



COLORADO DEPARTMENT *of* EDUCATION

# **Prioritized FY2014-15 Recommended BEST Lease-Purchase Grants**

Submitted to:  
**Capital Development Committee**

By:  
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## Executive Summary

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Pursuant to 22-43.7 C.R.S., the BEST Act, financial assistance is provided from the public school capital construction assistance fund (assistance fund) to school districts, charter schools, institute charter schools, BOCES, and the Colorado School for the Deaf and Blind to assist with the construction of new public schools and the renovation of existing public schools.

The source of funding for the assistance fund is revenues from the State Land Trust, lottery proceeds, marijuana excise tax, matching grant funds, and interest on monies in the assistance fund.

The BEST Act also established the Public School Capital Construction Assistance Board (Assistance Board). The Assistance Board accepted 48 applications for BEST funding on January 31, 2014. The total grant amount requested was \$76.8 million, with \$61.9 million in matching funds, for a total of \$138.7 million in total project costs. On May 20th and 21st the Assistance Board reviewed grant applications at day-long public meetings and pursuant to 22-43.7-109(7) C.R.S. prepared prioritized lists of projects to be approved by the State Board to receive financial assistance. The State Board of Education met on June 11, 2014 and approved the list of projects included in this report on page 6. Thorough review was given to every application by division staff and the Assistance Board.

The following is a link to a summary of the grant applications received on January 31, 2014:

<http://www.cde.state.co.us/sites/default/files/CCASummaryBookFY2014-15.pdf>. A hard copy of the summary is available upon request.

### Standard of Review for the Assistance Board

The Assistance Board, taking into consideration the financial assistance priority assessment, in conformance with statute, has prioritized applications for public school facility capital construction projects based on the following criteria, in descending order of importance and pursuant to 22-43.7-109(5) C.R.S.:

1. Projects that will address safety hazards or health concerns at existing public school facilities, including concerns relating to public school facility security. In prioritizing an application for a public school facility renovation project that will address safety hazards or health concerns, the Assistance Board shall consider the condition of the entire public school facility for which the project is proposed and determine whether it would be more fiscally prudent to replace the entire facility than to provide financial assistance for the renovation project;
2. Projects that will relieve overcrowding in public school facilities, including but not limited to projects that will allow students to move from temporary instructional facilities into permanent facilities;
3. Projects that are designed to incorporate technology into the educational environment;
4. All other projects.

The methodology the Assistance Board used to select the prioritized projects for funding is as follows:

1. The Director of the division introduced the project (applicant name, project title and priority #), then asked the applicant's presenters to introduce themselves;
2. After the presenters introduced themselves, they were given a two-minute window to present their project to the Assistance Board;
3. Following the applicant's presentation, the Assistance Board Chair opened the floor to any discussion, questions or comments the Assistance Board had pertaining to the application;
4. After the Assistance Board reviewed the grant application, and all questions had been answered, each Assistance Board member completed a grant application evaluation sheet;

5. If a waiver was requested as part of the application package, the Assistance Board evaluated the waiver application, asked any questions and completed a waiver evaluation sheet;
  - a. Statutory waivers were automatically approved and a waiver evaluation was not be needed;
  - b. The Assistance Board Chair entertained a motion to approve an applicant's waiver request;
  - c. Applicants whose waiver request was denied were still eligible to receive a grant;
6. After all evaluation sheets were collected by division staff, the next grant application was reviewed;
7. This process was repeated until all applications were reviewed;
8. The division staff input the scores from the evaluation sheets into a master spreadsheet that tallied the total scores for each project;
  - a. First, the grant applications were sorted by their identified statutory need (priority 1, 2, 3, or 4);
  - b. Then, the sorted applications were prioritized by their evaluation score, as determined by the average overall Assistance Board score;
9. The division staff presented the Assistance Board with the results of the grant application evaluation sheets;
10. The Assistance Board reviewed the prioritized list and made any final discussion remarks;
11. A funding line was drawn at the set amount of available funding (State share), which the Assistance Board reviewed and made their final motion to approve the list.

### **Standard of Review for the State Board**

Generally, the State Board may approve, disapprove or modify the provision of financial assistance for any project recommended by the Assistance Board, but may only disapprove or modify if the State Board concludes that the Assistance Board misinterpreted the results of the prioritization assessment conducted pursuant to section 22-43.7-108 C.R.S. or misapplied the prioritization criteria specified in subsection 22-43.7-109(5) C.R.S. The Assistance Board is required to submit the list of recommended projects to the State Board no later than June 20 for approval, disapproval or modification. Then the State Board must submit to the Capital Development Committee of the General Assembly a prioritized list that includes only those projects for which the State Board is recommending awards of financial assistance that involves lease-purchase agreements.

Pursuant to 22-43.7-109(7)(a), the prioritized list of projects for which the State Board recommends financial assistance shall include the State Board's recommendation as to:

1. The amount of financial assistance;
2. The type of financial assistance to be provided. In this case the projects are recommended for BEST lease-purchase grants using new lease-purchase or previously financed moneys;
3. The amount of applicant matching moneys for each recommended project based upon information provided by the applicant;
4. The source of matching moneys for each recommended project based upon information provided by the applicant.

The Assistance Board may recommend back-up projects for financial assistance if another higher priority project or group of projects becomes ineligible for financial assistance. This would be due to the inability of an applicant to raise required matching moneys by a deadline prescribed by the Assistance Board as a condition of their financial assistance award.

### **Standard of Review for the Capital Development Committee**

No later than June 25 of each year, the State Board shall submit to the Capital Development Committee a revised prioritized list that includes only those projects for which the State Board is recommending awards of financial assistance that involve lease-purchase agreements. The State Board shall submit with the list the information regarding the details of the financing of the listed projects that the Assistance board submitted to the State Board.

No later than July 15 of each year, the Capital Development Committee may approve the list or may disapprove the list if the committee concludes that the inclusion of one or more of the projects on the list will unreasonably increase the cost of providing financial assistance that involves lease-purchase agreements for all of the projects on the list. If the Capital Development Committee does not approve or disapprove the list by July 15, it is deemed to have approved the list as submitted.

If the Capital Development Committee disapproves the revised prioritized list, it shall provide its reasons for doing so in writing to the Assistance Board no later than July 20. No later than August 1, the Assistance Board may resubmit the list with modifications or additional information, or both, that address the committee's concerns. No later than August 15, the Capital Development Committee may approve the entire resubmitted list or may disapprove one or more projects on the resubmitted list if the committee again concludes that the inclusion of the project or projects will unreasonably increase the cost of providing financial assistance that involves lease-purchase agreements for all of the projects on the list. If the Capital Development Committee disapproves a project on the resubmitted list, the project shall not receive financial assistance that involves lease-purchase agreements, and the remaining projects on the resubmitted list shall receive such financial assistance as recommended by the State Board. If the Capital Development Committee does not approve or disapprove the resubmitted list by August 15, it is deemed to have approved the list as resubmitted.

## **Conclusion**

The Capital Construction Assistance Board is submitting to the Capital Development Committee the following prioritized list and description of one project for lease-purchase financing, with one project as back-up project if the higher prioritized project becomes ineligible for financial assistance due to the inability of raising their required matching moneys. The State Board met on June 11, 2014 and pursuant to 22-43.7-109(7)(a) C.R.S., approved the Capital Construction Assistance Board's grant recommendations. This report includes the following prioritized list and description of one project for lease-purchase financing, with one project as back-up project if the higher prioritized project becomes ineligible for financial assistance due to the inability of raising their required matching moneys.

The following is submitted for Capital Development Committee approval at their June 25, 2014 meeting.



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## List of Prioritized FY2014-15 BEST Lease-Purchase Grants Recommended by the Capital Construction Assistance Board

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County	District	Project Title	BEST Request Amount	Applicant Matching Contribution	Total Request & Matching Contribution	Type of Financial Assistance	Source of Match
MORGAN	FT. MORGAN RE-3	MS Replacement	\$ 24,936,252.24	\$ 11,092,888.11	\$ 36,029,140.35	New Lease-Purchase and/or Previously Financed Moneys	District Bond Proceeds from 2013 Election
		<b>BEST Lease-Purchase Recommendation Total</b>	<b>\$ 24,936,252.24</b>	<b>\$ 11,092,888.11</b>	<b>\$ 36,029,140.35</b>		
<b>Lease-Purchase Back-up Project</b>							
EL PASO	EDISON 54 JT	Jr/Sr HS Addition / Renovations	\$ 11,541,117.30	\$ 255,000.00	\$ 11,796,117.30	New Lease-Purchase and/or Previously Financed Moneys	2014 Bond Election
		<b>BEST Lease-Purchase Back-up Recommendation Total</b>	<b>\$ 11,541,117.30</b>	<b>\$ 255,000.00</b>	<b>\$ 11,796,117.30</b>		

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## **Summary of the Prioritized FY2014-15 BEST Lease-Purchase Grant Recommended by the Capital Construction Assistance Board**

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### **Fort Morgan Re-3 / MS Replacement**

This project is to replace a deteriorated middle school with a new 21<sup>st</sup> century middle school on a new site. The 88-year old multi-story school has been adequately maintained and has undergone multiple additions and renovations through the years. However, the school suffers from a variety of fundamental issues, including severely undersized classrooms, poor mechanical ventilation in many areas of the building, unrated corridors without fire separation or protection, an undersized electrical system, unsecured entrances, and plumbing system deficiencies. Planning efforts determined that replacing the facility is a more practical solution than continuing to repair and renovate a building that cannot suit the educational needs of modern students. By replacing the current 7-8 middle school with a 6-8 middle school, the district will have the opportunity to reorganize the remaining facilities through additional planned improvements district-wide.

This project is recommended for BEST lease-purchase grant, using unspent proceeds from completed lease-purchase agreements or moneys to be raised through entry into an additional lease-purchase agreement that the state has the capacity to execute or both as follows:

Grant \$24,936,252.24; District Contribution \$11,092,888.11 or 30.79%, with the source of match being a previously successful 2013 BEST matching money bond election.

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## **Summary of the Prioritized FY2014-15 BEST Lease-Purchase Back-up Grant Recommended by the Capital Construction Assistance Board**

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### **Edison 54JT / Jr/Sr HS Addition / Renovations**

The existing school facility is a 1920 historic school building with a 1960 gymnasium addition. As students take classes in adjacent modulars, teacherages, and the recently constructed elementary school, they are both moving between buildings and being exposed to the elements. The entry to the high school is not clearly identified and administration is located on the second floor of the historic building. The automotive shop and an adjacent metal building do not meet the standards for mechanical systems or program requirements. The existing gymnasium is not adequately ventilated, exterior walls are cracking, it is no longer possible to sand and refinish the existing wood floor and the locker rooms are non-code compliant.

The project will remove a non-code compliant science lab. It will also convert current administration space to classroom space. The existing gymnasium will be demolished to allow for a new addition that will provide for a secured entrance with administration adjacent to the entry. The addition will also provide code compliant toilet rooms, an elevator to allow ADA accessibility to the second level of the historic building, a new science classroom/ lab, a code compliant automotive shop, and a new gymnasium with weight room and code compliant locker rooms.

Currently the district has a modular that houses a pre-school and autism program. These programs will also be included in the new addition.

This project is recommended for BEST lease-purchase back-up Grant, using unspent proceeds from completed lease-purchase agreements as follows:

Grant \$11,541,117.30; District Contribution \$255,000.00 or 2.16%, with the source of match being a 2014 bond election.