SUBJECT: Office of School Facilities

STAFF NAME & OFFICE: Michael Elliott, Office of Finance and Information Technology; Rick Crager, Office of Finance and Information Technology

Updating the Office of School Facilities rules to respond to improvements made by advisory group and continue best practices for the OSCIM Program, and Technical Assistance Program.

New Rule  Amend Existing Rule  Repeal Rule

First Reading  Presentation  No Presentation
Action  Temp Rule  Presentation  No Presentation

BACKGROUND

In 2015, the Oregon Legislature created the Office of School Facilities (OSF) within ODE. The purpose of this office was to provide state-level support to districts in the management of their facilities. This was the first time in state history that the state took an active interest in school facilities.

Three programs were originally created in 2015. The first was the Oregon School Capital Improvement Matching Program (OSCIM Program). This program provides matching funds to districts to encourage them to pass local general obligation bonds to improve their school facilities to keep students healthy, safe and warm. Since 2015, this program has provided $200 million in matching funds for $4.9 billion in local general obligation bonds.

The Technical Assistance Program (TAP) provides grants of up to $25,000 to help districts with the following assessments: facility assessments, long-range facility plans, and seismic assessments. Environmental Hazard Assessments were added by SB 1062 in 2017. To date the TAP has provided over 300 grants to districts totaling over $7 million for these assessments.

The TAP allocates the grant funds based on preference points. Districts that have specific characteristics such as high poverty, small student body, and has not completed the work previously, get more preference than districts that do not have the characteristics. The goal of these preference points is to ensure that the funds are getting to districts that have the most need for the funding.

The third program was the creation of a statewide facilities database. This is the first time that ODE has collected facilities data from the districts. This is a statutorily required collection. Last year ODE was able to get participation from over 90% of the districts. This year we are working with the districts, ESDs, and charter schools to achieve 100% reporting in this collection.

A key part to the success of the OSF programs is a standing advisory committee that provides input on how the programs are run. The advisory committee (as required by statute) is comprised of facility
experts, district representatives, financial experts, and other stakeholders. The advisory committee provides feedback on what is working well and what could be improved in the program.

The advisory committee has met in person at least once a year since the program inception. Additional meetings occur in person as needed or over email where OSF proposes changes and then receives feedback on those changes.

ODE is submitting several proposed changes to the OSF rules. These changes are the result of work within the program and with the advisory group. The proposed rule changes fall into three main categories:

1. Technical Clean-up. These changes provide clarity to the rules and remove outdated rules. The following are technical changes:
   - Eliminating language that was needed for the 2015-17 biennium, because that biennium has passed.
   - Changing the term Certified Contractor to Certified Assessor to better align with statute.
   - Clarifying language to make it more readable
   - Clarifying that districts can use either email or ODE’s secure file transfer protocol to submit documents to OSF.

2. Alignment with advisory group recommendations. The advisory group has provided valuable insight into how to improve the program to be more responsive to districts. Highlights of these changes include:
   - Changing the priority list formula to exclude virtual charter school students. By including these students it was skewing the results for a couple of districts which was not in line with results of like-sized districts once virtual charter school students were not included.
   - Allowing districts more time to correct minor deficiencies in required reports. This ensures that all reports meet standards but that a minor error does not disqualify a district from eligibility in the OSCIM Program.
   - Allowing districts additional time to withdraw without penalty. The OSCIM Program application deadline is nine months before the election date. This is important because it gives districts plenty of time to inform their community if they will receive additional state funding for passing a bond. However, in the past we have had districts learn, after the application deadline, that it would be better to withdraw from the current election and seek a bond in a different election. Extending the deadline by 60 days for those districts gives them needed flexibility in their bond planning.

3. OSF proposed changes. These changes are spearheaded by the OSF to create a better program. The advisory group has been made aware of these and is still commenting on the changes. They include:
   - Clarifying the end of biennium lottery process if there are OSCIM Program grant funds leftover. Currently the process is that all districts who passed a bond without a full commitment will be in a lottery. To better align with how the rest of the program operates, districts with a partial commitment will be the first round. If there are funds leftover after that, then districts with no commitment that applied to the OSCIM Program will receive
funds. This aligns with the basis that districts with a partial commitment needed the funds to pass their bond.

- Providing districts with a preference point for completing the annual facilities collections on time. The facilities databases are becoming more important to the state as more stakeholders look to use that information. That information is best when all districts complete their collection on time and correctly. Providing a TAP grant application preference point for districts that meet that goal provides additional incentive for districts to complete the database.

These are all proposed changes. None of these changes are required by statute. However, they are requested to help the OSF programs continue to be responsive to its stakeholders and responsible with the public funds entrusted to the OSF.

**SUMMARY OF PREVIOUS BOARD ACTION**

1. The Board previously heard these proposed rules in April. During the discussion the Board was generally favorable toward the program and toward the proposed changes in the rules.

**HAS THE RULE CHANGED SINCE LAST BOARD MEETING?**

- N/A; first read—hasn’t been before board
- No; same as last month
- ☑ Yes – As follows:

In further discussions with members of the advisory group, we have extended the deadline for districts to submit to the statewide facilities database and receive the preference point. One of the rule’s changes is to grant a preference point in the Technical Assistance Program applications to districts that submit to the annual database collection on time. This ensures the database is up to date and gives districts a better potential for a TAP grant.

In the draft of the rules provided to the Board in April the deadline to submit to the facilities database was **February 1**. We are changing the deadline to **February 15**. This will align with the TAP application process and give the districts more time to get their data into the facilities collection.

**POLICY ISSUE OR CONCERNS**

In reaching out to the advisory group, there is a concern with adding the preference point in the TAP grant applications for completion of the annual facilities collection. The concern raised is that many districts have limitations on staff time and with the number of collections being required of ODE, districts may not be able to achieve the required submission deadline. Due to these resource barriers, the concern is that many districts would not qualify for this additional preference point.
The intent behind this preference point was to create an incentive. It would not inhibit any district from applying for the TAP grants. Also it would not necessarily eliminate any district from consideration for a TAP grant. It would create an incentive to districts to get this important data submitted on time to ODE.

EQUITY IMPACT ANALYSIS

These programs in the OSF work exclusively with school districts because of statutory and constitutional requirements for the program. Within that framework OSF works to promote equity across the districts.

OSF tries to promote equity by giving resources to those districts that most need them. For example, the OSCIM Program prioritizes those districts that have less property wealth and family wealth. The goal is to ensure that students in those districts have a better chance at improved facilities than those districts that may not need as much of an incentive. The intent is to have a strong correlation between prioritizing districts with the most need and prioritizing those students that may be in historically underserved populations.

FISCAL ANALYSIS

There will be no fiscal impact to OSF to implement these rules. This work will be covered by current staff and resources. All of these programs are built and currently being administered.

EFFECT OF A “YES” OR “NO” VOTE

If the Board approves the rule changes, the Board will be allowing OSF to implement the recommendations of the advisory group and best practices.

If the Board votes no on these rules, the OSF will continue to operate as per normal. Additional work will need to be done by the advisory committee and stakeholders to determine alternative ways to address some of the issues currently addressed by these proposed rules.

STAFF RECOMMENDATION

☑ Approve  ☐ Approve next month  ☐ No recommendation at this time

Prompted by:  ☐ State law changes  ☐ Federal law changes  ☐ other

ATTACHMENTS

Attachment 1:
Definitions

The following definitions and abbreviations apply to rules within OAR 581, Div 27:

(1) “Adjusted Assessed Property Value Per ADM” means the value calculated per OAR 581-027-0010 to determine the ranking of Districts on the Priority List for Funding.

(2) “Adjusted ADMr” means average daily membership as calculated under OAR 581-023-0006(60-(7) reduced by the Average Daily Membership of virtual public charter schools in the district.

(3) “Adjusted ADMw” means the number of students in a District as calculated under ORS 327.061 and includes all weights, and extended Average Daily Membership weighted, as calculated under ORS 327.013(1)(c) reduced by the Average Daily Membership of virtual public charter schools in the district.

(24) “ADM” means Average Daily Membership.

(35) “ADMr” or “Resident Average Daily Membership” means average daily membership as calculated under OAR 581-023-0006(6)–(7).

(46) “Assessed Value” means the total assessed value of all tangible property within the boundaries of the District as published by the Oregon Department of Revenue.

(57) “Average Daily Membership” or “ADMr” means the number of students in a District as calculated under ORS 327.061 and includes all weights, and extended Average Daily Membership weighted, as calculated under ORS 327.013(1)(c).

(68) “Certified Contractor Assessor” means an entity or person who has gone through the process established by the Department that will certify the entity or person is qualified to perform the work.

(79) “Closing” means the date on which a District receives some or all of the proceeds of its Local GO Bonds.

(810) “Department” means the Oregon Department of Education.

(911) “District” or “Districts” means school districts, as defined in ORS 328.001(3), that are eligible to apply for a State Matching Grant.

(4012) “DOGAMI” means the Oregon Department of Geology and Mineral Industries.

(413) “Environmental Hazard Assessment” means an assessment of a district’s radon exposure as one of the potential environmental hazards to be assessed as set forth in ORS 332.331.
“Facility Assessment” means an assessment conducted by a Certified Contractor that evaluates one or more facilities in a school district according to the requirements set forth in OAR 581-027-0035.

“First in Time” means that portion of the Oregon School Capital Improvement Matching Account that is to be awarded to Districts based on the order in which the Department receives the applications.

“Funding Cycle” means the period of time, as determined by the Department under OAR 581-027-0020(2)(b3), before and after a May or a November general election during which the Department will accept applications, issue commitments, award grants, and finalize grant agreements and issue commitments for State Matching Grants under the OSCIM Program.

“Gross Square Footage” means the total square footage of the building as measured by the outside wall of the building.

“Guaranteed Tax Base Amount” or “GTBA” means a theoretical tax base of $1,000,000 per ADM.

“Guaranteed Tax Rate Amount” means $1,000 which is the GTBA multiplied by .001 for $1 of tax per $1,000 of Assessed Value.

“Local GO Bonds” means general obligation bonds approved by voters for the benefit of a District during the Funding Cycle for which the District applied for a State Matching Grant.

“Long-Range Facility Plan” means a plan conducted by a Certified Contractor that determines the long-range needs and goals of a district according to the requirements set forth in OAR 581-027-0040.

“Oregon School Capital Improvement Matching Account” means an interest bearing account established in the State Treasury, separate and distinct from the General Fund, that consists of net proceeds from Article XI-P bonds issued under Article XI-P (School District Capital Costs) of the Oregon Constitution.

“Oregon School Capital Improvement Matching Program” or “OSCIM Program” means the program created by Article XI-P of the Oregon Constitution and ORS 286A.769 to 286A.806.

“Priority List” means the list created by the Department each biennium pursuant to ORS 286A.801 and the formula outlined in OAR 581-027-0010.

“RVS” means Rapid Visual Screening data collected by DOGAMI and published on their website.

“Seismic Assessment” means an assessment conducted by a contractor that evaluates one or more facilities in a school district according to the requirements set forth in OAR 581-027-0050.

“State Matching Grant” means the grant funds provided by the State through the OSCIM Program to match the proceeds of a District’s Local GO Bonds.
“Students in Poverty” means the number of children, age 5 to 17, in families in poverty as described by the Small Area Income Poverty Estimate published by the U.S. Census Bureau.

“Technical Assistance Grant” means a grant provided by the Department to a School District such that a school district can conduct an assessment as described in ORS 326.125 or these rules.

“Waiting List” means the list of Districts not initially awarded a State Matching Grant, based on either the District’s position on the Priority List or the District’s First in Time status, during any Funding Cycle.

Stat. Auth.: Sec. 2 & 5, Ch. 783, OL 2015 (Enrolled SB 447)
Stats. Implemented: Sec. 2, 4 & 5, Ch. 783, OL 2015 (Enrolled SB 447)
Hist.: ODE 30-2016, f. & cert. ef. 4-28-16; ODE 41-2016, f. & cert. ef. 7-20-16; ODE 4-2017, f. & cert. ef. 3-1-17

581-027-0010

Calculations for Oregon School Capital Improvement Matching Program Priority List

(1) For each Funding Cycle, the Department shall provide State Matching Grants to Districts from designated resources in the Oregon School Capital Improvement Matching Account. The Department shall determine and apportion the amount of available resources among the Funding Cycles in each biennium. The total amount of State Matching Grant funds available and awarded by the Department may vary during each Funding Cycle.

(2) The Department shall post on its website the amounts that will be available for OSCIM Grants for each Funding Cycle within a reasonable time after the Legislature determines the level of funding for the Oregon School Capital Improvement Matching Account.

(3) If the Legislature does not determine the amount of funding for the Oregon School Capital Improvement Matching Account until after the application period opens for a given Funding Cycle, the application period will run as normal. However, any posting of results will be delayed until such time as the Legislature determines the amount of funding for the Oregon School Capital Improvement Matching Account.

(4) If the Legislature does not appropriate any funds for the OSCIM Program for a biennium, or any part of the biennium, then the OSCIM Program will cancel open application periods and future application periods until funding is restored.

(5) Sixty percent (60%) of designated grant resources in the Oregon School Capital Improvement Matching Account shall be awarded based on the Priority List.
(6) The Priority List shall be based on a District’s Assessed Value, percentage of Students in Poverty, and Average Daily Membership.

(7) The Department shall update the Priority List every biennium. The Priority List will be updated no later than June 1 before the start of the next biennium. The updated Priority List will be effective at the start of the next biennium. To update the list, the Department will use the data from the most recent year for which all three sources have reported actual data.

(8) The Priority List shall be calculated as follows:

(a) The District’s Students in Poverty shall be multiplied by 20 to determine the Weighted Number of Students in Poverty.

(b) The District’s Weighted Number of Students in Poverty shall be divided by the District’s Adjusted ADM to arrive at the District’s Percentage of Students in Poverty.

(c) The District’s Assessed Value shall be divided by the District’s Adjusted ADM to determine the District’s Adjusted Property Value per ADM.

(d) The District’s Assessed Property Value per ADM shall then be divided by 1 plus the Percentage of Students in Poverty to determine the District’s Adjusted Assessed Value per ADM.

(e) The Districts will be ranked from the smallest Adjusted Assessed Property Value per ADM to the highest. This ranking will ensure Districts with the highest rate of students in poverty and lowest assessed property wealth per ADM are provided the greatest chance for a State Matching Grant.

Stat. Auth.: Sec. 2 & 5, Ch. 783, OL 2015 (Enrolled SB 447)
Stats. Implemented: Sec. 2, 4 & 5, Ch. 783, OL 2015 (Enrolled SB 447)
Hist.: ODE 30-2016, f. & cert. ef. 4-28-16; ODE 4-2017, f. & cert. ef. 3-1-17

581-027-0015

Calculations for Oregon School Capital Improvement Matching Program Funding Formula

(1) The Department shall provide State Matching Grants to Districts from available resources in the Oregon School Capital Improvement Matching Account.

(2) Sixty percent (60%) of the available resources in the Oregon School Capital Improvement Matching Account for a biennium shall be awarded based on the Priority List.

(3) Forty percent (40%) of the available resources in the Oregon School Capital Improvement Matching Account for a biennium shall be awarded based on the order in which applications are received during the application period established by the Department for the Funding Cycle.
(4) The Department shall use a funding formula to determine the amount of State Matching Grant funds each District is eligible to receive from the Oregon School Capital Improvement Matching Account. This funding formula will be used to determine eligibility for State Matching Grants awarded through both the Priority List and First in Time application process.

(5) Districts whose voters pass $4,000,000 or less in Local GO Bonds for District facility projects shall be eligible for a one-to-one match from State Matching Grant funds.

(6) Districts whose voters pass more than $4,000,000 in Local GO Bonds for District facility projects shall be eligible for at least $4,000,000 and no more than $8,000,000 based on the following formula:

   (a) The District’s Adjusted Assessed Property Value per ADM as determined by OAR 581-027-0010 shall be multiplied by the assumed tax rate of .001 ($1 per $1000 of assessed property value) to calculate the District’s Estimated Local Bond Revenue per ADM.

   (b) The Estimated Local Bond Revenue per ADM shall be subtracted from the Guaranteed Tax Rate Amount to determine the amount of eligible State Matching Grant funds per ADM.

   (c) The eligible State Matching Grant funds per ADM shall be multiplied by the District’s \text{Adjusted ADM} to determine the maximum amount of State Matching Grant funds for which a District is eligible.

(7) The Department shall use the lesser of total proceeds from the sale of the Local GO Bonds exclusive of underwriter’s discount and other costs of issuance or the original amount requested by the District as the final basis for calculating the State Matching Grant.

   (a) The provisions of subsection (7) apply starting with the November 2016 Funding Cycle.

(8) Local GO Bonds used by a District to qualify for the OSCIM Program must be Closed within six months of the date of the election at which the Local GO Bonds were approved.

Stat. Auth.: Sec. 2 & 5, Ch. 783, OL 2015 (Enrolled SB 447)
Stats.Implemented: Sec. 2, 4 & 5, Ch. 783, OL 2015 (Enrolled SB 447)
Hist.: ODE 30-2016, f. & cert. ef. 4-28-16; ODE 4-2017, f. & cert. ef. 3-1-17

581-027-0020

Oregon School Capital Improvement Matching Program Application

(1) The Department shall create one application for Districts to apply for State Matching Grants from the Oregon School Capital Improvement Matching Account.

(2) The Department shall post the application prior to the beginning of each Funding Cycle on the Department’s web page.

(3) The Department shall open applications for each Funding Cycle as follows:
(a) On the July 15 that precedes the first November Funding Cycle in a biennium;

(b) On the September 15 that precedes the first May Funding Cycle in a biennium;

(c) On the March 15 that precedes the second November Funding Cycle in a biennium; and

(d) On the second September 15 that precedes the second May Funding Cycle in a biennium.

(4) If one of those dates falls on a weekend or holiday, then the application period will be opened the Friday preceding.

(5) Applicants must submit their application electronically through secure file transfer protocol. Districts may submit applications only for an open and current Funding Cycle. The Department will not accept applications for later Funding Cycles.

(6) A District may not re-submit in the same Funding Cycle a revised or corrected application after the deadline for submission has passed and the Department has determined the original application was incomplete or otherwise not accepted for a funding commitment.

If a District’s application does not meet the application requirements:

(a) The Department may agree to an extension of time, but no more than 60 days from the deadline for submission, for the District to correct the deficiencies; and

(b) The Department may allow the District to continue to apply to the OSCIM Program even if the additional time extends beyond the application window.

(7) If a District fails to make the corrections within the agreed upon time, the Department will cancel the District’s application and readjust the pre-election commitments made.

(8) A District that submits an OSCIM Program application to the Department for one Funding Cycle may not apply for another Funding Cycle until the election for the Funding Cycle in which the district applied occurs, regardless of whether the district chooses to participate in that election.

A District that submits an application for a Funding Cycle may withdraw the application no later than 60 days from the application deadline and be eligible to reapply for the next Funding Cycle.

(9) A District that does not withdraw its application, may not apply to the OSCIM Program until the election for the Funding Cycle in which the District applied occurs.

(10) The Department shall:

(a) Rank complete applications from Districts for each Funding Cycle according to the Priority List formula;

(b) Make funding commitments to Districts with the highest ranking on the priority list until sixty percent (60%) of the available resources for that Funding Cycle are used.
(c) Make funding commitments to the remaining Districts in accordance to the First in Time process for that Funding Cycle and based on the order in which the Department receives applications.

(d) If a district receives a partial commitment in a Funding Cycle, the Department shall not round up that partial commitment by reducing funds available to other Funding Cycles.

(d) If a district receives a partial commitment in a Funding Cycle, the Department shall not round up that partial commitment by reducing funds available to other Funding Cycles.

In order to promote equity across the state, the Department shall deem all applications received within a specified period of time for each Funding Cycle as being received at the same time.

(a) The Department shall establish the following periods for reception of applications:

(A) 8:00 a.m. to 12:30 p.m. will be the first application period; and

(B) 12:31 p.m. to 5:00 p.m. will be the second application period.

(b) Those applications received within the first time period shall be deemed to be the first in time for purposes of award commitments.

(c) Those applications received in subsequent time periods will be deemed to be received in order of the established time periods. All applications received during one of the above time periods will be deemed to have been received at the same time for purposes of awarding First in Time commitments.

(d) The Department shall commit First in Time funding to Districts based on which time period the District is deemed to have submitted their application to those applications received in the first period first. If there is funding remaining, then the Department shall commit the remaining funding to the second period.

(e) If the First in Time funding is insufficient to provide a commitment to all Districts within a given time period for that Funding Cycle, the Department shall randomly select the Districts by a lottery process to determine which Districts will receive an award commitment.

(f) The lottery process shall be determined by the Department.

(g) All lottery results are final.

(1012) The Department shall notify Districts that receive a funding commitment from the Oregon School Capital Improvement Matching Account within two weeks of the close of the application period for a Funding Cycle

(1113) The Department shall post the eligibility and ranking of all Districts that applied during that Funding Cycle on the Department’s website. Districts that applied but did not receive a commitment will be notified of where they fall on the Waiting List.
(4214) All funding commitments are contingent upon the District subsequently Closing the required Local GO Bonds within 6 months of that Funding Cycle’s bond election.

(4315) Any Districts on the Waiting List may choose to move forward seeking voter approval for Local GO Bonds in that Funding Cycle with the understanding that State Matching Grant funds may become available for that Funding Cycle if a District that has received a commitment is unsuccessful in passing their Local GO Bonds.

(4416) All funding commitments to Districts that successfully pass their Local GO Bonds in the Funding Cycle will be officially awarded a State Matching Grant upon the execution of a grant agreement prescribed by the Department.

(4517) All funding commitments to Districts that are not successful in passing their Local GO Bonds will be recommitted to Districts that have successfully passed Local GO Bonds in that election in the following order:
(a) All districts that received a partial commitment that passed a Local GO Bond will receive funding up to the full award.
(b) All Districts on the First in Time Waiting List that passed a Local GO Bond, will receive an award from the uncommitted First in Time funds.
(c) All Districts that received an award from the First in Time Waiting List will be removed from the Priority List Waitlist.
(d) All Districts remaining on the Priority List Waiting List that passed a Local GO Bond will receive any funds remaining from Districts that received a commitment but failed to pass a Local GO Bond.

(4618) Districts will have to reapply each Funding Cycle to receive a commitment for that Funding Cycle. A district will not be able to carry forward any commitments made in previous Funding Cycles.

(4719) All decisions of the Department regarding the completeness of the application or ranking under either the Priority List or First in Time process are final.

(4820) Any funding remaining after all awards have been made for a Funding Cycle shall be moved forward to the next Cycle.

(4921) After the second November election in a biennium, the Department will take any funds that remain after all commitments and recommitments have been made for the biennium and apply those funds to make commitments to those districts on the Waiting List for the final May Funding Cycle.

(22) If there are funds that remain available after the last election in a biennium, those funds will be distributed as follows:
(a) Districts with a partial commitment will be funded starting in order from the first election of the biennium;

(b) Districts that applied for the OSCIM Program and passed a Local GO Bond, but did not receive any funds will be funded starting in order from the first election of the biennium.

Stat. Auth.: Sec. 2 & 5, Ch. 783, OL 2015 (Enrolled SB 447)
Stats. Implemented: Sec. 2, 4 & 5, Ch. 783, OL 2015 (Enrolled SB 447)
Hist.: ODE 30-2016, f. & cert. ef. 4-28-16; ODE 4-2017, f. & cert. ef. 3-1-17

581-027-0023

Submission of Long-Range Facility Plans and Facility Assessment as part of Oregon School Capital Improvement Matching Program Grant Application

(1) In order to qualify for an OSCIM Program matching grant, Districts must submit a Long-Range Facility Plan and Facility Assessment as part of their OSCIM Program application. Failure to submit a Long-Range Facility Plan and Facility Assessment will disqualify the District from participation in the OSCIM Program application for that Funding Cycle.

(2) Districts shall submit their Long-Range Facility Plan and Facility Assessment as follows:

(a) By the preceding July 1 for the first November Funding Cycle in the biennium;

(b) By the preceding September 1 for the first May Funding Cycle in the biennium;

(c) By the preceding March 1 for the second November Funding Cycle in the biennium; or

(d) By the preceding September 1 for the second May Funding Cycle in the biennium.

(3) The Long-Range Facility Plan and Facility Assessment must be submitted electronically to the Department using the Department’s Secure File Transfer protocol.

(4) The Department will review all Long-Range Facility Plan and Facility Assessment submissions to ensure compliance with requirements.

(5) If the Department determines a District’s submission does not meet the requirements, the Department will notify the District of the deficiencies.

(6) The Department may agree to an extension of time, but no more than 60 days from the deadline for submission, for the District to correct the deficiencies.

(7) If a District fails to make the corrections within the agreed upon time, the Department will cancel the District’s application and readjust the pre-election commitments made.
The District will have until the start of the OSCIM Program Funding Cycle to cure any deficiencies in the submission. If a District is unable to cure the deficiencies to the satisfaction of the Department, the District’s submission will be rejected and the District will be ineligible to apply for an OSCIM Program matching grant for that Funding Cycle.

The Long-Range Facility Plan must meet the following requirements:

(a) Comply with the standards set forth in OAR 581-027-0040; and

(b) Demonstrate how the new buildings proposed to be built are integrated into the Long-Range Facility Plan.

The Facility Assessment must meet the following requirements:

(a) Comply with the standards set forth in OAR 581-027-0035;

(b) Cover buildings that will be including in the OSCIM Program grant application. A district may include facility assessments for more buildings than would be improved using OSCIM Program funds;

(c) Cover a District’s current buildings even if the District is applying for the OSCIM Program only for the construction of a new building.

Districts are not required to use a Certified Contractor to complete the Long-Range Facility Plan or the Facility Assessment.

A District may use the same Facility Assessment and Long-Range Facility Plan as a basis for an OSCIM Program application for four years from the year in which the plan was completed.

The Department’s determination of the adequacy of the Long-Range Facility Plan and Facility Assessment is final.

581-027-0025

Oregon School Capital Improvement Matching Program Grant Restrictions

(1) A District that receives a State Matching Grant will be ineligible for additional State Matching Grant funds for six years from the year in which the District successfully passed their Local GO Bond.

(2) A District may not use State Matching Grant funds to refinance other general obligation bonds issued by the District.
(3) A District must use State Matching Grant funds for capital costs as defined in ORS 286A.796(3).

(4) A District may use State Matching Grant funds to reimburse the District for capital costs incurred by the District prior to the Funding Cycle in which the District was awarded a grant only if:

(a) The Department approves the use of State Matching Grant funds for such purpose; and

(b) The District complies with all requirements of the OSCIM Program.

(c) The Department’s approval or disapproval of the use of State Matching Grant funds is final. A District may not submit a revised request for use of funds.

(5) State Matching Grant funds shall be used only to match the proceeds of Local GO Bonds authorized by an election in the same Funding Cycle in which the District applied for State Matching Grant funds.

(6) If there are State Matching Grant funds available for disbursement after all the awards for all the Funding Cycles in a biennium have been made, the Department may award those uncommitted funds by lottery to Districts that have applied for State Matching Grant funds during the biennium and have Local GO Bond proceeds available to use as a basis for a match so long as the Local GO Bonds from which the proceeds are derived were approved by the voters during the biennium.

Stat. Auth.: Sec. 2 & 5, Ch. 783, OL 2015 (Enrolled SB 447)
Stats. Implemented: Sec. 2, 4 & 5, Ch. 783, OL 2015 (Enrolled SB 447)
Hist.: ODE 30-2016, f. & cert. ef. 4-28-16; ODE 4-2017, f. & cert. ef. 3-1-17

581-027-0030

Technical Assistance Grant Program Procedures

(1) The Department shall open the application period for the Technical Assistance Grant Program on January 15 of each year and close the application period on February 15 of the same year. If either of those dates falls on a weekend or holiday, the previous Friday will be the effective date of the opening or closing respectively.

(2) The Department shall establish a separate application for the Facility Assessment, Long-Range Facility Plan, and Seismic Assessment each type of assessment available.

(3) Each District may submit one application for each type of assessment must submit a separate application for each assessment for which it chooses to apply.

(4) All districts are eligible for each type of assessment.

(5) All applications are due by the date established by the Department. No late applications will be accepted.
(6) The Department shall evaluate each completed application by awarding preference points as established by this rule.

(7) An application will receive 1 point for each preference that the application meets.

(8) An application will receive a final score that is the total of the application’s points.

(9) Applications will be funded from highest to lowest score.

(10) If there is not enough funding to provide a Technical Assistance Grant to all applications that have equal scores, then the Department shall create a lottery to determine which applications will receive a Technical Assistance Grant.

(11) The preference points for the Facility Assessment are:

(a) District has 25% or more of its ADMr identified as Students in Poverty. The number of Students in Poverty shall be same as used in OAR 581-027-0010;

(b) District has under 2,500 ADMr according to the annual reports for the same school year as used to calculate the Priority List under OAR 581-027-0010;

(c) District has not conducted a Facility Assessment within 10 years or less;

(d) District has not passed a general obligation bond within 15 years or less;

(e) District’s ADMr has changed by 10% or more over the last 5 years based on the latest annual reports submitted to the Department; and

(f) the District has completed its annual electronic submission of its building and bond data to the Department by February 15 of each year.

(12) The preference points for the Long-Range Facility Plan are:

(a) District has 25% or more of its ADMr identified as Students in Poverty. The number of Students in Poverty shall be same as used in OAR 581-027-0010;

(b) District has under 2,500 ADMr according to the annual reports for the same school year as used to calculate the Priority List under OAR 581-027-0010;

(c) District has not conducted a Long-Range Facility Plan within 10 years or less in the last 10 years;

(d) District has not passed a general obligation bond within 15 years or less in the last 15 years; and
(e) District’s ADMr has changed by 10% or more over the last 5 years based on the latest annual reports submitted to the Department; and,

(f) the District has completed its annual electronic submission of its building and bond data to the Department by February 15 of each year.

(13) The preference points for the Seismic Assessment are:

(a) District has 25% or more of its ADMr identified as Students in Poverty. The number of Students in Poverty shall be same as used in OAR 581-027-0010;

(b) District has under 2,500 ADMr according to the annual reports for the same school year as used to calculate the Priority List under OAR 581-027-0010;

(c) District has not conducted an assessment for an Oregon Infrastructure Finance Authority Seismic Rehabilitation Grant;

(d) District identifies a number of schools it intends to assess and at least 50% are listed as “High” or “Very High” for collapse potential in the Rapid Visual Survey created by the Department of Geology and Mineral Industries;

(e) District’s Mapped Spectral Acceleration for 1-second period (Ss) is greater than 0.6 as calculated by the United State Geological Survey and published on the USGS website for the district’s central office; and

(f) the District has completed its annual electronic submission of its building and bond data to the Department by February 15 of each year.

(14) The preference points for the Environmental Hazard Assessment are:

(a) District has 25% or more of its ADMr identified as Students in Poverty. The number of Students in Poverty shall be same as used in OAR 581-027-0010;

(b) District has under 2,500 ADMr according to the annual reports for the same school year as used to calculate the Priority List under OAR 581-027-0010;

(c) District has not conducted radon tests as of 2016 or later;

(d) District’s Radon risk category is either high or not assigned according to information published by the Oregon Health Authority that provides for radon risk levels based on geography;

(e) District has a school that qualifies as a remote small elementary school per ORS 327.077; and
(f) the District has completed its annual electronic submission of its building and bond data to the Department by February 15 of each year.

(1415) A District may use an assessment performed before the start of the application period as a basis for an application, during the 2015-17 biennium, for a Technical Assistance Grant so long as A District that is awarded a Technical Assistance Grant must:

(a) Enter into a grant agreement with the Department by the time specified by the Department;

(b) The District conducts the assessment according to the standards set forth in these rules Use a Certified Assessor to perform a Long-Range Facility Plan or Facility Assessment;

(b) The District signed the contract for the work after July 1, 2015;

(ec) The District used a Certified Contractor to conduct the assessment Provide the Department with an electronic copy of any final reports required by the Technical Assistance Grant; and

(dd) The District provides the Department with an electronic copy of the assessment in the format established by the Department Provide the Department with an electronic copy of invoices showing expenses incurred in performing the work for the specific Technical Assistance Grant.

(15) For the first application period of the 2015-17 biennium, the Department will waive requirements 14(c).

(16) Each District that submits an application that receives a Technical Assistance Grant will be required to enter into a grant agreement with the Department prior to issuance of funds.

(17) A District must reapply each time a new grant application is announced if a District did not receive a grant in a grant application period.

(17) A district may apply to the Technical Assistance Program to reimburse the District for assessments previously completed if:

(a) The previous assessment work was started within one year of the application period;

(b) The previous assessments meet all requirements set forth for the type of the assessment in these administrative rules; and

(c) The District submits a final copy of the report and all invoices within the required period for a Technical Assistance Program grant.
(18) Districts must submit all final reports and invoices by the date specified by the Department. If a district does not meet that deadline, the Department may rescind their grant funds.

(18) Each District that receives a Technical Assistance Grant must submit an electronic copy of the finished report in form to be established by the Department.

581-027-0035

Facility Assessment Requirements

(1) Each Facility Assessment shall contain the following information:

(a) Building Information

(A) Name of building;

(B) Building ID Number;

(C) Physical Address;

(D) Gross Square Footage;

(E) Original Construction Date;

(F) Original Construction Type;

(G) Additions:

(i) Construction Date;

(ii) Construction Type;

(iii) Construction Square footage;

(iv) Construction Usage;

(H) Renovations:

(i) Construction Date;

(ii) Construction Type;

(iii) Construction Square footage; and
(iv) Renovation Construction Usage.

(b) Infrastructure Assessment

(A) UNIFORMAT II Assessment: An assessment of each applicable building element as listed in the American Society for Testing and Materials (ASTM) UNIFORMAT II Classification (October 1999) of Building Elements Level 3 that provides the following:

(i) ASTM Number;

(ii) System Name;

(iii) Description of System;

(iv) Number of systems or square footage of system in need of repair or want of replacement;

(v) Level of repair/replacement needed. The percent of the building affected should be noted to assist in cost estimating.

(vi) Notes as to what specifically needs to be done to repair or replace the system.

(B) Additional items

(i) A safety and security analysis of the facility that determines if the facility meets current best practices for providing a safe and secure environment;

(ii) An ADA assessment and listing of deficiencies;

(iii) Assessment of technology infrastructure in the facility including bandwidth, type of internet connection, presence of wireless networks, and other means of providing access to information technology;

(iv) Assessment of indoor air quality; and

(v) Presence of harmful substances such as lead or asbestos in the facility based on district reports.

(c) Value Assessment

(A) The current replacement value of the building using cost per square foot standards as determined by the Department and updated annually.

(B) The Facilities Condition Index of the building as calculated by dividing the total estimated construction costs to completely repair the building by the current replacement value of the building.
(2) The Department shall establish a template for Districts and their Certified Contractors to use to collect the information required in (1).

(3) Districts and Certified Contractors shall use the template established by the Department to provide the final report to the Department in electronic format.

Stat. Auth.: Sec. 2 and 5, Ch. 783, OL 2015 (Enrolled Senate Bill 447)
Stats. Implemented: Sec. 5, Ch. 783, OL 2015 (Enrolled Senate Bill 447)
Hist.: ODE 41-2016, f. & cert. ef. 7-20-16; ODE 4-2017, f. & cert. ef. 3-1-17

581-027-0040

**Long-Range Facility Plan Requirements**

(1) Each Long Range Facility Plan shall contain the following information:

(a) Population projections by school age group for the next ten years using U.S. Census or Census partner data.

(b) Collaboration with local government planning agencies (city and/or county) that results in:

(A) Identification of suitable school sites if needed; and

(B) Site acquisition schedules and programs.

(c) Evidence of community involvement in determining:

(A) Educational vision of local community; and

(B) Proposals to fund long-range facility needs.

(d) Identification of buildings on historic preservation lists including the National Historic Register, State Historical Preservation Office, and local historic building lists.

(e) Analysis of district’s current facilities’ ability to meet district-adopted current national-educational adequacy standards:

(A) Identification of standards adopted by district that are used to determine educational adequacy for district to meet district educational vision as well as national educational adequacy standards;

(B) Identification of current facility capacity;

(CB) Identification of ability of current facility capacity to meet current-national district-adopted educational adequacy standards;
AGENDA ITEM: 7. D

(D) If current facilities are unable to meet current national district-adopted educational adequacy standards district will then:

(i) Identify deficiencies in current facilities;

(ii) Identify changes needed to bring current facilities up to national district-adopted educational adequacy standards; and

(iii) Identify potential alternatives to new construction or major renovation of current facilities to meet current national district-adopted educational adequacy standards;

(E) A description of the plan the district will undertake to change its facility to match the projections and needs for the district for the next ten years.

(2) The Department shall establish a template for Districts and their Certified Contractors to use to collect the information required in OAR 581-027-0040 (1).

(3) Districts and Certified Contractors shall use the template established by the Department to provide the final report to the Department in electronic format.

Stat. Auth.: Sec. 2 and 5, Ch. 783, OL 2015 (Enrolled Senate Bill 447)
Stats. Implemented: Sec. 5, Ch. 783, OL 2015 (Enrolled Senate Bill 447).
Hist.: ODE 41-2016, f. & cert. ef. 7-20-16; ODE 4-2017, f. & cert. ef. 3-1-17

581-027-0045

Seismic Assessment Requirements

(1) Each Seismic Assessment shall contain the following:

(a) Name of building.

(b) Gross square footage of building.

(c) Physical address.

(d) Original construction date.

(e) Original construction type.

(f) Additions:

(A) Construction Date;

(B) Construction Type;
(C) Construction Square footage; and

(D) Construction Usage.

(g) Procedures used to determine the building’s ability to meet the Basic Performance Objective for Existing Buildings (BPOE) in ASCE41-17. Specifically:

(A) The building’s ability to perform to the Limited Safety Structural Performance Level at the BSE-2E hazard level in ASCE 41-17 if building is categorized as Risk Category III, school buildings, not including areas which may be used as emergency shelters, under OAR 123-051-0600; or

(B) The building’s ability to perform to the Life Safety Structural Performance Level at BSE-2E hazard level AND the Immediate Occupancy Structural Performance Level at the BSE-1E in ASCE 41-17 if building is categorized as Risk Category IV, emergency service buildings and school areas that may be used as emergency shelters, under OAR 123-051-0600.

(h) List of deficiencies that need to be corrected to qualify building to meet the Basic Performance Objective for Existing Buildings in Accordance with ASCE 41-17.

(i) List of drawings illustrating schematic rehabilitation tasks to rectify listed deficiencies in accordance with ACSE 41-17 standard.

(j) Cost estimate provided by professional with knowledge about the type of work to be done that includes contingencies built into all budget categories.

(k) Certification of the final assessment provided by registered Structural Engineer licensed in the State of Oregon.

Stat. Auth.: Sec. 2 and 5, Ch. 783, OL 2015 (Enrolled Senate Bill 447)
Stats. Implemented: Sec. 5, Ch. 783, OL 2015 (Enrolled Senate Bill 447)
Hist.: ODE 41-2016, f. & cert. ef. 7-20-16; ODE 4-2017, f. & cert. ef. 3-1-17

581-027-0050

Contractor Certification Program

(1) The Department shall establish a program whereby entities or individuals can apply to become Certified Contractors-Assessors for the purposes of the Technical Assistance Grants.

(2) The program shall contain a portion of instruction on the methods to be used by Certified Contractors-Assessors in performing Facility Assessment and Long-Range Facility Plan work.
(3) The program shall contain a test such that those that pass will become Certified Contractors Assessors.

(4) The Department shall post on its website specific information for each time the training program is held.

(5) No entity or individual may become a Certified Contractor Assessor unless:

(a) they meet the requirements to apply for the program;

(b) attend and complete the training for Certified Assessors; and

(c) pass a written examination at the end of the training program established by the Department.

Stat. Auth.: Sec. 2 and 5, Ch. 783, OL 2015 (Enrolled Senate Bill 447)
Stats. Implemented: Sec. 5, Ch. 783, OL 2015 (Enrolled Senate Bill 447)
Hist.: ODE 41-2016, f. & cert. ef. 7-20-16; ODE 4-2017, f. & cert. ef. 3-1-17