OREGON **DEPARTMENT OF EDUCATION**   **Office of School Facilities**

FAQ – NEW BOND & GRANT PROGRAMS

Overview

1. What is the purpose of SB 447?
2. How will SB 447 achieve that purpose?
3. Who is in charge of administering SB 447?
4. What are the components of this program?
5. What are the sources of funds for the three components of SB 447?
6. Are charter schools eligible to receive the match?
7. What is a General Obligation (GO) bond?

Oregon School Capital Improvement Matching Program (OSCIM Program) Funding
1. How much funding is available for the OSCIM Program?
2. Will this funding level be carried over from biennium to biennium?
3. How much net funding does the OSF anticipate will be available for grants from these bonds?
4. How will the funding be distributed?
5. Are districts that passed a GO bond prior to the law going into effect eligible for the first round of funding?
6. Can a district use a successful election as a basis for future OSCIM Program funds?
7. If a district receives voter approval for an amount of bonds that they anticipate selling in series over a few years, can that district apply more than once for matching funds?
8. What funds can a district use to match the state funds?
9. What are the matching limits should a district receive a commitment?
10. What funds does the OSCIM Program match?
11. Can a district apply for both the Priority List funding and First in Time funding?
12. Will districts be partially funded if there are not enough funds to meet the demand?
13. How often can districts apply?
14. Can a district use a bond that is strictly intended to refinance current general obligation debt as a basis for an OSCIM Program application?

OSCIM Program Priority List/Funding Formula
1. What is the priority list?
2. What is the purpose of the priority list?
3. How is the priority list calculated?
4. How will I know where my school district is on the priority list?
5. When and how often will the priority list be updated?
6. What sources of data are used in the funding formula?
7. Can I appeal my district's placement on the priority list?
8. Is there a chance that a district will qualify for the program, but not receive an award?

OSCIM First in Time Program
1. How will the Office of School Facilities define First in Time?
2. How can districts submit their applications?
3. If the school district submits some parts of the application later than the rest will that application count for the First in Time program?
4. May a school district receive assistance in filling out its application?
5. What happens at the application due date?

6. How will OSF make award commitments to districts under the First in Time applications?
7. How will the lottery work?
8. May a district receive partial funding under the First in Time program?

OSCIM Program Application
1. Where can I find an application for the OSCIM Program?
2. Do I use the same application for the First in Time portion of the funds and the priority list portion?
3. When are the applications due?
4. Is there a contact person for help with the application?
5. SB 447 states that districts will be required to have a long range facility plan and facilities assessment done before applying for the OSCIM Program. Do those requirements apply in 2015-17?
6. What will the school districts have to do in order to receive the match?
7. Where can I get assistance in marketing and drafting my GO bond measure text?

OSCIM Program Timing/Schedule
1. Are there going to be multiple times for distribution of the funds for both the Priority List and First in Time?
2. When will the first set of funds be distributed?
3. When is the due date for the applications for the First in Time (40%) of the funds?

OSCIM Program Contingencies
1. What happens when a school district fails to pass a bond that was awarded a matching grant in the OSCIM Program?
2. Why will the funds be awarded to the next district in line instead of rolled forward to the next funding cycle?
3. If a district does not receive a commitment in one grant period, does the district have any priority in the second grant period?
4. How will a district know when is the best time to go for a GO bond?
5. Can districts use OCIM Program funds to match a bond that also includes the reimbursement of previously incurred capital costs?

Technical Assistance & Hardship Grants
1. When will the Technical Assistance grants be available to help with facilities assessments and long-range facility plans?
2. When will ODE have a list of qualified providers of technical assistance?
3. When will the hardship grants be available?

Database Development
1. Why are you asking the districts for yet another set of data?
2. Districts have already supplied this data to other state agencies, can't you get the data from those sources?
3. When and what data are you going to be requesting from the school districts as part of this program?
4. How often will districts be required to update the data?
5. Will school districts have access to the full data set?

Overview

1. What is the purpose of SB 447?
   a. SB 447 is the legislature's implementation of the recommendations put forth by the Task Force on School Capital improvement Planning established in 2013. The primary goal of SB 447 is to encourage communities to pass local school district general obligation (GO) bonds to address the deferred maintenance problems present in Oregon's schools.
2. How will SB 447 achieve that purpose?
   a. SB 447 authorizes ODE to provide direct matching grants to districts, technical assistance grants, and hardship grants.
3. Who is in charge of administering SB 447?
   a. SB 447 created the Office of School Facilities (OSF) within the Department of Education. The Office of School Facilities will be under the Office of Finance and Administration and under the management of the Director of School Finance and School Facilities.
4. What are the components of this program?
   a. There are three components to this program. The first is the Oregon School Capital Improvement Matching Program (OSCIM Program) that will provide limited matching grants to districts that pass local GO bonds. The second component is the provision of technical assistance grants to districts to create facilities assessments, long-range facilities plans, and other specialized assessments. The final component consists of hardship grants—when funding is available— to districts with immediate critical needs.
5. What are the sources of funds for the three components of SB 447?
   a. The OSCIM Program is funded with state-issued GO bonds. The technical assistance grants are funded with a distribution from the State School Fund which is offset with a corresponding reduction in the Facility Grant of the State School Fund. The hardship grants are funded with Facility Grant money from the State School Fund that is not spent in the biennium.
6. Are charter schools eligible to receive the match?
   a. No. Charter schools do not have the authority to issue GO bonds so they are not eligible to participate in the OSCIM Program. Additionally, the technical assistance grants and hardship grants are limited to school districts.
7. What is a General Obligation (GO) bond?
   a. Municipal Securities Rulemaking Board's Explanation of a General Obligation Bond.

OSCIM Program Funding
1. How much funding is available for the OSCIM Program?
   a. The OSCIM Program was allocated $126.2 million in state-issued GO bonds for the 2015-17 biennium.
2. Will this funding level be carried over from biennium to biennium?
   a. No. The legislature will need to approve the amount of bonding authority for this program each biennium.
3. How much net funding does the OSF anticipate will be available for grants from these bonds?
   a. It is anticipated that after the costs of the bond sale and various program start-up costs are deducted, there will be approximately $123 million for state matching grants through the OSCIM Program for the entire biennium. Based on recommendations from the Advisory Committee, a portion will be made available for each major election.

4. How will the funding be distributed?
    a. As described in SB 447, the funding will be split into two different funding pools. The first pool will contain 60% of the net bond proceeds and will be awarded to districts that pass a local GO bond based on the Priority List established by the Office of School Facilities. The second pool will contain 40% of the net proceeds and will be awarded to districts that pass a local GO bond based on a First in Time (FIT) program.
5. Are districts that passed a GO bond prior to the law going into effect eligible for the first round of funding?
    a. No. Districts that passed GO bonds before July 1, 2015 are not eligible to use those bond sales as a basis for participation in this program, even if not all of the authorization has been issued. If those districts pass another bond after the implementation of the OSCIM Program, then that bond sale could be used as a match for the OSCIM Program.
6. Can a district use a successful election as a basis for future OSCIM Program funds?
    a. No. The goal of the program is to provide incentives to local voters to invest in their school facilities. To create equity across time, the OSCIM Program needs to ensure that funds are available for each election in a biennium. If a district were permitted to use a successful election earlier in the biennium as a basis for future applications, then that would disadvantage the districts that waited to apply for the OSCIM Program later in the biennium.
7. If a district receives voter approval for an amount of bonds that they anticipate selling in series over a few years, can that district apply more than once for matching funds?
    a. No. Districts may only apply for matching funds one time per bond election.
8. What funds can a district use to match the state funds?
    a. A district can only use GO bond funds to match the OSCIM Program. At this time, the Office of School Facilities is unsure if there will be matching requirements for the hardship grants. This FAQ will be updated as requirements develop.
9. What are the matching limits should a district receive a commitment?
    a. The OSCIM Program will match a school district's local GO bond one-to-one up to $4 million of local GO bond, or the amount approved in the local bond sale, whichever is less. After that limit, the OSCIM Program will match district's local GO bonds between $4 million and $8 million depending on the funding formula. The funding formula and priority list are available at the Office of School Facilities website.
10. What funds does the OSCIM Program match?
    a. The OSCIM Program will match actual bond proceeds up to the amount of the initial commitment. This is not an issue for districts going for bonds far greater than the formula maximum. However, if a district seeks a bond that is less than the formula maximum, the OSCIM Program will not match actual bond proceeds in excess of the initial commitment.
    b. For example, if a district receives an initial commitment for $2 million and the district sells the bonds at a premium for $2.2 million, the OSCIM Program will only match the $2 million. Conversely, if the district's proceeds from the sale of the bond are $1.9 million, then the OSCIM Program can only match up to the $1.9 million.
    c. Costs of issuance are not deducted from the proceeds before the match.
11. Can a district apply for both the Priority List funding and First in Time funding?
    a. Yes. School districts will provide one application in which the criteria for both the Priority List and First in Time funding will be applied. A school district may be awarded funds from one source of funding, the other, or a combination of the two.

12. Will districts be partially funded if there are not enough funds to meet the demand?
    a. During the initial commitment phase a district will be provided with a full commitment.
    b. However, if a district is on the waiting list, because they did not receive an initial commitment, then the district will be provided matching funds from the amount of funds from the failed elections. If the failed elections do not provide a full matching grant for the district, then the district will be partially funded.
13. How often can districts apply?
    a. A district that receives a commitment, passes a bond, and meets all other program requirements may not apply for another commitment for the next three funding cycles.
14. Can a district use a bond that is strictly intended to refinance current general obligation debt as a basis for an OSCIM Program application?
    a. No.

OSCIM Program Priority List/Funding Formula
1. What is the priority list?
    a. The priority list shows each district and how they rank in terms of funding need based on the district's total assessed value, number of students in poverty, and extended weighted Average Daily Membership (ADMw) as prescribed in SB 447.
2. What is the purpose of the priority list?
    a. The list is to increase the likelihood that school districts that would otherwise have difficulty or be unable to pass a local GO bond, could receive state matching funds.

3. How is the priority list calculated?
    a. [Priority List and Funding Formula Explanation](#).
4. How will I know where my school district is on the priority list?
    a. [The entire list in rank order](#).
    b. [The entire list in alphabetical order](#).
5. When and how often will the priority list be updated?
    a. The priority list will be updated once a biennium to ensure that all districts are using the same list for each bond election. The list will be updated once all outside variables, including total assessed value, and poverty information have been updated from their respective sources. The updates will be done using the same year's information for all sources of information.
6. What sources of data are used in the funding formula?
    a. The U.S. Census Bureau provides the poverty numbers and the Oregon Department of Revenue provides the total assessed values. All ADMw information is provided by the Oregon Department of Education.
7. Can I appeal my district's placement on the priority list?
    a. No, all determinations using the priority list and funding formula are final and based on state law.
8. Is there a chance that a district will qualify for the program, but not receive an award?
    a. Yes. It is fully anticipated that there will not be enough OSCIM Program funds to match all districts that apply in a given funding cycle. When that happens, the districts that applied but did not get a match will be placed on a waiting list.

OSCIM First in Time (FIT) Program
1. How will the Office of School Facilities (OSF) define First in Time?

a. The OSF will define First in Time using a lottery process. The OSF will designate specific periods of time such that all applications received within a given period of time will be considered to have been submitted at the same time. This will increase equity and eliminate structural problems with an in-person application process or an electronic application process.

2. How can districts submit their applications?
   a. Districts have the choice of submitting in-person or electronically through secure File Transfer Protocol. OSF will request an electronic copy of all applications for record keeping purposes after commitments have been made.
3. If the school district submits some parts of the application later than the rest will that application count for the First in Time program?
   a. If a district submits portions of the application at a later time, the application will be considered received once all parts have been submitted. This may affect which time period a district will be place in for lottery purposes.
4. May a school district receive assistance in filling out its application?
   a. Yes. The Office of School Facilities will answer questions about the application up until the application due date.
5. What happens at the application due date?
   a. At the application due date, the Office of School Facilities will no longer provide assistance to school districts for the application process. Applications will be time stamped when they are received, either electronically or mechanically. All applications received within a given time period will be considered to have been received at the same time.
6. How will OSF make commitments to districts under the First in Time application?
   a. OSF will consider all completed applications received within a given time period as received at the same time. If there is enough funding to cover all of the applications, then all districts will receive a commitment. If there is not enough funding to cover all the applications in a given time period, then the OSF will determine which districts will receive commitments based on a lottery.
7. How will the lottery work?
   a. Funds available per application period were based on recommendations from the Advisory Committee
   b. All applications received within a particular time period = received at the same time
   c. Oversubscription (e.g. more requests than funds available) leads to the Lottery
8. May a district receive partial funding under the First in Time program?
   a. During the initial commitment phase a district will be provided with a full commitment.
   b. However, if a district is on the waiting list, because they did not receive an initial commitment, then the district will be provided matching funds from the amount of funds from the failed elections. If the failed elections do not provide a full matching grant for the district, then the district will be partially funded.

OSCIM Program Application
1. Where can I find an application for the OSCIM Program?
   a. Applications for the OSCIM Program will be available on the Office of School Facilities [website](#).
2. Do I use the same application for the First in Time portion of the funds and the priority list portion?
   a. Yes.

3. When are the applications due?
    a. The due dates for applications are posted on the website.
4. Is there a contact person for help with the application?
    a. For OSCIM Program application assistance please contact Michael Elliott, michael.s.elliott@state.or.us.
5. SB 447 states that districts will be required to have a long range facility plan and facilities assessment done before applying for the OSCIM Program. Do those requirements apply in 2015-17?
    a. No. SB 447 allows districts to apply for the OSCIM Program without a long range facility plan or a facilities assessment for the 2015-17 biennium, however, we encourage all school districts to provide these (if available) prior to submitting their application.
6. What will the school districts have to do in order to receive the match?
    a. In addition to passing a local GO bond, the school district will also have to comply with all of the provisions of the Grant Agreement and any applicable rules and statutes.
7. Where can I get assistance in marketing and drafting my GO bond measure text?
    a. A bond counsel firm will be able to assist with the drafting of the ballot title. Campaign and communications consultants can assist with marketing needs. Additionally, OSBA retains a listing of districts that have been successful in the past, and they are also a good resource.

OSCIM Program Timing/Schedule
1. Are there going to be multiple times for distribution of the funds for both the priority list and First in Time?
    a. Yes. The Priority List and First in Time funds will be awarded in conjunction with each May and November election in the biennium.
2. When will the first set of funds be distributed?
    a. The first set of funds will be distributed when ODE issues its first set of GO bonds which will be in Fall of 2016 at the earliest.
3. When is the due date for the applications for the First in Time (40%) of the funds?
    a. The due dates are posted on the Office of School Facilities website.

OSCIM Program Contingencies
1. What happens when a school district fails to pass a bond that was awarded a matching grant in the OSCIM Program?
    a. Districts will not receive actual funds until voters approve a local GO bond measure and the district signs a grant agreement. Thus, if the OSCIM Program commits to a district and the district does not pass its local GO bond, then those funds will not be distributed to that district. Instead the funds will be awarded to the next district in order that passed a bond.
2. Why will the funds be awarded to the next district in line instead of rolled forward to the next funding cycle?
    a. There are three reasons for this. The first is that if funds keep being rolled forward to the next election, then at the end of the biennium, it is possible that the OSCIM Program will have leftover funds because not enough districts passed a bond. It would be difficult to sort back through the elections to determine which districts that passed a bond should receive the matching grant. The second reason is that while the primary goal is to encourage districts to pass bonds, the secondary goal is to provide state funding to help address the significant deferred maintenance backlog in Oregon schools. By

providing the funds to the next district in line that passed a bond, the OSCIM Program is achieving that objective. Finally, Districts will know where they stand on the waiting list prior to the bond measure text deadline, and those that rank high may be able to use that information to assist voters in making an informed decision.

3. If a district does not receive a commitment in one grant period, does the district have any additional priority in the second grant period?
   a. No. Each grant period is a self-contained list. Thus, a district that did not receive funds in one grant period would have to reapply in the next grant period and be considered with all other applications in the next grant period.
4. How will a district know when is the best time to go for a GO bond?
   a. That is a decision left to the district's school board. The OSCIM Program will provide as much information as possible in terms of the applications ahead of the bond measure text deadline.
5. Can districts use OSCIM Program funds to match a bond that also includes the reimbursement of previously incurred capital costs?
   a. For example, a district purchased land a year ago in anticipation of building a new school, and used short term financing to purchase the land. Subject to Department approval, the OSCIM Program will match a bond that includes the reimbursement of the land purchase as a use of the bond proceeds. The Department approval is to ensure that the Department is complying with its constitutional and statutory requirements.

Technical Assistance & Hardship Grants

1. When will the Technical Assistance grants be available to help with facilities assessments and long-range facility plans?
   a. ODE is planning first round applications for the technical assistance grant in September 2016.
2. When will ODE have a list of qualified providers of technical assistance?
   a. ODE will convene an advisory group to review the necessary requirements for providers to meet as well as the means by which to develop the certification list. It is anticipated that the advisory group will complete its work by the spring of 2016 with the list being posted shortly after that.
3. When will the hardship grants be available?
   a. The hardship grants will become available during the 2017-19 biennium. The hardship grants are funded from unspent Facility Grant funds. The Office of School Facilities will not know if there are unspent Facility Grant funds until the end of the 2015-17 biennium.

Database Development

1. Why are you asking the districts for yet another set of data?
   a. The database grew out of SB 540 which required the establishment of a school facilities database and is also a requirement of SB 447.
2. Districts have already supplied this data to other state agencies, can't you get the data from those sources?
   a. ODE will be able to get some of the data from other sources. However, it is likely that districts will need to provide much of the data for the initial database. Once the initial data has been entered the data request will become less burdensome in subsequent years.

3. When and what data are you going to be requesting from the school districts as part of this program?
    a. The type of data and the frequency of updates are determined by SB 540 passed in 2013. Also ODE will convene an advisory group to provide further recommendations on the database.
4. How often will districts be required to update the data?
    a. There would be two types of data requested from districts. The first would be an annual review of the database to ensure that the information is current and updated. The second data requests would bond passage information by districts.
5. Will school districts have access to the full data set?
    a. Yes, the goal is that school districts and the public have access to as much of the data as possible.