

**MONTANA DEPARTMENT OF COMMERCE
QUALITY SCHOOLS GRANT PROGRAM**

**GUIDELINES & ADMINISTRATION MANUAL FOR
QUALITY SCHOOLS PLANNING GRANTS
2015 Biennium**

**MONTANA DEPARTMENT OF COMMERCE
Community Development Division**

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Appendix – Quality Schools Planning Grant Application

INTRODUCTION

2015 Biennium Quality Schools Planning Grants: House Bill 15, passed by the 63rd Montana Legislature and signed into law by Governor Bullock on April 26, 2013, provides \$900,000 for matching school facility planning grants during the 2015 biennium. These guidelines provide information on who is eligible for planning grants, what types of projects qualify for planning grant funds, what expenses are eligible for reimbursement with planning funds, how school districts can apply for planning funds, how the Department will review and approve applications for planning funds, and the administrative procedures and requirements that apply to all planning grants.

These Quality Schools Planning Grant guidelines & administration manual, as well as the application form, are available on the Montana Department of Commerce website at <http://commerce.mt.gov/qualityschools/planning.mcp>, by emailing DOCqualityschools@mt.gov, or by contacting program staff at (406) 841-2770 or by TDD at (406) 841-2702.

I. ELIGIBLE APPLICANTS

Quality Schools planning grants are available for any public school district located in the state of Montana that serves Montana K-12 students, including elementary school districts, high school districts, and K-12 school districts, as those entities are defined in Title 20, Chapter 6, MCA.

The trustees of an applicant school district must approve the submission of a planning grant application, either through a formal board resolution of approval or through delegation of authority to submit the application to an authorized officer or employee of the district. The trustees of an applicant school district are solely responsible for ensuring that the district follows all applicable federal, state, and local laws or regulations in applying for a planning grant and engaging in any activity funded thereby. Non-public school districts are not eligible for planning grants.

All applicants must have the management capacity to undertake and satisfactorily complete the planning project applied for, and assure proper management of Quality Schools funds. Planning grant recipients must be in compliance with all applicable auditing and financial reporting requirements, and have the capacity to specifically assure proper tracking and recording of funds.

II. ELIGIBLE PLANNING PROJECTS AND COSTS

Each public school district may apply for one Quality Schools planning grant per biennium for the following planning activities:

- School facility or facilities condition assessment; training for staff on the use of the FCI (Facility Condition Inventory) software system; or research necessary to establish or expand a facility assessment program;
- An energy audit of a school facility or a portion thereof;
- A Preliminary Engineering Report (PER) for drinking water, wastewater, storm water, solid

waste facilities serving school facilities, or other infrastructure systems as deemed appropriate and approved in writing by the Department;

- A Preliminary Architectural Report (PAR) for school facility projects (other than drinking water, wastewater, storm water, solid waste facilities, or other infrastructure systems);
- A Comprehensive Facility Plan;
- Preparation of a grant application for the Quality Schools Facility Infrastructure Grant Program;
- A planning project other than those stated above (please contact program staff prior to submitting an application for additional guidance).

The Quality Schools Grant Program will reimburse school districts for postage costs, in-state mileage costs, and copy and printing costs associated with administration of eligible planning grant activities.

A. School Facility Condition Assessment

The State of Montana K-12 Public Schools Facility Condition Assessment (July 2008 “K-12 Facility Study”) assessed the condition, energy use, educational characteristics, and technology infrastructure of each school facility in the state. The report utilized the Facility Condition Inventory (FCI) system, an audit tool created by Montana State University for managing public facilities operations, maintenance, and expansion.

As emphasized in the K-12 Facility Study, the condition assessment conducted for that study was a one-time or “snapshot” assessment of facility conditions on the date each site was visited, and long-term success of facility management requires on-going maintenance of the assessment:

“[T]he success of any ongoing facility assessment process depends on the use of the data collected, and the regular updating and management of new data as repair projects are completed or new concerns become evident with building age. It is highly recommended that districts continue to perform FCI observations on a 2-4 year recurring basis to achieve maximum benefit from this powerful and worthwhile tool in the overall management of their facility maintenance operations.”

The FCI system is available to all state, local government, and public school entities that may be interested, and is now in almost universal use throughout State government as a valuable facility management tool. For information on the FCI system, please contact Victoria Drummond at Montana State University’s Facilities Planning, Design & Construction Department at victoria.drummond@montana.edu, or call at (406)994-7914.

Quality School planning grants may be used to hire architects, engineers, and other consultants to build on this K-12 Facility Study for their facilities; assess school facilities in detail; conduct planning, studies, analyses, or research necessary to establish or expand a facility assessment program; or to train staff on the use of the FCI system.

B. School Facility Energy Audit

Quality Schools planning grants may be used to pay for the costs of obtaining an energy audit of a school facility, or a portion thereof, completed by a professional engineer licensed in Montana. The following types of energy audits are eligible for planning grant funding:

- 1) General (or “conventional”) energy audit. A general audit collects detailed information about energy use, facility operation, and performs an evaluation of energy conservation measures (ECMs) available for the facility. Utility bills for a 12 to 36 month period are reviewed, and the auditor evaluates the facility's energy/demand rate structures, energy usage profiles, and signs of energy waste. Sometimes additional metering of specific energy-consuming systems is performed by the auditor to supplement existing utility data. The auditor identifies all energy conservation measures appropriate for the facility and performs a detailed financial analysis for each recommended improvement based on implementation cost estimates and site-specific operating cost savings. Sufficient detail is provided to justify project implementation of all improvements recommended in the audit. This type of audit is generally adequate to support expenditures on most energy efficiency improvements.
- 2) Investment-grade energy (or “comprehensive building energy systems”) audit. The investment-grade audit provides a comprehensive building energy systems audit for the purpose of identifying and documenting energy conservation measures, cost savings factors, and estimated conservation-related cost savings from the conservation measures identified. This audit supplies a dynamic model of energy-use characteristics of both the existing facility and all energy conservation measures identified. The model is balanced against actual utility data to compute operating savings for proposed recommended improvements. The auditor gains an understanding of the operating characteristics of all energy consuming systems at the facility as well as situations that cause load profile variations on short and longer term bases (e.g. daily, weekly, monthly, annual). Additional metering and monitoring of the facility's major energy consuming systems is performed by the auditor to supplement existing utility data.

Both types of audits may be eligible for funding with a Quality Schools Planning Grant, so long as they provide the following minimum information:

- A narrative description of the facility, including its age, function, recent upgrades, current condition; its current energy system(s) and usage; and the price per unit of energy (electricity, natural gas, propane, fuel oil, renewable energy, etc.) paid by the district. The audit should review the information for the facility set forth in the K-12 Facility Study, but must also include more specific information collected through the auditing process;
- A narrative summary of the proposed energy efficiency improvement(s) and their benefits;
- The expected energy savings per year of the improvement(s) recommended;
- An estimate of the dollars saved per year as a result of each improvement recommended;
- An estimated maximum cost of the improvement(s) recommended;
- The payback period in years and months (total project cost divided by annual dollars of energy savings); and

- A description of the proposed financing package the school district can utilize to pay for the proposed improvements.

Quality Schools Planning Grants may be used to pay for costs associated with the preparation of an investment-grade energy audit serving as the basis for the terms of an energy performance contract pursuant to the provisions of Title 90, Chapter 4, Part 11, MCA, provided that the school district follows the selection process set forth in 90-4-1104, MCA. If this is the type of planning project a school district is applying for, the planning application must include documentation showing that the request for proposal was sent to at least three qualified vendors known to be offering energy performance contracts.

C. Preliminary Engineering Report (PER)

Quality Schools Planning Grants may be used for the preparation of a preliminary engineering report (PER) and any plans, studies, analyses, or research necessary for the preparation of a PER for a drinking water, wastewater, storm water, solid waste facility serving school facilities, or other infrastructure systems as deemed appropriate by the Department.

Any PER funded with a Quality Schools planning grant must contain the minimum information set forth in the most current Preliminary Engineering Report Guide for the Quality Schools Grant Program available at <http://commerce.mt.gov/qualityschools/planning.mcpx> and must be prepared by a professional engineer licensed in Montana.

As part of a PER, Quality Schools planning grant funds may also be used for the preparation of the Environmental Checklist for a school facility infrastructure project (<http://commerce.mt.gov/qualityschools/project.mcpx>).

D. Preliminary Architectural Report (PAR) or Comprehensive Facility Plan (CFP)

Quality Schools planning grants may be used for the preparation of a Preliminary Architectural Report (PAR), a comprehensive facility plan (CFP), and any plans, studies, analyses, or research necessary for the preparation of a PAR or CFP for school facility projects (other than drinking water, wastewater, storm water, or solid waste facilities).

Any PAR funded with a Quality Schools planning grant must be prepared by an architect licensed in the State of Montana. The document must adequately describe the existing facility situation and problem; analyze alternatives and propose a specific course of action for solving the problem; provide sufficient information to adequately assess the need for, feasibility, and cost of the proposed project; and address all of the issues in the PAR outline set forth in the Preliminary Architectural Report Guide for the Quality Schools Grant Program, available at <http://commerce.mt.gov/qualityschools/planning.mcpx>.

The architect should use his or her professional judgment to present sufficient information during preparation of the document, taking into account that different projects require varying levels of detail (rehabilitation of an existing building versus construction of a new building). The level of effort required to prepare the document and the depth of analysis within the document should be proportional to the size and complexity of the proposed planning project.

III. INELIGIBLE PLANNING PROJECTS AND COSTS

Quality Schools Planning Grants cannot be used to pay for the following activities:

- Operation and maintenance costs or expenses;
- Purchase of furnishings, fixtures, equipment, or real property;
- Design or construction documents or services;
- Construction or any non-professional services;
- Grant administration and management expenses, except postage costs, in-state mileage costs, and copy and printing costs associated with administration of eligible planning grant activities;
- Financial expenses, including but not limited to interest expense, bond issuance costs, or any other debt-related costs or expenses; or
- Any project-related costs incurred prior to July 1, 2013.

IV. REQUIRED PLANNING GRANT MATCH

Quality Schools planning grants are available in amounts up to \$25,000 for an applicant district. The applicant district must provide a match on a 1:4 basis (i.e., the district must provide \$1 for each \$4 of Quality Schools Planning Grant funds awarded) that must be firmly committed by the time Quality Schools funds are released.

Both the total Quality Schools planning grant funds requested and the amount of the district's matching funds must be identified in the application. The following types of funds are acceptable forms for the Quality Schools Planning Grant match:

- School district funds, including but not limited to bond funds, building funds, building reserve funds, deferred maintenance, flex funds, or cash reserves;
- Grants from other local, state, or federal agencies or programs;
- Loan funds, such as those borrowed from the Montana Board of Investments Intercap Program;
- Cash contributions from a private organization or business, except from any contractor employed on the planning project; or
- Documented "In-kind" services provided by individuals, organizations or businesses for cash match (typically limited to 50% of total match; documentation of financial hardship and formal approval by school board required if requesting use of "In-Kind" matching funds), except from any contractor employed on the planning project.

The application must be accompanied by a letter detailing the source of all financing for the entire planning project, and providing firm commitment of all matching funds.

V. APPLICATION SUBMISSION

To apply for a Quality Schools Planning Grant, a public school district must complete the application found on the Quality Schools website at: <http://commerce.mt.gov/qualityschools/planning.mcp.x>.

The applicant must submit the completed application and any supplemental materials to the Department by first class mail, hand delivery, or email to:

Montana Department of Commerce
Community Development Division, Planning Bureau
301 South Park Avenue
P.O. Box 200523
Helena, MT 59620-0523
DOCqualityschools@mt.gov

Each application submitted must be complete and accompanied by all required supplemental materials. Commerce reserves the right to reject ineligible, incomplete, or otherwise improper applications. Commerce will begin accepting applications for additional planning grant funds on **April 11th, 2014** and will award grants until the remaining funds have been expended. If the district submits its application electronically, it must mail the original signature page to the Department.

Applicants are encouraged to contact Planning Bureau staff with any questions they have concerning application submittal and the requirements related thereto. Commerce is committed to assisting all school districts applying for Quality Schools planning grant funding.

VI. APPLICATION REVIEW PROCESS

Staff will first review each application for completeness. During this review, staff may contact an applicant to review the application and to discuss any concerns or questions or to request additional information or documentation. Staff may require additional information from the applicant to clarify information presented in the application; however, the applicant may only submit additional information after the initial application if and when specifically requested by staff.

The Department will review all complete planning grant applications and evaluate the extent to which each proposed planning project relates to the following criteria set forth in the Quality Schools Facility Grant Program statute [§90-6-811, MCA, as modified by HB 15 (Chapter 325, Laws 2013)], giving preference to planning for projects involving repairs to existing facilities over projects involving construction of new facilities:

- (1) Planning for projects to solve urgent and serious public health or safety problems or that enable public school districts to meet state or federal health or safety standards;
- (2) Planning for projects to address deferred maintenance by repairing or replacing existing building components that are inoperable or difficult to service or that lack minimum integrity;
- (3) Planning for projects that enhance a public school district's ability to offer specific services related to the requirements of the accreditation standards provided for in 20-7-111;
- (4) Planning for projects that provide long-term, cost-effective benefits through energy-efficient design;

- (5) Planning for projects that incorporate long-term, cost-effective benefits to school facilities, including the technology needs of school facilities; and
- (6) Planning for projects that enhance educational opportunities for students.

For each of the above types of planning projects, staff will consider the following attributes:

- (a) The applicant's need for financial assistance with the planning project;
- (b) The applicant's ability to obtain the required matching funds for the planning project;
- (c) The applicant's past efforts to ensure sound, effective, long-term planning and management of its facilities, and attempts to address its facility planning needs with local resources;
- (d) The fiscal capacity of the applicant to meet the grant conditions required by the Department, including but not limited to its ability to manage the planning project, documented use of generally accepted accounting principles, adherence to design standards required by regulatory agencies, and an applicant's ability to obtain the long-term funding necessary to complete the planned facility project;
- (e) The importance of the project and the support for both the planning project and the planned facility project in the community.

Site visits may be made for the purpose of verifying or further evaluating information contained in the application. Staff will consider the overall quality of the application, including measurable project goals, tasks, and activities, a well developed work plan and budget, and supporting documentation in making its final award decisions. Staff may also consider the extent to which the planning project or the planned facility project addresses the educationally relevant factors established in 20-9-309, MCA before making its final award decisions.

Commerce will notify successful applicants of a Quality Schools planning grant award by formal Award Letter. The completed application including any written modifications resulting from the review and ranking of the application by Quality Schools staff, will be incorporated into the grant contract between Commerce and the school district. The grant contract must be executed by an authorized agent of the school district.

VII. ADMINISTRATIVE PROCEDURES AND REQUIREMENTS

The provisions below describe some of the more significant administrative procedures and requirements successful Quality Schools planning grant applicants and grantees must comply with. All procedures and requirements that the award recipient must comply with will be set forth in the grantee's contract with Commerce.

- (I) Payment.** Quality Schools planning fund grantees must execute a contract with the Montana Department of Commerce before any funds can be reimbursed. Payment for approved expenses under the grant contract will be on a reimbursement basis only. Commerce will typically disburse 50% of the planning grant award upon submittal of a drawdown request with proper documentation and 50% or more completed draft project deliverables, when applicable. The remaining funds are disbursed after the completed report or other final deliverables have been submitted and approved by Commerce. To request payment from the Department, grantees must submit a Drawdown Request Form with supporting documentation, including a Signature Certification Form and all applicable invoices detailing the project expenditures by activity, employee and showing hourly rate breakdowns, along with a project progress report. To receive final payment, the grantee must also show proof of

expenditure of all matching funds and include one hard copy and one electronic copy of the planning deliverables (PAR, PER, etc.). Commerce will determine, in its sole discretion, whether supporting documents accompanying a drawdown request are sufficient and adequate to approve reimbursement. If the grantee fails to incur expenses on or before the termination date of the grant contract, Commerce cannot reimburse the grantee planning grant award funds, unless the grantee can demonstrate, to the satisfaction of Commerce, a reasonable basis for the delay in requesting reimbursement. All documentation and requests for reimbursement must be received by the department within 90 days of termination of the grant contract.

- (2) **Reporting Requirements/Project Monitoring.** Grantees will be required to submit progress and expenditure reports in accordance with the requirements of the grant contract. Commerce reserves the right to perform site inspection(s) in order to monitor the Grantee's compliance with the terms of grant contract, including but not limited to verification of services performed and monitoring of Quality Schools planning grant funds.
- (3) **Public's Right to Know.** Applications that are funded are subject to disclosure, in response to requests received under provisions of the Montana Constitution (Art. II, §9). Information that could reasonably be considered to be proprietary, privileged, or confidential in nature must be identified as such in the application, whereby the grantee must enter into a non-disclosure agreement with the Department.
- (4) **Authority/Approvals.** The signature on the application is the applicant's authorized agent's certification that the district trustees have either taken formal action (by resolution) to approve submittal of the application or that the trustees have previously delegated their authority to submit the application to the agent as an authorized officer or employee of the district. The trustees of an applicant school district are solely responsible for ensuring that the district follows all applicable federal, state, and local laws or regulations and these guidelines in applying for a grant and engaging in any activity funded thereby.
- (5) **Compliance with Laws.** The applicant must certify on the application that the proposed planning project complies with all state, federal, and local laws, ordinances, and regulations, including any necessary environmental review and procurement requirements, including but not limited to the following:
 - School districts in the State of Montana are subject to specific procurement requirements set forth in state statute. Recipients of Quality Schools grant funds are expected to ensure that all requirements in the statute are followed and properly met, including but are not limited to those set forth in Title 18, Chapter 2, and Title 20, Chapters 6 and 9. Districts receiving Quality Schools grant funds should be prepared to document the procurement process followed.
 - Sections 2-2-104, 2-2-105, 2-2-201, 20-1-201, and 20-9-204, MCA govern the code of conduct and conflicts of interest by all school districts and public employees including the school superintendent, the trustees of a school district, and district employees. These laws must always be followed by school districts, regardless of their participation in the Quality Schools grant program.
 - Montana's Prevailing Wage Act (Section 18-2-401, et seq., MCA) applies to all public works contracts let by a school district (all construction contracts and non-construction contracts in excess of \$25,000). Districts receiving Quality Schools grant

funds should be prepared to document the payment of state prevailing wages in all applicable contracts for services.

- (6) **Dissemination of Information/Technology Transfer.** Grantees will be contractually required to allow Commerce access to the facility project site associated with the planning project, and the ability to obtain, publish, disseminate, or distribute any and all information obtained from the planning project (except any data or information identified as confidential or proprietary), without restriction and without payment or compensation by Commerce.
- (7) **Grant Duration/Performance Period.** The grant term will begin upon execution of the grant contract and will end one (1) year after the date of the Award Letter, or upon final reimbursement for costs and close-out of the planning project by Commerce, whichever is sooner. No draw requests may be submitted for any costs or expenses incurred by the district after termination of the grant contract. The Department, in its sole discretion, may grant an extension to the contract termination date if the planning project is near completion but will not be fully completed by the deadline, and the grant recipient can demonstrate a good faith effort to complete the project on time and within the original budget.
- (8) **Return of Funds.** At Commerce's sole discretion, the grantee will be required to and agrees it shall return to Commerce any and all funds that are determined by Commerce to have been spent in violation of the terms and conditions of the grant contract.
- (9) **Cost Savings.** In the event that expenses for a Quality Schools planning grant project are less than the projected costs and grant award, Commerce may either, in its sole discretion, authorize additional related planning efforts for the same facility to enhance the overall project or reduce the grant award accordingly.

Alternative accessible formats of this document will be provided upon request.

If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Community Development Division at (406) 841-2770 the Montana Department of Commerce TDD (406) 841-2702, or the Relay Services number, 711.