

# THE SCHOOLS OUR STUDENTS DESERVE

## A Statewide School Facilities Program for Oregon

Appendices to the Final Report

Task Force on School Capital Improvement Planning

October 2014

Prepared by Members of the Task Force

# Table of Contents

<b>Appendix A – Capital Financing Options for School Districts.....</b>	<b>3</b>
<b>Appendix B – Seismic Rehabilitation Grant Program .....</b>	<b>23</b>
<b>Appendix C – State Subsidy Programs for Local School Facilities .....</b>	<b>36</b>
<b>Appendix D – Educational Facility Standards.....</b>	<b>67</b>

# Appendix A – Capital Financing Options for School Districts

Presented by: Carol Samuels  
February 18, 2014



# Presentation to School Facilities Task Force

## Capital Financing Options for School Districts

*January 21, 2014*

**PiperJaffray**

SEATTLE-NORTHWEST DIVISION

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# Overview – Capital Financing Options

## Funding Option

✓ GO Bonds

✓ FFC Obligations

✓ Local Option levy for capital

✓ Construction Excise Tax

## Repayment / Collateral

⇒ New, unlimited property tax levy

⇒ Unconditional pledge of existing general fund monies

⇒ New, limited property tax levy

⇒ Excise tax on new construction projects by square footage.



# General Obligation Bonds

- ✓ Payable from property taxes.
- ✓ Considered most secure form of municipal debt.
- ✓ May be used for “capital costs” with useful life of one year or more. Average life of the financing may not exceed average life of assets being financed. Cannot finance “routine” maintenance or supplies.
- ✓ GO bond levies are outside M5 and M50 rate limits, not subject to compression.
- ✓ Four election dates annually: March, May, September and November. May and November subject to single majority; March and September require double majority.



# GO Bond State Legal Restrictions

- ✓ **K-12 debt limits: GO bonds outstanding cannot exceed 7.95% of Real Market Value. Limit does not apply to non-voted debt such as “Full Faith and Credit” obligations.**
- ✓ **Ballot authorizes a \$ amounts of bonds. May not authorize a \$ per thousand levy rate.**
- ✓ **Ballot title must be filed 61 days prior to the election. Must provide ‘detailed description’ of use of proceeds, state maximum amount of borrowing and set maximum maturity.**
- ✓ **Bond proceeds and interest earnings on bond proceeds can only be used for projects authorized in the ballot title or to pay debt service.**
- ✓ **Interest on bonds is exempt from State of Oregon personal income tax.**

# Federal Legal Restrictions

- **Bonds are generally exempt from federal income tax if:**
  - **Proceeds are used for public purposes.**
  - **There is a 'reasonable expectation' that 85% of proceeds will be spent within 3 years.**
  - **Districts observe limitations on ability to earn interest profits on proceeds (arbitrage regulations).**
- **Districts may reimburse themselves for expenditures made prior to a bond sale if a reimbursement resolution is approved by the board.**

# Oregon School Bond Guarantee Program

- **Constitutional amendment approved in 1998. State guarantees payment of debt service on school district GO Bonds. State can withhold operating funds if used.**
- **Districts receive State's rating (Aa1 or AA+), which is second highest available, results in lower interest rates.**
- **Districts apply to State Treasury to receive "Certificate of Qualification"**
- **\$250 application fee. Fee of 0.03% of total debt service. District must also pay for at least one rating**

# 2014-15 Election Schedule

Election Date	County Filing/ Voters' Pamphlet Deadline	Ballots Mailed
March 11, 2014*	January 9	Feb. 21 - 25
May 20, 2014	March 20	May 2 - 6
September 16, 2014*	July 17	Aug. 29 - Sept. 2
November 4, 2014	September 4	October 17 - 21
March 10, 2015*	January 8	Feb. 20 - 24
May 19, 2015	March 19	May 1 - 5

- ✓ **All elections are by mail.**
- ✓ **Dates apply to both G.O. bonds and Local Option Levies.**

**\* Subject to double majority provisions.**

## Measure 68 – XI-P Bonds

- Measure 68 - constitutional amendment approved in May 2010. Added authority for State to issue GO bonds on behalf of K-12 districts, similar to existing authority for Higher Ed and CCs.
- Created matching grant program – requires school districts to provide matching locally approved GO.
- “Match” has been interpreted as meaning that local share must at a *minimum* equal State share. It can be larger but cannot be smaller. In other words, the State could provide \$10m for a \$25m local GO, but could not provide \$10m for a \$2m local GO.
- OSBA bill in 2013 session (SB 273) would have authorized \$200m in bonds for various priorities including seismic projects, full day kindergarten, PE. ODE assigned responsibility for drafting administrative rules to implement program.
- Discussion of similar allocation approach as used on past federally subsidized programs (QSCB/QZABs).

## QSCBs/QZABs

- **Federal stimulus package provided subsidized bonding programs for school districts known as “Qualified School Construction Bonds” and “Qualified Zone Academy Bonds.”**
- **Multiple iterations of programs, but most successful format provided a direct subsidy for up to 100% of the interest cost of a bond issue.**
- **36 Districts took advantage of QSCBs between 2009 and 2011; 15 took advantage of QZABs, for \$254.1 million in total.**
- **QSCBs have expired, but QZABs still exist. Authorization is approximately \$4m/year.**
- **QZABs may be used for rehab or repair; equipment; instructional materials and teacher development. Need 10% private contribution, and 35% of students must be eligible for free and reduced lunch**

## ODE Allocation Rules for QSCBs/QZABs

- Between 2009-2010, Oregon was allocated approximately \$220 million in QSCBs and \$34m in QZABs.
- ODE developed allocation rules as follows:
  - Two allocation periods per year (January and July).
  - Allocations made on a first come, first served basis, with prioritization for first time applicants.
  - Allocations had to be used within 6 months, with a 3 month extension allowed if GOs were approved during the 6 month period.
  - If bonds were not approved, allocations reverted to State for reallocation to next on list.
  - ODE set maximums on allocations given to any single district.

# Oregon QSCB Financings

Issuer	Credit Type	Sale Date	Principal Amount	Interest Rate	Tax Credit Rate	Net Rate
<b>Subsidy QSCBs</b>						
Oregon School Boards Association <sup>(1)</sup>	FFCO	01/19/12	\$ 3,762,000	4.625%	4.860%	0.000%
Eugene School District No. 4J	GO	07/26/11	15,000,000	4.700%	5.200%	0.000%
Lebanon School District	FFCO	07/12/11	1,895,000	5.130%	5.130%	0.000%
Tigard-Tualatin School District	GO	07/11/11	10,000,000	2.818%	5.190%	0.000%
Bandon School District	GO	07/01/11	1,500,000	N/A	5.390%	0.000%
Newberg School District	GO	06/26/11	15,000,000	3.925%	5.110%	0.000%
Lincoln County School District	GO	06/22/11	15,000,000	3.925%	5.090%	0.000%
Forest Grove School District	GO	01/11/11	20,000,000	5.900%	5.440%	0.460%
Imbler School District	GO	12/09/10	4,000,000	5.700%	5.370%	0.330%
Oregon School Boards Association <sup>(2)</sup>	FFCO	09/29/10	8,630,000	5.050%	4.800%	0.250%
Ontario School District No. 8C	GO	07/21/10	18,500,000	5.584%	5.270%	0.314%
Philomath School District No. 17J	GO	07/15/10	29,498,267	5.472%	5.360%	0.112%
Springfield School District No. 19	FFCO	06/30/10	3,000,000	4.000%	5.270%	0.000%
Central School District No. 13J	FFCO	06/24/10	2,000,000	5.360%	5.360%	0.000%
Oregon School Boards Association <sup>(3)</sup>	FFCO	06/04/10	5,975,000	5.500%	5.560%	0.000%
Klamath County School District	FFCO	05/10/10	2,000,000	5.750%	5.380%	0.370%
<b>Tax Credit QSCBs</b>						
Dallas School District	GO	01/14/10	8,600,000	0.900%	4.370%	0.900%
Salem-Keizer School District 24J	GO	12/02/09	31,760,000	1.250%	5.750%	1.250%
Hermiston School District No. 8R	GO	11/19/09	31,760,000	1.300%	5.950%	1.300%
<b>Total</b>			<b>\$ 228,618,337</b>			

(1) Pooled Full Faith and Credit Obligation for 3 School Districts

(2) Pooled Full Faith and Credit Obligation for 8 School Districts

(3) Pooled Full Faith and Credit Obligation for 9 School Districts

# Full Faith and Credit Obligations

- ✓ Voter approval not required.
- ✓ Based upon an unconditional promise to repay debt. Repaid from existing resources; no new taxes authorized.
- ✓ Repayment term limited to useful life of items being financed.
- ✓ No legal limit for school districts on how much is issued. Capacity limited by source of revenue available to repay debt.



## Local Option *Capital* Levy

- ✓ **Local option levies allow increase in property taxes for either operating or capital purposes. Capital has 10 year limit (or useful life of project, whichever is less). Operations has 5 year limit.**
- ✓ **Can be levied as fixed dollar amount or rate per thousand.**
- ✓ **Subject to compression under Measure 5 and Measure 50, making amount collected unpredictable, hard to explain, and inequitable between property owners.**
- ✓ **Subject to same voter approval requirements as GO bonds.**
- ✓ **There was a bill in last session to take local option levies outside of Measure 5 and 50 limits, however it did not advance past a hearing.**
- ✓ **Because local option levies require voter approval and are subject to compression, GO bonds are a superior financing option for capital.**

# Construction Excise Tax

**Taxing authority for school districts based on new square footage. Dedicated to capital construction. Locally determined.**

## **Tax on new square footage**

- **Maximum of \$1.05/sq. ft. residential**
- **Maximum of \$.53/sq. ft. non-res. (\$26,400 cap)**
- **Paid by person undertaking the construction at the time permit is issued**

## **Minimum Exemptions**

- **Private Schools; Public Bldgs; HUD Affordable Housing; Hospitals; Churches; Agriculture Bldgs; non-profit senior care facilities**

## **Annual Rate Increases**

- **Increases in construction cost index**
- **Determined by Dept. of Revenue**

# Construction Excise Tax, Cont.

## Steps for implementation

- 1) Adopt long-term facilities plan
- 2) Enact construction excise tax
- 3) Enter into IGA with local governments Cities & Counties
- 4) Begin collections

## Intergovernmental Agreement

- Negotiated with entity that will collect tax on behalf of the district
- Must contain: Collection duties & responsibilities
- School District account to deposit funds & frequency of deposits
- Administrative fee for local government; no more than 4%

# Construction Excise Tax, Cont.

## Allowable Expenditures

- **Capital Improvements**
  - **Acquisition of Land**
  - **Construction, reconstruction or improvement of school facilities; and related costs**
  - **Acquisition or installation of equipment, furnishings or other tangible property**
  - **Payment of obligations to finance or refinance capital improvements**
- **Does NOT include “operating costs” or “routine maintenance”**

## Other Funding Programs

- **State Facilities Grants**
- **SB 1149 Funding**

# School Funding Matrix

Funding Source	Funding Source Description	Maintenance and General Operations	Major Capital Projects	Other (Sustainability, Seismic)
<b>Local Fund Sources</b>		Can funds be used for this purpose?	Can funds be used for this purpose?	Can funds be used for this purpose?
<b>Local General Funds</b>	Funds collected from local taxing authority (Property Tax).	Yes. Must compete with all funding needs of a District.	Yes. Must compete with all funding needs of a District.	Yes. Must compete with all funding needs of a District.
<b>Construction Excise Tax</b>	Construction taxes may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure.	No.	Yes.	Conditional. Must be a Capital Project.
<b>Local Option Tax</b>	With voter approval, district may levy local option taxes that is over and above funds provided through the SSF. Subject to compression. Capacity for revenues varies from District to District. State equalization grants available.			
<b>General Obligation Bonds</b>	Bonds are secured by the full faith and credit of the government issuing them and an unlimited property tax levied against all properties within the district. Subject to approval by electors..	Operations, no. Maintenance, yes, if not 'routine' and if be authorized within the bond title.	Yes, if in ballot title	Yes, if in ballot title.
<b>Full Faith and Credit Obligations</b>	Indebtedness that may used for capital construction and improvements. Payable from existing resources. Not subject to voter approval	Operations., no. Maintenance	Yes	Yes

# School Funding Matrix (cont'd)

Funding Source	Funding Source Description	Maintenance and General Operations	Major Capital Projects	Other (Sustainability, Seismic)
State Fund Sources		Can funds be used for this purpose?	Can funds be used for this purpose?	Can funds be used for this purpose?
State General Funds	Funds collected from income taxes and made available to Districts through formula.	Yes. Must compete with all funding needs of a District.	Yes. Must compete with all funding needs of a District.	Yes. Must compete with all funding needs of a District.
State Other Funds	Funds from other state sources such as lottery, highway, etc.			
Construction & Maintenance Public School Facilities Grants (ORS 327.300)	Subject to the rules of the State Board of Education, the Superintendent of Public Instruction shall make grants to school districts that apply for the purpose of construction and maintenance of public school facilities.			
State School Fund Grants (ORS 327.008)				
Oregon School Bond Guaranty Program	Allows the State to guaranty qualified general obligation bonds of eligible school districts. Allows bonds to be rated on the States current credit rating.	No funds provided. This is a credit enhancement only.	No funds provided. This is a credit enhancement only.	No funds provided. This is a credit enhancement only.
Federal Fund Sources		Can funds be used for this purpose?	Can funds be used for this purpose?	Can funds be used for this purpose?

# School Funding Matrix (cont'd)

Funding Source	Funding Source Description	Maintenance and General Operations	Major Capital Projects	Other (Sustainability, Seismic)
Other Fund Sources		Can funds be used for this purpose?	Can funds be used for this purpose?	Can funds be used for this purpose?
Qualified Zone Academy Bonds	Subsidized tax-credit borrowing option similar to QSCBs. Must be used for rehabilitation & repair of facilities, is targeted at schools with free and reduced lunch, needs 10% private match.	Same as GOs or FFCs.	No	Maybe if rehab and repair
Other (Donations, SB 1149 Funds; Facility Use and other Revenues	Other funds may come from Revenue generating programs or other programs which make the funds available for expressed purposes.			

# Appendix B – Seismic Rehabilitation Grant Program

Presented by: Edward Wolf  
February 18, 2014

# Oregon's Seismic Rehabilitation Grant Program (SRGP): *An Underappreciated Overachiever*

Presented to School Facilities  
Capital Planning Task force  
February 2014

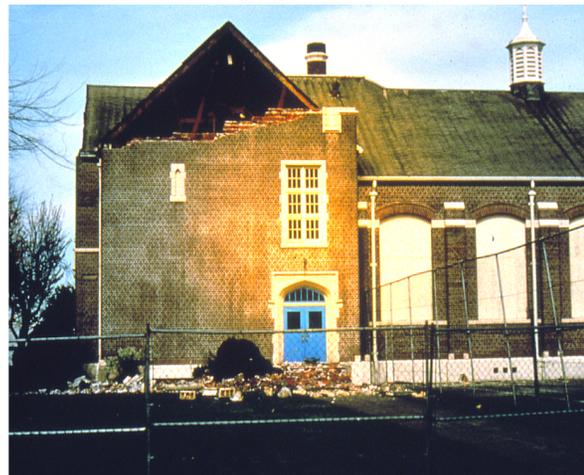
Ted Wolf – [edwardwolf@me.com](mailto:edwardwolf@me.com)

In 2013, Oregon's legislators authorized the following capital investments in school facilities:

- ✓ Higher Education (OUS): \$130 million
- ✓ Community Colleges (DCCW): \$125 million
- ✓ K-12 (seismic grants): \$ 15 million

✧ *Share to K-12 schools – 5.5%*

# What's That \$15M About?



*Photos: Molalla High School, Spring Break Quake (M5.6), March 1993*

- Molalla High School damaged beyond repair
- Other schools damaged and replaced: Columbus Elementary (McMinnville), St. Mary's Elementary (Mt. Angel)
- Oregon State Capitol damaged

# Overview of Seismic Grant Program

**2009:** Program initiated by 75<sup>th</sup> Legislative Assembly

**2010:** 12 K-12 schools in 7 school districts awarded grants

- ✓ \$5.6 million funded improvements protecting more than 4,600 students

**2011:** 3 K-12 schools in 3 school districts awarded grants

- ✓ \$3.8 million funded improvements protecting more than 1,600 students

**2012:** 7 K-12 schools in 7 school districts awarded grants

- ✓ \$7.5 million funded improvements protecting more than 2,300 students (projects completed during summer 2013)
- ✓ Governor's Recommended Budget for 2013-2015 proposes \$15M for XI-M Program

# The Long Road to the SRGP

- 2001** *ORS 455.400* mandates retrofit of educational facilities to life safety performance by 2032 “*subject to available funding*”
- 2002** Referral to voters establishes XI-M program
- 2005** Flurry of laws: Senate Bills 2, 3, 4, 5 request assessment, establish grant program, authorize Treasurer to issue bonds
- 2007** DOGAMI assessment released
- 2009** Legislature authorizes first XI-M bonds, \$15M
- 2010** Authorization partially rescinded by governor
- 2011** Program restored with new authorization, \$7.5 M
- 2012** First rounds of projects completed
- 2013** New authorization, \$15M; program moved from OEM
- 2014** BusinessOregon(OBDD) initiates outreach

# Performance: Oregon's SRGP program *is equitable*

2010-2012 seismic grant recipient districts are:

- *geographically* diverse – locations from North Clackamas to Lakeview
- *economically* diverse – districts from Tigard-Tualatin to Myrtle Point
- projects include 14 elementary, 5 middle, and 3 high schools

Performance: Oregon's SRGP program supports  
*good family-wage jobs*

- Seismic upgrades support jobs that represent full range of construction trades
- Roughly \$0.60 of every dollar in a seismic retrofit project is spent on payroll wages
- Each \$1 million invested supports ~15 jobs
- Creates jobs in small towns and rural districts, not just metro areas

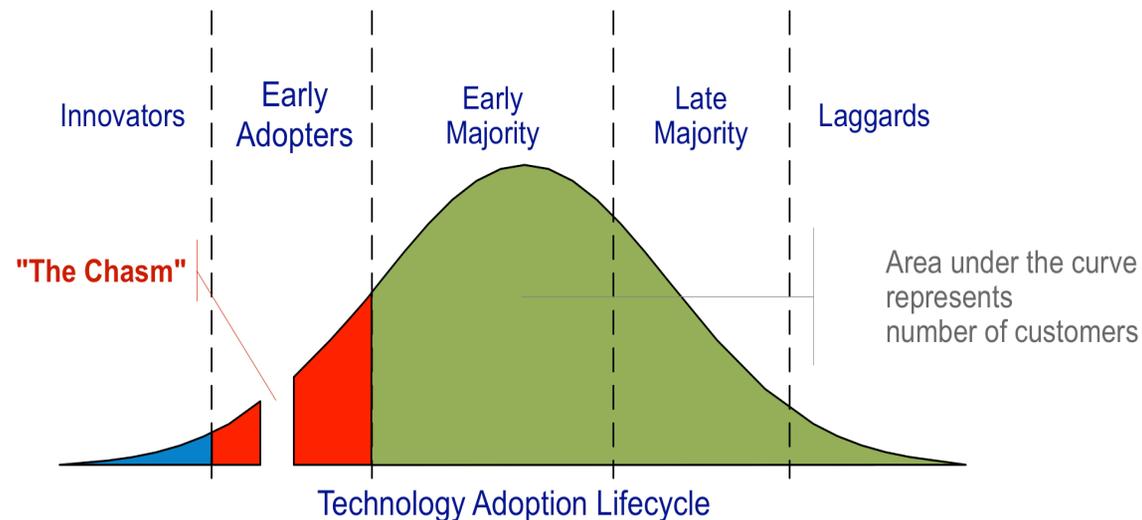
# Performance: Oregon's SRGP is *unique in the nation*

- No other state has a *web-based statewide inventory* of public education buildings rated for seismic risk
- No other state has a *voter-authorized, funded grant program* to finance seismic upgrades of public schools on a risk-prioritized basis
- In 2013, SRGP received an *Overall Award In Excellence* from Western States Seismic Policy Council

# Key Lessons

- Priority-centered assessment process: essential when scope of need exceeds resources available
- Risk: “start small” may mean “stay small” in the absence of a long-term plan
- A secure “agency home” is important when state indebtedness is involved
- Marketing and outreach have been weak
- True partnership with school districts (and ODE) has not yet been tested
- Safety improved, but “life safety” objective remains elusive

# Is Oregon's SRGP ready to "*cross the chasm*"?



To cross the chasm, Oregon's SRGP needs:

1. *Secure, sustained funding*
  - a. recognition as a top capital investment priority
  - b. innovative financing beyond GO bonds
2. *Effective outreach strategy*
  - a. turn 15 "early adopters" into "sales force"
  - b. reach all 197 Oregon school districts

# Why SRGP? Oregon Schools and Children at Risk

Construction Type	Number of Schools	Enrollment ('05-'06)
Unreinforced Masonry	86	34,100
Pre-Cast Concrete (PC1, PC2)	55	40,200
Very High Collapse Risk (~ 100%)	131	57,104
High Collapse Risk (> 10%)	377	175,369
Tsunami Zone (high & mod. risk)	(10)	(3,056) <sup>1</sup>
<i>Totals</i>	649	306,773

<sup>1</sup> Note: Tsunami Zone schools excluded from schools and enrollment totals to avoid double-counting. Several of these schools are also in high-collapse-risk categories.

Source: Statewide Seismic Needs Assessment, <http://www.oregongeology.com/sub/projects/rvs/>

# How Does the Oregon University System (OUS) Address This Risk?

- **Seismic Mitigation**

- Oregon faces a serious statewide risk from earthquake hazards. Not only does Oregon have the Cascadia Subduction Zone fault that looms offshore along the entire state coastline, but most of the buildings in Oregon were built long before a 1993 statewide building code revision that specifically mandated seismic (earthquake) design standards.
- To address this risk, OUS has partnered with the Oregon Department of Geology and Mineral Industries (DOGAMI) to assess our exposure to seismic hazards at each of our seven campuses. Using a proprietary, enhanced, low-cost screening methodology— [Enhanced Rapid Visual Screening \(E-RVS\)](#), OUS campuses can identify and prioritize buildings at risk of significant structural deficiencies during the next earthquake.
  - (from <http://www.ous.edu/dept/capcon/construction>, accessed 2/10/14)

# Appendix C – State Subsidy Programs for Local School Facilities

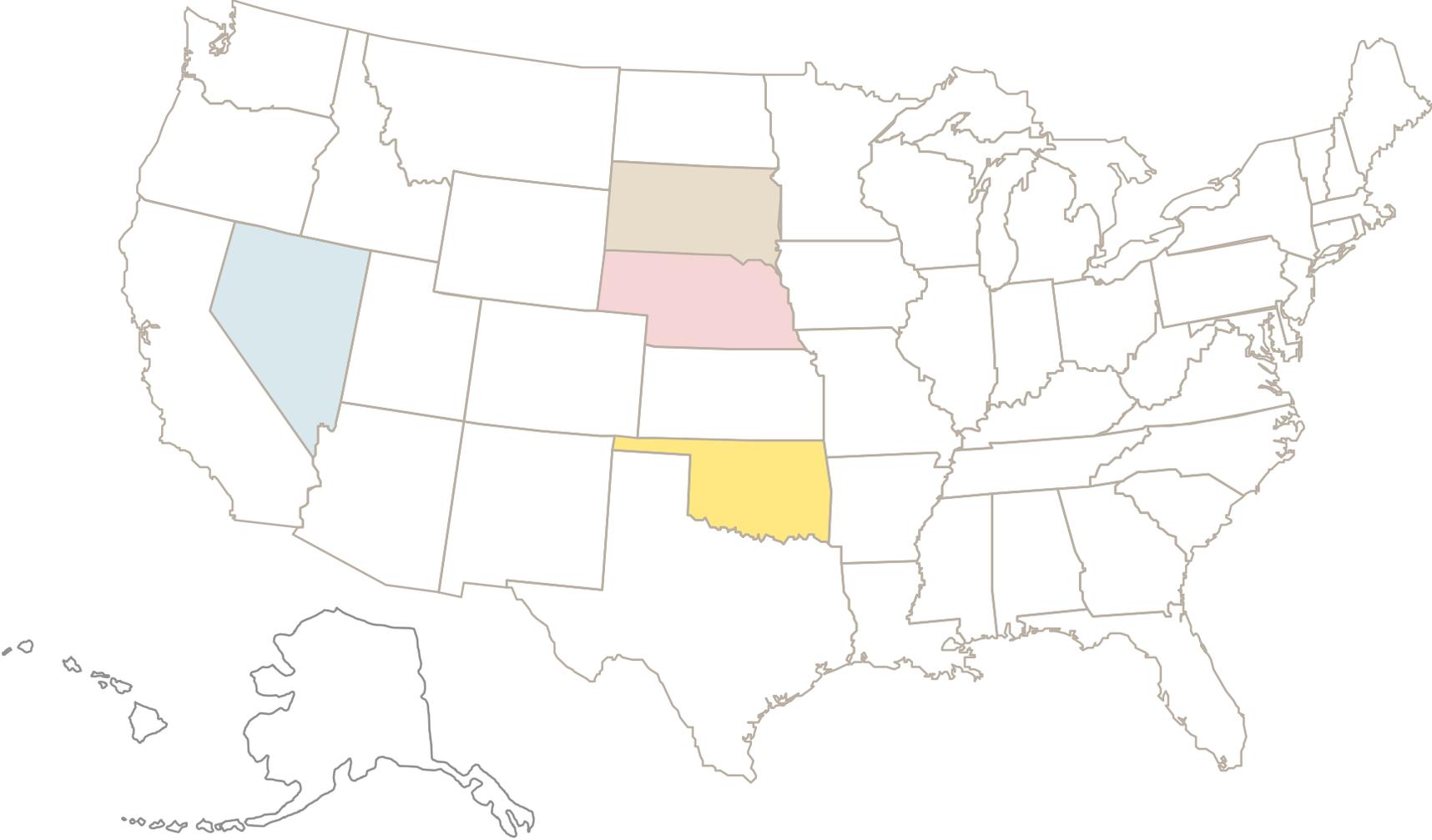
Presented by: Matt Donahue  
March 18, 2014

# **State Subsidy Programs for Local School Facilities**

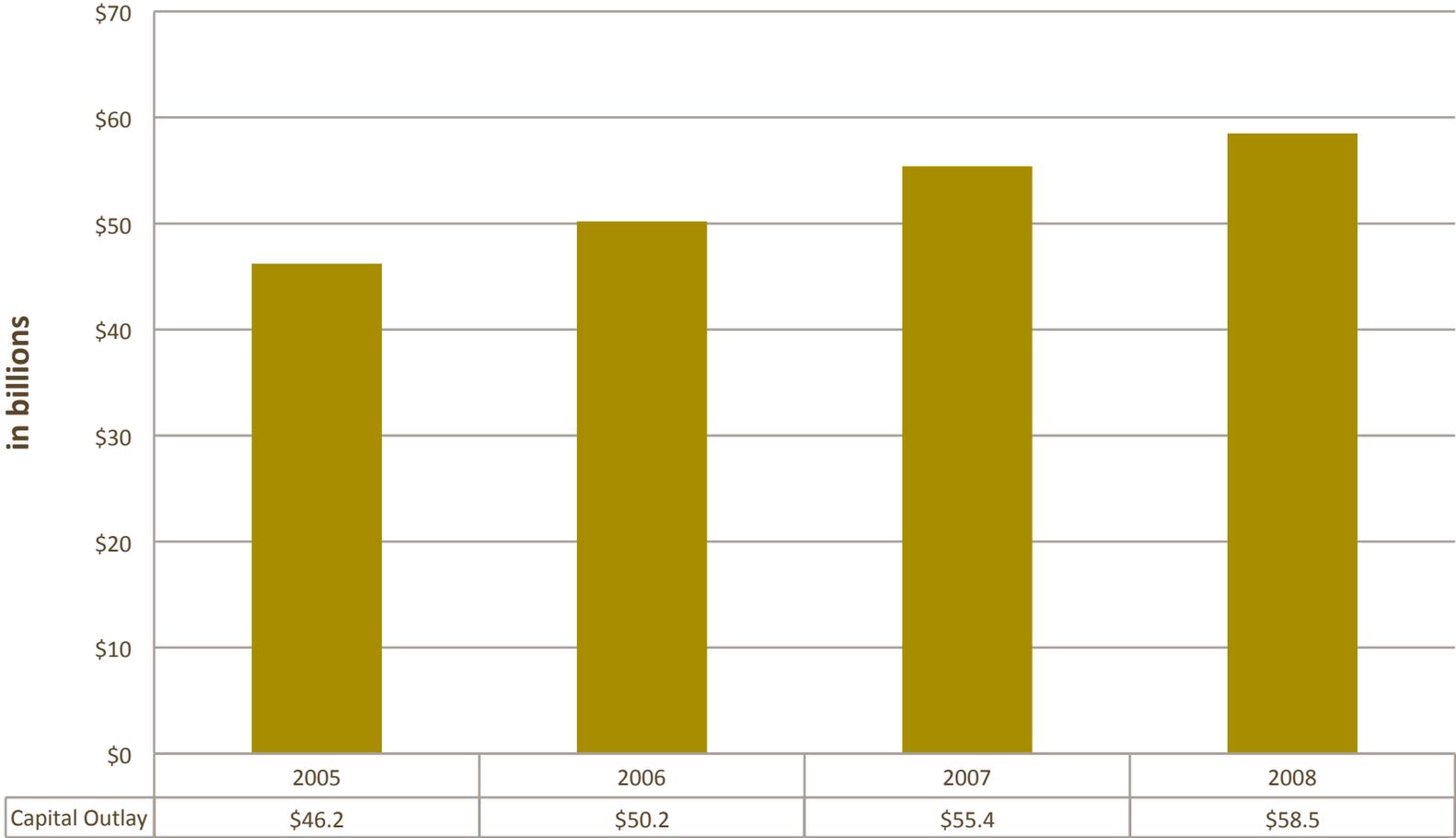
**School Capital Improvement  
Planning Task Force  
March 18, 2014**



# 46 States Help Their Local School Districts Pay for Facilities



# Capital Outlay for Public K-12 Education



# Program Elements

- Funding Type
- Funding Formula
- Funding Prioritization
- Funding Source
- Administration
- Oversight

# Funding Types

- **Matching Grants**
- **Project Grants**
- **Full Funding**
- **Debt Service Subsidy**
- **Annual Funding Allocation**
- **Loans**
- **Loan Guarantees**

# Funding Formulae

- Property Wealth
- Cost
- Enrollment Growth
- Other Income/Wealth
- Condition
- Per Pupil

# Funding Prioritization

- **Wealth**
- **Condition**
- **Enrollment Growth**
- **Programmatic**
- **Application**



# Funding Source

- State-Issued Bonds
- Lottery Proceeds
- Sales Tax Revenue
- General Fund Revenue
- Other Dedicated Revenue



# Program Administration

- Department of Education
- Independent Authority
- Other State Agency

# Program Oversight

- Stand-alone Board
- Advisory Committees
- Legislative Oversight

# Western State Funding Comparison

State	2005-2008 Average		Per Student		Per Student State Support
	Funding Level	Total Capital Outlay	Avg	Students	
Oregon	10,000	346,008	613	564,450	18
Washington	264,000	1,307,927	1,207	1,083,618	244
California	2,902,325	9,707,606	1,569	6,187,129	469
Idaho	14,475	127,215	479	265,585	55
Montana	9,004	77,738	545	142,639	63
Utah	31,239	484,845	872	556,015	56
Nevada	-	647,960	1,511	428,829	-
Arizona	308,475	956,825	969	987,436	312
New Mexico	207,463	396,600	1,205	329,129	630
Colorado	9,163	860,719	1,080	796,962	11
Hawaii	53,685	53,685	298	180,151	298
Alaska	202,720	237,951	1,822	130,599	1,552

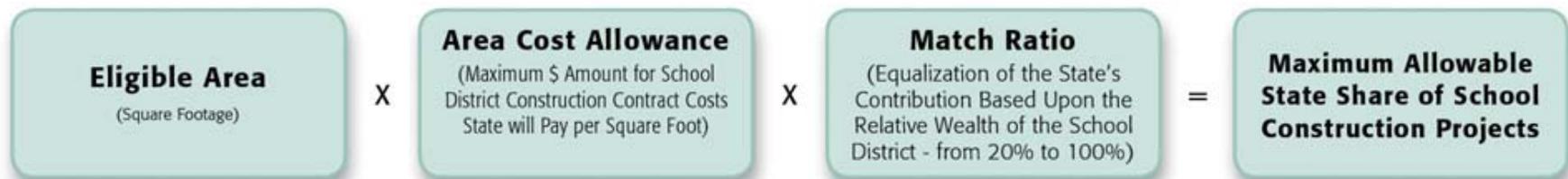
# Washington



State Support for Local School Facilities	School Construction Assistance Program – Matching Program of Local Funding Sources
Funding Formula	<ul style="list-style-type: none"><li>• Eligible Area * Construction Cost Allocation * Funding Assistance Percentage = Maximum Allowable State Funding Assistance</li><li>• Eligible Area = square footage of instruction space eligible for subsidy (current space versus enrollment projection) * State Determined Student Space Allocation</li><li>• Construction Cost Allocation = State recognized costs per square foot of new construction. Amount established by legislature in biennium budget</li><li>• State Funding Assistance Percentage = <math>(3 - (\text{District adjusted valuation per pupil} / \text{Total adjusted valuation per pupil})) / (3 + (\text{District adjusted valuation per pupil} / \text{Total state adjusted valuation per pupil}))</math></li><li>• Minimum Assistance = 20%</li></ul>



# Washington



# Washington



State Support for Local School Facilities	School Construction Assistance Program – Matching Program of Local Funding Sources
State Funding Source	General Obligation Bonds, Trust Land Revenue, Lottery Revenue, Trust Land Transfer, \$659 million appropriated for SCAP in 2011-2013 biennium
Program Administration	School Facilities and Organization Program in the Office of the Superintendent of Public Instruction; 14.5 FTE and \$3.8 million appropriation
Prioritization	Growth-related and condition-related point system; not used since 1999
Oversight	Project approval and authorization of funding but minimal oversight of construction process



# California

State Support for Local School Facilities	School Facilities Program
State Funding Source	General obligation bonds; \$7.3 billion in 2006
Funding Formula	<ul style="list-style-type: none"><li>-School Facility Program provides per-pupil grants, determined by grade-level, to school districts for new construction and modernization.</li><li>-New Construction Grant funds 50/50 state and local match basis; depends on a district's enrollment projections and existing school building capacity.</li><li>-Modernization Grant funds 60/40 match basis and depends on a building's age and capacity</li></ul>



# California

State Support for Local School Facilities	School Facilities Program
Program Administration	The Office of Public School Construction, California Department of General Services, implements the School Facility Program. The office is directed by an executive officer appointed by the governor; 11 FTE; allocated \$2.7 million FY14
Prioritization	In the order received
Oversight	California State Allocation Board is the 10-member policy body for school construction and approves applications; the Division of the State Architect reviews construction plans; School Facilities Planning Division provides guidance on school planning, funding, health, and safety

# Idaho

State Support for Local School Facilities	Public School Building Fund, Bond Levy Equalization
State Funding Source	Lottery proceeds, cigarette tax (as general fund appropriation); appropriated \$24 million FY14
Funding Formula	<p>-Bond levy equalization fund— property values, unemployment rate, and per capita income of the school district</p> <p>-Public school building fund—based on prior year’s average daily attendance</p>
Program Administration	Idaho Department of Education- Statewide System of Support Division; Facilities.



# Idaho

State Support for Local School Facilities	Public School Building Fund, Bond Levy Equalization
Prioritization	Each of Idaho's 115 school district gets a portion of the building fund
Oversight	The Bureau of School Support Services, Idaho Department of Education, administers the public school building fund and the bond levy equalization fund



# Montana

State Support for Local School Facilities	State debt service payments on school facilities bonds
State Funding Source	General revenue fund appropriations (approx. \$10 million FY09)
Funding Formula	Maximum reimbursement for the district * (1-district mill value per ANB (average number belonging)/facility guaranteed mill value per ANB
Program Administration	School Finance and Pupil Transportation Division, Montana Office of Public Instruction
Prioritization	Eligibility for school facilities debt service payments is determined by comparing the district's taxable wealth with taxable wealth statewide.



# Montana

State Support for Local School Facilities	State debt service payments on school facilities bonds
Oversight	The School Finance and Pupil Transportation Division, Montana Office of Public Instruction, administers the distribution of state equalization aid, including school facilities payments



# Wyoming

State Support for Local School Facilities	Wyoming School Facilities Commission
State Funding Source	Mineral royalties from the lease of state land, coal lease bonuses, and up to \$100m in general revenue bonds; \$114 million appropriated for 2013-2015 biennium
Funding Formula	Formula considers: <ul style="list-style-type: none"><li>• Eligible Area (adjusted for age), Construction Cost</li><li>• Construction Cost Allocation = median estimate in the most current edition of the R. S. Means construction cost index</li></ul>
Program Administration	School Facilities Department; 15 FTE and \$6.2 million appropriated for 2013-2015 biennium.

# Wyoming

State Support for Local School Facilities	Wyoming School Facilities Commission
Prioritization	A score combining facility condition, facility capacity, and education functionality is used to assure equitable funding of projects
Oversight	Wyoming School Facilities Commission oversees school facilities, including planning, finance, construction, and maintenance. Commission members are the state superintendent of public instruction and six persons with specified expertise appointed by the governor and the superintendent.



# Colorado

State Support for Local School Facilities	Public School Capital Construction Assistance– BEST (Building Excellent Schools Today)
State Funding Source	State Land Trust, Colorado Lottery Spillover Funds, Marijuana Excise Taxes, Interest. In FY14 - \$203 million budget (\$153 million beginning cash balance, \$50 million appropriations).
Funding Formula	Matching grants considered by school district's: <ul style="list-style-type: none"><li>-Assessed value per pupil relative to the state average;</li><li>-Median household income relative to the state average;</li><li>-Bond redemption fund mill levy relative to the statewide average;</li><li>-Percentage eligible for free and/or reduced lunch;</li><li>-Bond election effort and success over the last 10 years</li></ul>



# Colorado

State Support for Local School Facilities	Public School Capital Construction Assistance - BEST (Building Excellent Schools Today)
Program Administration	Division of Public School Capital Construction Assistance in Colorado Department of Education; 9 FTE; \$874,831 operating budget.
Prioritization	Projects qualify and are prioritized as follows: 1. Projects that address safety hazards or health concerns 2. Projects that relieve overcrowding 3. Projects that incorporate technology into the educational environment;
Oversight	Nine appointed member Capital Construction Assistance Board reviews financial assistance applications and makes recommendations to State Board of Education for projects

# Utah

State Support for Local School Facilities	Capital Outlay Foundation and Enrollment Growth Programs
State Funding Source	Uniform school fund, primarily personal income tax revenue; appropriated \$14.4 million in FY12
Funding Formula	Capital Outlay—Districts receive funding based on local property tax effort and property tax yield per student when compared to a foundation guarantee funding level  Enrollment Growth—based on average net enrollment for prior 3 years and ADM
Program Administration	The School Finance and Statistics Section, Utah State Office of Education



# Utah

State Support for Local School Facilities	Capital Outlay Foundation and Enrollment Growth Programs
Prioritization	To qualify for 100 percent of the capital outlay foundation funds available to a school district, the district must levy at least .0024 per dollar of taxable value specifically for capital outlay and debt service. Districts levying less than this rate for capital outlay and debt service receive proportional funding based on the levy rate.
Oversight	The School Finance and Statistics Section, Utah State Office of Education, distributes state facility funding.



# Arizona

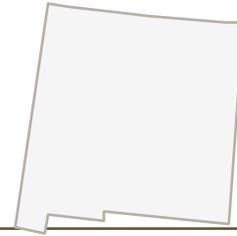
State Support for Local School Facilities	New School Facilities & Building Renewal Programs
State Funding Source	General Fund appropriations, (previously general revenue bonds). \$174 million appropriated in FY13
Funding Formula	-New School Facilities: Additional square feet needed * cost per square foot  -Building Renewal Funds: Building age and condition * square feet * cost per square foot * District share of total renewal needs
Program Administration	School Facilities Board is composed of eight gubernatorial appointees and the superintendent of public instruction. Nine staff members support the agency; \$1.6m operating budget

# Arizona

State Support for Local School Facilities	New School Facilities & Building Renewal Programs
Prioritization	There is no prioritization system for project funding
Oversight	The Arizona School Facilities Board is composed of eight gubernatorial appointees and the superintendent of public instruction. The board is responsible for the evaluation of school capital needs and the distribution of monies to school districts to cure existing deficiencies, for building renewal, and for the construction of new facilities. The executive director also is a gubernatorial appointee.



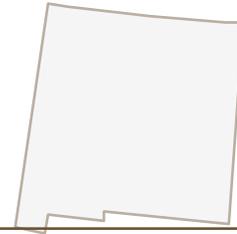
# New Mexico



State Support for Local School Facilities	Public School Capital Outlay Council
Funding Formula	Property wealth based formula that determines % of state contribution.; Range = 10-90%; Average = 50%;
Prioritization	Weighted New Mexico Condition Index  (Building Systems Deficiency Costs + Educational Adequacy Deficiency Costs)/Building Replacement Value  State attempts to fund 100 greatest need projects



# New Mexico



State Support for Local School Facilities	Public School Capital Outlay Council
State Funding Source	Severance Tax Permanent Fund – backed bonds and general revenue appropriations
Program Administration	Public School Facilities Authority - 51 staff members
Oversight	Public School Capital Outlay Oversight Task Force – 25 member standing task force



# Appendix D – Educational Facility Standards

Prepared by: Scott Rose

Educational facility standards of best practice must be sufficiently flexible to respond to the needs of each individual school district, but should also reference minimum state standards in order to establish equity of funding and educational facility targets. Facility and site standards typically include baseline recommendations related to the following systems and spaces:

## **SITE**

- Site layout
- Playground and field areas
- Delivery and utility areas
- Future expansion
- Placement of buildings

## **THREAT CONTROL**

- Zone 1 (up to site perimeter)
- Zone 2 (site up to building)
- Zone 3 (building perimeter)
- Zone 4 (building interior)

## **INSTRUCTIONAL SPACES**

- Classrooms
- Small group areas
- Kindergarten classrooms
- Special education classrooms
- Science laboratories
- Consumer/home economics laboratories
- Career & Technical Education (CTE) laboratories
- Digital learning spaces
- Fine art studios
- Performance arts spaces
- Early childhood education

## **GROUP AREAS**

- Theatre/Auditorium
- Gymnasium and support spaces
- Multi-purpose/cafeteria area
- Media center/library

## **SUPPORT AREAS**

- Administrative offices
- Teacher planning and work areas
- Nutrition services

## **SYSTEMS**

- Lighting and daylighting
- Acoustics
- Communications and technology wiring
- Mechanical (dry and wet) delivery
- Universal access

## **MAINTENANCE STANDARDS**

- Maintainability (including protocols for training)