

SB 383-FN-LOCAL – AS AMENDED BY THE SENATE

03/21/12 1133s

2012 SESSION

12-2881

04/01

SENATE BILL

383-FN-LOCAL

AN ACT

revising the distribution of school building aid grants.

SPONSORS:

Sen. Stiles, Dist 24; Sen. Morse, Dist 22; Sen. Forsythe, Dist 4; Sen. Lambert, Dist 13;
Rep. Ladd, Graf 5; Rep. Shaw, Hills 16; Rep. Weyler, Rock 8; Rep. W. Smith, Rock 18

COMMITTEE:

Education

ANALYSIS

This bill amends the procedure for the approval of school building aid projects and the distribution of school building aid grants.

Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through.~~]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twelve

AN ACT revising the distribution of school building aid grants.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 School Building Aid; Annual Grant. Amend RSA 198:15-a to read as follows:

2 198:15-a Annual Grant for the Payment of Debt Service for School Construction.

3 I. To aid local school districts in meeting the costs of [~~the payment of debt for~~] school
4 buildings [~~and educational administration buildings, including office facilities for school~~
5 ~~administrative units, and to meet the costs of leasing permanent space in a building which is used~~
6 ~~for the operation of a high school vocational technical education program~~], the department of
7 education shall, from funds appropriated by the general court to carry out the provisions of this
8 subdivision, pay [~~annually~~] to the school districts of the state, sums in accordance with the
9 provisions of this subdivision or the alternative school building aid provisions under RSA 198:15-u
10 through RSA 198:15-w[~~depending on which option a school district elects. The annual grant to~~
11 ~~school districts shall be made in 2 approximately equal payments, one in October and one in April of~~
12 ~~each fiscal year. No payment shall be made to a school district prior to the district's first payment on~~
13 ~~the amount of principal borrowed~~].

14 II. [~~To provide funds for appropriations made to the department of education relative to~~
15 ~~paragraph I for the fiscal years ending June 30, 2009, June 30, 2010, and June 30, 2011, the state~~
16 ~~treasurer is hereby authorized to borrow upon the credit of the state the sums necessary for payment~~
17 ~~of such grants and for said purpose may issue bonds and notes in the name of and on behalf of the~~
18 ~~state of New Hampshire in accordance with RSA 6 A. Payments of principal and interest on the~~
19 ~~bonds and notes shall be made when due by the state treasurer from funds designated under~~
20 ~~RSA 78 A:26, I(a)] ***Beginning with construction authorized by a local school district on or***
21 ***after July 1, 2013, office facilities for school administrative units and the purchase or***
22 ***lease-purchase of temporary space for any purpose, including but not limited to modulars,***
23 ***trailers, or other similar structures to be used as classroom, office, or storage space shall***
24 ***not be eligible for school building aid.***~~

25 III. ***Facilities constructed using school building aid shall be used as instructional***
26 ***facilities for kindergarten through grade 12 for at least 20 years. A school district that***
27 ***discontinues the use of the facilities shall be required to repay the state 100 percent of the***
28 ***state grant received. Upon a showing of good cause by the school district, the commissioner***
29 ***of the department of education may waive this penalty in whole or part on a case by case***
30 ***basis.***

1 2 School Building Aid; Amount of Grant. Amend RSA 198:15-b to read as follows:

2 198:15-b Amount of [~~Annual~~] Grant.

3 I.(a)(1) ***For construction authorized by a school district on or before July 1, 2013***, the
4 amount of the annual grant to any school district duly organized, any city maintaining a school
5 department within its corporate organization, any cooperative school district as defined in
6 RSA 195:1, any receiving district operating an area school as defined in RSA 195-A:1, or any
7 receiving district providing an education to pupils from one or more sending districts under a
8 contract entered into pursuant to RSA 194:21-a or RSA 194:22, shall be a sum equal to 30 percent of
9 the amount of the annual payment of principal on all outstanding borrowings of the school district,
10 city, cooperative school district, joint maintenance agreement, or receiving district, heretofore or
11 hereafter incurred, for the cost of construction or purchase of school buildings and school
12 administrative unit facilities, or for the cost of acquiring, developing, or renovating any municipally-
13 owned land, buildings, or facilities to be used for school district purposes, to the extent approved by
14 the department of education, provided that any school district may receive an annual grant in the
15 amount of 40 percent for the construction of an educational administration building for a school
16 administrative unit, and provided that the amount of the annual grant in the case of a cooperative
17 school district, joint maintenance agreement, a receiving district operating an area school, or any
18 receiving district providing an education to pupils from one or more sending districts under a
19 contract entered into pursuant to RSA 194:21-a or RSA 194:22, shall be 40 percent plus 5 percent for
20 each pre-existing district in excess of 2 and each sending district in excess of one, and provided
21 further that no cooperative school district, joint maintenance agreement, or receiving district
22 operating an area school, shall receive an annual grant in excess of 55 percent.

23 (2)(A) ***For construction authorized by a school district after July 1, 2013***,
24 ***school building aid grants for new construction shall not exceed the state appropriation***
25 ***for school building aid for the fiscal year, less any debt service payments due and owing in***
26 ***the fiscal year for construction or renovation projects approved in a prior fiscal year, less***
27 ***the amount owed for construction or renovation projects approved prior to July 1, 2013 in***
28 ***accordance with subparagraph (a)(1), unless otherwise provided by an act of the general***
29 ***court. School building aid grants approved pursuant to RSA 198:15-u through RSA 198:15-***
30 ***w, shall be disbursed to school districts pursuant to this subparagraph and no state bonds***
31 ***shall be authorized or issued for the purpose of funding school building aid grants. The***
32 ***amount of the grant to any school district duly organized, any city maintaining a school***
33 ***department within its corporate organization, any cooperative school district as defined in***
34 ***RSA 195:1, any receiving district operating an area school as defined in RSA 195-A:1, or***
35 ***any receiving district providing an education to pupils from one or more sending districts***
36 ***under a contract entered into pursuant to RSA 194:21-a or RSA 194:22, shall be calculated***
37 ***based on the criteria set forth in RSA 198:15-v.***

1 ***(B) The amount of the grant to any chartered public school established***
2 ***in accordance with RSA 194-B:3-a shall be 30 percent of the eligible cost of construction.***

3 ***(C) The state board of education shall make an initial grant equal to 50***
4 ***percent of the eligible amount upon approval of the application for school building aid by***
5 ***the state board of education, and a final grant for the balance of the approved amount***
6 ***upon completion of the construction and verification of the construction by the department***
7 ***of education.***

8 (b) For any municipally-owned land, buildings, or facilities for which school building aid
9 is granted under this subdivision, the following shall apply:

10 (1) A school district, a city maintaining a school department within its corporate
11 organization, a cooperative school district as defined in RSA 195:1, a receiving district operating an
12 area school as defined in RSA 195-A:1, or a receiving district providing an education to pupils from
13 one or more sending districts under a contract entered into pursuant to RSA 194:21-a or RSA 194:22,
14 shall have first priority in the use of such land, buildings, or facilities for 10 years or the life of any
15 bond or note issued to provide funds for such land, buildings, or facilities, whichever is greater.

16 (2) The cost of any proposed renovation project shall be less than the cost of a new
17 acquisition for the same purpose.

18 (3) In the absence of a bond or note or upon the expiration of any bond or note issued
19 to provide funds for land, buildings, or facilities, the principal parties shall enter into an agreement
20 on how such land, buildings, or facilities are to be used.

21 I-a.(a) A receiving district situated in this state which is providing education to students
22 from another school district situated in this state under a contract entered into pursuant to RSA
23 194:21-a or RSA 194:22, shall be eligible to receive the higher annual grant amount provided in RSA
24 198:15-b, I or RSA 198:15-v under the following conditions:

25 (1) The contract requires the receiving district to educate at least 70 percent of the
26 public school students at particular grade levels from a sending district as provided in the contract.

27 (2) The contract contains a provision for the payment of capital costs for specific
28 capital projects.

29 (3) The contract provides the manner in which school building aid is to be credited to
30 school districts.

31 (4) The contract or sending district's obligation to pay capital costs is for a period of
32 10 years or longer.

33 (b) The provisions of this paragraph shall only apply for those years in which the
34 contract is in effect. In all other years, the receiving district shall receive aid in the amount for
35 which it would otherwise be eligible under RSA 198:15-b, I or RSA 198:15-v.

36 (c) No receiving district shall receive a school building aid grant which is less than what
37 a single school district would receive under RSA 198:15-b, I or RSA 198:15-v.

1 I-b.(a) A school district, or other entity listed in paragraph I of this section, which is in
2 compliance with the requirements of this section, shall be entitled to receive an additional grant
3 equal to 3 percent of the total construction costs. To be eligible for additional grant moneys,
4 construction projects, as built, shall meet the criteria for designation as a high performance school
5 under the most recent edition of the New England version of standards from the Collaborative for
6 High Performance Schools. Application for the grant of additional moneys shall be submitted on
7 forms developed by the department of education.

8 (b) ~~[Not more than \$100,000 in any fiscal year in new additional grant moneys shall be~~
9 ~~awarded. In the event that the total additional grant entitlement in any fiscal year exceeds \$100,000, the~~
10 ~~full entitlement of grant moneys shall be awarded to the districts having projects which exceed the~~
11 ~~minimum criteria for designation as a high performance school to the greatest extent.~~

12 (e) The department of education shall review other high performance standards as they
13 are developed and shall recommend adoption of new standards when in the judgment of the
14 department, the new standards better reflect the intent of this section.

15 I-c.(a) In addition to the requirements of paragraph I, each school district, prior to receipt of any
16 grant moneys, shall submit for review and approval a written maintenance plan describing in detail how
17 the school district intends to maintain the new facilities to be constructed with state aid moneys. The
18 required maintenance plan shall include, but not be limited to, the following information:

19 (b) A description of the procedures to be used, and the method of staffing in which, the
20 following building services are or will be provided. For work performed by in-house staff, an
21 indication of the staffing level shall be provided, expressed as full-time equivalent positions:

- 22 (1) Daily facility cleaning.
- 23 (2) Grounds maintenance.
- 24 (3) Refuse removal.
- 25 (4) Snow removal.
- 26 (5) Minor maintenance and repair.
- 27 (6) Pest management.
- 28 (7) Periodic equipment servicing and preventive maintenance.
- 29 (8) Plan for 12 month operations, if applicable.

30 (c) The average amount of space, in square feet, assigned to each custodian for daily
31 cleaning.

32 (d) The process for reporting, recording, verifying, and prioritizing building problems
33 and fire safety issues.

34 (e) The process for assigning corrective work.

35 (f) The process for determining that corrective work has solved the problem.

36 (g) The process for tracking and analyzing recurring problems.

37 (h) The process for scheduling and completing preventive maintenance services and

1 inspections on installed equipment and major building systems including, but not limited to heating,
2 ventilation, air conditioning, life safety, elevators, plumbing, roofs, windows, doors, and kitchen
3 appliances.

4 (i) Custodial or maintenance staff increases or reductions that result from the project.

5 (j) The training program for employees on new equipment to be installed by the project.

6 (k) A statement of assurance, signed by the chair of the school board, which indicates
7 that the district intends to maintain and service all installed equipment according to the
8 manufacturer's instructions.

9 ~~[II. for the purposes of computing grants hereunder, the amount of the annual payment of~~
10 ~~principal shall be increased by an amount equal to the amount of capital reserve or the amount~~
11 ~~raised by taxation which was actually expended for the project at any time, divided by the number of~~
12 ~~years for which bonds or notes were issued to provide funds for such school building or school~~
13 ~~administrative unit facilities; provided, however that funds received from trusts, bequests, gifts or~~
14 ~~insurance policies shall not be eligible for computing grants hereunder. When bonds and notes are~~
15 ~~issued for a period of less than 5 years, the amount of aid for which the district is eligible shall be~~
16 ~~paid in no fewer than 5 equal installments.~~

17 ~~III. If the project was entirely financed by the use of amounts raised by taxation or by the~~
18 ~~use of capital reserve other than funds from trusts, bequests, gifts or received from insurance policies~~
19 ~~the aid provided herein shall be paid in 5 equal installments.~~

20 ~~IV.] II.~~ For the purposes of this subdivision, "construction" shall include any one or more of
21 the following for the construction of instructional facilities only:

22 (a) The acquisition and development of a site.

23 (b) Planning, construction, or both, of a new building.

24 (c) Planning, construction, or both, of additions to existing buildings .

25 (d) Architectural and engineering fees.

26 (e) Purchase of equipment and any other costs necessary for the completion of a building
27 as approved by the department of education.

28 (f) Substantial renovations approved by the commissioner of education.

29 (g) Purchase or lease-purchase of mechanical, structural, or electrical equipment,
30 including the cost of installation of such equipment, which is designed to improve energy efficiency
31 or indoor air quality in school buildings. All grant amounts awarded under this subparagraph shall
32 be returned to the state if such equipment is removed from the school building by the vendor due to
33 the school district's failure to comply with the terms of the lease-purchase agreement. Lease-
34 purchase agreements shall be subject to the requirements of RSA 33:7-e.

35 ~~[V.] III.~~ Purchase of school buildings shall include the acquisition and improvement of land
36 in connection therewith and the remodeling, altering, repairing, equipping and furnishing of such
37 buildings as approved by the department of education.

1 ~~[VI. Repealed]~~.

2 ~~[VII.]~~ **IV.** In this paragraph, “new construction” means additional square footage but shall
3 not mean the renovation of school buildings ~~[or school administrative unit facilities]~~. The provisions
4 of this paragraph shall apply to any school building aid grants made pursuant to RSA 198:15-a
5 through RSA 198:15-w.

6 (a) The department of education shall issue annually maximum eligible cost standards
7 for the construction of new school buildings ~~[or school administrative unit facilities]~~, less site
8 acquisition costs, qualifying for school building aid. These standards shall take into account the
9 type, size, and location of the school ~~[or school administrative unit facility]~~ and shall be based on an
10 appropriate construction cost index developed or adopted by the department which shall reflect cost
11 differences in the several regions of the state. Maximum cost standards shall be computed and
12 published annually and expressed as a maximum cost per square foot.

13 (b) Maximum size standards for new construction shall be as follows:

14 (1) Maximum gross square footage per pupil:

	Student Population	
	<u>under 250</u>	<u>250 and over</u>
17 Elementary school	144	120
18 Middle or junior high school	168	140
19 Senior high school		
20 (excluding vocational-technical		
21 centers)	192	160

22 (2) Maximum usable site size for new schools:

23 Elementary School	20 acres plus 1 acre for each 100 pupils
24 Middle or junior high school	25 acres plus 1 acre for each 100 pupils
25 Senior high school	30 acres plus 1 acre for each 100 pupils

26 ***(3) In addition to the provisions of subparagraphs (1) and (2), the***
27 ***department of education shall require architectural designs for new space in order to***
28 ***make efficient use of space. Space determined by the department to be excessive or***
29 ***unnecessary to fulfill educational needs shall not be eligible for reimbursement.***

30 (c) For the purpose of calculating the total school building aid grants made under RSA
31 198:15-a through RSA 198:15-w, the final approved cost for school construction or school project shall
32 not exceed the cost that would result if the project conformed to the maximum cost and size
33 standards. The provisions of this section shall not preclude an eligible applicant from exceeding the
34 maximum standards provided, however, the cost of the portion of the facilities which exceed the
35 maximum standards shall not be eligible for school building aid. The maximum cost and size
36 standards in effect at the time general contract work begins shall be used for the purposes of
37 determining school building aid.

1 (d) The commissioner of the department of education shall have the authority to waive
2 eligible cost and size standards for new construction for good reason shown.

3 ~~[VIII.]~~ V. For the purpose of receiving grants under this section, acquisition of additional
4 land as part of any school renovation project shall not be required unless such additional land is
5 necessary to ensure the safe flow of traffic for school buses or other vehicles entering or exiting
6 school grounds, or the safe boarding or discharge of children using school buses or other vehicles.

7 3 School Building Aid; Approval of Plans. Amend RSA 198:15-c to read as follows:

8 198:15-c Approval of Plans, Specifications, and Costs of Construction or Purchase.

9 **I.** A school district maintaining approved schools, desiring to avail itself of the grants herein
10 provided shall have the plans, specifications, and cost estimates for school plant construction or
11 proposals for the purchase of school buildings, or both, and the costs for them approved by the ~~[state~~
12 ~~board]~~ **department of education** prior to the start of construction. For this purpose the district
13 shall submit its plans, specifications, cost, and purchase estimates in writing to the department of
14 education on such forms as the department prescribes. A school district shall also submit a copy of
15 any application for energy efficiency reimbursement under RSA 374-F. The department of education
16 shall coordinate with the public utilities commission to ensure that eligible school districts have
17 submitted applications for funding reimbursement and technical assistance as available from energy
18 utility companies to promote indoor air quality and energy efficiency in public schools. Application
19 for school building aid shall be submitted before ~~[January 1 of each year in order to be eligible for~~
20 ~~school building aid in the fiscal year following the year of submittal]~~ **December 1 of the fiscal year**
21 **prior to the biennium in which school building aid is to be disbursed.**

22 **II.(a) The commissioner shall accept school building aid applications based**
23 **upon completeness and submit a preliminary school building aid list to the school**
24 **building authority established pursuant to RSA 195-C. By March 1 of the fiscal year**
25 **prior to the biennium in which school building aid is to be disbursed, the school**
26 **building authority shall develop a rank ordered list of all school building construction**
27 **and renovation proposals submitted by school districts and shall categorize each**
28 **proposal based on school building and site criteria in descending order. The school**
29 **building authority shall recommend prioritized proposals to be funded in descending**
30 **rank order to the state board of education for approval. School districts which have**
31 **projects approved for funding shall be notified by the department of education of the**
32 **projected amount to be funded within 10 days of approval. The project rating system**
33 **and criteria used to rate project applications which shall include an administrative**
34 **review process for appeal of a school district's project point rating, shall be developed**
35 **by the department of education and approved by the state board of education no later**
36 **than November 1, 2013.**

37 **(b) A ranking system in support of primary categories criteria shall include**

1 *consideration of unsafe conditions; obsolete, inefficient, or unsuitable facilities or*
2 *mechanical and building systems; overcrowding and associated influences to instructional*
3 *areas and programming; enrollment projections and population shifts; and other*
4 *conditions as determined necessary. The ranking system shall also include criteria to*
5 *determine if a school district has made a reasonable attempt to accommodate maintenance*
6 *activities including scheduled and unscheduled repairs, upkeep, minor alterations,*
7 *enhancements to buildings, and preventative maintenance necessary to achieve the design*
8 *life expectancy of building systems and components.*

9 (c) *The school building authority shall recommend those proposals to be funded*
10 *in descending rank order to the state board of education for approval. Those proposals not*
11 *approved shall be considered for approval in the next biennial budget. Project proposals*
12 *shall be funded to the extent of available appropriations in the fiscal year.*

13 (d) *Emergency requests shall be dealt with on a case-by-case basis as deemed*
14 *appropriate by the state board of education.*

15 **III.** The department of education shall not approve the plans, specifications, cost, or
16 purchase estimates, if in the department's judgment the facilities planned will not adequately meet
17 the educational requirements, or if its cost estimates are excessive or unreasonable. The department
18 of education shall not approve the plans, specifications, cost, or purchase estimates if in the
19 department's judgment the proposed construction or purchase is in conflict with effective statewide
20 planning pursuant to RSA 9-A or the principles of smart growth pursuant to RSA 9-B. Necessary
21 costs of the purchase of school buildings may be determined by any recognized method of real estate
22 appraisal with appropriate adjustments for remodeling or other expenditures. Upon approval of the
23 construction or purchase, or both, by the department of education, the school district shall be entitled
24 to receive ~~[an annual]~~ a grant as provided herein.

25 4 School Building Aid; Proration and Unexpended Funds. Amend RSA 198:15-e to read as
26 follows:

27 198:15-e Proration and Unexpended Funds. ~~[If in any year,]~~ The amount appropriated for
28 distribution as school building grants in accordance with *the version of RSA 198:15-b in effect*
29 *prior to July 1, 2012 shall be first awarded to a school district for an eligible project*
30 *funded before July 1, 2012. If the amount appropriated in any fiscal year is insufficient*
31 *therefor, [grants for eligible construction work approved by the legislative body of the school district*
32 *since the approval of the most recent state biennial budget shall be deferred and included in a*
33 *request for a future appropriation, or partial grants may be made to the extent of the available*
34 *appropriation. Any partial grant made shall be prorated proportionally among all districts with*
35 *eligible construction work approved since the approval of the most recent biennial budget. The*
36 *department of education shall include any unpaid grant amounts in the next biennial budget or*
37 *request a supplemental appropriation. If the amount appropriated is insufficient after deducting all*

1 ~~grants approved since the approval of the most recent biennial budget,~~ the appropriation shall be
 2 prorated proportionally among the districts entitled to a grant. ***If the amount appropriated***
 3 ***exceeds the amount necessary to fund grants to school districts for construction projects***
 4 ***approved by the state board of education in a prior fiscal year, the remaining amount of***
 5 ***the appropriation shall be distributed to school districts for proposals approved by the***
 6 ***state board of education in accordance with the procedure set forth in RSA 198:15-c, II.***
 7 ***Such school district shall receive a grant equal to 100 percent of the approved amount of***
 8 ***the request until the amount appropriated has been exhausted. A partial grant may be***
 9 ***awarded to the extent that funds are available. If a school district declines a full or***
 10 ***partial grant, a grant shall be made to the next ranked school district until the amount***
 11 ***appropriated has been exhausted.*** Any amounts not distributed in the first year of any biennium
 12 may be distributed in the second year if required to distribute the maximum amount permissible
 13 under RSA 198:15-a.

14 5 Kindergarten Construction Program; Eligibility. Amend RSA 198:15-s, II(b)(4) to read as
 15 follows:

16 (4) Costs shall be limited to the annual maximum eligible cost standards in accordance
 17 with RSA 198:15-b, ~~[VII]~~ V, unless waived by the commissioner of the department of education for
 18 good cause.

19 6 Alternative School Building Aid. Amend RSA 198:15-v, II to read as follows:

20 II.(a) The amount of the annual grant in this subdivision shall be a sum equal to a
 21 percentage of the amount of the annual payment of principal on all outstanding borrowings of the
 22 school district, city, cooperative school district, joint maintenance agreement, or receiving district, for
 23 all approved costs of construction or purchase of school buildings and school administrative unit
 24 facilities, for ~~[which loans are approved after July 1, 2005]~~ ***grants approved on or before July 1,***
 25 ***2013*** according to the following table:

26 Building Aid	Single District	Preexisting District in a
27 Factor		Cooperative School
		District, Area School, or
		Joint Maintenance
		Agreement
31 0-59	60 percent	60 percent
32 60-69	55 percent	60 percent
33 70-89	45 percent	55 percent
34 90-114	40 percent	50 percent
35 115 or greater	30 percent	40 percent

36 (b) ***For projects approved after July 1, 2013, the amount of the grant to any***
 37 ***school district, city, cooperative school district, joint maintenance agreement, or receiving***

1 *district shall be a sum equal to the percentage of all approved costs for construction or*
2 *purchase of school buildings according to the following table:*

3 <i>Building Aid</i>	4 <i>Single District</i>	5 <i>Preexisting District in a</i>
6 <i>Factor</i>		7 <i>Cooperative School</i>
		8 <i>District, Area School, or</i>
		9 <i>Joint Maintenance</i>
		10 <i>Agreement</i>
11 <i>0-59</i>	12 <i>80 percent</i>	13 <i>80 percent</i>
14 <i>60-69</i>	15 <i>45 percent</i>	16 <i>50 percent</i>
17 <i>70-89</i>	18 <i>35 percent</i>	19 <i>45 percent</i>
20 <i>90-114</i>	21 <i>30 percent</i>	22 <i>40 percent</i>
23 <i>115 or greater</i>	24 <i>20 percent</i>	25 <i>30 percent</i>

26 (c) The percentage once determined for a particular borrowing shall not thereafter be
27 subject to change.

28 7 School Building Authority. Amend RSA 195-C:1, I to read as follows:

29 I. There shall be a school building authority, referred to in this chapter as the authority, [~~of~~
30 ~~5 members~~] consisting of the state treasurer, the commissioner of education, ***the state fire marshal***
31 ***or designee***, and 3 other members appointed by the governor, ***one of whom shall have expertise***
32 ***in education, one of whom shall have expertise in finance, and one of whom shall have***
33 ***expertise in building construction or engineering***, with the advice and consent of the council,
34 for terms of 3 years and until their successors are appointed and qualify. The governor shall
35 designate one of said members as chairman. In case of vacancy among the appointive members of
36 the authority, the governor, with the advice and consent of the council, shall fill the same for the
37 unexpired term. The appointive members of the authority shall receive as compensation for their
services, while actually engaged in the business of the authority, the sum of \$8 per day plus their
necessary subsistence expenses. The appointive members of the authority shall be paid mileage at
the state employees rate, plus necessary travel expenses, only when performing activities at the
request of the state board of education.

8 Construction or Renovation of Regional Vocational Education Centers. Amend RSA 188-E:3,
II to read as follows:

II. Upon completion, the constructed or renovated facility shall become the property of the
school district or public academy, as the case may be. Provision of the site, parking, and other
related areas shall be the responsibility of the local community. Site work, including but not limited
to cut and fill work, compaction, demolition, relocation of utilities, relocation of roadways and
sidewalks, and similar work within an area extending to one foot beyond the outside edge of the
exterior walls of the building, shall be eligible for grants under paragraph I. Nothing shall prohibit
the inclusion of the site and related facilities which are not funded as part of construction cost by the

1 state under this chapter from being included in a regular building aid application of the district as
2 provided in RSA 198:15-b. ***However, no school district which receives any funding under this***
3 ***chapter shall be eligible to receive school building aid under RSA 198:15-b for the same***
4 ***project.***

5 9 Repeal. RSA 198:15-hh, relative to annual grant for leased space, is repealed.

6 10 Effective Date. This act shall take effect 60 days after its passage.

LBAO
12-2881
12/02/11

SB 383-FN-LOCAL - FISCAL NOTE

AN ACT revising the distribution of school building aid grants.

FISCAL IMPACT:

The Department of Education states this bill will have an indeterminable effect on state expenditures, and local revenue and expenditures. There will be no fiscal impact on state or county revenue, or county expenditures.

METHODOLOGY:

The Department of Education states this bill revises the distribution of school building aid grants. The Department states the actual fiscal impact of the changes will entirely depend on the appropriation levels for the school building aid program as set by the legislature in future years. The Department states the program provisions currently in place would still apply for all projects authorized by school districts before July 1, 2013, also called pre-existing projects. The Department states the changes to the program made in this bill would affect all projects approved by local school districts July 1, 2013 and after, also called new projects. For these new projects, the Department states school administrative unit office facilities and the purchase or lease-purchase of temporary facilities for any purpose are no longer eligible for school building aid. The Department states the amount available each year for the new projects under this bill would be the amount appropriated by the legislature for the program less any amounts to cover projects approved in prior fiscal years and less any amounts still owed for pre-existing projects. Under current law, school districts have the option of choosing a default calculation in determining school building aid amounts, or an alternative school building amount calculation. For all new projects, the Department states this bill eliminates this default calculation in current law, and instead utilizes a slightly modified version of the building aid factor methodology used in the alternative building aid calculation. The Department states some school districts may receive more program funding while others may receive less under this bill as the state's share of the project as calculated under this building aid factor methodology changes from a range of 30% to 60% of project cost to a range of 20% to 80% of project cost. The Department states this bill also requires the school building aid authority to recommend those school building aid projects to be funded on a prioritized list in descending rank order, to be submitted to the state board of education for approval. The Department states this bill requires that program grants shall first be distributed for projects

approved but not funded in a previous fiscal year, and that if the program appropriation is insufficient to cover the eligible costs, the funds shall be pro rated among all eligible projects. Because this bill requires that the state pay 50% of its portion upon approval of an eligible project, and the remainder upon verified completion of the project, local expenditures for interest could decrease as the initial payment of the state grant would decrease the amount the school district would be required to bond. Also, because this bill will only fund the highest priority projects, school district expenditures could increase in cases where a district will undertake a project despite a lack of state participation, or could decrease in cases where a district decides to forego a project due to the denial of state aid.