

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: December 5, 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 November 27, 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 \$5.8 million or 35%.

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 November 27, 2024, there were 92 positions filled and 33 positions open and we have spent \$4.2 million or 34% 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 \$605,637 or 40 %.

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 \$13,603 or 27% 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, Funds were transferred to the OPEB Trust on October 31, 2024.

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 \$3.1 million or 20% 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 \$8.9 million or 28% 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 \$284 million or 34% 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 \$293 million or 33% of the budget.