

EDUCATION OF HANSCOM'S RETIREE-FAMILY CHILDREN

AN UPDATE FROM THE BOARD OF SELECTMEN AND SCHOOL COMMITTEE – SEPTEMBER 13, 2016

As recently publicized, the Fiscal 2017 Massachusetts State Budget that was enacted in the waning hours of July includes a new special appropriation of “not less than \$100,000” to assist Lincoln with certain education expenses that the Town is incurring related to the Hanscom Air Force Base (“HAFB”). To respond to residents’ understandable desire for more information, we are pleased to provide answers to the following “Frequently Asked Questions.” This Memorandum was composed by our team, consisting of Selectman Peter Braun, Town Administrator Tim Higgins, School Committee Chair Jennifer Glass, and School Superintendent Becky McFall.

WHAT IS THE LEGAL STATUS OF HAFB?

- **HAFB occupies slightly more than 800 acres. About half of the land is within Lincoln’s municipal boundary. The other half is within Lexington’s and Bedford’s municipal boundaries.**
- **The Air Field and aircraft-related buildings are on a separate adjacent property owned and controlled by MassPort.**
- **The HAFB and Air Field properties were acquired by the State in the 1940’s. In the 1950’s, the State transferred and ceded jurisdiction over the HAFB property to the federal government. This means that HAFB is exempt from municipal real estate tax.**

WHAT HOUSING IS LOCATED AT HAFB?

- **There are approximately 730 housing units at HAFB – the exact number varies as units are occasionally reconfigured to accommodate demand. All of the housing units are on the portion of HAFB that’s within the Lincoln municipal boundary.**
- **All of the housing units were recently rebuilt or renovated and are owned and managed by a Texas-based real estate developer/manager called Hunt Companies. The federal government granted Hunt a 50-year ground lease at HAFB ending in 2058.**
- **The HAFB-Hunt arrangement was enabled by a 1996 Act of Congress that authorized the privatization of military housing across the country. The Act includes a section that exempts the housing developers from municipal real estate tax.**
- **The HAFB-Hunt arrangement authorizes and requires Hunt to make reasonable efforts to maximize occupancy, with active-duty and Defense Department employees as the first priority and retirees as the next priority.**
- **HAFB leadership informs us that the housing is consistently over 95% leased and that there has been and continues to be substantial demand for housing by active-duty and Defense Department employees. HAFB leadership has also told us that there are inevitably a small number of units available to retirees. A unit may become available many months before an active-duty or Defense Department-employed family is able to move there, or an active-duty family or Defense Department-employed family may be available but require a unit-size that is not currently available, and in either case a retiree-family may be waiting in the wings and must be accommodated.**

WHO LIVES IN THE HAFB HOUSING?

- **Approximately 2,500 people reside in the HAFB housing. Nearly 600 residents are in grades Pre-K through 8, and about 130 are in high school.**
- **Most of the housing units are occupied by the families of the military services' active-duty personnel or full-time Defense Department employees. Retirees from active-duty military service began to live at HAFB about four years ago, when the housing improvements were completed.**
- **Approximately 4-5% of the housing units are occupied by retirees. About half of the retirees have school-age children. Approximately half of the retirees initially live at HAFB while on active-duty and choose to remain upon retirement, while the other half move to HAFB as retirees.**

WHERE DO THE CHILDREN LIVING AT HAFB ATTEND GRADES Pre-K through 8?

- **Since the 1950's, the HAFB residents have attended the Pre-School, the Primary School (K to 3rd) or Middle School (4th-8th) constructed by the federal government on the portion of HAFB that's within the Lincoln municipal boundary. A new replacement Middle School opened several months ago, and a new replacement Primary School will open in about two years, all funded by the federal government at a total cost of about \$75 million.**
- **Since the 1950's, the HAFB Primary and Middle Schools have been operated by the Town under a federal government contract overseen by the Lincoln Public Schools. The federal government pays the Town based on the enrollment of children of active-duty and Defense Department families. The Town pays for all expenses for teachers, staff, administration, maintenance, equipment, furniture, and supplies.**
- **The children of retiree families cannot be included in the contract revenue formula. When retiree-family children began to reside at HAFB, however, the Town immediately recognized that it would be in the children's and Town's best interest to welcome these children into the HAFB Schools.**
- **To date, the Town's aggregate contract revenue has been sufficient to cover the Town's aggregate expenses, and thus appropriation of Town monies has not been required. In addition, the contract revenue has enabled the Lincoln Public Schools to operate at the more robust level of a larger school district.**

WHERE DO THE CHILDREN LIVING AT HAFB ATTEND HIGH SCHOOL?

- **Since the 1950's, the HAFB residents have attended Bedford High School, which was built with help from a substantial federal government grant. We have been informed that the grant included a requirement that Bedford must educate in perpetuity the high school children of active-duty personnel and certain federal employees living at HAFB, and that the federal government believes that the requirement continues even though Bedford built a new replacement high school several years ago without federal assistance.**
- **Bedford receives a modest amount of federal subsidy for educating the children of active-duty personnel and certain federal employees living at HAFB, under the so-called Impact Aid program. In recent years, Bedford has received an additional subsidy from the State, which is subject to annual appropriation in the State Budget and the Governor's so-called "9C" authority to cut expenditures to achieve a balanced State budget by year-end.**

WHAT IS LINCOLN'S FINANCIAL CHALLENGE REGARDING THE RETIREE-FAMILY PRIMARY AND MIDDLE SCHOOL CHILDREN?

- **During these first few years since retiree-families began to live at HAFB, the number of retiree-family children attending the Primary and Middle Schools has grown quickly from an initial handful to about 30. The relatively even distribution among grade levels makes the incremental cost difficult to calculate, but it is likely to be less than the average per-pupil cost of approximately \$20,000 in today's dollars. If any of these students were to require out-of-district special education services, the costs could rise significantly.**

WHAT IS LINCOLN'S FINANCIAL CHALLENGE REGARDING THE RETIREE-FAMILY HIGH SCHOOL CHILDREN?

- **The first retiree-family high school student emerged two school-years ago. We learned that a new HAFB resident who had not attended the HAFB Schools had been refused enrollment at Bedford High School and had been advised to enroll at Lincoln-Sudbury High School. We also learned that the family had contacted the State Department of Elementary and Secondary Education (DESE).**
- **We quickly communicated with DESE and persuaded Bedford that it would be in the child's best interest to go to Bedford High School with the child's HAFB peers, for which Lincoln would pay Bedford its average per-pupil cost for that year. We signed an agreement with Bedford to that effect and paid the approximately \$17,000 expense, funded from the Reserve Fund overseen by the Finance Committee.**
- **Near the outset of the 2015-16 school-year, Bedford informed us that it had identified three children who wished to enroll or continue at Bedford High and appeared to be from retiree-families. We negotiated an agreement similar to the prior year, to be funded from the Reserve Fund as soon as the children's parents' employment status is verified.**
- **However, Bedford also informed us that it would not enter into such arrangements for any future school year and that there could be a dozen or more affected students who would have to attend Lincoln-Sudbury beginning with the 2016-17 school-year.**
- **Throughout this period, DESE has made it clear that it preferred to manage the situation informally and in collaboration with Bedford, but that DESE would not tolerate any of these students being left without a public school option. We assured DESE that Lincoln would also not tolerate such a result.**
- **Although no HAFB students have enrolled at Lincoln-Sudbury to date, the situation could change at any time. In addition, if all or most of the current Primary and Middle School retiree-family students continue to reside at HAFB past the 8th grade and desire a public high school education, or if additional retiree-family high school students move to HAFB, the HAFB-resident enrollment at Lincoln-Sudbury could rise to a dozen or more. Lincoln's cost per student for Lincoln-Sudbury, which varies according to a rolling three-year average enrollment, has recently been in the range of \$16-17,000.**
- **We also believe that it would be Lincoln's expense if a retiree-family student resident decides to attend Minuteman or another career-technical high school.**

WHAT OTHER ROLE HAS THE STATE PLAYED?

- **The discussions with DESE about the high school students gave us the opportunity to persuade DESE that Lincoln should be entitled to receive Chapter 70 school aid to help cover the expense of the retiree-family children at the HAFB Primary and Middle Schools. We are pleased that DESE agreed that the Town may now include those students in the Chapter 70 school aid formula, amounting to additional revenue to Lincoln of approximately \$40,000 per year. The other HAFB Primary and Middle School children cannot be counted for Chapter 70 aid, since their education is funded by the federal government's arrangement with Lincoln.**

WHAT ROLE HAS HAFB LEADERSHIP PLAYED?

- **We have met and communicated regularly with the HAFB on-site commanders and their senior staff who oversee housing, school, and legal affairs. They have been very cooperative in trying to find practical solutions to help mitigate Lincoln's challenges with regard to the retiree-family children. This has included improved communications by HAFB and Hunt staff with existing and prospective tenants regarding their education options, as well as improved tracking by HAFB of the employment status of retiree tenants to better determine their children's eligibility under the federal arrangements with Lincoln and Bedford.**

ARE THERE ANY POTENTIAL FEDERAL SOLUTIONS OR FUNDS?

- **We have communicated and met regularly with Congresswoman Katherine Clark and her Massachusetts and Washington staff and are very pleased with the attention we have received on this and other matters. However, she and her staff have made it clear that there are no feasible federal legislative or regulatory solutions or potential federal funding sources. We are not eligible for any so-called Impact Aid.**

PLEASE EXPLAIN YOUR REQUEST FOR AN APPROPRIATION IN THE CURRENT STATE BUDGET.

- **In light of the increasing enrollment of, and the actual and potential costs related to, retiree-family children at the HAFB Schools, as well as the potential costs for enrollment of students at Lincoln-Sudbury, we decided that it would be in the Town's best interest to follow Bedford's footsteps by requesting a subsidy in the State Budget.**
- **We were hopeful that we would receive a positive response, but we also understood that it might take more than one budget-cycle to familiarize the Legislature and Governor with the merits of our request.**
- **We composed a memo that described the issues, backed by statistics and cost-estimates, and requested an amount well above \$100,000. We emphasized that Lincoln remains supportive of HAFB's role in our nation's defense and its major contribution to the State's economy. We also reinforced our pride in educating HAFB students and our significant contribution of police and other public safety services at HAFB without compensation.**
- **However, we also stated that it seemed highly appropriate for the State to relieve a small town from the financial burden of an unfunded mandate generated by a major economic asset that benefits a large region of the State.**

- **We presented our case to the Governor's senior budget staff via the State's Military Assets Task Force leader with whom we maintain regular contact. Although the Governor's office was sympathetic, they said that they could not support a new State expense in what was anticipated to be a tight budget year. We then turned to Representative Tom Stanley, whose superlative efforts are summarized and praised in our September 13, 2016 letter of thanks to him published in the local media.**
- **As a practical matter, the State Budget appropriation is worded such that it is likely limited to \$100,000, but we are grateful that the conceptual merits of our case were accepted. We anticipate seeking a higher amount for Fiscal Year 2018.**

WHAT HAPPENS NEXT?

- **We are in the process of applying for the FY 2017 funds, and we plan to seek an FY 2018 appropriation when the State Budget season commences in several months. We will also continue to closely monitor the actual enrollments of retiree-family children at the schools, continue to stay in touch with HAFB leadership and monitor leasing trends, monitor Bedford's perspectives and actions, and continue to ponder all possible funding sources. We will keep the Town informed if there are significant new developments.**