

HOUSE No. 4219

The Commonwealth of Massachusetts

The committee of conference on the disagreeing votes of the two branches, with reference to the Senate amendment (striking out all after the enacting clause and inserting in place thereof the text contained in Senate document numbered 2275) of the House Bill making appropriations for the fiscal year 2013 for the maintenance of departments, boards, commissions, institutions and certain activities of the Commonwealth, for interest, sinking fund and serial bond requirements and for certain permanent improvements (House, No. 4101), reports, in part, recommending passage of the accompanying bill (House, No. 4219).

BRIAN S. DEMPSEY
STEPHEN KULIK
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HOUSE No. 4219

The committee of conference on the disagreeing votes of the two branches, with reference to the Senate amendment (striking out all after the enacting clause and inserting in place thereof the text contained in Senate document numbered 4) of the House Bill making appropriations for the fiscal year 2013 for the maintenance of departments, boards, commissions, institutions and certain activities of the Commonwealth, for interest, sinking fund and serial bond requirements and for certain permanent improvements (House, No. 4101), reports, in part, recommending passage of the accompanying bill (House, No. 4219). June 27, 2012.

The Commonwealth of Massachusetts

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In the Year Two Thousand Twelve
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An Act Establishing the Social Innovation Financing Trust Fund and Authorizing the Lease of the Henderson Boat House.

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

1 SECTION 1. Chapter 10 of the General Laws is hereby amended by inserting after
2 section 35UU the following section:-

3 Section 35VV. (a) There shall be established and set up on the books of the commonwealth a
4 trust to be known as the Social Innovation Financing Trust Fund for the purpose of funding
5 contracts to improve outcomes and lower costs for contracted government services, hereinafter
6 referred to as “pay for success contracts”, subject to the requirements of subsection (b).

7 (b) Notwithstanding any general or special law to the contrary, the secretary of
8 administration and finance, may enter into pay for success contracts. Each contract shall include:

9 (1) a requirement that a substantial portion of the payment be conditioned on the achievement of
10 specific outcomes based on defined performance targets; (2) an objective process by which an
11 independent evaluator will determine whether the performance targets have been achieved; (3) a
12 calculation of the amount and timing of payments that would be earned by the service provider
13 during each year of the agreement if performance targets are achieved as determined by the
14 independent evaluator; (4) a sinking fund requirement under which the secretary shall request an
15 appropriation for each fiscal year that the contract is in effect, in an amount equal to the expected
16 payments that the commonwealth would ultimately be obligated to pay in the future based upon
17 service provided during that fiscal year, if performance targets were achieved; and (5) a
18 determination by the secretary that the contract will result in significant performance
19 improvements and budgetary savings across all impacted agencies if the performance targets are
20 achieved.

21 (c) The secretary may provide that payments in future years under any such contracts
22 shall constitute a general obligation of the commonwealth for which the full faith and credit of
23 the commonwealth shall be pledged for the benefit of the providers of the contracted government
24 services, but the total amount of payments under such contracts secured by a pledge of the full
25 faith and credit of the commonwealth shall not exceed, in the aggregate, \$50,000,000.

26 (d) The secretary shall be the trustee of the trust, shall administer the trust and shall
27 ensure that all funds appropriated as described in this section are deposited in the trust and shall
28 make payments from the trust in accordance with the terms and conditions of the contracts,
29 without further appropriation. The secretary shall provide an annual status report on all contracts
30 not later than February 1 to the house and senate committees on ways and means.

31 SECTION 2. The second sentence of section 1 of chapter 65 of the acts of 2010 is hereby
32 amended by inserting after the words “Boston University Sailing Pavilion in the city of Boston”
33 the following words:- ; the Northeastern University Henderson Boat House in the city of Boston.

