

Massachusetts School Building Authority

Steven Grossman
Chairman, State Treasurer

Jack McCarthy
Executive Director



Association of Town Finance Committees Annual Meeting



Our Mission

Partner with Massachusetts communities to support the design and construction of educationally-appropriate, flexible, sustainable, and cost-effective public school facilities.



About Us

- An Independent Public Authority
- Created in 2004 by an Act of the Legislature
- Seven-member Board of Directors chaired by Treasurer Steven Grossman
- Board of Directors:
 - Invites Districts to Participate
 - Approves Proposed Solutions
 - Approves Projects and Grants



About Us

- The Commonwealth has dedicated 1 cent of the statewide 6.25 cent sales tax (excluding meals) to the MSBA
- MSBA has a robust program of over 300 projects currently in our current capital pipeline



A Few Achievements

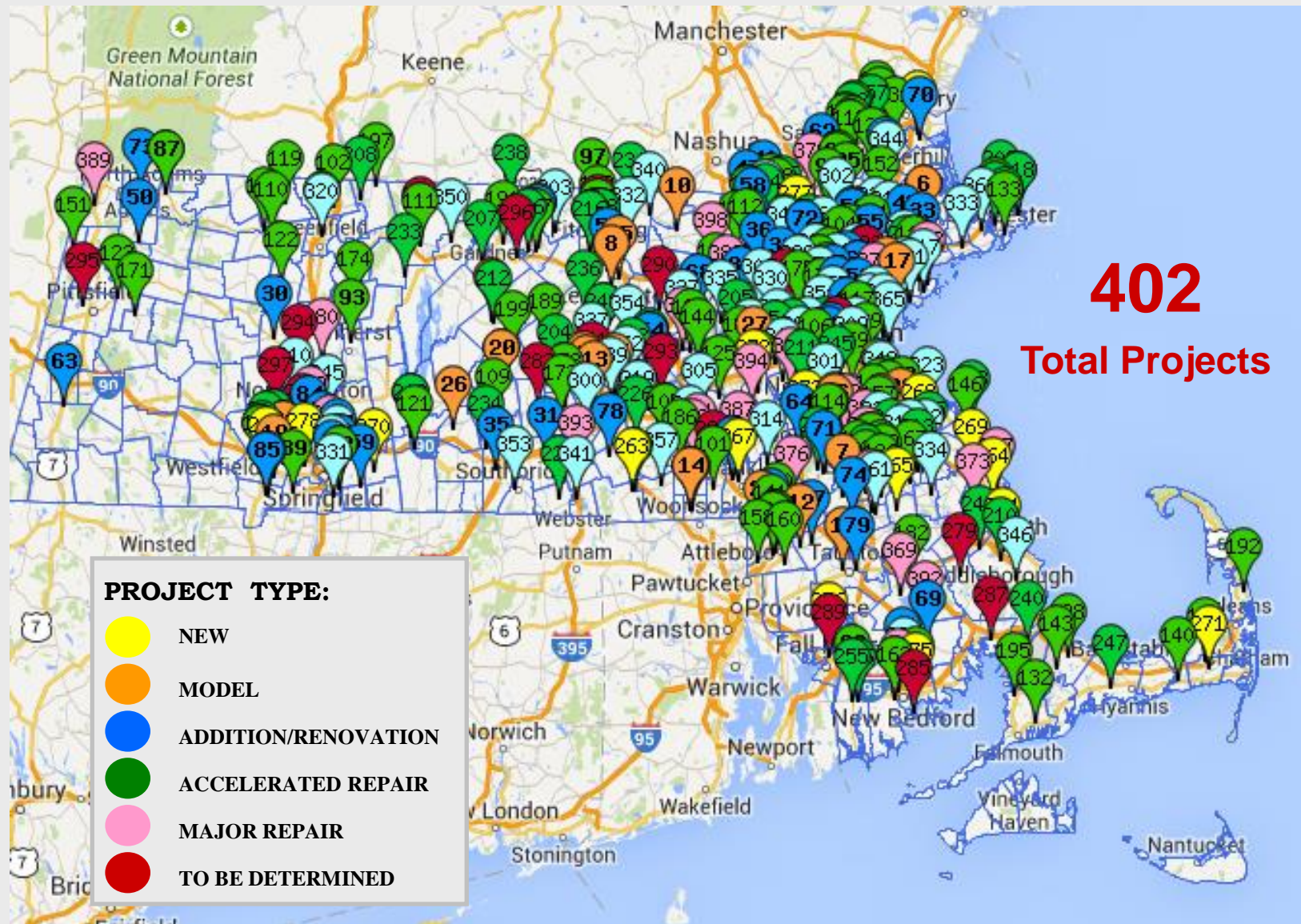
- \$10.9 billion in payments to cities, towns and regional school districts
- MSBA has completed final audits of 1,023 projects totaling more than \$16 billion in submitted costs
- Audited over \$3 billion in costs for the projects currently submitting monthly requests for reimbursement
- Made over 850 site visits to more than 200 school process





Building With Us





All Projects



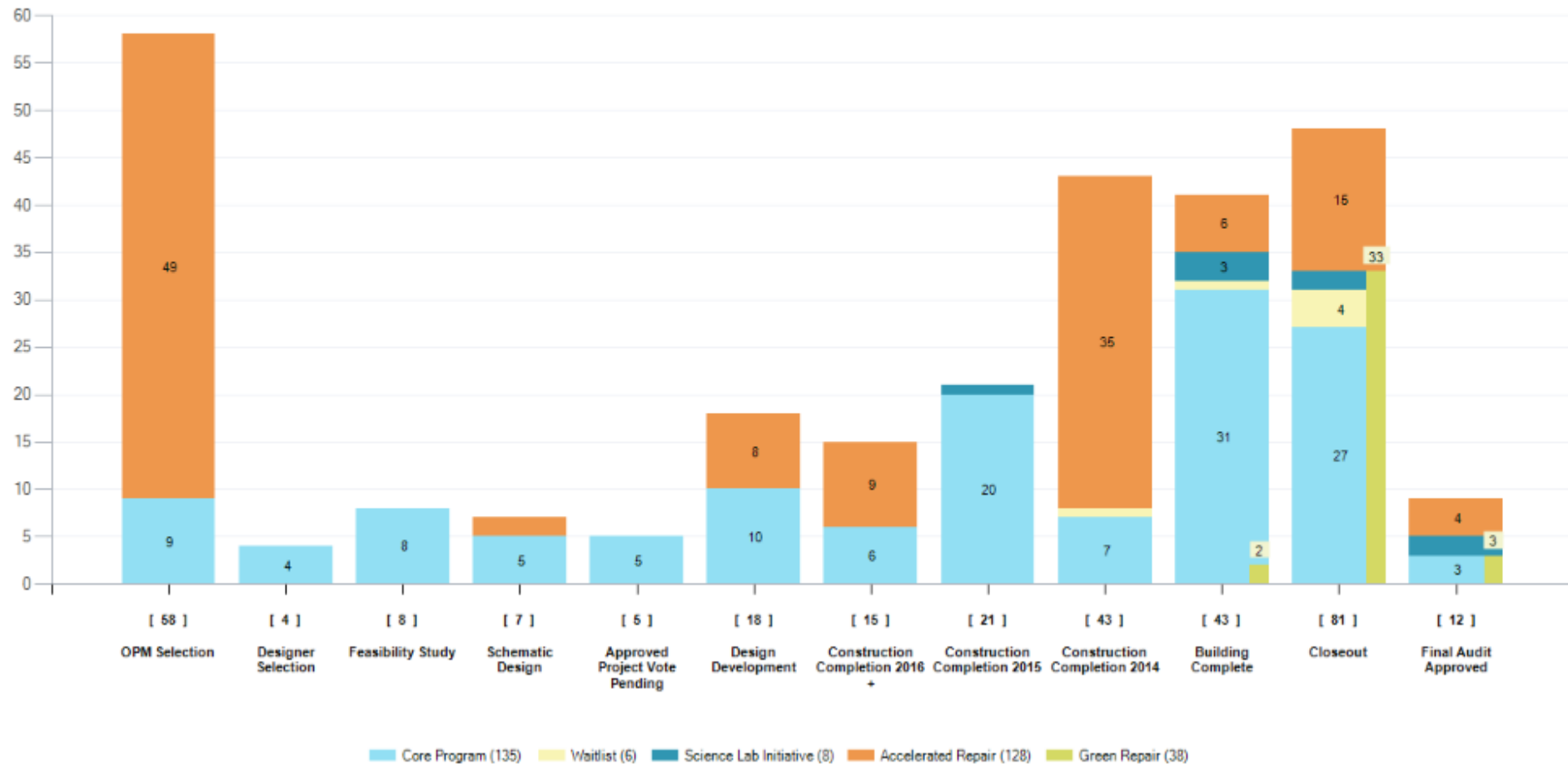
2014 and Ahead

Project Status - Capital Pipeline, All Projects

PROJECT STATUS

Total Number of Projects: 315

Tuesday, October 07, 2014

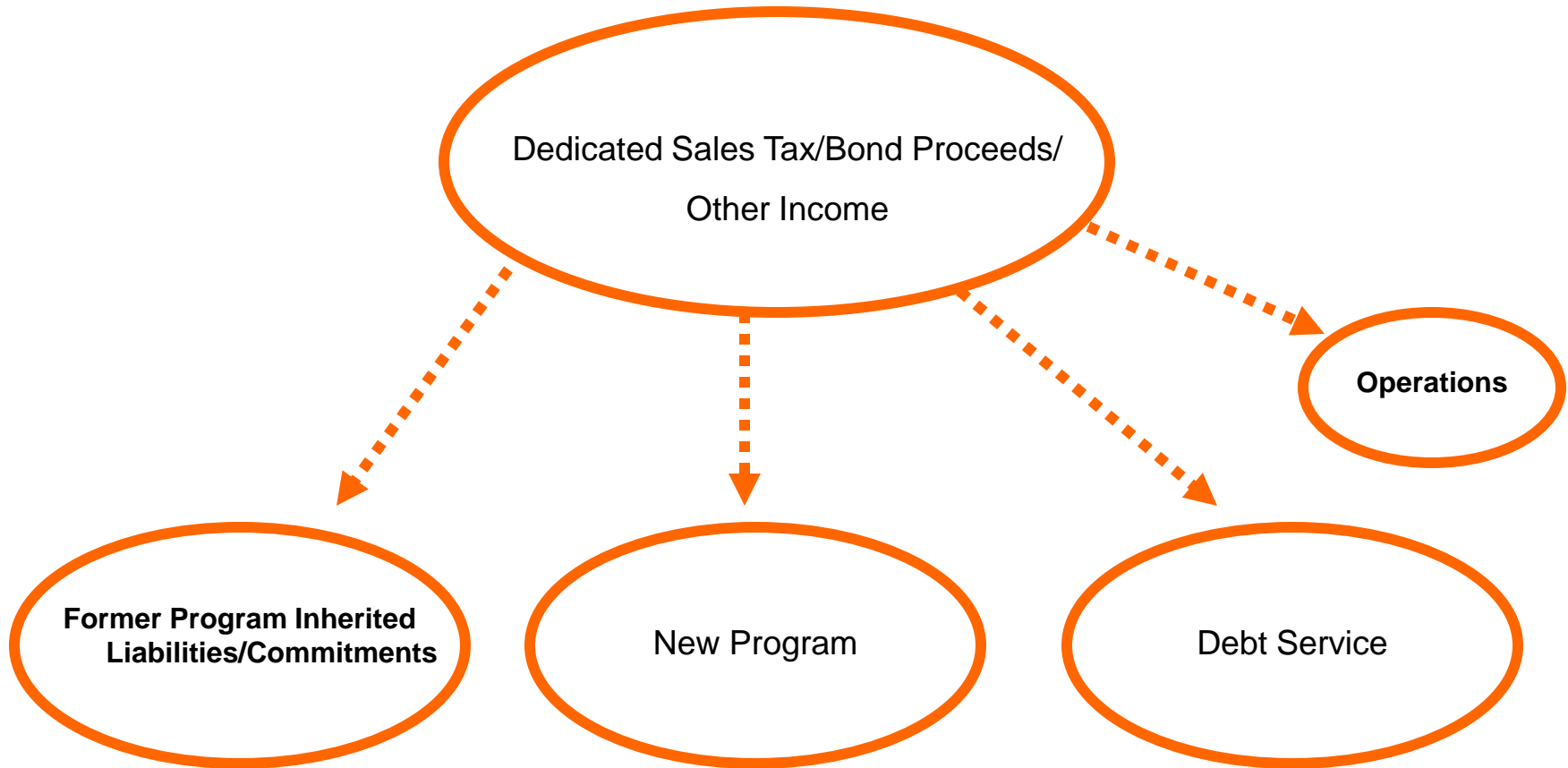




Finance Overview



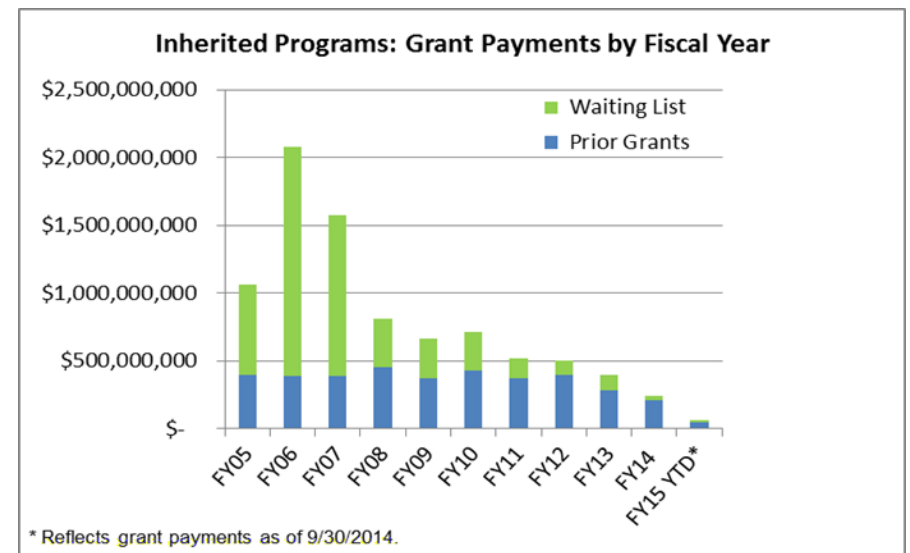
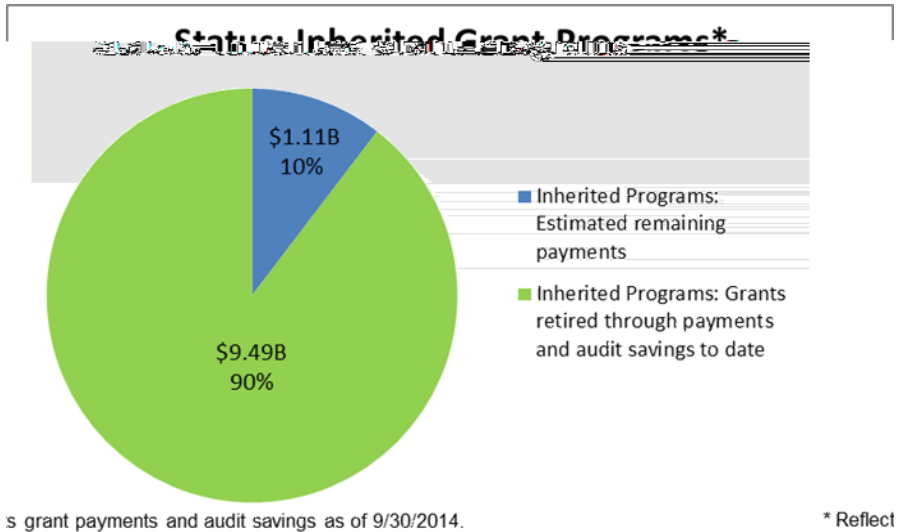
Sources and Uses





Inherited Programs Update

- Made more than \$8.6 billion of grant payments to districts since FY05 towards more than 1,100 inherited projects
- More than 97% of inherited Waiting List liability retired to date
- More than 81% of inherited Prior Grant commitments retired to date





Municipal Finance Laws Regarding Former Program Annual Payments

- M.G.L. Chapter 70B, Section 19
 - If there is a decrease in the amount of interest payable related to a Project due to a refunding, the MSBA will recalculate the grant to share in the savings

- M.G.L. Chapter 70B, Section 15
 - Districts must provide notice to the MSBA of any sale, lease or removal from service of an assisted school building or a portion of an assisted school building
 - MSBA may recoup some of its investment and provides that future applications by the District may be affected

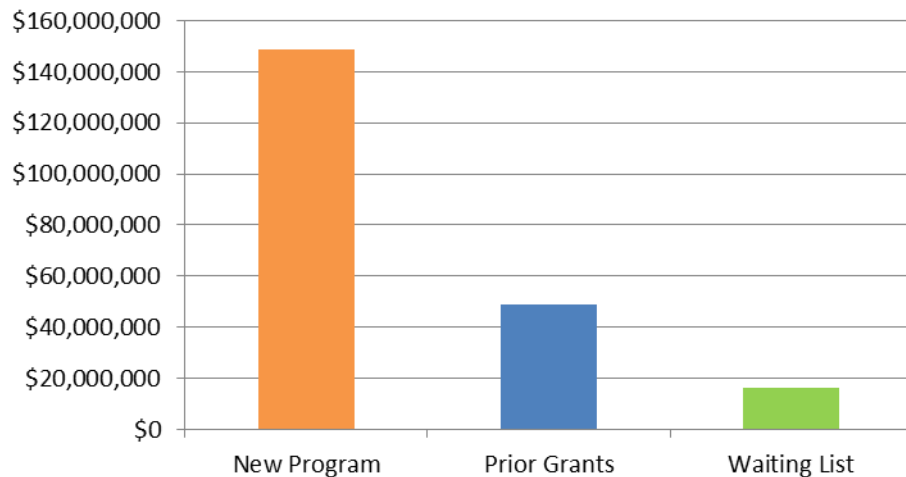


FY15 Grant Payments Update

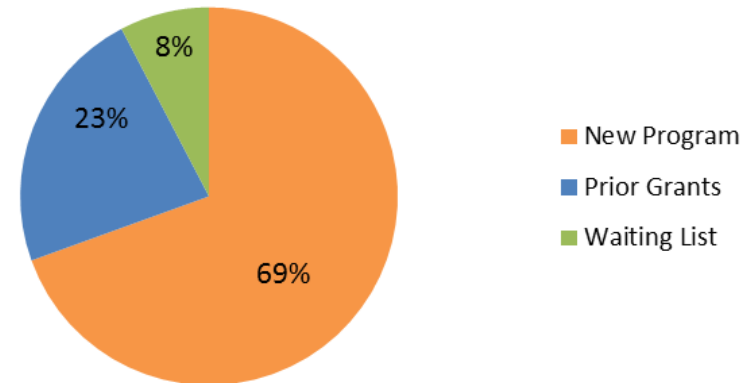
*FY2015 YTD Grant Payments Summary**

| Program | Grant Payments | # Projects | # Districts |
|--------------|--------------------|------------|-------------|
| New Program | 148,572,448 | 135 | 97 |
| Prior Grants | 48,850,018 | 73 | 58 |
| Waiting List | 16,399,490 | 28 | 21 |
| | 213,821,956 | 236 | 152 |

FY2015 Grant Payments - YTD by Program



FY2015 Grant Payments - YTD % by Program



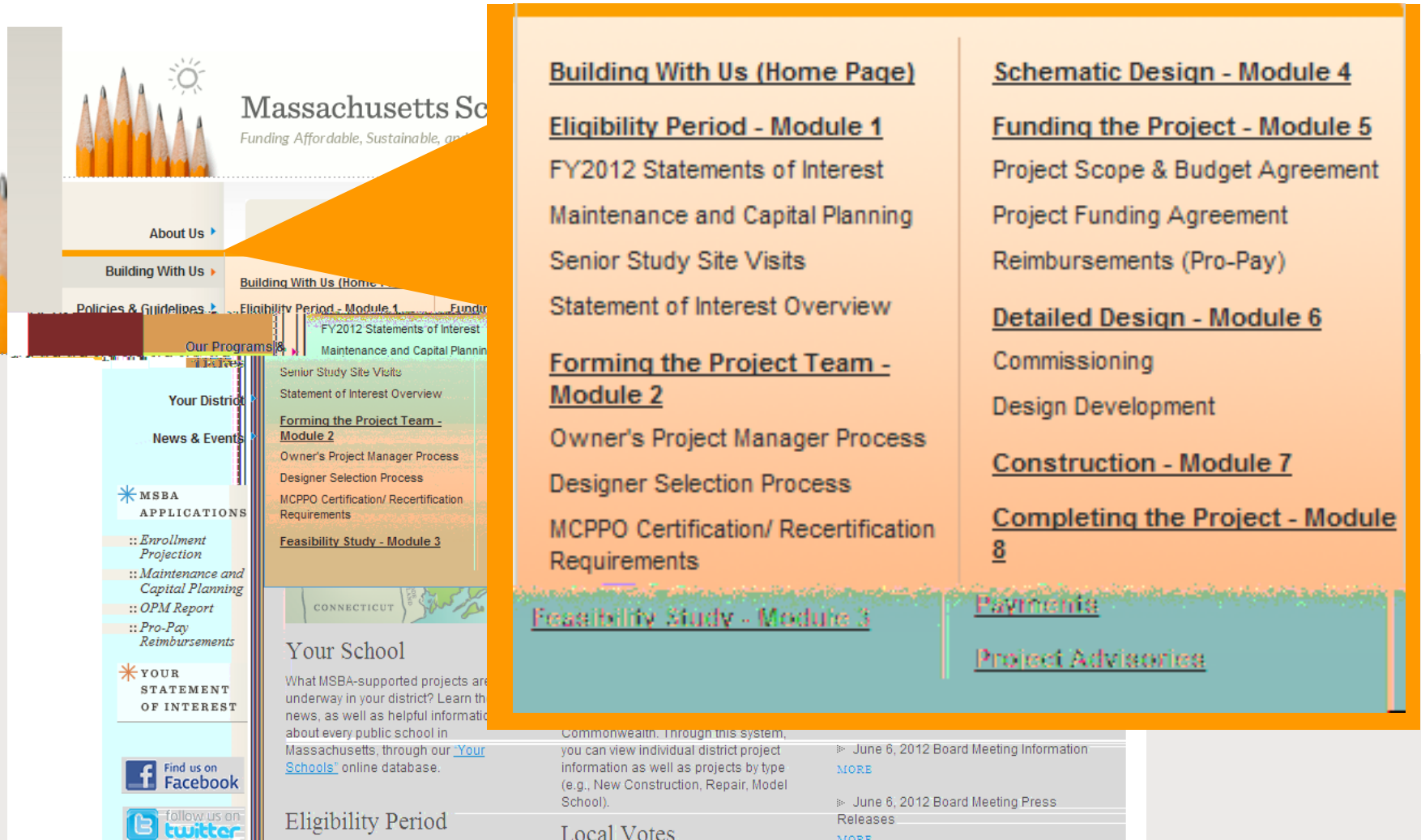
* Reflects grant payments as of September 30, 2014.



Process for MSBA Funding

Building With Us

(<http://www.massschoolbuildings.org/building>)



The screenshot shows the homepage of the Building With Us website. The main navigation menu is highlighted in an orange callout box. The menu items are:

- [Building With Us \(Home Page\)](#)
- [Eligibility Period - Module 1](#)
 - FY2012 Statements of Interest
 - Maintenance and Capital Planning
 - Senior Study Site Visits
 - Statement of Interest Overview
- [Forming the Project Team - Module 2](#)
 - Owner's Project Manager Process
 - Designer Selection Process
 - MCPPO Certification/ Recertification Requirements
- [Feasibility Study - Module 3](#)
- [Schematic Design - Module 4](#)
- [Funding the Project - Module 5](#)
 - Project Scope & Budget Agreement
 - Project Funding Agreement
 - Reimbursements (Pro-Pay)
- [Detailed Design - Module 6](#)
 - Commissioning
 - Design Development
- [Construction - Module 7](#)
- [Completing the Project - Module 8](#)
- [Payments](#)
- [Project Advisories](#)

The website also features a sidebar with links to 'About Us', 'Building With Us', 'Policies & Guidelines', 'Our Programs', 'Your District', 'News & Events', 'MSBA APPLICATIONS', 'YOUR STATEMENT OF INTEREST', and social media links for Facebook and Twitter. The main content area includes a map of Connecticut and a section titled 'Your School'.



Funding the Project

- Three agreements that allow for payment:
 - Feasibility Study Agreement (FSA)
 - Project Funding Agreement (PFA)
 - PFA bid amendment (PFA bid)
- Project Funding Agreement (PFA)
 - Standard agreement that the MSBA enters into with Districts whose school projects have been approved
- After the PFA has been executed, and all other MSBA requirements have been met, the District can begin submitting requests for reimbursement to the MSBA for project costs beyond the Feasibility Study.



Reimbursement Rates (M.G.L. c. 70B)

- Base rate for each district of 31 percentage points
- Three Ability-to-Pay Factors can increase the reimbursement rate from the base before addition of any applicable incentives:
 - Community Income Factor (0-12 percentage points)
 - Per capita income
 - Source: MA DOR
 - Community Property Wealth Factor (0-28 percentage points)
 - Per capita equalized property valuation
 - Source: MA DOR
 - Community Poverty Factor (0-17 percentage points)
 - Eligibility for Federal Free/Reduced Lunch
 - Source: MA DESE
- Maximum rate, including incentives, not to exceed 80%



MSBA New Program Payments Progress Payment System

- Enables MSBA to audit and pay as projects progress
Captures detailed project budget and cost data
- Districts submit paid project costs monthly for MSBA review and applicable reimbursement
- project costs
Reduces local debt
- Consistent, predictable payments allow communities to better manage their cash flow



Pro-Pay training

- Districts with an executed Feasibility Study Agreement or Project Funding Agreement are required to attend a Pro-pay training.
- Pro-
a month on a Friday (*schedule is subject to change*)
- <http://www.massschoolbuildings.org/calendar-date>



Commissioning

The MSBA requires and pays for building commissioning for MSBA-funded projects

- materials, and the operation of the building as a whole
- MSBA commissioned buildings undergo an intensive quality assurance process that begins during design and continues through construction, occupancy, and operations
- Commissioning ensures that the new building operates efficiently, and as the owner intended
- Commissioning also prepares the building staff to operate and maintain building systems and equipment



Completing the Project Closeout Process



[HOME : CALENDAR : FOR PRESS : CONTACT]

Search

Massachusetts School Building Authority

Funding Affordable, Sustainable, and Efficient Schools in Partnership with Local Communities

Module 8 – Completing the Project

The MSBA performs final audit to determine final total grant amounts and make final payment.

Process for Accepting the Draft Audit Report

A District has 10 business days from the date the MSBA sends the MSBA draft audit report by e-mail to accept or not accept the draft audit report by completing the Acceptance/Non-Acceptance Form.

If a District accepts the draft audit report, the District must submit the Acceptance Form within 10 business days from the date the MSBA sent the draft audit report. The draft audit report will then be submitted to the MSBA Board of Directors for its consideration and approval. Upon approval by the Board, the audit results will be considered final, and the MSBA will make the final grant payment, if any, to the District. Failure to submit an Acceptance Form within the 10-day business day deadline will likely result in payment delays.

If the District chooses NOT to accept the draft audit report, the District must submit a signed Non-Acceptance Form within 10 business days from the date the MSBA sent the draft audit report. In addition, a District must submit in writing, to [Joanna Aalto](#), Controller/Director of Audits, new documentation and a summary of the disputed issues/costs within 20 business days from the date the MSBA sent the draft audit report. The MSBA will review this additional information only if these deadlines are met. Each District that submits a timely Non-Acceptance Form and supporting documentation may have the opportunity to meet with certain staff members of the MSBA and, if the review warrants it, a sub-committee of the Board of Directors of the MSBA before the audit results are submitted to the MSBA Board for its consideration. Once the Board has voted on the audit results, the results will be considered final, and the MSBA will make the final grant payment, if any, to the District.

If the MSBA does not receive the required Non-Acceptance Form and related materials within the above -specified time frame, the draft audit report will be submitted to the MSBA Board for its consideration and approval. The audit results will be considered final upon the vote of the MSBA Board, and the MSBA will make the final grant payment, if any, to the District.

Closeout Audit Forms*

Part of the closeout audit process includes the submission of certain forms. An [Index of Final Closeout Audit Material](#) listing the forms required for a specific project will be sent to the District. If you would like to request an [Index of Final Closeout Audit Material](#) please call or email [Sarah Young](#) at (617) 720-4466. The MSBA forms may be accessed via the links below. These forms are designed to be filled in electronically, printed, signed and submitted to the MSBA as email attachments or via the



Completing the Project Closeout Process

- MSBA pays up to 95% of the estimated maximum total facilities grant, pending audit



MSBA Resources

Policies & Guidelines

(<http://www.massschoolbuildings.org/guidelines>)

The screenshot shows the homepage of the Massachusetts School Buildings Association. The header features a logo with pencils and the text "Massachusetts School Buildings Association" and "Funding Affordable, Sustainable, and Effective Public Schools". A yellow callout box highlights the "Guidelines & Forms" section, which includes links to "Guidelines & Forms", "Statutes & Regulations", "System User Guides & Access Request Forms", "Vote Requirements", and "Model Contracts & Procurement Forms". The left sidebar contains navigation links for "About Us", "Building With Us", "Policies & Guidelines", "Our Programs & Initiatives", "Your District", "News & Events", "MSBA APPLICATIONS", and "YOUR STATEMENT OF INTEREST". The main content area includes a map of Massachusetts, a "GIS Project Map", and a "News & Events" section. The footer contains social media links for Facebook and Twitter.

Massachusetts School Buildings Association
Funding Affordable, Sustainable, and Effective Public Schools

Guidelines & Forms
[Guidelines & Forms](#)
[Statutes & Regulations](#)
[System User Guides & Access Request Forms](#)
[Vote Requirements](#)
[Model Contracts & Procurement Forms](#)

Our Programs & Initiatives
[Enrollment Projection](#)
[Maintenance and Capital Planning](#)
[OPM Report](#)
[Pro-Pay Reimbursements](#)

YOUR STATEMENT OF INTEREST
[Find us on Facebook](#)
[Follow us on Twitter](#)

GIS Project Map
[News & Events](#)

MSBA APPLICATIONS
[Enrollment Projection](#)
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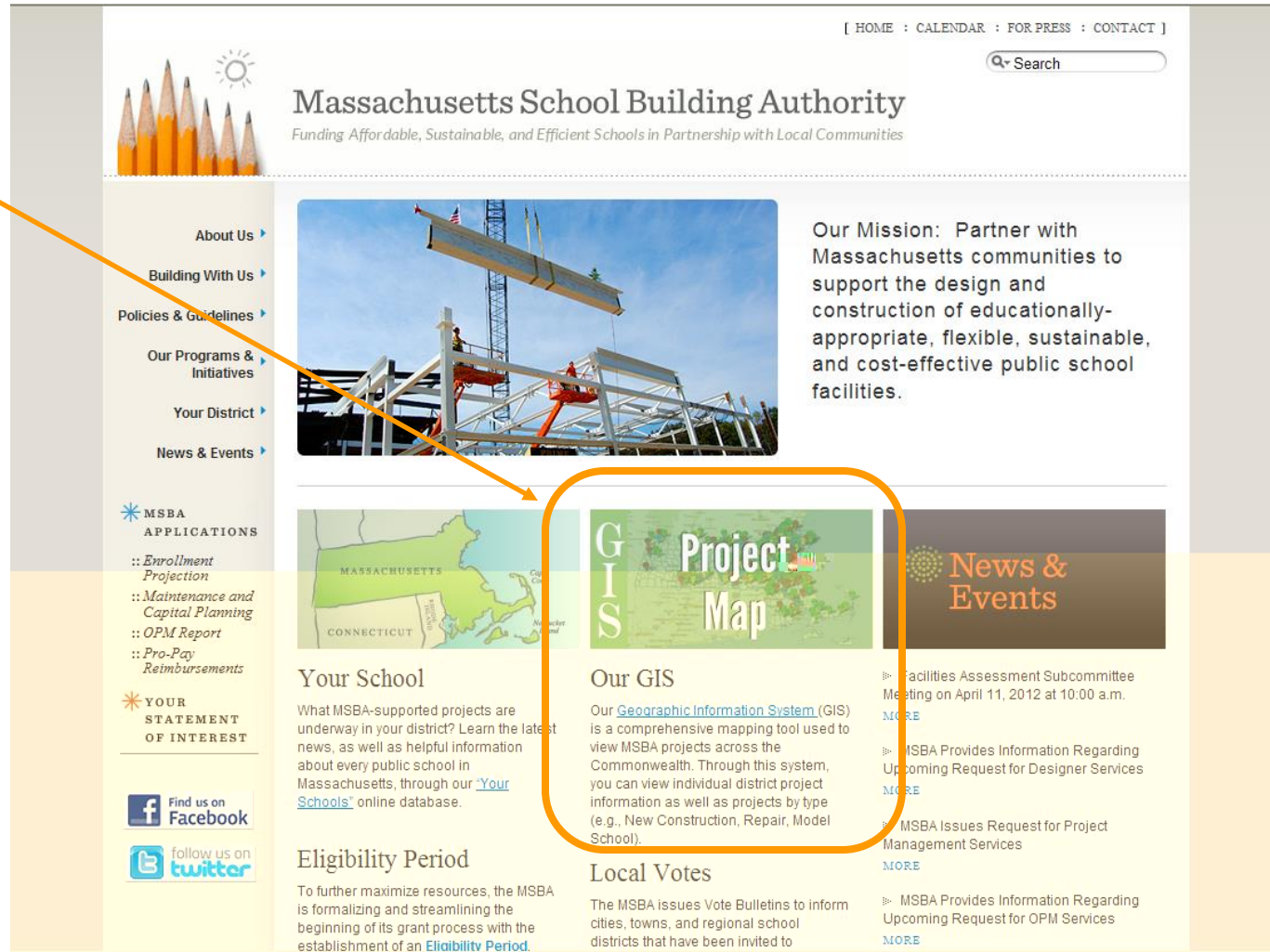
YOUR STATEMENT OF INTEREST
[Find us on Facebook](#)
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Geographic Information System (GIS)

Geographic Information System (GIS)

a comprehensive mapping tool allowing the user to view individual and overview project information across the Commonwealth



[HOME : CALENDAR : FOR PRESS : CONTACT]

Search

Massachusetts School Building Authority

Funding Affordable, Sustainable, and Efficient Schools in Partnership with Local Communities

About Us ▶
Building With Us ▶
Policies & Guidelines ▶
Our Programs & Initiatives ▶
Your District ▶
News & Events ▶

MSBA APPLICATIONS
:: Enrollment Projection
:: Maintenance and Capital Planning
:: OPM Report
:: Pro-Pay Reimbursements

YOUR STATEMENT OF INTEREST

Find us on Facebook
follow us on twitter

Our Mission: Partner with Massachusetts communities to support the design and construction of educationally-appropriate, flexible, sustainable, and cost-effective public school facilities.

GIS Project Map

Your School
What MSBA-supported projects are underway in your district? Learn the latest news, as well as helpful information about every public school in Massachusetts, through our ["Your Schools"](#) online database.

Eligibility Period
To further maximize resources, the MSBA is formalizing and streamlining the beginning of its grant process with the establishment of an [Eligibility Period](#).

Our GIS
Our [Geographic Information System \(GIS\)](#) is a comprehensive mapping tool used to view MSBA projects across the Commonwealth. Through this system, you can view individual district project information as well as projects by type (e.g., New Construction, Repair, Model School).

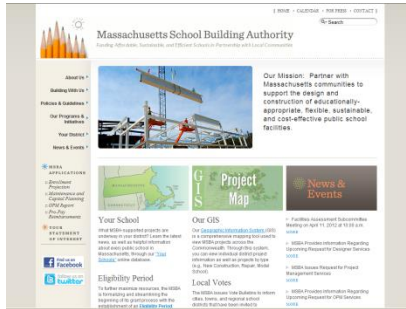
Local Votes
The MSBA issues Vote Bulletins to inform cities, towns, and regional school districts that have been invited to

News & Events

- Facilities Assessment Subcommittee Meeting on April 11, 2012 at 10:00 a.m. [MORE](#)
- MSBA Provides Information Regarding Upcoming Request for Designer Services [MORE](#)
- MSBA Issues Request for Project Management Services [MORE](#)
- MSBA Provides Information Regarding Upcoming Request for OPM Services [MORE](#)



Stay Updated on the MSBA



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