

OSPI Status Report to the Joint Task Force on School Construction Funding May 14, 2008

Assignments, Management Approach, Progress To-Date and Timeline

The initial work of the Joint Task Force on School Construction Funding (Task Force) resulted in Phase I Final Recommendations and further legislative direction to the Office of Superintendent of Public Instruction (OSPI) to complete work on a number of assignments which are described in detail below. All of them have due dates or implied implementation dates before the end of the year – just over six months from now. OSPI is proceeding under the following work plan for each assignment.

K-12 Formula Methods Study and Enrollment Projections Evaluation Study: Review the school construction assistance formula and report back on transparency. Complete an evaluation of enrollment projection methodologies. (details begin on Page 3)

Management Approach: OSPI plans to combine these studies into one, competitive contract. Enrollment projection is a key driver for eligibility in the funding formula and OSPI determined it was important to have the information learned from the enrollment projection study available for the wider review of the K-12 Formula Methods.

Progress To-Date: OSPI has coordinated with legislative staff on the *draft* deliverables and expected work products included in this package and laid the groundwork for a competitive contracting process. Depending on the feedback received from the Task Force members, OSPI will finalize the deliverables and expected work products and proceed according to the following timeline.

Timeline:	
State Contracting Process	Through June 2008
Work Begins	July 1, 2008
Progress Reports and Presentation of Deliverables to Task Force	August 13, 2008 and September 17, 2008
Final Report and Presentation to Task Force	October 1, 2008 and October 15, 2008
Implementation of Task Force Recommendations	Through June 2009

Regional School Construction Assistance Program: Develop and implement a regional assistance program. (details begin on Page 6)

Management Approach: OSPI plans to contract for a gap analysis to determine what school facility services are needed by school districts, to identify program delivery method(s) and to make a recommendation to the Superintendent for the preferred program delivery method(s).

Progress To-Date: OSPI has coordinated with legislative staff on the *draft* deliverables and expected work products included in this package and laid the groundwork for a competitive contracting process. Part of the preliminary contracting work is to include General Administration and the Construction Services Group, Educational Service District 112. OSPI will request their review of the scope of work and their participation on the evaluation panel. Depending on the feedback received from the Task Force members, OSPI will finalize the deliverables and expected work products and proceed according to the following timeline.

Timeline:	
State Contracting Process	Through June 2008
Work Begins	July 11, 2008
Gap Analysis Results Delivered to Task Force	September 17, 2008
Program Implementation (appropriate programmatic pieces)	Late - September 2008
Program Delivery Recommendations Delivered to Task Force	November 5, 2008
Superintendent Final Program Delivery Decision	November 2008
Final Report and Presentation of Superintendent's Program Delivery Decision to Task Force	December 17, 2008
Implementation of New Program	Ongoing After December 2008

Potential School Sites – State Trust Land Study: Collaborate with the Department of Natural Resources (DNR) on the use of trust lands for school sites in high growth school districts.

Management Approach: OSPI is collaborating with DNR and the Department of Community, Trade and Economic Development (CTED) for this study. DNR will be leading coordination of the Work Group, completion of the land inventory and development of options for valuing and holding any lands identified for school district use. OSPI will contract for services to define suitable school sites, to define and identify high growth school districts and to complete a projection of the need for school sites in high growth school districts.

Progress To-Date: OSPI, DNR and CTED have held a planning meeting and will meet again at the end of May to finalize the Work Group participants and schedule. OSPI has prepared the *draft* deliverables and expected work products which are under review by DNR and CTED.

Timeline:	
State Contracting Process	Through May 2008
Work Begins	June 15, 2008
Deliverables and Expected Work Products to OSPI, DNR and Work Group	At Work Group Meetings through October 2008
Final Report and Presentation to Task Force	December 1, 2008 and December 17, 2008

Annual Project Release: Review and evaluate changing the annual release cycle.

Management Approach: OSPI will develop the options using staff and the expertise of OSPI's School Facilities Technical Advisory Committee.

Progress To-Date: During April 2008 meetings, OSPI discussed options for change with and received feedback from the School Facilities Citizen's Advisory Panel and the School Facilities Technical Advisory Committee.

Timeline:	
Advisory Group Involvement	April 2008
Description of Options and Implications	Through July 2008
Presentation to the Task Force	August 13, 2008
Include in OSPI 2009-11 Biennial Capital Budget Request	September 2008

K-12 Formula Methods Study and Enrollment Projections Evaluation Study

Chapter 328, Laws of 2008, Section 5008

The appropriation is provided solely for OSPI to convene a work group to develop methods and options for making the current school construction assistance grant program more transparent in terms of the formula components, assumptions, and expected funding sources for projects funded from the grant program. Within this amount, OSPI shall also develop a pilot template for providing information related to funding sources, including the amount of either bond or other local sources, or both, estimated for each project released in fiscal year 2009. OSPI shall update and consult with the Task Force as work progresses on this effort and must provide a final report to the task force by October 1, 2008.

Chapter 328, Laws of 2008, Section 5016

The appropriation in this section is provided solely for OSPI to contract with a research organization to conduct an evaluation of the accuracy and reliability of the current method used for forecasting school district enrollment for determining eligibility for the school assistance program. This evaluation must also include a review of different methodologies used by school districts in projecting their enrollment for capital planning and budgeting purposes. A final report resulting from this evaluation must be submitted by January 1, 2009.

Deliverables:

Deliverable 1: Convene, facilitate and lead the Work Group to assist and advise the review of the School Construction Assistance Grant Program formula.

- 1) Identify Work Group participants with OSPI School Facilities and Organization.
- 2) Define the role and expectations of the Work Group.
- 3) Schedule, facilitate and lead meetings of the Work Group.

Expected Work Products:

- 1) Meeting agendas, agenda items, meeting summaries and working documents distributed to Work Group members.
- 2) Prepare agendas, agenda items, meeting summaries and working documents for posting on OSPI School Facilities and Organization website.

Deliverable 2: With the assistance and advice of the Work Group, confirm Washington's school construction assistance formula policy principles ("assumptions" in the proviso).

- 1) Policy Principles (as presented in Task Force materials last year):
 - a. Balance. Balance state and local interests and obligations.
 - b. Ownership. Ownership is vested in local school districts.
 - c. Validation. Need is locally validated.
 - d. Equalization. Related to local taxpayer burden/geography/growth.
 - e. Neutrality. Minimize influence of regulation on local decisions.
 - f. Timeliness. Predictability of project progress and state funding.
 - g. Priority. System acceptable to both the state and local school districts.
 - h. Global Recommendations To Be Reviewed in Phase II of the Task Force.
- 2) Collect and describe the varying perspectives of formula transparency; including a proposed common definition for use in completing Deliverable 4.
- 3) Describe the current funding sources, both state and local, which support Washington's school construction.
 - a. Local – bonds, capital levies, impact fees and others

- b. State – trust land revenue, trust land transfer program, lottery, general fund-state savings (Common School Construction Account, Education Construction Account, Education Savings Account, General Obligation Bonds, School Construction and Skills Center Building Account)
- 4) Research and propose additions, modifications, clarifications or deletions to the policy principles recognizing and differentiating between those requiring statutory versus administrative rule change.
- 5) Present to the Task Force - August 13, 2008.
 - a. Guide a process to:
 - i. gain agreement with OR to propose changes to the policy principles with the Task Force.
 - ii. solicit any course correction.
 - iii. conclude review of and definition of policy principles and transparency.

Expected Work Products:

- 1) Interviews with Task Force members, legislative staff, school district staff/representatives, OSPI staff and other key stakeholders.
- 2) Written report.
- 3) Develop presentation for use with OSPI leadership, before the Task Force and/or in other forums - for example, OSPI advisory groups.
- 4) Deliver presentation to OSPI leadership, the Task Force and/or in other forums.
- 5) Prepare report and presentation for posting on OSPI School Facilities and Organization website.

Deliverable 3: Contract with a research organization for a review of enrollment projection methodologies.

- 1) Evaluate the accuracy and reliability of the current method used for forecasting school district enrollment for determining eligibility for the school construction assistance program.
 - a. Consider applicability or findings of the previous September 1990 enrollment projection study commissioned by OSPI.
- 2) Review the different methodologies used by school districts in projecting their enrollment for capital planning and budgeting purposes.
 - a. This review should *assume the same or similar formula application* as the current enrollment method used by OSPI in order to draw meaningful comparisons.
- 3) Present final enrollment report to the Task Force - August 13, 2008.

Expected Work Products:

- 1) Written report.
- 2) Develop presentation for use with OSPI leadership, before the Task Force and/or in other forums - for example, OSPI advisory groups.
- 3) Deliver presentation to OSPI leadership, the Task Force and/or in other forums.
- 4) Prepare report and presentation for posting on OSPI School Facilities and Organization website.

Deliverable 4: With the assistance and advice of the Work Group, review the policy principles and key formula drivers (“formula components” in the proviso) for transparency.

- 1) Determine how the policy principles are either addressed through key formula drivers in or are excluded from Washington’s school construction assistance formula.
 - a. Key Formula Drivers (cost, space and eligibility, equalization) and exclusions
- 2) Assess the transparency of the policy principles and key formula drivers.
 - a. Identify those that are transparent.
 - b. Research and identify options for those that are not.
 - i. For each proposed option, identify whether or how new policy principles are achieved through which key formula drivers.
 - ii. For each proposed option, provide a specific plan for making the change which must include an outline and description of the necessary statutory or administrative rule changes.
 - iii. For each proposed option, detail the fiscal impact over a 10 Year Capital Plan.
- 3) Deliver and present findings of “transparency” for policy principles and key formula drivers with options for improvement to the Task Force – September 17, 2008.

Expected Work Products:

- 1) Interviews with Task Force members, legislative staff, school district staff/representatives, OSPI staff and other key stakeholders.
- 2) Written report.
- 3) Develop presentation for use with OSPI leadership, before the Task Force and/or in other forums - for example, OSPI advisory groups.
- 4) Deliver presentation to OSPI leadership, the Task Force and/or in other forums.
- 5) Prepare report and presentation for posting on OSPI School Facilities and Organization website.

Deliverable 5: Prepare and deliver a pilot template of fund source information for each project released for funding in FY 2009 by October 1, 2008.

Expected Work Products:

- 1) Completed pilot template for each project.

Deliverable 6: Continue work with the Superintendent, OSPI and its advisory groups to implement the changes.

Expected Work Products:

- 1) Dependent on Final Task Force Recommendations, lead administrative rule development or change process with OSPI School Facilities and Organization.

Deliverable 7: Upon request, deliver a minimum of four presentations or reports that were developed in Deliverables 1-6 to other legislative committees during September 2008 Committee Assembly, December 2008 Committee Assembly and the 2009 Legislative Session.

Regional School Construction Assistance Program

Recommendation

A more robust program to provide regional assistance in school construction management and other kinds of technical assistance should be established. Possible entities to be included: Educational Service Districts; Department of General Administration; architectural services partners with the state's community and technical college system for project management; and the Construction Services Group. As part of this effort, the feasibility of model contracts for school construction projects should be evaluated.

Chapter 328, Laws of 2008, Section 5009

The appropriation is provided solely for the Office of Superintendent of Public Instruction (OSPI) to develop and implement a regional school construction technical assistance program for school districts primarily delivered through educational service districts. The program will be prioritized towards school districts with the greatest need in terms of school construction management and school construction capabilities. In developing and implementing this program, to the maximum extent possible and appropriate, OSPI shall receive assistance from the architectural and engineering services division of the Department of General Administration and the Construction Services Group based out of Educational Service District 112. As part of the work, OSPI shall review voluntary model contracts for school construction.

Deliverable 1: Complete a gap analysis to determine what school facility services are needed by school districts. These services may include, but are not limited to:

- a. school construction and major capital facility project work;
 - b. school facility health and safety issues; and
 - c. school facility maintenance and repair issues.
- 1) Interviews with and a description of the services offered by the Architectural and Engineering Services Division of General Administration and the Construction Services Group, Educational Service District (ESD) 112.
 - 2) Determination of other services that are currently offered to or used by school districts.
 - a. Categorization of services.
 - b. Description of the service(s) within those categories.
 - c. Identification of the service provider.
 - d. Cost of the service to the school districts.
 - 3) Identification of deficiencies and gaps in services currently offered to or used by school districts.
 - a. Categorization of deficiencies and gaps in services.
 - b. Description of service(s) within those categories.
 - c. Identification of deficiencies and gaps that could immediately be enhanced without developing a new program delivery model.
 - 4) Review the need for offering voluntary model contracts for school construction.
 - 5) Final Gap Analysis
 - a. Delivered to OSPI – September 1, 2008
 - b. Presentation to Task Force – September 17, 2008

Expected Work Products

- a. Written Report.
- b. Business process/flow charting to highlight gaps.
- c. Implementation plan for immediate program enhancements.
- d. Develop presentation for use with OSPI leadership, before the Task Force and/or in other forums - for example, OSPI advisory groups.
- e. Deliver presentation to OSPI leadership, the Task Force and/or in other forums.

Deliverable 2: Identify alternative program delivery method(s) and prepare a recommendation with supporting data for final decision by the Superintendent.

- 1) Identify program delivery method(s). Affected stakeholders must be involved and, at a minimum, must include General Administration, Construction Services Group of ESD 112 and ESD Superintendents. For each method:
 - a. Describe the method.
 - b. Whether it fills a gap, corrects a deficiency or makes a substantive change to current practice.
 - c. Comprehensive costs and cost saving of the method.
 - d. Proposal for how the method is most appropriately funded – state operating or state capital budget or a combination.
- 2) Preliminary Report on Program Delivery Method(s)
 - a. Deliver to OSPI - October 24, 2008
 - b. Presentation to Task Force – November 5, 2008
- 3) Final Report and Recommendation on Program Delivery Method(s)
 - a. Presentation and final program delivery recommendation to Superintendent – November 14, 2008
 - b. Presentation of Superintendent's program direction to the Task Force - December 17, 2008

Expected Work Products

- a. Written Report.
- b. Develop presentation for use with OSPI leadership, before the Task Force or in other forums - for example, OSPI advisory groups.
- c. Deliver presentation to OSPI leadership, the Task Force and/or in other forums.

Deliverable 3: Upon request, deliver a minimum of four presentations or reports that were developed in Deliverable 1 and Deliverable 2 to other legislative committees during September 2008 Committee Assembly, December 2008 Committee Assembly and the 2009 Legislative Session.