

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 23, 2024
RE: Summary of Approved Project Grants and Reconciliation to the Annual Program Funding Cap

In accordance with the administrative procedures presented at the May 12, 2017 Board of Directors (the “Board”) meeting, and later presented and approved at the August 29, 2018 Board meeting, this Memorandum summarizes all grants for projects approved by the Board in fiscal year 2024 (“FY24”) and presents the annual reconciliation that compares approved grants subject to the annual program funding cap to the FY24 program funding cap.

Discussion

The MSBA statute places a limit on the estimated amount of grants that can be approved by the MSBA during a fiscal year. That annual estimated grant limit (“Grant Cap Space”) is adjusted each year by an amount that is equal to the lesser of the rate of growth, by percentage, of dedicated sales tax revenues or 6.5 per cent¹. In May 2017, the MSBA implemented grant cap reconciliation procedures which enable the MSBA to annually reconcile Board approved projects to available Grant Cap Space, allocate project grants (whole or in part) to available Grant Cap Space in prior or future fiscal years, and capture Grant Cap Space associated with failed local votes, projects removed from the Capital Pipeline, or additional savings realized in the Final Audit Grant determination. Should the total value of approved projects in a given fiscal year be less than the available Grant Cap Space as determined at the close of the fiscal year, the MSBA captures the unallocated Grant Cap Space for future fiscal years.

Changing district schedules, variations in proposed project scope, and the timing of local approvals contribute to the challenge of predicting in which fiscal year a district will be ready for MSBA Board authorization. In addition to the variability of the timing for proposed projects, the estimated grant amount authorized by the Board can vary depending upon eligibility determinations, annual updates to a district’s reimbursement rate, and a district’s ability to secure local authorization and funding. The MSBA’s administrative procedures provide a mechanism for reconciliation of the approved estimated grants and the available Grant Cap Space to maximize the amount of funds available to support school construction grants and minimize the impact of changing district schedules and scope, that vary from project to project.

¹ Commonwealth’s FY 2024 Budget, SECTION 36. Chapter 70B of the General Laws is hereby amended by striking out section 7 and inserting in place thereof the following section: Section 7. There shall be a limit on the estimated amount of grants approved by the authority during a fiscal year. For fiscal year 2023, the limit shall be \$1,200,000,000; provided, however, that grant amounts relating to the authority’s accelerated repair program shall not count against the limit set forth in this section. For each fiscal year thereafter, the limit shall be the limit for the previous fiscal year plus the lower of: (i) the rate of growth in the dedicated sales tax revenue amount as defined in subsection (a) of section 35BB of chapter 10; or (ii) 6.5 per cent.

As described in the Reconciliation of Approved Projects to the Annual Program Funding Cap dated October 18, 2023, Governor Healey signed the Commonwealth’s FY24 Budget on August 9, 2023. As a result of Section 36, the following adjustments were made:

- Annual Grant Funding Cap Space for FY23 was reset to \$1,200,000,000, an increase of \$302,801,967 for FY23, compared to the previously determined \$897,198,033;
- Beginning in FY23, Accelerated Repair Program Approved Grants no longer counted against Grant Cap Space, which removed \$60,995,196 of allocated grants against the FY23 Grant Cap Space; and
- Beginning in FY24, the annual estimated grant limit will be adjusted by an amount that is equal to the lesser of the rate of growth, by percentage, of dedicated sales tax revenues or 6.5 per cent.

In accordance with the above procedures and adjustments, staff have completed the annual reconciliation for projects approved in FY24. Please note that, for all Core Program Project Scope and Budget Agreements approved in FY24, the Maximum Total Facilities Grant amounts were allocated in total to FY24 Grant Cap Space. Summaries of available Grant Cap Space and approved estimated grants funded within the limits of the Grant Cap Space are presented below:

SUMMARY OF GRANT CAP SPACE
FISCAL YEAR 2024

Source	Amount
Annual Grant Funding Cap Space for FY24 ²	\$1,275,834,306
Grant Cap Space Allocated from FY23 (October 2023 Board Meeting)	\$958,295,772
Reconciliation of Annual Grant Funding Cap Space for FY23 No corrections or adjustments applied.	\$0
Adjusted Grant Funding Cap Space for FY24	\$2,234,130,078
Savings in Final Audit Grants August 2023 Board Meeting	\$4,229,047
Savings in Final Audit Grants October 2023 Board Meeting	\$2,896,745
Savings in Final Audit Grants December 2023 Board Meeting	\$376,936
Savings in Final Audit Grants February 2024 Board Meeting	\$3,099,468
Savings in Final Audit Grants April 2024 Board Meeting	\$116,043
Savings in Final Audit Grants June 2024 Board Meeting	\$6,532,865
Allocated Grant Funding Cap Space for FY24	\$2,251,381,182

² Annual Grant Funding Cap Space for FY24 is based on the rate of growth, by percentage, between the FY23 dedicated sales tax revenues of \$1,264,003,703 and the FY22 dedicated sales tax revenues of \$1,188,872,596, as reported by the Department of Revenue as of September 2023, resulting in a growth rate of 6.32 per cent.

**SUMMARY OF APPROVED ESTIMATED GRANTS LIMITED BY
GRANT CAP SPACE FISCAL YEAR 2024**

Source	Amount
Maximum Total Facilities Grants allocated from prior Fiscal Years	\$0
Core Program Feasibility Study Invitations (Refer to Attachment A for more information)	\$11,296,925
Core Program Project Scope and Budget Approvals (Refer to Attachment B for more information)	\$1,120,033,993
Prior Reconciliations Adjustments (Refer to Attachment C for more information)	\$450
Supplemental Grants Not Identified in Commonwealth's FY24 Budget (Refer to Attachment D and the Status Update for Supplemental Grants Memorandum dated June 19, 2024, for more information)	\$110,780,886
Allocated Estimated Grant for FY24	\$1,242,112,254

In accordance with the Policy Recommendations for Administering Estimated Grants Memorandum presented at the May 12, 2017 Board meeting, implementation of MSBA Policy for Administering Estimated Grants Memorandum presented and approved at the August 29, 2018 Board meeting, and the Commonwealth's FY24 Budget, the \$1,009,268,928 of remaining Grant Cap Space for FY24 will be allocated to future fiscal years. The transfer of \$1,009,268,928 represents an increase of \$50,973,156 compared to the remaining Grant Cap Space of \$958,295,772 that was available at the conclusion of FY23.

As described in the Recommendation to Approve Supplemental Grants Memorandum dated October 18, 2023, the Commonwealth's FY24 Budget, along with the Board's Authorization of the MSBA's Executive Director to adjust the Maximum Total Facilities Grants for previously approved projects, has provided the resources and flexibility for the MSBA to further assist school districts partnering with the MSBA by increasing available Grant Cap Space, providing additional project grants, and allowing the MSBA to fund grants associated with the Accelerated Repair Program outside of the limits of the Grant Cap Space. A summary of approved grants funded outside the limits of the Grant Cap Space in FY24 are presented below:

**SUMMARY OF APPROVED ESTIMATED GRANTS OUTSIDE OF THE LIMITS
ASSOCIATED WITH GRANT CAP SPACE FISCAL YEAR 2024**

Source	Amount
Accelerated Repair Program Project Scope and Budget Approvals (Refer to Attachment E for more information)	\$49,964,550
Supplemental Grants Described in Commonwealth's FY24 Budget (Refer to Attachment F and the Status Update for Supplemental Grants Memorandum dated June 19, 2024, for more information)	\$278,234,950
Allocated Estimated Grant for FY24	\$328,199,500

Attachment A
Core Program Feasibility Study Invitations

District	School	Invitations to Conduct a Feasibility Study
Dracut	Joesph A. Campbell Elementary School	\$577,400
Old Colony Regional Vocational Technical School District	Old Colony Regional Vocational Technical High School	\$541,600
West Bridgewater	Rose L. MacDonald Elementary School	\$657,480
Chicopee	Barry Elementary School	\$1,000,000
East Bridgewater	Central Elementary School	\$866,100
Franklin County Regional Vocational Technical School District	Franklin County Technical High School	\$498,465
Salem	Salem High School	\$1,477,800
Swansea	Joseph Case Junior High	\$1,125,200
Blackstone-Millville	Blackstone-Millville Regional High School	\$592,100
Marlborough	Richer Elementary School	\$1,435,800
Wrentham	Charles E. Roderick School	\$535,480
Brockton	Brockton High School	\$1,989,500

Feasibility Study Approvals

\$11,296,925

Attachment B
Core Program Project Scope and Budget Approvals

District	School	Total Board Authorized Maximum Total Facilities Grant	Previously Authorized Grant at Invitation to Feasibility Study	Board Authorized Maximum Total Facilities Grant at Invitation to Project Scope and Budget
Nashoba Regional School District ¹	Nashoba Regional High School	\$64,793,451	\$742,950	\$64,050,501
Tri-County Regional Vocational Technical School District ¹	Tri-County Regional Vocational Technical High School	\$82,730,777	\$528,900	\$82,201,877
East Longmeadow	East Longmeadow High School	\$82,338,081	\$711,648	\$81,626,433
Hopkinton	Elmwood Elementary School	\$61,527,604	\$440,500	\$61,087,104
Whitman-Hanson	Whitman Middle School	\$59,159,717	\$490,790	\$58,668,927
Lynn	Pickering Middle School	\$104,530,907	\$0	\$104,530,907
New Bedford	John B. Devalles Elementary School	\$71,212,460	\$960,000	\$70,252,460
Newton	Countryside Elementary School	\$20,547,304	\$405,875	\$20,141,429
Whittier Regional Vocational Technical School District	Whittier Regional Vocational Technical High School	See Note 2.		

Clinton	Clinton Middle School	\$77,051,786	\$697,600	\$76,354,186
Revere	Revere High School	\$238,833,271	\$1,520,000	\$237,313,271
Scituate	Hatherly Elementary School	\$35,814,280	\$473,000	\$35,341,280
Stoughton	South Elementary School	\$47,930,405	\$443,175	\$47,487,230
Agawam	Agawam High School	\$100,541,065	\$748,000	\$99,793,065
Berkley	Berkley Community School	\$39,512,789	\$285,550	\$39,227,239
North Adams	Greylock Elementary School	\$42,198,084	\$240,000	\$41,958,084

Core Program Total Project Approvals \$1,120,033,993

1. On October 25, 2023, the MSBA Board of Directors authorized the Executive Director to adjust the Maximum Total Facilities Grants for Projects that received Project Scope and Budget Approval by the MSBA's Directors after October 1, 2022, and prior to October 1, 2023. The approval included authorization to increase Building Cost funding limits to \$516 per eligible square foot and to increase Sitework funding limits to \$52 per eligible square foot. The Total Board Authorized Maximum Total Facilities Grant does not reflect the increased Building Cost and Sitework funding limits. The increase to the Maximum Total Facilities Grant is accounted for in Attachment D, Supplemental Grants for Projects Approved for Project Scope and Budget between October 1, 2022 and October 1, 2023.
2. District submitted a Statement of Interest Removal Form. The District received Project Scope and Budget authorization (\$162,719,075 Total Board Authorized Maximum Total Facilities Grant) at the December 13, 2023 Board of Directors meeting. After deducting the previous Feasibility Study authorization (\$1,064,880) which followed invitation to Feasibility Study at the December 12, 2018 Board of Directors meeting, the Board Authorization Maximum Total Facilities Grant at Invitation to Project Scope and Budget was scheduled to be \$161,654,195.

Attachment C
Prior Reconciliations and Audit Adjustments

District	School	Comment	Adjustment to Grants from Prior Fiscal Year Reconciliations
Ashburnham-Westminster Regional School District	Briggs Elementary School	Correction to account for an understated "Final Audit Grant for Cap Reconciliation" included in the Reconciliation of Approved Projects to the Annual Program Funding Cap Fiscal Year 2008 to Fiscal Year 2016 Memorandum (approved at the December 13, 2017 Board of Directors Meeting). The reconciliation for Fiscal Year 2011 included a "Final Audit Grant for Cap Reconciliation" of \$15,947,163 instead of the \$15,947,613 amount included in the "Final Audit Spreadsheet" representing an overstated "Additional Savings in Final Audit Grant for Cap Reconciliation" of \$450.	\$450
Total Value of Adjustments to Prior Reconciliations			\$450

Attachment D

Supplemental Grants Not Identified in Commonwealth's FY24 Budget

(Projects Approved for Project Scope and Budget between October 1, 2022 and October 1, 2023)

District	School	Project Scope and Budget Approval	Increase to Maximum Total Facilities Grant Funded
Haverhill	Consentino Middle School	10/26/2022	\$19,845,991
Winchester	Lynch Elementary School	10/26/2022	\$4,965,089
Brookline	Pierce K-8	12/21/2022	\$7,563,948
Wakefield	Wakefield High School	12/21/2022	\$14,960,696
Amherst	Fort River Elementary School	4/26/2023	\$9,730,862
Holyoke	Peck Middle School	6/21/2023	\$11,693,280
Maynard	Green Meadow Elementary School	6/21/2023	\$7,036,392
Nashoba	Nashoba Regional High School	8/30/2023	\$14,938,628
Tri-County	Tri-County Regional Vocational Technical High School	8/30/2023	\$20,046,000

Total Increase to the Maximum Total Facilities Grants \$110,780,886

Attachment E
Accelerated Repair Program Project Funding Approvals

District	School	Scope	Executed Project Funding Agreement Maximum Total Facilities Grant
Cambridge	Amigos School	Roof	\$595,638
Fall River	Resiliency Preparatory Academy	Window/Door	\$6,481,309
Fitchburg	Arthur M. Longsjo Middle School	Boiler	\$1,476,925
Holyoke	H.B. Lawrence School	Window/Door	\$3,419,139
Holyoke	Lt. Elmer J. McMahon Elementary School	Window/Door	\$2,744,674
Holyoke	Maurice A Donahue Elementary	Partial Window/Door	\$2,570,440
Holyoke	William J. Dean Vocational Technical High School	Boiler	\$1,191,009
Lynn	A. Drewicz Elementary School	Window/Door	\$3,556,034
Mansfield	Harold L. Qualters Middle School	Boiler	\$2,098,569
Springfield	Milton Bradley School	Boiler	\$1,654,451
Springfield	Rebecca M. Johnson School	Boiler	\$1,305,018
Boston	Dennis C. Haley School	Boiler	\$1,230,338
Boston	Dr. William Henderson Upper School	Roof	\$1,664,357
Boston	Jeremiah E. Burke High School	Boiler	\$846,291
Boston	The English High School	Window/Door	\$5,865,885
Haverhill	Silver Hill School	Boiler	\$1,075,148
Quincy	Francis W. Parker School	Boiler	\$798,070
Quincy	Montclair School	Partial Roof	\$673,369
Quincy	Wollaston School	Partial Roof	\$669,826

Lowell	B.F. Butler Middle School	Boiler	\$1,131,842
Lowell	Bartlett Community Partnership School	Boiler	\$1,831,893
Lowell	Henry J. Robinson Middle School	Boiler	\$1,641,797
Lowell	John J. Shaughnessy Elementary School	Roof	\$2,887,805
Lowell	Joseph McAvinnue School	Boiler	\$1,137,898
Boston ¹	Patrick J Kennedy	Boiler	\$50,208
Boston ¹	Samuel Adams	Windows/Doors	\$80,385
Haverhill	Moody School	Boiler	\$1,262,062
Orleans ¹	Orleans Elementary	Partial Roof; Partial Windows/Doors	\$19,024
Oxford ¹	Alfred M Chaffee	Partial Roof	\$2,546
Oxford ¹	Clara Barton	Partial Roof	\$2,600

Accelerated Repair Program Total Project Approvals² \$49,964,550

1. District submitted a Statement of Interest Removal Form.

2. Commonwealth's FY2024 Budget, SECTION 36. Chapter 70B of the General Laws is amended such that the MSBA's Accelerated Repair Program shall not count against the limit set fourth in Section 7.

Attachment F

Supplemental Grants Described in Commonwealth's FY24 Budget

(Projects Approved for Project Scope and Budget prior to October 1, 2022 with bids after January 1, 2022)

District	School	Project Scope and Budget Approval	Increase to Maximum Total Facilities Grant Funded
Lowell	Lowell High School	4/10/2019	\$36,971,459
Nauset Regional School District	Nauset Regional High School	2/13/2020	\$8,062,731
Gloucester	East Gloucester Elementary School	8/26/2020	\$5,516,973
Worcester	Doherty Memorial High School	8/26/2020	\$28,753,085
Ashland	David Mindess Elementary School	10/28/2020	\$5,570,913
Boston	Josiah Quincy Upper School	10/28/2020	\$8,542,768
Groton-Dunstable Regional School District	Florence Roche Elementary School	2/11/2021	\$5,806,507
Lawrence	Oliver Partnership School	2/11/2021	\$11,224,077
Andover	West Elementary School	4/14/2021	\$8,056,038
Somerset	Somerset Middle School	4/14/2021	\$6,886,598
Westwood	Paul R. Hanlon Elementary School	4/14/2021	\$3,758,172
Fitchburg	Crocker Elementary School	6/23/2021	\$4,493,501
Swampscott	Hadley Elementary School	6/23/2021	\$5,357,778
Boston	William E. Carter School	8/25/2021	\$4,324,797
Northeast Metropolitan Regional Vocational School District	Northeast Metropolitan Regional Vocational Technical High School	8/25/2021	\$22,531,222
Stoneham	Stoneham High School	8/25/2021	\$7,606,688
Walpole	Bird Middle School	8/25/2021	\$5,644,350
Wellesley	John D. Hardy (fka Ernest F. Upham) Elementary School	8/25/2021	\$2,077,273

Bristol-Plymouth Regional Vocational Technical School District	Bristol-Plymouth Regional Vocational Technical High School	10/27/2021	\$20,187,291
Lawrence	Francis M. Leahy Elementary School	10/27/2021	\$5,441,720
Peabody	William A. Welch Elementary School	10/27/2021	\$451,944
Randolph	Elizabeth G. Lyons Elementary School	10/27/2021	\$4,558,560
Westfield	Franklin Avenue Elementary School	10/27/2021	\$5,124,512
Greater Fall River Vocational School District	Diman Regional Vocational Technical High School	12/15/2021	\$24,402,466
Norwood	Dr. Philip O. Coakley Middle School	3/2/2022	\$7,161,079
Watertown	Watertown High School	3/2/2022	\$6,254,899
Webster	Bartlett High School	3/2/2022	\$7,820,928
Tyngsborough	Tyngsborough Middle School	4/27/2022	\$4,684,386
Spencer-East Brookfield Regional School District	David Prouty High School	6/22/2022	\$7,158,742
Hingham	William L. Foster Elementary School	8/31/2022	\$3,803,493
Total Increase to the Maximum Total Facilities Grants			\$278,234,950