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The Governor's **SCHOOL FACILITIES** Commission

A Report Submitted to

Governor Angus S. King

**The Joint Standing Committee on
Education and Cultural Affairs**

**The Joint Standing Committee on
Appropriations and Financial Affairs**

February 1, 1998

THROUGH A LONG RANGE PLAN AND COMMITMENT

A SAFE AND HEALTHY LEARNING ENVIRONMENT

The Governor's
SCHOOL FACILITIES
Commission

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Report of the Governor’s Commission on School Facilities

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Report of the Governor's Commission on School Facilities

PREFACE

The Governor formed and charged the Commission on School Facilities with developing a sensible and predictable program for public financing of local school construction in Maine. This action comes in response to the growing crisis of statewide school construction and repair needs, which far outstrip the State's financial resources.

The eleven member Commission representing education, professional, business, finance and government sectors of the State, conducted a comprehensive review of statewide school construction needs, analyzed applicable Maine law and policies on construction and reviewed prior relevant impact studies. A Technical Advisory Group of architects, engineers, builders and financiers provided expertise and guidance to the Commission as it weighed alternative proposals. The Commission received input and assistance from the Department of Education, the State Treasurer, the Bureau of General Services, the Maine Municipal Bond Bank, the Attorney General's office, bond counsel, the State Planning Office, investment professionals, superintendents and other concerned groups. Finally, information was shared and gathered at a series of statewide public hearings. This report summarizes what the Commission believes is an affordable and realistic plan to address Maine's public school construction, renovation and repair needs.

Underscoring all substantive changes are reciprocal obligations of the State to provide adequate construction and renovation project funding and of each school administrative unit to annually allocate sufficient resources for facility maintenance, capital improvement or capital reserve accounts. Also, long-term facility leases should gradually be replaced with lease purchases, new construction or renovation.

Report of the Governor's Commission on School Facilities

BACKGROUND

The age and condition of the nation's public schools are an expanding crisis. Decades of neglect, unfunded maintenance programs, constrained state and municipal budgets, shifting populations, technology requirements and programmatic changes have combined to weaken the infrastructure of public education.

Regrettably, Maine fits the national mold. A Facilities Inventory Study recently conducted by the University of Maine's Center for Research and Evaluation concluded that the cost of the State's current school construction and repair needs exceeds a half billion dollars. The current annual State and local spending limit on new construction and existing debt service is \$67 million. The number of projects able to be funded has been steadily declining since 1989 (see Appendix F for summary). Twenty projects valued at \$185 million are scheduled for State Board of Education concept approval through July, 2000. Many of these projects have waited five to ten years for approval. More than fifty other desperately needed projects wait in line with no funds in sight.

The Health & Safety of School Buildings report, February 1997, identified a minimum of \$50 million dollars of health, safety and legal compliance improvements and repairs urgently needed in our schools. Leaking roofs, poor air quality, lack of adequate insulation, faulty heating systems, unreliable and outmoded fire prevention equipment, disability noncompliance and other critical conditions demand immediate attention or many of our schools will become uninhabitable. The study also disclosed \$140 million of renovations, repairs and other necessary improvements idly waiting funding with faint hope of assistance from State or municipal budgets.

Current Maine law does not authorize state construction funds for school maintenance repairs and renovations or for addressing the pressing health, safety and compliance needs. So, the stresses and strains caused by the lack of funds for much needed new construction are compounded by the lack of any State assistance for much needed projects that involve repairs, renovations or health and safety improvements. With no place to turn for assistance many hard pressed school administrative units and communities unwittingly let their schools slip into a downward spiral of disrepair. This continuing deterioration of the physical environment can only undermine the learning process at a time when quality education is essential for all Maine citizens.

Report of the Governor's Commission on School Facilities

EXECUTIVE SUMMARY

A. Guiding Principles

The following principles provide the basis of the Commission's recommendations for new State laws and policy pertaining to construction and renovation of school facilities:

- Comprehensive legislative reforms must be equitable and sensible and must insure long-term effective solutions.
- Projects addressing the greatest demonstrated need, regardless of size, should be given priority ranking for State funding.
- Health, safety and compliance needs require immediate and comprehensive State assistance.
- The State should fund renovations and upgrades of existing school facilities in addition to new construction.
- School administrative units must commit to appropriate maintenance and capital improvement plans.
- Financing centralization for State funded projects will create efficiency and save costs.
- A simplified; consistent, flexible, and equitable application process is necessary to help school administrative units seeking state subsidy for projects.
- All projects, whether renovations or new construction, should be designed to provide optimal and flexible learning environments.

B. Summary of Recommendations

The Governors Commission on School Facilities Recommends:

- State subsidy for new and renovated school facilities should be given on the basis of demonstrated need.
- State subsidy should be available for school renovation and small capital improvement projects in addition to new construction.

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- Statewide health, safety and compliance deficiencies within our school facilities require immediate and comprehensive funding assistance.
- Financing of the school infrastructure should be centralized and streamlined.
- Long-term subsidized leases should be phased out and replaced with permanent space and lease/purchase options.
- School administrative units must commit to long-term facility maintenance, repairs and planning.
- School construction or renovation must be designed for learning.
- The Department of Education should develop a resource package for communities preparing for facility projects.
- The State should provide additional resources for the implementation and effective management of the Commission's recommendations.

Report of the Governor's Commission on School Facilities

RECOMMENDATIONS

1. State subsidy for new or renovated school facilities should be given on the basis of demonstrated need.

Maine must develop an affordable, equitable and integrated plan of State subsidy for school construction and renovation. The application process must ensure that the most **needed** projects, whether new construction, renovation, or repair, receive priority funding. The system should be flexible, allowing for new construction, renovation, repair, small capital improvements, or a combination of options which best meet a school administrative unit's needs.

The Department of Education, the Bureau of General Services and the State Board of Education must also be given flexibility to apply the most appropriate and cost effective solutions to deserving projects.

The Commission recommends substantial changes in the school construction laws so that applying school administrative units and responding State officials can fashion appropriate facility remedies. The school administrative units demonstrating the greatest need will receive priority ranking for funding approval. Where appropriate, renovation and repair of a school administrative unit's facilities are preferred over new construction. Also, new or renovated school facilities should be designed, where possible, to encourage shared community use in areas of common interest such as libraries, recreational activities, cultural and civic programs and technology.

2. State subsidy should be available for school renovation and small capital improvement projects in addition to new construction.

Current Maine law authorizes \$67 million of annual State and local funds for new school construction and existing debt service. No State subsidy is available for renovations, repairs or small capital improvements. School administrative units with deteriorating, but repairable, structures must either wait for years to receive new construction funding, or make the necessary repairs solely from local tax dollars. Strained school administrative unit budgets usually prohibit such expenditures.

The Commission recommends:

- **New Construction:** Retain the statutory debt service source and scheduled increases for new construction projects. Modify the application process to authorize State subsidy for additions, eliminating any square footage requirements. Funding should be administered through the new Maine School Facilities Finance Program (MSFFP) which will be managed by the Maine

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Municipal Bond Bank. (See attached chart on page 8 and Recommendation # 4 – Financing of the school infrastructure should be centralized and streamlined.)

- **Renovation:** Create a State Revolving Renovation Fund which, in partnership with local communities, will address the identified \$200 million facility renovation needs and will provide a financial resource for school administrative units with future renovation needs. School administrative units with qualifying projects would apply to the Fund for State grants and loans for renovations, repairs, and small capital improvements or learning space upgrades. Renovation of existing facilities is a long-term, practical solution to structural deterioration, obsolescence, and overcrowding.

The Renovation Fund, to be developed and managed by the MSFFP, will require substantial initial funding as well as annual appropriations. An immediate appropriation of \$30 million from the General Fund and/or Surplus, and State general purpose obligation bonds in 1999 and 2000 for \$35 million each, will, in conjunction with local participation, fund \$200 million in renovations over a five year period.

Ongoing revenue sources to replenish and maintain the Renovation Fund include:

- a) Annual State appropriations in addition to debt service on the bond issues,
 - b) Principal repayments on loans made to school administrative units,
 - c) Surplus funds from all school construction and renovation projects,
 - d) Future State budget surpluses,
 - e) Federal revenues, and
 - f) Solicitations for corporate and foundation grants.
- School administrative units with qualifying health, safety and compliance or repair and improvement projects would receive a Fund grant for a maximum of 70% and a minimum of 30% of the project cost based on its annual percentage share of State debt service assistance. Similarly, learning space upgrades would receive a Fund grant for a maximum of 50% and a minimum of 20% of the project cost based on its annual percentage share of State debt service assistance. Interest free loans from the Fund (depending on the Fund's cash reserves) would be available to the school administrative units to finance the balance of the project costs. Local districts would be responsible for repayment of the loans, which would replenish the Fund. (See pages 9 and 10 for details of the proposed method of assistance and an example of the Fund's impact on a project.)
 - The Department of Education should revise the school construction/renovation application and rating system to conform to the needs driven process which is the foundation of the Commission's recommendations.

MAINE SCHOOL FACILITIES FINANCING OPTIONS

SOURCE

STATUTORY DEBT SERVICE

MUNICIPAL BONDS

MECHANISM

Similar to current structure but through new **Maine School Facilities Finance Program** administered by the Maine Municipal Bond Bank for best possible rate structure. Modification of "circuit breaker" to phase out inclusion of lease payments in calculation

New Construction

- New schools
- Additions

\$146,550,000

\$106,123,000

Annual State and Local Total payments subject to Legislature's Debt Service Limit

Facilities Survey

Identified Needs

SEE APPENDIX H.

\$252,673,000

Total New Construction

NEW

REVOLVING RENOVATION FUND

MUNICIPAL BONDS

And/or Business Community Partnerships, Commercial Lenders, Rural Development Adm. Community Development Banks Etc.

The **Revolving Renovation Fund** administered through the **MSFFP** would assist School Administrative Units with **grants and no interest loans**. No circuit breaker but a max and min level of State participation from the **RRF**.

Renovation

- Three Categories

Health/Safety/Compliance

Highest Priority and greatest level of State participation

\$62,014,616

Repairs / Improvements

No participation in strictly maintenance related repairs

\$137,376,924

Learning Space Upgrades

Science labs, Vocational space, classroom flexibility, etc.

\$199,391,540

Total Renovation

CURRENT 4.5M FROM GPA

LEASE

LEASE / PURCHASE C.O.P.

Developed through the **MSFFP** and **MMBB** to maximize tax exempt lease structure. Initial funding would be part of 4.5 M currently being allocated through GPA; then move small projects to **Revolving Renovation Fund** umbrella to reduce reliance on GPA

Temporary

- Interim Portables
- Moveable
- Enrollment Spikes

Small Project

- Permanent small space
- Administrative space

PROPOSED METHOD OF ASSISTANCE

MAINE SCHOOL FACILITIES FINANCE PROGRAM

NEW

REVOLVING RENOVATION FUND

GRANTS

GRANT FROM THE MAINE SCHOOL FACILITIES FINANCE PROGRAM
30% Min. to 70% Max.
Percentage Equal to the Established Annual State Share of Debt Service

30% Min. to 70% Max.

20% Min. to 50% Max.

MUNICIPAL BONDS

And/or Business Community Partnerships, Commercial Lenders, Rural Development Adm. Community Development Banks Etc.

Renovation

□ Three Categories

Health/Safety/Compliance

Highest Priority and greatest level of State participation

\$62,014,616

Repairs / Improvements

No participation in strictly maintenance related repairs

\$137,376,924

Learning Space Upgrades

Science labs, Vocational space, classroom flexibility, etc.

LOANS

NO-INTEREST LOAN
FROM THE MAINE SCHOOL FACILITIES FINANCE PROGRAM

NO-INTEREST LOAN

NO-INTEREST LOAN

MAINE SCHOOL FACILITIES FINANCE PROGRAM

REVOLVING RENOVATION FUND

EXAMPLE OF \$1.0 MILLION PROJECT
 (For an SAU whose State Debt Service Share is 40%)

ACTUAL LOCAL SHARE \$600,000 47%
 EFFECTIVE STATE SHARE \$675,000 53%

Without State Assistance Local Cost Would be \$1,275,000 100%



**One Time Grant From the State
 REVOLVING RENOVATION FUND**
 (\$400,000) 40% of Project Cost



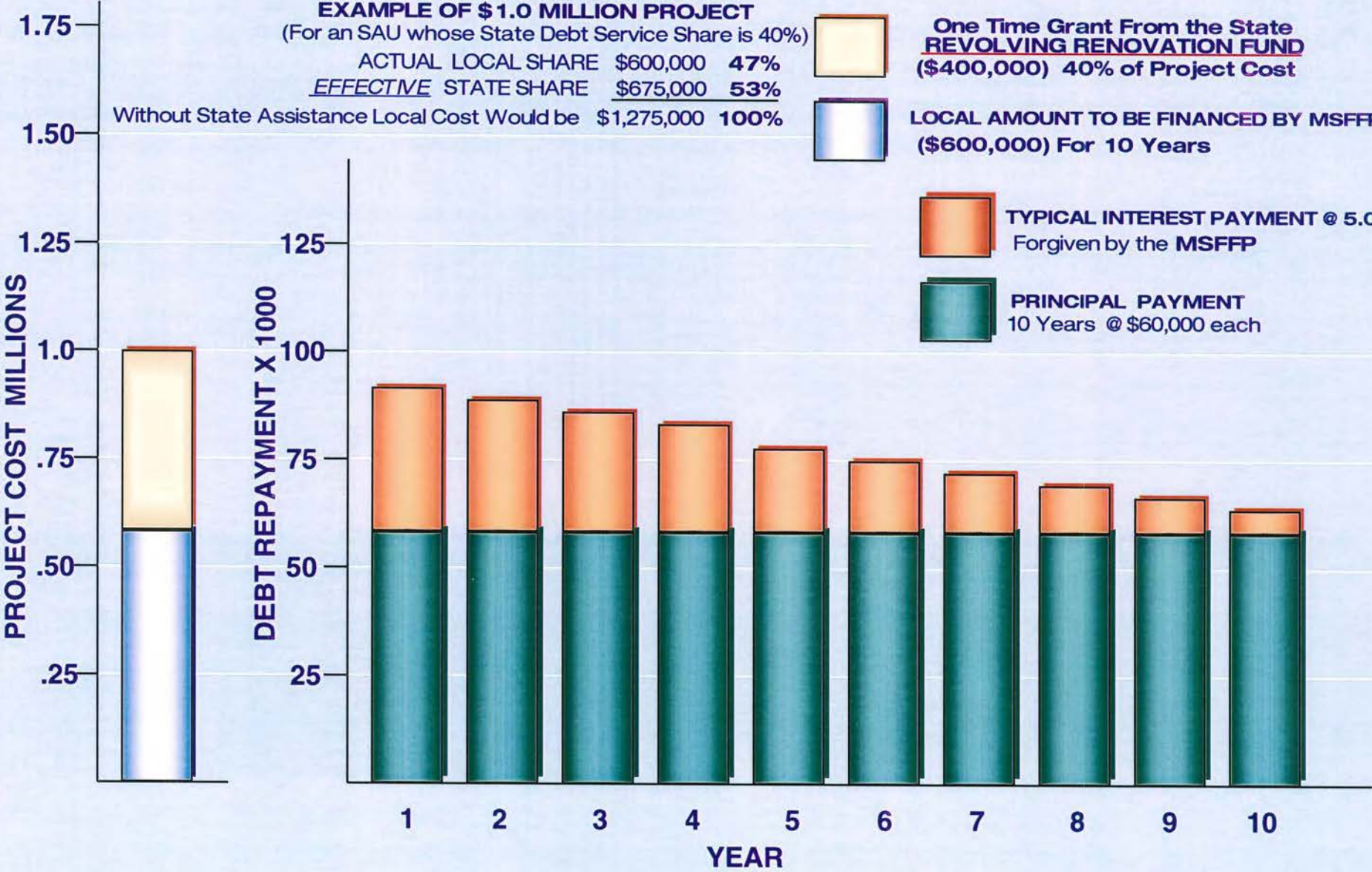
LOCAL AMOUNT TO BE FINANCED BY MSFFP
 (\$600,000) For 10 Years



TYPICAL INTEREST PAYMENT @ 5.0%
 Forgiven by the MSFFP



PRINCIPAL PAYMENT
 10 Years @ \$60,000 each



Report of the Governor's Commission on School Facilities

- Revise the application template to simplify and integrate requests for State subsidy whether for new construction, renovation, repairs, or small capital improvements or a combination of options. Authorize the Department of Education to give split-approvals if an applicant qualifies for more than one category.
- Require, where appropriate, a facility life-cycle analysis comparing new construction versus renovation. The study, conducted by an independent architect or engineer, should analyze and compare site, building and systems components as well as construction, operational, maintenance and transportation costs. The report should also include other data that would assist the State Board of Education and the applying school administrative unit in deciding upon new construction or renovation. The expense of the report, borne by the applying school administrative unit, would be included in the project cost.
- On major new construction projects the Department of Education, Bureau of General Services and local building or site selection committees should consult with the State Planning Office on the location of the school. The orderly growth and development of communities should be considered in the site selection process.
- Restructure the building process:
 - a) While the traditional design-bid-build method is the preferred construction method, allow the use of alternative delivery systems, i.e., design-build or construction management, only after a methodology for the use of these alternative systems has been adopted, unless otherwise deemed appropriate by the Bureau of General Services.
 - b) Give the State Board of Education flexibility to approve concepts earlier to allow bidding in February or March.
 - c) Provide a separate site budget as part of the total project budget.
 - d) Require a post bid conference with the Department of Education and Bureau of General Services before signing contracts so that add alternates and adjustments to the budget can be considered.
 - e) At the post bid conference reduce the project contingency budget from 10% to 5% on new construction and to 7.5% on renovation.
 - f) Require uniformity of process and in construction documents on all projects regardless of the funding source.

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- g) Review and modify the pre-qualification process for general contractors and subcontractors to ensure equity among all bidders.
- h) Clearly define the roles of the Department of Education and the Bureau of General Services in the application and construction process. Education policy remains the province of the Department of Education. The Bureau of General Services is responsible for the technical and practical aspects of a project.
- i) Authorize school administrative units that accept students from other communities to include in tuition charges a share of newly incurred capital outlay and debt service.

3. Statewide health, safety and compliance deficiencies within our school facilities require immediate and comprehensive funding assistance.

The Facilities Inventory study identified more than \$50 million of health, safety and legal compliance problems statewide. Leaking or dilapidated roofs, poor air or water quality, inadequate fire protection, insufficient ceiling and wall insulation, the presence of hazardous materials such as asbestos, septic system failures, heating and structural deficiencies, inadequate rest rooms, lack of ADA (Americans with Disabilities Act) compliance and other systemic problems were reported in schools throughout the State. (See map – Appendix A for communities affected by these health, safety and compliance deficiencies.) The oldest operating school in Maine was built in 1830. Most schools were constructed between 1945 and 1975. The twenty to fifty years of continued use and lack of proper maintenance have created serious health and safety concerns in many schools, which, if not addressed promptly will ultimately render many of these structures uninhabitable. Financial responsibility for correcting these problems currently rests solely on the strained budgets of local school administrative units.

The Commission ranks State assistance to this problem as the highest priority in school construction and renovation. The Governor and legislature are strongly urged to pledge \$30 million as requested in Recommendation # 2 to provide a prompt and comprehensive solution before these buildings further deteriorate and the health and safety concerns escalate.

For a more permanent solution to health, safety and compliance needs:

- Establish a Revolving Renovation Fund (see Recommendation # 2) administered by the Maine School Facilities Finance Program to finance the cost of health, safety and compliance repairs. The Fund would provide direct grants and no interest loans to school administrative units with, qualifying health, safety and compliance needs. An eligible school administrative unit would receive a grant

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for a maximum of 70% and a minimum of 30% of the repair costs based on its percentage share of State debt service funding. The balance of the project cost could be borrowed from the Fund through no interest loans (depending on the cash reserves of the Fund). Local school administrative units would be responsible for repayment of the loans, which would replenish the Fund.

- Establish and require a maintenance and capital improvement program for all school administrative units. Compliance would be required for continuing participation in school funding (see Recommendation #6).

4. Financing of the school infrastructure should be centralized and streamlined.

The new approach to school construction, renovation, health, safety and legal compliance improvements and other infrastructure needs requires significant changes and centralization of financing. Under current policy, local school administrative units issue bonds and receive a debt service allocation from the State for approved construction projects. This system is poorly regulated, complex, inconsistent and inefficient.

The Commission recommends:

- The creation of the Maine School Facilities Finance Program administered by the Maine Municipal Bond Bank, to centralize school financing and bond issuance in one place in order to create efficiencies, reduce administrative costs, increase investment yields, simplify debt payments, and deliver a lower cost of capital to borrowers.
- Include in the MSFFP enabling legislation authority to:
 - a) invest and distribute the interest on bond proceeds and bond anticipation notes;
 - b) provide for a bond default avoidance program that would pledge the use of the State intercept program on a pre-default basis for specific bonds;
 - c) centralize and standardize leasing, lease-purchasing, and financing of space and equipment acquisitions; and
 - d) manage the revolving renovation fund (as referenced in Recommendation #3 above) established as a vehicle for funding health, safety and compliance improvements and renovations.
- Develop a master lease-purchase program that separates leasing and purchasing from financing. Centralize leasing and purchasing at the State level to maximize bulk purchasing power, administrative efficiencies and consistencies. Create

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financing alternatives such as a MSFFP revolving renovation fund or individual financing by local school administrative units upon demonstration of competitive terms and rates.

- Simplify debt service payments by authorizing; the State Treasurer to wire each school administrative unit's State subsidy payment directly to the bond issuer or trustee.
- Phase out lease payments in calculation of the debt service "circuit breaker." (See Appendix B for details of the "circuit breaker" calculation.)

5. Long-term subsidized leases should be phased out and replaced with permanent space and lease/purchase options.

The State currently subsidizes, through General Purpose Aid, \$4.5 million to local school administrative units for lease reimbursement out of a total State and local expenditure of \$6.7 million. Other than limiting the reimbursement rate to \$8 per square foot, the State has no control over terms of the leases. Some short-term leases are appropriate for temporary needs. Long-term leases deplete state subsidies that could be better invested in capital projects. (See Appendix C, D and E for lease space analysis summaries.)

The Commission recommends the following:

- *Administrative Space:* Phase out state participation in administration leased space over a five-year period. Support the transition to lease/purchase or Certificate of Participation instruments with a specified level of state subsidy for an additional five-year period. Revise the Construction Rules to allow the inclusion of administrative space in a new and/or renovation projects.
- *Temporary Interim Space:* School administrative units awaiting new construction or renovation approval and districts with short-term (2-5 years) space needs would apply for lease financing centralized and managed by the Maine School Facilities Finance Program.
- *Permanent Small Project Space:* School administrative units needing permanent small additions would apply for lease/purchase or Certificate of Participation financing through the Maine School Facilities Finance Program. Funding from General Purpose Aid will be phased out over five years with transition to statutory debt service or the Revolving Renovation Fund as applicable.
- *Application Process:* The Department of Education should develop an application process, which includes pertinent details of space needs and a Capital

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Improvement Plan with a time-line for transition to permanent space. The application should require space allocation justification consistent with state guidelines.

6. School administrative units must commit to long-term facility maintenance, repairs and planning.

School Boards faced with tight budgets and tough choices understandably nearly always cut maintenance and capital improvement expenditures before educational services. The unfortunate result, however, is the gradual deterioration of infrastructure and the \$50 million plus now desperately needed to address health, safety and compliance needs. The \$140 million in needed renovations and repairs also underscores lack of sound, properly funded and expended capital maintenance and improvement accounts. If the State commits to fund a significant portion of the health, safety and compliance needs, and to increase the state bond debt to finance school renovations, then school administrative units must establish, fund and expend appropriate capital maintenance and improvement accounts.

The Commission recognizes that many school communities, to their credit, applied foresight and fiscal resolve to ensure proper facility maintenance. Many factors may have forced other school administrative units to inadequately fund those necessary accounts. While no credit can be given or withheld based on maintenance performance to date, school administrative units are now on notice that adequate facility maintenance and improvement programs will be key factors in obtaining State funding for new construction or renovation.

The Commission recommends:

- All school administrative units must be required to annually allocate a minimum percentage of the replacement value of all school administrative unit real estate to facility maintenance, capital improvement or capital reserve accounts. The minimum percentage will be established by the Department of Education and the Bureau of General Services based upon values commonly accepted in the educational community.
- School administrative units that fail to appropriate the minimum required amount in their annual budgets will have their GPA subsidy reduced by the amount of the shortfall and may be ruled ineligible for future new construction or renovation funds until the deficit is corrected.
- The Department of Education shall collect and maintain an inventory of school facilities and their major systems.

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- The Department of Education jointly with the Bureau of General Services will provide a maintenance template, software and assistance with the initial inventory inputs to insure consistent comprehensive local maintenance and capital improvement plans. Electronic reporting of both maintenance and capital improvement progress will reinforce the State's long term plan and commitments to school facilities. (See Appendix G)

7. School construction and renovation must be designed for learning.

New construction and renovation planning and design must make the connection between the education program and a safe, functional and durable physical plant. School administrative units and communities are challenged to design new and renovate old buildings to incorporate the evolving techniques of learning. Smaller and more personal learning environments may better accommodate a variety of teaching styles and interdisciplinary curriculums. Flexible spaces are needed to accommodate rapidly changing integrated technology, team teaching, community services and other educational changes. Buildings must be designed to accept change without compromising the health and safety of the students and teachers or the integrity of the structure.

Long-term strategic facility planning must be an integral part of each school administrative unit's educational vision. Sound infrastructure design, development and maintenance are crucial components of a community's overall educational program. The Department of Education and State Board of Education should challenge each applying school administrative unit to demonstrate that its construction or renovation requests are consistent with the community's educational vision. The Department of Education and State Board of Education must provide guidance and assistance to school administrative units in the development of facility plans that enhance a school administrative unit's educational programs.

8. The Department of Education should develop a resource package for communities to prepare for school facility projects.

The Commission's aim is to provide for an equitable, efficient and integrated process for school administrative units in need of State subsidies for facility projects. To help implement the changes the Department of Education should develop and distribute a resource package that will guide applying school administrative units through the new application process. Information should be provided that will explain available project alternatives, qualifying requirements and recommendations for simplifying the process. School administrative units must be advised that a State and local partnership will exist on all future projects requiring school administrative unit participation in a portion of the project costs and maintenance covenants, in exchange for State subsidy.

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9. The State should provide additional resources for the implementation and effective management of the Commission's recommendations.

The Commission's recommendations cannot be adopted in a vacuum. Enabling legislation, policy revisions and budget adjustments will be necessary to make the structural and personnel changes necessary to effectively implement the Commission's plan.

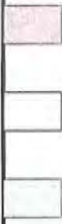
- The Department of Education will need additional personnel to administer the new application process for renovation funds and lease/purchase proposals. The Department will need additional staff to monitor the new maintenance and capital improvement requirements
- The Bureau of General Services will need additional staff to advise the Department of Education on applications for renovation and capital improvements and to provide comprehensive over-site of the design, building and construction process.

CONCLUSION:

The problems surrounding the construction of new and the deterioration and obsolescence of old school facilities in Maine are complex but solvable. The solutions are expensive, but necessary. Postponing substantive, corrective legislation will compound the problems and increase the costs.

The Commission's proposed solutions are based on a partnership of commitment. Recognizing that the costs for new construction, renovation and health, safety and compliance needs are beyond the financial capacity of school administrative units and communities, the State must pledge adequate funding as appropriate for new construction, renovation or repair of existing facilities. School administrative units and communities, in turn, must commit to long-term maintenance and capital improvement programs to preserve and protect their buildings.

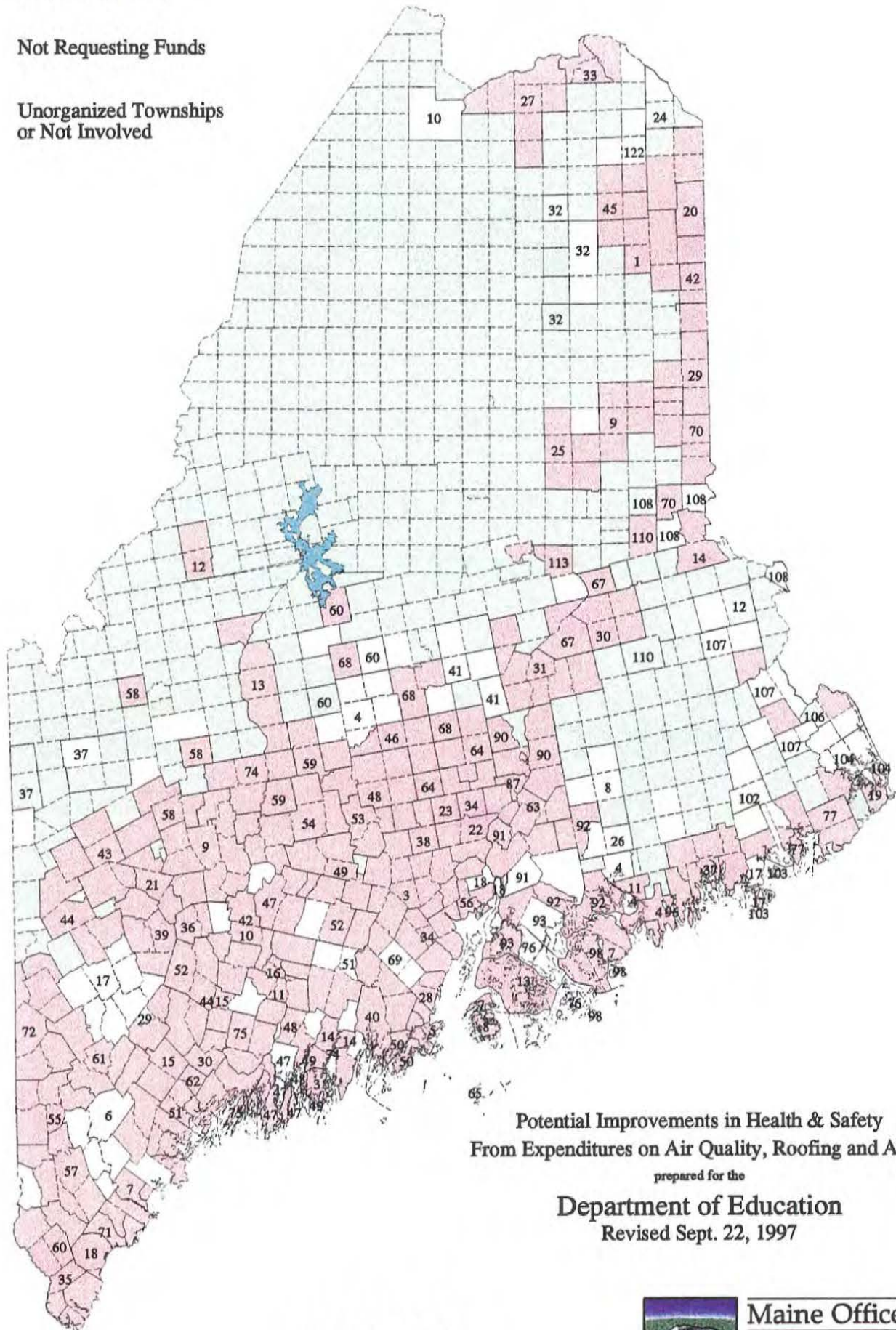
The Commission's recommendations are premised on these mutual commitments. Only through an ongoing State and local partnership effort can Maine's school facility problems be solved.



Requesting Funds

Not Requesting Funds

Unorganized Townships
or Not Involved



APPENDIX A



Maine Office of
GIS

“CIRCUIT BREAKER”

State Debt Service Mill Rate Calculation

$$\frac{\text{Principal\&Interest} + \text{Approved Leases} + \text{Insured Value Factor}}{\text{Total State Fiscal Capacity}} \times 45\% = .48 \text{ Mill Rate}$$

Local Circuit Breaker Calculation

Total Valuation of SAU Sending Municipalities <hr style="width: 80%; margin: 0 auto;"/>		Circuit Breaker Maximum Local Share of Debt Service <hr style="width: 80%; margin: 0 auto;"/>			
\$1,088,802,000	X	$\frac{.48}{1,000}$	=	=	<div style="border: 2px solid red; padding: 5px; display: inline-block;">\$522,625</div>
		<hr style="width: 80%; margin: 0 auto;"/> Circuit Breaker Mill Rate Set Annually by the State (See above)			

Local Share Of Debt Service

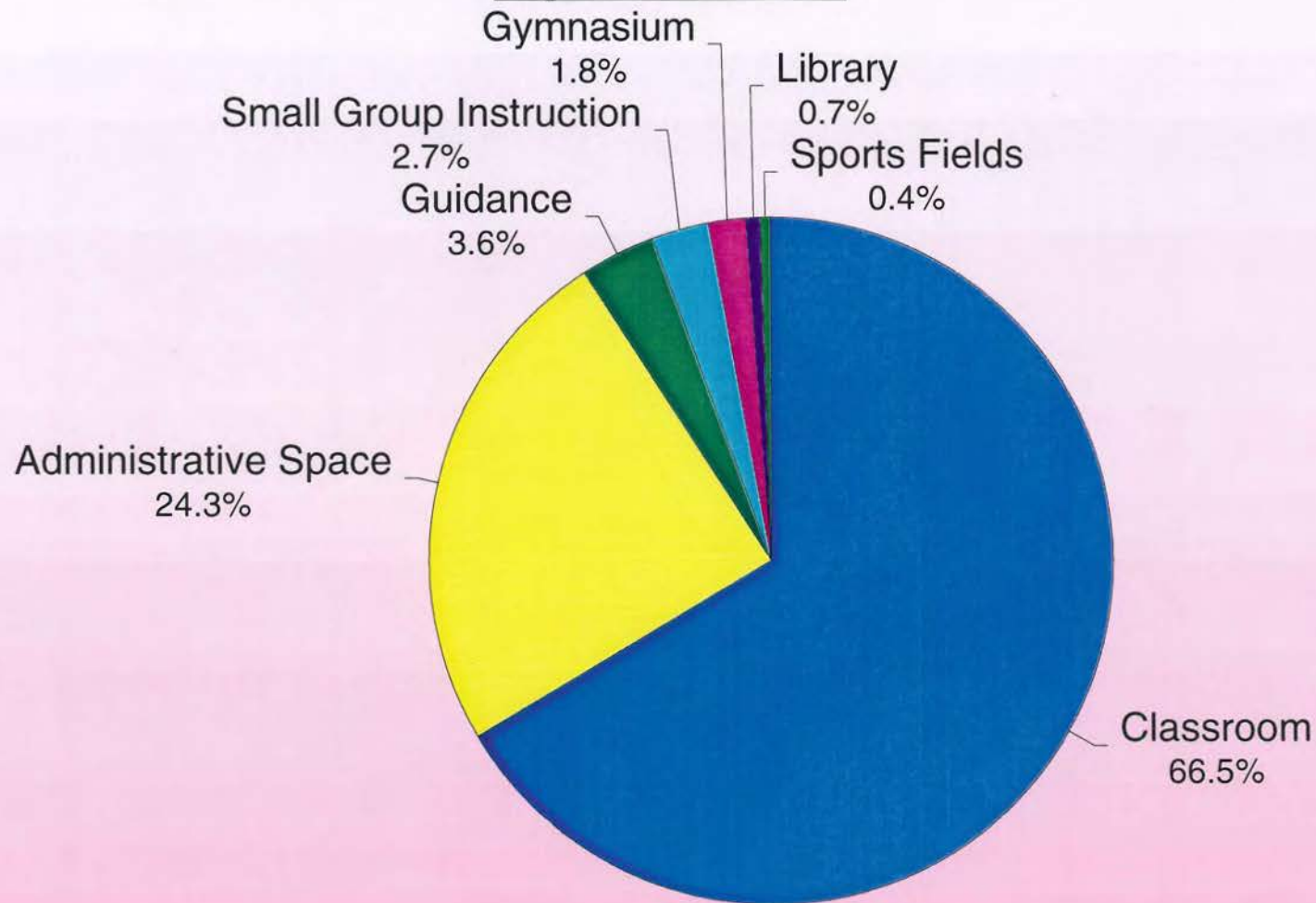
Total Debt Service for SAU <i>Including Leased Space</i> <hr style="width: 80%; margin: 0 auto;"/>		Total Local Share of Debt Service Maximum Local Contribution <hr style="width: 80%; margin: 0 auto;"/>			
\$1,447,887	X	.46	=	=	<div style="border: 2px solid orange; padding: 5px; display: inline-block;">\$666,028</div>
		<hr style="width: 80%; margin: 0 auto;"/> % Local Share of Debt Service Rate Set Annually for SAU by the Department of Education Based on School Funding Formula			

In this example the State pays the difference between the Calculated LOCAL SHARE and the CIRCUIT BREAKER

$$\boxed{\$666,028} - \boxed{\$522,625} = \$143,403$$

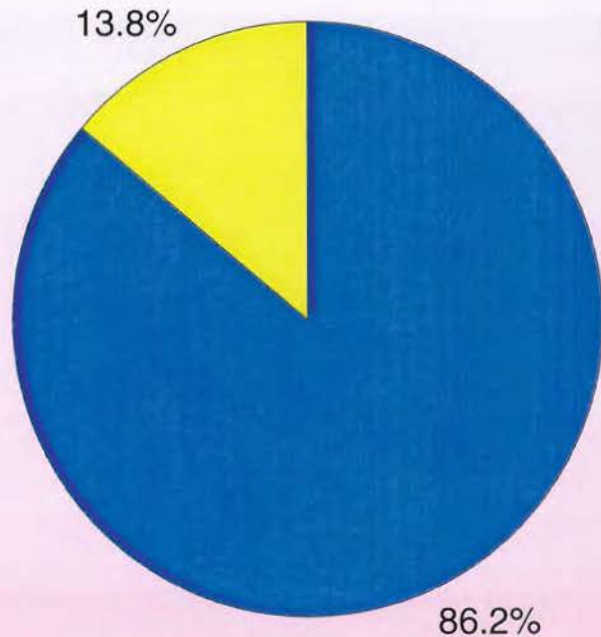
Leased Space Analysis

Space Use



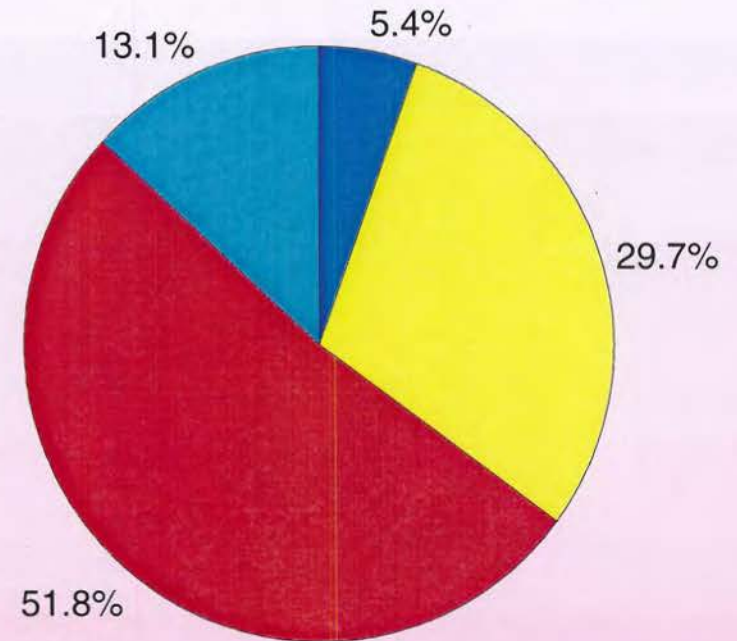
Leased Space Analysis

Types Of Leases



There Are 0 Requests For Lease Types Purchase & Construction

Construction Code

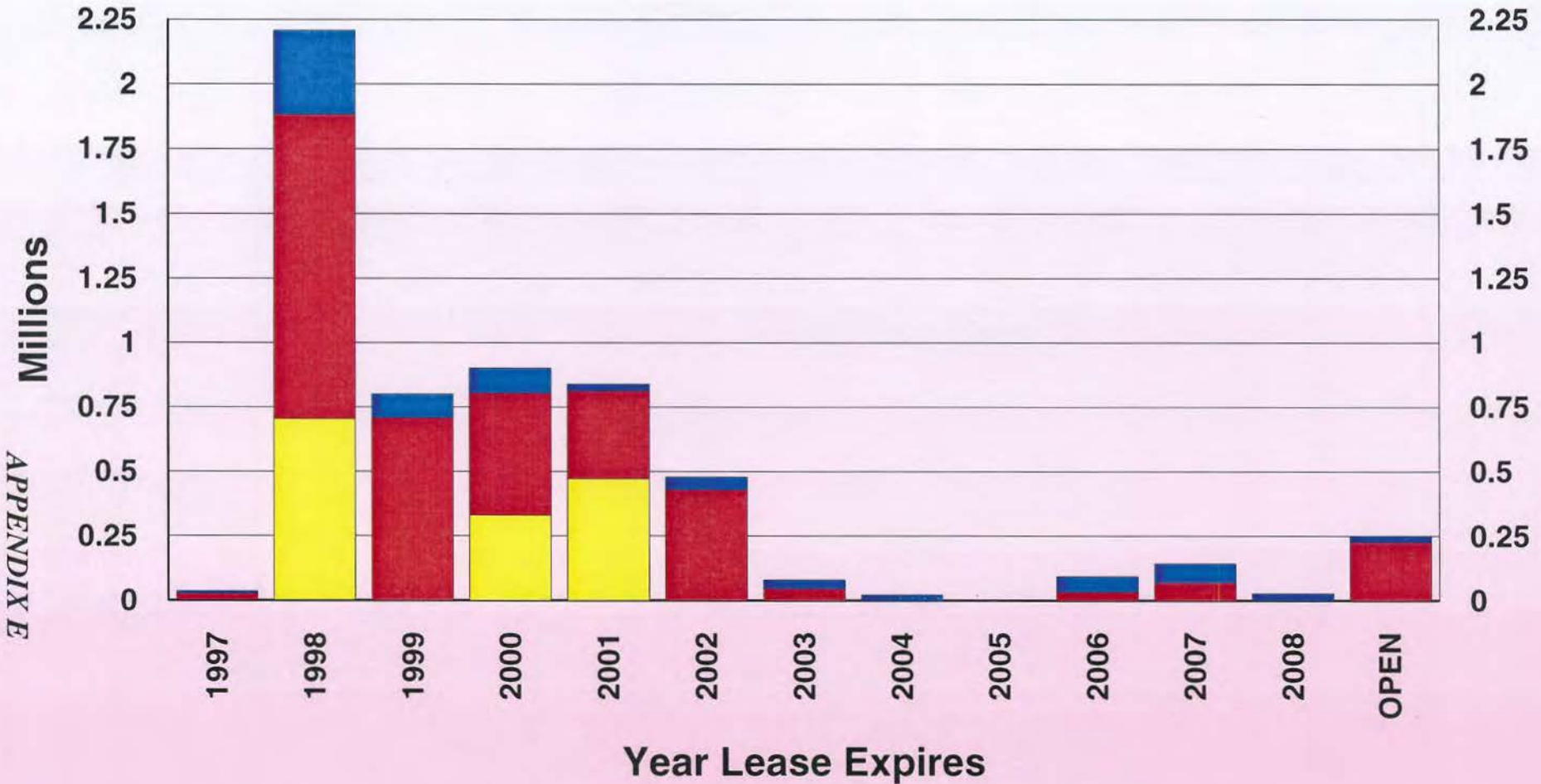


Construction Codes For Straight Leases Only

- Lease - 10 Years Renewable
- Lease Purchase - 4 Year Non-Renewable
- Purchase
- Construction

- Code 0 - To Be Phased Out
- Code 1 - Temporary (Protected Const. Projects)
- Code 2 - Small Project Space w/Permanent Need
- Code 3 - Admin Leases (To Be Phased Out)

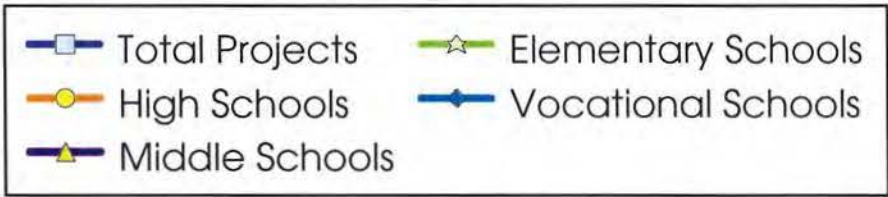
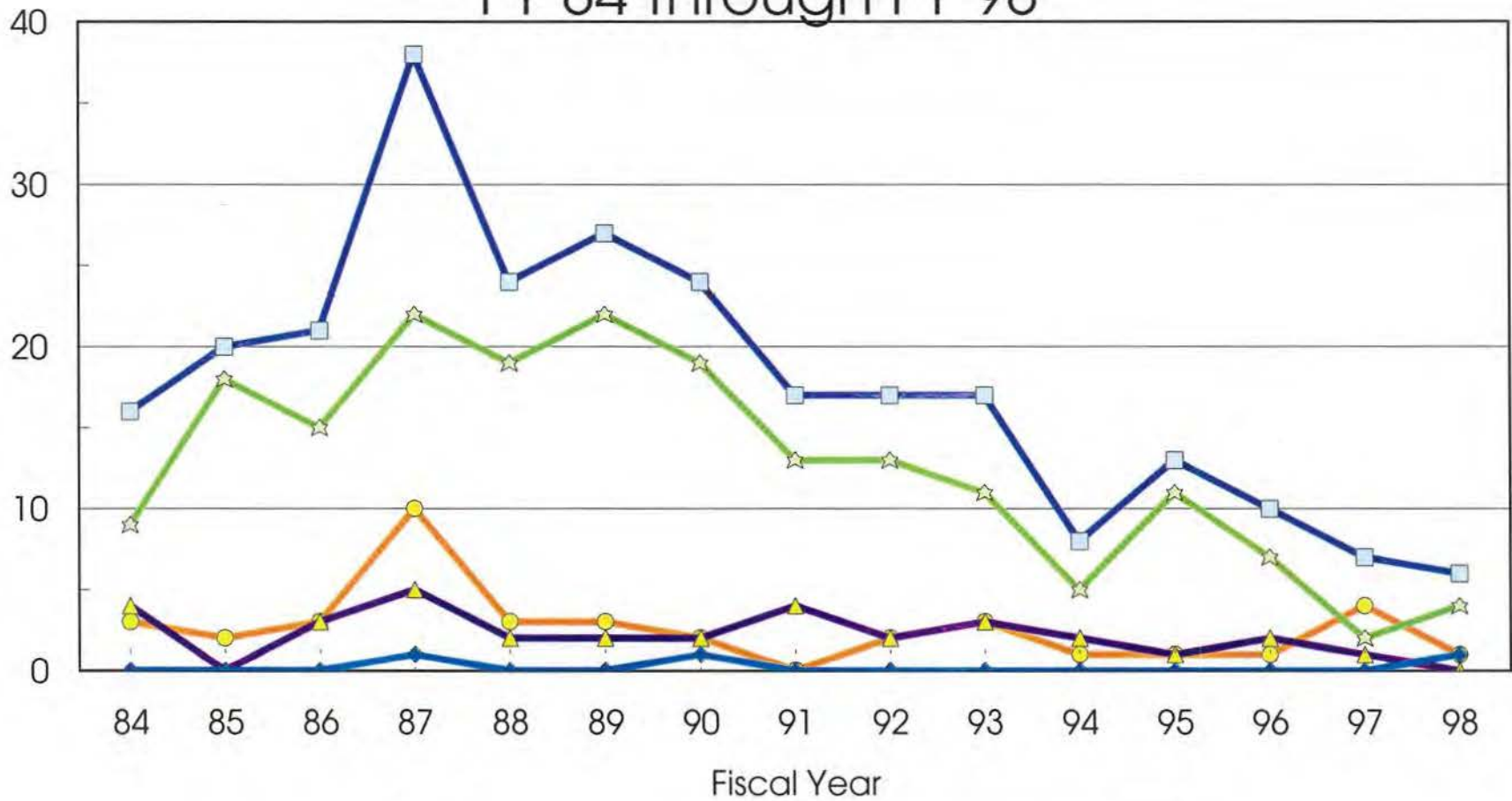
Leased Space Analysis



- Construction Code 3: Phase Out Administrative Leasing
- Construction Code 2: Small Project Space With Permanent Need
- Construction Code 1: Temporary - Protected Projects In Construction Process
- Construction Code 0: Phase Out Catagory By Rule Change

Number of School Construction Projects that received Funding Approval FY 84 through FY 98

APPENDIX F



MAINTENANCE AND CAPITAL IMPROVEMENT PLANS

STATE OF MAINE

SCHOOL BUILDING MAINTENANCE

- Data base for ALL School Buildings
- Resource Development

Resource for Effective
Maintenance Practices That
Insure Safety and Compliance

Standardized Electronic
Data Reporting

Standardized Electronic
Data Reporting

STATE OF MAINE

CAPITAL COMMITMENT PLAN

- Statutory Debt Service
- Revolving Renovation Fund
- Other Resources

SCHOOL ADMINISTRATIVE UNIT

CAPITAL IMPROVEMENT PLAN

SAU/*Regional* Long Range Facilities Requirements

FACILITIES MAINTENANCE REPORT

Work Orders, Bid Preparation, State Report, Etc.

BUILDING #524
Maintenance Plan

BUILDING #526
Maintenance Plan

FACILITIES NEEDS ANALYSIS

Needs Identified by the Facilities Inventory

Health, Safety, and Maintenance

Total for Health, Safety, and Compliance	\$ 62,014,616
Total for Repairs and Improvements	<u>\$ 49,799,924</u>
	\$ 111,814,540

New Construction, Additions, and Renovations

Projects Protected Through Year 2000	\$ 185,000,000
Unprotected Regular Projects	\$ 225,010,000
Unprotected Special Projects	\$ 40,000,000
Facilities Inventory Projects (Projects not on DOE Construction Lists)	<u>\$ 75,240,000</u>
	\$ 525,250,000

Total Needs Identified By Facilities Inventory **\$ 637,064,540**

New Construction, Additions, and Renovations Breakdown

Total Identified Need for	
New Construction, Additions, Renovations, Health & Safety, Repairs	\$ 637,064,540
Projects Protected Through Year 2000	— \$ 185,000,000
	\$ 452,064,540

	New Construction	Additions	Renovations
Special Projects List		\$ 24,000,000	\$ 16,000,000
Regular Projects List	\$ 124,040,000	\$ 50,485,000	\$ 50,485,000
Health, Safety & Repairs			\$ 111,814,540
Facilities Inventory	\$ 22,510,000	\$ 31,638,000	\$ 21,092,000
	<u>\$ 146,550,000</u>	<u>\$ 106,123,000</u>	<u>\$ 199,391,540</u>

\$252,673,000
Total New Construction

\$199,391,540
Total Renovation

Report of the Governor's Commission on School Facilities

Executive Order:

OFFICE OF
THE GOVERNOR

NO. 1 FY 97 / 98
DATE July 1, 1997

**AN ORDER TO REVISE AND IMPROVE
SCHOOL CONSTRUCTION POLICY**

WHEREAS, a sensible and predictable program for public financing of local school construction is essential to the goal of maintaining and improving the quality of public education in Maine;

WHEREAS, the historical lack of a comprehensive statewide strategy for public investment in both new construction and renovation of existing school facilities has resulted in unmet school construction needs;

WHEREAS, Maine now faces increasing school construction needs due to increased and redistributed student populations, historical under-funding of maintenance costs for existing schools, strained local budgets, and limited State contributions to school construction;

WHEREAS, many Maine communities are struggling with overcrowded school buildings, obsolete or inadequate facilities for the demands of modern education programs, as well as a significant increase in use of portable leased classrooms to meet pressing space needs; and

WHEREAS, these problems require immediate and decisive action to identify the true scope of local school construction needs throughout the State and to prepare a feasible plan for public financing of both existing and future school construction needs;

WHEREAS, it is essential that we make the most efficient use of available school construction funds, and, thereby, assure the public these tax dollars are being spent wisely;

NOW, THEREFORE, I, Angus S King, Jr., Governor of the State of Maine, do hereby establish the Governor's Commission on School Facilities as follows:

Report of the Governor's Commission on School Facilities

1. Purpose and Charge

The Governor's Commission on School Facilities ("Commission") shall conduct a comprehensive review to determine the true scope of local school construction needs throughout the State and prepare a feasible plan for public financing to meet current and future school construction needs. In so doing, the Commission shall:

- a. identify the true scope of local school construction and renovation needs, drawing upon the information supplied by local school districts, as well as the findings of the Review Committee established by the Department of Administrative and Financial Services and the Department of Education to review the Health and Safety of School Buildings Report, prepared by the University of Maine;
- b. prepare a recommended plan for a sensible and predictable program of public financing of the verified statewide local school construction and renovation needs that makes the most efficient use of available school construction funds;
- c. review and analyze current Maine law, regulations, and policies controlling school construction, including, but not limited to, new construction, renovations, leased space, and maintenance and capital improvement plans in order to determine where changes are needed and provide any recommended revisions in current state law, regulations and policy in order to implement the recommended plan.

2. Report

The Commission shall hold statewide public hearings in order to obtain public input. The Commission shall prepare a summary of its review and recommended plan in draft form no later than December 1, 1997. The Commission shall incorporate public comments as appropriate and prepare any necessary legislation to implement its recommendation.

No later than February 1, 1998, the Commission shall submit its final report, accompanied by any proposed implementing legislation, regulations or policies, to the Governor and the Joint Standing Committee on Education and Cultural Affairs and the Joint Standing Committee on Appropriations and Financial Affairs.

3. Membership

The Governor's Commission on School Facilities may have up to 10 members, all to be appointed by the Governor no later than July 21, 1997. The Commission shall be composed of members of interested groups, including school administrative units, municipal governments, the State Board of Education, the Department of Education, the

Report of the Governor's Commission on School Facilities

Department of Administrative and Financial Services, and the public. Members shall be chosen in order to achieve the broadest possible representation of Maine's geographical regions and the full spectrum of local school construction needs and financing abilities. The Governor shall also appoint a Committee on Technical Expertise composed of Architects, Engineers Builders and Sub Contractors to provide technical expertise to the Commission. The Chair of the State Board of Education's School Construction Committee shall serve as the Chair of the Commission. Each member shall serve at the pleasure of the Governor.

4. Funding and Staff

Public members may be compensated for reasonable travel expenses by the Department of Education upon demonstration of need. The Department of Education and the Department of Administrative and Financial Services shall provide the staff from existing resources to the Commission.

5. Termination

The Commission shall terminate upon submission of the final report to the Governor and the Legislature.

6. State Review Committee

The Commissioner of the Department of Education and the Commissioner of the Department of Administrative and Financial Services shall establish a Review Committee of qualified individuals to review the Health and Safety of School Buildings Report prepared by the University of Maine. The Committee shall;

- a. review the data collected by the University of Maine through its school survey in preparation of the Health and Safety of School Building Report; and
- b. analyze the accuracy and completeness of that data and prepare a report of its findings and recommendations to the Governor's Commission on School Facilities no later than August 1, 1997.

7. Effective Date

The effective date of this Executive Order is July 1, 1997.

Report of the Governor's Commission on School Facilities

Acknowledgments:

The Governor's Commission on School Facilities sought the advice and expertise of many individuals and organizations in developing the recommendations presented in this report. The Commission would like to thank the following individuals for their guidance and commitment to this work:

Evan Richert, State Planning Office	Fran Rudoff, State Planning Office
John Hastings, Tucker Anthony Incorporated	Bob Lenna, Maine Municipal Bond Bank
Richard Spencer, Drummon Woodsum & MacMahon	Dick Ranaghan, People's Heritage
Dale McCormick, State Treasurer	Dennis Doiron, Attorney General Office
Crombie Garrett, Attorney General Office	Marge Medd, State Board of Education
Dan Cecil, Harriman Associates	Carol DiBacco, Rea Designs
Rodney Boyton, Harriman Associates	Elinor Multer, State Board of Education
Gene Kaler, Bureau of General Services	Senator Sharon Treat
Representative Tom Murphy	Bill Stoddard, Bureau of General Services
Sue Bell, Governor's Office	Gary Leighton, Department of Education
Bill Millar, Department of Education	Scott Brown, Department of Education
Judith Malcolm, Department of Education	Suzan Cameron, Department of Education
Nathaniel Salfas, Bureau of General Services	Millard Harrison
John Moran	

Report of the Governor's Commission on School Facilities

References:

“Building Our Future: Making School Facilities Ready for the 21st Century”, Report of the NASBE Study Group on School Infrastructure – National Association of State Boards of Education: October 1996

“Health and Safety of School Buildings” – Final Report: February 18, 1997

“Health and Safety of School Buildings”, A Report to the Joint Standing Committee on Education and Cultural Affairs: April 15, 1997 (Pursuant to Public Law 632, entitled “An Act Regarding School Facilities and Debt Service Limits”)

“Keeping Promises: Honoring Our Commitment to Education Equity” – Final Report of the Committee to Study Organizational and Tax Issues in Public Schools – February 1995

“Designing School Facilities for Learning” – PROBE – Developing Education Policy Issues – Spring 1997

“Studying Maine’s School Construction Process”, A Report to the Joint Standing Committee on Education and Cultural Affairs – Maine State Board of Education, School Construction Study Group – December 1996 (Pursuant to Public Law 632, entitled “An Act Regarding School Facilities and Debt Service Limits”)

“The Role of the Department of Administrative and Financial Services in Approving School Construction”, A Report to the Joint Standing Committee on Education and Cultural Affairs – December 15, 1996 (Pursuant to Chapter 75, Resolve 1995, entitled “Resolve, to Review the Role of the Department of Administrative and Financial Services in Approving School Construction Projects for School Administrative Units”)

World Wide Web Sites:

Internet Address:

Site:

<http://www.state.me.us>

State of Maine

<http://www.state.me.us/education>

Maine Department of Education

<http://www.state.me.us/education/gcsf.htm>

Governor’s Commission on School
Facilities

<http://www.cefpi.com>

Council of Educational Facility Planners