MEMORANDUM

TO: Board of Directors, Massachusetts School Building Authority
FROM: James A. MacDonald, First Deputy Treasurer, Interim Chief Executive Officer
John K. McCarthy, Executive Director/Deputy Chief Executive Officer
DATE: February 8, 2017
RE: Statement of Interest for Core Program – 2016
Recommendations for Invitations to Eligibility Period

The Massachusetts School Building Authority (the "MSBA") opened the 2016 Statement of Interest (the "SOI") filing period on January 8, 2016. The filing deadline for the Core Program was April 8, 2016, with 89 SOIs submitted for consideration.[1] Of the 89 SOIs submitted, 42 were designated as the priority school by the District. Beginning April 2016, the MSBA conducted its due diligence on the SOIs that were submitted for the Core Program, as outlined in **Attachment A**, SOI Process Overview for Core Program, and as noted below.

- Review SOI submission for completeness – votes, signatures and support documentation;
- Review SOI submissions and accompanying documents for content; and
- Conduct senior study visits, if required.

As discussed with the Board during the process and most recently at the December 14, 2016 Facilities Assessment Subcommittee meeting, the MSBA has now concluded its due diligence for the 2016 SOIs, and is recommending that the Board vote to invite the 17 Districts and schools listed below and found in **Attachment B** into the Eligibility Period.

Upon approval by the Board, each District and school is invited into the Eligibility Period with a specified effective date for commencement of the 270-day Eligibility Period. As part of its due diligence, MSBA staff has discussed the Eligibility Period requirements and the specific funding timelines with Districts. The Districts are aware of the effective dates for commencement of Eligibility Period as found below.

Attachment C of this memorandum lists the names of the remaining 49 Districts and 72 schools that submitted an SOI in 2016, but are not being considered for an invitation into the MSBA's grant program.

[1] The filing deadline for the Accelerated Repair Program (the "ARP") was February 12, 2016 with 61 SOIs submitted. Invitations into the ARP were concluded at the July 20, 2016 Board of Directors Meeting and 25 districts, representing 45 projects were invited into the ARP.

Recommended Invitation for Commencement of Eligibility Period on March 1, 2017

District	School	Age of Existing Building	Grade Configuration
Bridgewater-Raynham Regional School District	George H. Mitchell Elementary School	1997	PK-3
Leicester	Leicester Middle School	1961	6-8
Millbury	Raymond E. Shaw Elementary School	1975	4-6
Westborough	Anne E. Fales Elementary School	1963	K-3

Recommended Invitation for Commencement of Eligibility Period on April 3, 2017

District	School	Age of Existing Building	Grade Configuration
Acton-Boxborough Regional School District	CT Douglas Elementary School	1965	K-6
Easton	Center Elementary School	1952	K-2
Gloucester	East Gloucester Elementary School	1984	K-5
Rockland	Jefferson Elementary School	1923	K-5
Sharon	High School	1956	9-12

Recommended Invitation for Commencement of Eligibility Period on May 1, 2017

District	School	Age of Existing Building	Grade Configuration
Fitchburg	Crocker Elementary School	1964	PREK-4
Gardner	Waterford Street Elementary School	1957	K-2
Lawrence	Oliver Partnership School	1917	1-5
Orange	Dexter Park School	1951	PREK, 3-4

Recommended Invitation for Commencement of Eligibility Period on June 1, 2017

District	School	Age of Existing Building	Grade Configuration
Braintree	South Middle School	1956	6-8
Nauset Regional School District	Nauset Regional High School	1970	9-12
Springfield	William N. DeBerry Elementary School	1951	K-5
Worcester	Doherty Memorial High School	1966	9-12

Statement of Interest ("SOI") for Core Program

Introduction

The Massachusetts School Building Authority's (the "MSBA") grant program is a non-entitlement, competitive program, and its grants are distributed by the MSBA Board of Directors based on need and urgency, as expressed by the district and validated by the MSBA. The MSBA completes an exhaustive review of available information regarding all districts that submit an SOI for the Core Program each year. The goals of this review include:

- To determine those schools that are the most urgent and needy relative to the pool of SOI submittals filed in that year. The MSBA considers many factors when looking at the totality of the SOIs including, but not limited to, the age of the building, the amount of space per student, the current and projected enrollment, the condition of the major systems of the school, the general environment of the building and the appropriateness of the building to the educational mission;
- To collaborate with districts on the potential project that they have identified as the priority school if they are filing more than one SOI for that given year;
- To understand if the MSBA is currently partnering with the district on another core project already underway; and
- To understand the range of options each district faces when planning for district wide educational facilities.

The following information provides an overview of the SOI process from initial opening of the SOI period each January until the Board of Directors votes to authorize invitations at a subsequent winter Board meeting.

The SOI Filing Period

The MSBA opens its Statement of Interest system annually for districts to file one or more SOIs for either the Core Program or the Accelerated Repair Program. The SOI is the process districts follow to identify the deficiencies and/or programmatic issues that exist in their facilities. Districts should submit one SOI per school for each school that they believe requires a project. An SOI should only be filed for a facility where a district has the ability to fund a project in the next two years. Over the last several years, the SOI system has opened in early January and closed in early April. SOIs are typically due for the Accelerated Repair Program in early February and for the Core Program in early April.

The MSBA has received approximately 100 to 125 SOIs for the Core Program annually. The number of invitations that the Board is allowed to authorize each year varies, and is contingent upon a number of factors. The MSBA has to operate within its annual statutory budget cap. The number of invitations varies based on the characteristics of the pool of applicants, including the number of elementary, middle or high schools that file, total square footage of the schools and

the reimbursement rates of the districts. Thus, competition for an MSBA grant is very competitive, and not every SOI can be invited into the grant program.

The Funding Cap

The Commonwealth irrevocably dedicated a 1% statewide sales tax, known as the School Modernization Trust fund ('SMART Fund'), to the MSBA's capital program. The sales tax collection informs the amount of the annual funding cap to which the MSBA can obligate funds for projects. The enabling legislation limits increases or decreases annually thereafter by the lesser of four and one half percent (4.5%) of the limit for the prior fiscal year or the percentage increase or decrease of the dedicated sales tax revenue amount over the prior fiscal year.

The SOI Due Diligence Process

The SOI process involves the filing of an electronic and print version of an SOI with the MSBA by the dates established, with MSBA staff readily available to address concerns, questions and issues during the filing period. Once the filing period has closed, MSBA staff commence the due diligence process for all SOIs. This is a 4-phase process, which includes:

1. Review SOI submissions for completeness;
2. Review SOI submissions and accompanying documents for content;
3. Conduct senior study visits, if required; and
4. Recommend SOIs for invitation into Eligibility Period

During this process, the MSBA may seek to obtain additional or clarifying information from districts. As the MSBA reviews the entire cohort of SOIs received, it will determine the appropriate level of due diligence that will be required for each SOI and will notify districts of next steps accordingly.

1. Review SOI submission for completeness:

Once the SOI system has closed, MSBA staff review each submission to check that all of the required materials have been received. The MSBA works with districts throughout the filing period to ensure that the SOI is complete. For all SOI submissions, the district needs to provide:

- A hard copy of the SOI with the required signatures; there are two separate certifications locations in each SOI where district officials need to sign;
- A hard copy of the closed schools information with the required signatures;
- Hard copies of the required local vote documentation that is detailed in the SOI; and
- Any supporting materials required to be submitted with the SOI.

Districts are expected to submit the hard copies of the materials and have them post-marked on or before the due date for the Program submission deadline. The district and the MSBA should discuss in advance of the filing date any extenuating circumstances or requests for exceptions to receipt of the hard copy material.

2. **Review each SOI submission and accompanying documents for content:**

Once an SOI is determined to be complete, MSBA staff review the information and any additional documents submitted by the district. MSBA Staff then compile the data necessary to assess which SOIs filed in that calendar year may be categorized as the most urgent and needy. Determining the most urgent and needy SOIs relies on many different data sources. MSBA staff use over 50 data points that include the SOI, the MSBA project management system, the MSBA's enrollment tool, the MSBA's 2010 Needs Survey, as well as information from the Department of Elementary and Secondary Education ("DESE") website. There are many factors that can impact the assessment of urgency and need in an SOI, such as increasing enrollment, overcrowding, building condition, general environment and program deficiencies. As such, it is important to assemble as much data as possible so that staff may gain as complete a picture of the submitted SOI as possible.

Due to the volume of SOIs submitted for the Core Program, the MSBA requests that each district identify a priority SOI for consideration. This enables the district and the MSBA to focus financial and staff resources on completing a project and ensures that an opportunity for a grant is possible for as many districts as possible. This narrows down the pool of potential projects if districts have submitted multiple schools within the district for consideration.

With its focus on the district identified SOI priority, MSBA staff then look at this smaller pool of submitted SOIs to assess urgency and need focusing on:

- Needs Survey rating of building condition;
- Needs Survey rating of general environment;
- Previous or ongoing project activity with the MSBA; and
- Section 8 of the statute

Consideration of these factors produces a smaller subset of the priority SOIs that appear to be more urgent and needy than the other SOIs submitted that year. With this assessment, a group of SOIs are identified for further consideration. This further review may or may not require a senior study visit. If the MSBA is familiar with the SOI, or if the SOI had received a senior study visit within the previous two years, a senior study visit may not be needed for that SOI. The MSBA may choose to re-visit a school within this two-year window if the SOI contains new information since the last visit.

3. **Conduct Senior Study Visits, if required:**

If MSBA staff determine that a senior study visit is needed to complete the due diligence process, MSBA staff, accompanied by its technical consultant, will visit the SOI facility identified. The senior study visit lasts approximately two hours and is an opportunity for the MSBA to further understand the issues identified in the district's SOI. MSBA Staff request that the district have someone familiar with the facilities and systems present, as well as someone who is familiar with the curriculum as it relates to the program offered. The district is requested to provide a copy of the SOI floor plans (emergency/evacuation plans are sufficient) ahead of the MSBA's visit.

The senior study visit starts with a meeting to review the SOI, the MSBA process and to hear district concerns. The discussion is followed by a tour of the main areas of the school, as well as typical general classrooms and specialty spaces.

Dependent upon the number of senior study visits that are required, this phase can take approximately 8 to 10 weeks, with visits typically scheduled from September through November.

4. **Recommend SOIs for Invitation into Eligibility Period:**

Once the content review and senior study visits have been completed, MSBA staff once again review the factors, noted above, that can impact the assessment of urgency and need in an SOI (increasing enrollment, evidence of overcrowding, building condition, general environment and program deficiencies), to understand the total impact of all of the factors on the overall need of the SOI. As the number of invitations that the MSBA can issue varies each year, and the number of SOIs received each year exceeds the MSBA's annual cap expenditure, MSBA staff compare the SOIs that were selected for further review to each other to determine a degree of urgency and need, ranging from minor to major, for each of the SOIs. MSBA staff then provide their findings to the Chief Executive Officer, Executive Director/Deputy Chief Executive Officer, the MSBA's Facilities Assessment Subcommittee and the Board of Directors. Once the recommendations have been accepted, MSBA staff work with the districts to determine the optimum board meeting that the district would receive an invitation into Eligibility Period from the Board of Directors.

Attachment B - 2016 Statement of Interest Board Memo

DISTRICT	SCHOOL NAME	YEAR BUILT/ YEAR(S) OF RENO (R)/ ADD (A)	GRADES SERVED	SCHOOL TYPE	CURRENT ENROLLMENT	BUILDING GROSS SF	MSBA CHECK SECTION 8 PRIORITIES
Orange	Dexter Park School	1951	3 - 6	ES	341	48,924	1, 2, 5, 7
Bridgewater-Raynham Regional School District	George H. Mitchell Elementary School	1997	PREK - 3	ES	1042	126,000	1, 4, 5, 7
Springfield	William N. Deberry Elementary School	1951	K - 5	ES	299	48,800	1,5, 7
Sharon	Sharon High School	1956	9 - 12	HS	1139	165,499	2, 3, 4, 5, 7
Worcester	Doherty Memorial High School	1966	9 - 12	HS	1486	168,126	2, 3, 5, 7
Braintree	South Middle School	1956	6 - 8	MS	667	70,364	2, 4
Lawrence	Oliver Partnership School	1917	1 - 5	ES	517	191,244	2, 4, 5, 7
Westborough	Annie E. Fales Elementary School	1963	K - 3	ES	316	50,675	2, 4, 5, 7
Rockland	Jefferson Elementary School	1923	K - 5	ES	384	66,508	2, 4, 5,7
Acton-Boxborough Regional School District	CT Douglas Elementary School	1965	K - 6	ES	476	46,300	2, 5, 7
Gloucester	East Gloucester Elementary School	1984	K - 5	ES	249	28,950	2, 5, 7
Easton	Center School	1952	K - 2	ES	270	33,918	2,4,5,7
Millbury	Raymond E. Shaw Elementary School	1975	4 - 6	ES	414	75,986	2,4,5,7
Nauset Regional School District	Nauset Regional High School	1970	9 - 12	HS	965	178,000	2,5,7
Leicester	Middle School	1961	6 - 8	MS	427	66,448	5, 7
Gardner	Waterford Street Elementary School	1957	K - 2	ES	440	72,538	5,7
Fitchburg	Crocker Elementary School	1964	PREK - 4	ES	583	74,475	5,7

Attachment C: 2016 Statement of Interest Board Memo

District	School	MSBA Section 8 Statutory Priorities Check	MSBA Due Diligence Findings
Acton Boxborough	Gates Elementary School	2,5,7	Not district priority, recommending priority SOI
Acton Boxborough	Luther Conant Elementary School	2,5,7	Not district priority, recommending priority SOI
Athol-Royalston	Athol High School	5	Not district priority, active district CORE project, Low NS Rank
Bedford	John Glenn Middle School	4	Not district priority, Low NS Rank
Bedford	Lt Elezer Davis Elementary School	2,4	Alternative exists, Low NS Rank
Bristol-Plymouth	Bristol-Plymouth VTHS	5	Deficiencies not among highest most needy - urgent
Burlington	Burlington High School	5,7	Deficiencies not among highest most needy - urgent
Dennis-Yarmouth	Marguerite E. Small ES	5	Not district priority, active district CORE project, Low NS Rank
Dennis-Yarmouth	Wixon Middle School	5	Not district priority, active district CORE project, Low NS Rank
Dracut	Brookside Elementary School	5	Not district priority, Low NS Rank
Dracut	George H. Englesby Intermediate School	5	Not district priority, Low NS Rank
Dracut	Joseph A Campbell Elementary School	5,7	Deficiencies not among highest most needy - urgent
Dudley-Charlton	Shepherd Hill RHS	5,7	Deficiencies not among highest most needy - urgent
East Longmeadow	East Longmeadow High School	3,5,7	Deficiencies not among highest most needy - urgent
Easton	Moreau Hall School	7	Not district priority, recommending priority SOI
Easton	Parkview Elementary School	2,7	Not district priority, recommending priority SOI
Everett	Everett HS	4	Deficiencies not among highest most needy - urgent
Fitchburg	Goodrich Kindergarten	3,5	Not district priority, recommending priority SOI
Fitchburg	South Street Elementary	5	Not district priority, recommending priority SOI, Low NS Rank
Gloucester	Beeman Memorial Elementary School	7	Not district priority, active district CORE project, recommending priority SOI
Gr Fall River	Diman RVTHS	5	Deficiencies not among highest most needy - urgent
Greater Lawrence	Greater Lawrence RVTHS	5	Recently completed project at faculty, Low NS Rank
Hampden Wilbraham	Thorton Burgess Middle School	5,7	Not district priority
Hampden Wilbraham	Wilbraham Elementary School	5	Deficiencies not among highest most needy - urgent
Hull	Hull High School	5	Not district priority, Low NS Rank
Hull	Memorial Middle School	5	Deficiencies not among highest most needy - urgent
Leicester	Leicester Memorial Elem	5,7	Not district priority, recommending priority SOI
Leicester	Leicester Primary School	5	Not district priority, recommending priority SOI
Lincoln	Lincoln School	5,7	Deficiencies not among highest most needy - urgent
Lynn	Tracy Elementary School	2,4,5,7	District not ready to proceed
Martha's Vineyard	Martha's Vineyard Reg HS	5	Deficiencies not among highest most needy - urgent
Medfield	Dale Street School	5,7	Active district ARP, Low NS Rank
Newton	Lincoln-Eliot Elementary School	5,7	Not district priority, active district CORE project, Low NS Rank
Northbridge	Northbridge Middle	5	Not district priority, active district CORE project
Northbridge	Northbridge Elementary	5	Not district priority, active district CORE project, Low NS Rank
Northeast Metro	Northeast Metro RVHS	3,5,7	Deficiencies not among highest most needy - urgent
Norwood	Dr. Philip O. Coakley MS	5	District not ready to proceed
Peabody	William A Welch Sr	5	Not district priority, active district CORE project, Low NS Rank
Peabody	John E Burke	5	Not district priority, active district CORE project
Peabody	Center	5,7	Not district priority, active district CORE project, Low NS Rank
Quincy	Squantum	5	Not district priority, active CORE project, Low NS Rank
Revere	Revere High School	2,4,5,7	Deficiencies not among highest most needy - urgent
Rockland	Memorial Park Elementary School	5,7	Not district priority, recommending priority SOI
Salem	Salem High	5	Deficiencies not among highest most needy - urgent
Somerset	Somerset Middle School	5	Deficiencies not among highest most needy - urgent
South Shore	So Shore Voc Tech High	5	Active ARP underway at facility
Spencer East Brookfield	David Prouty High School	5,7	Deficiencies not among highest most needy - urgent
Springfield	Daniel B. Brunton Elementary School	2,5	Active ARP underway at facility
Springfield	Gerena ES	5	Not district priority, active district CORE Project, recommending priority SOI
Springfield	Homer Street ES	5,7	Not district priority, active district CORE project, recommending priority SOI
Stoneham	Stoneham HS	5	Deficiencies not among highest most needy - urgent
Stoughton	South Elementary	5	Not district priority, active district CORE project
Tewksbury	L.F. Dewing Elementary School	5	Not district priority, active district CORE project
Tewksbury	North Street	5,7	Not district priority, active district CORE project
Tri County	Tri County RVTHS	5	Active ARP underway at facility
Tyngsborough	Tyngsborough MS	5,7	Deficiencies not among highest most needy - urgent
Wakefield	Wakefield Memorial High School	3,5,7	Deficiencies not among highest most needy - urgent
Walpole	Eleanor N. Johnson Middle School	5,7	Not district priority, Low NS Rank
Walpole	Bird Middle School	5,7	Not district priority
Walpole	Walpole High School	5,7	Deficiencies not among highest most needy - urgent
Watertown	Watertown High	5,7	Deficiencies not among highest most needy - urgent
Webster	Bartlett Jr Sr HS	5	Deficiencies not among highest most needy - urgent

District	School	MSBA Section 8 Statutory Priorities Check	MSBA Due Diligence Findings
Wellesley	John D Hardy	5	Active district ARP, Low NS Rank
Wellesley	Ernest F Upham	5	Not district priority, active district ARP, Low NS Rank
Wellesley	Hunnewell	5	Not district priority, active district ARP, Low NS Rank
Westfield	Westfield High	7	Not district priority, active district CORE project
Westfield	Westfield Voc Tech High	5	Not district priority, active district CORE project
Whitman Hanson	Hanson Middle School	5	Not district priority
Whitman-Hanson	Maquan Elementary	5,7	Deficiencies not among highest most needy - urgent
Whittier	Whittier RVTHS	5	Deficiencies not among highest most needy - urgent
Worcester	East Middle School	5	Not district priority, active district CORE projects, recommending priority SOI
Worcester	Burncoat Senior High	3,5	Not district priority, active district CORE projects, recommending priority SOI

Exhibit A

2016 SOI Invitations to Eligibility Period

District	School	Age of Existing Building	Grade Configuration	2015-2016 Enrollment	Existing Square Footage	Eligibility Period Commencement Date
Acton-Boxborough Regional School District	CT Douglas Elementary School	1965	K-6	476	46,300	April 3, 2017
Braintree	South Middle School	1956	6-8	667	70,364	June 1, 2017
Bridgewater-Raynham Regional School District	George H. Mitchell Elementary School	1997	PK-3	1,042	126,000	March 1, 2017
Easton	Center School	1952	K-2	270	33,918	April 3, 2017
Fitchburg	Crocker Elementary School	1964	PK-4	583	74,475	May 1, 2017
Gardner	Waterford Street Elementary School	1957	K-2	440	72,538	May 1, 2017
Gloucester	East Gloucester Elementary School	1984	K-5	249	28,950	April 3, 2017
Lawrence	Oliver Partnership School	1917	1-5	517	191,244	May 1, 2017
Leicester	Leicester Middle School	1961	6-8	427	66,448	March 1, 2017
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Nauset Regional School District	Nauset Regional High School	1970	9-12	965	178,000	June 1, 2017
Orange	Dexter Park School	1951	3-6	341	48,924	May 1, 2017
Rockland	Jefferson Elementary School	1923	K-5	384	66,508	April 3, 2017
Sharon	Sharon High School	1956	9-12	1,139	165,499	April 3, 2017
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