



## Office of Public School Construction

STAFF TO THE STATE ALLOCATION BOARD

### August-September 2014 Update

#### Emergency Repair Program

The Office of Public School Construction (OPSC) received \$188.5 million from the 2014/2015 State Budget for the unfunded projects in the Emergency Repair Program (ERP). At the August State Allocation Board (SAB) there were 489 ERP projects apportioned for a total \$93.4 million representing 54 Local Education Agencies (LEA).

The ERP fund release occurs automatically and does not require a submittal of the Fund Release Authorization (Form SAB 50-05) usually required for the School Facility Program. The OPSC will request the State Controller's Office (SCO) to release the funds to the LEA's. The SCO release typically takes four to five weeks depending on workload.

If the funded ERP application is a Grant, the LEA has 15 months from the date of SAB apportionment to complete the project and submit the ERP *Expenditure Report* (Form SAB 61-04). If the funded application is a Reimbursement, no further action is needed.

For any questions, please contact Adrian Felseghi at [adrian.felseghi@dgs.ca.gov](mailto:adrian.felseghi@dgs.ca.gov) or at (916) 375-5987.

#### Priority Funding Apportionments

The SAB provided \$100.5 million in priority funding (PF) apportionments for school districts. There were 21 school districts with 34 projects receiving apportionments at the August SAB meeting.

**Districts that received a PF apportionment will be required to submit a valid *Fund Release Authorization* (Form SAB 50-05) by Tuesday, November 18, 2014.** If the Form SAB 50-05 is not received by OPSC at 5:00 p.m. on November 18, 2014, the project will receive a nonparticipation occurrence and /or be returned to the Unfunded List with a new approval date. Any project receiving a second nonparticipation occurrence will be rescinded without further SAB action.

If you have any questions, please contact Janna Shaffer at 916.376.1822 or [janna.shaffer@dgs.ca.gov](mailto:janna.shaffer@dgs.ca.gov).

#### Additional Programs Required to Participate in the Priority Funding Process

The Board took action to include Overcrowding Relief Grant (ORG), Career Technical Education Facilities Program and Charter School Facilities Program (CSFP) conversion projects in the participation requirements for the Priority Funding process to promote activity on the Unfunded List (Lack of AB55 Loans) and equity among the programs, excluding CSFP advance release of design and/or site acquisition funds from a Preliminary Charter School Apportionment. The updated regulations will be effective October 1, 2014 and the requirements can be found in School Facility Program (SFP) Regulation Section 1859.90.3 that outlines the criteria for participation in the Priority Funding process.

#### Eighth Priority Funding Request Round

The Eighth Priority Funding filing round will open November 12, 2014 and ends on December 11, 2014. The requests will be valid from January 1, 2015 through June 30, 2015. Each certification should follow the Procedures detailed in SFP Regulation 1859.90.2 which can be found at the OPSC website. Specific information about priority funding can be found at: [http://www.documents.dgs.ca.gov/opsc/Attachments/PF\\_Procedures.pdf](http://www.documents.dgs.ca.gov/opsc/Attachments/PF_Procedures.pdf)

For more information, please contact Janna Shaffer, Supervisor, at [Janna.Shaffer@dgs.ca.gov](mailto:Janna.Shaffer@dgs.ca.gov) or (916) 376-1822.

The following chart outlines how the amended Non-Participation Regulation will affect the current Priority Funding procedure.

PF Certification Round 5/14/14-6/12/14	Amended Non-Participation Regulations Effective 10/1/14	PF Apportionments SAB Approved Using 5/14/14-6/12/14 PF Cert Round	PF Certification Round 11/12/14-12/11/14	PF Apportionments Using 5/14/14-6/12/14 PF Cert Round Not Meeting 90 Days To Submit 50-05	PF Apportionments Using 11/12/14-12/11/14 PF Cert Round	PF Apportionments Using 11/12/14-12/11/14 PF Cert Round Not Meeting 90 Days To Submit 50-05
N/A		Not Subject To Amended Regulations	Occurrence	Not Subject To Amended Regulations	Occurrence	Occurrence

### Overcrowding Relief Grant Program

Currently there is approximately \$21.5 million in remaining bond authority for the ORG program.

Since the close of the 12th funding cycle, the OPSC has retained eight unprocessed ORG applications that were received during that final funding cycle. At the August 20, 2014 Board meeting the SAB directed OPSC to continue processing funding applications submitted in the 12<sup>th</sup> ORG funding cycle to be approved by the SAB if and when additional bond authority becomes available. In addition, districts may request partial unfunded approvals within available bond authority if their project is next in line for funding. Once a partial unfunded approval is awarded, if any further ORG bond authority is made available before their project receives an Apportionment, the additional authority will be made available to the project. Once the project receives an Apportionment from the SAB, the amount awarded at apportionment will be the full and final grant for the project and no further increases can be made.

### Unused Site Certifications

As a reminder, the *Certification of Unused Sites* (Form SAB 423) was mailed to all school districts and county office of educations on May 1, 2014. The Form SAB 423 is mailed on an annual basis. Approximately 90 of the forms have not been returned. A second mailing went out on July 1, 2014 and the completed forms were due on September 1, 2014. If you haven't submitted your forms, please do so immediately. For any questions, please contact Liz Cheyne at [Liz.Cheyne@dgs.ca.gov](mailto:Liz.Cheyne@dgs.ca.gov) or (916) 375-4325.

### Regulation Updates

Regulations authorizing the General Site Development grant were set to expire January 1, 2015. The State Allocation Board took action to extend the authority for the grant until December 31, 2015. The OPSC anticipates these regulations to be effective on January 1, 2015.

The General Site Development grant is awarded in addition to other program grants to help cover for the costs that include, but are not limited to, finish grading, onsite hard surfaced areas for foot traffic, driveways, walkways, outdoor instructional play facilities, permanent playground equipment, athletic fields, and landscaping. Calculation for the grant amount is detailed in School Facility Program Regulation Section 1859.76 (d).

While there is no bond authority remaining to fund additional New Construction projects, there are other programs with available bond authority whose applications could qualify for the General Site Development grant. These include the Charter School Facilities Program and some Facility Hardship projects.

### Implementation Committee Updates

At the June 2014 SAB meeting the OPSC presented a status update on the Seismic Mitigation Program (SMP). As a result of the report, the SAB requested the Implementation Committee to reconvene to evaluate the process and discuss the reasons why districts are not progressing with projects after obtaining Division of the State Architect (DSA) eligibility approval. The SAB's direction intended to seek input from stakeholders as to why this might be occurring.

The Implementation Committee met on August 7, 2014, to discuss methods to increase participation in the SMP and find ways to address the fall off of projects after receiving eligibility approvals from the DSA. The committee and represented school districts made several recommendations, including the following:

- The OPSC and the DSA could work together to evaluate if there is any overlap or duplication of work occurring in the cost estimate and plan review process. District representatives suggested that ideally only one agency only should be reviewing the work contained in the plans and corresponding cost estimate.
- Create a reservation of funds at the conceptual approval stage. A conceptual approval allows a school district and its stakeholders to receive acknowledgement from the SAB that the project meets program requirements and is eligible to apply for funding, assuming bond authority is available and all other application requirements have been completed. District representatives indicated that conceptual approval from the SAB is helpful when determining whether to spend additional time and funds designing and finalizing the construction plans, and that adding a reservation of funds to the conceptual approval would give added assurance that the funds would be available for the project after the design and plan approval process is complete.
- Provide grant funding for the costs to prepare engineer reports that are required as part of an SMP application package.
- Give SMP projects priority review at the DSA to expedite the plan approvals.
- Determine the type of SMP project and classify them as small, medium or large and pay out a predetermined amount for whichever category the project is classified in.

The OPSC plans to present the proposals and discussion points at a future meeting for SAB consideration. Some ideas may require changes to existing processes, regulations, or statute. For more information, please contact: Tasha Brennan, SMP Supervisor, (916) 375-4138, [tasha.brennan@dgs.ca.gov](mailto:tasha.brennan@dgs.ca.gov)

### **Charter School Facility Program Filing Round**

On April 1, 2014, the OPSC opened the 2014 CSFP filing round for Preliminary Apportionments. Applications were accepted at the OPSC office until May 30, 2014.

There is currently \$91.6 million available to distribute among the qualifying charter schools. There were approximately 70 applications that met the May 30, 2014 deadline and the program is oversubscribed. The OPSC will use a preference points system combined with a funding matrix to determine which schools will receive Preliminary Apportionments pursuant to SFP Regulations.

Preference points are based on the following conditions:

- Overcrowded School District – Up to 40 points
- Low Income (Based on Free/Reduced Lunch) – Up to 40 points
- Non-Profit Status – 40 points if definition of non-profit status is met
- Existing Facilities – 40 points if rehabilitating existing district-owned facilities

Applications will be placed in a Funding Matrix based on geographical region, urban, rural, or suburban designation, school size, and grade level. For detailed info on the program specifics and its requirements please use the following web link: <http://www.documents.dgs.ca.gov/opsc/Resources/CSFP/PreferencePoints.pdf>

For further information regarding this filing round please refer to the CSFP page of the OPSC website.

For assistance with questions, please contact: Janna Shaffer, Supervisor, at [janna.shaffer@dgs.ca.gov](mailto:janna.shaffer@dgs.ca.gov) or (916) 376-1822, Jason Casillas, Project Manager, at [jason.casillas@dgs.ca.gov](mailto:jason.casillas@dgs.ca.gov) or (916) 375-4229, Erin Cunneen, Project Manager, at [erin.cunneen@dgs.ca.gov](mailto:erin.cunneen@dgs.ca.gov) or (916) 375-4741.

### **Prevailing Wage Monitoring**

- As a reminder, please be advised that Labor Code (LC) Section 1771.3, as amended by Assembly Bill 436 (Solorio), Chapter 378, Statutes of 2011, 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, with the following exception:

A District operates an internal prevailing wage monitoring program that is approved by DIR or the district has entered into a collective bargaining agreement that includes the requirements specified in LC Section 1771.3(b)(3).

Be advised that LC Section 1773.3 also requires any awarding agency whose public works contract falls within the jurisdiction of LC Section 1771.3 to send a copy of the award to DIR within five days of the award.

**Status of Funds**

**Remaining Bond Authority (As of August 20, 2014) (includes Unfunded Approvals) (in \$ millions)**

Proposition	New Construction	Modernization	Career Tech	High Performance	Overcrowding Relief	Seismic Repair
1D	0	0.6	5.1	32.7	\$ 21.5	142.9
55	3.9	0	0	0	\$ 0	0
47	0	.2	0	0	\$ 0	0
Total	3.9	.8	5.1	32.7	\$ 21.5	142.9

**Status of Fund Releases (As of July 31, 2014) (in \$ millions)**

	Bond Proceeds Amount	Funds Released through June 30, 2014	Funds Released through July 31, 2014	Bond Proceeds Balance	Percent of Bond Proceeds Released
November 2009 bond; Dec. 2009 commercial paper sales	111.4	111.3	0	0.1	99%
March 2010 bond sale	1,351.3	1351.2	0	0.1	99%
November 2010 bond sale	1,483.1	1,466.2	5.2	11.7	99%
October 2011 bond sale	1,003.5	992.8	0	10.7	99%
October 2012 bond sale	230.2	228.0	2.2	0	100%
March 2013 bond sale	500.0	499.0	0	1.0	99%
October 2013 bond sale commercial paper sales	253.0	232.9	0.1	20.0	92%
December 2013 bond sale commercial paper sales	26.3	22.9	3.4	0	100%
March 2014 bond sale Commercial paper sales	331.3	76.0	198.2	57.1	83%
May and June 2014 Commercial Paper sales	2.1	0.4	1.7	0.0	100%

**Upcoming Meeting Dates**

**State Allocation Board**

- Wednesday, September 24, 2014 at 2 p.m. Location TBD
- Wednesday, October 22, 2014. Time and location TBD

The OPSC 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 the OPSC Events Calendar can be found under “Meeting Information” on the OPSC website: [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc).