



School Construction Aid Task Force
October 23, 2023, 1:30p.m.– 4:30 p.m.

Per [Act 78 of 2023, section E131.1](#) (see page 196), a School Construction Aid Task Force is created to examine, evaluate, and report on issues relating to school construction aid.

Approved Meeting Minutes

Task Force Members Present:

Heather Bouchey, Secretary of Education
Mike Pieciak, State Treasurer
Bruce MacIntire, Vermont School Custodians and Maintenance Association
David Weeks, Senator
David Epstein, Gubernatorial Appointee
Chris Young, Vermont Principals' Association Designee
Peter Conlon, Representative
Jon Wilkinson, Gubernatorial Appointee
Jeff Francis, Vermont Superintendent's Association
Sue Ceglowski, Vermont School Boards Association
Martine Gulick, Senator
Chris Taylor, Representative
Michael Gaughan, Vermont Bond Bank
Eric Lafayette, EEI Services
Ben Doyle, Preservation Trust Vermont
Jeff Fannon, VT NEA

Also Attending:

Ashlynn Doyon, Treasurer's Office
Jill Briggs Campbell, Agency of Education
Scott Baker, Treasurer's Office
Jeremiah Breer, Treasurer's Office
Bob Donohue, Agency of Education
Steve Wisloski, PRAG
Tom Huestis, PRAG
Amy Rex, Superintendent, Milton Town School District
Julia Richter, Joint Fiscal Office
Erica Loomis, Member of Public
Paula Ratchford, Member of Public

Call to Order and Opening Remarks:

Secretary Bouchey called the meeting to order at 1:41 p.m.

Approval of October 11, 2023:

Mr. Wilkinson moved to approve of the minutes of October 11, 2023. Mr. Young seconded the motion. There were no additions or changes to the minutes. No further discussion. The minutes passed unanimously with Mr. Fannon abstaining due to absence at the previous meeting.

Secretary Bouchey asked each person in the room to do a brief introduction.

Public to Be Heard (Public Comment):

Secretary Bouchey announced an opportunity for public comment.

Paula Ratchford from the town of Stowe explained that she was there to listen because Stowe has presented a \$39M bond for school construction, for which the expense will be borne by the roughly 1,100 full-time residents of the town.

Amy Rex, the Superintendent of the Milton Town School District, welcomed the Task Force to Milton. She emphasized the need for this work in terms of both the age and condition of schools, as well as 21st century learning needs. The estimate to replace the Milton Elementary and Middle School is nearly \$200M.

School Facilities Assessment Update:

Bob Donohue provided an update on AOE's school facilities assessment update (see presentation materials).

Mr. Gaughan asked for the cost estimates without the inflation adjuster.

Mr. Wilkinson asked what schools are paying for operations and maintenance now. Mr. Donohue replied that AOE does not currently have that information.

Mr. Gaughan noted that the debt service cost to the Ed Fund for Winooski and Burlington alone is \$25M.

Mr. Epstein noted that he thinks that the 3% inflation metric used in the analysis is low for construction costs.

Financing Scenario Modeling:

Tom Huestis from PRAG Resources presented a financing scenario model to the group based loosely off of the Rhode Island structure (see presentation materials).

Secretary Bouchey asked about the construction workforce in Rhode Island and whether or not there are similar labor challenges to Vermont.

Mr. Lafayette stated that in his experience, there is usually a larger labor pool in Rhode Island.

Rep. Conlon also noted that there is a component of the Rhode Island program that assists with short-term borrowing.

Mr. Lafayette asked what it means for the State if the rating agencies change their opinions on whether the Rhode Island structure is net tax-supported debt.

Mr. Gaughan asked about the legal mechanism for the MA state tax. Secretary Bouchey noted that the Ed Fund in Vermont is very different from other states.

Mr. Lafayette asked if the state intercept has ever come into play in Rhode Island.

The PRAG analysis looked at the State of Vermont doing two bond issues over four years, totaling \$250M. The analysis looked at both level payments and level principle payments as well as options if the State were to only do a 40% subsidy. The average debt service across all models was roughly \$7M per year.

Mr. Epstein stated that from a scale standpoint, this doesn't really even work if we are thinking about the whole solution. He asserted that school construction needs a funding source separate from legislative decisions.

Mr. Francis said that that state policies need to be more directive and that the situation with regard to the condition of schools in Vermont is dire.

Goals and Priorities Discussion:

Ms. Briggs Campbell moderated a discussion on the group's shared vision and the brainstormed goals and priorities from the group's "homework assignment" (see presentation materials).

The following question was posed: What is the group's list of priorities, regardless of funding or other fiscal limitations?

Mr. Gaughan noted that small schools are often anchor institutions in their communities and that he would like to see resources for adaptive reuses of schools that could be stranded assets in the event that the school buildings are no longer in active use.

Mr. Wilkinson expressed concern over doing 20 year financing for school buildings that may no longer be in use in 20 years.

Mr. Epstein articulated the "newer and fewer" policy goal, the Act 46 governance consolidation, and issues with "micro schools" with 75 students or fewer.

Rep. Conlon noted that in Rhode Island, they use the facilities condition index (FCI) to actually flip the prioritization of projects.

Mr. Epstein noted that the industry standard is that if the building's FCI score is over 70% that it makes sense to just replace it. The average FCI for school buildings in Vermont is 79%.

Mr. Fannon asked if it made sense to "prefab" things or do more projects with templates and less specific architecture in order save costs.

Mr. Lafayette noted that the conversations revolve around budgets at the end of the day, i.e. understanding what money we have at play and then asking what the goals are.

Sen. Gulick suggested that schools need to be designed for the future of education, which can be hard to predict.

Ms. Briggs Campbell asked if dollars should first go to "warm, safe, and dry" priorities.

Mr. Francis asked whether or not "warm, safe, and dry," would be the State's only obligation – he stated that the State is losing its competitive advantage when it comes to education and that it will take a 40-year proposal to turn this around.

Mr. MacIntire noted that he would like to see incentives for things like more efficient systems, natural light, and good air flow.

Secretary Bouchey stated that when the Baby Boomer generation hit we had a massive school construction program. She asked whether or not it was time to do a massive look, once again, at our school facilities.

Mr. Lafayette noted that the newest school buildings often have growing tax bases and growing populations.

Mr. Francis expressed that there needs to be a way to take the burden off of local school officials because it is increasingly difficult to find people that want to invest their time in these complex issues. He noted that school facilities do not have advocates in school budget discussions and that the PCB challenge is a major distraction from the central issue.

Adjournment

The meeting adjourned at 4:29 p.m.

After the meeting adjourned, Matt Grasso, the Director of Operations for the Milton Town School District, took some members of the Task Force on a brief tour of the Milton Elementary and Middle School. The tour attendees did not constitute a quorum of the Task Force membership.