

State of New Jersey
Office of the Secretary of Higher Education
Higher Education Capital Facilities Programs
Solicitation for Grant Applications
For the Following Programs:
Building Our Future Bond Act and Capital Improvement Fund

Final Question and Answer Documentation
December 4, 2015

Q1) Will you accept applications prior to December 7, 2015?

A1) No applications will be accepted prior to December 7, 2015. Since answers to all questions about the applications, if any, will be posted on the NJEFA website no later than 5:00 pm, Friday December 4, 2015, this is the earliest date on which applicants will be able to certify with their applications that they have reviewed all Questions and Answers posted on the NJEFA's website. See Grant Solicitation Sections 1.3.2 and 4.2.7.

Q2) Can the appendix and other required documentation forms be available in word?

A2) The Sample Resolution and Exhibits I and II will be posted on the NJEFA's website respectively in word and excel. Please note, however, that these are merely samples for use by either public or private institutions and for Building Our Future Bond Act (GO) and/or Higher Education Capital Facilities Trust Fund (CIF) grants. Accordingly, they should be used as a starting point for drafting documents that reflect the applicant's specific grant request and eligibility requirements.

Q3) Will there be an expenditure date for determining eligibility for reimbursement of project related expenditures?

A3) As was the case with the Spring 2013 Cycle, no expenditure incurred before the date of the Secretary's certification of approval of a grant will be eligible for reimbursement.

Q4) Do you have the amount of the CIF that is allocated to the independents?

A4) There are no specific sector allocations for the CIF program.

Q5) Can CIF be used for new construction?

A5) CIF can be used for new construction in certain circumstances. See Grant Solicitation Section 3.1 B.

Q6) Are HEFT funds included in CIF funding?

A6) No.

Q7) When will the other funds such as ELF, HETI, and HEFT be available?

A7) There are no plans at this time for additional grant cycles for ELF, HETI or HEFT grants.

Q8) How long is the debt service for CIF?

A8) CIF bonds can have a maximum maturity of 30 years. The 2014 CIF bonds had a final maturity of 20 years. There is no way to predict at this time what the maturity of the CIF bonds for the 2015 Cycle will be.

Q9) Is the renovation of space to relocate our Testing Center eligible as a GO bond project? The Testing Center is used to determine which academic course level into which a student should be placed.

A9) As described in the question, it would appear that the Testing Center serves an academic purpose and could therefore be determined eligible for GO funding. Final determination of eligibility for grant funding is made based on full review and evaluation of applications as submitted.

Q10) If the projected cost to complete a currently funded GO Bond project is more than the amount awarded in the original grant, may we request additional funds for the project in this second offering?

A10) No. An Institution that has received GO grant funding from the Spring 2013 Cycle has represented in Section 1.5 of the GO Grant Agreement that they had or reasonably had expected to have sufficient funds to complete the project. Accordingly, such an Institution may not apply for additional GO funding for a previously approved project.

Q11) May we use this application for just the design phase of a new project?

A11) Yes, if the project is otherwise eligible.

Q12) Can funds be used to replenish a maintenance reserve fund on a JEC bond-financed project for the construction of an academic building?

A12) No. Although costs of a project that may be funded under the GO Bond Act include funds for maintenance, such costs must be for a project approved for GO Bond Act funding. A project approved for funding under another program such as the JEC Bond Act cannot utilize GO grant money to replenish a maintenance reserve.

Q13) In round 1, funds that were spent prior to 4/29/13 were not eligible to be reimbursed. Is there a similar cut off for round 2?

A13) Yes, as was the case with the Spring 2013 Cycle, no expenditure incurred before the date of the Secretary's certification of approval of a grant will be eligible for reimbursement. See Q & A 3.

Q14) While only one application can be submitted for each Project, can an applicant submit more than one application under the CIF Program, for example?

A14) Yes.

Q15) Is there a page limit on the double-spaced narrative?

A15) The Executive Summary required under Section 4.2.1.3 is limited to a maximum of 4 pages.

Q16) Confirmation that only one printed original plus 6 electronic copies are to be submitted.

A16) That is correct.

Q17) Pursuant to 1.4.2, only one (1) Application can be submitted for each Project and if a public institution submits an Application for a Project requesting funding from both the GO Bond Act and the CIF Program and the funding request is not approved for funding under the GO Bond Act, will the CIF Program funding process allow a revision to this program's funding request to seek a commensurate increase in the CIF Program funding to off-set the GO Bond Act requested portion?

A17) No. That is not an option.

Q18) Is there a "weighting basis" or other quantitative formula to be applied to any or all of the twelve (12) Selection Criteria listed in 3.2?

A18) All evaluation criteria are set forth in the Application Review and Evaluation Process in Section 1.5 of the Solicitation.

Q19) For the CIF Program, are there any contemplated allocations of the available funds by institutional sector, similar to the statutory allocations in the GO Bond Act and, if so, what are they?

A19) There are no allocations of CIF funds by institutional sector. See Q & A 4.

Q20) What is the estimated time frame for the Evaluation Process and when might the Secretary of Higher Education issue the approved Projects List?

A20) There is no estimate for the completion of the evaluation process, which will begin upon expiration of the period for submission of applications, and the issuance of the Project List. Timing is partially dependent on the number of submitted applications.

Q21) Will funds expended by an institution to advance the design and/or construction of a Project requested to be funded through an Application be considered as eligible as an expense under either or both of these programs or will there be an exclusion for such expenditures incurred before some date, such as the date the Secretary of Higher Education issues a list of Projects that have been approved for funding as set forth in Section 1.5?

A21) Costs incurred prior to the date the Secretary certifies a project for grant funding will not be eligible to be reimbursed from a grant. However, assuming that federal tax law requirements for reimbursement from bond proceeds are met, design and/or construction costs incurred after that date will be eligible to be paid with grant funds. See Q & A 3 and 13.

Q22) We understand that the funds being allocated from the GO bonds is in the form of grants. Since the funding source to the state are issued bonds, are there any constraints on the recipient institutions such as limitations on Private Business Use of the facility? If so, how are the limitations determined for each recipient?

A22) The grant agreements will require certain tax covenants.

Q23) We understand that the funds being allocated from the Capital Improvement Fund Program (CIF) are in the form of grants but that require repayment of half the debt service costs by the grant recipient. Since the funding source to the state are issued bonds, are there any constraints on the recipient institutions such as limitations on Private Business Use of the facility? If so, how are the limitations determined for each recipient?

A23) The grant agreements will require certain tax covenants.

Q24) What is the expected term of the CIF loans?

A24) CIF bonds can have a maximum maturity of 30 years. The 2014 CIF bonds had a final maturity of 20 years. There is no way to predict at this time what the maturity of the CIF bonds for the 2015 Cycle will be. See Q & A 8.

Q25) Understanding that this is subject to the market at the time of sale, what is the current estimated range of interest rate for the CIF loans?

A25) The interest rates on the 2014 CIF bonds ranged from 0.25% for the bonds maturing in one year to 2.65% for the bonds maturing in 10 years to 3.92% for the bonds maturing in 2033. We can't predict what rates will be at the time the bonds are issued for the 2015 Cycle CIF grants.

Q26) Is there a maximum amount that can be requested under the GO Bonds and CIF programs?

A26) For the GO Bond Act grants, \$113,516 remains available for the public research institutions, \$2,785,638 remains available for the senior public institutions, \$4,551,520 remains available for the private institutions and \$26,881,874 is available for the county colleges.

The total funding available for all new CIF grants is \$145,980,000.

Q27) The CIF program appears to differentiate projects for renewal and renovation from projects for improvement, expansion, construction and reconstruction. If a project falls in the second category there is a requirement to certify that "all renewal and renovation at the institution is completed or is accounted for through other funding sources" (see page 23 of application). Is this meant to relate only to the facility being funded or is it intended that there be no other deferred maintenance in the entire institution?

A27) It appears that this question relates to the use of CIF funds for "improvement, expansion, construction and reconstruction" at "instructional, laboratory, communication, research, and administrative facilities" rather than at student-supported facilities and this answer is directed at that question. N.J.S.A. 18A: 72A-75 provides that "if all renewal and renovation is completed at instructional, laboratory, communication, research and administrative facilities or is accounted for through other funding sources", then CIF funds may be used for improvement, expansion, construction, and reconstruction and "instructional, laboratory, communication, and research facilities, or technology infrastructure." The certification required on page 23 of the Grant Solicitation should be read this way.

Q28) Page 8 1.5.5 states that the Secretary may approve project funding from sources that differ from those specified by an institution in its Application. What does this mean? Are there other funding sources other than the GO Bond and the CIF program that might be proposed?

A28) No. There are no funding sources other than the GO Bond and the CIF Programs. However, the Secretary may approve different amounts than those applied for.

Q29) Is there a role elected officials may play in the process that may include statements of support for the project, and if yes, what is the process you would anticipate them following?

A29) There are statutory requirements that the Secretary submit certified approved grants to the State Legislature. The evaluation process does not take into account statements of political support.

Q30) Section 2.2 10. The demonstrated commitment of the institution over the past ten years to appropriate maintenance of facilities previously funded by State of New Jersey grant programs. What is required to demonstrate a commitment – pictures of those facilities, a statement from the University, copies of annual letters to the EFA? – Will these letters and other items also be accepted for the GO Bond requirements?

A30) To demonstrate commitment to maintenance of facilities previously funded by New Jersey grant programs an applicant should provide information about actual maintenance and expenditures undertaken in support of maintenance.

Q31) Are there priorities given to the types of projects which people are proposing? EX: previously a little more weight was given to STEM projects than other projects.

A31) All evaluation criteria are set forth in the Application Review and Evaluation Process in Section 1.5 of the Solicitation. See Q & A 18.

Q32) Regarding CIF, is it 20% of the cost of the dining facilities renovation costs that we can apply for? Or, is it 20% of our proposed overall CIF budget that can be used for the renovation of the dining facilities?

A32) Up to 20% of a CIF grant may be used within student-support facilities. See Grant Solicitation Section 1.2.2 B

Q33) On Page 9 of the Solicitation under 2.1.B., in the definition of an eligible “Project” it states, “and the acquisition and installation of additional and upgraded equipment.” Could a project solely be for equipment and not include construction or does construction/renovations have to be part of the Project?

A33) An eligible Project may consist solely of the acquisition and installation of additional and upgraded equipment provided such equipment is for existing higher education buildings for the purpose of increasing academic capacity, which include classrooms, laboratories, libraries, computer facilities, and other academic buildings and all property appurtenant thereto. See Grant Solicitation Section 2.1.B.

Q34) On Page 17 under 4.1.2, it references “through 4.7,” but there is no sections 4.5-4.7, is this a typo or are those sections missing?

A34) Yes, that is a typo. It should read “through 4.4”. An Addendum will be posted on the NJEFA website to clarify this.

Q35) On Page 18 under 4.2.1(3)(b), it references Exhibit I and Exhibit II, are those two items included/count towards the 4 page Executive Summary or in addition/not counted in the 4 page limit?

A35) Exhibits I and II are not counted towards the 4 page Executive Summary.

Q36) On Page 19 under 4.3.2(b), in ensuring we are numbering our sections appropriately per the guidance, are those items under b. numbered incorrectly? Shouldn’t “Status of demolition on site,” be (i)?

A36) Yes, the numbering is incorrect. The correct numbering is as follows:

“b. A description of key site and environmental risk factors that could affect construction readiness, including, but not limited to:

- (i) Status of demolition on site.
- (ii) Past usage of site.
- (iii) Environmental issues such as the status of Preliminary Assessment/Site Investigation; a Remedial Action Work Plan; property restrictions; land use conflicts, including wetlands and/or endangered species; and historical preservation requirements.
- (iv) Costs of any necessary environmental remediation.
- (v) Site readiness concerns including utilities impacts; drainage concerns; offsite improvements; geo-technical concerns; ground water concerns; foundation concerns; and any third party concerns.
- (vi) Any pending or, to the respondent’s knowledge, threatened litigation relating to the undertaking, construction or operation of the Project”

An Addendum will be posted on the NJEFA website to clarify this.

Q37) On page 2 of the “Grant Solicitation Fall 2015 Cycle -- Final.pdf” document: Section 1.2.1, Bullet 3 displays a table showing the original allocations of the GO Bonds.

- i. Please verify if the Senior Publics are limited to applying only for the \$2,785,638 remaining in that category or if the entire \$34,332,548 total remaining for all categories will be reallocated and made available?**

A37) The maximum GO funding available for senior public institutions is \$2,785,638.

Q38) On page 4 of the “Grant Solicitation Fall 2015 Cycle -- Final.pdf” document:

- b. Bullet C, second sub-bullet indicates that \$ 145,980,000 is available for new grants.**

- i. Is the pool available to Senior Publics for application equal to the \$2,785,638 + \$145,980,000 = \$148,765,638?**

A38) \$145,980,000 is the total available for new CIF grants. There is no allocation among institutional sectors for CIF funds. \$2,785,638 is available from the GO Bond for projects at the Senior Publics. See Q & A 4 and 19.

Q39) After screening and identifying the pool of projects that meet the criteria for the target grant programs, what methodology will be used to select which projects are be funded, and at what levels?

A39) The Application Review and Evaluation Process is described in Section 1.5 of the Solicitation. See Q & A 18.

Q40) Is there a guideline on the % or maximum amount of the available funds that a project and/or institution may request in the grant application?

A40) Other than the sector specific amounts available under the GO grant program, there is no guideline for the % or maximum amount of the available funds that an applicant may request.

Q41) Are there plans on distributing the funds available to a wide cross-section of projects or could the amounts be consumed by a few large projects?

A41) All evaluation criteria are set forth in the Application Review and Evaluation Process in Section 1.5 of the Solicitation. See Q & A 18.

Q42) Making a project shovel-ready involves initial prep work that must be funded prior to grant awards. Will amounts expended to make the projects shovel-ready count towards the Institution's % of total contribution for the grant award?

A42) No expenditures made before the date the Secretary certifies grant approval to the Legislature will be counted toward the matching contribution.

Q43) Please clarify Sections 1.2.1 and 2.1.E.

A. According to the GO Bond Act “[i]nstitutions must provide matching funds equal to 25% of the cost of the project” (pgs. 2 and 10).

a. Is the commitment of 25% match also applicable to the CIF?

A43) The 25% matching fund requirement does not apply to CIF. CIF requires a commitment to pay a percentage of the debt service.

Q44) Please clarify 3.1.C.

A. According to the CIF, “a public institution commit to paying one-third of the debt service of the bonds issued to fund the grant” (p.15).

a. Is the commitment of paying one-third of the debt service of the bonds issued also applicable to the GO Bond Act?

A44) There is no requirement that an institution commit to paying any portion of debt service on the bonds to fund a GO Bond Act grant. The GO Bond Act does require a 25% institutional match.

Q45) Define authorized uses under CIF (under Section 3.1):

A. According to CIF, “*the purpose is to provide grants for the cost of renewal, renovation, improvement, expansion, construction and reconstruction of facilities and technology infrastructure*”(p.3 and 14)

a. Please clearly define improvement and expansion (i.e., land, hardware, software, equipment, etc.).

A45) There is no express definition of improvement and expansion in the CIF statute.

**Q46) According to CIF eligibility provided that,
See Section 3.1.B.1 (Page 14)**

- *For existing renewal or renovation needs at instructional, laboratory, communication, research and administrative facilities***

Question: Please define needs (are these current or future needs of the institution)?

A46) Since the CIF statute refers to “existing renewal or renovations needs” the needs should be those of which the Institution is currently aware.

**Q47) According to CIF eligibility provided that,
See Section 3.1.B.3 (Page 14)**

1. *The institution establishes that all renewal and renovation is completed or is accounted for through other funding sources;*
2. *The institution is granted an exemption by the Secretary for purposes of maximizing Federal grant fund recoveries; or*
3. *The institution proposes to replace a building where the projected renewal and renovation exceed the projected cost of replacement.*

Question: Please define completed and accounted for. This is in past tense. Does this criterion pertain to renewal and renovation already completed? Would future plans to renew and renovate be excluded for this project component?

A47) This refers to conditions that must be met to use CIF funds for improvement, expansion, construction, and reconstruction of instructional, laboratory, communication and research facilities or technology infrastructure. CIF funds can be used for this purpose if: 1. the institution establishes that all renewal and renovation is completed at instructional, laboratory, communication and research facilities or is accounted for through other funding sources, or 2. the Secretary grants an exemption for the purpose of maximizing federal grant fund recoveries, or 3. for the purpose of replacing a building when projected renewal and renovation costs exceed the projected cost of replacement.

Q48) Can you please provide a definition of "equipment" that may be purchased with a grant pursuant to the GO Bond Act? Page 9 of the solicitation states that funds may be used for the acquisition and installation of additional and upgraded equipment for existing higher education buildings for the purpose of increasing academic capacity." It would be helpful to have a definition of what NJ Educational Facilities Authority considers "equipment" to comprise. Specifically, we would like to know if tables and desks which would provide increased accessibility for students with disabilities to use IT equipment ("accessible computer tables") would be considered "equipment."

A48) GO Bond Act funds may used for the acquisition and installation of additional and upgraded equipment for existing higher education buildings for the purpose of increasing academic capacity, which shall include, but not be limited to, classrooms, laboratories, libraries, computer facilities, and other academic buildings and all property appurtenant thereto. Thus, the type of equipment that is being purchased would have to be evaluated in the context in which it is being used. See Grant Solicitation Section 2.1.B.

Q49) The instructions for both the Building Our Future Bond Act and the Higher Education Capital Improvement Fund require submission of the institution’s “long range facilities plan.” However, the form of board resolution which is included in the package as Appendix E does not speak of a “long range facilities plan” and, instead, speaks of a “long range capital plan.” Please clarify what exactly the requirement is.

A49) The terms “capital plan” and “facilities plan” are used interchangeably in this context.

Q50) Section 1.4.1 - Regarding the 6 electronic copies. Do you require 6 copies on one flash drive/CD or do you require 6 flash drives/CDs with 1 copy on each?

A50) Yes, please provide 6 flash drives/CDs with 1 copy on each.

Q51) Section 4.2.1.3.b. – In first sentence, should the word project in “general project development/construction/acquisition/installation budget” be “Project”? What is difference between cost of the Project and institution’s general project budget?

A51) Please use the terminology “general project” and “project” interchangeably for this purpose.

Q52) Section 4.2.1.3.b. - Do Exhibit I and Exhibit II count toward the 4 page Executive Summary? If so, can the Exhibits be incorporated into the Executive Summary write-up and not separate pages?

A52) Exhibit I and Exhibit II do not count toward the 4 page Executive Summary.
See Q & A 35.

Q53) Do proposals for IT technology (e.g., networking hardware and storage hardware) that support instruction and research qualify under CIF?

A53) CIF funds can be used for technology infrastructure if: 1. the institution establishes that all renewal and renovation is completed at instructional, laboratory, communication and research facilities or is accounted for through other funding sources, or 2. the Secretary grants an exemption for the purpose of maximizing federal grant fund recoveries.

Q54) If a currently funded GO Bond project is expected to be under budget can we request to transfer those funds to a GO Bond project that is over budget?

A54) This question does not apply to the current Fall 2015 Solicitation process and will not be addressed in this document. Questions related to the prior Spring 2013 grant cycle may be addressed directly to the Office of the Secretary of Higher Education or to the New Jersey Educational Facilities Authority.