State of Maryland

Interagency Commission on School Construction

Healthy School Facility Fund

Administrative Procedures Guide

Record of Changes

<u>Version</u>	<u>Description</u>	<u>IAC Approval Date</u>
1.0	Initial Publication	06/13/2019
2.0	Revisions due to Built to Learn Act of 2020; Clarify distinction between immediate risk lead projects above 20 ppb and lead projects under 4.2.1.1; 5 C Ineligible Projects/Expenditures due to statutory changes; update links and COMAR; Update Attachments; Prioritize "Roof" Projects per change in statute.	08/12/2021
2.1	Revisions to the FY 2021 schedule to align remaining deadlines with the schedule for FY 22 funding.	01/13/2022
3.0	Revisions to clarify eligibility of projects that begin prior to allocation; update Attachment 1 schedule for FY 2023 funding.	04/14/2022
4.0	Revision to clarify ineligible gymnasium and auditorium HVAC related projects.	08/11/2022
5.0	Revisions to the prevailing wage threshold and to Attachment 1 FY 2023 Baltimore City Public School System's Schedule for Application and Approval of Project Funding.	01/12/2023
6.0	Revisions to clarify that combining State funding programs is permissible; address resubmittal of previously approved projects; add request to provide estimates; Update Attachment 1 schedule for FY 2024 funding.	3/9/2023

Table of Contents

1. Glossary

Definition of terms and acronyms used in this document:

Acronym or Term	Definition
DGS	Maryland Department of General Services
EPA	United States Environmental Protection Agency
HB	House Bill
HSFF or Fund	Healthy School Facility Fund
IAC	Interagency Commission on School Construction
Immediate Environmental Risk	An environmental condition that has the potential to cause serious physical hardship or illness to occupants in a facility
LEA	Local Education Agency
MDE	Maryland Department of the Environment
MDH	Maryland Department of Health
MOSH	Maryland Occupational Safety and Health
MSDE	Maryland State Department of Education
SB	Senate Bill

2. Purpose

The purpose of the Healthy School Facility Fund is to provide grants to public primary and secondary schools for capital projects that will improve the health of school facilities. This includes projects that will improve the conditions related to air conditioning, heating, indoor air quality, mold remediation, temperature regulation, plumbing—including the presence of lead in drinking water outlets, roofs, and windows. Grants will be prioritized to projects that correct issues posing an immediate life, safety, or health threat to occupants of a facility.

3. Background

Established as a new program by legislation in calendar year 2018 and modified in 2021, Education Article §5-322, Annotated Code of Maryland, requires the IAC to administer the HSFF, approve expenditures, and develop administrative procedures for the grant program. The Governor is required to provide in his budget an annual allocation of $30 million for the program in Fiscal Years 2020 through 2022, and at least $40 million in Fiscal Years 2023 and 2024.

4.   Allocations - General

4.1.   General

4.1.1.   For each fiscal year that funds are available, the IAC will distribute allocations based on a competitive application process.

4.1.2.   Only eligible project requests submitted in accordance with this Administrative Procedures Guide will be considered for funding.

4.1.3.   All approved projects will have a local match requirement, based on the State-local cost share percentage applicable to projects approved in the Capital Improvement Program fiscal year. See COMAR 14.39.02.05 or the [IAC's website](#) for State cost share percentages.

    4.1.3.1.   The LEA is required to have local funds available for the payment of cost in excess of the State allocation and ineligible project cost.

    4.1.3.2.   State participation will be based on the total estimated cost of the project, less ineligible items.

4.1.4.   A project allocation remaining after final reimbursement of an approved project will revert to the Fund for redistribution to other eligible statewide projects.

4.2.   Approval Basis

4.2.1.   Funding priority will be based **first on the severity of an immediate life, safety, or health environmental risk**, and second on the following defined categories of work in the following order:

    4.2.1.1.   Lead in water, prioritized first to projects related to elementary school age children and second to highest levels of lead. The following help define the projects that will be considered:

        4.2.1.1.1.   A level of lead at sources where water is normally ingested that exceeds 5 parts per billion (ppb). Please note that levels of lead exceeding 20 ppb are considered an immediate life, safety, or health environmental risk and will be prioritized alongside other high priority projects per 4.2.1 above. Levels must be documented through a process administered by MDE.

Examples:

    i.i.   Water Fountains or Bubblers; followed by
    i.ii. Faucets or taps that are used or potentially used for drinking or food preparation;
    i.iii. Ice Makers; and
    i.iv. Hot Drink Machines;

    4.2.1.2.   Roofs.

    4.2.1.3.   Lack of, unreliable, or insufficient air-conditioning, with priority given to schools that do not have any air conditioning.

4.2.1.4.   Unreliable or insufficient heating.

4.2.1.5.   Temperature regulation.

4.2.1.6.   Plumbing, including pipe insulation to reduce condensation in order to prevent mold.

4.2.1.7.   Indoor air quality, including remediation of indoor pollutants; and

4.2.1.8.   Windows.

4.2.2.   Additional priority consideration will be given to projects in elementary schools and special-education schools, followed by middle schools and high schools in that order.

5.   Application and Approval Procedures

5.1.   General Requirements

5.1.1.   In accordance with Md. Code, Education Article § 5-322(j)(1)(iii) and (k)(4), the Baltimore City Public School System (BCPSS) will receive at least 50% of funds appropriated to the fund in Fiscal Years 2021 through 2024 through a separate application process specifically for BCPSS. See Section 5.3 for BCPSS Submission Requirements.

5.1.2.   Projects must be received by the application deadline. Applications may be received within the 30 days preceding the deadline but they will not be reviewed for approval until the date provided by the IAC in its annual publication of the Schedule.

5.1.3.   All project requests must be accompanied by supporting documentation, such as the results of lead testing as conducted per the requirements of State and federal regulations, mold testing reports by licensed industrial hygienists, elevated moisture content testing reports, indoor air quality assessment reports, and work order history. Detailed budget estimates are encouraged, if available.

5.1.4.   Project requests should identify the following in the description:

5.1.4.1.   All work proposed;

5.1.4.2.   The origin, or source of the issue and the cause;

5.1.4.3.   How the cause will be corrected;

5.1.4.4.   Description of attempts previously made to correct the deficiency; and

5.1.4.5.   Plan for how the issue will be prevented from reoccurring.

5.1.5.   The project schedule should indicate that:

5.1.5.1.   The project funds will be encumbered on or before the date shown in the program schedule. All work on the project will be substantially completed and a majority of the project funds will be expended by the date shown in the program schedule.

5.2.   Roof Replacement Applications

5.2.1.   Requests for roof replacement must be accompanied by supporting documentation, including:

5.2.1.1.   The reports from any roof inspections conducted during the last 36 months;

5.2.1.2.   The preventive-maintenance plan for the roofing system;

5.2.1.3.   All preventive and corrective work orders pertaining to the roof from the last 36 months;

5.2.1.4.   All information about the roof from any contractors or vendors that have provided service on the roof during the last 36 months;

5.2.1.5.   Drawings of the area to be repaired/replaced to include measurements of the affected square footage and all rooftop units in the affected area(s); and

5.2.1.6.   The expected-useful-lifespan (EUL) and most recent remaining-useful-lifespan (RUL) figures pertaining to all portions of the facility's roof as recorded in the IAC's statewide facilities assessment database.

5.3.   Baltimore City Submission Requirements

5.3.1.   Requests for Baltimore City will be considered and approved based on the same programmatic requirements as other LEAs' requests, but will not be prioritized with other LEAs' requests. Baltimore City requests and projects will be delivered in accordance with the schedule published annually [by the IAC on its website](#) and included here as Attachment 1.

6.   Eligible Projects/Expenditures

6.1.   Eligible project expenditures within the HSFF are for improvements to public school buildings used for education.

6.2.   Each project's cost is to be not less than $3,000, unless otherwise approved by the Executive Director of the IAC.

6.3.   A single "project" is defined as:

6.3.1.   A single improvement at an individual school that costs at least $3,000, unless otherwise approved by the Executive Director of the IAC.

6.3.2.   Multiple improvements at the same school that collectively cost at least $3,000, unless otherwise approved by the Executive Director of the IAC:

6.3.2.1.   Individual components within a project may be less than $3,000 in value, but the total cost of a project (including related components) must be at least $3,000 in value, unless otherwise approved by the Executive Director of the IAC.

6.3.2.2.   Components must be identified separately in the application, with the estimated construction value shown.

6.3.3.   Multiple improvements of the same kind at different schools, such as remediation of lead at drinking fountains

6.3.3.1.   The cumulative cost of the improvements across multiple schools that collectively cost at least $3,000, unless otherwise approved by the Executive Director of the IAC.

6.3.3.2.   Each school must be requested separately and the amount of the requests should be based on specific estimates for each school with the number of requested units, square footage, or some other method.

6.3.3.3.   Breakout estimates should be provided if projects include multiple scope components.

6.4. Design and other planning professional expenses. However, please note that projects that have not been designed must be executed based upon the program schedule.

6.5. Certain related components or systems that are logically related to the scope of work may be included in the scope, but the majority of the proposed work must be for environmental improvements.

6.6. An eligible contract (including design, construction, or other eligible services) for a locally funded project that is approved by the local board of education within 18 months prior to the IAC allocation approval date identified in the schedule (see attachment 1).

6.7. Unlike typical CIP projects, requests may be submitted for projects:

    6.7.1. In schools that have been built or fully renovated within the last 15 years;

    6.7.2. In which the anticipated life of the system or components is less than 15 years due to anticipated changes in technology; or

    6.7.3. In locally owned and State-owned relocatable classrooms.

    6.7.4. That were encumbered in the six months prior to release of Fiscal Year LEA allocations by the IAC.

6.8. HSFF funds may be combined with other State funding programs, such as the Capital Improvement Program or Built to Learn, so long as work is clearly divided in both the scope and cost estimate.

6.9. Projects approved in a previous HSFF FY may be resubmitted to fully fund partially funded projects or to increase State funding for projects with bids over the approved amount.

7. Ineligible Projects/Expenditures

7.1. To replace the local share of a project;

7.2. For improvements to property owned by a board of education that is not used by public school students, e.g. garages, central office facilities, staff training quarters, etc., unless approved by the Executive Director of the IAC;

7.3. For the movement of relocatable classroom buildings, unless it can be shown that the location of the relocatable classrooms impedes correcting the health of the facility;

7.4. For ancillary services, e.g. post-completion monitoring;

7.5. For staff training, post-completion;

7.6. For salaries of local employees; or

7.7. Heating, ventilation, and air conditioning (HVAC) projects in gymnasiums and auditoriums, except when approved by the Executive Director in instances where the space serves as a teaching station for students with critical special needs or has direct impact on education services such that the school has to be closed.

7.8. Any contract for an eligible project that is approved by the Local Board of Education more than 18 months prior to the IAC allocation approval date identified in the schedule (Attachment 1).

8. Project Approval Process

8.1. Projects will be reviewed, prioritized, and approved by the IAC within 45 days of the submission due date as shown in the schedule published annually by the IAC.

8.2. Upon approval, IAC still will provide to the LEAs a final accounting of approved project allocations. **Federal fund allocations may require additional reporting and contract cost thresholds, as applicable.**

9. **Design Review**

9.1. A level of review required will be assigned during the submission approval process. Projects approved in the HSFF are generally subject to design development and/or construction document review as required for similar projects in the CIP.

Review level submission requirements are as follows:
0 – No review required by MSDE or DGS.
1 – Construction documents required for DGS review.
2 – Design development documents/construction documents required for DGS review.
3 – Abbreviated educational specifications, schematic drawings, design development documents/construction documents required for MSDE/DGS review as applicable.

9.2. IAC will consult with MDE and projects that abate lead may be reviewed by MDE.

10. **Procurement**

10.1. Procurements shall be in compliance with COMAR 14.39.03 as well as with State public school procurement law, Md. Code, Education Article §5-112*, "Bids."* The following will apply to HSFF projects[1], including:

10.1.1. Projects allocated federal funding for contracts of $2,000 or more require application of the Davis-Bacon Act labor standards. Contracting agencies have the primary responsibility for the enforcement of Davis-Bacon and related acts to ensure that laborers and mechanics are paid at least the prevailing wage rates required on covered contracts. The applicable wage determination will be the [Davis-Bacon wage determinations](#) as of the date of contract award (or within 10 days of the bid solicitation, in the case of competitive sealed bidding).

10.1.2. Projects which cost less than $50,000 do not require IAC approval of the procurement, and, generally, sealed bids are not required unless local board of education policy or procedures specify a minimum dollar value that requires sealed bids.

10.1.3. Projects that cost at least $50,000 but less than $100,000 are required to be competitively procured, consistent with Md. Code, Education Article Section § 5-112, Bids. For projects with a total cost of less than $100,000, IAC approval of contracts is not required prior to entering into the contract but the award is subject to State review at the time reimbursement is requested. A copy of the bid tabulation must be submitted with IAC/PSCP Form 306.2, Request for Reimbursement to LEA for the HSFF project.

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[1] Please note that the thresholds for applicability of prevailing wage may change from time to time. The LEA is responsible for procuring projects in compliance with statutory and regulatory federal, State, and local requirements regardless of the guidance published in this Procedures Guide.

10.1.4. Projects that cost $100,000 or more are required to be competitively procured, consistent with Section Md. Code, Education Article, §5-112, Bids. IAC approval of the contract award is recommended prior to the board of education entering into the contract. A copy of the bid tabulation indicating the responsible bidder who provides the best value and conforms to certain specifications <u>bidder's proposal</u> must be submitted for State review and approval of the contract award.

10.1.5. Competitive procurement requirements;

10.1.6. Minority Business Enterprise requirements;

10.1.7. Prevailing wage rates as applicable; If a HSFF project is estimated to cost $250,000 or more and State funds are estimated to be 25% or more of the project cost and federal funds are less than $2,000, the State prevailing wage law is applicable. The appropriate wage rates must be requested from the Department of Labor, Licensing and Regulation (410-767-2357), included in the bid documents and referenced in the advertisement for bids.

10.1.8. Maryland Historical Trust (MHT) consultation on applicable projects;

10.2. If multiple projects are procured under a single contract award where the total contract cost exceeds $100,000, each project will require a submission of IAC/PSCP form 303.3 Approval of Construction Contract Award for review and approval by the IAC.

10.3. Due to the nature of HSFF projects, a construction sign is not required on site while the work is being performed.

11. Contract Award

11.1. At the time of contract award, the LEA may request the IAC to approve realignment of the HSFF funds among their approved projects.

12. Processing for Payment/Financial Reporting

12.1. Payment will be made through reimbursement to the school system, at time of 100% project completion, using IAC/PSCP Form 306.2, Request for Reimbursement to LEA.

12.2. Recognizing that reimbursement only at the time of project completion may create cash flow difficulties for some jurisdictions with larger projects, the IAC, upon request, will process progress payments on projects of $100,000 or more that received IAC Approval of Contract Award. If the IAC makes progress payments directly to a contractor for a jurisdiction for a specific project, then IAC/PSCP Form 306.1 Request for Payment to Contractor should be utilized.

12.3. IAC/PSCP Form 306.6 Close-Out Cost Summary package submission will only be required at time of project completion for projects that exceed $100,000 and utilize the direct payment to contractor option. All projects that were reimbursed at time of project completion do not require submission of the Close-Out Summary package.

13. **Step by Step Instructions for Submitting Applications**

1. Navigate to https://app.smartsheet.com/b/form/928cebdde515436981af5d6326e38ffe
2. Select the appropriate Funding Year from the dropdown. You can choose any year from 2022-2024. Please note that applications received for fiscal year 2022 (June 30, 2021 to July 1, 2022) may be funded with FY 2021 funding, based upon project specifics and approved by the IAC.
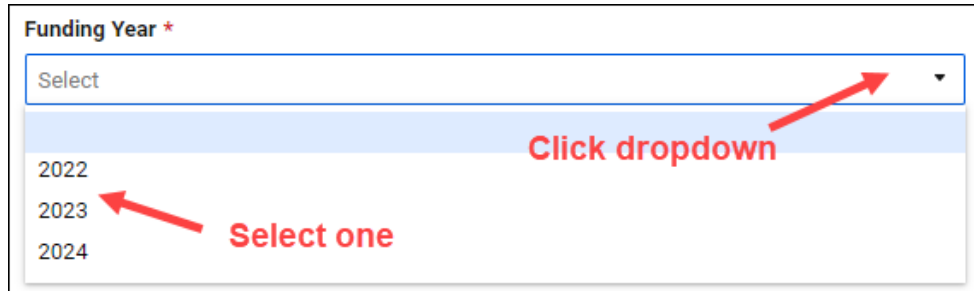
3. Enter date or click icon to open calendar. Today's date will be highlighted.
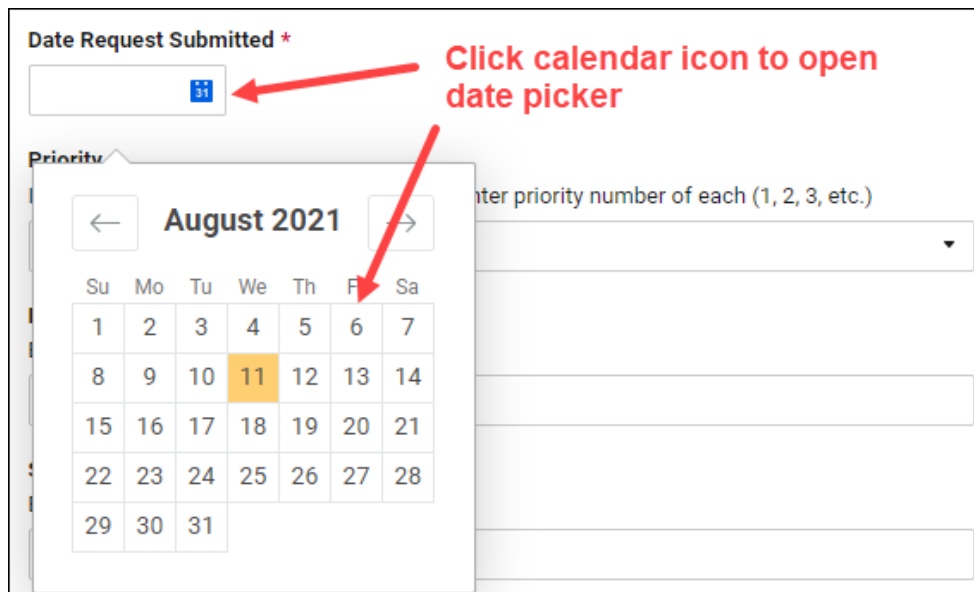
4. Select the priority for the project from the dropdown. If there is one project for which you're applying, select 1. If you have more than one, rank them on a numerical scale (1, 2, 3, 4…)

5. Type in the PSC Number for the facility in XX.XXX format.
6. Type in the School/Facility Name.

7. Select Project Type from the dropdown list. If you want to select more than one you must submit an additional application, and prioritize the projects as detailed above.

Project Type *
Select the type of project from the dropdown list

Select ▾

Click dropdown

Air Conditioning - Immediate Risk

Lead (Levels should be above 5 ppb and levels must be documented through a process administered by MDE. See procedures for examples.)
Roof

Lack of, unreliable, or insufficient air-conditioning

Select one type

Unreliable or insufficient heating

Temperature regulation

Plumbing, including pipe insulation to reduce condensation in order to prevent mold

Indoor air quality, including remediation of indoor pollutants

Windows

8. Select county name from the dropdown list.

County *

Select ▾

Allegany

Anne Arundel

Baltimore

Baltimore City

Calvert

Caroline

Carroll

Cecil

Charles

Dorchester

Frederick

Garrett

Harford

Click dropdown

Select county facility is in

9. Enter the Description/Justification for the project. There is no character limit.

Description/Justification *

10. Select Yes or No from the dropdown to indicate whether the school facility closed at list once during the previous or current school year.

Facility Closure(s) *
Confirm whether the school facility closed during the school year due to issue(s) identified in the scope of work.

Select ▾

Yes ← Select one

No

Click dropdown

If you select "Yes" a new dropdown box will appear for you to select the number of times the facility was closed due to the issue identified in the application.

Facility Closure(s) *
Confirm whether the school facility closed during the school year due to issue(s) identified in the scope of work.

Yes ← If you select "Yes" this dropdown will appear ▾

How many times? *

Select ↙ ▾

From the dropdown list, select the number of times the facility was closed during the school year due to the health and environmental risks identified in the project scope of work.

Facility Closure(s) *
Confirm whether the school facility closed during the school year due to issue(s) identified in the scope of work.

Yes ▾

Click dropdown

How many times? *

Select ▾

1
2
3
4   Select number
5
6
7
8
9
10

If you selected **No** move on to the next item.

11. Enter or select the date the project was previously funded with State dollars. If there has never been prior funding leave the field blank and move on to the next item. (Note: This date must always be prior to today's date.)

12. Enter details for Alternative Solution and What caused the problem. Several lines of text will be showing but there is room for overflow and no character limit.

13. Click checkboxes to indicate consequences of inaction on this project. You may select one item from the list, more than one item, or all items.

14. Click dropdown to select Yes or No to indicate whether design has been completed.

15. If you selected **Yes** a Date field will appear to allow you to enter or select the date design documents were or is estimated to be submitted.

If you selected **No** a date field will appear to allow you to enter or select the date design completion is anticipated.
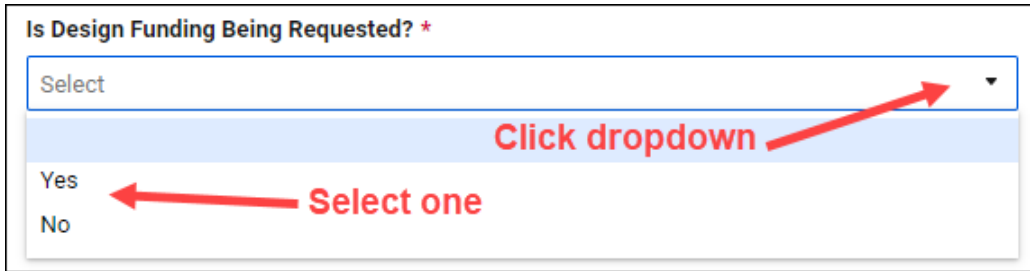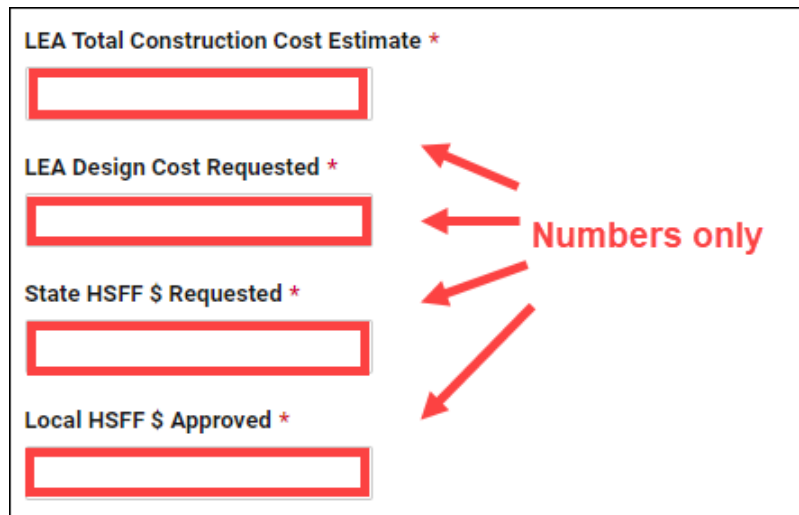
16. Click the dropdown to select whether design funding is being requested as part of the application.

Is Design Funding Being Requested? *

Select ▾

~~Click dropdown~~

Yes ← Select one

No

17. Enter in dollar amounts the LEA's estimated Total project Cost, LEA Design Funding being requested (If none, enter 0), State HSFF funding requested, and the approved amount of Local HSFF funding.

LEA Total Construction Cost Estimate *

LEA Design Cost Requested *

Numbers only

State HSFF $ Requested *

Local HSFF $ Approved *

18. Enter the date you expect work to begin, or select it from the calendar date picker.

19. Enter the date you expect work on the project to be completed, or select it from the calendar date
    picker.
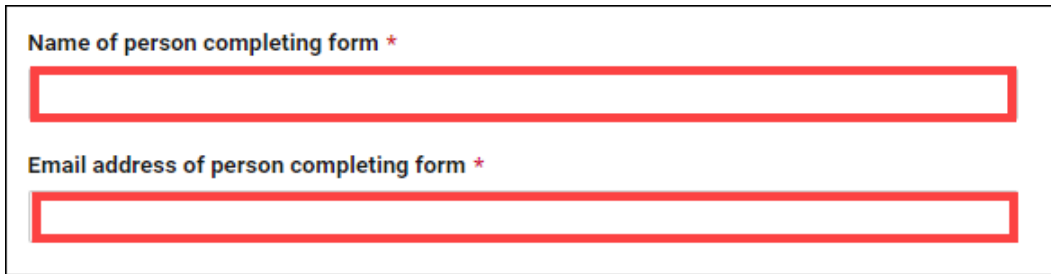
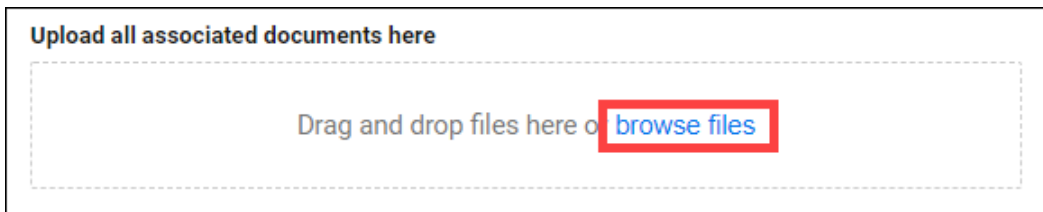20. Enter the name and email address of the person designated to respond to project inquiries. This person will be the IAC staff's primary point of contact.
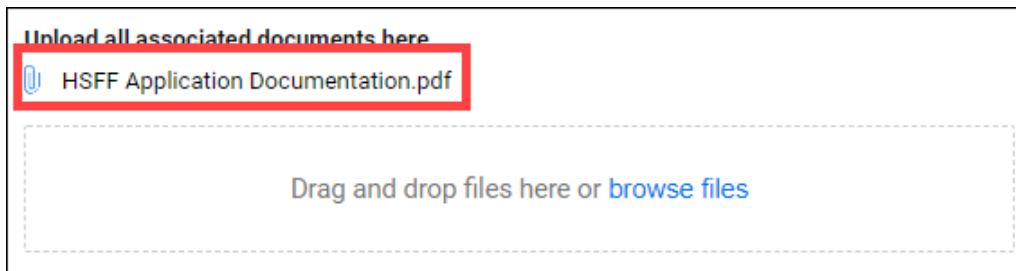
Name of person completing form *

Email address of person completing form *

21. If you have any documents to support your application, upload them into the box shown below. You can drag and drop the files or click the "browse files" link to navigate to wherever the files are stored and upload them from there.
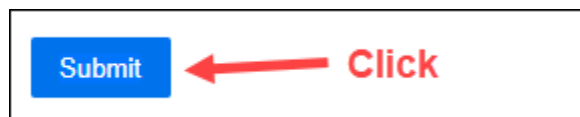
Upload all associated documents here

Drag and drop files here or browse files

When documents are received you will be able to confirm by seeing them listed by file name.

Upload all associated documents here

📎 HSFF Application Documentation.pdf

Drag and drop files here or browse files

22. Click the submit button at the bottom of the application.

Submit ⟵ Click

23. Upon successful submission you will receive a confirmation message and the application will be cleared and ready to be filled out again.

If you have additional projects for which you wish to apply, enter them below using these same instructions.

Remember to not use the same Priority you used on your previously submitted application(s). If you are finished filling out the application you may navigate away from this page.

24. If an application has been submitted in error, please notify the IAC via email at iac.pscp@maryland.gov and the request will be deleted; "Canceled" status indicates the project was previously "Approved" then later "Canceled".

Attachment 1

Schedule for Application and Approval of Project Funding

FY 2024 Healthy School Facility Fund State and Federal Funds (Schedule A)

3/9/2023	IAC Approval of the *Healthy School Facility Fund (HSFF) Administrative Procedures Guide & Release of Schedule and Application Instructions*
3/9/2023 - 5/8/2023	Application Submissions Due
5/8/2023 - 6/9/2023	IAC Staff Review Period
7/13/2023	IAC Approval of Projects and Allocations
6/2/2025	All project funds to be encumbered
10/3/2025	Deadline for Funds to be substantially expended
5/1/2026	Last day to submit requests for reimbursement

Baltimore City Public School System's Schedule for Application and Approval of Project Funding

Baltimore City FY 2024 Healthy School Facility and Federal Funds (Schedule B)

3/9/2023	IAC Approval of the *Healthy School Facility Fund (HSFF) Administrative Procedures Guide & Release of Schedule and Application Instructions*
3/9/2023	Application Submission period opens
9/15/2023	Application Submission period closes

For deadlines to encumber projects, to substantially expend projects, and to submit requests for reimbursement of projects, please see Schedule A.