

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: October 20, 2021
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, and later presented and approved at the August 29, 2018 Board meeting, this Memorandum summarizes the annual reconciliation that compares the total grants for projects approved by the Board to the annual program funding cap for fiscal year 2021 (“FY21”).

Discussion

The MSBA statute places a limit on 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 reconcile Board approved projects to the annual funding cap, allocate project grants (whole or in part) to available Grant Cap Space in prior or future fiscal years, and capture unallocated grant cap space associated with failed local votes, projects removed from the Capital Pipeline, or additional savings realized in the Final Audit Grant determination or should the total value of approved projects in a given fiscal year be less than the annual cap as determined at the close of each fiscal year.

Changing district schedules, variations in proposed project scope, and the timing of local approvals contribute to the challenge of predicting in which fiscal year a district will be ready for MSBA Board authorization. In addition to the variability of the timing for proposed projects, the estimated grant amount authorized by the Board can vary depending upon eligibility determinations, annual updates to a district’s reimbursement rate, and a district’s ability to secure local authorization and funding. The MSBA’s administrative procedures provide a mechanism for reconciliation of the approved estimated grants and the annual cap to maximize the amount of funds available to support school construction grants and minimize the impact of changing district schedules and scope, that vary from project to project.

In accordance with the above procedures, staff have completed the annual reconciliation for projects approved in FY21. Please note that, for all Core Program Project Scope and Budget Agreements approved in FY21, the Maximum Total Facilities Grant amounts were allocated in total to FY21 Grant Cap Space, along with a portion of the FY19 grants that had been allocated to future available Grant Cap Space. Summaries of available Grant Cap Space and approved estimated grants are presented below:

SUMMARY OF GRANT CAP SPACE
FISCAL YEAR 2021

Source	Amount
Annual Grant Funding Cap Space for FY21	\$821,591,436
Reconciliation of estimated Grant Funding Cap Space for FY19 based on 4.5% growth (\$602,203,640) compared to actual Grant Funding Cap Space for FY19 based on actual FY19 dedicated sales tax growth (\$597,368,650)	-\$4,834,990
Adjusted Grant Funding Cap Space for FY21	\$816,756,446
Savings in Final Audit Grants August 2020 Board Meeting	\$11,267,786
Savings in Final Audit Grants October 2020 Board Meeting	\$2,585,246
Savings in Final Audit Grants December 2020 Board Meeting	\$2,108,882
Savings in Final Audit Grants February 2021 Board Meeting	\$7,380,080
Savings in Final Audit Grants April 2021 Board Meeting	\$2,238,914
Savings in Final Audit Grants June 2021 Board Meeting	\$4,422,089
Unused Obligation – District removed Hull Memorial Middle School from the Grant Program prior to starting a Feasibility Study (FY20 Core Program Feasibility Study Invitations)	\$22,204
Unused Obligation – District unable to secure local authorization and funding for the Board approved Leicester Middle School (FY20 Core Program Project Scope and Budget Approvals)	\$41,493,319
Allocated Grant Funding Cap Space for FY21	\$888,274,966

SUMMARY OF APPROVED ESTIMATED GRANTS
FISCAL YEAR 2021

Source	Amount
Maximum Total Facilities Grants allocated from prior Fiscal Years Remaining FY19 facilities grant allocated to future grant cap space: \$0	\$233,941,555
Core Program Feasibility Study Invitations (Refer to Attachment A for more information)	\$5,954,768
Accelerated Repair Program Project Scope and Budget Approvals (Refer to Attachment B for more information)	\$3,210,477
Core Program Project Scope and Budget Approvals (Refer to Attachment C for more information)	\$485,259,728
Prior Reconciliations Adjustments (Refer to Attachment D for more information)	\$149,644
Allocated Estimated Grant for FY21	\$728,516,172

In accordance with the Policy Recommendations for Administering Estimated Grants Memorandum presented at the May 12, 2017 Board meeting and the Implementation of MSBA Policy for Administering Estimated Grants Memorandum presented and approved at the August 29, 2018 Board meeting, the \$159,758,794 remaining Grant Cap Space for FY21 will be allocated to future fiscal years.

**Attachment A
Core Program
Feasibility Study Invitations**

District	School	Invitations to Conduct a Feasibility Study
Hingham	William L. Foster Elementary School	\$373,450
Wakefield	Wakefield Memorial High School	\$998,800
Amherst*	Fort River Elementary School*	\$0
Maynard	Green Meadow Elementary School	\$556,300
Winchester	Lynch Elemenary School	\$487,050
Tri-County Regional Vocational Technical School District	Tri-County Regional Vocational Technical High School	\$528,900
Nashoba Regional School District	Nashoba Regional High School	\$742,950
Whitman-Hanson Regional School District	Whitman Middle School	\$490,790
East Longmeadow	East Longmeadow High School	\$711,648
Whittier Regional Vocational Technical School District	Whittier Regional Vocational Technical High School	\$1,064,880
Feasibility Study Approvals		\$5,954,768

Attachment B
Accelerated Repair Program
Project Scope and Budget Approvals

District	School	Scope	Executed Project Funding Agreements Maximum Total Facilities Grant
Acushnet	Acushnet Elementary School	Partial Roof	\$1,395,490
Cambridge	Cambridgeport	Windows/Doors	\$843,570
Haverhill	Haverhill High School	Partial Roof	\$971,417

Accelerated Repair Program Total Project Approvals \$3,210,477

**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
Gloucester	East Gloucester Elementary School	\$26,942,022	\$610,200	\$26,331,822
Worcester	Doherty Memorial High School	\$135,241,024	\$1,579,000	\$133,662,024
Ashland	David Mindess Elementary School	\$27,008,753	\$522,600	\$26,486,153
Boston	Josiah Quincy Upper School	\$54,075,966	\$3,238,940	\$50,837,026
Groton-Dunstable Regional School District	Florence Roche School	\$26,503,001	\$362,025	\$26,140,976
Lawrence	Oliver Partnership School	\$61,647,551	\$3,200,000	\$58,447,551
Andover	West Elementary School	\$38,442,820	\$485,640	\$37,957,180
Somerset	Somerset Middle School	\$31,799,754	\$455,120	\$31,344,634
Westwood	Paul R. Hanlon Elementary School	\$18,235,725	\$619,850	\$17,615,875
Fitchburg	Crocker Elementary School	\$42,845,877	\$800,000	\$42,045,877
Swampscott	Hadley Elementary School	\$34,390,610	\$0	\$34,390,610

Core Program Total Project Approvals \$485,259,728

**Attachment D
Prior Reconciliations
Audit Adjustments**

District	School	Comment	Adjustment to Grants from Prior Fiscal Year Reconciliations
Lynn	Pickering School	Additional Funds authorized to complete Feasibility Study	\$149,644
Total value of adjustments to prior reconciliations			\$149,644