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: February 17, 2026
RE: Debt Management, Compliance and Continuing Disclosure Policy

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The State Finance Governance Board ("SFGB") regulations 976 CMR 2.01-2.08 regulations require certain Massachusetts debt issuing entities to periodically approve and file a debt management policy with the SFGB. The regulations further require the governing board of the issuer to formally adopt a debt management policy every two years. The MSBA's Board of Directors ("Board") voted to adopt the MSBA's current debt management policy at its February 2024 Board meeting. The SFGB regulations require issuers to file their debt management policies in even-numbered years beginning in 2012.

The MSBA's overall debt management policy includes required tax compliance and continuing disclosure obligations. Aside from compliance with all tax and continuing disclosure requirements pertaining to the issuance of tax-exempt debt, the MSBA's overall debt management strategy is the long-term leveraging of its assets, including its high credit rating, to maintain:

- Uniform debt service levels
- Achieving the lowest cost financing
- Refunding and/or defeasing outstanding debt as opportunities arise due to low-interest rate environments and/or surplus revenues, when available
- Utilization of Paygo for its capital grant program to manage the overall level of debt service and reduce fixed costs over the long term
- Pursuant to its Investment Management Policy, maximizing interest earnings to further offset the amount of debt issued to fund capital projects

Staff reviews and monitors the MSBA's Debt Management, Compliance and Continuing Disclosure Policy periodically to ensure that its related policies and procedures continue to include key aspects of effective debt management and meet tax and continuing disclosure requirements. The policy has been updated to include minor, non-substantiative wording changes and an update to Section titled "Current Debt Outstanding" on page 3 to include current balances. A red-lined copy has been attached for your reference.

Staff will file the updated policy with the SGFB, prior to March 31, 2026 following an affirmative vote of the Board.