

To: Board of Directors, Massachusetts School Building Authority
From: Katherine Craven, Executive Director
Date: July 29, 2009
RE: MSBA's New Pilot Program Supplement Capital Improvement Pilot Program

The MSBA is proud to announce a pilot program granting matching funds for multi-year local school capital improvement plans. MSBA's goal is to help communities preserve safe, sound and sustainable learning environments by leveraging local funds for roof repairs, window replacements, HVAC improvements, electrical and fire alarm upgrades. Since 2008, the MSBA has been funding repair projects on a 'one-at-a-time' basis. This program will allow a district to efficiently fund multiple projects for eligible schools across a district.

The MSBA's Supplemental Capital Improvement Pilot Program (SCIPP) will assist those districts that agree to meet a minimum CIP maintenance of effort. The MSBA will help fund projects that would otherwise be cost-prohibitive if borne at 100% local cost without MSBA funding. MSBA funds would be used in addition to existing capital improvement funds appropriated locally through a locally generated 3-year capital improvement plan, and the MSBA funds will not supplant the local maintenance of effort or match.

SCIPP is an exciting new opportunity for larger school districts to take advantage of the current favorable construction bid environment in order to maintain a state of good repair at many buildings that have received capital investments and improvements in recent years.

This multi-year capital program will be offered under the conditions noted below to Districts who meet the following criteria:

- 1) A District must have a minimum of 14 schools in its inventory.
- 2) The District must submit detailed historical and projected operational and capital budgets and a long term capital plan that will:
 - a. Demonstrate a detailed maintenance program at all District facilities as supported by historical evidence of a stable budget committed to a proven routine maintenance program.
 - b. Demonstrate the historical commitment to, and completion of, capital programs.
 - c. Provide a forecast of a minimum of a three-year operational and maintenance budget and capital program which will categorize the type of work needed by school by year.

- d. Provide the level of maintenance and capital investment to which the District will commit and provide documentation of the local vote to support this budget and plan.
- 3) The District must certify to the MSBA that a minimum spending level will continue for a multiple year capital improvement plan in addition to the local match on MSBA-funded projects;
- 4) The MSBA will not participate in grants for items that are categorically ineligible pursuant to the MSBA's regulations, guidelines or policies, including, but not limited to: hazardous waste remediation, abatement, administrative buildings, swimming pools, and/or site acquisition. The MSBA anticipates that it will be able to participate in roof repairs, HVAC and electrical upgrades, door and window replacements and fire alarm/sprinkler upgrades for multiple facilities.
- 5) Based on the capital plan submitted and the MSBA's review of the documentation required, the MSBA may participate in grants for a portion of the cost of the proposed capital project. The projects must be easily-defined, and they must improve building conditions and preserve the life of a building. The MSBA's grant will not supplant the District's ongoing investment, it will only supplement it. This will allow the District to perform a higher level of maintenance and capital investment than previously allowed by the District's local budget.
- 6) If a District does not honor its commitment to its maintenance and capital program, the District will lose its eligibility for the pilot program and any MSBA grant will be void. With the District's continued proven performance, the MSBA is prepared to commit funds to the District over a several year period to assist in the stabilization and long-term upgrade to its school facilities.