

District: City of Salem  
 School Name: Salem High School  
 Recommended Category: Project Scope and Budget  
 Date: February 18, 2026

**Recommendation**

That the Executive Director be authorized to enter into a Project Scope and Budget Agreement and a Project Funding Agreement with the City of Salem (the “District”) to replace the existing Salem High School with a new facility serving grades 9 through 12, on the site of the existing school.

<b>District Information</b>	
District Name	City of Salem
Elementary Schools	Salem Early Childhood (PK-K) Bates Academy (K-5) Bentley Academy (K-5) Carlton Innovation School (K-5) Horace Mann Laboratory (K-5) Witchcraft Heights (K-5)
Middle Schools	Saltonstall School (K-8) Collins Middle School (6-8)
High Schools	New Liberty (9-12) Salem High School (9-12)
Priority School Name	Salem High School
Type of School	High School
Grades Served	9-12
Year Opened	1976
Existing Square Footage	419,530
Additions	1990 – Addition 2006 – Renovation
Acreage of Site	61.6 acres
Building Issues	The District identified deficiencies in the following areas: <ul style="list-style-type: none"> <li>– Structural integrity</li> <li>– Mechanical systems</li> <li>– Electrical systems</li> <li>– Plumbing systems</li> <li>– Windows</li> <li>– Roof</li> <li>– Envelope</li> <li>– Accessibility</li> </ul> In addition to the physical plant issues, the District reported that the existing facility does not support the delivery of its educational program.
Original Design Capacity	1,500 students
2025-2026 Enrollment	960 students
Agreed Upon Enrollment	1,000 students

<b>District Information</b>	
Enrollment Specifics	The District and MSBA have mutually agreed upon a design enrollment of 1,000 students serving grades 9-12.
Total Project Budget – Debt Exclusion Anticipated	Yes

<b>MSBA Board Votes</b>	
Invitation to Eligibility Period	December 21, 2022
Invitation to Feasibility Study	February 28, 2024
Preferred Schematic Authorization	August 27, 2025
Project Scope & Budget Authorization	On February 25, 2026 Board agenda
Reimbursement Rate Before Incentives	73.89%
Incentive Points	1.74 – Maintenance 3.00 – Energy Efficiency – “Green Schools” <sup>1</sup> 1.00 – Indoor Air Quality – “Green Schools” <sup>1</sup>
Total Reimbursement Rate <sup>1</sup>	79.63%

<sup>1</sup>The MSBA has provisionally included three (3) incentive points for energy efficiency, and one (1) incentive point for indoor air quality, subject to the District meeting certain sustainability requirements for the project. If the District does not meet the requirements of the Green Schools Program, the District will not qualify for some or all of these incentive points, and the MSBA will adjust the reimbursement rate accordingly.

<b>Consultants</b>	
Owner’s Project Manager (the “OPM”)	Accenture (Formally known as: Anser Advisory Management LLC)
Designer	Perkins+Will

## Discussion

MSBA staff reviewed the documents provided by the District and met with the District and its consultants to discuss scope and budget. The District has provided a Total Project Budget of \$447,385,518, which includes an estimated construction cost of \$372,056,266 (\$1,050/sq. ft.). The Estimated Basis of Total Facilities Grant would be \$255,661,688, which excludes the following: OPM and Designer fees associated with excluded scope; OPM and Designer fees beyond MSBA funding limits; costs associated with the removal of fuel storage tanks; costs associated with off-site work; costs associated with scope excluded site work; construction costs for building and site work beyond MSBA funding limits, which includes scope associated with ineligible building area; costs associated with mailing and moving; costs exceeding the \$1,915 per student allowance for furniture, fixtures, and equipment; and, costs exceeding the \$1,570 per student allowance for computer equipment and technology. The Total Project Budget also includes ineligible costs associated with the commissioning of ineligible building area as well as ineligible owner’s and construction contingency costs.

<b>Project Scope and Budget Agreement</b>	
Enrollment: 1,000 students	District’s Proposed Project Budget
Proposed Total Square Feet: 354,405	
Project Budget <sup>1</sup>	\$432,555,267
Scope Exclusions/Ineligible Costs	-\$176,893,579
Third Party Funding	-\$0
Estimated Basis of Total Facilities Grant	\$255,661,688

Reimbursement Rate	79.63%
Estimated Maximum Total Facilities Grant before Cost Recovery <sup>2</sup>	\$203,583,402
Commissioning Costs Associated with Ineligible Building Area	-\$48,314
Cost Recovery Associated with Prior Projects	-\$0
Estimated Maximum Total Facilities Grant <sup>2</sup>	\$203,535,088
Owner's and Construction Contingencies	\$14,830,251
Ineligible Owner's and Construction Contingencies	-\$9,249,407
Potentially Eligible Owner's and Construction Contingencies	\$5,580,844
Potential Additional Grant Funds for Eligible Owner's and Construction Contingency Expenditures	\$4,444,026
Total Project Budget	\$447,385,518
Maximum Total Facilities Grant <sup>3,4</sup>	\$207,979,114

<sup>1</sup>Does not include Owner's or Construction Contingencies.

<sup>2</sup>Does not include any grant funds for potentially eligible Owner's or Construction Contingency Expenditures; subject to MSBA review and audit.

<sup>3</sup>Includes maximum possible Owner's and Construction Contingency grant funds, the final amount of which, if any, shall be determined by the MSBA in its sole discretion. The MSBA does not anticipate that the District will expend all of its contingency funds on expenses that are eligible for MSBA reimbursement.

<sup>4</sup>Maximum Total Facilities Grant will be allocated in part to the current Grant Cap, and in part to future available Grant Cap space.

MSBA staff recommends an Estimated Maximum Total Facilities Grant of \$203,535,088; however, the District may be eligible for up to an additional \$4,444,026 in grant funds, subject to the MSBA's review and audit of the District's owner's and construction contingency expenditures. Accordingly, staff recommends a Maximum Total Facilities Grant of \$207,979,114 for the Project Scope and Budget Agreement and Project Funding Agreement to replace the existing Salem High School with a new facility serving students in grades 9 through 12, on the site of the existing school.