Attachment 1

AMENDED GUIDELINES FOR IMPLEMENTING THE SCHOOL CONSTRUCTION ASSISTANCE PROGRAM IN THE 2024-2026 BIENNIUM

PURSUANT TO ITEM 125, PARAGRAPH C.42 (I.E., CHAPTER 2)

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GUIDELINES FOR THE SCHOOL CONSTRUCTION ASSISTANCE PROGRAM FOR THE 2024-2026 BIENNIUM

UPDATED 6/25/2026

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BACKGROUND

Funding for the School Construction Assistance Program was continued for the 2024-2026 biennium during the 2024 Special Session I of the General Assembly through the 2024 Appropriation Act (i.e., Chapter 2, Item 125, Paragraph C.42). $80.0 million in funding is appropriated for the program in FY 2025 and FY 2026 from the School Construction Fund to be used by the Board of Education to award grants on a competitive basis to local school boards and regional Career and Technical Education (CTE) program governing boards. Local school boards and CTE program governing boards may use the funds for the construction, expansion, or modernization of public school buildings.

During the 2025 General Assembly session and additional $120.0 million in funding was appropriated for FY 2025 plus an additional $50.0 million is to be transferred from the Literary Fund for a total of $250.0 million in funding for SCAP FY25. This allows for $110.0 million in available funding for SCAP FY26. Any unobligated appropriation balance for the SCAP program on June 30, 2025, must be reappropriated for expenditure in FY2026 for the same purpose.

A total of $80.0 million in SCAP funding was awarded on June 18, 2025, from the initial FY2026 budget allocation. These amended guidelines will be applicable for the remaining $110.0 million in available funding for award and distribution in the spring of 2026.

The Board of Education is required to develop guidelines for the administration of the program to include certain minimum requirements as established in these guidelines. The School Construction Assistance Program funding is awarded based on competitive selection criteria through an application process. These guidelines establish the competitive criteria and criteria point values used in evaluating school division or regional CTE program applications for awarding grant funding to eligible public school projects, including for regional CTE program facilities, submitted by school divisions or regional CTE program governing boards. Pursuant to *§22.1-140.1, Code of Virginia*, regional CTE program facilities are eligible for grant funding under this program.

APPLICABILITY OF THE GUIDELINES

These guidelines facilitate administration of the 2024 Appropriation Act language for the School Construction Assistance Program during the 2024-2026 biennium, which ends June 30, 2026. The 2024-2026 biennial budget appropriates revenues totaling $80.0 million in both FY 2025 and FY 2026 from the School Construction Fund for the program.. An application period will occur in the Spring of 2026 to allocate the FY2026 Appropriation amount available of $110.0 million. These revised guidelines will remain in effect for the 2024-2026 biennium, and then for future biennia if the program is continued and funded in future appropriation acts or if available funding remains in the non-reverting School Construction Fund.

OPEN APPLICATION PROCESS

School divisions (including individual CTE programs housed in school buildings) and approved regional CTE program governing boards may apply for School Construction Assistance Program funding during annual open application periods using an online form in the Department of Education's Single Sign-on for Web Systems (SSWS) portal. Not more than three school project applications may be submitted by a school division or regional CTE program governing board during each open application period. Multiple capital projects at one school facility are considered as one project. One major capital project for a specific equipment or upgrade that includes multiple schools (ex. replacement HVAC equipment at multiple schools, window replacements, etc.) will be considered as one project for grant award. School divisions are encouraged to submit applications that allow for innovative and creative use of underutilized space in their school facilities such as school-within-school concepts, public microschools, consolidation of under capacity schools or allowing better use of available space and resources. The open application period is announced by the Department to school divisions and regional CTE programs through notification in the VDOE Newsletter at a time determined by the Department, including establishing the specific beginning and end dates of the open application period. Online applications not submitted by the established open application period deadline may be disqualified from consideration. The Department will prioritize conducting the open application process as early as possible each fiscal year the program is funded in the Virginia appropriation act or when funds are available for award in the non-reverting School Construction Fund and are appropriated.

After the open application period has closed, applications approved for funding are reviewed and scored based on the competitive criteria by Department staff for consideration by the Board for funding. All other statutory and regulatory requirements for school construction projects must be met for an application to be considered for funding. After the Department review period is completed, funding awards are made through a Board action item at a monthly business meeting of the Board.

APPLICATION PROCEDURES, REQUIREMENTS, AND CRITERIA

1. Grants are provided only for school projects that conform to the Department of Education's current "*Guidelines for School Facilities in Virginia's Public Schools*." Department of Education staff determine whether school projects submitted for funding meet these guidelines during the application review and evaluation process. Department staff may require that school divisions or regional CTE programs provide additional information or clarification on submitted projects to make this determination.

2. For the purpose of this program, public school models, individual or regional CTE program construction, additions, major modernization, flexible space concepts, or renovation capital projects meeting the following three criteria qualify to be submitted

to the Board of Education in an application for funding:

a. those projects that are either in the local planning phase or already planned as documented in a currently approved local Capital Improvement Plan (CIP);

b. those projects that lack sufficient funding or financing to cover the full cost projected for the project; and

c. **those projects for which construction has not yet started**.

School divisions or regional CTE programs may also submit applications for grant funding for public school models, individual or regional CTE program construction, additions, major modernization, flexible space concepts, or renovation capital projects in which construction began on or after July 1, 2025; such project applications are subject to all other competitive criteria, conditions, and requirements contained in these guidelines.

All projects must be submitted into School Building Construction and Renovation (SBCR) application in the SSWS portal and have a project number assigned prior to beginning construction in compliance with *Code of Virginia §22.1-140*.

3. Grants for awarded school or regional CTE program projects are based on a percentage of approved project costs (with a minimum project cost $500,000 for individual school-based projects and $1.0 million for similar equipment replacement or upgrade project at multiple schools to be eligible for an award, but requests not exceeding $100.0 million), including planning, design, site acquisition, and construction costs, with the percentage determined by the school division's local composite index and the fiscal stress category as designated by the Virginia Commission on Local Government in its most recent "Report on Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities" for the locality that contains the school division, as follows:

School Division Criteria	**Grant Award Amount as a Percentage of Approved Project Costs**
School divisions or regional CTE programs with a local composite index value below 0.3000, or contained in a locality designated with “High fiscal stress”	30 percent of approved project costs, subject to availability of funding **(with no local match requirements)**
School divisions or regional CTE programs with a local composite index value at or above 0.3000 and below 0.4000, or contained in a locality designated with “Above Average fiscal stress”	20 percent of approved project costs, subject to availability of funding (**with no local match requirements**)

All other school divisions or regional CTE programs	10 percent of approved project costs, subject to availability of funding **(with no local match requirements)**

**Note: In the case of a regional CTE program applicant, a regional average value for the local composite index and fiscal stress category indicators will be determined based on the values of the individual school divisions participating in the regional CTE program.*

4. For the purpose of this program, "project costs" include reasonable and allowable project construction costs, including planning, design (architectural and engineering), site acquisition, construction phase costs involving the core building structure and related site work, but do **not** include financing costs (such as closing costs, legal counsel and financial advisor costs, and annual debt service for principal and interest payments that has already begun to be paid), outdoor facilities predominantly used for extracurricular athletic activities, loose equipment, furniture, and non-capital maintenance projects. The principal-only portion of future debt service payments not yet begun on school or regional CTE program facility projects where construction is pending or just begun is an allowable project cost with grant funding when the school division or regional CTE program governing board can document that other allowable project costs have been incurred during the construction phase in an amount at least equal to the amount of grant funds that would be applied towards future principal-only payments for the project.

5. For this program, "construction" includes construction of new public school models, individual, or regional CTE program buildings, construction to expand a public school or regional CTE program building by additions, major modernizations, flexible space buildouts, renovations or alterations to modernize an existing public school, school-based CTE program, or regional CTE program building.

   For this program, "eligible schools" include public school buildings owned by or under the control of local school boards in which classroom instruction is delivered to grades Pre-K through 12 students, and regional CTE program facilities governed by regional boards and eligible for grant funding pursuant to *Code of Virginia* §22.1-140.1.

6. A minimum, total qualifying criteria score of 65 points (on a 100-point scale) must be met for a project to qualify for a grant award based on the Board-adopted scoring criteria, with the minimum score set at a level to ensure funds are prioritized for critical school or regional CTE program construction or renovation projects. The scoring criteria used to award grants are based on various indicators and their associated point values as presented in the Competitive Application Criteria that demonstrate the following four categories:

   a. Commitment, demonstrated by (i) an agreement by the local governing body, or participating local school boards in the case of a regional CTE program applicant, to maintain or increase the percentage of local revenues dedicated to public education or to the regional CTE program throughout the duration of the

financing proposed for the project; and (ii) the extent of project design and site acquisition for such project that has been completed prior to application of anticipated grant funds.

b. Need, demonstrated by:
    - (i) the school division or regional CTE program regional average ISP (Identified Student Percentage) value that is based on multiple indicators including SNAP, TANF, FDPIR, Head Start, Migrant Child, Runaway Child, Homeless Child, Foster Child, and Medicaid participants;
    - (ii) the percentage of residents of the locality in which the local school division is located or the regional CTE program regional average with incomes at or below the federal poverty guidelines established by the U.S. Department of Health and Human Services;
    - (iii) the local composite index of local ability-to-pay for the local school division or the regional CTE program regional average;
    - (iv) debt capacity of the locality in which the school division is located or the regional CTE program regional average; and
    - (v) the most recent fiscal stress score of the locality that includes the local school division as designated by the Virginia Commission on Local Government, or such indicator that is based on the regional CTE program regional average.

c. Poor school building conditions, demonstrated by: (i) the condition of the facilities proposed to be replaced or upgraded using these funds, including the current level of compliance of the existing facility with the Americans with Disabilities Act of 1990 (42 5 U.S.C. § 12101 et seq.) and the facilities' potential threat to the health or safety of building occupants, such as significant building safety issues or structural deficiencies; and (ii) the overall condition of other facilities within the school division or in the school divisions participating in a regional CTE program. The data sources for criteria i and ii are from building condition information submitted by school divisions and regional CTE programs on the program application based on criteria provided by the Department of Education.

d. Additional points will be assigned for all CTE programs that demonstrate alignment to high-demand occupations as outlined on the Virginia Office of Education Economics (VOEE) website. Additional demonstration of industry or post-secondary support could include; e.g. letters from local employers, GO Virginia Board letters of support, etc. In addition, school based and regional CTE programs are encouraged to explore other CTE program specific funding sources, such as the Perkins Grant, business and industry in-kind contributions, or other allowable grant resources, for equipping their program spaces.

e. Additional points will be assigned based on increases, or no decrease in division wide Pre-Kindergarten-12th grade student enrollment numbers as reported in the latest Fall Membership Report.

7. If qualifying grant award requests exceed the amount of funds available, grants are awarded based on ranked project scores, and grant amounts are not prorated. However, the last project funded based on ranked project scores may be partially funded based on the remaining funds available. In the event multiple eligible projects have the same ranked project scores and would be the last project funded with available funding, the project associated with the lowest school division or regional CTE program average composite index is given priority for award of any remaining funding.

8. Not more than three school project applications may be submitted by a school division or regional CTE program governing board during each open application period. Funds will be awarded to one qualifying project from each school division or regional CTE program with the highest score in rank order based on the total competitive selection criteria, with a project required to score at least 65 total points to be eligible to receive an award subject to available funding. Any remaining funds will be awarded to the next highest scoring project over 65 points from each division until all remaining funds available for that application period are exhausted. If a division has multiple projects with the same score as its highest scoring project, the highest grant award amount among them is funded; if it has tied scores for its second highest scoring project, the lowest grant amount among them is funded.

9. A specific project application can only receive one grant award. The total project cost eligible to receive a grant award is a minimum of $500,000 for individual school-based projects and $1.0 million for division wide projects but not to exceed $100.0 million pursuant to the processes and criteria in item 4 above. Grant awards are not amended for any additional project costs after the Board awards a grant to a school division or regional CTE program governing board. Change in scope of a project or transfer of the awarded grant funds to another project after the grant is awarded may result in the project's grant funding being rescinded and funds awarded to the next eligible school or regional CTE program project application.

10. The release of funds to grant awardees is reasonably aligned with the timing of incurred project costs as determined by the Department of Education and are not advanced in a single, total payment following award of grant funds. Reimbursements request will be accepted quarterly on March 1, June 1, Sept 1, Dec 1. Instruction and forms for reimbursement requests are located on the SCAP application in SSWS system.

11. Grants are awarded by the Board of Education on a competitive basis using ranked project scores based on the criteria information included in the submitted program applications and from data sources available to the Department of Education. School divisions or regional CTE programs applying for a grant must (i) indicate the estimated costs based on prevailing costs of the construction project for the reasonable and

allowable portions of the project that may be funded, and (ii) certify its intent to obligate awarded grant funds for the construction project within six months of the grant award notification by the Department of Education. Obligation and expenditure of awarded grant funds by school divisions or regional CTE programs will be monitored by the Department.

12. School divisions or regional CTE program governing boards must provide as part of the grant application a narrative description of their planned preventive maintenance program for the proposed construction, addition, or renovation project to maximize its useful life once completed. The narrative description should emphasize the annual preventive maintenance process and include projected funding amounts for preventive maintenance for the first five years after the project is completed and placed into service. School divisions and regional CTE programs must also submit a copy of their currently adopted capital improvement plan (CIP), if applicable. For school-based and regional CTE programs, a narrative description should include identified employers and community partners involved in the project, if funded.

13. A school division or regional CTE program may be disqualified from receiving a grant award under this program or previously awarded grant funds may be withheld from payment if a school division or regional CTE program is not in compliance with other state laws, regulations, policies, or guidelines.

14. Selected grant recipients will be required to report on the status of the funded project, every 6 months for the duration of the project, including funding sources for the overall project (including SCAP funds), percentage of SCAP allocation used, status of the overall project (% complete), and anticipated project completion date. Selected grant recipients will be required to communicate to VDOE upon completion. VDOE will coordinate the collection of this information in conjunction with existing annual reporting requests.

    Final allowable project costs should be reported to the VDOE upon project completion. Funds awarded will be the lower % of either the final allowable costs or the estimated price submitted in the application. If the estimated project costs are higher than the actual price, the difference between the amount eligible and the amount awarded will need to be returned to VDOE. All allowable expenses will need invoices included for reimbursement and proof of final project cost.

15. The school or regional CTE center project funded by a SCAP grant must be scheduled to remain open for at least five more years including in locations where enrollment is decreasing as a result of school consolidation or closings

COMPETITIVE APPLICATION CRITERIA

Proposed public school construction or renovation projects, including for regional career and technical education (CTE) programs, submitted by school divisions or regional CTE program governing boards through the online program application are evaluated for funding based on the competitive scoring criteria and their associated point values listed below. All information submitted on the SCAP program application is subject to additional review, clarification, or verification by the Department of Education. A project qualifies for funding based on the project's ranked project score, with a minimum qualifying score of 65 points required to receive a funding award, contingent on available funding to award a grant for the project.

Proposed public school or regional CTE program construction or renovation projects are evaluated and scored according to the thirteen scoring criteria and their associated point values listed below to determine the eligible projects to be awarded grants contingent on meeting the minimum qualifying criteria score of 65 and available grant funding **(maximum scoring criteria points = 100; a minimum qualifying score of 65 points is required for a project to qualify for further consideration for a grant award)**:

1. Maximum of 15 points if the project is for construction of a new school building or for a building-wide renovation which maximizes useful life of the building compared to minor renovations):

    - 15 points for new school building, school-based CTE program, or regional CTE programs, that aligns to the VOEE high-demand occupation list and evidence of analysis with regional workforce and higher-education strategies, construction or for a building-wide renovation (refer to *Project Type Definitions* document)
    - 10 points for a school addition, major modernization, flexible space build-out, or renovation project building, school-based CTE program, or regional CTE program, that aligns to the VOEE high-demand occupation list, (refer to *Project Type Definitions* document)
    - 3 points for building enhancements and flexible space concepts after a full consolidation or school closure.
    - 2 points for a minor building renovation (refer to *Project Type Definitions* document)

2. Maximum of 3 points if the building, or buildings with similar projects, being renovated or a building specifically being replaced by new construction has not had any building access modernization improvements as required by the Americans with Disabilities Act (ADA) of 1990.

3. Maximum of 10 points if the building, or buildings with similar projects, being renovated, or a building specifically being replaced by new construction, is in poor condition:

- 10 points if the building is in Poor condition (refer to *School Building Condition Definitions* document)
- 8 points if the building is in Fair condition (refer to *School Building Condition Definitions* document)
- 5 points if the building is in Good condition (refer to *School Building Condition Definitions* document)

4. Maximum of 10 points for the school division Identified Student Percentage (ISP) used for the federal Community Eligibility Provision meal program. The ISP is the proportion of "identified students", out of total enrolled students, who are directly certified for free school meals through means other than a household income application from the Identified Student Percentage (ISP) Report as of July 1, 2025:

   - 10 points for division ISP of 50.09 or higher
   - 8 points for division ISP greater than 40.09 to less than 50.09
   - 6 points for division ISP of 30.10 to 40.09
   - 3 points if ISP is less than 30.10

   Note: in the case of a regional CTE program application, a regional average value comprised of the data of the school divisions participating in the regional program will be used for this criterion.

5. Maximum of 10 points for the school division Composite Index:

   - 10 points for division Composite Index of 0.0000 to 0.2999
   - 8 points for division Composite Index of 0.3000 to 0.5999
   - 5 points for division Composite Index of 0.6000 to 0.8000

   Note: in the case of a regional CTE program application, a regional average value comprised of the data of the school divisions participating in the regional program will be used for this criterion.

6. Maximum of 5 points if the planned construction, addition, or renovation project is included in the school division's, regional CTE programs, or locality's currently approved Capital Improvement Plan (CIP). 0 points if not included in the currently approved CIP.

7. Maximum of 2 points for a school-based or regional CTE program that provides open enrollment to students and will accept students who may not have access to this type of programming or innovative public model within their division or region. In addition, provide demonstrated support from industry or post-secondary institutions (e.g. letters from local employers, GO Virginia Board letters of support, etc.)

8. Maximum of 5 points for school division with increasing or Unchanged Student

Enrollment Totals based on latest September Fall Membership Report:

- 5 points for Increasing or Unchanged Enrollment Totals
- 0 points for Decreasing Enrollment Totals

9. Maximum of 5 points for Commitment, if

   a. there is an agreement by the local governing body, or the participating local school boards in the case of a regional CTE program applicant (if project design includes documented employer commitments for regional CTE programs prior to applying for grant funds under this program), to maintain or increase the percentage of local revenues dedicated to public education throughout the duration of the financing proposed for the project; **and**
   b. the project design and site acquisition for the project has been fully or substantially completed prior to applying for grant funds under this program.
      - 5 points if both criteria a and b above have been met
      - 0 points if either criterion a or b above have not been met

10. Maximum of 10 points for Locality Fiscal Stress Designation *(based on FY2023 designations from the Commission on Local Government*):

    - 10 points for a locality with a High fiscal stress designation
    - 8 points for a locality with an Above Average fiscal stress designation
    - 5 points for a locality with a Below Average fiscal stress designation
    - 3 points for a locality with a Low fiscal stress designation

    Note: in the case of a regional CTE program application, a regional average value comprised of the data of the school divisions participating in the regional program will be used for this criterion.

11. Maximum of 9 points for the percentage of residents of the locality in which the school division is located with incomes at or below the federal poverty guidelines (U.S. Census Bureau *SAIPE January 2026*)

    - 9 points for localities with greater than 15.0 percent of residents at or below the federal poverty guidelines
    - 7 points for localities with 10.0 to 15.0 percent of residents at or below the federal poverty guidelines
    - 3 points for localities with less than 10.0 percent of residents at or below the federal poverty guidelines

    Note: in the case of a regional CTE program application, a regional average value comprised of the data of the school divisions participating in the regional program will be used for this criterion.

12. Maximum of 8 points for the condition of all school buildings in the school division (including the building proposed for renovation, addition, or replacement):

    - 8 points if over 50 percent of all school division buildings are in Poor condition (refer to *School Building Condition Definitions* document)
    - 6 points if 30 to 50 percent of all school division buildings are in Poor condition (refer to *School Building Condition Definitions* document)
    - 2 points if less than 30 percent of all school division buildings are in Poor condition (refer to *School Building Condition Definitions* document)

    Note: in the case of a regional CTE program application, a regional average value comprised of the data of the school divisions participating in the regional program will be used for this criterion.

13. Maximum of 3 points for Debt Capacity of the Locality (Debt Capacity for each locality is expressed as a percentage based on Total Tax Supported Debt divided by the sum of Fair Market Value (FMV) of Taxable Real Estate + Assessed Value of Tangible Personal Property + Assessed Value of Public Service Corporations. (Source: Ratio Measure 5 from the Auditor of Public Accounts' *Local Government Fiscal Distress Monitoring 2022 and 2023 Report - as of June 2024*):

    - 3 points for a percentage of 2 or greater
    - 0 points for a percentage less than 2 percent

    Note: in the case of a regional CTE program application, a regional average value comprised of the data of the school divisions participating in the regional program will be used for this criterion.

14. Maximum of 5 points if the school, school division or regional CTE program has not been awarded a School Construction Assistance Program grant previously in the past two fiscal years.

REPORTING

Item 125, Paragraph C. 42.d. of the Chapter 2 budget (2024 Special Session I) requires the Board of Education to submit an executive summary of the program, including details on projects funded each year and any necessary legislative or budget recommendations to improve the program, no later than December 1 of each year to the House Education Committee, Senate Education and Health Committee, House Appropriations Committee, and Senate Finance and Appropriations Committee. Department staff will assist with the development of this report.