School Finance: School Building Assistance

Administrative Advisory 03-1

Status of Current Applications

To: School and Municipal Officials and Other Interested Parties

From: David P. Driscoll, Commissioner of Education

Date: February 11, 2003

Subject: School Building Assistance Program - Status of Current Applications

The last ten years have seen a remarkable boom in school construction projects in Massachusetts. Hundreds of new schools have been built to accommodate growing enrollments, and hundreds of older buildings have been modernized and expanded. But the cost to the Commonwealth has been substantial. More than $5 billion is owed for projects which have already received grants, and there are more than 300 additional projects on the waiting list. With the state's current budget situation, we can expect few if any new grants to be awarded in the next few years. The Governor has also indicated that he is reviewing the overall structure of the SBA program and may be recommending significant improvements.

Given this situation, I have decided to impose a moratorium on any further review or approval of pending school construction applications. I expect this moratorium to last until at least the end of this fiscal year. We will re-evaluate the situation after the FY04 state budget is enacted.

If your district has an application pending for a capital construction project, you will need to decide whether you are able to proceed with the project without state financial assistance. If you are fortunate enough to do so, no Department of Education approvals are required. But please keep in mind that under the current program rules, there is no provision for retroactive state funding approval after you begin construction.

If your district cannot proceed with the proposed project without state financial assistance, you may want to suspend the current planning and design work. If and when we resume our review of applications, we will provide adequate time for the submission of remaining materials. You may also choose to explore lower cost options to meet your short-term facility needs.

Major repair projects which have already received a letter of approval this year will be added to the waiting list. No additional repair project approvals will be issued. As you may know, the Board of Education has proposed legislation to establish a new, expedited funding process for maintenance and repair projects.

School districts with previously-approved projects already on the waiting list may still begin construction (unless the district elected deferred construction status). Districts which choose to do so must keep in mind that placement on the waiting list is not a guarantee of future state funding. [See 603 CMR 38.10(8).]

I recognize that many of you have worked long and hard on school projects in your communities, and potential delays will be disappointing. But I am sure you understand that during this fiscal downturn, our first priority must be the direct instructional services in our schools. Long-term facility improvements must be deferred. I am confident, however, that as the economy recovers, the Commonwealth will resume its long-standing generous support for school construction projects.
For additional information regarding this policy, please contact associate commissioner Jeff Wulfson (781-338-6520, jwulfson@doe.mass.edu) or SBA program manager Christine Lynch (781-338-6520, clynch@doe.mass.edu).