



Office of Public School Construction

STAFF TO THE STATE ALLOCATION BOARD

December 2015 - January 2016 Update

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 will be eligible for apportionments from January 1, 2016 through June 30, 2016. Fifteen projects from ten Districts on the Unfunded List (Lack of AB55 Loans) totaling \$87.4 million were eligible to submit a request for participation in the upcoming PF round.

Nine projects comprised of Facility Hardship, Seismic Mitigation, and Charter projects were approved and placed on the Unfunded Approval (Lack of AB 55 Loans) at the December 9, 2015 State Allocation Board (SAB) meeting. They were eligible to participate in the filing round.

'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>.

For more information, 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 5/13/15-6/11/15	PF Apportionments Using 5/13/15-6/11/15 PF Request Round	PF Apportionments Using 5/13/15-6/11/15 PF Request Round Not Meeting 90 Days To Submit 50-05	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
Occurrence if Request Not Received	Apportionment	Occurrence	Occurrence if Request Not Received	Apportionment	Occurrence

Emergency Repair Program Apportionments

As of January 24, 2015, the SAB had apportioned \$530.7 million for funded projects and approved \$266.1 million for unfunded projects. OPSC has received \$273.4 million from the 2015/2016 State Budget to fund Emergency Repair projects. At the August 2015 meeting, the SAB approved \$266,138,279 in ERP apportionments for applications on the Unfunded List pursuant to SFP Regulation Section 1859.322. The apportionments funded the remaining unfunded amount of five previously prorated applications that had received 43 percent of their approved amount at the February 2015 SAB meeting, 607 applications that were the next applications in line to be fully funded, and one project for additional eligible expenditures above the funded grant already received by the Locale Educational Agency.

Charter School Facilities Program

At the March 2014 meeting, the SAB took action to open a new Charter School Facilities Program (CSFP) filing round. At the November 2014 meeting, the SAB provided unfunded approvals for Preliminary Charter School Apportionments to applicants of that round. The SAB took action to keep the funding round open for eight months until July 24, 2015 allowing program funds to be made available to the remaining applicants. 13 projects from nine schools totaling to \$157 million were approved in this round. Staff is working with the next applicant(s) on that funding round list to present application(s) to receive the remaining bond authority of approximately \$0.5 million at a future SAB Meeting.

Once the remaining bond authority is awarded, applications that did not receive unfunded approvals will be returned to the applicants. With the close of the 2014 CSFP Funding on July 24, 2015, any bond authority that returns to the project is available to CSFP applicants who are converting Preliminary Charter School Apportionments to Final Charter School Apportionments and qualify for funding in excess of the reserved preliminary amount. Please contact Erin Cunneen for additional information at 916-375-4741 or erin.cunneen@dgs.ca.gov

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.

Cost of August Bond Sale

At the August 2015 meeting, the SAB inquired whether the State would incur increased costs for the General Obligation Bond sale that was held on August 26, 2015 from SFP received bond proceeds and the SAB approved PF apportionments. The Treasurer's office indicated that the general market interest rates were slightly higher in August 2015 when comparing it to March and April 2015 sales.

Regulation Update

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 become effective on January 1, 2016.

Status of Funds

Remaining Bond Authority (As of December 9, 2015) (includes Unfunded Approvals) (in \$ millions)

Proposition	New Construction	Modernization	Career Tech	High Performance	Overcrowding Relief	Seismic Repair
1D	0.1	2.1	17.9	0.5	4.5	91.4
55	5.1	0.0	N/A	N/A	N/A	N/A
47	1.0	0.1	N/A	N/A	N/A	N/A
Total	6.2	2.2	17.9	0.5	4.5	91.4

Status of Fund Releases (As of November 30, 2015) (in \$ millions)

	Bond Proceeds Amount	Funds Released through 6/30/2015	Funds Released through 7/31/2015	Bond Proceeds Balance	% of Bond Proceeds Released
November 2009 bond; Dec. 2009 commercial paper sales	111.4	111.4	0.0	0.0	100%
March 2015 bond sale	61.2	43.3	4.9	13.0	79%
April 2015 bond sale	30.2	29.8	0.4	0.0	100%
August 2015 bond sale	120.0	12.7	7.1	100.2	17%
September 2015 commercial paper sale	2.9	2.9	0.0	0.0	100%
October 2015 commercial paper sale	16.3	0.0	11.4	4.9	70%

Upcoming Meeting Date

State Allocation Board

The next meeting is scheduled for Wednesday, January 27, 2016, 4:00 P.M., 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.

Upcoming Deadlines

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). The following list shows the due date for CTEFP projects apportioned in a PF funding round.

PF Funding Round	Number of CTEFP Projects	Required Documents Due By
Eighth	Twelve	April 14, 2016
Ninth	Seven	September 7, 2016