Housing Aid Reimbursement

FY 2021

Forms and Instructions

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Introduction

Learning Education Agencies (LEAs) that complete approved school housing projects for repair, renovation or new construction may be eligible for state housing aid reimbursement, as governed by Title 16, Chapter 7, Sections 35 to 47. This law is designed to guarantee adequate school housing for all public school children and prevent the cost of school housing from interfering with the effective operation of the schools.

Housing Aid forms are due each year by July 15th. The law specifies a range of requirements for aid including:

- the funding sources of the project;
- the percent paid to each district;
- eligible reimbursable costs; and
- the term or period over which the aid is paid.

Recent Legislative Changes

The FY 2018 General Assembly enacted several changes to school housing aid that are now in effect:

Beginning in FY 2019, 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.

LEAs can temporarily receive up to 20% additional housing aid bonuses. (See appendix 1)

All projects must ensure that prevailing wage laws are followed, and that minority businesses reach a minimum of 10% of the value of the bid.

Environmental site remediation and temporary swing space are now eligible expense for reimbursement.

LEAs are required to invest annually in ongoing maintenance. LEAs must meet one of three spending requires defined in statute. LEAs that do not meet this requirement will have housing aid directed to a restricted fund dedicated solely to meeting maintenance requirements.

Beginning July 1, 2019, for projects over $10 million, the LEA's prime contractor must be prequalified by the School Building Authority (SBA).

Beginning July 1, 2019, all projects over $1.5 million, must include an Owner's Program Manager (OPM) and Commissioning Agent.

In FY 2015, the General Assembly passed legislation that created a School Building Authority Capital Fund (SBA Capital Fund), which provides upfront progress payments. Projects selected for SBA Capital Funding and projects fully funded by pay-as-you-go **must not** be submitted for Housing Aid reimbursement. **Projects partially funded by pay-as-you-go requesting Housing Aid are required to submit an F-109 form to report portions of projects that have already received School Construction Aid.**

Please note that these instructions will be posted prior to the completion of the 2020 General Assembly session; therefore, any changes to the statutes made during this session will not be reflected in these instructions.

Reminders for FY 2021 Housing Aid

As a result of the Auditor General's review of the school housing aid program and new legislative changes, several recommendations were implemented to bring clarity and transparency to long-standing practices based on current law and regulations, and foster communication between LEA and municipal employees regarding school housing aid. The changes fall into four major categories and the forms and instructions were updated to reflect these recommendations:

- **Debt Service Schedule** – When submitting a new bond on Form 110, districts are required to submit the original bond amortization schedule from the lender and the lender documents detailing the sources and uses of funds resulting from the bond financing. These documents should be included with any district prepared spreadsheets that total the principal and interest by the state fiscal year (July 1 to June 30). The requirement to report interest income on bond proceeds after project completion will remain unchanged in order to net these earnings from reported interest for aid purposes over the life of the bond.

- **Signatures** – All forms require the superintendent and municipal finance officer's signature. A designee's signature will not be accepted without a formal letter to the Chief Executive Officer of the School Building Authority at RIDE from the applicable party stating that the designee has been given signing authority for the program.

- **Northeast Collaborative for High Performance Schools (NECHPS)** - Projects approved after the adoption of the School Construction Regulations (May 2007) must comply with NECHPS. In order to streamline the approval process, a Post Construction Certification form has been created which satisfies compliance. LEA's architect or engineer certifies that projects meet all applicable provisions of the School Construction Regulations and the Green Buildings Act, as documented through the NECHPS protocol compliance path. **This is required for projects over $500,000**.The SBA can perform audits of these materials to verify compliance.

- **Design Reviews –** RIDE SBA will conduct an architectural and technical peer review of each Approved Project at the completion of schematic design, design development, and construction document phases, or at such other times determined by RIDE SBA. Such a review will ensure that the designs comply with the approved Design and Educational Program approved by the Council and the School Construction Regulations.

- **Bonus Certification Forms** - All projects seeking a Housing Aid bonus, must submit a separate Bonus Certification form signed by the Architect/Engineer and the Chair of the School Committee. Bonus Certification forms can be used for multiple projects that qualify for the same bonus. For example, the Health and Safety Deficiencies Certification form can include up to seven (7) projects. In this example, districts can submit one form that includes all seven (7) projects instead of seven (7) different forms. **Projects cannot**

receive a bonus without a Bonus Certification Form. Further information about the bonuses can be found in Appendix 1.

Calculation of State Aid

Key points to remember that apply to both ways of calculating aid:

- Aid begins after a project is complete, not when a bond is issued.
- Projects must be completed by June 30 to align housing aid payments to the state fiscal year. Projects missing the June 30 deadline will not receive aid until the next fiscal year.
- Aid is paid the fiscal year after the project is completed in two equal installments according to the debt service schedule, even if the bond has not been issued. The first payment is paid by September 15 while the second payment is paid by March 15.
- Reimbursement ratios are calculated based on property values and student counts.

Districts provide the cost of the project and the related bond principal and interest schedule. The project cost and interest will be reimbursed as dictated in the bond amortization schedule, i.e. project cost will equal bond principal. Aid is current, meaning aid calculated for FY 2021 will be based on principal and interest projected to be paid through June 30, 2021. The reimbursement percentage is held constant at the rate calculated at the time of Council on Elementary and Secondary approval. NOTE: if the bond is not issued prior to completion of the project, the project will be reimbursed based on the projected debt service schedule provided by the district. When the bond is issued, an adjustment will be made.

Program Restrictions

The funding sources for school housing aid are limited to five options:

- general obligation bonds
- lease revenue bonds
- capital lease purchases
- capital reserve funds
- debt issued by RIHEBC

Projects cannot be paid out of operating funds. There must be a properly constituted capital reserve fund at the district and/or municipal level. Also, districts may only be reimbursed for interest payments if the bond is issued through RIHEBC, pursuant to RIGL 16-7-41.

Additional Restrictions

- Equipment may not be reimbursed under school housing aid unless it is part of “furnishing and fitting” a new school, addition or major renovation. The term of any debt issued in support of a project shall not be longer than the useful life of the project.

- Categorically ineligible costs shall include the cost of legal services, municipal services, and the operation and routine maintenance of a school facility. Other ineligible costs include swimming pools, skating rinks, field houses, district administrative office space that is not incorporated into a school building, indoor tennis courts, and outdoor field surface materials on existing fields.

- Any other federal aid and other private or public funding, including capitalized interest, applied investment income, or debt service reserve funds, must be deducted from the cost of the project prior to requesting reimbursement.

- Only school districts (not municipalities) may apply for project approval under the necessity of construction process, and only those projects at school facilities under the care and control of the school committee qualify for aid. Facilities operated jointly with municipalities or other profit or non-profit entities do not qualify for aid.

- A new school is completed when it is occupied or officially accepted by the school committee as part of the school plant.

- Bond issuance costs are not reimbursable under housing aid. Demolition costs for surplus school buildings are not reimbursable under housing aid.

- Aid is only paid on capital lease purchase agreements and not on capital leases. The lease purchase agreement must demonstrate a direct benefit to the school, be located on school property, and exclude all non-capital costs such as maintenance.

- Districts must report all debt that has been refinanced or refunded to determine if aid should be recalculated based on a reduction in interest costs.

Reimbursement Schedule

Projects are reimbursed over the same number of years as the term of the bond or lease issued in support of the project. Projects supported by capital reserve funds are reimbursed over one to ten years based on the cost of the project in accordance with the schedule listed below:

Amounts	Years
$200,000 or less	1
$400,000 or less	2
$600,000 or less	3
$800,000 or less	4
$1.0M or less	5
$1.4M or less	6
$1.8M or less	7
$2.2M or less	8
$2.6M or less	9
$3.0M or less	10

Note: <u>All</u> Capital Reserve Funded projects completed by June 30, 2020, will be reimbursed in one year.

Use of the Forms

Housing aid is requested for a new project the year **before** that project is expected to be completed. This is done by completing a Form 100, and allows the project to be included in the aid projection for the next fiscal year.

When a project has actually been completed, aid is requested for the current fiscal year using Forms 105 and 106 (if bond funded). The first form asks for all the project information for payment of aid, and the second provides the principal and interest schedule. It is possible to submit a 105 when a project is complete even if no bond/lease has been issued. In that case, line 9 of the 105 form should be filled in with the estimate of interest, a draft debt service schedule should be provide, and the 106 form should be submitted when the bond is issued. **Districts submitting new construction or renovation projects exceeding $500,000 on Form 105 must include a Post Construction Certification Form.**

Form 107 is used to report final maintenance spending expenditures for the year, and to report the shortfall (if any) that will be diverted from the housing aid payment.

Form 109 is used to report projects funded by both Housing Aid and Pay-As-You-Go from the $250M Statewide Bond, as well as projects funded entirely through Pay-As-You-Go that are seeking a onetime bonus adjustment. This form serves as a record of School Construction Aid received on projects, but also reports bonuses owed on Pay-As-You-Go funding.

Form 110 is used to report debt service (principal and interest payment) schedules for bonds and leases when they are issued.

Form 115 is used to report current year information on bonds/leases already issued and reported to RIDE, track the refinancing of bonds, report interest/investment income, and notify RIDE of surplus buildings.

The 106 and 110 forms are to be used for the reporting of both original and refinanced bonds/leases. Form 106 is required so that we can update the interest schedules for projects linked to the refinanced bond. Form 110 is required so that we can update the bond information with the new interest rate, payment schedule, etc. Districts are required to compare the interest on the original bonds to the refinanced bonds to demonstrate the savings in bond interest. If this comparison shows no savings in interest, the district must report the refinancing on the 110 form only and submit the comparison to the original bond that demonstrates the lack of savings. This will result in the new bond being entered into the system while retaining the original bond interest for project reimbursement purposes. (*See Appendix 3*)

Please note that all districts must complete Form 115 each year. The other forms are completed only on an as needed basis as new projects are completed. Finally, payment for projects not submitted initially on a Form 100 can be withheld and paid the following year should state funding not be available.

Matching Principal and Interest to Projects

In many cases, projects are completed before or after bonds are issued. In other cases, more than one bond can be issued in support of a project or a single, large bond can support several smaller projects. It is the obligation of the district to match both bond interest and principal with

each project both in terms of timing (i.e., more than one fiscal year) and dollar amounts (when bond amounts and project costs are not the same).

If a bond amount is greater than the project costs, only the principal and interest associated with the cost of the completed project is eligible for aid. For example, if a district is building a new school for $40M and renovating another for $20M, the municipality may issue a single $60M bond. If both projects complete the same fiscal year, and if neither is eligible for a bonus, you may combine the two projects and attach a single bond principal and interest schedule for the entire $60M.

If, however, the new school is finished the year before the renovations, then you must divide $40M by $60M, and report only 66% of the bond principal and interest on Form 106 for this project. Alternatively, if both projects complete the same year, but the new construction portion is eligible for a 10% bonus, the principal and interest would be split two-thirds and one-third, so that the 66% of the costs attached to the $40M new construction project could receive the 10% bonus.

In another example, a municipality may issue two $5M bonds for a $10M project. In this instance, principal and interest for both bonds are added together for the 106 form.

Tracking which issues support which projects is essential both when projects complete prior to bonds being issued or when bonds are refinanced. Aid on interest will only be paid for projects already being reimbursed if the district completes and submits the 106 form when the bond is issued. Districts will incur penalties if refinanced bonds are not reported and new interest costs are not matched to the correct projects.

Please note that Form 110 does not require bond amounts to match project amounts, and should be used for the actual amount of each bond issued.

Matching Projects to Council Approval

As stated above, only projects and the related costs approved by the Council on Elementary and Secondary Education (CESE) are eligible for aid, and it is the obligation of the district to ensure that this takes place. For large projects, the approval versus aid cycle is normally adhered to without much difficulty. Capital improvement projects submitted for reimbursement through housing aid must be tracked against these approvals to ensure that the total amount of work completed does not exceed the total amount of the current approval.

Housing Aid Bonuses

There are currently eight bonuses available for certain projects, and most provide 5% increase to the percent reimbursed for that particular project in that particular year. They are:

1. School Safety and Security
2. Safe and Healthy Deficiencies
3. Educational Enhancements
4. Replacement of a facility with a Facility Condition Index (FCI) of 65% or Higher
5. Increased Utilization
6. Decrease Overcrowding
7. Newer and Fewer
8. Regional Repairs and Renovations (for Regional School Districts only)

More than one bonus can apply to a project, for a not to exceed total of 20% bonus incentives. For the bonuses to apply, districts **must** submit a signed Bonus Certification Form for each bonus sought. Bonus Certification Forms are not required for projected projects submitted on the F-100 form. Expanded guidance on bonuses is available in appendix 1.

How to Complete the Forms

Form 100 (for projected projects)

This form is used for projects expected to be completed by June 30, 2021 that will receive aid in FY 2022.

- The project cost must be net of all other federal aid or private or public funding, including gifts, capitalized interest, and any other available funds.
- The reimbursement schedule will be either the actual or estimated term of the bond/lease or the number of years determined by the dollar amount for capital projects.
- The estimate of interest may be actual interest accrued by 6/30/21 if the bond/lease has been issued.
- The Municipal Finance Officer's signature is required on the Form 100. A designee's signature will not be accepted without a formal letter to Chief Executive Officer of the School Building Authority at RIDE from the applicable party stating that the designee has been given signing authority for the program.
- Form 100s need to be **resubmitted** if the project did not complete by June 30, 2020 to qualify for FY 2021 aid. Projected projects identified on Form100s in one year do not carry forward into the next year.
- Bonus Certification Forms are not required for projected projects.

Form 105 (for completed projects)

This form is used for projects completed by June 30, 2020 that will receive aid in FY 2021.

- The project cost must be net of all other federal aid or private or public funding, including gifts, capitalized interest, and investment income on excess bond proceeds or reinvested housing aid.
- The reimbursement schedule is the term of the bond/lease or determined by the cost of capital projects.
- For projects that exceed $500,000, a detailed breakdown of costs included in the total project cost must be attached to the Form 105 as prescribed in Appendix 2.

- The interest schedule is either provided using Form 106 if the bond has been issued or estimated (through 6/30/21) if the bond/lease has not been issued. The interest question is not applicable for capital reserve fund projects.

- Projects over $500,000 must include verification and are required to submit: 1) Certificate of Occupancy, & 2) Commissioning Report, 3) Post Construction Certification Form.

- The Municipal Finance Officer's signature is required on the Form 105. A designee's signature will not be accepted without a formal letter to the Chief Executive Officer of the School Building Authority at RIDE from the applicable party stating that the designee has been given signing authority for the program.

- Bonus Certification Forms **must be attached** for each bonus the project is applying for.

- By signing the form, the Superintendent and Municipal Finance Officer certify that the project complies with the requirements of RIGL 16-7-41-1, which includes using a prequalified prime contractor for projects over $10 million, using an Owner's Program Manager and Commissioning Agent for all projects over $1.5 million, and ensuring that prevailing wage laws and WMBE requirements have been met.

Form 106

This form is used to report principal and interest costs to calculate aid.

- Please be sure to indicate the project the principal and interest costs relate to; this is especially important when the project is already receiving aid.

- Please be sure to indicate whether or not the interest reported is because of a refinancing, and, if yes, the fiscal year(s) that the project(s) supported by the bond/lease began receiving aid.

- Provide the **net** debt service schedule, which deducts applied funds, such as capitalized interest or investment income.

- If multiple debt service payments are made in a given year or if the bond financing supports multiple projects, prepare a schedule using any spreadsheet format that is clearly labeled, easy to read, and organized by state fiscal year that prorates the principal and interest to the related project. Include the district name, project name/cost, and form number on supporting documentation (see Appendix 4).

- If the applicable project is only using a portion of the bond proceeds, please indicate the total bond value on the spreadsheet, allowing identification of which bond in our system is funding the project.

- The Municipal Finance Officer's signature is required on the Form 106. A designee's signature will not be accepted without a formal letter to the Chief Executive Officer of the School Building Authority at RIDE from the applicable party stating that the designee has been given signing authority for the program.

Form 109 (For LEAs seeking a one-time adjustment to housing aid ratio for projects funded by both Housing Aid reimbursement and Pay-As-You-Go)

This form is used to report projects that are seeking a onetime Housing Aid adjustment that were funded by both Housing Aid Reimbursement and Pay-As-You-Go up-front funding from the $250M Statewide bond, as well as projects funded entirely through Pay-As-You-Go. Additionally, this form is used for onetime Housing Aid bonus adjustment for pay-as-you-go funded portion of the project that originally received the district's base reimbursement rate.

- This form is only required for projects funded by both Housing Aid and Pay-As-You-Go funding and/or projects funded entirely by Pay-As-You-Go funding that are seeking a bonus adjustment.

- The form is in excel, and users should only enter information in the highlighted fields. This will determine the onetime bonus adjustment (if applicable) and will net out portions of the project that have already received state aid.

- Bonus Certification Forms **must be attached** for each bonus the project is applying for.

- The Municipal Finance Officer's signature is required on the Form 109. A designee's signature will not be accepted without a formal letter to the Chief Executive Officer of the School Building Authority at RIDE from the applicable party stating that the designee has been given signing authority for the program.

- For projects that exceed $1.5M, the district's Owner's Program Manager and Commissioning Agents' signatures are required on the Form 109. A designee's signature will not be accepted without a formal letter to the Chief Executive Officer of the School Building Authority at RIDE from the applicable party stating that the designee has been given signing authority for the program.

Form 110

This form is used to report bond/lease principal and interest payments for original or refinanced bonds/leases. This form should be completed whenever the debt is issued regardless of when the project is completed.

- Attach the original amortization schedule and the lender document detailing the sources and uses of funds resulting from the bond financing that are included with the bond documents. Provide the **net** debt service schedule, which deducts applied funds, such as capitalized interest or investment income.

- For refinanced bonds, a spreadsheet comparing the remaining interest on the original bond and interest on the refinanced bond must also be submitted.

- The Municipal Finance Officer's signature is required on the Form 110. A designee's signature will not be accepted without a formal letter to the Chief Executive Officer of the School Building Authority at RIDE from the applicable party stating that the designee has been given signing authority for the program.

Form 115

This form must be completed each year and is used to report current debt service payments; refinanced bonds/leases; any revenues received or expenses incurred relating to bonds; and surplus buildings no longer used as educational facilities.

- Prepare a spreadsheet for current and refinanced bonds/leases showing the information requested in items 2 and 3 on Form 115. If there are no refinanced bonds/leases, just provide the information for item #2. Information for each item must be displayed separately. Please put the district name and form number on the spreadsheet.

- Report interest income earned on bond proceeds after project completion or reinvested school housing aid in item 4 on Form 115. These earnings will be netted from reported interest on project costs prior to the calculation of housing aid. Any expenses incurred in the sale of school housing bonds will be deducted from the earnings prior to the adjustment to eligible interest costs.

- Report surplus buildings no longer used as educational facilities in item 6. Please note, the School Construction Regulations (10/23/2018) requires districts to notify RIDE in writing six months prior to the sale, lease, demolition, or other removal from service of any school facility in the district's jurisdiction. The notification must include the district's plan for accommodating any displaced school programs or services and a plan for accommodating district students within remaining school buildings as a result of this sale, lease, or removal from service. Where a building that has received school housing aid from RIDE but not remained in service for fifty years, RIDE may recapture at its discretion a portion of the housing aid reimbursement.

- The Municipal Finance Officer's signature is required on the Form 115. A designee's signature will not be accepted without a formal letter to the Chief Executive Officer of the School Building Authority at RIDE from the applicable party stating that the designee has been given signing authority for the program.

General Comments

- Please do not submit information that has already been submitted to RIDE for review. For instance, RIDE does not need copies of the capital improvement plans attached to the housing aid forms. These plans are submitted as part of the necessity of school construction process and tend to cause confusion if they are attached to the housing aid forms**. Also, if a bond schedule has already been submitted on a Form 110, please do not submit it again unless the bond has been refinanced.**
- Please complete forms in their entirety. On the F-100 and F-105, ensure the reimbursable schedule agrees to the term of the bond or to the capital improvement schedule noted in the instructions. On the F-115, clearly show data in response to questions 2 and 3, related to the debt service payments for FY 2021 and the debt service refinanced in FY 2020.

- **Housing Aid bonuses are only applied if they are checked off on the Housing Aid forms and include the applicable Bonus Certification Form**. LEAs may be asked for supplemental information if bonuses are checked off.

INCOMPLETE FORMS WILL NOT BE USED IN AID CALCULATIONS. IF REPEATED REQUESTS FOR ADDITIONAL INFORMATION GO UNANSWERED, PROJECTS WILL NOT BE ELIGIBLE FOR REIMBURSEMENT DURING THE FY 2021 AID CYCLE.

Definitions

1) A general obligation bond is a bond issued by the city/town/regional school district that is secured by the pledge of tax revenues; these bonds are backed by the full faith and credit of the municipality.

2) A lease revenue bond is a bond issued by a public building authority (PBA) secured by lease payments that are backed by the municipality's commitment to make annual appropriations in support of the lease.

3) A capital lease purchase is a financial arrangement whereby the municipality agrees to make an annual appropriation in support of a lease with entities other than a PBA, e.g., lease purchase of a Catholic school. Please note that only lease purchase arrangements are eligible for housing aid.

4) A capital reserve fund is a reserve set up by a municipality or school district specifically for capital improvements used in lieu of borrowed funds.

5) Environmental Site Remediation includes the removal of pollution or contaminants from environmental media, such as soil, groundwater, sediment, or surface water. Districts must obtain SBA approval for environmental site remediation as part of their Necessity of School Construction application.

Appendix 1 – Bonus Incentive Guidance
Appendix 2 – Guidelines on Refinancing
Appendix 3 – Sample Spreadsheets Forms 106 and 110
Appendix 4 – Sample Form 109

APPENDIX 1

BONUS INCENTIVES GUIDANCE

Bonus Overview – RIGL 16-7-40

The FY19 State Budget replaced the incentive bonus for energy conservation, access for people with disabilities, and/or asbestos removal bonus with one permanent bonus for school safety and security. Passage of the statewide bond activated six temporary bonuses. The permanent and temporary bonuses are each worth five percent increases to the base state share ratio for Housing Aid reimbursement.

Permanent:

1. **School Safety and Security**:
   In order to qualify for the bonus, 75 percent of a project must be specifically for the purposes of School Safety and Security.

Temporary:

2. **Health and Safety Deficiencies**:
   In order to qualify for the bonus, 25 percent of the project costs or a minimum of $500,000 must be spent for the purpose of addressing Health and Safety Deficiencies. The project must also commence with construction by December 30, 2022, and complete by December 30, 2027.

3. **Educational Enhancements**:
   In order to qualify for the bonus, 25 percent of the project costs or a minimum of $500,000 must be spent for the purpose of addressing Educational Enhancements such as Early Childhood Education and Career and Technical Education. The project must also commence with construction by December 30, 2022, and complete by December 30, 2027.

4. **Replacement of a facility with Facility Condition Index (FCI) of 65% or Higher**:
   In order to qualify for the bonus, 25 percent of the project costs or a minimum of $500,000 must be spent for the purpose of replacing a facility that has a Facility Condition Index of 65 percent or higher. The project must also commence with construction by December 30, 2023, and complete by December 30, 2028.

5. **Increased Utilization:**
   In order to qualify for the bonus, 25 percent of the project costs or a minimum of $500,000 must be spent for the purpose of new construction or renovation that increases functional utilization from less than 60 percent to more than 80 percent. The project must also commence with construction by December 30, 2023, and complete by December 30, 2028.

6. **Decrease Overcrowding:**
   In order to qualify for the bonus, 25 percent of the project costs or a minimum of $500,000 must be spent for the purpose of new construction or renovation that decreases overcrowding from more than 120 percent functional utilization to between 85 and 105 percent. The project must also commence with construction by December 30, 2023, and complete by December 30, 2028.

7. **Newer and Fewer**:
   In order to qualify for the bonus, 25 percent of the project costs or a minimum of $500,000 must be spent for the purpose of consolidating two or more school buildings into one school building. The project must also commence with construction by December 30, 2023, and complete by December 30, 2028.

Bonus Limits, Combinations and Calculations – RIGL 16-7-39(2)

Bonus Limits:

LEAs are eligible to receive an increase of no more than 20 incentive percentage points for projects that commence by December 30, 2023. Projects that commence after that date will only be eligible for an increase of five incentive percentage points. Statute also provides that a district's share cannot be increased or decreased by more than half.

Pursuant to Rhode Island General Law (RIGL) 16-7-39(2):

> *"No district shall receive a combined total of more than twenty (20) incentive percentage points for projects that commence construction by December 30, 2023, and five incentive points for projects that commence construction thereafter; provided further, these caps shall be in addition to amounts received under §§ 16-7-40(a)(1) and 16-7-40(a)(2). Furthermore, a district's share shall not be decreased by more than half of its regular share irrespective of the number of incentive points received nor shall a district's state share increase by more than half of its regular share, including amounts received under §§ 16-7-40(a)(1) and 16-7-40(a)(2), irrespective of the number of incentive points received."*

For example, an LEA with an 80 percent state share and a 20 percent local share, would be eligible to receive up to 10 percent bonus points. Any more than 10 percent bonus points would result in a decrease of the local (regular) share by more than half (20 percent/2 = 10 percent). An LEA with a 35 percent state share and a 65 percent local share, would be eligible to receive up to 17.5 percent bonus points. Any more than 17.5 percent bonus points would result in an increase of the local (regular) share by more than half (35 percent/2 = 17.5 percent). (See Figure 1)

Bonus Combinations:

As stated above, the statute allows combination of bonuses up to 20 percent, as long as an LEA's share is not increased or decreased by more than half. In addition to eligibility requirements for each bonus, there are restrictions on combining bonuses, as follow:

- Safety projects, as defined below, may qualify for either the School Safety and Security bonus or the Health and Safety bonus, but not both.
- Projects may qualify for the Newer and Fewer bonus or one of the functional utilization bonuses, but not both.
- Projects may qualify for the Replacement Bonus or one of the functional utilization bonuses, but not both.

Bonus Calculations:

Bonus points will be calculated and applied to the state share ratio once a project is complete and Housing Aid forms are submitted to RIDE/SBA, including applicable bonus certification forms

FIGURE 1

FY2020 Housing Aid Share Ratios and Bonus Limit

LEA	Share Ratio	Local Share	Bonus Limit
Barrington	35%	65%	17.5%
Burrillville	51%	49%	20.0%
Central Falls	97%	3%	1.5%
Coventry	45%	55%	20.0%
Cranston	54%	46%	20.0%
Cumberland	44%	56%	20.0%
East Greenwich	35%	65%	17.5%
East Providence	54%	46%	20.0%
Foster	41%	59%	20.0%
Glocester	35%	65%	17.5%
Jamestown	35%	65%	17.5%
Johnston	35%	65%	17.5%
Lincoln	36%	64%	18.0%
Little Compton	35%	65%	17.5%
Middletown	35%	65%	17.5%
Narragansett	35%	65%	17.5%
Newport	35%	65%	17.5%
New Shoreham	35%	65%	17.5%
North Kingstown	35%	65%	17.5%
North Providence	54%	46%	20.0%
North Smithfield	35%	65%	17.5%
Pawtucket	83%	17%	8.5%
Portsmouth	35%	65%	17.5%
Providence	83%	17%	8.5%
Scituate	35%	65%	17.5%
Smithfield	35%	65%	17.5%
South Kingstown	35%	65%	17.5%
Tiverton	35%	65%	17.5%
Warwick	35%	65%	17.5%
Westerly	35%	65%	17.5%
West Warwick	64%	36%	18.0%
Woonsocket	88%	12%	6.0%
Bristol Warren	68%	32%	16.0%
Exeter-West	65%	35%	17.5%
Chariho	65%	35%	17.5%
Foster-Glocester	51%	49%	20.0%
All Charter Schools	30%	70%	15.0%

School Safety and Security – Permanent Bonus

RIGL 16-7-40(b)

Projects undertaken by districts specifically for the purposes of school safety and security may qualify for an increased five percent to the state share ratio in the calculation of school housing aid. In order to qualify for the increased share ratio, 75 percent of the project costs must be specifically directed to School Safety and Security measures. The increased share ratio shall continue to be applied for as long as the project(s) receives state housing aid.

Definitions:

> **Safety Projects:** Capital improvements that safeguard students, teachers, and other building occupants from harm that may be caused or exacerbated by building conditions, including those that address general physical safety, fire safety, building egress, and accessibility.
>
> *Project Examples: Fire alarm and sprinkler; structural defects; and building envelope repairs that impact the safety of students*
>
> **Security Projects:** Capital improvements that protect students, teachers, and other building occupants from internal and external threats, including building and site hardening and access control.
>
> *Project Examples: Door hardware; security vestibules; emergency communications infrastructure; and security camera infrastructure*

Bonus Documentation: LEAs must submit a School Safety and Security Bonus Certification form along with their Housing Aid forms. The form must document that at least 75 percent of the project is specifically for the purposes of school safety and security and be certified by a registered professional and the Chair of the School Committee.

Health and Safety Deficiencies – Temporary Bonus

RIGL 16-7-40(c)

Projects undertaken by districts for the purpose of addressing health and safety deficiencies may qualify for an increased five percent to the state share ratio in the calculation of school housing aid. In order to qualify for the bonus, 25 percent of the project costs or a minimum of $500,000 must be spent for the purpose of addressing Health and Safety Deficiencies.

Definitions:

> **Health Projects**: Capital improvements that address deficiencies that impact students, teachers and staff health including indoor air quality, thermal health, water quality, ventilation, and acoustics.

Project Examples: HVAC (including adding ventilation where it does not exist); lead pipe replacement; and building envelope repairs that impact the health of students (such as leaking roof that is allowing moisture to form mold)

Safety Projects: Capital improvements that safeguard students, teachers, and other building occupants from
harm that may be caused or exacerbated by building conditions, including those that address general physical safety, fire safety, building egress, and accessibility.

Project Examples: Fire alarm and sprinkler; structural defects; and building envelope repairs that impact the safety of students.

Time Requirements: In order to qualify for this bonus, LEAs must start construction by December 30, 2022, and complete the project by December 30, 2027. For the purposes of this bonus, the start of construction will be measured by the date of the executed contract for construction and the project completion will be verified by a certificate of substantial completion and/or School Committee acceptance for occupancy.

Bonus Documentation: LEAs must submit a Health and Safety Bonus Certification form, signed by a registered professional and the Chair of the School Committee, with their Housing Aid forms. LEAs must also submit a certificate of substantial completion or documentation of School Committee acceptance for occupancy. Beginning in July 2023, any LEA seeking this bonus must also submit a copy of the executed contract documents dated prior to December 30, 2022.

Educational Enhancement - Temporary Bonus

RIGL 16-7-40(d)

Projects undertaken by districts for the purpose of educational enhancement, including projects devoted to the enhancement of early childhood education and career and technical education may qualify for an increased five percent to the state share ratio in the calculation of school housing aid. In order to qualify for the increased share ratio, 25 percent of the project costs or a minimum of $500,000 must be specifically directed to these purposes.

Definitions:

Educational Enhancement: Capital improvements that enhance educational learning spaces for students in early childhood education, career and technical education, and that align with the LEAs approved educational program.

Project Examples: Early childhood education, career tech spaces, new or renovated science labs, common learning space.

Time Requirements: In order to qualify for this bonus, LEAs must start construction by December 30, 2022, and complete the project by December 30, 2027. For the purposes of this bonus, the start of construction will be measured by the date of the executed contract for construction and the project completion will be verified by a certificate of substantial completion and/or School Committee acceptance for occupancy.

Bonus Documentation: LEAs must submit an Educational Enhancement Bonus Certification form along with their Housing Aid forms. The certification form must be signed by a registered professional and the Chair of the School Committee. LEAs must also submit a certificate of substantial completion or documentation of School Committee acceptance for occupancy. Beginning in July 2023, any LEA seeking this bonus must also submit a copy of the executed contract for construction dated prior to December 30, 2022.

Replacement of a Facility that has an FCI of 65% or Higher - Temporary Bonus

RIGL 16-7-40(e)

The replacement of a facility that has a Facilities Condition Index of 65 percent or higher, may qualify for an increased five percent to the state share ratio in the calculation of school housing aid. In order to qualify for the increased share ratio, 25 percent of the project costs or a minimum of $500,000 must be specifically directed to this purpose. Projects that qualify for the Replacement Bonus are not eligible for either of the functional utilization bonuses.

Facility Condition Index (FCI): An industry standard indicator of a building's health, calculated by dividing the total cost of repair by the total replacement costs. As part of the 2017 Statewide Assessment, each school was assigned an FCI score, which serves as the official metric for this bonus.

Eligible Projects: This bonus is limited to projects that replace a facility with an FCI of 65 percent or higher, as documented in the 2017 Statewide Assessment. LEAs that do not meet the threshold as reported on the Statewide Assessment, may request an updated FCI Score. A non-refundable Housing Aid deduction up to $50,000 will be used to procure an updated assessment of the facility. If the updated FCI score is higher than 65%, the bonus will be added to the project.

Time Requirements: In order to qualify for this bonus, LEAs must start construction by December 30, 2023, and complete the project by December 30, 2028. For the purposes of this bonus, the start of construction will be measured by the date of the executed contract for construction and the project completion will be verified by a certificate of substantial completion and/or School Committee acceptance for occupancy.

Bonus Documentation: LEAs must submit a School Closure form along with their Housing Aid forms. The bonus will be applied if the school(s) listed on the School Closure form have an FCI of 65 percent or higher, as documented on the Statewide Assessment. LEAs must also submit a certificate of substantial completion or documentation of School Committee acceptance for occupancy. Beginning in July 2024, any LEA seeking this bonus must also submit a copy of the executed contract for construction dated prior to December 30, 2023.

Requesting an FCI Score Update: If an LEA believes that the facility in question may meet or exceed the 65% FCI threshold listed in the Statewide Assessment, the LEA may request, in writing, an updated FCI score. The review process of the FCI score includes two phases of evaluation. The first step involves the SBA adjusting the 2017 data for escalation and inflation, which will provide LEAs with an updated score. If after this step, the score remains below 65% and the LEA wishes to pursue a revised score, the LEA must submit a FCI Reevaluation Form.

To ensure a consistent and statewide methodology is applied the SBA will send out a team perform a new Facility Assessment. A non-refundable Housing Aid deduction of up to $50,000 per school assessed will be used to procure an updated assessment of the facility in question. The Superintendent and Municipal Finance Officer will be required to complete and execute the FCI Assessment Reevaluation Form, which includes the authorization to deduct the assessment fee from the district's Housing Aid. The result of this facility assessment reevaluation will be final.

Utilization Bonuses (RIGL 16-7-40(f) & RIGL 16-7-40(g))

Increased Utilization - Temporary Bonus

RIGL 16-7-40(f)

For any new construction or renovation that increases the functional utilization of any facility from less than 60 percent to more than 80 percent, including the consolidation of school buildings within or across districts, may qualify for an increased five percent to the state share ratio in the calculation of school housing aid. In order to qualify for the increased share ratio, 25 percent of the project costs or a minimum of $500,000 must be specifically directed to this purpose. Projects that qualify for the Increased Utilization Bonus are not eligible for the Replacement or Newer and Fewer Bonuses.

Functional Utilization: A capacity measurement based on an inventory of all instructional spaces and their current use. As part of the 2017 Statewide Assessment, each LEA was provided with a functional utilization percent, which serves as the official metric for this bonus. LEAs can use enrollments included in the 2017 Statewide Assessment or October 1st enrollments from the fiscal year of their Necessity of School Construction approval.

Eligible Projects: This bonus is limited to new construction or renovation that increases functional utilization from less than 60 percent to more than 80 percent, including the consolidation of school buildings. LEAs that do not meet the threshold as reported on the Statewide Assessment, can obtain an updated Functional Utilization Capacity. A non-refundable Housing Aid deduction up to $50,000 will be used to procure an updated capacity of the facility. If the updated Functional Utilization score is below 60%, and the Design Utilization is higher than 80%, the bonus will be added to the project.

Time Requirements: In order to qualify for this bonus, LEAs must start construction by December 30, 2023, and complete the project by December 30, 2028. For the purposes of this bonus, the start of construction will be measured by the date of the executed contract for construction and the project completion will be verified by a certificate of substantial completion and/or School Committee acceptance for occupancy.

Bonus Documentation: LEAs must submit a Functional Utilization Bonus Certification Form along with their Housing Aid forms The bonus will be applied if the school(s) listed on the form have a design utilization of 80 percent or higher at the time of project completion and have a functional utilization below 60 percent in the Statewide Assessment. LEAs must also submit a certificate of substantial completion or documentation of School Committee acceptance for

occupancy. Beginning in July 2024, any LEA seeking this bonus must also submit a copy of the executed contract documents dated prior to December 30, 2023.

Decrease Overcrowding - Temporary Bonus

RIGL 16-7-40(g)

For any new construction or renovation that decreases the functional utilization of any facility from more than 120 percent, to between 85 percent to 105 percent, may qualify for an increased five percent to the state share ratio in the calculation of school housing aid. In order to qualify for the increased share ratio, 25 percent of the project costs or a minimum of $500,000 must be specifically directed to this purpose. Projects that qualify for the Decreased Overcrowding Bonus are not eligible for the Replacement or Newer and Fewer Bonuses.

Functional Utilization: A capacity measurement based on an inventory of all instructional spaces and their current use. As part of the 2017 Statewide Assessment, each school was provided with a functional utilization percent, which serves as the official metric for this bonus. LEAs that do not meet the threshold as reported on the Statewide Assessment, can obtain an updated Functional Utilization Capacity. A $50,000 non-refundable Housing Aid deduction will be used to procure an updated capacity of the facility. If the updated Functional Utilization score is above 120%, and the Design Utilization is between 105% and 85%, the bonus will be added to the project. LEAs can use enrollments included in the 2017 Statewide Assessment or October 1st enrollments from the fiscal year of their Necessity of School Construction approval.

Eligible Projects: This bonus is limited to new construction or renovation that decreases the functional utilization of any facility from more than 120 percent to between 105 and 85 percent.

Time Requirements: In order to qualify for this bonus, LEAs must start construction by December 30, 2023, and complete the project by December 30, 2028. For the purposes of this bonus, the start of construction will be measured by the date of the executed contract for construction and the project completion will be verified by a certificate of substantial completion and/or School Committee acceptance for occupancy.

Bonus Documentation: LEAs must submit a Functional Utilization Bonus Certification Form along with their Housing Aid forms. The bonus will be applied if the school(s) listed on the form have a new functional utilization between 105 and 85 percent at the time of project completion and have functional utilization of 120 percent in the statewide assessment. LEAs must also submit a certificate of substantial completion or documentation of School Committee acceptance for occupancy. Beginning in July 2024, any LEA seeking this bonus must also submit a copy of the executed contract documents dated prior to December 30, 2023.

Newer and Fewer - Temporary Bonus

RIGL 16-7-40(h)

For consolidation of two or more school buildings, within or across districts into one school building, may qualify for an increased five percent to the state share ratio in the calculation of school housing aid. In order to qualify for the increased share ratio, 25 percent of the project costs or a minimum of $500,000 must be specifically directed to this purpose. Projects that qualify for the Newer and Fewer Bonus are not eligible for either of the functional utilization bonuses.

Eligible Projects: This bonus is limited to consolidation of two or more school buildings into one school building. In order to qualify, a district must have fewer school buildings at project completion than at the time of Necessity of School Construction approval (i.e., 5 schools at completion, 6 schools at approval). Buildings do not have to be physically demolished, but the School Department can no longer use the facility for any purpose, including for administration space. LEAs that qualify for the newer and fewer bonus, but later reopen or reuse a closed school building, will have the Newer and Fewer bonus removed. For the purpose of this bonus, stand-alone Administration Buildings are not considered school buildings, even if located in a former academic space or building, and thus the bonus would not apply to closure consolidation of these facilities.

Time Requirements: In order to qualify for this bonus, LEAs must start construction by December 30, 2023 and complete the project by December 30, 2028. For the purposes of this bonus, the start of construction will be measured by the date of the executed contract for construction and the project completion will be verified by a certificate of substantial completion and/or School Committee acceptance for occupancy.

Bonus Documentation: LEAs must submit a copy of the School Closure form (submitted six months prior to school closure), and a Newer and Fewer Bonus Certification along with their Housing Aid forms. LEAs must also submit a certificate of substantial completion or documentation of School Committee acceptance for occupancy. Beginning in July 2024, any LEA seeking this bonus must also submit a copy of the executed contract documents dated prior to December 30, 2023.

APPENDIX 2

Guidelines for Refinancing or Refunding of School Bonds

Introduction

In 1990, the General Assembly made bond interest a reimbursable expense under school housing aid for bonds issued after July 1, 1988. Since then, lower interest rates have in certain instances given school districts the opportunity to lower total debt service for a project by refinancing or refunding bonds already issued. When bonds are refunded, however, the interest payments go down but the total amount of the bond principal goes up. This is because certain charges such as interest, costs of issuance and redemption premiums are added to the original principal amount of the bonds. Under current law, aid can only be paid on the total cost of the project as originally submitted (usually equal to the original bond principal); however, if districts meet the criteria listed below, the additional principal costs (called refunding premium) may be added to the accrued interest so that the district can take advantage of lower interest rates to refund existing bonds.

Eligibility Criteria

1. Refinancing or refunding of a bond will not change the payback schedule on the cost of the project (i.e., the original bond principal). This will continue to be calculated on the principal amount and the term of the original bonds.

2. The total accrued interest plus the redemption premium (additional costs) of the new refunding bonds must be equal to or less than the balance of accrued interest on the original bonds (i.e., the accrued interest from the year the refunding bonds are issued up to and including the last year of the original bonds).

3. The refunding bonds must support the original project(s) as approved by the Board of Regents.

4. The refunding premium and interest must be properly reported on Form 106 by July 15 of the fiscal year after the refunding bonds are issued. The bond agent must also prepare and the district must submit a schedule comparing the original accrued interest and the refunding accrued interest and redemption premium by state fiscal year (July 1 to June 30). This display must clearly demonstrate that the remaining accrued interest on the original bonds is equal to or more than the accrued interest and redemption premium for the new refunding bonds.

5. The refunding bonds must comply with the provisions of the Rhode Island General Laws 45-12-5.2.

* * *

Please Note: No request for interest aid on refinanced bonds will be honored which results in an increase to the total state aid commitment for the original bonds. Also, if submission of a refinanced bond schedule increases the projected state aid entitlement for the next fiscal year, the amount that the revised actual aid exceeds the projection may be paid as an adjustment in the subsequent fiscal year. This will happen only if the total state appropriation for housing aid is insufficient to pay the new revised aid amount the first year after the revised bond interest schedule is submitted.

If the refinanced bond **does not have equal to or less interest** than the original bond, the refinancing should still be reported on the Form 110 and the Form 115. The interest "test," i.e. the comparison between the old and new bonds should be submitted with the forms. A Form 106 is not required because the interest related to the project would not change. The refinancing will be documented in the system to note that the original bond interest will be used for reimbursement purposes. This scenario might occur, for example, if the district decided to extend the term of a bond, thus lowering annual principal payments but perhaps increasing overall interest costs.

Definitions

"Refunding bonds" means bonds issued to provide proceeds to refinance a prior issue of bonds.

"Refunding premium" means interest, redemption premium and costs of issuance incurred in connection with the issuance of refunding bonds.

* * *

APPENDIX 3

Sample Spreadsheet for Form 106 – Pro Rating Principal and Interest

DISTRICT NAME:	**SAMPLE**	Project:	Window Replacement XYZ Elem.
FORM:	106	Total Cost:	1,500,000
ORIGINAL BOND TOTAL:	10,000,000	% of Total:	15%

	Original Bond Information				**Project (15% Pro rated)**		
FY	**Principal**	**Interest**	**Total**	**FY**	**Principal**	**Interest**	**Total**
6/30/2009		600,000	600,000	6/30/2009	-	90,000	90,000
6/30/2010	675,000	559,500	1,234,500	6/30/2010	101,250	83,925	185,175
6/30/2011	675,000	519,000	1,194,000	6/30/2011	101,250	77,850	179,100
6/30/2012	650,000	480,000	1,130,000	6/30/2012	97,500	72,000	169,500
6/30/2013	650,000	441,000	1,091,000	6/30/2013	97,500	66,150	163,650
6/30/2014	625,000	403,500	1,028,500	6/30/2014	93,750	60,525	154,275
6/30/2015	625,000	366,000	991,000	6/30/2015	93,750	54,900	148,650
6/30/2016	600,000	330,000	930,000	6/30/2016	90,000	49,500	139,500
6/30/2017	575,000	295,500	870,500	6/30/2017	86,250	44,325	130,575
6/30/2018	550,000	262,500	812,500	6/30/2018	82,500	39,375	121,875
6/30/2019	525,000	231,000	756,000	6/30/2019	78,750	34,650	113,400
6/30/2020	500,000	201,000	701,000	6/30/2020	75,000	30,150	105,150
6/30/2021	475,000	172,500	647,500	6/30/2021	71,250	25,875	97,125
6/30/2022	450,000	145,500	595,500	6/30/2022	67,500	21,825	89,325
6/30/2023	425,000	120,000	545,000	6/30/2023	63,750	18,000	81,750
6/30/2024	400,000	96,000	496,000	6/30/2024	60,000	14,400	74,400
6/30/2025	375,000	73,500	448,500	6/30/2025	56,250	11,025	67,275
6/30/2026	350,000	52,500	402,500	6/30/2026	52,500	7,875	60,375
6/30/2027	325,000	33,000	358,000	6/30/2027	48,750	4,950	53,700
6/30/2028	300,000	15,000	315,000	6/30/2028	45,000	2,250	47,250
6/30/2029	250,000		250,000	6/30/2029	37,500	-	37,500
	10,000,000	5,397,000	15,397,000		1,500,000	809,550	2,309,550

Sample Spreadsheet for Form 110 – Refinanced Bond Interest Test

DISTRICT NAME:	**SAMPLE**		
FORM:	110		
ORIGINAL BOND TOTAL:	10,000,000	REFINANCED BOND TOTAL:	4,000,000
ORIGINAL ISSUE DATE:	7/15/1998	REFINANCED DATE:	7/15/2009
ORIGINAL INTEREST RATE:	7.5%	NEW INTEREST RATE:	6.0%

	Original Bond Information				**Refinance Bond Information**			**Interest**
FY	**Principal**	**Interest**	**Total**	**FY**	**Principal**	**Interest**	**Total**	**Savings**
6/30/1999		750,000	750,000					
6/30/2000	675,000	699,375	1,374,375					
6/30/2001	675,000	648,750	1,323,750					
6/30/2002	650,000	600,000	1,250,000					
6/30/2003	650,000	551,250	1,201,250					
6/30/2004	625,000	504,375	1,129,375					
6/30/2005	625,000	457,500	1,082,500					
6/30/2006	600,000	412,500	1,012,500					
6/30/2007	575,000	369,375	944,375					
6/30/2008	550,000	328,125	878,125					
6/30/2009	525,000	288,750	813,750					
6/30/2010	500,000	251,250	751,250	6/30/2010	550,000	210,000	760,000	(41,250)
6/30/2011	475,000	215,625	690,625	6/30/2011	475,000	181,500	656,500	(34,125)
6/30/2012	450,000	181,875	631,875	6/30/2012	450,000	154,500	604,500	(27,375)
6/30/2013	425,000	150,000	575,000	6/30/2013	450,000	127,500	577,500	(22,500)
6/30/2014	400,000	120,000	520,000	6/30/2014	425,000	102,000	527,000	(18,000)
6/30/2015	375,000	91,875	466,875	6/30/2015	400,000	78,000	478,000	(13,875)
6/30/2016	350,000	65,625	415,625	6/30/2016	375,000	55,500	430,500	(10,125)
6/30/2017	325,000	41,250	366,250	6/30/2017	325,000	36,000	361,000	(5,250)
6/30/2018	300,000	18,750	318,750	6/30/2018	300,000	18,000	318,000	(750)
6/30/2019	250,000		250,000	6/30/2019	250,000		250,000	-
	10,000,000	6,746,250	16,746,250		4,000,000	963,000	4,963,000	(173,250)

APPENDIX 4

On November 6, 2018, Rhode Island voters approved the Statewide School Construction Bond. The bond activated six new temporary bonus incentives and access to $250 million in upfront funding to support the state share of foundation school housing aid.

Form 109 was created to document projects funded by both Housing Aid Reimbursement and Pay-As-You-Go funding, as well as projects funded entirely through Pay-As-You-Go funding that seek a onetime bonus adjustment. Sample forms of each scenario are provided below and on the next two pages.

LEAs should only complete information in the yellow boxes on Form 109:

1. LEA Name
2. Project Name
3. Share Ratio (Reimbursement Rate)
4. Necessity of School Construction Date
5. Project Costs
6. Pay-As-You-Go Received on the Project
7. Bonuses

Sample 1: Projects funded by both Housing Aid and Pay-As-You-Go Funding

In the example on the next page, an LEA with a 50% reimbursement rate completed a $10M addition, approved on 5/15/2018, and applied $2M in Pay-As-You-Go towards the project. The LEA submitted two bonus certification forms and the project qualified for a 10% bonus.

In this example, the LEA will receive $6M (60%) in State Aid for their $10M addition. The breakdown of State Aid is $2M in Pay-As-You-Go funding and $4M in Housing Aid reimbursement, including a $1M bonus adjustment.

Sample 2: Projects funded entirely by Pay-As-You-Go seeking a onetime Bonus adjustment

In this example, an LEA with a 50% reimbursement rate completed a $1M Science Lab Renovation, approved 5/15/2018, but was entirely funded by Pay-As-You-Go ($500K or 50%). The LEA submitted two bonus certification forms and the project qualified for a 10% bonus.

Form 109 will automatically calculate the portion of the project that is eligible for Housing Aid after information is entered. In this example the LEA will receive a onetime bonus adjustment of $100,000 to reflect the difference between the 50% share ratio the project received and the 60% it ultimately qualified for.

RHODE ISLAND DEPARTMENT OF EDUCATION
School Building Authority
School Housing Aid

F-109-2021

EXAMPLE OF PROJECT FUNDED BY HOUSING AID AND PAYGO

Pay As You Go & Housing Aid Summary

1. LEA:
2. Project: **Addition**
3. State Share: **50%**

Summary of Projects and Local Payments

Council on Elementary and Secondary Education Approval	Total Project Costs	Less - Pay as You Go	Total Local Share
05/15/18	$10,000,000	$2,000,000	$8,000,000

Summary of School Construction Aid

State Share of Total Projects	Pay-As-You-Go	Housing Aid to Support Bond Debt*
$5,000,000	$2,000,000	$3,000,000

4. How many bonuses did the project qualify for? 10%
(enter, 5%, 10%, 15%, or 20%)

Onetime Bonus Adjustment*	**$1,000,000**

CERTIFICATION:
I certify that the above information complies with the requirements of RIGL 16-7-41.1, received all required design review, and is correct to the best of my knowledge and belief that the project cost includes only school project related costs as approved by the Council on Elementary and Secondary Education.

School Department

Superintendent of Schools Date

Owner's Program Manager Date
(For projects that exceed $1.5M)

Commissioning Agent Date
(For projects that exceed $1.5M)

Municipality

Municipal Finance Officer Date

Rhode Island Department of Education

Bond Manager Date

NOTES
* Before Interest. Interest Cost Associated with Housing Aid will be tied to debt service, pursuant to RIGL 16-7-41(b)

RHODE ISLAND DEPARTMENT OF EDUCATION
School Building Authority
School Housing Aid

F-109-2021

EXAMPLE OF BONUS ADJUSTMENT

Pay As You Go & Housing Aid Summary

1. LEA:
2. Project: **Science Labs**
3. State Share: **50%**

Summary of Projects and Local Payments

Council on Elementary and Secondary Education Approval	Total Project Costs	Less - Pay as You Go	Total Local Share
05/15/18	$1,000,000	$500,000	$500,000

Summary of School Construction Aid

State Share of Total Projects	Pay-As-You-Go	Housing Aid to Support Bond Debt*
$500,000	$500,000	$0

4. How many bonuses did the project qualify for? 10%
(enter, 5%, 10%, 15%, or 20%)

Onetime Bonus Adjustment*	**$100,000**

CERTIFICATION:
I certify that the above information complies with the requirements of RIGL 16-7-41.1, received all required design review, and is correct to the best of my knowledge and belief that the project cost includes only school project related costs as approved by the Council on Elementary and Secondary Education.

School Department

Superintendent of Schools Date

Owner's Program Manager Date
(For projects that exceed $1.5M)

Commissioning Agent Date
(For projects that exceed $1.5M)

Municipality

Municipal Finance Officer Date

Rhode Island Department of Education

Bond Manager Date

NOTES
* Before Interest. Interest Cost Associated with Housing Aid will be tied to debt service, pursuant to RIGL 16-7-41(b)