

Improving Rhode Island's Public Schoolhouses



SCHOOL BUILDING AUTHORITY CAPITAL FUND FOR HIGH PRIORITY REPAIR PROJECTS FY 18 APPLICATION

JULY 28, 2017

Rhode Island Department of Education – School Building Authority | 255 Westminster Street, Providence, RI 02909

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The State of Rhode Island is committed to providing high quality educational opportunities for all public school students. School facilities provide more than a place for instruction. The physical learning environment contributes to the successful performance of educational programs. (RIGL 16-105-1)

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School Building Authority Capital Fund

The School Building Authority Capital Fund (SBA Capital Fund) is a funding mechanism designed to provide upfront funding for projects. It is estimated that approximately \$9.1M will be allocated in the Fiscal Year 2018 State Budget, in addition to the \$70.9M allocated for Housing Aid commitments.

The SBA Capital Fund may be used to repair public school facilities and distributed on a priority basis to ensure that funding has the greatest impact on facility gaps in the State's priority areas. This year the Capital Fund will target projects that address high priority areas as defined by the RIGL 16-105.3 (7) in LEAs with local Capital Reserve funds that commit to reinvesting state aid.

Who is eligible?

Every LEA that has an active Council on Elementary and Secondary Education approval, has a local Capital Reserve Fund, and submitted an FY17 asset protection plan is eligible. In applying, the LEA must also commit to complete the project by December 31, 2018.

Because funds are limited, projects are considered in accordance with the priorities outlined by RIGL 16-105-3 (7), with preference to projects that address Priority 1. Priority 1 projects are defined as those intended to repair and/ or renovate building systems which are unsound or otherwise in a condition seriously jeopardizing the health and safety of school children.

If your LEA has an interest in the FY 2018 SBA Capital Fund, please submit an application(s) by September 15th, 2017. Your proposal should identify the projects by building, list the amount of funding requested by project, and confirm the LEA's existing Council approval for the proposed project.

Timeline

Applications Available:

July 28, 2017

Applications Due:

September 15, 2017

SBA Advisory Board

October 2017

Council Meeting:

November 2017

Substantial Completion*:

December 31, 2018

Submit applications by C.O.B. September 15, 2017 to: SBACapitalFund@ride.ri.gov

*December 31, 2018 is the latest date for substantial completion. The intent of the SBA Capital Fund is to prioritize shovel ready projects.

We welcome all questions, which can be directed to the School Building Authority Staff.

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Funding Options

In this fiscal year, there are two options for School Building Authority Capital Funding. Both choices incorporate progress funding, as invoices are paid upon receipt. Projects selected for this fund do not have to wait until completion to receive reimbursement.

Option 1: Total Project Cost Loan – Local Share repayment required

Successful LEAs selecting this option will sign loan agreements with Rhode Island Health and Educational Building Corporation (RIHEBC) for the **total project costs**. Upon project completion, the LEA will only repay their local share of the loan plus interest to RIHEBC. Per Rhode Island General Laws, this form of indebtedness does not require General Assembly approval. LEAs will forward invoices and verified requisition forms to the SBA on a monthly basis. The SBA reviews the submitted invoices and upon approval, directs the RIHEBC to release payment to the LEA for the eligible project amounts.

Under the Housing Aid system, LEAs must bond for the entire project cost and complete the project prior to receiving reimbursement. This option allows LEAs to receive progress payments during design and construction and pay back only their local share once a project has completed.

Example:

LEA X has a 60% share ratio and is considering a \$1M project.

Housing Aid System:

LEA X issues a bond for \$1M project. The project is then completed and reimbursement is requested through the Housing Aid Program. The LEA then receives 60% of the project costs, with payments tied to the debt service schedule.

School Building Authority Capital Fund:

LEA X receives a \$1M loan from RIHEBC for the project (as Capital Fund Progress Payments). The project is then completed and LEA X pays back 40% (400,000) of the project costs with interest over a multi-year period.

Option 2: State Share Project Cost (Grant) – No repayment required

A funding agreement for the State's portion of the project cost will be provided to the LEA. The State's share of the project cost is provided to LEAs via Capital Fund progress payments. LEAs submit signed and verified requisition forms to the SBA on a monthly basis. The SBA reviews the submitted invoices and upon approval directs the Rhode Island Health and Educational Building Corporation to release payment to the LEA for the eligible project amounts up to the State's share. The LEA is responsible for funding the local share of the project.

Example:

LEA X has a 60% share ratio and is considering a \$1M project.

Housing Aid System:

LEA X pays for the \$1M project out of a dedicated Capital Reserve Fund. Upon project completion, the LEA requests reimbursement through the Housing Aid Program. The State then reimburses the LEA 60% of the project cost.

Under the School Building Authority Capital Fund:

The LEA submits invoices to the School Building Authority on a monthly basis. LEA X receives 60% reimbursement on each monthly invoice for a total of \$600,000 during the design and construction stages.

School Building Authority Capital Fund Application
Due September 15, 2017

Local Education Agency:	
Contact Person:	
Title:	
Address:	
Phone:	
Email:	
Project Location:	

Project Description:
(Please submit one application per project and attach supporting documentation)

Project cost:

Board of Education approval date:

Did the LEA submit an Asset Protection Plan in FY 17?*

*LEAs that did not submit an Asset Protection Plan in FY17 will not be eligible for SBACF funding in FY18.

Does the LEA have access to a dedicated Capital Reserve Fund?

*LEAs must have access to a revolving Capital Reserve Fund dedicated to school construction projects to be eligible for SBACF funding in FY18. LEA without a revolving Capital Reserve Fund can maintain eligibility by committing to establish a Fund that is replenished with one or more of the following: housing aid reimbursement for capital projects, school construction bond refinancing, or with municipal contributions. If the LEA does not have a dedicated Capital Reserve Fund, please submit a letter signed by the Superintendent and a municipal representative that commits to establishing a Capital Reserve Fund in FY2018.

Can the LEA complete this project by December 31, 2018?

Funding Option (select one)

1. **Total Project Cost Loan** - Local Share Repaid Upon Completion

2. **State Share Project Cost** – No Repayment Required

Scoring Criteria

The FY18 SBA Capital Fund is intended to fund high priority projects across the State, as defined by the RIGL 16-105-3 (7). High priority projects are those intended repair and/or renovate building systems which are unsound or otherwise in a condition seriously jeopardizing the health and safety of school children. The scoring criteria are intended to help prioritize projects based on the level of urgency as documented by citations, variances, reports, and certifications.

Prioritization and Level of Urgency

Health and Safety Priority Certification (10 points)

- The municipality/LEA has provided a Health and Safety Priority Certification signed by an appropriate professional and the superintendent.

Health and Safety Citation (10 points)

- The LEA has provided documentation from an Authority Having Jurisdiction (AHJ) identifying high priority needs requiring action. AHJs are federal, state, and local regulatory entities such as – but not limited to – building commissioner and inspectors, fire marshals, Department of Health, Department of Environmental Management, Environmental Protection Agency, Occupational Safety and Health Administrations, and the Governor's Commission on Disabilities.

LEA Project Prioritization

- If the LEA is submitting more than one high priority project, these must be prioritized by urgency. LEAs should only submit project prioritization on one application. LEAs highest priority projects will receive points. Please list the projects below in order of urgency, with the highest priority at number 1:

1. _____ (10 points)

2. _____ (7 points)

3. _____ (5 points)

4. _____ (3 points)

5. _____ (1 points)

Level of Urgency

- The municipality/LEA has been cited and given a deadline by an Authority Having Jurisdiction
 - The project must complete within six months (20 points)
 - The project must complete within one year (15 points)
 - Documented presence of hazardous material (5 points)
(i.e., AHERA report)

If so, provide citation, variance, report, or appropriate documentation that substantiates level of urgency, as well as assurances that demonstrate the project can be substantially complete before the date indicated.

Housing Aid Share Ratio (30 points maximum)

- In addition to the scoring criteria listed above, all projects will receive points based on the LEAs Housing Aid share ratio (reimbursement rate). LEAs will receive points on a scale of 0 to 30 based on their Housing Aid share ratio. For example, an LEA with a 50% housing aid state share ratio, would receive 15 points (30 x 50% = 15 points). RIDE will apply FY17 housing aid share ratios to each project's scoring criteria.

School Enrollment (15 points maximum)

- Enrollments, for the schools in which the project will occur, will also be used in scoring the SBA Capital Fund applications. October 1, 2017 enrollments reported by LEAs to RIDE will be multiplied by the school's utilization rate – enrollment divided by capacity (building capacity is pulled from LEA submitted asset protection plans) – and then award one point for each 100. For example, a high school with 1,200 students and 75% utilization rate would receive 9 points ((1,200 x 0.75) / 100= 9).

Assurances (please initial on each line):

The LEA must assure that:

- _____ Funds will be used exclusively for the project described above, in accordance of the guidelines of funding request.
- _____ Projects must comply with School Construction Regulations.
- _____ **Project will substantially complete by December 31, 2018.** If the project is not complete by this date, the project amount will be deducted from the LEA's FY 2020 Housing Aid.
- _____ The project complies with all requirements set forth in the most recent Northeast Collaborative for High Performance Schools Protocol (NECHPS)
- _____ Project will receive all required design review prior to commencing with construction.
- _____ All other things being equal, the services of qualified and capable vendors with offices in Rhode Island, or those who propose a joint venture with a Rhode Island firm, should be utilized.

Certification of Eligibility:

I certify under penalty of perjury that to the best of my knowledge, the information in this proposal is true and correct and is in compliance with statutes and administrative provisions of the Rhode Island Department of Education. The governing board of the above named school LEA has authorized me to sign this application on its behalf, and has certified through a resolution that the LEA has met the criteria contained in this proposal.

Signature of Superintendent

Date

Signature of School Committee Chair

Date

Signature of Municipal Finance Director

Date