

SENATE No. 1206

By Ms. McGovern, a petition (accompanied by bill, Senate, No. 1206) of Patricia McGovern for legislation to further regulate state authorities. State Administration.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Eight.

AN ACT FURTHER REGULATING STATE AUTHORITIES.

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

1 The General Laws are hereby amended by inserting after
2 chapter 29B the following new chapter: —

3 **CHAPTER 29C.**
4 **STATE AUTHORITIES**

5 Section 1. As used in this chapter, the following words and
6 phrases shall have the following meanings, unless the context
7 clearly requires otherwise: —

8 “Appropriation”, the authorization of the expenditure of state
9 revenues for a specified purpose up to a specified maximum
10 amount.

11 “Authority”, any public instrumentality of the commonwealth
12 which is not subject to the supervision and control of either the
13 legislative, executive or judicial departments of state government,
14 or of any city, town, or county within the commonwealth, and
15 which do not receive state appropriations either for operations
16 or the payment of debt obligations. Notwithstanding the
17 foregoing provisions, the following entities shall be considered to
18 be authorities: bay state skills corporation, Boston metropolitan
19 district, centers of excellence, community economic development
20 assistance corporation, community development finance
21 corporation, government land bank, Massachusetts bay

22 transportation authority, Massachusetts business development
23 corporation, Massachusetts capital resource company, Massa-
24 chusetts convention center authority, Massachusetts corporations
25 for educational telecommunications, Massachusetts educational
26 loan authority, Massachusetts health and educational facilities
27 authority, Massachusetts higher education assistance corpora-
28 tion, Massachusetts housing finance agency, Massachusetts
29 industrial finance agency, Massachusetts industrial service
30 program, Massachusetts legal assistance corporation, Massachu-
31 setts municipal wholesale electric company, Massachusetts port
32 authority, Massachusetts product development corporation,
33 Massachusetts technology development corporation, Massachu-
34 setts technology park corporation, Massachusetts turnpike
35 authority, Massachusetts water resources authority, Nantucket
36 land bank, New England loan marketing corporation, pension
37 reserves investment management board, state college building
38 authority, southeastern Massachusetts university building
39 authority, thrift institutions fund for economic development,
40 university of Lowell building authority, university of Massachu-
41 setts building authority, victim and witness board, Wood's Hole,
42 Martha's Vineyard, and Nantucket steamship authority,
43 Worcester business development corporation, the several regional
44 transit authorities, the several regional school districts, the several
45 solid waste districts, the several water, sewer, and fire districts,
46 the several local housing authorities, the several local redevelop-
47 ment authorities, and the several home care corporations.

48 "Bonding authority", statutory authorization for a public
49 instrumentality to issue short or long term debt, or both, that is
50 guaranteed by a pledge of its own revenue, or a portion of its
51 revenue.

52 "Public instrumentality", an organization created by the
53 constitution or by general or special law for the purpose of
54 promoting the common safety and convenience of the persons
55 within the jurisdiction.

56 "Secretariat", the executive offices established by chapter six
57 A and seven, the board of regents of higher education, the board
58 of education, and the supreme judicial court.

59 "Secretary", the officer in charge of each secretariat, provided,

60 however, that "secretary" shall mean the board for the board of
61 regents of higher education and the board of education; and
62 provided further that secretary shall mean the court for the
63 supreme judicial court.

64 "State agency", public instrumentality of the commonwealth,
65 which is not an authority, and which is within the executive
66 department or the judicial department of state government.

67 "State authority", an authority which has a state-wide
68 jurisdiction, or which receives or expends a state appropriation,
69 or which has bonds or notes that are guaranteed or otherwise
70 backed by the taxing power of the state, or any combination of
71 the aforesaid.

72 Section 2. Notwithstanding the provisions of any general or
73 special law to the contrary, each state authority as listed
74 hereinafter is hereby assigned to a secretariat, as provided in this
75 section for the purpose of the oversight responsibilities authorized
76 in this chapter:

77 (a) Massachusetts legal assistance corporation shall be under
78 the supreme judicial court;

79 (b) the pension reserves investment management board shall
80 be under the executive office of administration and finance;

81 (c) the Massachusetts water resources authority, and the
82 Nantucket land bank shall be under the executive office of envi-
83 ronmental affairs;

84 (d) the Massachusetts housing finance agency, the community
85 development finance corporation, the community economic
86 development assistance corporation, local housing authorities,
87 and local redevelopment authorities shall be under the executive
88 office of communities and development;

89 (e) the Massachusetts health and educational facilities
90 authority shall be under the executive office of human services;

91 (f) the Massachusetts turnpike authority, the Boston
92 metropolitan district, the Massachusetts bay transportation
93 authority, the Massachusetts port authority, the Wood's Hole,
94 Martha's Vineyard, and Nantucket steamship authority, and the
95 regional transit authorities shall be under the executive office for
96 transportation and construction;

97 (g) the regional school districts shall be under the board of
98 education;

99 (h) the Massachusetts educational loan authority, the state
100 college building authority, the New England education loan
101 marketing corporation, the Massachusetts higher education
102 assistance corporation, the Massachusetts corporation for
103 educational telecommunications, the university of Massachusetts
104 building authority, the university of Lowell building authority,
105 and the southeastern Massachusetts building authority shall be
106 under the board of regents of higher education;

107 (i) the Massachusetts industrial finance agency, the Massachu-
108 setts capital resources company, the Massachusetts technology
109 park corporation, the bay state skills corporation, the Massachu-
110 setts technology development corporation, the government land
111 bank, the Massachusetts industrial service program, the Massa-
112 chusetts product development corporation, the Massachusetts
113 business development corporation, the centers of excellence, the
114 Massachusetts convention center authority, and the Worcester
115 Business development corporation shall be under the executive
116 office of economic affairs;

117 (j) the home care corporations shall be under the executive
118 office of elder affairs; and

119 (k) the Massachusetts municipal wholesale electric company
120 shall be under the executive office of energy resources; and

121 (l) the thrift institutions fund for economic development shall
122 be under the executive office of consumer affairs and business
123 regulations.

124 The assignment of an authority to a secretariat as provided
125 herein shall not be interpreted as providing any control over such
126 authority by such secretariat except as expressly provided in this
127 chapter.

128 Section 3. Every chief executive officer of a state authority, as
129 listed in section two, whether or not it receives a periodic appro-
130 priation from the commonwealth, shall annually, on or before a
131 date set by the commissioner of administration, submit to the
132 budget director a statement showing in detail: (1) the amount
133 authorized to be expended by such state authority for the
134 preceding and current fiscal years; (2) the amount of state financial
135 assistance either through state appropriations, capital outlay
136 authorizations or guarantees, or in-kind contributions by the state

137 for the preceding and current fiscal years; (3) the amount of
138 expenditures for the preceding fiscal year and the estimated
139 expenditures for the current fiscal year; (4) estimates of the
140 amounts required for ordinary maintenance for the ensuing fiscal
141 year, with an explanation of any increase in state appropriations
142 recommended and a statement indicating the priorities assigned
143 to each program by said chief executive officer; (5) and statements
144 showing in detail the revenue, including revenue from trust funds,
145 of the state authority for the latest complete fiscal year and the
146 estimated revenue thereof for the current fiscal year, and the
147 estimated revenue from the same or any additional sources for
148 the ensuing fiscal year; and (6) any other information on the
149 expenditures, revenues, activities, output or performance of any
150 such state authority as may be required by rule or regulation of
151 the commissioner of administration. Every such chief executive
152 officer shall also submit to the budget director a statement
153 showing in detail the number of permanent, temporary, and part-
154 time positions authorized and filled for the state authority in his
155 charge and any changes in the number of authorized or filled
156 positions anticipated in the ensuing fiscal year.

157 Before any such statements, estimates, recommendations and
158 any other information relating to a state authority shall be
159 submitted to the budget director, they shall be submitted to the
160 house and senate committees on ways and means and to the
161 secretary having oversight of such state authorities. Such
162 secretaries shall conduct public hearings, for which they shall give
163 five days' public notice prior thereto, on the statements, estimates,
164 recommendations, and other information received from the state
165 authorities.

166 Such public hearings shall be held for the purpose of
167 determining whether such state authorities are fulfilling their
168 statutory mandates, whether they are being operated in the best
169 interests of the public, and whether the expenditures by such state
170 authorities are being made in a reasonable way to fulfill their
171 purposes. Such secretaries shall keep a record of the testimony,
172 both written and oral, received at said public hearings and shall
173 transmit summaries of such testimony to the budget director, the
174 house and senate committees on ways and means, and to the state

175 authorities. Said summaries shall be also made available to the
176 general public.

177 Section 4. Each state authority shall on or before a date set by
178 the commissioner of administration, prepare and submit to the
179 budget director an annual capital facility budget. Such budget:
180 (1) shall itemize each capital request, (2) shall include a statement
181 of the estimated annual operating and maintenance cost of the
182 facilities to be constructed, (3) shall indicate whether the project
183 is to repair, to enlarge, or to improve an existing, identified
184 structure, whether it is to replace an existing structure, or whether
185 it is to provide entirely new and additional facilities, (4) shall
186 contain a statement which includes the authorized, unissued, and
187 outstanding bonds and notes of the authority at the end of the
188 preceding fiscal year, an estimate of the amount of said bonds and
189 notes at the end of the current fiscal year, and an estimate of the
190 amount of said bonds and notes, including the amount to be sold,
191 retired, or refinanced, at the end of the subsequent fiscal year, and
192 (5) shall indicate the source of revenues to finance such bonds and
193 notes, including any financial assistance from the commonwealth,
194 such as guarantees, contract assistance, or other such assistance.

195 Before any such budgets shall be submitted to the budget
196 director, they shall be submitted to the house and senate
197 committees on ways and means and to the secretaries having
198 oversight over such authorities. Such secretaries shall include the
199 information submitted to them pursuant to this section as a
200 subject of the public hearings required by section three.

201 Section 5. The governor shall include as part of the operating
202 budget prepared pursuant to section six of chapter twenty-nine
203 an annual budget for each state authority required to furnish
204 reports pursuant to sections three and four. Each annual state
205 authority budget shall include a statement containing all operating
206 revenues and expenses, and shall specifically identify any revenues
207 which are state appropriations or any expenses which represent
208 payments to state agencies. Said annual state authority budgets
209 shall also include statements regarding capital expenditures from
210 the preceding, current, and subsequent fiscal years, statements
211 concerning the beginning and ending fund balances for the state
212 authority for the preceding, current and subsequent fiscal years.

213 The budget director shall analyze the statements submitted by
214 the state authorities and may make comments or summarize these
215 statements but shall not reduce, increase or delete the amounts
216 submitted by the state authorities.

217 The statements included in the operating budget shall not
218 constitute a recommendation for an appropriation. Any actual
219 appropriations of state monies to state authorities recommended
220 by the budget director shall be included in the regular operating
221 budget recommendations of the annual budget.

222 Any state authority that formally amends its own operating
223 budget subsequent to the submission of statements required by
224 sections three and four shall notify the budget director and the house
225 and senate committees on ways and means by sending a copy of
226 such amendment to said director and said committees on a form
227 approved by the commissioner of administration.

228 Section 6. Every state authority shall, for budgeting purposes
229 adopt a fiscal year which conforms to the state fiscal year running
230 from July first of a given year to June thirtieth of the subsequent
231 year. Any state authority with a non-conforming fiscal year shall
232 appropriately adjust its fiscal year by July first, nineteen hundred
233 and eighty-nine. Each state authority shall file with the
234 appropriate secretary a statement concerning its fiscal year and
235 plans to conform to the provisions of this section no later than
236 September thirtieth, nineteen hundred and eighty-eight.

237 Section 7. No later than thirty days after the close of each
238 quarter, every state authority shall file the following report with
239 the commissioner of administration, the appropriate secretary,
240 and the house and senate committees on ways and means:

241 (1) a statement of all expenditures for the previous quarter and
242 for the fiscal year-to-date, including a listing by subsidiary code;

243 (2) a statement of all revenues received by the state authority,
244 for the previous quarter and year-to-date, including revenues from
245 fees and charges, federal grants, trust funds, and state
246 appropriations; and

247 (3) a statement of the total number of employees working for
248 the state authority, including permanent, temporary, part-time,
249 and consultants.

250 Section 8. Each state authority shall adopt written policies and

251 procedures relative to hiring practices, promotional practices, use
252 of consultants, fringe benefits offered, salary practices, and
253 purchasing practices, including the purchase of services,
254 equipment and supplies and the rental of office space. Each state
255 authority shall abide by such written policies and procedures.
256 Each state authority shall file copies of such written policies and
257 procedures with the commissioner of administration, the
258 appropriate secretary, and the house and senate committees on
259 ways and means no later than December thirty-first, nineteen
260 hundred and eighty-eight and shall file copies of any amendments
261 thereto no later than December thirty-first of any subsequent year.

262 Section 9. Any state authority, whether or not it receives an
263 appropriation from the commonwealth, shall, upon the request
264 of any house or senate committee or of any joint committee of
265 the general court, furnish in writing to such committee an estimate
266 of the cost of proposed legislation affecting activities which are
267 or would be administered by the state authority. Such estimate
268 shall be provided to such committee within ten days of the receipt
269 of such a request by the state authority.