

# Funding School Facilities

Amy C. Clark, PE, Civil Engineer  
Administrator School Facilities, NHDOE

[amy.c.clark@doe.nh.gov](mailto:amy.c.clark@doe.nh.gov)

(603) 271-2037

# SCHOOL BUILDING AID BASICS

- What is Building Aid?
- RSA 198:15 and Ed 321
- Rates range from 30-60%
  - Current rates a function of median family income & equalized valuation per pupil
- Funded since 1946!
  - 1946 thru 2009 – funded
  - 2010 thru 2019 - repeated 2 yr. moratorium on *new* projects
  - 2020 – 2021- partially funded

# FUNDING STRUCTURE

- 1946-2012: Pay % of principal over the life of the bond
- 2013-present: Pay 80% aid before construction, 20% upon completion

## Example:

School takes out a 20 year bond for a \$40M.

Their building aid rate is 50%.

Building Aid = \$40 M x 50% = \$20 Million

2012 Building Aid = \$1M/yr for 20 years.

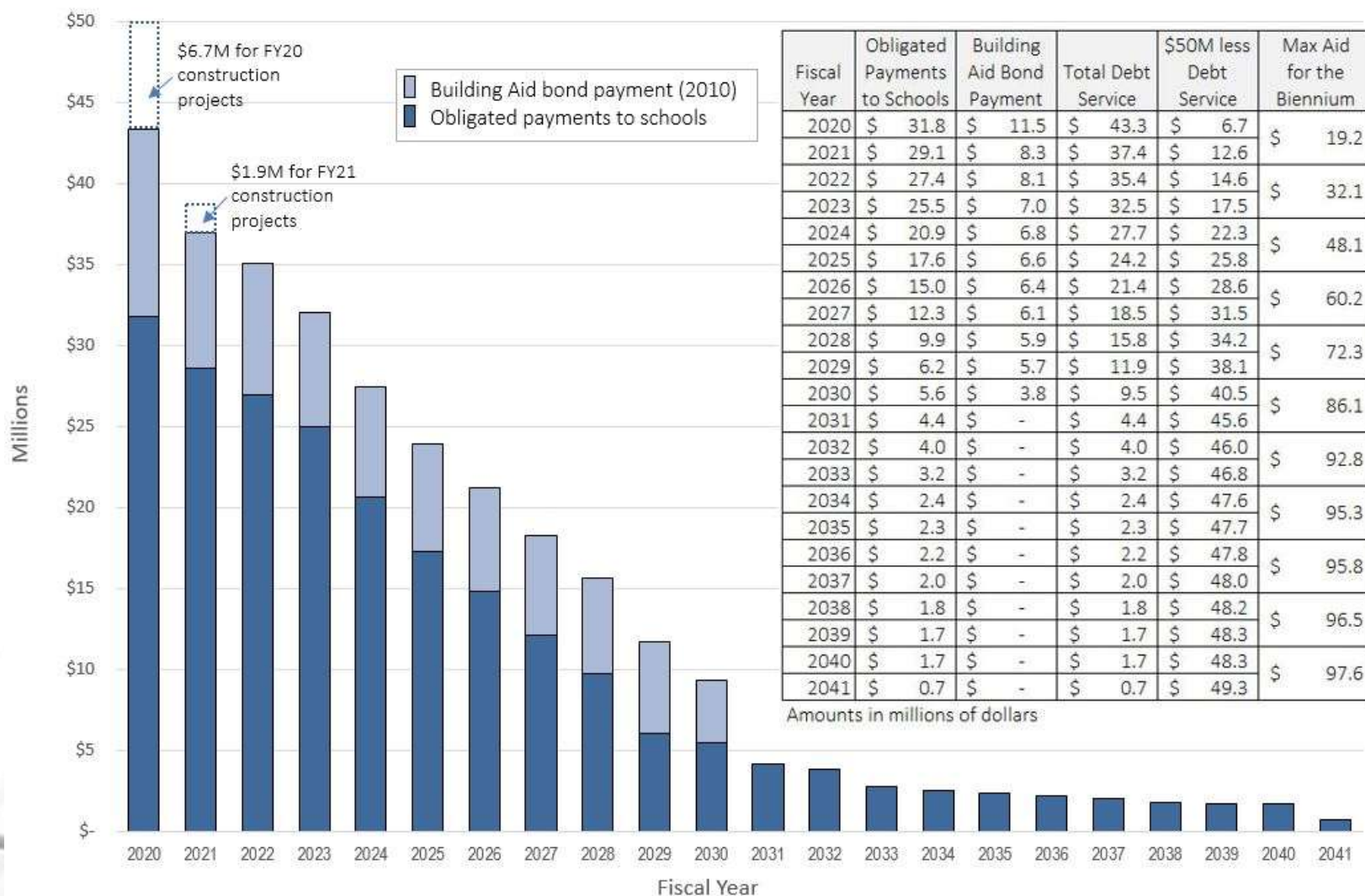
2020 Building Aid = \$16M upfront; \$4M upon completion.

# HISTORY OF FUNDING

Fiscal Years	Obligated Payments for the <i>biennium</i>	Items of interest
1946 thru 2007	\$1 - \$78 million	Money appropriated to meet demand
2008 & 2009	\$92 million	Unable to pay obligated payments; shortfall of \$1 - \$2 million each year
2010 & 2011	\$91 million	HB 2 imposes 2 year moratorium on new projects; no <i>new</i> projects funded 2010 State takes a bond out to pay for building aid.
2012 & 2013	\$96 million	Moratorium extended for 2 years; no new projects funded Building Aid laws changed substantially Law limits aid to \$100 million per biennium
2014 – 2019*	\$87 - \$68 million	Moratorium extended for 2 years; no <u>new</u> projects funded
2020 & 2021	\$69 million	Moratorium ends. \$8.6 million for <u>new</u> projects (3 projects funded)

\* exception of a \$2M appropriation to fund Hinsdale Elementary project in 2018.

## NH Department of Education School Building Aid Obligated Funds ("Tail") & Bond Payment



# 2013 CHANGES

- CAPS building aid at \$50 million per year
- Now a competitive structure for grant
- Projects ranked. (criteria - life safety issues, ADA deficiencies, overcrowding, etc.)
- 80% of award prior to start of a project; remainder paid upon completion.
- No tail payments

# NEEDS ASSESSMENT

# NH PUBLIC SCHOOL SPACE (NON-LEASED SPACE)

- 450 schools
- 168,000 K-12 students (172,000 total enrollment)
- 23.5 million SF (based on cap in law, but SpEd increasing)
- Avg 140 sf/student (based on RSA 198:15-b IV)
- Average cost of project ~ \$300/sf
- ~35-40 years before major renovation needed

## Sustainability Snapshot:

23.5M SF at \$300/sf cost = \$7 billion

\$7 billion over 40 years = \$176 M per year

## State share examples:

30% State Aid = \$53 M per year

40% State Aid = \$70 M per year

50% State Aid = \$88 M per year

60% State Aid = \$106 M per year

Current average building aid rate: 38%

These costs do NOT include  
maintenance (50/50)!



# FUNDING MODELS

- BOND TERM - Pay % of principal over the life of the bond
  - (+) fund more projects
  - (-) creates a tail
- UPFRONT – Pay 80% aid before construction, 20% upon completion
  - (+) towns bond less
  - (-) 1/20<sup>th</sup> the number of projects
- CREDIT SYSTEM – Creates a cycle system.
  - (+) allows for planning, equitable system
  - (-) would need dedicated funds

## ODDS AND ENDS

- Public School Infrastructure Fund - \$28 M State Aid for security projects (expires 2020)
- CTE Funding – separate from Buildings Aid
- Lease Aid – 30% payment to charter leases, up to \$30,000

# MOST NH SCHOOL FACILITIES IN GOOD CONDITION! BUT.....

- School construction projects have been funded from 1946-2009!
- 2016 NH school survey shows
  - 6% built prior to 1900
  - 26% built prior to 1950
  - 7 schools over 68 years old said it's been more than 50 yrs. since last major renovation
  - 196 schools (60%) originally built ~50+ years ago
  - 15% of schools are using portables (5% are using 4 or more portables!)
  - 12% state their facility is in fair, poor, or in need of replacement
  - 19% state their HVAC system is in fair, poor, or in need of replacement
- July 1, 2020 - \$285 M seeking building aid next biennium
- 70 cents of a dollar of construction goes back into the economy

# EQUITABLE AND ADEQUATE SCHOOLS FACILITIES

- Working HVAC systems
- Clean air and good water quality
- Suitable lighting and acoustics
- Adequate classrooms and instructional spaces
- An accessible space
- A safe place to learn
- A place to play and be active

Researchers at the Harvard School of Public Health conclude that *“the evidence is unambiguous — the school building influences student health, thinking, and performance”* (Eitland et al., 2017).

# CONTACT ME

Amy C. Clark, PE, Civil Engineer  
Administrator School Facilities, NHDOE  
[amy.c.clark@doe.nh.gov](mailto:amy.c.clark@doe.nh.gov)  
(603) 271-2037

