

Commission on School Construction and Modernization

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Wednesday December 1, 2021, 10:00 a.m.

Senate Committee Room A

Pocahontas Building

900 E. Main St., Richmond, VA 23219

Recommendations Adopted by the Commission:

1. Adopt each of the six joint recommendations of the Department of Education and the Department of Treasury relating to the Literary Fund (in letter dated July 27, 2021), including:
 - A. Amending the general appropriation act to establish a minimum principal or asset base in the Literary Fund of \$250 million to be used school construction and renovation loans;
 - B. Amending the Code of Virginia to increase the maximum Literary Fund loan amount per project from \$7.5 million to \$25 million;
 - C. Amending the Code of Virginia and requiring the Board of Education to amend its regulations to reduce Literary Fund loan rates from 2-6% at 1% increments to 1-3% at .5% increments and create an open application process at a scheduled time each year with priority given to low LCI school divisions that make certain commitments.
 - D. Amending the Code of Virginia to provide the Board of Education the authority to remove inactive projects from the Literary Fund loan waiting list after a certain amount of time (e.g. 5 to 7 years).
 - E. Amending the Code of Virginia to provide a premium loan amount add-on (e.g. \$5 or \$10 million) per project to the maximum set forth above in B for projects that involve the consolidation of schools.
 - F. Amending the Code of Virginia to provide cash incentive grants of up to \$25,000 to help school boards and localities cover Literary Fund loan closing costs.

2.
 - A. Amend the Code of Virginia to establish a special nonreverting fund and a competitive program for the award of grants from such fund for the construction or renovation of public school buildings. This bill would be similar to HB 2093 (2021) and SB 1087 (2020) but would specifically direct funds remaining in the Casino Gaming Fund pursuant to subdivision B 5 of § 58.1-4125 to be used to support the grant program.
 - B. Amend the general appropriation act to provide additional funds, such as a percentage of future surpluses, to support the grant program.

3. Amend § 58.1-602 and various other provisions of the Code of Virginia to permit any locality to levy a general retail sales tax at a rate not to exceed one percent as determined by its governing body to provide revenue solely for capital projects for the construction or renovation

of schools if such levy is approved in a voter referendum. Under current law, such sales tax is only permitted in nine enumerated localities.

4. Introduce a § 1 bill to direct the Board of Education to make recommendations to the General Assembly for revisions to the Standards of Quality to establish standards for operations and maintenance of and new construction of public school buildings.

5. Amend § 22.1-100 of the Code of Virginia to permit any school board to finance capital projects with any funds appropriated to it by the local governing body that are unexpended by the school board in any year, using HB 1921 (2019) as a template.

6. Amend § 22.1-100 of the Code of Virginia to create incentives for local governing bodies and school boards to collaborate to set aside for the purpose of capital projects any funds appropriated to the school board by the local governing body that are unexpended by the school board in any year ("turn-back" funds).

7. Amend the Code of Virginia to require the Department of Education to consult with the Department of General Services (DGS) to establish or adopt a tool for collecting data from local school divisions to determine the functional age of and ongoing maintenance reserve needs for each public school building in each local school division, similar to the MR-Fix tool that DGS uses for state buildings.

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