

Comparing School Construction Programs

| Issue being analyzed | Why | New York City system | New York City assessment | Massachusetts system | Massachusetts assessment | Connecticut system | Connecticut assessment | Short Term Recommendation | Long Term Recommendation |
|--|--|---|--|---|--|---|--|---|---|
| Initiation of consideration of a school for construction project | This compares when and how potential school construction projects are considered for grant authorization in different jurisdictions, the factors that enter into that decision making, its timing, and the effect of this on the efficiency of the overall system. | School construction authority determines need for school construction, renovation or other capital work | Works well for a large, single-municipality jurisdiction | District submits a "Statement of Interest (SOI)" (pre-application) to the school construction authority | System allows for prioritization while saving districts time working on applications that are not moving forward | District votes to apply for a school construction project. | Application submission consists of approval to develop schematic design, not actual schematic design; local funding authorization (referendum) without a construction based cost estimate (HPE/Space Standards/Ed. Program Specs). | Require schematic design be submitted with the grant application. Require cost estimate to be based on schematic design and compliant with space standards/HPE. | Require a pre-application process (SOI). |
| Ability to apply for state school construction grants | This compares, in different jurisdictions, the question of when a district is considered qualified to submit an application for a school construction project. | NYCSCA decides which project to fund based on facility assessment and capital asset management plan. | Effective because NYC is one district. | Only if invited to apply by the school construction authority as a result of the SOI. | Involves authority in decision-making at the application-preparation stage | All districts may apply at their own discretion | Works when all projects are authorized in the year of application | Require detailed schematic drawings and pre-application plan review as part of grant application program submission. Cost estimates would be more reliable. Construction costs less likely to change, resulting in less change orders & less overall construction costs | Require a pre-application process (SOI). |
| Level of design completion when local bonding authorization is done | This analyzes the level of design required at the submission of a project application. The more detailed the design, the more accurate the school construction cost estimate. | NA | | Schematic design | Pre-application requires SOI. If approved for application, schematic design is required. Bonding authorization is based on schematic design. | Require BOE approval to develop schematic design, not complete schematic design. Conceptual design, space standards, and HPE provide the basis for a cost estimate. | Inaccurate cost estimates when bonding decisions are made | Require detailed schematic drawings and pre-application plan review as part of grant application program submission. Cost estimates would be more reliable. Construction costs less likely to change, resulting in less change orders. | Require a pre-application process (SOI). |
| Timing of local bonding authorization | This analysis compares the stage in the school construction authorization process at which local bonding authorization occurs. | NA | | After invitation to apply by school construction authority - must be done during 270 day application period | Allows for more accurate costs estimates when bonding decisions are made | Before application for a school construction grant - prerequisite for application | Cost estimate is based on space standards, HPE, and possibly a conceptual design. Accuracy of cost estimate at conceptual design has a probability of error of +/- 20%. | Require detailed schematic drawings and pre-application plan review as part of grant application program submission. Cost estimates would be more reliable. Construction costs less likely to change, resulting in less change orders. | Require a pre-application process (SOI). |
| Grant funding decision is made by | Who makes the grant funding decisions affects how the decisions are made. The goal of analyzing this is to examine what systems work best. | School construction authority | Comprehensive decisions for whole inventory of school facilities | School construction authority | Funding decisions made by specialists in education (population based assessment - HPE) and construction analysis (needs based assessment for cost effectiveness & efficiency). | State legislature (priority list) or Commissioner (non-priority list) | Funding is based on completeness of application. Needs basis is determined through HPE. No construction analysis prior to application approval. | Require detailed schematic drawings and pre-application plan review as part of grant application program submission. Cost estimates would be more reliable. Construction costs less likely to change, resulting in less change orders. | Develop a database to perform construction analysis for capital asset management. Funding based on building assessment and construction feasibility, as well as population needs (HPE). |

| Issue being analyzed | Why | New York City system | New York City assessment | Massachusetts system | Massachusetts assessment | Connecticut system | Connecticut assessment | Short Term Recommendation | Long Term Recommendation |
|---|---|--|---|---|--|---|--|--|---|
| Basis of decision on what projects are done, and when | This analyzes different jurisdictions' processes, if any, for deciding which applications for school construction grants are approved. | Prioritization decisions from a regular, comprehensive assessment of facility condition and need | Comprehensive decisions for whole inventory of school facilities | Prioritization based on a combination of a statewide facility assessment and assessment submitted as part of statement of interest | Structured to be objective, but comments have been made that it is subjective. | Projects are funded if a grant application is complete (all checklist documentation submitted). | Projects are funded prior to design approval. Cost estimates are inconclusive. Projects are funded as a lump sum and are not reviewed on a case by case basis. | Develop a maximum reimbursable cost per square by school project type and coordinate with standard specifications. Allow flexibility based on regional market costs. Maintain reimbursement rate based on the town's wealth ranking. | Institute a maximum reimbursable cost per square foot cap. A cap on the cost per square foot would allow more districts to take advantage of the school construction grant program. |
| School construction grant program formula | This analysis is to compare the school construction grant formula or systems and find differences and similarities. | Total amount of construction funded by school construction authority | Works well for a large, single-municipality jurisdiction | Need-based formula with bond fund cap (\$500 million) and cost per sqft cap (\$270) | A fair system | Need-based formula | A fair system, but limited control on total construction costs. | Develop a maximum reimbursable cost per square by school project type and coordinate with standard specifications. Allow flexibility based on regional market costs. Maintain reimbursement rate based on the town's wealth ranking. | Institute a maximum reimbursable cost per square foot cap. A cap on the cost per square foot would allow more districts to take advantage of the school construction grant program. |
| Statewide/citywide total limit on school construction grants | This examines how different jurisdictions decide the total amount of money they spend on school construction. | Annual amount set in city budget | Works well for a large, single-municipality jurisdiction | Statutory \$500 million plus annual increase indexed to increase in sales tax revenue | Provides the school construction authority a greater ability to plan for its capital spending | No limit | Creates large fluctuations in state school construction bonding | N/A | Develop a cap on annual construction expenditures. |
| Design specifications for what will be funded | This examines how different jurisdictions oversee the design of schools. This is important because the decision-making of even the fine details of a school's design determine its costs. | All design decisions made by school construction authority | School construction authority has direct control of its spending | School construction authority exercises oversight through mandatory owner project managers | School construction authority has indirect but effective control of school construction spending | General rules for eligible/ineligible project costs. | Limited cost control on materials used. | Develop minimum standard specifications for quality control. | Implement minimum standard for quality control. |
| Source of payment for school construction bonding | This examines how different jurisdictions pay from the costs for school construction financing - source of funding for debt servicing and other costs. | City budget allocation with state aid | Unique to New York City and its relationship to New York State | Primarily 1% state sales tax - part of the existing state sales tax and reimbursement is based on the town's wealth ranking. Reimbursement can change with incentives. Cap on school construction spending at \$500 million per year. | Allows for revenue bonds at lower interest rates | State General Fund/Municipal Funds | Reimbursement percentage based on a town's wealth ranking. No cap on debt service. All projects have been financed since the inception of the progress payment methodology (1997). | N/A | Annual cap on bond funding for school construction project costs. Maximum cost per square foot based on regional market standard. Reimbursement based on town's wealth ranking. |
| Staff for school construction grant program paid for by | The amount of service and oversight that a grant authority can do is determined largely by its staffing level, so this examines how different jurisdictions fund this staff. | Staff works for authority and paid from quasi-public funds | Allows for sufficient staff to directly administer the entire school construction program | Staff works for authority and paid from quasi-public funds | Allows for sufficient staff to administer the school construction grant program | State General Fund | Staffing levels are insufficient to exercise effective oversight | Fund school construction project staff as a percent of the school construction grant program. | Establish a separate funding process for school construction projects. Go Bonds/Revenue Bonds |