

The 2% Rule

- Purpose of the rule -- To protect public investment by ensuring school districts are maintaining their buildings.
- Cost accounting of amount spent per year for maintenance by building (for school district buildings built since 1993).

Issues Identified

- State accounting system is district-wide and not by building.
- School district accounting can be onerous and inequitable depending on accounting ability of districts.
- Current basic education funding for maintenance (classified and NERC) is inadequate.
- Unwise expenditures are likely to occur.
- Sustainable design reduces maintenance costs.

Stakeholder Involvement

- 2% Sub-committee – 16 members of the Technical Advisory Committee (TAC)
- Approximately four years of deliberations
 - Technical Advisory Committee (TAC) (SFAB)
- OSPI Citizens Advisory Panel (CAP)

Recommendation

- Eliminate the 2% rule
- Replace with Sustainable Maintenance Management Framework (SMMF)
- OSPI next step to process CR101 to eliminate 2% Rule

Sustainable Maintenance Management Framework

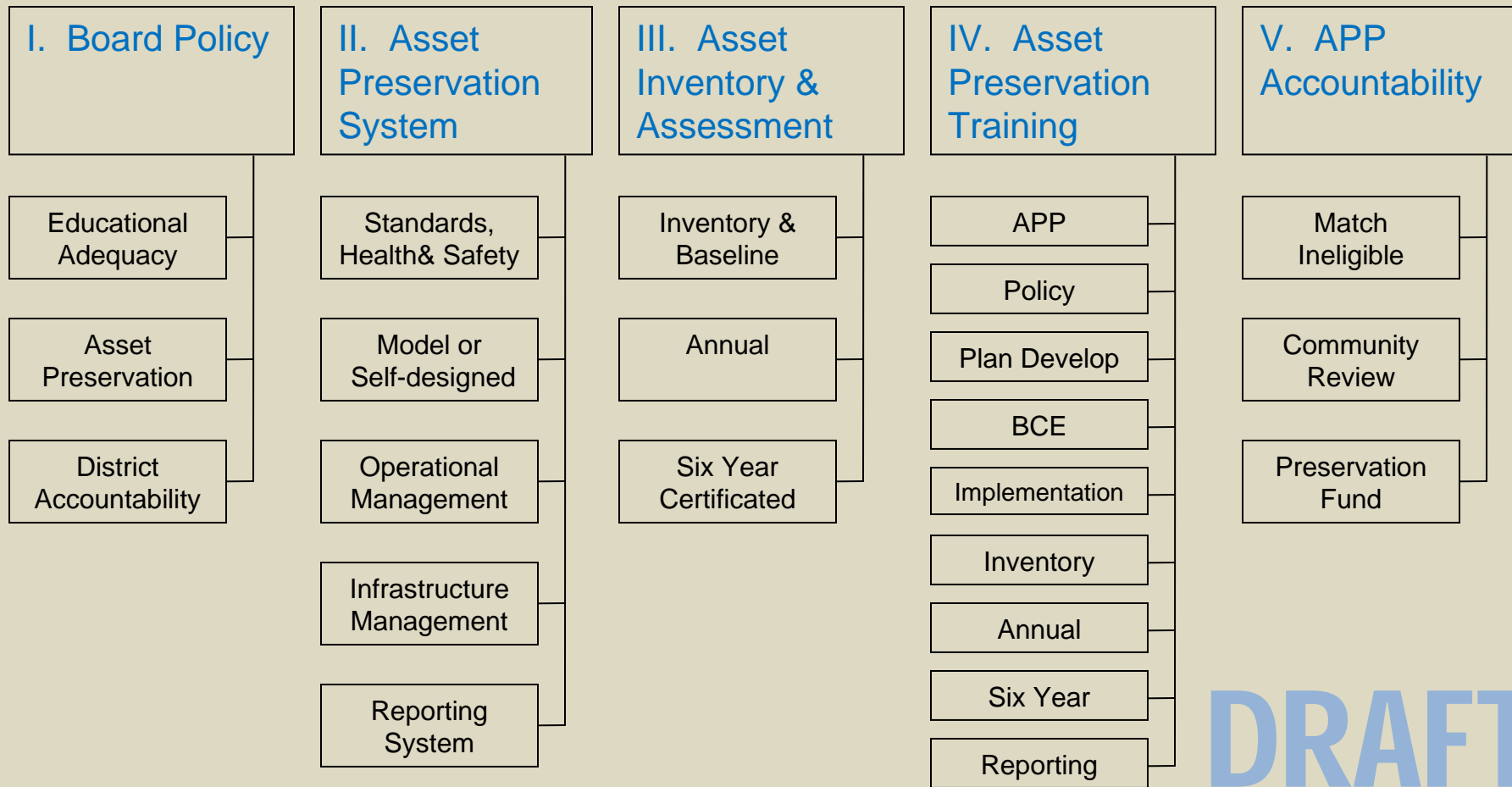
- Maintain protection of public investment.
- Provide school districts with tools to better maintain their facilities.
- Responds to issues of:
 - High Performance Schools
 - Health and Safety Rules
 - Inventory System

Sustainable Maintenance Management Framework

Components

1. School District Board Policy
2. Planned Maintenance Program (PMP)
3. Program and Building Assessments
4. Training
5. Accountability

Asset Preservation Program (APP) Components



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I. Board Policy

No _____

School Facilities

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The school district is committed to preserve the district's facilities in a safe, healthful and educationally effective manner that is compliant with applicable codes and requirements. The superintendent or his/her designee shall oversee the development of an Asset Preservation System (APS) that is compliant with all requirements of the Asset Preservation Rule (APR). [Educational Equity](#)

The APS shall provide for the preservation of district facilities by employing a system of processes, including but not limited to, predictive, preventative, repairs, educational specifications, maintenance, and re-conditioning. [Asset Preservation](#)

The APS shall also include a yearly evaluation process to comply with the requirements that facilities sustain their expected life cycle, and commits to implement an APS in all facilities constructed or modernized with state matching funds after 1993/94, within 18 months of the Asset Preservation Rule adoption. [District Accountability](#)

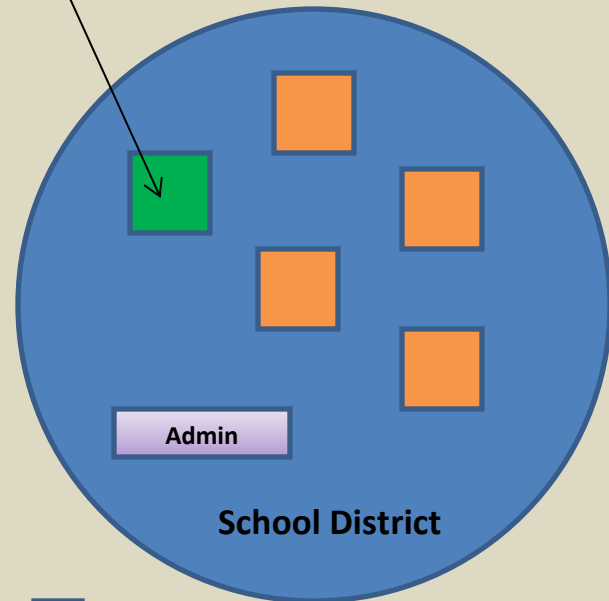
II. Asset Preservation System Components

1.

Asset Preservation System
Initial Implementation

2.

Standards
A. Building Condition
B. Health & Safety Levels



3.

APS Framework
A. Model
B. Self-designed

4.

Inventory & Baseline
A. Data Entry
B. Initial Condition

5.

General Fund
Operational Management



Tasks or projects that are active, proactive or reactive in maintaining the day to day health, safety, and instructional quality of the school facility.

6.

Preservation Fund
Infrastructure Management

Tasks or projects that are proactive, predictive or preventative in maintaining the school facility over its 30 year expected life cycle.

Asset Preservation System Management	
General Fund	Preservation Fund
Operational Management	Infrastructure Management
Tasks or projects that are active, proactive or reactive in maintaining the day to day health, safety, and instructional quality of the school facility.	Tasks or projects that are proactive, predictive or preventative in maintaining the school facility over its 30 year expected life cycle.

-  Old Schools <1994
-  New School >1994

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7.

Reporting System
A. To Board
B. To OSPI

III. Asset Inventory & Assessment

Inventory & Baseline

- A. Building Condition
 - 1) BCEF
- B. Health Standards
 - 1) Baseline Testing
- C. Safety Standards
 - 1) Evaluate
- D. Inventory
- E. Study & Survey Grant
- F. Report to Board & OSPI

Annual

- A. Self Assessment
- B. Building Condition
 - 1) BCEF
- C. Program Evaluation
- D. Inventory Update
- E. Report to Board

Six Year

- A. Certified
- B. Building Condition
 - 1) BCEF
- C. Program Evaluation
- D. Health Standards
 - 1) Benchmark Testing
- E. Safety Standards
 - 1) Evaluate
- F. Inventory Update
- G. Study & Survey Grant
- H. Report to Board & OSPI

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IV. Asset Preservation Training

Asset Preservation Program

An overview of what the program entails and what steps are needed to comply.

Board Policy Writing

An explanation of what areas need to be covered and why.

APS Development

A detailed workshop that looks at the requirements of the Rule and how to build a system that meets those requirements.

Building Condition Evaluation

A workshop on how to conduct a building evaluation. What to look for and how to score it.

System Implementation

Once you have developed an APS, this workshop will help you to implement it in your district.

Inventory

A detailed workshop that instructs about what things need to be inventoried, how often, how to conduct an inventory and report it.

Annual Self Assessment

Instructions on how to conduct a self assessment of your facilities and how to write a board report.

Six Year Assessment

An explanation of the certification program, what is entailed in a six year assessment, who to report to, and how to get reimbursed.

Reporting

A workshop outlining what reports need to be written, how often they must be done, how to do them and who to report to.

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V. APP Accountability

Match Ineligibility

Failure to adopt and implement an Asset Preservation Program will cause the district to be ineligible for any facility state match or grant programs.

Community Review

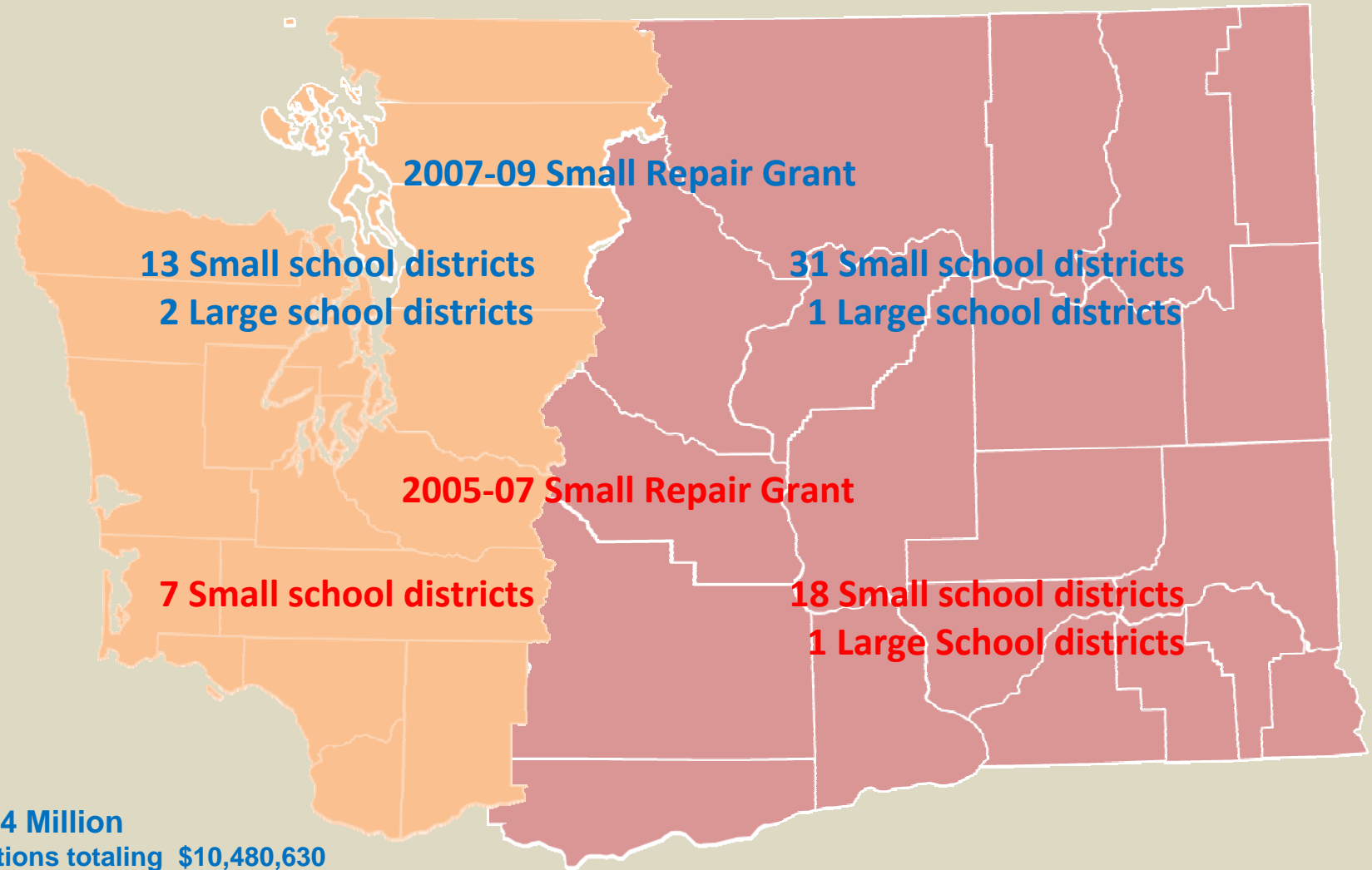
Annual and six year report of the effectiveness of the APS, to the board, for its acceptance. This will keep the subject of Asset Preservation in front of the community.

Preservation Fund

Implementation of the APP can create a district Facility Asset Preservation Fund that could be matchable through a new grant program for approved Asset Preservation Projects as they might occur over the 30 year life cycle of the building.

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School Districts with Urgent Repair Needs



2007-09 \$ 4 Million
125 applications totaling \$10,480,630

2005-07 \$ 3 Million
126 applications totaling \$11,431,893

7/16/2008

Prepared by OSPI

Large School District +2,000 FTE
Small School District -2,000 FTE

Small Repair Grant Applications

Districts Must:

- Not have received funding within last 3 years.
- Demonstrate financial need.
- Use funding for non-recurring costs associated with urgent health and safety school facility repairs.
- Maintain a consistent commitment to addressing school facility needs.

Small Repair Grant Evaluation Criteria

- **District financial condition – 30 possible points**
 - Ending General Fund balance*
Large - 0 pts, Med. – 5 pts, Small – 10 pts,
 - Budget size*
Large – 0 pts, Med. - 5 pts, Small – 10 pts
 - Ability to pass levies/bonds (10 yr. history)*
10 in last 10yrs -0 pts, 5 in last 10yrs – 5 pts, 0 in last 10yrs – 10pts
- **Nature of request – 10 possible points**
 - Would repair extend the life of the facility ?*
Not extend – 0 pts, Mod. extend - 5 points, Definitely extend – 10pts
- **Urgency of Project – 10 possible points**
 - Low – 0 pts, Med – 5 pts, High – 10 pts