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## Summary

# Proposal to Establish Statewide School Facility Program

### Need

Support for Oregon's school facilities is in the bottom 25% of the nation. Oregon has no –

- Updated database or **inventory** of facility existence, condition, needs, or use
- State office to coordinate, administer, provide **technical assistance**, monitor, propose or address policy issues
- **Standards** that would equalize the quality of the facility in which a student is educated
- Statewide resource or **funding**, or method of allocating funding for school facilities and their planning and pre-development costs

### Vision

The new statewide School Facilities Program would once again unite the total learning environment under the direction of the Superintendent and the Oregon Department of Education, and establish safe, efficient, and green schools for all of Oregon's children. Supported by the Oregon Association of Education Service Districts (OAESD) and the Center for Innovative School Facilities (CISF) with expertise, volunteers, and technical assistance, the Program would deliver –

- Statewide inventory, database, and software commonly used by ODE and all of its districts that would be the foundation for both policies and funding;
- Technical assistance in all aspects of planning, construction and real estate development through a regional statewide network;
- Standardized sustainability, technology and energy conservation practices;
- Sources, allocation processes, monitoring and reporting for facility funding;
- Advisory Committee appointed by the State Superintendent and representing a broad base of school and community leadership to guide the development of the state program and policies needed to support it.

### Short Term Goals

The partnership of OAESD and CISF propose to ODE to develop a program that meets the minimum criteria for the immediate Stimulus Package requirements; sets the stage for a second Stimulus Package; lays the base for an effective statewide school facility program; and includes the following deliverables:

- **Statewide web-based inventory** and data base (minimum 100 data points) in draft form by June 1 and Finalized by October 31, 2009;
- **Establish an Allocation and Competition Process** for Stimulus Packages
- **Develop Representative Statewide Engagement Process** and resulting Advisory Committee
- **Provide Stimulus Package Management** including allocation, technical assistance and reporting process meeting state and federal guidelines,
- **Lay basis for Phase II** including 2nd Stimulus Package, IT criteria, process, administration and development additional programs and services

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# Statewide School Facility Program

## 1. Issue

Comparison of Oregon's School Facility resources to the rest of the nation demonstrates that the state is in the bottom 25% in regard to supporting and funding school siting in a way that fosters community cohesion and educational initiatives. This analysis highlights the facts that Oregon has no –

- Statewide resource or funding for school facilities
- State office to coordinate, administer, propose or address policy issues
- Database or inventory of facility existence, condition, needs, or use

Many states have policies that include:

- Flexible acreage standards that allow communities to determine the best use of the site-whether it is an existing site or a new site
- Policies that encourage joint planning for and joint use of community facilities, including school buildings, libraries, sports areas, etc., to maximize community investment and use
- Policies and procedures that allow private funds, or other public funds, to be used in conjunction with school funding to maximize resources available for the facility and the site
- Policies that require feasibility studies comparing the cost of building a new school with the cost of renovating, and perhaps expanding, an existing school
- Policies that facilitate the sale or reuse of an older or historic building for another purpose if the building cannot be renovated as a school

All responsibility for school facility have been left up to the local school district since the advent of Measure 5 in 1990. When Measure 5 was passed, school funding was shifted to the State; however, this shift included only education and left behind facilities with the locality. Oregon school districts rely on bond passage to cover facility costs, including new construction, renovation, and basic operation.

## 2. Vision for an Oregon School Facilities Program

Launched in 2009 the new School Facilities Program would once again unite the total learning environment under the direction of the Superintendent and the Oregon Department of Education, and establish safe, efficient, and green schools for all of Oregon's children. Supported by the Education Enterprise Steering Committee and Center for Innovative School Facilities with expertise, volunteers, and technical assistance, the Program would start with the a statewide inventory, database, and software commonly used by ODE and all of its districts. This database then becomes the foundation for both policies and funding.

Statewide policies developed to support the Governor and Legislature's goals and priorities will be developed on a bi-annual basis. In the next biennium priorities would include –

- Standardizing sustainable practices, technology and energy conservation in facilities throughout the state
- Recognizing and supporting the continuum of education of Pre-K through Higher Education, and
- Supporting "community centered schools"

These policies would link not only to other state agencies and priorities but also to local and regional governments in the form of both collaborative planning and implementation.

Funding for high performance, low operating cost facilities will become a given for Oregon schools assuring that all children receive their education in a facility that supports the quality of their education and speaks to their importance as Oregon's future leaders. This funding would support pre-development planning for sustainable practices, technology, and education excellence, along with long range facility planning and public/private/community partnerships. And, based on a system of equity, provide support for capital maintenance and new construction as warranted by a statewide system of enrollment projections and educational excellence demands.

Finally, this Program will establish Oregon's education system as a leader in both educational excellence, sustainable practices and community-centered schools.

**3. President-Elect Obama's Economic Stimulus Package Requirements**

Oregon must develop within 6 months of funding a state-level database of public school facility inventory that includes condition, design and utilization, and a program to administer, monitor and report on the school construction program. The national school facilities organization Building Educational Success Together (of which the Center for Innovative School Facilities is a member) is involved in the process of crafting the distribution and requirement for the funds.

The following outlines the Stimulus Fund's distribution and requirements --

Funds to:

- stimulate economy by creating construction and related jobs;
- improve education quality by improving the design, condition and utilization of public school facilities;
- reduce energy and natural resource consumption.

Secretary must reserve 1 percent of school renovation funds for assistance to outlying areas and for payments to the Interior Secretary, who in turn can provide assistance to schools funded by the Bureau of Indian Education according to their relative need, as determined by the secretary.

Each of the 100 largest Local Education Agencies (LEAs) receives a formula amount similar to what it received under Part A of Title I in Fiscal 2008 (roughly one third of total) within 30 days of enactment.

Remainder to State Educational Agencies (SEAs) within 30 days of enactment per a formula amount similar to what remaining districts would have received under Part A of Title I in Fiscal 2008, except that no SEA can receive less than 0.5 percent within.

Other than administrative funds, SEAs (or the other applicable "state entity") must distribute 100 percent of the remaining funds to LEAs in the form of competitive grants according to eligibility rules based on:

1. percentage of poor children;
2. need for school repair and renovation;
3. LEA fiscal capacity;
4. charter access to funding;
5. likelihood of maintaining the facility.

No match required.

ED may reallocate to other SEAs funds not asked for or used by an SEA, as of December 1, 2009.

States may use up to 1 percent for SEA administration or state operated special education or alternative education schools, with no total dollar limit expressed.

States must use a portion of funds to establish or support a state-level database of public school facility inventory, condition, design, and utilization and to administer, monitor and report on the school construction program.

If SEAs transfer funds to another "state entity" responsible for educational facility financing, SEAs must also transfer 0.75 percent of the amount for grant administration.

## 4. Proposed Plan and Elements of State Program – Phase I

### Background

Innovation Partnership's Center for Innovative School Facilities (CISF) in partnership with the 21st Century School Fund (21CSF) in September initiated a **Pilot Project for Long Range Facility Planning** combining software developed by 21CSF and workshops by CISF (see attached). This "first in the nation" software and the workshops combine to provide participating districts with an "active," in-house developed Long Range Facility Plan that not only provides the long term planning mechanism, but also includes local land use, economic and community trend data as well as public/private/community partnership opportunities.

**Designed for 20 school districts** and partner local governments, the Pilot Project currently has 6 contracted (David Douglas SD, Redmond SD, Roseburg SD, City of Portland, Portland Public Schools, Beaverton SD) and 16 pending participants (Centennial SD, Salem-Keizer SD, Hillsboro SD, NW Regional ESD, Southern Oregon ESD, High Desert ESD, Crook County SD, Crook County, Oregon city SD, City of Redmond, Springfield SD, City of Springfield, Willamalane Recreation District, City of Roseburg, Douglas County, METRO) and numerous others have expressed interest.

Conversations with two lead ESD superintendents (Jim Mabbott and Dennis Dempsey) led to the concept of ESDs statewide participating thus creating not only a statewide database, but also a mechanism for them to aid their districts with collaboration and their smaller districts with the facilities in general. Superintendent Dempsey, on behalf of the statewide ESDs examined the software earlier this month. The proposal for a **statewide database and long range facility planning system** jointly managed by the ESDs and the Center is expected to be finalized at the January 8th meeting of the ESD Executive Committee.

**Economic Stimulus Package Influence**

In October the Center in conjunction with the 21CSF began working with members of President-Elect Obama's Transition Team on the school facilities section of their proposed Economic Stimulus package. They requested proof that school districts nationwide truly had "shovel-ready" (within 90 days of funding) projects on tap and sufficient to cover their proposed $10 Billion national allocation. The Center polled school districts statewide and compiled and submitted a list of over $200 Million, although Oregon's share of that would only amount to about $94 Million. The Center's list was also provided to Oregon's Congressional delegation.

Once the election was settled and Congress began looking at Stimulus Packages, the House passed a $2.5 Billion package (with extensive restrictions) and the Senate passed a $3 Billion package with fewer restrictions. Meanwhile, the Center through the 21CSF continued to work with President-Elect Obama's team about mechanism's for allocating the funds to states and getting it to the districts in a timely fashion. It is these conversations combined with the restrictions suggested by the House and Senate that prompted the expansion of the conversations between the Center and the ESDs. Clearly, the statewide database already being developed (we expect a preliminary statewide database by mid-January perhaps sooner) and the workshops and management assistance under discussion completed many of the requirements likely for Oregon's receipt of the Economic Stimulus funds makes it unnecessary to create another system and process to respond to the Stimulus package. The additional advantage of having the entire state using the same facility management software and to be able to procure it at a substantially reduced rate due to the Pilot Project The following is an outline of the Center and ESD's proposed mechanism and funding structure to assure that the Department of Education and Oregon's school districts get the greatest possible impact from the Stimulus package at whatever level is in the end funded.

It is our joint (Center and ESDs) recommendation that to –

- meet the minimum criteria for the immediate Stimulus Package requirements,

- set the stage for a second Stimulus Package later in 2009 (projected) and,
- lay the base for an effective statewide school facility program,

it is proposed that a contract for services based on $3 Billion (Senate version) to $10 Billon (Obama package), delivering approximately $28 – $94 Million to Oregon of which the State is required to spend 1% on data development and management -- be let to the Center for Innovative School Facilities and the ESDs perhaps through the Education Enterprise Steering Committee to assure that the systems are set up to bring dollars into the State and through to the districts as quickly as possible. This would include –

**Phase I – 1st Stimulus Package**

a. **Create the Statewide Inventory** of facilities that includes condition, design and use and covers 100 data points per facility (ie physical, enrollment, programming) using Long Range Facility Planning Pilot Project software called Format Pro© and partnering with the 21st Century School Fund and which is coordinated with the Pilot Project participants and their more extensive relational database (550 data points).
   Estimate $100,000 – $250,000 for web-based version (paid by ODE to 21CSF with Stimulus funds for data base customized to suit ODE's reporting and use needs plus $50,000 to ODE for administration plus $25,000 – $50,000 to ESDs for funding districts without resources).
b. **Establish Competitive Process** Criteria for Stimulus Package – Phase 1 Short Term (90 days) that includes –
   - Representative statewide engagement process to consider competitive structure, allocation mechanisms, reporting and needed technical assistance; prepares recommendation report that satisfies federal guidelines and delivers recommendation to State Superintendent for required adjustments and adoption;
   - Establishes coordination mechanism with existing ODE systems that recognizes priorities and provides avenue for partnerships;
   - Researches and recommends to State Superintendent for appointment, then recruits and staffs Advisory Committee that involves volunteers with specialties defined by the federal package as well as Oregon's priorities;
   - Provides links to Governor and other lead agency's statewide goals.

   Estimate $42,000 – 86,000 (likely split by ESDs and Center for process).
c. **Administer Phase I Competitive Process**, including –
   - Assist districts through application, implementation and reporting processes and providing facility development training as needed;
   - Coordinate local projects with related State agencies as appropriate;
   - Use the process and the Advisory Committee to both lay the basis for a statewide facility program and settle any competition or funds allocation disputes;
   - Provide required State and Federal reports to ODE for submission.

   Estimated Cost $88,000 - $249,000 (while split between the Center and ESDs, providing general workshops to prepare districts to receive funding and site specific technical assistance to address both development issues and meet reporting requirements needed throughout the state and for Advisory Committee staffing.)

**Phase II – 2nd Stimulus Package**

d. Develop Criteria and Process for Phase II, Long Term Stimulus Package that meets State and Federal criteria. See # B for elements.
   Estimated Cost $58,000
e. Administer Phase II Stimulus Package Construction program.
   Estimated Cost to be based on size of package to administer.
f. Using Advisory Committee develop the framework for a state level facility program that addresses Oregon's current deficiencies.
g. As funds become available additional programs and services envisioned include statewide –
   - Enrollment projections by county, updated annually (estimated $100,000 initially and $50,000 annually to update)
   - Inventory of historic schools and related support for rehabilitation
   - Energy use audit
   - Updated seismic needs assessment
   - Ten year sustainability practices implementation plan
   - Revolving loan fund for pre-development planning
   - Capital bonds fund for redevelopment and new construction

**5. People involved** in developing this package include: Statewide Facility Project Committee Chair - Chris Dudley and Participants -- Steve Anderson, P & C Construction; Luis Caraballo, Salem-Keizer SD; Jeff Conditt, Miller Nash; Dennis Dempsey, High Desert ESD; Nick Ehlen, Melvin Mark Cos.; Louis Fontenot, Trammell Crow; Kaaren Hiekes, Charter Schools; Justin Hurley, Asante Health Systems; Jeremy Lyon, Hillsboro SD; Jim Mabbott, NW Regional ESD; Kelly McInroy-Edwards, Wells Fargo; Bruce Murray, CASH Oregon; Barbara Rommell, David Douglas SD; Bill Scott, Zipcar; Dick Steinbrugge, Beaverton SD; CJ Slyvester, PPS.

**A- Statewide Inventory Project &**
**B- Long Range Facility Planning Pilot Project**

| **Level A: Statewide Web-Based Inventory and Database Only** | | | **Level B: Long Range Facility Planning Pilot Project (Limited Participation)** | |
|---|---|---|---|---|
| • 100+ Data Points per Property<br>• Assembly Assistance and upload provided by Center<br>• Meets Economic Stimulus Package requirements<br>• No Long Range Facility Planning Workshops | | | Three Levels of Data and Web-Based Inventory:<br>• 550 Data Points<br>• Local Government, Economic, and Demographic Info<br>• Partner Profiles for each SD | |
| **School Districts** | | **ESDs** | **School Districts** | **ESDs** |
| **Extra Large Districts** (35-45,000 students | $5,000 | No level A package available as Level B training required for ESDs | $10-15,000 ($5,000 local gov't) | $5,000 with all districts (except very small) participating at Level A or higher |
| **Large Districts** (10-20,000 students) | $2,500 | | $5,000 | |
| **Medium Districts** (2,500-10,000) | $1,250 | | $2,500 ($2,500 local gov't) | |
| **Small District**s (600-2,500) | $750 | | $1,500 | |
| **Very Small Districts** (under 600) | Included in ESD package | | Included with ESD Package | |