

Rhode Island School Building Taskforce

Friday, September 29, 2017 9:00 am
Alger Hall, Rhode Island College,
600 Library Road, North Providence, RI

Minutes

I. Introductions

Taskforce members present: Treasurer Seth Magaziner (co-chair), Commissioner Ken Wagner (co-chair), Elizabeth Burke Bryant, Joseph Dewhirst, Director Michael DiBiase, Frank Flynn, Andy Nota, Larry Purtill, Barry Ricci, Michael Sabitoni, Neil Steinberg; Taskforce members absent: Sen. Hanna Gallo, Dr. Patricia Flanagan, Kinzel Thomas, John Hazen White, Jr.

II. Co-Chairs' Remarks

Treasurer Magaziner and Commissioner Wagner welcomed Taskforce members. The Treasurer provided an overview of the agenda for the meeting. He noted that while there has been good work done in the past, the task facing the group is still significant – to create an actionable plan to address the repairs needed. The Treasurer shared his experience teaching and noting the impact facilities have on student performance and morale. Commissioner Wagner confirmed that facilities conditions are holding back students and teachers, as well as impacting the economy.

Treasurer Magaziner explained the timeline of the Taskforce's future meetings. Additionally, he shared that there will be Listening Sessions around the state to collect feedback from the public. Then, the Treasurer emphasized the urgency of this issue, that maintaining status quo will only lead to this problem getting bigger, and big problems require bold action.

III. Presentation from Jacobs Engineering on *State of Rhode Island Schoolhouses* Report

Jessica Goodell from Jacobs Engineering and Tracy Richter from Cooperative Strategies provided a presentation on the findings of the *State of Rhode Island Schoolhouses* report. The team assessed all 306 campuses statewide report and found \$2.2 billion in facility deficiency costs. Of this \$2.2 billion, about \$627 million of deficiencies were categorized as Priority 1 and Priority 2, or improvements needed for school buildings to be warm, safe and dry. The assessment found an additional \$793 million in five-year life cycle forecast expenses, for any systems close to the end of their useful life.

Ms. Goodell explained that maintaining the State share of \$80 million would result in the \$2.2 billion in need growing to \$3.5 billion in ten years. With no state funding, that need would grow

to \$4.5 billion. Director DiBiase noted that spending has become a vicious cycle, with money spent for minor repairs that do not address the actual needs of the facility, essentially throwing good money after bad.

The report showed that every district has deficiencies, with large districts like Providence, Warwick and Pawtucket having the highest. Jacobs also shared a graphic of the deficiencies by the types of systems (i.e. interior, technology, mechanical, etc). In response to a question from Ms. Burke-Bryant on the stories everyone had heard about ceiling tiles falling down and poor conditions in classrooms, Ms. Goodell clarified that these deficiencies would be included in “interiors.” By school type, elementary schools and high schools have the largest need.

Jacobs also evaluated utilization of school spaces, including functional utilization at 94%, LEA reported utilization 81%, and aspirational utilization at 104%. Mr. Steinberg raised questions about declining enrollment and how that impacts utilization, which the group discussed enrollment trends varying by district and that it is necessary to get feedback from local districts.

Jacobs calculated a facility condition index (FCI) as a general indicator of a facility’s health. Their modeling suggested that FCIs of 65% or greater could be candidates for replacement. At the time of Jacobs’ assessment, eighteen schools have FCIs of over 65%. FCI scores do not include the priority of the deficiencies.

Ms. Goodell and Mr. Richter answered additional questions of Taskforce members. The ongoing maintenance of facilities was discussed, with Mr. Ricci asking about analysis of historical investments districts have made. Jacobs clarified that the topline estimate of repairs may be reduced if some buildings are replaced instead of repaired. Director DiBiase noted that, historically, the state ignored the financial reality to meet facilities needs. In some LEAs, the state has not helped to target the investment and has paid a significant share of the cost of repairs. Commissioner Wagner agreed and emphasized the importance of using data, like the Jacobs report, to be strategic with investments to ensure the state is not facing the same problem again even after investing more.

Jacobs noted some state policy goals, like expanding pre-K education, but there is already a shortfall in space for these programs. The group discussed their concerns with the lack of science labs in 47 of the 60 high schools statewide, especially with an increasing focus on STEAM education. There is also a programmatic need for updating and/or expanding career and technical education (CTE).

IV. Presentation from RIDE on current School Building Authority financing process

Dr. Joseph da Silva from RIDE presented an overview of the work of the School Building Authority. Dr. da Silva outlined the process of local and State approvals for school construction projects, beginning with a Necessity Process in phase one and a collaboration between the SBA and LEAs in phase two to address the need. Project approvals by the SBA Advisory Board and

the Council on Elementary and Secondary Education (CESE) are required. He provided an overview of funding options from the School Housing Aid reimbursement and the School Building Authority Capital Fund. He also described the SBA's Fast Track Repair Program and Major Projects Program. Dr. da Silva explained that school projects are prioritized by facility condition, educational adequacy, energy efficiency, capacity/ utilization, and asset protection practices, pursuant to statute and regulations. Financing is done in partnership with the RI Health and Educational Building Corporation (RIHEBC).

The Taskforce membership discussed the lengthy process LEAs must go through to execute these projects, with the Treasurer noting the long series of approval, which also may include voters on local referendums. Dr. da Silva noted the approval for the Pell School in Newport was a seven-year process. He also noted that Housing Aid is a reimbursement program. Treasurer Magaziner questioned the use of Housing Aid to reimburse municipalities, sometimes at a very high share, for their bonds, when municipalities can have a higher cost of borrowing and carry this debt on their books for the length of the construction.

Dr. da Silva shared the annual approvals by the state and noted the significant drop in investment with the implementation of the school construction regulations. He clarified that there were still approvals during the moratorium for immediate health and safety improvements.

Dr. da Silva discussed challenges and opportunities, including the identified need outweighing the school construction approvals; informing prioritization with Jacobs' assessment; institutional supports for maintenance and operation of facilities; and assistance with project management.

The Commissioner noted an analysis on the SBA's project management capacity which showed that increasing the staff by two people could save significant funds. The Treasurer concurred, noting the project managers and engineers on staff at the Massachusetts SBA as an example. Director DiBiase also noted the current process does not regulate the ongoing maintenance of facilities and asset protection. Mr. Flynn shared that he often sees issues of tight municipal budgets crowding out funds for this work. Mr. Sabitoni asked about the potential for savings by making energy efficiency improvements; Dr. da Silva noted that RIDE also did a school-by-school energy audit to evaluate these opportunities.

V. Discussion and consideration of School Construction Taskforce Principles & Goals

The Taskforce briefly previewed an initial draft of possible Taskforce Principles & Goals. Mr. Steinberg emphasized the importance of equity and ensuring all communities receive the investment they need. The Commissioner concurred, and shared that LEAs who have already begun project planning want to be sure they will be held harmless if changes are suggested by the Taskforce. Director DiBiase noted that investing significantly more was necessary to truly meet the warm, safe and dry standard. Mr. Dewhurst discussed the importance of project planning as a tactic to "invest smarter." Treasurer Magaziner suggested clarifying that as part of

the Taskforce's charge to "invest smarter," the group should look into ways for municipalities to lower the cost of borrowing.

Treasurer Magaziner asked the Taskforce members to review and send feedback to be integrated into an updated document for approval at the next meeting.

VI. Adjournment

Meeting was adjourned at approximately 10:30 am.