



Commonwealth of Massachusetts

FY2008-2012 Five-Year Capital Investment Plan

August 2007

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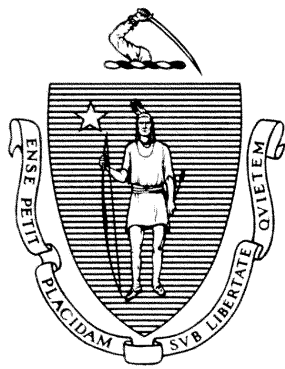
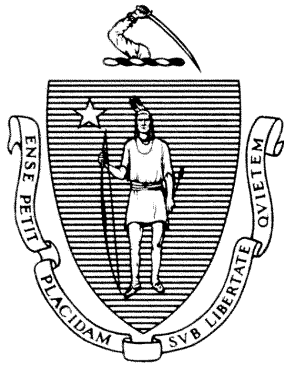


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Executive Summary

Introduction

Developing and implementing a capital budget is among the most important responsibilities of state government. Through its capital budget, the Commonwealth invests significant resources in infrastructure and other public assets that are critical to our quality of life, the strength of our economy, and the efficient functioning of government at every level. Among other things, these investments help build and maintain roads and rail we use for our daily commutes, public college facilities that educate our workforce and nurture our innovation economy, state parks and open space that enhance our landscape and protect our environment, and safe, affordable housing for the people of Massachusetts.

The Patrick-Murray Administration's five-year, \$12 billion capital plan embodies its commitment to promoting shared prosperity and economic opportunity across our entire state. The investments included in this plan – and the additional resources that they leverage – will make meaningful progress in meeting our state's immense inventory of capital needs, funding high-priority projects that will make Massachusetts a better place to live, work, raise a family and grow a business. They will contribute to the creation of high-quality jobs in Massachusetts, making a significant step toward realizing Governor Patrick's objective of creating 100,000 jobs during his term in office. These capital investments will also fund the development of a world-class higher education system in accordance with the Governor's education initiative.

The Administration's capital spending plan is fiscally responsible, setting annual borrowing levels to fund our capital program based on the state's actual capacity to repay its debts. It is also the product of an inclusive and thorough process designed to ensure that scarce resources are strategically allocated in an informed and rational manner.

Vision

The Patrick-Murray Administration has a long-term vision of a network of high-quality public infrastructure in the Commonwealth that makes Massachusetts one of the healthiest, easiest, safest, and most attractive places in the world to live, work, raise a family and grow a business.

This is a vision of a well-maintained and strategically located system of mass transit, roads, bridges, housing and commercial areas that breathes life into our economy and supports the creation of hundreds of thousands of quality jobs; a vision of world-class educational facilities that provide a supportive, technologically advanced and safe environment for every single one of our children to learn, to grow and to be productive and engaged members of our 21st century society; a vision of energy-efficient public buildings, a transportation system that encourages and facilitates the use of environmentally-sensitive modes of transportation, public infrastructure that promotes



sustainable and smart development, clean air and water, well-maintained parks and recreational areas, and protected natural forests, landscapes and open spaces.

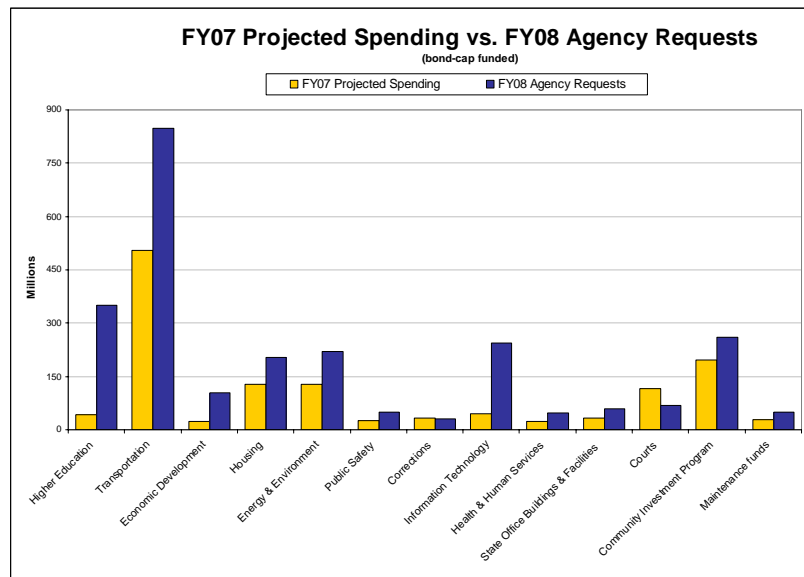
This is a vision of high-quality public infrastructure in our communities where we live, work, raise our families and run our businesses; a vision of state-of-the-art facilities and equipment that enable our public safety officers to keep us safe; a vision of technologically advanced systems for administering subsidized state health care to ensure quality, affordable health care for the neediest of Massachusetts residents; and a vision of state government buildings, equipment, technology and other resources that support an efficient, effective and responsive state government.

Challenges

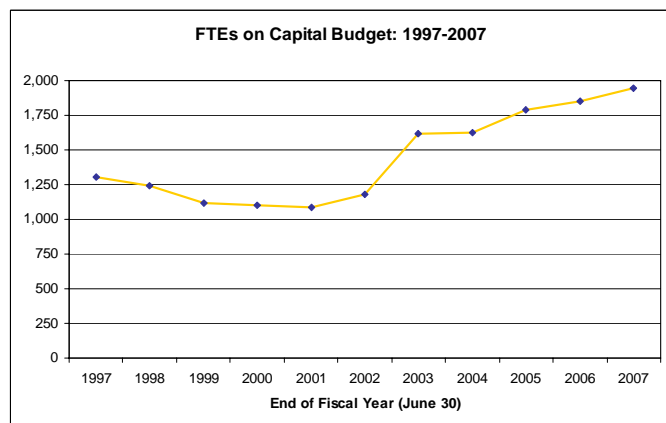
The Administration's long-term vision of the Commonwealth and of its public infrastructure described above guided the development of its five-year capital investment plan, but the plan represents only a step down the path toward that vision. The Administration confronted major challenges in developing this five-year capital plan. Above all, the Commonwealth has immense investment needs for every type of capital asset and throughout every region of our state. Some of these needs have arisen recently, while many others have long been evident but left unaddressed due to inadequate investment in our public assets. For example:

- An independent Transportation Finance Commission has found that the cost simply to *maintain* our current transportation system exceeds anticipated resources by \$15 to \$19 billion over the next 20 years.
- The University of Massachusetts reports a deferred maintenance backlog of more than \$2.6 billion across all five of its campuses. Based on a 2003 study, capital needs at our 24 state and community colleges over the next 10 years total \$2.9 billion in current dollars.
- Even conservative estimates suggest that there are almost a billion dollars in deferred maintenance projects at state facilities (excluding transportation, higher education, public housing, and most parks and recreational facilities).
- \$75 to \$145 million per year is needed over the next ten years just to repair the damage from years of neglect of our state's 50,000 public housing units – *plus* \$75 million per year just to maintain *status quo* conditions.

The extent of need is underscored by the magnitude of capital project spending requests received. Capital spending needs identified by state agencies alone totaled over \$15 billion for fiscal year 2008 through fiscal year 2012. The graph below shows state agency requests by major investment category, compared to fiscal year 2007 projected spending:



At the same time, the size of the capital budget is subject to significant constraints. The Commonwealth's debt is among the highest in the nation by some measures. Moreover, the portion of the state's operating budget that can be spent on debt service is limited not only by statute but, more importantly, by the fact that tax revenues are also needed to meet rapidly growing operating needs. Compounding this challenge, a combination of increasing operating needs and limited revenues has resulted in a shift in recent years of capital project-related personnel and other expenditures from the operating budget to the capital budget, crowding out investments in capital assets. The FY07 capital budget funded approximately 1,940 full-time equivalent state employees (FTE's) – 65 percent more than the number of FTE's carried on the capital budget five years ago – at an additional cost to pay these employees from capital borrowings of approximately 60 cents per dollar.



Addressing the Challenges and Pursuing the Vision

The Patrick-Murray Administration has pursued a thoughtful and fiscally responsible approach to address these challenges of immense need and constrained resources and to make progress toward its vision for public infrastructure that supports a better Commonwealth. First, it undertook a rigorous analysis of the Commonwealth's capacity to issue debt and ultimately adopted a model for establishing an annual administrative bond cap which is focused on *affordability*. This thoughtful, fiscally responsible approach allows not only for steady growth in the bond cap – starting with a



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Five-Year Capital Investment Plan: FY2008-2012

bond cap of \$1.5 billion in fiscal year 2008 (plus \$56 million in unspent bond cap funds projected to be carried forward from fiscal year 2007) – but also a *reduction* in debt service as a percentage of revenue from current levels over the next five years.

Fiscal Year	Bond Cap	Total Debt Obligations	Estimated Budgeted Revenue	Debt Service as % of Budgeted Revenues
2008	1,500,000,000	2,096,820,042.99	26,727,000,000	7.85%
2009	1,625,000,000	2,181,430,183.83	27,528,810,000	7.92%
2010	1,750,000,000	2,187,170,812.69	28,354,674,300	7.71%
2011	1,875,000,000	2,272,886,769.21	29,205,314,529	7.78%
2012	2,000,000,000	2,227,772,807.02	30,081,473,965	7.41%

The State Treasurer supports the Administration's new approach to determining the annual borrowing limit. In addition, each of the credit rating agencies that rates Commonwealth debt has indicated that this new approach to debt management is a positive step forward for the Commonwealth from a credit perspective. For a detailed description of the Administration's approach to determining the annual borrowing limit, see Appendix A to the Five-Year Capital Investment Plan: FY2008-2012.

The \$1.5 billion bond cap for fiscal year 2008 (plus \$56 million in unspent bond cap funds projected to be carried forward from fiscal year 2007) will allow the Commonwealth to increase its investment in high-quality public infrastructure. Moreover, the capital plan includes additional *non-state* resources leveraged by the state's investments, making more projects possible than the state could otherwise fund on its own. This includes \$489 million in federal contributions to projects and \$216 million from other sources (including independent public authorities and other governmental entities). Counting all budgeted funding sources, the total capital budget for fiscal year 2008 is \$2.26 billion.

The state's capital investments also leverage other non-state project resources that are not reflected in the state's capital budget, including municipal matching grants and private investments, estimated to total several hundred million dollars for fiscal year 2008. Moreover, the Administration is employing innovative financing tools to maximize the scope and impact of public and private investments in meeting our state's capital needs, including:

- identifying dedicated, project-specific revenues to finance certain capital needs outside of the bond cap;
- providing greater support for economic development and public housing through the use of tax-exempt private activity bonds;
- working with independent authorities to use new financing mechanisms to pay for infrastructure improvements, including "I-Cubed" (Infrastructure Investment Incentive) bonds;



- paying for capital investments in energy-saving projects at state facilities through savings produced by the investments; and
- pursuing legislation to appropriate \$40 million to pay off high-interest bonds and replace them with lower-cost bonds, creating capacity to fund more projects while reducing our debt service costs.

The Patrick-Murray Administration pursued an inclusive approach to constructing its five-year capital spending plan to ensure that it understood the full scope of capital needs in the Commonwealth and the impact of desired projects. In addition to soliciting information from state agencies that make and benefit from capital investments, it consulted with state legislators about capital needs and priorities in their districts and met with numerous interest groups and organizations. Projects were then carefully evaluated and prioritized to make the most effective and efficient use of limited capital resources. Along these lines, the Administration took care to ensure that its capital investment decisions were consistent with sound strategic planning, in some instances requiring the completion of master plans before committing to the construction of new facilities.

Through increased investment and careful prioritization, the Administration's five-year capital plan takes a major step forward in addressing infrastructure needs and promotes shared prosperity and economic opportunity in every region of the Commonwealth. The vast majority of the fiscal year 2008 capital budget is devoted to projects and programs with statewide eligibility and scope, and specific investments are widely distributed across the state.

Specific highlights of the capital plan include:

Job Creation and Economic Growth

- A 180% increase in economic development capital investments in fiscal year 2008, compared to projected fiscal year 2007 capital spending.
- An estimated \$200-250 million investment over the next five years to help fund key elements of Governor Patrick's ten-year, \$500 million capital commitment to making Massachusetts a global leader in life sciences – including creating the world's largest stem cell bank and regional facilities to promote collaborative approaches to research and entrepreneurship.
- \$30 million for the MORE Jobs capital program in fiscal year 2008, a 200% increase over the amount budgeted for fiscal year 2007, to help finance public infrastructure improvements to support business expansion and job growth in Massachusetts.
- An estimated \$25 million over the next five years to capitalize a new Broadband Incentive Fund, which will focus on expediting the deployment of fast and affordable broadband in Western Massachusetts and other underserved areas of the Commonwealth.



- Hundreds of millions of dollars invested over the next five years in high-priority transportation projects that are catalysts for economic development and improve our quality of life, including South Coast Rail and the extension of the Green Line to Medford.

World-Class Education

- A 186% increase in state-funded higher education capital investments in fiscal year 2008, compared to estimated fiscal year 2007 capital spending. By 2012, state-funded higher education capital investments will represent 10% of the state's total bond-funded capital program, compared to 3% in fiscal year 2007.
- \$60 million for capital investments at the University of Massachusetts in fiscal year 2008 (a \$35 million increase over 2007 spending) and an estimated \$375 million over the next five years – funding critical infrastructure repair projects and new facilities essential to making the University a world-class educational institution, such as a nanotechnology-biomanufacturing center at the Lowell campus.
 - In recognition of the Administration's increased investment commitment for the capital needs of the University, the University has pledged to raise \$187.5 million over the next five years – 50 cents in addition to every dollar of the Administration's planned \$375 million five-year investment – to supplement the state funding and the University's own capital spending in order to further address the capital needs of the University. The University intends to meet this commitment through private fundraising, grants and other sources, not from student fee or tuition revenue.
- \$55 million for capital improvements at state and community colleges in fiscal year 2008 (a \$36 million increase over 2007 spending) and approximately \$375 million over the next five years – funding new facilities that will increase our colleges' capacity to train workers for 21st century jobs and offer affordable access to higher education.
 - In conjunction with this new investment, the Board of Higher Education will eliminate a pre-existing requirement that state and community colleges provide matching funds for state capital investments, relieving pressure to increase student charges to pay for capital needs and making our colleges more accessible and affordable.

Environmental Protection and Clean Energy

- \$50 million to protect open space in fiscal year 2008, a 30% increase over estimated fiscal year 2007 spending and a 52% increase over average spending during the past five years, with a focus on urban parks, large natural areas with significant ecological value, and land supporting working landscapes.



- \$96 million for capital improvements at parks and other facilities managed by the Department of Conservation and Recreation in fiscal year 2008 (excluding land acquisition and municipal grant programs), an \$18.9 million increase over projected fiscal year 2007 spending, providing for needed maintenance and improvements at state parks and other facilities.
- An estimated \$10 million of the total fiscal year 2008 capital investment plan will fund sustainable design and energy efficiency improvements in connection with state building projects, and \$4 million in fiscal year 2008 will fund new energy conservation and renewable energy initiatives at all existing state facilities to meet Governor Patrick's ambitious goals in Executive Order 484 ("Leading by Example") for energy conservation by state government.

Partnering with Cities and Towns

- \$271 million for Community Investment programs in fiscal year 2008, a 32% increase in bond-funded municipal investments compared to estimated fiscal year 2007 capital spending.
- \$150 million in fiscal year 2008 for the Chapter 90 program supporting local road and bridge projects, increasing our annual bond-funded capital investment by at least \$30 million over recent years.
- A \$30 million increase in funding for public housing in fiscal year 2008, representing an increase of more than 50% over the fiscal year 2007 budgeted amount, to begin addressing the significant backlog of deferred maintenance projects.
- A \$12.5 million (18%) increase in funding to support private affordable housing development in fiscal year 2008 compared to projected fiscal year 2007 spending, including \$25 million for the Affordable Housing Trust Fund, which is in addition to \$5 million in the Affordable Housing Trust Fund dedicated to public housing.

Safe Communities

- A \$10.6 million (40%) increase in state funded public-safety related investments in fiscal year 2008 over estimated fiscal year 2007 spending.
- \$500,000 in fiscal year 2008 to begin work on a master plan that will guide future investments in Department of Corrections and County Sheriff correctional facilities by examining the physical condition of correctional facilities and broader policy considerations concerning sentencing and classification.
- Approximately \$10 million over five years to implement the recommendations of the "Hayes Report" for capital improvements to Department of Corrections facilities to help prevent inmate suicides.
- \$4 million in fiscal year 2008 to re-establish and increase funding for a matching grant program to help fund municipal public safety facilities.



- \$6 million in fiscal year 2008 for an integrated criminal justice information system to facilitate information-sharing across public safety and criminal justice agencies and improve the Commonwealth's capacity to detect and deter criminal and terrorist activity.

Quality, Affordable Health Care for All

- A \$14 million (45%) increase in state-funded, health-related capital investments in fiscal year 2008, compared to estimated fiscal year 2007 capital spending.
- Continued investment in information technology projects to promote more efficient purchase and delivery of health care, including \$9.3 million in fiscal year 2008 to complete a new Internet-based, streamlined reporting and billing service to reduce state-funded health care costs by an estimated average of \$11 million per year.
- \$30 million in fiscal year 2008 for a new, state-of-the-art mental health facility in Worcester that will replace two obsolete mental health hospitals and result in estimated operating savings of \$4.15 million per year.

The Administration has worked to make its five-year capital plan transparent and accessible, so the public can understand its investment decisions and determination of affordability. For fiscal year 2008, the plan includes a description of all on-going, legislatively authorized projects and programs and new capital initiatives it has determined to fund to date. For the balance of fiscal year 2008 and for fiscal years 2009 through 2012, it includes overall amounts reserved for specific spending categories. The plan also includes a detailed *Debt Affordability Analysis* describing how the Administration approached the process of setting the annual borrowing limit. This information is available in electronic format in the Capital Finance section of the Executive Office for Administration and Finance website at www.mass.gov/eoaf.

Over 95% of the fiscal year 2008 capital spending budgeted for specific projects and programs has already been authorized by the Legislature. The Administration will soon file legislation to seek authorization for projects and priorities that do not yet have legislative authorization. At the same time, the Administration intends to seek the revocation of existing, old bond authorizations for projects that will not be pursued.

The Patrick-Murray Administration is proud to present this plan to invest a total of \$12 billion over five years in the construction and maintenance of public assets that are critical to our quality of life, the strength of our economy, and the efficient functioning of government at every level. This plan will make significant progress in addressing our state's immense list of capital infrastructure needs – increasing capital spending while maintaining fiscal responsibility, and prioritizing projects that offer the greatest return on our investment.

At the same time, the Administration fully recognizes that, given fiscal constraints on issuing debt and the magnitude of the Commonwealth's capital needs, this capital



plan cannot and does not address *all* of our public infrastructure priorities. For example, the plan lacks sufficient resources to rectify years of inadequate investment in our state's transportation infrastructure. The Administration is separately exploring structural and financial transportation reforms to address this challenge and provide the people of Massachusetts with the world-class transportation system they need and deserve.

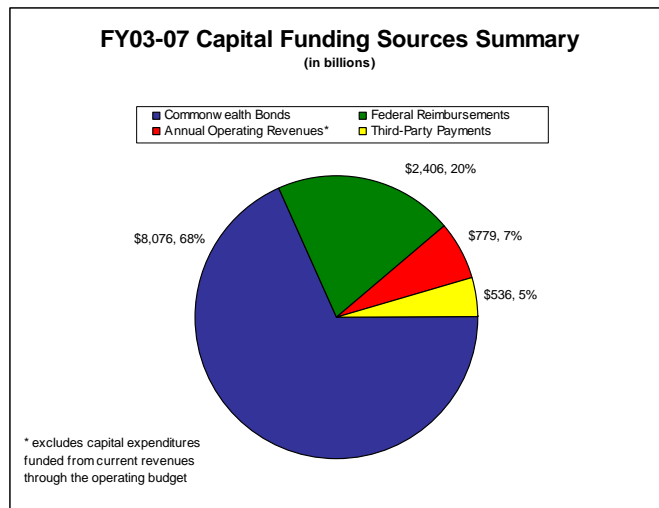
Finally, this plan should not be considered the final word on our state's capital investment strategy. The Administration will closely monitor the status of projects and needs and, if necessary, make adjustments to spending allocations to ensure that the Commonwealth's capital investments are both responsible and responsive to state priorities. The Administration will also conduct a formal reassessment and publication of a new capital spending plan each fiscal year. This approach strikes the right balance between laying out a long-term vision for state capital investments that enables agencies to plan and preserving flexibility to adapt to changed circumstances.



Capital Finance in Massachusetts

The Commonwealth's capital budget is a detailed spending plan for the construction and maintenance of public assets. The capital budget is developed and managed by the Executive Office for Administration and Finance (A&F) and is funded through a variety of sources, including the proceeds of Commonwealth debt, federal funds, third-party payments (including from other governmental entities and private entities) and other available Commonwealth funds. In limited cases, such as for certain minor maintenance projects, small IT projects and equipment purchases, capital costs

are funded through the operating budget. These operating budget expenditures are not reflected in the capital plan.¹ Commonwealth capital budget spending for the last five fiscal years (FY03-07) totaled nearly \$12 billion, and the sources of these funds are depicted in the chart at left.



Bond proceeds represent more than two-thirds of the Commonwealth's capital funding sources. Authorization for the issuance of bonds must be approved by a two-thirds vote of both houses of the Legislature. The Governor and his

administration allocate capital funds and approve spending for authorized projects. With the approval of the Governor, the State Treasurer issues bonds to finance projects that have been approved for spending.²

Capital Finance Recommendations of Legislative Committee

The legislative committee that oversees capital finance for the Commonwealth is the Joint Committee on Bonding, Capital Expenditures and State Assets, which is chaired by Senator Mark C. Montigny and Representative David L. Flynn. In its Report on Capital Investment and State Assets in the Commonwealth of Massachusetts (Fiscal Year 2006 Edition), the Committee made 10 recommendations for improving various aspects of capital finance in the Commonwealth. The Patrick-Murray Administration agrees with these recommendations and is addressing them. For a detailed description

¹ Pursuant to Chapter 27 of the Acts of 2007, the Legislature authorized the use of operating revenues originally appropriated for certain capital projects to be used instead to pay off outstanding, high interest cost bonds of the Commonwealth and to issue new, lower interest cost bonds to finance the capital projects instead. The State Treasurer and the Administration effected this transaction in May, 2007, resulting in significant debt service savings for the Commonwealth. Because these capital projects were effectively funded from the operating budget, they also are not reflected in the capital plan.

² For constitutional and statutory references, see Mass. Const., Art. XI & LXII; M.G.L Ch. 29, various sections.

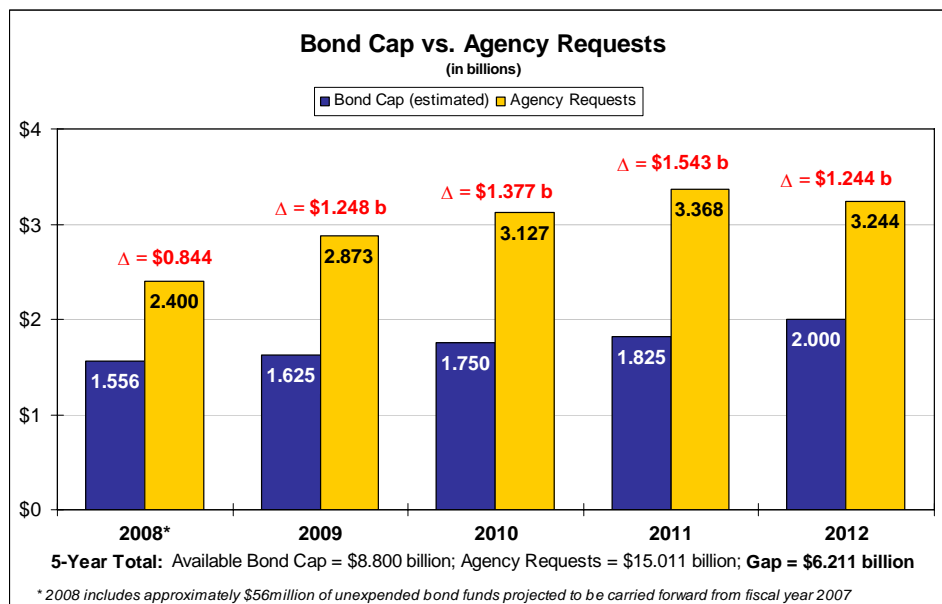


of the Committee's recommendations and the Administration's approach to addressing them, see the table attached as Appendix B.

Process for Developing Capital Investment Plan

The Patrick-Murray Administration engaged in a diligent, fiscally responsible, and comprehensive process for developing its five-year capital investment plan. The Administration conducted a rigorous review of the Commonwealth's debt capacity in order to establish an affordable size for our bond-funded capital program. For the first time in recent years, the Administration has not only developed a fiscally responsible methodology for setting the annual borrowing limit, but it is also making its analysis and approach transparent by publishing it as part of this report (this debt analysis is discussed in greater detail in a later section and in Appendix A).

The Administration also broadly solicited information about capital spending needs to ensure that it was well-informed about the many worthy capital project needs in determining how best to allocate the Commonwealth's limited capital funding resources. State agencies provided a significant amount of detailed information regarding capital investment needs, priorities and the programmatic impacts of requested projects. A&F held more than 30 interviews and diligence sessions with agencies regarding their capital project requests between April 12th and June 15th. Agencies' requests for bond-funded capital spending totaled more than \$2.4 billion for fiscal year 2008 and more than \$15 billion over the FY08-12 five-year period.



The Administration also consulted with legislators regarding capital project needs, in recognition of their unique familiarity with state capital investment priorities and the needs of their districts. Administration officials also met with numerous individuals, interest groups and organizations about their capital investment priorities.



Since taking office, Governor Patrick and Lt. Governor Murray have held many town hall meetings in every corner of the Commonwealth and attended numerous other events where they have heard from a broad range of citizens about their interests and concerns, including the state's capital assets and infrastructure.

In all, the Administration identified significantly more capital project needs than can be addressed with the limited resources available. As a result, A&F has been engaging in a rigorous due diligence process, analyzing capital spending requests on a project-by-project basis. The status and merits of each project are being considered within the context of the Administration's vision for public infrastructure in Massachusetts described above and to determine how each project request will address the following capital project ranking criteria:

- *necessary for public health or safety*
- *address structural deficiencies which adversely impact the functionality of a critical capital asset*
- *consistent with sustainable and responsible development principles*
- *supports the creation of new jobs, housing, or workforce development*
- *protects our natural assets or otherwise improves the quality of our environment*
- *contributes to a healthy, engaged and educated citizenry*
- *improves the quality and efficiency of desired government services*
- *legally mandated*
- *leverages other sources of funding*
- *consistent with master plan and/or programmatic needs of user agency*
- *results in operating budget savings or manageable operating budget increases*

While these criteria are being considered equally in prioritizing project requests, special attention is being given to projects that satisfy many of these criteria and to projects that make an extraordinary impact in any one of these areas.

Based on its analysis to this point, the Administration has identified a number of legislatively authorized, on-going projects and programs that it intends to fund in FY08. There are also a few new capital investment initiatives of the Governor for which the Administration plans to begin spending in FY08, subject to legislative authorization. Based on the Administration's priorities and its analysis of capital investment needs, the Administration has also reserved the balance of FY08 capital investment resources, and projected capital investment resources for fiscal years 2009 through 2012, for future projects within broad categories of capital spending. Future designations of these resources to specific projects and programs will be made by the Administration based



on the availability of legislative authorization to carry out new projects and programs, the Administration's vision for public infrastructure in Massachusetts, the project ranking criteria described above, and project cash flow needs.



Patrick-Murray Administration Fiscal Year 2008-2012 Capital Investment Plan

Affordability and Fiscal Responsibility

Because the capital program is funded primarily through bond proceeds, the total size of the capital program is determined to a large extent by the amount of debt the Commonwealth can afford to issue. Since fiscal year 1991, A&F has established what is known as the “bond cap” to limit annual bond issuance in support of the capital program to affordable levels. The Patrick-Murray Administration engaged in a rigorous analysis of the state’s outstanding debt obligations and of the state’s capacity to issue additional debt within affordable levels. Based on this analysis, the Administration has determined that the FY08 bond cap will be \$1.5 billion, plus approximately \$56 million of unexpended bond proceeds conservatively estimated to be carried forward from the FY07 capital budget. The analysis is described in greater detail in the Administration’s *Debt Affordability Analysis*, which is published electronically on the A&F website (www.mass.gov/eoaf) and attached to this document as Appendix A.

In summary, the Administration took a fiscally responsible approach to the bond cap, analyzing the Commonwealth’s capacity for debt issuance from the point-of-view of affordability. Specifically, A&F set annual constraints on both the size of the bond cap and its future rate of growth by keeping combined debt service and payment of debt-like obligations for existing and new debt within 8% of budgeted revenues (FY07 debt service was approximately 7.65% of FY07 budgeted revenues) and by keeping future annual growth of the bond cap to not more than \$125 million. For purposes of its analysis of existing payment obligations, A&F included not only debt service on general obligation bonds, but also certain special obligations, contract assistance obligations and certain capital lease payments. A&F took a conservative approach to projecting future revenues, basing its growth estimate on the compound annual growth rate of the Commonwealth’s revenues from the last ten years – which included both economic booms and downturns. A&F also modeled future debt issuance using fiscally conservative assumptions about interest rates, maturities, dates of issuance and payment schedules.

Based on this analytic approach, A&F has projected that the Commonwealth will have the capacity to accommodate steady increases in the bond cap over the next five years while *decreasing* the percentage of the Commonwealth’s budgeted revenues needed to pay debt service during that period. This will result in increased capacity in the capital budget to make needed investments in public infrastructure and greater capacity in the operating budget to fund needed state programs.

The debt affordability analysis methodology is based on the Commonwealth’s current available financing resources and mechanisms; changes in financing structures and resources in the future may impact how A&F examines the administrative bond cap and the state’s capacity for additional borrowing. The Administration plans to revisit the debt capacity and affordability analysis every year, revising its estimates for future years



by taking into account fluctuations in interest rates, revenues, and other changes impacting the Commonwealth's debt capacity. In addition, the Administration will annually assess the appropriateness of the methodology and constraints for establishing the bond cap described above.

The Patrick-Murray Administration intends to limit the total amount of virtually all future bond-funded capital projects to the bond cap. As indicated below, however, there may be certain, limited circumstances in which the Administration plans to undertake borrowing outside the bond cap when there is a sound policy justification for doing so. For example, there may be certain projects for which a dedicated stream of new, project-related revenues can be identified to support project costs.

In addition to bond proceeds, the Commonwealth's capital spending plan includes significant funds from other sources, including federal contributions and contributions from other governmental entities. For FY08, other capital resources are estimated to include \$484 million in federal funds and \$229 million in funds from other sources. Counting all budgeted funding sources, the total capital budget for FY08 will be more than \$2.26 billion. The amounts of non-Commonwealth bond resources included in the FY2008-2012 capital budget are estimates based on historical experience and projected Commonwealth bond cap spending, but the Administration will be seeking to increase the amounts of other resources leveraged for the capital budget.

Capital Investment Plan

The Patrick-Murray Administration's FY08-12 capital investment plan strategically allocates resources to invest in the Commonwealth's public facilities and programs and represents a strong step forward toward the Administration's vision for public infrastructure described above.

The full five-year capital investment plan by major investment categories is presented below. All specific projects and programs expected to be funded in FY08 to date are identified in Appendix C; the plan reserves the balance of available FY08 amounts and all projected FY09-12 amounts for certain capital investment categories with specific projects or programs to be determined based on the availability of legislative authorizations, the project prioritization analysis described above and project cash flow needs. It should be noted that many of the projects funded in FY08 are multi-year projects with expenses that will be incurred in subsequent fiscal years; these projected future expenses have been taken into account in making investment category reservations for future years. It is also important to note that projects will evolve and change, and A&F intends to adjust the capital plan during the fiscal year as circumstances dictate. Before the start of each new fiscal year, A&F will also undertake a formal reassessment of capital investment needs to develop an annual update to the five-year capital plan.



In addition to the project costs funded directly by the Commonwealth pursuant to its capital investment program, the Administration is pursuing the following other financing initiatives to expand the scope of investments made in public infrastructure:

Leveraging Additional Resources. In evaluating and prioritizing capital project investments, the Administration is taking into account the amount of additional resources leveraged by proposed capital project spending. In many instances, the Commonwealth invests in projects that serve important public purposes but for which the opportunities and incentives are not sufficient to attract private investment. In other cases, however, the state is able to spend its resources in such a way that leverages other funding and makes more capital investments possible than the state could otherwise fund on its own.

Funds leveraged by the state's capital investments fall into two categories:

- (1) Additional, non-state resources that support the state's capital budget and are spent through the capital investment plan; these funds include the federal and other third-party dollars described in the "Affordability and Fiscal Responsibility" section above, the tables and graphs below, and the FY08 Capital Investment Plan attached as Appendix C.
- (2) Additional, non-state resources to fund project costs that are not received and expended by the state and are therefore not reflected in the state's capital budget; these funds include municipal matching grants and private investments.

The total amount of other sources expected to be leveraged by state capital investments to fund project costs in FY08 but that are not reflected in the state's capital budget is several hundred million dollars. Examples of some of these leveraged amounts include:

- Private Housing Development: The Commonwealth's FY08 total investment of \$80.5 million to subsidize the private development of affordable housing is expected to leverage well in excess of \$600 million in additional funding from other sources, including federal tax credits, grants and loans; local sources such as HOME, Community Development Block Grant, and Community Preservation Act funds; and grants from businesses, charitable foundations, and other private sources.
- Public Housing: The Department of Housing and Community Development (DHCD) estimates that its FY08 capital investment of \$90 million for public housing (which includes \$5 million from the Affordable Housing Trust Fund) will leverage a minimum of \$3.3 million for public housing from other sources, primarily Community Preservation Act, Section 8, and Community Development Block Grant funds; in addition, DHCD notes that municipalities and private groups often donate additional funds and resources (such as transportation and landscaping services).



- Library Construction Grants: Based on information provided by the Board of Library Commissioners, the Commonwealth pays an average of approximately 38% of an approved library project, leveraging approximately 62% of project costs from municipal and private resources. An estimated \$53 million of municipal and private funds is expected to be leveraged for libraries as a result of the Commonwealth's \$20 million investment in FY08.
- Water and Sewer Loans: The Commonwealth's grant to the Water Pollution Abatement Trust is expected to leverage approximately \$50 million of federal funds in FY08. These state and federal funds will be further leveraged through the issuance of bonds by the Trust to fund an estimated \$300-350 million of low-interest loans to cities and towns for water and sewer projects, many times the state's investment.
- MORE grants: The MORE Jobs capital program distributes grants for public infrastructure projects that support business relocation and expansion. An assessment of the preliminary applications of the first round grantees recently announced shows that the Commonwealth's capital funds invested in these projects are expected to leverage well over \$1 billion in private investment and over \$100 million in federal and other state funds.
- Public-private partnerships for state parks: The Office of Public Private Partnerships at the Executive Office of Energy & Environmental Affairs works with businesses, non-profit organizations and private individuals to create partnerships to support capital improvements at state parks, forests and recreational facilities across the Commonwealth. The Commonwealth's capital investment of \$1.5 million in FY08 is expected to leverage approximately \$2 million in additional investments for the state's parks, forests and recreational facilities.
- Higher Education: The Administration has taken a careful approach to the concept of leveraging other resources in the area of higher education. At the University of Massachusetts, the state's direct capital investment of approximately \$375 million over five years is expected to be complemented by borrowing and other capital spending undertaken by the University itself. In recognition of the Administration's increased investment commitment for the capital needs of the University, the University has also pledged to raise \$187.5 million over the next five years – 50 cents in addition to every dollar of the Administration's planned \$375 million five-year investment – to supplement the state funding and the University's own capital spending in order to further address the capital needs of the University. The University intends to meet this commitment through private fundraising, grants and other sources, not from student fee or tuition revenue. For the Commonwealth's state and community colleges, the Patrick-Murray Administration is making an unprecedented direct state investment of approximately \$375 million over five years. This increased investment in capital facilities needs at state and community colleges is also made in order to help these institutions improve



- student access and affordability by eliminating the need for campuses to provide matching contributions for state-funded projects from student fees.
- Local transportation entities: The \$7 million state capital investment in vehicles for Regional Transit Authorities is expected to leverage approximately \$21.8 million in additional funding from local sources in FY08, resulting in four times the total funds for RTAs than they would receive from the state alone. Similarly, the Massachusetts Aeronautics Commission is expected to use state funding to leverage funding from the Federal Aviation Administration (FAA) to support local airport projects.

Innovative Financing:

- Project-related financing: For certain projects that are expected to generate project-related revenue, the Administration intends to seek legislative authorization to finance the projects in whole or in part from such revenue. Examples of this project-related financing include (a) economic development projects that are expected to generate new state tax or other revenue that can be dedicated to the necessary public infrastructure improvements; (b) projects that involve the replacement of an existing facility at a different site where the existing site can be sold and the proceeds of the sale can be dedicated to pay costs of constructing the new facility; (c) demolition of old state buildings where the cleared site can be sold and the proceeds of the sale can be dedicated to pay costs of the demolition project; and (d) other projects for which a dedicated stream of project-related revenue can be identified. Through this financing mechanism, the Commonwealth can leverage project-related revenue to finance projects and preserve existing state resources to finance other needed capital projects under the bond cap.
- I-cubed: The Administration intends to implement a new financing mechanism in FY08 known as the Infrastructure Investment Incentive program, commonly referred to as “I-cubed.” Through the I-cubed program, the Administration will approve the financing of public infrastructure improvements required to support desired private development supported by the affected municipality that results in new jobs and new tax revenue for the Commonwealth and the municipality. The Massachusetts Development Finance Agency (MassDevelopment) will issue the bonds to finance the improvements, and the developer, the municipality and the Commonwealth will all share a portion of the liability for repaying the debt. The Commonwealth’s liability is limited, however, to the amount of new state tax revenue generated from the private development.
- Tax-credit equity from volume cap allocations for housing: The Patrick-Murray Administration allocated approximately \$22 million of private-activity bond volume cap for calendar year 2007 to public housing. Through this financing



mechanism, the Administration expects to leverage an additional \$17 million in privately-raised tax-credit equity for investment in public housing.

- **State Revolving Fund:** The Massachusetts Water Pollution Abatement Trust administers the federally-supported State Revolving Fund (SRF), through which the Trust finances low-interest loans to local governments for wastewater and drinking water infrastructure projects. This subsidized revolving loan program has been extremely successful by creatively leveraging public resources to finance over \$4.6 billion in low-interest loans for water and sewer projects in 271 cities and towns. The Patrick-Murray Administration and the State Treasurer, as Chair of the Trust, are working together to explore the possibility of using additional resources to establish one or more new revolving loan programs based on the SRF model that could finance low-interest loans to cities and towns for a broader scope of needed water quality infrastructure projects.

Investing in Energy Efficiency and Clean Energy. Governor Patrick has announced a bold new initiative to reduce the state's energy consumption and promote the use of clean and renewable energy. Executive Order 484, "Leading by Example – Clean Energy and Efficient Buildings," sets ambitious goals for reduction of energy and water consumption and of greenhouse gas emissions at state-owned buildings. The Executive Order also sets standards for the use of clean and renewable energy, procurement of energy efficient products and services, and construction and renovation of state buildings.

The Commonwealth's capital budget is an important vehicle for putting the Governor's plan into action. In the capital budget for FY08, it is estimated that approximately \$10 million will be directly attributable to energy efficiency or renewable energy improvements or investments at public facilities. Examples of some of these investments that further the Governor's energy priorities are described below.

In addition to energy efficiency and renewable energy-related capital investments funded in the capital budget, the Administration is also pursuing other creative methods of financing these improvements to state facilities. Examples include:

- **Clean Renewable Energy Bonds (CREBs):** These are new federal tax credit bonds that provide a low-cost mechanism for financing renewable energy investments at state facilities. MassDevelopment issues the bonds on behalf of the Commonwealth, and the Commonwealth acquires the renewable energy improvement through a lease and pays rent with energy savings produced by the investment. The Administration expects that the state will finance \$6.1 million of renewable energy improvements through CREBs in FY08, including federal funds leveraged by the Department of Energy Resources.



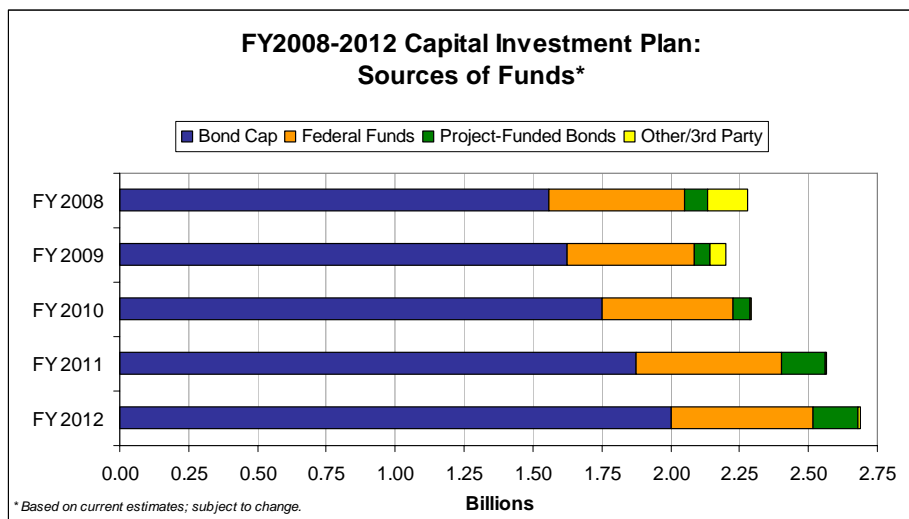
- **“ESCo” contracts:** State agencies enter into performance contracts with energy services companies (ESCOs). These companies finance capital investments in energy-saving projects at state facilities; agencies then lease the new capital asset and pay the lease from the energy cost savings produced by the investment. The Administration expects to finance \$8 million of energy efficiency projects through ESCOs in FY08.
- **Forward Capacity Markets:** The regional electric grid pays back users for projects that reduce electrical demand. Many of the state’s recently completed (and planned) efficiency and savings projects would qualify for this rebate program, and more active participation in the program could generate additional state revenue, estimated to be \$500,000 in FY08 and up to \$2.5 million by FY12. The Administration will be exploring the possibility of investing these revenues in additional energy efficiency projects.

Summary of FY2008-2012 Capital Investment Plan

The following charts, graphs and narratives provide a summary of the Administration’s FY2008-2012 Capital Investment Plan. For a more detailed presentation of the FY08 capital investment plan, see Appendix C. For a brief description of each of the projects and programs currently identified for funding in the FY08 capital investment plan, see Appendix D.

Total FY08-12 Capital Spending by Source of Funds

The following graph shows estimated total capital spending by source of funds for FY08-12. Estimates of all sources of funds other than bonds issued within the bond cap are based on historical experience and projections of certain investments of state resources. It should be noted, however, that the Administration will seek to increase the other sources of funding leveraged to support the capital budget.





Commonwealth of Massachusetts
Five-Year Capital Investment Plan: FY2008-2012

Total FY08-12 Capital Spending by Major Investment Category

The following tables show (a) the allocation of bond cap spending by major investment category for FY08-12 and (b) the allocation of total capital spending from all sources by major investment category for FY08-12.

Five-Year Investment Plan, Bond Cap-Funded*

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	5-Year Total	% of 5-Year Total
Higher Education	115,000,229	118,000,000	145,000,000	172,000,000	200,000,000	750,000,229	8.52%
Transportation	521,627,956	534,616,139	562,685,567	647,962,540	748,765,376	3,015,657,578	34.25%
Economic Development	54,699,519	77,421,539	97,000,000	93,000,000	109,000,000	431,121,058	4.90%
Housing	150,500,000	150,500,000	161,833,334	166,500,000	165,500,000	794,833,334	9.03%
Energy & Environment	139,315,631	137,999,981	136,708,771	122,243,349	116,376,095	652,643,827	7.41%
Public Safety	37,464,885	40,117,985	40,667,985	39,925,000	38,025,000	196,200,855	2.23%
Corrections	17,458,774	19,230,000	24,550,000	34,700,000	46,900,000	142,838,774	1.62%
Information Technology	91,397,902	80,856,434	79,898,058	80,669,264	79,661,032	412,482,690	4.68%
Health & Human Services	41,873,397	58,007,034	76,300,000	95,000,000	87,000,000	358,180,431	4.07%
State Office Buildings & Facilities	26,210,000	33,650,000	40,800,000	50,800,000	36,800,000	188,260,000	2.14%
Courts	58,521,852	72,211,310	81,050,000	76,000,000	75,300,000	363,083,162	4.12%
Community Investment Program	271,103,447	272,232,903	272,555,478	266,465,878	266,465,878	1,348,823,584	15.32%
Building Maintenance	30,500,000	30,156,675	30,950,807	29,733,969	30,206,619	151,548,070	1.72%
Total	1,555,673,592	1,625,000,000	1,750,000,000	1,875,000,000	2,000,000,000	8,805,673,592	100.00%

* Based on current estimates, subject to change.

Five-Year Investment Plan, All Sources of Funding*

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	5-Year Total	% of 5-Year Total
Higher Education	124,851,729	133,117,250	146,031,250	172,000,000	200,000,000	776,000,229	6.46%
Transportation	1,120,658,614	990,454,939	1,003,005,825	1,239,617,213	1,364,301,164	5,718,037,755	47.56%
Economic Development	64,699,519	117,421,539	147,000,000	143,000,000	159,000,000	631,121,058	5.25%
Housing	170,500,000	170,500,000	161,833,334	166,500,000	165,500,000	834,833,334	6.94%
Energy & Environment	141,698,594	137,999,981	136,708,771	122,243,349	116,376,095	655,026,790	5.45%
Public Safety	45,084,885	54,767,985	75,867,985	71,725,000	43,025,000	290,470,855	2.42%
Corrections	17,458,774	19,230,000	24,550,000	34,700,000	46,900,000	142,838,774	1.19%
Information Technology	161,573,428	107,653,677	82,248,258	82,994,264	79,661,032	514,130,659	4.28%
Health & Human Services	46,373,397	59,007,034	77,300,000	96,000,000	88,000,000	366,680,431	3.05%
State Office Buildings & Facilities	26,210,000	33,900,000	41,800,000	53,800,000	43,800,000	199,510,000	1.66%
Courts	58,521,852	72,211,310	92,550,000	86,000,000	83,300,000	392,583,162	3.27%
Community Investment Program	271,103,447	272,232,903	272,555,478	266,465,878	266,465,878	1,348,823,584	11.22%
Building Maintenance	30,500,000	30,156,675	30,950,807	29,733,969	30,206,619	151,548,070	1.26%
Total	2,279,234,239	2,198,653,293	2,292,401,708	2,564,779,673	2,686,535,788	12,021,604,701	100.00%

* Based on current estimates, subject to change.

Comparison of FY07 Projected Capital Spending and FY08 Capital Budget

The first table below shows a comparison of FY07 projected capital bond cap spending to FY08 budgeted capital bond cap spending by major investment category. The second table shows a comparison of the total capital spending from all funding sources between FY07 and FY08. It should be noted that this presentation of bond cap spending by major investment categories is new this year – to the extent capital spending information was publicly presented in recent years, it was typically categorized by the state agency authorized to carry out the spending. The Administration believes that the presentation by major investment category provides a more helpful and accurate portrayal of the purposes and priorities for which capital resources are being



Commonwealth of Massachusetts
Five-Year Capital Investment Plan: FY2008-2012

allocated. The detailed FY08 capital spending plan attached as Appendix C shows both the spending agency and major investment category for each project, and in addition notes the agency that will benefit from each capital investment.

FY07 v. FY08 Bond Cap by Major Investment Category*

	FY07 Projected Spending	FY08	Difference: FY08 vs. FY07	% Change: FY08 vs. FY07
Higher Education	42,237,609	115,000,229	72,762,620	172.27%
Transportation	505,510,900	521,627,956	16,117,056	3.19%
Economic Development	23,073,488	54,699,519	31,626,031	137.07%
Housing	128,017,500	150,500,000	22,482,500	17.56%
Energy & Environment	127,415,602	139,315,631	11,900,029	9.34%
Public Safety	26,805,771	37,464,885	10,659,114	39.76%
Corrections	34,320,683	17,458,774	(16,861,909)	-49.13%
Information Technology	22,754,086	91,397,902	68,643,816	301.68%
Health & Human Services	37,498,318	41,873,397	4,375,079	11.67%
State Office Buildings & Facilities	29,186,562	26,210,000	(2,976,562)	-10.20%
Courts	117,044,001	58,521,852	(58,522,149)	-50.00%
Community Investment Program	195,797,988	271,103,447	75,305,459	38.46%
Building Maintenance	27,953,900	30,500,000	2,546,100	9.11%
Total	1,317,616,408	1,555,673,592	238,057,184	

* Based on current estimates, subject to change.

FY07 v. FY08 Total Spending by Major Investment Category*

	FY07 Projected Spending	FY08	Difference: FY08 vs. FY07	% Change: FY08 vs. FY07
Higher Education	43,697,359	124,851,729	81,154,370	185.72%
Transportation	896,854,208	1,120,658,614	223,804,406	24.95%
Economic Development	23,073,488	64,699,519	41,626,031	180.41%
Housing	128,017,500	170,500,000	42,482,500	33.18%
Energy & Environment	138,496,922	141,698,594	3,201,672	2.31%
Public Safety	44,270,771	45,084,885	814,114	1.84%
Corrections	34,320,683	17,458,774	(16,861,909)	-49.13%
Information Technology	67,046,368	161,573,428	94,527,060	140.99%
Health & Human Services	31,998,318	46,373,397	14,375,079	44.92%
State Office Buildings & Facilities	31,657,041	26,210,000	(5,447,041)	-17.21%
Courts	117,044,001	58,521,852	(58,522,149)	-50.00%
Community Investment Program	205,794,430	271,103,447	65,309,017	31.74%
Building Maintenance	30,155,278	30,500,000	344,722	1.14%
Total	1,792,426,367	2,279,234,239	486,807,872	

* Based on current estimates, subject to change.

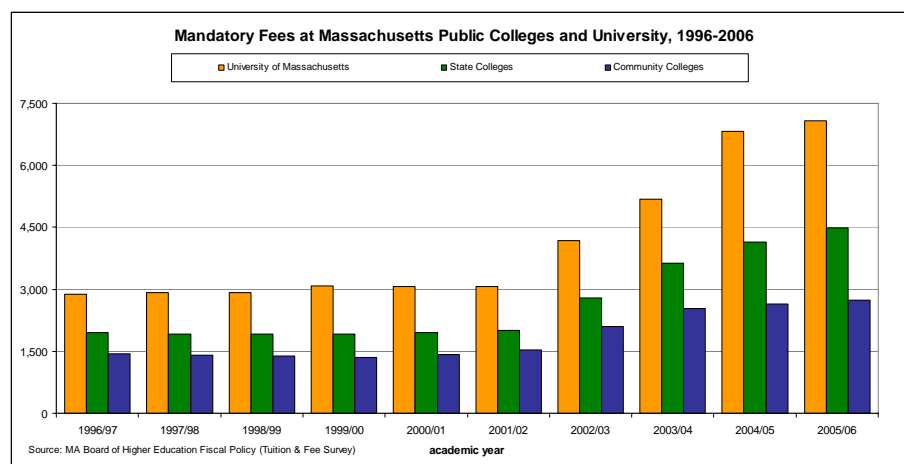


Higher Education

Massachusetts has long been a leader in education. The Commonwealth is home to America's first free public school, its first college, its first college for women, and its first school for the sight-impaired. Our public institutions of higher learning must be similarly first-class. Our public colleges and universities should have the infrastructure necessary to ensure student access and affordability, and be well-equipped to support academic achievement and learning for all students. They should also be responsive to the demand for a talented workforce ready and able to participate in a growing and increasingly global economy. Capital investments are critical to the mission and success of public higher education.

State capital spending on higher education has suffered a precipitous decline over the last five years. Massachusetts lags far behind the national average in higher education capital spending: the University of Massachusetts estimates that the FY04-06 three-year national average for capital spending on higher education was 12.5% of total capital spending; for the same period, Massachusetts spent just 2.8% of total state capital spending on higher education, ranking 43rd among all states.³

This chronic underinvestment in the state's public colleges and universities has had negative effects. To keep up with capital needs, the institutions have borrowed funds through the University of Massachusetts Building Authority, the State College Building Authority, and the Health and Educational Finance Authority, and they have paid for needed capital projects from operating funds. Not only does this practice put an undue strain on already tight operating budgets, but it also drives these institutions to seek new revenue sources. The Board of Higher Education has required state and community college campuses to provide matching funds for state capital investments, leading campuses to increase student fees. This has deepened problems of student access and affordability.



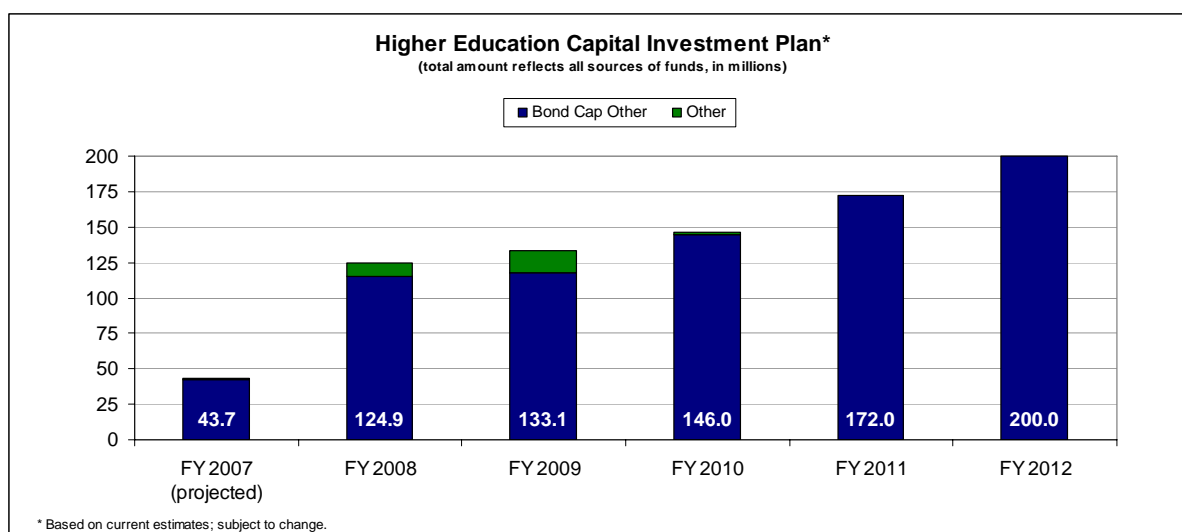
³ Based on National Association of State Budget Officers, "2005 State Expenditure Report."



Even after taking such drastic measures to keep up with capital and other funding requirements and to maintain a competitive and relevant higher education system for its nearly quarter of a million enrollees, the Commonwealth's public colleges and universities face significant facilities and other capital challenges. The University of Massachusetts estimates its current deferred maintenance backlog for its five campuses to be over \$2.6 billion; the Amherst campus – the University's flagship campus - is in the worst condition. Ninety-three percent of the Amherst campus was built before 1980 (25% before the 1950's), and current estimates suggest that for approximately 10-15% of the campus, demolition and new construction would be more cost-effective solutions than repair and renovation. The Board of Higher Education reports similar needs at the Commonwealth's nine state colleges and 15 community colleges. A 2003 comprehensive study by Eva Klein & Associates identified significant capital needs; in today's dollars, the total project cost for completing the identified projects is estimated to be almost \$2.9 billion. A space-utilization study and campus master-planning process being done as a follow-up to the Eva Klein study shows that, based on current enrollment, the 24 state and community colleges have a classroom space deficiency approaching 93,000 square feet.

These capital deficiencies at our public higher education institutions are alarming. Governor Patrick has bold plans for these institutions, including making them a key component of his new 10-year education reform initiative. The Patrick-Murray Administration's five-year capital investment plan for higher education will help to build world-class institutions that are ready to take on these bold new challenges.

The FY2008-2012 capital investment plan includes a significant increase in the amounts invested in higher education. The following graph reflects the Administration's estimated capital commitment to public higher education over the next five years as compared to projected FY07 capital spending for higher education:





The state's capital investment in higher education is expected to increase each year, and by 2012, it is anticipated that higher education investments will represent approximately 10% of the total bond-cap funded capital budget, compared to 3% in fiscal year 2007. The state's five-year, \$750 million bond-funded capital investment in higher education is being divided evenly between the University of Massachusetts and the 24 state and community colleges, as capital needs in the two systems are estimated to be about the same. This significant capital investment in higher education is exclusive of additional amounts which may be invested as a part of the Life Sciences Initiative capital program included in the Economic Development investment category described below.

Fiscal year 2008 capital investments in higher education will support the objectives and areas of strategic focus of our public colleges and universities.

- The capital investment plan will provide funding for instruction and research facilities, especially specialized spaces to meet the needs of science, technology, engineering and math programs.
- Capital investments will be targeted toward the adaptation and renewal of existing space in order to extend the useful life and maximize the potential of our existing assets.
- Capital investments will address safety and accessibility for students, researchers and faculty, including a number of critical repair and replacement projects.
- The state's capital investments will focus on enhancing workforce training and development programs, in partnership with local businesses and employers.
- Capital investments will be made for projects at nearly all campuses in the University of Massachusetts system and our state and community college system to address the need for state and system-wide capital improvements.

The state's direct bond-funded capital investment in University of Massachusetts capital projects of approximately \$375 million over five years is expected to be complemented by two sources of additional funds. First, the state's direct investment is expected to be supplemented by capital spending by the University itself through borrowing and other funding sources. Second, in recognition of the Administration's increased investment commitment for the capital needs of the University, the University has pledged to raise \$187.5 million over the next five years – 50 cents in addition to every dollar of the Administration's planned \$375 million five-year investment – to supplement the state funding and the University's own capital spending in order to further address the capital needs of the University. The University intends to meet this commitment through private fundraising, grants and other sources, not from student fee or tuition revenue.



The Commonwealth's capital investment in state and community colleges is an unprecedented direct state investment of approximately \$375 million over five years. This increased spending for capital facility needs at state and community colleges is expected to bring about two important results. First, in order to help these institutions improve student access and affordability, the Board of Higher Education will be eliminating its requirement for campuses to provide matching contributions for state-funded capital projects from student fees. Second, it is expected that a portion of the other campus funds previously dedicated to these capital matching funds will be able to be redirected to address critical maintenance and repair needs, enhancing campus safety and quality of life for students, researchers and faculty.

Transportation

Our network of transportation infrastructure is a critical factor affecting the strength of our economy, the quality of our environment and the quality of our lives. Our roads, bridges, mass transit and other modes of transportation provide us with access to work, school, and goods and services; they provide businesses with the ability to move their goods and services to meet demand; they impact our environment in different ways; and they provide us with the mobility and freedom to get where we want to go when we want to get there. High-quality, strategically developed transportation infrastructure is an essential component of a thriving economy, clean environment, and stable society.

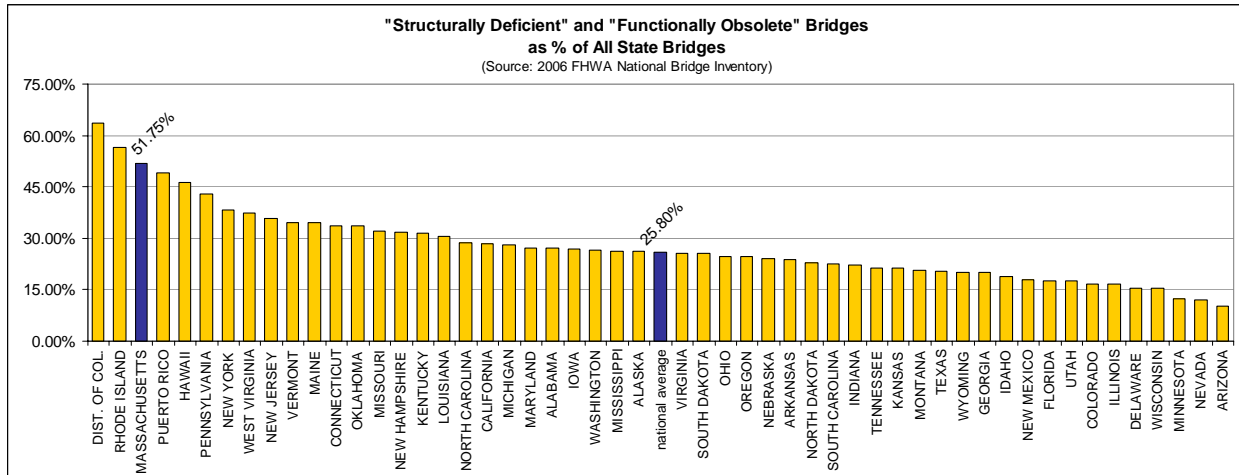
Transportation has historically represented the largest share of the Commonwealth's capital spending, accounting for between one-half and two-thirds of the total capital budget over the last five years. State transportation spending over the last five years included significant expenditures to complete the Central Artery/Third Harbor Tunnel (CA/T) project. There has been a shift in capital investment over the last five years away from the CA/T project and toward other state transportation projects.

Despite the significant amounts devoted to transportation capital spending in the last five years, substantial funding gaps remain. A report released in March 2007 by the Massachusetts Transportation Finance Commission (TFC) noted that the cost to maintain our current surface transportation system and to make certain other required improvements, before accounting for new, discretionary enhancements or expansions, exceeds our anticipated available resources by \$15-19 billion over the next 20 years. Although the TFC's projected funding shortfall included funding for assets owned by the Massachusetts Turnpike Authority, the Massachusetts Bay Transportation Authority, and certain other independent governmental entities, these agencies are financially incapable of addressing their identified funding shortfalls in any significant way.

Furthermore, the TFC's findings regarding directly-owned state assets are startling. Roads and bridges owned by the Department of Conservation and Recreation (DCR) are estimated to have a 20-year funding gap of more than \$800 million, including the Longfellow Bridge (\$200 million estimated) and the Storrow Drive tunnel (\$120 million estimated). The TFC report also estimated that MassHighway's funding shortfall

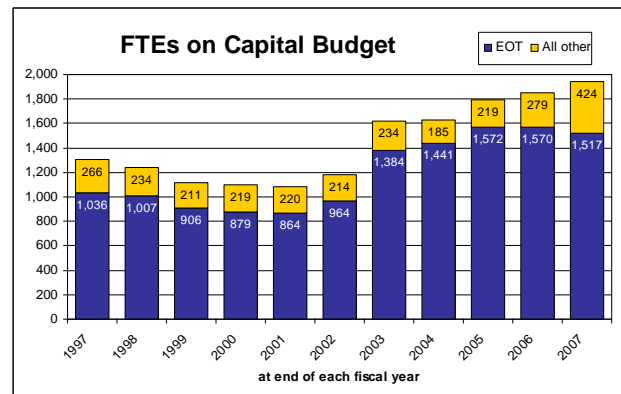


for roads and bridges exceeds \$6 billion over 20 years. More than a quarter of state-owned roads have only “poor” or “fair” pavement condition.⁴ The Federal Highway Administration’s 2005 highway statistics show that Massachusetts ranks 35th in the nation in percentage of interstate roads in “good” or “excellent” condition, and the 2006 National Bridge Inventory shows that our percentage of structurally deficient and functionally obsolete bridges is twice the national average and third highest in the nation:



The TFC report also noted that MassHighway employees are being paid almost exclusively from the capital budget, a problem that has steadily worsened over the last sixteen years (rising from 15% to 82% of the MassHighway workforce from 1990 to 2006). As growth in operating budgets has been restricted, agencies have increasingly been forced to pay capital project-related employees from the capital budget. As a result, 1,941 full-time equivalent positions (FTEs) are currently being carried on the capital budget (more than ¾ of which are transportation employees). Compounding the problem, MassHighway is not staffed adequately to manage projects based on federal standards and is being required to increase the number of engineers to oversee federally-funded transportation projects by approximately 100 engineers that will need to be funded by the capital budget.

The fiscal impacts of funding such a large number of employees through the capital budget are significant. First, using limited capital funds to pay personnel costs means that less money is available for important projects. Second, using capital funds is very expensive – paying salaries on the capital budget costs approximately 60 cents more per dollar than paying them from the operating



⁴ MassHighway, 2006 statistics.



budget. The Governor's House 1 budget recommendation included approximately \$10 million to begin to transfer payment of certain transportation employees to the operating budget, but it was not included in the budget enacted by the Legislature. The Administration will continue to work to transfer employees off the capital budget and to reduce this fiscally imprudent practice.

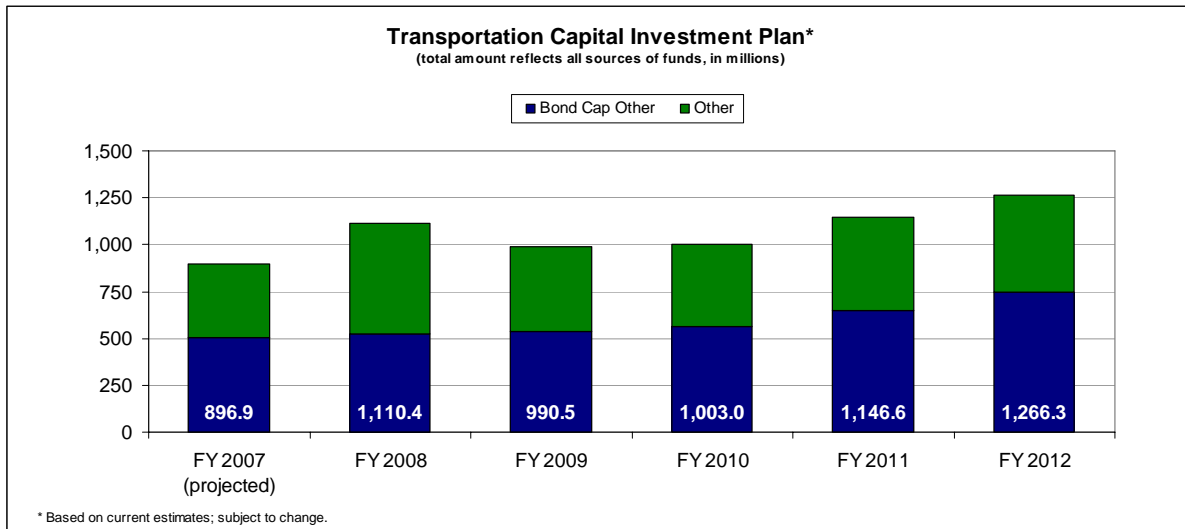
In addition to the costs of maintaining existing transportation infrastructure, the funding shortfall calculated by the TFC also included costs associated with State Implementation Plan (SIP) commitments, which are legally mandated projects intended to mitigate the environmental impacts of the CA/T project. These commitments include (1) Fairmount Commuter Rail improvements, (2) design of a Red Line-Blue Line connector, (3) extension of the Green Line to Medford, and (4) the creation of 1,000 new parking spaces near transit stations. In total, the preliminary estimate of the capital costs for these projects exceeds \$750 million.

In addition to the maintenance and SIP needs noted in the TFC report, certain expansion projects have been identified that are considered necessary to improve mobility and support economic development. These projects include the South Coast Rail project to extend commuter rail service to Fall River and New Bedford, the extension of the Blue Line to Lynn, and many others. In its report, the TFC acknowledged that "it is not practical, plausible, or prudent to pursue a course excluding any transportation enhancement or expansion projects for two decades. Such a course would put us at a significant competitive disadvantage. So as large as the funding gap is, it does not fully represent what the Commonwealth truly needs."⁵

The Commonwealth's transportation investment needs are extraordinary – the existing resources upon which this five-year capital investment plan is based are insufficient to adequately address these transportation needs. The Administration is separately evaluating options for developing a long-term strategic plan for improvements to the statewide transportation system, for more effectively managing existing transportation assets and resources, and for more adequately financing needed improvements.

This five-year plan does, however, make progress in addressing the needs of our transportation system. Transportation-related capital spending, exclusive of transportation-related community investments) is 24% higher than projected FY07 spending, and it is projected to be 52% more than FY07 spending by FY2012. The chart below shows the expected transportation-related capital investments for the next five years, as compared to the projected FY07 transportation-related spending:

⁵ "Transportation Finance in Massachusetts: An Unsustainable System – Findings of the Massachusetts Transportation Finance Commission," March 28, 2007, p. 27.



When taking into account projected increases for the statewide road and bridge program, DCR bridges and the SIP commitments which are reflected in the above FY08-12 transportation capital investment plan and increases in planned spending for the Chapter 90 municipal road and bridge program described in the Community Investment category below, transportation-related investments over the next five fiscal years are expected to be approximately \$1.437 billion more than had been assumed in the TFC report. If this level of additional spending were maintained over the next 20 years, the funding gap identified by the TFC would, based on a rough estimate, be reduced to between \$9.25 and \$13.25 billion over 20 years instead of between \$15 and \$19 billion. While there is still a significant funding gap to fill, this five-year capital investment plan makes the most of the limited resources available to better address the extraordinary needs of our transportation system.

The following are some of the specific capital investment highlights of the FY08 transportation capital investment plan:

- \$92 million for the federally-assisted portions of the statewide road and bridge program, which is expected to leverage an additional \$362 million in federal funds, increasing the Commonwealth's capacity to carry out projects by nearly four times what the state's investment alone could support.
- Approximately \$20 million to begin addressing the aforementioned SIP commitments, including \$11.2 million for the Fairmount Commuter Rail project, \$4.7 million for the Green Line extension, and \$2 million each for the Red Line-Blue Line connector study and the new parking spaces initiative.
- \$3.4 million to begin the planning phase of the South Coast Rail project, which will extend the MBTA's commuter rail service to Fall River and New Bedford; the Administration has committed to spending \$17.2 million in bond funds on the project's planning phase over the next three years.



- \$2 million for mass transit planning by the Executive Office of Transportation, which will be used to continue planning for the Blue Line extension to Lynn and other mass transit projects.
- Over \$14 million to begin to address critical repair needs on DCR's Charles River Basin roads and bridges, including the Storrow Drive tunnel.

There is also funded included in the FY08 capital investment plan for the completion of the Central Artery/Third Harbor Tunnel project. Most of this FY08 funding commitment will be paid from the excess registry fee revenues deposited in the Statewide Road and Bridge Transportation Infrastructure Fund (the TIF), which are dedicated to paying costs of the project. After the expected completion of the remaining elements of the project in FY09, it is expected that amounts will be available in the TIF in FY10 and FY12, after payment of debt service on CA/T project-related bonds, to help fund the general statewide road and bridge program. Pursuant to an agreement recently entered into between the Commonwealth and the Massachusetts Turnpike Authority, all cost recoveries, insurance proceeds and certain other amounts recovered by either the Commonwealth or the Turnpike Authority are required to be transferred to the Commonwealth to reimburse the Commonwealth for its investment in the project. To the extent these recoveries do not reimburse the Commonwealth for the total amount it borrows to fund its share of project completion costs in FY08 and FY08, the Turnpike Authority will be required to pay the difference to the Commonwealth.

Economic Development

The Massachusetts economy is the largest in New England and the 13th largest in the nation.⁶ Having a robust economy is important not only for the Commonwealth's own citizens, but also for the economic vitality of the region and the country. A critical component of economic development in Massachusetts over the next five years will be to increase the number and variety of jobs available in the state. Increasing the number and variety of jobs is important for at least two reasons: first, because the state's unemployment rate is going up even though the state's employment level is also rising, and second, because although Massachusetts is gaining in the overall number of workers, we are losing workers in an important population segment that is critical to our long-term economic success – recent graduates.

Massachusetts has experienced uneven employment trends during the last five years. The Commonwealth had 84,000 (2.5%) fewer jobs through the end of 2005 than in the peak year of 2001. The comparable growth rate for the nation during the same period is 1.8 percent.⁷ Employment grew 1.1% during 2006, driven by 2.5% and 2.2% growth in health care and professional business services sectors, respectively, slightly outweighing job losses in manufacturing, construction and retail. In the same year,

⁶ University of Massachusetts, Donahue Institute, Massachusetts State Data Center, 2007 Q1 data, p. 20.

⁷ University of Massachusetts, Donahue Institute, Massachusetts State Data Center, 2007 Q1 data, p. 15.



however, Massachusetts's unemployment rate increased from 4.8% to 5.2%, reflecting that there are not enough jobs for a growing number of job-seekers.⁸

Although the overall Massachusetts workforce is expanding, the state has been losing a vital segment of workers – half of Boston's students leave the area after graduation. In the decade between 1990 and 2000, the Boston area lost 15.8% of its population ages 20-34, almost three times the national rate of 5.4%. Surveys show that 30% of those who leave do so because they have better job opportunities elsewhere; 27% of those who leave do so because the Boston area is unaffordable for them.⁹ Statistics like this underscore the importance of developing employment opportunities for workers of all levels of skill and years of experience, especially entry-level jobs that will help keep young people in the area.

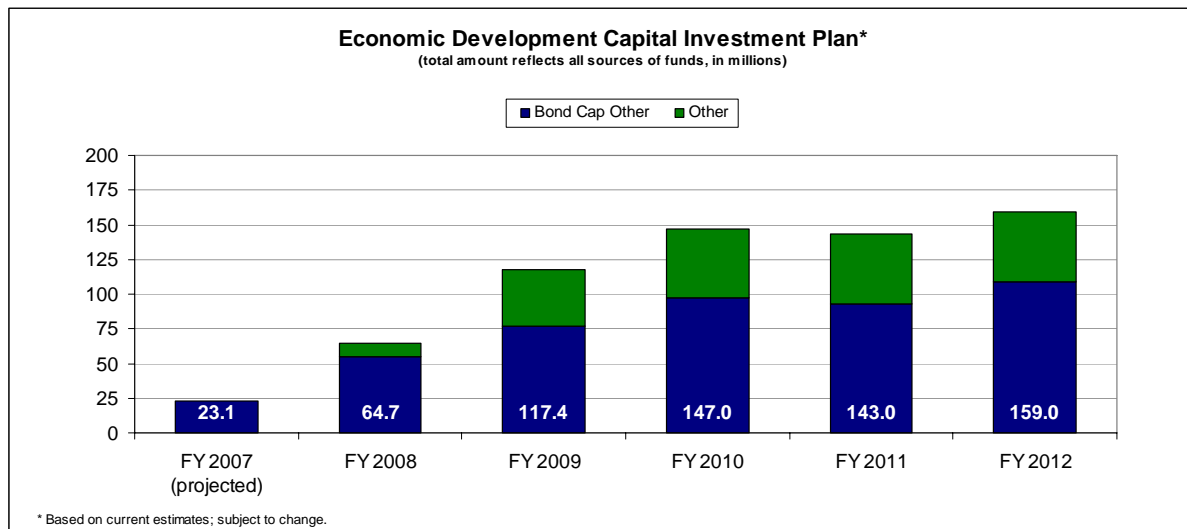
Governor Patrick has committed to creating 100,000 new jobs in Massachusetts during his first four years in office. He is on his way toward achieving that goal, as employment data for the first six months of calendar year 2007 shows an increase of over 23,000 jobs.¹⁰ The Administration will continue to work hard to ensure that the Commonwealth helps create an environment that supports continued job growth in Massachusetts.

One important way in which the Commonwealth can support continued job growth is through its investment in infrastructure. The Administration's FY2008-2012 five-year capital investment plan makes targeted investments in economic development projects to help achieve this goal and to make Massachusetts more attractive and open to a wider range and greater number of businesses. The following graph reflects the Administration's planned capital investments in economic development projects and programs over the next five years, as compared to projected FY07 economic development-related spending:

⁸ MassBenchmarks 2007, volume 9, issue 1, "2006 Year in Review."

⁹ Greater Boston Chamber of Commerce, The Boston Foundation, and The Boston Consulting Group, "Preventing a Brain Drain: Talent Retention in Greater Boston," October 2003.

¹⁰ Massachusetts Division of Unemployment Assistance, jobs data released July 19, 2007.



It should be noted that the capital investments reflected above in the Economic Development investment category include only the projects and programs in the FY08-12 capital investment plan that are designed first and foremost for the purpose of supporting economic development. There are, however, hundreds of millions of dollars more in planned investments reflected in the Transportation, Community Investment and other investment categories in the capital investment plan that will support economic development and the creation of jobs in the Commonwealth.

Specific economic development investments include \$30 million in FY08 for the Massachusetts Opportunity Relocation and Expansion (MORE) Jobs capital program, which provides grants for public infrastructure improvements that support business expansion and relocation. These grants are targeted to projects that create at least 100 new jobs, generate a significant portion of sales from outside the Commonwealth, or provide other significant economic benefits. This grant program was signed into law in June of 2006, and the first round of preliminary applications represented projects from more than 30 communities in all parts of the state, seeking nearly \$225 million in grant funds. Grants were recently awarded to 22 of these projects totaling over \$76 million of infrastructure improvement costs which are expected to support private development that creates more than 8,000 new jobs. The \$30 million of funding in FY08 is expected to meet the FY08 cash flow needs for these approved projects.

The capital investment plan also dedicates \$25 million over five years to a new Broadband Initiative. The 2007 New State Economy Index¹¹ notes that while Massachusetts leads the nation in the high-tech economy, we rank only 21st in the percent of citizens who use the Internet – just 62.5%. Even more troubling, the Commonwealth ranks 33rd for technology in schools. The most recent broadband access data collected by the Massachusetts Technology Collaborative's John Adams

¹¹ Robert D. Atkinson and Daniel K. Correa, "2007 State New Economy Index," The Information Technology and Innovation Foundation and the Ewing Marion Kauffman Foundation, February 2007.



Innovation Institute shows that more than a quarter of the state's cities and towns either lack broadband access entirely or have only partial access, most of which are in western Massachusetts. Convenient, reliable and affordable internet access is crucial to business development and growth –not to mention its importance to individual citizens, schools and local governments. The Massachusetts Broadband Initiative will invest capital funds in long-lived, carrier-neutral infrastructure assets to promote broadband expansion to unserved and underserved areas, starting with Western Massachusetts.

The capital investment plan also dedicates \$10 million in FY08 to begin planning and design work for Governor Patrick's ten-year, \$500 million Life Sciences Initiative capital program. The \$200-250 million estimated to be spent for this capital program initiative over the next five years will support the creation of the world's largest repository of new stem cell lines available to all sectors, both public and private. In addition, these capital investments will support the building of new research centers that will attract academic and industry leaders to Massachusetts from around the globe, and in particular, the creation of an RNAi center that will build on the work of Nobel Laureate Craig Mello, Ph.D of the University of Massachusetts Medical School.

Housing

To a great extent, one's quality of life is a function of his or her home. Our homes impact our health, our options for employment, which schools our children attend, our access to goods and services, our proximity to parks and recreational areas and, of course, our pocketbooks. As a result, the accessibility of desirable, affordable housing is a critical factor for the success of our economy, as new jobs will only be created if the workers needed to fill them can obtain desirable, affordable housing in close enough proximity to their place of employment. The accessibility of desirable, affordable housing for every citizen is also an objective we should have as a caring, civilized society, and there is much government does and can do toward meeting this objective.

State spending for housing in Massachusetts includes both state-supported public housing and private affordable housing development. The Commonwealth's state-supported public housing is a unique and valuable resource, consisting of more than 50,000 units in 242 cities and towns. The state's public housing portfolio supports some of our most vulnerable citizens and includes more than 32,000 units of housing for the elderly, 12,900 units for veterans, and 2,000 units for clients of many of the state's human services agencies – in all, providing homes for more than 80,000 residents. The Commonwealth's private affordable housing development programs use a variety of financing resources, ranging from grants and loans to tax-credits, to support the production and preservation of affordable private housing.

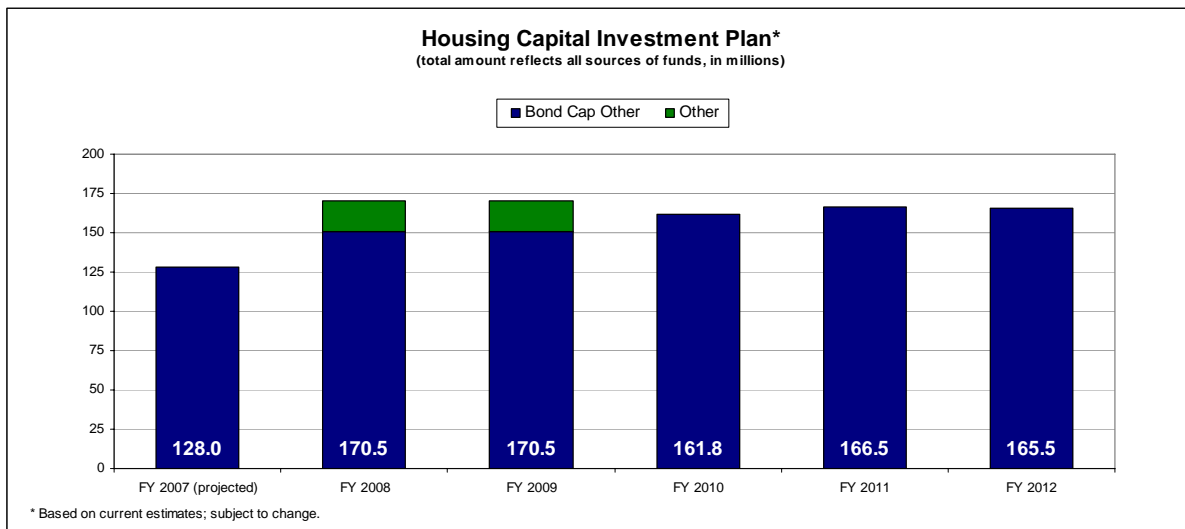
The Commonwealth's capital needs for public housing are significant. The Department of Housing and Community Development (DHCD) estimates that the current condition of the state's public housing stock is about *four times worse* than the



typical real estate maintenance standard; in addition, DHCD estimates that at least 3% of the state's public housing stock is completely uninhabitable. Simply maintaining the status quo would cost about \$75 million per year; improving conditions to industry standards would cost an *additional* \$75-145 million each year for the next ten years.

Meanwhile, private housing in Massachusetts has become increasingly expensive, both for renters and owners. A 2003 study by the U.S. Department of Housing and Urban Development shows that, based on Massachusetts renters' median income, 61% of residents would be unable to afford to rent a 2-bedroom unit at fair market rent.¹² A 2006 study by the National Low-Income Housing Coalition shows that Massachusetts is the 3rd most expensive rental market in the nation, behind only Hawaii and California.¹³ Homeowners have fared no better – the House Price Index for Massachusetts has risen in every quarter for the last ten years, with half of the past 40 quarters showing more than double-digit growth.¹⁴ It is no wonder that over two-thirds of Massachusetts residents cite housing costs as a major concern, surpassing the level of concern over both education and health care.¹⁵

The FY2008-2012 capital investment plan includes a total of more than \$170 million in funding for public housing and private affordable housing development in fiscal year 2008, a 33% increase over FY07. The following graph reflects the Administration's estimated capital investment in affordable housing over the next five years, as compared to projected FY07 affordable housing-related capital spending:



¹² CHAPA and the Massachusetts Housing Partnership, "Winners and Losers in the Massachusetts Housing Market," January 2004.

¹³ National Low-Income Housing Coalition, "Out of Reach 2006."

¹⁴ Office of Federal Housing Enterprise Oversight, state level house price indexes through 2007 Q1.

¹⁵ UMass Donahue Institute/CHAPA, "Housing Poll 2006," February 2007.



FY08 highlights include:

- \$90 million (including \$5 million through the Affordable Housing Trust Fund) invested in public housing, a \$30 million increase over FY07.
- \$80.5 million in total spending for various private affordable housing development programs, an 18% increase compared to FY07 projected spending, including:
 - \$20 million for the Housing Stabilization Fund, one of DHCD's most flexible funding sources and a key means of supporting affordable home ownership.
 - \$25 million for the Affordable Housing Trust Fund (which is in addition to \$5 million in the Fund dedicated to public housing), of which \$20 million is being contributed by the Massachusetts Housing Finance Agency (MassHousing); in light of this contribution and the amounts expected to be needed from the Fund in FY08 to meet the Fund's existing commitments, the Administration has been able to redistribute its limited resources to increase investments in other important housing development programs and in public housing.

Consistent with the Administration's Sustainable Development Principles, the FY08 capital investment plan also includes \$7.5 million for housing near public transit: \$5 million for DHCD's "Housing at Transit Nodes" program and an estimated \$2.5 million for housing projects expected to be funded from the \$4.5 million total FY08 commitment to the Transit-Oriented Development program administered through the Executive Office of Transportation and Public Works.

Energy & Environment

Our environment has a significant impact on our health and well-being and on the health and well-being of all forms of life. We need clean water to drink; clean air to breathe; well-maintained parks and recreational areas to relax, stay physically fit and congregate with our community; open spaces, farms, forests and natural landscapes to enjoy and preserve the natural character of our environment and the life they support; and efficient and renewable forms of energy to reduce pollution and our dependence on foreign energy sources. We owe it to ourselves, to future generations, and to all other forms of life to be good stewards of our environment and to invest in its well-being.

The Executive Office of Energy and Environmental Affairs (EOEEA) stewards an incredible diversity of natural resources and infrastructure for the Commonwealth. Ten percent of the Commonwealth's land mass is in state parks, forests and other conservation lands – including 450,000 acres of state forest and park systems (making Massachusetts the sixth largest owner of state park and forest acreage in the nation and first in state parks and forests as a percentage of all state-owned land). In addition



to state parks and forests, the Department of Conservation and Recreation (DCR) alone manages 29 campgrounds, 87 beaches, 340 dams, 524 miles of urban parkways, and 2,000 miles of trails. The Department of Fish and Game oversees over 157,000 acres of Wildlife Management Areas and maintains over 275 boat ramps and public access fishing and boating sites. Managing these resources requires significant investments from both the operating and capital budgets. In particular, capital funds pay for important infrastructure projects, such as flood control measures, dam rehabilitation, improvements to recreational facilities, wildlife habitat protection, environmental hazard remediation, park and trail maintenance, and open space acquisition. Other agencies with EOEEA invest capital resources in projects and programs that contribute to clean water, clean air, clean energy, natural resources, agricultural resources and more.

Our environmental agencies face major capital needs. Massachusetts ranks 48th in the nation in per capita state and local spending on parks and recreation.¹⁶ DCR's fiscal year 2006 annual report estimated capital needs of \$1.6 billion for the department, including \$637 million for park systems and recreational facilities, and \$745 million for parkways and bridge projects. The Environmental League of Massachusetts rates the state's environment as "fair" or "poor" in seventeen of twenty indicators.¹⁷ Statistics for land conservation are particularly alarming – a 2003 report by MassAudubon estimated that the Commonwealth loses about 15,000 acres of land to development every year.¹⁸

Rising energy costs and increased interest in clean and renewable energy sources also bring our energy capital needs into sharp focus. The Division of Energy Resources reports that in the winter of 2005-6, average heating oil prices in Massachusetts were 23% (45 cents per gallon) higher than the winter before; propane prices increased 25%.¹⁹ State agencies, for example, consume about 22 million gallons of heating oil per year, so a price increase of 45 cents results in almost \$10 million in additional costs to Massachusetts taxpayers just to heat state buildings. Average electric rates in Massachusetts rose two cents per kilowatt hour from 2005 to 2007.²⁰ With state agencies consuming over 1 billion kilowatt hours annually, this price increase imposes an additional cost to the Commonwealth of over \$20 million just to keep the lights on. Rising energy costs have similar effects on municipal budgets as well.

The Administration's FY2008-2012 Capital Investment Plan dedicates \$141.7 million to energy and environment capital projects and programs in FY08, a 2.3% increase over projected FY07 spending. The following graph shows the amounts the Administration plans to invest over the next five years:

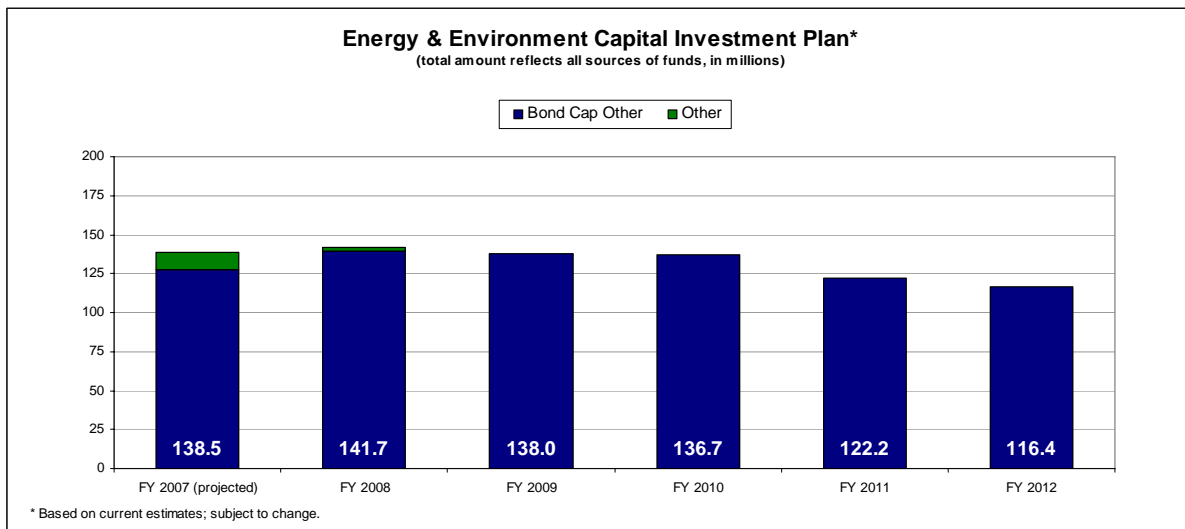
¹⁶ Environmental League of Massachusetts, "Environmental Briefing Book 2007."

¹⁷ Environmental League of Massachusetts, "State of the Environment, 2006."

¹⁸ MassAudubon, "Losing Ground: At What Cost?" November 2003.

¹⁹ Division of Energy resources, "State Heating Oil & Propane Program: Final Report, Winter 2005/6," May 2006.

²⁰ U.S. Department of Energy, Energy Information Administration.



It should be noted that, although investments in projects and programs budgeted within the energy and environment spending category are expected to decrease over the next five fiscal years, investments made throughout the entire five-year capital investment plan for facilities and resources currently managed by EOEEA agencies are expected to increase significantly over the next five fiscal years to more than \$252 million by FY12, approximately \$91 million more than FY07 investments in the same facilities and resources. The most significant increase in funding is planned for the urgent and costly repairs required for DCR roads and bridges in the Charles River Basin, including the Storrow Drive tunnel and Longfellow Bridge. These investments are reflected in the transportation category. In recognition of the fact that these and other DCR roads and bridges truly are transportation assets, EOEEA and the Executive Office of Transportation and Public Works (EOT) have begun to transfer responsibility for maintaining certain of these assets from DCR to the MassHighway Department within EOT. The high cost of needed repairs to these assets and the transfer of certain ongoing maintenance responsibilities account for a significant portion of the increase in transportation investments over the next five years described above and the resulting decrease in amounts budgeted in the energy and environment category over the same period. In addition, the energy and environment investments shown in the chart above do not reflect increases in energy and environment-related community investments, particularly in the area of land conservation programs, which contribute to the increased investments shown in the Community Investment spending category described below. There is also a new commitment to invest in energy efficiency improvements in state facilities reflected in the State Office Buildings and Facilities category described below that is not reflected in the chart above.

Highlights of the energy and environment capital investments include:

- Meeting a commitment by Governor Patrick to spend at least \$50 million each year for open space protection: the capital investment plan provides \$50.1 million in fiscal year 2008 and projects an investment of at least \$250 million



in land protection over the next five years (some of these land protection investments are in the form of grants to municipalities and are reflected in the community investment category described below). These land protection investments are being targeted to three main objectives: (1) the creation of urban parks, (2) the preservation of natural landscapes and habitats; and (3) the preservation of working landscapes.

- Increased investments to address the backlog of repair and maintenance needs in our state parks and recreational facilities: the FY08 capital investment plan invests more than \$96.1 million in DCR's parks and other facilities (in addition to investments in DCR land acquisition and municipal programs), an \$18.9 million increase over projected FY07 spending.
- Integrating energy programs and planning, a top Administration priority, into the work of the newly-reorganized Executive Office for Energy & Environmental Affairs (EOEEA): in addition to overseeing the clean and renewable energy investments included in the Energy and Environment investment category, the capital plan includes \$4 million in FY08 for energy efficiency improvements to state buildings and facilities to be carried out by DCAM in consultation with EOEEA and over \$2 million in FY08 for municipal energy grant programs administered by EOEEA, which are described in greater detail in the Community Investment section of this report.

Public Safety

Our communities and our economy can thrive only if people and businesses are safe. There are many threats to public safety in today's world – criminal activity, terrorism and public health epidemics are but a few of the threats we must manage and work to prevent. The Commonwealth's capital spending supports important public safety projects and programs that ensure the safety of our citizens and communities. Public safety capital investments range from carrying out projects at Massachusetts military facilities to addressing the equipment and facilities needs of the state police, chief medical examiner, homeland security and emergency response agencies, to supporting the training needs of municipal police officers and firefighters.

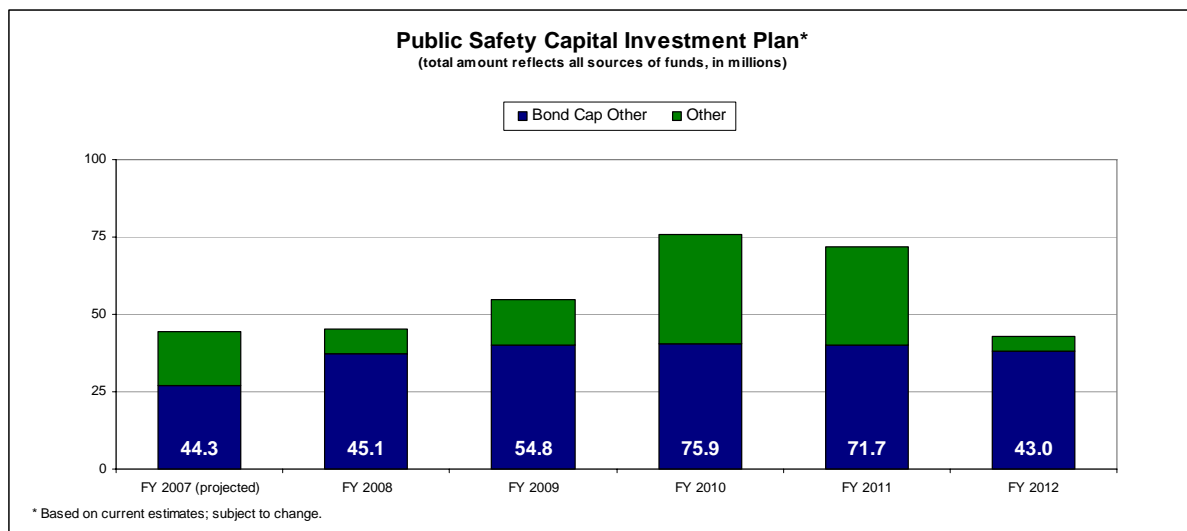
Massachusetts faces a number of public safety capital needs, ranging from crime prevention to disaster preparedness and response. For example, a survey conducted by the Senate Post Audit and Oversight Committee showed that in 2006 (after the national tragedies of the 9/11 attacks and Hurricane Katrina) only 9% of Massachusetts police departments and 18% of fire departments had communications equipment interoperable with federal, state and municipal agencies.²¹ At the same time, state

²¹ 2005-2006 Senate Committee on Post Audit and Oversight's Survey Results from Police Chiefs and Fire Chiefs.



public safety officials report that the need for interoperability has increased dramatically in recent years.²²

The FY08-12 capital investment plan takes important steps toward adequately equipping and training our first responders. The state's \$46 million in FY08 total capital spending for public safety represents a \$1.7 million increase over FY07 projected spending; however, more federal funding was available in FY07 to support capital improvements than is projected to be available in FY08. In terms of the state-funded capital investments in public safety, the FY08 amount of \$37.4 million exceeds FY07 projected state spending by more than \$10 million. The graph below shows the planned five-year capital investments in public safety, as compared to projected FY07 capital spending for public safety:



It should be noted that the large increase in capital funding from non-bond cap sources in fiscal years 2010 and 2011 is almost entirely due to federal funds expected to be leveraged for renovations to the Massachusetts Army National Guard headquarters in Reading and the Methuen National Guard Readiness Center. It should also be noted that the investments shown above do not include public-safety related information technology investments or investments in correctional facilities, which instead are included in the specific information technology and corrections categories described below.

Fiscal year 2008 public safety-related investment highlights include:

- \$4.2 million for the Chief Medical Examiner's office, for new equipment and for the construction of a new facility in southeastern Massachusetts that will alleviate the caseload at the CME's main facility in Boston;

²² Massachusetts Executive Office of Public Safety, "State of Readiness: Public Safety Interoperability in Massachusetts," May 18, 2004.



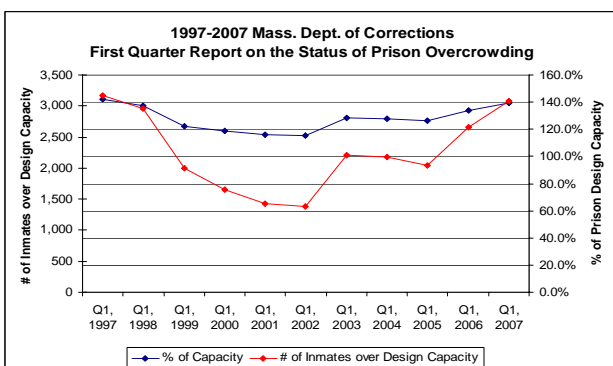
- \$6 million for phase II of the expansion of the Massachusetts firefighting academy at Stow, the state's primary training center for fire fighters;
- \$3.6 million to replace and upgrade mobile data terminals in public safety and first responder vehicles;
- \$50,000 for a Municipal Police Training Committee study, which will evaluate the need for municipal police training facilities across the state.

The capital investment plan does not currently include funding for the expansion of the State Crime Lab. The current space is expected to be adequate to accommodate more personnel for DNA and other testing over the next few years. In the later years of this capital investment plan, the Administration expects to fund a study to assess future facility needs, taking into account projected requirements for personnel and new technologies.

Corrections

In order to carry out justice and to protect the citizens of the Commonwealth, it is important that we have secure and safe jails and correctional facilities for individuals charged with and convicted of crimes. It is also in the interest of society as a whole that those convicted of crimes come out of correctional facilities after serving their terms with the skills and mind-set needed to become productive members of society rather than repeat offenders. The correctional facilities that house those who will be released must have the space and equipment necessary to accommodate the programs that teach these skills to prisoners.

Prison overcrowding has been a recognized problem in Massachusetts since 1986, when the Commonwealth took over certain county jails to ease local cost burdens and inmate overcrowding. Quarterly reports from the Department of Corrections, however, show that the overcrowding problem persists more than 20 years later – as of April 2007, DOC facilities are operating at 140% (an extra 3,000 inmates) of design capacity. Overcrowding throughout the sheriffs' correctional facilities averages 150%, with certain facilities over 200% of capacity. Prison overcrowding leads to unsafe conditions, for both inmates and officers; studies suggest that overcrowding increases violence and can have negative mental health impacts.



In addition to the number of inmates, certain prison population characteristics also impact our correctional facilities needs. There are currently insufficient facilities for female inmates, who must be kept separate from male prisoners. An increasing number of inmates have mental health

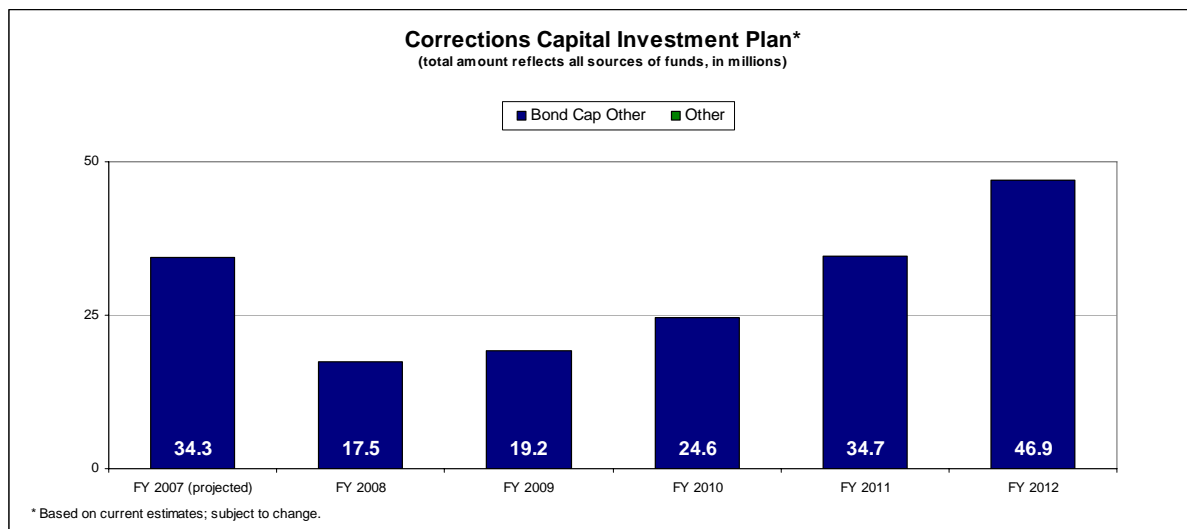


needs, and an aging prisoner population requires additional, more specialized medical care. Inflexible sentencing guidelines result in the incarceration of non-violent offenders, which exacerbates overcrowding. The current classification system places too many inmates in overly-secure facilities, which are more costly to maintain and are unable to provide proper programming for lower-risk inmates.

The Hayes Report, released in January 2007 in response to an alarming increase in the number of suicides at Department of Corrections (DOC) facilities, included important capital improvement recommendations for inmate housing. These recommendations included 21 specific suicide-proofing cell modifications, including lighting and plumbing; ventilation grates, bars, doors, windows, beds, and other fixtures; and video and audio monitoring devices.

Besides these important needs, our correctional facilities face significant ongoing capital maintenance needs. DCAM estimates that DOC's deferred maintenance needs (excluding numerous proposed expansion projects) exceed \$113 million, including such basic projects as replacing failing locks. In addition, many county correctional facilities require considerable capital repairs.

The following chart shows the planned investments in correctional facilities from FY08-12, as compared to projected FY07 spending for correctional facilities:



While the state's FY08 capital investment in corrections is decreasing compared to projected FY07 spending, it should be noted that FY07 spending was high due to the completion of several expensive replacement and expansion projects: expansion of the Middlesex County House of Correction, a new Barnstable County Jail and House of Corrections, a new Hampden County Women's Correctional Facility in Chicopee, and a new Franklin County Jail and House of Correction in Greenfield.

Fiscal year 2008 investment highlights include:



- \$200,000 for initial improvements to inmate cells based on the recommendations of the Hayes Report; the Administration expects to invest approximately \$10 million on such improvements over the next five years;
- \$2.7 million for replacement of a failing central locking system at the Essex County Jail and House of Corrections in Middleton, as well as roughly \$11 million for a number of needed repair and maintenance projects at several DOC and county jails and correctional facilities;
- \$500,000 to conduct a master plan for correctional facilities, which would include (but not be limited to) the condition and best utilization of existing facilities, sentencing guidelines, prisoner classifications, facilities and programmatic needs for inmates with particular requirements, such as female prisoners and inmates in need of special health services.

The capital investment plan does not include funds for correctional facility expansions or replacements until the completion of the master plan described above. Before investing significant funds in more expansion projects, the Patrick-Murray Administration recognizes the need to step back to conduct a system-wide review to assess the policy and other issues that will drive future operating and capital needs at correctional facilities statewide and to perform a comprehensive assessment of the condition and utilization of existing facilities. Although certain facilities have compelling needs when evaluated in isolation, it is important that capital investment decisions be made in the context of the entire system. The Executive Office of Public Safety and the sheriffs are pursuing short-term solutions to deal with urgent capacity needs.

Information Technology

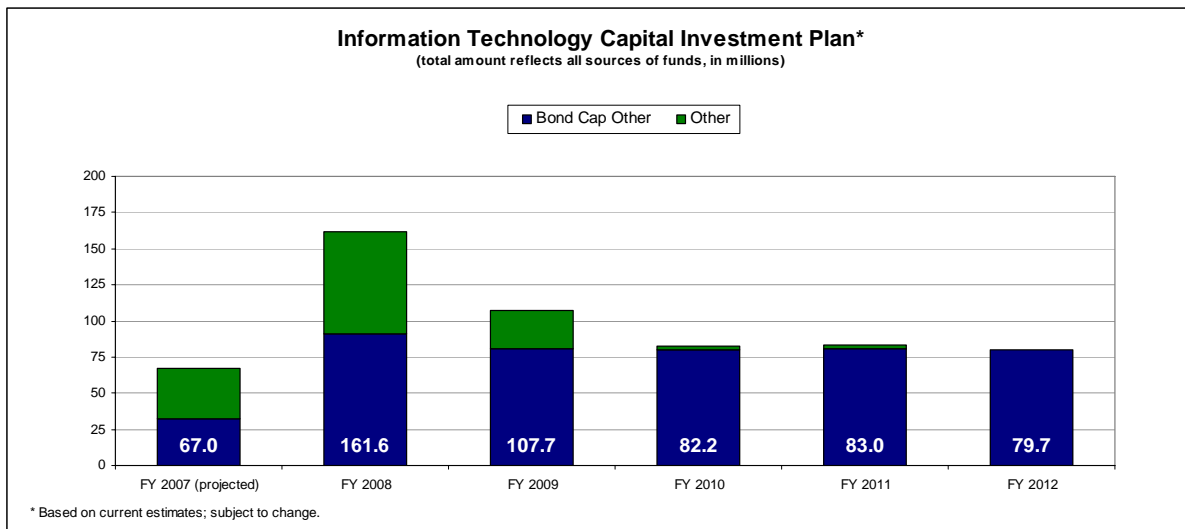
Information technology spans all areas of government. IT enables customer-facing functions such as transaction processing, license and permit applications and renewals, and public information access and alerts; it also supports internal processes such as cross-agency information sharing, management efficiencies, and data security. IT needs are constantly growing and evolving as more highly-developed systems become available and as more areas of government require increasingly sophisticated technical capabilities. While some agencies pay for certain small-scale IT projects from their operating budgets, most major IT installations are paid for by the capital budget.

Although the Commonwealth's IT investments depend heavily on capital funds, the IT capital budget has fluctuated greatly in recent years. The Information Technology Department's recent capital projects have included the Health and Human Services "Virtual Gateway" (which provides a one-stop location for human service providers and consumers to access program information and enroll in services, including a single, consolidated program application) and the Department of Revenue's "Webfile" (an online filing system for business taxpayers – the application has collected \$11.1 billion in taxes and processed 4 million returns since beginning in 2003).



These highlights aside, the state is facing a backlog of capital-funded IT projects. Although A&F had allocated \$90 million in capital funds to IT projects through the Information Technology Division (ITD) in fiscal year 2007, the previous bond authorization expired during the year and a new authorization bill failed in the Legislature. Many projects had to be postponed, while a few critical projects were kept active with small bridge funding allocations. An immediate-needs bond bill was enacted in March 2007 to provide spending authorization for a few of these key projects, but demand for other IT investments has been building steadily. Meanwhile, Massachusetts is losing ground to other states that have been investing in their governments' IT infrastructure and programs. The 2007 State New Economy Index reports that Massachusetts ranks 18th in "e-government," despite ranking 2nd overall in the category of the "digital economy." A separate 2006 survey of state government use of digital, networked technologies shows that while many states are improving, Massachusetts slipped from 11th to 15th in the nation from 2002 to 2006.²³

The FY08-12 capital plan makes strategic investments in information technology; in fiscal year 2008, the state's bond-funded investment of approximately \$91 million from the bond cap leverages an additional \$70 million in federal and other contributions, nearly doubling our ability to undertake IT projects this year. The following table shows the Administration's total planned five-year capital investments in information technology, as compared to FY07 information technology capital spending:



Highlights of FY08 spending include:

- A total of \$15 million is reserved for a business intelligence information system to implement a statewide performance management program. This system will enable state agencies and departments to manage their performance by measuring and benchmarking the vast amounts of data that

²³ Center for Digital Government, "2006 Digital State Survey, Executive Summary."



resides in numerous agency applications. The Executive Office for Administration and Finance and the Information Technology Division are evaluating the most cost-effective manner of acquiring the licenses required to implement this system.

- A total of \$5.6 million invested in a new unemployment insurance IT system, which will replace the antiquated, inefficient system currently in place with a new online application available to a wider array of users; when complete, the project is expected to reduce evaluation, processing and payment times.
- A new Medicaid Management Information System, for which the state's \$6.25 million investment is expected to leverage an additional \$47.7 million in federal funds for FY08.
- \$9.3 million to complete a new billing and invoice management system at HHS, for which the state's investment will leverage an additional \$5.1 million in federal funds; this project is expected to result in approximately \$11 million of annual operating savings.
- \$6 million for an integrated criminal justice information system to facilitate information-sharing across public safety and law enforcement agencies.

In order to improve management and oversight of major IT projects, the Patrick-Murray Administration will be engaging project managers. These project managers will serve the same function as construction managers engaged for major building construction projects. They will take responsibility for day-to-day management of the project and work closely with the Information Technology Division to ensure that contractors carry out projects as contemplated. It is expected that this prudent project management investment will increase the likelihood that contractors will adhere to the intended scope of projects and that projects will be completed on time and on budget.

Health and Human Services

The provision of health care and other social services to those most in need has long been an important function of government. The way in which government provides these services has changed significantly over time, but it is still the provider of crucial support for the mentally ill, the mentally retarded, neglected and abused children, those who can not afford health care, and many others in need of special services or support.

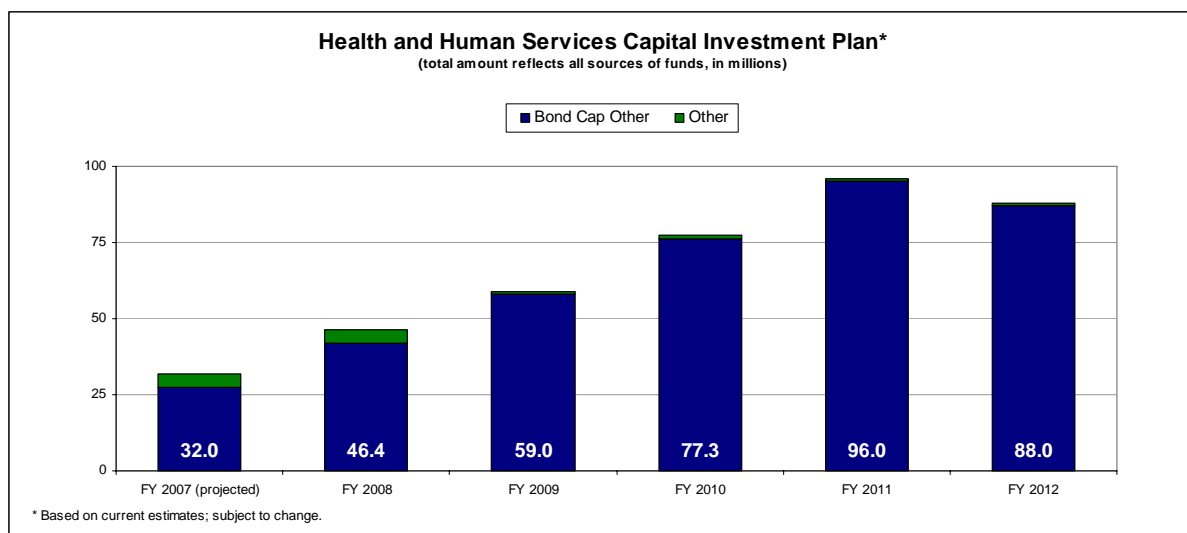
The Executive Office of Health and Human Services (HHS) provides these critical services for the Commonwealth and is the largest segment of the executive branch, accounting for nearly half of the Commonwealth's operating budget each year. HHS facilities are numerous: more than 700 structures, encompassing over 10.6 million square feet of space, are spread over 85 different campuses statewide. These structures include hospitals, clinics, long and short-term care facilities, offices, and



support facilities such as power plants and garages. Many of these facilities operate 24 hours per day, 7 days per week, year-round.

A 2003 assessment by HHS indicated that the average age of its facilities was 75 years since initial construction, with few facilities having undergone major upgrades in the recent past. In the spring of 2007, HHS estimated \$625 million in capital needs for its physical assets. This estimate includes over \$81 million for repair and maintenance projects, which are necessary for maintaining service and care quality, as well as basic public safety. These projects involve activities like removing hazardous materials; correcting the failure of components such as roofs, wall, and heating and cooling systems; and complying with building and accessibility codes. In addition to repair and maintenance needs, the HHS facilities assessment includes \$56 million for the demolition of obsolete and unsafe structures which are unsuitable candidates for surplus property disposition. Security for these vacant and unsafe buildings currently costs the state over \$3 million.

The FY2008-2012 Capital Investment Plan takes a first step toward addressing this backlog of physical plant needs in the state's health and human service facilities; the plan also provides funding to begin a few critical and large-scale new construction projects. In fiscal year 2008 the Administration will spend over \$46 million on HHS facilities, and more than \$366 million over five years. The following graph reflects the Administration's total planned capital investment from all funding sources for health and human services facilities over the next five years as compared to projected FY07 spending for health and human services facilities:



FY08 highlights include:

- \$30 million for a new 320-bed psychiatric facility on the grounds of Worcester State Hospital – a project that will replace and consolidate two outdated existing Department of Mental Health facilities, resulting in expected annual



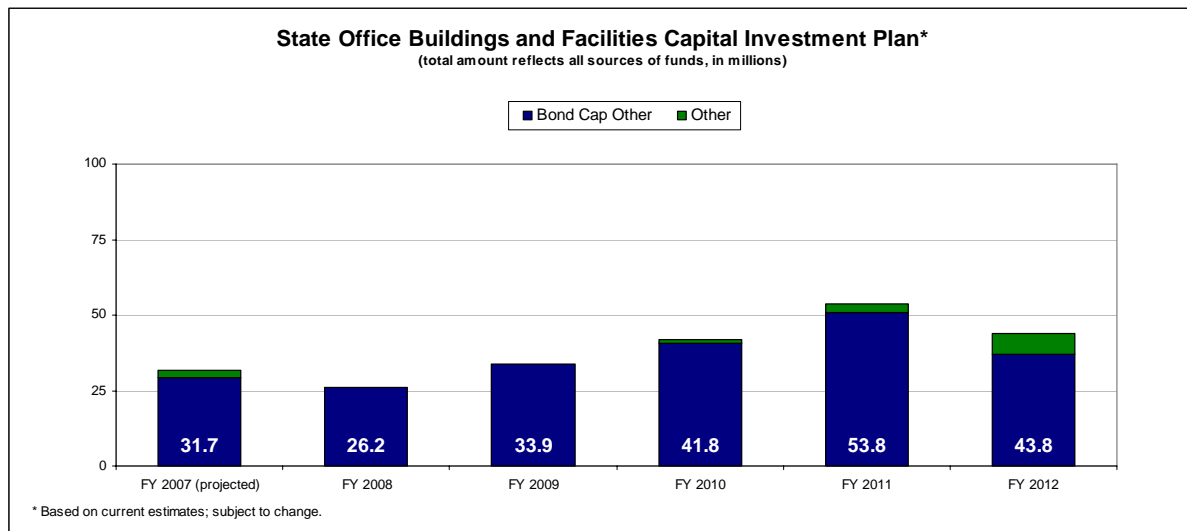
- operating savings of \$4.15 million from efficiencies such as reduced overhead and staffing costs and a more energy-efficient facility.
- \$750,000 for a study to determine the most appropriate approach to deteriorating conditions at Lemuel Shattuck Hospital, the primary provider of in-patient and ambulatory care public health services in the Boston area.
 - \$200,000 in fiscal year 2008 for a facilities master plan for the Department of Youth Services (DYS), which currently operates more than 60 facilities ranging from group homes to highly secure locked units.
 - \$7.5 million for urgent repair and replacement needs at various HHS facilities, such as oxygen delivery, ventilation, and heating and cooling systems.

State Office Buildings and Facilities

Safe, convenient and accessible state office buildings and facilities are necessary for the efficient and effective functioning of government. Well-constructed and adequately-equipped state office buildings and facilities are necessary for providing programs and services. They are also important venues for active civic engagement.

State office buildings and facilities have important safety and accessibility needs for both workers and visitors. DCAM estimates a significant backlog of deferred maintenance in state office buildings and facilities. In addition, many state office buildings require structural improvements, as well as repairs to roofs and building envelopes to prevent leaks that lead to further structural damage. Several state office buildings are expected to require elevator replacements and improvements necessary to comply with building codes and ADA accessibility requirements. Fire alarms, sprinkler systems, power plants and HVAC systems must also be updated.

The FY08 capital investment plan dedicates over \$26 million to projects at state office buildings and facilities. In light of the many capital needs in other areas, the Administration is investing slightly less in state office buildings and facilities in FY08 compared to projected FY07 spending; however, capital investments for state office buildings and facilities are expected to increase over the five-year period. The following graph reflects expected capital spending over the next five years, as compared to projected FY07 spending:



In addition to spending on various routine repair and planning projects, highlights of the FY08 capital investment plan include a new initiative of the Patrick-Murray Administration to invest \$4 million for energy conservation retrofits and renewable energy projects at state buildings and facilities, a direct investment toward meeting the requirements of Executive Order 484. The capital investment plan also includes approximately \$6 million for certain urgently needed repairs at the State House, including its power plant and roof, as well as \$100,000 to continue a State House master plan. The Administration plans to work with the Legislature and the Secretary of State to develop a long-term strategy for addressing the needs of this historic building.

Courts

The Commonwealth of Massachusetts operates 61 court facilities, more than 4.1 million gross square feet of space, in 39 communities across the state. The Massachusetts Trial Court system also includes 25 county-owned courts and 28 other facilities. Capital spending for judiciary projects is administered through DCAM, which has spent approximately \$514 million on courts projects over the past five years, 34.5% of its total capital spending. Continued investment is necessary not only for the effectiveness of court operations, but also for the health and safety of court staff and members of the public who participate in the judicial system.

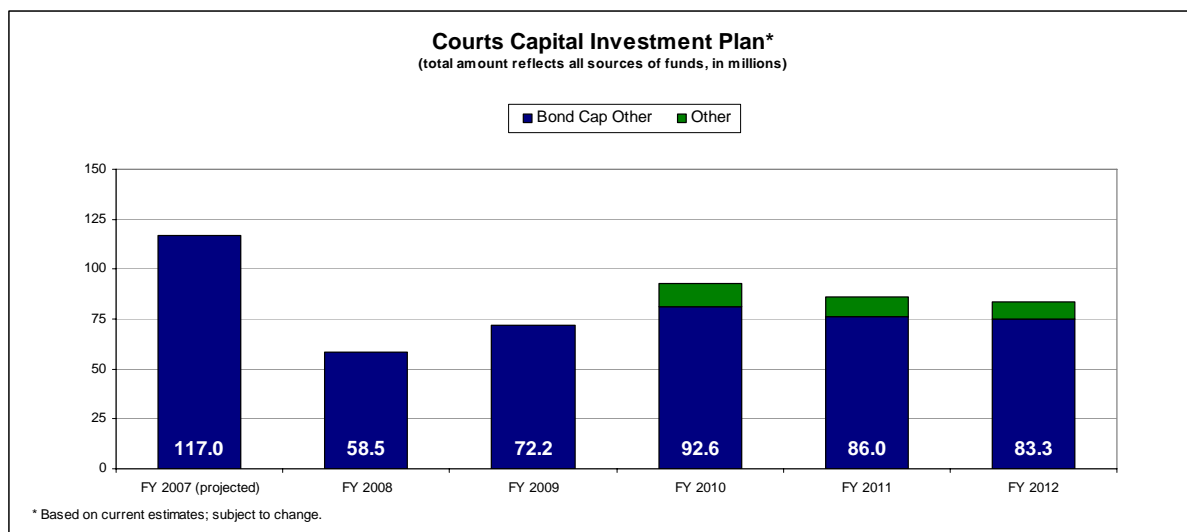
A courts master plan was last completed in 1999, and this plan has guided judiciary capital spending, especially for major new facilities construction and comprehensive renovations of existing facilities. Some of the projects recently undertaken include ongoing work to improve access to judicial facilities for persons with disabilities, \$173 million spent to date to construct a new Downtown Worcester Trial Court, a comprehensive justice center that brings all five trial court departments under a single roof, and \$67 million spent to date on a new Plymouth Courthouse (also a comprehensive justice center) which serves the rapidly growing South Shore community. Efforts have also been made in the last five years to address the most



urgent repair needs at facilities not scheduled for major renovation or replacement; these projects have included roof and heating and cooling system replacements and the installation of fire alarms, sprinklers and other emergency systems.

Capital needs for the judiciary remain significant. The average age of state-owned court facilities is 68 years; 50% of these facilities were built before 1950 (including the 19% of state-owned courts built before 1900). DCAM estimates that the current deferred maintenance backlog for Massachusetts courts exceeds \$500 million, despite the recent major expenditures described above.

The FY2008-2012 Capital Investment Plan dedicates \$58.5 million for court projects in fiscal year 2008. The graph below shows the Administration's expected five-year capital investment in courts, as compared to projected FY07 spending:



Although the FY08 amount represents a 50% decrease in spending compared to fiscal year 2007 projected spending, it should be noted that this lower level of spending reflects the completion of two major new court projects described above. The FY08 capital investment plan includes \$6 million and \$2.5 million to finish the above-mentioned Worcester and Plymouth court projects, respectively, each of which required significantly higher levels of spending in FY07.

Highlights of the FY08 plan include:

- \$20 million to begin construction of a new courthouse in Fall River.
- \$5 million for land acquisition and initial construction of a new court in Salem.
- \$3 million for demolition and construction for the new Taunton courthouse.
- \$5.75 million for repair and renovation projects at courts across the state.

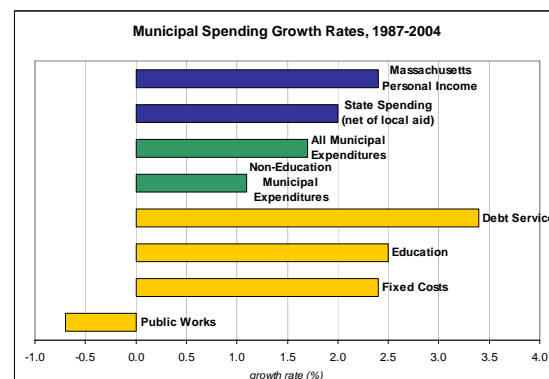


The FY08 capital investment plan also includes funding for temporary relocation costs related to the closing of the Edward J. Sullivan Courthouse in Middlesex County. This building has significant asbestos and other issues which prompted DCAM and the Trial Court to make arrangements for vacating the building and temporarily relocating the court and other agencies currently housed in the building later in FY08. The Patrick-Murray Administration is evaluating all options for a permanent solution for the court and for the other agencies currently housed in the building, including repairing the existing facility or replacing it at a new location.

Community Investment Program

The quality of municipally-owned infrastructure has an enormous impact on our daily lives. This infrastructure includes the local roads and bridges we drive on; the libraries we rely on for valuable community resources; the water and sewer systems that connect to our homes; the downtown parking areas that enable us to access goods and services; the parks and recreational facilities where we relax and congregate as a community; the public safety facilities that help protect us; and much more. This local infrastructure also provides the necessary foundation for business to grow and flourish.

Municipalities have struggled to spend adequately on local infrastructure. A recent analysis shows that from 1987-2004 total municipal spending grew more slowly than state spending net of local aid. Meanwhile, as municipal spending on education, debt service, and fixed costs (such as health care) outpaced state spending growth, municipal spending on public works *declined* during the same period.²⁴



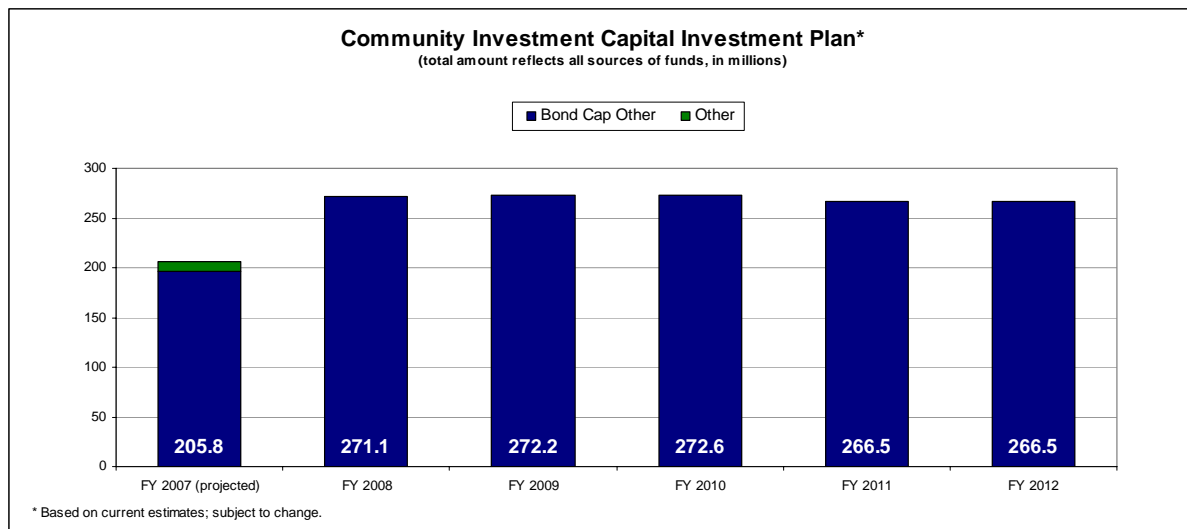
Even as Massachusetts' cities and towns have decreased spending on municipal public works, research shows that the quality and capacity of local infrastructure ranks 4th out of 40 factors important to businesses in making plant and office location decisions.²⁵ The Patrick-Murray Administration is committed to partnering with cities and towns to improve infrastructure, promote economic growth, and make Massachusetts a convenient and attractive place to do business. The Administration is also committed to supporting municipal grant programs that make important local investments in public safety, affordable housing, smart growth development strategies, and energy efficiency. For the first time, the Commonwealth's capital budget dedicates a separate spending category specifically to "Community Investments" – with approximately \$271 million in fiscal year 2008, a 31% increase over spending on such projects and programs last fiscal year. The following chart reflects

²⁴ Massachusetts Municipal Association and Northeastern University Center for Urban and Regional Policy, "Revenue sharing and the Future of the Massachusetts Economy," January 2006.

²⁵ Ibid, p. 15-16.



the Administration's total planned five-year capital investments in Community Investment programs, as compared to projected FY07 spending:



Highlights of Community Investment projects and grant programs funded in FY08 include the following:

- \$150 million for Chapter 90 funding for municipal road projects, an increase of at least \$30 million over annual bond-funded Chapter 90 investments in recent years.
- \$20 million for Library Construction Grants (a \$4 million, 25% increase over FY07) to match municipal and private contributions for the construction of new town libraries.
- over \$8 million for the Urban Self-Help program, which assists cities and towns with the acquisition and development of land for park and recreational facilities, and \$5 million for the Self-Help program, which provides funding for the municipal purchase of conservation lands.
- \$2.1 million for four municipal energy programs – the Energy Conservation Improvement Program, the Alternative Energy Property Program, the Energy Audit Program, and the Municipal Energy Toolkit – which assist cities and towns with capital projects to improve energy efficiency and make use of renewable energy sources in municipally-owned buildings.
- \$4 million for Municipal Police Matching Grants, a new program that re-establishes and increases investment in the Municipal Police Station Repair Fund, which has not been funded since fiscal year 2000, and will provide funding for cities and towns for their local police facilities.



- \$10 million for Community Development Action Grants (a 19% increase over FY07) which supports important community development projects, including job retention and creation and affordable housing.
- \$14 million for Public Works Economic Development Program (PWED) grants and \$2.5 million for the Small Town Road Assistance Program (STRAP), each of which provide funding for local transportation infrastructure projects.

Maintenance

It is important that the Commonwealth properly maintain its buildings and facilities. Failure to invest in preventive and on-going capital maintenance needs can result in unsafe conditions and can adversely impact the functionality of state government. Moreover, failure to properly maintain our public buildings and facilities ends up costing taxpayers much more in major repairs that are needed as a result of such failure to maintain. Many of the significant repair projects funded in the FY08 capital investment plan are the result of years of neglect of the maintenance needs of the related facilities.

Deferred maintenance at state facilities has reached startling levels. In recent years, the Commonwealth has made some progress in identifying and managing maintenance needs at state facilities. In 2000, the Commonwealth implemented the Capital Asset Management Information System (CAMIS), a computerized maintenance management system, which catalogues virtually all state facilities, the maintenance needs of such facilities and the improvements made to such facilities. In addition, in 2004, the Office of Facilities Maintenance was established within DCAM. This office works with state agencies to assist them in addressing capital and operating maintenance needs, to advise them, and to advocate for them. This office has created state maintenance standards and organized an association of state facility managers, among other things.

There is, however, still much that needs to be done to improve the Commonwealth's management and funding of capital maintenance needs. For example, although CAMIS provides us with an extraordinary, centralized tool for tracking and carrying out maintenance and repair needs, we are not taking full advantage of it as a number of state agencies are not using it, and many use only a fraction of its functionality. In addition, responsibility for maintenance of capital facilities is too decentralized and inconsistently carried out throughout state government. Although the Office of Facilities Maintenance has helped to better coordinate and standardize maintenance procedures, each agency has its own resources and its own approach to carrying out these responsibilities.

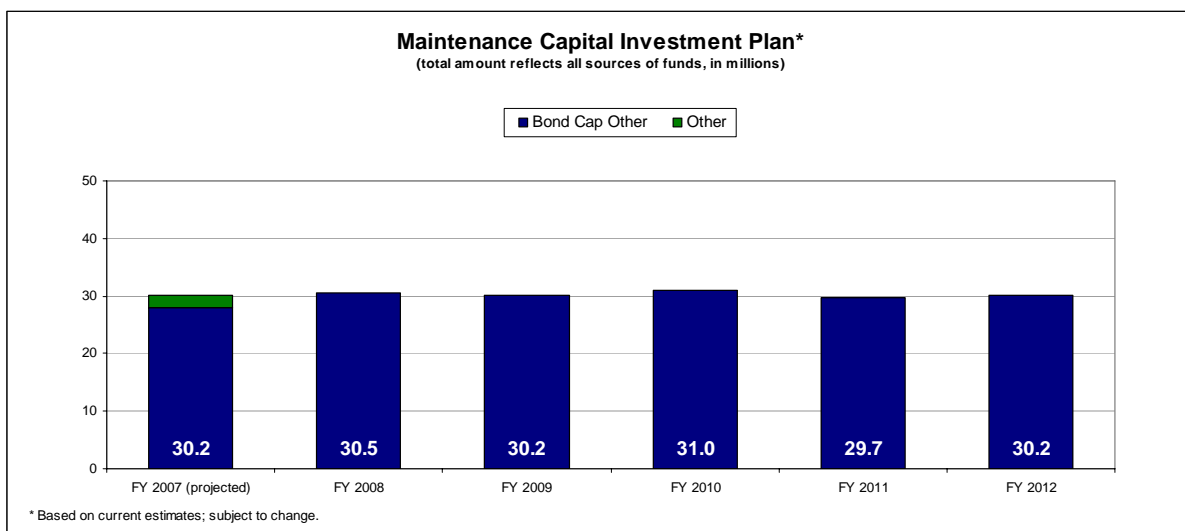
Most problematic, however, is the lack of a sustained, predictable and sufficient funding source for capital maintenance and repair. Major repairs and other maintenance projects for state facilities that cost more than \$1 million are specifically provided for in the capital budget and are carried out under state law by DCAM. As



indicated above, there are limits to the Commonwealth's capital budget resources for these projects which prevent the Commonwealth from being able to address all of its major capital investment needs. With respect to smaller preventive and on-going maintenance, as well as emergency projects that cost less than \$1 million, agencies dedicate different portions of their operating budgets to these capital needs, with no effective oversight mechanisms in place for ensuring appropriate amounts are spent on maintenance. Because these operating budgets are tight, agencies often end up having to reduce or eliminate their investment in facility maintenance in order to continue to fund program priorities. Although amounts for these preventive and on-going capital maintenance projects have also historically been funded through the capital budget, the amounts available after funding major repairs and improvements are insufficient to address the preventive and on-going maintenance needs of our state facilities.

Capital funding for maintenance and repair projects less than \$1 million has historically been transferred by DCAM to state agencies to carry out the projects. In the capital budget, each agency – e.g., HHS, EOPS, the University of Massachusetts, the Board of Higher Education, the Bureau of State Office Buildings – would be allocated a fixed amount for these lower-cost capital projects. It appears, however, that there was no justifiable rationale behind the amount that would be transferred to each agency. While all the transfers for lower-cost capital repair projects corrected maintenance and repair deficiencies, the allocations did not appear to be based on relative need for funding for repair and maintenance projects among the different agencies.

Instead of continuing to show these transfers as fixed amounts included within the budgets for the related agency, this five-year capital investment plan aggregates the amounts budgeted for all capital maintenance and repair transfers to better account for and allocate investment in repair and maintenance needs in the capital budget. The following graph shows the planned FY08-12 capital investment in preventive and on-going maintenance transfers funded through the capital budget for all state facilities, as compared to projected FY07 capital budget spending for this purpose:





Although this five-year capital investment plan does not have the resources available to increase funding for maintenance and repair transfers to agencies, the Patrick-Murray Administration will use this funding more efficiently and effectively to ensure that the most urgent repair and maintenance projects are addressed, including emergency projects. Specifically, these amounts will no longer be allocated in fixed amounts to particular state agencies. Rather, they will be allocated to projects that cost less than \$1 million based on DCAM's evaluation of project funding requests from agencies and DCAM's prioritization of such requests based on ranking criteria being developed by the Office of Facilities Maintenance.

This new process is only a first step toward centralizing and better managing our limited resources to address maintenance needs at state facilities. Additional improvements to the way we manage and fund preventive and on-going maintenance are needed. As discussed below, the Patrick-Murray Administration is committed to making these additional improvements and will be actively exploring its options for doing so over the coming months.

Next Steps

Bond Authorization

As indicated above, all bond-funded capital project spending must be authorized by the Legislature. Over 95% of the projects and programs identified for funding to date in the FY08 capital investment plan already have legislative authorization; the balance of the identified FY08 projects and programs are new initiatives of the Governor for which legislative authorization will be sought by the Administration. One example of a new initiative that needs bond authorization is the capital program for the Life Sciences Initiative; the Governor filed a \$500 million bond bill for this 10-year capital program initiative on July 19, 2007. The Administration currently expects to file bond bills in September to seek the legislative authorization needed to fund the other new initiatives which are included in the FY08 capital investment plan and the portion of the balance of the FY08-12 capital investment plan for which bond authorization does not already exist. At the same time that the bond bills are filed, the Administration also expects to file legislation to revoke certain old, unused bond authorizations for projects that are not expected to be pursued.

Maintenance

Over the next few months, the Patrick-Murray Administration will be carefully evaluating the current practices for managing and funding capital maintenance of state facilities. As described above, the management and level of funding among different agencies and at different facilities is inconsistent and generally inadequate to properly maintain our state facilities. The Administration's goal is to develop a comprehensive proposal for more effectively identifying and addressing capital maintenance needs. Areas of particular focus will include:



- providing for the use of CAMIS by all state agencies with control of state buildings and facilities and effectively leveraging the information on CAMIS (and on other asset management systems for transportation and certain DCR assets) to direct our capital maintenance efforts;
- improving and standardizing the management of capital maintenance needs for all state facilities; and
- identifying a predictable and sufficient source of funding for capital maintenance needs and developing a rational method for allocating those resources.

Sustainable Development

The Patrick-Murray Administration is committed to the Sustainable Development Principles it published earlier this year, which are available in the Smart Growth section of the Governor's website at www.mass.gov/governor. As indicated above, these principles are one of the factors being considered by the Administration in evaluating and prioritizing capital project needs and requests. In order to further our efforts to make capital investments consistent with these principles, the state agencies that develop and evaluate state capital projects and municipal projects funded from state capital grant programs need to have regulations or other policies in place that encourage investment decisions consistent with the principles. An inter-agency group coordinated by the Governor's Development Cabinet will be working with the agencies to review their existing regulations and policies with respect to capital funding decisions to ensure that the principles are being adhered to at this primary point of analysis of a project proposal. In addition, this inter-agency group will be generally reviewing the Commonwealth Capital program to determine whether the program can be refined to more effectively reflect and further the principles.



Commonwealth of Massachusetts Debt Affordability Analysis

Executive Office for Administration & Finance
July 2007

The Patrick-Murray Administration's capital spending program is guided by two key principles: (1) adequate investment in high-quality public infrastructure, and (2) responsible management of the Commonwealth's fiscal resources. The Commonwealth faces a backlog of needed capital projects; at the same time, the state faces the constraints of a tight operating budget and an already high debt burden. On the spending side, the Administration's FY2008-2012 Capital Investment Plan has been developed through a rigorous process of due diligence and strategic planning. On the financing side, the Administration's annual debt issuance necessary to fund that capital plan has been determined through the rigorous affordability analysis described in the following pages.

Based on the analysis set forth below, the Administration has set the administrative bond cap for fiscal year 2008 at \$1.5 billion. This is a fiscally responsible and affordable level of new debt that will allow the Commonwealth to increase its investment in the general capital infrastructure needs of the state.

Introduction

Although a portion of the Commonwealth's capital investments are funded from federal grants and other sources, the Commonwealth borrows funds through the issuance of bonds and notes to fund the large majority of its capital investments. The issuance of bonds and notes to fund capital projects must be approved by a two-thirds vote of each house of the Legislature. The State Treasurer is responsible for the issuance of the Commonwealth's debt obligations. The Governor, through the Executive Office for Administration & Finance (A&F), allocates funds to support authorized projects, and through this allotment controls the amount of debt issued annually to support capital projects.

In addition to direct debt¹, the Commonwealth has a number of other debt-like, long-term liabilities. These liabilities include contract assistance payments and contingent liabilities. Contract assistance payments are made by the Commonwealth to certain independent authorities and political subdivisions of the state to support all or a

¹ "Direct" debt includes general obligation debt (secured by a pledge of the full faith and credit of the Commonwealth), special obligation debt (secured by a pledge of receipts credited either to the Highway Fund or Convention Center Fund), and federal grant anticipation notes (secured by a pledge of federal highway construction grants).



portion of the debt service on certain bonds issued by such entities. Certain contract assistance payment liabilities of the Commonwealth are secured by a general obligation pledge of the Commonwealth, and others are subject to annual appropriation by the Legislature.²

Contingent liabilities relate to debt issued by independent authorities and agencies of the Commonwealth. These debts are expected to be paid by the issuing entities, but the Commonwealth has guaranteed payment of debt service or replenishment of reserves if expected payment sources are inadequate.³

Statutory Debt Limits

Legislation enacted in December 1989 restricts the amount of the Commonwealth's outstanding direct debt.⁴ This legislation imposed a "statutory debt limit" of \$6.8 billion in fiscal year 1991 and set the limit for each subsequent year at 105% of the previous fiscal year's limit. The statutory debt limit is calculated according to certain rules⁵ and excludes several direct and contingent obligations of the Commonwealth.⁶ The statutory debt limit for fiscal year 2007 is approximately \$14.84 billion, and the Commonwealth's outstanding direct debt subject to the limit is estimated to be \$13.74 billion.⁷

Legislation enacted in January 1990 imposes a limit on debt service appropriations in Commonwealth operating budgets.⁸ No more than 10% of total budgeted appropriations may be spent on debt service (both interest and principal) on Commonwealth general obligation debt in any fiscal year. Payments on debt not subject to the statutory debt limit described above are also excluded from the debt service limit. In fiscal year 2006, budgeted debt service on debt subject to this limit was

² General obligation contract assistance liabilities (which, like general obligation debt, must receive 2/3 approval of the Legislature) include payments to the Massachusetts Water Pollution Abatement Trust and the Massachusetts Turnpike Authority. Budgetary contract assistance liabilities (which are the result of certain capital leases and other contractual agreements) include payments to the Chelsea Industrial Development Financing Authority, the Route 3 North Transportation Improvements Association, and the Plymouth County Correctional Facilities Corporation.

³ Contingent liabilities include certain obligations of the Massachusetts Bay Transportation Authority, the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority, the University of Massachusetts Building Authority, the Massachusetts State College Building Authority and the Massachusetts Housing Finance Agency.

⁴ M.G.L. Chapter 29, Section 60A.

⁵ The statutory debt limit is calculated under the statutory basis of accounting, which, unlike GAAP, measures debt net of underwriters' discount, costs of issuance, and other financing costs. In addition, the statutory debt limit excludes bonds that are refunded by the proceeds of Commonwealth refunding bonds once those refunding bonds have been issued.

⁶ Debt not counted in the calculation of the statutory debt limit includes: certain Commonwealth refunding and restructuring bonds issued in September and October 1991, federal grant anticipation notes, special obligation bonds, debt issued by certain counties that has been assumed by the Commonwealth, bonds issued to pay operating notes of the MBTA or to reimburse the Commonwealth for advances to the MBTA, bonds payable from the Central Artery and Statewide Road and Bridge Infrastructure Fund, and bonds issued to finance the Massachusetts School Building Authority. Contract assistance, lease payments, and contingent liabilities are also excluded.

⁷ Estimate as of July 11, 2007; final amounts to be available in the audited FY 2007 Statutory Basis Financial Report.

⁸ M.G.L. Chapter 29, Section 60B.



approximately \$1.4 billion, representing 5.6% of total budgeted expenditures, which were approximately \$25.6 billion.⁹

Administrative Bond Cap

The statutory debt limit and debt service limits represent only an upper limit on the amount of direct debt the Commonwealth may incur, and they do not count many types of Commonwealth debt and debt-like obligations (e.g., contract assistance payment liabilities). Since fiscal year 1991, A&F has established an “administrative bond cap” to limit annual bond issuance to affordable levels. The bond cap has grown over time and was stated to be \$1.25 billion in fiscal year 2007, plus \$72 million of unused cap carried forward from the previous fiscal year and \$51 million of additional debt approved during fiscal year 2007 to pay costs of ceiling repairs in the Central Artery tunnels. Growth in the bond cap has not always been based on transparent, analytical measures of affordability, and in recent years certain bonds have been issued outside of the stated cap (e.g., \$1 billion of bonds was issued outside of the bond cap during fiscal years 2005 and 2006 to support the Massachusetts School Building Authority).

High Existing Debt Burden

Despite statutory and administrative debt limits, the Commonwealth’s debt burden remains among the highest in the nation by certain measures. The most recent U.S. Census Bureau study of state finances ranks Massachusetts third in the nation in outstanding debt and first in the nation in debt per capita.¹⁰ Moody’s Investors Service ranks Massachusetts fourth in total net tax-supported debt, third in total gross tax-supported debt, second in net tax-supported debt as a percentage of personal income, and first in net tax-supported debt per capita.¹¹ Standard and Poor’s Massachusetts rankings are similar: first in tax-supported debt per capita, second in tax-supported debt as a percentage of personal income, and fourth in total tax-supported debt.¹² It is important to note, however, that these measures include certain debt issued by entities other than the Commonwealth for which the Commonwealth is not liable. In addition, these measures tend to favor other states that have stronger county governments and other political subdivisions that issue debt to finance capital improvements that are financed by state government in Massachusetts.

Although the Commonwealth maintains a relatively strong credit rating compared to other large states, rating agencies note that the state’s relatively high outstanding debt burden is an obstacle to receiving an upgrade. Since ratings impact the Commonwealth’s cost of funds in issuing new debt, the Administration will seek to improve its credit rating through efforts to stimulate economic growth and through

⁹ 2007 amounts will not be available until after the final audit for FY 2007.

¹⁰ U.S. Census Bureau, “2005 State Government Finance Data” (<http://www.census.gov/govs/www/state05.html>).

¹¹ Moody’s Investors Service, “2007 State Debt Medians.” See Exhibit A attached.

¹² Standard and Poor’s, “State Debt Issuances Are Likely to Accelerate with Substantial Infrastructure Needs.” See Exhibit B attached.



prudent management of the state's finances, including a debt issuance policy that more closely links the bond cap to the state's capacity to assume additional debt service obligations as described in this report.

In light of the Commonwealth's large outstanding debt burden and significant need for capital investment, the Patrick-Murray Administration re-evaluated the administrative bond cap in connection with the fiscal year 2008 capital planning process and the publication of the FY2008-2012 Five-Year Capital Investment Plan. This examination and analysis has focused on the affordability of our current obligations and our capacity to pay additional debt obligations.

Methodology and Model for Analysis

A&F has conducted a capacity analysis for our capital program over the next five years. This analysis has focused on the *affordability* of issuing new debt, taking into account our existing debt service, contract assistance payment obligations, and certain capital lease payment obligations. In this analysis, affordability is measured by the annual cost of debt service and other debt-like payment obligations as a percentage of budgeted revenues. This measure (debt service as a percent of budgeted revenues) is a commonly accepted standard for measuring debt capacity; it takes into account the true "cost" of our debt, allowing us to factor in the actual terms and rates of the bonds we issue and the amount of revenue available to pay those costs.

Existing Obligations and Liabilities

Our debt capacity analysis includes an examination of our existing debt service, contract assistance and certain capital lease payment obligations. The analysis includes all general obligation debt issued through June 30, 2007.¹³ We have included only the interest payments on federal grant anticipation notes (GANs); principal payments are made with grants from the Federal Highway Administration that are legally dedicated to such purpose and are not available for general budgeting purposes. Gas tax special obligation bonds are included in the analysis. Special obligation bonds for the Massachusetts Convention Center Authority are not included; although these bonds are obligations of the Commonwealth, they are secured and paid directly by a pledge of dedicated tax revenues related to the convention center projects financed with proceeds of the bonds.¹⁴ MBTA and MSBA bonds are also not included because they are obligations of the MBTA and MSBA, respectively, and, although secured in part by a portion of the Commonwealth's sales tax revenues, the Commonwealth is not liable for such bonds and such sales tax revenues are legally dedicated to the MBTA and MSBA and not available to the Commonwealth for general budgeting purposes.¹⁵ The

¹³ Unmatured crossover refundings have not been included.

¹⁴ This tax revenue is also excluded from the Commonwealth's budgeted revenues described later in the analysis.

¹⁵ Certain debt expected to be issued in fiscal year 2008 and in subsequent fiscal years will also be excluded from the bond cap and from this analysis in future years. This excluded debt is expected to be limited to bonds or notes



Commonwealth of Massachusetts
Debt Affordability Analysis – FY2008-2012

Commonwealth's debt service obligations are described for fiscal years 2007 – 2012 in the table below:

FY	General Obligation Debt Service	Federal GANs (interest only)	Special Obligation: Gas Tax	Total
2007	1,774,955,545.00	87,887,033	47,133,334.55	1,909,975,912.05
2008	1,775,064,481.88	81,468,853	64,200,519.10	1,920,733,853.48
2009	1,753,074,796.83	74,478,113	64,104,809.10	1,891,657,718.43
2010	1,643,637,618.93	66,834,906	64,111,489.10	1,774,584,014.28
2011	1,607,092,676.92	57,205,969	64,112,651.60	1,728,411,297.27
2012	1,436,632,074.86	45,694,088	64,119,349.10	1,546,445,511.46

Contract assistance and certain capital lease obligations that relate to major capital projects were also included in the examination of existing Commonwealth obligations.¹⁶ These obligations for fiscal years 2007 – 2012 are outlined in the following table¹⁷:

FY	General Obligation					Budgetary				All Total
	MCCA	MDFA	Foxborough	MWPAT	MTA	Chelsea	Route 3 North	Plymouth COPs	Saltonstall Bldg.	
2007	2,531,761.26	10,162,000.00	1,738,331.25	63,699,925.90	25,000,000.00	6,465,000.00	25,227,557.56	10,245,738.00	9,351,930.00	154,422,243.97
2008	-	-	-	67,971,035.37	25,000,000.00	6,465,000.00	23,700,845.14	10,242,626.00	9,556,683.00	142,936,189.51
2009	-	-	-	71,974,529.35	25,000,000.00	6,465,000.00	23,700,355.05	10,246,996.00	9,698,459.00	147,085,339.40
2010	-	-	-	76,213,829.13	25,000,000.00	6,465,000.00	23,698,948.80	10,244,455.00	9,842,428.00	151,464,660.93
2011	-	-	-	80,702,823.67	25,000,000.00	6,453,000.00	23,699,878.80	10,244,931.00	9,919,804.00	156,020,437.47
2012	-	-	-	85,456,219.98	25,000,000.00	6,453,000.00	19,492,712.63	10,240,043.00	9,999,503.00	156,641,478.61

Revenue Projections

For the purposes of this analysis, “revenues” are assumed to be the Commonwealth’s “Budgeted Revenues and Other Sources” (which can be found in the Commonwealth’s statutory basis balance sheet each year). This amount represents Commonwealth tax and other revenues available for operating expenses, including debt service and other obligations; this revenue amount does not include off-budget revenues or tax revenues dedicated to the MBTA, MSBA, and MCCA (the debt service obligations of these entities payable from such dedicated revenues have also been excluded from the analysis).

supported by specifically identified and dedicated project-related revenue streams that are not available or taken into account for general budgeting purposes.

¹⁶ The analysis includes major capital lease obligations, such as lease payments that support the Saltonstall project and the bonds issued by the Route 3 North Association for the Route 3 North project, which are large-scale capital projects that were executed outside of the bond cap. Agencies occasionally directly acquire equipment and pay for minor capital costs through their operating budgets; these minor capital costs are not part of the state’s capital budget and are not included in this analysis.

¹⁷ In May 2007, the Commonwealth sold bonds to refund approximately \$129 million in contract assistance payment obligations related to debt issued by the Foxborough Industrial Development Finance Authority, Route 3 North Association, and the MCCA, and to refund approximately \$350 million of general obligation debt. The impact of these refundings is reflected in this table and in the debt service table above. MWPAT obligations are projected for fiscal years 2009-2012 based on the compound annual growth rate in MWPAT contract assistance payments for the past five years (5.98%).



Commonwealth of Massachusetts
Debt Affordability Analysis – FY2008-2012

The fiscal year 2007 revenue amount of \$26,985,600,000 is a projection based on collections through April 2007.¹⁸ The fiscal year 2008 revenue estimate of \$26,727,000,000 is a projection based on the FY08 consensus tax revenue estimate, which was announced in January 2007 by the Governor and the chairs of the House and Senate Ways and Means Committees, and was the amount used for purposes of developing the Commonwealth's FY08 operating budget. Budgeted revenue estimates used for fiscal years 2009-2012 are calculated based on the fiscal year 2008 estimate and an annual growth rate of 3%, which is the compound annual growth rate of budgeted revenues over the previous ten years. The budgeted revenues from fiscal years 1998 through 2007 are shown in the table below, as are the fiscal year 2008-2012 projections.

1998-2007 Revenue Growth: Actual			2008-2017 Revenue Growth: Estimate	
Fiscal Year	Budgeted Revenues (net of transfers)	Annual Growth Rate	Fiscal Year	Projected Revenue at 3% Growth
1998	19,799,839,000	n/a	2008	26,727,000,000
1999	20,165,000,000	1.84%	2009	27,528,810,000
2000	22,587,100,000	12.01%	2010	28,354,674,300
2001	22,860,600,000	1.21%	2011	29,205,314,529
2002	21,174,800,000	-7.37%	2012	30,081,473,965
2003	21,987,100,000	3.84%		
2004	23,998,300,000	9.15%		
2005	24,373,500,000	1.56%		
2006	26,305,500,000	7.93%		
2007	26,985,600,000	2.59%		
1999-2007 compound annual growth rate:		2.96%		

Existing debt service, contract assistance and lease payment obligations have been compared to the budgeted revenue projection for the next five years, which forms the basis of the new debt capacity analysis. This comparison is presented in the table below:

Fiscal Year	Debt Service	Contract Assistance & Capital Leases	Existing Obligations	Estimated Budgeted Revenue	Debt Service as % of Budgeted Revenues
2007	1,909,975,912.05	154,422,243.97	2,064,398,156.02	26,985,600,000	7.65%
2008	1,920,733,853.48	142,936,189.51	2,063,670,042.99	26,727,000,000	7.72%
2009	1,891,657,718.43	147,085,339.40	2,038,743,057.84	27,528,810,000	7.41%
2010	1,774,584,014.28	151,464,660.93	1,926,048,675.21	28,354,674,300	6.79%
2011	1,728,411,297.27	156,020,437.47	1,884,431,734.73	29,205,314,529	6.45%
2012	1,546,445,511.46	156,641,478.61	1,703,086,990.06	30,081,473,965	5.66%

Fiscal Year 2008-2012 Debt Issuance Modeling

In analyzing potential levels of debt issuance to fund the Commonwealth's capital spending plan for the next five years, we made the following conservative and fiscally responsible assumptions:

- All debt issued to fund the capital spending program will be issued at the start of the fiscal year in which it will be spent. This assumption is a conservative one for

¹⁸ This projection can be found in the Commonwealth's Information Statement, dated May 9, 2007.



modeling purposes, as it results in the debt service impact of bonds issued in a fiscal year being assumed as early as possible.

- Although the Commonwealth has the statutory authority to issue virtually all of its authorized bond for a term of up to 30 years, two-thirds of the debt to be issued each year is assumed to have a 20-year term, while one-third of the debt to be issued each year is assumed to have a 30-year term.
- Interest rates reflect recent market conditions: the interest rate used for 20-year debt is 4.38%, which is the twenty-four month average of the Bond Buyer 11 Index¹⁹ from April 2005 through June 2007; the interest rate used to model the 30-year debt is 4.50%, reflecting a conservative estimate of the current spread between 20 and 30 year municipal market data.
- Annual debt service payments will be structured on a “level debt service” basis over the life of the related bonds, consistent with past practice by the Commonwealth.
- This analysis assumed that there would be no unused bond cap carried forward from previous years and available for future spending. To the extent that there is unused bond cap in future years, these amounts will be carried forward and considered available for the next year’s capital budget, since the affordability analysis takes into account the full amount of the annual bond cap being issued at the start of each fiscal year.

In setting the annual administrative bond cap, the Administration has decided to impose a cap that will ensure debt service does not exceed 8% of annual budgeted revenues. This is only nominally higher than the debt service burden covered in the fiscal 2007 budget, which was 7.65% of budgeted revenues. By keeping total annual debt service within this limit, the Administration will ensure that debt service levels remain affordable and that future debt service does not grow at a rate that inhibits our ability to continue to fund existing state programs.

For purposes of projecting debt capacity in future fiscal years, we placed another restriction on our debt capacity model: the annual bond cap in each subsequent fiscal year does not grow by more than \$125 million per fiscal year, even if in some years the actual revenue growth projection provides capacity to issue a greater amount of debt. This additional constraint ensures stable and manageable growth and avoids taking on an unaffordable long-term debt burden on the basis of unusually robust short-term revenue growth.

As shown in the table below, a \$1.5 billion bond cap in fiscal year 2008 results in total debt service obligations in fiscal year 2008 equal to approximately \$2.06 billion, or 7.85% of budgeted revenues, which is within the 8% limit described above. The table below also shows the additional debt service created by starting in fiscal year 2008 with a bond cap of \$1.5 billion and increasing that cap by a maximum of \$125 million each

¹⁹ The Bond Buyer 11 Index tracks the rates of 11 issues of 20-year municipal debt with a AA credit rating.



subsequent year. Even with these steady increases in the bond cap, debt service as a percentage of budgeted revenues is projected to decline by nearly one-half of one percentage point over five years to 7.41%.

**Projected Debt Service as a Percentage of Budgeted Revenues:
Fiscal Years 2008–12**

Fiscal Year	Bond Cap	Existing Obligations	Cumulative New Debt Service from Annual Bond Cap	Total Debt Obligations	Estimated Budgeted Revenue	Debt Service as % of Budgeted Revenues
2008	1,500,000,000	2,063,670,042.99	33,150,000.00	2,096,820,042.99	26,727,000,000	7.85%
2009	1,625,000,000	2,038,743,057.84	142,687,125.99	2,181,430,183.83	27,528,810,000	7.92%
2010	1,750,000,000	1,926,048,675.21	261,122,137.48	2,187,170,812.69	28,354,674,300	7.71%
2011	1,875,000,000	1,884,431,734.73	388,455,034.47	2,272,886,769.21	29,205,314,529	7.78%
2012	2,000,000,000	1,703,086,990.06	524,685,816.96	2,227,772,807.02	30,081,473,965	7.41%

It should be noted that these tables are the result of a model built on certain assumptions and restrictions (projections based on such assumptions are italicized in the tables below). The Patrick-Murray Administration intends to revisit this analysis each year as part of the development of the following fiscal year’s capital plan, and to adjust the model’s assumptions as needed to reflect new trends in revenue growth, interest rates, and other factors. As a part of this annual review, the Administration will also reassess the debt capacity model as a whole, including the limitation of keeping debt service below 8% of budgeted revenues and the additional limitation of keeping annual bond cap increases to not more than \$125 million, in order to ensure that it continues to be an appropriate and responsible model for measuring the Commonwealth’s debt capacity in the future.



Exhibit A: Moody's Debt Medians

[Source: Moody's Investors Service, "2007 State Debt Medians," published April 2007]

Table 1 Net Tax-Supported Debt Per Capita				Table 2 Net Tax-Supported Debt as a % of 2005 Personal Income		
			Rating			
1	Massachusetts	\$4,153	Aa2	1	Hawaii	10.6%
2	Connecticut	\$3,713	Aa3	2	Massachusetts	9.4%
3	Hawaii	\$3,630	Aa2	3	Connecticut	7.8%
4	New Jersey	\$3,317	Aa3	4	New Jersey	7.6%
5	New York	\$2,694	Aa3	5	New York	6.7%
6	Delaware	\$1,998	Aaa	6	Illinois	5.5%
7	Illinois	\$1,976	Aa3	7	Delaware	5.5%
8	Washington	\$1,765	Aa1	8	New Mexico	5.3%
9	Rhode Island	\$1,687	Aa3	9	Washington	5.1%
10	California	\$1,623	A1	10	Louisiana	4.9%
11	Oregon	\$1,464	Aa3	11	Mississippi	4.9%
12	New Mexico	\$1,435	Aa1	12	Oregon	4.6%
13	Wisconsin	\$1,405	Aa3	13	Rhode Island	4.6%
14	Louisiana	\$1,294	A2	14	California	4.4%
15	Mississippi	\$1,247	Aa3*	15	Kentucky	4.3%
16	Kansas	\$1,218	Aa1	16	Wisconsin	4.2%
17	Kentucky	\$1,204	Aa2*	17	West Virginia	3.9%
18	Maryland	\$1,171	Aaa	18	Kansas	3.7%
19	West Virginia	\$1,071	Aa3	19	Florida	3.1%
20	Florida	\$1,020	Aa1	20	Georgia	3.0%
21	Ohio	\$974	Aa1	21	Ohio	3.0%
22	Alaska	\$939	Aa2	22	Maryland	2.8%
23	Georgia	\$916	Aaa	23	Alaska	2.7%
24	Pennsylvania	\$852	Aa2	24	Pennsylvania	2.4%
25	Minnesota	\$827	Aa1	25	North Carolina	2.4%

Table 3 Total Net Tax Supported Debt (000's)				Table 4 Gross Tax Supported Debt (000's)			
			Rating				Gross to Net Ratio
1	California	\$59,171,200	A1	1	California	\$66,664,200	1.13
2	New York	\$52,014,000	Aa3	2	New York	\$52,014,000	1.00
3	New Jersey	\$28,935,074	Aa3	3	Massachusetts	\$34,203,405	1.28
4	Massachusetts	\$26,735,227	Aa2	4	New Jersey	\$33,740,775	1.17
5	Illinois	\$25,359,214	Aa3	5	Illinois	\$25,717,314	1.01
6	Florida	\$18,454,123	Aa1	6	Florida	\$22,594,723	1.22
7	Connecticut	\$13,013,222	Aa3	7	Michigan	\$21,929,300	2.91
8	Washington	\$11,290,608	Aa1	8	Connecticut	\$20,952,322	1.61
9	Ohio	\$11,176,473	Aa1	9	Washington	\$17,090,608	1.51
10	Pennsylvania	\$10,604,000	Aa2	10	Pennsylvania	\$14,051,000	1.33
11	Texas	\$9,756,427	Aa1	11	Texas	\$13,099,845	1.34
12	Georgia	\$8,577,760	Aaa	12	Oregon	\$11,992,195	2.21
13	Wisconsin	\$7,806,409	Aa3	13	Ohio	\$11,259,233	1.01
14	Michigan	\$7,538,800	Aa2	14	Minnesota	\$11,156,199	2.61
15	Maryland	\$6,573,900	Aaa	15	Wisconsin	\$10,020,527	1.28
16	North Carolina	\$6,447,199	Aaa	16	Virginia	\$9,614,993	1.82
17	Louisiana	\$5,549,156	A2	17	Georgia	\$8,577,760	1.00
18	Oregon	\$5,418,714	Aa3	18	Colorado	\$8,492,403	5.20
19	Virginia	\$5,285,480	Aaa	19	Kentucky	\$7,224,467	1.43
20	Kentucky	\$5,064,823	Aa2*	20	Maryland	\$6,573,900	1.00
21	Hawaii	\$4,666,432	Aa2	21	North Carolina	\$6,447,199	1.00
22	Minnesota	\$4,274,574	Aa1	22	Louisiana	\$6,373,287	1.15
23	Indiana	\$4,147,983	Aa1*	23	Alabama	\$6,301,950	2.32
24	Arizona	\$3,664,752	Aa3	24	Hawaii	\$6,079,265	1.30
25	Mississippi	\$3,628,815	Aa3*	25	Utah	\$5,811,454	3.67



Exhibit B: Standard and Poor's Debt Medians

[Source: Standard and Poor's, "State Debt Issuances Are Likely to Accelerate with Substantial Infrastructure Needs," published June 5, 2007]

Table 2

U.S. States Tax-Supported Debt Statistics

As of Fiscal Year-End 2006

State	—Total—		—Per capita—		—As % of personal income—	
	Rank	(Mil \$)	Rank	(\$)	Rank	(%)
Alabama	20	2,206	35	490	33	1.5
Alaska	36	1,327	8	1,980	6	5.3
Arizona	24	3,419	32	555	30	1.8
Arkansas	39	1,140	39	406	35	1.5
California	1	54,589	12	1,497	14	3.8
Colorado	43	457	48	96	48	0.2
Connecticut	7	13,305	2	3,796	3	7.6
Delaware	31	1,998	5	2,342	5	6.0
Florida	6	17,866	18	988	19	2.8
Georgia	12	7,525	25	804	23	2.5
Hawaii	19	4,612	3	3,588	1	9.9
Idaho	46	205	46	140	46	0.5
Illinois	5	25,810	7	2,011	7	5.3
Indiana	37	1,307	43	207	42	0.6
Iowa	44	312	47	104	47	0.3
Kansas	25	3,244	15	1,173	16	3.4
Kentucky	20	4,101	19	975	17	3.3
Louisiana	21	3,634	21	848	20	2.7
Maine	40	730	33	553	32	1.7
Maryland	16	6,291	17	1,120	22	2.5
Massachusetts	4	26,052	1	4,047	2	8.8
Michigan	18	5,215	34	517	34	1.5
Minnesota	22	3,460	30	670	31	1.7
Mississippi	23	3,449	14	1,185	12	4.5
Missouri	27	2,588	37	443	36	1.4
Montana	45	230	41	243	41	0.7
Nebraska	49	37	49	21	49	0.1
Nevada	30	2,100	22	842	40	1.1
New Hampshire	41	608	36	462	38	1.2
New Jersey	3	28,453	4	3,261	4	7.0
New Mexico	28	2,217	16	1,134	15	3.8
New York	2	40,552	6	2,100	8	5.0
North Carolina	14	6,509	27	735	25	2.3
North Dakota	48	117	45	185	45	0.6
Ohio	9	9,740	20	849	21	2.5
Oklahoma	34	1,533	38	428	37	1.3
Oregon	17	5,682	11	1,535	10	4.6
Pennsylvania	10	8,783	28	706	29	1.9
Rhode Island	33	1,535	13	1,438	13	3.8
South Carolina	26	2,885	31	668	27	2.3
South Dakota	47	164	442	210	44	0.6
Tennessee	38	1,241	44	206	43	0.6
Texas	13	7,218	40	390	39	1.1
Utah	32	1,708	29	670	24	2.3
Vermont	42	485	26	777	26	2.3
Virginia	15	6,360	23	832	28	2.1
Washington	8	11,157	9	1,744	9	4.7
West Virginia	35	1,496	24	823	18	2.9
Wisconsin	11	8,664	10	1,559	11	4.5
Wyoming	50	0	50	0	50	0.0



Appendix B:

Recommendations of the Joint Committee on
Bonding, Capital Expenditures and State Assets

<i>Recommendation 1: A detailed and transparent five-year capital spending plan should be developed, published and maintained</i>	This five-year capital investment plan is the most detailed, comprehensive and transparent plan produced by an Administration in recent memory.
<i>Recommendation 2: The five-year capital spending plan should incorporate all capital spending and all types of borrowing for which the state is responsible</i>	This five-year capital investment plan identifies all expected sources of funding for capital projects funded pursuant to the capital budget, including the borrowing expected to be needed to fund such projects. In addition, Appendix A to this report, the Debt Affordability Analysis, provides a detailed description of the Commonwealth's existing debt portfolio and a thorough analysis of the Commonwealth's capacity to afford the debt proposed to be issued pursuant to this plan.
<i>Recommendation 3: The state should employ the least expensive methods of borrowing, generally general obligation debt</i>	The Administration generally agrees with this statement. In fact, pursuant to authorization it obtained in its Immediate Needs Bond Bill, the Administration has already worked with the State Treasurer to refinance certain unconventional financing structures with general obligation debt of the Commonwealth, resulting in significant debt service savings. The Administration will, however, continue to evaluate other potential credit structures in order to determine whether there are other, prudent credit structures that could result in less expensive borrowing costs for the Commonwealth.
<i>Recommendation 4: The state should dedicate more funds to current and deferred capital maintenance</i>	The Administration agrees with this recommendation. Although it will not eliminate the backlog, the increase in the bond cap permits an increased investment in deferred capital maintenance. As described in more detail below, the Administration intends to engage in a comprehensive review of existing



	<p>practices and funding sources for current capital maintenance needs with the goal of developing a proposal for better managing and funding these needs. The Administration looks forward to working with the Committee in developing this proposal.</p>
<p><i>Recommendation 5: The state should continue efforts to de-authorize or otherwise eliminate old and unused capital authorizations</i></p>	<p>The Administration agrees and intends to file de-authorization bills at the same time it files new bond bills, which it currently expects to do in September. The Administration looks forward to working with the Committee to identify old authorizations that should be eliminated.</p>
<p><i>Recommendation 6: The state should allocate more funding to open space protection and preservation programs</i></p>	<p>The Administration agrees and, as described later in this capital investment plan, has committed to doing so.</p>
<p><i>Recommendation 7: When available, the state should use surplus operating dollars to help address its capital spending needs</i></p>	<p>Any decision on the expenditure of surplus operating revenues should be made based on an evaluation of the merits of the various spending proposals. The Administration generally agrees, however, that surplus operating revenues should generally be used to fund one-time, non-recurring expenditures like capital project costs. In fact, in the supplemental appropriation bill recently filed by the Administration, the Administration proposed appropriating \$40 million of surplus funds to defease high-cost debt of the Commonwealth. This one-time expenditure proposal would not only free up capacity to issue \$40 million of new low-cost bonds to fund legislatively-authorized capital projects, it would also result in debt service savings for the Commonwealth which could not be realized if the surplus funds were appropriated directly to pay for capital project costs.</p>
<p><i>Recommendation 8: Operating expenses such as those for personnel should be eliminated from the capital budget</i></p>	<p>As described in this report, the Administration agrees that this is an imprudent practice that has been permitted to grow over the years and that poses a significant challenge to increasing our investments in capital infrastructure</p>



Commonwealth of Massachusetts
Five-Year Capital Investment Plan: FY2008-2012

	<p>improvements. In its operating budget proposal for FY08, the Administration proposed shifting \$10 million of these personnel costs off of the capital budget and onto the operating budget as a first step toward eliminating this practice. The FY08 budget enacted by the Legislature did not include this provision. The Administration is committed to continuing to try to shift personnel onto the operating budget. In the meantime, however, such personnel must continue to be funded on the capital budget in order to carry out the Commonwealth's capital projects.</p>
<p><i>Recommendation 9: The amount of the bond cap should be increased</i></p>	<p>The Administration is not only raising the bond cap, but it is doing so in a fiscally responsible and transparent manner. For a thorough description of the Administration's approach to the bond cap, see the Debt Affordability Analysis attached as Appendix A.</p>
<p><i>Recommendation 10: Statutory provisions governing the disposition of state surplus land should be amended to provide for a speedier procedure but one which preserves legislative and municipal input and control</i></p>	<p>The Administration generally agrees with the need to develop a better process for the disposition of state surplus land and looks forward to working with the Committee and other interested parties on this issue.</p>

Detailed FY08 Capital Investment Plan

Appendix C

Spending Agency	Beneficiary Agency	Project Type	Project Name	Location	FY08 - Bond Cap	FY08 Federal Money	FY08 Other / 3rd Party	FY08 Project-Funded Bonds	FY2008 - TOTAL
EOEA	DCR	Commun Invest	Lakes and Ponds Program	Statewide	480,000	-	-	-	480,000
EOEA	DCR	Commun Invest	Greylock Glen -Outdoor Recreation and Environmental Education Center	North Adams	400,000	-	-	-	400,000
EOEA	DCR	Commun Invest	Muddy River Flood Control, Water Quality and Enhancement and Historic Preservation Project	Brookline	6,531,000	-	-	-	6,531,000
EOEA	DCR	Commun Invest	Heritage Landscape Inventory	Statewide	90,000	-	-	-	90,000
EOEA	ENV	Commun Invest	Public Private Partnerships Program	Statewide	1,500,000	-	-	-	1,500,000
EOEA	ENV	Commun Invest	Wetlands Restoration Grants	Statewide	200,000	-	-	-	200,000
EOEA	ENV	Commun Invest	Coastal Pollutant Remediation (CPR) Grants	Statewide	400,000	-	-	-	400,000
EOEA	ENV	Commun Invest	Smart Growth Grants	Statewide	350,000	-	-	-	350,000
EOEA	DEP	Commun Invest	Solid Waste Management and Recycling Technical Assistance and Regulatory Development Program	Statewide	554,546	-	-	-	554,546
EOEA	ENE	Commun Invest	Energy Conservation Improvement Program	Statewide	500,000	-	-	-	500,000
EOEA	ENE	Commun Invest	Alternative Energy Property Program	Statewide	800,000	-	-	-	800,000
EOEA	ENE	Commun Invest	Energy Audit Program	Statewide	300,000	-	-	-	300,000
EOEA	ENE	Commun Invest	Municipal Energy Toolkit	Statewide	500,000	-	-	-	500,000
EOEA	SEA	Commun Invest	Seaport Council	Regional	10,000,000	-	-	-	10,000,000
EOEA	ENV	Commun Invest	Urban Self Help	Statewide	8,143,894	-	-	-	8,143,894
EOEA	ENV	Commun Invest	Urban Signature Parks	Statewide	4,000,000	-	-	-	4,000,000
EOEA	ENV	Commun Invest	Self-Help Grants	Statewide	5,000,000	-	-	-	5,000,000
EOEA	DEP	Commun Invest	Municipal Drinking Water Protection	Statewide	3,000,000	-	-	-	3,000,000
EOT	EOT	Commun Invest	Chapter 90 - Municipal Roads and Bridges	Statewide	150,000,000	-	-	-	150,000,000
EOT	EOT	Commun Invest	Public Works Economic Development Program (PWED)	Statewide	14,000,000	-	-	-	14,000,000
EOT	EOT	Commun Invest	Small Town Road Assistance Program (STRAP)	Statewide	2,500,000	-	-	-	2,500,000
EOT	EOT	Commun Invest	EOT - Transit Oriented Development	Statewide	2,000,000	-	-	-	2,000,000
DHCD	DHCD	Commun Invest	Community Development Action Grant Program (CDAG)	Statewide	10,000,000	-	-	-	10,000,000
DHCD	DHCD	Commun Invest	Urban Revitalization Development Grant Program (URDG)	Statewide	4,286,306	-	-	-	4,286,306
ANF	SEC	Commun Invest	Historic Preservation Grants	Statewide	1,550,000	-	-	-	1,550,000
ANF	ANF	Commun Invest	Board of Library Commissioners - Library Construction Grants	Statewide	20,000,000	-	-	-	20,000,000
ANF	TRE	Commun Invest	Water Pollution Abatement Trust -- State Match	Statewide	11,017,701	-	-	-	11,017,701
ANF	ANF	Commun Invest	Off-Street Parking Program	Statewide	7,000,000	-	-	-	7,000,000
ANF	ANF	Commun Invest	Peabody Flood Control Project	Peabody	2,000,000	-	-	-	2,000,000
EOPS	EOPS	Commun Invest	Municipal Public Safety Grants	Statewide	4,000,000	-	-	-	4,000,000
			Subtotal		271,103,447	-	-	-	271,103,447
DCAM	DOC	Corrections	DOC-Hayes Report Retrofits for Suicide Prevention - DOC Facilities	Statewide	200,000	-	-	-	200,000
DCAM	Sheriffs	Corrections	Roof Replacement, Repair Exterior & HVAC - Essex County Jail/HOC Middleton	Middleton	773,774	-	-	-	773,774
DCAM	Sheriffs	Corrections	New Visitor Reception Bldg w/Checkpoint & Warehouse Building - Middlesex Jail	Billerica	2,300,000	-	-	-	2,300,000
DCAM	Sheriffs	Corrections	Heating Plant at the 240 Bed Unit at Essex County Jail/HOC	Middleton	2,000,000	-	-	-	2,000,000
DCAM	Sheriffs	Corrections	Replacement of Htg & Domestic Hot Water Boilers-Worcester Jail / HOC	West Boylston	1,500,000	-	-	-	1,500,000
DCAM	Sheriffs	Corrections	Central Control Locking System Replacement - Essex County Jail/HOC	Middleton	2,700,000	-	-	-	2,700,000
DCAM	Sheriffs	Corrections	Roof and Other Building System Repairs - Norfolk Jail/HOC	Norfolk	200,000	-	-	-	200,000
DCAM	Sheriffs	Corrections	Corrections Master Plan	Statewide	500,000	-	-	-	500,000
DCAM	Sheriffs	Corrections	Envelope Repairs - Suffolk County Jail and House of Correction	Boston	2,000,000	-	-	-	2,000,000
DCAM	Sheriffs	Corrections	Roof Repair/Replacement Main Bldg - Hampshire Jail/HOC	Chicopee	1,200,000	-	-	-	1,200,000
DCAM	Sheriffs	Corrections	Roof Repair on Worcester County Jail & House of Correction	West Boylston	1,300,000	-	-	-	1,300,000
DCAM	Sheriffs	Corrections	Decommissioning and Demolishing the Wastewater Treatment Facility in Billerica	Billerica	65,000	-	-	-	65,000
DCAM	Sheriffs	Corrections	Conversion of dry cells to wet cells in Buildings 4 & 8 at South Bay HOC	Boston	20,000	-	-	-	20,000
			Reservation for Future Projects		2,700,000	-	-	-	2,700,000
			Subtotal		17,458,774	-	-	-	17,458,774
DCAM	TRC	Courts	Demolition for New Fall River Trial Court	Fall River	50,000	-	-	-	50,000
DCAM	TRC	Courts	New Plymouth Trial Court	Plymouth	2,500,000	-	-	-	2,500,000

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Spending Agency	Beneficiary Agency	Project Type	Project Name	Location	FY08 - Bond Cap	FY08 Federal Money	FY08 Other / 3rd Party	FY08 Project-Funded Bonds	FY2008 - TOTAL
DCAM	TRC	Courts	Downtown Worcester Trial Court	Worcester	6,000,000	-	-	-	6,000,000
DCAM	TRC	Courts	Repair Brick Walkway/HVAC - Peabody District Court	Peabody	1,300,000	-	-	-	1,300,000
DCAM	TRC	Courts	Repair/Replacement of Boiler, Springfield District Court	Springfield	430,000	-	-	-	430,000
DCAM	TRC	Courts	Installation of a Temporary ramp at the front entrance of the Pittsfield Superior Ct	Pittsfield	30,000	-	-	-	30,000
DCAM	TRC	Courts	HVAC System/HC Lift/Walkway & Window Repair - Newburyport Superior Court	Newburyport	400,000	-	-	-	400,000
DCAM	TRC	Courts	Wastewater/Life Safety Improvements - Hingham District Court	Hingham	200,000	-	-	-	200,000
DCAM	TRC	Courts	ADA Self Assessment, Transition - Statewide TRC Facilities	Statewide	230,000	-	-	-	230,000
DCAM	TRC	Courts	New Fall River Trial Court	Fall River	20,000,000	-	-	-	20,000,000
DCAM	TRC	Courts	New Taunton Trial Court- New Construction & armory demo	Taunton	3,000,000	-	-	-	3,000,000
DCAM	TRC	Courts	Salem/J.M. Ruane Judicial Center & Land Acquisition	Salem	5,000,000	-	-	-	5,000,000
DCAM	TRC	Courts	Cambridge Sullivan Courthouse project - Temporary Relocation Costs	Cambridge	13,450,000	-	-	-	13,450,000
DCAM	TRC	Courts	Upgrade Electrical Service/Replace 2 Boilers - Framingham District Court	Framingham	1,452,075	-	-	-	1,452,075
DCAM	TRC	Courts	Life Safety/Holding Cell, paving repairs- Chicopee District Court	Chicopee	354,777	-	-	-	354,777
DCAM	TRC	Courts	Springfield HS/Juv Ct Repairs & Life Safety Improvements	Springfield	200,000	-	-	-	200,000
DCAM	TRC	Courts	Repairs for Northampton Superior/ District Court	Northampton	200,000	-	-	-	200,000
DCAM	TRC	Courts	Greenfield Trial Court Renovation Study	Greenfield	25,000	-	-	-	25,000
DCAM	TRC	Courts	Reservation for Future Projects		3,700,000	-	-	-	3,700,000
			Subtotal		58,521,852	-	-	-	58,521,852
EOEA	ENV	E&E	Wetlands Restoration Projects Technical Services	Statewide	200,000	-	-	-	200,000
EOEA	DCR	E&E	Forest Management - Green Certification	Statewide	300,000	-	-	-	300,000
EOEA	DCR	E&E	Coastal Hazards Management Commission Project	Statewide	242,820	-	-	-	242,820
DCAM	DCR	E&E	Cronin Rink - Revere	Revere	6,900,000	-	-	-	6,900,000
DCAM	DCR	E&E	Vietnam Veterans Pool Renovation	Chelsea	3,500,000	-	-	-	3,500,000
DCAM	DCR	E&E	Study for Cronin Building	Revere	125,000	-	-	-	125,000
EOEA	AGR	E&E	Agricultural Project Operations	Statewide	346,532	-	-	-	346,532
EOEA	AGR	E&E	Farm Viability Program	Statewide	1,000,000	-	-	-	1,000,000
EOEA	AGR	E&E	AEEP Fencing Non-point Source Pollution	Statewide	250,000	-	-	-	250,000
EOEA	DCR	E&E	Cape Cod Rail Trail Reconstruction	Regional	40,000	-	-	-	40,000
EOEA	DCR	E&E	Catch Basin Rehabilitation	Statewide	800,000	-	-	-	800,000
EOEA	DCR	E&E	Charles River Dam - Training Wall Repair	Cambridge	300,000	-	-	-	300,000
EOEA	DCR	E&E	Charles River Dam Hydraulic Power System Replacement	Cambridge	150,000	-	-	-	150,000
EOEA	DCR	E&E	Comfort Station Rehabilitation	Statewide	1,000,000	-	-	-	1,000,000
EOEA	DCR	E&E	Communications / Infrastructure	Statewide	150,000	-	-	-	150,000
EOEA	DCR	E&E	Dam Maintenance and Operation / PL 566 Flood Control	Statewide	500,000	-	-	-	500,000
EOEA	DCR	E&E	Dam Rehabilitation Program	Statewide	2,000,000	-	-	-	2,000,000
EOEA	DCR	E&E	Dam Safety and Inspection Program	Statewide	350,000	-	-	-	350,000
EOEA	DCR	E&E	Deferred Maintenance & Small Repairs DCR	Statewide	5,400,000	-	-	-	5,400,000
EOEA	DCR	E&E	Environmental Remediation (Clean State)	Statewide	2,400,000	-	-	-	2,400,000
EOEA	DCR	E&E	Fencing and Guardrail Rehabilitation and Replacement	Statewide	500,000	-	-	-	500,000
EOEA	DCR	E&E	Flood Control Annual Maintenance	Statewide	1,000,000	-	-	-	1,000,000
EOEA	DCR	E&E	Hemlock Gorge Charles River East Dike Control Structure	Newton	440,000	-	-	-	440,000
EOEA	DCR	E&E	Horseneck Beach SR Capital Improvements	Westport	2,238,154	-	-	-	2,238,154
EOEA	DCR	E&E	Landscape Improvements - Arboricultural Services	Statewide	600,000	-	-	-	600,000
EOEA	DCR	E&E	Landscape Improvements - Plantings	Statewide	400,000	-	-	-	400,000
EOEA	DCR	E&E	Maintenance of Mechanical Systems - Drawbridges and Pump Stations	Statewide	150,000	-	-	-	150,000
EOEA	DCR	E&E	Mount Greylock Road and Other Improvements	North Adams	8,279,975	-	-	-	8,279,975
EOEA	DCR	E&E	Payment in Lieu of Taxes (PILOT) to NH, VT	Statewide	226,984	-	-	-	226,984
EOEA	DCR	E&E	Playground Improvements	Statewide	550,000	-	-	-	550,000
EOEA	DCR	E&E	Pool Maintenance, Rehabilitation and Improvements	Statewide	3,200,000	-	-	-	3,200,000
EOEA	DCR	E&E	Rink Maintenance, Rehabilitation and Improvements	Statewide	1,500,000	-	-	-	1,500,000
EOEA	DCR	E&E	Salisbury Beach SR Improvements	Salisbury	455,000	-	-	-	455,000
EOEA	DCR	E&E	Sidewalk Rehabilitation	Statewide	750,000	-	-	-	750,000
EOEA	DCR	E&E	Storm Water Services	Statewide	3,500,000	-	-	-	3,500,000
EOEA	DCR	E&E	Storrow Drive at Western Avenue Pump Station Rehab.	Boston	250,000	-	-	-	250,000
EOEA	DCR	E&E	Street Light Maintenance	Statewide	1,500,000	-	-	-	1,500,000
EOEA	DCR	E&E	Tennis & Basketball Court Rehabilitation	Statewide	300,000	-	-	-	300,000

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Spending Agency	Beneficiary Agency	Project Type	Project Name	Location	FY08 - Bond Cap	FY08 Federal Money	FY08 Other / 3rd Party	FY08 Project-Funded Bonds	FY2008 - TOTAL
EOEA	DCR	E&E	Traffic Signal Service	Statewide	1,300,000	-	-	-	1,300,000
EOEA	DCR	E&E	Waterways Division Program	Statewide	1,600,000	-	-	-	1,600,000
EOEA	DCR	E&E	DCR Equipment	Statewide	900,000	-	-	-	900,000
EOEA	DCR	E&E	Historic Parkways Initiative	Regional	30,000	-	-	-	30,000
EOEA	DCR	E&E	Nahant Causeway and Reservation Design and Construction	Nahant	1,500,000	-	-	-	1,500,000
EOEA	DCR	E&E	Nantasket Beach Seawall/Beach Renourishment Flood Control Project	Hull	2,350,000	-	-	-	2,350,000
EOEA	DCR	E&E	Winthrop Shores Restoration - Design and Construction	Winthrop	3,050,000	-	-	-	3,050,000
EOEA	DCR	E&E	DCR Project Operations	Statewide	13,286,910	-	-	-	13,286,910
EOEA	DCR	E&E	Universal Access Demonstration Programs	Statewide	50,000	-	-	-	50,000
EOEA	DCR	E&E	Great Brook Farm - Farm complex improvements	Carlisle	600,000	-	-	-	600,000
EOEA	DCR	E&E	Brook Farm - Historic Print Shop Stabilization	Lenox	250,000	-	-	-	250,000
EOEA	DCR	E&E	Campground Modernization Program	Statewide	200,000	-	-	-	200,000
EOEA	DCR	E&E	Resource Management Planning	Statewide	100,000	-	-	-	100,000
EOEA	DCR	E&E	Well Drillers Program	Statewide	75,000	-	-	-	75,000
EOEA	DCR	E&E	Canton Airport Site Remediation	Canton	2,500,000	-	-	-	2,500,000
EOEA	DCR	E&E	Shaffer Paper Site Investigation	Boston	225,408	-	-	-	225,408
EOEA	DCR	E&E	US Geological Survey Cooperative Programs	Statewide	400,000	-	-	-	400,000
EOEA	ENV	E&E	NRD Program Development	Statewide	61,805	-	-	-	61,805
EOEA	ENV	E&E	IT Program	Statewide	400,000	-	-	-	400,000
EOEA	ENV	E&E	Coastal Resource Protection Program	Statewide	390,951	-	-	-	390,951
EOEA	ENV	E&E	NRD Program	Statewide	85,000	-	-	-	85,000
EOEA	ENV	E&E	Water Policy Program	Statewide	191,750	-	-	-	191,750
EOEA	ENV	E&E	Wetlands Restoration Program	Statewide	387,595	-	-	-	387,595
EOEA	ENV	E&E	ENV Program	Statewide	781,200	-	-	-	781,200
EOEA	ENV	E&E	ENV GIS Program	Statewide	700,000	-	-	-	700,000
EOEA	ENV	E&E	Sustainable Growth Program	Statewide	376,530	-	-	-	376,530
EOEA	ENV	E&E	Underwater Archeological Resources Program Support	Statewide	180,413	-	-	-	180,413
EOEA	DEP	E&E	Baird and McGuire Groundwater Treatment System	Holbrook	1,400,000	-	-	-	1,400,000
EOEA	DEP	E&E	EPA 10% Match on Superfund Clean Up Sites	Statewide	2,000,000	-	-	-	2,000,000
EOEA	DEP	E&E	Massachusetts Estuaries Project	Statewide	600,000	-	-	-	600,000
EOEA	DEP	E&E	Infrastructure & GIS Program	Statewide	3,292,153	-	-	-	3,292,153
EOEA	DEP	E&E	Ambient Air Monitoring	Statewide	775,000	-	-	-	775,000
EOEA	DEP	E&E	Solid Waste Management, Recycling Technical Assistance and Regulatory Development Program Operations	Statewide	1,301,451	-	-	-	1,301,451
EOEA	DEP	E&E	Existing Water Quality Preservation	Statewide	680,000	-	-	-	680,000
EOEA	DEP	E&E	Wetlands Change/Protection Project	Statewide	780,000	-	-	-	780,000
EOEA	DEP	E&E	Emergency Response Risk Reduction & Remediation	Statewide	2,500,000	-	-	-	2,500,000
EOEA	DEP	E&E	Enforcement Support and Brownfields	Statewide	3,500,000	-	-	-	3,500,000
EOEA	DFG	E&E	SPORT (DFG's on-line licensing & registration system)	Statewide	335,000	-	-	-	335,000
EOEA	DFG	E&E	Boat Ramp Construction/Maintenance	Statewide	750,000	-	-	-	750,000
EOEA	DFG	E&E	Misc. Repairs -- Equipment	Statewide	30,000	-	-	-	30,000
EOEA	DFG	E&E	Upland Habitat Restoration for Declining Wildlife Species	Statewide	175,000	-	-	-	175,000
EOEA	DFG	E&E	River Revitalization & Riverine Habitat Restoration	Statewide	160,000	-	-	-	160,000
EOEA	DFG	E&E	Land and Habitat Programs	Statewide	1,820,000	-	-	-	1,820,000
EOEA	DFG	E&E	MA Endangered Species Act Implementation	Statewide	250,000	-	-	-	250,000
EOEA	DFG	E&E	Marine Fisheries Institute	Statewide	500,000	-	-	-	500,000
EOEA	DFG	E&E	Sustainable Forest Management	Statewide	100,000	-	-	-	100,000
EOEA	AGR	E&E	Agricultural Preservation Restriction	Statewide	10,000,000	-	-	-	10,000,000
EOEA	DFG	E&E	Land Protection	Statewide	10,000,000	-	-	-	10,000,000
EOEA	DCR	E&E	DCR Land Protection	Statewide	8,500,000	-	-	-	8,500,000
EOEA	ENV	E&E	Conservation Partnership	Statewide	1,000,000	-	-	-	1,000,000
EOEA	ENV	E&E	Working Forest Preservation Restriction	Statewide	500,000	-	-	-	500,000
		E&E	Reservation for Future Projects		4,600,000	-	-	-	4,600,000
			Subtotal		139,315,631	-	-	-	139,315,631
ANF	EED	Econ Develop	Broadband Initiative	Statewide	1,000,000	-	-	-	1,000,000
ANF	MDFA	Econ Develop	Capital Improvements at Devens	Devens	13,699,519	-	-	-	13,699,519
ANF	Life Science Center	Econ Develop	Life Sciences Capital Program	Statewide	10,000,000	-	-	-	10,000,000
ANF	EED	Econ Develop	MORE - Economic Development Grants	Statewide	30,000,000	-	-	-	30,000,000
ANF	ANF	Econ Develop	"I-cubed" Economic Development Projects	Statewide	-	-	-	10,000,000	10,000,000

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Spending Agency	Beneficiary Agency	Project Type	Project Name	Location	FY08 - Bond Cap	FY08 Federal Money	FY08 Other / 3rd Party	FY08 Project-Funded Bonds	FY2008 - TOTAL
			Subtotal		54,699,519	-	-	10,000,000	64,699,519
DCAM	HHS	HHS	New Worcester Psychiatric Facility - DMH	Worcester	30,000,000	-	-	-	30,000,000
DCAM	HHS	HHS	Ventilation & Electrical Modifications - Westborough State Hospital	Westborough	329,046	-	-	-	329,046
DCAM	HHS	HHS	A-C for Hospital and Dormitory - Holyoke Soldiers Home	Holyoke	2,500,000	-	-	-	2,500,000
DCAM	HHS	HHS	Master Plan for Lemuel Shattuck	Boston	750,000	-	-	-	750,000
DCAM	HHS	HHS	Western MA Hospital, Main Building - Oxygen/Suction, HVAC, Etc	Westfield	500,000	-	-	-	500,000
DCAM	HHS	HHS	Dept. of Youth Services Master Plan	Statewide	200,000	-	-	-	200,000
DCAM	HHS	HHS	Renovation of Inpatient Units - Solomon Carter Fuller Mental Health Center	Boston	3,284,351	-	-	-	3,284,351
DCAM	HHS	HHS	Final Demolition - Boston State Hospital	Boston	50,000	-	-	-	50,000
DCAM	HHS	HHS	Elevator Replacement - Lindemann Mental Health Center	Boston	450,000	-	-	-	450,000
DCAM	HHS	HHS	Closure of Solid Waste Area B - Rutland State Hospital	Rutland	400,000	-	-	-	400,000
		HHS	Reservation for Future Projects		3,410,000	-	-	-	3,410,000
			Subtotal		41,873,397	-	-	-	41,873,397
DCAM	UMass	Higher Ed	UMass Amherst - Critical Elevator Repairs	Amherst	1,400,000	-	-	-	1,400,000
DCAM	UMass	Higher Ed	UMass Amherst - GRC Wall Panel Joint Repairs	Amherst	1,900,000	-	-	-	1,900,000
DCAM	UMass	Higher Ed	UMass Amherst - National Science Foundation Matching Grant for Weather Sensor Equipment	Statewide	300,000	-	-	-	300,000
DCAM	UMass	Higher Ed	UMass Amherst - Web Dubois Library Improvements	Amherst	7,424,000	-	-	-	7,424,000
DCAM	UMass	Higher Ed	UMass Boston - Campus Center Renovation	Boston	84,133	-	-	-	84,133
DCAM	UMass	Higher Ed	UMass Boston - Master Development Plan	Boston	604,192	-	-	-	604,192
DCAM	UMass	Higher Ed	UMass Boston - Utility Plant roof replacement	Boston	2,200,000	-	-	-	2,200,000
DCAM	UMass	Higher Ed	UMass Dartmouth - Repairs to Seawater Pier and Wave Screen	Dartmouth	328,904	-	-	-	328,904
DCAM	UMass	Higher Ed	UMass Lowell - Nano-Technology Center	Lowell	-	-	-	1,459,750	1,459,750
DCAM	UMass	Higher Ed	UMass Medical - Institute of Labs - Fire Protection & Sprinkler Improvements	Boston	215,000	-	-	-	215,000
DCAM	UMass	Higher Ed	UMass Medical - Institute of Labs Life Safety Improvements	Boston	500,000	-	-	-	500,000
DCAM	UMass	Higher Ed	Various Construction Contract Settlements	Statewide	654,000	-	-	-	654,000
DCAM	BHE	Higher Ed	Berkshire Community College - Roof Replacements	Great Barrington	1,700,000	-	-	-	1,700,000
DCAM	BHE	Higher Ed	Bunker Hill Community College - Health and Wellness Center	Boston	2,800,000	-	-	-	2,800,000
DCAM	BHE	Higher Ed	Cape Cod Community College - Title V Waste Water Treatment Compl.	Barnstable	100,000	-	-	-	100,000
DCAM	BHE	Higher Ed	Framingham State College - Crocker Hall Modernization	Framingham	2,611,580	-	-	-	2,611,580
DCAM	BHE	Higher Ed	Framingham State College - Renovate Dwight Hall	Framingham	1,900,000	-	-	-	1,900,000
DCAM	BHE	Higher Ed	Greenfield Comm College - Asbestos Abatement - Core Building	Greenfield	280,000	-	-	-	280,000
DCAM	BHE	Higher Ed	Implementation Planning for State and Community Colleges	Statewide	1,500,000	-	-	-	1,500,000
DCAM	BHE	Higher Ed	Space Utilization Analysis at State & Community Colleges	Statewide	75,000	-	-	-	75,000
DCAM	BHE	Higher Ed	Westfield St College - Accessibility Improvements, Library & Campus Center	Westfield	2,936,000	-	-	-	2,936,000
DCAM	BHE	Higher Ed	Worcester State College - Administration Building Renovation	Worcester	12,000,000	-	-	-	12,000,000
		Higher Ed	Reservation for Future Projects		73,487,420	-	-	-	73,487,420
			Subtotal		115,000,229	-	-	1,459,750	116,459,979
EOT	DHCD	Housing	DHCD - Transit Oriented Development Housing	Statewide	2,500,000	-	-	-	2,500,000
DHCD	DHCD	Housing	Housing Stabilization Fund	Statewide	20,000,000	-	-	-	20,000,000
DHCD	DHCD	Housing	Capital Improvement and Preservation Fund	Statewide	4,000,000	-	-	-	4,000,000
DHCD	DHCD	Housing	Housing Improvement Fund	Statewide	10,000,000	-	-	-	10,000,000
DHCD	DHCD	Housing	Facilities Consolidation Fund	Statewide	6,000,000	-	-	-	6,000,000
DHCD	DHCD	Housing	Affordable Housing Trust Fund	Statewide	5,000,000	-	20,000,000	-	25,000,000
DHCD	DHCD	Housing	Olmstead/Community Based Housing	Statewide	4,000,000	-	-	-	4,000,000
DHCD	DHCD	Housing	Housing at Transit Nodes	Statewide	5,000,000	-	-	-	5,000,000
DHCD	DHCD	Housing	Mass. Rehab's Home Modification Loan Program	Statewide	4,000,000	-	-	-	4,000,000
DHCD	DHCD	Housing	Public Housing - General	Statewide	85,000,000	-	-	-	85,000,000
DHCD	DHCD	Housing	Public Housing - Affordable Housing Trust Fund	Statewide	5,000,000	-	-	-	5,000,000
			Subtotal		150,500,000	-	20,000,000	-	170,500,000

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Spending Agency	Beneficiary Agency	Project Type	Project Name	Location	FY08 - Bond Cap	FY08 Federal Money	FY08 Other / 3rd Party	FY08 Project-Funded Bonds	FY2008 - TOTAL
ITD	AGO	Info Tech	Attorney General's Office Business Improvement	Statewide	2,450,000		55,000		2,505,000
ITD	DOE	Info Tech	Educator Database	Statewide	779,650		57,680		837,330
ITD	DOR	Info Tech	Child Support Enforcement Business Process Redesign	Statewide	4,696,156	9,116,067			13,812,223
ITD	EOHHS	Info Tech	New Medicaid Management Information System	Statewide	6,250,000	47,698,470			53,948,470
ITD	EOHHS	Info Tech	Enterprise Invoice/Service Management	Statewide	9,305,831	5,051,488			14,357,319
ITD	EOHHS	Info Tech	Senior Information Management System	Statewide	2,239,574	492,000			2,731,574
ITD	EOHHS	Info Tech	Exec. Office of Health and Human Services Data Warehouse/ Decision Support System	Statewide	2,523,183	4,869,546			7,392,729
ITD	EOL	Info Tech	Unemployment Insurance System Replacement	Statewide	3,800,000	-	1,800,000		5,600,000
ITD	EOPS	Info Tech	Integrated Criminal Justice Information System	Statewide	6,037,000	-	-	-	6,037,000
ITD	ITD	Info Tech	Chief Technology Office	Statewide	159,333	-	-	-	159,333
ITD	EOHHS	Info Tech	ITD Infrastructure Upgrade/HHS Consolidation	Statewide	3,460,000	-	-	-	3,460,000
ITD	ITD	Info Tech	Enterprise Data Warehouse	Statewide	2,225,838	-	-	-	2,225,838
ITD	ANF	Info Tech	Performance Management System	Statewide	15,000,000	-	-	-	15,000,000
ITD	EOPS	Info Tech	Sheriffs Info Reporting System	Statewide	2,489,999	-	-	-	2,489,999
ITD	DHCD	Info Tech	Single Application for Public Housing Intake and Referral	Statewide	715,000	-	325,000	-	1,040,000
ITD	EOPS	Info Tech	State Police 800 Mhz Radio Project	Statewide	11,845,938	-	-	-	11,845,938
		Info Tech	Reservation for Future Projects		17,420,000	-	-	-	17,420,000
			Subtotal		91,397,502	67,227,571	2,237,680	-	160,862,753
DCAM	Various	Maint	Maintenance Transfers	Statewide	30,500,000	-	-	-	30,500,000
			Subtotal		30,500,000	-	-	-	30,500,000
DCAM	CME	Public Safety	New Medical Examiner's Facility-Southeast Region	Bourne	3,840,436	-	-	-	3,840,436
EOPS	CME	Public Safety	Medical Examiners Equipment	Statewide	375,000	-	-	-	375,000
DCAM	DFS	Public Safety	Phase II Expansion at the Massachusetts Firefighting Academy	Stow	6,000,000	-	-	-	6,000,000
EOPS	DFS	Public Safety	Fire Services Facility Equipment Upgrades	Statewide	500,000	-	-	-	500,000
DCAM	EOPS	Public Safety	Replacement of O.M.S Building	Reading	-	6,500,000	-	-	6,500,000
DCAM	EOPS	Public Safety	Military Facilities, Statewide - Building Security Improvements	Statewide	2,156,464	-	-	-	2,156,464
DCAM	EOPS	Public Safety	Various Construction Contract Settlements	Statewide	750,000	-	-	-	750,000
DCAM	EOPS	Public Safety	Methuen National Guard Readiness Center	Methuen	-	300,000	-	-	300,000
DCAM	EOPS	Public Safety	Building Security Improvements - Department of Public Safety, Statewide	Statewide	800,000	-	-	-	800,000
DCAM	EOPS	Public Safety	Security Upgrades, Mass. Military Reservation (Otis Air Force Base & Camp Edwards)	Otis	200,000	-	-	-	200,000
DCAM	EOPS	Public Safety	MAARNG Headquarters Renovation	Reading	-	800,000	-	-	800,000
DCAM	EOPS	Public Safety	Municipal Police Training Committee Study	Statewide	50,000	-	-	-	50,000
EOPS	EOPS	Public Safety	Cruiser replacement	Statewide	10,000,000	-	-	-	10,000,000
EOPS	EOPS	Public Safety	Mobile data terminal replacement	Statewide	3,600,000	-	-	-	3,600,000
EOPS	EOPS	Public Safety	Public Safety Facility Equipment Upgrades	Statewide	500,000	-	-	-	500,000
EOPS	EOPS	Public Safety	Domestic Security Equipment	Statewide	1,042,985	-	-	-	1,042,985
		Public Safety	Reservation for Future Projects		7,650,000	-	-	-	7,650,000
			Subtotal		37,464,885	7,600,000	-	-	45,064,885
DCAM	ANF	SOBF	Renovations and Modernizations of the State House Power Plant	Boston	2,000,000	-	-	-	2,000,000
DCAM	ANF	SOBF	Demolition of Six Buildings Middleton Colony	Danvers	40,000	-	-	-	40,000
DCAM	ANF	SOBF	Various Contract Settlements	Statewide	175,000	-	-	-	175,000
DCAM	ANF	SOBF	DCAM Project Operations	Statewide	10,800,000	-	-	-	10,800,000
DCAM	ANF	SOBF	State House Interior Master Plan	Boston	100,000	-	-	-	100,000
DCAM	ANF	SOBF	Emergency Roof Patching - State House	Boston	1,700,000	-	-	-	1,700,000
DCAM	ANF	SOBF	Roof and Exterior Repairs - State House	Boston	2,500,000	-	-	-	2,500,000
DCAM	ANF	SOBF	Elevator Modernization - Springfield State Office Bldg	Springfield	680,000	-	-	-	680,000
DCAM	ANF	SOBF	Energy Conservation Retrofits and Renewable Energy at State Facilities	Statewide	4,000,000	-	-	-	4,000,000
DCAM	ANF	SOBF	Worcester State Hospital (including historic Clock Tower) Reuse Plan	Worcester	140,000	-	-	-	140,000
DCAM	ANF	SOBF	Study for Registry of Deeds into Salem District Court Building	Salem	75,000	-	-	-	75,000
		SOBF	Reservation for Future Projects		4,000,000	-	-	-	4,000,000
			Subtotal		26,210,000	-	-	-	26,210,000

Detailed FY08 Capital Investment Plan

Spending Agency	Beneficiary Agency	Project Type	Project Name	Location	FY08 - Bond Cap	FY08 Federal Money	FY08 Other / 3rd Party	FY08 Project-Funded Bonds	FY2008 - TOTAL
EOEA	DCR	Transportation	Bridge Repairs/Bridge Maintenance	Statewide	600,000	-	-	-	600,000
EOEA	DCR	Transportation	Emergency Bridge Repair	Statewide	500,000	-	-	-	500,000
EOEA	DCR	Transportation	Pavement Markings	Statewide	300,000	-	-	-	300,000
EOEA	DCR	Transportation	Resurfacing	Statewide	1,500,000	-	-	-	1,500,000
EOEA	DCR	Transportation	Traffic Impact Attenuators (Hydrocell Maintenance)	Statewide	100,000	-	-	-	100,000
EOEA	DCR	Transportation	Bridge Engineering Services/Bridge Consultant	Statewide	550,000	-	-	-	550,000
EOEA	DCR	Transportation	Bridge Rating Services	Statewide	140,000	-	-	-	140,000
EOT	MHD	Transportation	Statewide Road and Bridge Program Federally Assisted Construction (FA) Interstate	Statewide	8,912,475	65,258,151	-	-	74,170,626
EOT	MHD	Transportation	Statewide Road and Bridge Program Federally Assisted Construction (FA) Non Interstate	Statewide	83,333,040	295,453,507	-	-	378,786,547
EOT	MHD	Transportation	Statewide Road and Bridge Program Non-Federally Assisted (NFA) Construction	Statewide	160,000,000	-	-	-	160,000,000
EOEA/EOT	DCR	Transportation	Charles River Basin - DCR Bridges & Tunnel	Regional	14,087,441	-	-	-	14,087,441
EOT	EOT	Transportation	EOT Project Operations	Statewide	195,805,000	53,319,000	-	-	249,124,000
EOT	MBTA	Transportation	Fairmount Commuter Rail Improvements	Boston	11,200,000	-	-	-	11,200,000
EOT	MBTA	Transportation	Red-Blue Subway Line Connector Study	Boston	2,000,000	-	-	-	2,000,000
EOT	MBTA	Transportation	New Parking Spaces at Transit Nodes	Regional	2,000,000	-	-	-	2,000,000
EOT	MBTA	Transportation	Green Line Subway Extension to Medford	Regional	4,700,000	-	-	-	4,700,000
EOT	MBTA	Transportation	South Coast Rail	Regional	3,400,000	-	-	-	3,400,000
EOT	MBTA	Transportation	Mass Transit Planning	Statewide	2,000,000	-	-	-	2,000,000
EOT	EOT	Transportation	Regional Transit Authority Capital Assistance	Statewide	7,000,000	-	-	-	7,000,000
EOT	EOT	Transportation	Mobility Assistance Program	Statewide	2,500,000	-	-	-	2,500,000
EOT	EOT	Transportation	Intermodal Transportation	Statewide	1,500,000	-	-	-	1,500,000
EOT	EOT	Transportation	Rail Transportation	Statewide	4,000,000	-	-	-	4,000,000
EOT	EOT	Transportation	Water Transportation	Statewide	2,500,000	-	-	-	2,500,000
EOT	MAC	Transportation	Massachusetts Aeronautics Commission	Statewide	10,000,000	-	-	-	10,000,000
EOT	MTA	Transportation	Central Artery Tunnel Project	Boston	-	-	121,000,000	61,000,000	182,000,000
EOT		Transportation	Reservation for Future Projects		3,000,000	-	-	-	3,000,000
			Subtotal		521,627,956	414,030,658	121,000,000	61,000,000	1,117,658,614
			Total FY 2008 Capital Investment Plan		1,555,673,192	488,858,229	143,237,680	72,459,750	2,260,228,851

FY08 Project Program Descriptions

Category	Project Name	Description
Community Investment	Lakes and Ponds Program	This program protects and restores state and municipally owned lakes and ponds.
Community Investment	Greylock Glen -Outdoor Recreation and Environmental Education Center	This project provides a dollar for dollar match as a financial incentive for private funds invested in the development of the Greylock Glen site. The funding is for project infrastructure (roads, utilities), art and nature facilities, and water infrastructure requirements along Gould Road in Adams. The project embodies the state's sustainable development principles and has the potential to leverage almost \$35 million in non-state money.
Community Investment	Muddy River Flood Control, Water Quality and Enhancement and Historic Preservation Project	This funding is the Commonwealth's share of a US Army Corps of Engineer \$84 million project in Boston and Brookline. This project restores the existing infrastructure of the Muddy River to its original design capacity to prevent future flooding such as the \$60 million worth of flood damage in 1996.
Community Investment	Heritage Landscape Inventory	This program assists communities in the identification and documentation of their character-defining, natural and cultural landscapes to support community preservation planning efforts. This program promotes strategies for local investment in the protection of significant open space.
Community Investment	Public Private Partnerships Program	This program matches private contributions focused on capital improvements to deteriorated DCR facilities. Private individuals, friends groups, foundations, financial institutions, academic institutions and municipalities provide funds to leverage severely limited state resources to fix facilities used by residents and visitors. The Office of Public Private Partnership (OPPP) matching funds program provides an equal match to non-state funds for capital projects on state land. Only monetary contributions (not in-kind) are matched and the private funds must be deposited with the state.
Community Investment	Wetlands Restoration Grants	This program funds the ongoing cost for grant awards to cities and towns, other state agencies, regional planning agencies, watershed organizations, and public schools to assist in the implementation of wetland restoration projects. A minimum 25% non-state match (e.g. Federal or local) of the total award is required. Grant funds are also used as critical state matching dollars to leverage federal, municipal, private, NGO, and other funds.
Community Investment	Coastal Pollutant Remediation (CPR) Grants	This program funds the ongoing cost for grant awards to coastal cities and towns in order to minimize storm water contamination through the design and installation of structural best management practices. In addition, CPR provides funding to coastal communities for the design and installation of boat waste pump out and collection facilities.
Community Investment	Smart Growth Grants	This program provides grants to municipalities to alter their land use (zoning, subdivision, & planning) practices to achieve consistency with the Administration's sustainable development principles and EOEEA's environmental objectives. Future grants will help communities develop land use regulations that can be implemented to provide homes and businesses, protect farm land, preserve critical habitats, safeguard water resources, and accomplish many other benefits consistent with smart conservation and development.
Community Investment	Solid Waste Management and Recycling Technical Assistance and Regulatory Development Program	This program funds the ongoing cost for core solid waste management and recycling activities, technical assistance and administrative procedures for assessment and closure of landfills, review and site supervision of ongoing closure activities, provision of technical and management assistance to municipal and regional solid waste staff in assessment of activity for regulated solid waste landfill facilities, oversight of the state's recycling facility and data development, and technical assistance and coordination with local officials to implement recycling initiatives.
Community Investment	Energy Conservation Improvement Program	This program provides energy conservation incentives and assured cost recovery for municipalities by offering capital upgrade grants, which involve certain required levels of energy cost savings.
Community Investment	Alternative Energy Property Program	This program provides grant funds to publicly owned and operated facilities for the installation of renewable energy systems. These include wind, solar thermal, and biomass. It is also used to fund feasibility studies for renewable projects.

FY08 Project Program Descriptions

Category	Project Name	Description
Community Investment	Energy Audit Program	This program funds engineering feasibility studies at the Division of Energy Resources to determine the cost savings through renewable and conservation improvements at both state and municipally-owned facilities.
Community Investment	Municipal Energy Toolkit	This proposed program will provide grants and technical assistance to municipalities to develop energy efficiency and renewable energy projects.
Community Investment	Seaport Council	The Seaport Council program, as created by Executive Order #376, enhances and develops the deep water commercial ports of the Commonwealth, with the emphasis on commercial aspects of the ports - cargo, cruise ships, and commercial/industrial maritime support businesses.
Community Investment	Urban Self Help	This program funds the restoration and creation of new city parks and outdoor recreation facilities, often in under-served neighborhoods, and is a vital part of improving the quality of life in cities and of the smart growth initiative. Cities and towns must have an approved Open Space and Recreation Plan in order to apply for this grant. Grants are evaluated by a panel of park experts.
Community Investment	Urban Signature Parks	This proposed program will provide funding to create 10-15 large signature parks in cities to provide open space and recreation opportunities in underserved areas. EOEEA will work with these cities to help them acquire, complete site clean up (including in brownfields) and build new parks that will have a significant positive impact on the urban landscape and neighborhoods.
Community Investment	Self-Help Grants	This program assists municipalities in acquiring conservation land based on Open Space and Recreation Plans approved by EEA. This program complements state agency acquisition programs by focusing on the best quality, highest priority local conservation acquisition projects. This program leverages significant non-state funding, often at a 3:1 ratio or more. Projects are rated by conservation land experts.
Community Investment	Municipal Drinking Water Protection	This program offers grants to municipalities to protect high priority surface and ground water drinking water sources. This program is a water supply protection program first and an open space protection program as a secondary benefit. The criteria used to evaluate projects focus almost solely on water supply protection.
Community Investment	Chapter 90 - Municipal Roads and Bridges	This municipal reimbursement program provides funding for maintaining, repairing, improving and constructing municipal roads and bridges.
Community Investment	Public Works Economic Development Program (PWED)	This program assists municipalities in funding transportation infrastructure that will stimulate economic development. The PWED regulations (7.01 CMR 5.00 et seq.) are "designed to provide eligible municipalities with maximum flexibility and discretion as it relates to project development and implementation" (701 CMR 5.01), but vest in the Secretary of Transportation the responsibility for evaluating and selecting eligible projects that will facilitate economic growth consistent with applicable state policies (701 CMR 5.10).
Community Investment	Small Town Road Assistance Program (STRAP)	This program funds the ongoing cost for grants to municipalities with a population of not more than 3,500 persons as established by the most recent Federal census, for new road projects. Priority will be given to those projects which promote public safety, which encourage the retention of the applicant's economic base and where the urgency of the project can be demonstrated.
Community Investment	EOT - Transit Oriented Development	This program funds capital grants on a competitive basis to public agencies for planning, design and construction of housing, parking, bicycle and pedestrian infrastructure. In most instances, Transit Oriented Development funding leverages other project funding provided by the Department of Housing and Community Development (DHCD), the Massachusetts Housing Partnership, Mass Housing and private developers.

FY08 Project Program Descriptions

Category	Project Name	Description
Community Investment	Community Development Action Grant Program (CDAG)	This program leverages both public and private investment in an effort to stimulate local economies and create jobs that would not occur by private enterprise alone. CDAG provides funding for publicly owned or managed projects that will have a significant impact on the economic condition of a city or town, including activities that will leverage significant private investment and generate or retain long term employment, as well as projects that will significantly improve the conditions of low and moderate income persons through the support of workforce housing production and/or the preservation of public housing. Any city or town in the Commonwealth is eligible to apply to DHCD for CDAG funds. CDAG can be used in a variety of ways, including installation, improvement, construction, repair, rehabilitation or reconstruction of publicly owned or managed buildings or other structures, facades, streets, roadways, thoroughfares, sidewalks, rail spurs, utility distribution systems, water and sewer lines, for site preparation and improvements, demolition of existing structures, and relocation assistance.
Community Investment	Urban Revitalization Development Grant Program (URDG)	This program funds the ongoing cost for seven previously awarded grants for urban revitalization projects.
Community Investment	Historic Preservation Grants	This program provides funding assistance from the Massachusetts Preservation Projects Fund (MPPF) to historic cultural resources owned by municipal and nonprofit entities to ensure their continued use and integrity. The MPPF is a state-funded 50% reimbursable matching grant program to support the preservation of properties, landscapes, and sites (cultural resources) listed, or in certain circumstances, eligible for listing in the State Register of Historic Places. Applicants must be a municipality or nonprofit organization. This program was established in 1984 and is administered through the Massachusetts Historical Commission, Secretary of the Commonwealth William Francis Galvin, Chairman.
Community Investment	Board of Library Commissioners - Library Construction Grants	This program is intended to assist municipalities with improvements to their public library facilities by providing technical assistance in planning and carrying out construction projects, and through grants for planning, designing and constructing public libraries. There is a wait list of 31 municipalities for which approval has been given by the Board of Library Commissioners for future grants. Projects are selected for funding based on a year-long application process that focuses on a narrative and quantitative library building program and an architect's schematic level design.
Community Investment	Water Pollution Abatement Trust -- State Match	This program funds the Commonwealth's match to secure federal dollars for the Massachusetts State Revolving Fund (SRF) for water pollution abatement drinking water projects. This program provides a low-cost funding mechanism to assist municipalities in complying with federal and state water quality requirements. The SRF Program is jointly administered by the Division of Municipal Services of the Department of Environmental Protection (MassDEP) and the Massachusetts Water Pollution Abatement Trust. Each year MassDEP solicits projects from Massachusetts municipalities to be considered for subsidized loans. The current subsidy is provided via a 2% interest loan.
Community Investment	Off-Street Parking Program	This program, as established in 1980, provides matching grants to municipalities for the construction of public off-street parking facilities in Commercial Area Revitalization Districts.
Community Investment	Peabody Flood Control Project	This project funds phase 2 of the flood control mitigation plan to improve drainage along the North River in downtown Peabody. This project will reduce the frequency of flooding in Peabody Square and is being financed by state, municipal, and federal funds.

FY08 Project Program Descriptions

Category	Project Name	Description
Community Investment	Municipal Public Safety Grants	This program awards grants to municipalities for repairs, renovation, and improvements to municipally owned police stations. This program is designed to provide municipalities with funding based on the following criteria: an assessment of fiscal and budgetary constraints facing the municipality; an analysis of the municipality's proposed budget and financing of the repair, renovation, or construction project; the municipality's need for the project; the benefits to the municipality that will result from the project; and an overall evaluation of the merits of the grant proposal as determined by the Executive Office of Public Safety.
Corrections	DOC-Hayes Report Retrofits for Suicide Prevention - DOC Facilities	This program funds improvements to a DOC facility as required to decrease the potential for inmate self harm and suicide as recommended in the Hayes report. This includes providing specialized units in specific prisons designed to maximize the ability of staff to observe inmates identified as high risk.
Corrections	Roof Replacement, Repair Exterior & HVAC - Essex County Jail/HOC Middleton	This project funds the ongoing cost for replacement of entire roof and roof mounted mechanical equipment at the facility.
Corrections	New Visitor Reception Bldg w/Checkpoint & Warehouse Building - Middlesex Jail	This project funds the new construction of two concrete masonry buildings, steel super-structures. The buildings will be fully functioning, complete with utilities, mechanical, electrical, plumbing, fire protection, freezer and other furnishing.
Corrections	Heating Plant at the 240 Bed Unit at Essex County Jail/HOC	This project funds the construction of a permanent heating system in a 240-bed unit, improving safety issues and reducing energy costs.
Corrections	Replacement of Htg & Domestic Hot Water Boilers-Worcester Jail / HOC	This project funds the design and construction costs for replacement of heating and domestic hot water boilers.
Corrections	Central Control Locking System Replacement - Essex County Jail/HOC	This project funds the replacement of a failing locking system. This project will include a new PLC system, replacement of control systems, and the installation of additional cameras and monitors.
Corrections	Roof and Other Building System Repairs - Norfolk Jail/HOC	This project funds the design and construction costs to repair a failing roof and other structural needs at Norfolk County House of Corrections.
Corrections	Corrections Master Plan	This program funds a comprehensive analysis of the State and County Correctional system and facilities. The result will be a prioritized investment plan and recommendations for efficiencies where appropriate.
Corrections	Envelope Repairs - Suffolk County Jail and House of Correction	The project funds repairs to the existing leaking roofs at the Jail and HOC. Currently there is a study underway. This deterioration poses risks to inmates, employees and visitors.
Corrections	Roof Repair/Replacement Main Bldg - Hampshire Jail/HOC	This project funds the repair and replacement of existing leaky roof at the jail.
Corrections	Roof Repair on Worcester County Jail & House of Correction	This project funds the repair and replacement of a faulty roof at Worcester County Jail & HOC
Corrections	Decommissioning and Demolishing the Wastewater Treatment Facility in Billerica	This project funds the decommissioning and demolition of the wastewater treatment facility in Billerica.
Corrections	Conversion of dry cells to wet cells in Buildings 4 & 8 at South Bay HOC	This project funds the conversion of dry cells to wet cells in two buildings at the Suffolk County HOC. This project was initiated to address inmate complaints and lawsuits.
Courts	Demolition for New Fall River Trial Court	This program funds the ongoing cost for the demolition of one building and appurtenant structures, backfill of the demolished building, and installation of a brick facing on the wall of the adjacent building at 218 South Main St.
Courts	New Plymouth Trial Court	This project funds the ongoing cost of the new Trial Court Facility off Obery Street in Plymouth MA. The new facility will house the District, Superior, Probate & Family, Juvenile, and Housing Courts as well as a law library, jury pool, District Attorney's suite, childcare, and temporary detention
Courts	Downtown Worcester Trial Court	This project funds the ongoing cost for the construction of the new courthouse building in downtown Worcester which will replace the outdated existing courthouse. This new Courthouse will house the District, Housing, Juvenile, Probate & Family and Superior Courts.
Courts	Repair Brick Walkway/HVAC - Peabody District Court	This project funds the ongoing cost to repair and replace the sidewalks and HVAC system at the Peabody District Court.

FY08 Project Program Descriptions

Category	Project Name	Description
Courts	Repair/Replacement of Boiler, Springfield District Court	This project funds the ongoing costs for the boiler replacement at the courthouse, along with associated piping and electrical needs.
Courts	Installation of a Temporary ramp at the front entrance of the Pittsfield Superior Ct	This project funds the ongoing costs for the installation of a temporary ramp at the front entrance of the courthouse required as part of a lawsuit settlement.
Courts	HVAC System/HC Lift/Walkway & Window Repair - Newburyport Superior Court	This project funds the ongoing cost to provide new HP ramps at the two existing access stairs, new storm windows, HP upgrades to the public bathrooms, A/C to the courtroom and judge's lobby, one new boiler, relocating overhead primary power to underground, and misc. upgrades.
Courts	Wastewater/Life Safety Improvements - Hingham District Court	This project funds the ongoing costs for the installation of a wastewater grinder pumping station and low pressure sewer pipe.
Courts	ADA Self Assessment, Transition - Statewide TRC Facilities	This program funds audits in all Trial Court facilities throughout the Commonwealth to document the barriers that exist for persons with disabilities. The information is used to inform repair and renovation studies and to identify operation mitigations to provide better access to persons with disabilities.
Courts	New Fall River Trial Court	This project funds the consolidation of the District and Superior Court departments into a new state-of-the-art facility on South Main Street in downtown Fall River. It replaces two out-dated, overcrowded and disparate facilities currently leased by the Trial Court from Bristol County.
Courts	New Taunton Trial Court- New Construction & armory demo	This project funds the new consolidated Trial Court Facility in Taunton, next to and eventually connected to the existing historic Superior Court building. The new court complex will replace three separate, overcrowded, outdated facilities and will provide expansion for future growth in the region. The project also includes demolition of a three story masonry and steel structure armory building in its entirety, including all foundations, footings, and termination of all existing site utilities.
Courts	Salem/J.M. Ruane Judicial Center & Land Acquisition	The project involves the construction of a new 11-courtroom consolidated justice facility, located in downtown Salem adjacent to the MBTA Commuter Rail Station. The new court facility will be built on a site assembled from several parcels next to the existing historic Registry of Deeds/Probate & Family Court Building.
Courts	Cambridge Sullivan Courthouse project - Temporary Relocation Costs	This project funds the relocation and lease costs associated with moving the Court and other agencies out of the Edward J. Sullivan Courthouse in Cambridge due to asbestos and other building condition issues.
Courts	Upgrade Electrical Service/Replace 2 Boilers - Framingham District Court	This project funds the replacement of the existing boiler and upgrading the electrical service. A number of deficiencies have been detected in the heating system making it necessary to replace the boiler. Various fittings are leaking and the controls do not function properly.
Courts	Life Safety/Holding Cell, paving repairs- Chicopee District Court	This project funds handicap access modifications, renovations and upgrades to the holding cells, and other minor facility improvements.
Courts	Springfield HS/Juv Ct Repairs & Life Safety Improvements	This project funds a study to determine scope and cost of renovations relative to fire protection and suppression compliance and life safety issues with accessibility.
Courts	Repairs for Northampton Superior/ District Court	This project funds roof repairs to the courthouse.
Courts	Greenfield Trial Court Renovation Study	This project funds the study for court expansion and renovation, if the Registry of Deeds and Regional Council of Governments move out of the building.
Energy & Environment	Cronin Rink - Revere	This project funds the ongoing cost to create a new rink in Revere. This includes the demolition of the outdated rink, creation of areas for public circulation, spectator seating, concession area, team locker rooms, and utility support spaces.
Energy & Environment	Vietnam Veterans Pool Renovation	This project funds the ongoing cost to repair a pool and bathhouse building in Chelsea.
Energy & Environment	Study for Cronin Building	This project funds a study to review and update program options for the Cronin building in Revere, owned by the Executive Office of Energy and Environmental Affairs. This study should lead to consolidation of a number of operations into a single, modern site, allowing EOEEA to close outdated facilities.
Energy & Environment	Agricultural Project Operations	This program funds the ongoing costs of the Department of Agricultural Resources in carrying out its capital programs.

FY08 Project Program Descriptions

Category	Project Name	Description
Energy & Environment	Farm Viability Program	This program is designed to make existing farms and agricultural businesses more economically viable and environmentally sustainable, to preserve open space and strengthen an important segment of the economy through diversification and/or modernization. The Farm Viability Program (FVEP) integrates the use of restrictive fixed term land covenants with business planning and management assistance and then provides cash grants that leverage additional outside investment to implement economic and environmental objectives on farm operations. Grants are provided to implement economic and environmental objectives on these farm operations identified in the business plan (phase I) in return for restrictive fixed term (five or ten year) land covenants. Terms in the covenant prevent any use of the land except for agricultural use, prohibits the excavation of any soil rock or minerals, and restricts any activity which would not be beneficial to continued agricultural use.
Energy & Environment	AEEP Fencing Non-point Source Pollution	This program provides funding to farmers to install a variety of water and air quality protection, as well as water or energy conservation practices. Eligible practices include the installation of buffers, animal waste systems, pesticide storage facilities, fencing, culverts, seed and gutters. All farmers who actively farm five acres or more of land that could potentially impact a water resource are eligible.
Energy & Environment	Cape Cod Rail Trail Reconstruction	This project funds ongoing costs of widening, asphalt paving, improvements to intersections and signage on the 20.5-miles of Cape Cod Rail Trail.
Energy & Environment	Catch Basin Rehabilitation	This program funds the annual costs of the rehabilitation of catch basins along DCR Parkways and appurtenances. This is for the system wide rehabilitation of catch basins located in the public way in order to bring these into compliance with EPA regulations.
Energy & Environment	Coastal Hazards Management Commission Project	This Commission is charged with reviewing existing coastal hazards practices and policies, identifying data and information gaps, and drafting recommendations for administrative, regulatory, and statutory changes. The Commission is also charged with producing a 20-year Coastal Infrastructure and Protection Plan for the coastal structures (seawalls, revetments, etc.) owned by the Commonwealth.
Energy & Environment	Wetlands Restoration Projects Technical Services	This program supports contracted technical restoration services required to plan, design, permit, construct, and monitor wetland restoration projects. Services include (but are not limited to) regional restoration planning, field surveys, modeling and analysis, engineering and design, permitting, and construction management. These services are used as critical state matching dollars to secure federal, municipal, private, NGO, and other funds.
Energy & Environment	Forest Management - Green Certification	This program funds audits of private lands under chap 61 and 61A by the International Forest Stewardship Council (FSC) for Forests Green Certification. The benefits include: natural resource protection, silvicultural benefits, enhanced planning.
Energy & Environment	Charles River Dam - Training Wall Repair	This project funds repairs to correct leakage along the current wall in order to avoiding further damage and prevent a serious public safety issue.
Energy & Environment	Charles River Dam Hydraulic Power System Replacement	This project funds the replacement to both the hydraulic system and locks that support the opening and closing of the main gates.
Energy & Environment	Comfort Station Rehabilitation	This program funds the ongoing cost for annual project repairs and reconstruction of comfort stations throughout DCR facilities.
Energy & Environment	Communications / Infrastructure	This program funds the ongoing cost for network and telecommunications related equipment and software for improving connectivity to DCR's programs statewide, continuing the process of upgrading the connectivity at campground/other facilities across the state for the Campground Reservation System (Reserve America) and for connection to FAMIS.
Energy & Environment	Dam Maintenance and Operation / PL 566 Flood Control	This program is responsible for assisting non-technical caretakers with inspecting, maintaining and repairing 150 former DEM owned dams throughout the state forests and parks system. It is also responsible for inspecting, maintaining and repairing 25 flood control facilities built in cooperation with the USDA Natural Resources Conservation Service under PL-566.

FY08 Project Program Descriptions

Category	Project Name	Description
Energy & Environment	Dam Rehabilitation Program	This program funds repairs to DCR dams that are rated high hazard potential, poor condition, significant hazard potential dam, and poor/failing condition.
Energy & Environment	Dam Safety and Inspection Program	This program funds safety inspection and dam safety design services for high hazard potential dams. The Office of Dam Safety regulates over 2,900 public and privately owned dams across Massachusetts through mandated inspection, operation, and construction permitting.
Energy & Environment	Deferred Maintenance & Small Repairs DCR	This program funds projects that include design and construction costs for deferred maintenance projects at parks, forests, reservations, beaches, pools and rinks statewide. This program also includes demolition costs of deteriorating buildings on DCR property that could pose a threat to park users and staff.
Energy & Environment	Environmental Remediation (Clean State)	This program addresses both planned environmental remediation projects using the Clean State Program and unanticipated environmental issues such as spill response.
Energy & Environment	Fencing and Guardrail Rehabilitation and Replacement	This program funds the annual contract to repair, replace, or install new guardrail and fencing throughout DCR facilities.
Energy & Environment	Flood Control Annual Maintenance	This program funds the annual repairs program for Flood Control Facilities including the Charles River Dam, the Amelia Earhart Dam and associated flood control structures in the Metropolitan Boston Area. This program of annual repairs is coupled with specific stand alone projects each year to work toward the replacement of critical components while maintaining safe operation of all facilities.
Energy & Environment	Hemlock Gorge Charles River East Dike Control Structure	This project funds the repair of a significant dam currently in poor condition. This structure protects Route 9 and is related to water from the Charles River.
Energy & Environment	Horseneck Beach SR Capital Improvements	This project funds the completion of a master plan, design and construction of new day-use comfort stations, new boardwalks, parking lot improvements, landscaping, and removal of existing bath-house buildings. These public safety improvements will enhance visitor services and revenue potential at this high-use facility.
Energy & Environment	Landscape Improvements - Arboricultural Services	This project funds parkway tree pruning, tree removal, and the preservation of the remaining American Elms and the eradication of the Hemlock Woolly Adelgid. This is critical to the survival of the extensive DCR landscape inventory.
Energy & Environment	Landscape Improvements - Plantings	This project funds tree planting, annual flower planting, and other related landscape efforts. This program is critical to maintaining a healthy tree stock by replacing aged trees throughout the system.
Energy & Environment	Maintenance of Mechanical Systems - Drawbridges and Pump Stations	This program funds the maintenance and emergency responses for the mechanical and electrical systems of the General Edwards Bridge, Beades Bridge, and Craigie Drawbridge, as well as the pump stations located along Storrow Drive, Memorial Drive, Soldiers field Road and the stations at Sales Creek and Broad Sound in Revere. The work includes the general maintenance of the drawbridges including testing electrical equipment, greasing gears and operating systems, inspecting brakes, traffic gates, interlocks, circuit boards and various connections and motors, contributes to the Storm Water Management Plan/Mandate for the agency, and helps public safety by reducing the possibility of flooding in these areas.
Energy & Environment	Mount Greylock Road and Other Improvements	This program funds the rehabilitation of Mount Greylock Parkway, a 13.5 mile system which serves as the primary means of access through the reservation to the summit, and addresses unsafe and hazardous conditions along the roadway.
Energy & Environment	Payment in Lieu of Taxes (PILOT) to NH, VT	This program funds the annual Payment in Lieu of Taxes to New Hampshire and Vermont for flood control as required by Federal Law.
Energy & Environment	Playground Improvements	This program funds improvements to playgrounds within the DCR statewide system in need of rehabilitation. This includes, if necessary, new playground structures, new ground cover which meets safety standards, and new fencing for security.
Energy & Environment	Pool Maintenance, Rehabilitation and Improvements	This program funds improvements to DCR pools which must be upgraded to present safety standards.

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Category	Project Name	Description
Energy & Environment	Rink Maintenance, Rehabilitation and Improvements	This program funds improvements to DCR rinks which must be upgraded to present safety standards.
Energy & Environment	Salisbury Beach SR Improvements	This program funds the necessary improvements at Salisbury Beach State Reservation & Campground, including the replacement of pavilion with a new beach services building, campground utilities rehabilitation, and improved playground equipment.
Energy & Environment	Sidewalk Rehabilitation	This program funds the annual costs to repair, replace, or install new sidewalks through the DCR parks. This program is necessary due to aging infrastructure and increased demand from pedestrians and bicyclists for new, wider sidewalks.
Energy & Environment	Storm Water Services	This program funds the requirements of the NPDES General Permit for storm water discharges from DCR beaches, state forests, parks, parkways, and water supply facilities where those facilities have drainage systems that meet definitions for small municipal separate storm sewer systems (MS4s). The program establishes best management practices (BMPs) for public education, public participation, illicit discharge detection and elimination, construction and post-construction site monitoring, good municipal housekeeping practices and pollutant discharge limits for those waterways where EPA has established total maximum daily loads (TMDLs).
Energy & Environment	Storrow Drive at Western Avenue Pump Station Rehab.	This project funds the repair of the ramp station on Storrow Drive at Western Ave. Presently there is flooding at this underpass resulting from the failure of the pump station which puts the public at risk. This repair project will correct the deficiencies, reduce the number of costly emergency storm responses and comply with the Storm Water Mandate. This project is part of the overall flood control plan.
Energy & Environment	Street Light Maintenance	This program funds 24 hour maintenance services and emergency response for the 12,000 plus street lights.
Energy & Environment	Tennis & Basketball Court Rehabilitation	This program funds the replacement of bituminous concrete court surfaces, line striping, tennis net assemblies (including posts) and basketball net assemblies (including posts) for various tennis and basketball courts throughout DCR.
Energy & Environment	Traffic Signal Service	This program funds the various DCR costs for traffic signal maintenance, repair and emergency knockdown response for traffic signal equipment.
Energy & Environment	Waterways Division Program	This program funds the Division of Waterways design, permitting, and small projects related to the maintenance of inland and coastal waterways. This includes four state piers at New Bedford, Fall River, Gloucester, and Plymouth, including Plymouth pier condition survey/ repair and maintenance of the Cape Cod Disposal Site (CCDS).
Energy & Environment	DCR Equipment	This program funds the purchase of equipment and related materials to be used by the agency to allow DCR staff to do their work efficiently and effectively. This program funds marine, heavy equipment, staff equipment, rolling stock and forestry equipment.
Energy & Environment	Historic Parkways Initiative	This program funds the ongoing cost for continued implementation of the Historic Parkways Initiative for continuing work on guidelines, training development, and other means of technical assistance. This program promotes a strategic approach to the management and maintenance of parkways resulting in extended life of those resources as well as an improved fiscal cost effectiveness.
Energy & Environment	Nahant Causeway and Reservation Design and Construction	This project funds the rehabilitation of the Nahant Causeway and Nahant Reservation, including rehabilitation of the Causeway seawall, drainage improvements, parkway reconstruction, street lighting and traffic safety improvements, dune enhancement, lighting improvements, pedestrian path improvements, parking lot circulation, safety improvements and ADA enhancements. The Nahant Causeway is the only means of access and egress to the town of Nahant. In addition portions of this project will assist DCR in complying with a Storm Water Mandate.
Energy & Environment	Nantasket Beach Seawall/Beach Renourishment Flood Control Project	This project funds the reconstruction of the Nantasket Seawall damaged in December 1992 and protects the entire seawall from future storms by the placement of beach fill.

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Category	Project Name	Description
Energy & Environment	Winthrop Shores Restoration - Design and Construction	This project funds improvements to Winthrop Beach, including beach nourishment for shore protection, full depth parkway reconstruction, reconstruction of storm drainage, landscaping, improved lighting, water fountains, sand showers, benches, shade shelter, and transportation improvements at Short Beach and the Zoppo Parcel of Belle Isle Marsh.
Energy & Environment	DCR Project Operations	This program funds the ongoing costs of the Department of Conservation and Recreation to carry out its capital programs.
Energy & Environment	Universal Access Demonstration Programs	This program funds grants to increase accessible recreation programming in state parks. The Universal Access Program provides outdoor recreation opportunities in Massachusetts State Parks for visitors with disabilities as part of meeting compliance requirements of the ADA, section 504 of the Rehabilitation Act and MAAB regulations. Capital funds are needed to leverage current and future federal funding that provides accessible recreation programming in state parks.
Energy & Environment	Great Brook Farm - Farm complex improvements	This project funds the rehabilitation of the barn/farm complex at Great Brook Farm State Park for improved public access and continued operation of the dairy farm. Massachusetts is the only state with a fully operating dairy farm on state park property.
Energy & Environment	Brook Farm - Historic Print Shop Stabilization	This program funds rehabilitation measures for one of the most historically important buildings in the Urban Parks system. Phase I will provide immediate stabilization to the foundation through the installation of temporary bracing, replacement of the roof and miscellaneous carpentry. Phase II will provide for rehabilitation of exterior fabric of the building, repairs to the foundation, and installation of perimeter drainage and grading.
Energy & Environment	Campground Modernization Program	This program funds improvements to DCR campgrounds. This program also includes capital funds targeted at updating water and electrical systems and comfort station facilities serving DCR campsites.
Energy & Environment	Resource Management Planning	This program funds the statutory mandates for rare species monitoring and administration of the Scenic Rivers Act for the North River.
Energy & Environment	Well Drillers Program	This program funds the capital expenses of the well driller program, as established pursuant to section 16 of chapter 21 of the General Laws.
Energy & Environment	Canton Airport Site Remediation	This program funds the ongoing costs for site remediation at the Canton Airport site. During routine testing of the former operations (hanger) building prior to demolition, high levels of PCB's and heavy metals were detected within and adjacent to the buildings; the facility is now a federal Superfund site.
Energy & Environment	Shaffer Paper Site Investigation	This program funds investigation, assessment, engineering and professional services for an approximately 18 acre site at the mouth of the Neponset River in Dorchester. The site work proposed includes site investigation permit extensions, sampling of sediments and soils at ground surface and subsurface and groundwater. The proposed work includes human health and ecological risk assessments for the site to help determine the potential opportunities for future land use.
Energy & Environment	US Geological Survey Cooperative Programs	This program leverages federal funds to provide essential basic water resources information and analyses to the Commonwealth, including stream gauging at 73 sites across the state, which provide data crucial to regulators for managing watersheds, to watershed associations for understanding the characteristics of the rivers, to DEP for use with water quality sampling and permit conditioning, to the National Weather Service and MEMA for providing early warning for public safety during floods, and to consultants performing environmental studies.

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Category	Project Name	Description
Energy & Environment	NRD Program Development	This program provides contractor support to assist EOEEA, in developing the framework for a state-wide comprehensive Natural Resource Division (NRD) program and provides expert assistance in case assessment for simplified cases. The NRD Program targets the restoration of those resources managed by, controlled by, owned by, or held in trust by the Commonwealth which have been injured by releases by oil and hazardous materials. The restoration of these injured resources to functional ecological systems will result in benefits to wildlife and habitat as well as the public's use of the resources.
Energy & Environment	IT Program	This project funds computer/network equipment and software for EOEEA offices, including replacement of servers for the MassGIS Program.
Energy & Environment	Coastal Resource Protection Program	This program funds the primary source of state match for Coastal Zone Management's (CZM) NOAA federal grant and helps to cover specific project costs which cannot be covered under the main NOAA grant. Included in this program are technical assistance, project management, and other services in support of Massachusetts Ocean Management efforts.
Energy & Environment	NRD Program	This program funds the ongoing costs of the EOEEA Natural Resource Division to carry out its capital programs.
Energy & Environment	Water Policy Program	This program funds the ongoing costs of the EOEEA Water Policy program to carry out its capital programs.
Energy & Environment	Wetlands Restoration Program	This program funds the ongoing costs of the EOEEA Wetlands Restoration program to carry out its capital programs.
Energy & Environment	ENV Program	This program funds the ongoing costs of the Executive Office of Energy and Environmental Affairs to carry out its capital programs.
Energy & Environment	ENV GIS Program	This program funds the ongoing costs of from the EOEEA geographic information system (GIS) program.
Energy & Environment	Sustainable Growth Program	This program funds the ongoing costs of the EOEEA sustainable growth program. This includes ensuring that state policies, programs, and investments encourage smart growth and seeking municipal plans, regulations, and investments that do the same.
Energy & Environment	Underwater Archeological Resources Program Support	This program funds technical services and guidance to Board of Underwater Archeological Resources members, local, state, and federal agencies, organizations, and the general public. This program conducts site inspection and field investigation.
Energy & Environment	Baird and McGuire Groundwater Treatment System	This program funds ongoing cost for rehabilitation of the Baird and McGuire site, which is the location of a former manufacturing facility with several classes of contaminants - Pesticides, Volatile Organic Compounds, PAH's and Dioxin. The contamination caused the shut down of municipal water supply wells. This site is formerly a superfund site and the remediation has been done by EPA, with a 10% match from the state. The approximate \$160 million cost of remediation included incineration of contaminated soils on site, groundwater recovery and treatment, dredging of contaminated sediments from the Cochato River and evaluating options to replace lost water supplies. Per the terms of the superfund agreement, EPA turned the groundwater treatment system over to DEP to manage on June 23, 2004.
Energy & Environment	EPA 10% Match on Superfund Clean Up Sites	This program provides the Commonwealth's required matching funds to leverage millions of dollars of assessment and cleanup work by the federal government at NPL Superfund sites. The Commonwealth is contractually responsible for 10% of the costs expended by EPA on Superfund assessments. Massachusetts has 34 hazardous waste sites on the National Priority List (NPL), also known as Federal Superfund sites.

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Category	Project Name	Description
Energy & Environment	Massachusetts Estuaries Project	This program provides the technical analyses necessary to understand the impacts of nitrogen on each major estuary south of Plymouth and the technical basis upon which to develop and implement cost effective strategies to restore the economic and environmental integrity of these precious resources. The Massachusetts Estuaries Project, through the University of Massachusetts Dartmouth School of Marine Science and Technology (SMAST), is providing the scientific and technical support to the Massachusetts Department of Environmental Protection (DEP) for the development and implementation of remediation and preservation action plans for nitrogen sensitive embayments.
Energy & Environment	Infrastructure & GIS Program	This program funds the electronic management of DEP's environmental resource data, permit applications, certifications and facility specific data. DEP's ability to meet its core mission to protect public health and the environment relies heavily on the efficiencies that arise from robust and responsive data management systems. This program provides the funds necessary to enable the Department to commit to greater reliance on automated systems as the alternative to higher levels of staff.
Energy & Environment	Ambient Air Monitoring	This program funds the Air Assessment Branch (AAB) in order to monitor data from the seven criteria pollutants subject to National Ambient Air Quality Standards (NAAQS). Federal regulations (40 CFR 58) require all states to establish an ambient air monitoring network to provide a comprehensive assessment of air quality. The AAB capital plan consists primarily of maintenance and replacement of monitoring equipment.
Energy & Environment	Solid Waste Management, Recycling Technical Assistance and Regulatory Development Program Operations	This program funds the ongoing costs for EOEAA to carry out its Solid Waste Management Recycling Technical Assistance and Regulatory Development program.
Energy & Environment	Existing Water Quality Preservation	This program seeks to assess and develop solutions to the lack of water in the most severely impacted rivers in the state, to develop the network needed to monitor and establish the water quality in water statewide and to develop the detailed solution needed to restore the dirtiest of these waterways. The Water Quality Preservation Project seeks to achieve three related goals; 1) to determine the condition of both quality and quantity of our surface waters in Massachusetts; 2) to figure out how to fix existing problems most efficiently, and 3) to provide information transfer and outreach to communities.
Energy & Environment	Wetlands Change/Protection Project	This program seeks to increase protection and reduce bureaucracy by designing regulatory work to address what data shows are the most significant causes of wetlands loss while at the same time providing direct technical resources to communities charged with implementing the Wetlands Protection Act. The project will identify the extent and reasons for wetlands loss and reduce future losses by proactively addressing sectors and geographic areas that contribute the most to loss and reduce future unlawful wetlands alteration by targeting enforcement and compliance work toward identified concentration of unlawful activity. To date, 600 acres of illegally filled wetlands have been discovered by this program.
Energy & Environment	Emergency Response Risk Reduction & Remediation	This program funds the Bureau of Waste Site Cleanup's core mission for the protection of public health, safety, and the environment as regulated under the provisions of c. 21E. This program leverages cleanups by private parties in almost all cases but the DEP's ER/Risk Reductions capabilities are a crucial backstop if a responsible party cannot or will not perform needed cleanup activities in the timeframe required. These activities include excavation and disposal of contaminated soil, fence installation to limit access to contaminated soil, installation of groundwater pump and treat systems to contain the migration of contaminated groundwater towards municipal and/or private wells, air sparge systems to remediate groundwater, soil vapor extraction systems to remediate soil, etc.

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Category	Project Name	Description
Energy & Environment	Enforcement Support and Brownfields	This program funds technical, scientific, and financial support to enforcement activities against polluters and to recover costs and secure revenue to maintain ongoing program activities. Enforcement efforts include conducting the environmental assessment work needed to identify parties responsible for contamination, to get them to conduct work themselves rather than continuing to use state funds. Task support provided includes site assessments, human health and environmental risk assessments, remediation system design, environmental forensics, groundwater plume tracking, etc.
Energy & Environment	SPORT (DFG's on-line licensing & registration system)	This program funds the SPORT electronic licensing system (a.k.a. "MassOutdoors") managed by the Department of Fish and Game that generates many millions of dollars in recreational license sales annually. SPORT provides an on-line interface that citizens can use over the Internet to buy Massachusetts hunting licenses, fishing licenses, ATV/snowmobile/motorboat registrations, and non-commercial lobster permits.
Energy & Environment	Boat Ramp Construction/Maintenance	This program funds the maintenance and reconstruction of aging boat ramps as necessary to maintain safe public use of these facilities. These projects remediate public safety hazards and enhance opportunities for the public to access the water and enjoy water-based recreation.
Energy & Environment	Misc. Repairs -- Equipment	This program funds the emergency repairs of equipment at the Department of Fish and Game.
Energy & Environment	Upland Habitat Restoration for Declining Wildlife Species	This program funds the state-wide recovery of wildlife species experiencing long-term population declines, and fosters numerous private/public partnerships to access both federal and private sector funding to defray management costs to the Commonwealth. The objectives include reclaiming 10,000 acres of grassland and shrub-land habitat across all state lands to support declining wildlife species; controlling invasive, exotic plants; and monitoring wildlife response to verify impacts of management.
Energy & Environment	River Revitalization & Riverine Habitat Restoration	This program provides proactive restoration and revitalization of rivers through selected private and municipally-owned dam removals & revitalization of rivers to improve in-stream habitat and the health of rivers & their corridors. Results include improved habitat, fish passage, river & riverfront aesthetics, access and restoration of functions such as flood capacity & water quality.
Energy & Environment	Land and Habitat Programs	This program funds the ongoing costs of the EOEEA land and habitat protection capital programs.
Energy & Environment	MA Endangered Species Act Implementation	This program funds the implementation of the revised MA Endangered Species Act (MESA) regulations. This includes prioritizing the endangered species habitat polygons for the urgency of a site assessment to verify & update the species occurrence and plan for land protection. The Department of Fish and Game must complete required revisions to habitat maps for 400+ MESA-listed rare plants & animals every two years and develop species-specific recovery and conservation goals by October 1, 2008.
Energy & Environment	Marine Fisheries Institute	This program funds the Massachusetts Marine Fisheries Institute (MFI) in order to complete the relocation of the Division of Marine Fisheries shellfish bacteria testing lab from Cape Cod to MFI campus. The program will complete build-out of a storage facility at Blackmer Street based on engineered plans completed in FY07, build a Cape Cod satellite office, and on-going renovations.
Energy & Environment	Sustainable Forest Management	This program funds the Department of Fish and Game to maintain the independent, third-party, "Green" certification of sustainable forest management practices that was awarded to the Division of Fisheries and Wildlife (DFW) by the international Forest Stewardship Council (FSC) on over 140,000 acres of DFW land. Massachusetts was the first state in the nation to have all of its public lands independently certified as sustainably managed by FSC, and DFW seeks to continue this proud achievement.

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Category	Project Name	Description
Energy & Environment	Agricultural Preservation Restriction	The Agricultural Preservation Restriction (APR) Program offers a non-development alternative to farmers and other owners of "prime" and "state important" agricultural land who are faced with a decision regarding the future use and disposition of their farms. If agriculture is to remain an important part of the Massachusetts' economy as well as a vital contributor to the quality of life in many regions of the Commonwealth, this program is critical. Since the inception of the APR program, farm land has been able to be transferred at farm supportable prices, not development prices. The possible generation of renewable energy for on-farm-use has been memorialized in the latest version of the APR regulations, currently going through the promulgation process.
Energy & Environment	Land Protection	This program funds the Department of Fish and Games (DFG) Land Protection program to acquire parcels of environmentally significant land for protection of important species throughout the state. This will also provide public access for recreational uses including hunting and fishing.
Energy & Environment	DCR Land Protection	This program funds the Department of Conservation and Recreation (DCR) Land Protection program to acquire parcels of environmentally significant land for both conservation and recreation functions throughout the state.
Energy & Environment	Conservation Partnership	This program funds grants to land trusts to assist with the acquisition of priority land and requires a conservation easement to be held by an EEA agency and at least a 1:1 match is required. Grants are reviewed by a panel of land experts.
Energy & Environment	Working Forest Preservation Restriction	This program has dual goals of protecting high quality forest land and supporting rural economic development via sustainable forestry. It is modeled after the nationally renowned MA Agricultural Preservation Restriction Program. Applications in this program are reviewed by a committee of forest landowners and forestry experts and awards are given based on the quality of the forest resource and the viability of the land to support sustainable forest businesses. This program reduces state management costs via private ownership and enhances sustainable forest and forest conservation via a voluntary, application program. The program meets all five goals of the Forest Action Plan signed in 2006 by the Secretary of EOEA and 20 forestry, environmental, and municipal organizations.
Economic Development	Broadband Initiative	This proposed program will establish the Massachusetts Broadband Incentive Fund managed by the Massachusetts Broadband Institute. The Institute will be created solely for the purpose of investing the Fund and will be a newly established division of the Massachusetts Technology Collaborative (MTC). The Broadband Incentive Fund will be utilized to leverage private sector investment in broadband infrastructure.
Economic Development	Capital Improvements at Devens	This program funds ongoing capital costs related to the Devens economic development project authorized by chapter 23 of the acts of 1997 this includes reimbursement to MassDevelopment for building rehabilitation, engineering costs, environmental remediation, road construction and other infrastructure needs.
Economic Development	Life Sciences Capital Program	This proposed 10-year, \$500 million capital program is a key component of the Governor's Life Sciences Initiative and is expected to be used by the Life Sciences Center to fund the world's largest stem cell bank and regional facilities to promote collaborative approaches to research and development in the life science industry.
Economic Development	MORE - Economic Development Grants	This program provides grant funding to help finance the public infrastructure associated with business expansion and relocation projects. Grants are awarded by the Secretary of Housing & Economic Development on a competitive basis. In order to be eligible for a grant, the business associated with a project must: Generate substantial sales from outside the Commonwealth, create at least 100 new permanent full-time jobs in Massachusetts within 24 months, and maintain the newly created jobs for at least 5-years.

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Category	Project Name	Description
Economic Development	"I-cubed" Economic Development Projects	The Infrastructure Investment Incentive program will fund infrastructure improvements required to support desired private development that results in new jobs and new tax revenue for the Commonwealth and the affected municipality. The Massachusetts Development Finance Agency will issue the bonds to finance the improvements, and the developer, the municipality and the Commonwealth will all share a portion of the liability for repaying the debt. The Commonwealth's liability is limited to the amount of new state tax revenue generated from the private development.
Health and Human Services	New Worcester Psychiatric Facility - DMH	This project funds the first new construction of a major mental health hospital in 100 years. This project follows a 2006 special commission report on the future of the Department of Mental Health's inpatient psychiatric care in Massachusetts.
Health and Human Services	Ventilation & Electrical Modifications - Westborough State Hospital	This project funds the ongoing cost for the renovations to the ventilation system in the building. This includes the enhancements to the emergency electrical system for life safety and critical medical equipment.
Health and Human Services	A-C for Hospital and Dormitory - Holyoke Soldiers Home	This project funds the ongoing cost for the installation of a new HVAC system, construction of a new mechanical building to house the chillers & associated equipment, and abatement of the existing asbestos containing plaster ceilings.
Health and Human Services	Master Plan for Lemuel Shattuck	This project funds the ongoing cost for the master plan to identify structural shortcomings and provide health care services in a more efficient and patient-friendly environment. This process will address space utilization and service planning needs, including site and building assessment and analysis for the future of the Shattuck Hospital.
Health and Human Services	Western MA Hospital, Main Building - Oxygen/Suction, HVAC, Etc	This project funds enhancements to the emergency electrical system for life safety and critical medical equipment. It also includes a new centralized medical gas system, fire suppression system, new/upgraded HVAC system, and upgraded emergency electrical power system.
Health and Human Services	Dept. of Youth Services Master Plan	The project initiates a master plan to determine the future capital needs of the Department of Youth Services.
Health and Human Services	Renovation of Inpatient Units - Solomon Carter Fuller Mental Health Center	This program funds design and construction for renovation of three floors at the Solomon Carter Fuller Community Mental Health Center in the South End area of Boston. This renovation will lead to the consolidation of two psychiatric units.
Health and Human Services	Final Demolition - Boston State Hospital	This project funds the ongoing cost for demolition of 4 unusable buildings at the former DMH campus an the area slated for residential redevelopment.
Health and Human Services	Elevator Replacement - Lindemann Mental Health Center	This project funds the ongoing cost for the replacement of an elevator at the Lindemann Mental Health Center
Health and Human Services	Closure of Solid Waste Area B - Rutland State Hospital	This project funds the assessment and closure of Solid Waste Area B at the Rutland State Hospital Property. The closure must be conducted in accordance with the requirements of 310 CMR 40.0000 Massachusetts Contingency Plan and the Massachusetts Department of Environmental Protection landfill assessment and closure guidance manual.
Higher Education	UMass Amherst - Critical Elevator Repairs	This project funds the ongoing cost for upgrades to maintain compliance with current elevator code requirements.
Higher Education	UMass Amherst - GRC Wall Panel Joint Repairs	This project funds the ongoing cost for joint repair and building waterproofing at the Graduate Research Center at UMass-Amherst.
Higher Education	UMass Amherst - National Science Foundation Matching Grant for Weather Sensor Equipment	This project funds the ongoing cost for the matching grant for weather sensory equipment at UMass-Amherst.
Higher Education	UMass Amherst - Web Dubois Library Improvements	This project funds the removal and replacement of five air handling units (AHUs) serving the Main and Plaza Levels of the Dubois Library at UMass/Amherst.
Higher Education	UMass Boston - Campus Center Renovation	This project funds the ongoing cost for modifications to exterior entrances of the UMass-Boston Campus Center. This will address air infiltration into buildings, protect against freezing from extreme weather, and improve accessibility issues.
Higher Education	UMass Boston - Master Development Plan	This project funds the ongoing cost for the Strategic Master Plan that will be ongoing under the Chancellor's office at UMass-Boston.

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Category	Project Name	Description
Higher Education	UMass Boston - Utility Plant roof replacement	This project funds the repairs to the roof at the utility plant at UMass-Boston which have resulted in active water penetration into the campus' primary electrical gear. This creates the potential for catastrophic failure of electrical distribution system.
Higher Education	UMass Dartmouth - Repairs to Seawater Pier and Wave Screen	This project funds the repair and upgrades to the Seawater Pier and Wave Screen at UMASS Dartmouth. The Pier facility was constructed in 1997 and within two years the fasteners that attach the wave screen to the pier have loosened and failed.
Higher Education	UMass Lowell - Nano-Technology Center	This project funds the cost of the new nano-biotech research facility at UMass-Lowell. This project is funded with contributions from the University of Massachusetts Building Authority, the Commonwealth, and federal support.
Higher Education	UMass Medical - Institute of Labs - Fire Protection & Sprinkler Improvements	This project funds the improvement to a sprinkler system in order to fully cover the entire building. This work will bring the building up to current fire protection code.
Higher Education	UMass Medical - Institute of Labs Life Safety Improvements	This project funds a building assessment and site evaluation that will conclude with a master plan for UMass Medical Center's Jamaica Plain Campus.
Higher Education	Various Construction Contract Settlements	This program funds the ongoing cost of construction contract settlements for projects completed in previous years.
Higher Education	Berkshire Community College - Roof Replacements	This project funds the repairs to the Hawthorne, Melville, Hoffman and Patterson buildings at Berkshire Community College.
Higher Education	Bunker Hill Community College - Health and Wellness Center	This project funds a Health and Wellness Center at Bunker Hill Community College.
Higher Education	Cape Cod Community College - Title V Waste Water Treatment Compl.	This project funds the installation of a new Title V wastewater collection system and all ancillary mechanical, electrical and site work to make up a complete and usable system for the College consisting of ten buildings located on a 116 acre parcel on Cape Cod.
Higher Education	Framingham State College - Crocker Hall Modernization	This project funds the modernization and adaptive reuse, or potential replacement, of Crocker Hall, a 3 story, 27,200 gsf masonry and wood frame structure built in 1889.
Higher Education	Framingham State College - Renovate Dwight Hall	This project funds the ongoing cost of the demolition and rehabilitation of Dwight Hall, a building erected in 1935 which contains administrative offices, a gym, and an auditorium. This project involves the demolition of one building and appurtenant structures, backfill of the demolished building, accessibility improvements, and development for a state-of-the-art lecture hall.
Higher Education	Greenfield Comm College - Asbestos Abatement - Core Building	This project funds the ongoing cost of asbestos removal, demolition, and related work including electrical, fireproofing and exterior wall insulation in the south wing of the main college building.
Higher Education	Implementation Planning for State and Community Colleges	This program funds the ongoing study by DCAM and the Board of Higher Education to determine the future needs of the Commonwealth's state and community colleges.
Higher Education	Space Utilization Analysis at State & Community Colleges	This program funds the ongoing study on anticipated space utilization that focuses primarily on addressing teaching, classroom, and laboratory facilities.
Higher Education	Westfield St College - Accessibility Improvements, Library & Campus Center	This project funds the renovation of the Ely Library/Campus Center at Westfield State College. This is the first major renovation of the building since it was constructed in 1972 and will includes improvements for ADA accessibility, plumbing, fire protection and HVAC issues.
Higher Education	Worcester State College - Administration Building Renovation	This project funds the renovation of the administration building at Worcester State College, which has not been comprehensively renovated since its construction in 1931. This project will involve reorientation of the building's main entrance toward the center of campus, as recommended by a campus master plan.
Housing	DHCD - Transit Oriented Development Housing	This program funds the development of housing units at transit hubs or commercial/downtown areas.
Housing	Housing Stabilization Fund	This program funds the acquisition and rehabilitation of existing structures, including distressed or failed properties, for sale to income-eligible first-time homebuyers.

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Category	Project Name	Description
Housing	Capital Improvement and Preservation Fund	This program funds the preservation and improvement to existing privately owned, state or federally assisted affordable rental developments. Eligible properties include housing at risk of losing affordability restrictions due to the potential for the prepayment of its mortgage or housing in which a project-based rental assistance contract has expired.
Housing	Housing Improvement Fund	This program helps special needs populations and has primarily been used to develop single room occupancy housing for the homeless, shelters and residences for battered women and other homeless families, veterans housing, housing for the head-injured, and supportive housing for individuals in recovery from substance abuse.
Housing	Facilities Consolidation Fund	This program funds community-based housing for clients of the Department of Mental Health (DMH) and Department of Mental Retardation (DMR).
Housing	Affordable Housing Trust Fund	This program funds the creation or preservation of affordable housing for households whose incomes are not more than 110% of area wide median income.
Housing	Olmstead/Community Based Housing	This program funds resources for people with disabilities including frail elders or those either in nursing homes or at risk of becoming institutionalized.
Housing	Housing at Transit Nodes	This program, under and ISA with the Executive Office of Transportation, funds dense housing development at or near MBTA Stations and other appropriate sites.
Housing	Mass. Rehab's Home Modification Loan Program	This program funds renovation to the primary residences of elders, adults with disabilities, and families who have children with disabilities. Examples of eligible modifications include access ramps, lifts, sensory adaptations, bathroom and kitchen wheelchair access and other renovations that allow disabled individuals to continue to live in their homes and communities.
Housing	Public Housing - General	This program supports over 50,000 public housing units located in 242 separate cities and towns across the Commonwealth, serving approximately 80,000 citizens.
Housing	Public Housing - Affordable Housing Trust Fund	This program funds the repair, rehabilitation and modernization of existing public housing units. The fund shall expend for this purpose not less than \$5 million per year as stated in section 8 of Chapter 121D of the Massachusetts General Laws.
Information Technology	Attorney General's Office Business Improvement	This project funds the cost of re-engineering the business and supporting IT infrastructure of the Office of Attorney General Martha Coakley. This includes improving and automating all input sources of data to the Office, consolidating and modernizing all case and event tracking as well as digitizing paper documents and creating electronic interfaces between data sources and case/event tracing and significant improvement in the web services component of user input, including a subject search application.
Information Technology	Educator Database	This project funds the ongoing cost to support statewide training, support and implementation and is a continuation of the Educator Database project. The focus on this project is to roll out the web based, secure data collection application created in FY06 to all Massachusetts school districts to collect the following data: 1) Supply vs demand of educators (what fields are in abundance, what fields are experiencing or expecting to experience shortages to assist with districts' recruitment efforts). 2) Validate Highly Qualified Teacher data (required by NCLB) 3) Determine # of certified educators teaching in their field. 4) Identify who our current educator workforce is, what they are licensed in, and where they are teaching. 5) Due to the fact that the users of this application will be operating on varying platforms we will be requiring that this application be fully compatible with the following open source and non open source web browsers: (Internet Explorer (PC and Mac), Netscape (PC and Mac), Fire Fox, Safari, Mozilla)

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Category	Project Name	Description
Information Technology	Child Support Enforcement Business Process Redesign	This project funds the ongoing cost for the Department of Revenue's Child Support Enforcement Division (CSE) to identify ways for improvement to our operations and eliminate inefficiencies through changes in workflows and effective use of information processing supports. The federal government will pay two-thirds of the total project cost. This project will improve CSE's performance and deliver better service to families, resulting in operational efficiencies, cost savings and increased child support collections, all of which will increase federal incentive awards. Because child support enforcement promotes parental responsibility and child well-being, it contributes to cost avoidance by minimizing families' reliance on other services funded by the Commonwealth, including welfare and Medicaid.
Information Technology	New Medicaid Management Information System	This project funds the ongoing cost for an application that will facilitate the Commonwealth's ability to control costs of health care, facilitate the EOHHS reorganization, improve customer service for member and providers, improve program administration and program integrity and support the ability to better detect fraud and abuse. The NewMMIS will interface with the Virtual Gateway and the Comptroller's (New) MMARS, and will integrate with other EOHHS initiatives
Information Technology	Enterprise Invoice/Service Management	This project funds the ongoing cost for a Virtual Gateway application that will standardize nearly \$2.4B in service delivery reporting and invoicing activities across EOHHS agencies and 1100 contracted human service providers.
Information Technology	Senior Information Management System	This project funds the ongoing cost of the Elders' Service Management System (ESM) to create a central database with various reporting capabilities that will be integrated with the larger HHS applications including IE&R and the NEWMMS. The goals of this project are to improve efficiency of maintenance and support in Aging Service Access Points (ASAP) network, improve consistency of data collection across ASAPs, streamline processing of Long Term Care and Community based care, and provide quicker access to information across the elder network.
Information Technology	Exec. Office of Health and Human Services Data Warehouse/ Decision Support System	This project funds the ongoing cost of the Mass Health User Focused Data Enhancement Project. This project will: continue to provide end users with improved access to a more comprehensive set of data, allow end users to access the data in the DW and conduct data analysis, allow end users access to more comprehensive cross-agency information, provide Mass Health and all EOHHS agencies improved Mass Health applicant, member, provider and claims data, and allow EOHHS to focus on more effectively serving individuals and their families. The ultimate goal of this project is to centralize much of the agency client, program and service data.
Information Technology	Unemployment Insurance System Replacement	This project funds the ongoing cost to replace unemployment insurance (UI) and revenue applications. The project vision is that Massachusetts will become the model of excellence for Unemployment Assistance. Goals: 10% increase in business efficiency, On-time Payments, On-time Appeals, Accurate Revenue collections, increased adaptability to change in law/regulation. This project will ultimately produce a modern, integrated UI system, with appropriate interfaces to support all customer service, transaction processing, and management reporting channels within the agency and externally. Successful implementation will provide (almost) 7x24 availability of integrated online applications that are accessible to staff, customers, management, and business partners in a manner that is more efficient and responsive to change.

Category	Project Name	Description
Information Technology	Integrated Criminal Justice Information System	This project funds the ongoing cost of the Integrated Criminal Justice Information System (iCJIS) project between all agencies that create and/or use criminal justice-related information within the Commonwealth to improve the sharing of these data. In March 2006, the Integrated Criminal Justice Planning Council (ICJPC) with the assistance and overwhelming cooperation of the stakeholder agencies, published the iCJIS Strategic Implementation Plan. The Plan recommends specific projects and activities to support the implementation for the iCJIS mission and vision. The goals of the project include improving the state's criminal justice information technology infrastructure, improving existing applications where possible and modernizing those that cannot be modified, and automating the flow of criminal justice information throughout the system. The results of this effort will include reduced operating costs, improved decision making, and an improved ability to detect and deter criminal and terrorist activity within the state.
Information Technology	Chief Technology Office	This project funds the ongoing cost to continue support for the office of the Chief Technology Officer. This request will implement one of the primary recommendations of the IT Commission: a proven, effective IT management structure includes a Chief Technology Officer to define, lead, and manage the processes to ensure enterprise architecture adoption. One major responsibility of the Technology Office is to develop enterprise architecture standards – which will rationalize IT investments, reduce risk, find best ways to extend IT, and promote flexibility and interoperability. The Commonwealth is embracing a Web Services / Shared Services architecture concept built around the Services Oriented Architecture Framework. Specific proven industry expertise is required in order to ensure the Technology Office meets its objectives.
Information Technology	ITD Infrastructure Upgrade/HHS Consolidation	This project funds the ongoing cost to upgrade and replace the existing network infrastructure for Commonwealth agencies connecting to the Wide Area Network (MAGNET). This will include an analysis of traffic capacity requirements for current and future applications being deployed throughout the Commonwealth. It will also include the analysis of the HHS agencies, and the consolidation and upgrading of that network and including the Local Area Networks for Voice and Data within those buildings and Central Voice communication Platforms. Additionally, this project will include a private network for management and upgrade traffic. A large portion of this project covers the collapse/consolidation and LAN upgrades of all HHS agencies for Voice and Data throughout the Commonwealth. There are over 265 locations that will be impacted by this project, and over 45,000 employees including HHS agencies with the exception of DMA, DTA and DYS.
Information Technology	Enterprise Data Warehouse	This project funds the ongoing cost to mitigate the ongoing degradation of the existing Commonwealth Information Warehouse (CIW); a complete re-platforming is needed in order to provide customer agencies with reliable data that can be accessed in a timely manner. The infrastructure upgrade is currently underway which consists of moving the existing CIW data into a new environment using the Netezza platform. The CIW is used by customers to track and analyze financial, labor and payroll data. The current warehouse relies on an infrastructure that is unable to grow and adapt to the increasing demands. A new platform must be made available for production data ASAP to ensure vital enterprise wide financial, labor and payroll data is accessible on a same day basis, and that customer queries can be completed in a time sensitive manner.
Information Technology	Performance Management System	This program will fund a new statewide performance management system that will enable all state agencies and departments to manage their performance by leveraging the vast amount of data that resides in numerous agency applications. This performance management system will provide a single platform for reporting, analysis, scorecards, and business intelligence search services to allow analysts and decision makers to quickly understand, manage and improve their respective operations. The goal is to allow users to access a single application providing transparency of operation performance, raising program effectiveness, reducing costs, identifying risks and ensuring organizational accountability.

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Category	Project Name	Description
Information Technology	Sheriffs Info Reporting System	This project funds the ongoing cost to implement an enterprise Inmate Management System for the County Sheriffs, thereby improving inmate management, tracking, and reporting, as well as enabling secure and reliable offender data sharing for the Massachusetts Sheriffs and the related communities of interest throughout the Commonwealth. Many versions and upgrades later: this new, all-inclusive documentation for SIRS Version 2.0 lays the groundwork to develop a re-engineered, open-source, web-enabled SIRS application. This project's benefits include: 1) Use of a more comprehensive electronic inmate management system. 2) The enabling of better recording of inmate data. 3) More efficient and effective use of Sheriff's Department personnel. 4) better record and information security, and 5) a more effective and efficient sharing of inmate data between Sheriffs Departments and other law enforcement and criminal justice agencies through the development and implementation of a common database and single point for external connections.
Information Technology	Single Application for Public Housing Intake and Referral	This project funds the ongoing cost to solve the problem of nearly 250 local housing authorities throughout the state receiving applications for public housing assistance by creating a single-user network for this purpose. This multi-agency, state-wide, single-entry approach would reduce the wait-time for state-aided public housing and would rectify many other difficulties faced with a burdensome non-collaborative system such as the current one. Applicant's unique preferences/requirements would be captured into the system. Priorities such as homelessness and low-income status and bedroom requirements would be established. Security and access rights would have to be managed very carefully. The current situation is a burden for the poor and homeless needing to travel from community to community to apply for scarce housing units. It is also a burden for the service agencies required to enter and maintain duplicate information for these households. There would be a tremendous cost savings to the state by better targeting the needs of the most needy. This new centralized approach
Information Technology	State Police 800 Mhz Radio Project	This project funds the ongoing cost to construct and implement a state-of-the-art digital wireless public safety radio network, designed to be compatible with the existing radio infrastructure. This project will provide primary voice radio communications for the 2,300 officers of the Massachusetts State Police; enable State Police troopers to use portable radios statewide, including in western Massachusetts where the network is incomplete; provide voice communications for more than 40 other state and local public safety agencies including MEMA, Corrections, Fire Marshall's Office, Sheriff/County jail transportation; provide the voice telecommunications infrastructure for statewide radio interoperability. This project provides the primary wide-area public safety radio network for the Commonwealth.
Maintenance	Maintenance Transfers	These funds will be transferred to address building maintenance, repair, and emergency capital project needs that cost less than \$1 million.
Public Safety	New Medical Examiner's Facility-Southeast Region	This project funds a new medical examiner's building for the southeast region of Massachusetts. It is to be located in Sandwich, near the southern, Simpkins Road entrance to the Massachusetts Military Reservation. This project will include two normal autopsy suites, one decomposed autopsy suite, and related body storage facilities. This will alleviate the present practice of transporting autopsy subjects and the related medical personnel to the main medical examiner's facility in Boston.
Public Safety	Medical Examiners Equipment	This program funds the ongoing cost for facility and equipment needs for the Office of the Chief Medical Examiner, including upgrading the airflow system and improving lab space in Boston, Holyoke, and Worcester.
Public Safety	Phase II Expansion at the Massachusetts Firefighting Academy	This project funds the construction of a new administration building, a fire station, a warehouse, a connecting link building, the renovation of the existing Academy building, a new water line to a connection in Sudbury, and an on-site wastewater disposal system as well as the demolition of the existing modular building. This expansion will accommodate training and maintenance needs.
Public Safety	Fire Services Facility Equipment Upgrades	This program funds the ongoing cost for facility and equipment needs for the Department of Fire Services.

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Category	Project Name	Description
Public Safety	Replacement of O.M.S Building	The new Organizational Maintenance Facility (OMS) shop will replace an overcrowded and unsafe existing shop at the Mass. Army National Guard's Haverhill St. Armory in Reading. The project will be fully federally funded.
Public Safety	Military Facilities, Statewide - Building Security Improvements	This program funds the ongoing cost to improve security aspects of the military buildings statewide. This includes furnishing and installation of new video cameras, new exterior site lighting, card access on exterior/interior doors, new pop-up gate barriers and emergency generators at Barnes Air National Guard Base.
Public Safety	Various Construction Contract Settlements	This program funds the ongoing cost of construction contract settlements for projects completed in previous years.
Public Safety	Methuen National Guard Readiness Center	This project funds the demolition of portions of the existing armory and includes complete renovation of the original building, demolition of a storage building and a wing in the original building.
Public Safety	Building Security Improvements - Department of Public Safety, Statewide	This program funds security improvements at various Dept. of Public Safety facilities as part of Homeland Security efforts. This includes security upgrades to barracks at Concord, Danvers, Holden, Middleborough, Northampton, S. Boston & Shelburne Falls.
Public Safety	Security Upgrades, Mass. Military Reservation (Otis Air Force Base & Camp Edwards)	This project provides security upgrades through the installation of new video cameras, digital video recording system for all video components, exterior site lighting improvements, card access for exterior/interior doors, pop-up gate barriers and emergency generators at Barnes Air National Guard Base.
Public Safety	MAARNG Headquarters Renovation	This project funds the renovation of existing office building and warehouse for the MA Army National Guard in order to meet federal standards for armory and headquarters office.
Public Safety	Municipal Police Training Committee Study	This project will carry out a master plan to ensure that appropriate training facilities are available to the Municipal Police Training Committee throughout the state.
Public Safety	Cruiser replacement	This program funds the ongoing cost for the replacement of high mileage State Police vehicles.
Public Safety	Mobile data terminal replacement	This program will fund the ongoing cost for the purchase and installation of laptop, printers, scanners, and mounting brackets into new State Police vehicles.
Public Safety	Public Safety Facility Equipment Upgrades	This program funds the ongoing cost for facility and equipment needs for the Department of Public Safety.
Public Safety	Domestic Security Equipment	This program funds the ongoing cost for homeland security equipment through a grant application process with EOPS.
State Office Buildings and Facilities	Renovations and Modernizations of the State House Power Plant	This project funds the ongoing cost for renovation and modernization of the State House power plant. This involves the installation of two new cast iron sectional hot water boilers, one new centrifugal chiller, two cell cooling towers, replace existing pneumatic control valves and provide a new DDC control system.
State Office Buildings and Facilities	Demolition of Six Buildings Middleton Colony	This project funds the ongoing cost for some emergency demolition of six buildings in poor condition and pose a threat to public health and safety, after collapses at some of the buildings.
State Office Buildings and Facilities	Various Contract Settlements	This program funds the ongoing cost of construction contract settlements for projects completed in previous years.
State Office Buildings and Facilities	DCAM Project Operations	This program funds the ongoing costs of the Division of Capital Asset Management and Maintenance in carrying out its capital programs.
State Office Buildings and Facilities	State House Interior Master Plan	This project funds the ongoing cost for the evaluation of all systems of the State House, including an examination of current use and historic features of the building. This study will define problems and recommend a program of modernization of systems including communications and information technology, security, circulation and accessibility.
State Office Buildings and Facilities	Emergency Roof Patching - State House	This project funds the temporary repair of all critical leaks in the State House roof while a permanent design / solution is being prepared. Emphasis is being placed on the House Chamber roof.

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Category	Project Name	Description
State Office Buildings and Facilities	Roof and Exterior Repairs - State House	This program funds the severe leaking in the State House roof and facade areas. This project will be done simultaneously with the temporary repair project.
State Office Buildings and Facilities	Elevator Modernization - Springfield State Office Bldg	This project funds elevator upgrades at Springfield State Office Building managed by DCAM.
State Office Buildings and Facilities	Energy Conservation Retrofits and Renewable Energy at State Facilities	This program funds several components of Executive Order 484 – Clean Energy and Efficient Buildings. This will identify and implement low-cost and no cost energy conservation measures at state facilities.
State Office Buildings and Facilities	Worcester State Hospital (including historic Clock Tower) Reuse Plan	This project funds a study to preserve the historic Worcester State Hospital Clock Tower building and the reuse of other property at the Worcester State Hospital Campus. This building is currently vacant, and most of the historic WSH campus will need to be demolished in order to make way for the new Worcester State hospital.
State Office Buildings and Facilities	Study for Registry of Deeds into Salem District Court Building	This project funds a study on the relocation of the Southern Essex Registry of Deeds into the Salem District Court building, once the new M.J. Ruane Judicial Center is completed and the District Court department has moved out.
Transportation	Bridge Repairs/Bridge Maintenance	This project funds the ongoing cost for maintenance of the DCR bridges, including cleaning and repairing drainage structures, cleaning bridge joints, repairing bridge decks, patching pavement, repairing steel and other necessary maintenance procedures.
Transportation	Emergency Bridge Repair	This program funds urgent repairs on DCR bridges through a repair contract with an approved list of contractors.
Transportation	Pavement Markings	This project funds the ongoing cost of pavement markings on DCR roads, parkways and bridges, including crosswalks, parking lots markings, center line markings and legends. The need to restore existing markings more frequently is a direct result of increased traffic volumes over DCR parkways and Bridges and heightened constituent concerns regarding pedestrian safety and vehicular safety.
Transportation	Resurfacing	This program funds the ongoing cost for resurfacing of DCR parkways, bridges, related areas and recreational and reservations facilities. This program extends the life of parkway pavement. DCR is responsible for more than 500 center lane miles of parkways and a myriad of parking lots and service roads and more than 160 bridges for which DCR is responsible for the wearing surface.
Transportation	Traffic Impact Attenuators (Hydrocell Maintenance)	This program funds the maintenance and repair of Traffic Impact Attenuators, commonly known as crash barriers, on DCR roads and parkways. These must be maintained in proper condition in order to operate as designed. In addition, this program is used to replace aging equipment and keep all equipment current with new safety standards.
Transportation	Bridge Engineering Services/Bridge Consultant	This program funds the ongoing cost for preparing plans and specifications for projects of a minor to a moderate scope on DCR roads and parkways. This program prepares a number of moderate to minor plans and specifications for bridge work. In addition the program will as needed prepare scour evaluations for department bridges as required by Federal Highway Administration.
Transportation	Bridge Rating Services	This program funds the ongoing cost to determine the live load capacity for DCR bridge structures. This program is necessary in order to meet Federal Highway Administration Requirements. Failure to comply with these requirements may result in a reduction in federal funding to the Commonwealth.
Transportation	Statewide Road and Bridge Program Federally Assisted Construction (FA) - Interstate	This program funds the Commonwealth's share for federally assisted transportation projects on Interstate roads and bridges. These projects receive over 80% of the costs reimbursement by the federal government.
Transportation	Statewide Road and Bridge Program Federally Assisted Construction (FA) - Non Interstate	This program funds the Commonwealth's share for federally assisted transportation projects on Non-Interstate roads and bridges. These projects receive over 70% of the costs reimbursement by the federal government.

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Category	Project Name	Description
Transportation	Statewide Road and Bridge Program Non-Federally Assisted (NFA) Construction	This program funds transportation projects that are not eligible for reimbursement by the federal government.
Transportation	Charles River Basin - DCR Bridges & Tunnel	This program funds costs of repairing DCR bridges in the Charles River Basin.
Transportation	EOT Project Operations	This program funds the ongoing costs of the Executive Office of Transportation to carry out its capital programs.
Transportation	Fairmount Commuter Rail Improvements	This project funds improvements to the Fairmount commuter rail line in Boston as required under the 2006 State Implementation Plan settlement agreement.
Transportation	Red-Blue Subway Line Connector Study	This project funds a study on the possible connection of the Red and Blue subway lines in Boston, as required under the 2006 State Implementation Plan settlement agreement.
Transportation	New Parking Spaces at Transit Nodes	This program helps fund the creation of 1000 new parking spaces at transit centers as required under the 2006 State Implementation Plan settlement agreement.
Transportation	Green Line Subway Extension to Medford	This project funds the extension of the Green subway line as required under the 2006 State Implementation Plan settlement agreement.
Transportation	South Coast Rail	This project funds the planning and permitting costs for a commuter rail line from Boston to the South Coast of the Commonwealth.
Transportation	Mass Transit Planning	This program will fund design and planning costs for future EOT mass transit projects, including the extension of the Blue Line to Lynn.
Transportation	Regional Transit Authority Capital Assistance	This program funds the ongoing cost to acquire and maintain transit vehicles for the Commonwealth's fifteen regional transit authorities. This program also provides support for other equipment and facility needs.
Transportation	Mobility Assistance Program	This program assists Regional Transit Authorities (RTAs), Councils on Aging (COAs), and municipal organizations. MAP funds are used to purchase vehicles (vans and mini-buses) and related equipment for provision of transportation services specifically for the elderly, persons with disabilities, and others on a seats-available basis. These services are provided to individuals for whom existing public and/or private mass transit is unavailable, insufficient, or inappropriate.
Transportation	Intermodal Transportation	This program funds the ongoing cost for improvement grants to Regional Transit Authorities (RTAs) for planning, design and construction of Intermodal transportation centers. These grants are a 20% match leveraging 80% federal funds for these projects, which are developed to provide convenient links between travel modes – local and intercity bus, commuter rail, Amtrak, water and air services, bicycles and pedestrians in combinations appropriate at the particular geographic location. These projects not only create or restore vital transportation services but also provide significant local economic benefits.
Transportation	Rail Transportation	This program funds the ongoing cost for grants to municipalities and other public entities for projects that preserve or upgrade rail infrastructure. Eligible projects include right-of-way acquisition, construction of public intermodal freight facilities and safety improvements. Funds can also be utilized for technology development or to perform feasibility studies for new or expanded rail services and facilities.
Transportation	Water Transportation	This program funds planning, design, and construction of water transportation infrastructure. Eligible projects consist chiefly of new or expanded commuter-based transportation and accessibility improvements. Pier expansion projects (Provincetown and New Bedford), accessibility improvements (Salem and Hull), and berth dredging (Boston) have received funding through this Program. EOT has sponsored studies to investigate the viability of new routes and to develop watershed management plans. EOT also coordinates water transportation policy among other agencies and represents the Secretary at key regional transportation initiatives.
Transportation	Massachusetts Aeronautics Commission	This program funds the ongoing costs for grants to public use airports for airport development and improvements, aviation safety, aircraft accident investigation, navigational aids and statewide aviation planning.
Transportation	Central Artery Tunnel Project	This project funds the Commonwealth's share of the Central Artery Tunnel Project.