

HOUSE No. 4489

[Pin Slip]

The Commonwealth of Massachusetts

In the Year Two Thousand Twelve

An Act MAKING AN APPROPRIATION FOR THE FISCAL YEAR 2013 TO PROVIDE FOR INVESTIGATION AND RESPONSE COSTS RELATED TO THE BREACH AT THE DRUG ANALYSIS LABORATORY AT THE DR. WILLIAM A. HINTON STATE LABORATORY INSTITUTE.

Whereas, the deferred operation of this act would tend to defeat its purpose, which is to forthwith to make a supplemental appropriation for fiscal year 2013 and to make certain changes in law, each of which is immediately necessary to carry out this appropriation or to accomplish other important public purposes, 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 November 1, 2012

2 To the Honorable Senate and House of Representatives:

3 I am filing for your consideration a bill entitled “An Act Making An Appropriation for
4 the Fiscal Year 2013 to Provide for Investigation and Response Costs Related to the Breach at
5 the Drug Analysis Laboratory at the Dr. William A. Hinton State Laboratory Institute.”

6 The legislation I am filing requests \$30 million for a Fiscal Year 2013 reserve to support costs
7 incurred by state agencies and municipalities responding to the breach at the Drug Analysis

8 Laboratory at the Dr. William A. Hinton State Laboratory Institute. This supplemental request
9 was prepared based on the preliminary funding requests reported to the Executive Office for
10 Administration and Finance. The administration will continue to work with relevant state
11 agencies and municipalities to determine the ultimate scope of their response and their resulting
12 funding needs.

13 The proposed legislation establishes a transparent and accountable process whereby agencies and
14 municipalities will execute funding agreements with the Secretary of Administration and Finance
15 calling for reimbursements based on costs directly related to the Drug Analysis Laboratory at the
16 Dr. William A. Hinton State Laboratory Institute. Such reimbursements will be made by the
17 Secretary in a timely fashion based on actual costs reported on a monthly basis.

18 Because these costs are one-time in nature, I am proposing the use of one-time resources to help
19 fund these costs. This legislation would reimburse the General Fund for the costs related to the
20 investigation and response to the breach at the Drug Analysis Laboratory at the Dr. William A.
21 Hinton State Laboratory Institute using one-time settlements in excess of \$10 million. These
22 resources would otherwise be transferred to the Stabilization Fund. Should they not be sufficient
23 this year to reimburse the General Fund for the full costs of the reserve, then the remaining
24 amount will be transferred from the Stabilization Fund.

25 I urge your prompt and favorable consideration of this bill.

26

27 Respectfully submitted,

28 SECTION 1. To provide for certain unanticipated obligations of the commonwealth, and to meet
29 certain requirements of law, the sum set forth in this section is hereby appropriated from the
30 General Fund, for the purpose and subject to the conditions specified in Section 2A, and subject
31 to the laws regulating the disbursement of public funds for the fiscal year ending June 30, 2013.

32 SECTION 2A.

33 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

34 Office of the Secretary of Administration and Finance

35 1599-0054 For a reserve for costs of the investigation and response related to the breach at
36 the Drug Analysis Laboratory at the Dr. William A. Hinton State Laboratory Institute;
37 provided, that the secretary of administration and finance may transfer funds from this item to
38 state agencies, as defined in section 1 of chapter 29 of the General Laws, and municipalities for
39 this purpose; provided further, that such transfers shall occur on a monthly basis in incremental
40 amounts based on actual costs incurred by each state agency and municipality unless the
41 secretary determines that funds must be transferred more frequently in order to meet necessary
42 funding needs of state agencies and municipalities; provided further, that transfers shall be made
43 in accordance with an executed memorandum of agreement between the secretary and each state
44 agency or municipality, documenting the types of costs eligible for reimbursement pursuant to
45 this item and such other terms of reimbursement as the secretary deems appropriate, a copy of
46 which shall be filed with the chairs of the house and senate committees on ways and means
47 within 10 days of the agreement's execution; provided further, that requests for reimbursement
48 of eligible costs pursuant to any such memoranda of agreement shall include documentation
49 evidencing such eligible costs that the secretary, in his sole discretion, determines to be

50 sufficient; provided further, that no transfers to state agencies or municipalities shall be made
51 from this item prior to the filing of the applicable memorandum of agreement with the house and
52 senate committees on ways and means; provided further, that the secretary shall file a monthly
53 report with the chairs of the house and senate committees on ways and means which identifies:
54 (a) all funding requests and transfers made for the month that has most recently ended by state
55 agency or municipality; (b) the total funding requested and transfers by fiscal year, by state
56 agency or municipality; and (c) projected funding required for the forthcoming month by state
57 agency or municipality

58
59\$30,000,000

60 SECTION 3. Notwithstanding the last paragraph of section 2H of chapter 29 of the General
61 Laws, for the purpose of covering the costs authorized under item 1599-0054 of section 2A, the
62 comptroller shall transfer to the General Fund the amount of those authorized costs from the
63 proceeds of one-time settlements or judgments that would otherwise be transferred to the
64 Commonwealth Stabilization Fund, according to a schedule approved by the secretary of
65 administration and finance and considering the cash flow needs of the commonwealth. If the
66 costs authorized under said item exceed the funds available from the proceeds of one-time
67 settlements or judgments that would otherwise be transferred to the Commonwealth Stabilization
68 Fund, the balance of the amount of the authorized costs, not exceeding a total of \$30,000,000 of
69 authorized costs, shall be transferred from the Commonwealth Stabilization Fund for this
70 purpose. Funds from the reserve created in said item 1599-0054 may be spent in anticipation of
71 deposits under this section.