

Massachusetts School Building Authority

Steven Grossman
Chairman, State Treasurer

John K. McCarthy
Executive Director



Board Meeting

June 6, 2012



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Project Visits and Votes

- Since the March 28, 2012 Board meeting, the MSBA has visited 42 districts
- Stoneham and Greenfield have voted affirmatively to support proposed projects
- Abington, Bellingham, Gloucester, Holbrook, Lunenburg, Milford, Northborough, North Middlesex, and Wareham have voted affirmatively to appropriate feasibility funds

Project Visits			Groundbreakings / Check Presentations / Topping Off Ceremonies	Project Votes
Adams-Cheshire Berlin-Boylston Billerica Blackstone Valley Boston Bridgewater-Raynham Brookline Burlington Danvers Dedham Douglas Easthampton Gardner Hamilton-Wenham	Hampden-Wilbraham Hudson Holyoke Leominster Longmeadow Maynard Medford Middleton Nashoba Natick Newton Norfolk Northborough Plymouth	Rockland Sharon Shrewsbury Southbridge Spencer-East Brookfield Springfield Sturbridge Sutton Swansea Tri County Uxbridge Wellesley West Springfield Winchester	<p><u>Ground Breaking</u></p> Ashburnham-Westminster Douglas Duxbury Essex Aggie Winchester Norfolk Aggie	Abington Bellingham Gloucester Greenfield Holbrook Lunenburg Milford Northborough North Middlesex Stoneham Wareham
			<p><u>Topping Off Ceremony</u></p> Easthampton East Bridgewater East Somerville	
			<p><u>Ribbon Cutting</u></p> Dedham Sharon Wellesley	



Project Visits and Votes

Upcoming events anticipated in June and July

Project Visits		Groundbreakings / Check Presentations / Topping Off Ceremonies	Project Votes
Adams-Cheshire Berlin-Boylston Brookline Burlington Danvers Grafton Hudson Leominster Longmeadow Maynard Medway Nashoba	Natick Norfolk Plymouth Rockland Sharon Shrewsbury Southbridge Southeastern RVTHS Springfield Sutton Wayland Wellesley	<u>Ground Breakings</u> Hingham Somerset-Berkley <u>Ribbon Cuttings</u> Medway	<u>June</u> Chelsea Newburyport Springfield Webster <u>July</u> Haverhill



Invitation to Eligibility Period

District	School	Year Built	Grade	2011/12 Enrollment	Existing Square Footage
Worcester	Nelson Place School	1927	PK-6	490	44,963



Invitation to Feasibility Study

Districts that have completed all Eligibility Period requirements, appropriated funding, and are recommended to be moved into the OPM Selection phase of the Capital Pipeline.

District	School	Year Built	Grade	Enrollment	Existing Square Footage
Minuteman Regional School District	Minuteman Career and Technical High School	1975	9-12	800*	310,000
North Middlesex Regional School District	North Middlesex Regional High School	1961	9-12	870*	265,000

* Design Enrollment Certification



Invitation to Accelerated Repair Program

Districts that are recommended for invitation into the Accelerated Repair Program.

District	School	Anticipated Scope
Attleboro	A. Irvin Studley Elementary School	Roof
Canton	Lt. Peter M. Hansen School	Window
	William H. Galvin Middle School	Window
Hamilton-Wenham Regional School District	Cutler Elementary School	Roof
New Bedford	John A. Parker Elementary School	Window
Shawsheen Valley Regional Voc. Tech. School District	Shawsheen Valley Technical High School	Boiler
Southampton	William E. Norris Elementary School	Roof
Sudbury	General John Nixon Elementary School	Roof
Taunton	Harold H. Galligan School	Roof and Boiler
Wayland	Wayland Middle School	Roof
Worcester	Chandler Magnet School	Window
	Dr. James A. Caradonio New Citizens Center	Window and Boiler
	Jacob Hiatt Magnet School	Boiler
	Lake View School	Window
	May Street School	Window



Invitation to Science Lab Initiative Program

Districts that are recommended for invitation into the Science Lab Initiative Program.

District	School
Blackstone Valley Regional Vocational Technical School District	Blackstone Valley Regional Vocational Technical High School
Gardner	Gardner High School
Holyoke	William J. Dean Technical High School
Medford	Medford High School
Melrose	Melrose High School
Nashoba Regional School District	Nashoba Regional High School
North Attleborough	North Attleborough High School
Saugus	Saugus High School
Swansea	Joseph Case High School
Tri-County Regional Vocational Technical School District	Tri-County Regional Vocational Technical High School



Preferred Schematic

District	School	Age of Existing Building	Grade	2011/2012 Enroll.	Proj. Enroll	Existing Sq.Ft.	Proposed New Square Footage	Current MSBA Category	Proposed Scope of Project	Estimated Construction Cost of Preferred Schematic	MSBA Total Facility Grant Basis	Reimbursement Rate Before Incentives	Approx. Total Grant amount
Ayer Shirley Regional	Ayer Shirley Regional High School	1963	9-12	307	495	143,808	144,686	Feasibility Study	Add / Reno	\$43,700,000	TBD	56.89%	TBD
Georgetown	Penn Brook Elementary	1970	2-5	474	770 (K-6)	63,640	98,000	Feasibility Study	New (K-6)	\$36,388,225	TBD	49.31%	TBD
Greater New Bedford Regional	Greater New Bedford Regional Vocational Technical High	1977	9-12	2,140	2,060	464,300	490,480	Feasibility Study	Add / Reno	\$18,974,000	TBD	77.47%	TBD
North Adams	Silvio O. Conte Middle School	1917	6-8	currently closed	310 (K-7)	94,000	80,029	Feasibility Study	Add / Reno (K-7)	\$18,700,000	TBD	80.00%	TBD
South Hadley	Plains Elementary School	1932	PK-1	328	270	44,762	63,375	Feasibility Study	New	\$19,728,125	TBD	59.21%	TBD
Springfield	Elias Brookings School	1925	PK-5	329	320	59,769	64,800	Feasibility Study	New	\$21,773,000	TBD	80.00%	TBD



Preferred Schematic | Ayer Shirley

Ayer Shirley Regional High School

- Built in 1963
- Grades 9 – 12
- Enrollment: 495
- Proposed scope of project: Addition / Renovation
- Existing square footage: 143,808 sf
- Total square footage of proposed project: 144,686 sf
- Estimated construction cost of preferred schematic: \$43,700,000



Preferred Schematic | Ayer Shirley

Ayer Shirley Regional High School





Preferred Schematic | Georgetown

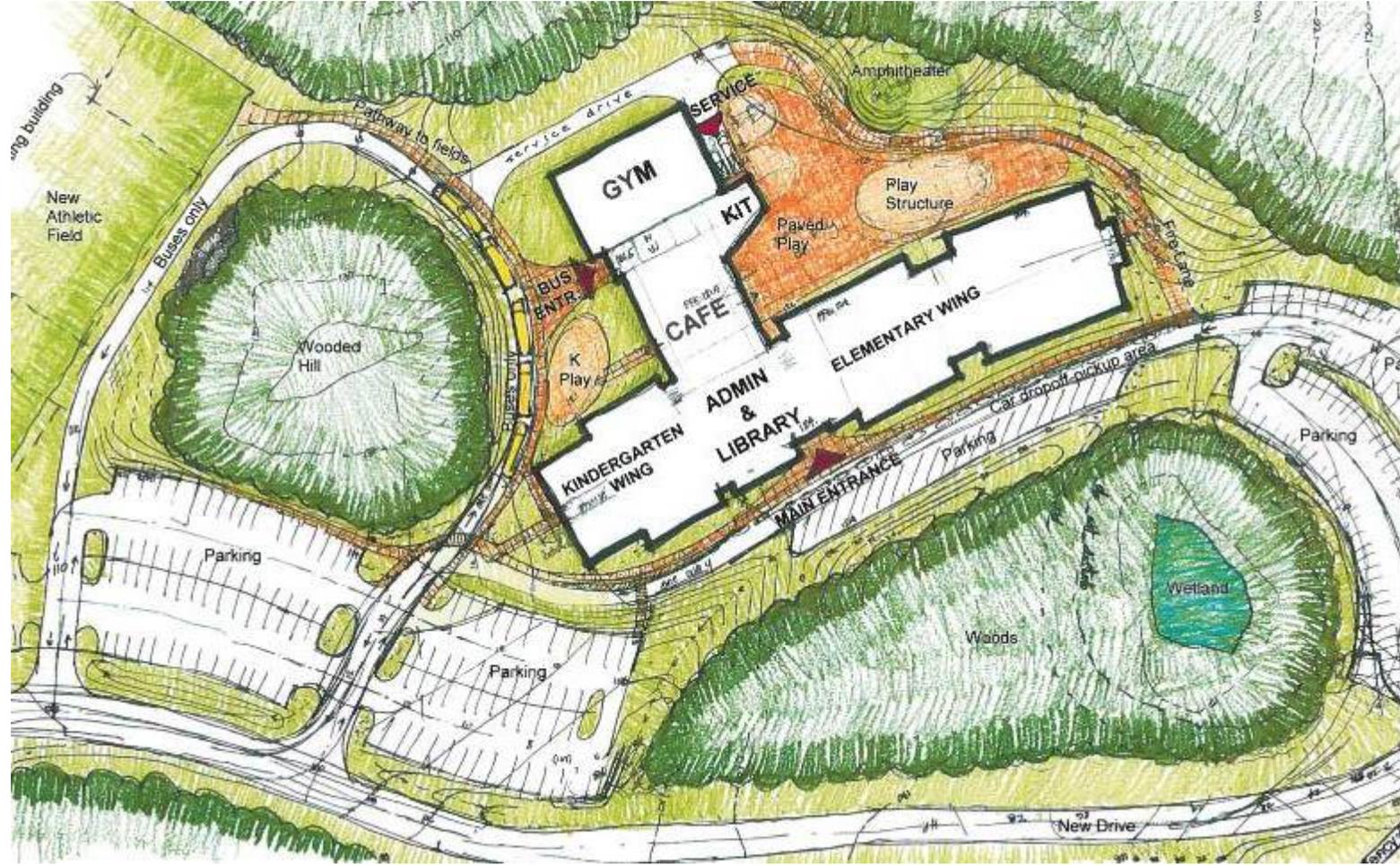
Penn Brook Elementary School

- Built in 1970
- Grades 2 – 5
- Enrollment: 770 (K – 6)
- Proposed scope of project: New Construction
- Existing square footage: 63,640 sf
- Total square footage of proposed project: 98,000 sf
- Estimated construction cost of preferred schematic: \$36,388,225



Preferred Schematic | Georgetown

Penn Brook Elementary School





Preferred Schematic | Greater New Bedford

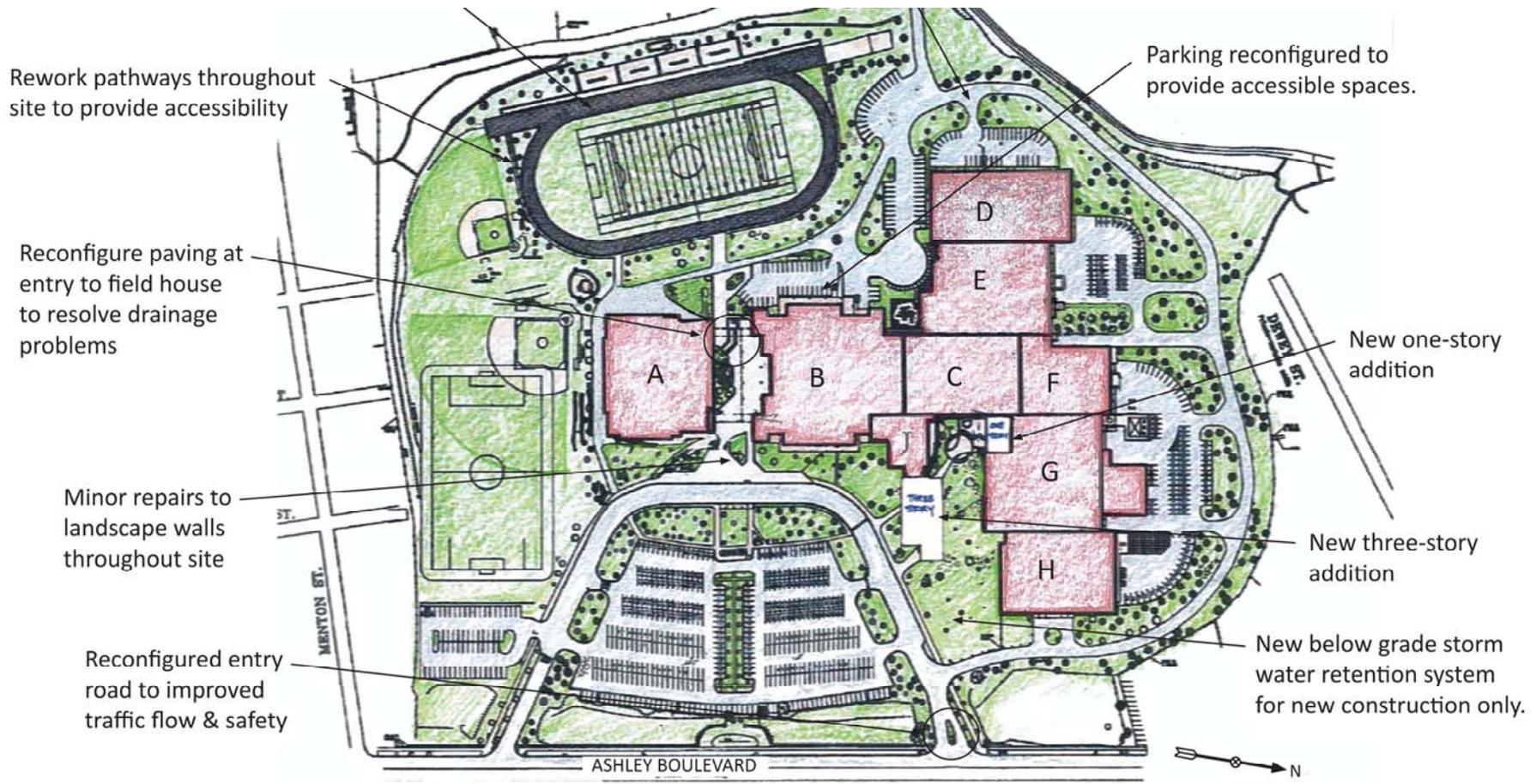
Greater New Bedford Reg. Voc. Tech. High School

- Built in 1977
- Grades 9 – 12
- Enrollment: 2,060
- Proposed scope of project: Addition / Renovation
- Existing square footage: 464,300 sf
- Total square footage of proposed project: 490,480 sf
- Estimated construction cost of preferred schematic: \$18,974,000



Preferred Schematic | Greater New Bedford

Greater New Bedford Regional Voc. Tech. High School





Preferred Schematic | North Adams

Silvio O. Conte Middle School

- Built in 1917
- Grades 6 – 8 (currently closed)
- Enrollment: 310 (K – 7)
- Proposed scope of project: Addition / Renovation
- Existing square footage: 94,000 sf
- Total square footage of proposed project: 80,029 sf
- Estimated construction cost of preferred schematic: \$18,700,000



Preferred Schematic | North Adams

Silvio O. Conte Middle School





Preferred Schematic | South Hadley

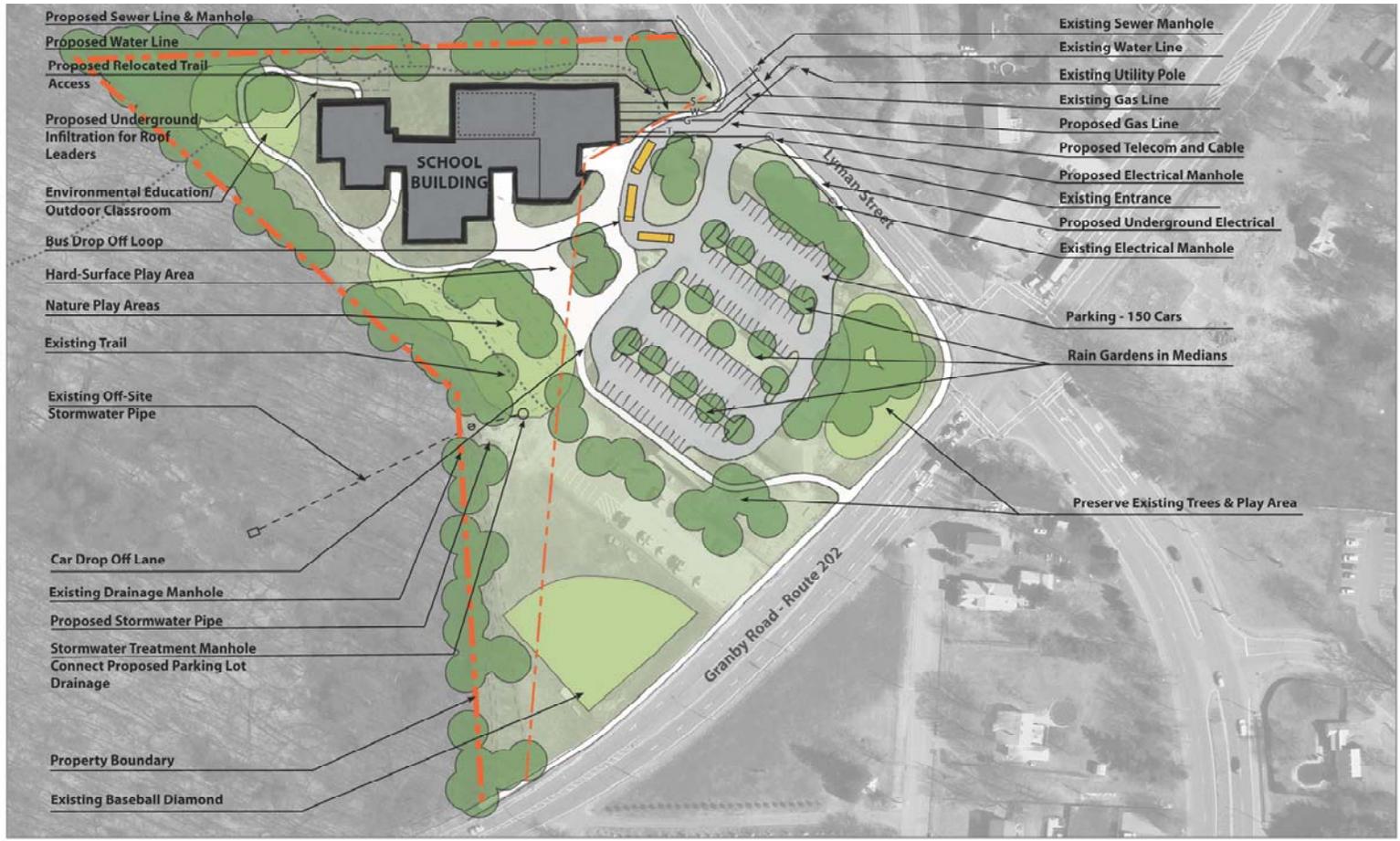
Plains Elementary School

- Built in 1932
- Grades PK – 1
- Enrollment: 270
- Proposed scope of project: New Construction
- Existing square footage: 44,762 sf
- Total square footage of proposed project: 63,375 sf
- Estimated construction cost of preferred schematic: \$19,728,125



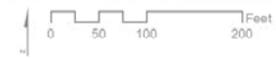
Preferred Schematic | South Hadley

Plains Elementary School



Plains 2 Story

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Preferred Schematic | Springfield

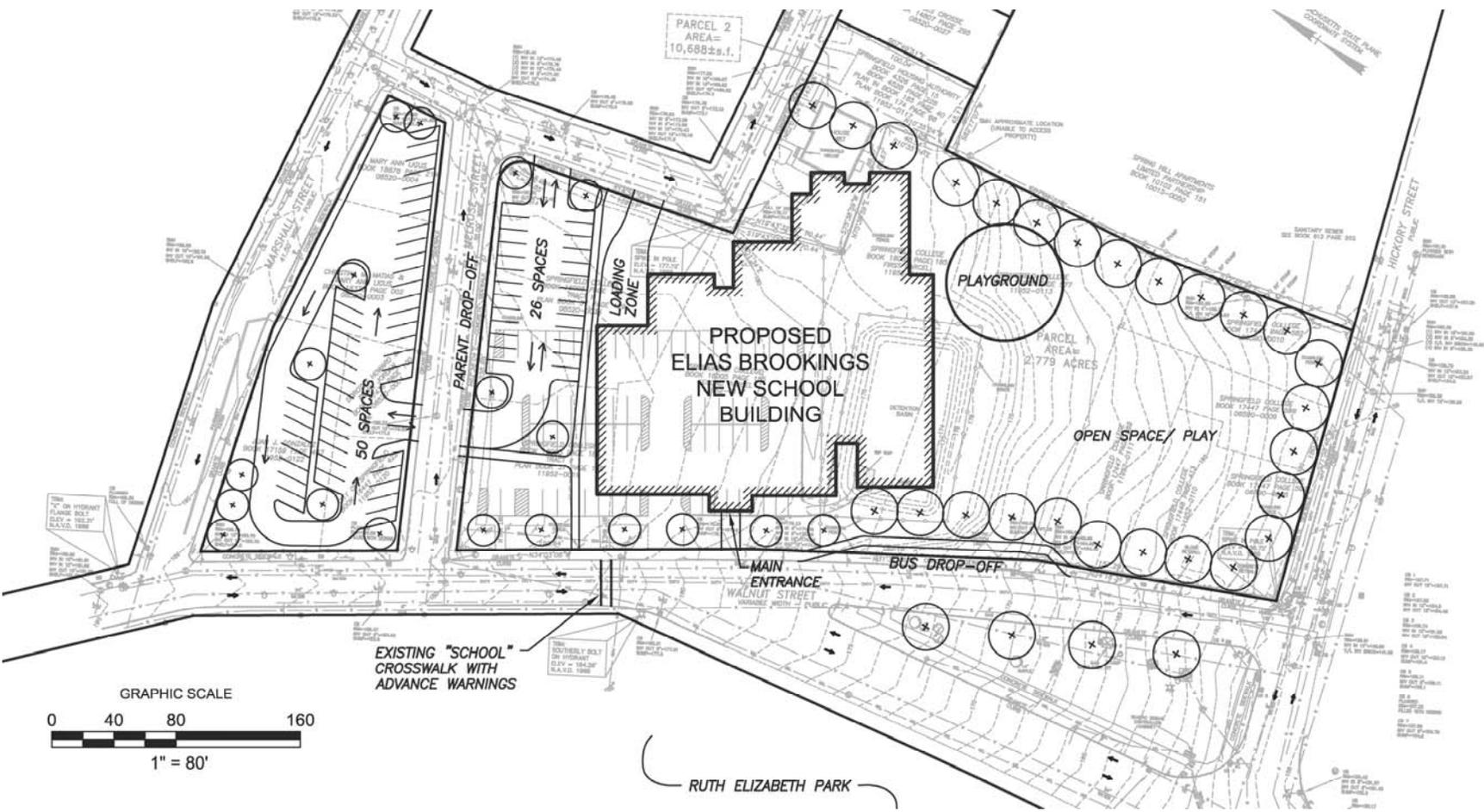
Elias Brookings School

- Built in 1925
- Grades PK – 5
- Enrollment: 320
- Proposed scope of project: New Construction
- Existing square footage: 59,769 sf
- Total square footage of proposed project: 64,800 sf
- Estimated construction cost of preferred schematic: \$21,773,000



Preferred Schematic | Springfield

Elias Brookings School





Project Scope and Budget

District	School	Year Built	Grades	2011/12 Enroll	Projected Enroll	Existing Sq.Ft.	Proposed Square Footage	Project Scope	Total Project Budget	Basis of Estimated Total Facilities Grant	Reimbursement Rate*	Estimated Maximum Total Facilities Grant
Oxford	Oxford Middle School	1968	5-8	652	652	117,000	117,000	Boilers, Roof, Window, Door, HVAC, Floors	\$6,128,870	\$6,033,234	57.74%	\$3,369,847
Springfield	Mary A. Dryden Veterans Memorial School	1953	PK-5	261	280	38,850	40,900	Add / Reno	\$14,397,142	\$9,026,625	80.00%	\$7,221,300
Webster	Park Avenue Elementary School	1960	PK-2	495	720 (PK-4)	61,600	109,067	New (PK-4)	\$46,800,000	\$38,256,917	76.86%	\$29,404,266

\$67,326,012 \$53,316,776

\$39,995,413

*See District specific slides for conditional reimbursement rate incentive point information



Project Funding Agreement | Oxford

Oxford Middle School

- Built in 1968
- Boiler installations, roof, window, door, HVAC, and flooring replacement
- Proposed Square Footage: 117,000 sf
- Grades 5 – 8
- District Total Project Budget: \$6,128,870
- Basis of Estimated Maximum Total Facilities Grant: \$6,033,234
- Reimbursement Rate: 57.74%
- Estimated Maximum Total Facilities Grant: \$3,369,847



Project Scope and Budget | Springfield

Mary A. Dryden Veterans Memorial School

- Built in 1953
- Addition / Renovation
- Proposed Square Footage: 40,900 sf
- Grades PK – 5
- District Total Project Budget: \$14,397,142
- Basis of Estimated Maximum Total Facilities Grant: \$9,026,625
- Reimbursement Rate: 80%*
- Estimated Maximum Total Facilities Grant: \$7,221,300
- City Council Vote: June 11 or June 18, 2012

* The MSBA has provisionally included one incentive point for the Construction Manager at Risk construction delivery method, subject to the District receiving approval from the Office of the Inspector General to utilize this method. The MSBA also has provisionally included two incentive points for energy efficiency, subject to the District meeting certain sustainability requirements for the project. If, however, the District does not qualify for these incentive points, its reimbursement rate of 80% will not be affected because the base rate for the District matches the maximum rate of 80%.



Project Scope and Budget | Webster

Park Avenue Elementary School

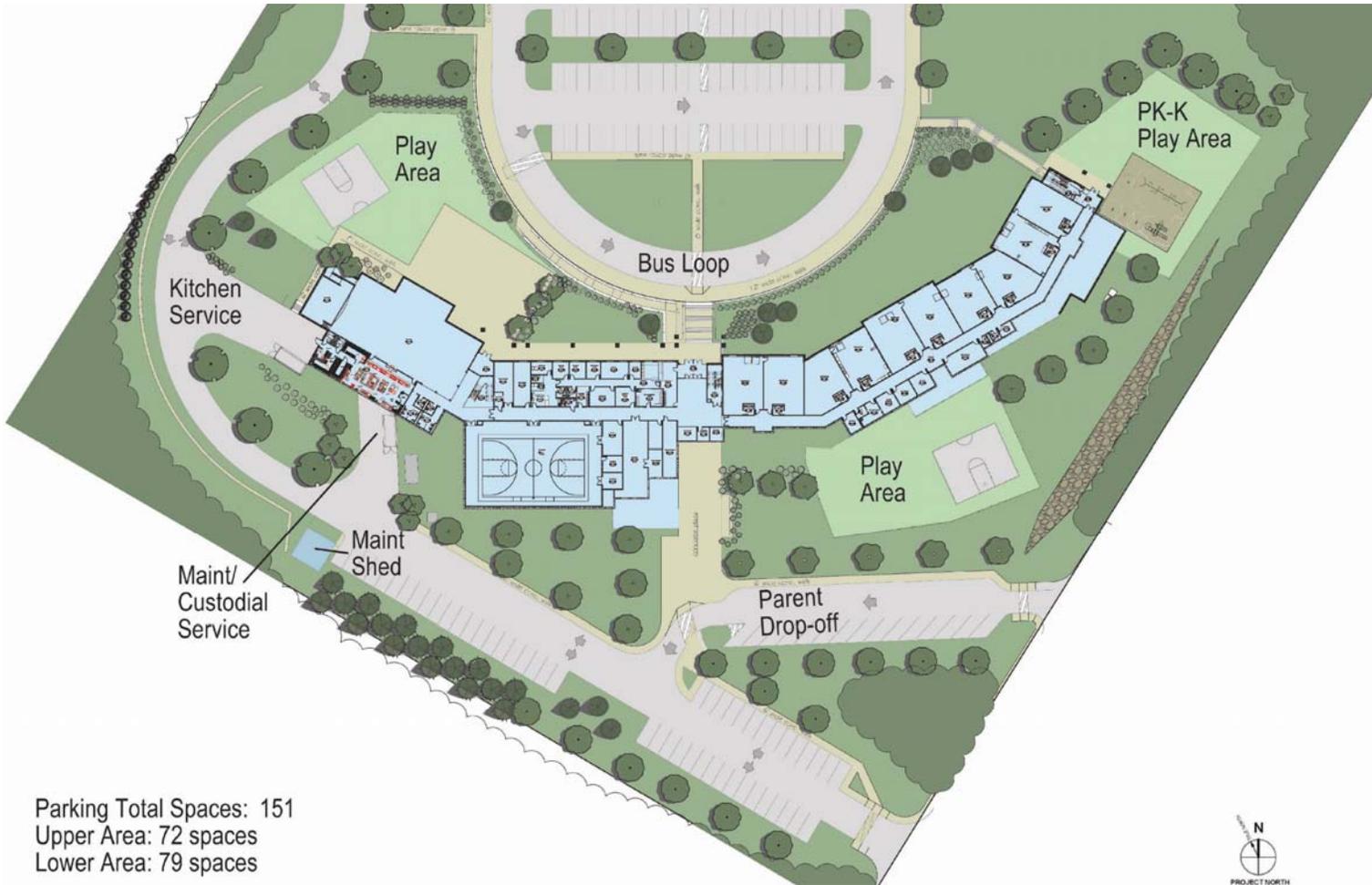
- Built in 1960
- New Construction
- Proposed Square Footage: 109,067 sf
- Grades PK – 4
- District Total Project Budget: \$46,800,000
- Basis of Estimated Maximum Total Facilities Grant: \$38,256,917
- Reimbursement Rate: 76.86%*
- Estimated Maximum Total Facilities Grant: \$29,404,266
- Town Meeting Date: June 11, 2012
- Special Election Ballot: June 25, 2012

* The MSBA has provisionally included one incentive point for the Construction Manager at Risk construction delivery method, subject to the District receiving approval from the Office of the Inspector General to utilize this method. The MSBA also has provisionally included two incentive points for energy efficiency, subject to the District meeting certain sustainability requirements for the project. If the District does not receive approval for the Construction Manager at Risk delivery method and/or does not meet the requirements for energy efficiency, the District will not qualify for these incentive points, respectively, and the MSBA will adjust the reimbursement rate accordingly.

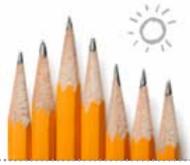


Project Scope and Budget | Webster

Park Avenue Elementary School



Parking Total Spaces: 151
Upper Area: 72 spaces
Lower Area: 79 spaces



Project Update | Southwick-Tolland-Granville

Update on Project Scope and Budget Authorization

- Previously approved on November 16, 2011
- Local override votes passed in Tolland and Granville
- Local override vote failed in Southwick
- \$3 million in value engineering that will not impair the delivery of the District's educational curriculum
- Local override on ballot in Southwick on May 8, 2012 passed.



Project Update | Southern Worcester County

Baypath Regional Technical High School

Update on Project Scope and Budget Authorization

- Previously approved on January 25, 2012
- Local override votes failed in seven of the ten member Towns: Auburn, Dudley, North Brookfield, Oxford, Paxton, Rutland, Webster
- The District is discussing with the Department of Revenue and the Department of Elementary and Secondary Educations a proposed ballot vote in each individual town on the same day that the Southern Worcester County Regional School District would sponsor

Staff awaits formal communication from the District on its plan to hold a district-wide vote and the associated schedule for this activity.



Summary of Bid Data

Year	Number of Projects	Design Basis for Enrollment	Project Budget	Construction Budget
2009	11	8,188	\$205.6 M	\$171.5 M
2010	33	26,184	\$1.37 B	\$1.07 B
2011	20	16,113	\$896.6 M	\$688.6 M
2012	28	24,427	\$1.53 B	\$1.18 B
Grand Total	92	74,912	\$4.00 B	\$3.11 B

Note: These numbers are based on preliminary information received from the District and are subject to further review and calculation.

- 12 projects have completed the bid process in 2012. Of the 12, 5 are CM@R and 7 are DBB. Of the 12 projects, only 4 NTP's and 5 GMP's have been issued.
- Bids received during March – May, 2012:
 - Southeastern RVT, Norton, Arlington, Lynnfield, Hingham, Quincy, Marblehead
- Anticipated Bids in 2012:
 - June – Fairhaven, Somerset-Berkley
 - July – Dracut, Westfield, Saugus



Project Estimate vs. 2012 Bid Amount

- 7 Bids Received & 5 GMPs Executed in 2012
- 17 Additional Projects Anticipated to Bid in 2012

District	School	Scope	Project Type	Bid Date	Construction Estimate **	Bid Amount **	Variance from Project Estimate	Reimbursement Rate	Potential Grant Variance *
				Total	\$304,711,001	\$304,463,768	\$247,233	-	\$3.92M
Winchester	Vison-Owen ES	New	DBB	Jan-12	\$21,731,066	\$20,446,000	\$1,285,066	40.00%	\$514K
Norfolk County Agricultural School District	Norfolk County Agr. HS	Add/Reno	DBB	Feb-12	\$22,257,709	\$20,583,059	\$1,674,650	55.76%	\$934K
Ashburham-Westminster	Briggs ES	New	CMR	Mar-12	\$24,780,629	\$24,780,000	\$629	58.46%	\$368
Arlington	Thompson ES	New	DBB	Mar-12	\$15,766,681	\$14,794,000	\$972,681	50.42%	\$490K
Springfield	Forest Park MS	Add/Reno	CMR	Mar-12	\$34,000,000	\$33,552,930	\$447,070	90.00%	\$402K
Norton	Norton HS	Add/Reno	CMR	Mar-12	\$27,023,541	\$26,632,634	\$390,907	64.42%	\$252K
Somerville	E. Somerville Community School	Add/Reno	CMR	Mar-12	\$26,170,102	\$32,590,244	-\$6,420,142	80.00%	\$0
Southeastern Regional Vocational Technical School District	Southeastern RVTHS	Add/Reno	CMR	Apr-12	\$26,576,567	\$26,500,000	\$76,567	80.00%	\$61K
Hingham	Hingham MS	New	DBB	May-12	\$50,432,439	\$48,705,000	\$1,727,439	43.87%	\$758K
Lynnfield	Lynnfield HS	Add/Reno	DBB	May-12	\$3,165,166	\$2,886,991	\$278,175	43.94%	\$122K
Quincy	Central MS	New	DBB	May-12	\$32,607,101	\$32,124,910	\$482,191	80.00%	\$386K
Marblehead	Glover ES	New	DBB	May-12	\$20,200,000	\$20,868,000	-\$668,000	40.00%	\$0

* These numbers are based on preliminary information received from the district and are subject to further review and calculation.

** The construction estimate and bid amount do not include pre-construction services and alternatives.



Green Repair | Summary of Bid Data*

Construction Bids

- One boiler, four roof, and two window projects are scheduled to bid during the month of June.
- Between December 2010 and April 2012, MSBA staff received bid results for 41 boiler, 92 roof, and 54 window projects.

Of the bids reviewed:

- 74% of roof projects came in under budget,
- 69% of window projects came in under budget, and
- 49% of boiler projects came in under budget.

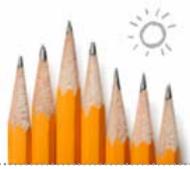
* Bid results are compared to the estimated construction budgets proposed by each district's consultants for approval by the MSBA Board of Directors for a Project Funding Agreement.



Audit Status Update

- Former Program Projects
 - MSBA has completed final audits of 777 of the 789 Former Program projects totaling over \$14.7 billion in submitted costs;
 - Achieved audit savings of over \$1.4 billion; and
 - Audited over \$730 million in costs for the 12 remaining Waiting List projects currently submitting monthly requests for reimbursement.

- New Program Projects
 - MSBA has completed final audits for 70 projects totaling over \$255 million in submitted costs; and
 - Audited over \$1.5 billion in costs for the 214 projects currently submitting monthly requests for reimbursement.

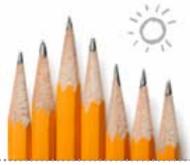


Today's Board Vote

Exhibit A

Waiting List Final Audit

- Falmouth – Falmouth High School



Closeout Audit - Waiting List

District	Type	School Name	Reimb Rate	Estimated Budget	Final Construction Costs Submitted	Audited Eligible Project Costs	Final Total Facilities Grant
Falmouth	Add/Reno	High School	59.70%	\$86,325,000	\$83,835,681	\$59,240,352	\$35,501,179
				\$86,325,000	\$83,835,681	\$59,240,352	\$35,501,179



Board Vote: Exhibit A

- Waiting List Final Audit
 - Falmouth High School
- Total Grant Value of \$35,501,179



Today's Board Vote

Exhibit D

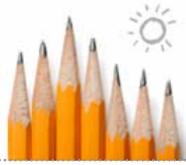
New Program Final Closeout Audits

- Attleboro Hill-Roberts Elementary School
- Attleboro Hyman Fine Elementary School
- Attleboro A. Irvin Studley Elementary School
- Canton Rodman Early Childhood Center
- Canton Canton High School
- Dudley-Charlton Shepherd Hill Regional High School
- Florida Gabriel Abbott Memorial Elementary School
- Leicester Leicester Memorial Elementary School
- Leicester Leicester Middle School
- Lexington Lexington High School
- Littleton Russell Street Elementary School
- Marblehead Village School
- Orange Butterfield Elementary School
- Plymouth Community Intermediate School
- Scituate Wampatuck Elementary School



Closeout Audits - New Program

District	Project Type	School Name	MSBA Commissioning	Reimb. Rate	Estimated Budget	Final Construction Costs Submitted	Audited Eligible Project Costs	Final Total Facilities Grant
Attleboro	GR	Hill-Roberts ES	X	57.74%	\$720,308	\$712,120	\$712,120	\$411,178
Attleboro	GR	Hyman Fine ES	X	57.74%	\$822,498	\$820,836	\$813,026	\$469,441
Attleboro	GR	A. Irvin Studley ES	X	57.74%	\$1,512,244	\$1,463,245	\$1,446,258	\$835,069
Canton	GR	Rodman ECC	X	43.00%	\$253,156	\$237,360	\$237,360	\$102,065
Canton	GR	Canton HS	X	43.00%	\$387,611	\$369,605	\$369,605	\$158,930
Dudley-Charlton	GR	Shepherd Hill RHS	X	57.11%	\$700,226	\$676,080	\$659,953	\$376,899
Florida	GR	Abbott Memorial ES	na	60.76%	\$389,422	\$377,492	\$310,480	\$188,648
Leicester	GR	Memorial ES	na	59.21%	\$49,854	\$47,028	\$39,154	\$23,183
Leicester	GR	Leicester MS	X	59.21%	\$1,101,866	\$950,368	\$877,074	\$519,316
Lexington	GR	Lexington HS	X	33.95%	\$1,197,444	\$1,133,600	\$1,059,046	\$359,546
Littleton	Repair	Russell St. ES	X	47.84%	\$10,521,120	\$15,323,609	\$9,531,807	\$4,560,016
Marblehead	Repair	Village School	X	40.00%	\$15,749,456	\$20,851,353	\$14,291,518	\$5,716,607
Orange	GR	Butterfield ES	na	78.95%	\$142,390	\$141,990	\$141,990	\$112,101
Plymouth	GR	Community IS	X	49.74%	\$4,552,936	\$3,058,056	\$2,843,731	\$1,414,472
Scituate	GR	Wampatuck ES	X	40.68%	\$3,569,689	\$3,552,017	\$3,156,105	\$1,283,904
					\$41,670,220	\$49,714,759	\$36,489,227	\$16,531,375



Board Vote: Exhibit D

New Program Final Closeout Audits

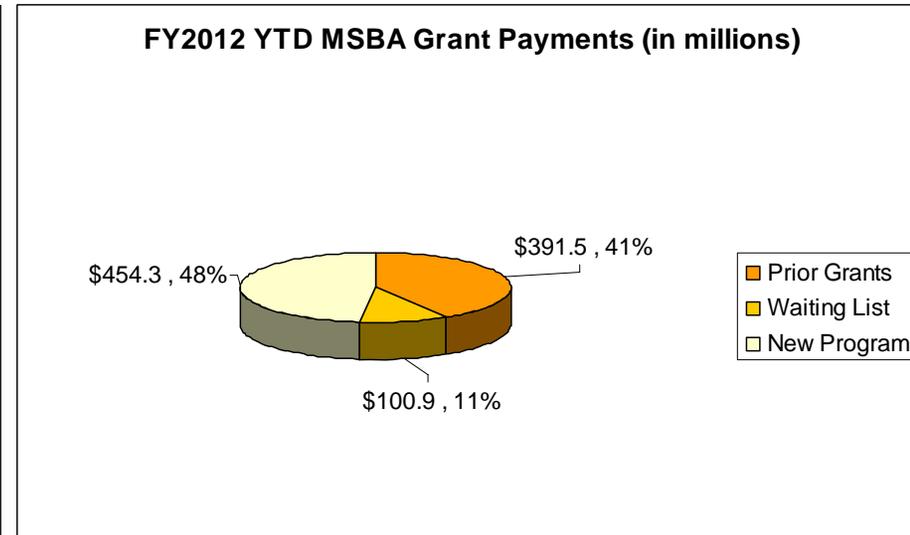
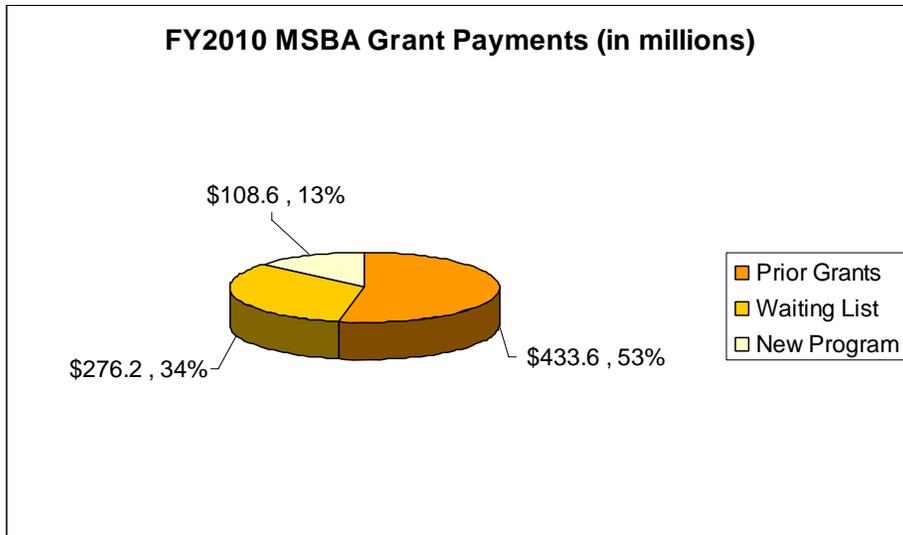
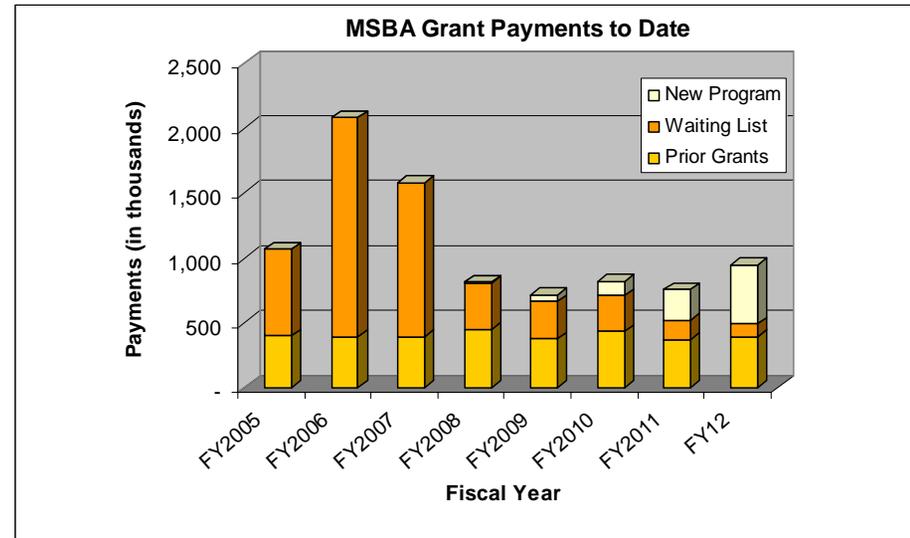
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- **Total Grant Value of \$16,531,375**



Grant Payments Update

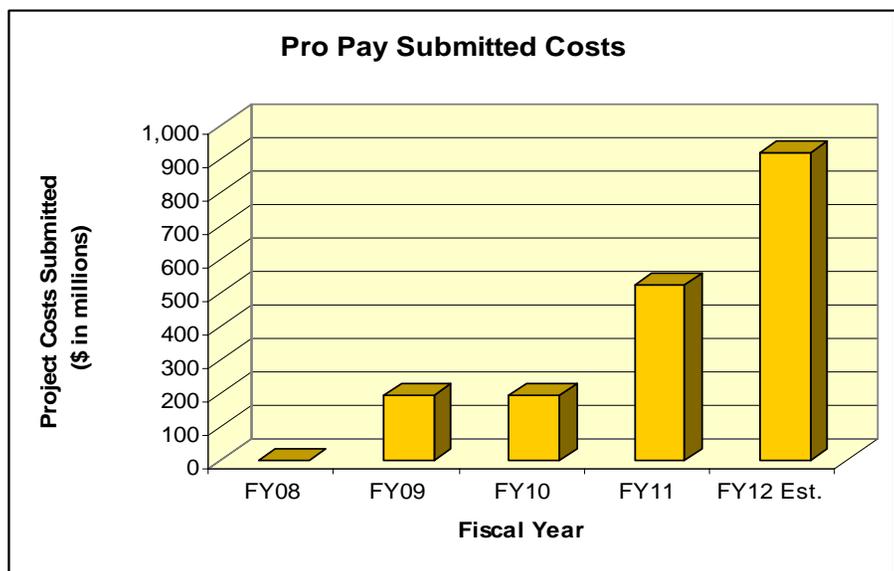
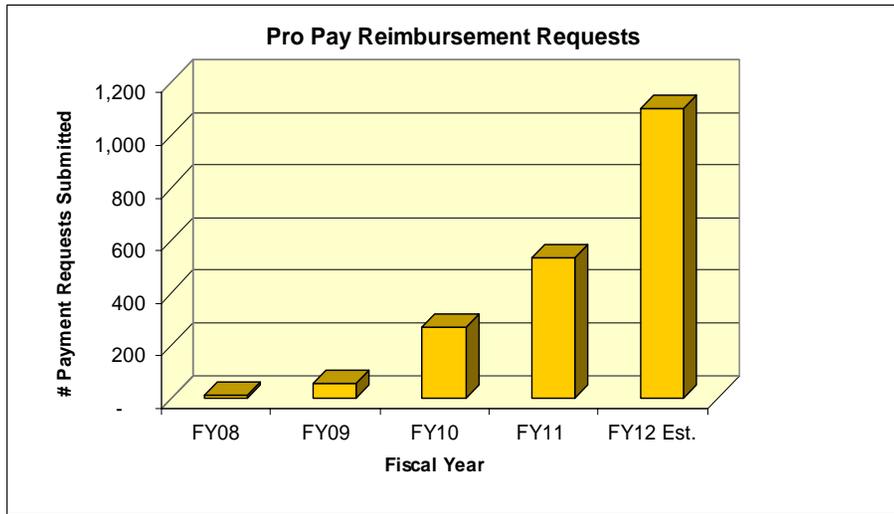
- Grant payments in FY12 are estimated to reach \$1.02 billion
- New Program payments are estimated to represent more than \$500 million of the \$1.02 billion in FY12 estimated grant payments
- Payments for New Program projects represent increasing percentage of all grant payments as projects progress through Capital Pipeline





Capital Pipeline – Pro-Pay Snapshot

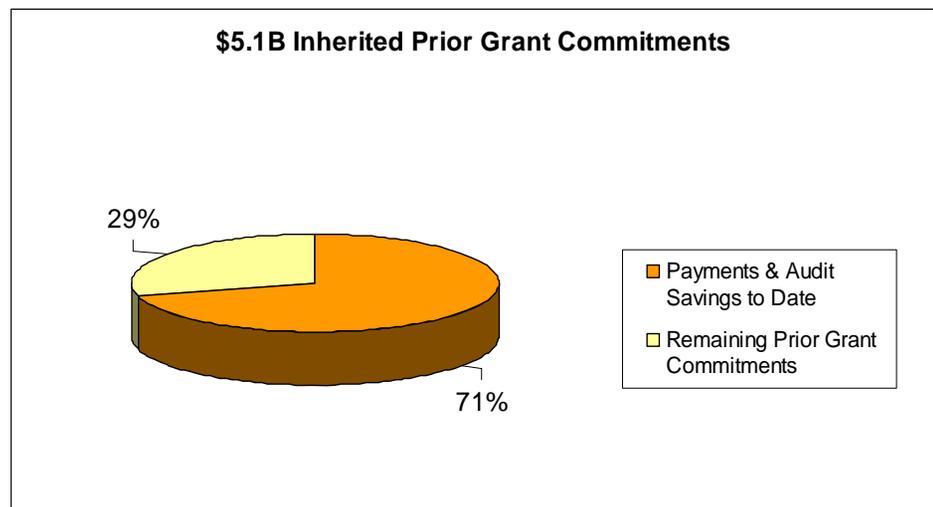
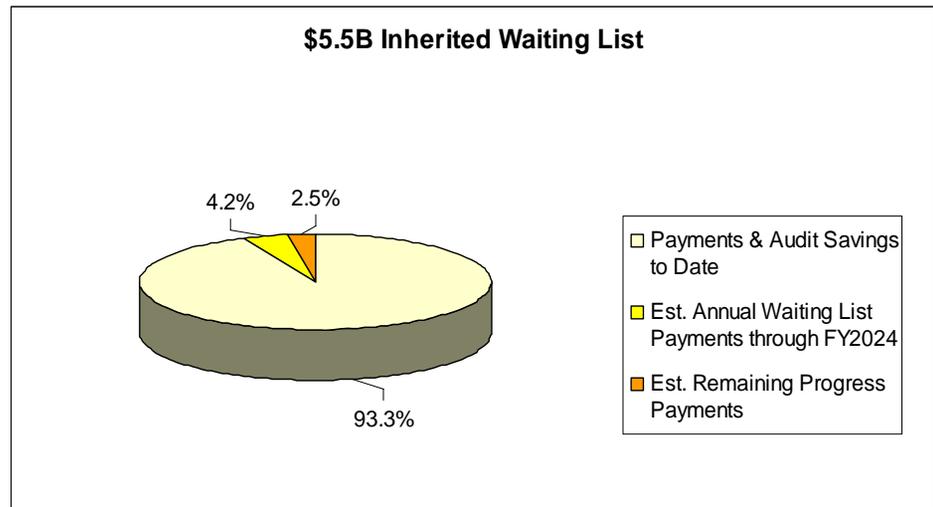
- Pro-Pay activity continues to increase as the New Program projects progress through the Capital Pipeline into active construction
- Estimated that FY12 activity in Pro-Pay will exceed 1,000 requests and approach \$1 billion in submitted project costs





Inherited Liabilities Update

- More than 90% of inherited Waiting List liability retired to date
- More than 70% of inherited Prior Grant commitments retired to date





Sales Tax Update

- FY12 SMART collections tracking towards approximately \$669 million
 - Year-to-date collections have exceeded benchmarks by \$5.1 million (0.8%)
 - \$669 million would represent approx. 2.2% growth from FY11

- FY13 Consensus Estimate for SMART
 - \$689.4 million
 - Approx. 3.8% growth from FY12 estimate
 - Represents approx. \$25 million growth

FY2013 MSBA Operations & Grant Program Budget Recommendations



Expense Category	FY 2012				FY 2013		
	FY2012 Budget	FY2012 Est. Actual	Est. Variance	% Variance	FY2013 Budget Recommendation	Variance	% Variance
Administrative Expense Budget							
Salaries & Benefits ^[1]	\$ 5,155,359	\$ 3,910,440	\$ (1,244,920)	-24.1%	\$ 5,909,845	\$ 754,485	14.6%
General & Administrative Office Expenses ^[2]	\$ 191,532	\$ 190,273	\$ (1,259)	-0.7%	\$ 198,840	\$ 7,308	3.8%
Occupancy & Utilities ^[3]	\$ 949,014	\$ 950,271	\$ 1,257	0.1%	\$ 1,189,048	\$ 240,035	25.3%
Consulting & Professional Support Services ^[4]	\$ 201,537	\$ 225,302	\$ 23,765	11.8%	\$ 207,242	\$ 5,705	2.8%
Information Technology ^[5]	\$ 324,204	\$ 282,282	\$ (41,923)	-12.9%	\$ 282,282	\$ (41,923)	-12.9%
Total Administrative Expense Budget^[6]	\$ 6,821,647	\$ 5,558,568	\$ (1,263,079)	-18.5%	\$ 7,787,257	\$ 965,610	14.2%
Other Post Employment Benefits (OPEB)^[7]	\$ 350,000	\$ 350,000	\$ -	\$ -	\$ 160,000	\$ (190,000)	-54.3%
Capital Program Professional Support Services							
Project Related Legal, Audit & Professional Support Services ^[8]	\$ 10,875,000	\$ 6,423,912	\$ (4,451,088)	-632.4%	\$ 11,793,000	\$ 918,000	8.4%
Cost of Issuance ^[9]	\$ 375,000	\$ 1,018,474	\$ 643,474	171.6%	\$ 1,023,500	\$ 648,500	172.9%
Total Capital Program Professional Support Services	\$ 11,250,000	\$ 7,442,386	\$ (3,807,614)	-33.8%	\$ 12,816,500	\$ 1,566,500	13.9%
Grant Program							
Prior Grants ^[10]	\$ 257,987,496	\$ 390,676,894	\$ 132,689,398	51.4%	\$ 257,111,868	\$ (875,628)	-0.3%
Waiting List ^[11]	\$ 232,555,128	\$ 129,436,520	\$ (103,118,608)	-44.3%	\$ 221,908,512	\$ (10,646,616)	-4.6%
New Program Grants ^[12]	\$ 600,000,000	\$ 502,037,999	\$ (97,962,001)	-16.3%	\$ 600,000,000	\$ -	0.0%
Total Grant Program	\$ 1,090,542,624	\$ 1,022,151,413	\$ (68,391,211)	-6.3%	\$ 1,079,020,380	\$ (11,522,244)	-1.1%
Grand Total - Operating Budget	\$ 1,108,964,271	\$ 1,035,502,367	\$ (73,461,904)	-6.6%	\$ 1,099,784,137	\$ (9,180,134)	-0.8%

[1] FY12 budget included funding for 9 additional FTEs to increase total MSBA staff to 56 FTEs, however, due to leadership transition and strategic planning efforts these hires were deferred until final two quarters of FY12. FY13 Budget Recommendation includes funding for the phased hiring of 13 additional FTEs throughout FY13, which will increase MSBA total FTEs to 69 by FY13 year end.

[2] FY13 Budget Recommendation reflects estimated cost for record storage due to the increasing volume of Board approved projects that can be archived off-site.

[3] FY13 Budget Recommendation reflects anticipated leasing of additional square footage of office space in order to implement staffing plan for effective oversight priority from strategic planning effort.

[4] FY12 Est. Actual variance reflects one-time expenditure associated with strategic planning and performance management effort. FY13 Budget Recommendation variance reflects savings from FY12 one-time costs associated with strategic planning. FY13 Budget Recommendation also reflects anticipated cost associated with RFR for new contract for annual financial audit.

[5] FY12 Est. Actual and FY13 Budget Recommendation reflect the conversion of two IT consultants to FTEs during FY12.

[6] FY12 Est. Actual variance reflects delayed phasing of FY12 staffing plan to accommodate strategic planning effort. FY13 Budget Recommendation reflects anticipated change in expenditures associated with implementation of strategic planning priorities including staffing plan to implement effective oversight priority. FY13 Budget Recommendation also includes anticipated expenditures associated with the increasing volume of active projects in the Capital Pipeline, active construction site visits and records management costs. See footnotes [1-5] for additional information.

[7] With the FY12 transfer of \$350 thousand, the MSBA has set aside \$1.7 million in order to fully fund estimated OPEB obligation as of 6/30/12. The MSBA anticipates the transfer of these funds to the Health Care Security Trust (HCST) for investment following a meeting of the Board of the HCST on 6/19/12. FY13 Budget Recommendation reflects estimated normal cost of OPEB assuming full funding of current obligation by 6/30/12.

[8] Please see footnotes for Capital Pipeline Professional Support Services slide for explanation of variances in these cost categories.

[9] FY12 Est. Actual variance from budget reflects issuance of 2011 Series A (\$142 million), 2011 Series B (\$1 billion), and potential issuance of a refunding series in June 2012. FY13 Budget Recommendation includes estimate for costs associated with multiple refunding opportunities, and one new project funding issuance (approx. \$500 million).

[10] Estimated annual amount pursuant to the Prior Grant payment schedule, and includes anticipated payments associated with current refundings of approximately \$25 million. Total outstanding liability for FY14-FY23 is approximately \$1.3 billion.

[11] FY12 Est. Actual variance from budget reflects slower than anticipated requests for reimbursement from some Waiting List projects. FY13 Budget recommendation includes estimated annual amount pursuant to the Waiting List annual payment schedule, as well as anticipated payments related to current refundings for Waiting List projects of approximately \$75 million. Total outstanding liability for Waiting List is approximately \$370 million, including annual payments FY14-FY24 of approximately \$202 million.

[12] FY12 Est. Actual reflects New Program payments to more than 230 projects benefiting 145 school districts. FY13 Budget Recommendation includes anticipation of more than 1,000 reimbursement requests from over 200 projects.