

## CHAPTER 24

### COMPREHENSIVE MAINTENANCE PLANS

#### Authority

Educational Facilities Construction and Financing Act, P.L. 2000, c.72, N.J.S.A. 18A:7G-3, 9(b)(3) and 13(d).

#### Source and Effective Date

R.2001 d.366, effective October 1, 2001.  
See: 33 N.J.R. 2369(a), 33 N.J.R. 3476(a).

#### Chapter Expiration Date

Chapter 24, Comprehensive Maintenance Plans, expires on October 1, 2006.

#### Chapter Historical Note

Chapter 24, Controversies and Disputes, was adopted and became effective prior to September 1, 1969.

Pursuant to Executive Order No. 66(1978), Chapter 24, Controversies and Disputes, was readopted as R.1986 d.157, effective April 10, 1986. See: 18 N.J.R. 404(b), 18 N.J.R. 976(a).

Pursuant to Executive Order No. 66(1978), Chapter 24, Controversies and Disputes, was readopted as R.1991 d.57, effective January 11, 1991. See: 22 N.J.R. 2841(a), 23 N.J.R. 297(b).

Pursuant to Executive Order No. 22(1994), the expiration date of Chapter 24 was extended from January 11, 1996 to July 11, 1997. See: 26 N.J.R. 3783(a), 26 N.J.R. 3942(a). Pursuant to Executive Order No. 66(1978), Chapter 24 expired on July 11, 1997.

Chapter 24, Controversies and Disputes, was adopted as new rules by R.1997 d.358, effective September 2, 1997. See: 29 N.J.R. 2745, 29 N.J.R. 3817(a).

Subchapter 7, Budget Appeal Rules, was repealed by R.1997 d.372, effective September 2, 1997. See: 29 N.J.R. 2591(a), 29 N.J.R. 3806(a).

Pursuant to Executive Order No. 66(1978), Chapter 24, Controversies and Disputes, was readopted as R.2000 d.137, effective April 3, 2000, and Chapter 24 was recodified as N.J.A.C. 6A:3 and Subchapter 6, Contested School Elections, was repealed by R.2000 d.137, effective April 3, 2000. See: 31 N.J.R. 4173, 32 N.J.R. 1177(a).

Chapter 24, Comprehensive Maintenance Plans, was adopted as new rules by R.2001 d.366, effective October 1, 2001. See: Source and Effective Date.

#### CHAPTER TABLE OF CONTENTS

#### SUBCHAPTER 1. GENERAL PROVISIONS

- 6:24-1.1 Purpose
- 6:24-1.2 Scope
- 6:24-1.3 Definitions

#### SUBCHAPTER 2. REQUIRED MAINTENANCE ACTIVITIES AND EXPENDITURES

- 6:24-2.1 Required maintenance activities
- 6:24-2.2 Required maintenance expenditures

#### SUBCHAPTER 3. DISTRICT COMPREHENSIVE MAINTENANCE PLANS

- 6:24-3.1 Requirements for comprehensive maintenance plans

- 6:24-3.2 Requirements for a maintenance package for newly completed school facilities projects.

#### SUBCHAPTER 4. REVIEW OF COMPREHENSIVE MAINTENANCE PLANS

- 6:24-4.1 Review of comprehensive maintenance plans

#### SUBCHAPTER 5. MAINTENANCE RESERVE FUNDS

- 6:24-5.1 Requirements for maintenance reserve funds

#### SUBCHAPTER 6. THE MAINTENANCE FACTOR IN STATE DEBT SERVICE AID

- 6:24-6.1 The maintenance factor in State debt service aid

#### SUBCHAPTER 1. GENERAL PROVISIONS

##### 6:24-1.1 Purpose

These rules are intended to implement the provisions of the Educational Facilities Construction and Financing Act (EFCFA), P.L. 2000, c.72, specifically sections 3, 9(b)(3) and 13(d) of EFCFA (N.J.S.A. 18A:7G-3, 9(b)(3) and 13(d)), requiring the Commissioner of the Department of Education to promulgate rules requiring districts to have comprehensive maintenance plans for school facilities and make the appropriate investment in the maintenance of school facilities.

##### 6:24-1.2 Scope

(a) These rules shall apply to every district that owns school facilities or operates school facilities owned by another party, when the operating district is responsible for maintenance of the school facilities.

(b) Each district that operates school facilities owned by other districts shall include such school facilities in the operating district's comprehensive maintenance plan, and shall forward a copy of the comprehensive maintenance plan to the owning district.

##### 6:24-1.3 Definitions

As used in this chapter, unless the context clearly indicates otherwise, the following words and terms shall have the following meanings:

"Annual maintenance reserve deposit" means the amount required to be deposited annually in the maintenance reserve fund for a school facility.

"Area cost allowance" means \$138.00 per square foot for the 2000-2001 school year and shall be inflated by an appropriate cost index for the 2001-2002 and 2002-2003 school years. Thereafter, pursuant to N.J.S.A. 18A:7G-3, it shall be established as part of the Biennial Report issued by

the Department pursuant to N.J.S.A. 18A:7F-4(c). The area cost allowance used in determining preliminary eligible costs of school facilities projects shall be that of the year of application for approval of the school facilities project.

“Authority” means the New Jersey Economic Development Authority established pursuant to N.J.S.A. 34:1B-1 et seq.

“Building system” means a set of related or similar building components that work together to perform a major function in a building or facility.

“Capital maintenance” means maintenance intended to extend the useful life of a school facility, including upgrades and replacements of building systems, such as structure, enclosure, mechanical, plumbing and electrical systems, and can be considered to constitute or be part of a school facilities project.

“Capital project” means a school facilities project, other capital project or land acquisition project pursuant to N.J.A.C. 6A:26-7.1.

“Commissioner” means the Commissioner of Education or his designee.

“Comprehensive maintenance plan” means a multi-year maintenance plan developed by a school district covering required maintenance for each school facility in the district pursuant to this chapter.

“Department” means the New Jersey Department of Education.

“District” means a district board of education, as defined below, and includes a local or regional school district established pursuant to N.J.S.A. 18A:8-1 et seq. or 18A:13-1 et seq., a county special services school district established pursuant to article 8 of N.J.S.A. 18A:46-1 et seq., a county vocational school district established pursuant to article 3 of N.J.S.A. 18A:54-1 et seq., and a State-operated school district established pursuant to N.J.S.A. 18A:7A-34 et seq.

“District board of education” or “board” means the local board of education or State district superintendent in the case of a State-operated school district.

“Division” means the Division of Facilities and Transportation in the Department of Education.

“Facility” means a school facility, temporary facility or other facility.

“Filing year” means the year in which the comprehensive maintenance plan is filed with the Division.

“Other facilities” means athletic stadiums, grandstands, greenhouses, garages, facilities used for non-instructional or non-educational purposes, and any structure, building or facility used solely for school administration.

“Maintenance Reserve Fund” means the fund established by a district pursuant to N.J.S.A. 17A:7G-13 into which a district deposits monies at the levels set forth in this chapter to be used exclusively for required maintenance of school facilities.

“Replacement cost of the school facility” means the area cost allowance multiplied by the gross square footage of the building.

“Required maintenance” means, for purposes of determining “M” in the formula in N.J.A.C. 6A:26-3.8, specific maintenance activities required for system warranty purposes and which are necessary for the purpose of keeping a school facility open and safe for use or in its original condition, including repairs and replacements to a school facility’s heating, lighting, ventilation, security and fixtures to keep the facility or fixtures in effective working condition, and which does not consist of routine maintenance or capital maintenance.

“Routine maintenance” means contracted custodial or janitorial services, expenditures for the cleaning of a school facility or its fixtures, the care and upkeep of grounds or parking lots, removal of illegal locks or unauthorized construction and the cleaning of, or repairs and replacements to, movable furnishings or equipment, or other expenditures which are not required to maintain the original condition over the school facility’s useful life.

“School facility” means and includes any structure, building or facility used wholly or in part for educational purposes by a district or community provider, and facilities that physically support such structures, buildings and facilities, such as district wastewater treatment facilities, power generating facilities, steam generating facilities and other central service facilities, but shall exclude other facilities as defined in this section.

“School facilities project” means the acquisition, demolition, construction, improvement, repair, alteration, modernization, renovation, reconstruction or capital maintenance of all or any part of a school facility or of any other personal property necessary for, or ancillary to, any school facility, and shall include fixtures, furnishings and equipment, and shall also include, but is not limited to, site acquisition, site development, the services of design professionals such as engineers and architects, construction management, legal services, financing costs and administrative costs and expenses incurred in connection with the project. To qualify as a school facilities project, the project must be new construction in order to meet the housing needs of unhoused students, or rehabilitation for the purpose of keeping a school facility functional for its original purpose or for a new purpose accomplished within the gross square footage of the original building. Maintenance projects intended solely to achieve the design life of a school facility and routine maintenance do not constitute school facilities projects.

“Useful life” means the applicable recovery period for depreciation purposes determined under Section 168 of the Internal Revenue Code of 1986, 26 U.S.C. § 168 as amended and supplemented, and the applicable regulations thereunder.

## SUBCHAPTER 2. REQUIRED MAINTENANCE ACTIVITIES AND EXPENDITURES

### 6:24-2.1 Required maintenance activities

(a) Required maintenance activities are those specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent building systems fully and efficiently functional and for keeping their warranties valid. Required maintenance prevents premature breakdown or failure of the school facility and its building systems. Routine maintenance and capital maintenance activities shall not be considered required maintenance activities.

(b) The following types of activities are considered required maintenance activities:

1. Periodic inspection, testing and certification of building systems or components required to maintain system warranty or guaranty provisions performed in accordance with manufacturer instructions and owner manuals;
2. Periodic service required to maintain system warranty or guaranty provisions performed in accordance with manufacturer instructions and owner manuals;
3. Periodic replacement of consumable parts required to maintain system warranty or guaranty provisions performed in accordance with manufacturer instructions and owner manuals;
4. Repairs or localized replacements of system components resulting from breakage, misuse or vandalism;
5. Refinishing of interior floors and walls, including preparation, stripping, painting and refinishing;
6. Consulting services required to investigate possible need for major building system repair or replacement; and
7. Tests to monitor indoor air quality.

(c) Each district shall determine the required maintenance activities that pertain to each school facility in the district, and shall report these activities in its annual comprehensive maintenance plan.

(d) Each district shall determine the required maintenance activities for each of its school facilities with regard to the following 38 building systems, where applicable. This list of systems is provided to assist districts in planning required maintenance activities. Expenditures and estimated costs are not required to be reported by system.

1. Structural foundations;
2. Superstructure;

3. Exterior closures—walls;
4. Exterior closures—windows and glazed walls;
5. Exterior closures—doors and frames;
6. Exterior closures—roofs;
7. Interior construction—partitions;
8. Interior construction—interior doors;
9. Interior construction—stair construction;
10. Interior construction—stair finishes;
11. Interior construction—wall finishes;
12. Interior construction—floor finishes;
13. Interior construction—ceiling finishes;
14. Vertical movement—elevators, lifts;
15. Domestic cold water distribution—piping/materials;
16. Domestic hot water supply—water heater, tank storage, or converter;
17. Plumbing fixtures;
18. Sanitary piping—materials and equipment;
19. Storm water riser piping—material;
20. Heating system—boiler (electric, gas, oil);
21. Cooling system types—chiller with cooling tower, fan coil unit, roof top unit, split system, window air conditioner;
22. Heating/cooling systems—multi-zone roof top unit, heat exchanger, air handler;
23. Exhaust ventilation—toilet exhaust fans, kitchen exhaust fans/hoods, lab exhaust;
24. Control systems—pneumatic, electronic, DDC;
25. Fire sprinkler system—wet or dry;
26. Standpipe and hose systems—wet or dry;
27. Electrical service (400 to 4,000 amps high voltage main to low voltage distribution panel);
28. Branch panels;
29. Interior lighting;
30. Exterior lighting;
31. Exit signs;
32. Power and outlets;
33. Communication and security systems;
34. Special systems (fire alarms, fire control, clock, closed circuit TV, data ports, central video, telephone, intercom);
35. Emergency power/generators and fuel tanks and lines;
36. Site improvements such as parking, driveways, walkways, directional signage, landscaping, bicycle racks, site signage, irrigation systems or other site improvements;

37. Athletic facilities; and
38. Fixed furniture and equipment.

#### 6:24-2.2 Required maintenance expenditures

(a) Expenditures for required maintenance activities set forth in N.J.A.C. 6:24-2.1 shall qualify as investments in maintenance for purposes of calculating the maintenance factor (M) in N.J.S.A. 18A:7G-9. Such expenditures shall also be used to determine the required maintenance expenditure for the year prior to the filing year.

(b) Types of expenditures that qualify as required maintenance expenditures include supplies and materials, contracted labor, and salaries of district employees who are exclusively dedicated to the performance of required maintenance activities, or for the payment of contracts for required maintenance.

1. When district personnel who are not exclusively dedicated to the performance of required maintenance activities perform required maintenance activities, districts may credit that portion of the salaries of such personnel to required maintenance expenditures where task-specific documentation of such activities is available and subject to audit.

(c) For school facilities projects funded under EFCFA, the required maintenance expenditure shall be equal to or exceed 0.2 percent of the school facility's replacement cost per year.

(d) For existing school facilities for which a district seeks State facilities aid pursuant to EFCFA for rehabilitation or alteration, the required maintenance expenditure shall equal two percent of its replacement cost over the previous 10 years.

(e) Districts shall maintain their accounting records for required maintenance at the school facility level and provide the expenditure records, detailed by school facility, at fiscal year end for verification by the district auditor beginning in the year 2002-2003.

### SUBCHAPTER 3. DISTRICT COMPREHENSIVE MAINTENANCE PLANS

#### 6:24-3.1 Requirements for comprehensive maintenance plans

(a) Each district shall develop a comprehensive maintenance plan to document prior year required maintenance expenditures and the district's planned required maintenance activities and estimated costs for the filing year and the three years subsequent to the filing year. The plan shall be submitted to the Division with a copy to the County Superintendent by October 30 of every school year. The comprehensive maintenance plan shall be submitted in addition to the district's Quality Assurance Annual Report (QAAR).

1. Districts shall submit their first comprehensive maintenance plan on October 30, 2002.

(b) Each school facility in the district shall be included in the comprehensive maintenance plan. Other facilities, as defined in N.J.A.C. 6:24-1.3, shall not be included in the comprehensive maintenance plan.

(c) The comprehensive maintenance plan shall be both preventative and corrective, including interior and exterior conditions of each school facility.

(d) The comprehensive maintenance plan shall contain the following information:

1. Actual expenditures for required maintenance for the year prior to the filing year.

i. In the October 30, 2002 comprehensive maintenance plan, the district shall include actual expenditures for the two years prior to the filing year:

(1) In the October 30, 2002 comprehensive maintenance plan, the expenditures for required maintenance activities for the two years prior to the filing year shall be reported. For each prior year, a district total shall be reported and allocated to each school facility by proration according to its gross square footage. If the district has records available by school facility, the district may report actual expenditures by school facility instead of using the proration method.

ii. In the October 2003 comprehensive maintenance plan and the plans submitted thereafter, the expenditures for required maintenance activities for the year prior to the filing year shall be reported by school facility in the district;

2. The required maintenance activities planned for the filing year and estimated costs included in the filing year budget.

i. In the October 30, 2002 comprehensive maintenance plan and the plans submitted thereafter, required maintenance activities planned for the filing year and estimated costs shall be identified for each school facility in the district;

3. Required maintenance activities planned for each school facility and estimated costs allocated separately for each school facility in the district for the three years subsequent to the filing year;

4. The annual maintenance reserve deposit, for each school facility for each year encompassed by the comprehensive maintenance plan, calculated pursuant to N.J.A.C. 6:24-5.1;

5. Asbestos abatement activities planned for the year, in conformance with the district's asbestos management plan pursuant to Asbestos Hazard Emergency Response Act (AHERA), 15 U.S.C. §§ 2641 et seq.;

6. Required testing for each school facility including radon testing pursuant to N.J.S.A. 18A:20-40 and safe drinking water testing per N.J.A.C. 7:10;

7. A form prescribed by the Commissioner, which provides for the following:

i. Certifications by the superintendent, board president and school business administrator/board secretary that the actual maintenance expenditures by school facility reported for the prior year are accurate and that all required maintenance activities by school facility were completed; and

ii. In the October 2003 comprehensive maintenance plan and the plans submitted thereafter, certification by the district's auditor that the total actual maintenance expenditures by school facility for the prior year are accurate; and

8. A plan to implement corrections of deficiencies identified in approved substandard spaces, temporary classroom units and dual use spaces approved for use in the district by the County Superintendent pursuant to N.J.A.C. 6A:26-8.1(d).

(e) The amounts budgeted for capital maintenance and routine maintenance shall be excluded from the required maintenance budget and shall not be considered as part of the comprehensive maintenance plan.

#### **6:24-3.2 Requirements for a maintenance package for newly completed school facilities projects.**

(a) As a condition for the completion of a school facilities project, the district shall obtain from the architect or engineer a certification that the contractor for the school facilities project has provided a maintenance package containing all of the following:

1. Manufacturer's warranties;
2. Owner's manuals;
3. Required maintenance and testing instructions; and
4. A summary of (a)1 through 3 above.

(b) The maintenance package shall cover the useful life of the school facilities project and be incorporated into the district's comprehensive maintenance plan.

### **SUBCHAPTER 4. REVIEW OF COMPREHENSIVE MAINTENANCE PLANS**

#### **6:24-4.1 Review of comprehensive maintenance plans**

(a) Comprehensive maintenance plans shall be reviewed by the Division, in consultation with the County Superinten-

dent, to ensure that each comprehensive maintenance plan is accurate and complete. The comprehensive maintenance plan shall be reviewed to determine whether:

1. The calculation of the required maintenance deposit and the required maintenance expenditure for each school facility is correct;

2. The required maintenance activities are accurately reported for each school facility and qualify as required maintenance activities pursuant to N.J.A.C. 6:24-2;

3. The certified expenditures for required maintenance activities in the prior year meet or exceed the required maintenance expenditure for each school facility; and

4. All certifications by superintendent, board president, school business administrator/board secretary and auditor have been appropriately completed.

(b) The Division, in consultation with the County Superintendent, shall notify a district if a comprehensive maintenance plan is reviewed and found to be deficient based upon the standards set forth in (a) above. In response to such notification, the district shall submit a revised comprehensive maintenance plan to the Division, with a copy to the County Superintendent, addressing the deficiencies identified by the Division. The revised comprehensive maintenance plan shall be submitted within 30 days from the date of notification.

(c) Districts that fail to comply with the provisions of this chapter shall be subject to withholding of State support for noncompliance pursuant to N.J.A.C. 6A:26-14.1 or reductions in State debt service aid pursuant to section 9(b) of EFCFA and N.J.A.C. 6:24-6 or both.

(d) The County Office of Education will review the implementation of the comprehensive maintenance plans in each district at the time of cyclical evaluations of the district pursuant to N.J.S.A. 18A:33-1 et seq. and N.J.A.C. 6A:30-2.

### **SUBCHAPTER 5. MAINTENANCE RESERVE FUNDS**

#### **6:24-5.1 Requirements for maintenance reserve funds**

(a) The required annual maintenance amount for each district, as reported in its comprehensive maintenance plan and reviewed by the Division, must be deposited in a maintenance reserve fund established by the district and included in its annual budget certified for taxes. The required annual maintenance amount shall be calculated as follows:

1. The required annual maintenance reserve deposit shall be calculated by totaling the sum of the replacement cost of each school facility multiplied by 0.002 and shall correspond to the amount reported in the most recent comprehensive maintenance plan submitted pursuant to N.J.A.C. 6:24-3.1.

i. The required deposit can be adjusted up or down, with Division approval, based upon prior year expenditures to ensure an overall expenditure of two percent on required maintenance per school over 10 years.

ii. The required deposit can also be adjusted up or down, with Division approval, based upon prior year expenditures or current year transfers identified in the budget pursuant to (b) below.

2. The replacement cost of a school facility shall be calculated by multiplying the area cost allowance by the gross square footage of the building.

(b) A district may make deposits into the maintenance reserve fund at any time after October 1, 2001 by board resolution to meet the required maintenance of the district as follows:

1. Transfer of undesignated, unreserved general fund balance; or

2. Transfer of excess, undesignated, unreserved general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes.

(c) Funds may be withdrawn from the maintenance reserve and appropriated into the required maintenance account lines from the maintenance reserve fund at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

(d) In any year that maintenance reserve account funds are withdrawn by board resolution, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account. Expenditures shall be deemed as being charged first to unrestricted required maintenance account lines with maintenance reserve account withdrawals or appropriations expended last.

(e) If a district does not make an annual deposit of the required amount, calculated pursuant to (a) through (d) above, in the maintenance reserve fund in the budget certified for taxes, the County Superintendent shall not approve the district's budget unless the County Superintendent determines that the district may deposit less than the full deposit pursuant to (e)1 below.

1. If a district determines that it cannot make the required deposit, the district shall submit proof of its inability to deposit the required amount when it submits its budget to the County Superintendent. The proof of the inability to deposit the required amount shall be accompanied by a plan to ensure that the required two percent be deposited in the maintenance reserve fund over 10 years pursuant to EFCFA and this subchapter.

i. If the County Superintendent concurs with the district's explanation of its inability to deposit the full amount and approves of its plan, the district may deposit less than the full amount as approved by the County Superintendent. The County Superintendent will not reject the district's budget on this ground.

ii. If the County Superintendent does not concur with the district's explanation of its inability to deposit the full amount or does not approve of its plan, the district shall deposit the full amount. The County Superintendent will not approve any budget that does not comply with this section.

(f) In October 2001, the district shall calculate the required annual maintenance deposit on a form prescribed by the Commissioner. The district shall submit this form by October 30, 2001 to the Division with a copy to the County Office.

## SUBCHAPTER 6. THE MAINTENANCE FACTOR IN STATE DEBT SERVICE AID

### 6:24-6.1 The maintenance factor in State debt service aid

(a) State debt service aid shall be calculated pursuant to N.J.A.C. 6A:26-3.8. The Maintenance Factor "M," pursuant to N.J.A.C. 6A:26-3.8(a), shall be 1.0 except when one of the following conditions applies, in which case the maintenance factor shall be as specified:

1. Effective July 18, 2010 (that is, 10 years from July 18, 2000, the date of the enactment of P.L. 2000, c.72 (N.J.S.A. 18A:7G-1 et seq.)), the maintenance factor for aid for reconstruction, remodeling, alteration, modernization, renovation or repair, or for an addition to a school facility, shall be zero for all school facilities projects for which the district fails to demonstrate that over the 10 years preceding issuance of the school bonds it incurred a net investment in maintenance of the related school facility of at least two percent of the replacement cost of the school facility, pursuant to N.J.S.A. 18A:7G-7(b) and N.J.A.C. 6:24-5.1, using the area cost allowance of the year 10 years preceding the year in which the school bonds are issued; or

2. For new construction, additions, and school facilities aided under N.J.S.A. 18A:7G-7(b) supported by financing issued for projects approved by the Commissioner after July 18, 2000, beginning in the fourth year after occupancy of the school facility, the maintenance factor shall be reduced according to the following schedule for all school facilities projects for which the district fails to demonstrate in the prior fiscal year an investment in maintenance of the related school facility of at least two-tenths of one percent of the replacement cost of the

school facility, determined pursuant to N.J.S.A. 18A:7G-7(b) and N.J.A.C. 6:24-5.1.

(b) A district's failure to make the required expenditures for maintenance for existing or new facilities pursuant to (a) above shall result in a Maintenance Factor (M) of less than one, and shall reduce debt service aid as follows:

Annual Maintenance Percentage	Maintenance Factor (M)
.199 percent to .151 percent	75 percent
.150 percent to .100 percent	50 percent
Less than .100 percent	Zero