Finance, Deputy Comptroller Howard Merkowitz at the Office of the Comptroller and Assistant Treasurer for Debt Management Sue Perez at the Office of the State Treasurer for their invaluable work and for making their knowledgeable staff available to us. I would like to thank Speaker Robert DeLeo, Majority Leader Ronald Mariano, and House Ways & Means Chairman Jeffrey Sánchez and their staffs for their assistance and support. I would also like to thank Committee Vice Chair Representative Ruth Balser and each member of the Committee for their active participation and contributions in fulfilling the Committee's oversight function. Vice Chair Balser's summer intern, Jacob Creem, also contributed to the data collection for this report. Finally, I offer my appreciation to my staff, Staff Director Dana DeBari, Committee Counsel Andrew Strumfels, and Research Analyst & Assistant Staff Director Kate Miller, for their dedication and insight throughout this legislative session.

If you have any questions about the information in this report, please do not hesitate to contact my office.

Thank you.

A handwritten signature in black ink that reads 'Tony Cabral'.

Antonio F. D. Cabral

State Representative, 13th Bristol District

Chairman, House Committee on Bonding, Capital Expenditures and State Assets

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Executive Summary

During the two fiscal years that this report covers, the Commonwealth spent approximately \$6.82 billion on capital projects and related spending—\$3.51 billion in FY2016 and \$3.31 billion in FY2017. In addition, the Office of the State Treasurer spent roughly \$3.9 billion over these two fiscal years, financing the bonds. The top three object class capital spending categories in both FY2016 and FY2017, inclusive of the Treasurer’s related spending, are as follows: (1) horizontal and vertical construction, improvements, maintenance and repair costs and land acquisition; (2) debt payment; and (3) grants and subsidies. Debt-related payments exceeded construction costs in FY2017.

The Commonwealth’s capital spending is dictated largely by the administrative bond cap set annually by the Executive Branch. The cap on how much general obligation debt can be issued influences each secretariat’s budgeted capital spending. Frozen in FY2015 and increased by \$65 million in FY2016, the bond cap has grown modestly over the Baker Administration’s first full term from \$2.125 billion in FY2015 to \$2.34 billion in FY2019. This bond cap schedule differs from the preceding Patrick Administration, which grew the Commonwealth’s capital plan by an identical \$125 million each year of its second term. Meanwhile, the debt service to budgeted revenues ratio, over the same time period, has hovered well below the 8% self-imposed cap. In the summer of 2017, Massachusetts faced a credit rating downgrade from Standard & Poor’s (S&P), citing insufficient reserves, a criticism not wholly reflective of the Commonwealth’s “big-picture” capital spending. In reality, there is little indication that the state is overspending on capital projects. One can argue, based on the information outlined in this report, that the state is not spending enough to meet the pressing, wide-array of infrastructure needs, from the Berkshires to the South Coast.

Many critical, unmet capital spending needs are preventing Massachusetts from reaching its fullest economic potential. While some policy areas have received the majority of focus in both media coverage and increases in capital spending, such as transportation, investments in other areas, like energy and environmental infrastructure, have stalled. Unfortunately, even when there is a general consensus to increase capital spending in certain areas, issues related to procurement and human capital, have hindered progress. For example, under both the Patrick and Baker Administrations, the number of structurally deficient bridges has not declined significantly, despite the existence of the Accelerated Bridge program. In FY2013, the number of state-wide structurally deficient bridges was listed at 465; in FY2017, 462 bridges were deemed deficient. While the Accelerated Bridge program’s spending totals have decreased from \$348 million in FY2016 to \$158 million in FY2018, MassDOT estimates that \$14.4 billion would be necessary to complete all of the required repairs to the state’s bridges.¹ Meanwhile, the MBTA has a \$7.3 billion backlog of capital maintenance needs.² A bleak picture of the state’s court

¹ Matt Rocheleau, *End of Financing Threatens Problems on Mass Bridge Repairs*, Bos. GLOBE, May 29, 2015, <https://www.bostonglobe.com/metro/2015/05/28/progress-made-but-many-massachusetts-bridges-remain-structurally-deficient/YxmG7eC4pj1xNK3oHyMcdM/story.html>.

² *Troubles Cost State \$9B in 6 Yrs.*, Bos. HERALD, May 19, 2018, www.bostonherald.com/2018/05/19/t-troubles-cost-state-9b-in-6-yrs/ (citing a report by the American Public Transportation Association).

buildings was painted in more concrete terms with the Executive Office of the Trial Court's release of its draft capital master plan in April 2017. The Executive Branch's commitment to improving the status of the Commonwealth's courthouses through dedicated funding remains unclear.

Overall, while the Greater Boston area is experiencing a boom in private investment, public infrastructure throughout the state has not experienced comparable levels of investment. The state has not yet invested in the necessary modernization of our public assets in a way that is reflective of the economic progress since the Great Recession.

There are other capital planning and spending issues in Massachusetts outside of sheer spending totals. Short-term budgetary solutions are often sought out, such as allowing salaries and other personnel costs to stay on capital budgets, while top management positions related to capital delivery, at agencies such as the T, remain unfilled.³

In terms of data collection, particularly as it relates to project-level capital spending, the Commonwealth has made some notable progress. However, the consolidation of capital management data from each state agency and secretariat remains more of a logistical challenge. Rolled out to the public in the fall of 2016, the Comptroller's CTHRU Open Records project aims to provide the public with an accessible interface that details, among other matters of accounting, all payments made to vendors related to capital projects (appropriation type: 2CN). Projects can be filtered by zip code and other metrics. This level of capital spending transparency will facilitate more detailed review and analyses of our multi-billion dollar capital spending and, thereby, will likely lead to savings and efficiencies.

This Committee makes the following recommendations, a detailed description of which follows in Chapter 5:

- 1. The Commonwealth must prioritize the collection and use of data on the condition of all of its capital assets across agencies, as well as all capital spending related to the maintenance or creation of such assets, and use such data on a continuous basis to develop long-term projections for the capital spending needed to maintain or modernize existing state infrastructure.**
- 2. The Legislature should take a stronger role in managing the scope and priorities of the capital budget, utilizing the legislative tools accessible to members.**
- 3. The Legislature should restructure the membership, mandate and resources of the Capital Debt Affordability Committee.**
- 4. The Legislature should end the practice of paying operating expenses with borrowed funds.**
- 5. The Legislature should define "deferred maintenance" projects to ensure bond authorizations are spent in a manner that is reflective of a capital project's actual needs.**

³ Bruce Mohl, *T Notes: Capital Delivery Arm Has 80 Openings*, COMMONWEALTH MAGAZINE, Dec. 3, 2018, <https://commonwealthmagazine.org/transportation/t-notes-capital-delivery-arm-has-80-openings/>.

Chapter 1: Capital Spending & Borrowing Practices

This report provides an overview of the capital spending and long-term borrowing activity executed by the Commonwealth of Massachusetts over the course of the 2017-2018 legislative session. This summary is designed to allow the members of the Legislature, as well as the general public, to develop a framework for understanding how state government approaches the process of financing its capital assets—assets with a useful life that exceeds one year⁴—and how state government chooses the capital assets it wishes to finance. Government budgets are inherently political, in that they are developed to implement overarching policy goals. Investments are planned and executed under the confines of a number of conflicting factors. This is important to note because while these budgets may be viewed as detailed accounting tools, there are limitations. Budgets outline what government leaders are willing to pay for and the means by which leadership is seeking to execute said projects. As policy shifts take place with each change in administration, so do the budget priorities. The impacts of these transitions are explained further in Chapter 2 of this report.

The capital budget is the schedule used by the Commonwealth to itemize the long-term investments it chooses to make and the sources of financing for these assets. Here in Massachusetts, all bond authorizations are vetted through the legislative process, dictating how much is ultimately budgeted and spent over periods of time. In other states, borrowing practices differ from those in Massachusetts. For example, in Rhode Island, general obligation debt that exceeds the state’s constitutional debt limit of \$50,000 must be directly approved by the voters through referenda.⁵ These differences in establishing capital budgets across the country highlight the political nature of the process.

The operating budget is used to itemize revenues projected to be received in the next twelve months and to establish spending to meet government priorities within the same period. The annual spending used to finance the capital budget is categorized as debt service payments on the yearly operating budget. Both the Patrick and Baker Administrations have kept annual debt service payments under 8% of budgeted revenues as a matter of sound fiscal policy.⁶

This section describes the goals and processes used to execute capital budgeting and capital spending in Massachusetts. It will provide a general description of the uses of state government capital funds and the process of state government borrowing in the private capital markets. This report also outlines the capital spending plans of quasi-public authorities, in an effort to consolidate the information provided to the Committee through the oversight public hearing process.

⁴ STEPHEN J. GAUTHIER, GOVERNMENTAL ACCOUNTING, AUDITING & FINANCIAL REPORTING 439 (2012).

⁵ PEW CHARITABLE TRUSTS, STRATEGIES FOR MANAGING STATE DEBT (June 2017), *available at* www.pewtrusts.org/-/media/assets/2017/06/sfh_strategies_for_managing_state_debt_final.pdf.

⁶ COMMONWEALTH OF MASS., DEBT SERVICE (2011), *available at* <http://budget.digital.mass.gov/bb/h1/fy10h1/prnt10/exec10/pbuddevdev.htm>.

The Assets: What Does Capital Spending Buy?

Capital spending and capital financing are accounting concepts used to describe spending on assets that have a useful life exceeding one year and the means by which the cost can be allocated between the accounting periods during which the asset is used.⁷ To the extent that the Commonwealth purchases an asset that will be used for more than one fiscal year, the purchase may be placed on the capital budget and may be financed using sources of revenue that allow the Commonwealth to allocate payment for the asset over more than one fiscal year. The debt service associated with these bonds is then paid out of the state's annual operating budget.

While the operating budget funds programs and vital services administered throughout the state, the capital budget covers a range of infrastructure projects, from roof repairs at a state university campus to the construction of a new courthouse. Transportation assets, like our highways and bridges, dominate the capital budget and require consistent maintenance. Because information technology assets, such as database management software, are typically used for more than one year, these projects are also incorporated into the capital budget. At various state agencies and secretariats, state employees are hired to work on specific capital projects, in which their salaries are then financed through the capital budget as indicated in the charts below under the object class, "AA."

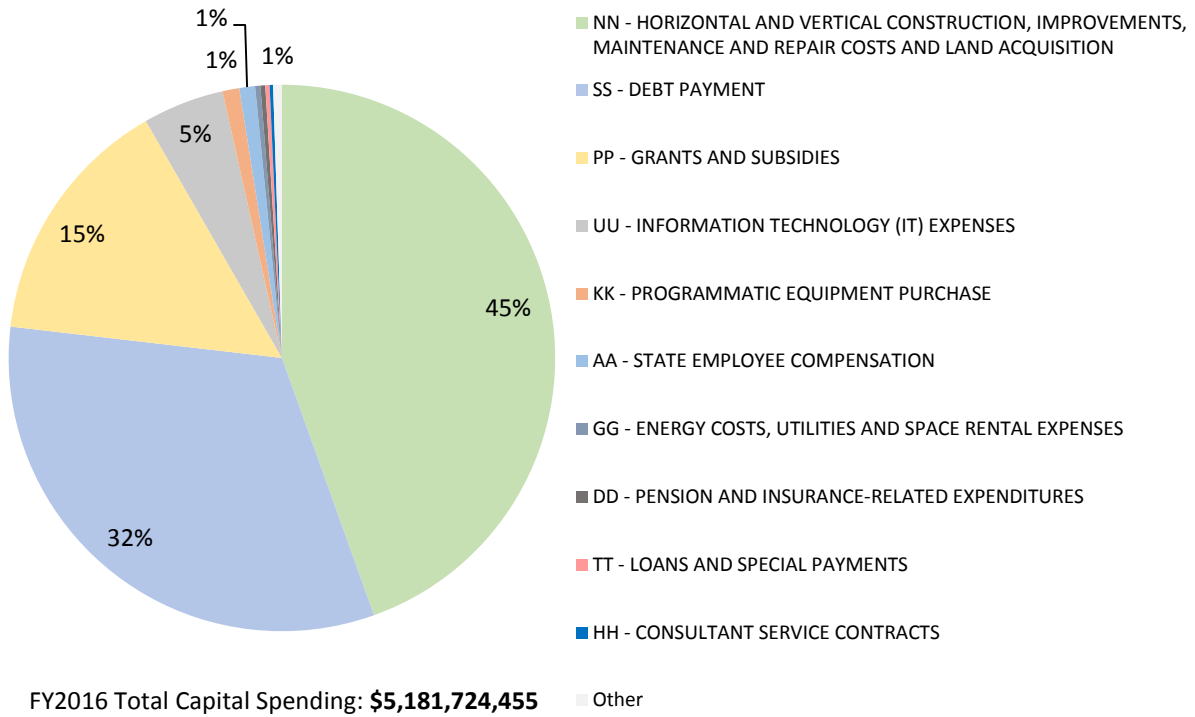
During the two fiscal years that this report covers, the Commonwealth spent roughly \$6.82 billion in capital expenditures—\$3.51 billion in FY2016 and \$3.31 billion in FY2017. These spending totals exclude the Office of the State Treasurer's capital spending categorized under the object class, "SS" or "debt payment," which includes the costs associated with bond redemptions, bond swap payments, and operating transfers. In these two fiscal years, approximately \$3.94 billion of the Treasurer's capital spending involved payments associated with administering bonds.

As shown in the following charts, the top three object class capital spending categories, inclusive of the State Treasurer's total capital spending, in both FY2016 and FY2017 were: (1) horizontal and vertical construction, improvements, maintenance and repair costs and land acquisition (2) debt payment; and (3) grants and subsidies.⁸

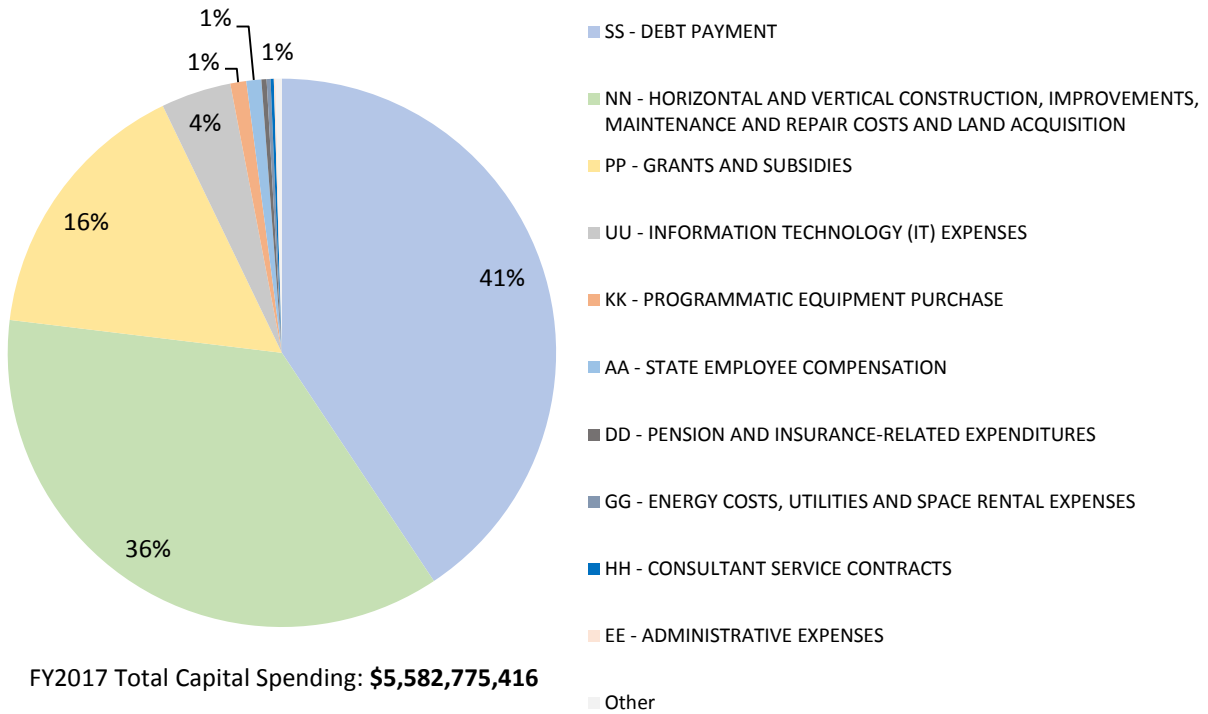
⁷ Gauthier, *supra* note 4, at 439.

⁸ The Commonwealth categorizes spending using a set of classification codes, including object class and object code. The pie charts in both chapters 1 and 2 of this report reflect each agency's largest categories of capital spending by object class, with any remaining capital spending in the chart grouped as "other." The Office of the Comptroller provides a publicly-accessible *Expenditure Classification Handbook*, which outlines the kinds of projects included under each object class. These categories are used in all accounting for expenditures under the Massachusetts Management Accounting and Reporting System (MMARS), available at <https://archives.lib.state.ma.us/bitstream/handle/2452/421492/ocn952603553.pdf>.

FY2016 Capital Spending by Object Class



FY2017 Capital Spending by Object Class

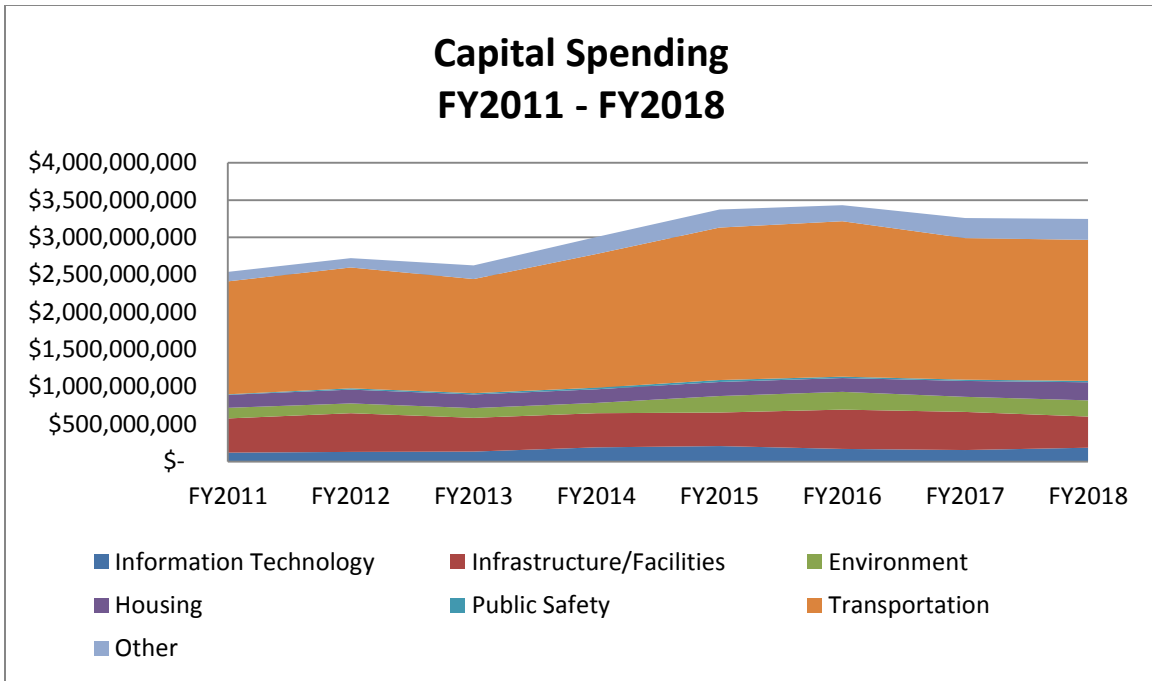


Neglect of public infrastructure maintenance often results in a dramatic shortening of its useful life. Some experts estimate that deferred routine maintenance can compound the costs required to make repairs or result in the need to completely replace the deteriorating asset.⁹ In contrast, when properly maintained, assets like buses and train cars can safely stay in service beyond their designated useful life. The issues associated with mounting deferred maintenance needs have become the focus of the Baker Administration, particularly as it relates to the Massachusetts Department of Transportation (MassDOT) and the Massachusetts Bay Transportation Authority (MBTA). Planned, routine maintenance of the Commonwealth's infrastructure is a more cost-effective practice, in contrast with allowing large-scale facilities, like transit stations, to deteriorate beyond repair. As MassDOT and the MBTA embark on the Green Line Extension (GLX), which will extend the northern end of the Green Line from Lechmere to Union Square in Somerville and College Avenue in Medford, it is critical that the overall plan incorporates a schedule related to maintenance spending that extends beyond initial construction costs.

The following chart outlines the changes in capital spending over the last eight fiscal years, by policy area.¹⁰ During this period, the Commonwealth has increased its overall level of capital spending by approximately 28%. Of the \$24.2 billion spent during this eight year period, nearly 60% was spent on transportation related projects, while about 16% was spent on infrastructure projects. Relative to FY2011, the portion of the capital budget devoted to information technology and public safety has increased more than other types of capital spending. Much of this change reflects the focus on investment to improve the quality of software available to the Commonwealth. Capital spending in FY2017 and FY2018 decreased slightly from FY2016, but overall, funding across these categories is being held level.

⁹ For a detailed discussion of this dynamic, see DAVID WESTERLING & STEVE POFTAK, OUR LEGACY OF NEGLECT: THE LONGFELLOW BRIDGE AND THE COST OF DEFERRED MAINTENANCE, PIONEER INSTITUTE PUBLIC POLICY RESEARCH (July 2007), available at https://scholarworks.merrimack.edu/cen_facpub/1/.

¹⁰ COMMONWEALTH OF MASSACHUSETTS INFORMATION STATEMENT. (Nov. 29, 2018).



The Liabilities: Why Does the Commonwealth Borrow?

The majority of the Commonwealth’s capital spending is funded using long-term state debt, which ranges in maturity from one to thirty years. By borrowing to fund large one-time expenditures and paying back the borrowing over the course of the life of the asset purchased, the state is able to ensure that, as a matter of accounting, each Massachusetts taxpayer who benefits from an asset contributes to the cost of that asset. Such “capitalization” of an asset smooths out the tax burden created by the construction of major public infrastructure

The Process: How Does the Commonwealth Borrow?

There are three categories of rules that govern the borrowing activities of Massachusetts: (1) constitutional; (2) statutory; and (3) administrative.

First, article 62 of the Amendments to the Massachusetts Constitution requires that any borrowing for a term longer than one year receive approval from two-thirds of each chamber of the General Court. Additionally, article 62 prohibits the Commonwealth from using borrowed funds to support the capital structure of private entities.

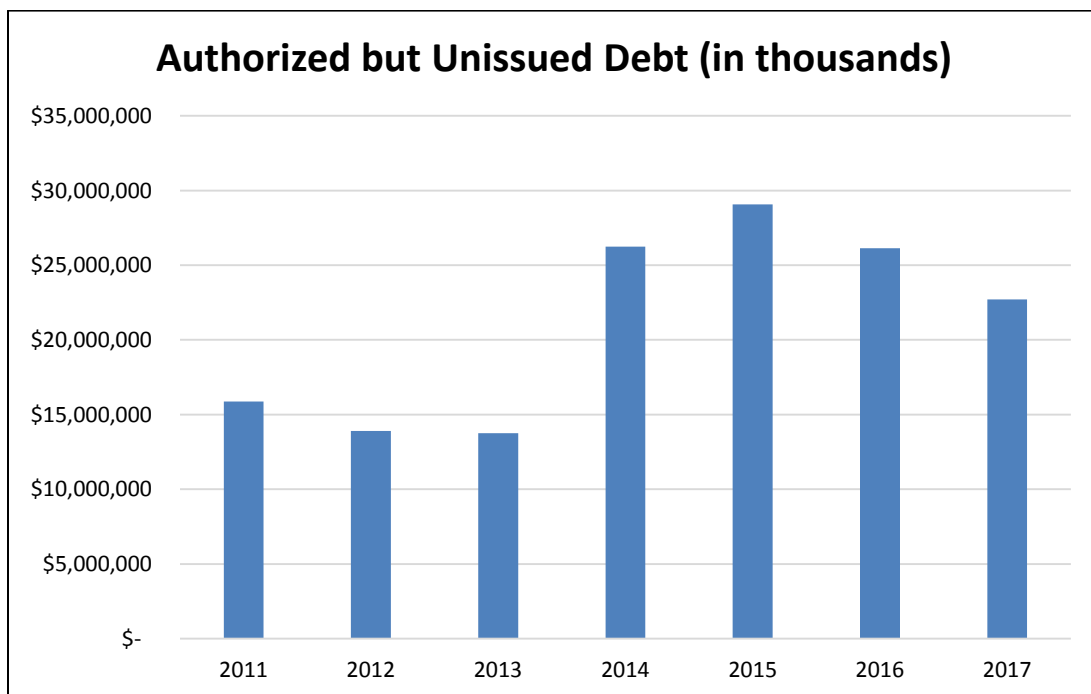
Second, Chapter 29 of the General Laws contains several sections that control the capital spending process. Section 9G of that Chapter provides general authority to the Governor to choose the extent to which bond authorizations are actually spent. Section 14 further provides that bond authorizations

approved by the General Court may be used for a period of five years after such authorizations are passed into law. Read together, these provisions give the Governor control over capital spending but require the Governor to execute the capital spending chosen from the menu of authorizations approved by two-thirds of the Legislature within a period of five years, absent additional authority from the Legislature. In addition, Section 60A of Chapter 29 limits the annual growth of the direct debt of the Commonwealth to no more than 5% per year, with a starting level of debt of \$17,070,000,000 in 2011. In FY2019, the statutory debt limit is \$24 billion.

Third, the Baker Administration has kept capital spending growth far below the \$125 million annual increases during the second term of the previous Governor’s administration. From FY2015, when Governor Baker was sworn in, to FY2019, the *overall* general obligation bond cap has increased by \$215 million: \$0 from FY2015 to FY2016, \$65 million into FY2017, \$70 million to FY2018, and \$80 million into FY2019.

On a cash basis, the Commonwealth’s practice has long been, and remains, to spend first and borrow second. The state spends money authorized in capital budget accounts by borrowing on a short-term basis from the general fund. When the outstanding cash balance of these capital budget accounts reaches a level that makes issuing bonds economical, the Office of the State Treasurer sells bonds in an amount sufficient to eliminate the balance owed to the General Fund.

An important measure analyzed by the House Committee on Bonding is the extent to which existing bond authorizations are used by the administration. Between the years 2011-2017, authorized and unissued debt peaked in 2015—possibly due to an unchanged bond cap that fiscal year—but has declined incrementally since. A more detailed chart related to uncommitted funds is included in Chapter 3 of this report.



The Market for Massachusetts Bonds

Massachusetts bonds are marketed, bought, and sold to investors in the tax-exempt municipal bond market. This \$3.85 trillion market¹¹ is made up of all the liabilities of the municipalities and states located in the United States. Each of these entities, including the Commonwealth, benefit from an exemption from the federal income tax for interest paid to holders of their debt. This tax exemption has existed in various forms since the inception of the federal income tax and constitutes the largest single federal program subsidizing the construction and maintenance of public capital assets in the United States.

The subsidy benefits Massachusetts and other state and local entities because purchasers of its bonds will accept lower interest rates than the interest rate charged for corporate debt or U.S. Treasury debt, both of which are taxable at the federal level. The cost of this subsidy to the federal government, arguably the value received from this subsidy by the several states and their political instrumentalities, will be \$153.4 billion between 2018 and 2022, according to Congress' Joint Committee on Taxation.¹²

Some argue the sweeping changes to the federal tax code in 2017 will create interest in municipal bonds.¹³ The new \$10,000 cap on a filer's claimed state and local tax deduction will increase demand for tax-free investment—interest income on municipal bonds remain exempt from federal taxation—and the law's elimination of advance refunding issues (approximately 15% of issuances) will constrain supply. These and other changes, they argue, have the potential to drive bond prices higher and yields lower.

Over the last number of years, the price of borrowing for states, cities, and towns has continued to decrease. This change is part of an overall multi-decade trend related to the general decline in interest rates on all debt due to a long-term policy of near record low interest rates on short-term borrowing.¹⁴

Massachusetts Debt Affordability

When analyzing a state's capacity to take on debt, a myriad of different factors—assessed with varying levels of scrutiny—are considered. This lack of uniformity makes the process of evaluating an individual state's level of debt affordability, in comparison to other states, fairly subjective. In many instances, national debt-level comparative analyses fail to acknowledge the entity issuing municipal debt. For example, Massachusetts has historically borrowed more at the state level versus the municipal or county levels, in contrast to other state's borrowing portfolios.¹⁵

¹¹ Laila Kearney, *U.S. Muni Bond Market Rises to \$3.853 Trillion in Second Quarter: Fed*, REUTERS, Sept. 20, 2018, www.reuters.com/article/us-usa-fed-municipals/u-s-muni-bond-market-rises-to-3-853-trillion-in-second-quarter-fed-idUSKCN1M02LG.

¹² J. COMM. ON TAXATION, JCX-81-18, ESTIMATES OF FED. TAX EXPENDITURES FOR FISCAL YEARS 2018-2022 (Oct. 4, 2018).

¹³ Carla Fried, *The Tax Law Gives Municipal Bonds a New Allure*, N.Y. TIMES, Feb. 23, 2018, www.nytimes.com/2018/02/23/business/the-tax-law-gives-municipal-bonds-a-new-allure.html.

¹⁴ Elizabeth McNichol, *It's Time for States to Invest in Infrastructure*, Center on Budget & Policy Priorities (Feb. 23, 2016), www.cbpp.org/research/state-budget-and-tax/its-time-for-states-to-invest-in-infrastructure.

¹⁵ For a review of the analysis commonly applied in reviewing the debt burden of several states, see JENNIFER WEINER, NEW ENGLAND PUB. POLICY CTR., RESEARCH REPORT: ASSESSING THE AFFORDABILITY OF STATE DEBT (Dec. 2013).

According to research published by the Pew Charitable Trusts in June 2017 on the issue of state debt affordability, nine states, including Massachusetts, have adopted exemplary analytical debt management practices to make this process less arbitrary.¹⁶ These practices are also viewed favorably by the credit rating agencies that dictate bond ratings. The Commonwealth's Capital Debt Affordability Committee (CDAC), established by state law in 2012, is a critical component of this on-going analysis, which is discussed further in Chapter 4 of this report.

National trends indicate that states have assumed a larger role in financing large-scale infrastructure projects, particularly those related to transportation, as the federal government's investments have dramatically slowed. This means that the Commonwealth must borrow more to properly invest in its existing infrastructure and build new assets, in ways that bolster the economy and produce returns on said investments in the form of increased tax revenues. Mounting deferred maintenance needs throughout the state should serve as an important factor when discussing the state's level of debt affordability, in which lawmakers must decide whether state government's hesitancy to substantially increase capital borrowing and spending is putting the state's future economic health at risk.

No need to look any further than the condition of the state's transportation system to understand that failure to properly invest in capital infrastructure hinders economic growth. The private sector, with roots in Massachusetts for its highly-skilled and well-educated workforce, is in agreement that the state's public transportation woes negatively impact business and that intervention is needed.¹⁷

Despite facing a credit rating downgrade to "AA" from Standard & Poor's (S&P) in June 2017 due to the state's lack of "commitment to its adopted budget reserve policies,"¹⁸ Massachusetts' bond ratings remain high in recognition of a growing economy and a well-established record of responsible borrowing.¹⁹ In the two years following the Committee's release of its 2015-2016 report, the borrowing environment has remained relatively the same—low interest rates coupled with ever-increasing capital needs. Meanwhile, the debt service to budgeted revenues and other financing sources ratio (another measure used by the CDAC when determining its recommendations on the annual GO bond cap) has hovered between 5-6% over the past eight fiscal years, as shown in the following chart.²⁰ These percentages are well under the 8% self-imposed cap ratio. With such favorable conditions, cost-benefit analyses that encompass these outside factors may yield less conservative borrowing and spending plans that are well within the scope of responsible fiscal policy.

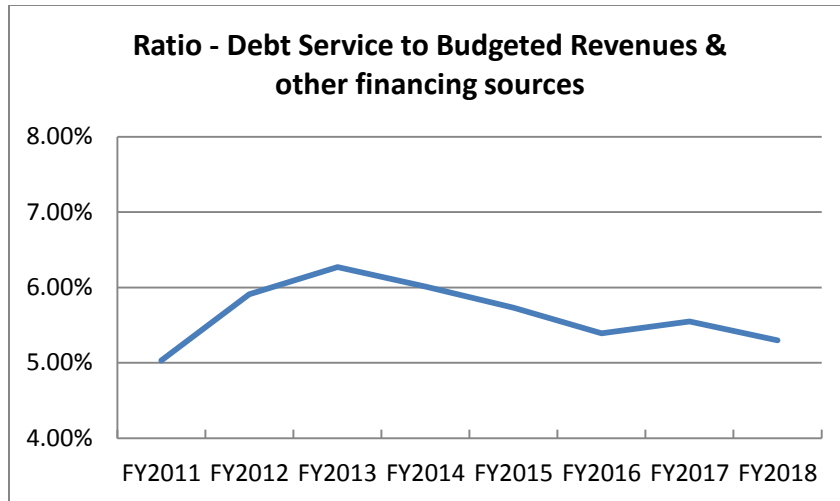
¹⁶ PEW CHARITABLE TRUSTS, *supra* note 5, at 1.

¹⁷ Jon Chesto, *Business Leaders Set Their Sights on Solving Mass. Transportation Problems*, BOS. GLOBE, Oct. 23, 2018, www.bostonglobe.com/business/2018/10/23/business-leaders-set-their-sights-solving-mass-transportation-problems/Rw4C8ueyDnnOtUE6d0FQDO/story.html.

¹⁸ Joshua Miller, *State's Bond Rating Downgraded Despite Growth*, BOS. GLOBE, June 9, 2017, www.bostonglobe.com/metro/2017/06/09/state-bond-rating-downgraded-blow-baker-mass-pols/cSbyQSDQJ89JGNExMzjRkl/story.html.

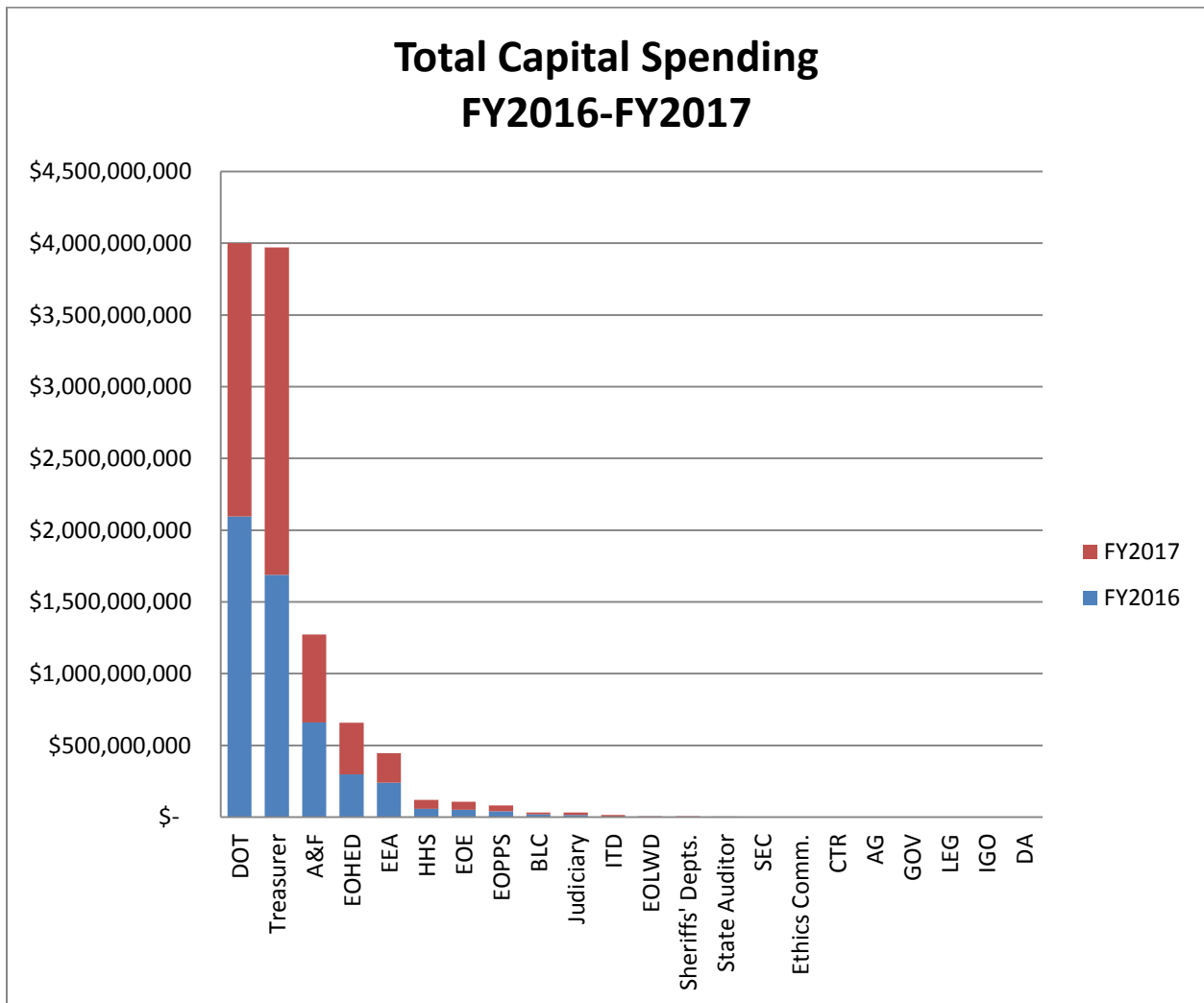
¹⁹ For examples of the Commonwealth credit rating reviews by Moody's or S&P, see MOODY'S INVESTOR SERVICES, CREDIT OPINION: COMMONWEALTH OF MASSACHUSETTS (1 June 2016); and S&P GLOBAL RATINGS DIRECT, MASSACHUSETTS CREDIT PROFILE (June 7, 2016). Copies of the Commonwealth's rating are available at www.massbondholder.com/debt-investments/bonds/ratings/reports-archive.

²⁰ The Office of the Comptroller's annual Statutory Basis Financial Reports (SBFR) are available at www.macomptroller.org/sbfr.



Chapter 2: Capital Needs and Issues by Agency

This section will review recent capital spending and projected future capital spending of eight secretariats. Most of the information contained in this chapter is a compilation of material provided during public oversight hearings on capital spending organized by the Committee during the 2017-2018 legislative session. The Committee’s 2017-2018 oversight hearing schedule is included in Appendix 4 of this report. The data used to categorize the type of capital spending executed by each secretariat was provided to the Committee by the Office of the Comptroller and is considerably more detailed than what is available for the public’s consumption on the CTHRU Open Records platform.



The capital budget differs from the operating budget in a number of ways. The Legislature designates money to the capital budget through bond authorizing legislation, which features authorizations to be spent over a term of years. Unlike the state’s operating budget, in which funds are appropriated on an

annual basis, the Legislature reviews and passes bond legislation less frequently based upon changing capital needs and the expiration of past accounts. In FY2016, Massachusetts passed approximately \$200 million in bond authorizations and de-authorized approximately \$110 million in previously enacted bond authorizations. In FY2017, the state approved approximately \$1.501 billion in bond authorizations with no de-authorizations.²¹

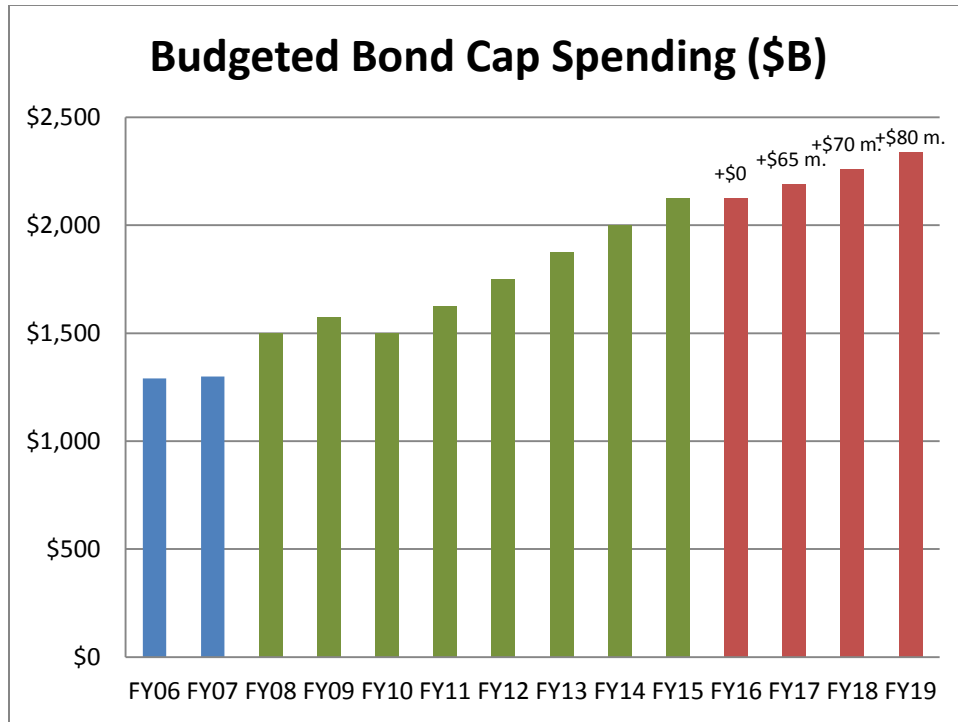
Another important difference between the operating and capital budgets is that while the Executive Branch is legally bound to spend state dollars on the programs and projects specifically outlined in the annual operating budget passed by the Legislature, the Governor is offered much more flexibility when deciding which capital projects to fund. The trend over the past several legislative sessions has involved the Administration filing its own bond legislation with language vague enough to facilitate unforeseen future projects that ultimately are not reviewed or debated among the Legislature. For example, in the General Government bond bill filed by the Baker Administration in May 2017, the entirety of the \$950 million bond authorization for higher education capital projects was not tied to a specific project.²² These unencumbered funds provide the Administration and the Executive Office of Education with an opportunity to fund projects without legislative oversight.

The growth of the state's annual capital bond cap is also determined solely by the Administration, which greatly impacts which capital projects receive funding. As outlined in the graph below, the Baker Administration, in direct consultation with the Capital Debt Affordability Committee, (which does not include voting members from the Legislature), has put forth a much more modest financing schedule. Upon entering office, the Baker Administration chose to maintain FY2016 capital spending at the same level as FY2015 at \$2.125 billion, despite providing little context for this decision. The cap was held steady at a time when the Commonwealth's deferred maintenance needs were made abundantly clear following the winter of 2015 and historically low interest rates made borrowing that much more affordable. Since FY2016, the bond cap has increased under Baker "in line with tax revenue growth."²³ In contrast, during the last four years of the Patrick Administration, the capital budget increased by \$125 million annually. Other than being observers at the CDAC meetings held by A&F, the Legislature garners little power during this critical decision-making process.

²¹ COMPTROLLER OF THE COMMONWEALTH OF MASS., STATUTORY BASIS FINANCIAL REPORTS (SBFR) FY2016 (Oct. 2016) & FY2017 (Nov. 2017).

²² An Act providing for immediate capital improvement needs of the Commonwealth, H.3730, 190th Gen. Court, (May 31, 2017).

²³ COMMONWEALTH OF MASS., FY2019 - FY2023 FIVE-YEAR CAPITAL INVESTMENT PLAN (CIP) REPORT (2018).



In an effort to promote both transparency and sound policy-making, draft capital spending plans submitted by the Administration should undergo some form of informed legislative review so that the capital budget receives a fair amount of scrutiny, comparable to that of the operating budget. As the Committee has stated in previous reports, the need to invest in our public infrastructure is growing, particularly as it relates to our transportation system and the omnipresent threat of climate change, and capital plans must be fully vetted and developed in ways that are reflective of present conditions.

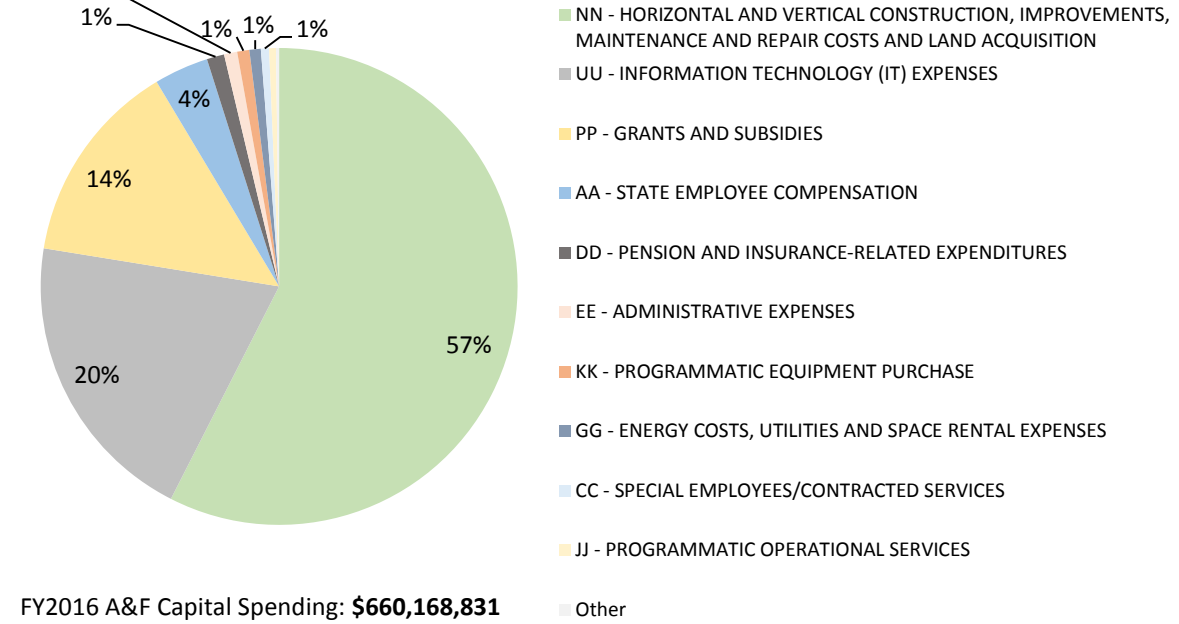
Administration & Finance

The Executive Office of Administration & Finance (A&F) is the primary developer of the capital budget policy for the Commonwealth, both by setting the total annual capital budget and allocating that total among the various secretariats. A&F directly administers 16 state agencies, including the Division of Capital Asset Maintenance (DCAMM), the state agency responsible for construction and maintenance of most state buildings, and the Information Technology Division (ITD), the state agency responsible for managing and overseeing most of the Commonwealth’s information technology assets. During this legislative session, Governor Baker submitted a bill to reorganize the ITD to a separate secretariat, Secretary of the Executive Office of Technology Services and Security (EOTSS). Upon the close of a 60 day review period, as required by Article 87 of the Massachusetts Constitution, EOTSS was established on July 31, 2017.²⁴

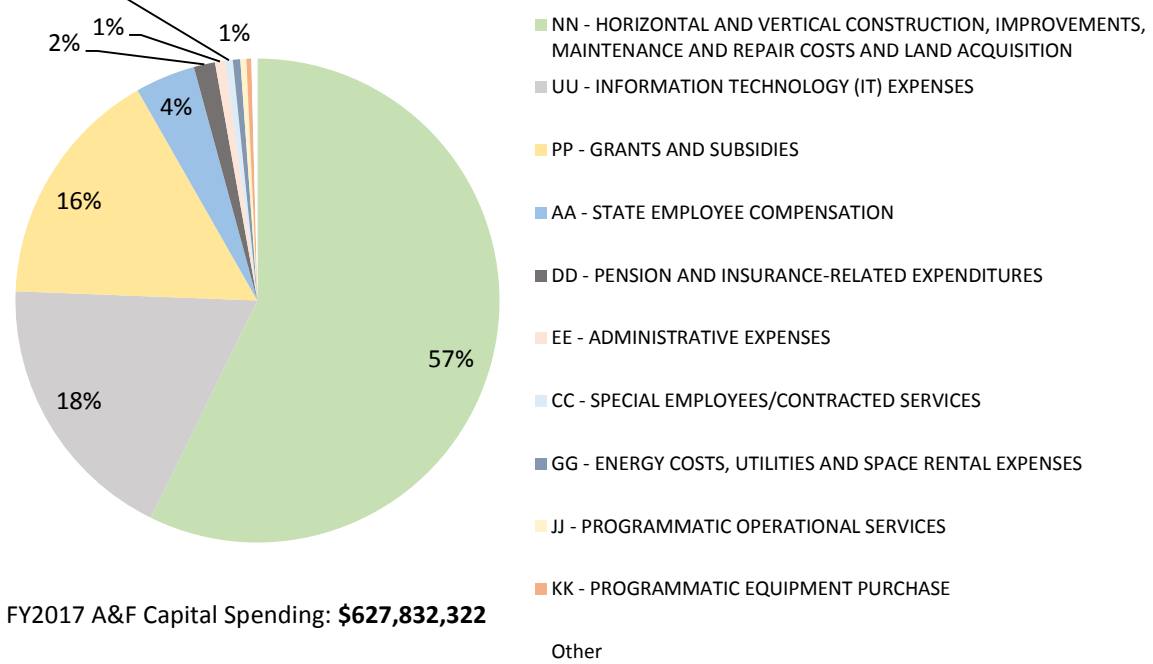
²⁴ An additional cabinet-level change occurred this legislative session as Commissioner of the Department of Revenue, Michael Heffernan, was appointed Secretary of Administration & Finance in July of 2017, see Press Release, Office of Governor Charlie Baker (July 18, 2017), available at www.mass.gov/news/governor-charlie-baker-announces-kristen-lepore-as-new-chief-of-staff-appoints-michael.

In FY2016 and FY2017, A&F spent \$660.17 million and \$627.83 million respectively. In each of those fiscal years, A&F's Health Information Exchange project cost over \$50 million in capital funds—the most costly capital project within A&F's capital portfolio. Investments in construction and information technology accounted for roughly 75% of A&F's capital spending in both fiscal years, as described in the following charts.

Executive Office of Administration & Finance FY2016 Capital Spending



Executive Office of Administration & Finance FY2017 Capital Spending



In June of 2017, S&P Global Ratings lowered the Commonwealth’s creditworthiness score to AA, the third-highest tier, citing failures to address shortfalls in the state’s reserve fund to mitigate the state’s propensity for revenue volatility.²⁵ The agency cited the lack of commitment to increase the reserves despite above-average national economic growth. A&F asserts that the Commonwealth’s credit rating downgrade—the first in almost 30 years—had no impact on cost of borrowing, testifying that “costs are competitive. ... The Commonwealth does not play the market, but we are sensitive to the costs.”²⁶

At the close of FY2018, Massachusetts experienced gains in year-over-year tax revenue. Despite the approximately \$75M-\$100M earmarked for reserves, S&P Global Ratings further warned that the Commonwealth is at an “elevated risk” during a hypothetical recession in September 2018.²⁷ At the conclusion of FY2018, according to The National Association of State Budget Officers’ *Spring 2018 Fiscal Survey of the States*, Massachusetts had a rainy day fund balance of \$2.001 billion, a significant increase over FY2017’s \$1.301 billion in reserves.²⁸

The Baker Administration’s fourth Capital Investment Plan (2019-23 Five-Year CIP) and first under Secretary Michael Heffernan, largely maintains the Governor’s previous spending goals. Much like previous CIPs, this year’s apportions capital dollars among “maintenance” at 44%; “modernization,” 30%; and “targeted growth,” receiving 26%.²⁹

The 2018 CIP proposed a \$2.26 billion bond cap in FY2018, which amounts to a \$70 million, or 3.2%, increase over FY2017. In FY2017, the Baker Administration similarly proposed a \$2.19 billion, or 3%, increase over FY2016.³⁰ This year’s CIP increased the bond cap to \$2.34 billion for FY2019. It is important to note this bond cap figure represents Massachusetts general obligation bonds only—exclusive of other capital funding sources. The bond cap allocation for the transportation policy area has grown from \$523.48 million in FY2015 to \$756.22 million in FY2018—a 44% increase. In contrast, the bond cap for energy and environment capital projects went from \$210.36 million in FY2015 to \$157.59 million in FY2018—a 25% reduction.³¹

²⁵ Miller, *supra* note 18; JOHN A. SUGDEN, S&P GLOBAL RATINGS, MASSACHUSETTS; APPROPRIATIONS; CP; GENERAL OBLIGATION; GENERAL OBLIGATION EQUIVALENT SECURITY; JOINT CRITERIA; MISCELLANEOUS TAX; NON-SCHOOL STATE PROGRAMS; NOTE; SALES TAX; SCHOOL STATE PROGRAM (June 9, 2017), *available at* <https://assets.documentcloud.org/documents/3862178/RatingsDirect-Analysis-1865793-Jun-09-2017-15-49.pdf>.

²⁶ Capital Oversight Hearing Before the H. Comm. on Bonding, Capital Expenditures & State Assets, (Mass. June, 28, 2017) (testimony of Jennifer Sullivan, Assistant Sec’y for Capital Fin. at the Exec. Office of Admin. & Fin. (A&F)).

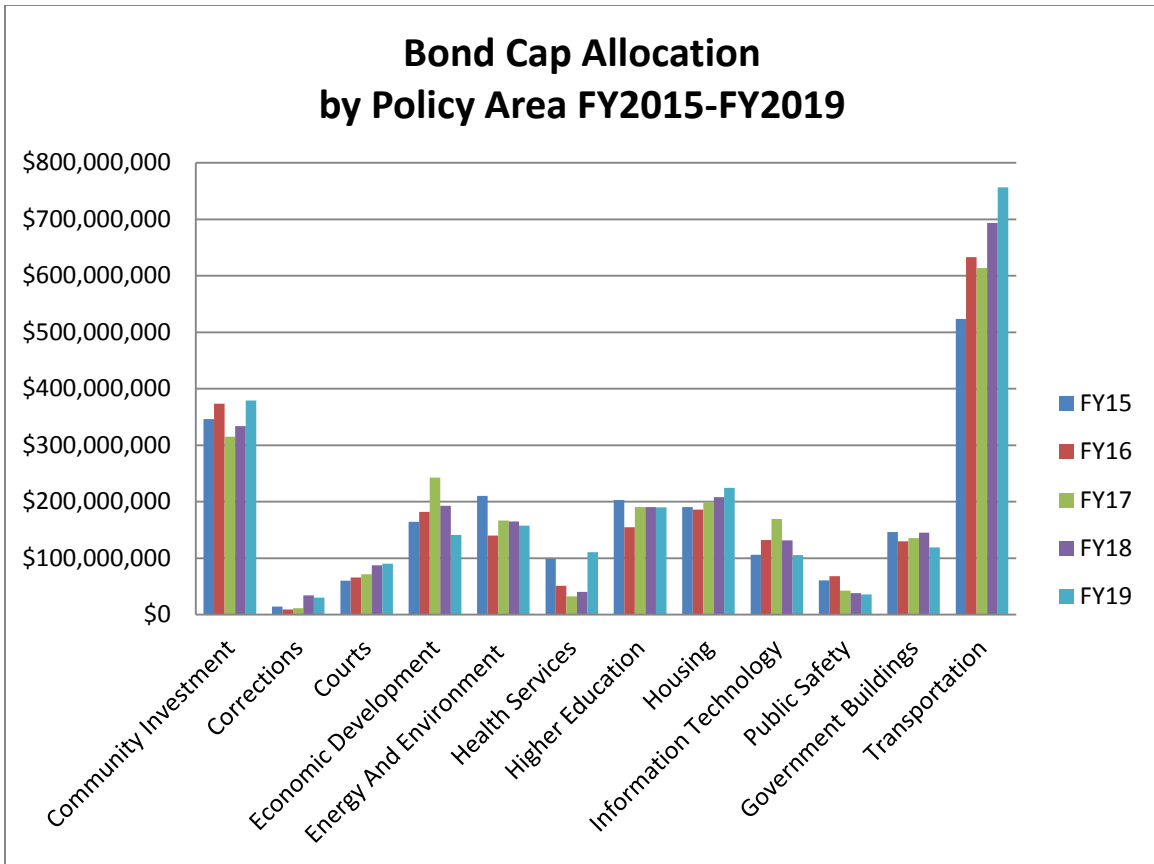
²⁷ Colin Young, *S&P: Mass. Reserve Cushion Too Thin for a Recession*, STATE HOUSE NEWS SERV., Sept. 19, 2018, www.statehousenews.com/news/20181735.

²⁸ COMPTROLLER OF THE COMMONWEALTH OF MASS., STATUTORY BASIS FINANCIAL REPORTS FY2018 (Nov. 2018), *available at* www.macomptroller.info/comptroller/docs/reports-audits/sbfr/2018/2018sbfr.pdf.

²⁹ The 2018 CIP rates were as follows: 48% for maintenance, 28% for modernization, and 24% for targeted growth.

³⁰ By contrast, the Patrick administration set its bond cap to increase by \$125 million per year, an approximately 6-8% increase.

³¹ This data is provided in the Governor’s annual CIP and is organized by “policy area” instead of individual secretariat.



Energy & Environmental Affairs

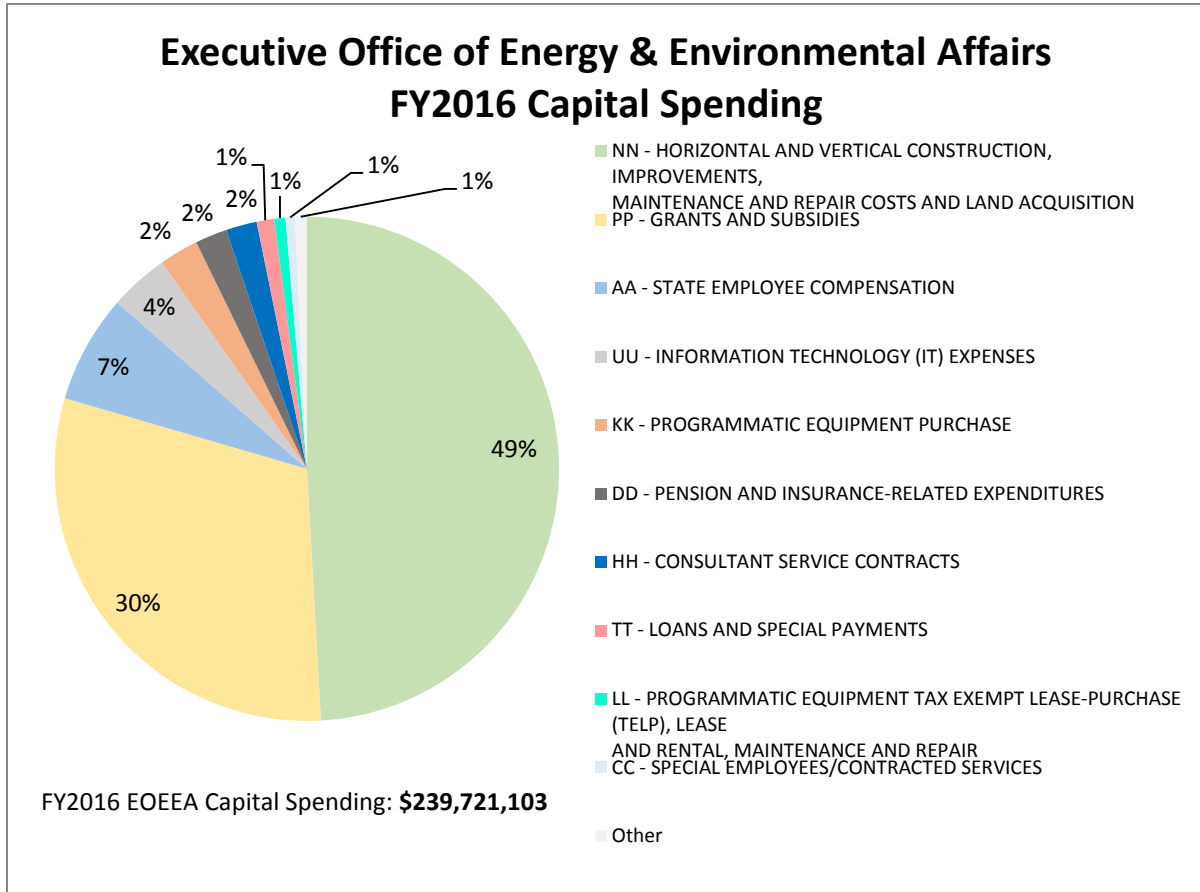
In FY2016 and FY2017, the Executive Office of Energy and Environmental Affairs (EOEEA) spent \$239.72 million and \$206.47 million respectively on capital projects, closely matching the agency’s capital spending projections featured in the Committee’s previous report. In FY2015, EOEEA spent \$253.28 million. These recent decreases in capital spending at EOEEA come at a time of heightened concern around the effects of climate change on the Commonwealth’s coastal cities and towns. Traditionally, EOEEA’s capital spending is directed to infrastructure, including flood control measures, dam and recreational facility rehabilitation, wildlife habitat protection, open space acquisition, and to programs that promote clean water, air, energy and agriculture.

On October 18, 2017, Secretary of the Executive Office of Energy and Environmental Affairs (EOEEA) Matthew A. Beaton, testified before the Committee regarding the agency’s capital planning process, recent capital spending and planned capital spending for the coming year. EOEEA allocates its capital spending to each of its five agencies,³² divided into three categories: “maintenance,” “modernization,” and “targeted growth.”³³ In the Governor’s FY2017-FY2021 Five-Year Capital Investment Plan, EOEEA’s

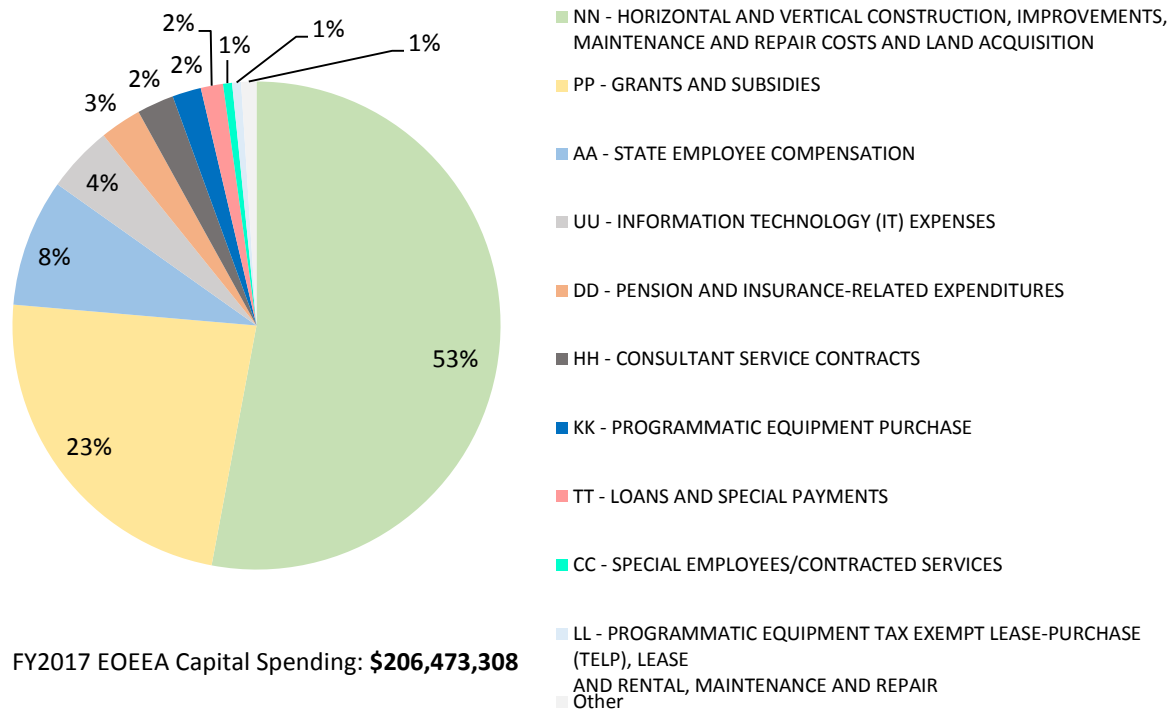
³² Executive Office, Department of Conservation and Recreation (DCR), Department of Environmental Protection (DEP), Department of Agricultural Resources (DAR) and Department of Fish and Game (DFG).

³³ EOEEA’s capital spending mirrors MassDOT’s focus areas of “maintenance,” “modernization,” and “targeted growth.”

approximately \$200 million allocation was subdivided as follows: maintenance 42%, modernization 32%, and targeted growth 26%. The following year saw a similar divide at 41%, 36%, and 23%, respectively.



Executive Office of Energy & Environmental Affairs FY2017 Capital Spending



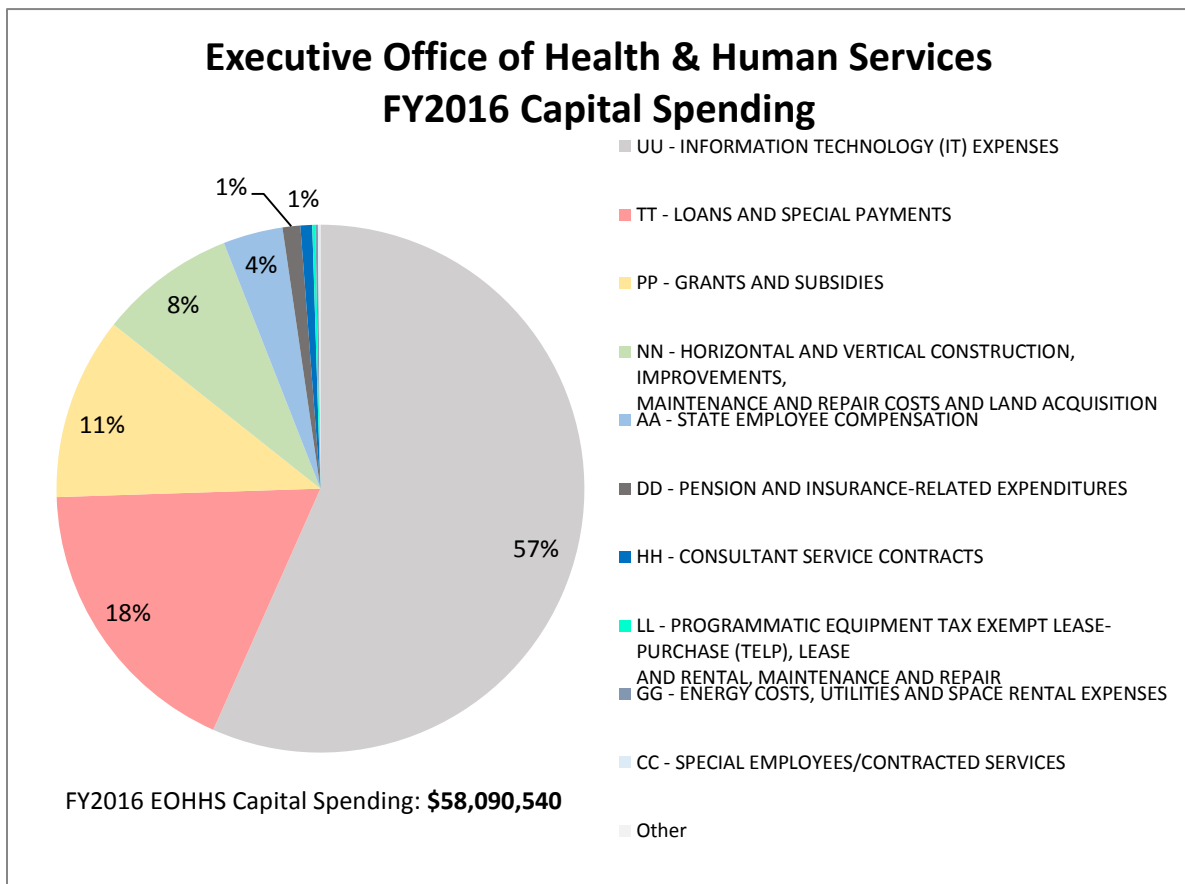
Secretary Beaton testified that EOEEA’s capital spending going forward is focused on maintaining existing assets and completing ongoing projects. A breakdown of FY2018-2022 spending provides a helpful backdrop to the Secretary’s testimony before the Committee. Secretary Beaton highlighted the improvements to the Walden Pond Visitors’ Center, where the conservation movement was born. Additionally, for DCR projects, EOEEA earmarked 60.3% of the maintenance capital funds and 85.4% of the modernization capital funds. These funds were reserved for projects like dam rehabilitation, beach renourishment, parkway reconstruction, the Storrow Drive tunnel, and new programs like the Working Forest Initiative. Likewise, 66.5% of the targeted growth capital funds are directed towards projects like Community Investment Grants, land protection programs, greening the Gateway Cities, and the Municipal Vulnerability Preparedness Program. Certain capital spending issues remain. In 2017, the number of employees paid from the capital budget (incorporated into the “AA” object class category in the charts above) is similar to the previous year. This issue was similarly highlighted in the Committee’s previous report.

The Environmental bond bill that was signed into law in August 2018 authorized \$2.4 billion to mitigate the impacts of climate change. Actual annual spending within each of the bond accounts moving forward will be closely monitored by this Committee.

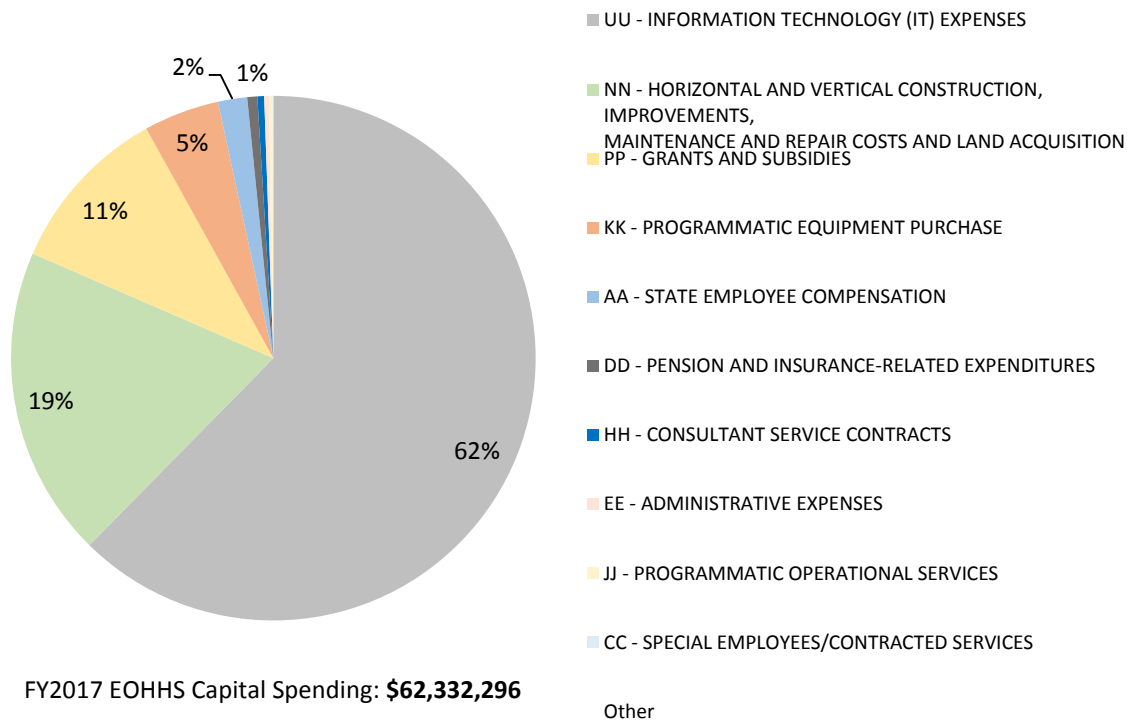
Health & Human Services

As the largest secretariat in state government, the Executive Office of Health & Human Services (EOHHS) oversees 12 departments, including MassHealth, which focus on providing mental, emotional, and physical health services to the 1 in 4 Massachusetts residents served by their programming statewide. EOHSS operates 27 campuses, including four public health hospitals, two psychiatric hospitals, 11 mental health centers, and ten juvenile detention programs. EOHHS also runs the Soldiers' Homes in Chelsea and Holyoke and over 100 group homes across Massachusetts.

In FY2016, EOHHS spent \$58.09 million on capital projects. In FY2017, EOHHS spent \$62.33 million. In both fiscal years, mirroring FY2014 and FY2015, IT related projects dominated overall spending. EOHHS capital spending programs fall into two general categories: (1) facility construction & maintenance and (2) information technology (IT). In FY2017, EOHHS spent \$31.75 million on capital projects directly under their authority and worked with the Executive Office of Technology Services and Security (EOTSS) to take over the day-to-day technological operation of the MassHealth program with an additional \$37.8 million.



Executive Office of Health & Human Services FY2017 Capital Spending



On September 7, 2017, EOHHS Assistant Secretary for Administration & Finance, Alda Rego testified before the Committee to offer a description of current and planned capital spending projects and needs.

Under the first category of facility management, \$31.75 million in capital spending has been committed to a number of projects, currently underway, designed to meet critical maintenance needs. These projects include \$12.2 million for the Soldiers’ Home in Chelsea, \$6.6 million for the Department of Public Health (DPH) Lemuel Shattuck Hospital to continue their opioid treatment programs, \$4 million for the DPH State Public Health Lab, and \$6 million for the Department of Mental Health (DMH) Solomon Carter Fuller Community Mental Health Center, among several others.

There are also four major projects in the planning and design phase:

- Construction on the DPH State Public Health Laboratory Renovation Project was anticipated to begin in September of 2018, with a project total expected to be \$82.6 million, \$2 million of which has been released for planning & design.
- It has also been determined that \$28 million will be needed for necessary upgrades to the DPH Western Massachusetts Hospital. \$15 million has been allocated, but the project will need an additional \$13 million to be completed.

- A study to analyze the expense of improvements to the Department of Youth Services (DYS) Gross Building at the Taunton State Hospital needs to be conducted. Early estimated costs are projected at \$20 million.
- Efforts to expand the Soldiers' Home in Chelsea to a 154 bed, long-term care facility will require a considerable \$199 million investment, which was included in a bond bill this session with the expectation that there will be federal reimbursements.

The second major capital spending category for EOHHS is information technology, which covers projects including foundational IT infrastructure improvements across the system—the DMH strategic plan to expand access mental health facilities across the state, the Department of Transitional Assistance (DTA) Benefit Eligibility and Control Online Network (BEACON) system modernization, and the upgrade of a Pharmacy Information System, among many others. Most notably, in 2015, EOHHS absorbed the responsibility of operating the Commonwealth's Health Insurance Exchange (HIX) and the Medicaid Management Information System (MMIS)—approximately 40% of the state's operating budget—from the former Massachusetts Office of Information Technology (MassIT), now the Executive Office of Technology Services and Security (EOTSS). Through EOTSS authorizations, EOHHS received \$37.8 million in FY2017 to dedicate to these IT projects.

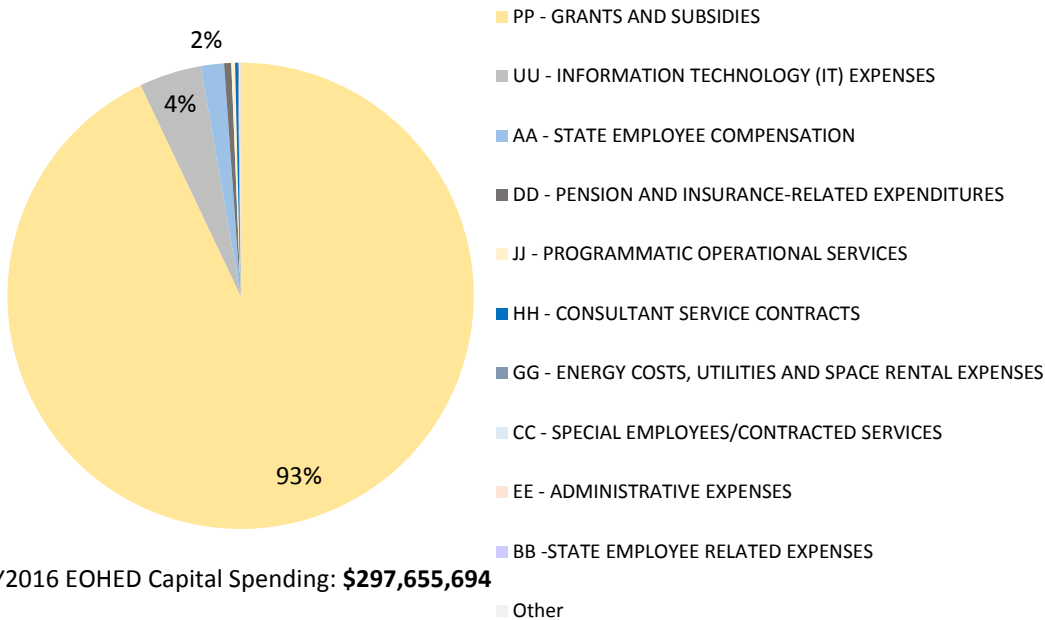
The funds made directly available to health and human services capital programs have decreased. The capital budget for FY2015 made \$98.9 million available for EOHSS. In FY2016, the figure dropped to \$48.1 million and further declined to \$31.75 million in FY2017 after responsibility for MassHealth and the Health Insurance Exchange was transferred to EOHHS and additional capital spending has come from EOTSS authorizations.

Housing & Economic Development

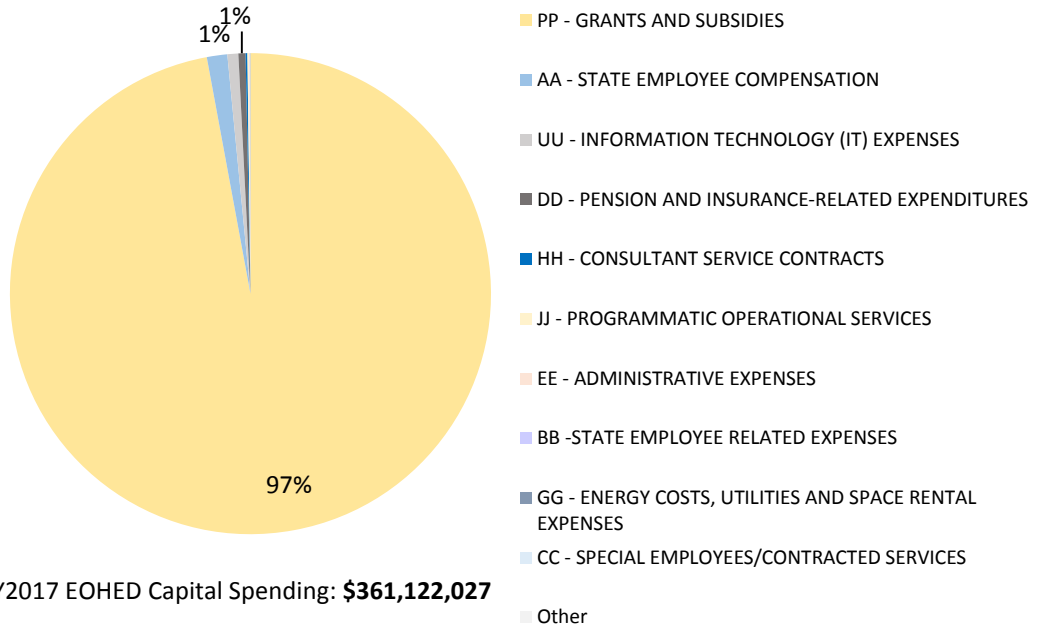
The Executive Office of Housing & Economic Development (EOHED) uses a variety of grant programs funded on the Commonwealth's capital budget to help provide housing in the Commonwealth and to incentivize economic activity. In FY2016 and FY2017, the secretariat spent, respectively, \$297.66 million and \$361.12 million in capital funds. The vast majority of these funds were spent on grants to public, non-public and non-profit entities in the Commonwealth. In both FY2016 and FY2017, over \$50 million in grants was awarded annually from the Massachusetts Life Sciences Center to “foster economic development in the life sciences sector.”³⁴ The following two graphs break down EOHED's capital spending during these fiscal years.

³⁴ SBFR FY2016-17, *supra* note 21.

Executive Office of Housing & Economic Development FY2016 Capital Spending



Executive Office of Housing & Economic Development FY2017 Capital Spending



In his November 8, 2017 testimony before this Committee, EOHEE Secretary Jay Ash spoke of spending plans and the major legislative initiative of the Baker Administration, the Economic Opportunities for All Act. To the former, the Secretary outlined a three-part economic development strategy. The first, “economic vitality for communities,” included \$255 million for MassWorks,³⁵ and \$24 million for Seaport Council grants. Second, “economic growth for businesses,” calls for \$93 million for the Massachusetts Manufacturing Innovation Initiative, including a \$10 million grant for the UMass Lowell Fabric Discovery Center. The third part, titled “economic prosperity for people,” includes \$36 million in skills capital grants for 78 educational institutions.

In addition to capital authorizations, the 2018 Opportunities for All Act called for a number of policy initiatives. For example, the legislation aims to shift dredging into two categories. Salt-water dredging, primarily used to expand harbors and ports, would be funded by MassWorks grants,³⁶ while fresh-water dredging would be funded by EOHEE.

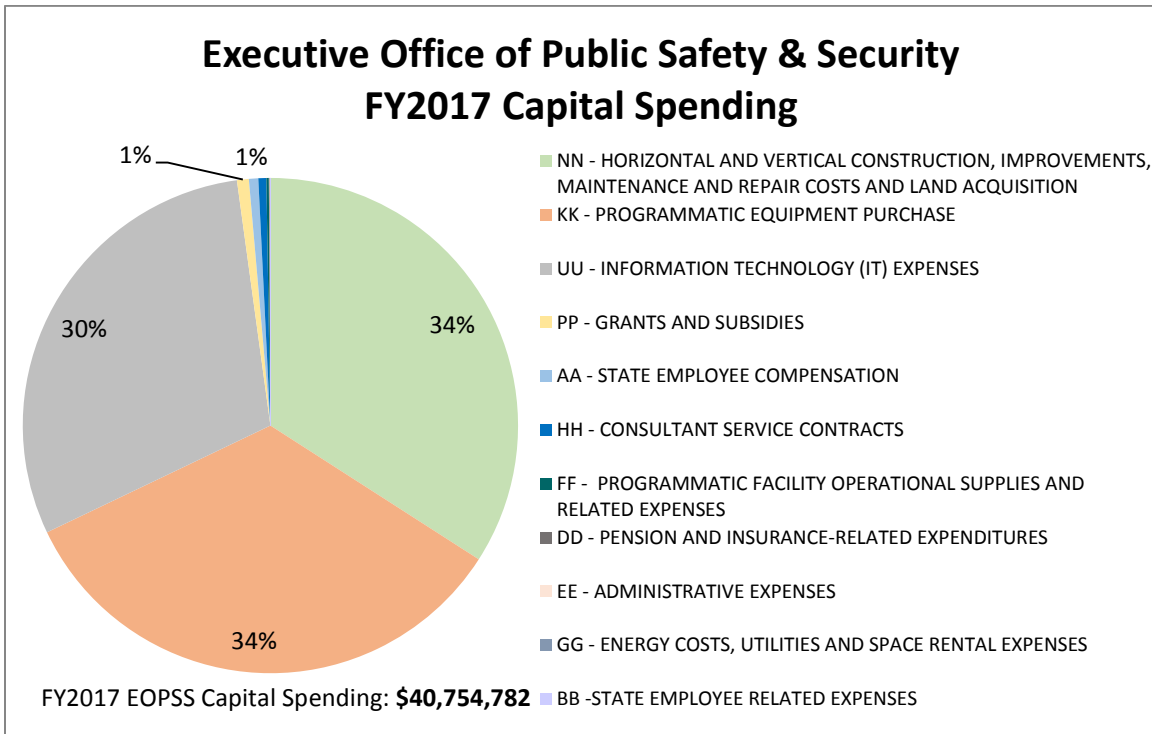
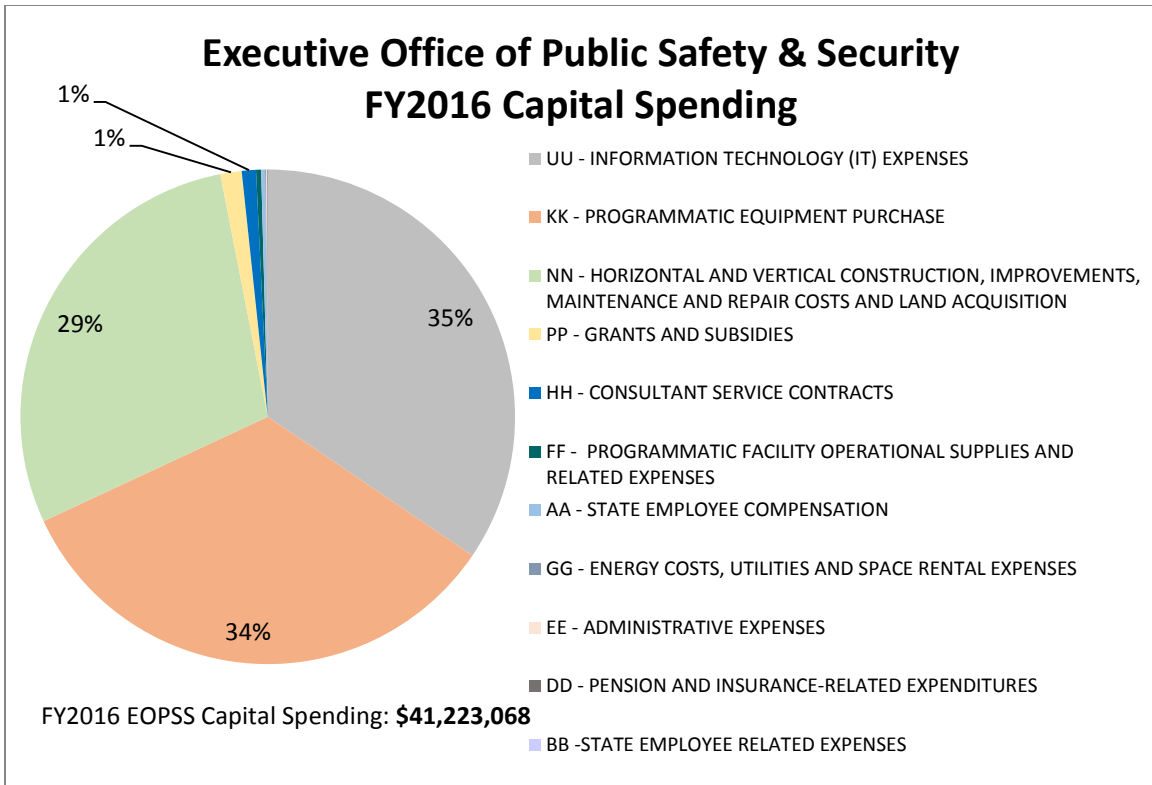
Notably, the Committee’s oversight hearing occurred during Amazon’s nation-wide search for their second headquarters, dubbed “HQ2.” Secretary Ash emphasized that the Commonwealth’s bid would be outside the normal course of EOHEE’s spending plans; he categorized this as an “once-in-a-lifetime opportunity.” It is possible that separate legislation, either or both authorizing spending or policy changes, would be necessary to complete an HQ2-sized deal in Massachusetts.

Public Safety

The Executive Office of Public Safety and Security (EOPSS) oversees 12 agencies and 100 facilities across the Commonwealth. EOPSS spent \$41.22 million in capital funds in FY2016 and \$40.75 million in FY2017. The charts below provide a more detailed description of overall EOPSS capital spending. The two most costly EOPSS capital projects in both fiscal years were the cruiser fleet replacement program (\$18.28 million combined) and the Integrated Criminal Justice information system (ICJIS) (\$20.17 million combined).

³⁵ Including spending in the FY2018 round.

³⁶ Or separate bonds from the Seaport Council.



On October 24, 2017, EOPSS Secretary Daniel Bennett, described three categories (1) upgrades to public safety information infrastructure; (2) updated public safety equipment; and (3) facility improvements as his agency's top capital spending priorities.

The Integrated Criminal Justice Information System program, designed to operate for ten years between FY2009-FY2019, is nearing the end of its optimal lifespan. The system requires significant modernization to better interface with state partners and the Federal Bureau of Investigation (FBI), and to rebuild the I-CORI application. A second data center is also needed to support needed upgrades to the public safety network and its operation capabilities. In FY2018, ICJIS's costs were projected at \$10.5 million, while FY2019 project needs are listed at \$7.5 million.

In the 2018 General Government bond bill, EOPSS and DCAMM were authorized \$20 million for public safety equipment and \$15 million for renovations for the Lower Basin State Police Barracks to consolidate operations into a modern facility. In FY2018, \$320,000 was expended on the Department of Corrections' administrative headquarters in Milford to create a Public Safety Complex for the Department of Fire Services (DFS), State Police, and to act as a centralized evidence storage space for law enforcement agencies. Additionally, the following investments were made:

- \$1.5 million directed to the Department of Fire Services for a new ladder truck, training equipment, and compressor firefighter breathing air system upgrades
- \$1.95 million invested in radio dispatch consoles
- \$13 million used to purchase 354 new state police cruisers
- \$3 million to replace outdated equipment at the MCI facilities
- \$350,000 in a federal-match program to purchase bullet proof vests

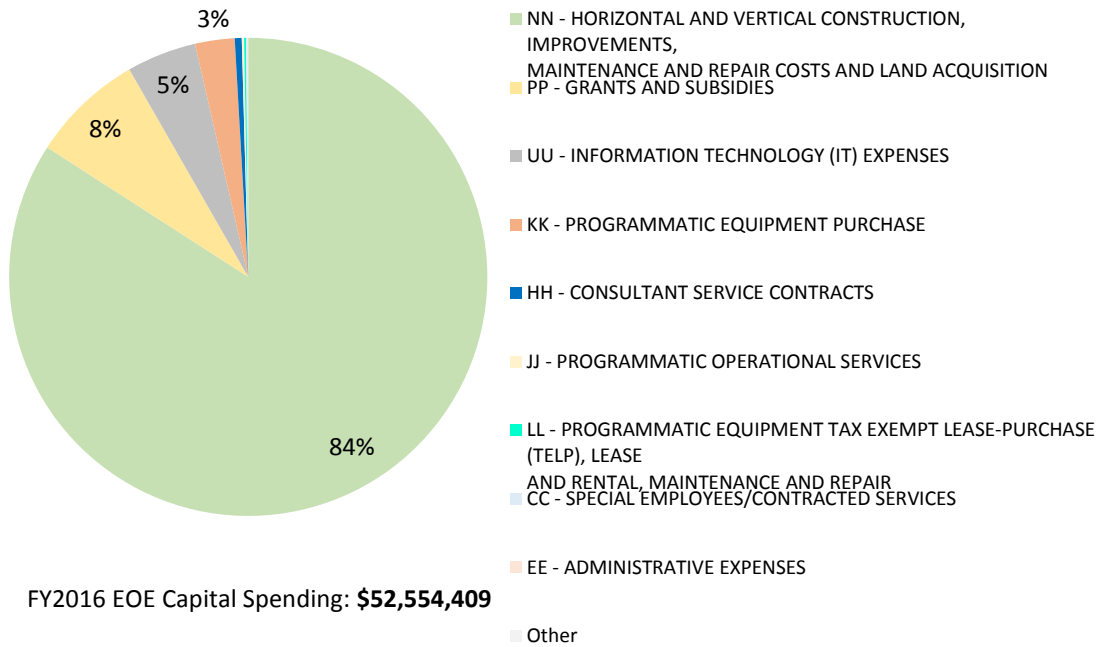
As explained by Secretary Bennet, the modernization of the public safety network must remain a top priority. The radio system used by first-responders to coordinate during emergencies must be digitized, standardized, and robust.

Education

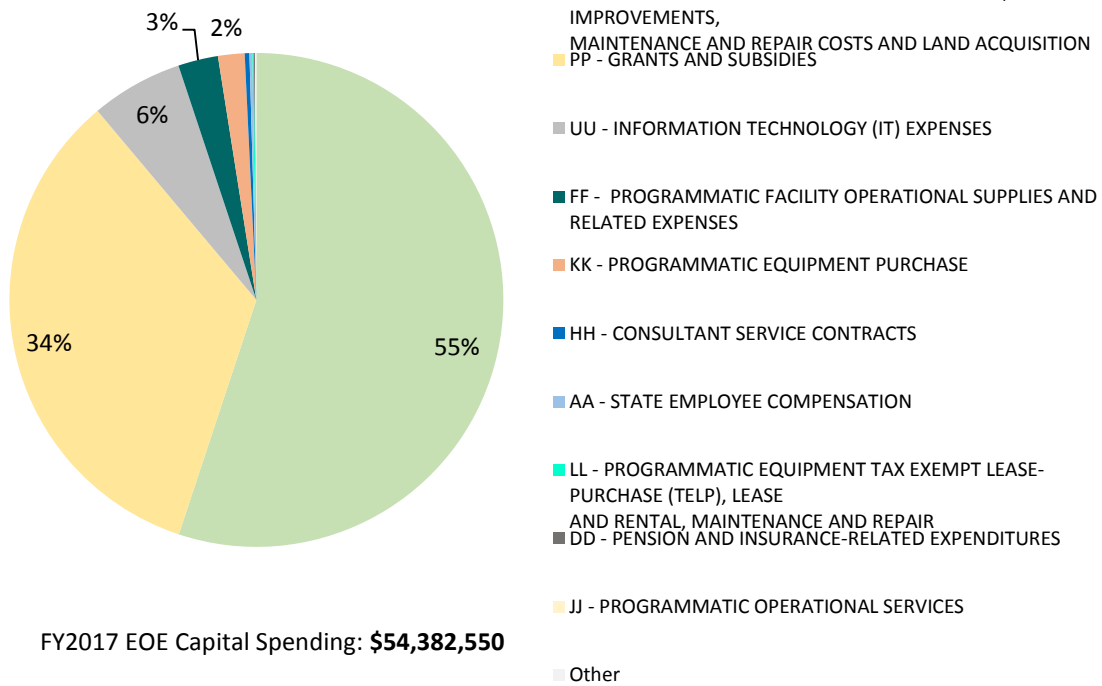
The five University of Massachusetts campuses, nine state universities, and 15 community colleges of the Commonwealth's public higher education system receive capital funding through three entities: the Massachusetts Department of Higher Education, the University of Massachusetts, and the Massachusetts State College Building Authority.

The capital spending totals for the Executive Office of Education (EOE) was \$52.55 million in FY2016 and \$54.38 million in FY2017. The types of expenditures made by EOE in FY2016 and FY2017 (and their corresponding totals and percentages) are reflected in the following charts. In both fiscal years, EOE spent \$4 million on the Early Education and Out-of-School Time Capital Fund to improve early education and care facilities throughout the state. The majority of the projects that received capital funding in FY2016 and FY2017 were projects under \$1 million with the purpose of addressing deferred maintenance needs, such as life safety upgrades and roof replacements at various campuses.

Executive Office of Education FY2016 Capital Spending



Executive Office of Education FY2017 Capital Spending



Representatives from the Executive Office of Education, the University of Massachusetts System, the Massachusetts Community Colleges, and the Massachusetts State College Building Authority provided testimony to the Committee on the status of their capital projects and strategic plans on May 15, 2017.

Executive Office of Education

In her testimony, Undersecretary Ann Reale from the Executive Office of Education elaborated upon the newly created strategic framework for capital investment in public higher education. This framework, formulated directly under EOE, highlighted a shift in the management of capital asset planning away from the Department of Higher Education. After the conclusion of a public listening tour to hear directly from the public institutions of higher education, EOE developed a “Major Project Capital Request Concept Proposal Process,” in which critical repairs would be approved based on their priority category. This process envisions regular updates.

Programming needs that would require major renovations or replacement of current infrastructure would be approved through the “Concept Proposal” process, which includes a firm November deadline to request funding for the following fiscal year. This process is not intended to create project-specific proposals requiring specifically earmarked funding, but to develop a better process to prioritize capital funding needs.

Authorizations from the 2008 Higher Education bond bill have been mostly spent, prompting the Legislature’s passage of the General Government bond bill with \$950 million in funds authorized for higher education capital needs in 2018. With a significant portion of the authorized funding unencumbered, EOE, in consultation with DCAMM, has been granted flexibility in funding higher education capital projects they’ve deemed “priorities.”

University of Massachusetts

The five campuses making up the University of Massachusetts (UMass) system educate over 74,000 students each year with more than 17,000 graduates. More than 70% of UMass graduates stay and work in Massachusetts after concluding their studies, directly contributing to the state’s economy. The University of Massachusetts as an institution also has a \$6.2 billion economic impact statewide. According to a recent economic impact analysis, for every \$1 in state investment, UMass generates \$12 in economic activity for the Commonwealth. The capital assets of UMass include more than 27 million square feet of facility space, with over 300 buildings, ranging from historic to modern structures, which support the wide spectrum of programming available, including agricultural programs to state-of-the-art scientific research laboratories. Due to an extended period of limited capital investment in the 1980s and 1990s, over 70% of the infrastructure in the UMass system is over 30 years old, highlighting the extent of deferred maintenance needs.

On May 15, 2017, Senior Vice President Lisa Calise testified before the Committee to provide an update on the on-going capital needs and the Five-Year Capital Plan for the University of Massachusetts. Recognizing that significant infrastructure investment was needed, in 2008, the Legislature passed two bond bills, the Higher Education bond bill (\$1.1 billion) and the Life Sciences bond bill (\$250 million),

which authorized funding for capital projects in the UMass system. As of 2017, approximately \$500 million of the \$1.1 billion authorized through the Higher Education bond bill has been expended on projects ranging from the renovation and expansion of the Carney Library (\$46 million) and the School of Marine Science (\$55 million) at UMass Dartmouth, to construction of the Pulichino Tong Management Building (\$45 million) at UMass Lowell. Through Life Sciences funding, UMass Amherst constructed a \$160 million premier research facility and built an Integrated Science Complex at UMass Boston (\$179 million), among many other noteworthy projects.

UMass authorized Sightlines, a facilities management consulting firm, to perform a system-wide deferred maintenance analysis. Their report concluded that, with the investments made to-date, deferred maintenance costs will be reduced by \$456 million by 2021; however, UMass will still have a reinvestment backlog of \$3 billion that will come due in the next 10 years. As mentioned in previous years, the bulk of funding for UMass capital projects comes from the University itself—approximately 83%, while the remaining 17% is provided by the state.

Current bond authorizations will be fully utilized in FY2018. The majority of the UMass campuses will reach their 8% debt limit in the near future and will not have the capacity to continue borrowing.

Massachusetts Community Colleges

According to testimony provided to the Committee on May 15, 2017, by John Cox, President of the Massachusetts Community Colleges, the Massachusetts Community Colleges have expended 48.4 % of their authorization from the 2008 Higher Education Bond Bill as of 2017. Prior to the bond authorization, the deferred maintenance backlog had reached \$1.34 billion.

Ninety-six percent of the student body in Massachusetts' community colleges are Massachusetts residents and pay \$207 per credit hour compared to the national average of \$117. Because community colleges often serve as the introductory training ground for many occupational programs, enrollment is cyclical and buildings are in regular use. Shutting down a building for refurbishment or renovations is exceptionally difficult to schedule with the demands and needs of the programming schedule.

Without significant investment, teaching spaces will continue to be outdated and of poor quality.

Massachusetts State College Building Authority

The Massachusetts State College Building Authority (MSCBA) oversees 55 residential complexes—over 4.3 million square feet of property—on nine state university campuses. Edward Adelman, Executive Director of MSCBA, testified before the Committee on May 15, 2017, to provide insight on the status of capital projects overseen by this Authority.

MSCBA undertakes four types of capital projects:

- Residence Hall Construction - informed by the Authority's biennial Strategic Plan and financed through student fees.

- Renewal of Existing Facilities - informed by the Authority's Facility Renewal Plan and financed through the use of reserves and increases to rental fees.
- Student Activity Facilities - financed through student fees, campus contribution, and vendor support.
- Academic Facilities - issue debt to support projects authorized in the 2008 Higher Education bond bill.

From 1999-2016, the Authority has issued bonds totaling \$1.3 billion—\$260 million to fund adaptation and renewal of existing residence halls, \$752 million for new residence halls and expansion of existing ones, \$247 million for Commonwealth-owned student facilities, and \$57 million to supplement Commonwealth-funded projects approved in the 2008 Higher Education bond bill.

In the same time period, the Authority has created 6,800 new beds to help meet increasing housing demands, added sprinkler systems in 52 existing buildings, installed elevators in 13 facilities, built parking garages at Bridgewater, Worcester, Framingham, and Salem State Universities, and spent \$280 million to modernize existing housing, including improvements to 98% of the current stock of residence halls within the system.

The Authority has also prioritized sustainable construction. Efforts to increase energy conservation and reduce resource consumption and emissions on 14 MSCBA projects were recognized by the United States Green Building Council (USGBC) with the Leadership in Energy & Environmental Design (LEED) designation. The \$91.3 million Series 2014B Bonds, issued in December of 2014, represent the first "Green Bond" issued by a state authority in the United States.

Since 2002, the MSCBA has reinvested \$43.5 million of capital improvement reserves into renewal, adaptation, and repair of existing facilities to increase the quality of the residential experience for students living on campus. Mr. Adelman also reiterated the MSCBA's continued commitment to making the college experience more affordable. Their Housing Financial Aid Program distributed \$2 million to the residential student body in FY2016. As a result of this program, approximately 9.7% of students requiring housing had 18% of their costs covered.

Mr. Adelman also highlighted the impact MSCBA projects on the Commonwealth's economy. In FY2016, the Authority estimates that 934 jobs were created by MSCBA projects with a total economic impact of \$163.1 million.

Because the Authority does not receive state appropriations (aside from the project authorized in the 2008 Higher Education bond bill), it is precluded from assuming any additional guaranteed debt. As of June 30, 2016, the MSCBA had no outstanding Commonwealth-guaranteed debt.

Massachusetts Board of Library Commissioners

The Massachusetts Board of Library Commissioners (MBLC) is a division of the Executive Office of Administration and Finance, which is authorized by Massachusetts General Law Chapter 78, Sections 19G-K, to administer capital grant expenditures for library construction.

The Board currently oversees capital funding grant programs for technical assistance, planning and design support, and construction costs, which includes a Green Library Incentive to promote sustainable construction. Generally, grants received from these programs cover 50% of the overall project cost. The remainder is raised by the community.

On November 11, 2017, MBLC Director James Lonergan, testified before the Committee to provide an update on the construction projects underway and projected future needs.

Since 2008, the MBLC has authorized 31 library construction projects. Sixteen of these projects have met LEED certification requirements and received the Green Library Incentive of an additional 2-5% increase in their construction cost grant.

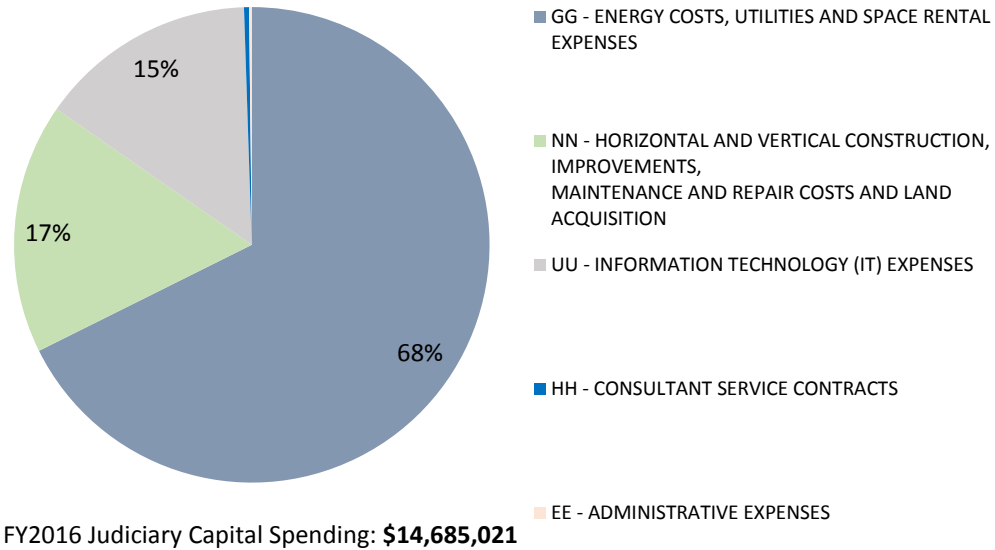
The General Government bond bill of 2014 authorized \$151 million in funds to the MBLC. The Board expended \$20.4 million in FY2015, \$19.4 million in FY2016, and projected \$20 million in spending for FY2017. Actual spending for FY2017 was approximately \$12.4 million. The Board has committed \$100 million for FY2018-22.

In the Construction Grant round of 2016-2017, \$239 million was approved for 33 communities. Twenty-four libraries were put on a wait-list, with a total of \$172 million in overall project costs. The first 5 projects on the list (\$36.4 million) will exhaust the 2014 bond authorization. The remaining 19 projects (\$135.7 million) will require a new bond authorization. As a result, the MBLC intends to seek a new bond authorization in 2019.

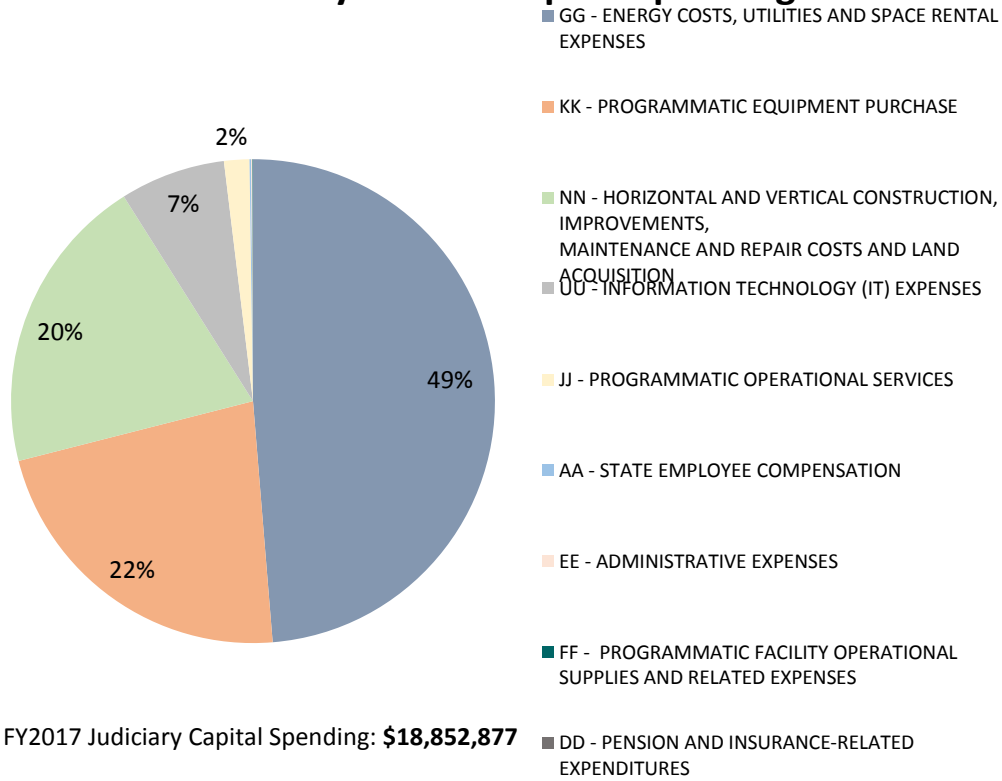
Judiciary

The Massachusetts Trial Court, in coordination with the Division of Capital Asset Management & Maintenance (DCAMM), manages the 101 courthouses that currently make up the state's court system. In FY2016, the Trial Court spent \$14.69 million on capital projects, with roughly half of that amount being solely dedicated to the conversion project at the Edward J. Sullivan Courthouse in East Cambridge (\$7 million). In FY2017, the Trial Court spent \$18.85 million, allocating an additional \$7.17 million on the East Cambridge courthouse project.

Judiciary FY2016 Capital Spending



Judiciary FY2017 Capital Spending



In April of 2017, the Trial Court released the “Massachusetts Courts Capital Master Plan” which chronicled existing facility conditions and strategic planning considerations going forward. Detailing the extent of dilapidation, disrepair, energy inefficiency, and ADA-noncompliance of the majority of the state’s courthouses, the plan emphasized the goal of decreasing the number of courthouses overall by consolidating judicial operations into larger, modern justice centers that would ultimately have higher property values and could be designed and configured in a such a way to better ensure public safety and security.

The plan divided capital expenditures into three distinct phases with a projected total cost of \$3.16 billion. The Courts further subdivided Phase 1 into two timetables and estimated a \$500 million authorization for Phase 1A.

In May of 2017, Governor Baker proposed a \$375 million authorization for the Trial Court to begin Phase 1A of this modernization plan. On June 14, 2017, Court Administrator Jonathan Williams and Chief Justice Paula Carey appeared before the Committee to provide testimony on the status of the Trial Court’s capital improvement plans.

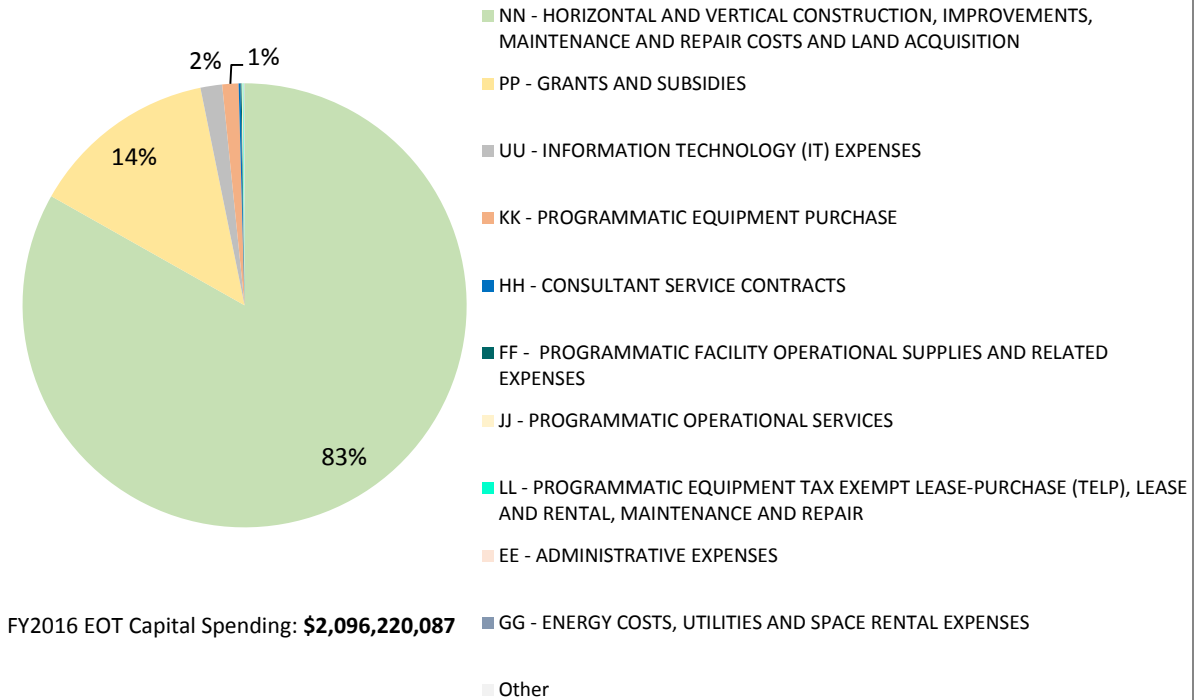
Through the legislative process, the bond authorization amount for the Trial Court in the 2018 General Government bond bill doubled to \$760,500,000. The Trial Court, in consultation with DCAMM, is now in the process of finalizing its master plan to best make use of the available authorization. In order to address the vast deferred maintenance needs of the Trial Court, the Administration should implement a more aggressive spending schedule, at roughly \$100 million a year. The bond cap for the “Courts” policy area, as identified in the Administration’s most recent FY2019-FY2023 CIP, is \$90.33 million.

Transportation

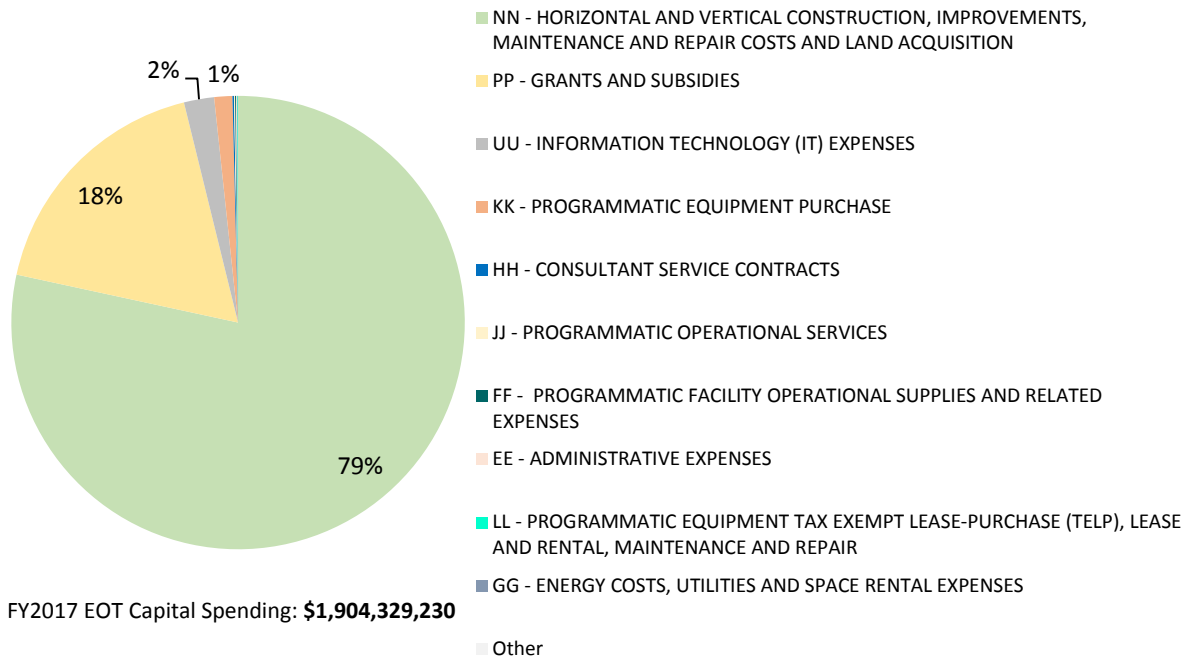
As expected, the Commonwealth’s capital spending on transportation-related infrastructure dominates the state’s total annual capital spending year after year. For both FY2016 and FY2017, costs associated with construction and design and engineering, and state-wide grant programs, including the Complete Streets and the Small Municipal Bridge programs, constitute the majority of the Massachusetts Department of Transportation’s capital spending. MassDOT spent approximately \$2.096 billion in FY2016 and \$1.904 billion in FY2017, totals that are inclusive of the state’s share when paying for projects that received federal aid. In both fiscal years, the majority of MassDOT spending was specifically horizontal construction, which consists of projects that are larger in geographical scale and require heavy equipment, *i.e.* highway construction (58% in FY2016 and 56% in FY2017). In FY2016 and FY2017, MassDOT’s spending, as it relates to the MBTA, was \$316 million and \$233 million, respectively.³⁷

³⁷ Email from Susan Woods, Capital Budget Dir., MassDOT to the H. Bonding Comm. (Aug. 22, 2018) (on file with the Comm.).

Executive Office of Transportation FY2016 Capital Spending



Executive Office of Transportation FY2017 Capital Spending



The state's transportation assets under MassDOT's authority, including 9,500 miles of state roadways, 3,491 bridges, and 19 rail lines, require significant capital investment on a yearly basis in order to best serve their primary purpose: moving people and goods between destinations efficiently and safely.³⁸

As numerous reports have indicated, beginning in 2015, following the events associated with the creation of the MBTA's Fiscal & Management Control Review Board, the majority of the Commonwealth's transportation assets are in a state of disrepair.³⁹ More recently, in September 2018, the MBTA released preliminary findings from a report on the agency's infrastructure inventory, in compliance with new Federal Transit Agency reporting requirements. The report indicated that 57% of the T's stations and parking facilities received a score of 2 or less on a scale from 1-5, stating the need for significant repairs.⁴⁰ This information comes at a time when the T is trying to pare down its \$7.3 billion state of good repair (SGR) backlog. As MassDOT Secretary Stephanie Pollack indicated in an interview related to these findings, the agency would continue to steer its capital investment efforts towards improving overall service, like purchasing new vehicles and making track improvements.⁴¹

MassDOT specifically cites that the primary issues related to the MBTA's SGR backlog are chronic capital underinvestment and capital delivery, project delivery, and contracting process issues.⁴² Over the past three years, under the Baker Administration, the focus has been on addressing these four issue areas associated with deferred maintenance, instead of expanding and/or modernizing facilities and services. The goal of ramping up capital spending agency-wide required a number of internal changes at MassDOT, including the hiring of capital planning experts, adopting new procurement processes and shifting control away from the MBTA to MassDOT on projects like South Coast Rail.⁴³

MassDOT's Annual Performance Report for FY2017, released in March 2018, cited some improvements in annual capital spending. In FY2016, capital spending on SGR projects reached \$502 million at the MBTA. Comparatively, in FY2017, SGR spending increased significantly to \$709 million, nearly double the amount spent on deferred maintenance needs in FY2013 (\$414 million). According to the annual performance report, the Aeronautics Division spent the entirety of its planned capital budget in FY2017. Meanwhile, the Highway Division saw an increase in its "structurally deficient bridge" count in FY2017, topping out at 462 bridges, when the Division's long-term, 2018, and 2020 targets remain at 300. For comparison, the number of structurally deficient bridges in FY2013 was listed at 465. From FY2010-FY2018, capital spending on the Accelerated Bridge program peaked at \$348 million in FY2016. \$158

³⁸ MASSDOT, TRACKER 2017 ANNUAL PERFORMANCE REPORT (Nov. 2017), available at www.mass.gov/files/documents/2018/04/20/Tracker2017.pdf.

³⁹ Adam Vaccaro, *Crumbling Concrete, Leaking Roofs, and Busted Elevators: the State of the T*, BOS. GLOBE, Sept. 10, 2018, www.bostonglobe.com/metro/2018/09/09/crumbling-concrete-leaking-roofs-and-busted-elevators-state/NmBZzzikqN5DrPIfX9IY3M/story.html.

⁴⁰ *Id.*

⁴¹ *Id.*

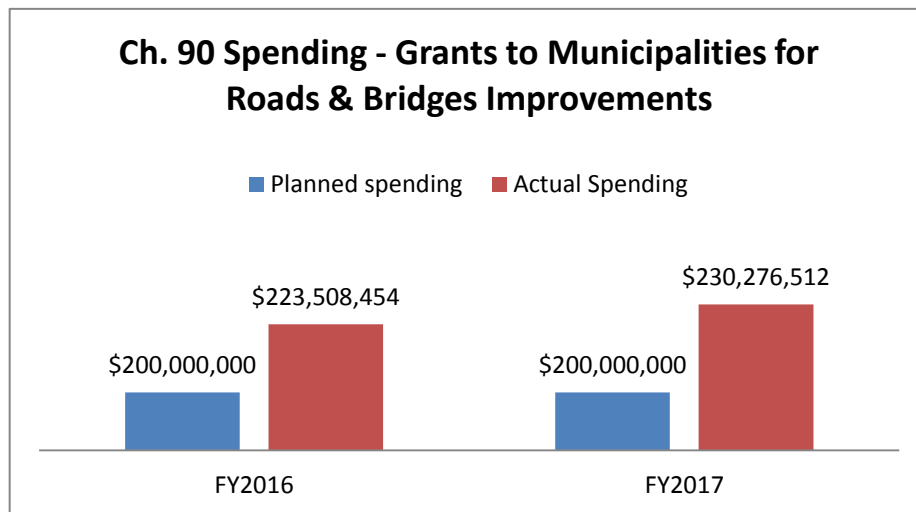
⁴² MASSDOT TRACKER, *supra* note 38.

⁴³ Joint Meeting of the MassDOT Bd. & Dirs. & the Fiscal and Mgmt. Control Bd. (Bos., Mass. Nov. 21, 2016), meeting minutes available at <https://cdn.mbta.com/sites/default/files/fmcb-meeting-docs/2016/november/112116-FMcb-Minutes.pdf>.

million was spent on the program in FY2018. With little progress over the course of these fiscal years, a more thorough strategy may need to be developed.

MassDOT Secretary Stephanie Pollack testified before the Committee on July 26, 2017. Secretary Pollack presented on the then-draft FY2018-2022 Capital Investment Plan (CIP). This was the first MassDOT CIP made available for public viewing in an interactive and more accessible format when finalized in October 2017. In the presentation, Secretary Pollack highlighted MassDOT’s FY2017 accomplishments, which included the successful completion of phase 1 of all-electronic tolling (officially completed as of June 2017), increased MBTA SGR spending (up by 40%), and the completion of Springfield’s Union Station (June 2017). At the MBTA, FY2017 spending on vehicles at the time of Secretary Pollack’s presentation reached \$367.9 million, up significantly from FY2016.

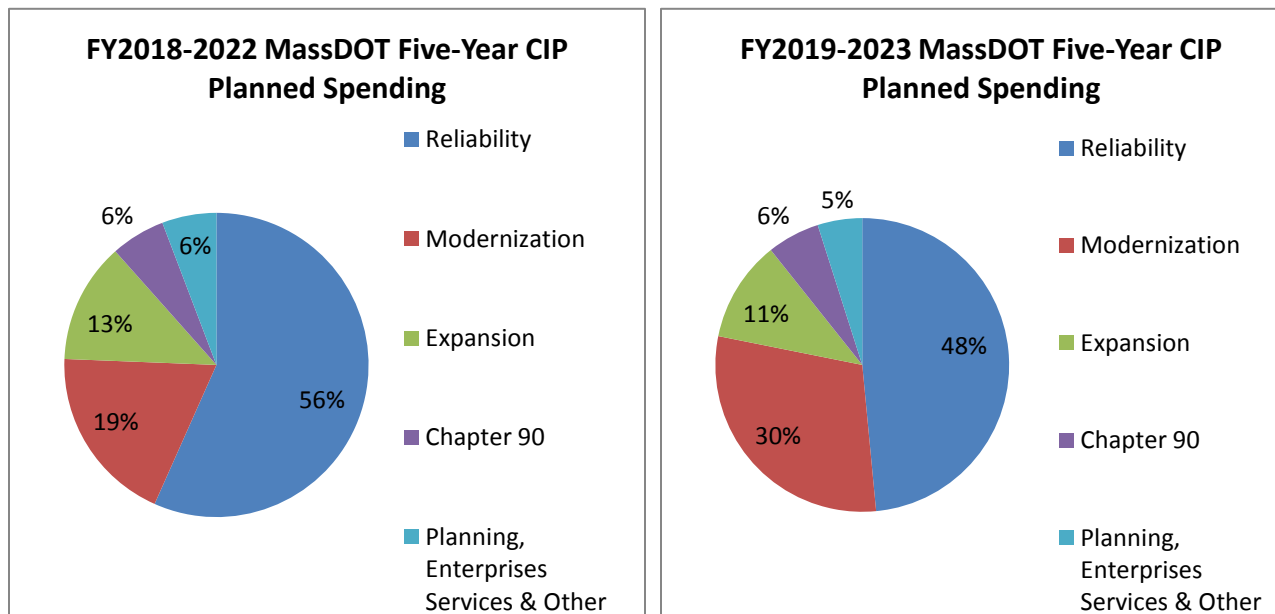
Secretary Pollack also focused on the results of MassDOT’s “Chapter 90” grant program, which has most recently been financed through 1-year, \$200 million bond authorizations. Actual spending on the municipal reimbursement program to improve cities and towns’ roads and bridges surpassed the \$200 million authorization in both FY2016 and FY2017 (pictured below), presenting the potential need for a higher, multi-year authorization for the purposes of planning and better addressing deferred maintenance needs.



Both the FY2018-FY2022 and FY2019-FY2023 MassDOT Capital Investment Plans continued to utilize project selection criteria, based on the following priorities:

- (1) **Reliability:** Maintain and improve the overall condition and reliability of the transportation system.
- (2) **Modernization:** Modernize the transportation system to make it safer and more accessible to accommodate growth.

(3) **Expansion:** Expand the transportation options available to communities throughout the Commonwealth.⁴⁴

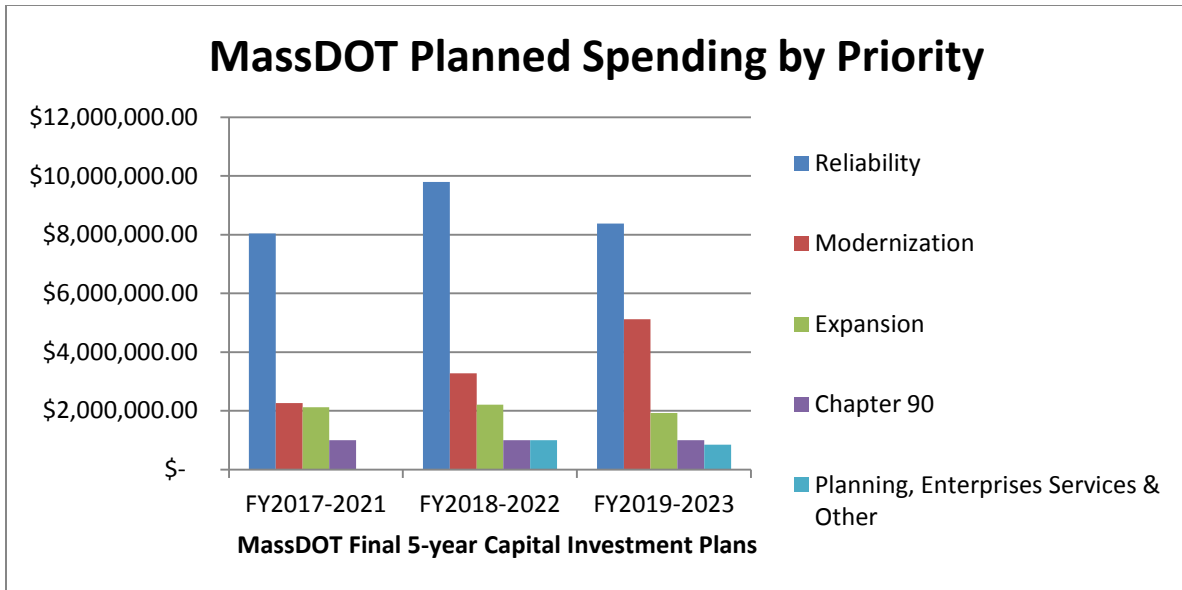


The FY2018-FY2022 capital plan consisted of \$17.29 billion in spending (compared to \$14.79 billion in the previous CIP) over the three categories discussed above. This spending plan includes funds to finance an additional \$200 million per year in Chapter 90 grants and for MassDOT planning operations. The plan features \$9.8 billion in project spending over the next five years on reliability projects and \$3.3 billion and \$2.2 billion, respectively, on modernization and expansion projects.⁴⁵

The most recent FY2019-FY2023 CIP paints a slightly different picture in terms of prioritization, with spending on modernization projects increasing by 11 percentage points, rising to a total of 30% of overall capital spending. The FY2019-FY2023 capital investment plan consists of \$17.27 billion in spending: \$8.38 billion on Reliability; \$5.12 billion on Modernization; and \$1.93 billion on Expansion.

⁴⁴ MASSDOT LEGISLATIVE BRIEFING (State House, Bos., Mass. Apr. 6, 2016).

⁴⁵ *Id.*



In the FY2017-FY2021 CIP, 60% of new capital spending was directed toward projects that help maintain the overall condition of the Commonwealth’s current transit system—mirroring the consistent theme among the Baker Administration that SGR spending is a top priority. More recently, there appears to be more of a balance among the priorities with reliability spending dropping to 48% of total planned capital spending. Examples of large-scale modernization projects at MassDOT include the Highway Division’s Complete Streets program, the MBTA’s Positive Train Control implementation and the Registry of Motor Vehicles’ RMV software transition.

A \$60 million bond authorization for the Registry of Motor Vehicles’ software upgrade, from ALARS to ATLAS, was included as part of the Legislature’s annual Chapter 90 legislation in 2017. The ATLAS modernization project, projected to cost roughly \$102.1 million according to the FY2018-23 CIP, aims to replace the 30-year-old mainframe system for business transaction efficiency purposes. In March 2018, the first phase of the transition from ALARS to ATLAS was completed, enabling registry employees to grant new forms of drivers’ licenses using the new software. For several weeks following the transition, customers cited lengthy wait times. However, MassDOT indicated that significant improvements had been made, reducing excessive wait times by July 2018.⁴⁶

Expansion projects, including the Green Line Extension (GLX) and South Coast Rail (SCR), were modified to address budget and timing concerns. When the GLX project’s expected cost ballooned to almost \$3 billion, the MBTA was forced to review the scope of the project, in which the agency ultimately decided to downsize the project. The GLX’s new cost estimate is roughly \$2.3 billion, which received approval

⁴⁶ See Quinn Diaz, *Reducing Wait Times at the RMV*, WILL BROWNSBERGER STATE SENATOR (July 25, 2018), <https://willbrownsberger.com/reducing-wait-times-at-the-rmv/> (linking to MassDOT’s “Progress and Improvement in Service Delivery Wait Time Trends”).

from the federal government back in April 2017.⁴⁷ On June 25, 2018, construction on the 4.7-mile light rail expansion into Somerville and Medford broke ground.⁴⁸

The South Coast Rail project, which would bring commuter rail service to New Bedford, Fall River, and Taunton, was separated into two phases in an effort to bring service to the region sooner and offset some of the cost.⁴⁹ Phase 1 of the project is estimated to cost roughly \$957 million, with \$108.8 million in state bond money to be spent in FY2019.⁵⁰ As of September 2018, the Baker Administration has been unable to provide a plan to cover the rest of the project's cost.⁵¹

MassDOT Capital Funding Sources - Federal⁵² (FY2018-FY2022 Capital Investment Plan)	
Federal sources of funds	Amount
Federal Highway (FHWA) reimbursements	\$3,525,100,000
Federal Aviation (FAA) reimbursements and grant draws	\$205,900,000
Federal Transit (FTA) reimbursements	\$31,200,000
Federal Rail (FRA) reimbursements and grant draws	\$6,500,000
Total	\$3,768,700,000

MassDOT Capital Funding Sources – Subtotal Federal⁵³ (FY2018-FY2022 Capital Investment Plan)	
Subtotal Federal sources	Amount
Bond cap	\$4,077,900,000
CARM	\$391,200,000
Western Turnpike (WT) pay-go	\$343,800,000
Accelerated Bridge bonds	\$273,700,000
Metropolitan Highway system (MHS) pay-go	\$219,000,000
Rail enhancement bonds	\$214,000,000
Tobin Bridge (Tobin) pay-go	\$178,600,000
Municipal and local funds	\$14,400,000

⁴⁷ Nicole Dungca, *Feds OK Green Line Extension Costs, Securing Project's Future*, BOS. GLOBE, Apr. 4, 2017, www.bostonglobe.com/metro/2017/04/04/feds-green-line-extension-costs-securing-project-future/6Nsiskpk14qQO43vBI9H1I/story.html.

⁴⁸ MBTA, GREEN LINE EXTENSION (GLX) (updated July 20, 2018), www.mbta.com/projects/green-line-extension-glx.

⁴⁹ Ted Nesi, *Could the Latest South Coast Rail Plan be a Billion-Dollar Bust?*, WPRI.COM, Aug. 23, 2018, www.wpri.com/news/local-news/se-mass/could-the-latest-south-coast-rail-plan-be-a-billion-dollar-bust-1/1391589046.

⁵⁰ CIP, *supra* note 23.

⁵¹ Bruce Mohl, *Where Will the Money for S. Coast Rail Come From?*, COMMONWEALTH MAGAZINE, Sept. 20, 2018, <https://commonwealthmagazine.org/back-story/where-will-the-money-for-s-coast-rail-come-from>.

⁵² MASSDOT FY2018-FY2022 CAPITAL INVESTMENT PLAN, PRESENTATION TO MASSDOT BD. (June 2017).

⁵³ *Id.*

Gaming	\$4,000,000
Reimbursable and 3 rd parties	\$2,000,000
Total	\$5,718,600,000
Total sources (Federal and subtotal federal)	\$9,487,300,000

MassDOT’s FY2018-2022 five-year plan would receive \$4.08 billion from the general obligation bonds issued under the Governor’s administrative bond cap and \$3.77 billion from federal grants and reimbursements. In FY2018, the MBTA planned to spend about \$930.9 million on projects, from all sources including federal funding.

Another critical highlight when reviewing MassDOT’s capital spending in FY2016 and FY2017 is the agency’s elimination of its practice of paying employee salaries off of the capital budget in compliance with the 2013 Transportation Finance Act.⁵⁴ In addition, MassDOT eliminated consultant services and utilities, among other non-personnel operating charges, from its capital budget beginning in FY2016.⁵⁵ The MBTA, however, has maintained the practice of paying roughly 200 employees who work on various capital projects throughout their lifecycles via the capital budget. In the Commonwealth’s FY2016 state budget, a provision was included to force the MBTA to move these remaining salaries, through a phased approach, onto the operating budget by the end of FY2017. However, in the FY2019 budget, Governor Baker included language allowing the MBTA to continue paying specific employees via borrowed funds in an effort to save roughly \$27 million in the short-term.⁵⁶

Quasi-Public Agencies

According to the Office of the Comptroller, a quasi-government (or quasi-public) agency is a corporation that is supported by the government to provide services to citizens but has certain budgetary, governing, and policy-making independence from the Executive and Legislative branches. There are currently 42 quasi-public entities operating on a state or regional level in Massachusetts, ranging in size from six to 6000+ employees.

Recognizing the concerns over transparency and oversight of these quasi-public agencies, the Committee invited representatives from MassDevelopment, the Mass Technology Collaborative, MassIT, the Massachusetts Life Sciences Center, Massport, and the Massachusetts Clean Energy Center (MassCEC) to report on their capital spending programs.

⁵⁴ Chapter 46 of the Acts of 2013, An Act Relative to Transportation Finance.

⁵⁵ TRANSPORTATION FOR MASS., KEEPING ON TRACK OUR THIRD PROGRESS REPORT ON REFORMING & FUNDING TRANSP. SINCE PASSAGE OF THE MASS. TRANSP. FIN. ACT OF 2013 (Feb. 2017), www.clf.org/wp-content/uploads/2017/02/Keeping-on-Track-Jan2017.pdf.

⁵⁶ Bruce Mohl, *T Notes: Lawmakers Hike Funding for Regional Transit Authorities*, COMMONWEALTH MAGAZINE, July 18, 2018, <https://commonwealthmagazine.org/transportation/t-notes-lawmakers-hike-funding-for-regional-transit-authorities>.

MassDevelopment (Massachusetts Economic Development & Finance Agency)

Laura Canter, Executive Vice President of Finance Programs, testified before the Committee on July 12, 2017, to discuss the status of the four capitalization funds for which MassDevelopment is responsible for overseeing.

Chapter 219 of the Acts of 2016 provided the latest capitalization funding for MassDevelopment to further their mission to stimulate economic growth in the Commonwealth by leveraging state funding in public-private partnerships with businesses, nonprofits, financial institutions, and communities.

The Brownfields Redevelopment Fund, which received a \$45 million authorization in the Economic Development bond legislation in 2016, aims to transform contaminated properties into productive sites. MassDevelopment established a payback mechanism that requires 15% of future municipal property taxes from a MassDevelopment project to be repaid to the Fund. As a result, for the first time in 2016, funding for this program did not require infusions from the operating budget. \$6.8 million was distributed through this fund in FY2016, \$2.5 million in FY2017, and \$2.65 million in FY2018.

The 2016 Economic Development bond bill geared the Transformative Development Initiative (TDI) towards the creation of “equity investments,” whereby MassDevelopment holds a controlling ownership interest in real estate that can then spur development for near-term projects in Gateway Cities that otherwise lack the necessary funding to proceed. A TDI Cowork Program has also been established to provide grants for collaborative workspaces in Gateway Cities. \$2 million was dispersed through the TDI program in FY2017 and FY2018. The overall authorization for the TDI program was \$45 million for FY2017-2021.

The Collaborative Workspace Program, with a \$15 million, five-year bond authorization, awarded \$950,000 to 23 organizations in its first round of grant funding in December of 2016. With a substantial contribution of \$645,000 from the Barr Foundation, the second round of grants awarded in May of 2017 increased to \$2.15 million. \$500,000 of program funding was expended in FY2017 and \$1 million in FY2018.

The Site Readiness Fund aims to increase the state’s inventory of well-located, project-ready, and permitted sites to meet the needs for biotech manufacturing, heavy industry, and warehousing or distribution space in the Commonwealth. In June of 2017, \$1.8 million was awarded to 14 projects seeking to plan and permit large spaces for redevelopment, including \$300,000 for the redevelopment plans associated with the municipal golf course in the New Bedford. \$1.25 million was expended in FY2017 and \$2.5 million in FY2018. The Site Readiness Fund also received a \$15 million bond authorization in the 2016 Economic Development bond legislation.

MassDevelopment also discussed that the transfer of day-to-day operations of the State Piers in New Bedford and Fall River will require additional capital funding in the future.

Mass Technology Collaborative (MassTech): Massachusetts Broadband Institute (MBI)

Under the auspices of the Mass Technology Collaborative, the Massachusetts Broadband Institute (MBI) was created by statute in 2008 to extend high-speed internet access across the Commonwealth. MBI constructed, and now owns and operates, the MassBroadband 123 program which was awarded \$45.1 million in federal stimulus monies in 2014 and received an additional \$50 million in the Commonwealth's Information Technology bond bill of 2014. The MBI oversees two broadband expansion programs aimed at addressing equity concerns in the state.

Peter Larkin, Executive Director of MBI, testified before the Committee on July 12, 2017, to provide an overview of current programming and capital spending.

According to Larkin's testimony, the Broadband Extensions Program was awarded \$5 million to specifically focus on nine communities that were identified as partially-serviced communities. Through public-private partnerships with local providers, the program has successfully reached 96% of its service area.

Additionally, the Last Mile Program supports 45 unserved towns in western Massachusetts in a combination of municipal and private partnerships. Approximately half of the identified communities (50.7%) are being serviced through municipally-owned & operated broadband networks supported through the Executive Office of Housing and Economic Development (EOHED)'s Last Mile Infrastructure Grant Program. Another 17% of the communities will be served by partnerships with Charter Communications and Comcast who have agreed to build, operate, and own the new broadband network system.

Between the two programs, the MBI will provide broadband service to 88% of the communities identified as underserved, or 46 out of the 54 municipalities, that fall under this category.

Massachusetts Office of Information Technology (MassIT)

In its years of operation, MassIT has expended \$1.834 billion to implement 47 projects across Massachusetts. Of this total, \$872 million is state capital dollars. On July 12, 2017, Breann Fortier, Deputy Chief Information Officer of MassIT, testified before the Committee to provide capital spending updates on their major projects and programming.

For FY2018, MassIT projected to spend \$123 million on 45 projects funded through the MassIT bond authorization from 2014, \$83 million for two projects funded outside of the bond authorization, \$14 million in contingency funding, and \$1 million in seed funding for future projects for a total of \$221 million in state capital-supported IT projects. The remainder is to be supported by a federal match, operating funds, and other outside sources.

In August of 2017, a month after the Committee hearing, Governor Baker utilized his Article 87 authority to create the Executive Office of Technology Services & Security (EOTSS) to centralize technology organization, promote system-wide policies and standards, and increase cross-agency collaboration.

MassIT functions were absorbed by this new entity. Starting in FY2019, EOTSS will have its own budget and capital spending authorizations.

Massachusetts Life Sciences Center (MLSC)

In the Life Sciences bond bill of 2008, the Massachusetts Life Science Center was charged with the implementation of a 10-year, \$1 billion effort to invest in life science initiatives. According to testimony provided by Travis McCready, President and CEO, on September 7, 2017, the MLSC has committed \$656 million in state funds and leveraged \$2.3 billion in private and federal investment to build a portfolio of \$2.9 billion.

For every \$1 invested, the Commonwealth has attracted \$3.50 in additional investment. From 2007 to 2016, employment in the life sciences industry has increased by 30% and created nearly 6,000 jobs with average salaries between \$75,000 - \$120,000.

This increase is fueled in part by two major capital funding programs run by the MLSC. In FY2016, MLSC funded 11 projects with a \$22.9 million investment.

The Competitive Capital Infrastructure Program has committed \$448 million in 66 capital projects since 2009. This has created viable life science clusters with more than 1.6 million square feet in life science and manufacturing space.

- In FY2017, Bristol Community College in Fall River received \$4.4 million grant to purchase equipment and renovate science & engineering labs and redesigned biotech & biomed manufacturing tech programs to meet with local workforce development needs.
- In FY2015, North Shore Innoventures in Beverly was awarded \$1.65 million grant to expand incubator space.
- In FY2014 Lab Central in Cambridge was awarded \$5 million grant to build space. In 2017, the project was awarded an additional \$5 million to expand shared-lab incubator space for life science and biotech start-up companies. Lab Central has the capacity to serve 300 scientists and has worked with 50 companies and leveraged \$1.1 billion in private financing.

The STEM Equipment and Supplies Grant Program supports workforce development in the classroom in vocational-technical schools, high schools and middle schools in Gateway Cities. In FY2017, \$4 million was granted through 49 awards to 80 schools across Massachusetts, including:

- New Bedford High School - awarded \$110,000 to establish a biotech training program with the Amgen Biotech Experience and the Harvard University Life Sciences Outreach Program
- New Bedford Middle Schools - awarded \$25,000 to create a STEM education curriculum in line with the district's plans to become Innovation Schools.
- Brockton High School - awarded \$109,988 to expand a 4-year biotech program to include industrial lab skills and concepts of synthetic biology.

Since its creation, this grant program has awarded \$16.3 million to 115 applicants representing 150 schools in Gateway Cities in the Commonwealth.

Massachusetts Port Authority (Massport)

According to testimony provided on September 7, 2017, by Massport CEO, Thomas Glynn, the Massachusetts Port Authority has an annual operating budget of \$780 million and capital expenses of \$400 million which are distributed as part of a \$2.05 billion, Five-Year Plan to support its three business lines: aviation, maritime, and real estate.

Massport plans to invest \$1 billion, in two phases, to modernize Terminal E at the Logan International Airport to accommodate the projected 7 million international passengers expected to travel through Boston every year by 2022. The scope of this project would include seven new airport gates in Terminal E, at an expense of \$750 million, and an increase in overall airport parking by 5,000 spaces (\$250 million).

Measures have been taken to address the lack of parking capacity that currently exists. Massport remains committed to expanding HOV mode alternatives. Shuttle service is offered through the Back Bay-Logan Airport Shuttle, the Framingham-Logan Express, and Silver Line Service. Massport has made a \$25 million investment to purchase eight new Silver Line buses to expand capacity and opened a \$300 million central rental car facility to reduce the traffic and parking pressure. To maximize the benefit of the Terminal E Expansion, ancillary work would also have to be done to improve passenger flow in Terminal B (\$165 million) and upgrade roadways into and out of Terminal C (\$206 million). The complete project is expected to cost \$1.4 billion.

Massport's maritime capital spending focuses on infrastructure improvements for Boston Harbor and the Paul W. Conley Container Terminal. The Boston Harbor Dredging Project will increase the depth of the shipping lanes in the harbor from 40 ft. to 47 ft. and has been awarded a combination of state and federal dollars, including \$12 million in federal CAD cell & maintenance dredging funds, \$18 million from the FY2017 Army Corp Work Plan, and \$58 million from the federal FY2018 budget. The state share of the project is estimated to be \$130 million.

In regards to the Conley Terminal, \$107.5 million was authorized in the 2016 Economic Development bond bill towards the expense of modernizing Berth 10 with 3 cranes (\$215 million in total). FASTLANE projects were also approved for Berths 11 and 12 for \$103 million. Total capital expenditures on the Massport maritime business line is \$448 million.

The real estate business line has capital projects totaling \$214 million, including \$90 million for the South Boston Waterfront Transportation Center and \$32 million to expand Jet Blue service into and out of the Worcester Regional Airport by installing a CAT III landing system. The remainder will fund additional improvements to Worcester, as well, as Hanscom Airport.

The Massport Capital Program currently has a portfolio of \$2 billion, but is running with a net operating margin of only 3.3%. As of 2017, only Logan International Airport and the Autoport in Charlestown generated revenue. All other properties report losses every year. According to Mr. Glynn, the net operating margin has declined from 9% to 3% in the past 10 years largely due to the loss of Tobin Bridge revenues and the inclusion of the Worcester Regional Airport in their service territory.

Additionally, outstanding debt in FY2017 has reached \$1.7 billion, with plans to increase that level by an additional \$1 billion over the next five years to reach \$2.7 billion by 2022. Annual debt service payments are \$113 million total - \$88 million for funding Logan Airport projects and \$25 million each year for the \$365 million Big Dig roadway projects under their responsibility.

Massport's total capital project needs are cited at \$3.3 billion—\$2 billion of which is part of the approved capital program, \$276 million are for projects contingent on funding sources, and \$989 million are for projects that are not currently funded. In short, in 2017, Massport's capital needs exceed resources by \$1.3 billion. The FY2017 capital budget was set at \$443 million. Actual expenditures came in at 85% of the budget because 15% were slowed down due to environmental approvals and limited resources.

It is evident that significant and sustained investment is necessary to address the capital challenges at Massport.

Massachusetts Clean Energy Center (MassCEC)

Established in 2009, the Massachusetts Clean Energy Center (MassCEC) is a quasi-public agency funded through the Renewable Energy Trust Fund (RET) which was created in 1997 through the utility deregulation process. Currently, the RET is funded at approximately \$22 million per year through a system benefits charge (avg. \$0.29/month) assessed on Massachusetts utility customers.

MassCEC is responsible for distributing RET funds to invest in programs and projects that expand the Massachusetts clean energy sector across residential, business, and community spaces and promote the widespread adoption of renewable energy alternatives.

In testimony provided on November 9, 2017, MassCEC CEO Stephen Pike reported that their Renewable Energy Generation programs totaled \$166 million in 2016-2017. The Clean Heating & Cooling program distributed \$30.5 million in awards, including \$3.7 million investment in low-to-moderate income neighborhoods. This amounted to 13,000 projects statewide, which were able to leverage an additional \$122 million from the private sector. The Mass Solar Loan program distributed over 3,300 loans through \$23.5 million in awards, with \$17.1 million directed toward low-income communities. Additionally, MassCEC provided \$72 million to local clean energy companies, business incubators, start-ups, and research institutions to promote innovation and support further development of the industry.

MassCEC has also invested significantly in clean energy infrastructure projects to create the necessary physical capacity for Massachusetts to become a national leader in wind technology. In FY2016, the Wind Technology Testing Center in Charlestown reported revenues of \$2,433,741, operating expenses of \$1,771,257, and an operating income of \$622,484. In FY2017, these figures dipped to revenues of \$1,544,360, operating expenses of \$1,541,269, and an operating income of \$3,091.

The completion of the Marine Commerce Terminal in New Bedford in 2016 positions Massachusetts to further maximize the benefit of future offshore wind development. Final construction expenses totaled \$113,061,201. The project received \$104,961,201 from State General Obligation bond funds and

MassCEC directed \$8.1 million from the RET for the project. In FY2016, the Marine Commerce Terminal reported \$270,525 in revenue, with expenses totaling \$327,131, for a first-year operating loss of \$56,606. In FY2017, these numbers improved with revenues of \$560,814, operating expenses of \$583,414, and an operating loss of \$22,600, an overall improvement for the second year of operation.

MassCEC calculates that over 105,000 jobs have been created through the 83,000 renewable energy projects that they have supported. According to Mr. Pike, although clean energy is a relatively new sector of the Massachusetts economy, it already represents 2.5% of the state GDP and \$11.8 billion in economic activity.

Chapter 3: Borrowing Activity & Bond Bills

Capital expenditures are primarily financed through federal grants and state borrowing activity. This debt is issued to fund the Commonwealth's capital budget and its principal balance represents the Commonwealth's long-term commitment to infrastructure improvements and capital development projects in communities across the state. This debt is secured by the full faith and credit of the Commonwealth.

The Office of the State Treasurer issues authorized debt at the request of the Governor, and the Governor, through the Secretary of Administration and Finance, controls the amount of capital expenditures through the release of funding every year.

The State Treasurer is statutorily responsible for all of the borrowing needs of the Commonwealth of Massachusetts. Long-term borrowing, or borrowing for a term of one year or longer, is conducted through two borrowing programs: (1) the General Obligation bond program, which involves a pledge of the state's general taxing power; and (2) the Special Obligation bond program, which involves a pledge of specific revenues.

At the close of FY2018, the Commonwealth had approximately \$22.4 billion in general obligation bonds outstanding, of which \$18.7 billion, or approximately 84%, was fixed rate debt and \$3.6 billion, or 16%, was variable rate debt. Approximately \$1.6 billion, or 7.6%, of the variable interest debt is fixed in practice through the usage of swap agreements which allow the Commonwealth to hedge against the risk associated with a variable rate. The remaining \$2 billion of outstanding general obligation debt, or 9%, has a variable rate which floats with interest rates and is reset periodically.⁵⁷ The Commonwealth General Obligation bond program is rated AA1 and AA by Moody's and Standard & Poor's, respectively.⁵⁸

The Special Obligation bond is the second category of borrowing. This is borrowing secured by dedicated funding and designated for specific, defined purposes. These include the Convention Center Fund, established in 1997 and funded through hotel tax and parking surcharges in certain municipalities which benefit from the convention centers in Boston, Springfield, and Worcester, and the Commonwealth Transportation Fund.

The Commonwealth Transportation Fund has been used to finance the Accelerated Bridge Program and moving forward, will be dedicated to spending on rail enhancement projects to supplement the MBTA existing capital program. These bonds are secured by a portion of the tax on gasoline, as well as taxes on diesel fuel, LNG and all fees received by the Registry of Motor Vehicles. At the end of FY2018, the

⁵⁷ COMMONWEALTH OF MASS., THE COMMONWEALTH OF MASSACHUSETTS: INFORMATION STATEMENT (September, 27, 2017).

⁵⁸ GOV'T. BOND RATINGS, INVESTING BONDS | MASS. INVESTOR, www.massbondholder.com/debt-investments/bonds/ratings (last visited Dec. 11, 2018).

Commonwealth Transportation Fund had about \$2.287 billion in special obligation Commonwealth Transportation Fund debt outstanding.

The chart below outlines the various types of debt owed by the Commonwealth and the extent to which the amount of principal outstanding for that type of debt has grown or declined since the Committee last published this report.⁵⁹

Type of Debt	2016	2018 (as of June 30)	Percent Change
Total Principal	\$23,923,754	\$27,360,820	12.56%
General Obligation Debt	\$19,070,272	\$21,451,664	11.10%
Special Obligation Debt	\$808,265	\$1,788,445	54.81%
Accelerated Bridge Program	\$1,545,150	\$1,680,555	8.06%
Federal Grant Anticipation Notes	\$688,465	\$748,445	8.01%
MBTA Forward Funding	\$207	\$207	0.00%
Transportation Infrastructure Fund	\$1,159,198	\$1,092,519	-6.10%
School Building Assistance (SBA)	\$652,197	\$598,985	-8.88%

A&F also provided the Committee with a list of all capital accounts and their associated FY2019 beginning balances and current uncommitted balances. The Committee isolated the accounts with the highest FY2019 beginning balances (all over \$100 million), which are outlined in the chart below, listed by their associated bond legislation. Expired accounts and line items with unknown original authorizations were removed. The last column highlights how much of the original bond authorizations remain uncommitted, by percentage. Among these specific accounts, the average uncommitted funds to original authorizations ratio is 55%. It is important to note that within accounts like line item 1100-3001 “Facilities Grants to Cities and Towns” included in the 2008 General Government bond bill, there are a significant amount of local earmarks that remain unfunded.

Law / Account Line Item	Original Authorization	FY2019 Beginning Balance	Uncommitted Funds (12/5/18)	Percent of authorization uncommitted
Accelerated Structurally-deficient bridge improvement program - Ch. 233 of 2008				
6121-0800 - Accelerated Bridge Program - MHD	\$2,078,000,000	\$115,824,383	\$11,624,885	1%
Boston Convention & Exhibition Center - Ch. 195 of 2014				
0101-0101 - Convention Center Expansion Project	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	100%
Economic Development - Ch. 219 of 2016				
7002-8006 - MassWorks Infrastructure Program	\$500,000,000	\$278,808,258	\$148,401,006	30%
6720-1340 - Conley Terminal Improvements	\$109,500,000	\$109,500,000	\$109,500,000	100%

⁵⁹ Information provided by the Comptroller’s office (Dec. 3, 2018).

Law / Account Line Item	Original Authorization	FY2019 Beginning Balance	Uncommitted Funds (12/5/18)	Percent of authorization uncommitted
Environment - Ch. 286 of 2014				
1102-2016 - Accelerated Energy Program - Self-Financed Projects	\$250,000,000	\$196,632,003	\$184,744,065	74%
2000-7026 - Coastal Infrastructure	\$120,000,000	\$109,661,981	\$104,254,951	87%
6720-1350 - Coastal Facility Improvements	\$149,700,000	\$107,502,873	\$98,632,025	66%
General Government - Ch. 304 of 2008				
1100-3001 - Facilities Grants to Cities & Towns	\$285,988,000	\$261,263,179	\$261,261,028	91%
1100-9200 - Equipment for General Government Operations	\$250,000,000	\$223,974,842	\$223,131,619	89%
1102-5600 - Court Facilities Capital Needs	\$658,350,000	\$222,550,221	\$150,012,604	23%
8900-8500 - Jail and Correctional Facilities	\$550,000,000	\$213,084,328	\$143,404,931	26%
General Government - Ch. 237 of 2014				
1102-2009 - Commonwealth Facility Improvements	\$450,758,561	\$195,088,733	\$145,603,071	32%
4000-2022 - Health and Human Services Facility Improvements	\$318,800,000	\$171,565,458	\$68,501,618	21%
7000-9091 - Library Capital Grants	\$151,200,000	\$113,396,292	\$96,511,510	64%
General Government - Ch. 133 of 2017				
4000-2024 - Chelsea Soldiers Home Replacement	\$199,000,000	\$197,598,595	\$157,866,072	79%
Higher Education - Ch. 258 of 2008				
7100-1000 - UMass Campus Facility Improvements	\$1,001,500,000	\$547,206,149	\$496,362,084	50%
7066-8000 - State & Community College Facility Improvements	\$1,189,055,630	\$469,691,676	\$418,609,689	35%
Housing - Ch. 129 of 2013				
7004-0044 - Public Housing	\$500,000,000	\$230,692,951	\$38,613,822	8%
7004-0042 - Affordable Housing Trust	\$305,000,000	\$181,000,000	\$131,000,000	43%

Law / Account Line Item	Original Authorization	FY2019 Beginning Balance	Uncommitted Funds (12/5/18)	Percent of authorization uncommitted
Military - Ch. 48 of 2014				
1100-1590- Military	\$177,000,000	\$157,189,947	\$157,189,947	89%
Transportation - Ch. 18 of 2013				
6122-1323 – Ch. 90 Municipal Road Projects	\$300,000,000	\$117,825,886	\$99,998,551	33%
Transportation - Ch.79 of 2014				
6622-1381 - South Coast Rail	\$2,300,000,000	\$2,171,865,910	\$2,108,529,251	92%
6621-1308 - MBTA	\$2,500,000,000	\$1,937,118,272	\$1,141,935,169	46%
6121-1317 - Non-Federal Aid Highway	\$2,978,603,273	\$1,805,539,819	\$1,304,472,491	44%
6622-1382 - Green Line Extension	\$1,327,517,000	\$970,628,603	\$384,140,390	29%
6622-1383 - South Station	\$325,000,000	\$321,477,205	\$313,258,377	96%
6622-1305 - RTA Capital Program	\$350,000,000	\$189,430,429	\$163,902,469	47%
6622-1384 - Regional Rail Projects	\$175,000,000	\$174,876,859	\$174,876,859	100%
2890-7020 - DCR Parkways	\$125,000,000	\$125,000,000	\$125,000,000	100%
Transportation - Ch. 220 of 2016				
6121-1714 - Federal Aid Highway A2016 C220 S2 terms S11	\$750,000,000	\$595,678,390	\$115,074,564	15%
Transportation - Ch. 77 of 2018				
6122-1824 - Municipal Roads and Bridges A18 C77 S2 bond S3 terms	\$200,000,000	\$200,000,000	-	0%
Average of Uncommitted Funds to Original Authorizations ratio				55%

Chapter 4: Capital Debt Affordability

Committee

The Capital Debt Affordability Committee (CDAC) is charged with recommending the “affordable” amount of borrowing for the Commonwealth for the next fiscal year. Since its creation by statute in 2012, the CDAC has made 5 recommendations to the Governor, the most recent of these on December 12, 2017.⁶⁰ These recommendations were made after several meetings of the CDAC, held monthly between September and December 2017. The meetings were chaired by then-Assistant Secretary for Capital Finance at the Executive Office of Administration & Finance, Jennifer Sullivan.⁶¹

As in previous years, the Committee chose to define affordability as “the ability to sustainably meet projected debt service within the budget without raising taxes to uncompetitive levels or negatively impacting critical services.” Similarly, the CDAC used a three-part test to determine the extent to which debt to be issued in FY2017 could be considered affordable. This test consisted of the following criteria:

- (1) Over the next 10 years, does the proposed borrowing result in a level of overall debt service that falls within a 7% benchmark of debt service as a percent of budgetary revenue and does such proposed borrowing keep total debt service to within 7.5% of budgeted revenue in the next fiscal year?
- (2) Does the proposed borrowing meet the restriction imposed by the statutory debt cap such that total new debt outstanding for the Commonwealth from growing at a rate faster than 5% per year (\$21.8 billion in FY2017)?⁶²
- (3) Is the additional amount of new general obligation borrowing below the \$125 million administrative debt cap?⁶³

The CDAC applied these criteria to a variety of projected borrowing scenarios for FY2019 and concluded that the Commonwealth could prudently issue \$2.34 billion in general obligation bonds in FY2019. “This represents a 3.5 percent increase in the state bond cap,” the CDAC wrote in its recommendation to the Governor, “which allows for targeted investments in the Commonwealth’s Infrastructure while keeping growth in debt service and outstanding principal within long-term revenue projections.”⁶⁴ In making this

⁶⁰ Letter from Capital Debt Affordability Committee (CDAC) to the Governor (Dec. 12, 2017), *available at* www.mass.gov/files/documents/2018/04/25/recommendation-letter-final-12-12-17.pdf.

⁶¹ The CDAC is chaired by the Secretary of Administration & Finance and consists of the Treasurer, the Comptroller, the Secretary of the Executive Office of Transportation, two appointees of the Treasurer and one appointee of the Governor. The ranking majority and minority members of the House and Senate Committees on Ways and Means and the House and Senate Committees on Bonding, Capital Expenditures & State Assets serve as non-voting members of the CDAC. M.G.L. c. 29, § 60B(c)-(e).

⁶² M.G.L. c. 29, § 60A.

⁶³ *Id.*

⁶⁴ *Id.*

recommendation, the CDAC found that the 3.5% increase to be roughly in line with the Committee's revenue projections for FY2019.⁶⁵

The recommendation recognizes the statutory debt limit on outstanding qualifying debt of \$24 billion for FY2019.⁶⁶ Since 1989, Massachusetts has had a statutory limit for total outstanding direct state debt, which increases by 5% each year. Not all state debt is subject to this statutory limit; borrowing authorized by H4424 in the 189th General Court "created a new \$50 million program to finance small bridge repairs exempted from the debt ceiling the Rail Enhancement Program -- \$1.86 billion in bonding through 2020 to finance the Green Line Extension project, the purchase of new Red and Orange Line trains, the Knowledge Corridor rail extension, South Station improvements, and the South Coast commuter rail extension -- which budget trackers pointed to as a main reason the state was fast approaching its debt ceiling."⁶⁷

⁶⁵ *But see* CDAC Meeting Minutes from Oct. 11, 2017 (Howard Merkowitz, Deputy Comptroller, Comptroller of the Commonwealth of Massachusetts, questioning assumption of revenue growth, noting that the central assumption of 3.25% annual growth was below long term experience and future projections of wage and salary growth), *available at* <https://www.mass.gov/service-details/agendas-minutes-and-presentations>.

⁶⁶ CDAC letter, *supra* note 60.

⁶⁷ Colin Young, *State Panel Will Recommend \$70 Mil Increase in Capital Spending*, STATE HOUSE NEWS SERV., Dec. 12, 2016, www.statehousenews.com/news/20162690.

Chapter 5: Committee Recommendations

Rule 17G of the Rules of the Massachusetts House of Representatives asks the Committee to analyze the Commonwealth's capital spending and borrowing activities to ensure such activities are performed in accordance with the General Court. This section responds to Rule 17G based on the information gathered by the Committee during the 2017-18 legislative session.

In order to continue to improve the capital budget process and the public's ability to understand the choices involved, the Committee makes the following recommendations:

- 1. The Commonwealth must prioritize the collection and use of data on the condition of all of its capital assets across agencies, as well as all capital spending related to the maintenance or creation of such assets, and use such data on a continuous basis to develop long-term projections for the capital spending needed to maintain or modernize existing state infrastructure.**

The Baker Administration continues to improve upon the strong foundation set by the Patrick Administration with regard to the Commonwealth's ability to monitor the condition of its infrastructure and plan for its improvement or maintenance. The regular and dedicated collection and analysis of such data allows the Commonwealth to begin to ration the capital budget based on the genuine needs of its various agencies and departments.

Under present circumstances, however, the division of capital resources between interests within state government remains unclear because neither the Legislature nor the public has comprehensive data regarding what major pieces of state infrastructure are most in need of investment and how much that investment is likely to cost over a constant time horizon. As noted in the Committee's previous reports, the development and routine use of such a database would also relieve the burden on the Administration of filing regular reports on capital spending with the Legislature. Such reports are required to be filed, with the requirements appearing in nearly every bond bill as well as in the general laws.

The inconsistent formats by which A&F has transmitted project-level capital spending data to the Committee over the past several sessions has prevented in-depth, long-term analyses of capital spending by municipality. The Committee recommends increasing the agency's resources so that capital spending data could be filtered by region, senate and/or house legislative district, along with each project's associated bond authorization. With this information, legislators could better assess their district's capital needs for future capital planning purposes. The Comptroller's CTHRU program, does, however, enable the public to view the annual grants awarded to each municipality, when filtered by vendor.

Continued efforts to streamline access to this data, while ensuring that it captures both capital spending over time and the condition of infrastructure will, as discussed in more detail below, help state policy

makers understand how to prioritize the various capital spending needs of the Commonwealth. It will also prevent Massachusetts from embarking on dramatic shifts in capital budget initiatives by ignoring the maintenance or modernization of the assets we currently require.

2. The Legislature should take a stronger role in managing the scope and priorities of the capital budget, utilizing the legislative tools accessible to members.

Over the last several decades, the compartmentalization of data regarding capital spending needs and activities within various branches of state government has allowed the Legislature to defer most oversight and nearly all control over the capital budget to the Executive Branch. As discussed in previous sections, the best example of the Legislature's passive approach to capital budget management is the staggering difference between the amounts authorized to be spent for various capital accounts and the smaller amounts that are actually spent. While it may be expedient for the Legislature to allow the Governor to set capital budget priorities, such expediency has long-term consequences.

The fact that Administrations tend to change every four to eight years, coupled with the managerial fact that technocratic and institutional knowledge tends to concentrate where authority is most meaningful, has created a dynamic where new administrations can alter the contents of long-term capital plans for the sake of short-term policy goals. The Legislature has little ability to counter such moves because over the last three or four decades it has written bond authorizations so broadly, and allowed information regarding the capital budget and the state of capital assets to become so insulated from legislative policy review.

The Legislature lacks the staffing and infrastructure sufficient to match the role of the executive, a co-equal branch of government. In preparing this report, for instance, this Committee relied heavily on information provided from the Executive Branch and other constitutional offices. With additional resources—both in personnel and information technology—the General Court will be able to equalize the efforts of other capital budget stakeholders.

However, the fact that the Baker Administrations has prioritized transparency with regard to both available capital planning data and planning processes is helpful toward giving the Legislature an opportunity to become an equal partner in the capital budget process. The Legislature should use the increasing amount of data made available by the Administration to develop its own set of capital priorities, reduce or eliminate capital spending authorizations that are not paired with a specific project or program currently in progress or that have little likelihood of getting spent because of overall limits regarding the possible size of the capital budget. Such change might result in the Legislature reviewing more capital appropriations bills than it currently does. However, such change would almost certainly help Massachusetts state government take a more long-term and transparent approach to capital spending.

3. The Legislature should restructure the membership, mandate and resources of the Capital Debt Affordability Committee.

The Capital Debt Affordability Committee (CDAC) has proved to be a useful forum for comparing perspectives on the capital budget between branches of government. In addition, it has helped Massachusetts maintain continuity and transparency regarding administrative approaches to measuring appropriate levels of state debt. To build upon these successes the Legislature should consider (a) providing the CDAC with a permanent staff outside of the Executive Office of Administration & Finance, dedicated to analyzing the conditions of the Commonwealth's capital assets and its long-term liabilities; and (b) reorganizing the membership of the CDAC in order to enhance its ability to opine on the affordability of the Commonwealth's borrowing independently from any specific branch of government. These recommendations were made in this report two years ago and the Committee repeats them here.

Since 2012, the CDAC has conducted research using staff resources provided by the Executive Office of Administration & Finance and the Treasurer's Office. These professionals have done heroic work in providing useful data and thoughtful analysis to the CDAC. However, this work has taxed the already limited and overly burdened resources of these offices. In addition, the ability of the CDAC to provide independent oversight of the choices made at the Executive Office of Administration & Finance or the Treasurer's Office is limited by the extent to which the analysis of the CDAC is performed by staff from these offices. In order to improve the capacity of the CDAC to conduct deep research and analysis of the Commonwealth's long-term obligations, and to be able to conduct such research in a manner that is independent of the chief decision makers for the borrowing and spending of the capital budget, the CDAC should be allowed a small, dedicated and independent staff.

In addition, a reorganization of the CDAC's membership such that it includes other voices from both inside and outside state government would allow for increased perspective and independence with regard to rendering an opinion of affordability to present to the Governor. Adopting membership from these branches of state government, along with a rotating chair to ensure no single branch controls the agenda, will likely be considered a strong sign of the Commonwealth's commitment to funding its debt service by both the general public and the capital markets.

4. The Legislature should end the practice of paying operating expenses with borrowed funds.

As recommended by this Committee and its predecessors in past reports, the most important step the Commonwealth can take to improving its capital spending activities is to stop paying operating expenses with borrowed funds. This practice constitutes little more than deficit financing based on the inability to properly account for the annual cost of Commonwealth government and detracts from the real and growing need for the Commonwealth to spend its resources on the physical infrastructure that supports and moves our economy. Over the last several years, the Legislature has directed and provided the funding to the Administration to make large reductions in the extent to which operating expenses are capitalized.

5. The Legislature should define "deferred maintenance" projects to ensure bond authorizations are spent in a manner that is reflective of a capital project's actual needs.

Despite its prevalence in discussions over capital spending, the term “deferred maintenance” is not uniformly defined in the General Laws nor by regulation. While some executive agencies issue comprehensive criteria regarding deferred maintenance projects, others are silent.⁶⁸ As discussed below, a standard definition of “deferred maintenance” will serve to make costs predictable and help guide the Legislature in enacting bond authorizations.

The Federal Accounting Standards Advisory Board (FASAB) generally defines deferred maintenance projects as repair activities that are “not performed when [they] should have been or [were] scheduled to be and which is put off or delayed to a future period.”⁶⁹ Although the FASAB definition is used for accounting purposes, it provides a helpful reference with which to frame this discussion.

In order to make costs predictable the Legislature should move to standardize “deferred maintenance,” be it through General Law or piecemeal—*i.e.*, through individual bond authorizations. With a definition in-hand, the Legislature will be better able to predict costs and draft appropriate legislation based on real capital needs. Foreseeable costs lead to transparency in spending, to everyone’s benefit.

Moreover, addressing deferred maintenance as early as practicable is also good policy. As small repairs are delayed, they become costly major replacements projects. Increasing the timeline for small and medium repairs will have the concomitant effect of ensuring compliance with the federal Americans with Disabilities Act.

A standard definition forces transparency of costs and data, increases the Executive Branch’s accountability to the Legislature, and shifts some control back to this branch of government. Creating a sound and predictable expectation for “deferred maintenance” would be an important step toward accomplishing many of the other goals described above.

⁶⁸ *E.g.*, DEFERRED MAINTENANCE, www.mass.gov/service-details/deferred-maintenance (last visited Dec. 12, 2018).

⁶⁹ FEDERAL ACCOUNTING STANDARDS ADVISORY BD., DEFINITIONAL CHANGES RELATED TO DEFERRED MAINTENANCE AND REPAIRS: AMENDING STATEMENT OF FEDERAL FINANCIAL ACCOUNTING STANDARDS 6, ACCOUNTING FOR PROPERTY, PLANT, AND EQUIPMENT (May 11, 2011), http://www.fasab.gov/pdffiles/sffas_40_deferred_maintenance_and_repairs_2011may11.pdf.

Appendix 1: Rule 17G of the Massachusetts House of Representatives, 2017-2018 Legislative Session

17G. The committee on Bonding, Capital Expenditures and State Assets shall review all legislation providing for the giving, loaning or pledging of the credit of the Commonwealth (see Article LXII of the Amendments to the Constitution, as amended by Article LXXXIV). Said committee shall be responsible for evaluating such legislation and determining the appropriateness of enacting legislation containing increased bond authorizations for the Commonwealth. The committee shall periodically review and hold open public hearings, accepting oral and written testimony on the status of the bonds and notes of the Commonwealth, including (1) general obligation debt; (2) dedicated income tax debt; and (3) special obligation debt. The committee shall also, in its continuing study of the state's bonding practices, review the Commonwealth's liabilities relative to (a) state-supported debt; (b) state-guaranteed debt; and (3) indirect obligations.

Any bill providing for borrowing for new projects, and requiring the Commonwealth to issue bonds for such purpose, shall, prior to its reference to the committee on Ways and Means, be referred to the committee on Bonding, Capital Expenditures and State Assets for report on its relationship to the finances of the Commonwealth. A measure may initially be referred to a joint committee with jurisdiction over the subject matter before being referred to the committee on Bonding, Capital Expenditures and State Assets.

The committee on Bonding, Capital Expenditures and State Assets shall consult with the various agencies of the Executive Branch and the office of the Treasurer and Receiver-General relative to project expenditures, availability of funds, the sale of new bonds and the resultant debt obligations, federal reimbursements and other related funding and bonding issues.

The committee on Bonding, Capital Expenditures and State Assets shall be authorized to conduct hearings relative to the statutory authority of the Executive Branch and the Treasurer and Receiver-General in the issuance and sale of bonds and notes and the expenditure of capital funds by the various agencies and authorities of the Commonwealth. The committee shall determine whether such laws, administrative regulations and programs are being implemented in accordance with the intent of the General Court. The committee shall be authorized to make recommendations for statutory changes and changes in the Constitution which would grant discretion to the General Court over the allotment and expenditure of funds authorized by capital appropriations.

The committee on Bonding, Capital Expenditures and State Assets shall be authorized to report to the General Court from time to time on the results of its hearings and to file drafts of legislation and proposals for amendments to the Constitution necessary to carry its recommendations into effect.

Messages from the Governor setting terms of bonds and notes, or for the de-authorization or authorization of bonds and notes shall be referred to the committee on Bonding, Capital Expenditures and State Assets.

Appendix 2: Explanation of Terms

There are a number of terms, concepts and procedures related to state borrowing that may be unfamiliar to many of those who may read this report. For this reason, the following seeks to define and explain these terms in a readily understandable way.

What is a bond?

A bond is a security that a government or corporation issues as a way to borrow money. The bond represents a debt owed by the bond issuer to the purchaser of the bond and the obligation to repay the debt. The state issues bonds through an underwriter who will sell the bonds to investors. Investors buy the bonds and the purchase money goes to the state, which then uses the money for authorized capital projects. The state or other issuer must repay the purchasers the principal (the face amount of the bond) by the maturity date of the bond. The issuer also must make interest payments to bondholders, generally twice each year.

What is the difference between a “general obligation bond” and a “special obligation bond” (also known as a “revenue bond”)?

A general obligation bond is backed by the “full faith and credit” of the state. This means that all of the revenues and assets of the state are available for repayment. General obligation bonds are repaid by debt service appropriations from the General Fund. Each budget contains a line item appropriating the amount of the debt service due in that fiscal year.

A special obligation bond (SOB), also known as a revenue bond, is backed by and repaid from a specific revenue source. It is not backed by the full faith and credit of the state and is not paid from general revenues. For example, bonds issued to pay for the construction of the Boston Convention and Exhibition Center are revenue bonds. These bonds are paid *solely* from special “Boston Convention and Exhibition Center” revenues, including tourism-related hotel, sales and meals taxes and surcharges on car rentals and tour tickets. These special surtaxes and surcharges are deposited to a separate fund, which is then used to pay the principal and interest on the bonds.

What is a note?

A note differs from a bond in that it is generally issued for a shorter term. One kind of note is a “bond anticipation note” (BAN). BANs are commonly issued before the longer-term bonds are sold. BANs will typically be issued for a one-year term, but may be renewed for additional one year terms. Once the state is ready to issue the bonds, the BANs will be paid off from the proceeds of the bond sale.

What is a grant anticipation note?

Another type of note is a “grant anticipation note” or GAN. GANs were first issued to finance the Central Artery and Third Harbor Tunnel project, commonly known as the “Big Dig.” GANs were needed to bridge the funding gap between immediate construction cost needs and future federal highway reimbursements. During certain years of the project, those costs exceeded the rate at which federal

grants were being received. Thus, the GANs were issued in anticipation of future federal highway grants. The state issued GANs to finance a portion of the accelerated structurally-deficient bridge program.

GANs differ from other notes in that they are longer-term than typical notes. In addition, the GANs are secured by a pledge of future federal highway reimbursements. Thus, once federal grants are received, the funds go into a grant anticipation note trust fund and are used first to pay debt service on GANs.

What is debt service?

The term “debt service” refers to required payments on borrowings including state bonds and notes. Debt service consists of repayments of the principal amount of the bonds plus accrued interest.

What is a bond rating?

Certain companies, such as Moody’s Investor Service, issue ratings of the governments and companies that issue bonds. The ratings are an assessment of the creditworthiness of bond issuers, much like the creditworthiness of individuals is rated in credit reports. The ratings tell an investor, using a letter/number designation (“AAA” being Moody’s best rating) how likely the issuer will be able to pay the principal and interest on its bonds in full and on time. Other major companies that rate government debt are Standard & Poor’s and Fitch Ratings.

What is the administrative bond cap?

The administrative bond cap limits the amount of money that the Governor chooses to spend annually from bond funds. The bond cap was first instituted in 1991. This limit is not provided for by statute but is established by the Executive Office for Administration and Finance. The Executive Branch has increased the bond cap from time to time.

The overall capital spending limit in some cases is higher than the bond-funded spending cap. Some investment categories, particularly transportation, receive money for capital projects from third party sources. For transportation, the state receives large federal highway reimbursements annually, which are included in the transportation spending cap.

What is the capital spending plan?

The capital spending plan is a budget established by the Executive Branch that specifies how bond funds and other money for capital projects will be spent during a particular time period. The Administration annually develops and publishes a five-year capital spending plan that shows how much money will be allocated to the various capital investment categories in each year. The spending plan divides up the amount of money in the annual bond or capital spending cap.

The capital budget, as set forth in the capital spending plan, differs from the operating budget in that it is paid for by borrowing money through the issuance of bonds. The operating budget is funded by the state’s general revenues. The capital budget pays for items and projects, such as roads and buildings that have sufficiently long useful life to justify paying for them over a period of years.

How are bonds authorized?

Bonds and other kinds of debt obligations must be authorized by legislation. Bond bills include a section or sections that authorize the State Treasurer to issue and sell bonds. These sections are known as “bond authorizations.”

What is a bond authorization?

A bond authorization is a section in a bond bill that authorizes the State Treasurer, at the request of the Governor, to issue and sell bonds of the Commonwealth. The authorization specifies the kind of bond, e.g. whether general or special obligation, the total amount of bonds authorized and the maximum term of the bonds. The authorization states that the Governor shall recommend the term of the bonds as required under Article 62 of the amendments to the state constitution.

What is a capital spending authorization?

Capital spending authorizations are the particular spending items authorized in bond bills and funded from the bonds authorized in the corresponding bond authorization section. Capital spending authorizations are somewhat like appropriations in the budget but are for specific capital projects or programs and are funded from bond proceeds.

For how long is a capital spending authorization valid?

State law provides that a capital spending authorization is valid for a period of five years. Unless the authorization is extended by legislation, it will expire and can no longer be used. Each year, the state enacts legislation to extend the term of unused capital spending authorizations that are due to expire but are still needed.

What is authorized and unissued debt?

This refers to bond-funded spending authorizations that have not been used. Once bond-funded accounts are authorized, money can be spent from these accounts at any time until the account expires or is de-authorized. The part of a bond-funded authorization that has not been spent at any given time is referred to as “authorized and unissued.” The state comptroller issues regular, periodic reports on the amount of unused bond authorizations.

Are there any legal limits on the amount of money the state can borrow?

Yes. While the administrative bond-cap is not required or set by law, there are also statutory limits on the amount of debt the state can have at any one time and the percentage of the budget that may be used for debt service payments. Mass. Gen. Laws, chapter 29, section 60A establishes a limit on the total amount of direct debt the state may have outstanding at one time. The statute established an initial limit in 1989 and provides for an annual 5% increase in the amount of the limit. Thus, debt outstanding for a fiscal year cannot exceed 105% of the amount of debt outstanding during the previous fiscal year. As mentioned, the limit applies only to direct debt of the Commonwealth and, therefore, doesn't cover such indirect obligations as contract assistance (state payments to a separate entity to pay debt service on bonds issued by that entity). Refunding bonds, which are used to refinance existing higher interest bonds, are also excluded from the debt limit.

Appendix 3: Capital Budget Transparency Data

The Administration is required to track and report to the Legislature projected and actual capital spending. Specifically, section 62 of chapter 7 of the General Laws states:

The executive office for administration and finance shall report annually to the house and senate committees on bonding, capital expenditures and state assets and the house and senate committees on ways and means, not later than November 1, a list of all capital projects, the legislation and line-item authorizing such funding, the municipalities and senate and house legislative districts in which such projects are located, the total estimated cost of each project and the total amount expended on each project in the immediately preceding fiscal year.

During the Patrick Administration, the agencies responsible for reporting this data stated that existing capital budget tracking software did not allow for tracking of the capital budget at the project level. In 2014, after the publication of the Committee's report for the 2013-2014 legislative session, the Executive Office of Administration & Finance reported to Committee staff that the Administration was in the process of attempting to gather the data necessary to track and report on project-level capital spending. In December 2015, the Baker Administration provided the first set of data containing capital budget project-level information that has been provided to the Legislature since November of 2011.

The data provided by the Executive Office of Administration & Finance for this report does not fully comply with the statutory capital spending reporting requirements contained in chapter 7 of the General Laws. Unlike the information included in the Committee's last report, the table below does not feature the "total estimated costs of each project" and is not organized by municipality due to the complexity of the raw data set. In some instances, project or program descriptions are too vague to understand the purpose or nature of the spending. However, the data provided below is easily searchable to view FY2016 and FY2017 capital spending on projects that the public, legislators and legislative staff are familiar with. The Committee looks forward to continue working with the Administration to improve the transparency of capital budget project-level spending.

Appendix 3A: FY2016-FY2017 Capital Project Spending by Bond Bill

In the chart below, capital projects with a “plan item name” or brief description are listed numerically by bond bill authorization with their associated costs in both FY2016 and FY2017.

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
005C (1995 C.263 S.3)	\$ 1,548,636.76	
MassCourts	\$ 1,548,636.76	
0069 (1980 C.205 S.103)	\$ 2,825,216.11	\$ 2,464,791.82
Springfield Union Station Parking Garage	\$ 2,825,216.11	\$ 2,464,791.82
0119 (1991 C.499 S.13)	\$ 227,436.10	\$ 794,533.89
012C (1996 C.12 S.3)	\$ 156,737.63	\$ 3,545.42
Various Construction Costs - Public Safety	\$ 156,737.63	\$ 3,545.42
0133 (1993 C.494)	\$ 1,536,400.36	\$ 538,730.44
Public Housing - General	\$ 1,536,400.36	\$ 538,730.44
0144 (1995 C.267 S.3)	\$ 706,511.88	\$ 2,093,493.99
Various Construction Costs - Executive Office of Health & Human Services	\$ 706,511.88	\$ 2,093,493.99
0176 (1988 C.164 S.2D)	\$ 4,799.31	\$ 426.30
Various Construction Costs - State Office Buildings and Deferred Maintenance	\$ 4,799.31	\$ 426.30
0198 (2001 C.177)	\$ 376,657.91	\$ 183,574.39
Various Construction Costs - Executive Office of Health & Human Services	\$ 376,657.91	\$ 183,574.39
020C (1996 C.205 S.17)	\$ 70,567.24	\$ 14,421.76
MassDOT - Aeronautics Division	\$ 70,567.24	\$ 14,421.76
0269 (2011 C.10)	\$ 3,853,221.96	\$ 3,166,384.43
Chapter 90	\$ 3,853,221.96	\$ 3,166,384.43
036C (1998 C.189 S.7)	\$ 48,503.60	\$ 18,400.50
Lowell Justice Center	\$ 48,503.60	\$ 18,400.50
055C (2002 C.142 S.3)	\$ 519,237.21	
Eliminate	\$ 519,237.21	
055C (2002 C.142. S.3)	\$ 1,521,637.78	\$ 1,403,482.54
EHS Data Warehouse Maintenance/Enhancements	\$ 143,207.20	\$ 111,795.20
Health Insurance Exchange (HIX) Integrated Eligibility System		\$ 210,000.00
New MMIS Maintenance/Enhancements	\$ 1,378,430.58	\$ 1,081,687.34
056C (2002 C.236 S.3)	\$ 1,948,157.22	\$ 1,364,373.79
Coastal Resource Protection Program Support	\$ 407,188.65	\$ 24,216.22

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Community Investment Grant Programs	\$ 697,589.00	\$ 900,533.50
EEA Capital Management	\$ 76,899.67	\$ 5,396.06
Land Protection Grant Programs	\$ 396,964.00	
Massachusetts Estuaries Reporting Project	\$ 107,015.90	
Muddy River Flood Control and Historic Preservation Project	\$ 262,500.00	\$ 283,228.01
Sustainable Water Management Initiative (SWMI)		\$ 151,000.00
057C (2004 C.290 S.14)	\$ 63,006.48	\$ 1,000.00
Public Housing - General	\$ 63,006.48	\$ 1,000.00
058C (2002 C.245 S.4)	\$ 2,922,168.97	\$ 6,800,145.44
DCAMM Capital Management		\$ 5,489,931.86
Delegated Deferred Maintenance - Statewide	\$ 100,000.00	
DYS Middleton - Northeast Regional Youth Service Center - New Facility	\$ 83,882.50	\$ 13,180.50
Statewide Asset Maintenance and Modernization	\$ 78,416.47	
Urban Revitalization Development Grant Program (URDG)	\$ 1,242,896.00	\$ 1,168,306.00
Various Construction Costs - Executive Office of Health & Human Services	\$ 39,319.39	\$ 10,766.98
Various Construction Costs - Public Safety	\$ 1,377,654.61	\$ 117,960.10
059C (2002 C.246 S.4)	\$ 55,027.35	\$ 31,242.35
MassDOT - Aeronautics Division	\$ 55,027.35	\$ 31,242.35
0613 (1994 C.85 S.2)	\$ 284,411.16	
Charles River Sandbar Removal	\$ 284,411.16	
0618 (1994 C.273 S.2K)	\$ 1,098,380.00	
Springfield Union Station Parking Garage	\$ 1,098,380.00	
061C (2004 C.291 S.2G)		\$ 257,035.30
Transit Division		\$ 257,035.30
063C (2012 C.238 S.58)	\$ 1,755,618.89	
MassWorks - Infrastructure Grant Awards	\$ 1,755,618.89	
0650 (1997 C.23 S.1)	\$ 1,343,777.00	\$ 500,000.00
Capital Improvements at Devens	\$ 1,343,777.00	\$ 500,000.00
066C (2004 C.290 S.2A)	\$ 104,511.50	\$ 5,150,039.05
Lowell Justice Center		\$ 5,150,039.05
Various Construction Costs - Trial Courts	\$ 104,511.50	
073C (2008 C.119)	\$ (19,923,856.07)	\$ 24,802.04
Capital Improvement and Preservation Fund	\$ (3,449,700.00)	
Housing Innovations Fund	\$ 81,098.33	\$ 24,802.04
Housing Stabilization Fund	\$ (15,409,024.40)	
Transit Oriented Development Housing	\$ (1,146,230.00)	
074C (2008 C.119)	\$ 41,332,395.26	\$ 12,332,073.11
Manufacturing Training Equipment Grants	\$ 880,801.85	
MassWorks - Infrastructure Grant Awards	\$ 24,686,373.10	\$ 2,141,229.78

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Public Housing - General	\$ 15,765,220.31	\$ 10,190,843.33
075C (2010 C.240 S.2B)	\$ 3,225,000.00	\$ 3,225,000.00
Small Business Economic Development Investments	\$ 3,225,000.00	\$ 3,225,000.00
076C (2013 C.129 S.2)	\$ 190,446,181.55	\$ 205,559,338.04
Affordability Preservation		\$ 10,000,000.00
Affordable Housing Trust Fund	\$ 35,000,000.00	\$ 35,000,000.00
Capital Improvement and Preservation Fund	\$ 3,449,700.00	
Community Based Housing	\$ 5,000,000.00	\$ 5,000,668.22
Early Education and Out of School Time Capital Fund	\$ 4,000,000.00	\$ 4,000,000.00
Facilities Consolidation Fund	\$ 11,600,000.00	\$ 11,955,104.00
Housing at Transit Nodes	\$ 2,000,000.00	
Housing Innovations Fund	\$ 12,354,635.90	\$ 14,914,072.26
Housing Stabilization Fund	\$ 36,767,101.76	\$ 24,678,286.59
Mass Rehabs Home Modification Loan Program	\$ 6,500,000.00	\$ 6,500,000.00
No Plan Item	\$ 5,200.00	
Public Housing - Affordable Housing Trust Fund	\$ 5,000,000.00	\$ 5,000,000.00
Public Housing - General	\$ 67,623,313.89	\$ 86,511,206.97
Transit Oriented Development Housing	\$ 1,146,230.00	\$ 2,000,000.00
077C (2014 C.48 S.2)	\$ 4,236,306.80	\$ 1,277,307.09
Military Base Energy Trust Fund	\$ 4,236,306.80	\$ 255,418.09
Military Task Force		\$ 1,021,889.00
078C (2014 C.257 S.13)	\$ 105,945,989.32	\$ 143,696,192.42
Accelerated Energy Program (AEP)	\$ 944,651.18	\$ 5,514,062.66
Berkshire Community College - Hawthorne and Melville Halls Renovation		\$ 2,181,445.84
Bridgewater State Hospital Planning Study		\$ 170,169.45
Brockton 226 Main Street - Building Stabilization and Mothballing	\$ 169,417.00	\$ 81,635.32
Chelsea Soldiers' Home - Envelope Repairs, Toilet / Shower Room Accessibility Improvements	\$ 207,242.00	\$ 584,606.86
Chelsea Soldiers Home - Long Term Care		\$ 751,358.90
Chelsea Soldiers' Home - Transitional Housing - P3		\$ 50,730.00
Commonwealth Asset Real Estate Planning	\$ 119,830.00	\$ 71,101.04
DCAMM Capital Management	\$ 34,066,190.09	\$ 28,216,396.88
DCAMM Capital Solutions		\$ 7,922,314.00
DCAMM Facility Maintenance and Operations	\$ 2,432,579.80	\$ 2,898,088.22
DCAMM Surplus Property Management and Maintenance	\$ 5,452,421.32	\$ 4,746,272.92
Delegated Deferred Maintenance - Statewide	\$ 14,300,916.11	\$ 14,093,820.51
Division of Fisheries & Wildlife - New Field Headquarters	\$ 122,104.15	\$ 455,102.35
DMH - Taunton State Hospital - Life Safety and Accessibility		\$ 37,550.00
Downtown Brockton Investment	\$ 5,923.48	\$ 57,747.94

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
DPH - JP Campus - Renovations	\$ 75,000.00	\$ 371,340.50
DPH - Lemuel Shattuck Hospital - Personnel Building Demolition		\$ 1,344.92
DPH - Lemuel Shattuck Hospital - Renovation / Replacement	\$ 46,967.83	\$ 276,240.70
DPH - Pappas Rehabilitation Center - Energy/Water Upgrades		\$ 452.34
DPH - Western Mass Hospital - Fire Alarm		\$ 92,808.72
DPH - Western Mass Hospital - Mechanical Upgrades		\$ 69,186.00
DYS Westborough - Infrastructure Improvements		\$ 477,774.69
FINAL PAYMENTS - Environmental Affairs	\$ 32,580.00	\$ 125,197.91
Government Center Facility Management	\$ 435,769.65	\$ 1,300,760.78
Hampden County Jail & House of Corrections - HVAC Replacement	\$ 3,140,247.22	\$ 328,483.06
Higher Education - Critical Repairs	\$ 1,320,323.06	\$ 4,737,489.50
Higher Education - Study Pool	\$ 118,104.50	
Holyoke Soldiers' Home - Egress Renovation	\$ 8,330.00	\$ 97,075.00
Human Resources Division - Space Consolidation		\$ 70,275.00
Hurley Lindemann - Envelope Repair	\$ 187,336.00	\$ 35,267.00
Hurley Lindemann - Toilets	\$ 15,000.00	\$ 242,593.45
Hurley Lindemann Building - Life Safety Improvements		\$ 10,763.70
Massachusetts College of Art - Tower Redevelopment	\$ 58,004.07	\$ 60,195.00
Massachusetts Maritime Academy - Blinn Hall - Envelope Repairs	\$ 133,886.43	\$ 941,135.02
Massachusetts Maritime Academy - New Academic Building	\$ 4,000.00	
McCormack Building - Day Care / Lobby / Cafeteria	\$ 130,590.31	\$ 1,706,038.64
McCormack Building Master Plan and Improvements		\$ 496,807.51
Medfield State Hospital - Remediation & Demolition	\$ 115,522.12	\$ 182,000.21
Mount Wachusett Community College - Haley Academic Center Modernization / Additi		\$ 13,952.88
New Bedford State Pier Refrigeration		\$ 2,482.08
New DCR Maintenance Facility in Cambridge		\$ 1,500.00
New Greenfield Trial Court		\$ 81,189.31
Salem State University - Mainstage Theater Modernization	\$ 345,960.33	\$ 6,419,175.18
Secretary of the Commonwealth - State Archive Building - Renovation	\$ 103,823.00	\$ 366,663.00
Solomon Carter Fuller Mental Health Center - Facade Repair/Elevator Upgrade	\$ 10,435.00	\$ 478,243.98
Springfield State Office Building, Dwight Street - Repairs		\$ 291,782.93
State House - Elevator Upgrades & Replacements	\$ 841,584.29	\$ 4,636,905.32
State House - Energy & Water Upgrades	\$ 623,052.86	\$ 7,050,146.49
State House - New Telecom Hub	\$ 299,939.35	\$ 31,635.19
State House - Senate Chamber Renovation	\$ 782,650.99	\$ 1,281,369.04
Statewide Asset Maintenance and Modernization	\$ 7,238,297.39	\$ 8,370,397.24

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Statewide Office Building Study	\$ 69,750.00	
Statewide Tenant Planning and Improvements		\$ 88,888.14
Taunton State Hospital - Loading Dock and Secure Access Points	\$ 52,975.00	\$ 1,654,908.94
Trial Courts - Strategic Master Plan	\$ 17,062.00	
UMass Boston - New Integrated Science Building	\$ 475,061.13	\$ 40,785.17
UMass Boston - Substructure Demolition / Quadrangle Development	\$ 136.75	\$ 20,774.11
UMass Dartmouth - School for Marine Science & Technology - New Facility		\$ 6,311,050.00
UMass Lowell - Energy / Water Upgrades		\$ 1,174,829.12
Various Construction Costs - Executive Office of Health & Human Services	\$ 13,586,193.75	\$ 5,829,618.03
Various Construction Costs - Public Safety	\$ 7,619,419.85	\$ 1,039,415.13
Various Construction Costs - State Office Buildings and Deferred Maintenance	\$ 3,440,706.22	\$ 2,810,392.55
Various Construction Costs - State Universities and Community Colleges	\$ 71,011.54	\$ 384,824.64
Various Construction Costs - Trial Courts		\$ 5,850.00
Various Construction Costs - University of Massachusetts	\$ 19,499.98	
Veterans' Memorial Cemetery, Agawam - Phase 3 Expansion	\$ 41,768.27	\$ 19,701.63
Warren Center - Framingham State University	\$ 6,500,000.00	
Worcester State Hospital Campus - Biotech Redevelopment	\$ 62,699.00	\$ 15,049,501.00
Workforce Disparity Study	\$ 101,026.30	\$ 784,578.78
079C (2014 C.237 S.14)	\$ 34,455,427.69	\$ 27,114,339.42
Board of Library Commissioners - Library Construction Grants	\$ 8,787,249.45	\$ 6,399,112.10
Cultural Facilities Fund		\$ 9,417,865.00
DCAMM Capital Solutions		\$ 1,420,951.56
Manufacturing Training Equipment Grants	\$ 6,249,425.12	\$ 186,744.40
Mass MoCA	\$ 13,017,079.75	\$ 8,939,666.36
MassWorks - Infrastructure Grant Awards	\$ 4,599,173.37	
Spire Center for Performing Arts	\$ 750,000.00	\$ 750,000.00
(blank)	\$ 1,052,500.00	
080C (2014 C.237 S.15)	\$ 18,119,987.54	\$ 15,949,312.26
Cruiser Replacement	\$ 8,280,364.54	\$ 9,999,465.08
Department of Correction Equipment	\$ 2,797,662.44	\$ 2,995,767.71
Department of Fire Services - Equipment	\$ 2,693,358.90	\$ 12,654.94
Mobile Data Terminal Replacement	\$ 2,855,976.79	\$ 2,941,424.53
Public Safety Equipment	\$ 1,129,517.23	
Various Construction Costs - Public Safety	\$ 363,107.64	
082C (2014 C.257 S.6)	\$ 57,947.40	\$ 172,673.55
New Lottery Support Systems and Peripherals	\$ 57,947.40	\$ 172,673.55

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
083C (2014 C.257 S.7)	\$ 134,643,206.19	\$ 107,050,410.06
Case Management System	\$ 269,417.20	
Child Care Financial Assistance (CCFA) Application Enhancements	\$ 1,893,792.30	\$ 499,501.07
Commonwealth Enterprise Content Management Services	\$ 961,782.47	
Comprehensive Security	\$ 944,313.59	\$ 1,578,523.20
Data Office Data Integration and Analytics	\$ 3,484,640.86	\$ 1,413,973.33
DCAMM Contractor Certification Portal	\$ 163,620.00	\$ 67,995.00
DCAMM Facility Maintenance and Operations	\$ 157,772.73	
Department of Children and Families (DCF) Enterprise Mobility	\$ 4,289,722.63	\$ 3,914,015.40
Desktop Transformation	\$ 3,645,074.94	\$ 2,046,424.74
Digital Services / Mass.gov		\$ 310,020.00
DOR Active Directory	\$ 92,152.01	\$ 140,600.00
DTA System transformation	\$ 3,189,793.26	\$ 21,729.84
eAuthentication Replacement	\$ 121,959.50	
e-Licensing	\$ 19,602,053.95	\$ 9,580,748.46
Energy & Environmental Affairs (EEA) IT Infrastructure		\$ 2,894,446.97
Energy/Environmental Information and Public Access System	\$ -	\$ 1,465,615.63
EOLWD Infrastructure Upgrade		\$ 2,757,692.47
Financial Dashboard & Federal Reporting		\$ 22,002.50
GIC MAGIC Modernization Phase 2	\$ 1,834,132.21	\$ 1,583,175.76
Government Application Innovation Infrastructure	\$ 249,114.45	
GovNext	\$ 178,687.09	
Health and Human Services IT Infrastructure	\$ 428,720.33	\$ 8,230,285.06
Health Insurance Exchange (HIX) Integrated Eligibility System	\$ 34,755,649.98	\$ 38,468,742.19
HR Analytics	\$ 1,730,846.25	\$ 482,000.00
HRCMS 92 Upgrade	\$ 5,182.81	
HRCMS ACA Tax Reporting Module	\$ 390,609.82	\$ 6,758.42
HRD MassCareers Phase 3	\$ 4,391,518.10	\$ 142,933.76
IES Phase 2 - DTA Enhancements	\$ 6,120.00	
IES Phase 2 - MA21 Medicaid Enhancements	\$ 86,622.09	
Information Technology Department (ITD) Procurement Reform	\$ 103,257.00	
Integrated Criminal Justice Information System (ICJIS)	\$ 10,969,289.23	\$ 9,201,109.17
Interagency Data Services	\$ 1,913,586.78	
Interchange Replacement	\$ 688,259.39	\$ 266,477.75
ITD Masterplan / Improvements - Phase 1	\$ 47,250.00	\$ 34,384.92
LIB State Library Digitization Project	\$ 1,131,533.37	\$ 993,135.16
MassHealth IT & Data Upgrades	\$ 346,500.00	\$ 1,923,597.61
MassIT Capital Solutions		\$ 63,481.00
MassIT Transformation	\$ 12,260,600.94	\$ 5,746,083.38
Modernization of Dept. of Local Services (DLS) Gateway Portal	\$ 823,401.38	\$ 760,969.05

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Municipal Property Assessment System		\$ 22,834.00
New CAMIS Facilities Management System	\$ 1,733,959.96	\$ 824,472.73
Pharmacy Information System	\$ 5,870,560.95	\$ 6,261,926.16
Provider Data Management System 5.0	\$ 414,796.50	
Public Housing Central Wait List	\$ 673,148.12	\$ 1,193.45
State Auditors Performance and Transparency Initiative	\$ 2,331,728.60	\$ 2,935,325.81
State Rental Voucher Management System	\$ 243,505.62	
Statement of Financial Interests Filing & Mgt Application (SFI-FMA)	\$ 626,510.70	\$ 86,689.50
Supreme Judicial Court E-File		\$ 169,287.04
Transparency Open Checkbook Initiative	\$ 132,659.50	
TRE eBoards	\$ 43,511.94	
TRE - Legacy System Modernization	\$ 926,468.30	
UI Online	\$ 5,025,000.00	\$ 910,006.38
Vendor Self Service	\$ 2,195.64	
Virtual Gateway EOHHS Platform Upgrade	\$ 5,449,621.80	\$ 1,222,253.15
Vitals Information Partnership (VIP) System Transformation Project	\$ 12,561.90	
084C (2014 C.257 S.8)	\$ 34,849,256.51	\$ 45,980,688.71
Attorney General Office (AGO) Case Management		\$ 729,820.82
Child Support & Enforcement COMETS HD	\$ 9,119,233.95	\$ 4,862,689.18
COMMBUYS	\$ 2,723,742.75	\$ 42,577.50
Comprehensive Security		\$ 5,421,452.65
Constitutional Office Projects		\$ 1,139,603.83
Data Office Data Integration and Analytics		\$ 56,467.59
Desktop Transformation		\$ 431,636.54
Digital Connections Partnership Grants		\$ 62,259.25
Digital Services / Mass.gov		\$ 225,357.04
EOE Small Projects		\$ 606,793.04
EOLWD Infrastructure Upgrade		\$ 60,140.16
Financial Literacy & Website		\$ 372,238.07
Health Insurance Exchange (HIX) Integrated Eligibility System		\$ 95,040.00
Information Technology Department (ITD) Procurement Reform		\$ 2,497,769.62
IT Capital Portfolio Management		\$ 766,541.81
MassGIS and Community System Enhancements		\$ 40,339.67
MassHealth IT & Data Upgrades		\$ 1,090,453.07
MassIT Transformation	\$ 2,961,015.06	\$ 9,590,244.93
MassNET	\$ 42,971.46	
MassTaxConnect System	\$ 20,002,293.29	\$ 14,925,349.80
Medicaid and DDS System Enhancements		\$ 749,925.00
Municipal Property Assessment System		\$ 213,296.07

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Next Generation MCAS Reports		\$ 475,510.98
Payment Processing System		\$ 284,040.58
Schools Interopability Framework (SIF) Improvements		\$ 1,241,141.51
085C (2014 C.257 S.9)	\$ 8,951,582.93	\$ 12,610,294.76
Broadband Institute	\$ 477,168.79	
Broadband Last Mile	\$ 6,426,029.19	\$ 10,959,094.59
Digital Connections Partnership Grants	\$ 2,048,384.95	\$ 1,651,200.17
087C (2014 C.257 S.11)	\$ 18,018,522.56	\$ 20,071,707.54
RMV - ATLAS	\$ 18,018,522.56	\$ 20,071,707.54
089C (2014 C.286 S.33)	\$ 8,297,942.65	\$ 1,637,433.06
Birch Road Well, Framingham	\$ 650,000.00	
Charles River Sandbar Removal	\$ 478,718.83	
Community Investment Grant Programs	\$ 14,999.00	
EEA Agency Land Protection Programs	\$ 35,000.00	\$ 40,000.00
Environmental Remediation (Clean State)	\$ 1,024,035.42	\$ 3,836.57
Greening the Gateway Cities	\$ 695,141.95	\$ 777,209.78
Municipal Vulnerability Program (MVP)		\$ 692,339.13
Shaffer Paper Remediation	\$ 3,205,730.56	\$ 116,285.83
Storm Water Management Program	\$ 2,194,316.89	\$ 7,761.75
090C (2014 C.286 S34)	\$ 122,195,930.59	\$ 127,060,264.60
Ambient Air Monitoring		\$ 55,995.63
Aquatic Recreation and Habitat Restoration	\$ 348,311.50	\$ 725,447.44
Beach Improvements		\$ 373,621.90
Birch Road Well, Framingham	\$ 4,644,000.00	
Blue Hills Reservation Improvements		\$ 89,482.91
Campground Modernization Program	\$ 429,839.20	\$ 905,715.22
Cape Cod Water Quality Monitoring		\$ 250,000.00
Capital Project Management	\$ 14,232,657.37	\$ 14,497,601.72
Charles River Dam and Amelia Earhart Dam Lock Replacement Program	\$ 136,139.13	
Charles River Sandbar Removal		\$ 3,103.95
Chrystal Lake	\$ 400,000.00	
Clean Water Trust - State Match	\$ 10,969,803.00	\$ 12,066,600.00
Coastal Pollutant Remediation (CPR) Grants	\$ 19,345.00	
Columbia Greenway Bike Trail Design and Construction, Westfield	\$ 300,000.00	
Comfort Station Rehabilitation	\$ 759,039.48	\$ 2,801,998.76
Community Investment Grant Programs	\$ 16,474,486.19	\$ 14,252,192.69
Critical Coastal Infrastructure and Resilience Grants	\$ 8,059,582.57	
Dam Rehabilitation Program	\$ 2,195,403.00	\$ 587,595.41
DCR Bridge Maintenance Program	\$ 29,712.98	\$ 10,400.95

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Deferred Maintenance and Small Repairs	\$ 16,200,101.37	\$ 11,690,592.87
DEP Water Contamination Mitigation		\$ 5,000,000.00
Department of Fish and Game Dam Safety Repair		\$ 487,210.06
DFG Facility Repairs		\$ 745,370.33
EEA Agency Land Protection Programs		\$ 100,000.00
EEA Facilities Deferred Maintenance		\$ 575,613.47
Energy and Environment Consolidated IT Program	\$ 2,338,589.20	\$ 1,509,576.59
Energy and Habitat Conservation and Restoration		\$ 302,478.70
Enforcement Support and Brownfields	\$ 425,228.14	\$ 45,633.24
Environmental Police Vehicle and Mobile Data Terminal Replacement	\$ 539,462.83	\$ 508,859.68
Environmental Remediation (Clean State)	\$ 309,150.87	\$ 2,068,680.74
Equipment	\$ 1,898,317.28	\$ 3,551,637.47
Equipment Investment	\$ 3,449,467.08	
Executive Office of Energy and Environment Land Planning	\$ 280,000.00	\$ 160,000.00
Flood Control Annual Maintenance	\$ 1,087,670.25	\$ 1,035,329.35
Forestry Tower and Building Improvements and Hazardous Tree Management	\$ 209,237.49	\$ 250,102.17
Georges Island, Fort Warren and Utility Design and Rehabilitation		\$ 35,060.63
Greening the Gateway Cities	\$ 294,137.65	\$ 32,083.18
Greylock Glen - Outdoor Recreation and Environmental Education Center	\$ 250,000.00	
Heritage Parks Rehabilitation and Upgrades	\$ 9,300.00	
Herring River Estuary Restoration Project, Federal Funding Leverage	\$ 997,919.06	\$ 559,228.00
Historic Building Design and Restoration	\$ 10,472.54	\$ 433,345.12
Hitchcock Center for the Environment	\$ 237,500.00	
Hoosic River Flood Management and Revitalization		\$ 99,323.08
Inland Dams and Seawalls	\$ 2,402,786.08	\$ 9,387,810.82
Jackson Square Complex	\$ 200,000.00	
Kelley Field House		\$ 645,183.61
Land and Habitat Programs	\$ 256,576.87	\$ 397,146.56
Landscape Improvements		\$ 401,121.62
Lower Locks Buildings and Lee Pool Planning, Design and Construction		\$ 190,454.49
Muddy River Flood Control and Historic Preservation Project	\$ 262,500.00	
Nantasket Beach Rehabilitation and Restoration	\$ 2,170,321.61	\$ 8,100.00
New Bedford State Pier Refrigeration		\$ 1,372,169.92
Pedestrian Bike and Multi Use Trail Construction and Reconstruction	\$ 93,840.00	\$ 1,237,571.61
Pilgrim Memorial State Park Quadricentennial Improvements		\$ 157,898.36

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Pioneer Valley Planning Commission CSO mitigation	\$ 1,249,737.66	
Pond Maintenance, Plymouth County	\$ 200,000.00	
Ponkapoag Golf Course Irrigation Design Engineering and Construction	\$ 49,988.07	
Pool Maintenance, Rehabilitation and Improvements	\$ 3,167,378.67	\$ 6,373,882.25
Public Private Partnerships Program	\$ 729,573.92	\$ 605,527.29
Rink Major Capital Improvements	\$ 3,799,320.15	\$ 5,935,503.29
River Revitalization and Riverine Habitat Restoration	\$ 1,016,466.59	\$ 1,201,052.73
Roofing and Building Envelope Assessment and Capital Repairs	\$ 356,500.00	\$ 1,353,657.11
Schooner Ernestina Restoration and dock facility improvements	\$ 1,495,563.90	\$ 898,585.17
Sea Level Inundation and Flood Control	\$ 15,988.71	\$ 272,357.15
Seaport Council Grants	\$ 12,975,147.04	\$ 9,490,542.03
Shaffer Paper Remediation	\$ 250,816.35	
Signature Parks	\$ 694,998.20	\$ 1,812,279.22
Solid Waste Management and Recycling Program	\$ 300,000.00	
Storm Water Management Program	\$ 845,356.32	\$ 3,702,234.48
Surface Water Quality Standards		\$ 182,141.21
Sustainable Water Management Initiative (SWMI)	\$ 1,025,591.30	\$ 1,040,446.64
Tennis & Basketball Court Rehabilitation	\$ 243,838.04	\$ 786,500.36
Trailside Nature Center Otter Exhibit	\$ 53,081.13	\$ 9,015.42
UMASS Lowell/TURI		\$ 2,751,500.00
Urban Playgrounds and Spray Parks	\$ (42,735.00)	
US Geological Survey Cooperative Programs		\$ 773,205.00
Water Infrastructure Assessment and Planning	\$ 380,361.26	
Water Quality Monitoring and Assessment		\$ 20,817.00
Waterways Program	\$ 124,055.04	\$ 237,200.00
Westfield River Stormwater Improvements	\$ 344,005.50	
Winthrop Shores Restoration - Design and Construction		\$ 6,480.00
091C (2014 C.286 S.35)	\$ 2,531,642.42	\$ 5,797,667.03
New DCR Maintenance Facility in Cambridge		\$ 140,986.68
Otter River Water Line	\$ 30,039.89	\$ 6,588.45
Parkway Maintenance	\$ 97,311.96	\$ 1,508,443.39
Parkway Reconstruction	\$ 2,163,186.75	\$ 4,141,648.51
Storrow Drive, Soldiers Field Road, and Embankment Road Lighting Replacement	\$ 241,103.82	
092C (2014 C.286 S.36)	\$ 19,140,534.41	\$ 43,428,010.58
Accelerated Energy Program (AEP)	\$ 3,350,341.43	\$ 14,597,570.11
Berkshire Community College - Hawthorne and Melville Halls Renovation		\$ 97,050.00
Coastal Pollutant Remediation (CPR) Grants	\$ 375,774.00	\$ 391,913.16

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Critical Coastal Infrastructure and Resilience Grants	\$ 4,290,674.47	\$ 2,299,289.12
DCAMM Capital Management	\$ 1,324,794.95	\$ 1,779,852.87
DCAMM Facility Maintenance and Operations		\$ 4,100.00
DPH - Pappas Rehabilitation Center - Energy/Water Upgrades	\$ 100,000.00	\$ 38,719.07
Fitchburg State University - Energy / Water Retrofit	\$ 581.69	\$ 997,299.29
Roxbury Community College - Energy / Water Upgrades	\$ 483,841.51	\$ 13,236,851.61
State House - Energy & Water Upgrades	\$ 2,524,315.97	\$ 3,988,117.84
UMass Lowell - Energy / Water Upgrades	\$ 6,690,210.39	\$ 5,997,247.51
093C (2014 C.286 S.37)	\$ 6,564,433.00	\$ 2,394,684.85
Community Investment Grant Programs	\$ 81,775.00	
Land Protection Grant Programs	\$ 1,482,658.00	\$ 2,394,684.85
Rail Transportation	\$ 5,000,000.00	
400C (2014 C.79 S.2A)	\$ 317,376,846.74	\$ 325,483,856.79
MassDOT - Highway Division Operations	\$ 91,325,349.29	\$ 104,525,864.40
MassDOT - Office of Planning and Programming	\$ 5,089,850.04	\$ 3,118,067.32
Road and Transportation Improvements at UMass Boston		\$ 24,999,500.00
Statewide Road and Bridge Program - Non Federal Aid Construction	\$ 220,961,647.41	\$ 192,840,425.07
401C (2014 C.79 S.2A)	\$ 92,888,784.74	\$ 54,014,153.14
Chapter 90	\$ 92,888,784.74	\$ 54,014,153.14
402C (2014 C.79 S.2G)	\$ 10,106,644.28	\$ 17,261,797.78
MassDOT - Office of Planning and Programming	\$ 10,106,644.28	\$ 17,061,797.78
Statewide Road and Bridge Program - Non Federal Aid Construction		\$ 200,000.00
403C (2014 C.79 S.2C)	\$ 394,902,707.12	\$ 312,079,079.21
Green Line Extension	\$ 182,276,600.50	\$ 63,613,973.77
Knowledge Corridor High Speed Rail Improvements	\$ 1,443,475.44	\$ 11,640.00
MassDOT - Aeronautics Division	\$ 15,052,392.08	\$ 8,848,481.06
MassDOT - Office of Planning and Programming	\$ 1,734,519.29	\$ 2,280,147.12
MBTA - State of Good Repair	\$ 45,950,204.14	\$ 76,988,782.48
Rail Transportation	\$ 23,621,314.71	\$ 26,859,737.49
Red and Orange Line Vehicles	\$ 42,054,713.01	\$ 61,368,154.88
Registry of Motor Vehicles	\$ 959,591.63	\$ 1,777,773.20
South Coast Rail	\$ 42,291,643.03	\$ 28,258,695.82
South Station Rail Line Improvements	\$ 915,745.22	\$ 1,825,329.91
Statewide Improvement Plan - Fairmount Commuter Rail Improvements	\$ 1,570,933.48	\$ 956,726.89
Transit Division	\$ 37,031,574.59	\$ 39,289,636.59
504C (1996 C.205 S.3)	\$ 22,994.76	\$ 27,895.98
MassDOT - Highway Division Operations	\$ 22,994.76	\$ 27,895.98

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
510C (1997 C.11 S.3)		\$ 8,559.35
MassDOT - Office of Planning and Programming		\$ 8,559.35
513C (1997 C.11 S.7)	\$ 19,369.88	\$ 225,954.44
MassDOT - Highway Division Operations	\$ 2,718.30	\$ 2,687.90
Statewide Road and Bridge Program - Non Federal Aid Construction	\$ 16,651.58	\$ 223,266.54
517C (2007 C.27 S.2)	\$ 11,059,044.98	\$ 5,422,874.57
MassDOT - Highway Division Operations	\$ 10,883,522.13	\$ 5,354,348.31
Statewide Road & Bridge Program - Non Federal Aid Constr.	\$ 175,522.85	\$ 68,526.26
527C (2007 C.27 S.2)	\$ (294,378.78)	\$ 710,630.13
Eliminate	\$ (765,026.00)	\$ 466,648.00
MassDOT - Highway Division Operations	\$ (5,326.05)	\$ 110,317.29
MassDOT - Office of Planning and Programming	\$ 49,073.76	\$ 6,720.00
Statewide Road and Bridge Federally Assisted - Non Interstate	\$ 426,899.51	\$ 126,944.84
530C (2000 C.235 S.5)	\$ 8,869.31	\$ 7,775.33
MassDOT - Highway Division Operations	\$ 8,869.31	\$ 6,636.60
Statewide Road and Bridge Program - Non Federal Aid Construction		\$ 1,138.73
531C (2000 C.235 S.6)		\$ 175,533.21
MassDOT - Office of Planning and Programming		\$ 175,533.21
533C (2000 C.235 S.8)	\$ 77,546.63	\$ 5,854.83
MassDOT - Aeronautics Division	\$ 77,546.63	\$ 5,854.83
541C (2003 C.40 S.2)	\$ 486,436.18	\$ 142,630.08
MassDOT - Highway Division Operations	\$ 24,784.69	\$ 1,910.10
Statewide Road and Bridge Federally Assisted - Non Interstate	\$ 461,651.49	\$ 140,719.98
541C (2003 C.40 S.3)	\$ 21,018.00	\$ 31,804.00
Eliminate	\$ 21,018.00	\$ 31,804.00
542C (2004 C.291 S.2)		\$ 1,000.00
Statewide Road and Bridge Federally Assisted - Non Interstate		\$ 1,000.00
543C (2004 C.291 S.2A)	\$ 9,718,120.00	\$ 6,664,821.56
MassDOT - Highway Division Operations	\$ 7,865,166.66	\$ 5,662,041.65
MassDOT - Office of Planning and Programming	\$ 67,385.50	\$ 4,545.99
Statewide Road and Bridge Program - Non Federal Aid Construction	\$ 1,785,567.84	\$ 998,233.92
544C (2004 C.291 S.2B)	\$ 1,096,987.53	\$ 1,481,132.84
Chapter 90	\$ 1,096,987.53	\$ 1,481,132.84
549C (2008 C.86 S.2)	\$ 32,669,089.88	\$ 10,165,566.84
Eliminate	\$ 292,369.00	\$ (450,321.00)
MassDOT - Highway Division Operations	\$ 1,798,628.18	\$ 942,432.76
MassDOT - Office of Planning and Programming	\$ 7,032,934.62	\$ 1,881,440.41

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Statewide Road and Bridge Federally Assisted - Non Interstate	\$ 23,545,158.08	\$ 7,792,014.67
550C (2008 C.86 S.2)	\$ 1,494,029.15	\$ 1,469,887.54
MassDOT - Highway Division Operations	\$ 1,491,529.15	\$ 1,465,687.54
MassDOT - Office of Planning and Programming	\$ 2,500.00	\$ 4,200.00
551C (2008 C.86 S.2)	\$ 1,807,692.99	\$ 1,519,856.44
Chapter 90	\$ 692,623.22	\$ 771,539.06
MassWorks - Infrastructure Grant Awards	\$ 1,115,069.77	\$ 748,317.38
553C (2008 C.86 S.2D)		\$ 14,065,514.10
Green Line Extension		\$ 14,065,514.10
554C (2008 C.233 S.2)	\$ 347,503,003.69	\$ 209,697,627.84
Accelerated Bridge Program	\$ 347,503,003.69	\$ 209,697,627.84
555C (2008 C.258 S.3)	\$ 206,805,972.94	\$ 167,749,147.13
Accelerated Energy Program (AEP)	\$ 3,993,027.84	\$ 3,708,245.04
Berkshire Community College - Hawthorne and Melville Halls Renovation	\$ 13,575,233.25	\$ 10,038,141.95
Berkshire Community College - Parking Lot		\$ 734,433.16
Delegated Deferred Maintenance - Statewide	\$ (157,000.20)	\$ 740,646.03
Higher Education - Critical Repairs		\$ 4,616,364.31
Higher Education - Study Pool	\$ 572,464.45	
Holyoke Community College - Renovation of Building G	\$ 849,871.27	\$ 2,888,944.79
Mass Bay Community College - Carey Building - HVAC Upgrades		\$ 117,160.66
Massachusetts Manufacturing Innovation Initiative	\$ 4,334,096.00	\$ 1,000,000.00
Middlesex Community College, Lowell - New Academic Arts Center	\$ 2,411,776.69	\$ 5,874,134.82
Mount Wachusett Community College - Haley Academic Center Modernization / Additions	\$ 22,154,950.17	\$ 6,742,690.73
Mount Wachusett Community College - Parking Lot Improvements	\$ 13,429.54	\$ 130,854.31
Northern Essex Community College, Haverhill - Spurk Building Renovation	\$ 2,326,841.80	\$ 13,310,968.35
Northern Essex Community College, Lawrence - Dimitry Building - Repairs		\$ 123,624.73
Quinsigamond Community College - Surprenant Hall - Systems Upgrade		\$ 93,187.50
Roxbury Community College - Academic Buildings Modernization	\$ 1,447,202.43	\$ 10,980,520.50
Roxbury Community College - Reggie Lewis Center	\$ 83,220.00	\$ 45,850.73
Springfield Technical Community College - Building 19 Renovation Phase II	\$ 3,593,977.87	\$ 12,950,158.57
Statewide Asset Maintenance and Modernization	\$ 26,045.00	\$ 17,060.00
UMass Amherst - New Laboratory Science Building	\$ 823,510.21	\$ 1,293,396.75
UMass Amherst - Physical Science Building	\$ 10,988,362.30	\$ 35,664,230.18

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
UMass Boston - New Integrated Science Building	\$ 17,060,180.60	\$ 2,470,401.47
UMass Boston - Substructure Demolition / Quadrangle Development	\$ 1,018,000.00	\$ 513,064.00
UMass Dartmouth - School for Marine Science & Technology - New Facility	\$ 18,400,000.00	
UMass Lowell - Energy / Water Upgrades	\$ 145,509.37	\$ 3,564,007.45
UMass Lowell - Perry Hall	\$ 37,500.00	
UMass Lowell - Pulichino Tong New Management Building	\$ 10,776,327.01	\$ 12,414,893.94
Various Construction Costs - State Universities and Community Colleges	\$ 76,335,432.85	\$ 32,677,813.90
Various Construction Costs - University of Massachusetts	\$ 1,293,915.01	\$ 597,819.34
Westfield State University - Dever Auditorium Renovations	\$ 25,477.50	
Worcester State Hospital Campus - Biotech Redevelopment		\$ 6,000.00
Worcester State University - Wellness Center	\$ 14,676,621.98	\$ 4,434,533.92
556C (2008 C.303 S.2A)	\$ 32,443,751.22	\$ 2,898,958.15
MassDOT - Highway Division Operations	\$ 3,627,002.17	\$ 2,121,400.55
MassDOT - Office of Planning and Programming	\$ 165,356.78	\$ 133,956.35
Road and Transportation Improvements at UMass Boston	\$ 24,999,472.00	\$ 500.00
Statewide Road and Bridge Program - Non Federal Aid Construction	\$ 3,651,920.27	\$ 643,101.25
557C (2012 C.238 S.67)	\$ 17,650,479.69	\$ 4,636,229.06
Chapter 90	\$ 2,187,054.98	\$ 2,121,390.30
MassWorks - Infrastructure Grant Awards	\$ 15,401,299.81	\$ 2,514,838.76
Zoo New England Capital Costs	\$ 62,124.90	
558C (2008 C.303 S.2C)	\$ 1,658,206.45	\$ 3,630,324.90
MassWorks - Infrastructure Grant Awards	\$ 1,645,863.61	
Rail Transportation		\$ 3,630,324.90
Statewide Road and Bridge Program - Non Federal Aid Construction	\$ 12,342.84	
563C (2008 C.304 S.2A)	\$ 5,468,733.06	\$ 6,629,072.11
A&F Capital Solutions		\$ 2,743,326.56
Department of Correction Equipment		\$ 159,858.17
Department of Fire Services - Equipment		\$ 509,711.53
Employee Safety Improvements		\$ 237,307.43
Public Safety Equipment	\$ (1,192.00)	\$ 594,845.73
Reasonable Accommodation Capital Reserve Account	\$ 27,200.00	\$ 72,590.22
State Vehicle Replacement Program	\$ 5,102,709.49	\$ 1,948,229.50
Unknown	\$ 340,015.57	\$ 347,169.24
Various Construction Costs - Public Safety		\$ 16,033.73
564C (2008 C.304 S.2B)	\$ 12,286,960.62	\$ 862,211.41
COMMBUYS	\$ 15,443.54	

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Desktop Transformation	\$ 134,080.78	
e-Licensing	\$ 15,014.37	
Eliminate	\$ 9,735,870.30	
Health Insurance Exchange (HIX) Integrated Eligibility System	\$ -	\$ 862,211.41
HRCMS 92 Upgrade	\$ 1,976.08	
Integrated Criminal Justice Information System (ICJIS)	\$ 1,312.50	
MassIT Transformation	\$ 50,429.01	
MassTaxConnect System	\$ 273,858.31	
MMARS Upgrade to Version 3.9	\$ 2,195.64	
RMV - ATLAS	\$ 733.76	
State Auditors Performance and Transparency Initiative	\$ 4,882.59	
Supreme Judicial Court E-File	\$ 649,617.81	
Technology and Architecture	\$ 1,401,545.93	
564C (2013 C.27 S.2B)	\$ 33,043,979.62	\$ 27,066,468.39
EHS Health Information Exchange Phase 2	\$ 2,499,397.15	\$ 4,334,458.63
Health and Human Services IT Infrastructure		\$ 380,589.86
Health Insurance Exchange (HIX) Integrated Eligibility System	\$ 26,921,175.75	\$ 18,164,401.66
MassHealth IT & Data Upgrades	\$ 50,176.74	\$ 2,969,394.94
MassIT Transformation	\$ 42,547.13	
MITA & Meditech	\$ 16,778.00	
New MMIS 5010 and ICD10 Conversion	\$ 3,069,204.84	
New MMIS Maintenance/Enhancements	\$ 93,783.50	\$ 1,217,623.30
Virtual Gateway EOHHS Platform Upgrade	\$ 350,359.09	
Vitals Information Partnership (VIP) System Transformation Project	\$ 557.42	
565C (2008 C.304 S.18)	\$ 108,355,378.03	\$ 38,648,587.27
Accelerated Energy Program (AEP)	\$ 6,192,743.35	\$ 4,705,481.51
Board of Library Commissioners - Library Construction Grants	\$ 10,752,308.59	\$ 6,035,866.20
Cape Cod Community College - Energy / Water Upgrades	\$ 47,316.25	
Chelsea Soldiers' Home - Envelope Repairs, Toilet / Shower Room Accessibility Improvements		\$ 7,400.00
Cultural Facilities Fund	\$ 8,624,711.00	
DCAMM Capital Management	\$ 1,138,009.09	\$ 243,216.55
DCAMM Facility Maintenance and Operations	\$ 84,867.36	
DCAMM Surplus Property Management and Maintenance	\$ 1,008,105.68	\$ 440,148.78
Delegated Deferred Maintenance - Statewide	\$ 8,327,572.62	\$ 2,193,024.19
Division of Fisheries & Wildlife - New Field Headquarters	\$ 174,169.54	\$ 30,381.00
DOC - Hayes Report Retrofits for Suicide Prevention at Correctional Facilities	\$ 2,734,753.51	\$ 1,620,295.58
DOT Parcel 7 Fit-Out		\$ 15,069.24
DPH - Lemuel Shattuck Hospital - Personnel Building Demolition	\$ 6,742.00	\$ 108,987.63

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
DPH - Lemuel Shattuck Hospital - Renovation / Replacement	\$ 11,580.00	\$ 14,439.09
DPH - Pappas Rehabilitation Center - Energy/Water Upgrades	\$ 6,818.50	\$ 370,161.43
DPH - Western Mass Hospital - Mechanical Upgrades		\$ 20,840.00
DYS - Secure Facility Needs Study	\$ 21,880.00	\$ 1,225.00
DYS Middleton - Northeast Regional Youth Service Center - New Facility	\$ 21,527,323.95	\$ 3,263,041.02
FINAL PAYMENTS - Environmental Affairs	\$ 266,385.34	\$ 11,137.18
Fitchburg State University - Energy / Water Retrofit	\$ 311,115.97	\$ 16,038.00
Government Center Facility Management	\$ 2,638,803.50	\$ 1,973,849.64
Higher Education - Critical Repairs	\$ 425,506.93	\$ 2,357,666.88
Higher Education - Study Pool	\$ 125,801.00	
Hurley Lindemann Building - Life Safety Improvements	\$ 5,256.00	\$ 108,450.00
MassWorks - Infrastructure Grant Awards	\$ 15,850,123.67	
McCormack Building - Day Care / Lobby / Cafeteria	\$ 120,016.83	\$ 158,654.93
Medfield State Hospital - Remediation & Demolition	\$ 1,045,321.07	\$ 71,683.91
New DCR Maintenance Facility in Cambridge		\$ 585,475.14
Norfolk Sheriff's Department - Security Upgrade	\$ 1,569,703.80	\$ 843,184.04
Northern Essex Community College, Haverhill - Spurk Building Renovation		\$ 4,103.69
Pittsfield State Office Building - Repairs	\$ 554,308.03	\$ 3,521,918.03
Roxbury Community College - Academic Buildings Modernization	\$ 11,399.00	\$ 28,976.99
Roxbury Community College - Energy / Water Upgrades	\$ 29,682.05	
Solomon Carter Fuller Mental Health Center - Facade Repair/Elevator Upgrade	\$ 13,023.60	\$ 10,804.99
Springfield State Office Building, Dwight Street - Repairs	\$ 2,048,600.33	\$ 460,178.22
Springfield Technical Community College - Building 19 Renovation Phase II	\$ 13,996.75	
Springfield Technical Community College - Building 20 Repairs	\$ 11,557.50	
State House - Water Infiltration Repairs - Phased	\$ 127,877.70	\$ 2,816.00
State Police Barracks - Cell Upgrades	\$ 237,439.67	\$ 733,648.59
State Police, Lower Basin Barracks - Renovation & Addition		\$ 150,489.05
Statewide Asset Maintenance and Modernization	\$ 2,151,646.73	\$ 442,900.82
Statewide Tenant Planning and Improvements		\$ 16,625.00
Trial Courts - Accessibility Improvements		\$ 20,565.00
Trial Courts - OJJDP Sight and Sound Separation of Juveniles		\$ 15,184.25
UMass Dartmouth - Master Plan	\$ 82,042.00	
UMass Dartmouth - School for Marine Science & Technology - New Facility	\$ 3,300.00	
Various Construction Costs - Executive Office of Health & Human Services	\$ 6,093,877.98	\$ 1,681,915.19
Various Construction Costs - Public Safety	\$ 2,882,800.25	\$ 31,067.09

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Various Construction Costs - State Office Buildings and Deferred Maintenance	\$ 4,752,897.81	\$ 839,076.95
Various Construction Costs - State Universities and Community Colleges	\$ 2,171,492.60	\$ 1,892,714.63
Westfield State University - Energy / Water Upgrades	\$ 8,845.00	
Worcester Sheriff's Department - Medical & Intake Unit Replacement	\$ 44,146.95	
Worcester State Hospital Campus - Biotech Redevelopment	\$ 88,640.00	\$ 599,885.84
Zoo New England Capital Costs	\$ 4,010,868.53	\$ 3,000,000.00
565L (2008 C.304 S.18)	\$ 75,458,373.62	\$ 62,631,220.01
Accelerated Energy Program (AEP)	\$ 2,960,662.17	\$ 4,110,992.90
Brighton District Court - Accessibility and Deferred Maintenance Improvements	\$ 194,619.80	\$ 292,170.51
Chief Medical Examiner, Central & Western - Replacement Facility	\$ 445,510.88	\$ 541,901.37
Commonwealth Asset Real Estate Planning	\$ 7,175.00	\$ 13,325.00
DCAMM Capital Management	\$ 102.98	\$ (3.71)
Delegated Deferred Maintenance - Statewide	\$ 2,720,653.40	\$ 2,105,718.87
East Brookfield Court - Exterior & HVAC Repairs	\$ 46,551.00	\$ 1.00
Haverhill District Court ADA Upgrades Energy Efficiency & Code Compliance	\$ 116,675.41	\$ 1,631,180.13
Hurley Lindemann Redevelopment	\$ 208,150.66	\$ 58,127.48
Lowell Justice Center	\$ 4,079,267.56	\$ 16,028,386.85
New Greenfield Trial Court	\$ 32,184,498.38	\$ 13,162,410.67
Salem Probate & Family Court - Renovation	\$ 18,692,936.62	\$ 14,343,438.11
Springfield Trial Court - Electrical Replacement		\$ 268,889.96
Statewide Asset Maintenance and Modernization	\$ 4,241,202.08	\$ 1,877,420.52
TRC - Social Law Library Renovation	\$ 175,000.00	
Trial Courts - OJJDP Sight and Sound Separation of Juveniles	\$ 77,235.00	\$ 32,905.00
Trial Courts - Strategic Master Plan	\$ 356,999.00	\$ 117,000.00
Various Construction Costs - Public Safety	\$ 1,397,825.79	
Various Construction Costs - State Office Buildings and Deferred Maintenance	\$ 275,872.72	\$ 574,537.33
Various Construction Costs - Trial Courts	\$ 7,277,435.17	\$ 7,472,818.02
565T (2008 C.304 S.2C)	\$ 5,325,517.08	\$ 5,892,883.33
Belchertown State School		\$ 3,927,653.56
Community Compact Grants	\$ 612,500.00	\$ 37,500.00
Levi Standish House		\$ 1,000,000.00
Manufacturing Training Equipment Grants	\$ 4,713,017.08	
Reasonable Accommodation Capital Reserve Account		\$ 927,729.77
566L (2008 C.304 S.19)	\$ 29,129,705.43	\$ 41,059,410.10

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Accelerated Energy Program (AEP)	\$ 6,797,893.13	\$ 15,371,347.82
Bristol County Sheriff's Department - Security Upgrade	\$ 41,500.00	\$ 125,339.50
Corrections - Facilities Strategy		\$ 46,797.50
DCAMM Capital Management	\$ 12,422.34	
DCAMM Capital Solutions		\$ 3,499,999.97
Delegated Deferred Maintenance - Statewide	\$ 6,173,075.96	\$ 5,753,453.47
Essex Sheriff's Department - Energy / Water Retrofit	\$ 6,098,980.70	\$ 9,237,387.46
Hampshire Sheriff's Department - Modular Building - Renovations	\$ 281,597.50	\$ 180,091.50
Hampshire Sheriff's Department - Replace Emergency Generator and Rooftop HVAC	\$ 210,996.88	\$ 163,943.93
MCI Framingham - Windows Replacement in 4 Cottages		\$ 1,011,320.57
MCI Framingham and South Middlesex Correctional Center - Energy / Water Upgrades	\$ 115,130.00	\$ 874,225.00
MCI Shirley - Food Service Facility Replacement	\$ 229,774.00	\$ 478,422.50
Norfolk DOC Potable Water and Conservation	\$ 1,013,693.30	\$ 1,706,608.73
State House - Energy & Water Upgrades		\$ 0.01
State Police Barracks - Cell Upgrades		\$ 101,228.31
Statewide Asset Maintenance and Modernization	\$ 971,058.94	\$ 889,772.26
Various Construction Costs - Public Safety	\$ 5,587,553.89	\$ 880,158.23
Various Construction Costs - Trial Courts	\$ 1,400,789.79	\$ 427,964.44
Worcester Sheriff's Department - Medical & Intake Unit Replacement	\$ 195,239.00	\$ 311,348.90
567C (2008 C.312 S.15)	\$ 63,054,597.85	\$ 54,963,801.32
Accelerated Energy Program (AEP)	\$ 259,070.64	\$ 184,428.26
Agricultural Environmental Enhancement Program (AEEP)	\$ 250,000.00	\$ 500,000.00
Agricultural Resources Capital Management	\$ 324,000.00	\$ 1,291,784.73
Ambient Air Monitoring	\$ 380,070.88	\$ 453,612.92
Aquatic Recreation and Habitat Restoration	\$ 10,450.00	\$ 84,391.00
Beach Improvements		\$ 129,553.00
Blue Hills Parkway		\$ 4,767.88
Boat Ramp Construction and Maintenance	\$ 1,391,415.20	\$ 991,649.82
Building Assessments for Blue Hills Observatory and Eliot Memorial Tower	\$ 6,771.08	
Campground Modernization Program	\$ 27,319.97	
Capital Project Management	\$ 2,063,334.99	\$ 1,095,882.73
Clean Water Trust - State Match	\$ 1,108,997.00	
Coastal Resource Protection Program Support	\$ 33,664.45	\$ 551,163.12
Comfort Station Rehabilitation	\$ 774,753.62	\$ 25,904.05
Community Investment Grant Programs	\$ 6,788,487.22	\$ 2,777,338.23
Critical Coastal Infrastructure and Resilience Grants	\$ 2,655,564.32	\$ 51,504.00

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Dam Maintenance and PL 566 Flood Control	\$ 555,851.91	\$ 462,168.86
Dam Rehabilitation Program	\$ 2,619,166.25	\$ 4,997,998.42
Dam Safety, Inspection, and Maintenance Program	\$ 419,009.16	\$ 412,558.43
DCR Bridge Maintenance Program		\$ 33,621.46
Deferred Maintenance and Small Repairs	\$ 1,478,614.00	\$ 1,328,352.70
Department of Fish and Game Dam Safety Repair	\$ 221,616.96	
DFG Facility Repairs	\$ 1,528,550.22	\$ 212,212.68
Division of Fisheries & Wildlife - New Field Headquarters	\$ 153,882.99	\$ 172,758.52
EEA Agency Land Protection Programs	\$ 14,108,190.22	\$ 13,672,553.81
EEA Capital Management	\$ 618,327.57	\$ 688,553.33
Emergency Response Risk Reduction and Remediation	\$ 1,078,200.60	\$ 1,824,191.58
Emergency Storm Reimbursements	\$ 70,835.42	
Energy and Environment Consolidated IT Program	\$ 97,394.30	\$ 1,128,708.76
Enforcement Support and Brownfields	\$ 1,596,389.34	\$ 1,415,286.59
Environmental Remediation (Clean State)	\$ 649,753.43	\$ 57,169.69
EPA Match on Superfund Clean Up Sites	\$ 97,896.14	\$ 24,791.67
Executive Office of Energy and Environment Land Planning	\$ 1,036,907.13	\$ 1,394,258.43
Farm Viability Enhancement Program (FVEP)	\$ 2,940,000.00	\$ 1,450,000.00
Federal Superfund Site Restoration	\$ 748,916.97	\$ 719,773.51
Fish Abundance Survey Data Collection System		\$ 74,842.21
Flood Control Annual Maintenance	\$ 850,252.14	\$ 40,690.35
Forestry Tower and Building Improvements and Hazardous Tree Management	\$ 6,226.67	
Greening the Gateway Cities		\$ 875.30
Historic Building Design and Restoration	\$ 567,357.63	\$ 216,360.29
Historic Preservation Grants	\$ 1,534,949.59	\$ 1,537,444.16
Kelley Field House	\$ 53,002.00	
Land and Habitat Programs	\$ 1,928,468.53	\$ 1,851,493.05
Land Deferred Maintenance	\$ 1,684,007.85	\$ 1,057,173.66
Land Protection Grant Programs	\$ 956,275.00	\$ 715,694.00
Landscape Improvements	\$ 190,063.49	\$ 613,178.72
Marine Commerce Terminal at New Bedford	\$ 255,416.11	
Nantasket Beach Rehabilitation and Restoration	\$ 46,535.99	\$ 123,695.35
Otter River Water Line	\$ 10,000.00	
Parkway Reconstruction	\$ 1,107,581.44	\$ 1,221,755.90
Pedestrian Bike and Multi Use Trail Construction and Reconstruction	\$ 1,105,914.39	\$ 424,121.47
Pilgrim Memorial State Park Quadricentennial Improvements		\$ 47,000.00
Ponkapoag Golf Course Irrigation Design Engineering and Construction	\$ 4,206.94	
Pool Maintenance, Rehabilitation and Improvements	\$ 2,202,140.59	\$ 242,570.93

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Public Private Partnerships Program	\$ 236,145.23	\$ 109,282.41
Rink Major Capital Improvements	\$ 29,825.00	\$ 83,431.00
River Revitalization and Riverine Habitat Restoration	\$ 174,652.93	\$ 1,487.30
Roofing and Building Envelope Assessment and Capital Repairs		\$ 7,300.00
Shaffer Paper Remediation	\$ 1,000.00	
Signature Parks	\$ 2,305.65	
Solid Waste Management and Recycling Program	\$ 1,075,242.50	\$ 935,496.39
Southwest Corridor Irrigation Assessment	\$ 16,966.44	
Storm Water Management Program	\$ 68,831.09	
Sustainable Water Management Initiative (SWMI)	\$ 924,214.79	\$ 1,269,350.08
Tennis & Basketball Court Rehabilitation	\$ 164,075.40	\$ 5,602.11
UMass Dartmouth - School for Marine Science & Technology - New Facility		\$ 5,000,000.00
US Geological Survey Cooperative Programs	\$ 799,995.51	\$ 25,125.72
Waterways Program	\$ 669,482.54	\$ 921,169.94
Wetlands Change/Protection Project	\$ 296,060.43	\$ 301,722.80
568C (2008 C.312 S.16)	\$ 48,801,033.61	\$ 28,965,604.12
Blue Hills Parkway	\$ 2,385,958.00	
Capital Project Management	\$ 1,967,611.19	\$ 2,018,995.28
DCR Bridge Maintenance Program	\$ 1,057,312.79	\$ 688,597.36
EEA Agency Land Protection Programs	\$ 420,277.89	
Emergency Storm Reimbursements	\$ 183,389.39	\$ 137,732.95
Environmental Remediation (Clean State)	\$ 378,239.67	
Morrissey Boulevard Project		\$ 1,130,548.24
Parkway Maintenance	\$ 10,997,796.15	\$ 12,372,079.68
Parkway Reconstruction	\$ 26,224,302.07	\$ 10,148,909.87
Seaport Council Grants	\$ 70,000.48	
Storrow Drive Tunnel	\$ 147,059.78	\$ 12,186.95
Tennis & Basketball Court Rehabilitation	\$ 1,110,000.00	\$ 997,794.82
Winthrop Shores Restoration - Design and Construction	\$ 3,859,086.20	\$ 1,458,758.97
569C (2008 C.130 S.2B)	\$ 51,930,551.47	\$ 51,157,489.40
Life Sciences Capital Program	\$ 51,930,551.47	\$ 51,157,489.40
571C (2012 C.133)	\$ 16,644,372.65	\$ 7,919,596.19
Chapter 90	\$ 16,644,372.65	\$ 7,919,596.19
572C (2012 C.238 S.72)	\$ 6,956,445.09	\$ 1,771,036.61
MassWorks - Infrastructure Grant Awards	\$ 6,956,445.09	\$ 1,771,036.61
573C (2012 C.242 S.2)	\$ 164,442,392.07	\$ 58,676,985.05
MassDOT - Highway Division Operations	\$ 1,906,431.01	\$ 845,180.07
MassDOT - Office of Planning and Programming	\$ 1,003,692.86	\$ 2,011,315.70
Statewide Road and Bridge Federally Assisted - Non Interstate	\$ 161,532,268.20	\$ 55,820,489.28
573C (2012 C.242 S14)	\$ 24,780,257.00	\$ 12,743,152.00

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Eliminate	\$ 24,780,257.00	\$ 12,743,152.00
574C (2012 C.242 S.2A)	\$ 12,309,411.71	\$ 8,385,903.24
MassDOT - Highway Division Operations	\$ 6,250,558.74	\$ 4,531,790.17
MassDOT - Office of Planning and Programming	\$ 880,922.96	\$ 77,500.00
Statewide Road and Bridge Program - Non Federal Aid Construction	\$ 5,177,930.01	\$ 3,776,613.07
576C (2012 C.242 S.2C)	\$ 14,030,990.74	\$ 28,506,823.96
Knowledge Corridor High Speed Rail Improvements	\$ 5,118,176.69	\$ 158,265.58
Rail Transportation	\$ 8,911,554.25	\$ 28,348,558.38
South Station Rail Line Improvements	\$ 1,259.80	
577C (2013 C.18)	\$ 28,303,202.39	\$ 14,304,863.69
Chapter 90	\$ 28,303,202.39	\$ 14,304,863.69
577C (2016 C.78 S2)		\$ 87,484,301.20
Chapter 90		\$ 87,484,301.20
578C (2012 C.238)	\$ 4,681,455.71	\$ 3,149,999.68
Research and Development Matching Fund Grants	\$ 4,681,455.71	\$ 3,149,999.68
579C (2015 C.11 S2)	\$ 77,842,206.50	\$ 59,013,151.75
Chapter 90	\$ 77,842,206.50	\$ 59,013,151.75
600C (2014 C.79 S.2)	\$ 477,625,720.64	\$ 631,112,100.90
Eliminate	\$ 69,489,695.00	\$ 97,263,511.00
Knowledge Corridor High Speed Rail Improvements		\$ 2,313,620.72
MassDOT - Highway Division Operations	\$ 6,744,727.13	\$ 9,904,113.09
MassDOT - Office of Planning and Programming	\$ 15,008,483.69	\$ 21,263,880.03
Rail Transportation	\$ 1,516,713.14	\$ 2,165,950.65
Statewide Road and Bridge Federally Assisted - Non Interstate	\$ 384,866,101.68	\$ 498,201,025.41
C228 (2007 C.228 S.3)	\$ 699,361.15	
Central Artery Tunnel Project	\$ 699,361.15	
CEA7 (2007 C.27 S.2)	\$ 6,570,548.29	\$ 2,992,802.23
Accelerated Energy Program (AEP)	\$ 409,282.20	
DCAMM Capital Management	\$ 44,306.38	\$ 19,560.83
EHS Data Warehouse Maintenance/Enhancements	\$ 126,764.92	\$ 46,534.40
Eliminate	\$ 104,226.71	
Green Line Extension		\$ 258,247.37
New MMIS Maintenance/Enhancements	\$ 4,382,281.90	\$ 2,304,861.69
No Plan Item	\$ (2,134.38)	\$ (23,568.92)
Various Construction Costs - Executive Office of Health & Human Services	\$ 1,505,820.56	\$ 351,159.63
Various Construction Costs - State Office Buildings and Deferred Maintenance		\$ 700.00
Various Construction Costs - University of Massachusetts		\$ 35,307.23

Capital Bond Bill/ Plan Item Name	Total FY16 Spending	Total FY17 Spending
Chapter 206 of the Acts of 1986	\$ 47,768.36	
Sea Level Inundation and Flood Control	\$ 47,768.36	
Chapter 219 of the Acts of 2016		\$ 132,087,994.66
Brownfields Redevelopment		\$ 1,608,361.00
CDFI Grants		\$ 875,000.00
Innovation Infrastructure		\$ 1,199,236.94
Massachusetts Manufacturing Innovation Initiative		\$ 15,638,193.10
MassWorks - Infrastructure Grant Awards		\$ 90,153,402.44
Site Assembly		\$ 1,780,486.00
State Piers Capital Fund		\$ 1,900,000.00
Transformative Development Initiative		\$ 2,527,779.00
Workforce Skills Capital Grants		\$ 14,478,536.18
Zoo New England Capital Costs		\$ 1,927,000.00
Chapter 771 of the Acts of 1987	\$ 25,406.70	\$ 1,800.00
Various Construction Costs - Public Safety	\$ 25,406.70	\$ 1,800.00
Fed aid ch. 220 of the acts of 2016		\$ 5,656,078.18
Eliminate		\$ 1,117,093.00
MassDOT - Highway Division Operations		\$ 35,510.07
MassDOT - Office of Planning and Programming		\$ 480,313.00
Statewide Road and Bridge Federally Assisted - Non Interstate		\$ 4,023,162.11
Q123 (2012 C.238 S.59)	\$ 3,590,628.37	\$ 1,753,020.67
MassWorks - Infrastructure Grant Awards	\$ 3,590,628.37	\$ 1,753,020.67
RMV1 (2000 C.87 S.3)	\$ 47,718.03	\$ 78,139.05
Central Artery Tunnel Project	\$ 47,718.03	\$ 78,139.05
Grand Total	\$ 3,506,952,451.34	\$ 3,313,260,781.29

Appendix 4: 2017-2018 Committee Oversight Hearing Schedule

Hearing Date:	Testimony Provided by:
May 15, 2017	<p><u>University of Massachusetts:</u></p> <ul style="list-style-type: none"> • Lisa Calise, Senior Vice President for Administration & Finance and Treasurer • Patricia (Trisha) Filippone, Executive Director of the UMass Building Authority • LeeAnn Pasquini, Director of Budget & Planning for the UMass System Office <p><u>Executive Office of Education (EOE):</u></p> <ul style="list-style-type: none"> • Jim Peyser, Secretary of Education • Ann Reale, Undersecretary & Chief Operating Officer <p><u>Massachusetts State College Building Authority:</u></p> <ul style="list-style-type: none"> • Edward Adelman, Executive Director
June 14, 2017	<p><u>Executive Office of the Trial Court:</u></p> <ul style="list-style-type: none"> • The Honorable Paula Carey, Chief Justice • Jonathan Williams, Court Administrator
June 28, 2017	<p><u>Executive Office of Administration & Finance (A&F):</u></p> <ul style="list-style-type: none"> • Jennifer Sullivan, Assistant Secretary for Capital Finance
July 12, 2017	<p><u>Massachusetts Technology Collaborative (MassTech)/ Massachusetts Broadband Institute (MBI):</u></p> <ul style="list-style-type: none"> • Peter Larkin, MBI Board Chair, Special Advisor to the Secretary of Housing and Economic Development (Last Mile Project) • Ed Donnelly, MBI Deputy Director • Marybeth Dixon, Operations Director (Executive Team) <p><u>MassIT:</u></p> <ul style="list-style-type: none"> • Breean Fortier, Deputy Chief Information Officer • Jordan Harris, Senior Executive for Capital Project Oversight • Sean Vinck, Deputy Chief Information Office and General Counsel <p><u>MassDevelopment:</u></p> <ul style="list-style-type: none"> • Laura Canter, Executive Vice President of Finance Programs • Mark Sternman, Director of Governmental Relations & Communications
July 26, 2017	<p><u>Massachusetts Department of Transportation (MassDOT):</u></p> <ul style="list-style-type: none"> • Stephanie Pollack, Secretary of Transportation <p><u>Massachusetts Bay Transit Authority (MBTA):</u></p> <ul style="list-style-type: none"> • Steven Poftak, Interim General Manager

September 7, 2017	<p><u>Massachusetts Life Sciences Center (MLSC):</u></p> <ul style="list-style-type: none"> • Travis McCready, President and Chief Executive Officer <p><u>Executive Office of Health and Human Services (EOHHS)</u></p> <ul style="list-style-type: none"> • Alda Rego, Assistant Secretary for Administration and Finance <p><u>Massport:</u></p> <ul style="list-style-type: none"> • Thomas P. Glynn, Chief Executive Officer • John Prankevicius, Director of Administration & Finance • Sam Sleiman, Director of Capital Programs & Environmental Affairs
October 18, 2017	<p><u>Executive Office of Energy and Environmental Affairs (EOEEA):</u></p> <ul style="list-style-type: none"> • Michael Beaton, Secretary of Energy & Environmental Affairs • Eric Rebello, Chief Financial Officer <p><u>Office of the State Treasurer & Receiver General:</u></p> <ul style="list-style-type: none"> • Jim McDonald, Chief Executive Officer, Massachusetts School Building Authority • Sue Perez, Executive Director, Clean Water Trust • Nate Keenan, Deputy Director, Clean Water Trust • Jennifer Gonzalez, Chief Financial Officer, Massachusetts School Building Authority • Jack McCarthy, Deputy Chief Executive Officer/ Executive Director, Massachusetts School Building Authority
October 24, 2017	<p><u>Massachusetts Water Resources Authority (MWRA):</u></p> <ul style="list-style-type: none"> • Frederick Laskey, Executive Director • Tom Durkin, Director of Finance • Matt Horan, Treasurer • Kathy Soni, Budget Director • Louise Miller, Budget Manager
November 9, 2017	<p><u>Massachusetts Clean Energy Center (MassCEC):</u></p> <ul style="list-style-type: none"> • Stephen Pike, Chief Executive Officer <p><u>Executive Office of Housing and Economic Development (EOHED):</u></p> <ul style="list-style-type: none"> • Jay Ash, Secretary of Housing & Economic Development <p><u>Massachusetts Board of Library Commissioners (MBLC):</u></p> <ul style="list-style-type: none"> • James Lonergan, Director • Tracey Dimant, Head of Operations & Budget • Mary Rose Quinn, Head of State Programs/ Government Liaison