**MEMORANDUM**

**To:** Board of Directors, Massachusetts School Building Authority
**From:** James A. MacDonald, First Deputy Treasurer, Chief Executive Officer
Mary L. Pichetti, Executive Director, Deputy Chief Executive Officer
**Date:** June 10, 2025
**Subject:** MSBA Fiscal Year 2025 Budget Update

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The following is a summary of the Massachusetts School Building Authority's (Authority) Fiscal Year 2025 (FY25) budget and expenditures update through June 9, 2025. We have also included projections through June 30, 2025.

## Administrative Expenses

Total Administrative Expenses budget for FY25 is $20.3 million. The original budget was $17.8 million and was increased due to an approved budget revision of $2.5 million to account for costs associated with the office move in June. The actual costs to date are $12.8 million or 63% of the revised budget. Through June 30, 2025, we are projecting to spend $15 million or approximately 74% of the budgeted amount.

The Salary budget for FY25 totals $13.0 million for a total full-time equivalent (FTE) count of 126. This includes an estimated amount of $266,692 for a 3% cost of living adjustment (COLA) and an estimated $222,243 for a 3% merit pool. COLA adjustments for FY25 were implemented effective July 1, 2024, and the merit adjustments were implemented effective September 1, 2024. As of June 9, 2025, there were 105 positions filled and 22 positions open for a total FTE of 127, which includes the new Deputy Executive Director, hired in March 2025, which was funded through realized budget savings. To date we have spent $9.0 million or 69% of the approved budget amount. We are projecting to spend $10.5 million or 81% of the annual budget through June 30, 2025.

The Leased Space budget for FY25 is $1.5 million and have spent $1.4 million or 95% to date. We are projecting minimal additional expenses of approximately $3 thousand through June 30, 2025.

Utilities are budgeted at $50K in FY25, with actual costs of $30K, which represents 60% of the budget. We are not expecting additional expenses by year end.

OPEB has a budget for FY25 of $250,000. Funds equal to the budget were transferred to the OPEB Trust on October 31, 2024.

## Operating Expenses

Capital Pipeline Support Services budget for FY25 is $15.2 million. The original budget was $15.1 million and was increased due to an approved budget revision of $179 thousand to account for costs associated with the June office move. To date we have spent approximately $10 million or 65% of the budget. We are projecting to spend an additional $1.4 million by June 30, 2025, or approximately 75% of the approved budget amount.

## Total Operating Expenses

Total Revised Operating Expense budget (which includes Administrative and Capital Pipeline Support Services) for FY25 is $35.6 million. Actual expenses to date were $22.8 million, or 63% of the budget. We are expecting to spend another $3.6 million or approximately 74% of the budget by June 30, 2025

## Grant Program

Capital Pipeline Grants

The total budget for FY25 is $847.1 million, to date we have spent $683.6 million, or 86% of the budget for Capital Pipeline Grants. We are projecting to spend an additional $60 million by fiscal year end or 86% of the budgeted amount. The total expended amount includes payments related to the Authority's Supplemental Grants, which are reflected below the line on the Board Budget Report.

## Total Operating and Capital Budget

The Authority's total overall budget (including operating and capital expenditures) for FY25 is $883 million. To date we have spent $690.3 million, or 78% of the budget. We are projecting to spend an additional $63.7 million through June 30, 2025. The total budget of $883 million includes the approved budget amendment of $2.7 million for the upcoming office move in June 2025, as previously discussed above.