

Maintenance Thresholds **NEW**



Beginning in FY 19, LEAs are required to invest annually in ongoing maintenance. LEAs must meet one of three requirements that are phased in over a five-year period:

- a. A minimum of 3% of the operating budget (1% for FY 2019, 1.5% for FY 2020, 2% for FY 2021, 2.5% for FY 2022).
- b. A minimum of 3% of the replacement value (1% for FY 2019, 1.5% for FY 2020, 2% for FY 2021, 2.5% for FY 2022).
- c. A minimum of \$3, subject to inflation, per square foot of building space.

LEAs that do not meet this requirement will have housing aid directed to a restricted fund dedicated solely to meeting maintenance requirements.

Eligibility of Reimbursement **NEW**



Projects must meet new requirements to be eligible for state aid. In addition, certain scopes are now eligible for reimbursement.

1. For projects over \$10 million, the LEA's prime contractor must be prequalified by the School Building Authority.
2. For projects over \$1.5 million, project budgets must include an Owner's Program Manager (OPM) and Commissioning Agent. These costs shall be considered eligible for state aid at the LEA's share ratio, similar to current reimbursement for design services.
3. All projects must comply and ensure that prevailing wage laws are being followed, and ensure that minority businesses reach a minimum of 10% of the value of the bid.
4. Environmental site remediation, as defined by the School Building Authority, shall be a reimbursable expense up to \$1 million per project.
5. If, within 30 years of construction, a new school is sold to a private entity, the state shall receive a portion of the sale proceeds.

Housing Aid Reimbursement Calculation **CHANGE**



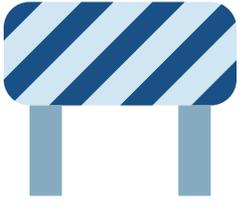
Beginning in FY 19, the school housing aid ratio applicable to each community will be determined at the time of approval by the Council on Elementary and Secondary Education. Council approvals will not include tentative bonuses, as LEAS will need to provide bonus verification at the time of project completion.

Progress Reports **NEW**



LEAs will be required to provide quarterly progress reports for all ongoing school construction projects. The School Building Authority will develop a reporting portal and template.

Technical Assistance Available



For FY19 and FY20, technical assistance and guidance on the Necessity of School Construction application process is available to every LEA.

Technical Assistance will be used to support LEAs in preparing, strengthening, and submitting a high-quality Necessity of School Construction applications.

Funds will be used for three main focus areas:

1. Technical Assistance for FY 2019 Applicants (to strengthen specific areas of current applications)
2. Technical Assistance for LEAs for Future Applicants (to enhance or conduct educational master planning)
3. The creation of a suite of resources/tools and quality standards (to assist every LEA)

Awards are 100% state funded and provided on a pay-as-you-go basis upon receipt of an approved invoice.

Examples of Eligible Expenses:

1. Educational Facility Master Planning
2. Site Selection and Remediation Process Assistance
3. Detailed Enrollment Projections



In order to continue to assist LEAs, the School Building Authority will be creating new Master Price Agreements for Educational Facility Master Planning and Owner's Program Manager.

The SBA will contact LEAs in the FY 2019 Necessity of School Construction approval cycle. An official announcement, application and payment process to LEAs seeking approval after FY 2019 will be made in November.

Questions? Contact us to learn more!

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