

## School Finance: School Building Assistance

### Memorandum

**To:** Superintendents and Other Interested Parties  
**From:** David P. Driscoll, Commissioner of Education  
**Date:** April 4, 2003  
**Subject:** FY03 Applications for School Building Capital Construction Grants

This year we have received 63 applications for capital construction grants from the Department's school building assistance (SBA) program. As you all know, the funding situation for the SBA program has become a major issue for the Commonwealth.

- The SBA appropriation in FY04 is expected to exceed \$410 million, an increase of \$29 million over FY03.
- The Commonwealth's total potential liability for future SBA payments, including projects on the waiting list, now exceeds \$11 billion.
- There are more than 300 projects already on the waiting list. Many urgent projects are being delayed because of the length of time needed to receive funding.

Given the availability of funding, in my judgment it is in the best interests of the Commonwealth to approve only the most urgently needed projects. Accordingly, I am giving preliminary approval to 28 of these projects, shown on the accompanying [attachment](#).

For this one year only, I have decided not to approve more than one capital grant application per district. For those districts that submitted more than one application, I selected the project that ranked highest in our evaluation. But I recognize that there may be construction staging or other considerations that might dictate a different order of approval. I am willing to consider requests from these districts to make a substitution if the change is in the best interests of the district and the Commonwealth.

Districts whose projects are receiving preliminary approval today may continue with the remainder of the application process. Final municipal votes approving the project must be taken on or before June 30, 2003. For the remaining portions of the application, including educational specifications, architectural designs, final cost estimates, certification of land ownership, and regulatory approvals, I am extending the normal June 30 deadline to August 29, 2003. If a completed application is submitted and all current program requirements are met by that date, the project will receive final approval and will be placed on the waiting list.

All applicants are reminded that final project approval and placement on the waiting list do not constitute a guarantee of project funding. A funding commitment is made only when a grant is awarded by the state Board of Education, based on annual legislative authorization. Because of the size of the existing waiting list, and given the state's fiscal prospects for the next several years, projects added to the waiting list this year cannot expect to receive their grants within the seven-year period currently allowed for temporary borrowing. Therefore, districts wishing to start construction after being placed on the waiting list must be prepared to begin principal payments prior to receipt of state funds. The Department will issue an authorization to proceed with construction only after submittal of a locally voted resolution acknowledging this (see [SBA Administrative Advisory 02-2](#)).

Those projects not having received preliminary approval and those projects that have received preliminary approval but are unable to complete the application process by the above deadlines will need to be resubmitted in a future application cycle. Such projects will be subject to any new SBA program requirements in effect at the time

of resubmittal. See the section on *FY04 Applications*, below, for additional information.

I am sure there will be many questions in your communities as to what criteria were used to rank and select the projects. Based on the provisions of the SBA statute ([M.G.L. chapter 70B](#)), applications were evaluated and assigned to one of seven priority categories:

Category 1 - Emergency projects to replace or renovate a building that is structurally unsound or otherwise jeopardizes the health and safety of school children.

Category 2 - Projects to alleviate severe overcrowding based on current enrollments. To qualify for this category, the required space (based on Board of Education per pupil space standards) must exceed the available building space by at least 25%.

Category 3 - Projects needed to address accreditation issues. This includes schools that have either lost their accreditation or have been placed on probation.

Category 4 - Projects to alleviate projected future overcrowding. To qualify for this category, the required space (based on Board of Education per pupil space standards applied to future enrollment projections) must exceed the available building space by at least 30%. Note that this is a higher threshold than is used for category 2, because future enrollment projections are not as reliable as current headcounts.

Category 5 - Projects to address short-term overcrowding.

Category 6 - Projects to replace or renovate obsolete buildings in order to provide for a full range of programs consistent with state and approved local requirements.

Category 7 - Projects to assist in the transition from court-ordered or Board-approved racial balance plans to "walk-to" schools.

Projects having met the requirements of more than one priority category were assigned to the highest category for which they were eligible.

There were no projects assigned to categories one, five or seven. My list of recommended projects includes all projects assigned to categories two, three and four. Within category six, the projects I am recommending fall into one of the following three areas:

- Projects to address non-emergency safety issues that cannot feasibly be remedied through repair work. These are typically large-scale structural problems, particularly in the building envelope, resulting from design flaws, poor construction, or age deterioration.
- Buildings built prior to 1950 with significant structural or programmatic deficiencies.
- Projects for schools placed on accreditation warning status in part due to facility deficiencies.

### **Major repair projects**

The Department will continue to accept and review applications for major repair grants through June 30 in accordance with existing procedures, and approved applications will be added to the waiting list. No repair project applications will be accepted after the moratorium begins on July 1. As part of the overall review of the SBA program, we expect to look at how we might improve the funding process for building repairs.

### **FY04 Applications**

Effective July 1, there will be a moratorium on new project approvals. The Department will not accept any new applications, and we will suspend work on reviewing previously submitted applications other than those listed in

this memorandum. The purpose of this moratorium is to give the Governor and the Legislature an opportunity to enact needed changes to the SBA program, so that we can continue to provide appropriate financial support for school construction projects. Based on my discussions with the Governor and legislative leaders, I believe there is a strong commitment to deal with this issue in a timely manner, so that the moratorium need not be a lengthy one.

Should local planning activities for proposed projects continue during the moratorium? That is a decision each district will need to make for itself. I believe it would be totally appropriate for districts with facility needs to continue preliminary planning, including studies and evaluations of different options to meet those needs. But I would counsel caution with respect to detailed architectural designs, land acquisition and override campaigns, all of which are dependent in part on state requirements and approvals. Such activities require significant time and money, and districts choosing to make such investments do so at their own risk and with the understanding that state requirements are likely to change.

I am prepared to make an exception to the moratorium for any district facing extraordinary circumstances, such as an unsafe building, which can only be addressed with a capital construction grant.

I know that the process of planning new school facilities is a difficult one, even in the best of times, and our reevaluation of the SBA program will add some short-term uncertainty to that process. The SBA program has been an incredibly successful and popular state-local partnership over the past half century, and we are determined to strengthen and improve it so that it can continue to serve the students and staff in our public schools. I very much appreciate your patience and understanding during this transition.

Municipal and school officials with general questions regarding SBA policies and future plans should contact Jeff Wulfson, Associate Commissioner for School Finance and District Support, at 781-338-6500 or [jwulfson@doe.mass.edu](mailto:jwulfson@doe.mass.edu). Questions regarding the status of specific project applications should be directed to Christine Lynch, SBA Program Administrator, at 781-338-6520 or [clynch@doe.mass.edu](mailto:clynch@doe.mass.edu).

4/4/03

## PROJECTS RECEIVING PRELIMINARY APPROVAL

ORDER	CODE	DISTRICT	GRADE RANGE	TYPE	NAME OF SCHOOL	CATEGORY
1	36	BOURNE	ELEM	NEW	Otis & Hoxie Replacement	2
2	780	WHITMAN-HANSON REGION	HIGH	A/R	High	2
3	88	EASTON	Jr.H.S.	A/R	Jr. Sr. H.S. To Middle	2
4	625	BRIDGEWATER-RAYNHAM REGION	HIGH	NEW	Use H.S. as middle -	2
5	775	WACHUSETT REGION	HIGH	A/R	High	3
6	347	WOBURN	HIGH	NEW	High Replacement	3
7	211	NORTH ANDOVER	ELEM	NEW	Foster Farm - Closing Bradstreet	4
8	14	ASHLAND	HIGH	NEW	High - use h.s. as middle	4
9	243	QUINCY	HIGH	NEW	Use H.S. as middle -	4
10	304	UXBRIDGE	HIGH	NEW	Use H.S. as middle -	4
11	239	PLYMOUTH	ELEM	NEW	Elementary	4
12	262	SAUGUS	ELEM	NEW	Lynnhurst Replacement	6

13	71	DANVERS	MIDDLE	A/R	Houghton-Richmond - Reopening	6
14	316	WEBSTER	ELEM	NEW	Sitkowski Replace	6
15	85	EASTHAM	ELEM	RENO	Elementary	6
16	274	SOMERVILLE	ELEM	NEW	Lincoln Park Replacement	6
17	178	MELROSE	MIDDLE	RENO	Connected to H.S.	6
18	291	SWAMPSCOTT	HIGH	NEW	Use H.S. as middle -	6
19	618	BERKSHIRE HILLS REGION	ELEM	NEW	Replace local Elementary	6
20	201	NEW BEDFORD	ELEM	NEW	DeValles Replacement	6
21	73	DEDHAM	MIDDLE	NEW	Middle Replacement	6
22	94	FAIRHAVEN	ELEM	NEW	E.Fairhaven Replacement	6
23	199	NEEDHAM	HIGH	RENO	High	6
24	35	BOSTON	HIGH	A/R	Burke	6
25	17	AUBURN	HIGH	NEW	H.S. replacement	6
26	155	LEXINGTON	ELEM	NEW	Fiske Replacement	6
27	690	KING PHILIP	HIGH	A/R	High	6
28	645	DENNIS-YARMOUTH REGION	HIGH	RENO	High	6

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