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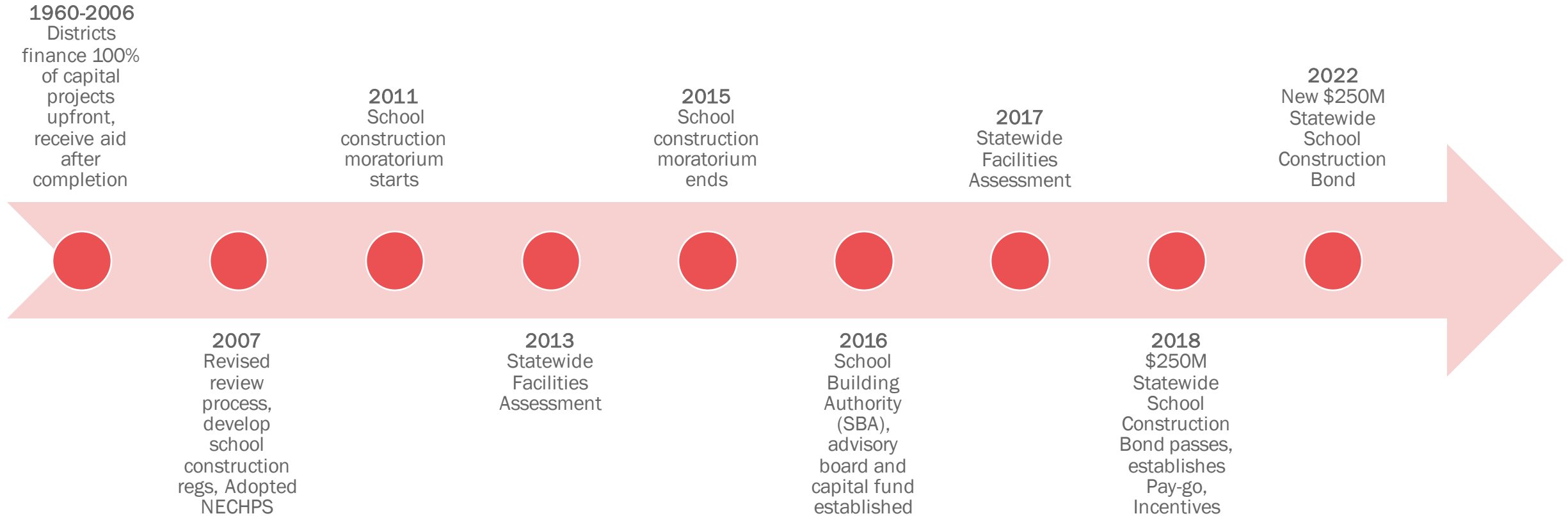
# RIDE School Construction Program

Vermont House Committee on Education

February 9, 2023

# RIDE Necessity of School Construction History

RIDE's Necessity of School Construction program has evolved over the last 15 years...



# School Construction Regulations

RIDE's School Construction Program is governed by the School Construction Regulations (SCR), which set standards for school facility design and construction.

*Spaziano Elementary School in Providence, RI*



- Adopted by the Board of Regents in 2007
- Identify:
  - Funding Priorities
  - Space Standards
  - Application Procedures
  - Construction Standards
- Focused on providing the quality learning environments

# Necessity of School Construction Process



## LOCAL approvals

### Identify your team

Pull together a School Building Committee, composed of city and school representatives

### Letter of Intent

Send a statement of interest signed by Superintendent, School Committee, and municipal representative  
 Spring Approval: August / Fall Approval: January

### Local Support

Stage II must include School Committee and City Council approvals  
 Spring Approval: February / Fall Approval: September

### Memorandum of Agreement

Signed by School Committee and Superintendent

### Voter Approval

For bonds, unless the municipality has a public building authority

6 months maximum

## Stage I: Identify Need

## Stage II: Develop Solution

## Approvals and Beyond...

### State Agency Reviews

DOA Planning, RIHPHC, Commission on Disabilities

### SBA Stage I

### Preliminary Approval

Authorization to move forward with Stage II  
 Spring Approval: September / Fall Approval: February

### SBA Stage II Preliminary Approval

### Memorandum of Agreement

Signed by Commissioner

### Enabling Legislation

For projects that are using bonds or other forms of indebtedness

### Council Approval

With recommendation from SBA Advisory Board, Commissioner makes recommendation to CESE  
 Spring Approval: May / Fall Approval: November



## STATE approvals



# School Housing Aid

Foundational housing aid represents the state's contribution to public school construction projects.



- Only projects approved through the “Necessity of School Construction Application Process” are eligible to receive state funding
- The state’s share ratio or housing aid reimbursement is calculated annually for each Local Education Agency (LEA) using a wealth ratio.
- A majority of the state’s funding is based on a reimbursement model
  - Payment occurs when the project is complete. Funding is tied to debt service payments.

# School Housing Aid

Housing Aid is a reimbursement based, where funding is paid upon project completion.



- State reimburses cities/towns for a share of capital projects
  - Includes principal and interest
  - State share is based on district's wealth compared to state wealth
- Minimum state share is 35%; Maximum is 96%
- Charter schools are at 30%

# SBA Capital Fund

A funding mechanism designed to provide upfront funding for high priority projects while reducing the burden of financing costs from State and municipal budgets.



*LaPerche Elementary School in Smithfield, RI, completed 2021*

- Designed to address high priority projects in communities with limited financial capabilities.
- SBA allocates funding to different priorities:
  - Shovel Ready Projects
  - School Safety
  - Facility Equity Initiative
  - Outdoor Classrooms
  - Equipment & Technology

# Pay-As-You-Go Funding

\$500M provided through the Statewide School Construction bonds is available to LEAs to support the state share of foundational housing aid awarded (Necessity of School Construction Approvals) on a pay-as-you go basis.



- LEAs submit invoices for immediate payment on eligible expenses (as opposed to waiting until a project is complete) to receive any state funds
- 15% of state share is awarded on each approval
- Eligible expenses include:
  - Approved projects, including new school construction, major renovations, security projects,
  - Site purchases, swing space, soft costs, and general capital improvements funded by bonds or local capital reserve accounts.



# 2013 Statewide Assessment

RIDE compiled an assessment based on district-reported ratings of school facilities, which provided a clear picture of the problems facing Rhode Island schools:



*Gym at Vartan Gregorian School in Providence, RI. Built in 1954. Still in operation.*

- 70% of RI's schools were built between 25-75 years ago
- Poor building condition highly correlated with older buildings
- \$1.8B in asset protection expenditures needed to bring buildings to like new conditions
- Excess building capacity was found at every level, providing opportunity for consolidation
- Repurposing some annual savings on approvals provided by the School Construction Program, RI could bring all public schools into good condition

*Alan Shawn Feinstein School in Central Falls, RI. Built 1961. Operational as a middle school until 2010.*



# 2015 Legislative Changes

During the 4-year moratorium, an estimated \$600M worth of repairs, energy efficiency projects and other school improvements were deferred.

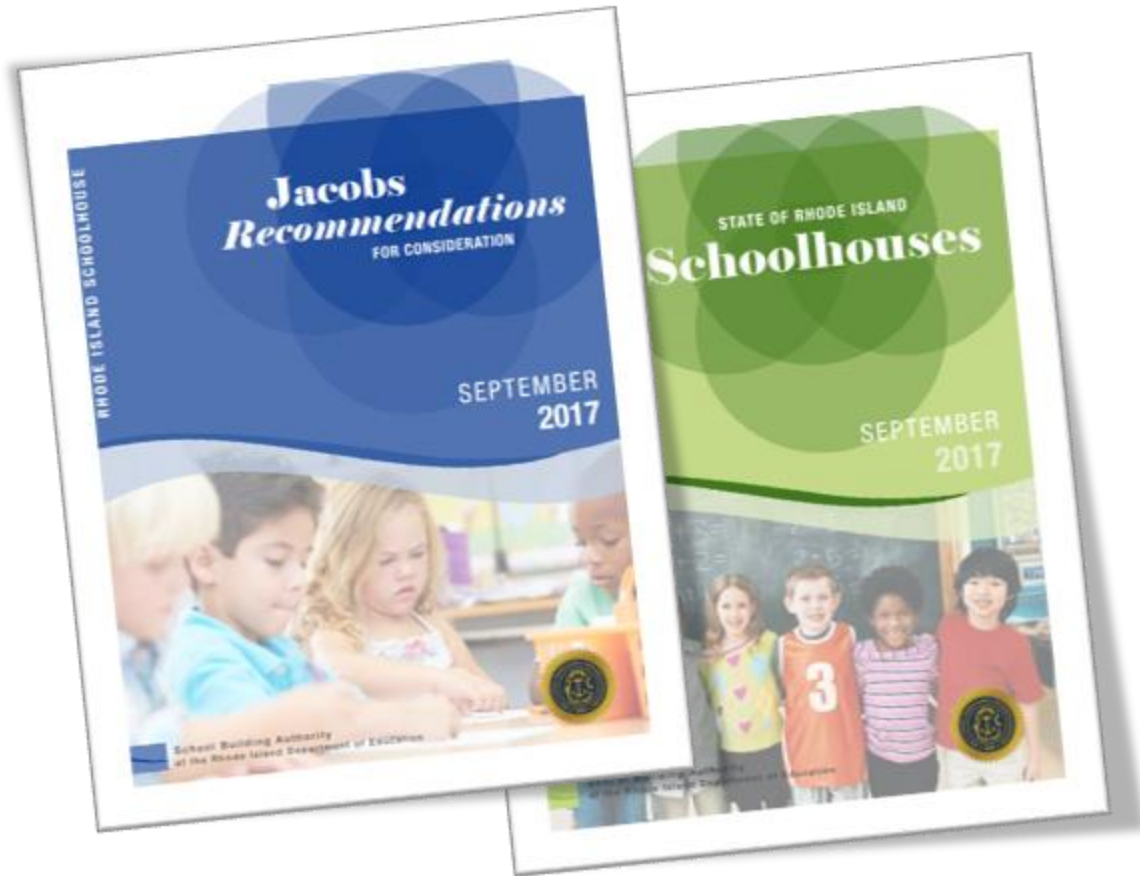


- Moratorium lifted
- SBA Capital Fund created
- 5-year Statewide Assessment requirement established
- Switched to an annual approval process

*Flaking plaster and paint inside front entry at Gilbert Stuart Middle School in Providence.*

# 2017 Statewide Assessment

RIDE engaged Jacobs and Cooperative Strategies to conduct a statewide facility condition assessment. Data collected from that effort informed the statewide Recommended Action Plan and forecasted future funding requirements



- Report found over \$3B in deficiencies throughout the state's 300 schools.
- Assessment included:
  - Educational program space assessment,
  - Capacity analysis & enrollment projection,
  - Facility condition assessment,
  - Five-year life cycle forecast,
- Strategic, effective spending created healthy, safe learning environments that also supported 21st century learning

# 2018 School Construction Changes

Rhode Island voters approved a statewide school construction bond on November 6, 2018, which triggered two components: temporary bonus incentives and a “pay-as-you-go” upfront funding option.

- Temporary technical assistance grants were also provided to support LEAs in preparing, strengthening, and submitting a high-quality Necessity of School Construction applications.



*Barrington Middle School broke ground in 2018 and was completed in 2019.*

# Temporary Bonuses

**Bonuses were intended to create surge of activity to address concerns quickly**

- Must begin by December 30, 2023.
- 5-year window for completion
- Bonuses can be combined
- 25% of total project or a minimum of \$500,000 must be directed to a specific incentive
- Max increase in state share is 20%, but can't increase by more than half

Commence by 2022 - Complete by 2027



## Health & Safety

Projects that address Health and Safety Deficiencies shall receive a 5% bonus.



## Educational Enhancements

Projects that address Educational Enhancements such as Early Childhood Education and Career and Technical Education shall receive a 5% bonus.

Commence by 2023 - Complete by 2028



## Replacement

Replacement of a facility that has a Facility Condition Index of 65% or higher shall receive a 5% bonus.



## Decrease Overcrowding

New construction or renovation that decreases overcrowding from more than 120% functional utilization to between 85% and 105% shall receive a 5% bonus.



## Newer & Fewer

Consolidation of two or more school buildings (Newer and Fewer) into one school building shall receive a 5% bonus.



## Increase Utilization

New construction or renovation that increases functional utilization from less than 60% to more than 80% shall receive a 5% bonus.

# 2018 School Construction Changes

New funding opportunities provided districts with the power to improve their facilities. But with great power, comes great responsibility...districts now must meet new requirements to qualify for funding.



- Districts were required to invest annually in ongoing maintenance
- For projects over \$10M, the prime contractor must be prequalified by the SBA
- Projects over \$1.5M must include an Owner's Program Manager (OPM) and Commissioning Agent
- Projects must meet prevailing wage and state MBE requirements
- Districts must provide quarterly progress reports for all ongoing school construction projects.

# Project Approvals

RIDE's Necessity of School Construction program has evolved over the last 15 years...

Fiscal Year	Approvals	State Share
FY 2018	\$283.6	\$141.8
FY 2019	\$383.0	\$191.5
FY 2020	\$629.5	\$314.8
FY 2021	\$143.5	\$71.8
FY 2022	\$923.3	\$461.8
<b>Total</b>	<b>\$ 2,362.9</b>	<b>\$1,181.7</b>

\$ in millions; does not include incentives

\*State Share is tied to debt service (20 years), not paid annually.

# Update & Links

RIDE anticipates another \$1B in project approvals in 2023 as the bonuses begin to sunset.

- [Renewing the Dream](#)
- [ARTS Initiative](#)
- [Learning Inside Out](#)
- [Food Trucks](#)
- [2017 Statewide Assessment](#) (2023 version is underway)







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Questions?