

# BUILDING DELAYS SEND COSTS SOARING

BY STEVEN ROSENBERG, THE BOSTON GLOBE

## A Costly Lesson on Schools

Officials overseeing high school construction projects in Swampscott, Manchester, Essex, and Beverly, Massachusetts have some advice for other communities about staying on budget in a time when the cost of materials can increase as much as 10 percent a year: *do not delay.*

Postponements have cost taxpayers in Beverly, Manchester and Essex millions of dollars, after elected officials and residents were unable to reach consensus three years ago on new high school projects for Beverly and for the Manchester-Essex Regional School District. This year, the communities decided to go ahead with the projects, but costs have increased significantly. Beverly will pay 30 percent more than proposed in 2003; Manchester-Essex will see a 40 percent rise over 2003, officials said.

Sometimes delays are beyond community control. In Swampscott, voters approved a \$47 million school project in December 2002. But a long environmental review process and a lawsuit by opponents delayed construction for a year.

By the time a contractor was selected in 2005, the cost of such construction materials as steel, concrete, wood, and asphalt had soared, pushing the project more than \$8 million over budget. Town Meeting members voted to add \$525,000 to the school building project for technology equipment. When workers finish the 212,000-square-foot building this summer, it will be 20 percent over budget, costing \$56.5 million.

Having a realistic budget is key to a successful building project, said Joe Markarian, chairman of Swampscott's School Building Committee. "You have to build in a sufficient contingency, because there are things that require money that are inescapable," said Markarian, who estimated that the Swampscott project would cost another \$11 million if it began today.

The good news for Swampscott is that the town is in line to receive \$21.5 million in project subsidies from the Massachusetts School Building Authority. The town was one of the last communities to have a school project approved for a grant before the state placed a moratorium on school building subsidies in 2003.

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Since then, school districts that are planning new schools, such as Beverly and Manchester Essex, have been uncertain if the state will subsidize their projects. After the moratorium went into effect, the state treasurer's office took control of the school subsidy program from the state Department of Education.

The moratorium will be lifted on July 1, 2007 and communities undertaking building projects will be eligible to apply. According to the Massachusetts School Building Authority, the state will allow up to \$500 million in grants for school construction projects during fiscal 2008.

"I'm optimistic that we'll do better than 50 percent," said Beverly Mayor William Scanlon Jr., referring to the subsidy he hopes the city will receive from the state. Scanlon said he has met with members of the School Building Authority six times over the last 18 months, and is confident that the city will receive state funds for the planned \$65 million high school academic wing that was approved by the City Council earlier this year.

## The Boston Globe

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