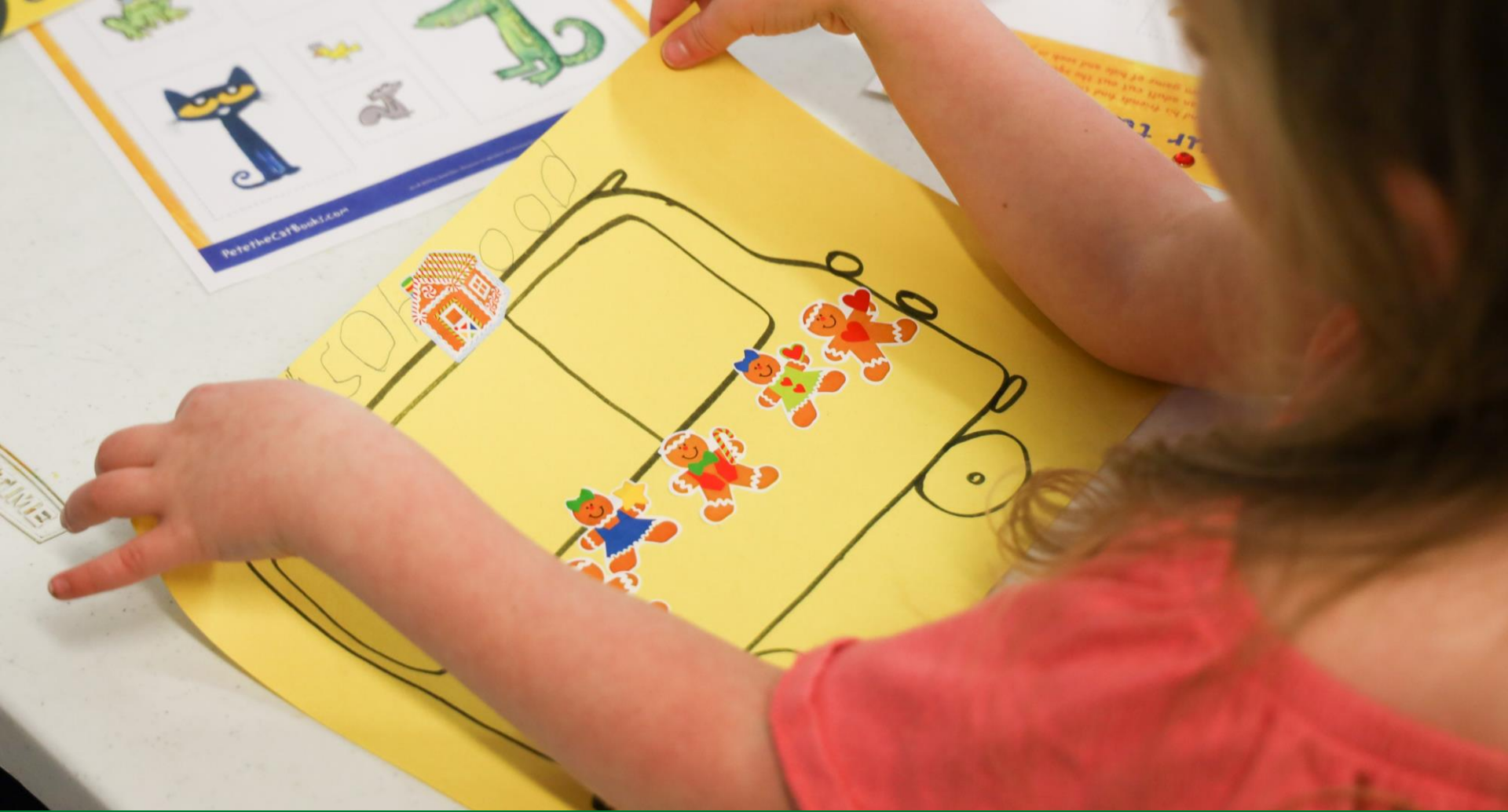


Presentation for the Joint Task Force on School Construction Aid

AGENCY OF EDUCATION, July, 2023



Safe & Healthy Schools

Building a better tomorrow

Overview

- Vermont Construction Aid Program review
 - Active Program – Emergency Aid
 - Suspended Programs
 - System used for Rating Construction Aid
- Act 72 Initiatives
 - Background and Purpose
 - Components
 - Schools Inventory
 - Schools Facilities Assessment
 - **Capital Outlay Financing Formula (COFF)**

Construction Aid Program Review

Vermont School Construction Aid Program

- State School Construction Aid comprised of two programs managed by the AOE
- Team comprised of two members; Program Manager & Assistant
- Key state partners included: DPS, DEC, DPH, PSD, AOT, DHP, VBB, AGR
- State Construction Aid suspended in 2008
 - Total nominal dollars awarded to school districts through state aid FY 2000 – FY 2008: \$91,686,892 (data courtesy of VBB)
 - Total LEA nominal Bonded Dollars for school construction projects FY 2000 –FY 2008: \$191,775,000 (data courtesy of VBB)
- Emergency Construction Aid still active in 2023

Active Program: Emergency Construction Aid

- Aid = 30% of eligible project costs up to \$100K
 - Resulting in a max of \$30K per emergency project
 - Eligible project costs determined after netting insurance, settlements, etc.
 - \$50K per year appropriated
 - Must be both unanticipated and result in a safety or health situation for building occupants
 - Typically, exempt from public bid law
 - Does not need to receive approval prior to construction / fix

Suspended Program: State Construction Aid Programs

Type II Infrastructure: projects that extend the useful life of a building but do not increase the building's size or capacity. Examples: replacement, addition or repair to utilities, projects which address environmental quality issues, replacement of a roof, or replacement or upgrading of mechanical equipment.

Aid = 30% of eligible costs

- No statutory \$ limit to costs if otherwise eligible
- Required both a Preliminary Application and a Type II application
- Triggered SBE rules – see SBE Rule Series 6000 – so many exhibits required to support application
- Required AOE approval prior to beginning construction
- Released ½ estimated costs at approval (as available)
- Required commissioning (as applicable) and a full project audit and financial audit
- Eligible project costs determined after netting insurance, settlements, etc.
- Released balance after financial audit completed (as available)

Suspended Program: State Construction Aid Programs (cont)

Major Construction (Type I, Add/Ren, Major Renovations): Additional square footage and/or capacity

- Must meet the same requirements for **Type II Infrastructure** projects
- Must meet the test for new square footage as spec'd in statute
- Ed Specs, facility analysis, enrollment projections, etc.
- Funding subject to a prioritization score that required onsite visit
- Interagency review
- 30% reimbursement of actual eligible costs up to the Maximum Cost for State Participation (MCSP).

Suspended Program: State Construction Aid Programs (cont)

Consolidation Construction Aid: End project resulted in fewer school buildings in VT

- Same requirements as Major Construction
- 50% construction aid

Biomass Projects:

- Similar to the Type II with addition that the project had to result in efficiencies and a life cycle cost analysis
- 90% aid, later reduced to 75% aid

Performance Contracts:











- Result in energy efficiency
- 20% aid

Continuing Technical Education Centers

- Eligible for up to 100% funding – managed through State Department of Buildings and General Services (BGS)

System for Rating Proposed School Construction Projects

SUMMARY OF PRIORITY RATING SCORES

		<u>Maximum Points</u>
Community Use		2
Consolidation/Union District Formation		10
Health and Safety		24
Building Condition		32
Type of Space		12
Number of Years Exceeding Capacity		5 (1 point per year)
Mid Range Projection		3
Enrollment Projections		40
Years in Process		5 (for each year project is unfunded)
Identified Schools		10

System for Rating School Construction - Scoring Explanation

DEFINITIONS OF COMPONENTS

Point System for Rating

All components will be rated equally. The following criteria will be applied to components with identified need.

Excellent:	Exceeds standards, and conditions do not pose a threat to the health and safety of students.
Good:	Is adequate for programs, services, enrollment, health and safety conditions.
Fair:	Demonstrating signs of need.
Poor:	Demonstrating problems.
Unsatisfactory:	Inadequate for programs, services. Enrollment poses a threat to the health and safety of students.

The following definitions and points will be applied when evaluating the different components of the priority system for ranking projects.

Community Use:

Approved educational specifications that include space for a community program that supports the school's educational program will receive 2 additional points.

Consolidation of Buildings or Union District Formations:

Proposals for the consolidation of one or more buildings, or like programs and services, which demonstrate cost effectiveness will receive 10 additional points.

Health and Safety:

Evidence of non-compliance with state and federal fire, health and safety regulations, including regulations of all state agencies with rules for construction and operation of public schools. 24 possible points.

System for Rating School Construction - Scoring Explanation

Building Condition:

Evidence provided through professional evaluations of the condition of the existing building(s).
32 possible points.

Type of Space:

Evidence that utilization of current classroom space does not meet current enrollment or future enrollment projections. For the purpose of determining the capacity of an existing building that has not had any major construction within five years, the Vermont Department of Education will take the total classroom space square footage and divide by 30 square feet. Calculations for classroom space for 7-12 or 6-8 enrollments will be at 70% and 80%, respectively, of use.

Core facilities components include: library, cafeteria, auditorium, gymnasium, multipurpose room, science labs, art and music rooms, planning rooms, storage areas, health services, guidance and administration areas. Evaluations of these areas will be based on their availability to meet the needs of the defined curriculum and services

System for Rating School Construction - Scoring Explanation

Enrollment Projections:

When applicable, schools must submit an enrollment history and projections for a minimum of five years and a maximum of ten years using a cohort survival method.

Evaluations are based on the district's percentage of unhoused students based on the approved enrollment projections.

If the enrollment projection for unhoused students is equal to or greater than 40 percent of existing capacity, **full points are awarded.** (max 40 points)

If the enrollment projection for unhoused students is less than 5 percent of existing capacity, **then 0 points are awarded.**

If the enrollment projection for unhoused students is between 5 and 40 percent of existing capacity, **then points are awarded equal to the percent of unhoused students.**

Mid Range Projection:

The degree of immediacy of a district's capacity problem. Three points will be added to the district's base calculation once it has reached its mid-range projection.

Number of Years Exceeding Projection:

The duration of an unhoused students problem. One point will be added to the calculation for each year the school's student population exceeds its capacity.

Act 72 Initiatives

UPDATE AS OF JULY 15, 2023

Background to Act 72

Suspension on state construction aid program from 2008.

2008-2019 school districts have issued \$211,000,000 in bonds for school facilities with \$445,000,000 planned in the future

There is a substantial backlog of construction and maintenance projects that has resulted in potentially “unsafe/unhealthy schools” and growing inequities between communities

COVID-19 highlighted serious deficits in indoor air quality and created new opportunities in funding as part of Education Recovery planning

Purpose of Act 72

Address school facilities as part of larger focus on education quality standards → school conditions are a critical component of equitable access to high quality learning environments

The work of Act 72 will position the state to address the backlog of facilities needs “in an efficient and equitable manner”

Major Components of Act 72

Component	Ownership	Purpose	Status or Deadline
Facilities Inventory	AOE	Initial, self-reported baseline data	COMPLETE
Facilities Assessment	AOE	Comprehensive assessment and prioritization	Oct-23
Facilities Standards	AOE/SBE/VSA	Update standards to reflect changes in educational delivery models and requirements for safe, healthy and efficient schools	Jan-23 (DQS will be implemented in July 2025)
Capital Outlay Formula	SBE/AOE	1) square footage allowance per student or program and 2) establish an allowable cost per square foot of construction	Draft completed, July 10, 2023. State Board next step.
School Construction Funding	AOE	Report on funding needs, recommendations for source of funding and analysis of other state approaches	July -23
School Facilities Management and Certification Program	AOE with partners	Update to 16 V.S.A. § 837 to Establish guidelines and certification for facilities management position; every district required to have a designated facilities manager	TBD
District Capital Improvement Plan	SU/SDs and AOE	5-year capital improvement plan, format developed by AOE, updated annually	TBD
Radon Testing	SU/SDs	Schools must complete radon testing and provide results to all students and employees	Jun-25

Other Components of Act 72

Component	Ownership	Purpose	Deadline or Status
Public Bid Threshold	SU/SDs	Increase of threshold from \$15,000 to \$40,000	Date of enactment of Act 72
State Energy Management Program	AOE and BGS	Report on how State Energy Management funding program can support schools to implement energy efficiency and conservation measures	Jan-23- not done
Health and Safety Projects	AOE	Hire consultant to advise schools and coordinate with AOE (Norm Etkind); emergency funding grants using ARP ESSER funds for facilities improvements	Contract ended
Renewable and Efficient School Heating Grant Program	Efficiency VT	Funding for this program has not been authorized, but a parallel program is in operation through DPS (Chris Heine)	High-poverty School Heating program with ARPA SFRF funds

School Facilities Inventory

- Statewide School Facilities Inventory has been completed with public facing Dashboard running on the AOE Website at [Agency of Education School Facility Inventory Dashboard](#)
 - The objective of this facilities inventory was to provide an assessment of the conditions of school facilities statewide
 - A **Facility Condition Index (FCI)** was calculated that provided an indication of a buildings overall amount of depleted life
 - The **FCI** of individual buildings comprising the district were aggregated to derive a **FCI** value for each SU/SD
 - The lower the **FCI**, the better the overall condition of a building
 - Vermont's education system has an overall average **FCI** of 71.4%
 - 24 SU/SDs or 44% have FCI's over 75%
 - 12 SU/SDs or 22% have FCI's over 80%
 - 5 SU/SDs or 9% have FCI's over 85%
 - The value of this inventory is an indication of the age and general condition of school buildings → not a comprehensive assessment

School Facilities Assessment

- Comprehensive Statewide School Facilities Assessment currently in progress
 - The on-site assessment of each school building includes the following
 - A building description, address, gross square footage, number of floors, age, construction type
 - A site description as well as condition and adequacy report
 - A description of the exterior envelope and the condition of major components
 - A description of interior finishes and their condition
 - ADA compliance in checklist format
 - Comments regarding potential hazardous materials (lead, asbestos, mold, etc.)
 - Identification of any fire or life safety issues
 - Identification of any “risk” factors such as location in flood prone area, wetlands, earthquake zone, “emergency” facilities related conditions, snow/ice shedding hazards, tripping hazards, etc.
 - A description and assessment of the HVAC system
 - A description and assessment of the electrical system

School Facilities Assessment Cont'd

- A description and assessment of the plumbing system
 - A description and assessment of any conveying system (elevators and lifts)
 - A description and assessment of the security system
 - A description and assessment of the capacity and utilization
 - A description and assessment of the capacity to deliver STEAM programming
 - A Level II energy use assessment for the past three years
-
- The deliverables due from the on-site assessment work include
 - A digital copy of each schools Building Condition Report
 - Lifetime access to Asset Calc, a data analysis platform that will allow for
 - Detailed views into each asset and observation in every facility
 - User configurable reporting options for financial forecasting

School Facilities Assessment – Next Steps

- Using the findings from the assessment to inform the path forward on creating safe and healthy schools
 - System Replacements/Upgrading Schools/Full building replacements
- Discussions around what the vision of education is for Vermont into the future
 - Consolidation
 - Regionalization
 - Community Schools
- Development of sustainable funding streams
- Development of a Construction Aid Funding Program

Capital Outlay Funding Formula

- The **Capital Outlay Financing Formula (COFF)** is a detailed facility specification and cost guide for school construction projects.
- The formula specifies the minimum allowable square footage for programs and services for each educational level (K-6, K-8, Middle School, High School).
- The formula specifies the maximum allowable square footage per student for each educational level (K-6, K-8, Middle School, High School).
- The formula specifies the allowable square footage costs for construction, demolition, site work and associated waste treatment facilities.
- The application of the formula to the project specifics determines the Maximum Eligible Building Costs for State Participation

COFF Cont'd

- The allowable unit costs in the table below have been updated to more accurately reflect current construction costs

MAXIMUM COST PARAMETERS FOR CONSTRUCTION AID				
A	B	C	D	E
FOR NEW PROJECT 10,000 SQUARE FEET OR LARGER	BUILDING COSTS INCLUDING FIXED EQUIPMENT (OR EQUIVALENT) AND FEES (PER SQUARE FOOT)	DEMOLITION (WHERE NECESSARY) (PER SQUARE FOOT)	SITE WORK (EXCLUDING WASTE TREATMENT) (PER SQUARE FOOT of <i>Impacted site</i>)	WASTE TREATMENT FACILITIES (WHEN NOT ON MUNICIPAL SEWER) (PER SQUARE FOOT)
Elementary K-6	\$570	\$12.50	\$12.50	\$19.00
Elementary K-8	\$575	\$12.50	\$12.50	\$19.00
Middle Grades or Junior High School	\$595	\$12.50	\$12.50	\$19.00
High School	\$620	\$12.50	\$12.50	\$19.00
Technical & Career Centers	\$695	\$12.50	\$12.50	\$19.00

COFF Cont'd

- The Maximum Eligible Building Costs for State Participation purposes shall in no way limit the amount of construction cost that a local district may expend on a project and serves only to cap the state aid contribution towards a project.

Act 72 Initiatives Cont'd

- Ongoing work developing assistance strategies for LEAs in the effective deployment of Facilities and Safety Management initiatives that are part of the new District Quality Standards
 - Operations and Maintenance Manual (FAC)
 - Facilities Manager (FAC)
 - Physical Security (FAC)
 - Capital Improvement Plan (FAC)
 - Emergency Operations Plan (FAC)
 - Emergency Protocols (FAC)
- Radon Testing is ongoing and is required to be completed by June 2025
 - There is no reporting requirement for this mandate as to progress or completion