

GRANT PROGRAM FOR SCHOOL FACILITIES PROJECTS

On July 9, 2008, legislation was enacted authorizing an additional \$3.9 billion in bonds to finance the State share of school facilities projects. The legislation allocates \$1 billion, including \$50 million for vocational schools, for grants for the State share of Regular Operating District (ROD) school facilities projects. Additionally, the legislation required DOE to establish a prioritization process for school facilities projects based on critical need. There have been 3 allocations for funding since the inception of the law.

Overview of Grant Program for School Facilities Projects for RODs, not including County Vocational School Districts

The following describes the current ROD grant program (allocation 4), including the application process, eligibility, and critical timelines for RODs, not including County Vocational School Districts (see below).

- **Grant applications will only be accepted and approved during the announced grant program timelines rather than on an on-going basis.**

Prior to July 9, 2008, grant funding was approved by the Department on a first-come first-served basis as projects were received. Per the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (N.J.S.A. 18A: 7G-1 et seq.), as amended, the commissioner will establish a process for the allocation of grant funding. This process requires districts to submit project applications with grant requests by specific deadlines so that requests can be collectively considered and prioritized. It is critical that a complete district project application be submitted to the Department by the noted deadline. Incomplete submissions may not be reviewed and considered for grant funding in the requested allocation.

- **Projects requesting grants will be ranked according to a prioritization process.**

Per the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72, as amended.

“... the commissioner shall establish a priority process for the financing of school facilities projects based upon the commissioner’s determination of critical need... The priority project categories shall include, but not be limited to, health and safety, overcrowding in the elementary, middle, and high school grade levels, spaces necessary to provide in-district programs and services for current disabled students who are being served in out-of-district placements or in-district programs and services for the projected disabled student population, and full-day kindergarten facilities in the case of school districts required to provide full-day preschool.”

What types of projects will be considered for grant funding and how will they be prioritized?

For a school facilities project to be considered for grant funding, the proposed scope of work must be 100% eligible for State support and be included in one of the priority “levels” described below. If the project scope is not 100% eligible for State support and/or the scope of work is not included in one of the three prioritization levels, the project will not be considered for grant funding. However, a district may request debt service aid if the proposed scope of work, or a portion of the proposed scope of work, is eligible for State support. Please note that

the State share will be an amount equal to the district aid percentage, but not be less than 40% of the final eligible costs.

Once a school facilities project has been determined by the Department to have 100% eligible scope, it will be placed in one of three prioritization “levels” based on the proposed scope of work. If the proposed scope of work is applicable to more than one level, the project will be placed in the lower priority level. Levels 1 and 2 contain a mix of educational and capital maintenance scopes of work. Level 3 pertains to major educational projects involving renovation and/or new construction.)

LEVEL 1

Level 1 school facilities projects address the most critical operational building needs, including health and safety issues, and program mandates.

- **Essential building systems upgrades** (Repair or replacement of structural, mechanical/heating and cooling, electrical, and plumbing systems; Includes required refinishing work.)
- **Building skin** (Repair or replacement of roof, windows, masonry, etc.)
- **Building code issues**
- **ADA upgrades** (Includes site and building access, toilet room renovations.)
- **Hazardous material abatement** (Radon, lead, asbestos, etc.; Includes required refinishing work.)
- **Security and communications systems** (Includes essential systems such as public address, telephone, building entrance security.)
- **Site drainage** (To remediate an existing problem; Not in conjunction with new construction.)
- **Elementary school playgrounds** (Includes the upgrade or replacement of existing playgrounds to meet life cycle, safety, and/or consumer product safety codes; not applicable for new playgrounds.)
- **Renovated or new early childhood classrooms** (Includes the renovation and/or new construction of up to six pre-kindergarten and/or kindergarten classrooms. At least 75% of impacted net square feet in the proposed project must consist of pre-kindergarten and/or kindergarten classrooms. Only applicable for projects that address capacity for State-mandated universal preschool programs and full-day kindergarten in school districts required to provide full-day preschool.)
- **Special population needs** (For program expansion or educational adequacy; May include renovation and/or new construction. At least 75% of impacted net square feet in the proposed project must address special population space needs.)

LEVEL 2

Level 2 school facilities projects focus on the renewal of existing buildings, overcrowding, and/or improving the quality of existing instructional spaces.

- **Repair/replacement of existing building systems and components not included in Level 1**
- **Existing site upgrades, excluding athletic fields and tracks** (Includes upgrades to sidewalks, paving, fencing, and security lighting.)

- **Renovation and/or new construction of capacity-generating classrooms to address overcrowding or substandard conditions** (At least 75% of impacted net square feet in the proposed project must consist of capacity-generating classrooms; Applicable projects may include general classrooms and specialized classrooms noted by the district to be capacity-generating, such as middle or high school science labs.)
- **Technology infrastructure upgrades** (For classroom instruction in accordance with Department's Technology Plan; Does not include equipment.)

LEVEL 3

Level 3 includes major school facilities projects that involve the renovation and/or expansion of existing schools or the construction of new schools. These projects typically address both capital maintenance and educational deficiencies.

- **Renovation and/or new construction projects, ranked according to:**
- **District-wide unhoused students and overcrowding**
- **Early childhood program accommodations**
- **FES compliance**
- **Use of temporary or leased facilities**
- **Building age**
- **Project scope**
- **Prior grant funding**

What if my district has already submitted a project to the Department?

If your district has already submitted a project to the Department for review, but approval has not been granted, and would like to participate in the grant process, your district must request a new project number and submit a new project application. For further information, please contact Frank LoDolce from the Office of School Facilities at (609) 292-7078.

Can a previously approved project be considered for grant funding?

If a school facilities project has been previously approved by the Department and the district would like it to be considered for grant funding, one of the following options, based on the type of project approval, can be selected:

- If the project was approved as an "Other Capital" project, the district must cancel the project application and resubmit a new project application to the Department in accordance with the grant deadlines noted above.
- If the project was approved for debt service aid funding, two options are available. If the district has accepted the preliminary eligible costs (PEC) as the final eligible costs (FEC), the district must cancel the project and resubmit a new project application to the Department. If the district has not accepted the PEC as the FEC, the district can request the school facilities project to be considered for grant funding. All cancellation requests and resubmissions must include a resolution from the local school board requesting

the cancellation and resubmission of the specified project and meet the grant application deadlines noted above.

Do all school facilities projects have to go through the grant application process?

A school district is not required to participate in the grant application process. If your district does not elect to request a grant for a school facilities project you can request an “Other Capital” project approval if the project is either ineligible for state funding support or if the district chooses not to request state funding support, in the form of a grant. “Other Capital” projects will be reviewed and approved by the Department on an on-going basis according to current practice. These projects will be reviewed and approved by the Department according to current practice and can go to the voters for approval on any of the referenda days allowed by law.

What if a project is not selected to receive a grant?

If a project is not selected for grant funding, the district has four options, depending upon the type of project submitted.

- If the project met the criteria for inclusion in one of the three grant prioritization levels, the district may hold and resubmit the school facilities project for the next grant funding allocation. (The number of projects approved for grant funding in prioritization levels two and three will be impacted by state-wide grant funding requests since the maximum grant allocation per year is fixed. Therefore, competition for grant funding may vary for each allocation.)
- If the project scope was not applicable to one of the three prioritization levels, or contained work that prevented its placement in a higher priority level, the district may revise and resubmit the school facilities project for the next grant funding allocation.
- If the school facilities project has eligible costs for State support, the district may request debt service aid instead of a grant in accordance with current practices.
- If the district does not want to seek debt service aid, it may convert the project to an “Other Capital” project and fully fund the project without State funding support.

Can I find out if a project is eligible for grant consideration prior to submitting a project application?

A district can complete and submit the “ROD Grant Qualification Determination Request” form found on the Office of School Facilities’ web site at <http://www.nj.gov/education/facilities/> for a preliminary determination as to whether the proposed project scope qualifies for grant consideration. Otherwise, the grant application is integrated within the Department’s project application and no other forms are necessary. Please see the allocation schedules for specific information concerning official notification of grant approval.

Are school facilities projects involving solar or other renewable energy eligible for grant consideration?

Due to the limited funding available and the fact that alternative funding for these projects, at little or no cost to a school district (through a power purchase agreement (PPA) or an Energy Savings Improvement Program (ESIP)), these projects are not eligible for grant consideration in Allocation 4.

Can a charter school submit a grant application?

School facilities projects at charter schools are not eligible for a ROD 4 grant. Pursuant to N.J.S.A.18A:36-10, “a charter school shall not construct a facility with public funds other than federal funds.”

Are school facilities projects in SDA districts eligible for grant consideration?

School facilities projects in SDA districts are not eligible for the ROD grant program. Pursuant to N.J.S.A. 18A:7G-5, the Schools Development Authority manages school facilities projects in SDA districts.

Can a school facilities project or other capital project for which a construction contract has been awarded be converted to a project eligible for retroactive funding?

School facilities projects for which a construction contract has been awarded are not eligible for the ROD 4 grant program pursuant to N.J.A.C. 6A:26-3.2(b)14 and N.J.A.C. 6A:26-18.3(d)3.

What constitutes a complete school facilities project application submission for the purposes of the ROD 4 grant program?

The requirements for an application to be complete may be found at N.J.A.C. 6A:26. N.J.A.C.6A:26-3.3 provides, in part, the following: “All information in N.J.A.C.6A:26-3.2(b) must be provided to the Division before a school facilities project application shall be fully and accurately completed for purposes of obtaining review of the school facilities project....”

Overview of Grant Program for School Facilities Projects for County Vocational Districts

The following describes the current ROD grant program (allocation 4), including the application process, eligibility, and critical timelines for County Vocational School Districts.

- **Grant applications will only be accepted and approved during the announced grant program timelines rather than on an on-going basis.**

In the past, grant funding was approved by the Department on a first-come first-served basis as projects were received. Per the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (N.J.S.A. 18A: 7G-1 *et seq.*), as amended by P.L. 2008, c. 137, the County Vocational School Districts that did not receive grant funding from the original \$100,000,000 allocation will receive top priority for new grant funding. The commissioner will establish a process to determine which school facilities projects are the most needed. This process requires districts to submit grant applications by specific deadlines so that requests can be collectively considered and prioritized.

- **Projects requesting grants will be ranked according to a prioritization process.**

Per the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72, as amended by P.L. 2008, c. 39, *“The school facilities projects of a county vocational school district that did not receive State support for its projects from the \$100,000,000 of bond proceeds originally allocated for the State share of county vocational school district school facilities projects pursuant to section 14 of P.L.2000, c.72 (C.18A:7G-14) shall receive priority in the allocation of the bond proceeds authorized for the State share of county vocational school district school facilities projects pursuant to P.L. 2008, c.39 provided that the county vocational school district demonstrates to the commissioner the need for the school facilities projects.”*

What types of projects will be considered for grant funding and how will they be prioritized?

For a school facilities project to be considered for grant funding, the proposed scope of work must be 100% eligible for State support and be included in one of the priority “levels” described below. If the project scope is not 100% eligible for State support and/or the scope of work is not included in Level 1 or 2 prioritization level, the project will not be considered for grant funding. However, a district may request debt service aid if the proposed scope of work, or a portion of the proposed scope of work, is eligible for State support. Please note that the State share will be an amount equal to the district aid percentage, but not be less than 40% of the final eligible costs.

Once a school facilities project has been determined by the Department to have 100% eligible scope, it will be placed in one of the prioritization “levels” based on the proposed scope of work. If the proposed scope of work is applicable to more than one level, the project will be placed in the lower priority level. Levels 1 and 2 contain scopes of work addressing the most critical operational building needs, including health and safety issues, and Career and Technical Education program needs.

LEVEL 1

- **Capital maintenance projects.** (*Maintenance intended to extend the useful life of a school facility, including upgrades and replacements of building systems, such as structure, enclosure, mechanical, plumbing and electrical systems, and can be considered to constitute or be part of a school facilities project.*)
- **Projects that address handicapped accessibility.** (*Includes site and building access, toilet room renovations; or program expansion or educational adequacy for special population needs.*)
- **Building code issues.**
- **Technology infrastructure.** (*For classroom instruction in accordance with Department's Technology Plan; does not include equipment.*)

LEVEL 2

- **Upgrades to existing vocational instructional space to meet certification requirements.**
- **Renovations to existing vocational instructional space to support new programs supported by the Office of Career and Technical Education.**
- **New construction for vocational instructional space to support new programs supported by the Office of Career and Technical Education.**
 - (No grant funding for new schools or any new construction other than vocational instructional spaces.)

Funding Prioritization Categories

A school facilities project with 100% eligible scope will be placed in one of four prioritization “categories” based on the amount of grant funding previously received by the County Vocational School District from the original \$100,000,000 grant allocation.

1. County vocational school districts that received \$0 in State funding support for its school facilities projects from the prior allocation; or requesting a grant pursuant to N.J.A.C. 6A:26-11.1.
2. County vocational school districts, other than 1 above, that received less than \$1,000,000 in State funding support for its school facilities projects from the prior allocation ; or requesting a grant pursuant to N.J.A.C. 6A:26-11.1.
3. County vocational school districts that received greater than \$1,000,000 but less than \$5,000,000 in State funding support for its school facilities projects from the prior allocation; or requesting a grant pursuant to N.J.A.C. 6A:26-11.1.
4. County vocational school districts that received greater than \$5,000,000 in State funding support for its school facilities projects from the prior allocation; or requesting a grant pursuant to N.J.A.C. 6A:26-11.1.

What if my district has already submitted a project to the Department?

If your district has already submitted a project to the Department for review, but approval has not been granted, and would like to participate in the grant process, your district must request a new project number and submit a

new project application. For further information, please contact Frank LoDolce from the Office of School Facilities at (609) 292-7078.

Can a previously approved project be considered for grant funding?

If a school facilities project has been previously approved by the Department and the district would like it to be considered for grant funding, one of the following options, based on the type of project approval, can be selected:

- **If the project was approved as an “Other Capital” project**, the district must cancel the project application and resubmit a new project application to the Department in accordance with the grant deadlines noted above.
- **If the project was approved for debt service aid funding**, two options are available. If the district has accepted the preliminary eligible costs (PEC) as the final eligible costs (FEC), the district must cancel the project and resubmit a new project application to the Department. If the district has not accepted the PEC as the FEC, the district can request the school facilities project to be considered for grant funding. All cancellation requests and resubmissions must include a resolution from the local school board requesting the cancellation and resubmission of the specified project and meet the grant application deadlines noted above.

Do all school facilities projects have to go through the grant application process?

A school district is not required to participate in the grant application process. There are two options if your district does not elect to request a grant for a school facilities project. The first option is to request an “Other Capital” project approval if the project is either ineligible for state funding support or if the district chooses not to request state funding support, either in the form of a grant or as debt service aid. “Other Capital” projects will be reviewed and approved by the Department on an on-going basis according to current practice. The second option is to request debt service aid for the eligible costs of the school facilities project. These projects will be reviewed and approved by the Department according to current practice and can go to the voters for approval on any of the referenda days allowed by law.

What if a project is not selected to receive a grant?

If a project is not selected for grant funding, the district has three options, depending upon the type of project submitted.

- If the proposed project contained outside of the eligible scope of work as defined above, the district may revise and resubmit the school facilities project. The resubmission must be completed no more than 30 days following the application deadline to allow the department time to review and approve the school facilities project and determine grant eligibility.
- If the school facilities project has eligible costs for State support, the district may request debt service aid instead of a grant in accordance with current practices.
- If the district does not want to seek debt service aid, it may convert the project to an “Other Capital” project and fully fund the project without State funding support.

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Can a school facilities project or other capital project for which a construction contract has been awarded be converted to a project eligible for retroactive funding?

School facilities projects for which a construction contract has been awarded are not eligible for the ROD 4 grant program pursuant to N.J.A.C. 6A:26-3.2(b)14 and N.J.A.C. 6A:26-18.3(d)3.

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