



CENTER FOR
INNOVATIVE
SCHOOL FACILITIES

BOARD OF DIRECTORS

Skip Rotticci, Chair
Colliers International

Tim Baugus, Vice-Chair
Skanska

Renee Loveland, Secretary
Gerding Edlen

Bruce Murray, Treasurer
Chicago Public Schools (retired)

Steve Anderson
P&C Construction

Alex Banks
Apollo Solutions Group

Jay Bloom
Bloom Anew

Jeff Condit
Miller Nash LLP

Melissa Crossman
Interface Engineering

Sue Densmore
Densmore Communications

Joshua Dodson
Day CPM

Carol Duncan
General Sheet Metal

Mark Fisher
StanCorp Mortgage Investors

Louis Fontenot, Jr.
Trammell Crow

Joyce Hendstrand
Reynolds SD (retired)

Arnie Hollander
Hollander Project Mgmt.

Keith Knight
Oregon Electric

Dr. Phil Long
Medford School District

Leo MacLeod
Mainspring Marketing

Tony Magliano
Portland Public Schools

Su Midghall
DHM Research

Chris Miller
Alliant Systems

David Oh
Intel

Scott Rogers
Intermountain ESD

Barbara Rommel
David Douglas SD (retired)

Paul Schlesinger
Schlesinger Cos.

Sarah Schoening
Schoening Group Inc.

Michael Schrader
Orrick

Diane Shiner
Mahlum Architects

Larry Sitz
Emerick Construction

Christina Skellenger
McKinstry

Kenneth Troyer
Hydro-Temp Mechanical

Peter White
Johnson Controls

Dennis Whitehouse
North Wasco SD

Susan Wold
Heery

Jeana Woolley
JM Woolley & Assoc.

EXECUTIVE DIRECTOR
Ruth Scott

May 13, 2014

SB 540 Task Force
Oregon Department of Education
255 Capitol Street NE, Salem Oregon 97310

Chair Donahue & Task Force Members,

We appreciate the opportunity to comment on the Task Force's draft recommendations on **Financing K-12 Capital Infrastructure** based on the report considered at your April meeting. We are wholeheartedly in support of your recommendations for capital infrastructure funding of \$200 million in matching grants.

We do, however, have some recommendations for your consideration around the allocation formula as follows:

- Reference to a "weighting/sliding scale to provide equity" should be defined beyond "financial capacity". We recommend the Task Force consider the Oregon State Board of Higher Education's (OSHBE) new Prioritization Criteria (see attached) that includes weighted factors of Master Plan, Board Priorities, Cost Savings, Need, Campus Priority, Finish What We Started, Use of Leveraged Dollars and Sustainability. While some of these elements would require some definition adjustment to suit K-12, the overall rating system appears more equitable than a simple financial capacity rating. Additionally, Washington State's School Construction Assistance Program also provides a nearby example of a sliding scale formula that should also be considered. Summary attached.
- Further, we recommend that in paragraph 4(a)(iv)(1), the sentence referencing state mandates for all-day kindergarten, PE etc. be completely removed, allowing the just recommended (OSHBE) rating formula in replacement.
- While we certainly agree that the allocation formula should be simple and easy to understand by all districts – and we would add, "and the public" to that. More specifically, we strongly object to "first come, first serve" as our members, both small and large districts, see this as an equity barrier. We suggest that you consider instead a simple, regional lottery system. By breaking up the state into relatively equal regions in terms of the number of schools and doing a lottery drawing of eligible projects from each region, greater equity and certainly transparency are likely to be achieved.
- Additionally on the note of equity, the Task Force's recent discussion



CENTER FOR
INNOVATIVE
SCHOOL FACILITIES

Center for Innovative School Facilities | www.cisforegon.org

Phone (503) 223-4475 | Fax (503) 223-6001 | 610 SW Alder, Suite 500 Portland, Oregon 97205

calls for districts to submit a long-range facility plan to be eligible for funding. It is our suggestion that for the first round of funding districts be allowed to submit a representative list of facility condition data available in the State's Database as an alternative to a plan as many smaller districts may not have had sufficient time to receive and implement a planning grant.

- We further would recommend the addition of a Governor-appointed oversight body that includes one-third related industry specialists, one-third current education officials and one-third a-large members. It is likely that adjustment to the allocation and service delivery process will need adjustment over time and an on-going, representative oversight body would strengthen the ability of the program and funding response to Oregon's changing needs.

Overall the Center is strongly supportive of the Task Force's recommendation for capital infrastructure matching grants for Oregon's K-12 schools and thanks you for your extensive work on this important issue. We would be pleased to discuss funding and options further with you as you may choose.

Sincerely,



Skip Rotticci
Colliers International
CISF Board Chair

Enclosures

Campus Development



Capital Project Development Process



¹Oregon State Board of Higher Education
²State of Oregon, Department of Administrative Services

Campus Capital Project Prioritization – Capacity for 40-40-20

For over a decade, OUS has ensured the strategic investment of the State's limited resources through a rigorous review process. OUS project priorities are determined by assigning a point value to a set of seven criteria to measure the relative merits of each project proposal. The **Oregon State Board of Higher Education (OSBHE)** revised its project criteria weighting to better address critical issues of capacity for growth, financial performance and the use of leverage in evaluating each project proposals contribution to reach our 40-40-20 goal.

Reprioritization

At the Governor's request, the OSBHE reevaluated the capital project prioritizations submitted in OUS's Agency Request in terms of each project's performance toward meeting the state's 40-40-20 goal. OSBHE's reprioritization is based on the following criteria: *1) serve more students; 2) serve students better; 3) the OUS Education and General prioritization criteria below; and 4) explanation of the project's relationship to the other goals included in the Governor's budget, (e.g., Healthy People, Safety, Jobs and Innovation, Healthy Environment).* OSBHE submitted its reprioritized project list to the Governor's office on January 9, 2013.

Education and General Prioritization Criteria (100 Points)

- A. Master Plan: (0 points)** Compliance with the campus master plan is required for project consideration.
- B. Board Priorities: (1 to 30 points)** Scoring is based on the project's relation to the Board's Strategic Plan: "An Investment in Oregonians for our Future: A Plan to 2025 for the OUS". The first goal, "Increase educational attainment to assure competitive strength for Oregon and its citizens", is interpreted to address access and capacity.
- C. Cost Savings: (1 to 10 points)** Projects are scored based on cost savings generated by eliminating or limiting deferred maintenance projects, and/or operational savings.
- D. Need: (1 to 10 points)** Scoring within this priority is related to Life safety, mission critical items, and projects that support key programs and initiatives.
- E. Campus Priority: (4 to 20 points)**

- F. Finish What We Started: (1 to 5 points)** Projects are scored based on how the capital investment could best enhance or complement existing academic program efforts.
 - G. Use of Leveraged Dollars: (1 to 15 points)**
 - H. Sustainability: (1 to 10 points)**
 - Reduction of EUI from baseline State energy criteria (existing for renovations, target for new construction)
 - Reduction of Water use from baseline
 - Reduction of Waste from baseline
 - Supply chain reduction renovation x points, new building with sourced material within 500 miles
- Note:** USGBC LEED Silver Equivalent and Oregon Department of Energy SEED are baseline for Energy

Prioritization OSU Classroom Project



How Project Prioritization Works

OSU's 2013-15 capital request includes a proposed classroom building and adjacent quad. The project will consist of a new 4-story, 130,000 SF building to house general purpose classrooms (**up to 2,500 seats**) supporting all academic programs, as well as the University Honors College.

This project received a prioritization score of 80 (out of 100 possible), achieving a rank of 5 on the list of OUS prioritized projects. Below are the actual OUS scores:

- Board Priorities: (1 to 30 points) = 28
- Cost Savings: (1 to 10 points) = 5
- Need: (1 to 10 points) = 10
- Campus Priority: (4 to 20 points) = 20
- Finish What We Started: (1 to 5 points) = 5
- Use of Leveraged Dollars: (1 to 15 points) = 8
- Sustainability: (1 to 10 points) = 4
- Total: (100 possible points) = 80

This project was ranked high for adding much-needed classroom capacity, increasing the availability of classes and reducing the "time-to-degree".



Garfield High School
Design: BB Architects
Photography: Chris Roberts

FACTS AT A GLANCE

In the Recent Past:

- » Over the past 20 years, the state has contributed a total of approximately \$3.9 billion to help fund 1,315 school construction and renovation projects
 - » The state has been able to fund all requests for eligible projects since 1999
 - » In the event that state funding is insufficient to meet all school districts' requests, OSPI has a system to evaluate and prioritize project requests
- In FY 2008-09:**
- » The state released \$351 million for 59 school construction projects in 37 school districts across 16 counties. State funding, with local funding, will support almost 3 million new square feet of construction
 - » 72 projects were completed and are now occupied
 - » The High-Performance School Buildings Program, designed to increase energy efficiency and improve learning environments, was fully implemented
 - » The "2% Maintenance Accounting Rule" was replaced by the Asset Preservation Program
 - » In 2008, the Small Repair Grant Program provided \$4 million across 48 school districts
 - » The Legislature allocated \$78.8 million toward skills center projects in the 2007-09 biennium. This includes \$9.3 million for minor works projects.
 - » OSPI initiated a number of studies to evaluate and explore funding, siting, and program management options, in an ongoing effort to better serve Washington students
 - » School Facilities & Organization launched a Regional Assistance Center website, to serve as a resource to school districts



OSPI School Facilities & Organization

600 Washington Street SE
 P.O. Box 47200
 Olympia, WA 98504-7200
 Phone: (360) 725-6265
 Fax: (360) 566-3946
<http://www.k12.wa.us/SchFacilities/default.aspx>



OSPI Facilities & Organization

SCHOOL CONSTRUCTION ASSISTANCE PROGRAM OVERVIEW

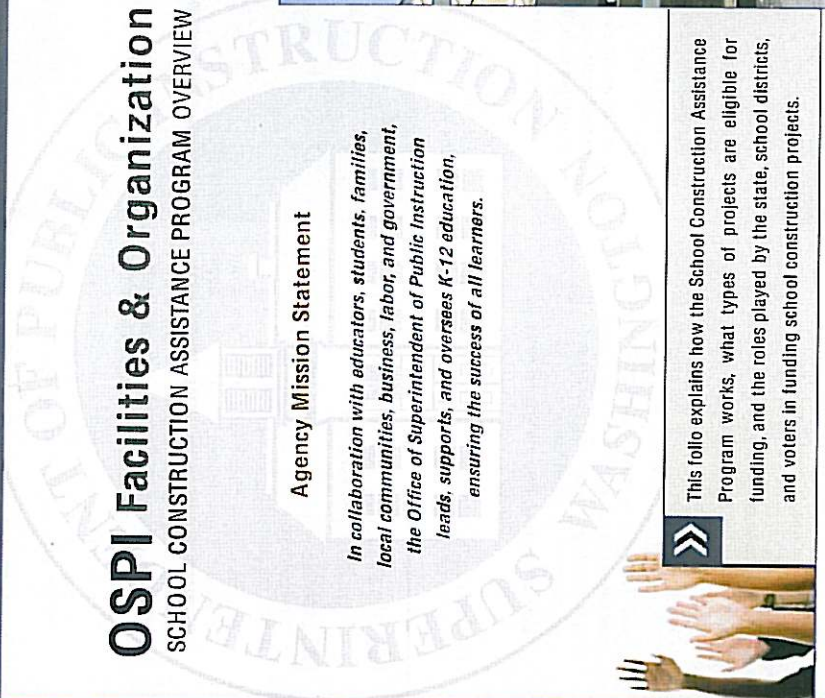
Agency Mission Statement

In collaboration with educators, students, families, local communities, business, labor, and government, the Office of Superintendent of Public Instruction leads, supports, and oversees K-12 education, ensuring the success of all learners.

This folio explains how the School Construction Assistance Program works, what types of projects are eligible for funding, and the roles played by the state, school districts, and voters in funding school construction projects.

The Office of Superintendent of Public Instruction (OSPI) is the primary agency charged with overseeing public kindergarten through 12th grade (K-12) education in Washington State. OSPI works with the state's 295 school districts to administer basic education programs and implement education reform.

Within OSPI, School Facilities & Organization administers the K-12 Capital Budget and the School Construction Assistance Program. The School Construction Assistance Program is OSPI's largest capital program and provides funding assistance for facility planning, new construction, and modernizations. Based on OSPI's work, the Legislature makes biennial appropriations to release state funds for school construction assistance to school districts.



Q: What is the state's role in funding school facilities?

[A] OSPI's School Construction Assistance Program operates as a partnership between local school districts and the state to fund construction of new schools and modernize existing facilities. The state contributes some funding, as well as technical assistance in facility planning, construction, and contracting. School districts have primary responsibility for school construction funding, and as the facility owner, are responsible for overseeing all phases of the project.

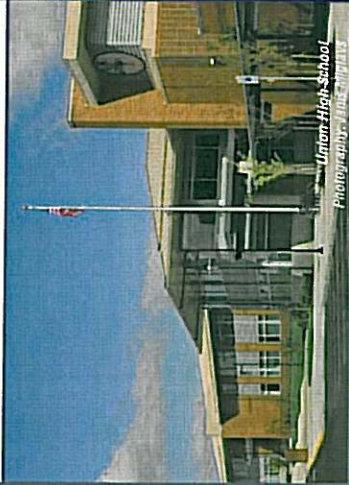


Photo: [http://www.wa.gov](#)

Q: How are projects funded?

[A] Local funding. To be eligible for state assistance, a school district must demonstrate local support for the proposed project by raising local revenues. *General obligation bonds* are the primary source of local revenues. School bond measures require a supermajority to pass. *Impact fees*, when approved by city/county governments with a fee structure, can be assessed on new development projects.

State funding sources. State revenues to fund school projects come from multiple sources, including management of *trust lands*, the *general fund*, state-issued *general obligation bonds*, and a portion of state *lottery funds*. The composition of total state funding across these sources changes over time, depending on budget decisions by the Governor and the Legislature.

Q: What types of projects receive funding?

[A] New construction projects build new schools to accommodate "unhoused students" in a growing school district. Modernization projects renovate and upgrade existing school facilities. New-in-lieu of modernization projects replace existing buildings with new ones when more cost effective than modernizing.



Q: What project-related costs can be funded through SCAP?

[A] The state provides assistance for "instructional space" (see below). Related to instructional space, the following categories of work are eligible for assistance:

- Initial planning activities: "Study and Survey"
- Development of educational specifications
- Architectural and engineering work
- Value engineering work
- Energy conservation reports
- Certain inspections and testing
- Furniture and equipment
- Constructability reviews
- Building commissioning
- Construction management
- Art for public spaces

Auxiliary facilities, such as stadia and district administrative space, must be funded entirely with local revenues.

What is instructional space?

Instructional space is defined by Washington Administrative Code 392-343-019 as the gross square footage of a school facility used for the purpose of instructing students.

Q: How much does the State contribute?

[A] State funding assistance is determined using a funding formula, based on three main factors:

$$\begin{array}{c}
 \text{A} \\
 \boxed{\text{Eligible Area}} \times \\
 \text{B} \\
 \boxed{\text{Construction Cost Allocation (CCA)}} = \\
 \text{C} \\
 \boxed{\text{Funding Assistance Percentage}} = \\
 \text{Maximum Allowable State Funding Assistance}
 \end{array}$$

A. The eligible area for new construction projects is calculated by comparing the current district-wide capacity (in square feet) to the district's projected enrollment growth and future space needs.

B. Construction Cost Allocation (CCA) is a per square foot amount set by the state and used to determine the level of state funding assistance. OSPI submits requests to the Legislature for periodic increases in the Allocation to keep pace with inflation.

$$\text{ELIGIBLE AREA} =$$

$$\begin{array}{l}
 \text{Future Enrollment (\# of student(s))} \times \\
 \text{Per Student Space Allowance} \\
 \text{minus Current Capacity}
 \end{array}$$

The Construction Cost Allocation used by the state is as follows:

July 1, 2010	\$180.17
July 1, 2009	\$174.26
July 1, 2008	\$168.79

Future Enrollment: the projected number of students in either the next three or five years

Per Student Space Allocation: Grades K-6: 90 square feet (sq ft) per student; 7-8: 117 sq ft per student; 9-12: 130 sq ft per student; students with disabilities: 144 sq ft per student. These allocations do not reflect the true per student space needs, which can vary by school and district education standards

Current Capacity: the existing space inventory for the whole district

For modernization projects, instead of Current Capacity, the square footage of "Improved Space" is deducted.

Q: What is the timing for State Funding Assistance?

[A] OSPI releases funding commitments for qualifying projects once a year – after July 1st (concurrent with the start of the state's fiscal year).

Projects may be "front funded" or "non-front funded." Front funded projects may begin construction prior to the state funding release. Districts using front funding must certify to OSPI that they have adequate funding to pay for the entire project in advance of receiving state monies. For non-front funded projects, school districts start construction following the state announcement that the district has secured funding.



OSPI School Construction Assistance Program Overview