

## Oregon State Board of Education

*May 19, 2016*

<p><b>SUBJECT:</b> Technical Assistance Grants OAR 581-027-0005, 0030-0050  <b>STAFF NAME &amp; OFFICE:</b> Michael Elliott; School Facilities Coordinator, Mike Wiltfong, Director of School Finance and School Facilities; Rick Crager, Assistant Superintendent Office of Finance and Administration</p> <p><b>SUMMARY:</b> The Office of School Facilities is setting standards and procedures for the distribution of technical assistance grants to districts for facilities assessments, long-range facility plans, and seismic assessments.</p> <p><input checked="" type="checkbox"/> <b>New Rule</b>    <input type="checkbox"/> <b>Amend Existing Rule</b>    <input type="checkbox"/> <b>Repeal Rule</b></p>	<p><input type="checkbox"/> <b>Consent Agenda</b>  <input checked="" type="checkbox"/> <b>First Reading</b>  <input type="checkbox"/> <b>Action (Adoption)</b>  <input type="checkbox"/> <b>Information</b></p>
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### BACKGROUND

As part of its duties, the Office of School Facilities, in the Department of Education, provides technical assistance grants to school districts. These technical assistance grants are to help districts pay for different types of assessments such as facilities assessments, long-range facility plans, and seismic assessments. The Office can provide districts up to \$20,000 for facilities assessments and up to \$25,000 each for long-range facility plans and seismic assessments.

The purpose of these grants is two-fold. The first is to help districts as they work to address deferred maintenance and capital construction needs. The goal is to provide funding to those districts that have not been able to do these assessments before, or have had significant enrollment changes. Districts that receive these funds will be able to gain valuable information about the current state of their facilities as well as collaborate with their community about the long range goals for the district.

The second purpose of these grants is to provide information back to the Department. Currently, the state does not know the exact status of the facilities across the state. In order for the state to make the best decisions about how to provide assistance to local districts, information about the state of facilities is needed. The information provided back to the Department by these assessments, combined with the statewide database in the Department will provide that information.

All districts qualify for these technical assistance grants. The authorizing statute provided a lot of flexibility in how the grants will be distributed amongst the districts. For the 2015-17 biennium, the Department is estimating that it will have \$1.8 million available for distribution to the districts. Given that districts have oversubscribed to the OSCIM Program, the Department is expecting that more districts will apply for these grants than funds will be available. Thus, the Department is proposing a set of preference points for each type of grant. Districts that have more preference points will receive a grant before other districts in case there are not enough funds for all of the applications.

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Table of Preference Points:

<b>Seismic Assessments</b>	<b>Facility Assessments</b>	<b>Long-Range Facility Plans</b>
District has 25% or more of its ADMr identified as Students in Poverty. The number of Students in Poverty shall be same as used in OAR 581-027-0010	District has 25% or more of its ADMr identified as Students in Poverty. The number of Students in Poverty shall be same as used in OAR 581-027-0010	District has 25% or more of its ADMr identified as Students in Poverty. The number of Students in Poverty shall be same as used in OAR 581-027-0010
District has under 2,500 ADMr according to the annual reports for the same school year as used to calculate the Priority List under OAR 581-027-0010	District has under 2,500 ADMr according to the annual reports for the same school year as used to calculate the Priority List under OAR 581-027-0010	District has under 2,500 ADMr according to the annual reports for the same school year as used to calculate the Priority List under OAR 581-027-0010
District has not conducted an assessment for an Oregon Infrastructure Finance Authority Seismic Rehabilitation Grant	District has not conducted a Facility Assessment in the last 10 years	District has not conducted a Long-Range Facility Plan in the last 10 years
District identifies a number of schools it intends to assess and at least 50% are listed as "High" or "Very High" for collapse potential in the Rapid Visual Survey created by the Department of Geology and Mineral Industries	District has not passed a general obligation bond in the last 15 years	District has not passed a general obligation bond in the last 15 years
District's Mapped Spectral Acceleration for 1-second period (Ss) is greater than 0.6 as calculated by the United State Geological Survey and published on the USGS website for the district's central office	District's ADMr has changed by 10% or more over the last 5 years based on the latest annual reports submitted to the Department	District's ADMr has changed by 10% or more over the last 5 years based on the latest annual reports submitted to the Department

Each district will submit an application for each type of assessment grant for which they wish to apply. Each application will be given a score that is the total of the preference points listed above. All of the applications will be combined and those applications with the highest scores will be funded first, regardless of assessment type. One district may get a seismic assessment grant and the other may get a long-range facility plan grant.

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The proposed preference points above are designed to give districts that have the most need a better chance of securing a grant. For the long-range facility plan and facility assessment, those districts that are smaller with higher poverty would have more need for these funds than districts that have more resources. Similarly districts that have had significant changes in enrollment will also need assessments to better plan their building inventory. The seismic assessment preference points are designed to provide funds to those districts that have the greatest seismic needs.

At this time the Department is anticipating having the first round of applications in August or September. Because of the delay, the Department is proposing that for the first two rounds of grants, districts may use assessments that were previously conducted by the districts as a basis for a grant application. The district would have to comply with all of the rules proposed by the Department for these assessments, including any standards adopted by the Board. The Department is proposing that as long as the district has signed a contract for the assessment after July 1, 2015, then that assessment could be part of a grant application.

The actual standards of these assessments were developed by a sub-group of the Advisory Group. This group included architects and engineers who regularly conduct these types of assessments. The seismic standards were specifically developed to align with the seismic rehabilitation grants provide by Business Oregon.

The last part of the technical assistance grants is that the Department has to develop a certification program for vendors who will provide the facility assessments and long-range facility plans. The goals of this program are to ensure uniformity and quality of assessments. The Department is proposing that the certification program be a two-part program. The first part would be classroom instruction. The second part would be the evaluation of a school such that those vendors that scored the closest to a standard would be certified. The Department is working with the advisory group sub-committee to establish this program.

## **SUMMARY OF PREVIOUS BOARD ACTION**

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This is the first time the technical assistance grants have been before the Board.

## **POLICY ISSUE OR CONCERNS (IF APPLICABLE)**

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The Department met with an advisory group comprised of representatives of school boards, school administrators, teachers, architects, engineers, financial experts, and school business officials. The advisory group created a sub-group of architects and engineers to develop the standards for each of the assessments. After the sub-group was finished, the full advisory group met to review the work and provide feedback on the standards and the procedures of the technical assistance grant program.

During meetings with the advisory group, the major concerns raised and addressed centered on how the funds would be distributed. The group wanted to ensure that districts with the highest

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need were the districts that received the funds. After much discussion, the current preference point system was agreed that this was the best system to use at this time. The advisory group in general agreed to the standards for each of the assessments.

## **CHANGED SINCE LAST BOARD MEETING? (IF APPLICABLE)**

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- N/A; first read—hasn't been before board  
 No; same as last month  
 Yes – As follows:

## **EFFECT OF A “YES” OR “NO” VOTE (AS APPROPRIATE)**

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If the Board votes to approve these rules, then the Department can move forward with implementing the technical assistance grant program. If the Board does not approve these rules, then the Department will need to reconfigure the program.

## **STAFF RECOMMENDATION**

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- Approve     Approve next month     No recommendation at this time

**Hearing Date:**

**Prompted by:**

- State law changes     Federal law changes     other

## **FISCAL ANALYSIS (AS APPROPRIATE)**

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These rules are implementing state statute and there is no fiscal impact for the implementation.

## **ATTACHMENTS (e.g., OAR with “track changes” ...)**

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### **OAR 581-027-0005 Definitions**

The following definitions and abbreviations apply to rules within OAR 581, Div 27:

- (1) “Adjusted Assessed Property Value Per ADM” means the value calculated per OAR 581-027-0010 to determine the ranking of Districts on the Priority List for Funding.
- (2) “ADM” means Average Daily Membership.
- (3) “ADMr” or “Resident Average Daily Membership” means average daily membership as calculated under OAR 581-023-0006(6)-(7).

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~~(3)~~(4) “Assessed Value” means the total assessed value of all tangible property within the boundaries of the District as published by the Oregon Department of Revenue.

(5) “Average Daily Membership” means the number of students in a District as calculated under ORS 327.061 and includes all weights, and extended Average Daily Membership weighted, as calculated under ORS 327.013(1)(c).

(6) “Certified Contractor” means an entity or person who has gone through the process established by the Department that will certify the entity or person is qualified to perform the work.

(7) “Closing” means the date on which a District receives some or all of the proceeds of its Local GO Bonds.

~~(4)~~(8) “Date Stamp” means electronic or mechanical means of imprinting documents with date and time the document is received by the Department.

~~(5)~~(9) “Department” means the Oregon Department of Education.

(10) “District” or “Districts” means school districts, as defined in ORS 328.001(3), that are eligible to apply for a State Matching Grant.

(11) “Facility Assessment” means an assessment conducted by a Certified Contractor that evaluates one or more facilities in a school district according to the requirements set forth in OAR 581-027-0035.

(12) “First in Time” means that portion of the Oregon School Capital Improvement Matching Account that is to be awarded to Districts based on the order in which the Department receives the applications.

(13) “Funding Cycle” means the period of time, as determined by the Department under OAR 581-027-0020 (2) (b), before and after a May or a November general election during which the Department will accept applications and issue commitments for State Matching Grants under the OSCIM Program.

(14) “Gross Square Footage” means the total square footage of the building as measured by the outside wall of the building.

(15) “Guaranteed Tax Base Amount” or “GTBA” means a theoretical tax base of \$1,000,000 per ADM.

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~~(6)~~(16) “Guaranteed Tax Rate Amount” means \$1,000 which is the GTBA multiplied by .001 for \$1 of tax per \$1,000 of Assessed Value.

(17) “Local GO Bonds” means general obligation bonds approved by voters for the benefit of a District during the Funding Cycle for which the District applied for a State Matching Grant.

(18) “Long-Range Facility Plan” means a plan conducted by a Certified Contractor that determines the long-range needs and goals of a district according to the requirements set forth in OAR 581-027-0040

~~(7)~~(19) “Oregon School Capital Improvement Matching Account” means an interest bearing account established in the State Treasury, separate and distinct from the General Fund, that consists of net proceeds from Article XI-P bonds issued under Article XI-P (School District Capital Costs) of the Oregon Constitution.

~~(8)~~(20) “Oregon School Capital Improvement Matching Program” or “OSCIM Program” means the program created by Article XI-P of the Oregon Constitution and ORS 286A.769 to 286A.806.

(21) “Priority List” means the list created by the Department each biennium pursuant to ORS 286A.801 and the formula outlined in OAR 581-027-0010.

(22) “Seismic Assessment” means an assessment conducted by a contractor that evaluates one more facilities in a School District according to the requirements set forth in OAR 581-027-0050.

~~(9)~~(23) “State Matching Grant” means the grant funds provided by the State through the OSCIM Program to match the proceeds of a District’s Local GO Bonds.

(24) “Students in Poverty” means the number of children, age 5 to 17, in families in poverty as described by the Small Area Income Poverty Estimate published by the U.S. Census Bureau.

(25) “Technical Assistance Grant” means a grant provided by the Department to a School District such that a school district can conduct a Facility Assessment, Long-Range Facility Plan, or Seismic Assessment

(26) “Waiting List” means the list of Districts not initially awarded a State Matching Grant, based on either the District’s position on the Priority List or the District’s First in Time status, during any Funding Cycle.

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Stat. Auth.: Sections 2 and 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).

Stats. Implemented: Sections 2, 4 and 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).

## 581-027-0030 Technical Assistance Grant Program Procedures

(1) The Department shall establish timelines for when Districts may submit an application for a Technical Assistance Grant.

(2) The Department shall establish a separate application for the Facility Assessment, Long-Range Facility Plan, and Seismic Assessment.

(3) Each District may submit one application for each type of assessment.

(4) All districts are eligible for each type of assessment.

(5) All applications are due by the date established by the Department. No late applications will be accepted.

(6) The Department shall evaluate each completed application by awarding preference points as established by this rule.

(7) An application will receive 1 point for preference that the application meets.

(8) An application will receive a final score that is the total of the application's points.

(9) Applications will be funded from highest to lowest score.

(10) If there is not enough funding to provide a Technical Assistance Grant to all applications that have equal scores, then the Department shall create a lottery to determine which applications will receive a Technical Assistance Grant.

(11) The preference points for the Facility Assessment are:

a. District has 25% or more of its ADMr identified as Students in Poverty. The number of Students in Poverty shall be same as used in OAR 581-027-0010;

b. District has under 2,500 ADMr according to the annual reports for the same school year as used to calculate the Priority List under OAR 581-027-0010 ;

c. District has not conducted a Facility Assessment in the last 10 years;

d. District has not passed a general obligation bond in the last 15 years; and

e. District's ADMr has changed by 10% or more over the last 5 years based on the latest annual reports submitted to the Department.

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(12) The preference points for the Long-Range Facility Plan are:

- a. District has 25% or more of its ADMr identified as Students in Poverty. The number of Students in Poverty shall be same as used in OAR 581-027-0010;
- b. District has under 2,500 ADMr according to the annual reports for the same school year as used to calculate the Priority List under OAR 581-027-0010;
- c. District has not conducted a Long-Range Facility Plan in the last 10 years;
- d. District has not passed a general obligation bond in the last 15 years; and
- e. District's ADMr has changed by 10% or more over the last 5 years based on the latest annual reports submitted to the Department.

(13) The preference points for the Seismic Assessment are:

- a. District has 25% or more of its ADMr identified as Students in Poverty. The number of Students in Poverty shall be same as used in OAR 581-027-0010;
- b. District has under 2,500 ADMr according to the annual reports for the same school year as used to calculate the Priority List under OAR 581-027-0010;
- c. District has not conducted an assessment for an Oregon Infrastructure Finance Authority Seismic Rehabilitation Grant;
- d. District identifies a number of schools it intends to assess and at least 50% are listed as "High" or "Very High" for collapse potential in the Rapid Visual Survey created by the Department of Geology and Mineral Industries;
- e. District's Mapped Spectral Acceleration for 1-second period (S<sub>s</sub>) is greater than 0.6 as calculated by the United State Geological Survey and published on the USGS website for the district's central office.

(14) A District may use an assessment performed before the start of the application period as a basis for an application, during the 2015-17 biennium, for a Technical Assistance Grant so long as:

- a. The District conducts the assessment according to the standards set forth in these rules;
- b. The District signed the contract for the work after July 1, 2015;
- c. The District used a Certified Contractor to conduct the assessment; and
- d. The District provides the Department with an electronic copy of the assessment in the format established by the Department.

(15) For the first application period of the 2015-17 biennium, the Department will waive requirements 14(c).

(16) Each District that submits an application that receives a Technical Assistance Grant will be required to enter into a grant agreement with the Department prior to issuance of funds.

(17) A District must reapply each time a new grant application is announced if a District did not receive a grant in a grant application period.



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(18) Each District that receives a Technical Assistance Grant must submit an electronic copy of the finished report in form to be established by the Department.

Stat. Auth.: Sections 2 and 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).

Stats. Implemented: Section 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).

## 581-027-0035 Facility Assessment Requirements

(1) Each Facility Assessment shall contain the following information:

a. Building Information

- i. Name of building;
- ii. Building ID Number;
- iii. Physical Address;
- iv. Gross Square Footage;
- v. Original Construction Date;
- vi. Original Construction Type;
- vii. Additions:
  1. Construction Date;
  2. Construction Type;
  3. Construction Square footage;
  4. Construction Usage;
- viii. Renovations:
  1. Construction Date;
  2. Construction Type;
  3. Construction Square footage; and
  4. Renovation Construction Usage.

b. Infrastructure Assessment

- i. UNIFORMAT II Assessment: An assessment of each applicable building element as listed in the American Society for Testing and Materials (ASTM) UNIFORMAT II Classification (October 1999) of Building Elements Level 3 that provides the following:
  1. ASTM Number;
  2. System Name;
  3. Description of System;
  4. Number of systems or square footage of system in need of repair or want of replacement;

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5. Level of repair/replacement needed as follows. The percent of the building affected should be noted to assist in cost estimating:
    - a. None: The system or finish shows signs of wear, but no capital action necessary;
    - b. Minor: The system or finish has a symptom that has not yet appreciably affected performance but will if left unmitigated;
    - c. Moderate: The system or finish is showing signs of fatigue and performance is observably deteriorated;
    - d. Major: The system functions sporadically, requiring replacement or upgrade of components to the system to extend the life of the system. Finishes are not categorized as Major, but advance to Replace;
    - e. Replace: The integral components of the system or finish are in complete failure and no longer function.
  6. Notes as to what specifically needs to be done to repair or replace the system
- ii. Additional items
    1. A safety and security analysis of the facility that determines if the facility meets current best practices for providing a safe and secure environment;
    2. An ADA assessment and listing of deficiencies;
    3. Assessment of technology infrastructure in the facility including bandwidth, presence of wireless networks, and other means of providing access to information technology;
    4. Assessment of indoor air quality; and
    5. Presence of harmful substances such as lead or asbestos in the facility based on district reports.
- c. Value Assessment
    - i. The current replacement value of the building using cost per square foot standards as determined by the Department and updated annually.
    - ii. The Facilities Condition Index of the building as calculated by dividing the total estimated construction costs to completely repair the building by the current replacement value of the building.
- (2) The Department shall establish a template for Districts and their Certified Contractors to use to collect the information required in (1).

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(3) Districts and Certified Contractors shall use the template established by the Department to provide the final report to the Department in electronic format.

Stat. Auth.: Sections 2 and 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).

Stats. Implemented: Section 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).

## 581-027-0040 Long-Range Facility Plan Requirements

(1) Each Long Range Facility Plan shall contain the following information:

- a. Population projections by school age group for the next ten years using U.S. Census or Census partner data.
- b. Collaboration with local government planning agencies (city and/or county):
  - i. Identification of suitable school sites if needed
  - ii. Site acquisition schedules and programs
- c. Evidence of community involvement in determining:
  - i. Educational vision of local community
  - ii. Proposals to fund long-range facility needs
- d. Identification of buildings on historic preservation lists including the National Historic Register, State Historical Preservation Office, and local historic building lists.
- e. Analysis of district's current facilities' ability to meet current national educational adequacy standards:
  - i. Identification of facility standards used to meet district educational vision as well as national educational adequacy standards
  - ii. Identification of deficiencies in current facilities
  - iii. Identification of changes needed to bring current facilities up to standards
  - iv. Identification of alternatives to new construction and major renovation to meet current national educational adequacy standards
  - v. Identification of current facility capacity and ability of current capacity to meet current national educational adequacy standards.
- f. A description of the plan the district will undertake to change its facility to match the projections and needs for the district for the next ten years.

(2) The Department shall establish a template for Districts and their Certified Contractors to use to collect the information required in OAR 581-027-0040 (1).

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(3) Districts and Certified Contractors shall use the template established by the Department to provide the final report to the Department in electronic format.

Stat. Auth.: Sections 2 and 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).

Stats. Implemented: Section 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).

## 581-027-0045 Seismic Assessment Requirements

(1) Each Seismic Assessment shall contain the following:

g. Name of building.

h. Gross square footage of building.

i. Physical address.

j. Original construction date.

k. Original construction type.

l. Additions:

1. Construction Date;

2. Construction Type;

3. Construction Square footage;

4. Construction Usage;

m. Procedures used to determine the building's ability to perform to the Life Safety Standard in ASCE 41-13.

n. Evaluation of building using either ASCE 41-13 Tier I or Tier II evaluations methods except the levels of earthquake ground motion will be not less than 75% of BSE-1N design level earthquake per ASCE 41-13 section 2.4.1.2; instead of the 20% in 50 year ground motion used in the ASCE 41-13 standard.

o. List of deficiencies that need to be corrected to bring building up to the Life Safety Standard listed in ASCE 41-13.

p. List of schematic rehabilitation tasks to rectify listed deficiencies in accordance with ACSE 41-13 standard.

q. Cost estimate provided by professional with knowledge about the type of work to be done that includes contingencies built into all budget categories.

r. Certification of the final assessment provided by registered Structural Engineer licensed in the State of Oregon.

(2) The Department shall establish a template for Districts and their Certified Contractors to use to collect the information required in (1).

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(3) Districts and Certified Contractors shall use the template established by the Department to provide the final report to the Department in electronic format.

Stat. Auth.: Sections 2 and 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).

Stats. Implemented: Section 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).

## 581-027-0050 Contractor Certification Program

(1) The Department shall establish a program whereby entities or individuals can apply to become Certified Contractors for the purposes of the Technical Assistance Grants.

(2) The program shall contain a portion of instruction on the methods to be used by Certified Contractors in performing Facility Assessment and Long-Range Facility Plan work.

(3) The program shall contain a test such that those that pass will become Certified Contractors.

(4) The Department shall post on its website specific information for each time the training program is held.

(5) No entity or individual may become a Certified Contractor unless they complete the training program established by the Department.

Stat. Auth.: Sections 2 and 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).

Stats. Implemented: Section 5, Chapter 783, Oregon Laws 2015 (Enrolled Senate Bill 447).