

Proposed Framework for School Construction Aid Program

Agency of Education, October 22, 2024

Program Framework

The elements of this proposed framework draw from the highlights of the School Construction Taskforce Summary Report.

Pieces of a program framework that will be highlighted include:

- Eligibility Criteria
- Assurances
- Prioritization
- Bonus Incentives
- Additional Considerations

Program Application Cycle

1. SU/SD meeting all **Eligibility Requirements** can submit a completed application to the State Aid for School Construction Program for consideration (this may be a two-step application)
2. The Construction Program team will review each project and assign **Prioritization** points and assess which **Bonus Incentives** apply.
3. Construction Program team will submit recommendations for approved projects to Advisory Council or other oversight body
4. Oversight body will consider the appropriate amount of aid for the qualifying projects based upon the available monies.
5. The SU/SD recipient must meet all **Assurances** for the length of the bond following the completion of the construction project.

Eligibility Criteria

- Level of 'Proficiency' on the Facilities Management section of the District Quality Standards Rubric (including a developed CIP, an Operations Maintenance Manual for all schools, and a designated person with responsibility for facilities management with necessary qualifications).
- SU/SD Facilities Master Plan that engages in robust community involvement and is considerate of regional solutions (meets minimum criteria defined by the state)
- An evaluation of environmental contaminants should be considered and pursued as part of this planning process.

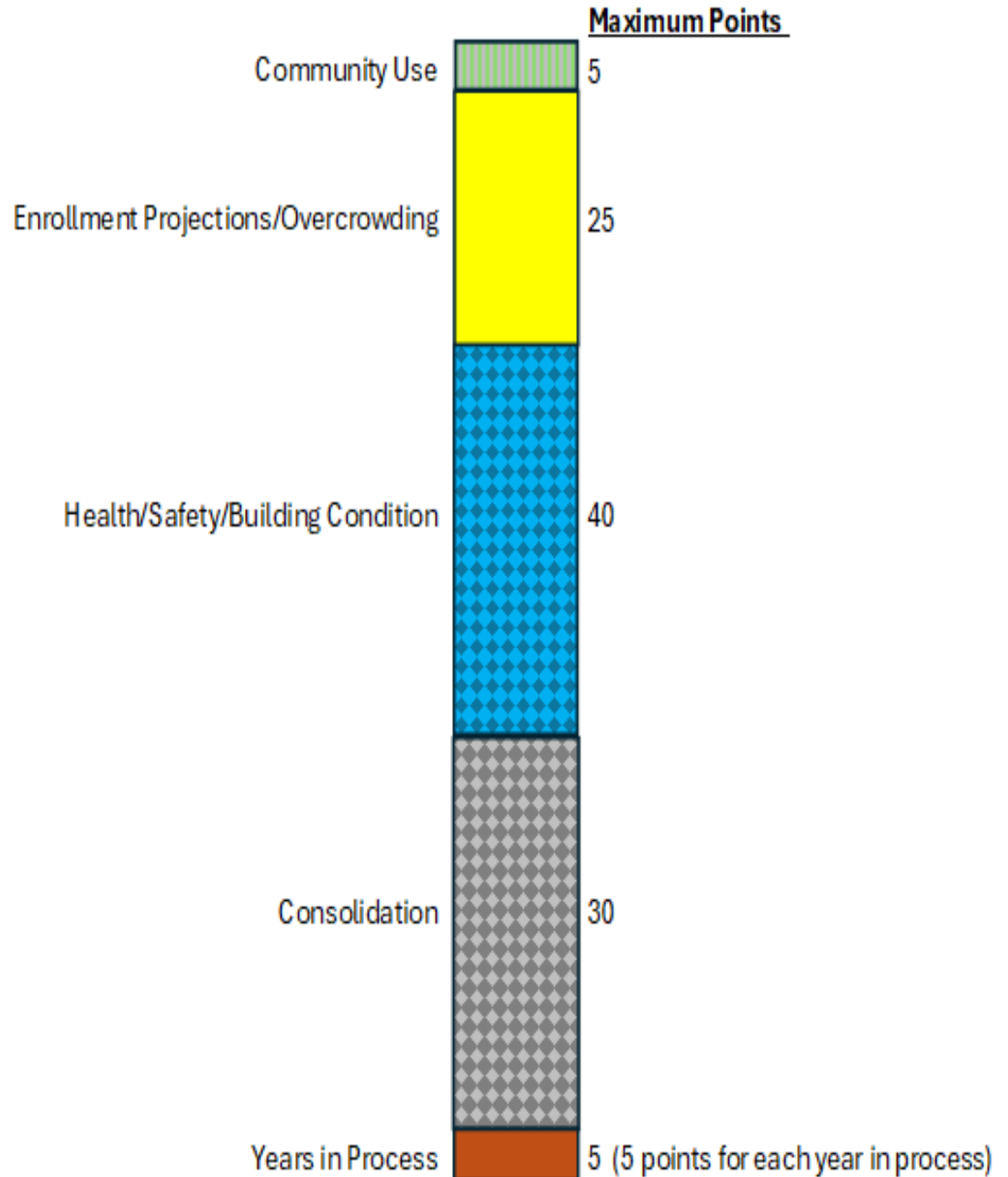
Assurances

- Qualified facilities leadership (as required in DQS and Act 72)
- Strategic 5-Year Capital Plan that aligns with the Facilities Master Plan (as required in DQS and Act 72)
- Appropriate facilities budgeting meeting national best practices (3% for O&M)
- A strong preventive maintenance program (as required in DQS)
- Construction programs that are accepted for turnover only after having been successfully commissioned

Prioritization

Community Use + Enrollment Projections + Health/Safety/Building Condition + Consolidation = 100

For every year that a project is unfunded, it gets 5 additional points added to its score.



Prioritization Considerations

- The weighting assigned to priorities can be a means to steer projects towards alignment with a long-term vision for education in the state.
- The “Years in Process” criterion may make sense in that a school with a project in the queue, but goes unfunded, gets points in order to increase its ranking in the subsequent years.
- Should we think about how to handle schools that have declining enrollment but also suffer substantial facilities needs?
 - Do we consider an FCI value threshold in conjunction with a declining enrollment projection as a priority for a project that might support consolidation?

Bonus Incentives

Districts pursuing projects that address the following areas shall be eligible for bonus incentives that may be combined up to a maximum additional aid award of (X%).

- School Safety and Security (Health/Safety/Building Condition Priority)
- Replacement (Health/Safety/Building Condition Priority)
- Decrease Overcrowding (Overcrowding Priority)
- Environmental Performance/Sustainability (In combo with another bonus)
- Newer and Fewer (Consolidation Priority)
- Major Renovation to Improve educational alignment and capacity (Community use priority)

Discussion

QUESTIONS AND TOPICS TO CONSIDER

Eligibility Considerations

- An appropriation to fund the existing Facilities Master Planning Grant made in FY26 would help build a queue of projects that are eligible for entry into the school construction program when it is adopted.
- The AOE in collaboration with BGS is coordinating to establish a list of Pre-Qualified A/E consultants that support PK-12 school facilities master planning.

Assurances:

Facilities Budgeting

The program may consider if district shall develop an annual maintenance budget of 2% of their buildings CRV and an annual operations budget of 1% of their buildings CRV.

- Preserves facilities assets so they can be utilized to the full extent of their life.
- Possible strain on budgets.
 - How would we propose to remedy a restricted O&M budget?
 - RI example: State directs aid in an amount equal to the shortfall to a district fund dedicated to meeting maintenance requirements (this mechanism is problematic under our current funding system)

Assurances: Preventative Maintenance

A Preventative Maintenance program ensures that maintenance is proactively performed on buildings in working conditions with the goal of reducing unexpected facilities incidents and prolonging its useful life.

What mechanism is to be used to measure this assurance?

- Three-year interval that is built into District Quality Standards
- Annual submission of the approved school budget for review and approval

Facility Condition Index

- FCI = (Cost of repairs required for the building) divided by (current replacement cost of the building).
- Buildings with FCI ratings below 5% will not be candidates for state construction aid unless they suffer from current overcrowding or enrollment projections indicate the school will become overcrowded in the near term.
- Buildings with FCI ratings above 65% will not be candidates for state construction aid, but for an XX% incentive bonus for building replacement when pursued in conjunction with an additional incentive bonus.

Environmental Considerations

- What other environmental contaminants should we be thinking about and how do we integrate concerns about them into the school construction program?
- Prioritization criteria rather than a bonus, projects must be done in combination with another priority (expanding educational programming, etc)

Grant Funded Program

Do we want to consider running a Grant Funded Program with a dedicated revenue stream to address facilities related projects that are more maintenance related with all the same eligibility criteria?

Keep construction dollars focused on biggest impact projects funded through bonding, while important but less impactful projects be addressed through another source funding

Thank you

QUESTIONS?