

School Building Aid Summary

Contact:

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Laws/Rules: RSA 198:15; Rules Ed 321

What is Building Aid?

Building Aid is grant funds to support local school districts in meeting the costs of constructing or reconstructing school buildings.

Building Aid grants range from 30-60% of the cost of construction (30% to more affluent communities, 60% to less affluent communities). The formula is weighted so that most communities get 30% (the average rate is 38%).

Example:

A school district takes out a 20 year bond for \$20 Million to build a new school. If their grant award rate is 50%, then the Building Aid award is \$10 Million (\$20 Million x 50%). This \$10 Million is paid over 20 years (their bond term), which is equivalent to \$500,000 per year for 20 years.

History:

- 1955 – Program began in 1955
- 1955 to 2008 – Money appropriated to meet demand
- 2009 – Shortfall of \$1.8 Million. School payments were diminished.
No new funds available for new projects.
- 2011 – HB 2 imposes moratorium on new projects through June 30, 2013. Funds appropriated for past project payments only (“obligated payments”)
- 2013 – Moratorium extended (obligated payments = \$47 Million)
- 2015 – Moratorium extended (obligated payments = \$43 Million)
- 2017 – Future? (obligated payments \$36.5 Million)

2013 Changes:

- Presently, a cap of \$50 million per year is the most DOE can request by law (includes past project payments)
- Competitive structure for grant - based on a ranking criteria (schools are more likely to rank higher if the reconstruction/construction project addresses life safety issues, ADA deficiencies, overcrowding, consolidation, etc.).
- Payment upfront - 80% of award is given at the start of a project; remainder paid upon completion.