

**OREGON DEPARTMENT OF EDUCATION**

**DIVISION 27**

**School Construction Matching Program**

**581-027-0005**

**Definitions**

The following definitions and abbreviations apply to rules within OAR 581, Div 27:

(1) “Adjusted Assessed Property Value Per ADM” means the value calculated per OAR 581-027-0010 to determine the ranking of Districts on the Priority List for Funding.

(2) “ADM” means Average Daily Membership.

(3) “Assessed Value” means the total assessed value of all tangible property within the boundaries of the District as published by the Oregon Department of Revenue.

(4) “Average Daily Membership” means the number of students in a District as calculated under ORS 327.061 and includes all weights, and extended Average Daily Membership weighted, as calculated under ORS 327.013(1)(c).

(5) “Closing” means the date on which a District receives some or all of the proceeds of its Local GO Bonds.

(6) “Date Stamp” means electronic or mechanical means of imprinting documents with date and time the document is received by the Department.

(7) “Department” means the Oregon Department of Education.

(8) “District” or “Districts” means school districts, as defined in ORS 328.001(3), that are eligible to apply for a State Matching Grant.

(9) “First in Time” means that portion of the Oregon School Capital Improvement Matching Account that is to be awarded to Districts based on the order in which the Department receives the applications.

(10) “Funding Cycle” means the period of time, as determined by the Department under OAR 581-027-0020(2)(b), before and after a May or a November general election during which the Department will accept applications and issue commitments for State Matching Grants under the OSCIM Program.

(11) “Guaranteed Tax Base Amount” or “GTBA” means a theoretical tax base of \$1,000,000 per ADM.

(12) “Guaranteed Tax Rate Amount” means \$1,000 which is the GTBA multiplied by .001 for \$1 of tax per \$1,000 of Assessed Value.

(13) “Local GO Bonds” means general obligation bonds approved by voters for the benefit of a District during the Funding Cycle for which the District applied for a State Matching Grant.

(14) “Oregon School Capital Improvement Matching Account” means an interest bearing account established in the State Treasury, separate and distinct from the General Fund, that consists of net proceeds from Article XI-P bonds issued under Article XI-P (School District Capital Costs) of the Oregon Constitution.

(15) “Oregon School Capital Improvement Matching Program” or “OSCIM Program” means the program created by Article XI-P of the Oregon Constitution and ORS 286A.769 to 286A.806.

(16) “Priority List” means the list created by the Department each biennium pursuant to ORS 286A.801 and the formula outlined in OAR 581-027-0010.

(17) “State Matching Grant” means the grant funds provided by the State through the OSCIM Program to match the proceeds of a District’s Local GO Bonds.

(18) “Students in Poverty” means the number of children, age 5 to 17, in families in poverty as described by the Small Area Income Poverty Estimate published by the U.S. Census Bureau.

(19) “Waiting List” means the list of Districts not initially awarded a State Matching Grant, based on either the District’s position on the Priority List or the District’s First in Time status, during any Funding Cycle.

Stat. Auth.: Sec. 2 & 5, Ch.783, OL 2015 (Enrolled SB 447)

Stats. Implemented: Sec. 2, 4 & 5, Ch. 783, OL 2015 (Enrolled SB 447)

Hist.: ODE 30-2016, f. & cert. ef. 4-28-16

## **581-027-0010**

### **Calculations for Oregon School Capital Improvement Matching Program Priority List**

(1) For each Funding Cycle, the Department shall provide State Matching Grants to Districts from designated resources in the Oregon School Capital Improvement Matching Account. The Department shall determine and apportion the amount of available resources among the Funding Cycles in each biennium. The total amount of State Matching Grant funds available and awarded by the Department may vary during each Funding Cycle.

(2) Sixty percent (60%) of designated grant resources in the Oregon School Capital Improvement Matching Account shall be awarded based on the Priority List.

(3) The Priority List shall be based on a District’s Assessed Value, percentage of Students in Poverty, and Average Daily Membership.

(4) The Department shall update the Priority List at the beginning of each biennium. To update the list, the Department will use the data from the most recent year for which all three sources have reported actual data.

(5) The Priority List shall be calculated as follows:

(a) The District's Students in Poverty shall be multiplied by 20 to determine the Weighted Number of Students in Poverty.

(b) The District's Weighted Number of Students in Poverty shall be divided by the District's ADM to arrive at the District's Percentage of Students in Poverty.

(c) The District's Assessed Value shall be divided by the District's ADM to determine the District's Assessed Property Value per ADM.

(d) The District's Assessed Property Value per ADM shall then be divided by 1 plus the Percentage of Students in Poverty to determine the District's Adjusted Assessed Value per ADM.

(e) The Districts will be ranked from the smallest Adjusted Assessed Property Value per ADM to the highest. This ranking will ensure Districts with the highest rate of students in poverty and lowest assessed property wealth per ADM are provided the greatest chance for a State Matching Grant.

Stat. Auth.: Sec. 2 & 5, Ch.783, OL 2015 (Enrolled SB 447)

Stats. Implemented: Sec. 2, 4 & 5, Ch. 783, OL 2015 (Enrolled SB 447)

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## **581-027-0015**

### **Calculations for Oregon School Capital Improvement Matching Program Funding Formula**

(1) The Department shall provide State Matching Grants to Districts from available resources in the Oregon School Capital Improvement Matching Account.

(2) Sixty percent (60%) of the available resources in the Oregon School Capital Improvement Matching Account for a biennium shall be awarded based on the Priority List.

(3) Forty percent (40%) of the available resources in the Oregon School Capital Improvement Matching Account for a biennium shall be awarded based on the order in which applications are received during the application period established by the Department for the Funding Cycle.

(4) The Department shall use a funding formula to determine the amount of State Matching Grant funds each District is eligible to receive from the Oregon School Capital Improvement

Matching Account. This funding formula will be used to determine eligibility for State Matching Grants awarded through both the Priority List and First in Time application process.

(5) Districts whose voters pass \$4,000,000 or less in Local GO Bonds for District facility projects shall be eligible for a one-to-one match from State Matching Grant funds.

(6) Districts whose voters pass more than \$4,000,000 in Local GO Bonds for District facility projects, shall be eligible for at least \$4,000,000 and no more than \$8,000,000 based on the following formula:

(a) The District's Adjusted Assessed Property Value per ADM as determined by OAR 581-027-0010 shall be multiplied by the assumed tax rate of .001 (\$1 per \$1000 of assessed property value) to calculate the District's Estimated Local Bond Revenue per ADM.

(b) The Estimated Local Bond Revenue per ADM shall be subtracted from the Guaranteed Tax Rate Amount to determine the amount of eligible State Matching Grant funds per ADM.

(c) The eligible State Matching Grant funds per ADM shall be multiplied by the District's ADM to determine the maximum amount of State Matching Grant funds for which a District is eligible.

(7) In no case will the amount of a State Matching Grant exceed the lesser of the proceeds of the District's Local GO Bonds or the principal amount of the District's Local GO Bonds.

(8) Local GO Bonds used by a District to qualify for the OSCIM Program must be Closed within six months of the date of the election at which the Local GO Bonds were approved.

Stat. Auth.: Sec. 2 & 5, Ch.783, OL 2015 (Enrolled SB 447)

Stats. Implemented: Sec. 2, 4 & 5, Ch. 783, OL 2015 (Enrolled SB 447)

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## **581-027-0020**

### **Oregon School Capital Improvement Matching Program Application**

(1) The Department shall create one application for Districts to apply for State Matching Grants from the Oregon School Capital Improvement Matching Account.

(2) The Department shall post the following on the Department's web page:

(a) The application prior to when each Funding Cycle begins;

(b) The beginning and end dates of each Funding Cycle for the next two Funding Cycles;

(c) The first date of the Funding Cycle on which the Department shall accept applications. No applications will be accepted prior to this date for a Funding Cycle; and

- (d) The last date of the Funding Cycle on which the Department will accept applications.
- (3) Applicants may either submit their application to the Department electronically through secure file transfer protocol or by delivering in person. Districts may submit applications only for an open and current Funding Cycle. The Department will not accept applications for later Funding Cycles.
- (4) The Department shall:
- (a) Date stamp all applications based on the time they are received by the Department; and
  - (b) Reject all incomplete applications.
  - (c) A District may not re-submit in the same Funding Cycle a revised or corrected application after the District has determined the original application was incomplete or otherwise not accepted for a funding commitment.
- (5) The Department shall:
- (a) Rank complete applications from Districts for each Funding Cycle according to the Priority List formula;
  - (b) Make funding commitments to Districts with the highest ranking on the priority list until sixty percent of the available resources for that Funding Cycle are used.
  - (c) Make funding commitments to the remaining Districts in accordance to the First in Time process for that Funding Cycle and based on the order in which the Department receives applications.
- (6)(a) In order to promote equity across the state, the Department shall deem all applications received within a specified period of time for each Funding Cycle as being received at the same time. The Department shall establish multiple periods as necessary for the reception of applications as follows:
- (A) Those applications received within the first time period shall be deemed to be the first in time for purposes of award commitments.
  - (B) Those applications received in subsequent time periods will be deemed to be received in order of the established time periods.
- (b) The Department shall commit First in Time funding to Districts based on which time period the District is deemed to have submitted their application.
- (c) If the First in Time funding is insufficient to provide a commitment to all Districts within a given time period for that Funding Cycle, the Department shall randomly select the Districts by a lottery process to determine which Districts will receive an award commitment.

(d) The lottery process shall be determined by the Department.

(e) All lottery results are final.

(7) The Department shall notify Districts that receive a funding commitment from the Oregon School Capital Improvement Matching Account within two weeks of the close of the application period for a Funding Cycle.

(8) The Department shall post the eligibility and ranking of all Districts that applied during that Funding Cycle on the Department's website. Districts that applied but did not receive a commitment will be notified of where they fall on the Waiting List.

(9) All funding commitments are contingent upon the District subsequently Closing the required Local GO Bonds within 6 months of that Funding Cycle's bond election.

(10) Any Districts on the Waiting List may choose to move forward seeking voter approval for Local GO Bonds in that Funding Cycle with the understanding that State Matching Grant funds may become available for that Funding Cycle if a District that has received a commitment is unsuccessful in passing their Local GO Bonds.

(11) All funding commitments to Districts that successfully pass their Local GO Bonds in the Funding Cycle will be officially awarded a State Matching Grant upon the execution of a grant agreement prescribed by the Department.

(12) All funding commitments to Districts that are not successful in passing their Local GO Bonds may be recommitted to Districts that have successfully passed Local GO Bonds and are on the Waiting List for that Funding Cycle.

(13) Funding commitments will not carry over from one Funding Cycle to the next. Funding commitments for future Funding Cycles will only be made to Districts that reapply during the designated application period for that Funding Cycle.

(14) All decisions of the Department regarding the completeness of the application or ranking under either the Priority List or First in Time process are final.

(15) Any funding remaining after all awards have been made for a Funding Cycle shall be moved forward to the next Cycle.

Stat. Auth.: Sec. 2 & 5, Ch.783, OL 2015 (Enrolled SB 447)

Stats. Implemented: Sec. 2, 4 & 5, Ch. 783, OL 2015 (Enrolled SB 447)

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**581-027-0025**

**Oregon School Capital Improvement Matching Program Grant Restrictions**

(1) A District that receives a State Matching Grant will be ineligible for additional State Matching Grant funds for the next three Funding Cycles after the Funding Cycle in which the District was awarded the State Matching Grant.

(2) A District may not use State Matching Grant funds to refinance general obligation bonds issued by the District.

(3) A District must use State Matching Grant funds for capital costs as defined in ORS 286A.796(3).

(4) A District may use State Matching Grant funds to reimburse the District for capital costs incurred by the District prior to the Funding Cycle in which the District was awarded a grant only if:

(a) The Department approves the use of State Matching Grant funds for such purpose; and

(b) The District complies with all requirements of the OSCIM Program.

(c) The Department's approval or disapproval of the use of State Matching Grant funds is final. A District may not submit a revised request for use of funds.

(5) State Matching Grant funds shall be used only to match the proceeds of Local GO Bonds authorized by an election in the same Funding Cycle in which the District applied for State Matching Grant funds.

(6) If there are State Matching Grant funds available for disbursement after all the awards for all the Funding Cycles in a biennium have been made, the Department may award those uncommitted funds by lottery to Districts that have applied for State Matching Grant funds during the biennium and have Local GO Bond proceeds available to use as a basis for a match so long as the Local GO Bonds from which the proceeds are derived were approved by the voters during the biennium.

Stat. Auth.: Sec. 2 & 5, Ch.783, OL 2015 (Enrolled SB 447)

Stats. Implemented: Sec. 2, 4 & 5, Ch. 783, OL 2015 (Enrolled SB 447)

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