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: August 19, 2025
RE: Debt Financing Update

MSBA staff have met with the rating agencies that will be used for the Series 2025A New Money Bonds and Series 2025B Refunding Bonds, Fitch and Standard & Poor's (S&P). The 2025A and 2025B bonds have been self-designated as Social Bonds. Based on their analysis, the bonds received the following ratings for the subordinate lien: Fitch (AA+) and S&P (AA), which did not change from prior issuances and maintained a stable outlook as well.

The Preliminary Official Statement (POS) and Investor Presentation were posted on August 15, 2025.

The tender offer launched on August 15, 2025 and is set to expire on September 2, 2025. Bond pricing is scheduled for September 3, 2025 (retail) and September 4, 2025 (institutional) and we anticipate closing on September 18, 2025.

Transactions involving tenders require activities that include more services and/or vendors than traditional refunding issuances. For the 2025 Series B, there will be a Dealer Manager fee specifically for the tender included in the Underwriter's Discount paid to Bank of America, and a Tender Agent fee that will be included in the Costs of Issuance paid to Globic. There are also additional amounts for municipal advisor, disclosure counsel, bond counsel, trustee counsel, etc. We believe that the current budgeted amount for Costs of Issuance in FY 26 will be sufficient to cover the 2025 Series A&B as well as other work throughout the years (e.g., activity with PFM on projections for future years), but we will continue to monitor the costs as we get more information.

In a subsequent Board meeting, MSBA staff will provide results of the issuance, including debt service savings.