



# STATE OF CONNECTICUT

## OFFICE OF POLICY AND MANAGEMENT

December 29, 2016

Hon. Beth Bye  
Chair, Appropriations Committee

Hon. John Fonfara  
Chair, Finance, Revenue and Bonding Committee

Hon. Gayle Slossberg  
Chair, Education Committee

Hon. Rob Kane  
Ranking Member, Appropriations Committee

Hon. Scott Frantz  
Ranking Member, Finance, Revenue and Bonding Comm.

Hon. Toni Boucher  
Ranking Member, Education Committee

Hon. Toni Walker  
Chair, Appropriations Committee

Hon. Jeffrey Berger  
Chair, Finance, Revenue and Bonding Committee

Hon. Andrew Fleischmann  
Chair, Education Committee

Hon. Melissa Ziobron  
Ranking Member, Appropriations Committee

Hon. Christopher Davis  
Ranking Member, Finance, Revenue and Bonding Committee

Hon. Gail Lavielle  
Ranking Member, Education Committee

*Re: School Building Project Priority List Comments and Recommendations*

Dear Members of the School Construction Committee:

Thank you for providing me with the opportunity to "submit comments and recommendations regarding each eligible project on such listing of eligible school building projects to the school construction committee, established pursuant to section 10-283a," in accordance with the provisions of C.G.S. Sec. 10-283(a)(2). My comments and recommendations, due to you by December 31<sup>st</sup> pursuant to the statute, follow.

### **Overall**

The State of Connecticut has provided billions of dollars in school construction grants to communities throughout the state, as evidenced by bond allocations over the last ten years. These allocations are for projects in progress, primarily in construction, and include K-12 schools, interdistrict magnets, regional schools, charter schools, agricultural science and technology education center schools, and technical high schools.

### School Construction Bond Allocations

<u>Fiscal Year</u>	<u>Amount</u>
2007	\$671,975,000
2008	\$726,315,000
2009	\$639,400,000
2010	\$688,300,000
2011	\$376,400,000
2012	\$478,600,000
2013	\$519,700,000
2014	\$555,600,000
2015	\$404,300,000
2016	\$803,000,000

The projects are an important form of state aid, and the program is among the most generous in the country. The projects are costly; the reimbursement set forth in CGS Sec. 10-285a(a) is based on adjusted equalized net grand list per capita and runs from 10% to 70% for new construction and 20% to 80% for renovations or new construction that costs less than renovations. Interdistrict magnets, once reimbursed at 95%, are now reimbursed at 80%.

These bond allocations are made in order to provide cash for the necessary progress payments for projects already underway, which are based upon approvals of the priority lists in years past. The list now before you will drive future allocation needs. Given the stress on the state's bonding costs, and the need to target our spending as effectively as possible, we seek to expand our partnership in controlling those costs. This needs to start with legislative review of approvals for proposed school construction projects.

DAS' Office of School Construction Grants and Review has also worked to manage costs by developing School Construction Standards and Guidelines and a Compilation of Space Workbook for districts to follow, and reaching out to districts to provide technical assistance. You have the ability to modify the listing before you prior to February 1, 2017, and I urge you to do so, as follows.

#### Specific Concerns

**Project No. 057-0112 DV/N, Greenwich, New Lebanon School.** According to documentation filed with DAS and summarized on DAS' priority list, this project has a projected enrollment of 279 as a PK-5, totaling 58,020 square feet, total estimated project cost \$37,309,000, with a reimbursement rate of 80%, for a state grant cost of \$29,847,200. This amounts to \$106,979.21 per student.

As a "diversity school", this project takes advantage of CGS Sec. 10-286h, which provides an 80% reimbursement rate for school building project grants for diversity schools where "the proportion of pupils of racial minorities in all grades of the school is greater than twenty-five per cent of the proportion of pupils of racial minorities in the public schools in all of the same grades of the school district in which said school is situated taken together, and...the board has demonstrated evidence of a good-faith effort to correct the existing disparity in the proportion of pupils of racial minorities in the district."

The statute was enacted in 2011. It was not good public policy then, and it is not good public policy now. It rewards school districts for avoiding the difficult decisions around redistricting and school reconfigurations, which here were viable options in lieu of this project. We recommend that you support the repeal of CGS Sec. 10-286h, to avoid future abuse of the statute. Please note that the racial imbalance plans approved by the State Board of Education (SBE) are always approved conditionally -- if any part of the plan is unable to be implemented for any reason (such as not getting approved for bonding or the project failing at local referendum), then the district must then develop a new plan. Most of these districts are before the SBE multiple times, and the most effective tools for addressing this challenge tend to be redistricting and/or grade reconfiguration.

With respect to the Greenwich project before you today, the state should not step in to pay for a new school -- which may or may not solve the problematic racial disparity within the Greenwich school district -- until the town has made much greater efforts to find a remedy within its existing school infrastructure. Moreover, in this case Greenwich can afford to pay for an intradistrict magnet school using local resources if that is its local preference.

***Project No. 212-0026 VA/N, Shepaug Valley Regional Agriscience STEM Academy (Vo-ag).*** -- According to documentation filed with DAS and summarized on DAS' priority list, this project has a projected enrollment of 139 as a grade 6-12 facility, totaling 66,480 square feet, total estimated project cost \$29,957,408, with a reimbursement rate of 80%, for a state grant cost of \$23,965,926. This amounts to \$172,416.73 per student. DAS' Office of School Construction Grants and Review has managed to bring the proposed project costs down by over \$6.5 million and reduced the footprint by 14,405 square feet, compared to the original application on the 2016 priority list. The highest projected enrollment also has declined by 101 students. The academy would be constructed adjacent to the Shepaug Valley High School in Washington, CT, the only high school to serve Region 12.

Residents of Bridgewater, Roxbury and Washington continue to express concerns about the project, and they assert that the projected enrollment numbers are wrong. The application apparently assumes that of the 139 students, 119 are from outside Region 12 and 20 are from within Region 12; the citizens state that there will only be 105 students in the program, with 85 from outside Region 12 and 20 from within the Region. They also assert that the project is not necessary.

The citizens asked that I recommend removal of this project from the priority list. I am reluctant to do so, but I urge you to review this project carefully, including how the agriscience needs are currently met, before acting on it.

***Projects appearing on the priority list before they are ready for construction.*** DAS' Office of School Construction Grants and Review recommends that projects only be placed on the priority list when they will be ready for construction once approved, or shortly thereafter. Several projects were removed from the 2016 priority list on that basis, and some of the projects on this list could be delayed for inclusion on the list from the 2017 priority list to subsequent years.

Just as I have alluded to legislation eliminating the Diversity School reimbursement, there are other areas where I expect legislation to be presented in order to assist the state in controlling the costs of our school construction program. One critical area is enrollment. At a time when many school districts in the state continue to experience declining enrollment, we believe it is critical for districts to articulate their plans for schools throughout the entire district, in terms of enrollment and capacity, when applying

for particular projects. If solutions lie with the redistricting of students and/or reconfiguring schools rather than building new schools or adding unnecessary capacity to a district, they should be strongly favored. We should also find new ways to encourage towns to join together to address their school facility needs.

We look forward to working with you on how best we can support school districts' needs while using state taxpayer dollars as efficiently and effectively as possible, and look forward to discussing these projects and general concepts with you in the coming months.

Thank you and Happy New Year.

Very truly yours,



Benjamin Barnes  
Secretary, OPM

cc: Governor Dannel P. Malloy  
Commissioner Melody Currey  
Commissioner Dianna Roberge-Wentzell  
OPM Deputy Secretary Susan Weisselberg