

## Massachusetts School Building Authority (“MSBA”) – Reimbursement Rate Calculation

- Reimbursement rates for MSBA approved, eligible school construction and renovation projects are calculated pursuant to a formula that is established in Massachusetts General Law, Chapter 70B section 10 (M.G.L. c. 70B § 10).
- The statutory formula starts **all districts** at a Base Rate of 31 percentage reimbursement points.
- The Base Rate of 31 percentage reimbursement points may be adjusted based on three socioeconomic factors:
  - **Community Income Factor:** the district’s per capita income as a percent of statewide average per capita income. This data is provided by the Department of Revenue. Pursuant to statute, there is a sliding scale for the allocation of percentage points for this category based on community’s relationship to the statewide average.
  - **Community Property Wealth Factor:** the district’s per capita equalized property valuations as a percent of statewide average per capita valuations. This data is provided by the Department of Revenue. Pursuant to statute, there is a sliding scale for the allocation of percentage points for this category based on the community’s relationship to the statewide average.
  - **Community Poverty Factor:** measured by the district’s proportion of low income students, as defined by federal eligibility for free or reduced price lunch, as a percent of the statewide average proportion of low income students. This data is provided by the Department of Education. Pursuant to statute, there is a sliding scale for the allocation of percentage points for this category based on community’s relationship to the statewide average.
- The last step in the reimbursement rate calculation process is for the MSBA, in its sole discretion, to review if a district is eligible for Incentive Points. Statute dictates that no district shall be eligible for more than 18 Incentive Points in total, and that no one category of Incentive Points can be more than 6 points. Current categories of Incentive Points are:
  - Newly Formed Regional School District (up to 6 incentive percentage points)
  - Green Schools Program – Energy Efficiency (up to 3 incentive percentage points)
  - Green Schools Program – Indoor Air Quality (up to 1 incentive percentage point)
  - Best Practices for Routine and Capital Maintenance (up to 2 incentive percentage points)
  - Overlay Zoning (MGL 40R or 40S) (up to 1.5 incentive percentage points)
  - Renovation/Re-use of Existing Facilities (up to 5 incentive percentage points)
- The sum of the Base Rate, plus additional points, if any, from the three socioeconomic factors, plus Incentive Points, if any, results in the MSBA’s reimbursement rate for a project.

$$\begin{aligned} & \text{Base Rate (31 points)} \\ & + \text{Community Income Factor (if any)} \\ & + \text{Community Property Wealth Factor (if any)} \\ & + \text{Community Poverty Factor (if any)} \\ & + \text{Incentive Points (if any, in the sole discretion of MSBA)} \\ & = \underline{\text{MSBA Reimbursement Rate}} \end{aligned}$$

- It should be noted that regional school district reimbursement rates are calculated using the same data and factors, but each socioeconomic factor is weighted to reflect each municipality’s representation of the total regional district enrollment.