

School Building Authority

RI School Buildings Task Force Meeting – September 29, 2017 Presentation



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Rhode Island Department of Elementary and Secondary Education



Facilities Matter

- **School environments** have an **effect on students ability to learn**. Quality buildings that are **thermally, acoustically, and visually comfortable** provide important benefits to students, educators, administrators, and the public.



School Building Authority

Rhode Island Department of Elementary and Secondary Education

Ken Wagner, Ph.D. Commissioner

Mary Ann Snider, Deputy Commissioner

Office of Statewide Efficiencies

Cynthia Brown, SFO, Director of Statewide Efficiencies

School Building Authority at the Rhode Island Department of Education

Joseph da Silva , Ph.D., AIA, School Construction Coordinator

Manuel Cordero, AIA, LEED AP, Assistant School Construction Coordinator

Mario Carreno, School Construction Finance Specialists

Overview and Chronology

1960 - Housing Aid program established by statute and overseen by RI Department of Education.

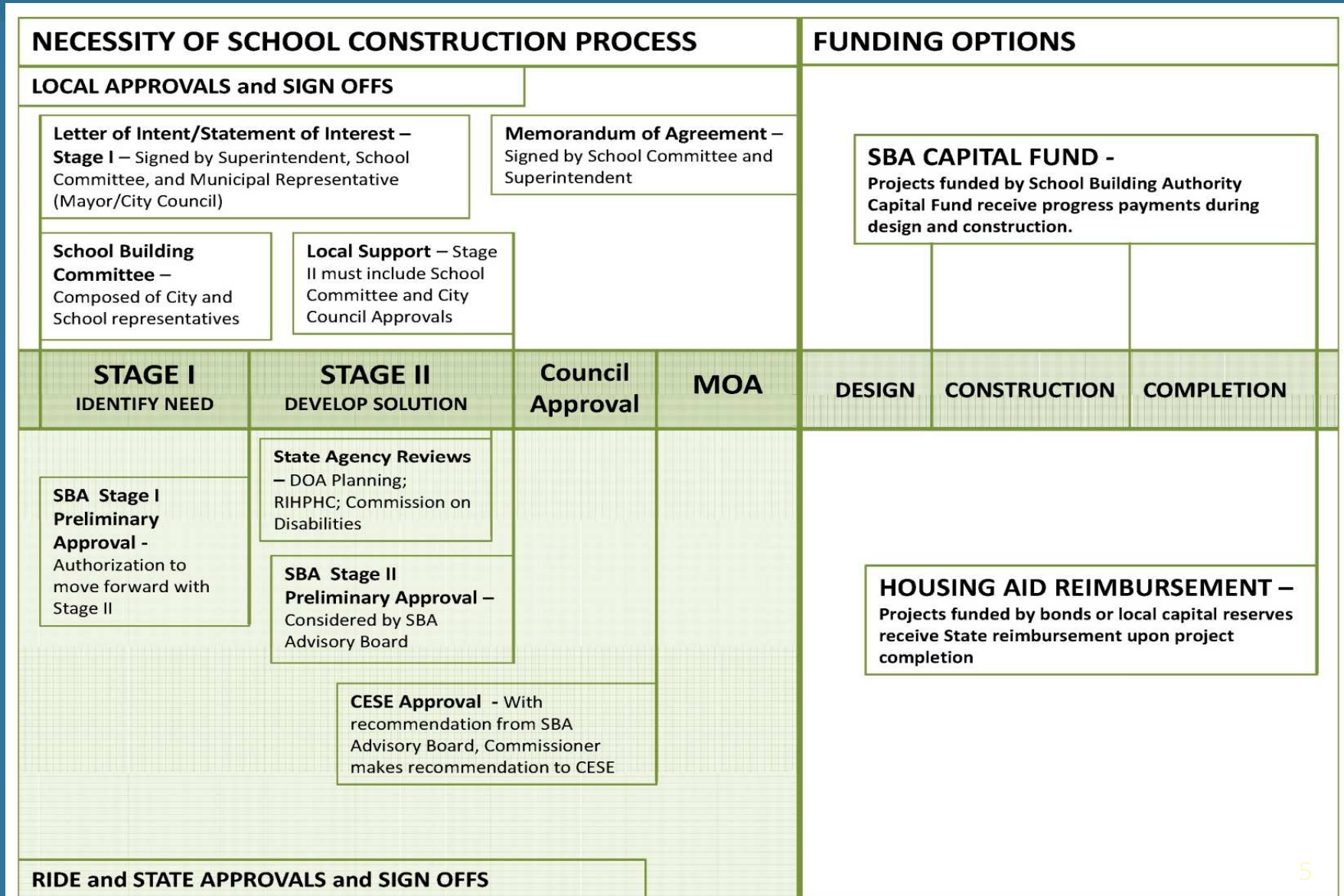
2007 - The Board of Regents adopt **School Construction Regulations** (RIDE SCR 1.00) to ensure statewide uniformity in the quality of school building.

2011 – General Assembly places a moratorium on school construction.

2015 – Moratorium is lifted. School Building Authority Capital Fund provides alternative funding mechanism to Housing Aid.



Necessity of School Construction



Necessity of School Construction

- The School Building Authority has two distinct programs to assist LEAs as they fulfill their obligation to provide safe, healthy, and educationally appropriate school facilities for its students: **Fast Track Repair Program & Major Projects Program**



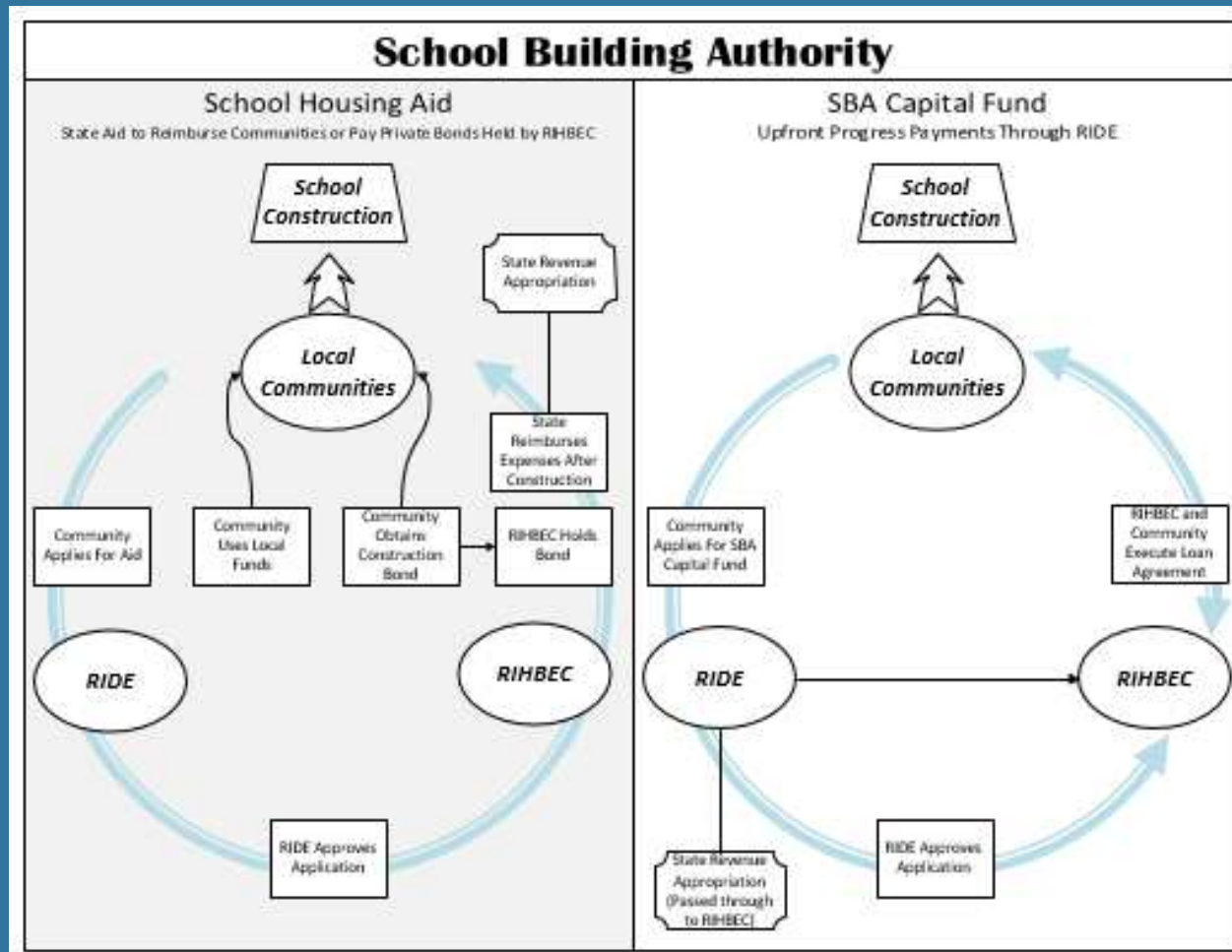
Prioritization of School Projects

Prioritization of school projects pursuant to statute and regulations will include:

- Facility Condition
- Educational Adequacy
- Energy Efficiency
- Capacity/Utilization
- Asset Protection Practices



Funding Overview



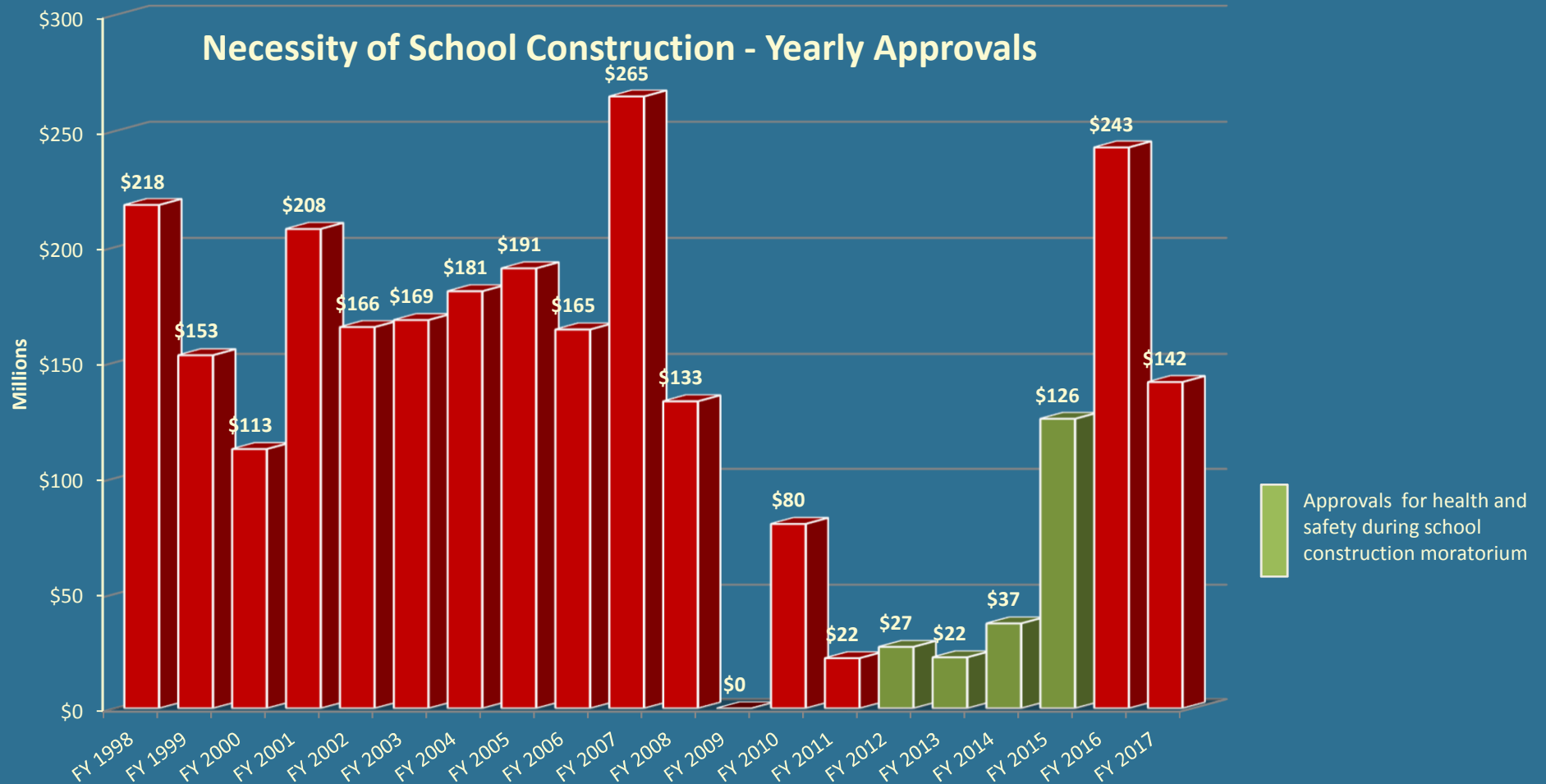
Housing Aid Program Overview

What is School Housing Aid?

- Housing Aid is a state funded program that reimburses districts for approved school construction projects once they have completed.
- Pursuant to RIGL, School Housing Aid is designed to:
 - (1) Guarantee adequate school housing for all public school children in the state, and
 - (2) Prevent the cost of school housing from interfering with the effective operation of the schools.



Necessity Approvals



Approval = Board of Education approval, granting eligibility for reimbursement. Approval amount includes both state AND local costs. On average state pays **50% of approval @ \$70M/YR**

SBA Capital Fund

- Since Fiscal Year 2016 the State Budget has allocated approximately **\$40M** to the **SBA Capital Fund**, in addition to the \$70M annually allocated for Housing Aid.
- Funding is held in a trust at the **Rhode Island Health and Educational Building Corporation (RIHEBC)**
- The SBA Capital Fund is used to provide **progress payments** for approved school repair projects.
- **Every LEA** was **eligible** to apply and projects are selected on a priority basis.
- The School Building Authority Capital Fund provides two funding mechanisms – a **loan** and a **State share of project cost** - both operating as **progress** funding.
- **Reduces the interest burden** on the State and our districts, and **removes** barriers to project completion and **minimizes** the administrative hurdles to executing urgent improvements.




SBA CF Scoring Criteria

In the past, applications have been scored to **ensure that funding has the greatest impact on facility gaps in the State's priority areas:**

- Priorities (based on statute)
- Shovel Ready
- Project Design
- Local Capital Reserve
- Cost Reducing Measures
- Debt Reducing Initiatives
- Project Leveraging
- Housing Aid Share Ratio
- School Enrollment

School Building Authority Capital Fund Application Due September 30, 2016	
School District:	
Contact Person:	
Title:	
Address:	
Phone:	
Email:	
Project Location:	
Project Description (attach support)	
<div> <div> Additional Criteria <ul style="list-style-type: none"> Housing Aid In addition to the scoring share ratio (reimbursement share ratio. For example, points). RIDE will apply F School Enrol School enrollments, in vt applications, October 1, 2 for each 100 students att </div> <div> Assurances (please init) The district must assure t ___ Funds will be use funding request. ___ Projects must con ___ Project will subs the project amou ___ The project comp Performance Sch ___ Project will receiv ___ All other things be or those who prof </div> </div>	
Certification of Eligibili I certify under penalty of l correct and is in compliar Education. The governin on its behalf, and has cer proposal.	
Signature of Superintendent	
Signature of School Com	
Signature of Municipal Finance Director	
Date	



Additional Criteria (check boxes if applicable)

- Level of Immediacy**
If available, provide documentation from Authorities Having Jurisdiction (AHJ) identifying immediate health and safety needs and requiring action. ☐
- "Shovel Ready" – choose one (based on a September 30th executed funding agreement)**
 - The project will be substantially completed by 1/4/16 ☐
 - The project will be substantially completed by 4/30/16 ☐
 - The project will be substantially completed by 6/30/16 ☐

If yes, provide a timeline and assurances that demonstrate the project can be substantially complete before the date selected. This would apply to smaller projects that can occur during school breaks, after hours, or for larger projects that can occur during the school year that do not disrupt educational delivery.

- Project Design**
Has the project already been designed and/or received SBA design reviews? ☐
If yes, provide documentation and dates of SBA design review signoffs or provide timeline for reviews.
- Local Capital Reserve Fund**
Does the municipality/LEA have a local established Capital Reserve Fund that has municipal authority to reinvest Housing Aid received for future Capital Projects? ☐
If yes, provide documentation from the municipality demonstrating the establishment of a local capital reserve fund or commitment for the creation of such fund. Additionally, provide assurance from the municipality that future housing aid reimbursement received on capital reserve funded projects will be reinvested into a local capital reserve fund for future improvements.
- Energy Efficiency or Other Cost Reducing Measures**
Will the project help reduce operating costs? ☐
If yes, provide documentation that demonstrates how the project will reduce operating costs.
- Debt Reducing Initiatives**
Will capital projects be completed without the issuance of debt? ☐
If yes, the LEA must select funding option 2 OR provide documentation that a portion of interest savings from recent or future (by 6/30/16) school bond refundings will be used to fund capital projects.
- Project Leveraging**
Will the project obtain additional funding from other sources (i.e., federal or state grants, national grid rebates, private funding). ☐
If yes, provide documentation that other funding sources (private or public) have been obtained for this project. Please note that similar to Housing Aid, only the net cost of the project will be eligible to receive SBA Capital Funding.

Limitations and Opportunities

The SBA at RIDE has observed limitations and identified the following opportunities to **align funding with need, prioritize investments, and prudently allocate State and local funds.**

- **Need vs Approvals:** Most years, and particularly during the moratorium, the approved values for LEA school construction approvals was far greater than the identified need.

Fiscal Year	Approved Immediate Health and Safety	Identified Need
FY12	\$ 26,889,978	\$ 182,785,474
FY13	\$ 22,323,977	\$ 272,954,272
FY14	\$ 37,149,275	\$ 108,300,000
FY15	\$ 122,369,371	\$ 357,700,000
Moratorium Total	\$ 208,732,601	\$ 921,739,746
Four Year Average	\$ 52,183,150	

- **Prioritization:** With the Jacobs' assessment now available, the State has an opportunity to better direct funding to priority areas.

Limitations and Opportunities, cont.

- **Maintenance and Operations:** Building systems, including mechanical and electrical technology, has become more complex. In order to achieve the full scale of efficiencies and savings from proposed building systems in school facilities, the State can develop institutional supports and professional development opportunities for district administrators charged with the maintenance and operation of facilities.
- **Project Management:** Many LEAs struggle with the management of large projects, which often cause delays and additional costs. Assistance with project management would help LEAs expedite projects, find time and cost efficiencies, and better ensure the adequate and efficient use of State funding.



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Questions?



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