

School Capital Funding: Grant and Debt

Alaska Department of Education and Early Development
Senate Finance Committee

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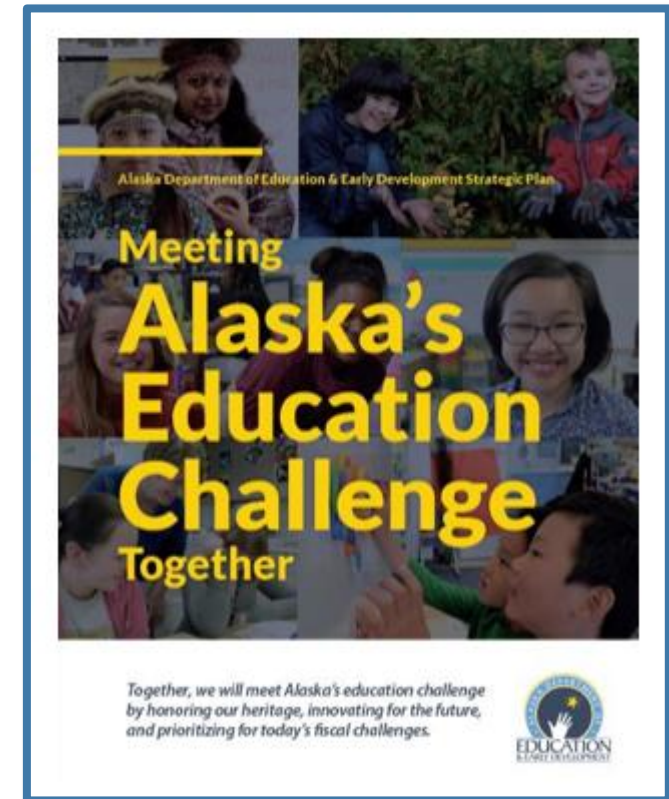
Mission, Vision, and Purpose

Mission	Vision	Purpose
<p>An excellent education for every student every day.</p>	<p>All students will succeed in their education and work, shape worthwhile and satisfying lives for themselves, exemplify the best values of society, and be effective in improving the character and quality of the world about them.</p> <p>- Alaska Statute 14.03.015</p>	<p>DEED exists to provide information, resources, and leadership to support an excellent education for every student every day.</p>

Strategic Priorities: Alaska's Education Challenge

Five Shared Priorities:

1. Support all students to read at grade level by the end of third grade.
2. Increase career, technical, and culturally relevant education to meet student and workforce needs.
3. Close the achievement gap by ensuring equitable educational rigor and resources.
4. Prepare, attract, and retain effective education professionals.
5. Improve the safety and well-being of students through school partnerships with families, communities, and tribes.



education.alaska.gov/akedchallenge

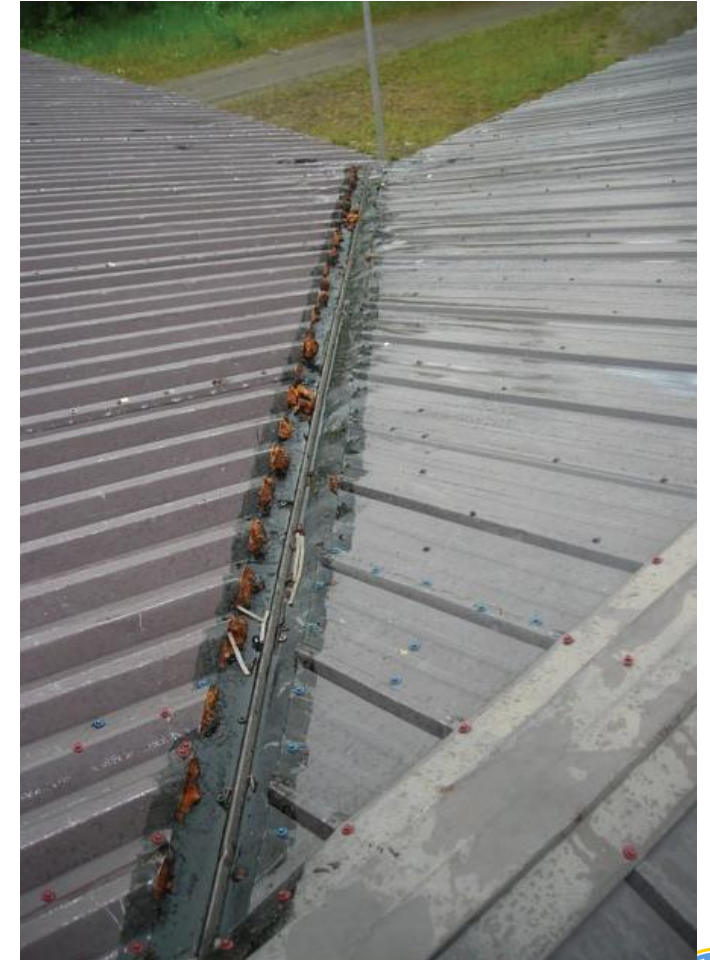
School Construction and Major Maintenance Funding Overview

- SB 237 (Chapter 93 SLA 2010) – AS 14.11.035
 - Annual report on school construction and major maintenance funding
 - First report completed in February 2013
- \$1,778,864,534 in funding
 - Total project value for Debt projects
 - State share value for Grant projects
- FY2027 Major Maintenance Request - \$400,975,573
- FY2027 School Construction Request - \$442,916,669

Current Funding Options

- School Construction Grant Fund (1990) *AS 14.11.005*
- Major Maintenance Grant Fund (1993) *AS 14.11.007*
- Regional Educational Attendance Area (REAA) and Small Municipal School District School Fund (2010) *AS 14.11.030*
 - Indexed Fund
 - DR Funding divided by percent of municipal schools multiplied by 0.244 *AS 14.11.025*
- School Debt Reimbursement (DR) Funding *AS 14.11.102*

Roof Replace Request



Building Features that Clearly Exceed Criteria:

1. For the most part, the facility is in good shape for
2. a roughly 30 year old building.
3. -Some issues ~~with~~ listed below
4. _____
5. _____

School Renovation Request



Conclusion

The buildings have reached a point where considerable upgrades are needed to keep them serviceable into the future. The High School is in greater need of renewal than the Elementary School, due to both its greater age and possible settlement in the building's foundation. However, both schools have poor performing thermal envelopes, poor interior space arrangements, failing finishes, and code and accessibility deficiencies.

Bond Reimbursement & Grant Review Committee (BRGR) – AS 14.11.014

- A nine-member committee
 - Commissioner (or designee), two members of the legislature selected by the presiding officers of the house and senate, six people selected by the commissioner including two individuals with professional degrees and experience in school construction, two individuals with experience in urban or rural school facilities management and two individuals representing the public.
- Review the department's Capital Improvement Project ([CIP](#)) Grant Priority Lists
- Make recommendations concerning grants and bond reimbursement project requests
- Develop criteria for cost-effective school construction
- Analyze existing prototypical school designs
- Establish a [grant application form](#)
- Establish a method of ranking grant projects
- Recommend to the board necessary changes to the approval process for school construction grants and for projects for which bond reimbursement is requested
- Set standards for school energy efficiency that minimize long-term energy and operating costs

Grant Participation and Eligibility

1. Capital Improvement Project (CIP) Grant Application
 - Due from school districts on or before September 1 (annually)
 - CIP Application materials are posted on facilities website (<https://education.alaska.gov/facilities/facilitiescip>)
2. Project Ranking
 - Ranked in accordance with criteria in AS 14.11 and 4 AAC 31
3. Eligibility
 - Districts must have a six-year plan, a fixed asset inventory system, adequate property loss insurance, and a preventive maintenance and facility management program certified by the department
4. CIP Priority Lists
 - Initial lists are released on November 5
 - Final lists are released after any appeals for reconsideration are finalized

Ranking Process & Points

- Grant Funding Annual Application Due September 1
- District can submit up to 10 applications per year
- Total Points available
 - 265 Formula-Driven Points
 - 255 Evaluative Points

Current Project Categories (AS 14.11.013)

(**School Construction** and **Major Maintenance**)

- (A) Avert imminent danger or correct life-threatening situations;
- (B) House students who would otherwise be unhoused; for purposes of this subparagraph, students are considered unhoused if the students attend school in temporary facilities;
- (C) Protect the structure of existing school facilities;
- (D) Correct building code deficiencies that require major repair or rehabilitation in order for the facility to continue to be used for the educational program;
- (E) Achieve an operating cost savings;
- (F) Modify or rehabilitate facilities for the purpose of improving the instructional program;
- (G) Meet an educational need not specified in (A) — (F) of this paragraph, identified by the department

Scoring Elements: Basic

- Preventative Maintenance, narratives (25)
- Preventative Maintenance, reports (30)
- Preventative Maintenance, Expenditures (5)
- Weighted Average Age (15)
- Condition Survey (10)
- Planning/Design (35)
- Cost Estimate (30)
- Options (25)
- Alternative Facilities (5)
- Total 180 points available
- All projects able to achieve

Scoring Elements: Specific Conditions

- Life Safety/Code Deficiencies (50)
- Operational Cost Savings (30)
- Inadequacies of Existing Space (40)
- Unhoused Students (80)
- Type of Space (30)
- Total 230 points available
- Typical for a project to score high in only one scoring element

Scoring Elements: Priority Bumps

- District Ranking (30)
- Prior AS 14.11 Funding (30)
- Emergency (50)
- Total 110 points available
- Used to “bump” score to increase chance of funding

Formula-Driven Grant Application Scoring

Formula-Driven

- 11 scoring elements, 265 possible points
- Calculated based on information submitted in the CIP application or routinely collected by department

Questions (points)

- Q.3a District Priority (30)
- Q.3b Weighted Average Age (15)
- Q.3j Type of Space (30)
- Q.5e Unhoused Students Today (50)
Unhoused Post Occupancy (30)
- Q.6a Condition Survey (10)
- Q.6 Planning and Design (25)
- Q.6b Re-use of previous design or Q.6c Building system standards (10)
- Q.8e Previous AS 14.11 (30)
- Q.9 Maintenance Reports (30)
- Q.9 Maintenance Expenditures (5)

Evaluative Grant Application Scoring

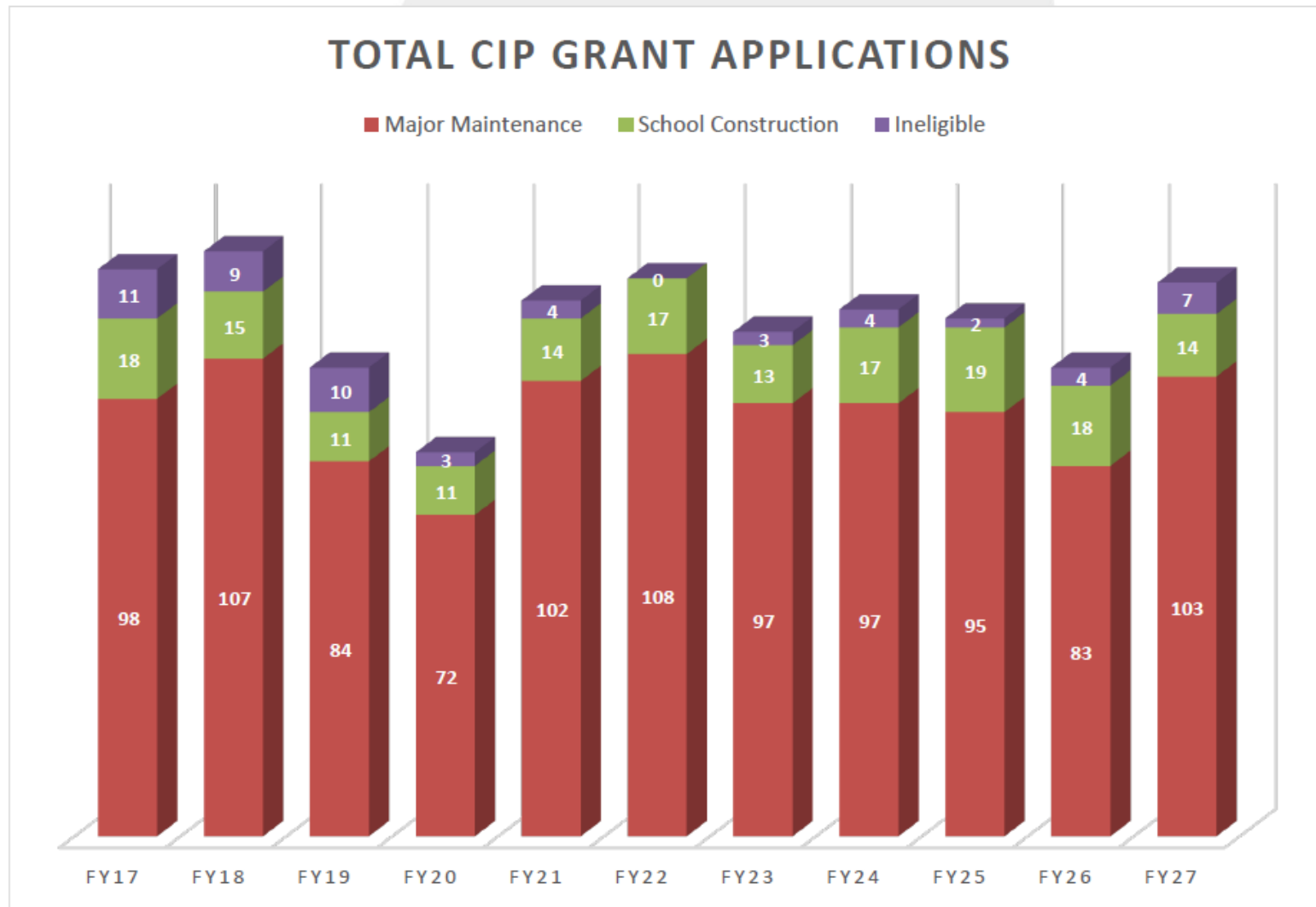
Evaluative

- 8 scoring elements, 255 possible points
- Independently scored by three raters
- Scores based on information submitted in the CIP application

Evaluative Questions (points)

- Q.4a Life Safety Conditions (50)
- Q.5h Alternative Facilities (5)
- Q.7 Cost Estimate (30)
- Q.8a Emergency (50)
- Q.8b Inadequacy of Space (40)
- Q.8c Options (25)
- Q.8d Operational Cost Savings (30)
- Q9. PM Narratives (25)

Grant Participation and Eligibility FY2017 – FY2027



Grant Awards FY2016 – FY2026

Fiscal Year	School Construction Grant Fund (AS 14.11.005)	Major Maintenance Grant Fund (AS 14.11.007)	REAA & Small Municipal School District School Fund (AS 14.11.030)
2016	\$43,237,400	\$2,623,689	\$0
2017	\$25,404,787	\$0	\$47,473,181
2018	\$24,402,430	\$0	\$22,607,667
2019	\$490,000	\$24,203,372	\$45,487,387
2020	\$0	\$7,365,723	\$20,082,467
2021	\$0	\$34,277	\$0
2022	\$3,132,000	\$0	\$9,476,008
2023	\$0	\$37,500,000	\$101,629,382
2024	\$0	\$5,020,920	\$65,396,010
2025	\$0	\$49,688,447	\$44,037,781
2026	\$0	\$12,975,900	\$17,163,300

Amounts in whole dollars

Total Eligible Grant Projects and Actual Grant Funding by Fiscal Year

Fiscal Year/List	Number of Projects	Total Eligible State Share	Number of Projects Funded	Amount Funded
FY2020 Construction	11	\$ 190,353,374	2	\$ 20,082,467
FY2020 Maintenance	72	\$ 112,247,626	1	\$ 7,365,723
FY2021 Construction	14	\$ 142,797,809	0	\$ -
FY2021 Maintenance	102	\$ 148,986,253	1	\$ 34,277
FY2022 Construction	17	\$ 162,305,916	2	\$ 12,608,008
FY2022 Maintenance	108	\$ 187,285,413	0	\$ -
FY2023 Construction	13	\$ 192,775,088	3	\$ 91,745,168
FY2023 Maintenance	97	\$ 196,637,613	21	\$ 47,384,214
FY2024 Construction	17	\$ 195,666,783	1	\$ 50,850,443
FY2024 Maintenance	97	\$ 217,866,788	5	\$ 19,566,487
FY2025 Construction	19	\$ 260,489,844	3	\$ 30,964,499
FY2025 Maintenance	95	\$ 249,060,086	26	\$ 62,761,729
FY2026 Construction	17	\$ 363,111,771	3	\$ 13,817,383
FY2026 Maintenance	84	\$ 261,526,980	6	\$ 15,079,610

Amounts in whole dollars

Debt Reimbursement and Eligibility

1. Debt Reimbursement program is established in AS 14.11.100
2. Capital Improvement Project (CIP) Debt Application
 - May be received at any time the Debt Reimbursement program is open
 - CIP Application materials are posted on our website (<https://education.alaska.gov/facilities/facilitiescip>)
3. Project Ranking
 - Projects are not ranked or evaluated for prioritized need
4. Eligibility
 - All types of Cities, except 3rd Class
 - All types of Boroughs
 - Districts must have a six-year plan, a fixed asset inventory system, adequate property loss insurance, and a preventive maintenance and facility management program certified by the department

Debt Reimbursement Trends

- Percentage of Annual Debt Service

- FY1971 – FY1977 100%
- FY1978 – FY1983 90%
- FY1984 – FY1994 80%
- FY1995 – FY1999 70%
- FY2000 – FY2015 70% / 60% *

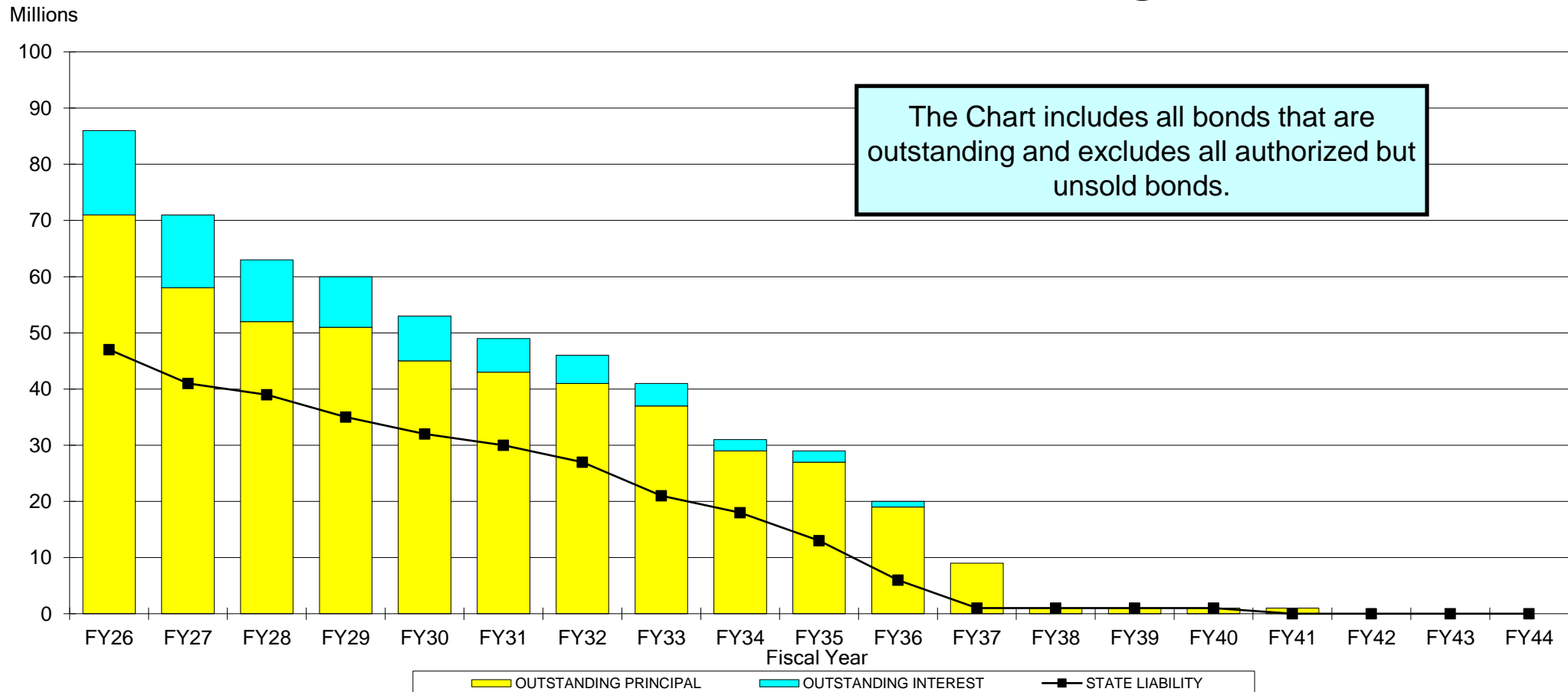
- SB64 (Chapter 3 SLA 2015) implemented a moratorium on additional debt reimbursement through FY2020
- HB106 (Chapter 6 SLA 2020) extended the moratorium on additional debt reimbursement through FY2025

- FY2026 – FY20xx 50% / 40%

*Northwest Arctic Borough at 90% for bonds between 1990-2006

Debt Reimbursement Trends

State Share of Outstanding Debt



Additional Resources

- DEED's Facilities website: <https://education.alaska.gov/facilities>
- School Facility Database
https://education.alaska.gov/doe_roldex/schoolcalendar/facility
- Preventive Maintenance & Facility Management Program
<https://education.alaska.gov/facilities/PM>
- Bond Reimbursement and Grant Review Committee
<https://education.alaska.gov/facilities/brgr>
- CIP Application and Support
<https://education.alaska.gov/facilities/facilitiescip>
- CIP Grant Priority Lists <https://education.alaska.gov/facilities/facilitiespl>



Broken Waste Pipe – A Project currently on Major Maintenance List



Siding Condition at Foundation – A Project currently on School Construction List



Multi-Purpose Room – A Project currently on School Construction List



Existing doors with loose hinges – A Project currently on Major Maintenance List



Boys Restroom – A Project currently on School Construction List



Compartment sink, walk-in freezer, upright refrigerator, desk, and entrance into dry storage – A Project currently on the Major Maintenance List



Corridor – A Project currently on School Construction List

Contact Information

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