

## ANALYSIS

### Item 19: Department of Education Clean Energy Improvements

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**Analyst:** Wendy Gibson

**Request:** Approve, retroactively, the submission of a federal grant application to the U.S. Department of Energy in the amount of \$18,750,000 over a period of five-years to conduct energy audits and implement clean energy improvements in schools.

**Analysis:** For Federal Fiscal Year 2024, the U.S. Department of Energy (USDOE) made \$190 million available nationally through its Renew America's Schools Grant program. The program aims to make energy upgrades in schools to reduce energy costs and use, improve indoor air quality, and foster healthier learning environments. ODE partnered with Community Systems Solutions; Sheet Metal, Air, Rail, and Transportation Workers of America (SMART) Local-16; and Oregon State Association of Electrical Workers (OSAEW) to categorize school district applicants and draft an application for the grant. ODE, as the Primary Applicant, submitted two applications totaling \$18,750,000 on behalf of 23 school districts in Oregon. The first application, representing 13 Title 1 school districts, was not selected to proceed. The second application, representing 10 school districts in disadvantaged communities, moved forward through the selection process and was awarded \$7.5 million in grant funding for retrofit projects to improve energy efficiency. Additionally, the USDOE awarded \$300,000 as prize money to reimburse application expenses, which SMART Local-16 sponsored. The grant funding is split between two phases of work.

Grant Funding	Work Conducted	Cost Share Requirement
\$500,000	Creating a strategic plan and performing energy audits on school buildings	5% (\$26,316)
\$7,000,000	Implementing the energy improvements	25% (\$2,333,333)

The individual school districts are accountable for the cost share associated with their respective projects; however, the Public Purpose Charge (PPC) Schools Program (SB 1149, 1999) and Energy Trust incentive programs can reimburse most of the cost share.

The awarded school districts include John Day SD 3/Grant SD, Jefferson County SD 609J, Douglas County SD 4/Roseburg SD, Three Rivers/Josephine County SD, Tillamook SD 9, Winston-Dillard SD 116, South Umpqua SD 19.

The school districts have five years to complete the energy projects. The application deadline was June 13, 2024. ODE did not comply with the required 10-day notification letter process and submitted the notification of their intent to apply on June 17, 2024.

**Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board approve the request.

**Request:** Retroactive authorization to apply for a \$18.8 million grant from the U.S. Department of Energy, Renew America's Schools grant program to implement clean energy improvements at K-12 schools.

**Recommendation:** Approve the request.

**Discussion:** The Oregon Department of Education (ODE) contains the Office of School Facilities, which helps school districts assess the condition of their buildings, determine how their buildings will help meet their educational goals in the future, and provide incentives for local communities to invest in their school facilities. ODE is seeking the federal Renew America's Schools grant to help schools make energy upgrades that will decrease energy use and costs, improve indoor air quality, and foster healthier learning environments.

This grant is funded by the U.S. Department of Energy and ODE will serve as Prime Applicant for the grant and will work with the 23 interested school districts to meet the goals and requirements set forth. The grant has three phases. In Phase 1 there is no cost share requirement on the awarded districts. In Phase 2 there is a five percent cost share requirement, which must be met by the district, and in Phase 3 that grows to 25 percent. Each participating district has agreed to cover their required cost share amounts.

The grant application was due June 13, 2024, and awards are expected shortly. There is no state match or additional staffing requested by ODE, if the grant is awarded. If awarded, ODE will come forward to request additional Federal Funds expenditure limitation.



# Oregon

Tina Kotek, Governor



OREGON  
DEPARTMENT OF  
EDUCATION

*Oregon achieves . . . together!*

**Dr. Charlene Williams**  
Director of the Department of Education

**August 26, 2024**

The Honorable Senator Rob Wagner, Co-Chair  
The Honorable Representative Julie Fahey, Co-Chair  
Interim Joint Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear President Wagner and Speaker Fahey:

### **Nature of the Request**

The Oregon Department of Education (ODE) on behalf of the Office of School Facilities (OSF) is requesting retroactive permission to apply for the federal Renew America's Schools Grant program.

The source of the grant opportunity is the United States Department of Energy. The amount of the request is up to \$ 18,750,000 dollars. The grant application was due June 13, 2024. Grant winners will be announced August 2024, and the grant period will run for an estimated 60 months. This grant is provided by a cooperative agreement and reimbursable funds to one Prime recipient.

Department of Education serves as the Prime applicant and submitted two applications for the Renew America's Schools grant. Sub-recipients of the grant will be up to 23 school districts in Oregon that are currently part of the two applications.

The purpose of the grant is to promote the implementation of clean energy improvements at K-12 public schools. The funds can be used to help schools make energy upgrades that will decrease energy use and costs, improve indoor air quality, and foster healthier learning environments.

This grant opportunity allows for infrastructure improvements to our schools which will enhance learning and teaching environments. Projects under this grant will be performed under a community benefits plan. This will benefit our local communities. These projects will (1) support meaningful community and labor engagement; (2) invest in America's workforce; (3) advance diversity, equity, inclusion, and accessibility (DEIA).

As Prime applicant, ODE's role will be to work with the U.S. Department of Energy and Oregon School Districts to meet the goals of the grant. This grant application is a reimbursable grant and can only have one prime applicant. Therefore, the Dept. of Education will assist each School District with submitting their costs for reimbursement. We will also be part of the negotiation process that will consist of meetings with the Department of Energy to negotiate the terms of the Cooperative Agreements. These reimbursements would be submitted to the Department of Energy by our Offices, and we will provide the sub-recipient with the appropriate reimbursable amount.

There is no direct financial cost to the Department of Education, however we will require staff to assist administratively with managing the grant. The benefits to our state's schools would greatly outweigh the administrative burden.

As per the grant rules, there is a minimum of 10 schools per application. We have a total of 23 Oregon schools that are ready to apply for this grant, which will be divided into 2 separate grants one with the minimum of 10 applications and second with 13 applicants. Due to the grant requirements related to school locations, the grant writers Community System Solutions, believe it will be best to present two applications one for schools in disadvantaged communities and one for schools that are Title 1.

Sheet Metal, Air, Rail, Transportation workers of America (SMART) Local-16 has sponsored the grant writing for our Oregon schools. Their SMART Grant Writing Program utilizes the skill and experience of Community System Solutions grant writers, which is preparing the application narration for our submission. The application writing program is at zero cost to the ODE.

Phase 1 is considered the application phase. There are 23 team winners nationwide, and therefore this is highly competitive. If we were to win Phase 1 application, we would be awarded \$300,000. This is an award for work completed as part of the application. It cannot be used for the cost share requirements.

Phase 2 involves creating a strategic plan and performing ASHRAE energy audits of the schools. There is a 5% cost share requirement, and each school district has committed to cover their cost share.

Phase 3 involves implementation of improvements to the schools. There is a 25% cost share requirement for Phase 3 and each school district has committed to cover their cost share. As part of Phase 3, the 25% may be eligible for reimbursement from other federal programs.

#### **A. The source of the grant opportunity and purpose of the grant**

The source of the grant opportunity is U.S. Department of Energy.

The purpose of the grant is to promote the implementation of clean energy improvements at K-12 public schools. It aims to help school communities make energy upgrades that

will decrease energy use and costs, improve indoor air quality, and foster healthier learning environments.

**B. The amount being requested and timeframe of the grant period.**

The total amount being requested is up to \$18,750,000 dollars for 23 schools.

Timeframe: The application was due June 13, 2024, winners are announced August 2024, and the grant period is estimated to be 60 months thereafter.

The grant is in three phases as follows.

Phase 1 is the application due June 13, 2024.

The winners of the grant will be announced August 2024. Those who win this grant will advance to Phase 2 and Phase 3.

Phase 2 of the grant involves ASRAE energy audits and will be 9-12 months.

Phase 3 of the grant involves the implementation of improvements and will be 12-48 months.

**C. The grant application deadline**

June 13, 2024.

**D. A description of any state match or maintenance of effort (MOE) requirements, or confirmation that no match or MOE is required**

There is no state match required nor maintenance of effort (MOE) requirements.

**E. The source of funding the agency plans to use to satisfy any state match or MOE requirements**

N/A

**F. A description of the impact, if any, the match or MOE will have on budgeted services and performance measures**

N/A

**G. An estimate of additional positions, FTE, and expenditure limitation needed if the grant application is approved**

There will be no additional positions needed if the grant application is approved.

**H. A description of how the grant supports the agency's mission and goals**

This grant meets the agency's mission to improve Oregon school facilities,

**Legislation Affected**

If approved for the grant, ODE will be asking for federal fund limitation.

Sincerely,



Dr. Charlene Williams,  
Director Oregon Department of Education