


Overcoming Obstacles: Funding Your IAQ Management Program





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How to Listen

- Where did the speakers find funding?
- Where did they invest their funding?
- What were the IAQ impacts and outcomes?
- What can I use for my Design Challenge and in my own work?




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Overcoming Obstacles: Funding Your IAQ Management Program


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Session Plan


- **Funding Overview**
 - 3 Tips for Seeding your IAQ Management Money Tree
 - Performance Funding & an ENERGY STAR Tool
- **Funding Stories from peer IAQ TfS Faculty programs**
 - Jeffrey Moquin, Broward County Public Schools(FL)
 - Dave Hill, Blue Valley School District (KS)
 - Dana Green, West Carrollton School District (OH)



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Thinking About Funding


- Beyond the establishment of your program, funding (\$\$\$) becomes important to consider to:
 - Institutionalize your program
 - Take on certain, big-ticket projects
- BUT...
 - We need to remember that we can accomplish a **lot** without additional “IAQ funding” (*more from the Faculty on this*)



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3 Tips to Start Planting the Seeds of Your IAQ Management Money Tree

- Communicate with the Key Players
- Highlight return on investment
- Link IAQ and Energy Efficiency and Conservation



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Communicate with the Key Players

- Who's on your District's IAQ Team?
 - IAQ TfS Award-Winning Districts **always** have the following key stakeholders at their meetings:
 - District CFO or Finance Director
 - Facility Manager
 - Superintendent
 - School Committee Members



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Highlight Investment Return

- Demonstrating return on investment will help you win buy-in from decision makers
- Return on your investment is Not Just Dollars!
 - Decreased absenteeism and better classroom performance means healthier and happier students and staff



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Link IAQ and Energy Efficiency and Conservation

- Piggybacking on energy (and water) efficiency and conservation programs is one of the best ways to help finance your IAQ management program.



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Performance Contracting & ENERGY STAR Tools and Resources



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Performance Contracting Concepts

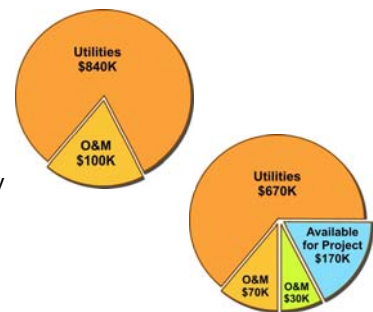
- Funding found in utility budget
- Amount of savings from retrofits can pay for the project



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Performance Contracting Concepts

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Performance Contracting Concepts

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Components of a Performance Contract

Related but Independent Documents

- Energy Services Agreement
- Audit & Project Development Agreement
- Finance Agreement

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Performance Contracting & Finance Agreements

- One common type of finance agreement under performance contracting for schools is a **Tax-Exempt Lease-Purchase Agreement**

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Features of Tax-Exempt Lease-Purchase Agreements

- Access to low cost, tax-exempt funds (most states)
- Title to the Equipment Rests with Lessee
- Payments may be allowed to be Subject to Annual Appropriation of Funds by Lessee
- Accommodates Construction Financing
- Payments *in arrears*
- Your district is probably leasing something now (e.g. TVs, AV equipment, furniture)

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Features of Tax-Exempt Lease-Purchase Agreements

- Relatively **fast and easy**
 - Different than a public bond, which can be time consuming and dependent on a vote.


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Example of Leveraging Stimulus Funds

- Project Size: \$8M
- Recipient of \$3.5M in ARRA funds
- Net Project Cost \$4.5
 - Financed with Tax-Exempt Lease Purchase Agreement
- Benefits
 - ARRA funds leveraged 1.3:1
 - Included "non-energy" improvements not in capital budget
 - Energy savings covered more than 100% debt service of balance
 - Contribute to General Fund
 - Use for other projects



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“We are paying for energy efficiency projects *whether or not* we do the projects!”



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Quantifying the COST OF DELAY





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Quantifying the Cost of Delay: What Does it Do?

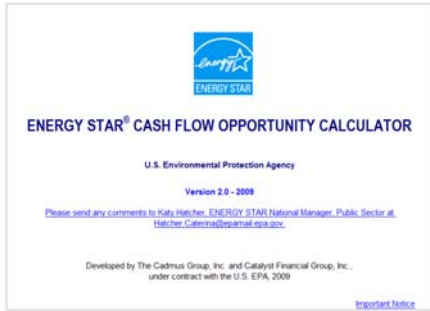

Addresses three critical questions about installing energy efficiency projects:

1. How much new energy efficiency equipment can be purchased from the anticipated savings?
2. Should this equipment purchase be financed now or is it better to wait and use cash from a future budget? (avoid paying interest)
3. Is money being lost by waiting for a lower interest rate?



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Energy Efficiency: A Cash Flow Opportunity

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Cash Flow Opportunity Calculator

www.energystar.gov




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Cash Flow Opportunity Calculator

www.energystar.gov



Or, go directly to:
http://www.energystar.gov/ia/business/cfo_calculator.xls



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Funding Stories of Peer IAQ TfS Faculty Programs

- **Jeffrey Moquin**, Broward County Public Schools (FL)
- **Dave Hill**, Blue Valley School District (KS)
- **Dana Green**, West Carrollton School District (OH)
- *Where have you found money for IAQ improvements?*
- *Where did you invest that money?*
- *What were your outcomes?*



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The School Board of Broward County, FL

- 1990s Mold/Mildew problem:
 - Threw money at the problem (\$45 million) → Ineffective
- Our big change:
 - Infusing the IAQ label into our existing operations
- Don't believe in "I don't have money for IAQ"
 - Everyone has a capital budget and is already doing IAQ work
 - It's about prioritization
- How the current economic situation is impacting us



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Blue Valley School District

- 3 Pots of money and how we work with them
- Controlling our own (fiscal) destiny
 - Local control as much as possible
 - Facing a state "Robin Hood Principle"
- IAQ & energy efficiency improvements are saving money and improving student and staff health



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West Carrollton School District

- How we borrow in Ohio
 - Can borrow for 15 years as long as savings from improvements are greater than financing costs
 - Package improvements
 - Windows
 - Boiler
- Responding to new Ohio legislation



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