OFFICE OF SCHOOL FACILITIES
FREQUENTLY ASKED QUESTIONS (FAQS)

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Overview

1. What is the authority of the Office of School Facilities?
   a. The Office of School Facilities (OSF) was created by Senate Bill 447 (SB 447) passed by the Oregon Legislature in 2015. SB 447 created new programs within the Oregon Department of Education to assist local school districts with improving their school facilities.

2. What programs are administered by the Office of School Facilities?
   a. The OSF administers the Oregon School Capital Improvement Matching Program (OSCIM Program) the Technical Assistance Program (TAP) the school facilities database, the hardship grants and other programs related to school facilities.

3. What are the sources of funds for the three components of SB 447?
   a. The OSCIM Program is funded with state-issued GO bonds. The technical assistance grants are funded with a distribution from the State School Fund, which is offset with a corresponding reduction in the Facility Grant of the State School Fund. The hardship grants are funded with Facility Grant money from the State School Fund that is not spent in the biennium.

4. Are charter schools eligible to receive the match?
   a. No. Charter schools do not have the authority to issue GO bonds so they are not eligible to participate in the OSCIM Program. Additionally, the technical assistance grants and hardship grants are limited to school districts.

5. What is a General Obligation (GO) bond?
   a. Municipal Securities Rulemaking Board’s Explanation of a General Obligation Bond.
Oregon School Capital Improvement Matching Program (OSCIM Program) Program Funding

1. How much funding is available for the OSCIM Program?
   a. The legislature will need to approve the amount of bonding authority for this program each biennium.

2. How will the funding be distributed?
   a. As described in SB 447, the funding will be split into two different funding pools. The first pool will contain 60% of the net bond proceeds and will be awarded to districts that pass a local GO bond based on the Priority List established by the Office of School Facilities. The second pool will contain 40% of the net proceeds and will be awarded to districts that pass a local GO bond based on a First in Time (FIT) program.

3. Can a district use a successful election as a basis for future OSCIM Program funds?
   a. No. The goal of the program is to provide incentives to local voters to invest in their school facilities. To create equity across time, the OSCIM Program needs to ensure that funds are available for each election in a biennium. If a district were permitted to use a successful election earlier in the biennium as a basis for future applications, then that would disadvantage the districts that waited to apply for the OSCIM Program later in the biennium.

4. If a district receives voter approval for an amount of bonds that they anticipate selling in series over a few years, can that district apply more than once for matching funds?
   a. No. Districts may only apply for matching funds one time per bond election.

5. What funds can a district use to match the state funds?
   a. A district can only use GO bond funds to match the OSCIM Program.

6. What are the matching limits should a district receive a commitment?
   a. The OSCIM Program will match a school district's local GO bond one-to-one up to $4 million of local GO bond, or the amount approved in the local bond sale, whichever is less. After that, the OSCIM Program will match district’s local GO bonds between $4 million and $8 million depending on the funding formula. The funding formula and priority list are available at the Office of School Facilities website.
7. What funds does the OSCIM Program match?
   a. The OSCIM Program will match the lesser of total proceeds from the sale of the local GO bond exclusive of underwriter's discount and other costs of issuance or the original amount requested by the District in its application.
   b. For example, if a district receives an initial commitment for $2 million and the district sells the bonds at a premium for $2.2 million, the OSCIM Program will only match the $2 million.
   c. If a district sells bonds for $1.9 million but has premium of $200,000 for a total sale of $2.1 million after costs of issuance, then the OSCIM program will match up to the $2 million initial commitment.

8. Can a district apply for both the Priority List funding and First in Time funding?
   a. Yes. School districts will provide one application in which the criteria for both the Priority List and First in Time funding will be applied. A school district may be awarded funds from one source of funding, the other, or a combination of the two.

9. Will districts be partially funded if there are not enough funds to meet the demand?
   a. Yes. The goal of the initial commitment is to provide a full match. However, if there are not enough funds to provide a full match then the last district in line will receive a partial commitment.
   b. If there are funds available because a district did not have a successful election, then the funds will be distributed as follows:
      i. Districts with a partial commitment and a successful election will be made whole;
      ii. Districts will be provided funds if they had a successful election in the order they appear on the waitlist.

10. How often can districts apply?
    a. A district that receives a commitment, passes a bond, and meets all other program requirements may not apply for another commitment for the next six years.

11. Can a district use a bond that is strictly intended to refinance current general obligation debt as a basis for an OSCIM Program application?
    a. No.
OSCIM Program Priority List/Funding Formula

1. What is the priority list?
   a. The priority list shows each district and how they rank in terms of funding priority based on the district’s total assessed value, number of students in poverty, and extended weighted Average Daily Membership (ADMw) as prescribed in SB 447.

2. What is the purpose of the priority list?
   a. The list is to increase the likelihood that school districts that have a higher priority have a better chance of receiving a matching grant when they go for a local GO bond.

3. How is the priority list calculated?
   a. Priority List and Funding Formula Explanation.

4. How will I know where my school district is on the priority list?
   a. The entire list in rank order.
   b. The entire list in alphabetical order.

5. When and how often will the priority list be updated?
   a. The priority list will be updated once a biennium to ensure that all districts are using the same list for each bond election. The list will be updated once all outside variables, including total assessed value, and poverty information have been updated from their respective sources. The updates will be done using the same year’s information for all sources of information. The update will occur by June 1 for the next biennium.

6. What sources of data are used in the funding formula?
   a. The U.S. Census Bureau provides the poverty numbers and the Oregon Department of Revenue provides the total assessed values. All ADMw information is provided by the Oregon Department of Education.

7. Can I appeal my district’s placement on the priority list?
   a. No, all determinations using the priority list and funding formula are final and based on state law.

8. Is there a chance that a district will qualify for the program, but not receive an award?
   a. Yes. It is fully anticipated that there will not be enough OSCIM Program funds to match all districts that apply in a given funding cycle. When that happens, the districts that applied but did not get a match will be placed on a waiting list.
OSCIM First in Time (FIT) Program

1. How will the Office of School Facilities (OSF) define First in Time?
   a. The OSF will define First in Time using a lottery process. The OSF will designate specific periods of time such that all applications received within a given period of time will be considered to have been submitted at the same time. This will increase equity.

2. How can districts submit their applications?
   a. Districts have the choice of submitting via e-mail to the Office of School Facilities at ODE.schoolfacilities@state.or.us, or electronically through secure File Transfer Protocol.

3. May a school district receive assistance in filling out its application?
   a. Yes. The Office of School Facilities will answer questions about the application up until the application due date.

4. What happens at the application due date?
   a. At the application due date, the Office of School Facilities will no longer provide assistance to school districts for the application process. Applications will be recorded when they are received by the time stamp on the e-mail or secure file transfer.

5. How will OSF make commitments to districts under the First in Time application?
   a. OSF will consider all completed applications received within a given time period as received at the same time. If there is enough funding to cover all of the applications, then all districts will receive a commitment. If there is not enough funding to cover all the applications in a given time period, then the OSF will determine which districts will receive commitments based on a lottery.
OSCIM Program Application

1. Where can I find an application for the OSCIM Program?
   a. Applications for the OSCIM Program will be available on the Office of School Facilities website.

2. Do I use the same application for the First in Time portion of the funds and the priority list portion?
   a. Yes.

3. When are the applications due?
   a. The due dates for applications are posted on the website. Generally the dates are as follows:

<table>
<thead>
<tr>
<th>Application Requirement</th>
<th>First November Election</th>
<th>First May Election</th>
<th>Second November Election</th>
<th>Second May Election</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Range Plans and Facility Assessments</td>
<td>July 1</td>
<td>September 1</td>
<td>March 1</td>
<td>September 1</td>
</tr>
<tr>
<td>OSCIM Program Application</td>
<td>July 15</td>
<td>September 15</td>
<td>March 15</td>
<td>September 15</td>
</tr>
</tbody>
</table>

4. What if one of these dates falls on a weekend or holiday?
   a. If one of these dates falls on a weekend or holiday, the applications will be due on the preceding Friday.

5. Are districts required to submit a long-range facility plan and facility assessment as part of the OSCIM Program?
   a. Yes. SB 447 requires that districts submit these documents as part of the program.

6. What must these documents contain?
   a. The long-range facility plan must meet all requirements listed in OAR 581-027-0023(7) which includes the requirements in OAR 581-027-0040.
   b. The facility assessments must meet all requirements listed in OAR 581-027-0023(8) which includes the requirements in OAR 581-027-0035.

7. Why are the long-range facility plan and facility assessment due before the OSCIM Program application?
   a. The due date provides the Office of School Facilities time to ensure that the documents meet all requirements and also gives the school districts some time to correct any deficiencies in their submission.
8. If a district does not submit a long-range facility plan and facility assessment can they still apply for an OSCIM Program grant?
   a. No. These documents are required for the OSCIM Program and an application that does not have these documents will not be considered.

9. Is there a contact person for help with the application?
   a. For OSCIM Program application assistance please contact Michael Elliott, michael.s.elliott@state.or.us.

10. What will the school districts have to do in order to receive the match?
    a. In addition to passing a local GO bond, the school district will also have to comply with all of the provisions of the Grant Agreement and any applicable rules and statutes.

11. Where can I get assistance in marketing and drafting my GO bond measure text?
    a. A bond counsel firm will be able to assist with the drafting of the ballot title. Campaign and communications consultants can assist with marketing needs. Additionally, OSBA retains a listing of districts that have been successful in the past, and they are also a good resource.
OSCIM Program Contingencies

1. What happens when a school district fails to pass a bond that was awarded a matching grant in the OSCIM Program?
   a. Districts will not receive actual funds until voters approve a local GO bond measure and the district signs a grant agreement. Thus, if the OSCIM Program commits to a district and the district does not pass its local GO bond, then those funds will not be distributed to that district. Instead the funds will be awarded to the next district on the waitlist that passed a bond.

2. Why will the funds be awarded to the next district in line instead of rolled forward to the next funding cycle?
   a. There are three reasons for this. The first is that if funds keep being rolled forward to the next election, then at the end of the biennium, it is possible that the OSCIM Program will have leftover funds because not enough districts passed a bond. It would be difficult to sort back through the elections to determine which districts that passed a bond should receive the matching grant. The second reason is that while the primary goal is to encourage districts to pass bonds, the secondary goal is to provide state funding to help address the significant deferred maintenance backlog in Oregon schools. By providing the funds to the next district in line that passed a bond, the OSCIM Program is achieving that objective. Finally, Districts will know where they stand on the waiting list prior to the bond measure text deadline, and those that rank high may be able to use that information to assist voters in making an informed decision.

3. If a district does not receive a commitment in one grant period, does the district have any additional priority in the second grant period?
   a. No. Each grant period is a self-contained list. Thus, a district that did not receive funds in one grant period would have to reapply in the next grant period and be considered with all other applications in the next grant period.

4. How will a district know when is the best time to go for a GO bond?
   a. That is a decision left to the district’s school board. The OSCIM Program will provide as much information as possible in terms of the applications ahead of the bond measure text deadline.
5. Can districts use OSCIM Program funds to match a bond that also includes the reimbursement of previously incurred capital costs?
   a. Possibly. For example, a district purchased land a year ago in anticipation of building a new school, and used short term financing to purchase the land. Subject to Department approval, the OSCIM Program will match a bond that includes the reimbursement of the land purchase as a use of the bond proceeds. The Department approval is to ensure that the Department is complying with its constitutional and statutory requirements. However, if a bond is a combination of new capital construction and refinancing old debt, then only the new capital construction can be matched by the OSCIM Program.
Technical Assistance Program (TAP)

Please refer to the Technical Assistance Program FAQs for more information.
Database Development

1. Why are you asking the districts for yet another set of data?
   a. The database grew out of SB 540, which required the establishment of a school facilities database and is also a requirement of SB 447.

2. Districts have already supplied this data to other state agencies; can’t you get the data from those sources?
   a. ODE will be able to get some of the data from other sources. However, it is likely that districts will need to provide much of the data for the initial database. Once the initial data has been entered the data request will become less burdensome in subsequent years.

3. When and what data are you going to be requesting from the school districts as part of this program?
   a. The type of data and the frequency of updates are determined by SB 540 passed in 2013. Also, ODE will convene an advisory group to provide further recommendations on the database.

4. How often will districts be required to update the data?
   a. District will be required to review and update their data on an annual basis.

5. Will school districts have access to the full data set?
   a. Yes, the goal is that school districts and the public have access to as much of the data as possible.