



SCHOOL CONSTRUCTION GRANTS

By: Marybeth Sullivan, Associate Analyst

SCHOOL CONSTRUCTION GRANT OVERSIGHT

The Department of Administrative Services (DAS) is generally responsible for most of the school construction grant process, which includes the following:

- collecting, reviewing, and approving grant applications;
- establishing priority categories;
- making grant payments; and
- auditing projects.

Prior to 2011, the State Department of Education (SDE) was responsible for the entire process. The legislature transferred most of this responsibility to DAS in 2011 ([PA 11-51](#)) and 2014 ([PA 14-90](#)). However, SDE retained the authority to evaluate projects for compliance with certain educational requirements.

ISSUE

Provide an overview of the state's school construction grant process.

SUMMARY

This report, which updates [OLR Report 2008-R-0474](#), explains the process public school districts must follow when applying for school construction grants, according to state law and regulations and policies established by the Department of Administrative Services' (DAS) Office of School Construction Grants. Policies are accurate as of this report's publication date and are subject to change. This report is not intended to be an all-inclusive set of instructions upon which school districts should rely when applying for these grants.

To obtain a school construction grant for a project, a school district must apply through the State Department of Education's (SDE) secure online portal and submit plans and data on the project for DAS's approval. Before applying, the district must have local approval for the local share of the project costs. Once approved, DAS places the project on the annual school construction priority list, which it submits to the

legislature for approval. No grant is paid unless the legislature has approved the project. The project must also comply with various bidding and contracting requirements in order to receive a grant.



School construction grants are based on eligible project costs, which are limited by state standards and criteria. Towns are reimbursed for 10% to 80% of those costs, depending on town wealth (i.e., the town's reimbursement rate). Regional school districts are reimbursed based on a weighted average of the wealth of their component towns. Grants are paid on a current basis during construction ("progress payments"). DAS withholds 5% pending the outcome of a final audit. The state recalculates reimbursement rates annually.

GRANT APPLICATION PROCESS

Prior to Applying

Before applying for a school construction grant, a municipality's legislative body must authorize its local board of education, through the superintendent, to apply to the DAS commissioner for a grant. Regional boards of education may vote to allow their district supervising agent (i.e., superintendent) to apply for the grant ([CGS § 10-283\(a\)\(1\)](#)).

Additionally, the municipality or regional board must either (1) secure funding authorization for the local share of the project costs that are effective under state law and local ordinance or charter or (2) schedule and prepare a referendum, if required, with results available by November 15 that year ([CGS § 10-283\(d\)](#)). State law allows any municipality to issue bonds to finance any school building project through a vote by its legislative body (CGS § 10-289).

Applying for a Grant

The DAS commissioner determines the grant application method ([CGS § 10-283\(a\)\(1\)](#)). Currently, DAS requires superintendents to submit applications through SDE's School Construction Grant Management System (SCGMS), a secure, password-protected web portal.

Applications must include (1) educational specifications for the project as approved by the local board of education or grant recipient governing body and (2) one certified copy of the resolution or resolutions establishing a building committee for the project and authorizing at least the preparation of schematic drawings and outline specifications and the filing of the notice of the proposed school building project ([Conn. Agencies Reg., § 10-287c-11\(a\)](#)). The educational specifications that must be provided are as follows:

1. a description of the project's general nature and purpose, which may include the applicant's long-range plan and the project's relationship to the plan;
2. enrollment data and proposed project capacity;

3. the nature and organization of the educational program;
4. support facilities;
5. space and site needs;
6. accommodation for educational technology;
7. specialized equipment; and
8. any other supporting documents the commissioner considers necessary ([Conn. Agencies Reg., § 10-287c-1\(4\)](#)).

To be eligible for inclusion on the DAS commissioner's annual school construction priority list and receive a grant commitment from the state, DAS must receive applications by June 30 ([CGS § 10-283\(a\)\(2\)](#)).

The application for projects involving new construction and alteration or renovation of a school building requires the superintendent to confirm that the requesting district has considered the following: (1) maximization of natural light, (2) the use and feasibility of wireless Internet connectivity, and (3) the school safety infrastructure criteria developed by the School Safety Infrastructure Council (see below) ([CGS § 10-283\(a\)\(1\)](#)).

GRANT APPLICATION REVIEW

DAS Review

State law gives the DAS commissioner the authority to review and approve or reject grant applications. Rejections must be based on the following grounds:

1. failure to comply with State Fire Marshall or Department of Public Health requirements,
2. failure to include a life-cycle cost analysis approved by the DAS commissioner,
3. failure to comply with the law governing conveyance of the air space over schools to private developers,
4. failure to comply with the law governing approval of the building plan and site,
5. failure to meet standards in state school building regulations or category requirements,
6. estimating construction costs per square foot that exceed those permitted in state regulations,

7. failure to comply with school safety infrastructure standards (although the commissioner may waive this under certain circumstances), or
8. determination by the SDE commissioner that the project’s proposed educational specifications or theme duplicates a program already offered by a technical high school or magnet school located in the same region ([CGS § 10-284\(a\)](#)).

The DAS commissioner may also disapprove a grant application if a municipality or regional school district has not begun construction on a project that the legislature had authorized a grant commitment for two years earlier ([CGS § 10-284\(b\)](#)).

The DAS commissioner also consults with the SDE commissioner when reviewing applications on the basis of the applicant’s educational needs for projects submitted (1) for agriscience centers or (2) cooperative regional special education facilities ([CGS § 10-283\(a\)\(1\)](#)).

SDE Review

The SDE commissioner reviews grant applications to determine (1) whether the project will help the state in meeting the goals of the *Sheff* settlement and (2) to which category the building project should be assigned ([CGS § 10-283\(a\)\(1\) & \(2\)](#)).

There are three categories that are based upon projects’ primary purpose. Table 1 describes each category in priority order.

Table 1: School Construction Project Categories

Category	Description
A	Create new facilities or alter existing facilities to achieve the following: <ul style="list-style-type: none"> • provide for mandatory instructional programs, • bring physical education facilities in compliance with federal Title IX, or • correct code violations that cannot be reasonably addressed within the existing program space.
B	Create new facilities or alter existing facilities to achieve the following: <ul style="list-style-type: none"> • enhance mandatory instructional programs or • provide comparable facilities among schools to all students at the same grade level or levels within the school district.
C	Create new facilities or alter existing facilities to achieve the following: <ul style="list-style-type: none"> • provide supportive services (excluding swimming pools; auditoriums; outdoor athletic facilities; tennis courts; elementary school playgrounds; site improvement or garages; or storage, parking, or general recreation areas).

Source: [CGS § 10-283\(a\)\(2\)](#)

The SDE commissioner must notify each applicant by August 31 of the project's assigned category. The commissioner can place the project in another category based on additional information received or developed after that notice ([Conn. Agencies Reg., § 10-287c-11\(b\)](#)).

DESIGN CONFERENCE

Part of the application process is a DAS-scheduled design conference. Appropriate DAS staff, the applicant's superintendent or chief executive officer, one member of the applicant's building committee, one representative of the architectural firm that is to design the project, and any others the DAS commissioner requires must attend the conference. The commissioner may waive the conference, hold it by telephone or in person, or otherwise determine its scope and nature ([Conn. Agencies Reg., § 10-287c-11\(c\)](#)).

LEGISLATIVE APPROVAL

The DAS commissioner must receive authorization from the legislature before entering into any grant commitments on behalf of the state. (For certain projects involving emergencies or code violation repairs, however, such authorization is not required ([CGS § 10-283\(b\)](#).) The commissioner annually prepares a list of all eligible projects ("priority list"), arranged by category with the estimated project costs and grant amounts. Grant estimates for projects must be determined by multiplying the town's reimbursement percentage (see below) by the total estimated eligible project costs the applicant submits to the department. The commissioner submits the list by December 15 to the governor, the secretary of the Office of Policy and Management (OPM), and the legislature, with a request to enter into grant commitments ([CGS § 10-283\(a\)\(2\)](#)).

Taking into account comments from the OPM secretary, a legislative committee reviews the priority list to determine if each project complies with the three categories in Table 1 and standards established in state regulations. This committee can modify the list as it sees fit if it finds that the commissioner acted arbitrarily or unreasonably in establishing it. The committee then submits the approved or modified priority list to the governor and full legislature by February 1 of the following year ([CGS § 10-283a](#)). [PA 16-3, May Special Session](#), § 62 expanded the committee membership from eight to 12 and requires the membership to include the co-chairs and ranking members of the Appropriations; Finance, Revenue and Bonding; and Education committees. Although the law

generally bars the legislature from adding projects to the priority list after that date, it commonly does so by adopting special “notwithstanding” language that modifies specific projects and makes other projects eligible for reimbursement ([CGS § 10-283\(c\)](#)).

GRANT COMMITMENT AND PROJECT FINANCING

The DAS commissioner must notify each applicant whose project was on the list of the legislature’s action within 30 days after it takes action ([Conn. Agencies Reg., § 10-287c-12\(a\)](#)). Once the legislature authorizes it, and the DAS commissioner receives the necessary assurances from the town, the DAS commissioner must enter into grant commitments for the listed projects ([CGS § 10-283\(a\)\(2\)](#)). Then, the town must submit final project plans to DAS for approval, begin construction, and apply for funding.

REIMBURSEMENT RATES

Standard Reimbursement Rates

The SDE commissioner calculates each school district’s percentage reimbursement rate each year. The rate in effect in the year a district applies for a school project grant remains in effect throughout the project’s duration. Reimbursement rates for projects by local and regional boards of education, regional education service centers (RESCs), cooperative arrangements, endowed academies, and state technical high schools are provided below.

Local board of education projects. The state reimburses local school districts for between 10% and 80% of the eligible costs of local school construction projects. The state reimbursement for eligible costs is based on each town’s wealth. The measure of wealth is each town’s adjusted equalized net grant list per capita (AENGLC), which measures both property wealth and income ([CGS § 10-285a](#)).

To determine the reimbursement percentage, towns are ranked by AENGLC. Based on their ranking, towns are assigned a reimbursement percentage. Wealthier towns receive reimbursement closer to 10%; poorer towns’ reimbursements are at the high end of the range (80%). State law establishes two reimbursement ranges based on project type, which Table 2 describes.

Table 2: Standard Reimbursement Ranges for Local Boards of Education

Project Type	Reimbursement Rate Range
New construction or replacement of a school building for each town	10% - 70%
Renovations, extensions, code violations, roof replacements, and major alterations of an existing school building New construction or replacement of a school building when a municipality or regional school district demonstrates that it is less expensive than a renovation, extension, or major alteration of an existing school building for each municipality	20% - 80%

Source: [CGS §§ 10-285a\(a\)\(2\)\(B\)\(i\) & \(ii\)](#)

Regional board of education projects. The state reimburses regional school districts at a percentage up to 85%, based on the weighted average of the wealth of their component towns ([CGS § 10-285a\(b\)](#)). A reimbursement bonus is also available, except the total percentage cannot exceed 85% (see Table 3 below).

RESC projects. The state reimburses RESCs at a percentage based upon the weighted average of the wealth of their component towns ([CGS § 10-285a\(c\)](#)).

Cooperative arrangement projects. The state reimburses cooperative arrangements at a percentage based upon the weighted average of the wealth of their component towns ([CGS § 10-285a\(d\)](#)). A reimbursement bonus is also available (see Table 3 below).

Endowed Academy projects. Connecticut’s endowed academies are three private schools that serve as public high schools: Gilbert School, Norwich Free Academy, and Woodstock Academy. They are eligible to apply for school construction grants as long as they meet the following conditions:

1. they provide school facilities to the towns that designate them as their high schools for at least 10 years after the last grant payment and
2. at least half of the members of the school’s governing board, other than its chairperson, must represent the school boards of the designating towns.

The state reimburses an endowed academy’s projects at a percentage up to 85%, based upon the weighting of the reimbursement rates of towns that have designated the academy as their high school by their respective populations,

rounding to the next higher whole number and adding 5% (but not to exceed 85%). The towns must designate the school as their high school for at least five years in order to be considered in the calculation ([CGS § 10-285b](#)).

Technical High School projects. The state covers the full cost of technical high school projects, as these schools are run by the state. They are placed on the priority list and are subject to legislative approval ([CGS § 10-283b](#)).

Regional Agriscience Centers. These projects are reimbursed at an 80% rate ([CGS § 10-286\(a\)\(4\)](#)).

Regional Special Education Facilities. These projects are reimbursed at an 80% rate ([CGS § 10-286\(a\)\(4\)](#)).

Bonus Reimbursement Rates

Some types of school projects are eligible for reimbursement bonuses. Table 3 describes these projects and their bonus rates.

Table 3: Bonus Reimbursement Rates for Certain Projects

<i>Project Type</i>	<i>Reimbursement Rate</i>
K-12 regional school districts	Extra 10%, but not to exceed 85%
Interdistrict cooperatives	Extra 10%
School readiness (district must maintain enrollment for at least 10 years)	Extra 5%
Lighthouse schools	Extra 10%
To increase out-of-district seats for the interdistrict Open Choice program	Up to 10%
Reduction of kindergarten through grade 3 class size in priority school districts and priority schools (i.e., Early Reading Success Program)	Extra 10%
Full-day kindergarten or preschool in priority school districts or priority schools (preschool program must be maintained for 10 years)	Extra 10%

Source: CGS §§ [10-285a\(b\),\(d\)-\(h\)](#), & [10-285d](#)

Reduced Reimbursement Projects

The state reimbursement rate for construction, extension, or major alteration of the following types of projects and space is 50% of the district's regular reimbursement rate: (1) outdoor athletic facilities, (2) tennis courts, (3) natatoriums, (4) spectator seating in a gymnasium, (5) auditorium seating (50% of the eligible percentage for the area that seats one-half of the enrollment projection for the project), and (6) public school administrative or service facilities. In the case of a RESC administrative or service facility, however, the project is eligible for the standard RESC reimbursement percentage ([CGS §§ 10-286\(a\)\(3\) & \(5\)](#)).

REIMBURSABLE PROJECT COSTS

Eligible Costs

School construction grants reimburse eligible project costs. Eligible costs include the reasonable cost of construction; alterations or renovations; site preparation and development; equipment and furnishing for the site or building; architectural, engineering, or construction management charges; and ordinary and reasonable legal fees ([Conn. Agencies Regs., § 10-287c-15\(c\)](#)).

Conditions apply to some of these cost categories. Any federal or other state grants received for constructing the building must be deducted from the total project costs before the grant is calculated ([CGS § 10-286\(b\)\(2\)](#)).

For a new school, an extension of an existing school, or the major alteration of an existing building for use as a school, a district's grant is the lesser of either its reimbursement percentage multiplied by the eligible cost of the project, or its reimbursement percentage multiplied by the product of (1) the highest projected enrollment for the facility during the eight years starting from the date the district notifies DAS of the project, (2) a per-pupil square foot allowance determined by DAS, and (3) the project's gross cost per square foot ([CGS § 10-286\(a\)\(1\)](#)).

Ineligible Costs

Table 4 lists costs that are ineligible for school construction grant reimbursement.

Table 4: Ineligible Costs for School Construction Grant Reimbursement

<i>Ineligible Items</i>	
<ul style="list-style-type: none"> • Feasibility studies • Textbooks and supplies • Computer software (except operating systems) • Lease of facilities (except for projects to remedy indoor air quality emergencies) • Service, equipment, or maintenance contracts • Salaries of “in house” administration or educational staff employed by the local board or municipality • Site regrading, ordinary resurfacing, or reseeding • Relocation of facilities within site • Repair of site improvements • Athletic facility lighting and parking • Artificial turf 	<ul style="list-style-type: none"> • Off-site town improvements and utility extensions • Moving of existing facilities on-site or to another site (except where necessary for a new school plant or extension) • Ordinary building and built-in equipment maintenance, repair, painting, redecoration • Repair to movable equipment and furniture • Ordinary repairs to or replacements of boilers, combustion equipment, or fuel storage equipment • Ordinary roof repairs not specifically eligible under state statute (see below for eligible roof replacement) • Ordinary window or glass replacements • Other ordinary repairs and replacements

Source: [Conn. Agencies Regs., § 10-287c-15\(c\)](#)

Eligible Cost Restrictions and Conditions

The law places conditions on eligibility for certain types of costs and projects.

Significant Changes in Project Cost or Scope. DAS must submit for legislative reauthorization any project whose cost or scope has increased since its previous authorization. DAS cannot submit a project for legislative reauthorization more than once, unless (1) it is a technical high school or (2) a municipality or regional school district can show that exigent circumstances require it to appear on a separate schedule of authorized projects a second time. Also, no school project not previously authorized as an interdistrict magnet school can receive a higher percentage reimbursement through a legislative reauthorization ([CGS § 10-283\(a\)\(2\)](#)).

Roof Replacement. The reimbursement rate for full or partial roof replacement depends in part on the age of the roof, which is determined in whole years, based on the nearest year of the time between when the old roof was fully installed and

the date of the grant application for the new roof project. There are several categories of roof replacement reimbursement based on age, roof quality, and availability of legal recourse.

If a roof was installed more than 20 years ago, it is eligible for these reimbursement rates: either (1) the standard rate for a new school, extension of an existing school, or major alteration of an existing building for use as a school or (2) the standard rate for renovation projects.

If a roof was installed less than 20 years ago, it is eligible for these reimbursement rates:

1. if a registered architect or engineer found it to be improperly designed or constructed, and the district has no legal recourse to collect damages, then the rate is either (a) the standard rate for a new school, extension of an existing school, or major alteration of an existing building for use as a school or (b) the standard rate for renovation projects; or
2. if a registered architect or engineer found it to be improperly designed or constructed, and the district has legal recourse but collected damages less than eligible cost, then the rate is the difference between such recovery and such eligible cost.

If a roof was installed between 15 and 20 years ago, and an architect or engineer cannot determine that it was improperly designed or constructed, then it is eligible for a proportionally reduced grant. The reimbursement rate is the ratio of the roof age to 20 years, multiplied by either (a) the standard rate for a new school, extension of an existing school, or major alteration of an existing building for use as a school or (b) the standard rate for renovation projects ([CGS § 10-286\(a\)\(6\)](#)).

Renovation Projects. A renovation project is one that totally refurbishes an existing building into a school with the same useful life as a new school but that costs less than a new school. For these projects, the DAS commissioner can approve reimbursement for otherwise ineligible repairs and replacements if the district documents the need for the work and the savings to both the district and the state. Renovation projects are exempt from DAS's standard space specifications ([CGS § 10-286\(a\)\(2\)](#)).

To be considered a renovation project, (1) the same school cannot have been renovated with a state school construction grant within the 20 years before the new grant application date and (2) at least 75% of the building to be renovated must be at least 30 years old ([CGS § 10-282\(18\)](#)).

Litigation Expenses. For projects authorized on or after July 1, 2007, a school district may be reimbursed for project-related litigation expenses only if it wins the lawsuit ([CGS § 10-285a\(i\)](#)).

Site Remediation and Improvement Costs. For projects authorized, and sites for school use selected, on or after July 1, 2007, reimbursement for a school construction site remediation and improvements is limited to no more than 25% of the site's appraised value with improvements. The limit does not apply if the site's purchase is reduced so the price plus remediation cost is not greater than 125% of the appraised value of the site and the improvements ([CGS § 10-286d\(c\)](#)).

Change Orders. For school projects costing more than \$10 million, state reimbursement for construction change orders and other change directives is limited. If change orders total more than 5% of the project's authorized cost, the reimbursement for any amount exceeding 5% is ineligible for grant assistance ([CGS § 10-286\(c\)](#)). In addition, school districts must submit change orders and other change directives issued on or after July 1, 2011 to the DAS commissioner within six months after issuance. Any change order not submitted within six months and in a manner the commissioner prescribes is excluded from eligible project costs ([CGS § 10-286\(d\)](#)).

BIDDING REQUIREMENTS

All contracts for school construction projects are subject to competitive bidding, with some exceptions. Public bidding is not required for (1) projects for which the district decides to use a DAS contract; (2) change orders; (3) contracts or orders costing less than \$10,000; and (4) contracts or orders of an emergency nature, as determined by DAS. In these instances, negotiation may be used to select a contractor or vendor, as long as there are no local fiscal regulations, ordinances, or charter provisions that conflict with this practice.

Additionally, architectural and construction management services do not have to go out to bid. Instead, these orders and contracts must be awarded from a pool of no more than four of the most responsible, qualified proposers after a public selection process ([CGS § 10-287\(b\)](#)).

Grant applicants must file with the DAS commissioner notice of the date the first construction contract was executed for the project ([Conn. Agencies Regs., § 10-287c-19\(a\)](#)). Applicants must also file final project plans with both the DAS and SDE commissioners, including (1) a copy of final plans and bid specifications for the project or project phase, which specify the project site; (2) a professional cost estimate for the project or phase and any site acquisition; and (3) certification that

these documents have been approved by the district and the building committee. The commissioners must review the plans and specifications for compliance with state laws, regulations, and codes.

No phase of a project may go out to bid unless the DAS commissioner notifies the district in writing that (1) she approves the final plans and bid specifications, (2) the plans and specifications comply with educational specifications for the project, and (3) she approves the project site ([Conn. Agencies Regs., § 10-287c-21\(a\)-\(c\)](#)).

PROJECT STANDARDS

School Safety Infrastructure

All school construction grant applicants must comply with school safety infrastructure standards developed and annually updated by the School Safety Infrastructure Council. These standards conform to industry standards for school building safety and include standards regarding the following:

1. entryways to school buildings and classrooms, such as reinforcement of entryways, ballistic glass, solid core doors, double door access, computer-controlled electronic locks, remote locks on all entrance and exits, and buzzer systems;
2. the use of cameras throughout the school building and at all entrances and exits, including the use of closed-circuit television monitoring;
3. penetration resistant vestibules; and
4. other security infrastructure improvements and devices as they become industry standards ([CGS § 10-292r](#)).

The DAS commissioner may waive any of the school safety standards if she determines the applicant made a good faith effort to address them and compliance would be infeasible, unreasonable, or excessively expensive ([CGS § 10-284\(a\)](#)).

The DAS commissioner also has the authority to require any municipality or regional board of education applying for a school construction grant to conduct a safety assessment of the project to ensure compliance with school safety infrastructure standards. The grant applicant must use an assessment tool that the commissioner designed or an alternative tool that provides a comparable safety and security assessment of the project, as determined by the commissioner ([CGS § 10-292s](#)).

Acoustical Standards

School building projects for classrooms or libraries must comply with the American National Standard for acoustical performance criteria, design requirements, and guidelines for schools unless adequate acoustical modifications cannot be made without compromising health and safety or the educational purpose or function of the space. Local or regional boards of education may ask the DAS commissioner to waive these requirements for relocatable classrooms that will be used by the same school for less than 36 months. The commissioner must grant the waiver if the board shows that it (1) held a public hearing on the effects the required acoustical standards might have on a student's ability to learn and (2) gave notice of the hearing to parents, students, and teachers ([CGS § 10-285g](#)).

Site Assessment

Before approving the architectural plans for school construction projects for new buildings, building extensions, or building replacements, a school board and building committee must provide for a Phase I environmental site assessment in accordance with American Society for Testing and Materials (ASTM) Standard #1527, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. The cost of performing the assessment is eligible for reimbursement as part of the school construction project ([CGS § 10-291\(a\)](#)).

Indoor Air and Roof Requirements

DAS is barred from approving a school building project plan or site if:

1. the site is in an area of moderate or high radon potential, as indicated in the Department of Energy and Environmental Protection's Radon Potential Map, except where the plan incorporates construction techniques to mitigate radon levels in the facility's air;
2. the plans incorporate new roof construction or total roof replacement and do not provide (a) for a minimum roof pitch that conforms to State Building Code requirements; (b) for a minimum 20-year unlimited manufacturer's guarantee for water tightness covering the entire roofing system's material and workmanship; (c) for vapor retarders, insulation, bitumen, felts, membranes, flashings, metals, decks, or any other feature the roof design requires; and (d) that all manufacturer's material to be used meet the latest ASTM standards for individual roofing system components;

3. for major alterations, renovations, or extension of a building to be used for public school purposes, the plans do not incorporate the Sheet Metal and Air Conditioning Contractors National Association's publication entitled "Indoor Air Quality Guidelines for Occupied Buildings under Construction" or similar subsequent publications;
4. for new building construction, extensions, renovations, or replacements, the plans do not include a strategy for training building maintenance staff responsible for the facility in the appropriate areas of plant operations, including HVAC systems, with specific indoor air quality training; or
5. for new building construction, extensions, major alterations, renovations, or replacements involving a school entrance for inclusion on any priority list submitted to the legislature, the plans do not provide for a security infrastructure for such entrance ([CGS § 10-291\(b\)\(1\)-\(5\)](#)).

GRANT CALCULATION AND PAYMENTS

Eligibility Calculation

The DAS commissioner estimates the grant amount for which a project is eligible in accordance with the reimbursement percentage that the SDE commissioner calculates using the formula established in state law ([CGS §§ 10-283\(a\)\(2\)](#) & [10-285a](#)).

Progress Payments

Grant payments may be requested only after a grant commitment has been obtained for the project. Payments are made by DAS in installments ("progress payments") ([CGS §§ 10-287\(a\)](#) & [10-287i](#)).

Current DAS policy requires progress payment requests to be submitted online through the SCGMS. Forms are posted on the project menu of the website. DAS requires the request to be submitted on or before the first of the month in order to receive payments within about six weeks (i.e., on or about the 15th of the following month). Payments follow a bi-monthly cycle.

The State Board of Education may withhold subsequent grant payments if the DAS commissioner determines that the project has not met the original conditions in the approved grant application. Payments are withheld until the commissioner determines that appropriate action has been taken to bring the project into compliance. The commissioner can also require recipients to repay the state for all previous grant payments made if appropriate action is not taken within a reasonable time ([CGS § 10-287\(c\)](#)).

A municipality or regional school district must submit to DAS a final grant application within one year of the project's completion date and acceptance of the project by the town or district. Failure to submit this application on time could result in the commissioner withholding 10% of the state grant ([CGS § 10-287\(d\)](#)).

For all projects, DAS withholds 5% of the grant until it completes a final audit after project completion. If DAS cannot complete the audit within six months of the date the final payment is requested, then the applicant may have an independent audit performed and include the audit cost in the eligible project costs ([CGS § 10-287i](#)).

AUDITS

Within five years of the date that a school district files a notice of project completion with DAS, the department must conduct an audit of the project. If the department does not, then it must conduct a limited scope audit, which reviews the (1) total amount of reported expenditures, (2) any off-site improvements, (3) adherence to authorized space specifications, (4) interest costs on temporary notes and bonds, and (5) any other matter the DAS commissioner finds appropriate ([CGS § 10-286e\(a\)](#)).

The DAS commissioner may waive any audit deficiencies found if it is in the best interest of the state (CGS §§ [10-286e\(c\)](#) & [10-286g](#)).

SPECIAL SITUATIONS

Interdistrict Magnet Schools

Certain special requirements apply to interdistrict magnet school construction projects. The DAS commissioner may only approve applications for interdistrict magnet school projects if the SDE commissioner finds the school will reduce racial, ethnic, and economic isolation. Such schools must meet all the requirements of the school construction law unless the DAS commissioner, in consultation with the SDE commissioner, waives any requirement for good cause ([CGS § 10-264h\(a\)](#)).

In addition, magnet school applicants must submit, and the SDE commissioner must approve, a plan for operating the school that includes at least (1) a description of the proposed educational programs; (2) project completion date; (3) estimated operating budget; (4) written commitments from participating districts; and (5) an analysis of the program's effect on reducing racial, ethnic, and economic isolation ([CGS § 10-264h\(b\)](#)).

There is currently a moratorium on grant applications for interdistrict magnet school construction until the SDE commissioner develops a comprehensive, statewide interdistrict magnet school plan. This moratorium does not apply to *Sheff* magnet schools (see below) ([CGS § 10-264h\(a\)](#)).

Sheff Magnets

Special requirements apply to interdistrict magnet schools intended to help the state meet the desegregation requirements of the Connecticut Supreme Court's *Sheff v. O'Neill* ruling and settlement.

In addition to local and regional boards of education, the following entities may apply for a school construction grant for a *Sheff* magnet:

1. two or more boards of education operating under a cooperative arrangement;
2. the community-technical colleges board of trustees on behalf of any community college;
3. the UConn, Connecticut State University, or any independent college's board of trustees on behalf of their respective institutions; and
4. any other SDE-approved nonprofit corporation ([CGS § 10-283\(a\)\(1\)](#)).

Sheff project applicants have an additional two months to submit construction grant applications. Their application is September 1 rather than June 30. Also, they are given until December 1 of that same year to secure and report all local and state approvals required for the application ([CGS § 10-283\(a\)\(2\)](#)).

Diversity Schools

DAS, in consultation with SDE, must provide special school construction grants for a district that has one or more schools with minority enrollments that exceed the district-wide percentage of minority enrollment for the same grades by 25%. The grant must reimburse such districts for 80% of the reasonable capital costs for school construction projects for "diversity schools" open to all students within the district. Minorities are defined as students whose race is defined as other than white or whose ethnicity is defined as Latino or Hispanic for purposes of the federal census.

To qualify for the grant, the applicant must demonstrate that (1) the diversity school will be open to all students living the district to correct the existing minority enrollment disparity and (2) it has made a good faith effort to correct the disparity ([CGS § 10-286h](#)).

Very Small Districts

Certain very small districts are exempt from standard per-pupil space limitations for reimbursable costs. To be exempt, a district must have a total enrollment of fewer than 150 students in grades K-8 ([CGS § 10-286\(b\)\(3\)](#)).

"Turn-Key" Projects

In a "turn-key" project, a school district buys a building after another party builds or renovates it according to an agreement with the district. These projects may be exempt from standard space rules, and districts can be reimbursed for otherwise ineligible repairs to a turn-key building, if the district documents that (1) the work is needed, (2) buying the turn-key facility will cost less than building the project in a different way, and (3) the facility will have a useful life comparable to a new building. DAS must approve final plans for all construction work on any turn-key project ([CGS § 10-286\(a\)\(10\)](#)).

Central Kitchen Facilities

A school district may receive a regular school construction reimbursement grant for designing and building a central kitchen to provide public school food service. The project may also include the cost of altering, expanding, or creating kitchens in individual schools to facilitate centralized food preparation. Such projects are exempt from standard space limits as long as the DAS commissioner finds the project's size and scope to be reasonable ([CGS § 10-289h](#)).

MS:bs