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# An Honest Appraisal of the Financial Picture of School Funding:

## REMAINING BOND AUTHORITY

LISA SILVERMAN

OPSC Acting Executive Officer



## Common Concerns

The State's current financial situation

+

Uncertain future school facilities general obligation bond

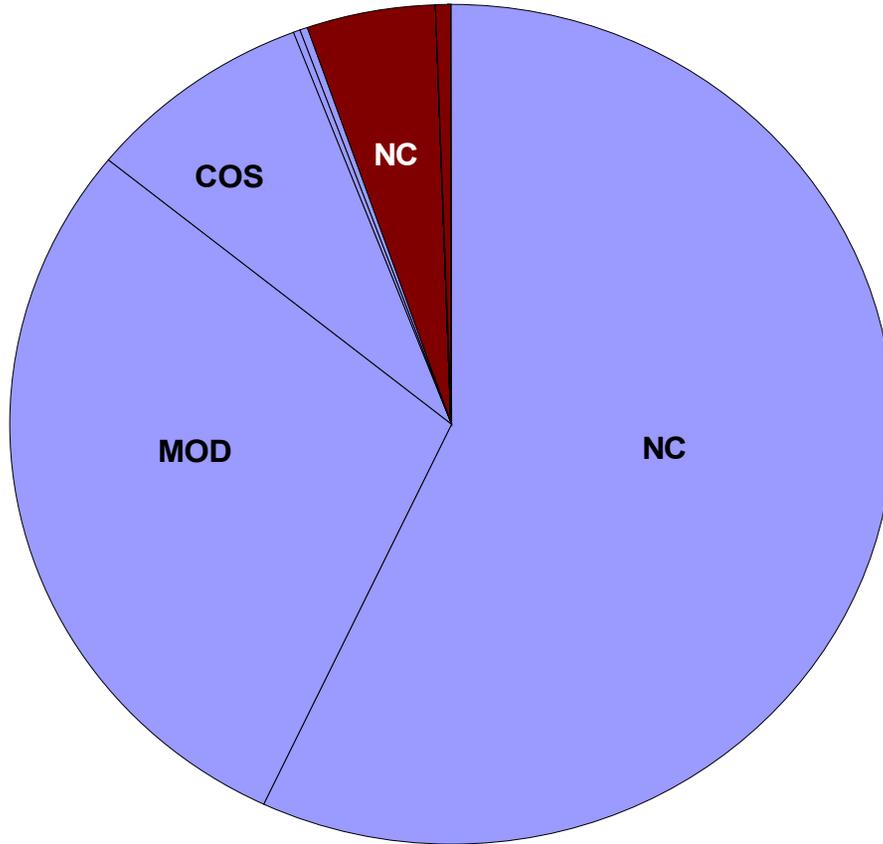
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Concerns about whether the State will be able to fulfill school districts' future facilities needs

# Proposition 47

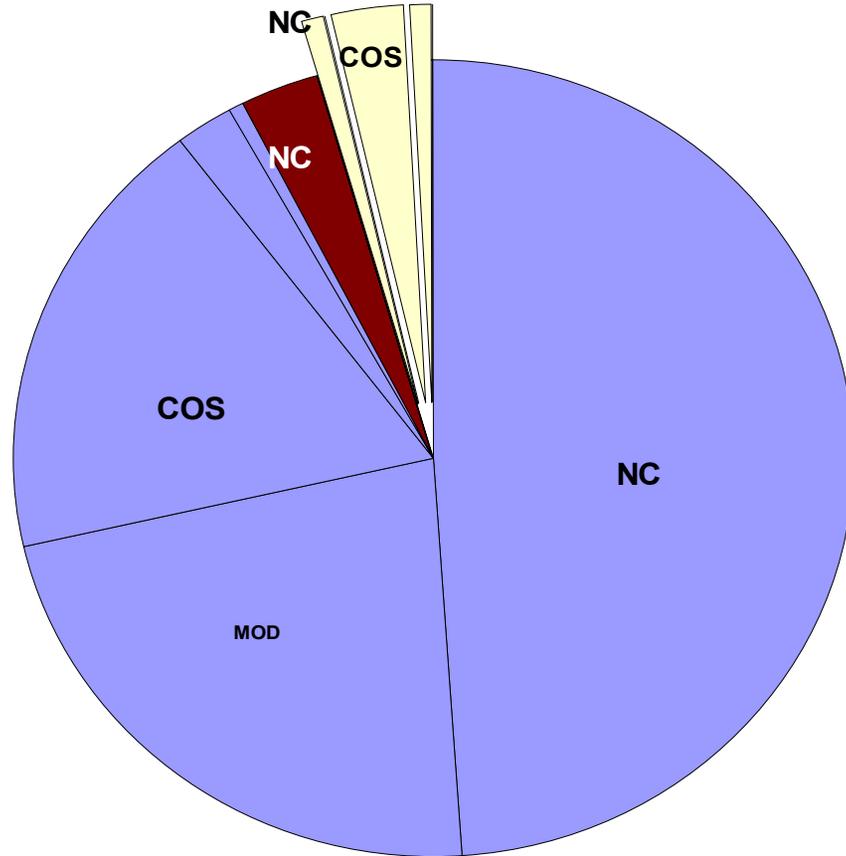
## Bond Authority - \$11.400 billion

(in millions)



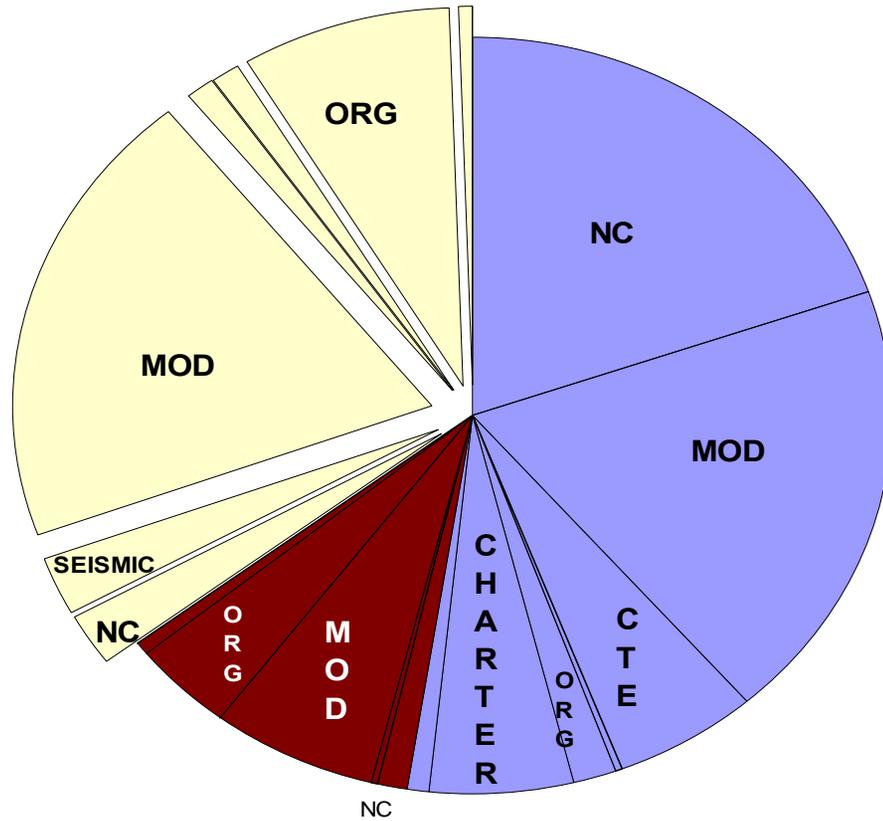
-  Apportioned  
\$10,809.2 million
-  Unfunded Approvals  
\$521.8 million
-  Remaining Bond Authority  
\$69 million

**Proposition 55**  
**Bond Authority - \$10.016 billion**  
(in millions)



-  AppORTioned  
\$9,273.8 million
-  Unfunded Approvals  
\$287.1 million
-  Remaining Bond Authority  
\$454.6 milion

Proposition 1D  
Bond Authority - \$7.358 billion  
(in millions)



-  AppORTioned  
\$3,865.2 million
-  Unfunded Approvals  
\$904.1 million
-  Remaining Bond Authority  
\$2,588.2 million



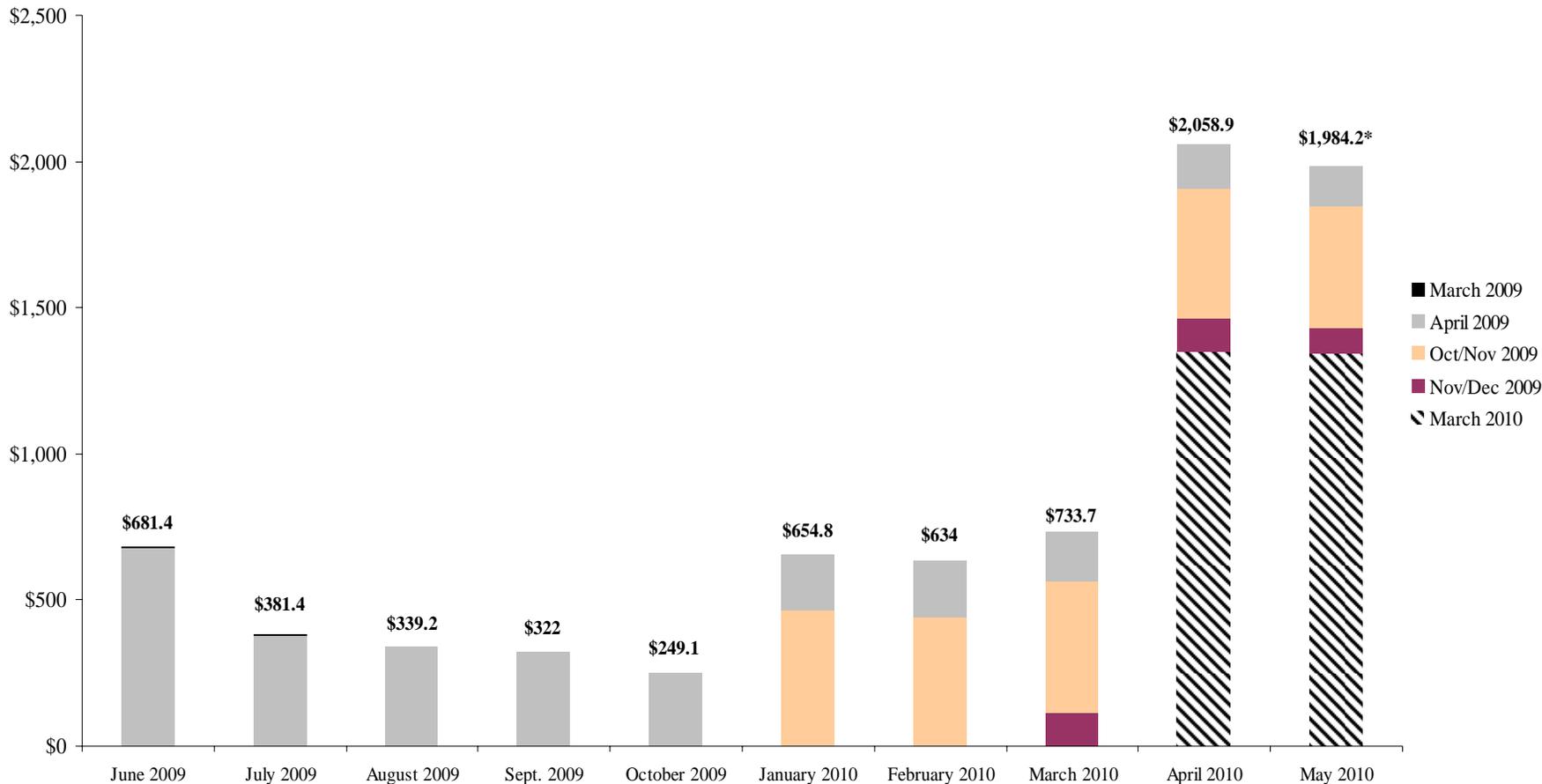
## OPSC Action Plan

### CASH FLOW

- Fiscal Crisis – March 2009 thru March 2010:
- \$3,978 billion bond proceeds
  - 1,994 billion liquidated to SFP projects
  - \$1,984 billion remaining for disbursement
- 10 Month average funds release rate = \$38 million
- General Obligation Bond Funded Programs

# School Facility Program Funds Available, as a Result of Bond Sales in 2009 and 2010

(in millions of dollars)



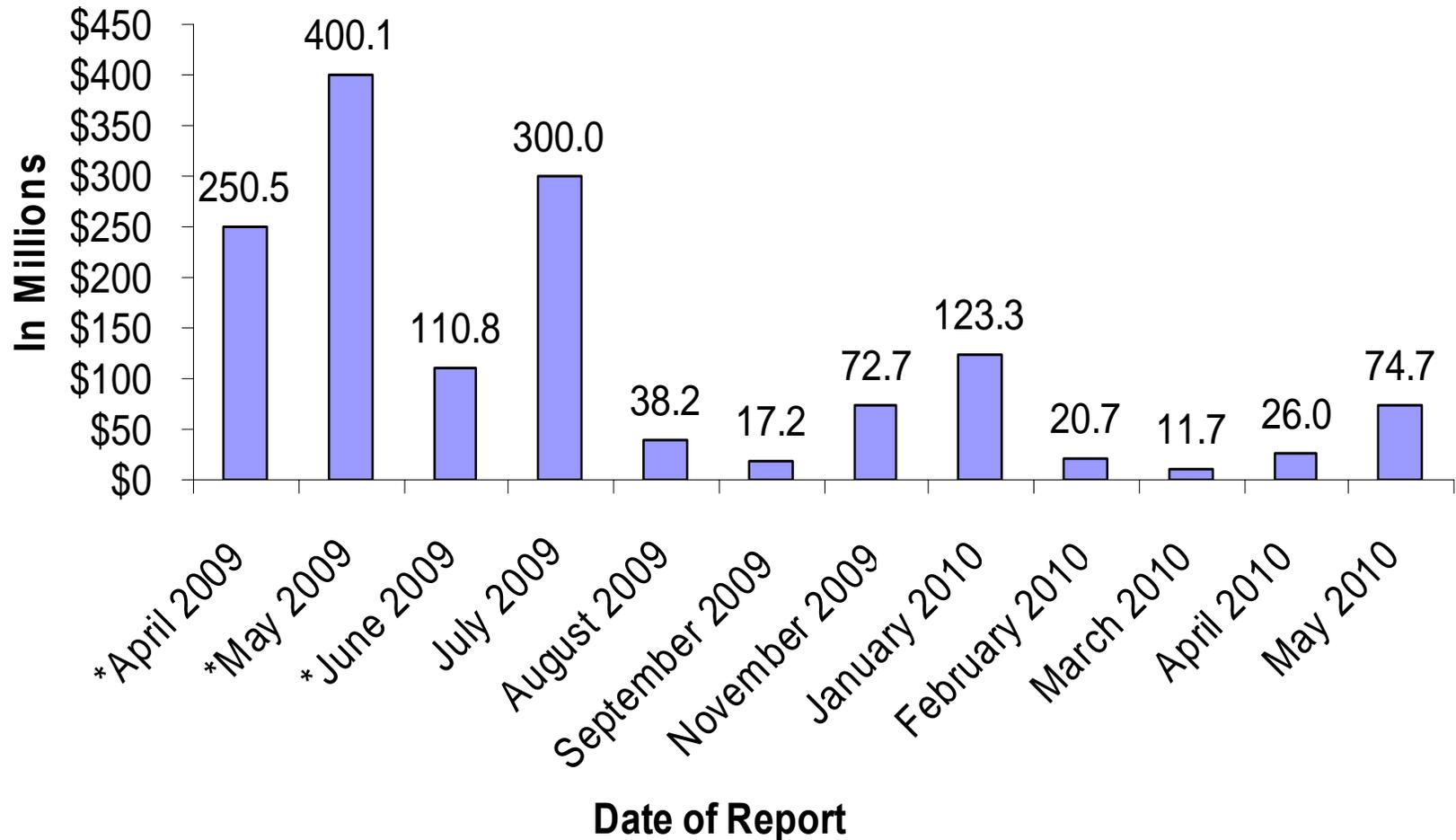
\*estimates not available for November and December 2009; \*includes \$224.7 million reserved for Career Technical Education projects

amount available in ----->

	June 2009	July 2009	August 2009	September 2009	October 2009	January 2010	February 2010	March 2010	April 2010	May 2010
March 2009 sale	\$4,300,000	\$4,300,000	\$300,000	\$300,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
April 2009 sale	\$677,100,000	\$377,100,000	\$338,900,000	\$321,700,000	\$249,000,000	\$192,100,000	\$192,100,000	\$168,100,000	\$149,200,000	\$136,900,000
Oct/Nov 2009 sales	\$0	\$0	\$0	\$0	\$0	\$462,600,000	\$441,800,000	\$454,100,000	\$447,000,000	\$418,600,000
Nov/Dec 2009 sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$111,400,000	\$111,400,000	\$81,900,000
March 2010 sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,351,200,000	\$1,346,700,000
<b>Total Available</b>	<b>\$681,400,000</b>	<b>\$381,400,000</b>	<b>\$339,200,000</b>	<b>\$322,000,000</b>	<b>\$249,070,000</b>	<b>\$654,770,000</b>	<b>\$633,970,000</b>	<b>\$733,670,000</b>	<b>\$2,058,870,000</b>	<b>\$1,984,170,000</b>

Of the 2009 bond sales (\$2.6 billion), \$637.5 million remains unspent in May 2010. Of the combined 2009-10 bond sales (\$4.0 billion) \$2.0 billion remains unspent in May 2010

## General Obligation Bond Sale Funds Released by Month



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# FUNDING PRIORITIES

JUAN MIRELES  
OPSC Policy Manager



## Changing Times...

New era in School Facilities Funding

Different set of challenges:

- No apportionments without cash
- Limited access to bond market
- Growing list of approved but not funded projects



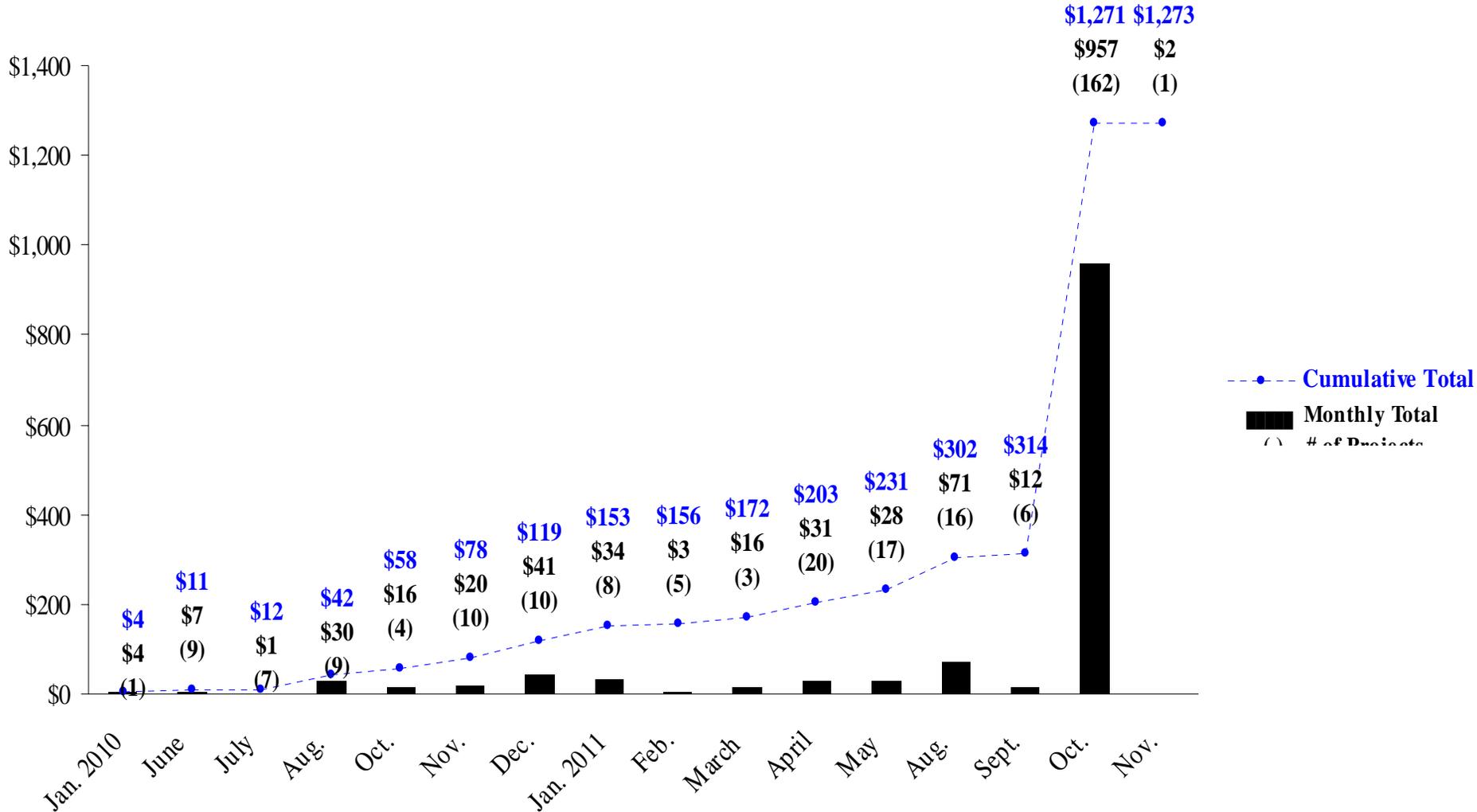
## Common Concerns

The current practice for making apportionments limits the ability to:

- Prioritize school construction
- Stimulate the economy
- Create jobs

# School Facility Program Apportionments Set to Expire due to 18-month Time Limit on Fund Release

(monthly and cumulative totals, in millions of dollars)





## Next Steps

### **State Allocation Board Actions**

- April 2010 the SAB took action to explore alternative methods of awarding apportionments
  - Created a Subcommittee



## Next Steps

- May 12, 2010 Subcommittee meeting
  - Discussed ways to implement alternative apportionment method
- May 26, 2010 SAB meeting
  - Presentation of action plan



## FOOD FOR THOUGHT...

“The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew.”

**Abraham Lincoln**

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THANK YOU!

We value your input  
OPSC is available online at :

[www.opsc.ca.gov](http://www.opsc.ca.gov)

or you can send comments and suggestions to:

[opscnews@dgs.ca.gov](mailto:opscnews@dgs.ca.gov)

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# Building the Future

**Bins, Change Orders, Reviews, and Closeouts**

David F. Thorman, AIA  
State Architect

Kathy Hicks  
Deputy Director

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# **Background: DSA Action Plan**



## DSA Action Plan

- Addressing Bin Time
- Reducing Plan Review Time
- Performance Metrics



## DSA Strives For:

- Efficient operations
- Enable economic stimulus
- Ensuring pupil safety with proper certification at close out
- Consistency in application of code



## Measuring Progress

### DSA Performance Metrics:

- Plan review times
- Incomplete submittals
- Voiding projects not constructed
- Proper use of “shovel ready” prioritization process



## Town Halls & Outreach

- Common concerns heard: process issues (delayed reviews, inconsistencies, projects closed without certification)
- Constructive proposals lead to positive collaboration on solutions
- Range of Solutions:
  - process corrections
  - regulatory changes
  - legislative proposals

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## **Concerns That We Heard...**



## Common Concerns

- Effect of bin time reduction efforts on DSA's other services and programs
- Inconsistencies between plan reviewers
- Project certification & closeout is still difficult
- Make all processes simpler, faster, and more transparent

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# **DSA Actions and Options for Change**



## Bin Time Reduction

- Projects transferred between DSA Regional Offices
  - Bin times below six weeks without overtime or the use of consultant contracts
- Balancing at all stages of the DSA process



## Inconsistency

- Interpretation & application of code is inconsistent

### **Actions Taken:**

- DSA Academy
- Statewide Teams

### **Options to Consider:**

- Performance Metrics



## Closeout & Certification

- Dedicated closeout teams deployed
- Districts with uncertified projects notified
- Focused effort to certify projects with potential code concerns
- Certification Guide published online



## Options for Projects Closed Without Certification

Stakeholder suggestions:

- Alternative documentation requirements
- Grandfathering old projects

New DSA concepts:

1. Utilize existing process
2. Utilize alternative methods (Certification Guide)
3. Engineer/Architect certification
4. Allow some construction on uncertified buildings



## Streamlining & Transparency

- Review existing policies/procedures/forms
- Performance metrics:
  - Dedicated effort within DSA
  - Identify process owners
  - Make data readily available on web site

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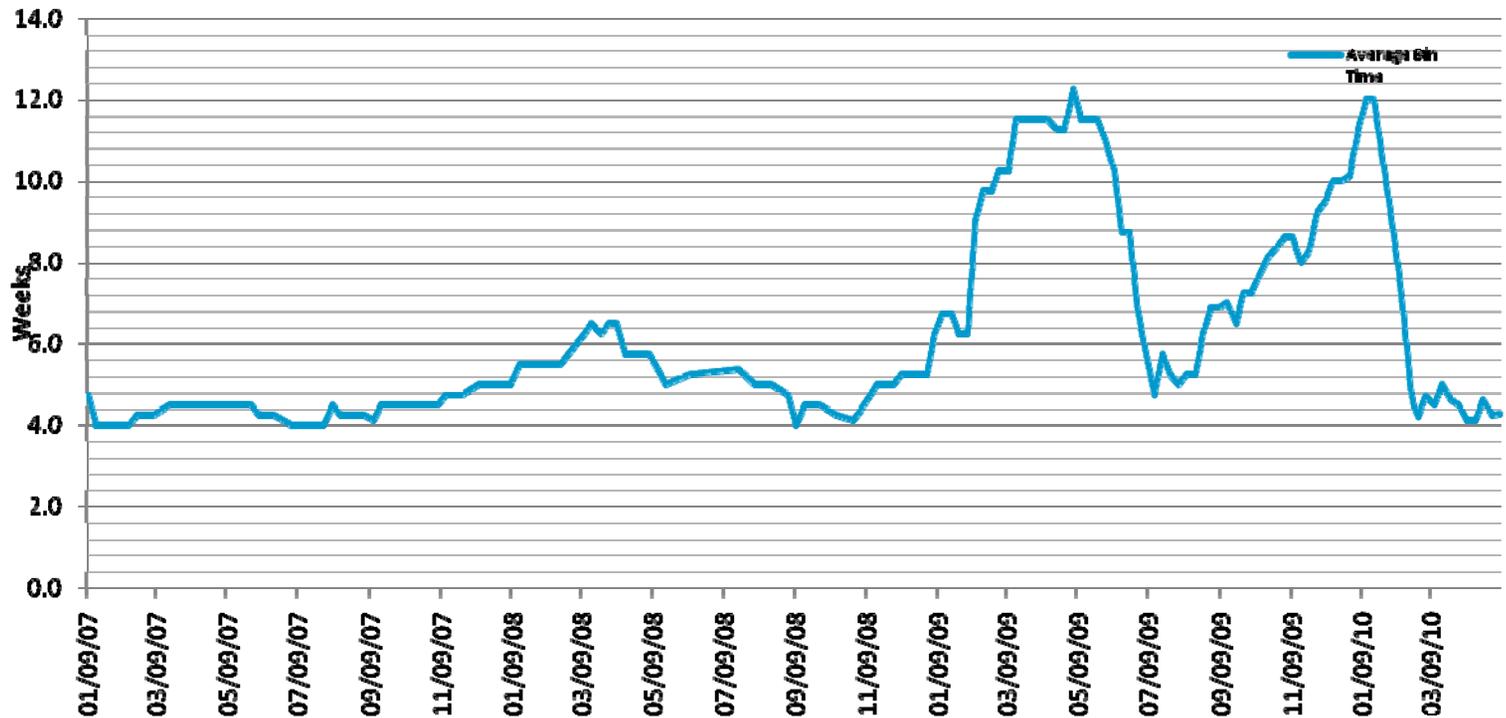
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## Measuring Bin Time

DSA Average Structural Bin Time



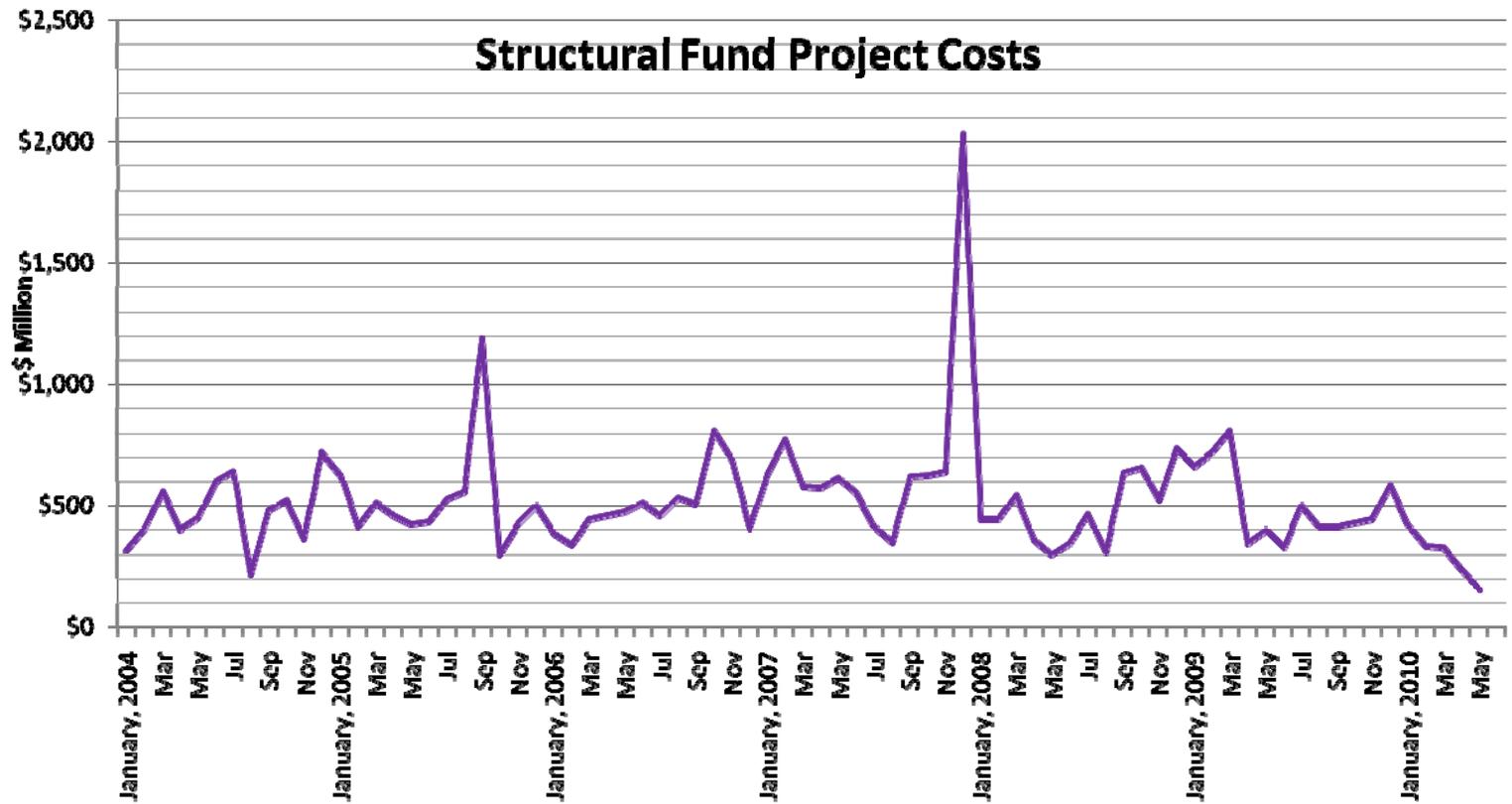
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## Workload Variations



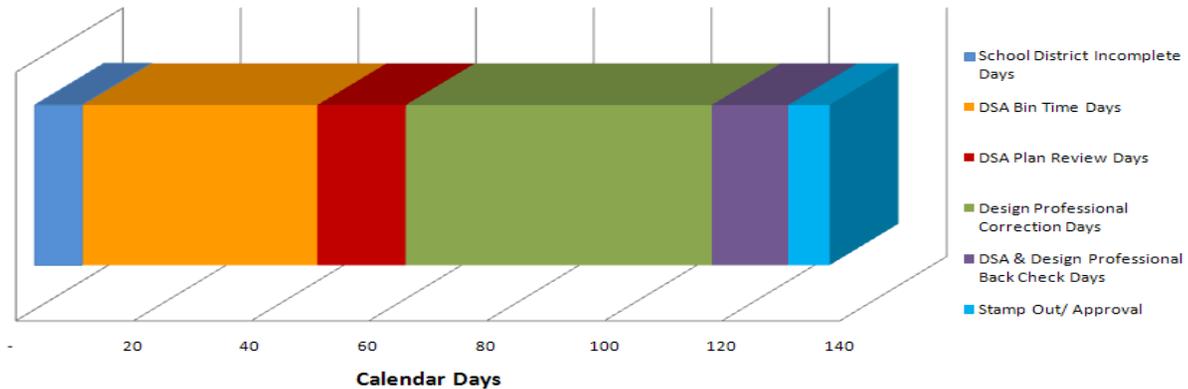


# Plan Review: The Bigger Picture

Department of General Services  
 Division of the State Architect  
 Average Plan Review Processing Time  
 Projects Received 07/01/09 through 05/12/10 that have been Approved/Stamped Out  
 Data as of May 12, 2010

Project	School District Incomplete Days	DSA Bin Time Days	DSA Plan Review Days	Design Professional Correction Days	DSA & Design Professional Back Check Days	Stamp Out/ Approval
Average Plan Review Processing Time	8	40	15	52	13	7

Average Plan Review Processing Time





## What's Next

### DSA Commitments:

- Sustainable improvements to facilitate economic stimulus in the most cost effective manner for client districts and California taxpayers.
- Continuous process improvement is dynamic, requiring ongoing monitoring, review and change as necessary, in open dialogue with stakeholders.



## Questions?

- DSA available online at:  
[www.dsa.dgs.ca.gov](http://www.dsa.dgs.ca.gov)
- Reach us by telephone at:
  - 510.622.3101 *Oakland Regional Office*
  - 916.445.8730 *Sacramento Regional Office*
  - 213.897.3995 *Los Angeles Regional Office*
  - 858.674.5400 *San Diego Regional Office*
  - 916.445.8100 *Headquarters*

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**More Questions?**

[dgsfeedback@dgs.ca.gov](mailto:dgsfeedback@dgs.ca.gov)

**Watch the Webcast Archive**

<http://www.dgs.ca.gov/Webcasts.htm>