

HOUSE No. 4355

The Commonwealth of Massachusetts

The committee of conference on the disagreeing votes of the two branches, with reference to the Senate amendment (striking out all after the enacting clause and inserting in place thereof the text contained in Senate document numbered 2230) of the House Bill financing information technology equipment and related projects (House, No. 3770, amended), reported recommending passage of the accompanying bill (House, No. 4355). July 25, 2014.

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| Peter V. Kocot | Brian A. Joyce |
| Thomas A. Golden, Jr. | Cynthia Stone Creem |
| | Richard J. Ross |

HOUSE No. 4355

The Commonwealth of Massachusetts

In the Year Two Thousand Fourteen

An Act financing information technology equipment and related projects.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to forthwith provide for the capital improvement needs of the commonwealth and deploy affordable and ubiquitous broadband access to the citizens of the commonwealth, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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

1 SECTION 1. To provide for a program of capital information technology improvements
2 to various state institutions and properties and to fund the Massachusetts Broadband Institute, the
3 sums set forth in this act, for the several purposes and subject to the conditions specified in this
4 act, are hereby made available, subject to the laws regulating the disbursement of public funds,
5 which sums shall be in addition to any other amounts previously appropriated for these purposes;
6 provided, that the amounts specified for a particular project may be adjusted in order to facilitate
7 projects authorized in this act.

8 SECTION 2.

9 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

10 *Massachusetts Office of Information Technology*

11 0640-0035 For costs associated with upgrades and replacements to agent and terminal
12 hardware, a host system, terminal applications and related components at the state lottery
13 commission\$65,000,000

14 1790-2018 For the continued implementation of a second, active data center capable of
15 maintaining mission critical applications and a supporting network infrastructure, including

16 salaries and other personnel costs of staff assigned to that project; provided, that the center shall
17 be connected to the Massachusetts information technology center and shall be used on a daily
18 basis to support applications providing the commonwealth with the capacity for business
19 continuity and quick recovery in the event of unplanned outages.....\$9,000,000

20 1790-3001 For costs associated with planning and studies, the preparation of plans and
21 specifications, purchase, procurement and implementation of information technology-related
22 equipment and related projects; provided, that funds shall be expended for the executive office of
23 health and human services, in consultation with the executive office for administration and
24 finance and the Massachusetts office of information technology, to begin to implement modern,
25 digital, and integrated eligibility determination processes as required by the last paragraph of
26 section 16 of chapter 6A of the General Laws; and provided further, that the executive office of
27 health and human services shall report its progress in carrying out the integrated eligibility
28 determination process to the house and senate committees on ways and means not later than
29 December 1, 2014.....\$300,000,000

30 1790-3002 For costs associated with planning and studies, the preparation of plans and
31 specifications, purchase, procurement and implementation of information technology-related
32 equipment and related projects which are eligible for federal reimbursement including, but not
33 limited to, projects related to the provision of health care, unemployment insurance and human
34 services; provided, that any federal reimbursement received by a state agency in connection with
35 projects funded from this item may be retained by the state agency and expended for the
36 purposes of the project, without further appropriation, in addition to the amounts appropriated in
37 this item; and provided further, that any state agency receiving federal reimbursements for a
38 project funded from this item shall file a quarterly report with the executive office for
39 administration and finance, the house and senate committees on ways and means, and the house
40 and senate committees on bonding, capital expenditures, and state assets that details, by project,
41 an annual estimate of anticipated federal reimbursement to be received on behalf of and
42 expended for the project and year-to-date actual federal reimbursement received and year-to-date
43 actual expenditures of the reimbursement, by project.....\$140,000,000

44 EXECUTIVE OFFICE OF PUBLIC SAFETY AND SECURITY

45 *Department of State Police*

46 8000-2030 For the executive office of public safety and security for the completion of the
47 upgrade to the existing statewide communications network for the department of state police, as
48 authorized by chapter 142 of the acts of 2002, including the primary voice radio communications
49 network for the department and other state and local public safety agencies; provided, that the
50 department of state police shall submit to the house and senate committees on ways and means a
51 report detailing specific contract payment milestones.....\$68,200,000

52 SECTION 2A.

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EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

Massachusetts Office of Information Technology

1790-3003 For costs associated with planning and studies, the preparation of plans and specifications, purchase, procurement and implementation of information technology-related equipment and related projects; provided , that \$5,000,000 shall be expended to improve wireless internet accessibility at the state house; provided further, that for projects the secretary of administration and finance certifies to the comptroller directly or indirectly generate new state revenue or budgetary savings, the comptroller shall transfer such revenue or budgetary savings to the state treasurer for payment of debt service related to those projects; provided further, that any federal reimbursement received by a state agency in connection with projects funded from this item may be retained by the state agency and expended for the purposes of the project, without further appropriation, in addition to the amounts appropriated in this item; provided further, that any state agency receiving federal reimbursements for a project funded from this item shall file a quarterly report with the executive office for administration and finance, the house and senate committees on ways and means and the house and senate committees on bonding, capital expenditures and state assets that details, by project, an annual estimate of anticipated federal reimbursement to be received on behalf of and expended for the project and year-to-date actual federal reimbursement received and year-to-date actual expenditures of the reimbursement, by project; and provided further, that any contract for the procurement of supplies, services or real property paid for in whole or in part using funds authorized in this item shall comply with the competitive bidding requirements established in section 22 of chapter 7 of the General Laws and accompanying regulations, notwithstanding any general or special law to the contrary including, but not limited to, any law or regulation permitting the award of contracts without competition in cases of emergency.....\$220,000,000

SECTION 2B.

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

Office of the Secretary

1599-7061 For a reserve to provide funds to the Massachusetts Broadband Incentive Fund established in section 6C of chapter 40J of the General Laws..... \$50,000,000

1599-7062 For a competitive, matching grant program to be administered by the executive office of education and the department of elementary and secondary education, in consultation with the Massachusetts office of information technology, to assist public school districts in improving student instruction and assessment through the use of information technology; provided that such assistance shall include, but shall not be limited to, enhanced information technology infrastructure and increased broadband access as defined in section 6B of chapter 40J of the General Laws; provided further, that no grants shall be awarded until the

89 executive office of education and the department, in consultation with the Massachusetts office
90 of information technology, develops a detailed strategic plan to ensure that the program
91 maximizes taxpayer value, student access to information technology and information technology
92 preparedness; provided further, that the department shall submit the plan to the governor, the
93 secretary of administration and finance and the clerks of the house of representatives and the
94 senate on or before March 1, 2015; provided further, that grants shall not be awarded to school
95 buildings scheduled for decommissioning or razing within 10 years from the completion of the
96 installation, retrofit or capital improvement; provided further, that such installations, retrofits and
97 capital improvements may occur only on and within publicly-owned real property maintained for
98 the benefit of the school district; provided further, that the school district may contribute
99 matching funds from either a public or private source; provided further, that the executive office
100 of education and the department of elementary and secondary education, in consultation with the
101 Massachusetts office of information technology, shall determine the criteria used to evaluate
102 applications for the matching grant program; provided further, that the criteria shall seek to
103 maximize access of broadband to public school districts; and provided further, that such criteria
104 shall include, but not be limited to, the commitment of the school district to improve the
105 efficiency and productivity of education through the use of technology, to deliver statewide
106 online assessments, to provide student access to individualized and rigorous digital learning
107 experiences and to ensure that educators and administrators have the knowledge and skills to
108 develop and implement digital learning curricula..... \$38,000,000

109 1599-7063 For costs associated with the planning, preparation of plans and
110 specifications, purchase, procurement and implementation of information technology-related
111 equipment and related projects for the executive office of health and human services to establish
112 an integrated confidential data system among all state agencies that interact with individuals with
113 autism to track diagnosis, treatment, services and outcomes of individuals with
114 autism..... \$12,000,000

115 SECTION 2C.

116 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

117 *Massachusetts Office of Information Technology*

118 1790-3004 For costs associated with planning and studies, the preparation of plans and
119 specifications, purchase, procurement and implementation of information technology-related
120 equipment and related projects for the Massachusetts Department of Transportation
121\$100,000,000

122 SECTION 2D.

123 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

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Office of the Secretary

1100-9201 For costs associated with the procurement and purchase of capital equipment necessary for general government operations; provided, that the secretary of administration and finance, in consultation with the state treasurer, shall adopt regulations establishing a program by which state agencies shall be assessed from their annual appropriations for the costs of debt service and administrative expense and the comptroller shall transfer agency assessments to the state treasurer for the repayment of debt without further appropriation; and provided further, that the comptroller may create such accounts on the books of the commonwealth as the comptroller deems necessary for the administration of this item..... \$2,000,000

SECTION 3. Chapter 7 of the General Laws is hereby amended by inserting after section 4F 1/2 the following section:-

Section 4F ¾. There shall be established and set up a separate account to be known as the Commonwealth Federal Grants Management Trust. The secretary of administration and finance shall expend funds in the trust, without further appropriation, to support the purposes of the federal grants management unit within the office of commonwealth performance, accountability and transparency established in subparagraph (e) of section 4A. The secretary shall charge all federal grants, an amount determined by the secretary for these purposes, not exceeding 0.5 per cent per grant.

SECTION 4. Section 6 of chapter 7D of the General Laws, as appearing in section 22 of chapter 165 of the acts of 2014, is hereby amended by striking subsection (c) and inserting in place thereof the following subsection:-

(c) The CIO shall hold quarterly meetings with all directors and shall conduct annual compliance reviews across the executive offices to ensure full compliance with statutes, regulations, policies, standards and contractual obligations related to information technology and security. The CIO shall annually report the results of its reviews to the governor, the cabinet secretaries and the clerks of the house of representatives and senate on or before January 1 of each year. All reports shall be made available on the office’s website.

SECTION 5. Section 7 of said chapter 7D, as so appearing, is hereby amended by adding the following subsection:-

(d) The CIO shall adopt policies, standards and guidelines governing information technology procurement, development and maintenance, specifically including provisions for:

- (i) ensuring effective project management and oversight configurations;
- (ii) establishing strategic incentive and requirement structures;

157 (iii) increasing competition among information technology vendors, including, but not
158 limited to, the undertaking of smaller, short term information technology projects to provide
159 improved programmatic flexibility;

160 (iv) utilizing commercial off-the-shelf information technology products to achieve cost
161 savings on information technology projects;

162 (v) increasing technology procurement innovation using pilot programming;

163 (vi) identifying which information technology projects and procurements shall require the
164 services of an independent verification and validation consultant;

165 (vii) creating a team of project managers to oversee and manage large information
166 technology projects;

167 (viii) gathering and maintaining relevant records, documents and information related to
168 vendor performance on ongoing and completed projects to assist in assessing prospective
169 vendors' past performance; and

170 (ix) implementing other best practices which may include, but shall not be limited to,
171 those identified in legislative reports and legislatively-required reports.

172 SECTION 6. (a) To meet the expenditures necessary to carry out item 0640-0035 of
173 section 2, the state treasurer shall, upon request of the governor, issue and sell bonds of the
174 commonwealth in an amount to be specified by the governor from time to time but not
175 exceeding, in the aggregate, \$65,000,000. All bonds issued by the commonwealth under this
176 section shall be designated on their face, Lottery Financing Act of 2014, and shall be issued for a
177 maximum term of years, not exceeding 10 years, as the governor may recommend to the general
178 court under section 3 of Article LXII of the Amendments to the Constitution. All such bonds
179 shall be payable not later than June 30, 2029.

180 (b) All interest and payments on account of principal of these obligations shall be payable
181 solely from the State Lottery and Gaming Fund. Bonds issued under the authority of this section
182 shall be special obligations of the commonwealth and shall be excluded from the debt limit
183 established in section 60A of chapter 29 of the General Laws.

184 (c) Bonds of the commonwealth may be issued under authority of this section in such
185 manner and on such terms and conditions as the state treasurer, with the concurrence of the
186 secretary of administration and finance, may determine in accordance with this subsection and,
187 to the extent not inconsistent with this subsection, the General Laws for the issuance of bonds of
188 the commonwealth. Bonds may be secured by a trust agreement or other security agreement
189 entered into by the state treasurer, with the concurrence of the secretary of administration and
190 finance, on behalf of the commonwealth, which trust agreement or other security agreement may
191 pledge or assign all or any part of the State Lottery and Gaming Fund and rights to receive the

192 same, whether existing or coming into existence and whether held or thereafter acquired, and the
193 proceeds thereof. The state treasurer may also, with the concurrence of the secretary of
194 administration and finance, enter into additional security, insurance or other forms of credit
195 enhancement which may be secured on a parity or subordinate basis with the bonds. A pledge in
196 any trust or other security agreement or credit enhancement agreement shall be valid and binding
197 from the time such pledge shall be made without any physical delivery or further act and the lien
198 of such pledge shall be valid and binding against all parties having claims of any kind in tort,
199 contract or otherwise, irrespective of whether such parties have notice thereof. Any such pledge
200 shall be perfected by filing of the trust or other security agreement or credit enhancement
201 agreement in the records of the state treasurer and no filing shall be required under chapter 106
202 of the General Laws. Any trust agreement, security agreement or credit enhancement agreement
203 may establish provisions defining defaults and establishing remedies and other matters relating to
204 the rights and security of the holders of the bonds or other secured parties as determined by the
205 state treasurer, including provisions relating to the establishment of reserves, the issuance of
206 additional or refunding bonds, whether or not secured on a parity basis, the application of the
207 agency assessments and other moneys and funds pledged pursuant to such agreement and other
208 matters deemed necessary or desirable by the state treasurer for the security of such bonds and
209 may also regulate the custody, investment and application of moneys. Any such bonds, the
210 transfer thereof and the income therefrom, including profit on the sale thereof, shall be exempt
211 from taxation by and within the commonwealth. The provisions hereof relating to bonds shall
212 also be applicable to the issuance of notes insofar as such provisions may be appropriate therefor.

213 In order to increase the marketability of any such bonds or notes issued by the
214 commonwealth and in consideration of the acceptance of payment for any such bonds or notes,
215 the commonwealth shall covenant with the purchasers and all subsequent holders and transferees
216 of any such bonds or notes that while any such bonds or notes shall remain outstanding and so
217 long as the principal of or interest on any such bonds or notes shall remain unpaid: (i) no pledged
218 funds shall be diverted from the State Lottery and Gaming Fund; (ii) in any fiscal year of the
219 commonwealth and until an appropriation has been made which is sufficient to pay the principal,
220 including sinking fund payments, of and interest on all such bonds and notes of the
221 commonwealth and to provide for or maintain any reserves, additional security, insurance or
222 other forms of credit enhancement required or provided for in any trust agreement securing any
223 such bonds or notes, no pledged funds shall be applied to any other use.

224 (d) In lieu of issuing all or a portion of the bonds authorized by this section, the state
225 treasurer, with the concurrence of the secretary of administration and finance, may instead enter
226 into lease agreements or other alternate financing arrangements, which agreements or
227 arrangements shall be payable from the State Lottery and Gaming Fund and the amount of
228 which, together with any bonds issued or to be issued, shall not exceed the amount specified in
229 subsection (a). The General Laws applicable to bonds of the commonwealth shall also apply to
230 any such agreements or arrangements.

231 SECTION 7. To meet the expenditures necessary in carrying out items 1790-2018, 1790-
232 3001, 1790-3002 and 8000-2030 of section 2, the state treasurer shall, upon request of the
233 governor, issue and sell bonds of the commonwealth, in an amount to be specified by the
234 governor from time to time, but not exceeding, in the aggregate, the sum of \$517,200,000. All
235 bonds issued by the commonwealth under this section shall be designated on their face,
236 Information Technology and Innovation Act of 2014, and shall be issued for such maximum
237 terms of years not exceeding 10 years, as the governor may recommend to the general court
238 under section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be
239 payable not later than June 30, 2029. All interest and payments on account of principal of these
240 obligations shall be payable from the General Fund unless otherwise specified. Notwithstanding
241 any other provision of this act, bonds and interest thereon issued under the authority of this
242 section shall be general obligations of the commonwealth.

243 SECTION 8. To meet the expenditures necessary in carrying out section 2A, the state
244 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth, in an
245 amount to be specified by the governor from time to time, but not exceeding, in the aggregate,
246 the sum of \$220,000,000. All bonds issued by the commonwealth under this section shall be
247 designated on their face, Information Technology and Innovation Act of 2014, and shall be
248 issued for such maximum terms of years not exceeding 10 years, as the governor may
249 recommend to the general court under section 3 of Article LXII of the Amendments to the
250 Constitution. All such bonds shall be payable not later than June 30, 2029. All interest and
251 payments on account of principal of these obligations shall be payable from the General Fund
252 unless otherwise specified. Bonds and interest thereon issued under the authority of this section
253 shall be general obligations of the commonwealth.

254 SECTION 9. To meet the expenditures necessary to carry out items 1599-7061 and 1599-
255 7062 of section 2B, the state treasurer shall, upon request of the governor, issue and sell bonds of
256 the commonwealth in an amount to be specified by the governor from time to time, but not
257 exceeding, in the aggregate, \$88,000,000. All bonds issued by the commonwealth under this
258 section shall be designated on their face, Information Technology and Innovation Act of 2014,
259 and shall be issued for a maximum term of years, not exceeding 20 years, as the governor may
260 recommend to the general court under section 3 of Article LXII of the Amendments to the
261 Constitution. All such bonds shall be payable not later than June 30, 2039. All interest and
262 payments on account of principal of these obligations shall be payable from the General Fund.
263 Bonds and interest thereon issued under the authority of this section shall be general obligations
264 of the commonwealth.

265 SECTION 10. To meet the expenditures necessary to carry out item 1599-7063 of section
266 2B, the state treasurer shall, upon request of the governor, issue and sell bonds of the
267 commonwealth in an amount to be specified by the governor from time to time, but not
268 exceeding, in the aggregate, \$12,000,000. All bonds issued by the commonwealth under this
269 section shall be designated on their face, Information Technology and Innovation Act of 2014,

270 and shall be issued for a maximum term of years, not exceeding 10 years, as the governor may
271 recommend to the general court under section 3 of Article LXII of the Amendments to the
272 Constitution. All such bonds shall be payable not later than June 30, 2029. All interest and
273 payments on account of principal of these obligations shall be payable from the General Fund.
274 Bonds and interest thereon issued under the authority of this section shall be general obligations
275 of the commonwealth.

276 SECTION 11. To meet the expenditures necessary to carry out section 2C, the state
277 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an
278 amount to be specified by the governor from time to time, but not exceeding, in the aggregate,
279 \$100,000,000. All bonds issued by the commonwealth under this section shall be designated on
280 their face, Information Technology and Innovation Act of 2014, and shall be issued for a
281 maximum term of years, not exceeding 10 years, as the governor may recommend to the general
282 court under section 3 of Article LXII of the Amendments to the Constitution. All such bonds
283 shall be payable not later than June 30, 2029. All interest and payments on account of principal
284 of these obligations shall be payable from the Commonwealth Transportation Fund. Bonds and
285 interest thereon issued under the authority of this section shall be general obligations of the
286 commonwealth.

287 SECTION 12. (a) To meet the expenditures necessary to carry out section 2D, the state
288 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an
289 amount to be specified by the governor from time to time, but not exceeding, in the aggregate,
290 \$2,000,000. All bonds issued by the commonwealth under this section shall be designated on
291 their face, Capital Equipment Financing Act of 2014, and shall be issued for a maximum term of
292 years, not exceeding 5 years, as the governor may recommend to the general court under section
293 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not
294 later than June 30, 2024.

295 (b) All interest and payments on account of principal of these obligations shall be payable
296 from agency assessments charged under regulations established pursuant to section 2D.

297 (c) In lieu of issuing all or any portion of the bonds authorized by this section, the state
298 treasurer, with the concurrence of the secretary of administration and finance, may enter into
299 lease agreements or other alternate financing arrangements, which agreements or arrangements
300 shall be payable from agency assessments and the amount of which, together with any bonds
301 issued or to be issued, shall not exceed the amount specified in subsection (a). The General
302 Laws applicable to bonds of the commonwealth shall also apply to any such agreements or
303 arrangements.

304 SECTION 13. The secretary of administration and finance shall submit semiannual
305 reports on the progress of any projects funded by this act and included in the governor's 5- year
306 capital investment plan to the clerks of the senate and house of representatives, the chairs of the

307 senate and house committees on ways and means and the senate and house chairs of the
308 committees on bonding, capital expenditures and state assets. The reports shall include, but not
309 be limited to, the previous year planned spending, previous year spending, current year planned
310 spending, current year spending to date, original estimated total project cost, project description,
311 purpose, location of the project, type of spending, type of asset and useful life of the project once
312 completed. The semiannual reports shall be submitted on June 30 and December 31 of each year
313 for a period of 8 years after the effective date of this act. All reports shall be made available on
314 the executive office for administration and finance's website.

315 SECTION 14. The executive office for administration and finance shall study and report
316 on the cost and feasibility of making available on the searchable website under section 14C of
317 chapter 7 of the General Laws all agreements or any combination or series of agreements by
318 which a nongovernmental person or entity agrees with any public agency to provide goods or
319 services valued at more than \$1,000,000, the total amount that the public agency has committed
320 to expend under any such agreement or combination or series of agreements and the total amount
321 actually expended by the public agency under such agreement or combination or series of
322 agreements to date. The executive office shall submit its report, along with a plan to implement
323 the report's findings, on or before April 15, 2015.

324 SECTION 15. Each executive office established in section 2 of chapter 6A of the General
325 Laws shall, in consultation with the chief information officer, prepare and submit a report
326 detailing the level of services offered by the office available over the internet. The reports shall
327 include, but not be limited to, services and transactions currently offered by the office over the
328 internet, services and transactions currently offered by the office and not available over the
329 internet, current and future plans to expand the level of services offered over the internet and a
330 comparison of the level of services offered by the office and available over the internet to the
331 level of services offered and available over the internet in other similar offices in other states.
332 The reports shall be submitted to the house and senate committees on ways and means and the
333 clerks of the senate and house of representatives not later than November 15, 2014. All reports
334 shall be made available on the general court's website.

335 SECTION 16. To provide for the continued availability of certain bond-funded spending
336 authorizations which otherwise would expire, the balances of the following appropriation items
337 and any allocations thereof are hereby extended through June 30, 2017 for the purposes of and
338 subject to the conditions stated for these items in the original authorizations and any amendments
339 to such authorizations: 1599-7060, 1790-2013, 1790-2016, 1790-2017 and 1790-2500.

340 SECTION 17. Appropriations made pursuant to sections 2 to 2C, inclusive, shall be
341 available for expenditure in the 3 fiscal years following June 30 of the calendar year in which the
342 appropriation is made and any portion of such appropriation representing encumbrances
343 outstanding on the records of the state comptroller's office at the close of the third fiscal year

344 may be applied to the payment thereof any time thereafter. The unencumbered balance shall
345 revert to the commonwealth at the close of the third fiscal year.

346 SECTION 18. The town of Montague may utilize chapter 40Q of the General Laws to
347 develop telecommunications and broadband infrastructure in partnership with the town of
348 Leverett.

349 SECTION 19. Notwithstanding any general or special law to the contrary, the bonds that
350 the state treasurer may issue pursuant to this act shall be issued for a term not to exceed 30 years.
351 All such bonds shall be payable not later than June 30, 2049, as recommended by the governor in
352 a message to the general court dated June 26, 2014 under section 3 of Article LXII of the
353 Amendments to the Constitution.