

**State of Maryland**  
**Interagency Commission on School Construction**

**Healthy School Facility Fund**  
**Administrative Procedures Guide**



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These procedures are available for download at [iac.mdschoolconstruction.org](http://iac.mdschoolconstruction.org)

### Record of Changes

<b>Version</b>	<b>Description</b>	<b>IAC Approval Date</b>
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.	03/9/2023
7.0	Update Attachment 1 schedule for FY 2025 funding; minor technical edits.	04/11/2024

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## 1. Glossary

Definition of terms and acronyms used in this document:

<b>Acronym or Term</b>	<b>Definition</b>
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.

## 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 established by the IAC for the fiscal year. See COMAR 14.39.02 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.
- 4.1.5. The concentration of poverty and maintenance add-on percentages are applied to eligible 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 2026 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).
- 7.9. For items that have a median lifespan of less than 15 years.
- 7.10. For project contingencies.

- 7.11. For generators sized to support more than only the emergency functions in the educational facility, including operation of the emergency systems (such as lighting, food storage, and water purification), communication systems (including broadband), and security systems.
- 7.12. For allowances, with the exception of those for which the IAC Executive Director has granted an exception on a case-by-case basis and either 1) was recommended by the project architect or engineer of record or 2) that specifies a unit cost to establish a price for a known product where the number of units cannot be identified in advance.

## 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. Prior year **federal fund allocations may require additional reporting and contract cost thresholds, as applicable.**
- 8.3. Extension requests may be granted on a case-by-case basis; contact your [assigned CPM](#) for assistance.

## 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." Project Delivery Methods other than General Contracting will require approval by the IAC in accordance with COMAR 14.39.04.
- 10.2. The following will apply to HSFF projects<sup>1</sup>, including:
  - 10.2.1. 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

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<sup>1</sup> 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.



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).

- 10.2.2. Projects which cost less than \$50,000 do not require sealed bids unless local board of education policy or procedures specify a minimum dollar value that requires sealed bids.
- 10.2.3. 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. A copy of the bid tabulation must be submitted alongside the HSFF Business Management System (BMS) process.
- 10.2.4. Projects that cost \$100,000 or more are required to be competitively procured, consistent with Section Md. Code, Education Article, §5-112, Bids. A copy of the bid tabulation indicating the responsible bidder who provides the best value and conforms to certain specifications [bidder's proposal](#) must be submitted for State review and approval of the contract award.
- 10.2.5. IAC Contract approval;
- 10.2.6. Competitive procurement requirements;
- 10.2.7. Minority Business Enterprise requirements;
- 10.2.8. 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.
- 10.2.9. Maryland Historical Trust (MHT) consultation on applicable projects; The LEA should review the MHT *Schools by Category* list for projects receiving State funding to determine if consultation with MHT is applicable to the requested project. The project review submission form is available on the [MHT website](#). Contact Beth Cole, Maryland Historical Trust at (410) 697-9541 or [beth.cole@maryland.gov](mailto:beth.cole@maryland.gov) if you have any questions.
- 10.3. If multiple projects are procured under a single contract award where the total contract cost exceeds \$100,000, each project will require completion of the Contract Approval Process in the BMS for review and approval by the IAC.
- 10.4. 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. Realignment may occur between various fiscal years of approved projects so long as the program year expenditure and reimbursement deadlines can be met.

## 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 the BMS HSFF process.
- 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 the Invoice/Reimbursement process in the BMS should be completed.
- 12.3. The Project Closeout BMS Process 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.

## Attachment 1

### Schedule for Application and Approval of Project Funding

#### FY 2025 Healthy School Facility Fund (Schedule A)

4/11/2024	IAC Approval of the <i>Healthy School Facility Fund (HSFF) Administrative Procedures Guide &amp; Release of Schedule and Application Instructions</i>
4/11/2024 - 5/13/2024	Application Submission Period
5/14/2024 - 6/14/2024	IAC Staff Review Period
7/11/2024	IAC Approval of Projects and Allocations
6/1/2026	All project funds to be encumbered
10/2/2026	Deadline for Funds to be substantially expended
5/2/2027	Last day to submit requests for reimbursement

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

### **Baltimore City FY 2025 Healthy School Facility Fund (Schedule B)**

4/11/2024 IAC Approval of the *Healthy School Facility Fund (HSFF) Administrative Procedures Guide & Release of Schedule and Application Instructions*

4/11/2024 Application Submission period opens

9/16/2024 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.