



Frequently Asked Questions

1. What is the purpose of this School Building Authority Capital Fund?

The School Building Authority Capital Fund was created as part of the FY 2016 State Budget. Capital Fund Progress Funding assist districts in fast-tracking projects, while also providing municipalities and the State savings in deferred financing costs. This fund provides progress payments based on completed work. (See examples previous page)

2. How much funding is available?

Funding will be approved annually by the General Assembly. For FY 2016, the School Building Authority Capital Fund amount is approximately \$20M. Of the \$20M, \$5M has been set aside for "shovel ready" projects under \$300k that are funded by option 2 (state share project cost).

3. What is a Capital Fund Progress Payment?

Progress payments under the School Building Authority (SBA) Capital Fund are paid to districts for eligible project costs during design and construction. After a community enters into a Capital Fund agreement under the SBA Capital Fund, it will submit project costs as they are incurred. The SBA reviews the submitted invoices and upon approval, directs the Rhode Island Health and Educational Building Corporation to release payment to the district for the eligible project amounts.

4. Is there a project limit that can be approved?

Projects must have a minimum value of \$10,000 for SBA Capital Fund consideration. The Capital Fund is intended for small projects (less than \$1M). Projects, not LEAs, are limited to this amount. LEAs can submit multiple projects for consideration that total more than \$1M.

5. What projects are eligible?

Any project that has received or will receive Council on Elementary and Secondary Education (CESE) approval by May 31, 2016 is eligible for funding.

6. Are the largest districts going to get all the funding?

No, all projects are equally considered for an award based on priorities regardless of district size.

7. How many applications do I need to submit?

Each project should be submitted separately on its own application. For example, a roofing project at the middle school and security upgrades at the high school would be submitted on two separate applications.

8. When are we notified that our project was selected?

It is anticipated that LEAs will be notified of selections at the end of September.



9. When can we start to receive funding?

LEAs selecting option 1, will execute a loan agreement with RIHEBC after being selected for an award. This loan will provide upfront funding for the entire project, meaning LEAs will forward invoices to SBA for payment. Upon project completion, LEAs will repay RIHEBC their share pursuant to the terms of the agreement.

LEAs selecting option 2, will receive their share ratio (reimbursement rate) after submitting monthly paid invoices to the School Building Authority. This process can begin with the first design invoice.

10. When must our project complete?

Projects must be substantially complete by August 31, 2016. However, projects completed sooner will receive more favorable consideration, as the goal is to distribute funding to shovel ready projects.

11. How can we speed up the procurement process?

The State of Rhode Island has recently created an [Architect and Engineering Services Master Price Agreement](#). These vendors have been prequalified by the State and can be used by municipalities to expedite the procurement process for design services. This will allow LEAs to quickly select a vendor and begin design of a project.

12. Do project designs need to be reviewed prior to construction?

Yes, projects must comply with the School Construction Regulations, which requires design reviews at Schematic Design, Design Development, and Construction Document stages. Projects that do not conduct reviews prior to bid or commence construction before being reviewed will not be eligible.

13. How soon can we start construction?

LEAs can begin construction upon entering into a capital fund progress payment agreement.

14. If a project is selected for School Building Authority Capital Funding do we still submit for Housing Aid reimbursement?

No, State aid is being provided upfront as opposed to Housing Aid, which is reimbursement based. Projects with Board of Education approval, not selected for School Building Authority Capital Funding, would still be submitted through the regular Housing Aid process.

15. What happens if the project does not substantially complete by August 31, 2016?

Funding could be deducted from the LEAs FY 2017 Housing Aid allotment, at the discretion of the School Building Authority. It is the intent of the SBA to engage the services of an Owner's Representatives/Project Managers to monitor all awarded projects during the design and construction stages.



16. What if an LEA is in the middle of existing application process?

If LEAs have submitted an application before July 1, 2015, they still need to submit a Letter of Intent by September 15th. Upon receipt of the letter of intent, the SBA will work individually with LEAs to engage them in the new application process.