

# Public School Capital Construction Assistance Board Meeting Agenda



COLORADO DEPARTMENT of EDUCATION

## Vision

*All students in Colorado will become educated and productive citizens capable of succeeding in a global society, in the workforce, and in life.*

## Goals

*Every student, every step of the way*



**Date & Time:**  
**January 22, 2014**  
**1:00 p.m.**

**Location:**  
**201 E. Colfax, Room 101**  
**Denver, CO 80203**

Capital Construction Assistance Board Members

Lyndon Burnett – Chair  
John Conklin  
Kathy Gebhardt

Pete Hall – Vice-Chair  
Ken Haptonstall  
Denise Pearson

Tim Reed  
David Tadlock  
Matt Throop

- I. Call to order
- II. Pledge of Allegiance
- III. Roll call
- IV. Approve agenda
- V. Approve previous minutes from December 12 & 16, 2013 meetings
- VI. Board Report
- VII. Directors Report
  - a) BEST Project Updates;
  - b) Legislative Update;
- VIII. Action Items
  - a) Review and approve returning unused cash matching funds to Monte Vista School District C-8 for their FY2010-11 BEST Lease-Purchase grant;
- IX. Discussion Items
  - a) Parson's proposed scope of work to update the statewide facility assessment;
  - b) Review redlined draft BEST Rules 1 CCR 303-1 and rulemaking timeline;
  - c) Review CCAB's roles and responsibilities and develop a training timeline;
  - d) Capital renewal for BEST new school / major renovation / addition projects;
- X. Presentation
  - a) Ft. Morgan School District RE-3;
- XI. Future meetings
  - February 26 – 1:00 p.m. Location: 201 E. Colfax Avenue, Room 101, Denver, CO 80203
  - March 26 – 1:00 p.m. Location: 201 E. Colfax Avenue, Room 101, Denver, CO 80203
  - April 23 – 1:00 p.m. Location: 201 E. Colfax Avenue, Room 101, Denver, CO 80203
  - May 20-22 – 8:30 a.m. – 5 p.m. Grant Selection Meetings – Adams 12 Conference Center 1500 E 128<sup>th</sup> Avenue, Thornton, CO 80241
- XII. Public comment
- XIII. Adjournment.

# Public School Capital Construction Assistance Board Meeting Minutes



COLORADO DEPARTMENT OF EDUCATION

## Vision

*All students in Colorado will become educated and productive citizens capable of succeeding in a global society, in the workforce, and in life.*

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**Date & Time:**  
**December 12, 2013**  
**12:15 – 5:00 p.m.**

**Location:**  
**1575 Sherman Street,**  
**Garden Room, Denver, CO 80203**

### Capital Construction Assistance Board Members:

Lyndon Burnett – Chair  
John Conklin  
Kathy Gebhardt

Pete Hall – Vice-Chair  
Ken Haptonstall  
Denise Pearson

Tim Reed  
David Tadlock  
Matt Throop

#### I. **Call to order** – 12:30 p.m.

#### II. **Stakeholder Presentations**

- Jane Urschel, with the Colorado Association of School Boards gave the CCAB a brief legislative update on items related to the BEST Program.
- Bruce Caughey, with the Colorado Association of School Executives told the CCAB about the positive impacts the BEST Program is having throughout the State and discussed the future of the program, including funding for full day kindergarten.
- Lyndon Burnett discussed the Legislative Audit Committee hearing he recently attended. Lyndon Burnett talked about the recent BEST performance audit and possible legislative changes to the district match criteria.

#### III. **Roll Call**

**Attendees:** Lyndon Burnett, John Conklin, David Tadlock, Pete Hall, Kathy Gebhardt, Matt Throop, Ken Haptonstall, Denise Pearson, Tim Reed **Excused:** None **BEST AG:** Erica Weston **CDE Staff Attendees:** Scott Newell, Kevin Huber, Leanne Emm, Cheryl Honigsberg, Jay Hoskinson, Ted Hughes, Wendi Chapin, Dustin Guerin

#### IV. **Approve agenda**

- The CCAB Chair asked for a motion to approve the agenda;
  - So moved by Kathy Gebhardt;
  - David Tadlock 2<sup>nd</sup> the motion;
  - Discussion: Kathy Gebhardt proposed to add two discussion items to the agenda: 1) types of grants the CCAB will be funding for the next grant cycle; 2) board protocol for taking action to request legal opinions & board representations made (after discussion item b);
  - Motion to approve the amended agenda carried unanimously.

#### V. **Approve previous minutes from November 7, 2013 meeting**

- The CCAB Chair asked for a motion to approve the minutes from November 7, 2013 meeting;
  - So moved by Ken Haptonstall;
  - Pete Hall 2<sup>nd</sup> the motion;
  - Motion to approve the November 7, 2013, meeting as presented carried unanimously.

## **VI. Board Report**

- Lyndon Burnett updated the CCAB about recent meetings he had attended, his presentation at the C.A.S.B. convention, and board protocol for board communications.
- Kathy Gebhardt noted that she had been at superintendent meetings and discussed how the board is going forward with the audit, her presentation at the C.A.S.B. convention, and the Joint Budget Committee meeting she recently attended.
- Denise Pearson mentioned the recent topping out ceremony she attended at Elbert School District 200.

## **VII. Directors Report**

- Division staff members Ted Hughes & Cheryl Honigsberg discussed the Elbert School District 200 project and told about their topping out ceremony, while pictures of the event were projected.
- Ted Hughes told the CCAB about the Rocky Mountain Deaf School groundbreaking ceremony he attended. Ted Hughes and the CCAB discussed Rocky Mountain Deaf School's project.
- Ted Hughes told about a scratch ticket the Colorado Lottery is going to run in May of next year that showcases Sargent School District's RE-33J new high school which was funded in part by BEST.
- Lyndon Burnett thanked Ted Hughes for all of his service over the years and presented Ted Hughes with a Colorado State flag and a certificate signed by the Governor.

The CCAB Chair called for a brief recess.

- Division staff member Scott Newell told the CCAB about Paradox Charter School's ribbon cutting, Montezuma-Cortez's upcoming ribbon cutting ceremony on December 21, 2013, how all CCAB meetings will be recorded, and Division staffing updates.
- Scott Newell told the CCAB about the BEST grant application, the closing of six lease-purchase projects and how all items included in the audit implementation plan are on track to meet all deadlines.

## **VIII. Action Items**

- a) Audit implementation plan; review and adopt:
- Targeted outreach plan. Scott Newell reviewed the final draft outreach plan with the CCAB and possible criteria questions that would be used. The CCAB made minor edits to the document. The CCAB Chair asked for a motion to adopt the targeted outreach plan with proposed changes.
    - So moved by Pete Hall;
    - Kathy Gebhardt 2<sup>nd</sup> the motion;
    - Motion to adopt the targeted outreach plan with proposed changes carried unanimously.
  - Evaluation tool for grant review. Scott Newell reviewed the stakeholder feedback and how their comments had been addressed and incorporated into the final draft proposal. Other edits were discussed as well. Lyndon Burnett explained the need for the evaluation tool. Additional changes were made. The CCAB Chair asked for a motion to adopt the evaluation tool for grant review with proposed changes.
    - So moved by Denise Pearson;
    - Pete Hall 2<sup>nd</sup> the motion;
    - Motion to adopt the evaluation tool for grant review with proposed changes carried unanimously.
  - Waiver application. Scott Newell reviewed the final draft waiver application with the CCAB. The CCAB Chair asked for a motion to adopt the waiver application with proposed changes.
    - So moved by Pete Hall;
    - Matt Throop 2<sup>nd</sup> the motion;
    - Motion to adopt the waiver application with proposed changes carried unanimously.

- Waiver evaluation tool. Scott Newell reviewed the final draft waiver evaluation tool with the CCAB. Slight edits were made to the document.  
The CCAB Chair asked for a motion to adopt the waiver evaluation tool with proposed changes.
  - So moved by Denise Pearson;
  - David Tadlock 2<sup>nd</sup> the motion;
  - Motion to adopt the waiver evaluation tool with proposed changes carried unanimously.

The CCAB Chair called for a brief recess.

- Policy/form regarding board actions related to conflicts of interest. Scott Newell said there had been no changes from the last time the document was presented.  
The CCAB Chair asked for a motion to adopt the policy/form regarding board actions related to conflicts of interest as presented.
  - So moved by Matt Throop;
  - Ken Haptonstall 2<sup>nd</sup> the motion;
  - Motion to adopt the policy/form regarding board actions related to conflicts of interest as presented carried unanimously.

- b) Adopt FY2014-15 BEST Financial Assistance Timeline. Scott Newell reviewed the proposed changes with the CCAB.

The CCAB Chair asked for a motion to adopt the FY2014-15 BEST financial assistance timeline as presented.

- So moved by Ken Haptonstall;
- David Tadlock 2<sup>nd</sup> the motion;
- Motion to adopt the FY2014-15 BEST financial assistance timeline as presented carried unanimously.

#### **IX. Discussion Items**

- a) New match calculation for districts, BOCES & Colorado School for the Deaf & Blind. Scott Newell reviewed the possible legislative changes that are being proposed and reviewed some examples with the CCAB.
- b) BEST Rules update: conflict of interest and other updates as necessary. Scott Newell explained that the audit required updating the rules to include the new conflict of interest guidelines. Scott Newell presented the current rules with suggested feedback and asked for board feedback before the January 22, 2014, CCAB meeting. The CCAB and their Erica Weston, the BEST attorney general discussed conflicts of interest.
- c) Types of grants the CCAB will be funding for the next grant cycle. The CCAB discussed the types of grants that can be funded for the next grant cycle. The CCAB determined that the announcement needed to be amended to state all districts are encouraged to apply, and are subject to the availability of funds.
- d) Board protocol for taking action to request legal opinions & board representations made. The CCAB discussed how information should be communicated while the legislature is in session. The CCAB proposed to hold an executive session conference call for December 16, 2013, at 12 p.m.
- e) Review comments and board discussion regarding stakeholder presentation. This item was not discussed.
- f) Procuring a legislative liaison for the Capital Construction Assistance Board. This item was not discussed.

#### **X. Adjournment**

- The CCAB Chair asked for a motion to adjourn;
  - So moved by Kathy Gebhardt;
  - David Tadlock 2<sup>nd</sup> the motion;
  - Motion to adjourn carried unanimously;
  - Meeting adjourned 4:50 p.m.

# Public School Capital Construction Assistance Board Meeting Minutes



COLORADO DEPARTMENT of EDUCATION

## Vision

*All students in Colorado will become educated and productive citizens capable of succeeding in a global society, in the workforce, and in life.*

## Goals

*Every student, every step of the way*



**Date & Time:**  
**December 16, 2013**  
**12:00 p.m.**

**Location:**  
**1580 Logan Street, Suite 310,**  
**Denver, CO 80203**

### Capital Construction Assistance Board Members:

Lyndon Burnett – Chair  
John Conklin  
Kathy Gebhardt

Pete Hall – Vice-Chair  
Ken Haptonstall  
Denise Pearson

Tim Reed  
David Tadlock  
Matt Throop

#### I. **Call to order** – 12:03 p.m.

#### II. **Roll Call**

**Attendees:** Lyndon Burnett, John Conklin, David Tadlock, Pete Hall, Kathy Gebhardt, Ken Haptonstall, Denise Pearson, Tim Reed. **Excused:** Matt Throop **BEST AG:** Erica Weston **CDE Staff Attendees:** Scott Newell, Kevin Huber, Leanne Emm

Kathy Gebhardt requested that Leanne Emm not be present for the executive session, the CCAB agreed. Leanne Emm left the meeting.

#### III. **Executive Session**

- a) The Public School Capital Construction Assistance Board may convene an executive session under C.R.S. 24-6-402(3)(a)(III) to receive legal advice on related specific legal questions under C.R.S. 24-6-402(3)(a)(II).
- The CCAB Chair asked for a motion to convene an executive session;
  - So moved by Ken Haptonstall;
  - David Tadlock 2<sup>nd</sup> the motion;
  - Motion to convene an executive session carried unanimously – 12:07 p.m.
  - Executive Session concluded at 12:39 p.m.

#### IV. **Adjournment**

- The CCAB Chair asked for a motion to adjourn;
  - So moved by Kathy Gebhardt;
  - Pete Hall 2<sup>nd</sup> the motion;
  - Motion to adjourn carried unanimously;
  - Meeting adjourned 12:39 p.m.

# PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD AGENDA SHEET

**MEETING DATE:** January 22, 2014

**SUBJECT:** Review and approve returning unused cash matching funds to Monte Vista School District C-8 for their FY2010-11 BEST Lease-Purchase grant

**TYPE:** Action  Information

## **BACKGROUND (Include any statutory authority):**

In the BEST FY2010-11 grant cycle, Monte Vista School District C-8 was awarded a BEST Lease-Purchase grant for an Elementary School Addition/Renovation & High School Replacement. The State's contribution was \$27,656,994.00; Monte Vista School District C-8 contributed \$4,502,301.00; for a total grant amount of \$32,159,295.00. The district's minimum required match was 14%. Monte Vista's match comprised of \$3,752,301.00 in financed funds (district bond) and a \$750,000 D.O.L.A. Grant that was provided as cash match to the project.

The project is now complete and there is a cost savings of \$1,319,953.00, of which \$750,000 is the cash match that is remaining in the BEST Assistance Fund. \$184,793.41 is Monte Vista School District C-8's portion that will be returned in cash, and \$1,135,159.59 is the amount that will be returned to the State (\$565,206.59 in cash and \$569,953.00 in financed funds).

Pursuant to Monte Vista School District C-8's sublease agreement, any "cost savings" upon consent of the Assistance Board and determined by the State Treasurer may be returned to the grantee.

Section 4.11. (Excess Costs and Cost Savings) of the sublease states: *The Sublessee shall pay all Costs of the Project that exceed the moneys that may be withdrawn from the Sublessee's Project Account and the Assistance Fund pursuant to Section 4.10 hereof from sources other than money withdrawn from the Sublessee's Project Account and the Assistance Fund pursuant to Section 4.10 hereof. If the Costs of the Project are less than the amount of the moneys that may be withdrawn from the Sublessee's Project Account and the Assistance Fund pursuant to Section 4.10 hereof (a "cost savings"), a portion of such cost savings, as determined by the State Treasurer, may, upon the consent of the Assistance Board, be shared with the Sublessee through the return of a portion of any cash payment of Matching Moneys or forgiveness of a portion of the Base Rent that would otherwise be payable hereunder, principal, premium, if any, and interest that would otherwise be due on the Sublessee's Matching Moneys Bond or Matching Moneys Installment Payments that would otherwise be payable hereunder, as applicable.*

## **STAFF RECOMMENDATION**

Division staff recommends the CCAB approve the return of Monte Vista C-8's cash portion of the project cost savings in the amount of \$184,793.41.

## **STAFF RECOMMENDED MOTION (If this is an action item)**

I move to return Monte Vista C-8's cash portion of their project cost savings from their FY2010-11 BEST Lease-Purchase grant in the amount of \$184,793.41.

## **ATTACHMENTS:**

None

# PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD AGENDA SHEET

**MEETING DATE:** January 22, 2014

**SUBJECT:** Parson's proposed scope of work to update the statewide facility assessment

**TYPE:** Action      Information X

**BACKGROUND (Include any statutory authority):**

Recommendation 1 of the audit states; the Public School Capital Construction Assistance Board (Assistance Board) with the assistance of the Department of Education's Division of Public School Capital Construction Assistance (Department) should take steps to identify, in a prioritized manner, the critical public school capital construction needs in the state, taking into account all factors required by statute, and use the results as a primary basis for providing financial assistance to school districts in priority order to the extent possible.

Specifically the audit noted, working with Parsons to determine if adjustments can be made to the Priority Assessment data to prioritize capital construction needs and add health and safety data across the State in accordance with statutory requirements.

**BEST Board Response:**

The Public School Capital Construction Assistance Board, with the assistance of the Department, will work with Parsons to identify potential updates and adjustments to the Priority Assessment data, including the addition of health and safety data that would allow the Assistance Board to develop a prioritized list of the critical public school capital construction needs statewide, based on statutory criteria. Depending upon the specific scope of work, Parsons has indicated the cost to make the recommended updates and adjustments to the Priority Assessment data could be significant. The Assistance Board will work with Parsons to determine the appropriate scope of work, develop and estimate costs, and work with the Department and the State Board of Education on a potential funding request.

**Department Response:**

The Department of Education, Division of Public School Capital Construction Assistance will provide assistance to the Public School Capital Construction Assistance Board in working with Parsons, including determining the estimated costs of updating the Priority Assessment database and developing funding requests as appropriate.

**STAFF RECOMMENDATION**

Review the summary sheet and discuss the proposal for reclassifying the assessment and the various options for keeping the database current. Once the CCAB has reached consensus on their preferred approach, CDE will work with the Legislative Audit Committee on next steps. Any decision involving updates to the assessment will require an appropriation and competitive procurement of a contractor.

**STAFF RECOMMENDED MOTION (If this is an action item)**

N/A

**ATTACHMENTS:**

CDE Priority Assessment Update Tasks Summary  
Parsons Proposal

# CDE Priority Assessment Update Tasks Summary

## Priority Assessment Adjustment Recommendations (modifying current data)

Total Cost - \$2,700,000

**Task 1.1: Workshop to Define terms and criteria to be used in the Priority Assessment; set goals and objectives for going forward.**

Division and Capital Construction Assistance Board to go through all current assessment criteria questions and define each criteria question as: health/safety/security, overcrowding, technology.

**Task 1.2: Reclass existing condition and suitability deficiencies and criteria to clarify health, safety and security issues.**

Assessment contractor will reclass all current criteria questions in this category

**Task 1.3: Reclass existing suitability deficiencies and criteria and add capacity and utilization deficiencies to clarify overcrowding (Capacity and Utilization) issues.**

Assessment contractor will reclass all current criteria questions in this category

**Task 1.4: Reclass existing condition and suitability deficiencies and criteria to clarify technology needs.**

Assessment contractor will reclass all current criteria questions in this category

**Task 1.5: Revise SchoolHouse software and database to include suitability and technology calculation, scoring and prioritization algorithms.**

Assessment contractor will reclass all current criteria questions in this category

## Priority Assessment Update Recommendations (methods for keeping data current)

For all methods the first steps will be to:

**Simplify Assessment Criteria;**

**Set up District Self Assessment Update and Annual Reporting.**

**Method 1: Contractor to complete a statewide re-assessment in approximately 12 months**

Estimated cost to complete - \$10,926,815

**Method 2: Contractor to complete a 20% per year statewide assessment over 5 years**

Estimated cost to complete - \$2,516,481 per year or approximately \$12,226,602 over 5 years

**Method 3: Contractor team provides Districts with assessment training and oversight for self assessments**

Estimated cost to complete - \$7,877,824

**Method 4: Contractor team trains CDE staff to assess, update and consult with Districts on assessment data**

Estimated training cost by contractor - \$100,000

Estimated FTE cost per year - \$100,000 per FTE required

**Method 5: No reassessment but Division will continue to require applicants to update their assessments during the application process**

Estimated cost to complete - \$0

## CDE Priority Assessment Update Tasks

In 2008, the Building Excellent Schools Today Act (BEST Act) [Section 22-43.7-102, C.R.S., et seq.] established the Public School Capital Construction Assistance Program (the Program) to help Colorado school districts, Boards of Cooperative Educational Services (BOCES), charter schools, and the Colorado School for the Deaf and Blind, build new public schools and renovate or maintain existing public schools, so that unsafe, deteriorating, or overcrowded facilities do not impair students' abilities to learn.

Statute [Section 22-43.7-108, C.R.S.] requires the Assistance Board to conduct, or contract for, a statewide financial assistance priority assessment (Priority Assessment) to determine the overall school capital construction needs at public schools in the state. This work was conducted in 2009. In March 2010, Parsons and MGT of America (Parsons) provided a detailed facility condition assessment data and eCOMET™ database (SchoolHouse) on approximately 8,419 public school facilities in 178 districts including main school buildings, leased buildings, temporary classroom facilities, mini-buildings, school sites, athletic fields, athletic facilities, and other support buildings.

### 2009 Facility Scope of Work

The 2009 facility assessment scope of work can be summarized as follows:

Facility Type	GSF	Buildings
Tier 1 - Schools	123,470,846	3,431
Tier 2 - Ancillary	10,182,885	4,490
Tier 3 - Support	5,540,983	401
Totals	139,194,714	8,322

The assessment provided the Department and Assistance Board with an evaluation of the condition, air and water quality, space requirements, ability to accommodate education technology, site requirements, and demographics for 8,322 school buildings in Colorado (including teaching and learning facilities, administrative buildings, and other support facilities and buildings). The Priority Assessment identified about \$13.9 billion in school capital construction needs over the time period of 2010 through 2013 for the approximately 1,687 schools in the state.

Financial assistance was prioritized by the following:

- (A) (i) projects that will address safety hazards or health concerns at existing public school facilities, including concerns relating to public school facility security; (ii) in prioritizing an application for a public school facility renovation project that will address safety hazards or health concerns, the board shall consider the condition of the entire public school facility for which the project is proposed and determine whether it would be more fiscally prudent to replace the entire facility than to provide financial assistance for the renovation project.
- (B) Projects that will relieve overcrowding in public school facilities, including but not limited to projects that will allow students to move from temporary instructional facilities into permanent facilities;

- (C) Projects that are designed to incorporate technology into the educational environment;  
and
- (D) All other projects.

A Performance Audit<sup>1</sup> (the Audit), September 2013, of the Public School Capital Construction Assistance Program provided recommendations to clarify assessment issues that related to health and safety and other critical public school capital construction needs in the state:

*Recommendation No. 1:*

*The Public School Capital Construction Assistance Board (the Assistance Board), with the assistance of the Department of Education's Division of Public School Capital Construction Assistance (the Department), should take steps to identify, in a prioritized manner, the critical public school capital construction needs in the state, taking into account all factors required by statute, and use the results as a primary basis for providing financial assistance to school districts in priority order to the extent possible. This should include:*

1. *Working with Parsons Commercial Technology Group (Parsons) to determine if adjustments can be made to the statewide financial assistance priority assessment (Priority Assessment) data to prioritize capital construction needs and add health and safety data across the State in accordance with statutory requirements.*
2. *Working with school districts to identify a means of maintaining updated information in the Priority Assessment database.*
3. *Systematically using the Priority Assessment data, in conjunction with other factors as appropriate, to identify school districts that have not applied for funds for their schools with critical needs and that do not have the financial ability to help themselves, and targeting outreach to those districts to help them prepare quality applications for funding.*

## Audit Response Actions

### 1. Priority Assessment Adjustment Recommendations

Parsons recommends the following tasks for consideration in adjusting the Priority Assessment to address the Audit findings.

#### **Task 1.1: Workshop to Define terms and criteria to be used in the Priority Assessment; set goals and objectives for going forward.**

Parsons recommends a focused workshop in collaboration with the Best Board, CDE staff and other stakeholders to clearly establish the goals, objectives and desired outcomes to address the Audit findings.

First, we recommend that definitions that are applied to the Priority Assessment be clearly established. The CRS Statute does not define "critical need". The word "priority" (as related to the Priority Assessment) is not defined in statute. SchoolHouse supports the following working definitions:

**Critical Repair** (Deficiency Category): Facility repair required to reinstate, maintain or renew the facility's integrity and functional operations in order to support the facility's assigned primary

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<sup>1</sup>COLORADO OFFICE OF THE STATE AUDITOR, Performance Audit, September 2013, PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE PROGRAM

missions or programs, or those that improve the health and safety of the physical environment, or to alleviate health, life and safety/code issues.

**Priority (Deficiency Urgency):** Priority refers to a deficiency's urgency for repair as determined by the assessment team and does not reflect the priority assigned to proposed project repairs as determined by APS or the school in their funding requests or facility planning. Five typical industry priority settings were used for the assessment:

1. Priority 1: Critical / Immediate Need;
2. Priority 2 Potentially Critical-12 months;
3. Priority 3 Necessary- 2-5 Yrs;
4. Priority 4 Recommended-3-10 Yrs;
5. Priority 5 Does Not Meet Current Code and/or Guidelines.

Additional Categories and definitions could be established for:

1. Safety / Security
2. Space Sufficiency
3. Technology

Categories can be weighted to increase the FCI calculation used to prioritize facilities, e.g., a \$1,000 deficiency for fire alarms counts more than the \$1,000 for floor finishes.

The Adverse Effect field can be initiated to tag deficiency classifications:

Risk	Description
Physical Site Risk	Physical site may be damaged or encumbered unless the repairs are provided.
Warranty Risk	Warranty may be in jeopardy or encumbered unless repairs are provided.
Insurance Risk	Property and casualty insurance may be affected if repairs are not provided.
HS & E Risk	Health, Safety or Environment may be affected for students, staff or visitors unless the repairs are provided.
Operations Risk	Operations of the facility or process may be in jeopardy or encumbered unless repairs are provided.
Procurement Risk	Procurement options may be jeopardized unless the repairs are provided, or the repairs may be limited to hard to find components or materials.
Governmental Risk	Governmental jurisdictions and restrictions may be triggered unless the repairs are provided, or if the repairs are provided.
Execution Risk	The execution or provision of the repairs may require significant permitting, planning or implementation efforts to provide the repairs.

Risk	Description
Other Risk - See deficiency notes	Risk is described on the deficiency or system notes.

### **Task 1.2: Reclass existing condition and suitability deficiencies and criteria to clarify health, safety and security issues.**

1. Activate "Adverse Effect" field in SchoolHouse for deficiencies (handout) to tag Health, Safety and Environment (HSE) risks. We recommend this in lieu of simply adding Safety to Category class, as almost any deficiency could become a safety "risk".
2. Reclass existing condition deficiencies (62,130 current total) to include Adverse Effect.
3. Reclass Criteria (~213 criteria x 1687 schools) to address health and safety issues.
4. Update health and safety criteria based on current standards

### **Task 1.3: Reclass existing suitability deficiencies and criteria and add capacity and utilization deficiencies to clarify overcrowding (Capacity and Utilization) issues.**

1. Transfer school educational space inventory into SchoolHouse database.
2. Establish baseline school capacity guidelines based on the Colorado educational program.
3. Determine as-built capacity and utilization.
4. Determine 5 year historical enrollment and 5 year enrollment projections.
5. Determine current and projected capacity and utilization based on the developed criteria.
6. Develop gap analysis.
7. Develop capacity deficiencies and costs.

### **Task 1.4: Reclass existing condition and suitability deficiencies and criteria to clarify technology needs.**

1. Reclass existing condition deficiencies (3,100 current total for D5030 Communications and Security) for Technology issues.
2. Update technology readiness suitability criteria based on current standards.
3. Reclass Criteria (~213 criteria x 1687 schools) to address health and safety issues.

### **Task 1.5: Revise SchoolHouse software and database to include suitability and technology calculation, scoring and prioritization algorithms.**

1. Set up Criteria points, scoring and prioritization algorithms.
2. Set up Condition, Suitability and Technology weighting factors
3. Set up cost calculation algorithm for Suitability and Technology criteria

## Action 1 Budget

Task	GSF	Cost Per GSF	Fee
Task 1.1 Workshop	139,194,714	\$0.0002	\$34,500
Task 1.2 Reclass Condition and Suitability Deficiencies	139,194,714	\$0.0157	\$2,181,061
Task 1.3 Establish Capacity and Utilization Deficiencies	139,194,714	\$0.0014	\$198,116
Task 1.4 Reclass Technology Deficiencies	139,194,714	\$0.0014	\$190,647
Task 1.5 Set up Suitability and Technology Algorithms	139,194,714	\$0.0002	\$34,500
<b>Total Action 1 Fee</b>	139,194,714	\$0.0190	\$2,638,824

## 2. Priority Assessment Update Recommendations

The current data in SchoolHouse is over five years old. Parsons recommends a complete reassessment of CDE assets in the state that would also include the adjustments listed in Action 1 above under Scenarios 1 and 2, or set up and training of Districts in the self update and maintenance of the SchoolHouse database under Scenario 3.

### Task 2.1: Simplify Assessment Criteria.

1. Review assessment Construction Guidelines Criteria used in the 2009 assessment for redundancy and reordering to better meet the audit recommendations
2. Reclass existing Criteria deficiencies to reduce number and to better organize the data.
3. Revise Criteria Scoring to 100 point system of scored points to possible points.
4. Revise Criteria database setup to include suitability issues, scoring and pricing.
5. Develop the School Score to 100 point scale.

### Task 2.2: Set up District Self Assessment Update and Annual Reporting

1. Develop an online simplified facility audit form, e.g., "1040EZ form", for the districts to report their current year improvements and deficiencies. These would be school and other asset class specific (ES, MS, HS, BOCES, Charter, Athletic, Administration and other, and Vacant) annual reports on the condition, educational suitability and technology readiness of district assets relative to statewide condition, suitability and technology readiness guidelines, also updated every year.
2. Automate the annual facility scoring, ranking and prioritization methodology using the district reports to keep the SchoolHouse database current between a recommended entire state five year audit assessment. The purpose of the five year audit would be to reconcile reported district asset condition, suitability and technology with the actual conditions through an unaffiliated third party national assessment firm.

### Task 2.3: Statewide Priority Assessment Update

#### **Scenario 1: Complete a statewide re-assessment in ~12 months**

Parsons team would field assess Tier 1 and Tier 3 facilities, update their data in the SchoolHouse database system, and re-inventory Tier 2 facilities. Assuming the already completed 2010 SchoolHouse work, the effort would require the following budget:

Facility	GSF	Cost Per GSF	Fee
Tier 1	123,470,846	\$ 0.083	\$ 10,213,948
Tier 2	10,182,885	\$ 0.034	\$ 341,364
Tier 3	5,540,983	\$ 0.067	\$ 371,504
Total	139,194,714	\$ 0.079	\$ 10,926,815

1. Tier 1 assumed to require all original tasks in the 2009 assessment.
2. Tier 2 assumed to be inventoried but not assessed.
3. Tier 3 assumed to be assessed for condition only.

### **Scenario 2: Complete 20% per year statewide assessment over 5 years**

Parsons team would assess approximately 20% of the statewide total each year over 5 years to reduce one time capital outlay for the work. However, CDE would not have updated information from all school facilities concurrently. For the State to gain maximum effectiveness for its Best investment, Parsons recommends that the BEST participating districts (and preferably all districts) be placed on a 5-year schedule for district masterplan effort that would include the condition and suitability reassessment, facilities masterplan and 5-year maintenance plan.

The reassessment effort would require the following fee budgets:

Year	GSF	Cost Per GSF	Fee
2014	27,838,943	\$ 0.083	\$ 2,302,936
2015	27,838,943	\$ 0.085	\$ 2,372,024
2016	27,838,943	\$ 0.088	\$ 2,443,185
2017	27,838,943	\$ 0.090	\$ 2,516,481
2018	27,838,943	\$ 0.093	\$ 2,591,975
Totals	139,194,714	\$ 0.088	\$ 12,226,602

1. Assumes 3% escalation each year.

### **Scenario 3: Parsons Team provides Districts with Assessment Training for Self Assessment**

Parsons team would train District staff to provide facility education suitability and facility condition assessment of Tier 1 facilities and data entry into the SchoolHouse system. Cost of the assessment would be provided by the state as part of the annual BEST funding.

#### **Phase 1**

Phase 1 would include Parsons team (6 FTE) to define the following with CDE over a two month period

1. Outline approach to what data to be gathered (Statewide buy-in)
2. Outline approach of implementation to data gathering – see options above
3. Outline approach of how data is to be analyzed (Statewide buy-in)

4. Outline how the state will use the data – apply to grant review, ranking schools by assessed need, etc.
5. Parsons initiates the Action 1 adjustments noted above.

## **Phase 2**

Phase 2 would include the following Parsons team (18 FTE) services over a six month period:

1. Parsons team assists CDE in developing the Phase 1 objectives above and working with CDE at statewide workshops to roll out the program to districts.
2. Parsons team provides and develops training materials (web based/other)
3. Parsons team (1 condition assessor + 1 educational suitability assessor) travels to each district for a four day training session focused on how to assess the facilities using eCOMET™.
4. Parsons “certifies” data acquisition personnel (both educational and condition).
5. District certified personnel gather and input data.
6. Parsons team provides quality control program to verify data is consistent for SchoolHouse upload.
7. Districts certify data to State and uploads to SchoolHouse.

Assuming the already completed work, the effort would require the following budget:

<b>Phase</b>	<b>Fee</b>	<b>GSF</b>	<b>Cost Per GSF</b>
Action 1 Adjustments	\$2,638,824	139,194,714	\$0.0190
Phase 1	\$523,900	139,194,714	\$0.0038
Phase 2	\$4,715,100	139,194,714	\$0.0339
Totals	\$7,877,824	139,194,714	\$0.0566

Notes:

1. Phase 1 assumes 6 FTE staff.
2. Phase 2 assumes eight 2-man teams working simultaneously, or 16 FTE, plus two management staff. Training could be completed in about 6 months assuming no more than 10 participants from each CDE district. District training facilities with internet access and district provided laptops are assumed.

### **Scenario 4: Parsons Team trains CDE staff to consult with Districts to update data in eCOMET®**

Parsons team would train CDE staff to provide facility education suitability and facility condition assessment and the use of eCOMET®. In turn, CDE staff would then consult with individual Districts on getting their data into eCOMET® or doing the assessment themselves and adding it into eCOMET®.

Task 1 – Parsons team (2 FTE - Parsons and MGT) provides one week of classroom training to select CDE personnel at CDE location on assessment procedures and use of eCOMET®.

Task 2 – Parsons team (2 FTE - Parsons and MGT) provides one week of hands-on field assessment training to select CDE personnel at District location to be determined by CDE.

Task 3 – Parsons (1 FTE) provides one week of assessment data input training and assistance to CDE personnel for facilities assessed in Task 2. MGT (1 FTE) will quality check data inputted using staff located remotely in their office.

Task 4 – Parsons team (Parsons and MGT) will provide on-call help desk services provided by condition assessment technical manager and educational suitability manager. This service will be provided on an hourly basis. Budget includes 160 hours of on-call service.

The fee budget for Scenario 4 is as follows:

<b>Task</b>	<b>Fee</b>
Task 1	\$21,250
Task 2	\$20,150
Task 3	\$18,075
Task 4	\$32,000
<b>Total Scenario 4 Fee Budget</b>	<b>\$91,475</b>

## Exclusions and Clarifications

- Individual contracts with Districts.** We assume a master services agreement with CDE for district task orders based on the fee rates above and district reported asset gross square feet.

## Fee Budget Assumptions

The 2009/2010 Parsons fee, including the Tier 2 to Tier 3 change order included the following tasks and fee breakouts:

<b>Original Scope</b>	<b>Original Task Fee</b>	<b>Assumed 2014 Tasks</b>
Develop Database	302,077	Revise Criteria, scoring and state reports for Tier 1 and Tier 3 facilities.
Field Training	281,281	Refresh – Re-train CDE staff
Performance Bond	240,000	Not required?
Facilities Assessment	10,480,892	Assume Tier 1 and Tier 3 facilities are field assessed for updates and changes from 2009 assessment. Tier 2 facilities inventory will be confirmed / re-evaluated.
Final Report	645,706	Modify current Exec. Summary report and revise State Scoring reports for Condition, Ed. Suitability and Tech Readiness scores.
RSMMeans	21,000	Included in current hosting
Data Collection Tests Devices	83,250	Same tests required
Totals	\$12,054,206	

Parsons completed the original assessment in 2009 for a fee of \$12,054,206 (Including T3 change order). Using the current total GSF of 139,194,714 GSF, then the 2009 fee results in a 2009 unit price of \$0.0866/GSF. Escalating the 2009 unit price at 3% per year, the escalated 2014 unit price budget for the same scope of work would be \$.103/GSF.

This budget study assumes all previous scope requirements from 2009 remain in effect, e.g., energy analysis, code analysis, etc. Assuming the already completed database work represents 20% of the fee, then the 2014 discounted unit price budgets would be as follows:

<b>Facility</b>	<b>2009 Cost Per GSF</b>	<b>2014 Escalated Unit Costs</b>	<b>2014 Discounted Costs</b>
Tier 1	\$0.0866	\$0.103	\$0.083
Tier 2	\$0.0866	\$0.065	\$0.032
Tier 3	\$0.0866	\$0.103	\$0.067

### 3. Targeted Outreach

Parsons can refine the statewide ranking of schools and/or districts based on the criteria developed under Action 1 and Action 2 above using the Combined Facility Index (Condition+Suitability+Technology repair costs) or by a combined School or District score based on Criteria.

# PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD AGENDA SHEET

**MEETING DATE:** January 22, 2014

**SUBJECT:** Review redlined draft BEST Rules 1 CCR 303-1 and rulemaking timeline

**TYPE:** Action      Information X

**BACKGROUND (Include any statutory authority):**

Recommendation #4 of the audit states the Public School Capital Construction Assistance Board (Assistance Board) should maximize the safeguards in place to prevent the appearance of, or actual conflicts of interest by establishing in rules a clear process for handling conflicts of interest when they arise, including enforcement measures that can be used should Members not comply with conflict of interest policies.

**BEST Board Response:**

The Assistance Board will review and update the existing rules related to conflict of interest disclosure and enforcement and will develop a formalized process for documenting and acting upon potential conflicts of interest.

Additionally, other sections of the BEST rules should be updated to reflect current processes and procedures and it is recommended those updates be initiated at the same time.

**STAFF RECOMMENDATION**

Review proposed revisions to the BEST Rules and discuss any other changes which may be necessary. Once all proposed revisions have been agreed upon by the CCAB, Division staff will initiate the formal rule change process with the Secretary of State's Office. The public hearing for these rules will be scheduled for the March CCAB meeting.

**STAFF RECOMMENDED MOTION (If this is an action item)**

N/A

**ATTACHMENTS:**

Redline draft of BEST Rules  
Rulemaking timeline

**COLORADO DEPARTMENT OF EDUCATION**  
**DIVISION OF PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE**

**1 CCR 303-3**

**BUILDING EXCELLENT SCHOOLS TODAY GRANT PROGRAM**

**Authority**

§ 22-43.7-106(2)(i)(I) C.R.S., the Public School Capital Construction Assistance Board may promulgate rules, in accordance with Article 4 of Title 24, C.R.S., as are necessary and proper for the administration of the BEST Act.

**Scope and Purpose**

This regulation shall govern the Building Excellent Schools Today (BEST) Public School Capital Construction Assistance Program pursuant to the BEST Act.

**1. Definitions**

- 1.1. "Applicant" means an entity that submits an Application for Financial Assistance to the Board, including:
  - 1.1.1. A School District;
  - 1.1.2. A District Charter School;
  - 1.1.3. An Institute Charter School;
  - 1.1.4. A Board of Cooperative Educational Services (BOCES);
  - 1.1.5. The Colorado School for the Deaf and Blind.
- 1.2. "Application" means the Application for Financial Assistance submitted by an Applicant.
- 1.3. "Assistance Fund" means the public school capital construction assistance fund created in § 22-43.7-104(1) C.R.S.
- 1.4. "Authorizer" means the School District that authorized the charter contract of a Charter School or, in the case of an Institute Charter School, as defined in § 22-43.7-106(1) C.R.S., the State Charter School Institute created and existing pursuant to § 22-30.5-502(6) C.R.S.
- 1.5. "BEST Act" means § 22-43.7-101 C.R.S. et seq.
- 1.6. "BEST Lease-purchase Funding" means funding from a sublease-purchase agreement entered into between the state and an entity as described in 2.1 pursuant to § 22-43.7-110(2) C.R.S.
- 1.7. "BEST Cash Grant" means cash funding as a matching grant.
- 1.8. "BEST Emergency Grant" means a request for Financial Assistance in connection with a Public School Facility Emergency.

- 1.9. "Board" means the Public School Capital Construction Assistance Board created in § 22-43.7-106 (1) C.R.S.
- 1.10. "Board of Cooperative Educational Services" or "BOCES" means a Board of Cooperative Services created and existing pursuant to § 22-5-104 C.R.S. that is eligible to receive State moneys pursuant to § 22-5-114 C.R.S.
- 1.11. "Capital Construction" means, pursuant to § 24-75-301 (1) C.R.S.:
- 1.11.1. Purchase of land, regardless of the value thereof;
  - 1.11.2. Purchase, construction, or demolition of buildings or other physical facilities, including utilities and state highways or remodeling or renovation of existing buildings or other physical facilities, including utilities and state highways to make physical changes necessitated by changes in the program, to meet standards required by applicable codes, to correct other conditions hazardous to the health and safety of persons which are not covered by codes, to effect conservation of energy resources, to effect cost savings for staffing, operations, or maintenance of the facility, or to improve appearance;
  - 1.11.3. Site improvement or development;
  - 1.11.4. Purchase and installation of the fixed and movable equipment necessary for the operation of new, remodeled, or renovated buildings and other physical facilities and for the conduct of programs initially housed therein upon completion of the new construction, remodeling, or renovation;
  - 1.11.5. Purchase of the services of architects, engineers, and other consultants to prepare plans, program documents, life-cycle cost studies, energy analyses, and other studies associated with any Capital Construction project and to supervise construction or execution of such Capital Construction projects;
  - 1.11.6. Any item of instructional or scientific equipment if the cost will exceed fifty thousand dollars.
- 1.12. "Capital Renewal Reserve" means moneys set aside by an Applicant that has received an award for a project for the specific purpose of replacing major Public School Facility systems with projected life cycles such as, but not limited to, roofs, interior finishes, electrical systems and heating, ventilating, and air conditioning systems.
- 1.13. "Charter School" means a Charter School as described in § 22-54-124 (1)(f.6)(I)(A) or (1)(f.6)(I)(B) C.R.S., that has been chartered for at least five years on the date its Authorizer forwards an Application for Financial Assistance to the Board on the Charter School's behalf pursuant to § 22-43.7-103(7) C.R.S.
- 1.14. "Eligible Charter School" means a qualified charter school that is eligible for the Loan Program as defined in section 22-30.5-408(1)(c) C.R.S. and authorized to receive financial assistance pursuant to 22-43.7-109(7) C.R.S.
- 1.15. "Division" means the Division of Public School Capital Construction Assistance created in § 22-43.7-105 C.R.S.
- 1.16. "Financial Assistance" means BEST Cash Grants; BEST Lease-purchase Funding; BEST Emergency Grants; funding provided as matching grants by the Board from the Assistance Fund to an Applicant; or any other expenditure made from the Assistance Fund for the purpose of financing Public School Facility Capital Construction as authorized by the BEST Act.

- 1.17. "Grantee" means a School District, Charter School, Institute Charter School, BOCES or the Colorado School for the Deaf and Blind that has applied for Financial Assistance and received an award.
- 1.18. "Institute Charter School" means a Charter School chartered by the Colorado State Charter School Institute pursuant to § 22-30.5-507 C.R.S.
- 1.19. "Loan Program" means the charter school matching moneys loan program pursuant to 22-43.7-110.5 C.R.S.
- 1.20. "Matching Moneys" means moneys required to be used directly to pay a portion of the costs of a Public School Facility Capital Construction project by an Applicant as a condition of an award of Financial Assistance to the Applicant pursuant to § 22-43.7-109 (9) C.R.S and/or 22-43.7-110(2) C.R.S.
- 1.21. "Project" means the Capital Construction Project for which Financial Assistance is being requested.
- 1.22. "Public School Facility" means a building or portion of a building used for educational purposes by a School District, Charter School, Institute Charter School, a Board of Cooperative Education Services, the Colorado School for the Deaf and Blind created and existing pursuant to § 22-80-102(1)(a) C.R.S., including but not limited to school sites, classrooms, data centers, libraries and media centers, cafeterias and kitchens, auditoriums, multipurpose rooms, and other multi-use spaces; except that "Public School Facility" does not include a learning center, as defined in § 22-30.7-102(4) C.R.S., that is not used for any other public school purpose and is not part of a building otherwise owned, or leased in its entirety, by a School District, a Board of Cooperative Education Services, a Charter School, Institute Charter School, or the Colorado School for the Deaf and Blind for educational purposes.
- 1.23. "Public School Facility Construction Guidelines" means Public School Facility Construction Guidelines as established in § 22-43.7-107 C.R.S.
- 1.24. "Public School Facility Emergency" means an unanticipated event that makes all or a significant portion of a Public School Facility unusable for educational purposes or poses an imminent threat to the health or safety of persons using the Public School Facility.
- 1.25. "School District" means a School District, other than a junior or community college district, organized and existing pursuant to law in Colorado pursuant to § 22-43.7-103 (14) C.R.S.
- 1.26. "State Board" means the State Board of Education created and existing pursuant to section 1 of article IX of the State Constitution.
- 1.27. "Statewide Assessment" means the Financial Assistance priority assessment conducted pursuant to § 22-43.7-108 C.R.S.

## **2. Eligibility**

2.1. The following entities are eligible to apply for Financial Assistance:

2.1.1. A School District;

2.1.2. A District Charter School or individual school of a School District if the school applies through the School District in which the school is located. The School District shall forward the Application from a Charter School or individual school of a School District to the Division with its comments;

- 2.1.3. An Institute Charter School;
  - 2.1.4. A Board of Cooperative Educational Services (BOCES);
  - 2.1.5. The Colorado School for the Deaf and Blind.
- 2.2. The Board may only provide Financial Assistance for a Project for a Public School Facility that the Applicant owns or will have the right to own in the future under the terms of a lease-purchase agreement with the owner of the facility or a sublease-purchase agreement with the state entered into pursuant to § 22-43.7-110(2) C.R.S.
- 2.3. The Board may provide Financial Assistance to a Charter School that first occupies a Public School Facility on or after May 22, 2008, only if the Public School Facility occupied by the Charter School complied with all Public School Facilities Construction Guidelines addressing health and safety issues when the Charter School first occupied the facility.
- 2.4. For a BEST Emergency Grant, the Applicant shall be operating in the Public School Facility for which Financial Assistance is requested.

### 3. Assistance Board

#### 3.1. Conflict of Interest

3.1.1. In regard to Board members providing information to potential Applicants:

3.1.1.1. Board members shall exercise caution when responding to requests for information regarding potential Applications, especially in regard to questions that may increase the chances that the Board would give a favorable recommendation on an Application or Project.

3.1.2. If a potential or actual conflict of interest occurs with a Board member, the Board member will complete a Conflict of Interest disclosure form and it will be presented at the following CCAB meeting.

~~3.1.2.~~3.1.3. Board members, and their firms, shall not present their position on the Board to School Districts, Charter Schools, Institute Charter Schools, BOCES, or the Colorado School for the Deaf and Blind as an advantage for using their firm over other firms in a competition.

~~3.1.3.~~3.1.4. In regard to Board members avoiding potential conflicts of interest in evaluation of and voting on Applications:

~~3.1.3.1.~~3.1.4.1. If a Board member's firm has no prior contact regarding the Project included in an Application, the Board member may appropriately vote on the Application;

~~3.1.3.2.~~3.1.4.2. No Board member shall participate in the Board's evaluation process, including voting, for any Application when the Board member's firm has had prior contact with the Applicant directly related to the Project or Application;

~~3.1.3.3.~~3.1.4.3. At all times Board members must exercise judgment and caution to avoid conflicts of interest and/or appearance of impropriety, and should inform the Division staff of any questionable situation that may arise. A Board member may recuse himself or herself from any vote.

3.1.5. In cases where a Board member or a Board member's firm has not consulted with an Applicant prior to the evaluation and voting process, and a Board member votes on an

Application, if the Application is approved by the State Board the Board member or Board member's firm may respond to a competitive RFP or RFQ, or work on the Project, but must exercise caution to avoid conflicts of interest and/or appearance of impropriety, and he or she should inform the Division staff of the situation, then the CCAB.

3.1.4.3.1.6. In cases where a Board member has violated the conflict of interest policy the Division Director will notify the Board members appointing authority of the violation in writing.

#### **4. Matching Requirement**

4.1. Except as provided below in section 4.2, Financial Assistance may be provided only if the Applicant provides Matching Moneys in an amount equal to a percentage of the total cost of the Project determined by the Board after consideration of the Applicant's financial capacity, based on the following factors:

4.1.1. With respect to a School District's Application for Financial Assistance:

4.1.1.1. The School District's assessed value per pupil relative to the state average;

4.1.1.2. The School District's median household income relative to the state average;

4.1.1.3. The School District's bond redemption fund mill levy relative to the statewide average;

4.1.1.4. The percentage of pupils enrolled in the School District who are eligible for free or reduced-cost lunch; and

4.1.1.5. The amount of effort put forth by the School District to obtain voter approval for a ballot question for bonded indebtedness, including but not limited to, a ballot question for entry by the district into a sublease-purchase agreement of the type that constitutes an indebtedness of the district pursuant to § 22-32-127 C.R.S., during the ten years preceding the year in which the district submitted the Application, which factor may be used only to reduce the percentage of Matching Moneys required from a district that has put forth such effort and not to increase the amount of Matching Moneys required from any district;

4.1.1.6. A School District shall not be required to provide any amount of Matching Moneys in excess of the difference between the School District's limit of bonded indebtedness, as calculated pursuant to § 22-42-104 C.R.S., and the total amount of outstanding bonded indebtedness already incurred by the School District.

4.1.2. With respect to a Board of Cooperative Education Services' Application for Financial Assistance:

4.1.2.1. The average assessed value per pupil of all members of the Board of Cooperative Education Services participating in the Project relative to the state average;

4.1.2.2. The average median household income of all members of the Board of Cooperative Education Services participating in the Project relative to the state average;

4.1.2.3. The average bond redemption fund mill levy of all members of the Board of Cooperative Education Services participating in the Project relative to the statewide average;

4.1.2.4. The percentage of pupils enrolled in the member schools within the Board of Cooperative Education Services that are participating in the Project who are eligible for free or reduced-cost lunch; and

4.1.2.5. The amount of effort put forth by the members of the Board of Cooperative Education Services to obtain voter approval for a ballot question for bonded indebtedness, including but not limited to a ballot question for entry by any member into a sublease-purchase agreement of the type that constitutes an indebtedness of the member pursuant to § 22-32-127 C.R.S., during the ten years preceding the year in which the Board of Cooperative Education Services submitted the Application, which factor may be used only to reduce the percentage of Matching Moneys required from a Board of Cooperative Education Services whose members, or any of them, have put forth such effort and not to increase the amount of Matching Moneys required from any Board of Cooperative Education Services.

4.1.3. With respect to a Charter School's Application for Financial Assistance:

4.1.3.1. The weighted average of the match percentages for the school districts of residence for the students enrolled in a district charter school or fifty percent of the average of the match percentages for all school districts in the state for an institute charter school;

4.1.3.2. Whether the charter school's authorizer retains no more than ten percent of its capacity to issue bonds;

4.1.3.3. Whether the charter school is operating in a district-owned facility at the time it submits its application;

4.1.3.4. In the ten years preceding the year in which the charter school submits the application, the number of times the charter school has attempted to obtain or has obtained:

4.1.3.4.1. Bond proceeds pursuant to 22-30.5-404 C.R.S through inclusion in a ballot measure submitted by the charter school's authorizer to the registered electors of the school district:

4.1.3.4.2. Proceeds from a special mill levy for capital needs pursuant to 22-30.5-405 C.R.S.;

4.1.3.4.3. Grant funding for capital needs from a source other than the assistance fund; and

4.1.3.4.4. Funding for capital construction from bonds issued on its behalf by the Colorado Educational and Cultural Facilities authority created and existing pursuant to 23-15-104(1)(a), C.R.S., or from some other source of financing.

4.1.3.5. If the charter school is a district charter school, the student enrollment of the charter school as a percentage of the student enrollment of the charter school's authorizing school district.

4.1.3.6. The percentage of students enrolled in the charter school who are eligible for the federal free and reduced-cost lunch program in relation to the overall percentage of students enrolled in the public schools in the State who are eligible for the federal free and reduced-cost lunch program.

4.1.3.7. The percentage of the per pupil revenue received by the charter school that the charter school spends on facility costs other than facilities operations and maintenance.

4.1.3.8. The charter school's unreserved fund balance as a percentage of its annual budget

4.1.3.9. The match percentage for a charter school calculated based on the above criteria shall not be higher than the highest match percentage for a school district, or lower than the lowest match percentage for a school district, in the same grant cycle.

#### 4.2. Waiver or reduction of Matching Moneys

4.2.1. An Applicant may apply to the Board for a waiver or reduction of the Matching Moneys requirement. Such application shall discuss unique issues demonstrating why the percentage is not representative of the Applicant's current financial state. The Board may grant a waiver or reduction if it determines:

4.2.1.1. That the waiver or reduction would significantly enhance educational opportunity and quality within a School District, Board of Cooperative Education Services, or Applicant school,

4.2.1.2. That the cost of complying with the Matching Moneys requirement would significantly limit educational opportunities within a School District, Board of Cooperative Education Services, or Applicant school, or

4.2.1.3. That extenuating circumstances deemed significant by the Board make a waiver appropriate.

4.2.2. ~~Waiver requests shall not list the issues and impacts in general terms. An applicant must complete a waiver request application and submit it to the Board in conjunction with their grant application. The waiver application shall explain issues and impacts in detail, including dollar amounts of the issues and impacts, and specific ways in demonstrate why each of which such issues and impacts make it impossible for the Applicant to make its full Matching Moneys contribution the factors used to calculate their Matching Moneys percentage are not representative of their actual financial capacity. The Board will determine the merit of the request based on the following issues or impacts: determine the merit of the waiver by evaluating each wavier application using the prescribed wavier application evaluation tool.~~

~~4.2.2.1. The general fund and capital reserve fund balance if applicable, and an explanation of why it is at that level (do not include TABOR Reserves);~~

~~4.2.2.2. Commitments to the capital reserve fund, showing why the capital reserve fund cannot be used to fund the matching contribution;~~

~~4.2.2.3. Bond history including an explanation of factors contributing to the decision to pursue or not pursue a bond issue, and factors contributing to past bond issue failures and successes;~~

~~4.2.2.4. Changes in insurance costs;~~

~~4.2.2.5. Changes in salaries;~~

~~4.2.2.6. Other increased expenses;~~

~~4.2.2.7. Changes in enrollment;~~

~~4.2.2.8. Changes in revenues;~~

~~4.2.2.9. Additional projects undertaken or additional projects which are budgeted or are being saved for;~~

- ~~4.2.2.10.— Upgrades to technology, textbooks, facilities or other upgrades being contemplated or undertaken beyond the submitted projects;~~
- ~~4.2.2.11.— Recent unexpected maintenance to facilities or equipment;~~
- ~~4.2.2.12.— Planned maintenance or equipment replacement;~~
- ~~4.2.2.13.— Busses and other capital purchases;~~
- ~~4.2.2.14.— Additional circumstances that make it financially impractical or impossible to provide the matching contribution.~~

#### 4.3. Charter School matching moneys Loan Program.

- 4.3.1. The Charter School matching moneys Loan Program will assist Eligible Charter Schools in obtaining the Matching Moneys requirement for an award of Financial Assistance pursuant to 22-43.7-109 C.R.S.
- 4.3.2. An Eligible Charter School that chooses to seek a loan through the Loan Program shall apply to the Board to receive a loan.
- 4.3.3. To be an Eligible Charter School for the Loan Program means a Charter School that is described in section 22-30.5-104 or an Institute Charter School as that term is defined in section 22-30.5-502 has a stand-alone credit assessment or rating of at least investment grade by a nationally recognized rating agency at the time of issuance of any qualified Charter School bonds on behalf of the Charter School by the Colorado educational and cultural facilities authority pursuant to the "Colorado Educational and Cultural Facilities Authority Act", article 15 of title 23, C.R.S., and that has been certified as a qualified Charter School by the State Treasurer.
- 4.3.4. The Board may approve a loan for an Eligible Charter School in an amount that does not exceed fifty percent of the amount of Matching Moneys calculated for the Eligible Charter School pursuant to 22-43.7-109(9)(c) C.R.S.
- 4.3.5. If a loan is approved by the Board the project will be considered as a BEST Lease-Purchase project pursuant to 22-43.7-110.5(2)(b)C.R.S., and the proposed project must be one that is financeable.
- 4.3.6. The Board shall direct the State Treasurer to include the amount of a loan approved pursuant to the terms in the Lease-Purchase agreement entered into pursuant to 22-43.7-110 (2) C.R.S. to provide Financial Assistance to the Eligible Charter School for which the loan is approved.
- 4.3.7. Charter School Loan Program application
  - 4.3.7.1. An application for a loan shall include:
    - 4.3.7.1.1. Basic contact information, justification for seeking a BEST loan and documentation of a stand-alone credit assessment or rating of at least investment grade by a nationally recognized rating agency for the Charter School;
    - 4.3.7.1.2. Identify the Charter Schools current facilities and indicate if those facilities are owned, leased or in a lease-purchase agreement;

- 4.3.7.1.3. A current credit disclosure statement along, any business notes payable or reviews, notices or warnings from the Charter School's authorizer;
  - 4.3.7.1.4. Financial information to include internal financial statements, CPA Audits and IRS 990's for the previous three years. Detailed operating budget for the current and next year. The Charter School's projected operating budget for the next five years. Enrollment figures for the previous three years, the current year and the following three years;
  - 4.3.7.1.5. CDE listed minimum match requirement for the BEST grant;
  - 4.3.7.1.6. Amount of total match provided by the Charter School for the BEST grant;
  - 4.3.7.1.7. Amount of the loan request for the BEST grant;
  - 4.3.7.1.8. A loan application from a Charter School shall include signatures of the District Superintendent, School Board Officer, and the Charter School Director;
  - 4.3.7.1.9. A loan application from an Institute Charter School shall include signatures of the Charter School Institute Director and the Institute Charter School Director;
  - 4.3.7.1.10. Applications that are incomplete may be rejected without further review.
- 4.3.8. Charter School Loan Program deadline for submission
- 4.3.8.1. The loan application, along with any supporting material, shall be submitted with the BEST grant application on or before the BEST grant application due date.
  - 4.3.8.2. An application will not be accepted unless it is received in the Board office by 4:30 p.m. on or before the deadline date determined by the board.
  - 4.3.8.3. The Board may, in its sole discretion and upon a showing of good cause in written request from an Applicant, extend the deadline for filing an Application.
- 4.3.9. To receive a loan through the Loan Program, an Eligible Charter School shall:
- 4.3.9.1. Authorize the State Treasurer to withhold moneys payable to the Eligible Charter School in the amount of the loan payments pursuant to 22-30.5-406 C.R.S.;
  - 4.3.9.2. Pay an interest rate on the loan that is equal to the interest rate paid by the State Treasurer on the Lease-Purchase agreement entered into pursuant to 22-43.7-110 C.R.S. to provide Financial Assistance to the Eligible Charter School for which the loan is approved;
  - 4.3.9.3. Amortize the loan payments over the same period in years as the Lease-Purchase agreement entered into pursuant to 22-43.7-110 C.R.S. to provide Financial Assistance to the Eligible Charter School for which the loan is approved; except that the Eligible Charter School may pay the full amount of the loan early without incurring a prepayment penalty; and
  - 4.3.9.4. Create an escrow account for the benefit of the state with a balance in the amount of six months of loan payments.

## 5. Applications

5.1. Deadline for submission

5.1.1. Except as provided below, Applications shall be filed with the Board on or before a date determined by the Board.

5.1.2. An Application will not be accepted unless it is received in the Board office by 4:00 p.m. on or before the deadline date determined by the Board. This does not apply to an Application in connection with a Public School Facility Emergency;

5.1.3. The Board may, in its sole discretion and upon a showing of good cause in a written request from an Applicant, extend the deadline for filing an Application.

5.2. The Board prefers Applications to be in electronic form, but one hard copy to the Board office is acceptable. Each Application shall be in a form prescribed by the Board and shall include, but not be limited to, the following (with supporting documentation):

5.2.1. A description of the scope and nature of the Project;

5.2.2. A description of the architectural, functional, and construction standards that are to be applied to the Project that indicates whether the standards are consistent with the Construction Guidelines and provides an explanation for the use of any standard that is not consistent with the Construction Guidelines;

5.2.3. The estimated amount of Financial Assistance needed for the Project and the form and amount of Matching Moneys that the Applicant will provide for the Project;

5.2.4. If the Project involves the construction of a new Public School Facility or a major renovation of an existing Public School Facility, a demonstration of the ability and willingness of the Applicant to renew the Project over time that includes, at a minimum, the establishment of a capital renewal budget and a commitment to make annual contributions to a Capital Renewal Reserve within a School District's capital reserve fund or any functionally similar reserve fund separately maintained by an Applicant that is not a School District;

5.2.5. If the Application is for Financial Assistance for the renovation, reconstruction, expansion, or replacement of an existing Public School Facility, a description of the condition of the Public School Facility at the time the Applicant purchased or completed the construction of the Public School Facility and, if the Public School Facility was not new or was not adequate at that time, the rationale of the Applicant for purchasing the Public School Facility or constructing it in the manner in which it did;

5.2.6. A statement regarding the means by which the Applicant intends to provide Matching Moneys required for the Project, including but not limited to voter-approved multiple-fiscal year debt or other financial obligations, gifts, grants, donations, or any other means of financing permitted by law, or the intent of the Applicant to seek a waiver of the Matching Moneys requirement. If an Applicant that is a School District or a Board of Cooperative Educational Services with a participating School District intends to raise Matching Moneys by obtaining voter approval to enter into a sublease-purchase agreement that constitutes an indebtedness of the district as pursuant to § 22-32-127 C.R.S., it shall indicate whether it has received the required voter approval or, if the election has not already been held, the anticipated date of the election;

5.2.7. A description of any efforts by the Applicant to coordinate Capital Construction projects with local governmental entities or community-based or other organizations that provide facilities or services that benefit the community in order to more efficiently or effectively provide such facilities or services, including but not limited to a description of any financial commitment

received from any such entity or organization that will allow better leveraging of any Financial Assistance awarded;

5.2.8. A copy of any existing Master Plan or facility assessment relating to the facility(ies) for which Financial Assistance is sought;

~~5.2.9. A signed declaration acknowledging the assurances and certifications; and~~

~~5.2.10-5.2.9.~~ Any other information that the Board may require for the evaluation of the project;

~~5.2.11-5.2.10.~~ An Application from a School District shall include signatures of the Superintendent and a District Board Officer;

~~5.2.12-5.2.11.~~ An Application from a Charter School shall include signatures of the District Superintendent, School Board Officer, and the Charter School Director;

~~5.2.13-5.2.12.~~ An Application from an Institute Charter School shall include signatures of the Charter School Institute Director and the Institute Charter School Director;

~~5.2.14-5.2.13.~~ An Application from a Board of Cooperative Educational Services shall include signatures of the BOCES Director and a BOCES Board Officer;

~~5.2.15-5.2.14.~~ An Application from the Colorado School for the Deaf and Blind shall include signatures of the Colorado School for the Deaf and Blind Director and a Colorado School for the Deaf and Blind Board Officer.

### 5.3. BEST Lease-Purchase Funding

5.3.1. In addition to the information required in section 5.2 above, the Applicant shall agree to provide any necessary documentation related to securing the lease-purchase agreement.

### 5.4. BEST Emergency Grants

5.4.1. Applicant shall contact the Division by phone, fax, or email. Appropriate follow up documentation will be determined based on type and severity of emergency, including financial need.

5.5. Applications that are incomplete may be rejected without further review.

5.6. The Board may request supplementation of an Application with additional information or supporting documentation.

## 6. Application Review

### 6.1. Time for Review

6.1.1. The Board, with the support of the Division, will review the Applications;

~~6.1.2.~~ The Board will submit the prioritized list of Projects to the State Board for which the Board is recommending Financial Assistance according to the timeline established by the Board;

~~6.1.2-6.1.3.~~ In the case of Financial Assistance that involves lease-purchase agreements, the prioritized list is subject to both the preliminary approval of the state board and the final approval of the capital development committee.

~~6.1.3-6.1.4.~~ The Board may, in its discretion, extend these deadlines;

~~6.1.4-6.1.5.~~ The Board shall meet within fifteen days of receiving the Application for a BEST Emergency Grant to determine whether to recommend to the State Board that emergency Financial Assistance be provided, the amount of any assistance recommended to be provided, and any conditions that the Applicant shall meet to receive the assistance.

6.2. The Board, taking into consideration the Statewide Assessment, shall prioritize and determine the type and amount of the grant or matching grant for Applications for Projects deemed eligible for Financial Assistance based on the following criteria, in descending order of importance:

~~6.2.1.~~ For FY2008-09 only, priority consideration will be given to the following:

~~6.2.1.1.~~ Previous Applicants that received awards in the previous program and that require supplemental funding;

~~6.2.2.~~ New BEST project sublease-purchase agreements for projects that have matching funds not contingent on future elections and for which the Division has worked with the Applicant on project planning prior to submission of the Application.

~~6.2.3-6.2.1.~~ Projects that will address safety hazards or health concerns at existing Public School Facilities, including concerns relating to Public School Facility security;

~~6.2.3-4-6.2.1.1.~~ In prioritizing an Application for a Public School Facility renovation project that will address safety hazards or health concerns, the Board shall consider the condition of the entire Public School Facility for which the project is proposed and determine whether it would be more fiscally prudent to replace the entire facility than to provide Financial Assistance for the renovation project.

~~6.2.4-6.2.2.~~ Projects that will relieve overcrowding in Public School Facilities, including but not limited to projects that will allow students to move from temporary instructional facilities into permanent facilities.

~~6.2.5-6.2.3.~~ Projects that are designed to incorporate technology into the educational environment; and

~~6.2.6-6.2.4.~~ All other projects.

~~6.2.7-6.2.5.~~ Among other considerations, the Board may take into account the following in reviewing Applications:

~~6.2.7.1-6.2.5.1.~~ The amount of the matching contribution being provided in excess of or less than the minimum;

~~6.2.7.2-6.2.5.2.~~ Whether the Applicant has been placed on financial watch by the Colorado Department of Education;

~~6.2.7.3-6.2.5.3.~~ Overall condition of the Applicant's existing facilities;

~~6.2.7.4-6.2.5.4.~~ The project cost per pupil based on number of pupils affected by the proposed Project;

~~6.2.7.5-6.2.5.5.~~ The project life cycle.

~~6.2.7.6-6.2.5.6.~~ The Public School Facility's Facility Condition Index (FCI), Colorado Facility Index (CFI), school priority score and construction guidelines score.

~~6.2.7.7-6.2.5.7.~~ The Applicants ability to help itself, including available bonding capacity, planning and criteria in sections 4.1.1 or 4.1.2 or 4.1.3.

6.3. Additional actions the Board may take when reviewing an Application:

6.3.1. The Board may modify the amount of Financial Assistance requested or modify the amount of Matching Moneys required;

6.3.2. The Board may recommend funding a project in its entirety or recommend a partial award to the project;

6.3.2.1. If a project is partially funded a written explanation will be provided.

6.4. The Board shall submit to the State Board the prioritized list of Projects. The prioritized list shall include:

6.4.1. The Board's recommendation to the State Board as to the amount of Financial Assistance to be provided to each Applicant approved by the Board to receive funding and whether the assistance should be in the form of a BEST Cash Grant, BEST Lease-purchase Funding or a BEST Emergency Grant.

6.5. In considering the amount of each recommended award of Financial Assistance, the Board shall seek to be as equitable as practical in considering the total financial capacity of each Applicant.

## **7. BEST Lease-purchase Funding**

7.1. Subject to the following limitations, the Board may instruct the State Treasurer to enter into lease-purchase agreements on behalf of the state to provide Lease-purchase Funding for Projects for which the State Board has authorized provision of Financial Assistance.

7.2. Whenever the State Treasurer enters into a lease-purchase agreement pursuant to § 22-43.7-110 C.R.S., the Applicant that will use the facility funded with the Lease-purchase Funding shall enter into a sublease-purchase agreement with the state that includes, but is not limited to, the following requirements:

7.2.1. The Applicant shall perform all the duties of the state to maintain and operate the Public School Facility that are required by the lease-purchase agreement;

7.2.2. The Applicant shall make periodic rental payments to the state, which payments shall be credited to the Assistance Fund as Matching Moneys of the Applicant;

7.2.3. Ownership of the Public School Facility shall be transferred by the state to the Applicant upon fulfillment of both the state's obligations under the lease-purchase agreement and the Applicant's obligations under the sublease-purchase agreement.

## **8. Payment and Oversight**

8.1. Payment.

[8.1.1. All Cash Grant Financial Assistance Grantees must sign a grant contract with CDE outlining the terms and conditions associated with the Financial Assistance.](#)

~~8.1.1-8.1.2.~~ All Financial Assistance awarded is expressly conditioned on the availability of funds.

~~8.1.2-8.1.3.~~ Payment of Financial Assistance will be on a draw basis. As a Grantee expends funds on a Project, the Grantee may submit a request for funds to the Division on a fund request form provided by the Division. The fund request shall be accompanied by copies of invoices from the vendors for which reimbursement is being requested and any other documentation requested by the Division.

~~8.1.2.1-8.1.3.1.~~ The Division will review the fund request and make payment. Payments will only be made for work that is included in the Project scope of work defined in the Application.

~~8.1.2.2-8.1.3.2.~~ If the Grantee is a School District, request for payment shall come from the School District. Requests will not be accepted from individual School District schools.

~~8.1.2.3-8.1.3.3.~~ If the Grantee is a District Charter School, request for payment shall come from the School District. Payment shall be made to the School District and the School District shall make payment to the charter school. The School District may not retain any portion of the moneys for any reason.

~~8.1.2.4-8.1.3.4.~~ If the Grantee is an Institute Charter School, request for payment shall come from the Charter School Institute and the Charter School Institute shall make payment to the Institute Charter School. Payment shall be made directly to the Charter School Institute.

~~8.1.2.5-8.1.3.5.~~ If the Grantee is a Board of Cooperative Educational Services, request for payment shall come from the Board of Cooperative Educational Services. Requests will not be accepted from individual Board of Cooperative Educational Services schools.

~~8.1.2.6-8.1.3.6.~~ If the Grantee is the Colorado School for the Deaf and Blind, request for payment shall come from the Colorado School for the Deaf and Blind.

~~8.1.3-8.1.4.~~ Payment of BEST Lease-purchase Funding will be determined by the terms of the lease-purchase agreement and any subsequent sublease-purchase agreements.

~~8.1.4-8.1.5.~~ A grant reserve shall automatically be added to the cost of the Project: 5% for new construction Projects and 10% for renovation Projects.

~~8.1.4.1-8.1.5.1.~~ Grant reserve requests shall be submitted on a Division provided form;

~~8.1.4.2-8.1.5.2.~~ Grant reserve draws shall be limited to issues that could not have been known about or planned for at the time the Application was submitted.

## 8.2. Oversight

~~8.2.1.~~ A Grantee currently receiving Financial Assistance shall submit a written progress report to the Division by July 31, of each year on a Division provided form.

~~8.2.2-8.2.1.~~ When a Grantee completes Project, it shall submit a final report to the Division on a Division provided form before final payment will be made. Once the final report is submitted and final payment is made, the Project shall be considered closed.

~~8.2.3-8.2.2.~~ If a Grantee has not used all Financial Assistance on a closed out BEST Cash Grant, the unused balance will be returned to the Assistance Fund.

~~8.2.4.8.2.3.~~ If a Grantee has not used all Financial Assistance on a closed out Lease-Purchase Grant, ~~some or all of the unused balance~~ will be treated in accordance with the Board policy on returning Matching Moneys, ~~as determined by the State Treasurer,~~ ~~may be refunded upon consent of the Board.~~

~~8.2.5.8.2.4.~~ The Division may make site visits to review Project progress or to review a completed Project;

~~8.2.6.8.2.5.~~ The Division may require a Grantee to hire additional independent professional construction management to represent the Applicant's interests, if the Division deems it necessary due to the size of the Project, the complexity of the Project, or the Grantee's ability to manage the Project with Grantee personnel.

~~8.2.7.8.2.6.~~ Upon completion of a new school, major renovation or addition Project, the Grantee shall affix a permanent sign that reads: "Funding for this school was provided through the Building Excellent Schools Today Program from School Trust Lands," unless waived in writing by the Division.

## **9. Technical Consultation**

9.1. The Division will provide technical consultation and administrative services to School Districts, Charter Schools, Institute Charter Schools, BOCES and the Colorado School for the Deaf and Blind.

# PERMANENT RULEMAKING CALCULATOR

As of Jan 1, 2010 the Colorado Register will publish twice per month, on the 10th and the 25th

**Enter Desired Effective Date**  
to view suggested rulemaking timeline

OR

**Enter Hearing Notice Filing Date**  
to view suggested rulemaking timeline

MM/DD/YYYY

MM/DD/YYYY

File Notice on  
or before:

Notice Filed:

Notice Published in  
Colorado Register:

Notice Published in  
Colorado Register:

Hold Hearing on  
or after:

Hold Hearing on  
or after:

Adopt Rules on  
or before:

to ensure eff date:

*Enter Actual  
Adoption Date:*

MM/DD/YYYY

Adopt Rules on  
or before:

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Request AG  
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AG Issues  
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AG Opinion Date:*

MM/DD/YYYY

File Rules on  
or before:

File Rules on  
or before:

Rules Published  
in Register:

Rules Published  
in Register:

Earliest Possible  
Effective Date:

Earliest Possible  
Effective Date:

# PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD AGENDA SHEET

**MEETING DATE:** January 22, 2014

**SUBJECT:** Review CCAB's roles and responsibilities and develop a training timeline

**TYPE:** Action      Information X

**BACKGROUND (Include any statutory authority):**

The Capital Construction Assistance Board has expressed a desire to review their powers and duties and discuss certain topics to better their understanding of the program.

**STAFF RECOMMENDATION**

Attached is a document showing the CCAB's statutory roles and responsibilities, along with a list of suggested training topics. Please review the suggested training topics and develop a training schedule for future CCAB meetings.

**STAFF RECOMMENDED MOTION (If this is an action item)**

N/A

**ATTACHMENTS:**

CCAB's Roles, Responsibilities & Training Info

The CCAB is to protect the health and safety of students, teachers, and other persons using public school facilities and maximize student achievement by ensuring that the condition and capacity of public school facilities are sufficient to provide a safe and uncrowded environment that is conducive to students' learning. The CCAB is to ensure the most equitable, efficient, and effective use of State revenues dedicated to provide financial assistance for capital construction projects pursuant to 22-43.7 C.R.S. by assessing public school capital construction needs throughout the State and providing expert recommendations based on objective criteria to the State Board regarding the appropriate prioritization and allocation of such financial assistance.

### **POWERS AND DUTIES**

To further the performance of its function, the Assistance Board, in addition to any other powers and duties specified in 22-43.7 C.R.S., has the following powers and duties:

- To establish Public School Facility Construction Guidelines as specified in 22-43.7-107 C.R.S. to use in reviewing financial assistance applications and providing the State Board a prioritized list of projects recommended to receive financial assistance;
- As soon as possible following the establishment of School Facility Construction Guidelines the Assistance Board is to conduct or contract for a financial assistance priority assessment of public school buildings and facilities in Colorado based on the criteria set forth in 22-43.7-107(2) C.R.S.;
- To review financial assistance applications and prepare and submit to the State Board a prioritized list of projects to receive financial assistance and the amount and type of financial assistance that should be provided for each project;
- To establish guidelines for the Division to follow when assisting potential applicants in identifying critical capital construction needs and preparing financial assistance applications pursuant to 22-43.7-105(2)(d) C.R.S.;
- With the support of the Division, to assist applicants that cannot feasibly maintain their own construction management staff in implementing the projects for which financial assistance is provided, including but not limited to providing assistance with preparation of requests for bids or proposals, contract negotiations, contract implementation, and project and construction management;
- With the support of the Division, to assist applicants in implementing energy efficient public school facility design and construction practices;
- To authorize the State Treasurer to enter into lease-purchase agreements on behalf of the state as authorized by 22-43.7 C.R.S. in order to finance public school facility capital construction;
- To enter into sublease-purchase agreements on behalf of the State to sublease public school facilities financed by the lease-purchase agreements to applicants.
- To establish an annual financial assistance timeline for use by applicants in applying for use by applicants in applying for financial assistance and otherwise meeting financial assistance requirements and for use by the CCAB in reviewing financial assistance applications and making recommendations to the State Board.

## **RULES**

To promulgate such rules, in accordance with article 4 of Title 24, C.R.S., as are necessary and proper for the administration of 22-43.7 C.R.S., including but not limited to:

- Conflict of interest rules for Assistance Board members;
- Rules establishing evaluation criteria for matching moneys requirement waiver or reduction applications submitted to the Assistance Board pursuant to 22-43.7-109(10) C.R.S.; and
- Rules establishing the means by which public school facilities and projects financed in whole or in part with financial assistance provided pursuant to 22-43.7 C.R.S. are to be publicly identified as having been so financed.

The Assistance Board shall provide a copy of any proposed Assistance Board rule to the State Board on or before the date on which the Assistance Board issues a notice of proposed rule-making for the rule pursuant to 24-4-103(3) C.R.S.

## **TRAININGS**

Below is a list of upcoming trainings and topics that the Assistance Board may want to review:

Scheduled:

- State Ethics Commission on Amendment 41 – Standards of Conduct in Government – *February 26, 2014*
- Conflict of Interest with Attorney General – *April 23, 2014*

Suggested:

- Assistance Board Standard Operating Procedures
- Yearly Grant Summary Book and Supplemental Information
- Grant Application
- Grant Review Process
- Capital Construction Website
- BEST Grant Reserve Usage
- BEST Construction Guidelines

# PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD AGENDA SHEET

**MEETING DATE:** January 22, 2014

**SUBJECT:** Capital renewal for BEST new school / major renovation / addition projects

**TYPE:** Action      Information X

## **BACKGROUND (Include any statutory authority):**

Historically the way capital renewal has been identified by a grantee is to self assess what they can reasonably afford to set aside as a reserve in any given year. This has led to inconsistency, questions, and requests to change their contribution amounts year over year.

Common issues noted by the Division:

- Grantees cannot afford to contribute what would be required for a true capital renewal reserve fund;
- Grantees state they cannot afford to contribute the amount they originally submitted with the application;
- The methodology used for identifying a dollar amount is arbitrary;
- There is a general lack of understanding on what Capital Renewal funds can be used for.

Currently, there is no formal policy in place to calculate an appropriate amount for capital renewal reserve or outline what funds can be used for.

BEST Capital Renewal statute - Pursuant to 22-43.7-109(4)(d)(I)CRS: *If the capital construction project involves the construction of a new public school facility or a major renovation of an existing public school facility, a demonstration of the ability and willingness of the applicant to maintain the project over time that includes, at a minimum, the establishment of a capital renewal budget and a commitment to make annual contributions to a capital renewal reserve within a school district's capital reserve fund or any functionally similar reserve fund separately maintained by an applicant that is not a school district.*

*(II) As used in this paragraph (d), "capital renewal reserve" means moneys set aside by an applicant for the specific purpose of replacing major public school facility systems with projected life cycles such as roofs, interior finishes, electrical systems and heating, ventilating, and air conditioning systems.*

The definition of Capital Renewal aligns with the common industry definition of Capital Renewal.

Maintenance – Maintenance is not the same as Capital Renewal. Maintenance is work necessary to realize the originally anticipated life of a fixed asset, including buildings, fixed equipment, and infrastructure, to minimize downtime, and maximize the facility investment. Examples are: custodial, replacement of HVAC filters, oiling motors, mowing grass, patching roofs, replacing light fixture ballasts, etc.

Maintenance is to maintain and repair facility systems and Capital Renewal is to replace facility systems at the end of their life-cycle.

## **STAFF RECOMMENDATION**

Recognizing no grantee can afford to set aside the actual amount needed to replace all facility systems with life cycle costs, the CCAB should establish a policy that can be uniformly applied to all applicants in identifying

a capital renewal reserve.

The Division suggests developing a policy that identifies a per pupil dollar figure, similar to the old capital reserve, that could be applied to applications allowing the contribution amount to fluctuate year to year based on PPR. The policy should also outline acceptable uses of the reserve, a notification process for fund usage, and a procedure for modification to the prescribed reserve amount.

**STAFF RECOMMENDED MOTION (If this is an action item)**

N/A

**ATTACHMENTS:**

Capital Renewal Info

### BEST Projects that require a Capital Renewal Budget

County	District	Project Description	Award Amount	District Match	Total Grant Amount	Annual Capital Renewal Budget	% of Total Project Amount	District Match	OCT13 Pupil Counts	Per Pupil Contribution	New amount - based on PP	Delta (+, -)	Delta %	
WASHINGTON	AKRON R-1	Replace ES/JRHS & HS With PK-12 School	\$ 17,017,768.00	\$ 7,084,651.00	\$ 24,102,419.00	\$ 240,000.00	1.00%	29.39%	342	\$ 200	\$ 68,400	\$ (171,600)	0.28%	
BOCES	Pikes Peak BOCES	Replace Special and Alternative Needs School	\$ 11,930,727.00	\$ 604,182.00	\$ 12,534,909.00	\$ 100,000.00	0.80%	4.82%	120	\$ 200	\$ 24,000	\$ (76,000)	0.19%	
SAGUACHE	CENTER 26 JT	New PK-12	\$ 26,759,322.00	\$ 4,722,233.00	\$ 31,481,555.00	\$ 250,000.00	0.79%	15.00%	595	\$ 200	\$ 119,000	\$ (131,000)	0.38%	
PHILLIPS	HAXTUN RE-2J	K-12 Renovation and Addition	\$ 3,253,084.00	\$ 3,385,862.00	\$ 6,638,946.00	\$ 50,000.00	0.75%	51.00%	294	\$ 200	\$ 58,800	\$ 8,800	0.89%	
CHAFFEE	BUENA VISTA R-31	Replace Primary Wing of ES	\$ 2,297,581.28	\$ 4,460,010.72	\$ 6,757,592.00	\$ 44,000.00	0.65%	66.00%	407	\$ 200	\$ 81,400	\$ 37,400	1.20%	
MONTROSE	VISTA CHARTER SCHOOL	6-8 Alternative School Facility Replacement	\$ 4,733,213.00	\$ 1,531,688.00	\$ 6,264,901.00	\$ 40,000.00	0.64%	24.45%	158	\$ 200	\$ 31,600	\$ (8,400)	0.50%	
MINERAL	CREEDE 1	K-12 School Replacement	\$ 8,683,253.00	\$ 7,462,907.00	\$ 16,146,160.00	\$ 85,000.00	0.53%	46.22%	80	\$ 200	\$ 16,000	\$ (69,000)	0.10%	
SAGUACHE	CRESTONE CHARTER SCHOOL	New K-12 School	\$ 5,327,806.00	\$ 726,519.00	\$ 6,054,325.00	\$ 30,000.00	0.50%	12.00%	92	\$ 200	\$ 18,400	\$ (11,600)	0.30%	
JEFFERSON	ROCKY MOUNTAIN DEAF SCHOOL	New PK-12 Deaf School	\$ 12,918,446.00	\$ 500,000.00	\$ 13,418,446.00	\$ 55,000.00	0.41%	3.73%	59	\$ 200	\$ 11,800	\$ (43,200)	0.09%	
YUMA	IDALIA R-3	Major PK-12 Renovations/Replacement	\$ 11,162,671.00	\$ 3,870,029.00	\$ 15,032,700.00	\$ 60,000.00	0.40%	25.74%	156	\$ 200	\$ 31,200	\$ (28,800)	0.21%	
LAKE	LAKE R-1	HS Renovation and Addition	\$ 15,107,624.00	\$ 11,396,979.00	\$ 26,504,603.00	\$ 100,000.00	0.38%	43.00%	292	\$ 200	\$ 58,400	\$ (41,600)	0.22%	
EL PASO	MIAMI-YODER 60 JT	Phase II of New PK-12 School	\$ 17,590,273.05	\$ -	\$ 17,590,273.05	\$ 66,000.00	0.38%	0.00%	283	\$ 200	\$ 56,600	\$ (9,400)	0.32%	
KIT CARSON	HI PLAINS R-23	Replace ES & HS With New PK-12 School	\$ 14,170,935.00	\$ 2,851,230.00	\$ 17,022,165.00	\$ 60,000.00	0.35%	16.75%	106	\$ 200	\$ 21,200	\$ (38,800)	0.12%	
ARAPAHOE	SHERIDAN 2	Replace ECC and Renovate MS	\$ 23,011,513.00	\$ 6,490,426.00	\$ 29,501,939.00	\$ 100,000.00	0.34%	22.00%	475	\$ 200	\$ 95,000	\$ (5,000)	0.32%	
EAGLE	EAGLE COUNTY CHARTER ACADEMY	New K-8 School	\$ 9,302,653.00	\$ 2,937,679.00	\$ 12,240,332.00	\$ 40,000.00	0.33%	24.00%	346	\$ 200	\$ 69,200	\$ 29,200	0.57%	
PARK	LAKE GEORGE CHARTER SCHOOL	New PK-6 School	\$ 6,713,532.00	\$ 969,550.00	\$ 7,683,082.00	\$ 25,000.00	0.33%	12.62%	111	\$ 200	\$ 22,200	\$ (2,800)	0.29%	
RIO GRANDE	MONTE VISTA C-8	ES Addition/Renovation & HS Replacement	\$ 27,656,994.00	\$ 4,502,301.00	\$ 32,159,295.00	\$ 100,000.00	0.31%	14.00%	643	\$ 200	\$ 128,600	\$ 28,600	0.40%	
ALAMOSA	ALAMOSA RE-11J	2 New ES's to Replace 3 ES's	\$ 28,948,622.78	\$ 10,484,032.22	\$ 39,432,655.00	\$ 120,000.00	0.30%	26.59%	1017	\$ 200	\$ 203,400	\$ 83,400	0.52%	
WELD	PRAIRIE RE-11	New PK-12 School	\$ 13,021,851.00	\$ 3,457,066.00	\$ 16,478,917.00	\$ 50,000.00	0.30%	20.98%	186	\$ 200	\$ 37,200	\$ (12,800)	0.23%	
PROWERS	HOLLY RE-3	New PK-12 School Facility	\$ 25,064,111.00	\$ 3,417,833.00	\$ 28,481,944.00	\$ 85,000.00	0.30%	12.00%	269	\$ 200	\$ 53,800	\$ (31,200)	0.19%	
WASHINGTON	OTIS R-3	PK-12 School Replacement	\$ 17,779,491.00	\$ 2,806,495.00	\$ 20,585,986.00	\$ 60,000.00	0.29%	13.63%	189	\$ 200	\$ 37,800	\$ (22,200)	0.18%	
ARAPAHOE	ENGLEWOOD 1	MS Renovation & Addn to Convert to Alt HS	\$ 9,220,857.00	\$ 8,176,986.00	\$ 17,397,843.00	\$ 50,000.00	0.29%	47.00%	287	\$ 200	\$ 57,400	\$ 7,400	0.33%	
ALAMOSA	SANGRE DE CRISTO RE-22J	New PK-12 School	\$ 19,732,875.00	\$ 4,176,375.00	\$ 23,909,250.00	\$ 66,000.00	0.28%	17.47%	310	\$ 200	\$ 62,000	\$ (4,000)	0.26%	
CONEJOS	SANFORD 6J	Major PK-12 Renovations	\$ 20,831,582.00	\$ 1,197,335.00	\$ 22,028,917.00	\$ 60,000.00	0.27%	5.44%	374	\$ 200	\$ 74,800	\$ 14,800	0.34%	
LINCOLN	GENOA-HUGO C113	PK-12 Addition and Renovation	\$ 9,809,053.00	\$ 6,609,572.00	\$ 16,418,625.00	\$ 40,000.00	0.24%	40.26%	158	\$ 200	\$ 31,600	\$ (8,400)	0.19%	
PROWERS	ALTA VISTA CHARTER SCHOOL	Addition to K-8 School	\$ 5,922,975.36	\$ 246,790.64	\$ 6,169,766.00	\$ 15,000.00	0.24%	4.00%	141	\$ 200	\$ 28,200	\$ 13,200	0.46%	
ELBERT	ELBERT 200	Replacement of Existing PK-12 School	\$ 17,303,278.00	\$ 3,374,635.00	\$ 20,677,913.00	\$ 50,000.00	0.24%	16.32%	184	\$ 200	\$ 36,800	\$ (13,200)	0.18%	
SAGUACHE	MOFFAT 2	PK-12 School Replacement	\$ 12,124,993.00	\$ 4,552,677.00	\$ 16,677,670.00	\$ 40,000.00	0.24%	27.30%	81	\$ 200	\$ 16,200	\$ (23,800)	0.10%	
ROUTT	NORTH ROUTT CHARTER SCHOOL	SUPPLEMENTAL New K-8 Campus	\$ 3,186,671.00	\$ 796,667.00	\$ 3,983,338.00	\$ 8,910.00	0.22%	20.00%	80	\$ 200	\$ 16,000	\$ 7,090	0.40%	
RIO GRANDE	SARGENT RE-33J	New Jr/Sr HS and ES Renovation	\$ 17,672,970.05	\$ 5,023,824.95	\$ 22,696,795.00	\$ 50,000.00	0.22%	22.13%	447	\$ 200	\$ 89,400	\$ 39,400	0.39%	
CHAFFEE	SALIDA R-32 (BU)	ES Replacement	\$ 4,094,712.00	\$ 9,554,328.00	\$ 13,649,040.00	\$ 30,000.00	0.22%	70.00%	425	\$ 200	\$ 85,000	\$ 55,000	0.62%	
LA PLATA	IGNACIO 11 JT	Renovation/Addition of (e) MS to Become K-5	\$ 5,817,669.00	\$ 9,099,431.00	\$ 14,917,100.00	\$ 30,000.00	0.20%	61.00%	354	\$ 200	\$ 70,800	\$ 40,800	0.47%	
LINCOLN	LIMON RE-4J	New PK-12 School and Gym Renovation	\$ 18,046,347.00	\$ 6,973,015.00	\$ 25,019,362.00	\$ 50,000.00	0.20%	27.87%	473	\$ 200	\$ 94,600	\$ 44,600	0.38%	
OTERO	SWINK 33	ES Classroom Addition	\$ 1,353,411.90	\$ 150,379.10	\$ 1,503,791.00	\$ 3,000.00	0.20%	10.00%	181	\$ 200	\$ 36,200	\$ 33,200	2.41%	
ADAMS	MAPLETON 1	SUPPLEMENTAL Campus Improvements, Renovation	\$ 34,262,337.00	\$ 22,031,271.00	\$ 56,293,608.00	\$ 112,000.00	0.20%	39.14%	1320	\$ 200	\$ 264,000	\$ 152,000	0.47%	
COSTILLA	CENTENNIAL R-1	New PK-12 School (Supplemental Grant)	\$ 6,166,320.00	\$ -	\$ 6,166,320.00	\$ 10,000.00	0.16%	0.00%	193	\$ 200	\$ 38,600	\$ 28,600	0.63%	
WELD	FT. LUPTON RE-8	MS Renovations	\$ 5,555,613.96	\$ 5,128,259.04	\$ 10,683,873.00	\$ 15,000.00	0.14%	48.00%	486	\$ 200	\$ 97,200	\$ 82,200	0.91%	
WELD	GREELEY 6 (BU)	Replace Existing MS	\$ 21,029,122.00	\$ 8,177,991.00	\$ 29,207,113.00	\$ 40,000.00	0.14%	28.00%	625	\$ 200	\$ 125,000	\$ 85,000	0.43%	
SEDGWICK	PLATTE VALLEY RE-3	HS Renovation With ES Addition	\$ 10,172,704.00	\$ 4,869,512.00	\$ 15,042,216.00	\$ 20,000.00	0.13%	32.37%	109	\$ 200	\$ 21,800	\$ 1,800	0.14%	
CHAFFEE	SALIDA R-32	HS Replacement	\$ 13,206,780.00	\$ 17,961,801.00	\$ 31,168,581.00	\$ 40,000.00	0.13%	57.63%	295	\$ 200	\$ 59,000	\$ 19,000	0.19%	
SAN JUAN	SILVERTON 1	Renovate Historical K-12 School	\$ 9,478,924.40	\$ 2,369,731.10	\$ 11,848,655.50	\$ 15,000.00	0.13%	20.00%	64	\$ 200	\$ 12,800	\$ (2,200)	0.11%	
PITKIN	ASPEN COMMUNITY CS	Replace K-8 School	\$ 4,179,397.62	\$ 4,906,249.38	\$ 9,085,647.00	\$ 10,000.00	0.11%	54.00%	125	\$ 200	\$ 25,000	\$ 15,000	0.28%	
EL PASO	ELLCOTT 22	Replace Existing MS	\$ 15,885,491.00	\$ 2,373,694.00	\$ 18,259,185.00	\$ 20,000.00	0.11%	13.00%	198	\$ 200	\$ 39,600	\$ 19,600	0.22%	
CONEJOS	SOUTH CONEJOS RE-10	PK-12 School Replacement	\$ 14,082,673.00	\$ 5,477,745.00	\$ 19,560,418.00	\$ 20,000.00	0.10%	28.00%	215	\$ 200	\$ 43,000	\$ 23,000	0.22%	
ELBERT	BIG SANDY 100J	New PK-12 School	\$ 23,666,487.00	\$ 2,900,663.00	\$ 26,567,150.00	\$ 25,000.00	0.09%	10.92%	289	\$ 200	\$ 57,800	\$ 32,800	0.22%	
DELTA	DELTA 50(J)	Major ES Renovation	\$ 8,768,043.90	\$ 2,619,026.10	\$ 11,387,070.00	\$ 10,000.00	0.09%	23.00%	372	\$ 200	\$ 74,400	\$ 64,400	0.65%	
BOULDER	HORIZONS K-8 ALTERNATIVE CS	K-8 CS Renovations and Addition	\$ 5,067,761.76	\$ 916,982.24	\$ 5,984,744.00	\$ 5,000.00	0.08%	15.32%	348	\$ 200	\$ 69,600	\$ 64,600	1.16%	
PARK	PARK RE-2	New PK-12 Campus	\$ 15,060,382.00	\$ 15,060,382.00	\$ 30,120,764.00	\$ 25,000.00	0.08%	50.00%	386	\$ 200	\$ 77,200	\$ 52,200	0.26%	
EL PASO	FOUNTAIN 8	New ES	\$ 3,261,354.77	\$ 10,327,623.43	\$ 13,588,978.20	\$ 10,000.00	0.07%	76.00%	624	\$ 200	\$ 124,800	\$ 114,800	0.92%	
MONTEZUMA	MONTEZUMA-CORTEZ RE-1	HS Replacement	\$ 22,724,338.00	\$ 19,357,769.00	\$ 42,082,107.00	\$ 25,000.00	0.06%	46.00%	698	\$ 200	\$ 139,600	\$ 114,600	0.33%	
LAS ANIMAS	KIM 88	Renovation and Addition to PK-12 School	\$ 7,923,336.00	\$ 2,717,118.00	\$ 10,640,454.00	\$ 5,000.00	0.05%	25.54%	43	\$ 200	\$ 8,600	\$ 3,600	0.08%	
							<b>Max</b>	<b>1.00%</b>	<b>76.00%</b>	<b>1320</b>	<b>\$ 200</b>	<b>\$ 264,000</b>	<b>\$ 152,000</b>	<b>2.41%</b>
							<b>Min</b>	<b>0.05%</b>	<b>0.00%</b>	<b>43</b>	<b>\$ 200</b>	<b>\$ 8,600</b>	<b>\$ (171,600)</b>	<b>0.08%</b>
							<b>Median</b>	<b>0.24%</b>	<b>24.00%</b>	<b>287</b>	<b>\$ 200</b>	<b>\$ 57,400</b>	<b>\$ 8,800</b>	<b>0.32%</b>
							<b>Average</b>	<b>0.29%</b>	<b>27.84%</b>	<b>316</b>	<b>\$ 200</b>	<b>\$ 63,157</b>	<b>\$ 11,002</b>	<b>0.42%</b>

# PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD AGENDA SHEET

**MEETING DATE:** January 22, 2014

**SUBJECT:** Presentation from Ft. Morgan School District RE-3

**TYPE:** Action      Information X

**BACKGROUND (Include any statutory authority):**

Members of the Ft. Morgan School District RE-3's staff, and school board, will give a brief presentation regarding their FY2013-14 BEST Lease-Purchase back-up project.

Following the school district presentation, Deputy State Treasurer, Brett Johnson will present on potential legislation affecting the Ft. Morgan project.

**STAFF RECOMMENDATION**

At the conclusion of the presentations, discuss the potential legislation and possible next steps regarding the Ft. Morgan grant application.

**STAFF RECOMMENDED MOTION (If this is an action item)**

N/A

**ATTACHMENTS:**

None