



Office of Public School Construction

STAFF TO THE STATE ALLOCATION BOARD

April - May 2016 Update

Tenth Priority Funding Apportionment Round

At the February 2016 meeting, the State Allocation Board (SAB) approved funding apportionments for \$81.7 million for all 31 projects that participated in the tenth priority request round. Districts that received a Priority Funding Apportionment for projects in this round are required to submit a valid Form SAB 50-05 containing an original signature by Tuesday, May 24, 2016 to OPSC.

Tenth Priority Funding Request Round

The Tenth Priority Funding (PF) certification filing period opened on November 11, 2015 and closed on December 10, 2015. Valid requests made during this window are eligible for apportionments from January 1, 2016 through June 30, 2016. Twenty-eight projects on the Unfunded List (Lack of AB 55 Loans) totaling \$80.5 million were eligible to submit a request for participation in the upcoming PF round. Out of the twenty-eight projects, OPSC received requests for twenty-one projects. One project on the Unfunded List was rescinded as a result of receiving a second occurrence and two others each received an occurrence and a new unfunded approval date of December 10, 2015. \$7.98 million in new construction bond authority was returned as a result of the project being rescinded.

Request to participate letters during a priority funding request period for any projects currently on the Unfunded List (Lack of Authority) cannot be accepted. Any requests received for project residing on the Unfunded List (Lack of Authority) will be returned.

A PF List showing the receipt of submitted valid request letters for projects on the Unfunded List (Lack of AB55 Loans), a list showing projects that have received one occurrence, and a list showing projects that have received two occurrences are all available on OPSC's homepage at <http://www.dgs.ca.gov/opsc/Home.aspx>.

Upcoming Priority Funding Filing Round

The next PF filing period will begin on May 11, 2016 and end on June 9, 2016. Priority funding requests with original signatures must be physically received by OPSC before the close of business on June 9, 2016. Accepted certification requests will be valid from July 1, 2016 through December 31, 2016.

For more information regarding the PF Rounds, please contact Tracy Sharp, Supervisor, at Tracy.Sharp@dgs.ca.gov or 916-375-3108.

REMINDER: All Programs Are Now Required to Participate in the Priority Funding Process

The SAB took action on March 26, 2014 to include Career Technical Education Facilities Program (CTEFP), Charter School Facilities Program (CSFP) conversion, and the Overcrowding Relief Grant (ORG) projects in the participation requirements for the PF process to promote activity on the Unfunded List (Lack of AB55 Loans) and equity among the programs. The updated regulations are currently in effect as of October 1, 2014. The requirements can be found in School Facility Program (SFP) Regulation Section 1859.90.3 that outlines the criteria for participation in the PF process. The report and SAB actions were submitted to the Legislature to complete the requirements of Education Code (EC) 17070.53.

The following chart outlines how the Non-Participation Regulations affect the current PF procedure. The CSFP projects that are in the stage of advance release of design and/or site acquisition funds from a Preliminary Charter School Apportionment are not required to participate in the PF process.

PF Request Round 11/11/15- 12/10/15	PF Apportionments Using 11/11/15- 12/10/15 PF Request Round	PF Apportionments Using 11/11/15- 12/10/15 PF Request Round Not Meeting 90 Days To Submit 50-05	PF Request Round 5/11/2016-6/9/2016	PF Apportionments Using 5/11/2016- 6/9/2016 PF Request Round	PF Apportionments Using 5/11/2016- 6/9/2016 PF Request Round Not Meeting 90 Days To Submit 50-05
Occurrence if Request Not Received	Apportionment	Occurrence	Occurrence if Request Not Received	Apportionment	Occurrence

Prevailing Wage Monitoring

Projects with Contract Award Date on or between 1/01/2012 through 6/19/2014

Please be advised that Labor Code (LC) Section 1773.3, as amended by Senate Bill 854, Chapter 28, Statutes of 2014, requires school districts that have SFP projects with an initial public works contract awarded on or after January 1, 2012, to notify the Department of Industrial Relations (DIR). The DIR must provide prevailing wage monitoring services for all such projects, except in the cases of: (1) the district operates a DIR-approved internal wage monitoring program; or (2) the district has entered into a collective bargaining agreement that includes the requirements specified in LC section 1771.4(b)(2).

Projects with Contract Award Date on or after 6/20/2014

Senate Bill (SB) 854, Chapter 28, Statutes of 2014 repealed LC Section 1771.3 which required school districts to provide payment to DIR for prevailing wage monitoring. As a result, school districts awarding a construction contract on or after June 20, 2014 are not mandated to provide payment for DIR monitoring and enforcement of prevailing wage requirements. Projects with an initial public works contract awarded on or after June 20, 2014 are not eligible to receive an additional grant for prevailing wage monitoring; however, school districts are still required to notify DIR within five days of initial contract award pursuant to LC section 1773.3(a)(1). All public works projects for a school district must still meet the LC requirements of SB 854 even if the projects were not State bond funded.

Regulation Updates

At the October 2014 meeting, the SAB approved amendments removing the additional prevailing wage monitoring grant for projects with a public works contract awarded on or after June 20, 2014. The amended regulations were approved by the Office of Administrative Law on November 3, 2015 and will be now effective as of January 1, 2016.

Amendments to SFP Regulation Section 1859.76(d) are now in effect. This amendment extends the effective date of the General Site Development grant for one year. Unless otherwise extended by amendments as adopted by the SAB, the grant will no longer be effective as of January 1, 2017.

As a result of Senate Bill 869, Chapter 39, Statutes of 2014, the Board adopted regulation amendments to SFP Regulation Section 1859.93 and 1859.93.1 to distribute available High Performance Incentive and the CTEFP bond authority amongst the SFP New Construction and Modernization projects on the Unfunded List. Health and safety projects will receive priority. These amendments are now in effect and the funds will be transferred after all of the health and safety projects are completely processed and the grant amounts are finalized. The Application for Funding (Form SAB 50-04) has been amended to reflect the changes. The newest revised version is dated 02/15.

Status of Funds

Remaining Bond Authority (As of April 20, 2016) (includes Unfunded Approvals) (in \$ millions)

Proposition	New Construction	Modernization	Career Tech	High Performance	Overcrowding Relief	Seismic Repair
1D	7.4	10.6	9.5	0.0	7.0	86.2
55	6.4	0.0	N/A	N/A	N/A	N/A
47	1.0	0.1	N/A	N/A	N/A	N/A
Total	14.8	10.7	9.5	0.0	7.0	86.2

Status of Fund Releases (As of March 31, 2016) (in \$ millions)

	Bond Proceeds Amount	Funds Released through 2/29/2016	Funds Released through 3/31/2016	Bond Proceeds Balance	% of Bond Proceeds Released
March 2015 bond sale	61.2	50.7	6.5	4.0	93%
August 2015 bond sale	120.0	106.1	4.3	9.6	92%
December 2015 commercial paper sale	20.5	18.0	2.5	0.0	100%
February 2016 commercial paper sale	68.2	0.0	60.3	7.9	88%

Upcoming Meeting Date

State Allocation Board

The next meeting will be on Wednesday, May 25, 2016, 4:00 P.M., Location TBD.

OPSC's Events Calendar also contains information about upcoming meetings, deadlines, key dates, and holidays. Users can sign up for email notifications and reminders and effortlessly export an event to their Outlook calendars. A link to OPSC's Events Calendar can be found under "Meeting Information" on OPSC's website:

www.dgs.ca.gov/opsc.

Upcoming Deadline

Districts that have Career Technical Education Facilities Program (CTEFP) projects that were approved as a reservation of funds and apportioned in a PF funding round are reminded that they have 12 months from the apportionment date to submit the required CDE and DSA approvals to OPSC. Once the required documents are submitted, the district will have 90 days to submit a valid *Fund Release Authorization* (Form SAB 50-05). OPSC is sending reminder letters and calling Districts that have CTEFP projects with apportionments awarded in a prior PF round and that have following due dates:

PF Funding Round	Number of CTEFP Projects	Required Documents Due By
Ninth	Seven	September 7, 2016