



Rhode Island Department of Education/
School Building Authority
(RIDE/SBA)

Westerly Presentation

September 11, 2019



Presentation Agenda

- **RI School Construction Program - Historic Overview**
- **Necessity of School Construction Application Process**
- **Summary of Recent Legislative Changes**
- **Funding & Finance**
- **Westerly Approval Information**
- **Q&A**

RI School Construction Program

1960 – 2006: Local Education Agencies (LEAs/Districts/Charters) finance 100% of a project and once the project is complete, receive the state's share of the project costs in the form of school "Housing Aid" through annual reimbursement payments.



2007: General Assembly mandated that RIDE revise its review process and develop school construction regulations and the introduction of a new "Necessity of School Construction Application Process" by which LEAs could receive approval and state funding.

2011-2015: The General Assembly imposed a school construction moratorium and only emergency health & safety projects were approved.

- RIDE Schoolhouse Report Released

2015 - 2017: School construction moratorium lifted! Creation of the School Building Authority (SBA), the SBA Advisory Board and the SBA Capital Fund.

- Statewide Assessment Released

2018: \$250M statewide school construction bond passed by voters and significant legislative changes to the program.

STATE OF RHODE ISLAND SCHOOLHOUSES

306 Public School Campuses
(multiple buildings & types may be in on one campus)

177 Elementary Schools

6 Pre-K Campuses

5 K-8 Campuses

4 k-12 Campuses

50 Middle Schools

4 Middle/High Schools

60 High Schools

24.1 Million square feet

AVERAGE CAMPUS
AGE

56 yrs

ENROLLMENT DOWN
OVER 20 YEARS

10 %

CONDITION ASSESSMENT FINDINGS

PRIORITY 1 & 2 FACILITY DEFICIENCIES (WARM, SAFE & DRY) + **\$ 627.6** Million

PRIORITY 3, 4 & 5 FACILITY DEFICIENCIES + **\$ 1,595.1** Million

FACILITY DEFICIENCY COST **\$ 2,222.7** Million

Laying the Foundation

Educational Master
Planning Process

Engage Stakeholders
Build a broad team to be a part
of planning discussions.

Find Your Leader
Procure an Educational
Facilities Master Planner

Make a Plan
Develop a plan and
present it to your
community for feedback

Get Approval
Have the School
Committee
approve your plan

**5-10 Year
Facilities
MASTER PLAN
Complete**

6-12 months

Master Plan

Facility Assessment

Demographics

Education Program

What should a Master Plan Include?

- Educational programs and framework
- Student demographics and enrollment
- Physical plant conditions and current facility needs



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Necessity of School Construction Approval Process and Timeline

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

Under Construction

Seeing School Projects From Design Through Completion



LOCAL to-dos

Schematic Design Review

Stage III must include the project's major components, including engineering

Design Development Review

Provide greater detail, including an updated project budget

Construction Documents Review

Finalize the development of the project

LEA Bids

LEA goes out to bid and shares responses with SBA

Progress Reports

On the 12th of every month, OPMs provide a project progress report

Project Complete

For that year's cycle, projects must complete by June 30

Housing Aid

LEAs submit Housing Aid forms by July 15

Stage III: Design Reviews

Stage IV: Construction

Project Completion

SBA Approvals

The SBA must review and approve each of these components: schematic design, design development, and construction documents.

September 15 & March 15

RIDE makes Housing Aid payments twice annually for projects completed by June 30



STATE to-dos



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Summary of School Construction Statutory Changes - 2018 Session

- **Annual Maintenance Requirement**
- **Eligibility Requirements for School Housing Aid:**
 - Projects over \$1.5M require Owner's Program Manager
 - Projects over \$10M require use of a Prime Contractor from a pre-qualification list created by RIDE/SBA
 - Prevailing Wage and Minority Business Enterprise (MBE) state laws
 - Restructuring of Incentives: Creation of Permanent & Temporary Bonuses
- **Prequalification of Architects and Engineers**
- **Public School Construction Quarterly Progress Reports**



Getting Shovel Ready

Funding for School Construction



Have you received necessity project approval? This is required for **all projects** to access state funding



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 rate (the percentage that the state will contribute towards a project) is calculated annually for each Local Education Agency (LEA). A majority of the state's funding is based on a reimbursement model and payment occurs when the project is complete.



SBA Capital Fund

The SBA Capital Fund provides "pay-as-you-go" state funding for approved projects to address high-priority needs. This competitive funding is distributed as work is being done, with LEAs submitting invoices to RIDE.



Construction Bond

The bond was approved by voters in November 2018. **COMING SOON:** Information about how the bond works will be released in early 2019.



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Building with Us

How to Take Advantage of Rhode Island's Historic School Facilities Bond



Rhode Island voters approved a statewide school construction bond on November 6, 2018.

The statewide bond triggered two components:

1. Established six temporary bonus incentives
2. Provides \$250 million in "pay-as-you-go" funding to support approved projects



How much pay-as-you-go funding can I receive?

LEAs will receive 15 percent of their total state share in pay-as-you-go funds from the bond. So, for example, if you have a \$100 million project and have a 50 percent state share ratio, the state will pay \$50 million. Fifteen percent of \$50 million - or \$7.5 million - will be offered as pay-as-you-go funding.

In the "Bonus"

Permanent

School Safety & Security

If 75% of a project is for the purposes of School Safety & Security, then the project shall receive a 5% bonus.

In order to qualify for the increased share ratio for the temporary bonuses, 25% of the project costs, or a minimum of \$500,000, must be specifically directed to these purposes.

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.



Example of How up front funding works:

- LEA receives a \$50 million approval from RIDE for school construction with a 50% base state share ratio (not including bonuses)
- The state's share of the approval is \$25 million
- 15% of \$25 million (\$3,750,000) is offered up front as pay-go funding
 - LEA submits invoices to RIDE and receives payments as project is being completed

Approved Project Cost	Base State Aid Share Ratio	State Share of Project Cost	15% of State Share offered as up front (Pay-as-you-build)
\$50,000,000	50%	\$25,000,000	\$ 3,750,000

- Once the project is complete:
 - RIDE confirms bonuses and calculates state share ratio w/bonuses
 - The remaining amount of the state share is paid as traditional Housing Aid reimbursement

NOTE: For simplicity, interest was omitted from the example above but will be included in calculations

Approval of Necessity of School Construction: Westerly

May 14, 2019

•The Council on Elementary and Secondary Education approved the necessity of school construction projects for the Westerly Public Schools totaling \$74,284,759 pursuant to 16-7-41.1 as follows (please note that when the applicable reimbursement share ratios are applied to the estimated total project costs noted below, the state share is expected to be \$25,999,666, which includes \$5,454,081 in pay-as-you-go funding):

Districtwide Repairs:	Amount
Dunn's Corner School	\$ 13,544,489
Springbrook Elementary School	\$ 7,081,444
State Street Elementary School	\$ 37,323,668
Tower Street School	\$ 29,849
Westerly Middle School	\$ 219,250
Westerly High School	\$ 13,880,571
Districtwide Security Repairs	\$ 2,205,488
TOTAL:	\$ 74,284,759

SUMMARY: FY 2019 NECESSITY OF CONSTRUCTION PROJECTS - WESTERLY

WESTERLY SCHOOL DISTRICT	BRIEF DESCRIPTION	JUSTIFICATION	FY 2019 AID SHARE RATIO*	ESTIMATED PROJECT COST	STATE SHARE	STATE SHARE W/ INTEREST**
New Construction, Repairs, and Renovations	<p>This project includes the construction of a new Upper Elementary School for 540 students at the State Street School site.</p> <p>Additions and renovations at Dunn's Corner Elementary and Springbrook Elementary are also part of a districtwide masterplan consolidation.</p> <p>This masterplan will also address repairs at the other Westerly school facilities.</p>	<p>This project is part of a masterplan that addresses high priority facility deficiencies while making educational program improvements. This includes the construction of a new Upper Elementary School, and renovations and additions to two existing schools to create Lower Elementary Schools. This project also includes districtwide health and safety improvements, including: HVAC repairs; roof replacements, hazardous materials abatement, fire alarm and safety improvements, interior renovations, and other building system improvements that affect student and staff health and safety.</p>	Base Rate 35%	\$74,284,759	\$25,999,666	\$36,360,540
			Maximum Rate 52.5%***	\$74,284,759	\$38,999,499	\$54,540,810

* State share ratio is based on FY2020 calculation.

** Only bonds financed through RIHEBC are eligible for reimbursement on interest.

*** District may be eligible for up to 17.5% additional reimbursement, pursuant to RIGL 16-7-40.

Questions?

