Comments for Belmont on the Proposed Minuteman Building Project

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Introduction and Disclaimer

A number of questions have been raised regarding the proposed Minuteman MSBA building project. Since I've been on the Minuteman School Committee for sixteen years, and because I am a proponent of this project as the best way forward for all Minuteman member communities, I thought it worthwhile to put a few relevant comments in writing. This document focuses on two issues:

1) the reasons for choosing the proposed MSBA project over the alternative "Go-It-Alone" option, and
2) comments on issues regarding future Minuteman enrollment/assessment.

I am the sole author of this document. It has not been endorsed by the Minuteman School Committee or the Minuteman Administration.

The MSBA Building Project or The Go-It-Alone Renovation

No one is disputing that something must be done with the Minuteman facility. After many years of study there are two possible options for the District: the proposed MSBA $145M 628-student new building project, of which the MSBA will pay about $44M, or a "Go It Alone" renovation of the current building, which is estimated to cost about $100M[1]. This option will have no MSBA support[2]. Thus both capital projects are expected to cost District towns about the same amount.

The "Go It Alone" option is when the member towns, in order to avoid committing to a comprehensive MSBA project, instead renovate the building piecemeal on an ongoing basis. The Minuteman Building Committee developed an estimate of about $100M for this approach. (See the report at: http://minuteman.org/Page/310.)

Although I have great faith in the professionals who developed this estimate, I understand that since it has not been vetted as completely as the proposed MSBA project (the vetting would have cost tens of thousands of dollars), the estimate is subject to error. Nevertheless, I am confident that the estimate is in the "ballpark" of reality, and that even if the estimate is substantially wrong, by 10%, or even by 20%, the MSBA project is still easily the best option. The following explains my reasoning.

The MSBA project would have relatively low construction risk, and relatively high financial efficiency. The construction risk is relatively low because:

- There is a known cap on project costs.
- Interest rates are low.

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[1] One of the options considered by the Minuteman School Committee was an MSBA assisted project that would comprehensively renovate the existing building. Investigation demonstrated that this renovation project option would be no less expensive than a new building, so it was rejected by the Minuteman School Building Committee and by the MSBA.

[2] It is theoretically possible for Minuteman to pursue another MSBA assisted project, but returning to the MSBA pipeline would take many years, there would be extensive cost escalations, and a new project would come far too late to assist with critical capital needs.

- There will be a professional construction plan and timetable with a single set of contractors for a well-defined project.
- The owners (member towns) will have endorsed the entire project.
- The project will have a relatively short timeframe. All else being equal a shorter project has less risk than a longer project.

The project would be financially efficient because:

- The State will be kicking in about 30 cents for each dollar spent.
- There will be a professional development plan and timetable for the entire project with one set of responsible contractors. This will maximize the chance that each dollar is spent efficiently.

On the other hand, the "Go It Alone" renovation would have high financial risk because:

- The project scope and timetable is poorly defined.
- The project time frame could grow to as long as 10 years. A long timeframe would increase risk.
- Interest rates and commodity prices are likely to rise during the project.
- At some point the project would hit regulatory "triggers" where the District would become responsible for compliance with fire code regulations, and the Americans with Disabilities Act (ADA) regulations. These, along with safety issues, and other unavoidable capital repairs (such as the roof replacement), will force the District into numerous expensive construction projects, many on an emergency basis. The need to act under emergency conditions will likely result in significantly higher costs, and will likely require that some construction projects be redone, since such emergency repairs are unlikely to fit with long term renovation requirements[3].
- Failure to perform construction as part of a single professionally developed plan will be significantly more expensive, with an inferior outcome.
- Even if the District was able to develop a single renovation plan that would account for many of the above concerns, the renovations will likely necessitate not one, but many bonding issues, all of which would require the near-impossibility of unanimous member town meetings approving each bonding issue. This will extend the length of construction, further increase project costs, and result in expensive and endless District political bickering over the details of each bonding issue.
- Aspects of construction will likely require sending students off campus during some years, at great cost to the District.

The "Go It Alone" option would have far more risk, and would be financially inefficient. No assistance from the MSBA, continuous political bickering, lack of a comprehensive plan, emergency expenses, and the need to redo some construction projects would ensure that a large portion of each project

[3] We already have experienced one example of this. In June of 2011, a new fire inspector from Lexington inspected the Minuteman Trades Hall. Although the condition of the Hall had never before been an issue, the new fire inspector told us that the Hall was out of compliance, and immediately shut it down. If this had occurred during the school year all trades programs would have been suspended. Luckily, since this occurred during the summer, the administration was able to quickly put together an emergency project. Two months and $500,000 later the renovated trade hall was open for the start of the new school year. In the event the district chooses the "Go It Alone" option, the Fire or ADA regulations will soon be triggered, probably with little prior notice, and the district would need to implement emergency building improvements with no opportunity to plan for the best and least costly approach.

dollar would be wasted. Thus even if the theoretical renovation project cost were to seem less expensive than the MSBA project, in all likelihood that actual "Go It Alone" cost would be significantly higher.

Worst of all, what do we get for our $100M if we choose the "Go It Alone" option? Instead of a brand new 628 student school whose layout is appropriate for modern education practices, we would have the same 900 student building we have now, the same unnecessary large-building overhead costs, and a lost opportunity to create spaces that are compatible with modern educational needs.

Per-Student Enrollment and Operating Costs

The other issue of concern is the proposed school's per-student operating assessment. The concern is that if the school were not full, then the per-student operating cost would be too high.

The Minuteman School Committee, School Building Committee, and administration do not have any concerns about filling the new school primarily with in-district students. The MSBA, known for conservative projections, also believes that we will easily fill the new school. Furthermore, the MSBA has stated, in writing, that it would not make sense for the District to build a school smaller than 628 students, and that the MSBA would refuse to help fund a smaller school.

There are currently 611 full-time high school students attending Minuteman: 370 in-district, 241 out-of-district. The goal is to increase enrollment so that the school is filled, and to improve the balance between in-district students and out-of-district students so that the school is largely filled with in-district students. We believe this easy to accomplish in a new building.

Our confidence is due to the impact that a new facility will have on the desirability of the school.

Families will put up with serious problems in the local high school since the primary alternative, private school, is prohibitively expensive. But they are usually NOT willing to put up with the same issues at Minuteman. This is a fundamental difference in estimating enrollment between a local school and any regional technical/vocational school such as Minuteman. ***The quality of the Minuteman facility is an essential factor in attracting students.*** The more the facility deteriorates or is unable to supply the space/facilities for its mission, the more families will pass on the Minuteman option, and enrollment will decline. That is Minuteman's current reality.

Here are some reasons why families reject Minuteman even when Minuteman would be the best educational match:

1. An outdated concern among parents/students regarding the quality of a career/vocational education[4];
2. Concerns regarding the state of the Minuteman facility and the District's likely loss of accreditation if the facility is not fixed;
3. A concern that due to the political disorder within the District, the school will be closed and the District disbanded;
4. A concern that the needs of the Minuteman facility will not be responsibly addressed;

[4] Outdated prejudices regarding a vocational/technical education are hard to counter. However, Minuteman has a new enrollment effort ongoing that shows some promise. In-district applications are currently up 15% over last year. While this is an impressive result, I am not yet too excited because applications are not the same as enrollment, and one year does not make a trend. Nevertheless, it is something to think about.

5. A concern that the school will face years of building renovations which would be a continuing disruption to education, and
6. A concern that lack of investment by the District will prevent the school from keeping up with modern education and vocational standards.

Concerns 2 - 6 above would be fully addressed by the proposed MSBA project. An improved facility with updated programs will ensure strong long-term in-district enrollment at Minuteman.

Consider, for example, the three new vocational-technical high schools that have been built in Massachusetts in recent years: Worcester Technical High School, Roger L. Putnam Vocational-Technical Academy, and Essex Technical High School.

Worcester's turnaround story is particularly well known. With the strong backing of local business and political leaders, the City of Worcester built the new school, transforming it from a school of last resort to a "school of choice" where there is "always" a long wait list. To recognize Worcester Tech's achievements, President Obama spoke at the high school's graduation in June of 2014.

Putnam, one of six high schools in the Springfield Public Schools, was once viewed the same way as the old school in Worcester. Now, Putnam is described by Springfield's Public Schools CFO Patrick Roach as "one of our flagship schools". He says the school has "a really long waiting list" that "grew significantly" when the new school was built and programs were upgraded. In addition, he says construction of the new school brought increased attention from local businesses who now hire its graduates. The CFO also said he'd now be willing to send his own children there. Another staff member in the Springfield School District says Putnam now has "capacity issues."

In Essex's case, the new school merged programs from three different schools: North Shore, Essex Agricultural, and Peabody. The new school increased overall capacity from roughly 1,000 seats to 1,400 seats. Its applicant pool has also increased. According to Mary Kroesser, Administrator of Pupil Personnel Services & Human Resources, the school had 1,000 applications this year for 360 seats in the ninth-grade class.

In each case a new facility brought higher enrollment, improved education, and significantly increased district respect for career/technical education. The same would be true if we build the new Minuteman facility[5].

Attracting New District Members

It may be desirable for the District to eventually attract one or two new members. Over the years we have talked to several potential new members. It was made clear to us that they see two major obstacles to joining the District:

1) Aspects of the previous Regional Agreement were unacceptable, and
2) District towns are not working cooperatively together regarding the future of the District.

Item one has been addressed by the new Regional Agreement, approved by the Commissioner of Education on March 11, 2016. Item two would be addressed if we move forward with the MSBA project. A new building would also make the district significantly more attractive.

[5] More information regarding changes in attitude to Career Technical education is available on the Minuteman website: http://minuteman.org/Page/195 (A Revolution in Learning: Related Articles and Videos).

A third item that impacts the possibility of attracting District members is the new capital fee that we can charge to non-resident students if we are participating in a MSBA project. Without this capital charge, non-member sending communities are disincentivized to join, since the State-mandated tuition charged to out-of-district students is currently lower than the per student assessment for a member town. But with the capital fee in place, the economics change, and it becomes far more likely that sending towns would see advantages in joining the District.

Per-Student Operating Assessment

The per-student operating assessments are likely to be significantly lower in a new building for the following reasons:

- The new building will be smaller, with an infrastructure focused on 628 students, not the current 900 student facility.
- The new building will have lower operating costs due to a smaller footprint, modern building techniques, and more efficient systems.
- Enrollment will be higher in a new building. Higher enrollment will result in lower per student operating costs since fixed costs will be distributed among more students.
- It is likely that we would attract new member towns which would further increase in-district enrollment and reduce per-student costs[6].
- With an MSBA project we can charge sending communities a per-student capital fee[7]. This fee has not been yet set, but for our project we expect it to be in the neighborhood of $6,000[8] per student. But even if we are disappointed, and the fee is low, say $4,000, it is still significant. Example: if we have 130 out of district students, that would provide an additional $4,000 * 130 = $520,000 annually, which would reduce member town assessment. Consider that over thirty years: $520,000 * 30 = $15,600,000. This money would be lost if we "Go It Alone" and do not choose the MSBA project.

Final Thoughts

I understand that both the timing and the cost of the Minuteman MSBA project is challenging for Belmont. Nevertheless, this project is the best choice for all of the member towns of the Minuteman District, including Belmont.

A District approval of the MSBA project will likely have these advantages over the "Go It Alone" approach:

- A lower total project cost with lower risk;
- $44M given to the District from the MSBA;
- Higher enrollment;
- Lower long term per-student operating costs;

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[6] We need to careful not to over expand the district since the capacity of the school may not be sufficient for all students who wish to attend.

[7] Minuteman stakeholders have complained for years that out-of-district students do not pay for their fair share of capital costs. After many years, partly due to Minuteman's efforts, the State has created regulations allowing participants in a MSBA project to set a capital fee. The exact dollar value of the fee has not been set but its purpose is to reflect a student's fair share of capital cost of an MSBA project.

[8] The Minuteman administration actually thinks the fee will be slightly higher than this. For purposes of this document, I'll use a more conservative figure.

- Ability to charge non-member communities a significant per-student capital fee;
- A unified School Committee and a less divisive political climate;
- A school that can offer a greatly improved education at a lower cost, and
- A school that maintains its accreditation.

The District needs to provide access to quality career/technical education for its students. The best way to provide this quality education at the lowest long-term cost is for the Minuteman District member towns to endorse the proposed MSBA project, to work with the school to put in place appropriate oversight to ensure that project dollars are wisely spent, and to show potential new member communities that the District takes the Minuteman school seriously, is able to work together effectively on complex projects, and is welcoming for appropriate new partners.

More information about this project, its history, and the many different possible options considered during the six year Minuteman feasibility study is available on the School Building Project pages of Minuteman's website: http://www.minuteman.org/domain/81.

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