

The October 25, 2023 Board meeting minutes were approved by the MSBA's Board of Directors at the December 13, 2023 meeting.

Massachusetts School Building Authority Board Meeting Minutes of October 25, 2023

A meeting of the Massachusetts School Building Authority (the "Authority" or "MSBA") was held on October 25, 2023. The meeting was held remotely via Zoom.

Members Present: Deborah Goldberg, State Treasurer and Chair; Sean Cronin, Designee of the Secretary of Administration and Finance; Matt Deninger, Designee of the Commissioner of Education; Terry Kwan, appointed member; Anne Brockelman, appointed member; and Sheila Vanderhoef, appointed member.

Others Present: James MacDonald, Chief Executive Officer; Mary Pichetti, Executive Director/Deputy Chief Executive Officer; Mike McGurl; Laura Guadagno; Christine Nolan; Matt Donovan; Maria Puopolo; Brian Kelley; Colleen Smith; Annie Hudson; Barbara Hansberry; John Jumpe; Karl Brown; Elena Seiti; Gianpiero Tirella; Miriam Vazquez; Erin Agan; municipal representatives; legislative representatives; local elected officials; and other members of the MSBA and the public.

Call to Order

The Chair called the meeting to order at 10:03 am and asked if anyone is recording the meeting. No one announced that they were recording the meeting.

She then explained that the meeting is being held in accordance with Chapter 30A of the Massachusetts General Laws and 940 CMR 29.03, but subject to Chapter 2 of the Acts of 2023, which permits remote participation by all Board members and allows the MSBA to use adequate alternative means, such as a conference call line, to ensure public access to the deliberations of the Board.

Next, the Chair provided a brief overview of the items on the agenda for the meeting. She explained that the Board will be voting to: approve minutes from the August 30, 2023 Board of Directors meeting; revise the current MSBA Project Funding Limits Policy; approve Supplemental Grants; and execute Project Funding Agreements for eight projects from three districts in the Accelerated Repair Program, with an Estimated Maximum Total Facilities Grant of approximately \$12 million. The Board will also be voting to authorize four proposed projects to proceed into Preferred Schematic Design, with an estimated \$416 million in total construction costs and to invite three districts to enter into Project Scope and Budget Agreements and Project Funding Agreements, with an Estimated Maximum Total Facilities Grant of approximately \$152 million. Additionally, the Board will be voting to approve four final audits from two districts with a Final Total Facilities Grant amount of approximately \$37.9 million. Finally, the Board will be voting on the MSBA Model School Program Recommendations, updates to the MSBA Accelerated Repair Program, and a recommendation to approve proposed revisions to the MSBA regulations for public comment. The Board will also receive updates from the Executive Director, Capital Planning, and Finance staff.

Approval of the August 30, 2023 Minutes

The Chair asked for a motion to accept the minutes of the August 30, 2023 Board meeting. A motion was made by Ms. Kwan and seconded by Mr. Cronin:

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Approval of the Minutes of the August 30, 2023 Board Meeting

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Minutes of the August 30, 2023 Board meeting.

There being no Board discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining.

Recommendation to Revise MSBA Project Funding Limits Policy

The MSBA's Director of Project Management, John Jumpe, began his presentation by thanking Yona Baer for his efforts and insights on the recommendation. He explained that the overall goal, as with past reviews, is to identify an appropriate construction cost funding limit going forward, estimate the impact of the new construction cost funding limit on projects in the capital pipeline that have not yet secured approval, and to support efforts to determine the number of Statements of Interest that the MSBA will be able to invite into the Core Program this year.

The overall amount of grants that the MSBA is able to distribute is limited by the Annual Cap. The MSBA's construction cost funding limit, which was implemented in early 2009, has been increased seven times, five based on growth to the Annual Cap and two times on available cap space.

Currently, the MSBA is reimbursing districts for up to \$393/sf for eligible Building Area, \$39 per eligible sf for eligible site costs, plus Eligible Demo and Abatement, professional services, and a portion of contingency funds.

The FY24 State Budget included three items that impact the determination of MSBA's Annual Cap:

The FY23 Annual Cap was increased to \$1.2 billion, adding a little more than \$300 million, representing an increase of approximately 34%. The second adjustment increased the allowable rate of growth in the Annual Cap from up to 4.5% to up to 6.5%. The third adjustment moves funding of the Accelerated Repair Program to outside of the Annual Cap. The FY24 budget also includes supplemental grants.

As discussed during last year's funding review, the number of invitations that the MSBA is able to invite into the Core Program varies based on more than just the Annual Cap anticipated to be available between three and four years into the future. In large part, it depends on the anticipated enrollment, which informs the building size, and the district's reimbursement rate, which has a significant impact on the potential grant.

Over the last five years, the number of invitations has varied between ten and seventeen, with the average grant for each SOI class between \$48 and \$99 million. Within each year the MSBA sees significant variation in the estimated grant for each potential project.

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This year's review is similar in its approach to the analysis performed for the two prior project funding level reviews: the MSBA compared estimated grant values for projects in the grant program using current and projected funding policies to estimates of the Annual Cap to determine what remained and could be applied to future project invitations.

To estimate potential future project invitations, the MSBA determined an average grant based on three years of project data for enrollment (an average of 757 students), eligible building size (average of 154,000 sf) and average reimbursement rate (58.18% plus five points to account for potential incentive points).

Based on the Commonwealth's FY24 budget, the MSBA assumed an Annual Cap of \$1.2 billion for FY23 and that funding for the MSBA's Accelerated Repair Program is outside the Annual Cap.

The MSBA assumed a consistent escalation of 6.5% for both the Annual Cap and future funding limits. The MSBA has also assumed that it would increase the number of project invitations over the short term to take full advantage of the increases included in the Commonwealth's FY24 budget.

The MSBA considered three scenarios in this review to frame out how best to allocate the increased Cap included in the Commonwealth's FY24 budget. The first option that the MSBA considered is a Building Cost Funding Limit of \$419/sf, which follows precedent of increased funding limits that align with the statutory limit of 6.5%. The second scenario considered increasing the Building Cost Funding Limit to \$525/sf, which aligns with the increased value of the FY23 Annual Cap. A third option, based on \$550/sf to assess the potential of funding beyond the increase in the FY23 Annual Cap, was considered.

Staff is recommending a Building Cost Funding Limit of \$550/sf as this will maximize the construction project funding limit for districts while restoring the number of invitations seen in the past.

The MSBA also funds a portion of site costs in addition to building costs, therefore in addition to recommending a Building Cost Funding Limit of \$550/sf the MSBA is also recommending the site cost limit be increased to \$55/sf in accordance with our Site Cost Allowance Guidelines, resulting in \$605/sf plus eligible demolition and abatement.

These recommendations assume continued growth of the Annual Cap at the statutory limit of 6.5%. Staff will continue to monitor sales tax revenue, review funding levels annually, and note the level of construction costs. Should sales tax revenue not consistently reach growth rates of 6.5%, funding levels could be held constant, the number of SOI invitations adjusted, or both, and MSBA's administrative procedures could be implemented as done in the past to bridge the gap, should it be necessary.

The Director of Project Management noted that later in the agenda staff will be recommending three invitations to Project Scope and Budget. Approval of this funding recommendation will result in a Total Estimated Maximum Total Facilities Grant for these three projects of approximately \$200 million, which represents an increase of approximately \$47.5 million over current funding levels.

The Chair asked for a motion, and the following motion was made by Ms. Kwan and seconded by Mr. Deninger:

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Approval of Massachusetts School Building Authority's Funding Policy

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the following recommended changes to the Authority's funding policy, effective for districts receiving Project Scope and Budget approval on or after October 1, 2023, as further described in the materials presented to the Board and incorporated by reference herein, and hereby authorizes the Executive Director to do all acts and things necessary to implement the following recommended changes to the Authority's funding policy:

- Adjust the current policy of funding from up to \$393/sf for building costs plus eligible demolition and abatement (exclusive of eligible sitework costs) to \$550/sf for building costs plus eligible demolition and abatement (exclusive of eligible sitework costs); and
- Apply MSBA's sitework cost allowance guidelines to include up to \$55/sf in addition to the proposed building costs increase to \$550/sf for a total construction cost funding limit of \$605/sf plus eligible demolition and abatement.

Ms. Kwan commented that this was a huge task, and MSBA staff put in a lot of hard work to present these recommendations. The Chair and Mr. Cronin echoed her comments.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

Recommendation to Approve Supplemental Grants

Next, the Director of Capital Planning, Mike McGurl, explained that the Board will now be hearing about the recommendation to approve supplemental grants. He explained that the purpose of the memorandum in the Board packet is to seek approval by the Board of Directors to adjust the Maximum Total Facilities Grant for projects in two categories.

The first category of projects received Project Scope and Budget approval by the MSBA's Board of Directors prior to October 1, 2022 and have accepted or will accept bids on or after January 1, 2022. These parameters were identified within the approved legislation in the Commonwealth's Fiscal Year 2024 Budget. For the thirty eligible projects, shown in Attachment B of the memorandum, staff recommend adjustments commensurate with the positive funding limits approved by the Board of

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Directors on December 21, 2022. These funding limits went into effect for projects receiving Project Scope and Budget approval after October 1, 2022.

The second category includes projects that received Project Scope and Budget approval by the MSBA's Board of Directors after October 1, 2022 and prior to October 1, 2023. For the nine eligible projects, shown in Attachment C of the memorandum, staff recommend applying adjusted funding limits that would align with the increase proposed for projects described in the first category and the increase just approved for projects receiving Project Scope and Budget approval after October 1, 2023. Staff recommend these new project funding limit adjustments based on the approved legislation increasing the MSBA's Annual Cap in fiscal year 2023 to \$1.2 billion.

For the thirty projects in category one that meet the timeline identified in the legislation, staff recommend that the previously approved Maximum Total Facilities Grant be increased using the project funding limits approved by the Board of Directors on December 21, 2022.

Only the funding limits that result in an increase to the previously approved grant amounts would be applied for these projects. No funding limit that is more restrictive than the funding limit on which the project's grant was initially established would be applied. Per the approved legislation, the amount of these supplemental grants will not apply to the MSBA's Annual Cap.

The original funding limits for these projects incorporate two different approved levels of MSBA project funding limits: \$333/sf effective for districts receiving an approval of a Project Scope and Budget on or after January 1, 2018 but before June 1, 2021; and, \$360/sf effective for districts receiving an approval of a Project Scope and Budget on or after June 1, 2021.

The Director of Capital Planning explained that the information in the table shows the two levels of funding limits and each funding limit category. Columns 2 and 3 represent the two levels used at the time the original grants were approved and Column 4 shows the recommended project funding limits for comparison.

Based on an initial review of existing funding agreements, MSBA staff estimate that the supplemental grants for the projects identified in the timeline approved in the legislation and as shown in Attachment B will total approximately \$270 million, which will not apply to the MSBA's Annual Cap. The Commonwealth's FY24 Budget provides \$100 million to the MSBA in support of these supplemental grants.

To commence reimbursement at the higher funding limits and capitalize on the \$100 million appropriation in the FY24 budget, MSBA staff will need to: receive the \$100 million from the Commonwealth in accordance with an agreed upon allocation, work expeditiously with each district to process new funding agreement amendments, update the MSBA's ProPay system, and develop the process to issue and track payments in accordance with the reimbursements submitted.

The MSBA is currently working with the Comptroller's office and the Executive Office of Education to define and finalize the process for receiving the funds. Per the legislation, the MSBA will be required to submit a report to the Legislature no later than May 31, 2024, detailing grant award recipients and the amount received for each project. If this recommendation is approved, MSBA staff will provide an informational update at each future Board meeting until all project adjustments have been finalized.

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Staff are also recommending an increase to the previously approved Maximum Total Facilities Grant for the nine projects that received Project Scope and Budget approval between October 1, 2022 and October 1, 2023. This recommendation is made to bring the project funding limits for the projects during this period in alignment with the proposed project funding limits for the projects described in the first category and the proposed project funding limits now approved for projects that seek Project Scope and Budget approval after October 1, 2023. The amount of these supplemental grants will apply to the increased Annual Cap.

Staff base this recommendation on the following:

First, if approved by the Board, the projects noted in the prior category, who bid in an earlier year, would otherwise now have the same project funding limits as those projects approved for Project Scope and Budget approval between October 1, 2022 and October 1, 2023.

Second, the approved legislation increased the Annual Cap to \$1.2 billion in FY23 allowing for more funding flexibility.

Third, the project funding limits for the projects in this category would be much lower than those approved for projects submitted on or after October 1, 2023.

Therefore, staff recommend that the projects approved for Project Scope and Budget approval between October 1, 2022 and October 1, 2023 receive an increase up to the project funding limit levels noted in the table.

For the projects identified in Attachment C, MSBA staff estimate that the increases will total approximately \$110 million, which will apply to the MSBA's Annual Cap. Similar to the first category of projects, MSBA staff will provide an informational update at each Board meeting until all project adjustments have been finalized.

The Chair asked for a motion, and the following motion was made by Ms. Kwan and seconded by Mr. Deninger:

Approval of Massachusetts School Building Authority's Recommendation to Provide Supplemental Grants to Certain Approved Projects

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby authorizes the Executive Director to adjust the Maximum Total Facilities Grants for previously approved projects, as identified and further described in the materials presented to the Board and incorporated by reference herein, to provide supplemental grant assistance in accordance with the parameters set forth in the incorporated memorandum and in the amounts that Authority staff calculate by applying the metrics set forth in the incorporated materials, and hereby further authorizes the Executive Director to execute and deliver any and all documents and agreements, and expend funds as deemed necessary or appropriate by the Executive Director to assist the projects identified in the memorandum titled Approved Legislation, Commonwealth of Massachusetts FY 24 Budget Recommendation to Approve Supplemental Grants and the associated Attachments B and C, taking such actions without further approval of the Board of Directors.

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Ms. Kwan thanked the Chair and her staff for their work with the legislature.

The Chair thanked Ms. Kwan for her comment and expressed her thanks to everyone who helped.

Mr. Cronin asked what the process will be for a district to receive their supplemental grant.

Mr. McGurl explained that for some districts, they will receive a new amendment to the PFA and for others, the supplemental grant may be incorporated into the PFA bid amendment. He noted that the budgets will be updated in ProPay.

Mr. Cronin asked if districts will need to submit documentation outlining what they will be using the funding for.

The Executive Director explained that the MSBA will not be changing the budgets for projects but there will be conversations with the districts. She commented that if a district is adding something back into the project that may have been removed due to value engineering, they will notify the MSBA. She added that the MSBA will be in close contact with the thirty districts.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

Authorization to Execute Project Funding Agreement – Accelerated Repair Program

Next, the Director of Capital Planning explained that prior to today's Board meeting, MSBA staff received Schematic Design submissions from three districts representing eight schools. The school projects combine for three roof replacement projects, one window and door replacement project, and four boiler replacement projects. MSBA staff has reviewed the existing conditions analysis and proposed schedule provided by the Districts and have discussed the scope and budgets with the Districts and their consultants. The Districts have provided combined Total Project Budgets of approximately \$25.1 million, which include total construction estimates of approximately \$19.4 million. The combined Estimated Maximum Total Facilities Grants for these projects are \$12,275,829. Including potentially eligible project contingencies, the combined Maximum Facilities Grants are \$12,823,284.

In addition to the Silver Hill School, the City of Haverhill was also invited into the Accelerated Repair Program for a boiler replacement project at the Moody School. The City of Haverhill has requested, and staff has approved, an extension for the Moody School so that the District can pursue authorization for a Project Funding Agreement at the December 13, 2023 Board of Directors meeting. Staff is recommending that the boiler replacement project at the Silver Hill School be combined with the boiler replacement project at the Moody School within the same Project Funding Agreement for the City of Haverhill dependent upon the City of Haverhill receiving authorization for a Project Funding Agreement for the boiler replacement project at the Moody School.

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At the October 26, 2022 Board of Directors meeting, the City of Quincy received invitation to the Accelerated Repair Program for a potential boiler replacement project at the Francis W. Parker School, a potential roof replacement project at the Montclair School, and a potential roof replacement project at the Wollaston School. At the time of invitation, staff understood the roof replacements to be the full roof at each school. Following review of the Schematic Design submissions, the City of Quincy is seeking only partial roof replacement for both the Montclair School and the Wollaston School. Staff understand that only the section identified as roof A of the Montclair School and roof B of the Wollaston School meet the thirty years of service qualified for invitation. For the Montclair School, the City of Quincy is also seeking to replace a portion of roof B, but it does not meet the thirty years of service qualified for invitation. Consequently, the recommendation is for a partial roof replacement project at the Montclair School and a partial roof replacement project at the Wollaston School.

In conclusion, staff recommend that the three districts, representing eight schools, receive authorization to enter into Project Funding Agreements with the MSBA.

The Chair asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

Vote to Authorize the Executive Director to Execute Project Funding Agreements for the Proposed Accelerated Repair Projects

VOTED: That the Board of Directors hereby approves the Proposed Accelerated Repair Projects, as set forth below and as further described in the materials presented to the Board and attached hereto, and as such the Proposed Projects shall be further defined in Project Funding Agreements, and authorizes the Executive Director to take all steps necessary to execute and deliver Project Funding Agreements with the Districts set forth below, in such forms as the Executive Director may determine to be acceptable, and expend funds in accordance with such Project Funding Agreements, in accordance with the following:

District	School	Scope	Total Project Budget	Estimated Maximum Total Facilities Grant	Maximum Total Facilities Grant
Boston	Dennis C. Haley School	Boiler	\$2,128,400	\$1,175,584	\$1,230,338
	Dr. William Henderson Upper School	Roof	\$3,601,887	\$1,597,783	\$1,664,357
	Jeremiah E. Burke High School	Boiler	\$1,524,074	\$813,184	\$846,291
	The English High School	Window/Door	\$11,241,814	\$5,596,320	\$5,865,885
Haverhill	Silver Hill School	Boiler	\$1,471,297	\$1,033,098	\$1,075,148
Quincy	Francis W. Parker School	Boiler	\$1,568,629	\$766,920	\$798,070
	Montclair School	Partial Roof	\$2,115,518	\$648,157	\$673,369

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	Wollaston School	Partial Roof	\$1,440,327	\$644,783	\$669,826
Total			\$25,091,946	\$12,275,829	\$12,823,284

The Chief of Operations for the City of Boston, Dion Irish, thanked the Board and the MSBA for their ongoing support.

The MSBA received a letter of support for the proposed projects in Quincy from Speaker Ronald Mariano, Senator John Keenan, Representative Bruce Ayers, and Representative Tackey Chan.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

- Anne Brockelman – Yes
- Terry Kwan – Yes
- Sheila Vanderhoef – Yes
- Sean Cronin – Yes
- Matt Deninger – Yes
- Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

Recommendation for Preferred Schematic Design

The Director of Project Management explained that the Board is being asked to approve the Preferred Schematic Design for the Berkley Community School in the Town of Berkley. The recommendation is to replace the existing Berkley Community School on the existing site. The proposed project is designed to serve students in PK-4, 385 students in grades K through 4. The proposed project has an estimated Total Project Budget of approximately \$75 million, and an estimated total construction budget of approximately \$61.6 million.

The District has requested that it be considered as a candidate for the MSBA’s Model School Program. As presented at the September 20, 2023 Facilities Assessment Subcommittee meeting, staff has identified three model schools that could potentially meet the needs of the District. An additional fourth model will be considered pending Board approval of the model school update.

Staff is recommending that the Town of Berkley be approved to proceed with interviews of the four model school designers and its original Preferred Schematic designer or proceed directly into Schematic Design with its original Preferred Schematic, pending the results of its evaluation.

The Chair asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

Vote on Moving the Town of Berkley to Schematic Design

VOTED: That the Board of Directors hereby authorizes the Executive Director to do all acts necessary, execute and deliver any and all documents and agreements, and expend funds as deemed appropriate by the Executive Director to assist the Town of Berkley with, in concept, the development of schematic designs to replace the existing Berkley

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Community School with a new facility serving pre-kindergarten through grade 4 on the existing site, as further described in the materials presented to the Board and attached hereto, in accordance with G.L. c. 70B and 963 CMR 2.00 et seq. and all other guidelines and policies of the Authority.

VOTED: That the Board of Directors hereby authorizes the Executive Director to invite the Town of Berkley to evaluate certain Model School Program designs, as further described in the materials presented to the Board and attached hereto, in accordance with G.L. c. 70B and 963 CMR 2.00 et seq. and all other guidelines and policies of the Authority.

The Superintendent of Berkley Public Schools, Melissa Ryan, thanked the Board and the MSBA for their support. She expressed her excitement for the project moving forward.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

The Director of Project Management explained that the Board is now being asked to approve the Preferred Schematic Design for the Oakdale Elementary School in the Town of Dedham. The recommendation is to replace the existing Oakdale Elementary School and Greenlodge Elementary School with a new facility serving students in grades 1-5 on the existing Oakdale Elementary School site. The proposed project is designed to serve 550 students in grades 1-5. The proposed project includes an estimated Total Project Budget of approximately \$113.2 million, and an estimated total construction budget of approximately \$87.1 million.

The Chair asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

Vote on Moving the Town of Dedham to Schematic Design

VOTED: That the Board of Directors hereby authorizes the Executive Director to do all acts necessary, execute and deliver any and all documents and agreements, and expend funds as deemed appropriate by the Executive Director to assist the Town of Dedham with, in concept, the development of schematic designs to replace the existing Oakdale Elementary School and Greenlodge Elementary School with a new facility serving students in grades 1-5 on the existing Oakdale Elementary school site, as further described in the materials presented to the Board and attached hereto, in accordance

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with G.L. c. 70B and 963 CMR 2.00 *et seq.* and all other guidelines and policies of the Authority.

The Superintendent of Dedham Public Schools, Nan Murphy, commented that she is excited about the proposed project. She thanked the Chair, CEO, Board, and MSBA.

The MSBA received a letter of support for the proposed project in Dedham from Representative Paul McMurtry.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

The Director of Project Management explained that the Board is now being asked to approve the Preferred Schematic Design for the Hatherly Elementary School in the Town of Scituate. The recommendation is to consolidate the student population of the existing Cushing Elementary School and the Hatherly Elementary School and construct a new three-story facility serving grades Kindergarten-5, plus Pre-K, on the existing Hatherly Elementary School site. The proposed project is designed to serve 460 students in grades K through 5 and includes an estimated Total Project Budget of approximately \$120 million, and an estimated total construction budget of approximately \$92.4 million.

The Chair asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

Vote on Moving the Town of Scituate to Schematic Design

VOTED: That the Board of Directors hereby authorizes the Executive Director to do all acts necessary, execute and deliver any and all documents and agreements, and expend funds as deemed appropriate by the Executive Director to assist the Town of Scituate with, in concept, the development of schematic designs to replace the existing Hatherly Elementary School and Cushing Elementary School with a new facility serving students in pre-kindergarten through grade 5 on the existing Hatherly Elementary School site, as further described in the materials presented to the Board and attached hereto, in accordance with G.L. c. 70B and 963 CMR 2.00 *et seq.* and all other guidelines and policies of the Authority.

The Superintendent of Scituate Public Schools, William Burkhead, thanked the MSBA for all its hard work. He thanked the Designer and OPM working on the project. He commented that the project is overwhelmingly supported by the community.

There being no more discussion, the Chair asked for a roll call vote of the Board.

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Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

The Director of Project Management explained that the Board is now being asked to approve the Preferred Schematic Design for the South Elementary School in the Town of Stoughton. The recommendation is to consolidate the student population of the existing South Elementary School and the Richard L. Wilkins Elementary School and construct a new three-story facility serving grades Kindergarten-5 on an alternative site referred to as the Line Lumber site. The proposed project is designed to serve 515 students in grades K through 5. The proposed project includes an estimated Total Project Budget of approximately \$108 million, and an estimated total construction budget of approximately \$86 million. The recommendation includes land acquisition, therefore the associated vote to approve a Project Scope and Budget Agreement and a Project Funding Agreement, currently anticipated for April of next year, would be contingent upon the District complying with MSBA's land use requirements and may be contingent upon the District meeting applicable MEPA review requirements.

The Chair asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

Vote on Moving the Town of Stoughton to Schematic Design

VOTED: That the Board of Directors hereby authorizes the Executive Director to do all acts necessary, execute and deliver any and all documents and agreements, and expend funds as deemed appropriate by the Executive Director to assist the Town of Stoughton with, in concept, the development of schematic designs to consolidate the student population of the existing Stoughton Elementary School and the Richard L. Wilkins Elementary School and construct a new facility serving grades K-5 on an alternative site referred to as the "Line Lumber" site, as further described in the materials presented to the Board and attached hereto, in accordance with G.L. c. 70B and 963 CMR 2.00 *et seq.* and all other guidelines and policies of the Authority.

Ms. Brockelman commented that the proposed project is a consolidation. She congratulated the District, noting that it can be difficult to bring everyone together.

Superintendent Joseph Baeta commented that this project will restructure the District in a positive way. He thanked the MSBA, the District's consultants, and everyone involved locally with the project.

Senator Walter Timilty thanked Superintendent Baeta and the District, the Chair, the Board, and MSBA for their support.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

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Anne Brockelman – Yes

Terry Kwan – Yes

Sheila Vanderhoef – Yes

Sean Cronin – Yes

Matt Deninger – Yes

Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

Approval of Project Scope and Budget Agreement and Authorization for Project Funding Agreement

Next, the MSBA's Design Director, Karl Brown, explained that the Board is now being asked to approve a Project Scope and Budget Agreement and to authorize the MSBA to enter into a Project Funding Agreement for a project at the East Longmeadow High School in the Town of East Longmeadow. The recommendation is to construct a new two-story, 191,796 square foot facility on the site of the existing East Longmeadow High School.

The proposed project has a design enrollment of 800 students in grades 9 through 12.

The District provided a Total Project Budget of approximately \$177.5 million, which includes a total construction budget of approximately \$147.5 million.

The Chair asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

Vote to Authorize the Executive Director to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the Town of East Longmeadow

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing East Longmeadow High School with a new facility serving grades 9-12 on the site of the existing school, as further described in the materials presented to the Board and attached hereto and as such Proposed Project shall be further defined in the Project Scope and Budget Agreement, and authorizes the Executive Director to take all steps necessary to execute and deliver a Project Scope and Budget Agreement and Project Funding Agreement with the Town of East Longmeadow, in such forms as she may determine to be acceptable, for the East Longmeadow High School project at a reimbursement rate of sixty-one and ninety-five hundredths percent (61.95%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$80,967,085, which shall not include any funds for owner's or construction contingency expenditures; that the Board of Directors hereby further authorizes the Executive Director to increase the Estimated Maximum Total Facilities Grant up to a Maximum Total Facilities Grant of \$82,338,081, in the event that the MSBA determines, in its sole discretion, that any owner's and/or construction contingency expenditures are eligible for reimbursement pursuant to MSBA regulations, guidelines, or policies; that the Board of Directors hereby further authorizes the Executive Director to expend funds in accordance with such Project Funding Agreement.

An aide to Representative Brian Ashe thanked the Board and the MSBA staff for their support.

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The Superintendent of East Longmeadow Public Schools, Gordon Smith, introduced others on the call and thanked the Chair and the Board. He shared that the East Longmeadow community is very excited about the project.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

Next, the Design Director explained that the Board is now being asked to approve a Project Scope and Budget Agreement and to authorize the MSBA to enter into a Project Funding Agreement for a project at the Elmwood Elementary School in the Town of Hopkinton. The recommendation is to construct a new three-story, 175,002 square foot facility on an alternative Hayden Rowe Street site.

The proposed project has a design enrollment of 1,195 students in grades 2 through 4.

The District provided a Total Project Budget of approximately \$158.4 million, which includes a total construction budget of approximately \$125 million.

The District's Preferred Schematic, located on the Hayden Rowe Street site, is subject to the review of the Massachusetts Environmental Policy Act Office ("MEPA Review"). The MSBA Board's authorization to enter a Project Scope and Budget Agreement and a Project Funding Agreement is noted in the Board memo as conditioned upon the District fulfilling the applicable requirements associated with the MEPA Review.

The Chair asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

Vote to Authorize the Executive Director to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the Town of Hopkinton

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Elmwood Elementary School with a new facility serving grades 2-4 on an alternative site referred to as the Hayden Rowe Street site, contingent upon the Town fulfilling all applicable requirements associated with MEPA review, as further described in the materials presented to the Board and attached hereto and as such Proposed Project shall be further defined in the Project Scope and Budget Agreement, and authorizes the Executive Director to take all steps necessary to execute and deliver a Project Scope and Budget Agreement and Project Funding Agreement with the Town of Hopkinton, in such forms as she may determine to be acceptable, for the Elmwood Elementary School project at a reimbursement rate of forty-nine and seven hundredths percent (49.07%) of

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approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$60,607,875, which shall not include any funds for owner's or construction contingency expenditures; that the Board of Directors hereby further authorizes the Executive Director to increase the Estimated Maximum Total Facilities Grant up to a Maximum Total Facilities Grant of \$61,527,604, in the event that the MSBA determines, in its sole discretion, that any owner's and/or construction contingency expenditures are eligible for reimbursement pursuant to MSBA regulations, guidelines, or policies; that the Board of Directors hereby further authorizes the Executive Director to expend funds in accordance with such Project Funding Agreement.

Ms. Vanderhoef asked if there will be additional costs associated with MEPA review.

The Design Director explained that the budget has a contingency amount and that the District would have considered any costs for this.

Hopkinton's School Building Committee Chair, Jonathan Graziano, thanked the MSBA, the Board, and the OPM and Designer working on the project.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes

Terry Kwan – Yes

Sheila Vanderhoef – Yes

Sean Cronin – Yes

Matt Deninger – Yes

Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

Next, the Design Director explained that the Board is now being asked to approve a Project Scope and Budget Agreement and to authorize the MSBA to enter into a Project Funding Agreement for a project at the Whitman Middle School in the Whitman-Hanson Regional School District. The recommendation is to construct a new three-story, 138,605 square foot facility on the existing Whitman Middle School site.

The proposed project has a design enrollment of 675 students in grade 5 through 8.

The District provided a Total Project Budget of approximately \$135.3 million, which includes a total construction budget of approximately \$106.7 million.

The Chair asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

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Vote to Authorize the Executive Director to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the Whitman-Hanson Regional School District

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Whitman Middle School with a new facility serving grades 5-8 on the existing site, as further described in the materials presented to the Board and attached hereto and as such Proposed Project shall be further defined in the Project Scope and Budget Agreement, and authorizes the Executive Director to take all steps necessary to execute and deliver a Project Scope and Budget Agreement and Project Funding Agreement with the Whitman-Hanson Regional School District, in such forms as she may determine to be acceptable, for the Whitman Middle School project at a reimbursement rate of sixty-three and thirty-one hundredths percent (63.31%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$58,146,727, which shall not include any funds for owner's or construction contingency expenditures; that the Board of Directors hereby further authorizes the Executive Director to increase the Estimated Maximum Total Facilities Grant up to a Maximum Total Facilities Grant of \$59,159,717, in the event that the MSBA determines, in its sole discretion, that any owner's and/or construction contingency expenditures are eligible for reimbursement pursuant to MSBA regulations, guidelines, or policies; that the Board of Directors hereby further authorizes the Executive Director to expend funds in accordance with such Project Funding Agreement.

Senator Mike Brady thanked the Board and the MSBA for their support.

The Superintendent of the Whitman-Hanson Regional School District, Jeff Szymaniak, thanked the Board for their support and shared that the project is widely supported across the District.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes

Terry Kwan – Yes

Sheila Vanderhoef – Yes

Sean Cronin – Yes

Matt Deninger – Yes

Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

Audit

The MSBA's Director of Audit, Miriam Vazquez, began her audit update by explaining that the MSBA has completed final audits for 651 Capital Pipeline Program projects plus the four projects subject to vote today, all together representing approximately \$8.2 billion in submitted and audited costs.

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She continued, explaining that the MSBA has also audited approximately \$7 billion in submitted costs for the 253 projects currently submitting monthly requests for reimbursements. Based on the Total Project Budget information and submitted costs to date of approved projects, the MSBA estimates that approximately \$4.3 billion in additional costs will be submitted for audit for these projects.

The Director of Audit then explained that monthly submitted costs have averaged \$120 million over the 12 months preceding this Board meeting, and the total amount submitted and audited in this 12-month period equals approximately \$1.44 billion.

Approval of Audits, Capital Pipeline Program

The Director of Audit explained that the Board is being asked to approve four Capital Pipeline Program audits listed on Exhibit A. She explained that the total combined grant amount for these four projects is \$37,931,171.

The Chair asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

Approval of Audit Costs for Several Projects

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the final audited approved grant amounts for the projects listed in the spreadsheet attached hereto as Exhibit A and authorizes the Executive Director to make payments consistent with this vote.

There being no discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

MSBA Updates

Executive Director's Report

Mary Pichetti, the Executive Director of the MSBA, began her report by thanking the entire MSBA team, the Board, and the Chair.

The Executive Director shared a lookahead for the next few months. She thanked the MSBA for all their work implementing the changes from the new legislation. She shared that there will be a recommendation for the Accelerated Repair Program today as well as an informational session on the

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Program in mid-November, with the Program opening in January of 2024. MSBA staff has also been working hard to present the Model School recommendations, revising the regulations, SOI 2023 visits and invitations, and planning to launch the next School Survey.

Next, the Executive Director presented a PowerPoint of outreach events that staff from the MSBA had participated in the past few weeks. Staff has attended a variety of events such as Supplier Diversity Office Outreach, the Massachusetts Higher Education Consortium Expo, and the Massachusetts Facilities Administrators Association Conference. The MSBA held Roundtable events in September and October. The MSBA also co-hosted with the Massachusetts Supplier Diversity Office a Procurement Overview for Engineers, Architects, and Project Managers. Staff, in partnership with the Office of the Inspector General, held the Story of a Building event at the Mountain View School in Easthampton. The Executive Director also shared upcoming outreach events for the month of November. The Executive Director shared photos from Groundbreaking events at the Tyngsborough Middle School, David Prouty High School in Spencer-East Brookfield, and Bristol-Plymouth Regional Vocational Technical High School. Photos were shared of Topping Off Ceremonies at the John D. Hardy Elementary School in Wellesley and the Crocker Elementary School in Fitchburg. Finally, the Executive Director presented photos from Ribbon Cutting Ceremonies at the Belmont Middle School/High School, South Middle School in Braintree, DeBerry-Swan Elementary School in Springfield, David Mindess Elementary School in Ashland, and East Veterans Elementary School in Gloucester.

Next, the Executive Director shared staff updates. She congratulated Melanie Soter on her recent wedding, Paul Gaski on the birth of his daughter, Nina Pappacostas on the purchase of her new home, and Maddie Esdale on the purchase of her new home.

Lastly, the Executive Director thanked the Board for its appreciation and kind words towards MSBA staff. She expressed that their appreciation does not go unnoticed. She also thanked the MSBA staff for continuously supporting all of the districts.

The Chair thanked the Executive Director for all her work.

Project Status

Reconciliation of Approved Projects to the Annual Program Funding Cap

Next, the Director of Capital Planning provided an update on the Reconciliation of Approved Project Obligations to the Annual Program Funding Cap.

As the MSBA has done in prior years, this year's reconciliation of the calculated annual grant funding cap space and the total approved grants is summarized in a Reconciliation of Approved Projects to the Annual Program Funding Cap memorandum.

For FY23, prior to adjustments stemming from the Commonwealth's Fiscal Year 2024 Budget, the Annual Cap increased to \$897 million. From prior fiscal years, \$95 million was carried forward while \$17 million of additional final audit savings was made available again. As a result, the combined year-end available cap space was just over \$1.9 billion (\$1,009,415,122).

The MSBA obligated \$414,916,513 million, or close to \$415 million, from the FY23 grant cap space as follows: \$9.7 million to fund feasibility studies for 13 districts; \$61.0 million to fund ARP Projects for 14 districts and their 26 schools; \$343.3 million to fund 8 Core Program project grants; and \$879 thousand in adjustments to a prior reconciliation.

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Per the MSBA's policies regarding the administration of estimated grants previously approved in May 2017 and August 2018, the remaining \$594 million in grant cap space would be allocated to future fiscal years.

However, with the adjustments stemming from the Commonwealth's Fiscal Year 2024 Budget, the FY23 grant reconciliation update changed in two ways: the Annual Grant Funding Cap Space for FY23 has been reset to \$1.200 billion, an increase of \$302 million compared to the previously scheduled \$897 million; and, the Accelerated Repair Program grants of \$60.1 million no longer apply against the Annual Cap.

Applying these two adjustments, the increase to the FY23 Cap Space of \$302 million and the decrease in obligations of \$60 million, the remaining Grant Cap Space from FY23 to be allocated to future fiscal years increases from \$594 million to \$958 million (\$958,295,772). This remaining Grant Cap Space was used in the models to support the recommended increases to project funding limits.

Project Overview Report

The Director of Capital Planning provided an update for substantially completed projects. For projects scheduled for 2023, eight projects are scheduled to achieve substantial completion. The eight projects are located in Amesbury, Gloucester, Springfield, Braintree, Ashland, Belmont, Orange, and Peabody. Staff have received Certificates of Substantial Completion for Amesbury and Belmont, with many in process. Each project team reported that their respective schools opened for the return of students, as scheduled.

Next, the Director of Capital Planning presented bid information for the Accelerated Repair Program. For the 2021 program, twelve of the fifteen reported projects bid within the estimated budget. Staff anticipate reporting on five additional projects at the December Board of Directors meeting while the remaining six projects are anticipated to bid by the end of the calendar year.

Next, Project Manager Erin Agan shared the upcoming bid maps. She explained that the MSBA is currently tracking nineteen projects for filed sub bidding through 2025. This includes all projects that have been approved for Preferred Schematic Design prior to today's meeting. The nineteen projects have a total estimated construction budget of approximately \$2.84 billion.

For 2023, the MSBA has had sixteen projects receive filed sub bids so far. The MSBA is tracking an additional two for the year. Those two projects have an estimated construction budget of approximately \$312 million.

2024 is now tracking eight projects with an estimated construction budget of approximately \$1.13 billion. Holyoke, Greater Fall River, and Haverhill will be among the first to bid in 2024.

2025 now has nine projects with an estimated construction budget of approximately \$1.4 billion. Clinton was added following their Preferred Schematic approval at the August Board Meeting. The project count will continue to increase following today's Board meeting with the addition of Berkley, Dedham, Scituate, and Stoughton.

The Director of Capital Planning shared anticipated sub-bids in November, December, and January for the Core Program. He also provided an update on anticipated DBB bids and GMP executions in November, December, and January.

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Staff are tracking eighteen projects anticipating sub-bids in 2023. In square foot cost, the 2023 results continue to range from \$500/sf for the Fitchburg Crocker Elementary School to \$720/sf for the Wellesley Ernest F. Upham Elementary School.

Since the August Board meeting, Bristol-Plymouth has reported its general contractor bid results. In total, ten of twelve have exceeded their estimated budgets from PFA. The square foot price for Bristol-Plymouth is \$568/sf.

Beginning with the December 2022 Board meeting, the MSBA has presented Core Program projects that have reported recent additional local funding increases. The presented projects have received Project Scope and Budget approval from the Board but have not yet executed an amendment to their Project Funding Agreement. For today's meeting, fourteen projects are reflected.

Since the August Board Meeting, Peabody's William A. Welch Sr. School has been removed following the execution of its Bid Amendment while Boston's Carter School has been added. Thirteen of fourteen projects have reported their bid results with Boston Carter's GMP anticipated in November.

In summary, for those districts bidding in 2022 and 2023, seventeen have successfully appropriated additional local funds or approved transfers of other funds, with Somerset being the exception.

MSBA Model School Program Recommendation

Capital Program Manager Elena Seiti presented a summary of the procurement process and staff recommendations for the Model School Program.

The MSBA received seven responses to the RFQ that was issued on January 25, 2023.

The Model School selection committee completed the Phase 1 evaluation of all seven applications in June 2023, in accordance with the selection criteria outlined in the RFQ, and determined that all seven designs should proceed to Phase 2, which would include a site visit to each school.

The selection committee conducted a total of seven site visits in August 2023 and completed the evaluation of the applicants for which site visits were conducted. The Capital Program Manager then reviewed the minimum requirements and selection criteria upon which the designs were evaluated for the 2023 procurement.

Photos, floor plans, assets, and challenges from the following schools were displayed in a PowerPoint: the Harris Brook Elementary School by Mount Vernon Architects in Ludlow; Lucretia and Joseph Brown Elementary School by Raymond Design Associates in Marblehead; Goodnow Brothers Elementary School by Mount Vernon Group Architects in Marlborough; Raymond E. Shaw Elementary School by Turowski2 Architects in Millbury; Major Howard W. Beal Elementary School by Lamoreux Pagano Associates in Shrewsbury; Wareham Elementary School by Mount Vernon Group Architects in Wareham; and Westport Middle-High School by Jonathan Levi Architects in Westport. The Capital Program Manager explained that the selection committee is not recommending the Westport Middle-High School for inclusion in the Model School program.

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Next, an enrollment chart illustrating how the six recommendations compare to the current inventory of model school designs was displayed.

The Capital Program Manager explained that staff were pleased to see so many schools effectively delivering the districts' educational programs. The site visits provided opportunities for the MSBA team to see first-hand how designers can provide educationally appropriate designs in a thoughtful manner. As part of the Model School selection process, the MSBA's focus is on future adaptability and therefore, not all have been recommended for the Model School program. All of the schools, however, incorporated features that provide good models for breakout areas, storage and natural light that should be considered by designers in future projects.

Based on the review and findings described, staff are recommending the six elementary schools listed for inclusion in the Model School Program.

The Chair asked for a motion, and the following motion was made by Ms. Kwan and seconded by Ms. Vanderhoef:

Approval of the Model School Program Recommendations

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the schools listed below to be included in the Authority's Model School Program, as further described in the memorandum attached hereto and incorporated by reference herein, and authorizes the Executive Director to do all acts necessary, execute and deliver any and all documents and agreements, and expend funds as deemed appropriate by the Executive Director to implement and administer the Model School Program.

Goodnow Brothers Elementary School	Marlborough
Harris Brook Elementary School	Ludlow
Lucretia and Joseph Brown Elementary School	Marblehead
Major Howard W. Beal Elementary School	Shrewsbury
Raymond E. Shaw Elementary School	Millbury
Wareham Elementary School	Wareham

There being no discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes

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Terry Kwan – Yes

Sheila Vanderhoef – Yes

Sean Cronin – Yes

Matt Deninger – Yes

Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

MSBA Accelerated Repair Program Recommendations

Capital Program Manager Elena Seiti presented staff's recommendations for the opening of the Accelerated Repair Program in January 2024.

She explained that subsequent to the temporary pause approved at the October 2022 Board meeting, staff have been reviewing the Accelerated Repair Program to understand what, if any, changes should be made to the program when it re-opens. The Accelerated Repair Program has provided grants for key, stand-alone systems including roofs, windows and boilers that prolong the longevity of the building and improve the educational environment. The Accelerated Repair Program was initiated in 2012 after the success of the Green Repair Program and started with a budget of \$50 million and later increased the estimated budget in 2021 to \$75 million. Together, the Green Repair Program and the Accelerated Repair Program have supported projects totaling over \$1.4 billion over the last eleven years with grants of over \$860 million.

She explained that as the number of SOIs filed each year and the cost of construction has increased, the MSBA has had to limit the number of invitations. Since 2018, the MSBA has only been able to accept approximately half of the SOIs received.

Excluding schools over sixty years old with the highest of building needs, staff have estimated that the existing need for roofs and boilers over the age of twenty-five years and windows over the age of thirty years represent 1,150 system replacements and approximately \$3 billion in grants.

With all this in mind, the MSBA began exploring possible program considerations within several general categories. Today's recommendations focus on scope and general administration, which include scope considerations related to boilers and fossil fuel use, roof restoration and possibilities for electrification as well as opportunities for increasing predictability for districts and MSBA staff under the administrative category.

The legislation approved as part of the Commonwealth's Fiscal Year 24 Budget provides that grant amounts related to the Accelerated Repair Program shall not count against the Annual Cap limit beginning with the FY23 Annual Cap. This provision provides an opportunity for the MSBA to increase the budget for the Accelerated Repair Program without affecting the number of Core Program Invitations.

With this legislative change and based on staff review, staff recommend the following:

First, staff recommend opening the Accelerated Repair Program in January 2024 with an estimated budget of \$150 million for windows and roofs. The qualifying age criteria for windows will be thirty years and the qualifying age criteria for roofs will be twenty-five years. As in previous years, the

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advertised qualifying ages may need to be adjusted after the opening based on the volume of qualifying Statements of Interest. Staff recognize that even by doubling the budget for the Accelerated Repair Program, the existing and future need is still greater. The recommendation for the annual estimated budget will continue to be monitored as we move forward.

Second, staff recommend including the provision for the feasibility study for each roof invited to consider roof replacement as well as roof restoration. Although not the right fit for every school, roof restoration may allow for a more economical solution.

Third, staff recommend procuring a consultant to study heat pump conversion for existing buildings to facilitate moving schools toward net-zero carbon emissions by 2050. This study will be done in lieu of offering boiler replacement. Contingent upon the completion of this study and its findings, staff anticipate offering this option as part of the January 2025 Statement of Interest opening for the Accelerated Repair Program. Staff also anticipate recommending an increase to the budget for the Accelerated Repair Program with this offering.

Lastly, staff recommend moving to a biennial Statement of Interest Opening (every two years), commencing in January 2025, given the proposed budgetary growth of the ARP and introduction of the new scope for heat pump conversion. Districts will file Statements of Interest biennially and staff will review invitations based on a budget of \$300 million for window and roof projects (representing two years' worth of projects). Staff believe that a biennial opening will introduce critical efficiencies for MSBA staff in offering this larger program but will also offer efficiency for our districts who may benefit from not having to refile annually. In addition, a biennial opening and invitation provides more predictability and flexibility for districts who are administering facilities improvements.

As part of its initial review, staff have identified other areas that may improve the program and intend to continue to study the program in 2024. At the same time, staff are evaluating the MSBA's financial capacity for both the Accelerated Repair Program and the Core Program considering the legislative changes and will be evaluating any impacts to doubling the budget for system replacements in the Accelerated Repair Program in a challenging construction market.

In conclusion, staff seek approval of the Accelerated Repair Program Recommendations described in the Board memorandum.

The Chair asked for a motion, and the following motion was made by Ms. Kwan and seconded by Ms. Vanderhoef:

**Approval of Massachusetts School Building Authority's
Accelerated Repair Program Recommendations**

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the recommended changes to the Accelerated Repair Program, as further described in the materials presented to the Board and incorporated by reference herein, and hereby authorizes the Executive Director to do all acts and things necessary to implement and administer the Accelerate Repair Program, as set forth in the incorporated material.

Ms. Kwan asked who will receive any benefits available through the Inflation Reduction Act (IRA).

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The Executive Director commented that the districts will receive the benefits in accordance with the updated Third-Party Funding Policy.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

Finance

Sales Tax Collections Update

The MSBA's Treasurer, Gianpiero Tirella, presented a PowerPoint and provided a SMART Collections update. FY2024 SMART collections through September were \$6.8 million (2.18%) lower than the same period in FY2023.

He presented a slide with a graphical depiction of FY2020 – FY2024 Monthly SMART collections, and then year-to-date SMART collections by year from FY2020 – FY2024, as well as quarterly.

Grant Payments Update

Next, the Treasurer provided an update regarding MSBA grant payments for projects, noting that the MSBA has made \$131,768,965 in grant payments to date in Fiscal Year 2024. This is for ninety-six projects in eighty-one districts.

FY2024 Budget Update

Next, the MSBA's Chief Financial Officer, Laura Guadagno, thanked MSBA staff for their assistance and provided the Board with a FY2024 budget update. She presented a PowerPoint with the FY2024 budget compared to the actuals for the Total Operating and Capital Budget, Administrative Expenses, Capital Pipeline Support Services, Operating Expenses, and the Grant Program.

Legal

The MSBA's General Counsel, Christine Nolan, explained that the Board is now being asked to approve a draft of proposed revisions to the MSBA's regulations to be issued for public comment. She explained that the Legal team will provide a brief background and objectives of the project, an overview of the proposed regulations, and the timeline going forward.

She explained that the MSBA has been working on a project to update the regulations to reflect the operating procedures for the grant program as it is structured today. The MSBA's regulations were first promulgated in 2006 and the program has changed a lot since it was first envisioned. There have been some small updates over the years but, this is the first large scale revision effort to bring the regulations to a place that best reflects current practices and procedures.

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To carry out this overhaul of our regulations, the Legal team worked to identify areas needing revision or clarifications. Meetings were then held with the experts on each module from the Capital Planning team, and with other departments, such as Finance and Audit, and External Affairs, to receive feedback on provisions under their purview. There were also a series of meetings with the current Executive Director and the former Executive Director. As hearings are being planned, the Legal team is working with External Affairs staff as well. The General Counsel thanked members of the Legal team for their hard work and the many hours that have been spent on this project. She shared that once these revisions are promulgated, the MSBA will be in a place where the document can be used as a starting point to vision any updates that may be needed as the MSBA moves into the future.

Next, the Legal Department's Legal Assistant, Annie Hudson, presented the objectives of the regulations project. She explained that the current regulations were revised to accurately reflect how the MSBA's grant process has evolved; to provide clarity and make the Regulations more user friendly; to make the Regulations easier to follow by arranging the sections in chronological order and matching the MSBA modules; and to provide a starting point for future MSBA programmatic changes and updates as the landscape of school construction continues to change.

Next, Associate General Counsel Colleen Smith provided an overview of key revisions to the Regulations. She explained that the regulations will now proceed from Module 1 through Module 9 as Core Program projects do, making it easier for districts and external stakeholders to understand the process. She then shared a slide to show how the regulations were rearranged in order of the modules.

In addition to arranging the regulations into chronological order based on the MSBA's modules, the MSBA added stand-alone sections such as: Accelerated Repair Program (ARP); Construction (Module 7); Post Occupancy Evaluation (Module 9); and Model School Program. These additions ensure that key elements of our program that came into existence after our regulations were promulgated are now part of the regulations.

The MSBA made changes to allow for the regulations to stay current year after year by eliminating references to outside standards and codes that periodically change. As an example, the regulations currently cite specific standards which are updated from time to time like the building code. The Legal team has updated the regulations to instead require districts meet MSBA requirements and exceed requirements when possible. This allows for our regulations to stay current year after year.

The MSBA has also updated the Statement of Interest section of the regulations to match the timing of the submission period that the MSBA follows for Statements of Interest. Currently, the regulations indicate Statements of Interest should be filed at any time, but no later than July 31st for approval in that same year. As the MSBA has matured, the Statement of Interest period has become formalized, and the submission period has become more defined to provide predictability for districts and to allow staff to work more efficiently.

Additionally, the MSBA has updated the Incentive Points portion of the regulations. Construction Manager at Risk and Model School incentive references have been removed from this section because the MSBA no longer provides these incentive points. The MSBA updated the Green School Program incentive to allow for three incentive points and included an additional point for Indoor Air Quality.

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Lastly, the MSBA added greater details about the grant program, such as the addition of the educational profile questionnaire that is required during Eligibility Period.

Next, the General Counsel explained the process to promulgate revisions to the regulations. She explained that today the Board is being asked to approve this draft to be issued for public comment. Board members and other interested parties may make comments on this draft. There will be a series of public hearings and a public comment period. Following that, the MSBA can review comments and make necessary changes. Then, the MSBA will present a final draft to the Board. Once the Board approves that draft, the MSBA will work with the Secretary of State to promulgate the regulations.

The General Counsel shared information about the public hearings and the public comment period. The public hearings will be a combination of in-person and virtual sessions. There will be approximately ten hearings anticipated. The hearings will occur at the end of November through the middle of December. There will be a break for the holidays followed by the final hearings in January. The public comment period will end on January 31, 2024. The General Counsel explained that there are several notice requirements and that the MSBA already notified the MMA and the Executive Office of Housing and Livable Communities.

In conclusion, the General Counsel explained that the Board is being asked to approve the draft to be issued for public comment.

The Chair asked for a motion, and the following motion was made by Ms. Kwan and seconded by Mr. Deninger:

Approval of the Revised Draft of the Authority's Regulations

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Revised Draft of the Authority's Regulations, 963 CMR 2.00 et seq., as described in the materials presented to the Board and as outlined in the October 18, 2023 Memorandum, Revisions to the Authority's Regulations, to be issued for public comment in substantially the same form as presented to the Board of Directors, and hereby authorizes the Executive Director to do all acts and things necessary to proceed with the public comment period and prepare the revised draft of the regulations to be promulgated with the Secretary of the Commonwealth in such form as she may determine to be acceptable, provided that the Executive Director shall present the final version of the Authority's Regulations, inclusive of any necessary revisions resulting from the public comment period to the Board of Directors for approval prior to promulgation.

The Chair thanked the Legal team for their hard work.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes

Terry Kwan – Yes

Sheila Vanderhoef – Yes

Sean Cronin – Yes

The October 25, 2023 Board meeting minutes were approved by the MSBA's Board of Directors at the December 13, 2023 meeting.

Matt Deninger – Yes

Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

The Chair asked for a motion to adjourn the meeting. The motion was made by Ms. Kwan and seconded by Ms. Vanderhoef.

The Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes

Terry Kwan – Yes

Sheila Vanderhoef – Yes

Sean Cronin – Yes

Matt Deninger – Yes

Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining

The meeting was adjourned at 12:04 pm.

List of documents and exhibits used at the meeting:

- PowerPoint Presentation
- August 30, 2023 Board Meeting Minutes
- Recommendation to Revise MSBA Project Funding Limits Policy
- Approved Legislation, Commonwealth of Massachusetts FY24 Budget Recommendation to Approve Supplemental Grants
- Authorization to Execute Project Funding Agreement – Accelerated Repair Program
- Recommendation for Preferred Schematic Design
- Invitation to Project Scope and Budget
- Audit Status Report
- Recommendation for Approval of Final Audits, Capital Pipeline Program
- Reconciliation of Approved Projects to the Annual Program Funding Cap
- Project Overview Report
- MSBA Model School Program Recommendations
- MSBA Accelerated Repair Program Recommendations
- Sales Tax Collections Update
- Grant Payments Update
- FY2024 Budget Update
- Revisions to the Authority's Regulations