



HOLLAND HILL QUESTIONS AND BACKGROUND

The Holland Hill Building Committee (HHBC) recently announced that the projected cost of the planned renovations and expansion (\$21 million)¹ would be more than twice as much as the original estimate (\$9 million),² and 50% more than the most recent BOE estimate (\$13-\$14 million). This is the latest in a series of bad news for taxpayers about the cost of public building projects.

We believe taxpayers deserve good answers to the following six questions:

1. Why will Holland Hill cost so much more than we thought it would?
2. With State aid declining, how much can we afford to spend on Holland Hill?
3. What can we eliminate from the Holland Hill project to reduce its cost?
4. What if we need to remediate PCBs at Holland Hill?
5. Why is the cost of public construction so high?
6. How can we improve our building committee process to lower the cost of our projects?

WHY WILL HOLLAND HILL COST SO MUCH MORE THAN WE THOUGHT IT WOULD?

1. The Riverfield School project completed in early 2016 was similar in scope and cost ~\$14 million, so why is Holland Hill now expected to cost 50% more?
2. The Holland Hill Building Committee (HHBC) initially blamed most of the increase on **inflation** in building costs,³ but this was not credible because inflation has been quite low and commercial construction activity in CT is still weak, so there is no reason for school construction costs to have increased 50% in four years. In fact, the Bureau of Labor Statistics says the cost of new school construction nationally has increased only 1.85% annually over the last five years (November 2011 to November 2016), and the year-to-year increase in the latest month was only 0.1%.⁴
3. The HHBC subsequently blamed a substantial **increase in the scope** of the HH project,⁵ much of which was added at the Committee's discretion based **not** on the **Educational Specifications**⁶ from the BOE, but rather on private discussions with Holland Hill School and Central Office staff, and on "what we did at Riverfield."

¹ <http://m.fairfieldcitizenonline.com/news/article/Sticker-shock-hits-with-Holland-Hill-project-10783245.php>

² <http://m.fairfieldcitizenonline.com/news/article/Ed-specs-without-costs-approved-for-Riverfield-2402667.php>

³ http://www.fairfieldct.org/filestorage/79/37433/37438/Minutes_11-17-2016_DRAFT.pdf

⁴ <https://data.bls.gov/timeseries/PCU23622236222>

⁵ http://www.fairfieldct.org/filestorage/79/121/14781/47433/Backup_for_BOE_Reg_Mtg_01-03-17.pdf

⁶ Under CT law (C.G.S. Section 10-287c-1) every school project must begin with "**Education Specifications**" that are approved by the BOE that "*describe the nature and purpose of the proposed project, which may include the applicant's long range educational plan and the relationship to the proposed project to such plan; enrollment data and proposed project capacity; the nature and organization of the educational program; support facilities; space needs; accommodation for educational technology; specialized equipment; and site needs, and any other supporting documents deemed necessary by the commissioner.*"

WITH STATE AID DECLINING, HOW MUCH CAN WE AFFORD TO SPEND ON HOLLAND HILL?

1. The State is cutting substantially its aid and grants to “non-distressed” towns like Fairfield.
2. As of December 28, 2016, the State is cutting statewide Education Cost Sharing (ECS) grants by \$20 million and local construction aid by \$30 million. Fairfield will lose **\$571k** in ECS reimbursement, plus another **\$373k** in “Local Capital Improvement Program” (LoCIP) grants.⁷ These cuts (which have not been finalized) come on top of **\$2.3 million** of cuts earlier this fiscal year in ECS, “Municipal Revenue Sharing” (MRS) and “Payments in Lieu of Taxes” (PILOT).⁸
3. **State reimbursement for school building projects will also be cut.** Currently the State reimburses towns for 10%-70% of new school construction costs, and 20%-80% of school renovation costs, depending on how wealthy each town is deemed to be. In the past, Fairfield has been reimbursed for ~25% of its eligible school construction costs (versus 10% for Greenwich).
 - a. On December 29th, Governor Malloy’s budget chief, Ben Barnes, advised legislative leaders that the Administration will push to scale back spending on local school construction projects in the next budget because the State’s bonding will otherwise exceed its statutory limit.⁹
 - b. Barnes stated: ***“If solutions lie with the redistricting of students and/or reconfiguring schools rather than building new schools or adding unnecessary capacity to a district, they should be strongly favored.”***
 - c. Since part of the rationale for expanding the capacity of Holland Hill School is that it will allow the Town to solve a long-standing Racial Imbalance problem at McKinley School,¹⁰ it is also relevant that in his opposition to a “diversity school” project in Greenwich, Secretary Barnes stated that: ***“Most of these districts [i.e., districts with Racial Imbalance issues] are before the State Board of Education multiple times, and the most effective tools for addressing this challenge tend to be redistricting and/or grade reconfiguration.”***
4. Given the likelihood that reimbursement from the State on school construction projects will be cut or eliminated, and that there will be further cuts in State aid to our operating budget (e.g., ECS, PILOT, LoCIP), how much can we now afford to spend on school construction?
5. Surely, we must reassess, downsize, economize and stretch out building projects on the Town’s so-called “Facilities Plan Waterfall Schedule.”

⁷ <http://ctmirror.org/2016/12/29/50-million-in-state-cuts-for-cities-and-towns/>

⁸ The State reimburses the Town with “Payments in Lieu of Taxes” for a portion of the property taxes that are not paid by non-profits like Fairfield University and Sacred Heart University. The reimbursement rate is supposed to be 45% of what a college would have paid, but actual reimbursements have been approximately half of the statutory rate.

⁹ <https://assets.documentcloud.org/documents/3251036/GA-School-Constr-Comm-12-29-16.pdf>

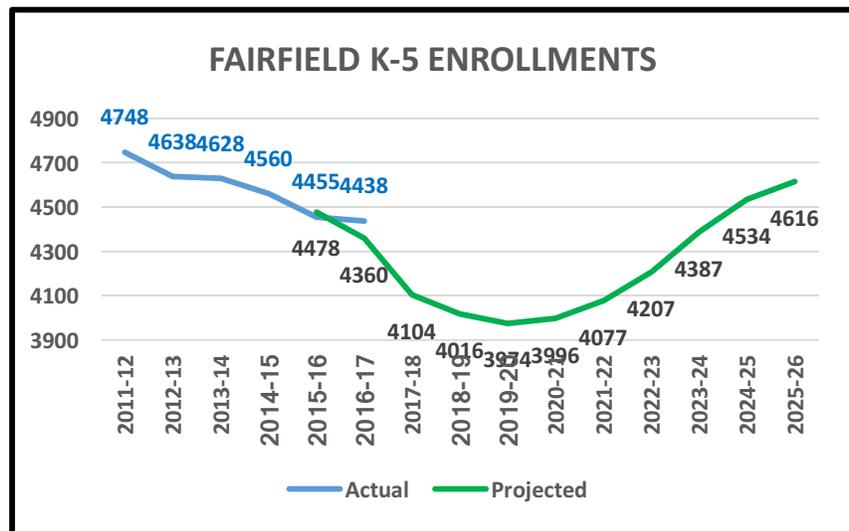
¹⁰ <http://m.fairfieldcitizenonline.com/local/article/Redistricting-remains-possibility-for-Fairfield-10835873.php#photo-12138957>

WHAT CAN WE ELIMINATE FROM THE HOLLAND HILL PROJECT TO REDUCE ITS COST?

1. With **enrollment declining** and **602 empty seats** in our elementary schools, do we really need to add four more classrooms at Holland Hill on top of replacing its five portable classrooms?

a. **Total Enrollment** in Fairfield schools **peaked five years ago**, in **2011-12** at **10,287**, and has declined to **10,008** in **2016-17** (including **72** students from Bridgeport who attend Fairfield schools under the State's Open Choice program).¹¹ **Future Enrollment** is now projected by consultant, Milone & MacBroom (M&M) **to continue to decline** to **9,262** in **2021-22**, and then, based on arbitrary assumptions about future single-family home sales, unemployment rates, housing units and birth rates (including a presumed 32% increase in births in Fairfield from 474 in 2012 to 628 in 2020), to increase gradually to **9,318** in **2025-26**.¹² A different consultant (MGT) projected in 2010 that total enrollment in 2016-17 would be 10,756 and would increase to over 11,000 in 2020-21.¹³ Four years later, MGT was projecting fewer than 10,000 students in 2020-21.¹⁴ **Note that public-school enrollment in Connecticut peaked in 2006 at 575,100, has declined more than 5% since then, and is projected to continue to decline.**¹⁵

b. **Elementary (K-5) Enrollment** is currently **4,438**,¹⁶ and is projected by M&M to **decline 10.5%** to **3,974** in **2019-20**, and then to rise (again, based on arbitrary assumptions about future single-family home sales, unemployment rates, housing units and birth rates) to **4,616** in **2025-26**.¹⁷ **Note that public school enrollment in Connecticut in grades PK-8 peaked in 2003 at 407,794, has declined more than 7% since then, and is projected to continue to decline.**¹⁸



¹¹ http://cdn.fairfieldschools.org/district-information/enrollment/2016-12_01_16-Enrollment.pdf

¹² <http://fairfieldschools.org/district-v2/uploads/2016/08/BOE-August-23-REGULAR-AgendaEnc.pdf>

¹³ <http://archive.fairfieldschools.org/downloads/enrollment/4469%20-%20Fairfield%20Public%20Schools%20-%20Enrollment%20Projections%20-%20Elementary%20Capacity%20Study.pdf>

¹⁴ http://archive.fairfieldschools.org/downloads/friday/2014/may/Enrollment%206180%20FPS%20Report%20-%20Final_2014%2005%2001.pdf

¹⁵ https://nces.ed.gov/programs/digest/d15/tables/dt15_203.20.asp

¹⁶ Including **51** students from other towns under the Open Choice program, but **excluding 56** students in a discretionary Pre-K program at Burr and Dwight and **123** preschool special-education students in the Early Childhood Center at FWHS.

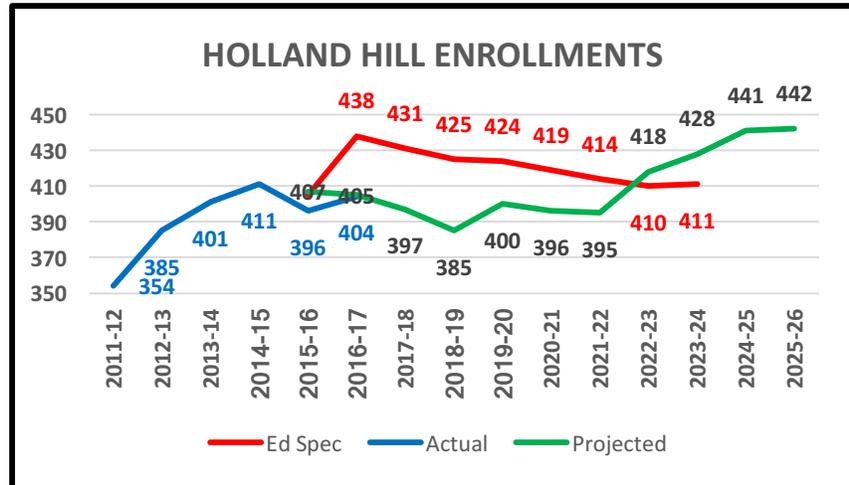
¹⁷ Excluding 72 students that were assumed to be in the discretionary Pre-K program at Burr and Dwight.

¹⁸ https://nces.ed.gov/programs/digest/d15/tables/dt15_203.20.asp

- c. **Elementary (K-5) Capacity** is **5,040** (including two new portables at Holland Hill), so with **4,438** students, we have **602** empty seats and capacity utilization of **88%**. Based on the projected decline in elementary school enrollment, capacity utilization would drop to **79%** in **2019-20**, and then (based again on that projected increase in births) rise to 92% in 2025-26.

d. **Holland Hill**

Enrollment was projected by MGT in its **Educational Specifications** to rise to **438** in **2016-17** and to average **423** over the next five years before declining slightly. **Shortly after its “Ed Specs”¹⁹ were approved by the BOE, the new consultant,**



M&M, projected that Holland Hill’s average enrollment would be 7% lower than MGT’s projections (396 versus 425) over the next six years, **declining** to **385** in **2018-19**, before increasing (based once again on that projected increase in births) to 442 in 2025-26.

- e. **Holland Hill Capacity** is supposed to increase to 504 based on the current “Ed Specs,” which would result in **capacity utilization of only 76%-79%** in the 2018-19 through 2021-22 period.

2. At election time, all BOE candidates are quick to pay lip service to “fiscal responsibility,”²⁰ but in practice the majority that controls the BOE aggressively opposes any concerns expressed by other members or the public about whether, given the new economic reality in Connecticut and Fairfield, the taxpayers can still afford to bear the costs of adhering to their expensive interpretation of the Board’s *Facilities Planning Principles*.²¹

So, even though **K-5 enrollment is declining**, and even though **we currently have 602 empty K-5 seats**, the BOE majority claims that instead of simply redistricting, we must spend millions of taxpayer dollars to add 84 more seats (four classrooms) at Holland Hill and another 126 seats (six classrooms) at Mill Hill – **which means we would have 1,276 empty seats in 2019-20** – because they think: (a) we should always have **10%-15% excess capacity** in our schools: and (b) we should **add space to schools where students are located** (in what they call, “neighborhood schools”). Here are the actual operative principles:

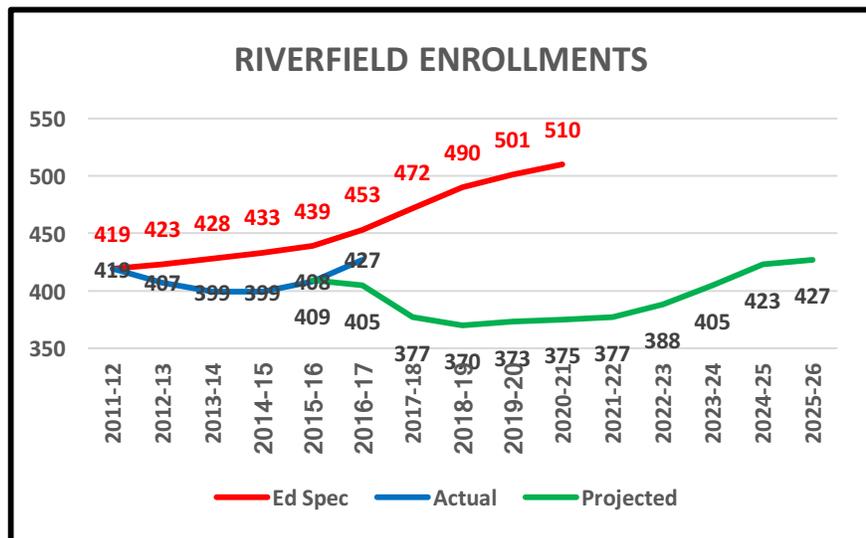
¹⁹ http://cdn.fairfieldschools.org/business-services/capital/Approved_Holland_Hill_Ed_Specs-Jan_12_2016.pdf

²⁰ For example, the number one issue in the Chairman’s platform as a BOE candidate in 2015 was: “**Fiscal Responsibility**: While advocating for ALL Fairfield students, we must make responsible and balanced fiscal decisions.”

²¹ http://cdn.fairfieldschools.org/business-services/facilities/Long_Range_Facilities_report_updatedrevbyLM9-2-2015.pdf

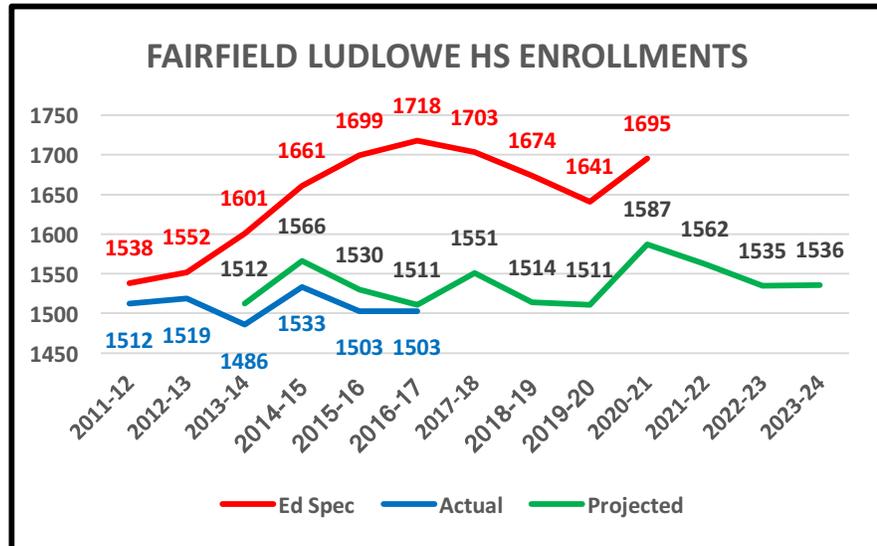
- a. Planning Principle #5 is “**Stability**,” and it states that “*redistricting should not be revisited every 3-5 years, especially without a major event such as a school opening or closing.*” This means that the BOE is happy to spend millions of taxpayer dollars to add additional seats rather than redistrict. **Indeed, the Planning Principles actually refer to “redistricting” as an “inappropriate measure” to which they should not resort when there are fluctuations in enrollment.**
- b. Planning Principle #6 is “**Headroom**,” and it states that “*to ensure stability we should leave headroom in each school – the maximum number we should plan to is 90%/85% of capacity.*” This means that the BOE is happy to spend millions of taxpayer dollars to add more seats than may be needed because they say, “*enrollment projections are not an exact science.*”
- c. Planning Principle #7 is “**Commitment to Adding Space Where Students Are Located**,” which means that the BOE is happy to spend millions of taxpayer dollars because “*at the elementary school level we must have a commitment of maintaining the concept of ‘neighborhood schools’ and/or allowing students to attend the elementary school which is reasonably close to the students’ homes whenever educationally feasible and possible.*” Given that **the boundaries of any neighborhood are completely arbitrary as is the definition of “reasonably close,”** this principle is merely another excuse for the BOE to spend millions of taxpayer dollars rather than redistrict students when there is excess capacity in the system.
- d. Planning Principle #4 is “**Enrollment Projections**,” and it notes that a plan “*should account for and accommodate peak enrollment projections,*” and warns that “*recent projections have at times underestimated actual enrollment.*” **Perhaps not surprisingly, there is no reference to the extent to which previous projections have substantially overestimated actual enrollment in Fairfield schools.**

The Ed Specs for Riverfield School in 2011 were based on projected enrollment of **453** in **2016-17**, and continued growth to **510** in **2020-21**.²² Current actual enrollment is **6%** lower at **427** and current projected 2020-21 enrollment is **26% lower** at **375**.



²² http://www.fairfieldct.org/filestorage/10736/12856/28257/28261/Riverfield_School_Ed_Specs_-_APPROVED_12-13-2011.pdf

The Ed Specs for FLHS in 2012 were based on a projection of enrollment in 2016-17 of **1,718**, followed by a decline to 1641.²³ Current actual enrollment is **12.5% lower** at **1,503**, which is also lower than it was at the time of the Ed Spec projection. Note that the latest consultant's projections **overstate** future enrollment because they include students in the Alternate High School (a.k.a., Walter Fitzgerald Campus), which currently has 16 FLHS students (and has had 16-18 in each of the last four years).



WHAT IF WE NEED TO REMEDIATE PCBs AT HOLLAND HILL?

1. The need to remediate PCBs at Osborn Hill, FLHS and Riverfield substantially increased the cost of their renovations.
2. Are the taxpayers willing to continue to simply spend more, on top of everything else, whenever there is an unexpected need for remediation?

WHY IS THE COST OF PUBLIC CONSTRUCTION SO HIGH?

1. School construction in CT costs around \$500 per square foot.²⁴
2. One reason for the high cost is **union-protecting laws like Prevailing Wage**,²⁵ which requires that we pay high hourly wage rates for any public construction project (**including, \$99,000 per year for workers employed as: "Laborers - common or general"**).

²³ [http://www.fairfieldct.org/filestorage/10736/12856/16703/27498/FLHS Approved Ed Specs Feb 26 2013.pdf](http://www.fairfieldct.org/filestorage/10736/12856/16703/27498/FLHS%20Approved%20Ed%20Specs%20Feb%2026%202013.pdf)

²⁴ http://www.ct.gov/dcs/lib/dcs/sbpac/sbpac_report_02072014.pdf

²⁵ CT is one of 30 states with "prevailing wage" laws that require contractors on public building projects to pay wages and benefits that are set by the state each year that are supposed to "protect and promote the interests of workers," the practical effect of which is to raise the cost of construction (including all the bureaucratic compliance costs) by as much as 40%. In CT, this union-protecting law applies to any new construction that costs more than \$400,000 and any renovation that costs more than \$100,000. For example, on Fairfield projects, contractors must currently pay "laborers – common or general" **\$28.55** per hour plus **\$18.90** in fringe benefits, for a total of **\$47.45**, which results in \$1,898 for a 40-hour week and **\$98,696** for a 52-week year.

<http://www2.ctdol.state.ct.us/WageRatesWeb/WageRatesbyTown.aspx?Town=Fairfield>

3. Another reason is that the State, where legislation is heavily influenced by labor unions, continues to create **more and more stringent standards and codes** for building construction with no apparent concern about their cost to the taxpayers.
4. Another reason is a massive amount of **bureaucratic compliance costs** to qualify for partial reimbursement from the State.
5. Another reason is that building committees are **less concerned about cost than they are about avoiding criticism**, and thus they are easily swayed by “experts” who invoke arguments about durability, school security and aesthetics.
6. Another reason is that building committees are **not required to choose the lowest qualified bidder**. For example, **the HHBC arbitrarily decided, in their choice of a construction manager, that cost would be weighted at only 20%**,²⁶ an absurd approach that in the real world would have everyone living in more expensive homes and driving more expensive cars than they could afford. Because the Committee gave only a 20% weighting to cost, **it chose a construction manager, Gilbane, whose bid was ~\$700,000 higher than another qualified bidder, O&G.**
7. A great example of absurdly high construction costs is the so-called “enclosed walkway” at Osborn Hill School for which Town bodies originally included \$120k in the funding for the school’s renovations (windows and gymnasium). That enclosed walkway, which in the Ed Specs is described as 700 square feet, recently resulted in a funding request from the OHBC for an additional \$475,000 to cover the projected total cost of an astounding **\$767,140** (the high bid would have pushed the cost to almost \$1 million). Note that **\$767k is more than \$1,000 per square foot**. Another perspective on that number is that **this 700 sf enclosed walkway will cost more than the vast majority of the homes in Fairfield** (excluding the value of their land). Notwithstanding pleas to support the more expensive option from the BOE Chairman, from another BOE member, from the president of the Osborn Hill PTA and parents, after a long debate, the BOS approved (by a 2-1 vote) a “cheaper” version (that uses “translucent wall panels” instead of “brick and glass”), which will cost the taxpayers “only” about \$554k (“only” ~\$800 per square foot).

HOW CAN WE IMPROVE OUR BUILDING COMMITTEE PROCESS TO LOWER OUR COSTS?

1. Is there a better way to manage our complex construction projects than by creating committees of community volunteers, some of whom have no relevant experience or expertise, and some of whom may have agendas that are not in the taxpayers’ best interests?
2. Is there a better way to provide oversight of building committees?
 - a. On December 21st, First Selectman Tetreau presented a proposal²⁷ to the BOS to retain an independent third-party “project management oversight” (PMO) consultant that would oversee all building projects in Town (rather than having each building committee retain its own owner’s

²⁶ http://www.fairfieldct.org/filestorage/79/37433/37438/Minutes_04-21-2016_Draft.pdf

²⁷ http://www.fairfieldct.org/filestorage/79/125/14376/35870/BOS_Backup_-_12-21-2016.pdf

representative), and to have this consultant report regularly to both the BOS and each building committee. The proposal and the appointment of five members to a PMO Selection Committee were approved unanimously.

- b. After the latest cost overruns at FLHS, the BOF created a subcommittee to review the building oversight process, but there does not appear to be anything in writing yet about its progress.
3. Why have building committees been allowed to expand the scope of the projects for which they are responsible without getting approval from the BOS, BOF and the RTM? Part of the answer is that the Educational Specifications from the BOE, which are required for each school project, are not specific as to “what is essential” as opposed to “what would be nice to have.” Consequently, the building committees incorporate features and functions based on conversations with the school’s staff, Central Office staff and PTA representatives.
4. Why are building committees allowed to spend money on what are called “add-alternates,” which are features that would be nice to have but, by their very definition, are not essential?
5. Why are building committees allowed to spend the entire amount approved for a project, including any unspent contingency allowances?
6. Why are public officials not held accountable (as they would be in the private sector), when they make misrepresentations to justify a project? For example, the former School Superintendent and the current BOE Chairman convinced Town bodies (more volunteers) to support the expansion of FLHS based on exaggerated projections of future enrollment.

January 8, 2017