

Dear Mr. Clerk,

On behalf of Executive Director Jack McCarthy and pursuant to Chapter 132 of the Acts of 2019, please find enclosed the report of the Massachusetts School Building Authority. This report has been sent to the Chairs of Ways and Means as well as the Chairs of the Education Committee's per the language. Jack's cover letter is below.

Please let me know of any questions,

Matt Donovan

Director of Operations

Massachusetts School Building Authority

Good Morning Mr. Clerk,

Pursuant to Chapter 132 of the Acts of 2019, An Act Relative to Educational Opportunity for Students, please find attached the report of the Massachusetts School Building Authority (the "MSBA").

As the Executive Director of the MSBA, I am honored to provide this report which highlights the MSBA's continued commitment to providing an efficient and financially sustainable program to fund school facility capital improvement projects.

Since its creation, the MSBA has implemented major management and financial reforms to the state reimbursement and funding process for school construction, renovation, and repair projects. Under the guidance of the State Treasurer and the MSBA Board of Directors, and with strong legislative support, the MSBA has made over \$14.8 billion in payments to cities, towns, and regional school districts - more than any other state entity. This is \$4 billion more than what would have been expended on school building assistance if the Legislature had not created the MSBA. We know that the infusion of the MSBA's cash has helped many cities, towns and regional school districts with local operating budget shortfalls, lowering local tax rates, or using funds formerly tied up in school debt service for other local capital improvement projects.

The MSBA has also worked tirelessly to complete the entire backlog of 788 audits inherited from the former program. Our audits have generated over \$1.4 billion in savings to state taxpayers. We have developed a "Pro-Pay" payment system that promptly audits project invoices and reimburses communities for eligible costs within 15 days of their submission to the MSBA. This replaces a system in which communities would wait up to 10 years to receive their first payment from the state.

The MSBA is currently in discussions with over 180 school districts about potential new projects ranging from new buildings, renovations, and repairs. We will never over-promise and under-deliver on any project that we work on with a district.

I look forward to continuing our commitment to work with the Legislature and local officials in providing a sustainable, educationally sound and efficient program for school construction grants.

I hope you find the MSBA's report informative. Please feel free to contact me with any questions.
Sincerely,

John K. McCarthy

Executive Director/Deputy Chief Executive Officer