# Agenda Item: E

## Date: July 27, 2023

## Title: First and Final Review of Request for Guidance on School Construction Assistance Program and Consideration of Program Changes

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## Presenter: Mr. Kent C. Dickey, Deputy Superintendent of Budget, Finance, and Operations

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## Purpose of Presentation

Action required by state or federal law or regulation.

## Executive Summary

The 2022 Special Session I General Assembly and Governor Youngkin created the School Construction Assistance Program, providing $450 million in fiscal year 2023 state funds to support competitive grants for new school construction, additions, and major renovations. The Board of Education (“Board”) is required to develop program guidelines, to include competitive scoring criteria indicating poor building conditions, commitment, and need, as well as a minimum qualifying score on the criteria for a school project to be considered for funding. The Board’s [guidelines](https://www.doe.virginia.gov/home/showpublisheddocument/42696/638126784526530000) were completed in January after review by the Office of Attorney General, and include 11 scoring criteria and associated point values as shown in Attachment 1. The Board adopted a minimum qualifying score on the scoring criteria of 65 points on a 100-point scale.

The Virginia Department of Education (“VDOE”) conducted an open application process from February 24 through March 31 for school divisions to apply for grants from the program, with 119 grant applications submitted by school divisions. VDOE staff scored the submitted grant applications against the 11 scoring criteria in the Board guidelines, and recommended grant awards for school projects meeting the 65-point minimum qualifying score. The Board approved grant awards totaling $365.3 million for 40 school projects in 28 divisions at its Special Meeting on May 11th.

VDOE has issued grant award notifications to the school divisions awarded grants and has established a disbursement process that requires divisions to submit certain documentation prior to any disbursement of grant funds. VDOE has also concluded the 30-day data review process requested by the Board, in which school divisions could request a review of their scoring criteria for data errors or incorrect scoring. No data quality or scoring issues were identified through that process.

Following the first round of grant awards, $84.7 million in grant funding remains available for award. Before moving forward, VDOE is seeking guidance from the Board on any changes it desires to make to the program. Some changes may require revisions to the guidelines before proceeding with another application process. The Board needs to direct VDOE in its next steps with the remaining funds.

1. Proceed with another open application process for school divisions with no change to the program guidelines or scoring criteria;
2. Review previously submitted grant applications that were not funded in the first application round but based on a minimum qualifying criteria score of 60 points (reduction of 5 points);
3. Open another round of applications for funding consideration with a reduced minimum qualifying criteria score revised scoring criteria in the guidelines; or,
4. Other changes as recommended during discussion.

VDOE also needs guidance on the timeline to open new rounds of applications.

This item aligns with Priority 1 of the Board’s Comprehensive Plan: 2018-2023 to provide

high-quality, effective learning environments for all students.

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## Action Requested

Final review: Action requested at this meeting.

## Superintendent’s Recommendation

The Superintendent of Public Instruction recommends that the Board of Education consider the various options for changing the program such as those listed above and provide guidance to VDOE staff on how to proceed quickly as building projects are now facing increasing costs and backlogs.

## Rationale for Action

Following the initial round of grant awards for this new program, there is an opportunity for the Board to consider changes so that the competitive criteria better reflect “poor building conditions, commitment, and need” to award grant funds more quickly and to address school facilities needs more broadly across divisions.

## Previous Review or Action

**Date**: [November 17, 2022](https://www.doe.virginia.gov/data-policy-funding/virginia-board-of-education/board-meetings-agendas-and-minutes/november-16-17-2022)

**Action**: [Final Review of Guidelines for Implementing the School Construction Assistance Program in the 2022–2024 Biennium](https://www.doe.virginia.gov/home/showdocument?id=27108)

**Date**: [May 11, 2023](https://www.doe.virginia.gov/data-policy-funding/virginia-board-of-education/board-meetings-agendas-and-minutes/may-11-2023)

**Action**: [First Final Review of Grant Awards for School Project Applications Submitted to the School Construction Assistance Program](https://www.doe.virginia.gov/home/showpublisheddocument/44455/638187937116070000)

## Background Information and Statutory Authority

The 2022 Special Session I General Assembly and Governor Youngkin created the School Construction Assistance Program in Item [137](https://budget.lis.virginia.gov/item/2022/2/HB30/Chapter/1/137/), Paragraph C.43 of the 2022 Appropriation Act. $450 million in fiscal year 2023 state funds was provided for the Board to award competitive grants for new school construction, additions, and major renovations. The grant funds have been transferred to the non-reverting School Construction Fund established by § [22.1-140.1](http://law.lis.virginia.gov/vacode/22.1-140.1) of the *Code of Virginia*, which allows them to be maintain in a dedicated fund and spent across fiscal years.

The appropriation act requires the Board to develop guidelines for implementing the program, to include competitive scoring criteria indicating poor building conditions, commitment, and need. The Board’s guidelines were completed in January after review by the Office of Attorney General and include 11 scoring criteria and associated point values as shown in Attachment 1. The Board is required to set a minimum qualifying score on the scoring criteria for a school project to be considered for grant funding, which the Board adopted in its guidelines as 65 points on a 100-point scale.

Grants for awarded school projects are based on 10, 20, or 30 percent of approved project costs (project costs not to exceed $100,000,000), with the percentage determined by the school division’s local composite index and the fiscal stress category for the locality containing the school division. Grant funds are awarded based on a rank-ordering of the total criteria score of the submitted project applications.

## Stakeholder Engagement

Feedback on the School Construction Assistance Program has been received from various school divisions, including discussions with division superintendents during the monthly State Superintendent’s Leadership Council meetings.

## Implementation and Communication

Upon Board approval, any revisions to program implementation or the program guidelines will be communicated to school divisions before proceeding with any additional grant awards from remaining grant funds.

## Impact on Fiscal and Human Resources

It is anticipated that any revisions to the program guidelines can be absorbed by existing

Department of Education and school division fiscal and staff resources.