

# Massachusetts School Building Authority

Deborah B. Goldberg  
*Chairman, State Treasurer*

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*Chief Executive Officer*

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## Board Meeting

September 30, 2015



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# Refunding Authorization Request - Vote

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# Reimbursement Rate Calculation Update

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# Historical Background

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- “Low income” has been defined by ESE as participation in the National School Lunch Program – Free lunch or reduced price lunch.
  
- “Low Income” data have been used for a wide range of purposes
  - School nutrition
  - Chapter 70
  - Federal entitlement allocations (district and school)
  - State grant awards
  - Assessment reporting
  - Accountability system
  - Research projects – consistent across states
  - **School Building Reimbursement Rates**



# A Changing Landscape

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- In 2011-12 school year, the U.S. Department of Agriculture began a three year pilot of the **Community Eligibility Provision (CEP)**.
- Districts or schools that met a certain threshold of qualifying students (40%) could offer free breakfast and lunch to all students without collecting eligibility forms for all students.
- Students are qualified through means other than collecting eligibility forms such as Direct Certification. (EOHHS maintained database tracking enrollment in SNAP, TAFDC, foster care, and MassHealth)



# CEP Benefits

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- Higher participation in breakfast and lunch programs
- Reduced cost to families
- No stigma in program
- Eliminates reporting burden for families and schools
- Eliminates burden of collecting and accounting for lunch fees
- Loss of lunch fees offset by higher USDA reimbursement and cost savings – many districts will come out ahead financially



# Massachusetts Participation in CEP

- Massachusetts joined USDA pilot in 2013-14 and Boston public schools served as the pilot district.
- Starting in 2014-15, the program was available to all districts.

School Year	Number of Districts Participating	Number of Students	Percent of State Enrollment
2013 - 14	1	57,000	6%
2014 - 15	22	142,000	15%
2015 - 16	54*	390,000	41%

\* Based on eligibility – actual number to be determined





# Massachusetts Participation in CEP

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- Because so many districts began participating in CEP, we no longer had an accurate count of FRPL, and as a result, we no longer had our traditional “low income” metric.
- Therefore, we needed a new metric for “low income.”



# Defining a New Metric - Considerations

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- Consistent across all districts (CEP and non-CEP)
- Accurate
- Verifiable
- Student-level
- Minimize administrative burden
- A new name to signal that the methodology was different: “economically disadvantaged”



# How It Works

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- ESE collaborates with EOHHS to match **all enrolled students** against the Direct Certification database.
- Matches students that are participating in SNAP, TAFDC, foster care or MassHealth (up to 130% of poverty).
- Match is run three times a year (October 1, March 1 and end of year).
- Result is a student by student classification of “**economically disadvantaged**” status.



# Implications for MSBA

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- One of three factors in MSBA reimbursement rates is the proportion of “low income students” in your district, as compared to the state average (MGL Ch. 70B, section 10).
- What if I’m a district in the MSBA pipeline, and because of this change from “low income” to “economically disadvantaged,” my reimbursement rate is negatively affected?
  - Analysis indicated this applies to three districts.



# Implications for MSBA

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## **The MSBA Statute does not need to be revised.**

- Under the Statute, the proportion of “low income students” in a district is determined by “federal eligibility for free or reduced price lunch”.
- CEP is a federal lunch program and eligibility for that program is based upon ESE’s Direct Certification of the proportion of “Economically Disadvantaged” students by district.



# Recommendation

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- **Hold the three districts harmless.** (i.e. give them the higher reimbursement rate they *thought* they were getting when they went into the MSBA pipeline – based on FRPL)
  - All future reimbursements starting 1/1/2016 will be made based on “economically disadvantaged”.
- **Maintain existing statutory language.**



# Project Votes

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# 2015 Statement of Interest (SOI) Process

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## Accelerated Repair

- The processing of Accelerated Repair Statement of Interests is complete resulting in 44 projects from 24 Districts voted into the grant program at the June 2015 Board meeting.
  - Submittal count - 61 SOI's from 29 Districts

## Core Program

- The processing of Core Program Statement of Interests continues with the review of material complete and Senior Studies underway with completion anticipated mid-November.
  - Submittal count - 97 SOI's from 67 Districts





# Invitation to Feasibility Study | **Vote**

District	School
Cape Cod Regional Vocational Technical School District	Cape Cod Regional Technical High School
Easthampton	Maple Elementary School
Taunton	James L. Mulcahey Elementary School
Waltham	Waltham High School
Worcester	South High Community School



# Project Funding Agreement Accelerated Repair Program | **Vote**

District	School	Scope	Total Project Budget	Estimated Maximum Total Facilities Grant
Holyoke	E.N. White Elementary School	Boiler	\$487,834	\$332,422
	Morgan Community School	Boiler	\$455,889	\$303,216
<b>Totals</b>			<b>\$943,723</b>	<b>\$635,638</b>



# Preferred Schematic Design | **Vote**

District	School	Project Scope	Estimated Total Construction	Estimated Total Project Costs
Dedham	Early Childhood Education Center	New	\$23,232,843	\$30,488,043
Mount Greylock Regional School District	Mount Greylock Regional School	Add/Reno	\$56,964,178	\$69,478,178
<b>Totals</b>			<b>\$80,197,021</b>	<b>\$99,966,221</b>



# Preferred Schematic Design | Dedham

## Early Childhood Education Center

- Year Opened: 1931
- Current Grade Configuration: PK-K
- Agreed Upon Grade Configuration: PK-K
- Agreed Upon Enrollment: 200 kindergarten students, for a PK-K project
- Proposed Scope of Project: New Construction of an Early Childhood Education Center on the Dexter Elementary School site
- Existing Square Footage: 30,813
- Proposed Square Footage: 50,345
- Estimated Total Construction Cost of Preferred Schematic: \$23,232,843



# Preferred Schematic Design | Mount Greylock RSD

## Mount Greylock Regional School

- Year Opened: 1960
- Current Grade Configuration: 7-12
- Agreed Upon Grade Configuration: 7-12
- Agreed Upon Enrollment: 535 students
- Proposed Scope of Project: Addition / Limited Renovation
- Existing Square Footage: 177,404
- Proposed Square Footage: 132,895
- Estimated Total Construction Cost of Preferred Schematic: \$56,964,178



# Project Scope and Budget | **Vote**

District	School	Project Scope	Total Project Budget	Estimated Maximum Total Facilities Grant
Beverly	Briscoe Middle School	New	\$110,711,080	\$48,018,498
Hopkinton	Center Elementary School	New	\$45,629,373	\$13,763,197
Provincetown	Provincetown Schools	Repair	\$7,310,550	\$3,378,104
<b>Totals</b>			<b>\$163,651,003</b>	<b>\$65,159,799</b>

\*See district specific slides for conditional reimbursement rate incentive point information.



# Project Scope and Budget | Beverly

## Briscoe Middle School

- Year Opened: 1923
- Current Grade Configuration: 6-8
- Agreed Upon Grade Configuration: 5-8
- Agreed Upon Enrollment: 1,395 students
- Scope of Project: New Beverly Middle School for grades 5-8 on the Cabot Street site
- Existing Square Footage: 96,000
- Proposed Square Footage: 231,509
- District Total Project Budget: \$110,711,080
- Estimated Basis Total Facilities Grant: \$85,457,373
- Reimbursement Rate\*: 56.19%
- Estimated Maximum Total Facilities Grant: \$48,018,498

\* The MSBA has provisionally included two (2) incentive points for energy efficiency, subject to the District meeting certain sustainability requirements for the project. If the District does not meet the requirements for the energy efficiency, the District will not qualify for these incentive points, and the MSBA will adjust the reimbursement rate accordingly.



# Project Scope and Budget | Hopkinton

## Center Elementary School

- Year Opened: 1928
- Current Grade Configuration: K-1
- Agreed Upon Grade Configuration: PK-1
- Agreed Upon Enrollment: 395 students, grades K-1, for a PK-1 project
- Scope of Project: New on Irvine site on Hayden Rowe
- Existing Square Footage: 52,000
- Proposed Square Footage: 83,256
- District Total Project Budget: \$45,629,373
- Estimated Basis Total Facilities Grant: \$30,928,532
- Reimbursement Rate\*: 44.50%
- Estimated Maximum Total Facilities Grant: \$13,763,197

\*The MSBA has provisionally included one (1) 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 (2) 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 the 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 | Provincetown

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## Provincetown Schools

- Year Opened: 1931
- Current Grade Configuration: K-8
- Agreed Upon Grade Configuration: K-8
- Agreed Upon Enrollment: N/A
- Scope of Project: Limited Renovation/Repair
- Existing Square Footage: 62,645
- Proposed Square Footage: 62,645
- District Total Project Budget: \$7,310,550
- Estimated Basis Total Facilities Grant: \$6,665,557
- Reimbursement Rate: 50.68%
- Estimated Maximum Total Facilities Grant: \$3,378,104



# Audit Update

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# Audit Status Update

**Former Program**

■ **Today's Vote**

Completed Projects		Projects Currently Submitting for Reimbursement	Estimated Costs Remaining
787	0	1	
2*	0*	2*	
<b>\$15.6 billion of costs</b> <i>submitted and audited</i>		<b>\$63</b> million of costs <i>submitted and audited</i>	Approx. <b>\$473,000</b> of costs <i>to be submitted**</i>

→ \$1.4 billion in audit savings

\* Grant Conversion

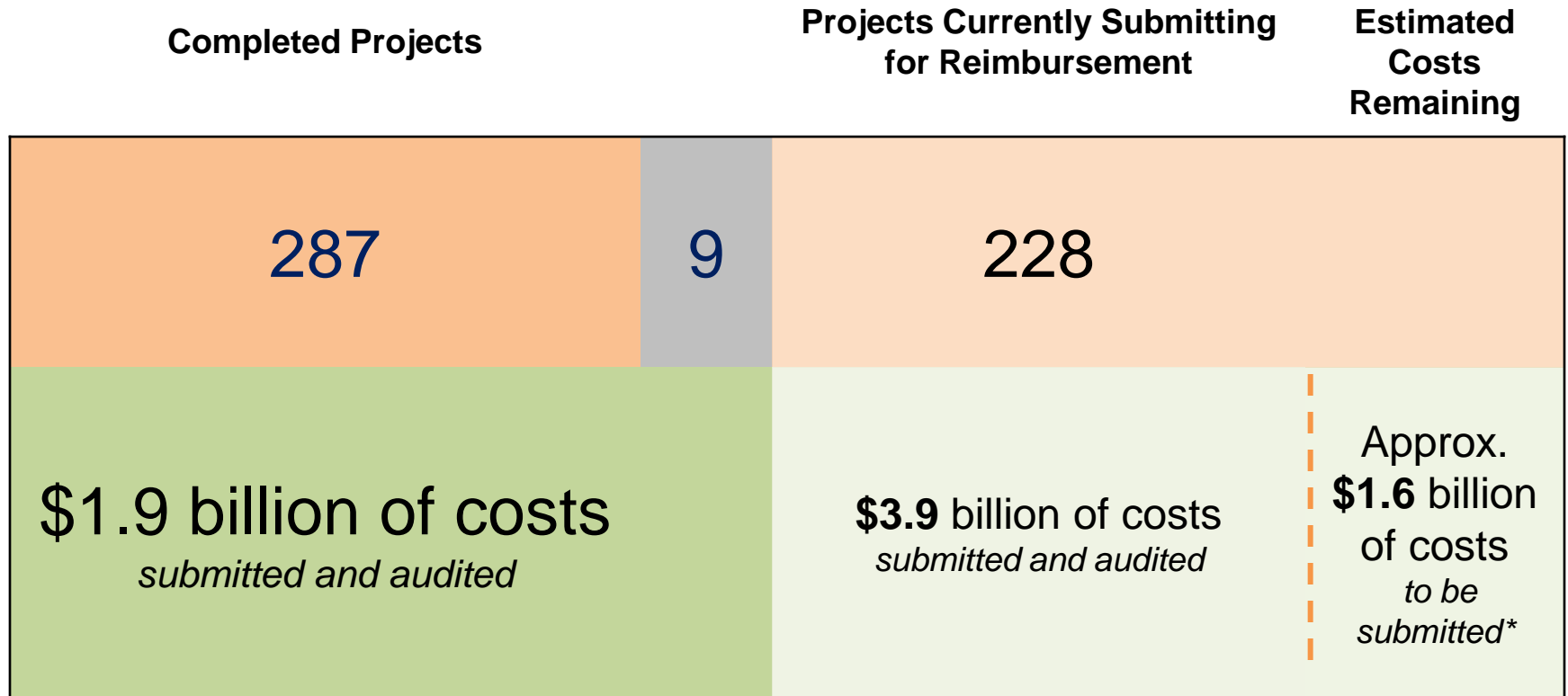
\*\*Estimated based on Total Project Budgets from executed funding and submitted costs as of September 18, 2015.



# Audit Status Update

## New Program

■ Today's Vote



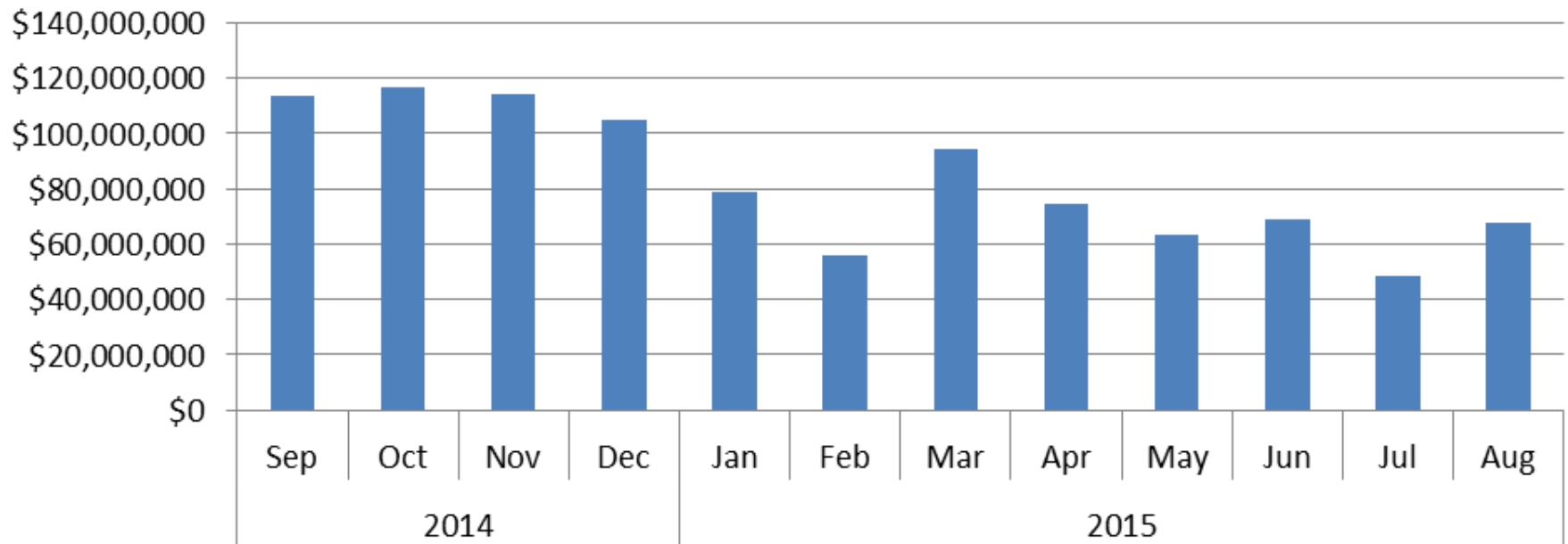
\*Estimated based on Total Project Budgets from executed funding agreements and submitted costs as of September 18, 2015.



# New Program: Monthly Audited Project Costs

- Rolling 12 month submitted costs monthly average of \$83.5 million
- Total 12 Month Audited Costs = \$1billion

## New Program Monthly Audited Project Costs





# New Program: Closeout Audits

Today's Vote: Exhibit D, Approval of Final Audits:

District	School Name	MSBA Cx	Reimb. Rate	Total Project Budget	Final Costs Submitted	Basis for Final Total Facilities Grant	Final Total Facilities Grant
Leverett	Leverett Elementary	X	51.42%	\$581,235	\$602,299	\$467,727	\$240,505
Maynard	Maynard High	X	56.42%	\$45,654,695	\$43,754,359	\$38,917,068	\$21,957,010
Nauset Regional School District	Nauset Reg Middle	X	37.32%	\$1,534,204	\$1,407,923	\$1,358,697	\$507,066
Peabody	John E Burke Elementary	X	53.32%	\$3,473,534	\$3,502,450	\$2,619,437	\$1,396,684
Peabody	William A Welch Elementary	X	53.32%	\$1,437,800	\$1,434,481	\$1,165,031	\$621,195
Pentucket Regional School District	Pentucket Reg Middle	X	50.79%	\$1,320,954	\$1,251,365	\$1,148,889	\$583,521
Sturbridge	Burgess Elementary	X	57.92%	\$33,842,697	\$33,368,722	\$26,355,456	\$15,265,080
Walpole	Fisher Elementary	X	48.68%	\$1,925,736	\$1,484,377	\$1,165,276	\$567,256
Westhampton	Westhampton Elementary	X	50.58%	\$574,854	\$460,606	\$441,343	\$223,231
			<b>TOTAL</b>	<b>\$90,345,709</b>	<b>\$87,266,582</b>	<b>\$73,638,924</b>	<b>\$41,361,547</b>



# MSBA Updates

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- **CEO Report**
- Executive Director's Report
- Project Overview Report



# MSBA Updates

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# Project Visits & Local Votes

- Since the August 6, 2015 Board meeting, the MSBA has visited 28 projects.
- Three Districts have voted affirmatively to appropriate feasibility funds.
- Two Districts have voted affirmatively to appropriate full project funds.

Project Visits			Local Votes
Assabet Valley RSD Athol-Royalston RSD Ayer Shirley Bridgewater Concord-Carlisle RSD Franklin Georgetown (MHS) Georgetown (Penn Brook ES) Gloucester Greater Lowell RSD	Greenfield Lunenburg Lynn Milford North Adams North Middlesex North Reading Northborough Plymouth Revere	South Hadley Southwick-Tolland RSD <i>(Woodland ES)</i> Southwick-Tolland RSD <i>(Powder Mill IS)</i> Southwick-Tolland RSD <i>(Regional HS)</i> Wachusett RSD West Bridgewater Winchester Worcester County RSD	<b>Feasibility Funds</b> Greater Lowell RSD Waltham Worcester Country RSD  <b>Full Project Funds</b> Beverly New Bedford



# Project Milestones

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Since the August 6, 2015 Board meeting, the MSBA has attended six project milestone celebrations.

## **Ribbon Cutting Ceremonies**

- Auburn, Auburn MS
- North Reading, North Reading MS
- Sutton, Sutton MS/HS
- Webster, Park Ave ES
- West Bridgewater, West Bridgewater M/HS

## **Groundbreaking Ceremonies**

- Plymouth, Plymouth South HS



# Project Visits

Upcoming site visits anticipated in October and November:

## Project Visits

Assabet Valley RSD  
Athol-Royalston RSD  
Ayer Shirley RSD  
Georgetown (M/HS)  
Georgetown (Penn Brook ES)  
Gloucester

Greater Lowell RSD  
Lunenburg  
Lynn  
Milford  
Newton  
North Reading

Northborough  
Peabody  
Winthrop  
Worcester County RSD



# MSBA Staff Update

## Exceptional Service!

Thank you to

**Mary Pichetti, Paul Fowkes,  
Christy Murray, and Tom Kazmowski**

*for their leadership, management, tolerance, and dedication*

**and the entire MSBA Team**

*for their help, patience, and cooperation*

*during the MSBA Office Renovation project,*

*now in its final stages of completion.*



# MSBA Updates

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- CEO Report
- Executive Director's Report
- **Project Overview Report**



# Summary of Bid Data

Year	Number of Projects	Design Basis for Enrollment	Project Budget	Construction Budget
2015	13	10,370	\$875.4 M	\$692.1 M
2016	5	3,310	\$346.3 M	\$284.2 M
<b>Total</b>	<b>18</b>	<b>13,680</b>	<b>\$1.22 B</b>	<b>\$976.3 M</b>

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

## Anticipated Bids in 2015

- October – Abington (DBB), Chelsea (CMR),
- November – Boston (CMR), Holbrook (CMR)
- December – Scituate (DBB)



# Core Program Construction Estimate vs. 2015 Bid Amount

- Eight of the 13 bids received in 2015.
- Of the eight, six bids came in within the estimated budget.

District	School	Scope	Project Type	Bid Date	Construction Estimate **	Bid Amount **	Variance from Construction Estimate	Reimbursement Rate	Potential Grant Variance *
				Total	\$368,598,794	\$365,235,838	\$4,748,997	-	\$2,923,819
Gloucester	West Parish ES	New	CMR	Jan-15	\$29,995,466	\$29,995,466	\$0	59.73%	\$0
Milford	Woodland ES	New	CMR	Jan-15	\$48,381,844	\$48,375,101	\$6,743	59.94%	\$4,042
Georgetown	MS/HS	Repair	DBB	Mar-15	\$5,861,090	\$5,407,622	\$453,468	52.13%	\$236,393
Winthrop	MS/HS	New	CMR	Apr-15	\$63,542,179	\$63,542,179	\$0	59.97%	\$0
Northborough	Lincoln St ES	Add/Reno	DBB	May-15	\$18,224,600	\$18,450,000	\$0	52.88%	\$0
N. Middlesex RVTHS	N. Middlesex RVTHS	New	DBB	May-15	\$68,829,726	\$64,995,000	\$3,834,726	60.63%	\$2,324,994
Plymouth	Plymouth SHS	New	DBB	Jul-15	\$83,765,059	\$84,925,700	\$0	53.37%	\$0
Haverhill	Caleb Dustin Hunking ES	New	CMR	Jul-05	\$49,998,830	\$49,544,770	\$454,060	78.93%	\$358,390

\*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.



# Construction Estimate vs. Bid Amount

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## **2014 Accelerated Repair Program**

- 96% of the 26 reported projects came within the estimated budget.
- 11 additional projects are scheduled to be reported prior to the November 18, 2015 Board of Directors meeting.
- 10 projects will bid after the November 18, 2015 Board meeting. Five of the 10 projects will be bid between the November Board Meeting and December 31, 2015. The remaining five projects will bid prior to February 28, 2016.





# Finance Update

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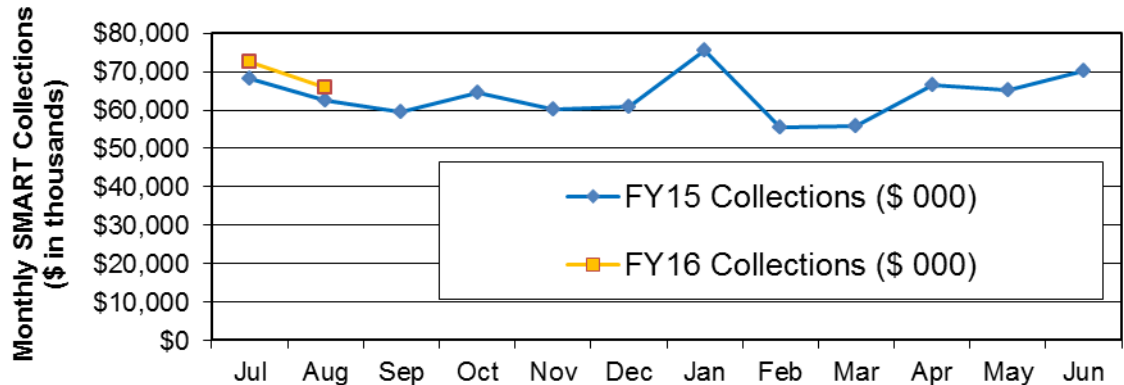


# FY2016 SMART Collections Update

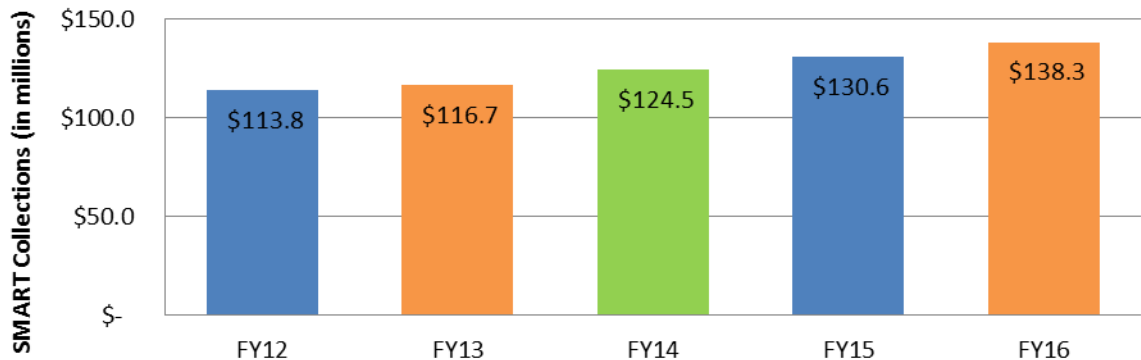
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
<b>FY15 Collections (\$ 000)</b>	68,214	62,366	59,553	64,652	60,072	60,703	75,691	55,434	55,661	66,538	65,063	70,079	764,026
<b>FY16 Collections (\$ 000)</b>	72,473	65,832											138,305
<b>Change (\$ 000)</b>	4,259	3,466											
<b>% Change</b>	6.2%	5.6%											

- FY16 SMART collections through August were approximately \$7.7 million (5.9%) greater than FY15 collections during the same period.
- Collections through August for each of the most recent three fiscal years have exhibited average year-over-year growth in excess of 5.0%.

## FY16 Monthly SMART Collections



## SMART Collections FY12 - FY16 July to August YTD



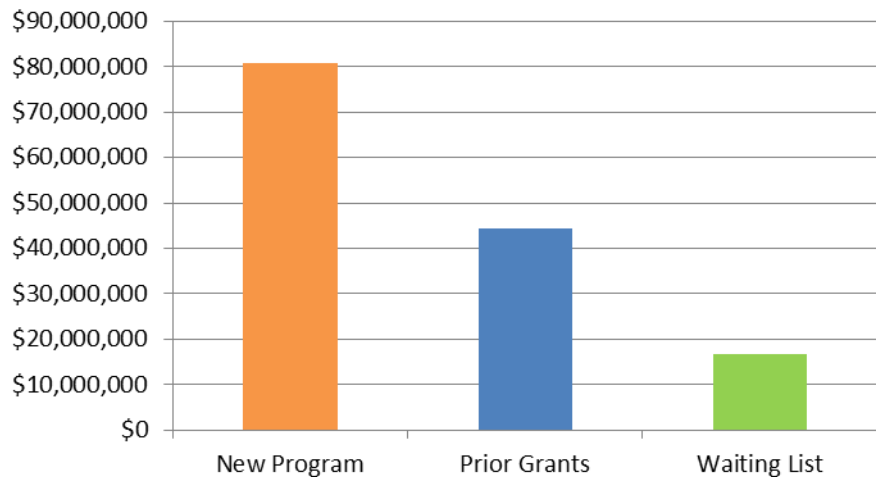


# Grant Payments – FY2016 YTD Update

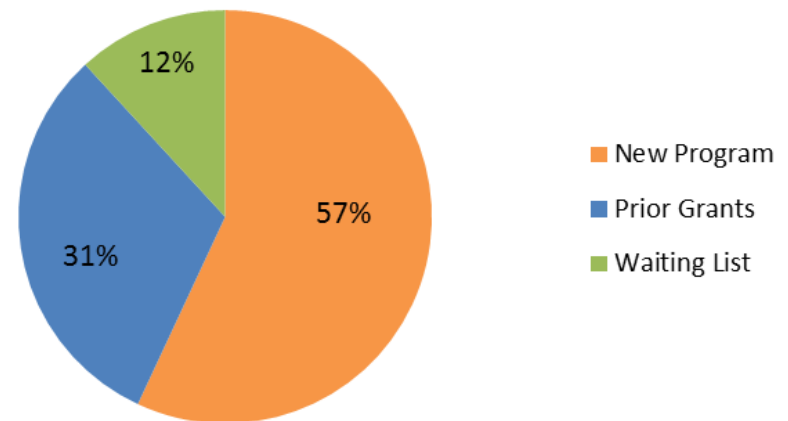
## FY2016 YTD Grant Payments Summary\*

Program	Grant Payments	# Projects	# Districts
New Program	\$ 80,877,417	76	63
Prior Grants	\$ 44,341,367	64	50
Waiting List	\$ 16,802,386	28	21
<b>Total</b>	<b>\$ 142,021,170</b>	<b>168</b>	<b>121</b>

## FY2016 Grant payments – YTD by Program



## FY2016 Grant Payments – YTD % by Program



\* Reflects grant payments as of September 22, 2015.