

MEMORANDUM

To: Board of Directors, Massachusetts School Building Authority
From: James A. MacDonald, First Deputy Treasurer, Chief Executive Officer
Mary L. Pichetti, Executive Director, Deputy Chief Executive Officer
Date: October 22, 2024
Subject: MSBA Fiscal Year 2025 Budget Update

The following is a summary of the Massachusetts School Building Authority's ("MSBA's") Fiscal Year 2024 expenditures through June 30, 2024 as well as the Fiscal Year 2025 budget update through October 16, 2024.

Administrative Expenses

Total Administrative Expenses through June 30, 2024, totaled \$12.4 million or 91% of the total amount budgeted for Fiscal Year 2024. The total budgeted amount for Fiscal Year 2025 is \$17.8 million, to date we have spent \$3.8 million or 21%.

Salary expenditures through June 30, 2024 totaled \$8.8 million or 90% of the total amount budgeted for Fiscal Year 2024. For Fiscal Year 2024, the Salary budget of \$9.8 million included 75 full-time employees, 12 open full-time positions MSBA-wide with varied start dates, a 4% cost of living adjustment estimated at \$494K (or COLA), a 3% Merit/Pay Equity and Promotion adjustment at 6 months of \$124K, and 11 current and open Co-Op/Fellow positions at varying start dates.

The total budgeted amount for salaries for Fiscal Year 2025 totaled \$13.0 million for a total FTE count of 125. This includes estimated amounts for a 3% COLA at \$266,692 and a 3% Merit pool at \$222,243. COLA adjustments for this fiscal year were implemented effective July 1, 2024 and Merit adjustments were implemented effective 09-01-2024. As of October 16, 2024, there were 102 positions filled and 23 positions open and we have spent \$3 million or 24% of the approved budget amount.

Occupancy and Utilities The lease for office space was budgeted at \$1.45 million in Fiscal Year 2024; the total amount expended was \$1.44 million or 99% of the budgeted amount. The total budgeted amount for Fiscal Year 2025 is \$1.5 million, to date we have spent \$487,265 or 32 %.

Utilities are budgeted at \$50K in Fiscal Year 2024; the total amount expended as of June 30, 2024 was \$23,000 or 46% of the budget amount for Fiscal Year 2024. The total budgeted amount for Fiscal Year 2025 is \$50K, to date we have spent \$10,877 or 22% of the budget.

Legacy Projects

The budget for Fiscal Year 2024 for OPEB was \$250,000 with the objective of maintaining fully funded status. Funds were transferred to the OPEB Trust on November 1, 2023. The total budgeted amount for Fiscal Year 2025 is \$250,000, we anticipate transferring funds in quarter 2 of Fiscal Year 2025.

Operating Expenses

Capital Pipeline Support Services the total amount expended for Fiscal Year 2024 was \$4.7 million or 54% of the total amount of \$8.6 million budgeted for this fiscal year. Existing budget line items such as

Financial Advisory services, Legal services, External Audit fees, etc. were moved to this expense category in Fiscal Year 2023.

The total budgeted amount for Fiscal Year 2025 is \$15.1 million, to date we have spent \$2.1 million or 14% of the budget.

Total Operating Expenses

Total Operating Expenses (which includes Administrative and Capital Pipeline Support Services) expended through June 30, 2024, totaled \$17.1 million or 77% of the total amount budgeted of \$22.3 million for Fiscal Year 2024. The total budgeted amount for Fiscal Year 2025 is \$32.9 million, to date we have spent \$5.9 million or 18% of the budget.

Grant Program

Capital Pipeline Grants

Expenditures for Capital Pipeline grants through June 30, 2024 totaled \$659 million or 80% of the total \$818.6 million budgeted for Fiscal Year 2024 for grant payments. The total amount expended includes payments related to the MSBA Supplemental Grants. The payments related to the Supplemental Grants are reflected below the line on the Board Budget Report.

The total budgeted amount for Fiscal Year 2025 is \$847.1 million, to date we have spent \$187 million or 22% of the budgeted amount for Capital Pipeline Grants.

Legacy Projects

Prior Grants: Prior Grant payments have been fully paid off as of December 2022.

Waiting List: The amount budgeted for Fiscal Year 2024 was \$5 million, and this program was fully paid off in September 2023.

Total Operating and Capital Budget

The Authority's total overall budget (including operating and capital expenditures) for Fiscal Year 2024 was \$846 million. The total amount expended was \$680.6 million or approximately 80% of the total amount of the approved Fiscal Year 2024 budget. The total budgeted amount for Fiscal Year 2025 is \$880 million, to date we have spent \$193 million or 22% of the budget.