| **Virginia Board of Education Agenda Item** | **Seal of the Commonwealth of Virginia** |
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# Agenda Item: J

## Date: March 21, 2019

### Title: First Review of Recommendations Concerning Applications for Literary Fund Loans

#### Presenter: Mr. Kent Dickey, Deputy Superintendent of Budget, Finance, and Operations

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## Purpose of Presentation:

Action required by Board of Education regulation.

## Executive Summary:

The Literary Fund provides low-interest loans for new school construction and for additions or permanent improvements to existing schools to help provide students with a safe and secure environment in which to learn. This item aligns with Board of Education Goals: Priority 1: Provide high-quality, effective learning environments for all students.

Attachment A lists six (6) Literary Fund loan applications submitted by Southampton County that have been reviewed by the department. The projects involve structural roof replacements at six schools in the division. The applications have been approved as to form, but the plans and specifications for the project have not yet been finalized. Once the plans and specifications have been received and approved by the department, these applications will have met all of the Board of Education requirements necessary to be approved for a Literary Fund loan and will be eligible for placement on the First Priority Waiting List by a separate action of the Board. Until such time, the projects would remain on the Approved Application List.

Pursuant to 8VAC20-100-40 (Application Review) and 8VAC20-100-70 (Placement on List) of the Virginia Administrative Code, the department is recommending to the Board the approval of the applications submitted by Southampton County which are in proper form for placement on the Approved Application list.

**Action Requested:**

Other. Specify below:

The Board is requested to waive first review and approve the six (6) Literary Fund loan applications submitted by Southampton County.

## Superintendent’s Recommendation:

The Superintendent of Public Instruction recommends the Board waive first review and approval of the six (6) Literary Fund loan applications submitted by Southampton County totaling $5,950,000 (Attachment A) for placement on the Approved Application List (Attachment B).

## Rationale for Action:

Pursuant to 8VAC20-100-40 (Application Review) and 8VAC20-100-70 (Placement on List) of the Virginia Administrative Code, the department is recommending to the Board the approval of the applications submitted by Southampton County which are in proper form for placement on the Approved Application list.

## Previous Review or Action:

No previous review or action.

Background Information and Statutory Authority:

In accordance with the provisions of the *Code of Virginia*, Chapter 10, Section 22.1-142, the Board of Education is responsible for the management of the Literary Fund. The recommendation for approval of the project applications on Attachment A is in accordance with the *Code of Virginia*, Chapter 10, Section 22.1-146, which authorizes the Board of Education to make loans from the Literary Fund for the purpose of erecting, altering, or enlarging school buildings. Approval of an application constitutes the first step in a two-step process to secure a loan from the Literary Fund. The second step can occur only after departmental receipt of final project plans and specifications per Section 22.1- 140, *Code of Virginia*, coupled with a written request to the department for release of funds, with the latter requests also requiring Board approval.  
  
Timetable for Further Review/Action:

When the plans and specifications for the Southampton County projects are submitted to the department and found to be in proper form, a future agenda item will be presented to the Board requesting that these projects be moved to the First Priority Waiting List. Recommendations to approve additional Literary Fund loan applications will be presented to the Board on a periodic basis as additional loan applications are received, if found in proper order after review by the department.

Impact on Fiscal and Human Resources:

There will be no impact on the resources of the Literary Fund until a locality receives approval from the Board of Education for the release of loan funds, construction begins on the approved project, and a request for reimbursement is submitted and approved for payment.