



Ongoing Facility Maintenance Guidance: Background, Definition & Questions RIDE/School Building Authority (SBA)

Background:

In June 2018, the General Assembly passed, and the Governor signed, a State budget that includes substantial changes to the oversight, management, and funding of public school construction. These changes follow the first-of-its-kind, independent statewide assessment of the current condition of Rhode Island's 306 public school buildings. The final report was issued in September 2017, kicking off a statewide discussion about how to effectively invest in and enhance learning environments for all students.

With the passage of Article 9 in the State Budget, beginning in FY 2019, LEAs' annual facility maintenance expenditures must meet one of three requirements:

- a) A minimum of 3% of the operating budget. This amount will be phased in over a five-year period
 - 1% for FY 2019
 - 1.5% for FY 2020
 - 2% for FY 2021
 - 2.5% for FY 2022
 - 3.0% for FY2023 and beyond

- b) A minimum of 3% of the replacement value. This amount will be phased in over a five-year period
 - 1% for FY 2019
 - 1.5% for FY 2020
 - 2% for FY 2021
 - 2.5% for FY 2022
 - 3.0% for FY2023 and beyond

- c) A minimum of \$3, subject to inflation, per square foot of building space.

Definition:

Under Rhode Island General Law 16-7-36(11), "Maintenance expenditures" means amounts spent for repairs or replacements for the purpose of keeping a school facility open and safe for use, including repairs, maintenance, and replacements to a school facility's heating, lighting, ventilation, security, and other fixtures to keep the facility in effective working condition.

Maintenance shall not include contracted or direct custodial or janitorial services; expenditures for the cleaning of a school facility or its fixtures; the care and upkeep of grounds, recreational facilities, or parking lots; or the cleaning of or repairs and replacements to movable furnishings or equipment.

Frequently Asked Questions:

1. What is included in a maintenance expenditure total?

- a. Do salaries, benefits, or contracts for professionals that perform facilities repairs (i.e., electrician, plumber, and contractor) count towards the total?
Yes, if they are repairing or maintaining facilities.
- b. Do janitorial staff salaries and expenses or contracted janitorial services count towards the total?
No, expenditures for cleaning do not count towards the total.
- c. Does snow removal, landscaping, or field maintenance count towards the total?
No, the care and upkeep of grounds, recreational facilities, or parking lots is not an eligible expense.
- d. Do Housing Aid and SBA Capital Fund projects count towards the total?
Yes, projects that are a direct repair or replacement are eligible, such as repairing or replacing an HVAC system.
- e. Does the entire project cost or just the local share of the project count towards the total?
The entire project cost counts toward the total, regardless of an LEA's share ratio.
- f. Do utilities count towards the total?
No.
- g. Do property insurance premiums count towards the total?
No.
- h. Do vehicle repairs or purchases count towards the total?
No, this is limited to fixed assets.
- i. Does furniture and equipment count towards the total?
No, however, replacement or repair to a school facility's heating, lighting, ventilation, security, and other fixtures may be counted towards the total.
- j. Do annual capital improvement allocations for school projects count towards the requirement?
Yes, if funds are spent during that fiscal year on maintenance or repair projects.
- k. Do repairs to athletic fields count toward the total?
No, the requirement is specific to maintenance or repairs of school facilities and does not include athletic fields.
- l. Do air quality, water, and other facilities testing count toward the total?
Yes, expenses related to preventative measures may count towards the total.
- m. Do interest payments on financed maintenance expenses count towards the total?
Yes, interest payments (not principal) related to eligible maintenance expenditures are part of the project costs and can be included in the subsequent years in which payments are made.

2. How will this information be reported?

- a. How will LEAs report data?
RIDE/SBA will set up a reporting process that will require the superintendent and municipal finance officer to certify the total maintenance expenditure for the fiscal year and the

- annual expenditure requirement selected for that fiscal year (e.g. % of operating budget, % of Replacement Value, or \$3 per square foot of the building).
- b. Will this information be reported through Uniform Chart of Accounts (UCOA)?
Not at this time. Currently there is a reporting lag in data available through UCOA, but as improvements are made to the system, RIDE/SBA will work towards unifying reporting structures for the maintenance requirement.
 - c. Can we use UCOA information at all?
Yes, LEAs can use their UCOA data to partially fulfill this requirement. However, LEAs are required to gather municipal information (if applicable) to ensure all the LEA's maintenance expenditures are accounted for.
 - d. How do we know what our target is?
Each year, RIDE/SBA will publish LEA budgets with the three spending targets listed in statute. Targets will be posted on both the SBA website and in the reporting portal.
 - e. What if our budget is not finalized until later in the fiscal year?
Because LEA data is not available until the fall, the most recently available budget will be used as a guide until all budgets are finalized.
 - f. What happens if we do not think we can meet the spending requirement?
This is a statutory requirement and LEAs are expected to appropriate or redirect funding for maintenance support.
 - g. What happens if we do not meet the spending requirement?
Pursuant to Rhode Island General Law, LEAs that do not meet their spending requirement will have their housing aid deducted by the shortfall and transferred to a restricted account that can only be used for the purpose of maintaining their buildings.

Please contact Mario Carreno at 222-8030 or Mario.Carreno@ride.ri.gov with any questions.

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