

MEMORANDUM

TO: Board of Directors, Massachusetts School Building Authority
FROM: James A. MacDonald, First Deputy Treasurer, Chief Executive Officer
John K. McCarthy, Executive Director, Deputy Chief Executive Officer
DATE: June 20, 2018
RE: Reconciliation of Approved Projects to the Annual Program Funding Cap

In accordance with the administrative procedures presented at the May 12, 2017 Board of Directors (the “Board”) meeting, this memorandum summarizes the annual reconciliation that compares the total grants for projects approved by the Board to the calculated annual program funding cap for each fiscal year. This memorandum provides the reconciliation for fiscal year 2018 (“FY 18”) and provides the total remaining funds for which the total grants for approved projects is less than the FY 18 annual cap. This memorandum recommends that the Board pre-approve these remaining FY 18 funds that could be applied to either one or more projects that are anticipated for approval in fiscal year 2019 (“FY 19”).

Discussion

The MSBA statute places a limit upon the estimated amount of grants that can be approved by the MSBA during a fiscal year. That annual estimated grant limit (“grant cap”) 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 4.5 per cent. In May 2017, the MSBA implemented grant cap reconciliation procedures which enable the MSBA to annually calculate and capture unallocated grant cap space at the close of each fiscal year. If there is any unallocated grant space remaining at the close of the fiscal year, the Board of Directors is asked to approve that unallocated grant cap space for the funding of future Projects.

In accordance with the above procedures, staff have completed the annual reconciliation for projects approved in FY18 and summaries of available cap space and approved estimated grants are presented below:

SUMMARY OF AVAILABLE CAP SPACE
FISCAL YEAR 2018

SOURCE	AMOUNT	DATE
Pre-Authorized Grant Funding Cap Space from FY 17	\$113,093,418	6/21/17
Annual Grant Funding Cap Space for FY 18	\$575,424,067	FY 18
Authorized Reallocation of Available Grant Cap Space from FY 08 - FY 16	\$209,754,987	12/13/17
Reallocation of Available Grant Cap Space from Westfield Project Removal	\$20,000,000	4/10/18
Reallocation of Available Grant Funding Cap Space from Final Audits Approved by the Board on 12/13/17 and 2/14/18	\$16,489,897	4/10/18
Reallocation of Available Grant Funding Cap Space from Final Audits presented to Board on 4/10/18	\$8,805,822	4/10/18
Reallocation of Available Grant Funding Cap Space from Final Audits to be presented to Board on 6/27/18.	\$10,309,905	6/27/18
Available Grant Funding Cap Space for FY 18	\$953,878,096	

Staff note that at the April 10, 2018 Board meeting the reconciliation amount inadvertently carried a \$10,000,000 credit for the removal of Clarksburg. However, the removal of the Statement of Interest for the Clarksburg Elementary School occurs within the same fiscal year as the board authorization and therefore the Clarksburg project removal is accounted for below in the summary of approved estimated grants shown in Attachment C.

SUMMARY OF APPROVED ESTIMATED GRANTS
FISCAL YEAR 2018

	Approved Project Obligations
Core Program Feasibility Study Invitations (Refer to Attachment A for more information)	\$13,407,660
Accelerated Repair Program Project Scope and Budget Approvals (Refer to Attachment B for more information)	\$73,280,673
Core Program Project Scope and Budget Approvals (Refer to Attachment C for more information) – needs to be updated	\$845,241,756
Total	\$931,930,089

Staff note that Attachment C has been adjusted to reflect three project removals approved in FY 18: Clarksburg, Tisbury and Ipswich. In addition, the Bristol County Agricultural School, approved at the June 27, 2018 Board meeting, has been allocated to the annual cap effective as of July 1, 2018.

Available Cap Space for FY 18:	\$953,878,096
Approved Estimated Grants in FY 18:	<u>-\$931,930,089</u>
Amount available for pre-approval at June FY 18 Board meeting:	\$21,948,007

Based on current schedules provided, MSBA staff anticipate higher grant activity in FY 19 than provided for in the projected FY 19 annual cap. This pre-approval will be in addition to the FY 19 cap and will allow MSBA staff to move districts forward to maximize the number of projects approved within each fiscal year.

Unused Cap Space from FY 18:	\$21,948,007
Estimated Annual Cap Space for FY 19:	<u>+\$587,767,716</u>
Estimated Cap Space available for authorization in FY 19¹:	\$609,715,723

RECOMMENDATION: Based on the review and findings described above staff recommends that the Board pre-approve \$21,948,007 from the remaining FY 18 funds that could be applied to either one or more projects that are anticipated for approval in FY19.

¹ A Maximum Total Facilities Grant of \$53,286,797 for the Bristol County Agricultural Regional School District's Bristol County Agricultural High School project was allocated to the FY19 annual cap on June 27, 2018.

**Attachment A
Core Program
Feasibility Study Invitations**

District	School	Invitations to Conduct a Feasibility Study
Bridgewater-Raynham Regional School District	George H. Mitchell Elementary School	\$445,040
Gardner	Waterford Street Elementary School	\$592,125
Millbury	Raymond E. Shaw Elementary School	\$309,430
Westborough	Annie E. Fales Elementary School	\$225,550
Braintree	South Middle School	\$328,770
Easton	Center Elementary School	\$522,600
Leicester	Leicester Middle School	\$444,075
Rockland ¹	Jefferson Elementary School	\$507,280
Sharon	Sharon High School	\$861,080
Acton-Boxboro Regional School District	C.T. Douglas Elementary School	\$589,160
Gloucester	East Gloucester Elementary School	\$610,200
Lawrence	Oliver Partnership School	\$3,200,000
Nauset Regional School District	Nauset Regional High School	\$493,350
Orange	Dexter Park School	\$700,000
Worcester	Doherty Memorial High School	\$1,579,000
Fitchburg	Crocker Elementary School	\$800,000
Springfield	William N. DeBerry Elementary School	\$1,200,000

Feasibility Study Obligations: \$13,407,660

**Attachment B
Accelerated Repair Program
Project Scope and Budget Approvals**

District	School	Scope	Executed Project Funding Agreements Maximum Total Facilities Grant
New Bedford	Elizabeth C. Brooks Elementary School	Windows/Doors; Partial Boiler	\$1,614,429
Westford	Abbot Elementary School	Partial Roof	\$1,119,772
Athol-Royalston	Athol High School	Roof; Boiler; Windows/Doors	\$7,614,398
East Longmeadow	Meadow Brook	Windows/Doors; Partial Boiler	\$1,460,645
Quincy	North Quincy High School	Partial Roof	\$1,052,440
Randolph	Margaret L. Donovan Elementary School	Boiler; Windows/Doors	\$3,705,116
Randolph	Martin E. Young Elementary School	Windows/Doors; Partial Boiler	\$1,763,425
Weymouth	Thomas W. Hamilton Primary School	Boiler	\$579,462
Weymouth	Wessagusset Primary School	Boiler	\$575,404
Worcester	Elm Park Community School	Windows/Doors; Partial Boiler	\$2,258,929
Worcester	Lincoln Street Elementary School	Partial Roof; Windows/Doors	\$2,032,874
Worcester	Thorndyke Road Elementary School	Partial Windows/Doors	\$1,728,763
Boston	Charles Sumner Elementary School	Boiler	\$863,996
Boston	East Boston High School	Boiler	\$1,802,835
Boston	Hugh Roe O'Donnell Elementary School	Boiler	\$792,952
Boston	Maurice J Tobin K-8 School	Boiler	\$1,200,705
Boston	William E Russell Elementary School	Roof	\$1,213,296
Holyoke	Dr. Marcella R. Kelly Community School	Windows/Doors	\$4,944,887
Holyoke	Lt Clayre Sullivan School	Windows/Doors	\$3,802,404
Holyoke	William G. Morgan Community School	Partial Windows/Doors; Boiler	\$1,864,509
Lawrence	Community Day Arlington Elementary School	Roof; Boiler	\$2,476,517
Lynn	Hood Elementary School	Roof; Windows/Doors	\$4,434,038
Seekonk	Mildred H. Aitken School	Partial Windows/Doors; Boiler	\$646,884
Springfield	South End Middle School	Window/Doors	\$1,742,550
Blackstone-Millville	John F Kennedy Elementary School	Partial Windows/Doors; Boiler	\$2,648,514
Boston	John Marshall Elementary School	Windows/Doors	\$3,352,611
East Bridgewater	Central Elementary School	Boiler	\$866,916
Fall River	James Tansey Elementary School	Windows/Doors; Partial Boiler	\$2,093,661
Fall River	Samuel Watson Elementary School	Roof; Windows/Doors; Partial Boiler	\$4,207,222
Grafton	North Street Elementary School ¹	Windows/Doors	Withdrew
Lawrence	School for Exceptional Studies	Roof	\$3,284,575
Mansfield	Mansfield High School	Partial Windows/Doors	\$901,798
Norton	Henri A. Yelle Elementary School	Windows/Doors	\$2,165,112
Norton	J. C. Solmonese Elementary School	Windows/Doors	\$1,295,335
Norton	L G Nourse Elementary School	Windows/Doors	\$1,173,699

Accelerated Repair Program Total Project Obligations: \$73,280,673

¹. District submitted a Statement of Interest Removal Form.

**Attachment C
Core Program
Project Scope and Budget Approvals**

District	School	Board Authorized Maximum Total Facilities Grant	Previously Authorized Costs	Board Authorized Maximum Total Facilities Grant in Fiscal Year 2018
Blue Hills Regional School District	Blue Hills Regional Technical High School	\$44,394,076	\$549,366	\$43,844,710
Cape Cod Regional Vocational Technical School District	Cape Cod Regional Technical High School ¹	\$47,862,015	\$422,000	\$47,862,015
Clarksburg	Clarksburg Elementary School ²	\$11,765,083	\$154,857	\$0
Lexington	Maria Hastings Elementary School	\$16,903,739	\$465,000	\$16,438,739
Middleborough	Middleborough High School	\$43,302,597	\$717,315	\$42,585,282
Boston	Boston Arts Academy	\$48,890,620	\$1,112,990	\$47,777,630
Westport	Westport Middle School	\$38,061,299	\$327,530	\$37,733,769
Worcester	South High Community School	\$115,557,689	\$1,835,587	\$113,722,102
Attleboro	Attleboro High School	\$126,543,252	\$799,800	\$125,743,452
Fall River	B.M.C. Durfee High School	\$170,285,470	\$835,590	\$169,449,880
Ludlow	Chapin Street Elementary School	\$27,945,116	\$583,700	\$27,361,416
Natick	John F. Kennedy Middle School	\$37,313,724	\$331,950	\$36,981,774
Taunton	James L. Mulcahey Elementary School	\$42,343,177	\$1,257,150	\$41,086,027
Tisbury	Tisbury Elementary School ²	\$340,395	\$340,395	\$0
Harvard	Hildreth Elementary School	\$18,410,519	\$223,400	\$18,187,119
Ipswich	Winthrop Elementary School ²	\$567,555	\$567,555	\$0
Marlborough	Richer Elementary School	\$29,887,774	\$541,600	\$29,346,174
Northbridge	W. Edward Balmer Elementary School	\$47,564,270	\$442,603	\$47,121,667

Core Program Total Project Obligations: \$845,241,756

¹ Includes Legislation Grant Adjustment authorized on December 13, 2017.

² Project failed to secure local authorization.