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# Introduction

## Purpose

The purpose of the State Allocation Board's Program Review Subcommittee (Subcommittee) is to discuss various aspects of the School Facility Program (SFP) in order to consider potential program-related improvements.

## History

The SFP was implemented in late 1998 and was a significant change from previous State facilities programs. State funding is provided on a matching basis in the form of pupil grants, with supplemental grants for site development, site acquisition, and other project-specific costs when necessary. The goal of the SFP was to make the funding process quicker and less complicated.

The SFP provides greater independence and flexibility to school districts to determine the scope of their projects. There is considerably less project oversight by State agencies than in previous State programs. In return, the program requires the school district to accept more responsibility for the outcome of the project and cover unanticipated costs and any overruns, while allowing the district to receive the rewards of a well-managed project.

The SFP provides funding grants for school districts to acquire school sites, construct new school facilities, or modernize existing school facilities. The SFP provides for a wide variety of state funding, including, but not limited to, new construction, modernization, charter school facilities, career technical education facilities, seismic mitigation, facility hardship, joint-use programs, high performance attributes and assisting in the relief of overcrowding

All State grants are considered to be the full and final apportionment by the Board. Cost overruns, legal disputes, and other unanticipated costs are the district's responsibility. However, all savings (from applicable programs) resulting from the district's efficient management of the project and interest earned on the funds, both State and local, accrue to the district alone in most cases. Savings and interest may be used by the district for any other high priority capital outlay project in the district.

To ensure that districts are providing adequate safe facilities to students, districts are required to receive project approvals from the Division of the State Architect (DSA) and California Department of Education (CDE) prior to submittal of a funding application. DSA plan approval is required prior to signing a contract for any new construction, modernization and alteration projects for which State funding is requested. The DSA approval ensures that the plans and specifications are in compliance with California's requirements for structural safety, fire and life safety, and accessibility. The CDE plan and site approvals ensure that each project meets the CDE standards for educational adequacy as provided in law.

## Implementation and Evolution of the School Facility Program

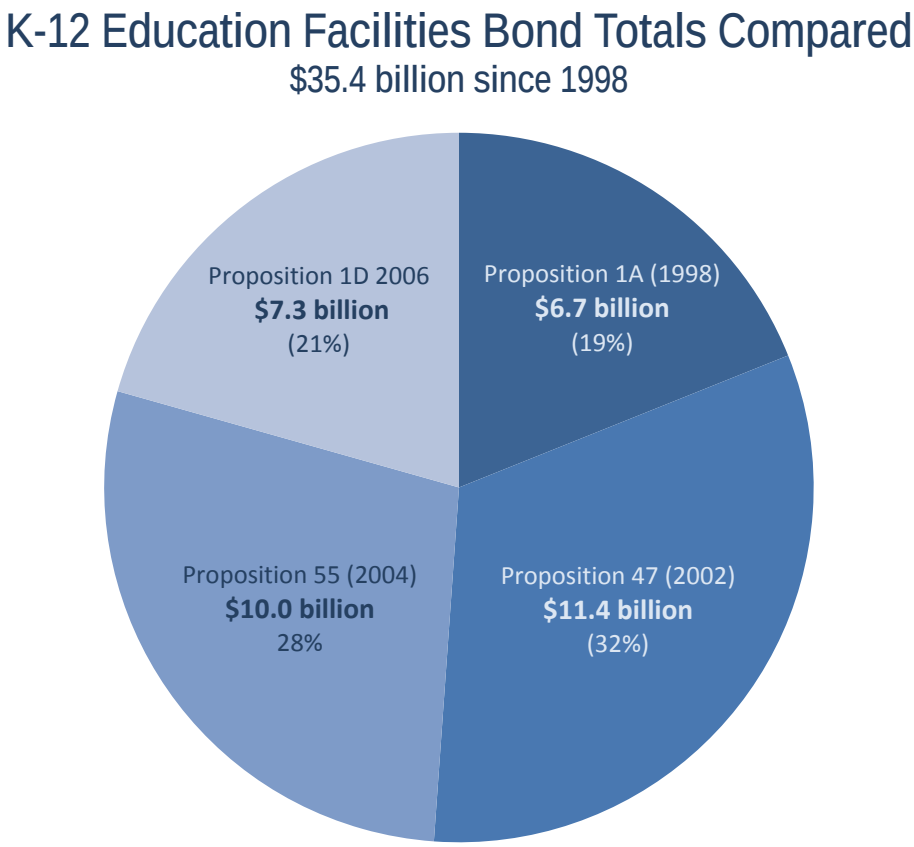
The Leroy F. Greene School Facilities Act of 1998 (Senate Bill 50) was chaptered into law on August 27, 1998, establishing the SFP. The legislation required that regulations be approved and in place for accepting and processing applications as soon as Proposition 1A was approved by the voters the following November. The SFP continues to evolve through legislative and regulatory changes. Assembly Bill (AB) 16 and AB 14 (effective in November 2002 with the passage of Proposition 47) provided for significant changes to the SFP. These changes included funding for charter school facilities, critically overcrowded schools and joint-use projects. Some of the changes that impacted new construction funding included the suspension of Priority Points (a method formerly used to rank projects), an additional grant for energy efficiency, and several changes that impact the determination of eligibility. Some of the changes that impacted modernization funding included the change of the funding ratio between the State and the school district from 80 percent State and 20 percent district to 60 percent State and 40 percent school district, and additional grants for energy efficiency and the modernization of buildings 50 years old or older. Additional funding

was made available to the SFP through the passage of Proposition 55 in March 2004 and Proposition 1D in November of 2006. Proposition 1D made additional funding available to provide for Career Technical Education facilities, High Performance project attributes and overcrowding relief grants.

## Funding for the School Facility Program

Funding for projects approved in the SFP comes exclusively from statewide general obligation bonds approved by the voters of California. The first funding source for the program was from Proposition 1A, approved in November 1998. That bond for $9.2 billion contained $6.7 billion for K–12 public school facilities. The second funding source for the program was from Proposition 47, approved in November 2002. It was a $13.2 billion bond, the largest school bond in the history of the State. It contained $11.4 billion for K–12 public school facilities. In March 2004, a third bond was passed by California voters for another $12.3 billion. Of the $12.3 billion provided by Proposition 55, it contained $10 billion for K–12 public school facilities. In November 2006, an additional $10.416 billion was passed by the voters. Of the $10.416 billion provided by Proposition 1D, $7.3 billion was allocated to address overcrowding, provide career technical education facilities, accommodate future enrollment growth, renovate and modernize older school buildings and allow participation in community related joint-use projects.

The chart below shows the total SFP allocation by bond source:



The chart below provides a breakdown of the funding made available to specific programs through each bond source:

## K-12 Education Facilities Bond Breakdowns ($35.4 billion)
### Approved by Voters Since 1998

| Program | Proposition 1A (1998) | Proposition 47 (2002) | Proposition 55 (2004) | Proposition 1D (2006) |
|---|---|---|---|---|
| New Construction | $ 2,900,000,000 | $ 3,350,000,000 [1] | $ 4,960,000,000 | $ 1,900,000,000 [4,5] |
| Modernization | 2,100,000,000 | 1,400,000,000 [2] | 2,250,000,000 | 3,300,000,000 [4] |
| Charter Schools | — | 100,000,000 | 300,000,000 | 500,000,000 |
| Career Technical Education | — | — | — | 500,000,000 |
| Overcrowding Relief | — | — | — | 1,000,000,000 |
| High Performance Schools | — | — | — | 100,000,000 |
| New Construction Backlog | — | 2,900,000,000 | — | — |
| Modernization Backlog | — | 1,900,000,000 | — | — |
| Critically Overcrowded Schools | — | 1,700,000,000 | 2,440,000,000 | — |
| Joint Use | — | 50,000,000 | 50,000,000 | 29,000,000 |
| Hardship | 1,000,000,000 | — | — | — |
| Class Size Reduction | 700,000,000 | — | — | — |
| Total K–12 | $ 6,700,000,000 | $11,400,000,000 | $10,000,000,000 [3] | $ 7,329,000,000 |

[1] $14.2 million – energy efficiency.

[2] $5.8 million – energy efficiency.

[3] $20 million total – energy efficiency set aside for new construction and modernization.

[4] No more than $200,000,000 of the sum of the appropriations for new construction and modernization shall be used to fund the smaller learning communities and small high schools.

[5] Up to 10½ percent ($199.5 million) shall be available for purposes of seismic repair, construction, or replacement, pursuant to Education Code Section 17075.10.

### Application Processing

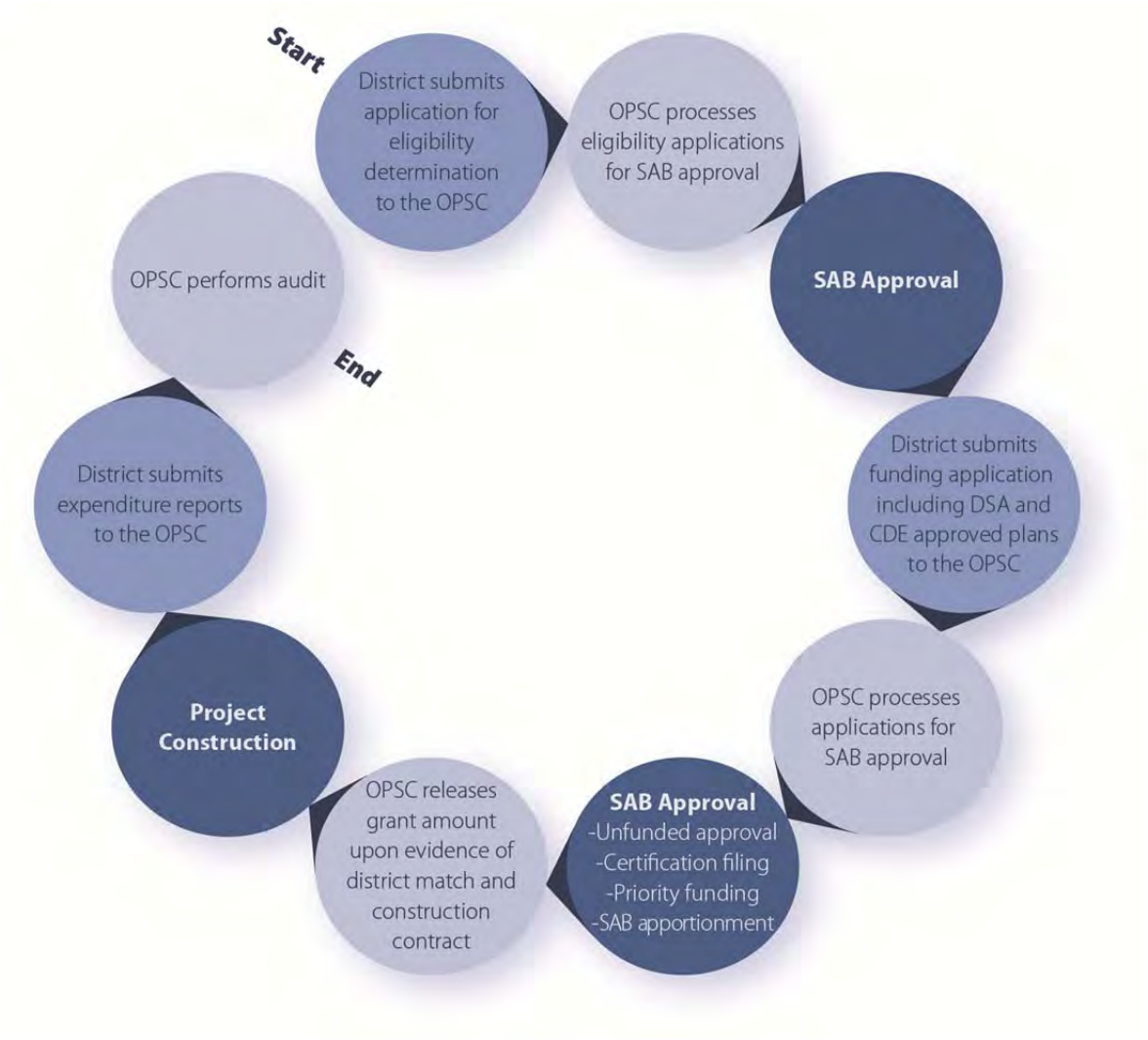
There are two main types of facilities construction projects under the SFP: new construction and modernization. The process for accessing State assistance for these programs is divided into two main steps: an eligibility application and a funding application. Eligibility applications are approved by the Board, which establishes that a school district or county office of education meets the criteria under law to receive funding for new construction or modernization. Additionally, there are also other SFP funding programs that have different eligibility requirements that may not require a district to meet the new construction or modernization eligibility requirements.

New construction and modernization eligibility applications do not result in State funding. In order to receive the funding for an eligible project, the district representative must file a funding application with the Office of Public School Construction (OPSC) for approval by the Board. Eligibility applications may be filed in advance of an application for funding, or the eligibility and funding requests may be filed concurrently at the preference of the district. In most cases, an application for eligibility is typically the first step toward funding assistance through the SFP.

After a district has established eligibility for a project, the district may submit an application for State funding. In most circumstances, the funding is approved after a district has acquired, or identified a site for the project, and after the plans for construction is approved by the DSA and the California Department of Education (CDE). The Charter School Facilities Program and Financial Hardship are examples of programs that allow for funding in advance of acquiring a site while the Career Technical Education Facilities Program is an example of a program in which funds can be reserved in advance of DSA and CDE approval.

The SFP provides State funding assistance for a variety of project types (as highlighted on the chart above) through many different funding programs. The eligibility and funding process is slightly different for each SFP program. For example, programs such as the Career Technical Education Facilities Program receive an eligibility determination based on a score received from the CDE. Not all eligibility requirements are based on pupils. No matter how eligibility for a program is determined, most processes follow a pattern similar to new construction and modernization programs.

The chart below highlights the typical process for an application's journey through the Office of Public School Construction:




Note: The commencement of construction varies from project to project and is determined by the District.

# School Facility Program
# Program Cross-Comparison Matrix

| Program | Eligibility | Funding | Financial Hardship/ Loan Available | Funding Share |
|---|---|---|---|---|
| **New Construction** | Unhoused Pupils | Per Pupil + Supplemental Grants | yes, FH | 50/50 |
| **Modernization** | Aged Buildings (20 Years Plus) | Per Pupil + Supplemental Grants | yes, FH | 60/40 |
| **Overcrowding Relief Grant** | Too Many Pupils on Site and insufficient outdoor space. | Per Pupil + Supplemental Grants | yes, FH | 50/50 |
| **Career Technical Education Facilities** | Recognized CTE Program | Cost Estimate for Construction and Equipment | Loan Only | 50/50 |
| **Charter School Facilities** | Approved Charter Petition & in Operation 2 years | Per Pupil + Supplemental Grants | Loan Only | 50/50 |
| **Critically Overcrowded Schools** | Too Many Pupils on Site | Per Pupil + Supplemental Grants | yes, FH | 50/50 |
| **Joint-Use** | Inadequate or Lacking Facility and Joint-Use Partner | Square Footage | No[11-08-12] | 50/50 |
| **Facility Hardship** | Health & Safety Threat | Per Pupil + Supplemental Grants OR Square Footage OR Cost Estimate | yes, FH | 50/50 OR 60/40 |
| **Seismic Mitigation** | Qualifying Category 2 building | Per Pupil + Supplemental Grants OR Square Footage OR Cost Estimate | yes, FH | 50/50 |

# New Construction Program

## Funding Sources: Propositions 1A, 47, 55 & 1D

### Overview

- The New Construction Program provides school districts with funding to add classroom capacity to meet future student housing needs.
- The program provides funding for costs associated with new school construction, or classroom additions to existing schools. In addition to funding added classroom capacity, the program funds libraries, multipurpose rooms, gymnasiums, administration, and other school facilities.

### Eligibility

- A district's new construction eligibility is based on its projected need to house pupils. New construction eligibility is determined by comparing the district's projected enrollment and the district's current classroom capacity.
    - The formula used to project enrollment, known as the "cohort formula", projects what the enrollment will be in five or ten years. This projection allows districts to plan ahead and meet future needs.
    - The enrollment projection can be based on five or ten years of historical student enrollment.
    - The new construction eligibility formula is as follows:
        - Enrollment in 5 years – existing classroom capacity = # of unhoused pupils = eligibility

<u>New construction example for K-6 pupils</u>:
500 (Enrollment in 5 years) - 400 (existing classroom capacity) = 100 (eligibility).

Existing Classroom Capacity

☺☺☺☺☺☺
☺☺☺☺☺☺
☺☺☺☺☺☺
☺☺☺☺☺☺
☺☺☺
(27 Pupils)

Vs.

Enrollment in 5 Years

☺☺☺☺☺☺
☺☺☺☺☺☺
☺☺☺☺☺☺
☺☺☺☺☺☺
☺☺☺
(27 pupils)

☺☺☺☺☺☺
(6 pupils)

=

Eligibility

☺☺☺☺☺☺
(6 pupils)

- Classroom pupil loading standards:

| Grade Level | Loading Standard |
|---|---|
| K - 6 | 25 |
| 7 - 8 | 27 |
| 9 - 12 | 27 |
| Non - Severe | 13 |
| Severe | 9 |

Example based on four K-6 classrooms:

4 (classrooms) x 25 (loading capacity) = 100 seats

- The "cohort formula" may be supplemented by the number of un-housed pupils that are anticipated as a result of dwelling units proposed to be built within the district or attendance area pursuant to approved and valid tentative subdivision maps.
- The enrollment can be submitted on a district wide basis or a High School Attendance Area (HSAA) basis. Attendance areas represent smaller school district areas that each establish and maintain separate eligibility. In some cases, this helps districts better serve and meet enrollment needs.

District

| | |
|---|---|
| Attendance Area 1 | Attendance Area 3 |
| Attendance Area 2 | Attendance Area 4 |

- Districts filing on a HSAA basis can use attendance or residency data.
- Eligibility is typically updated on a yearly basis. Small school districts with less than 2,501 pupils may "lock in" their new construction eligibility for up to three years. The eligibility lock gives small districts stability because many have erratic enrollment.
- A school district must establish eligibility prior to, or concurrently with, a funding application.
- New construction eligibility expires each year. If the new construction eligibility has expired, the school district must update its eligibility prior to, or concurrently with, a funding application.
- Under the current program, projections are not verified in the future for accuracy, merely updated when new projects are available.

- When a district adds classroom capacity, the district's new construction eligibility is adjusted for the added capacity. This applies to projects that receive funding from the State and projects that are 100 percent locally funded.

## Funding

- The New Construction Program provides funds on a 50/50 State and local sharing basis.

- Funding is provided based on a per pupil grant amount. The per pupil grant amount is multiplied by the number of pupils requested as part of a district's funding application. The pupils requested in each separate grade level receive specific grant amounts prescribed in law.
- The per pupil amount may be adjusted annually based on the Class B Construction Cost Index as approved by the State Allocation Board.
- The base grant is intended to provide funding for design, construction, testing, inspection, furniture, equipment, and other costs related to the actual school facilities construction.
- Prior to the district's funding application submittal, it must obtain approvals from the California Department of Education and the Division of the State Architect.
- The estimated or actual construction costs must be greater than or equal to 60 percent of the State grant plus the district's matching share.
- If the district would like SFP funding for a new construction project, it must submit its funding application before students occupy the new classrooms. Otherwise, the project is not eligible for SFP funding.
- In addition to the base grant, the district may request supplemental grants. The eligible supplemental grants that apply to the New Construction Program are identified in the Supplemental Grant Matrix.
- The 2012 new construction per pupil grant amounts are as follows:

| Grade Level | Grant Amount |
|---|---|
| K - 6 | $9,455 |
| 7 - 8 | $9,999 |
| 9 - 12 | $12,721 |
| Non - Severe | $17,765 |
| Severe | $26,564 |

## Funding Formula

1) Pupil Grants Requested x Per Pupil Grant Amount = Base Grant

2) Base Grant + Supplemental Grants = Total State Share

3) State Share 50% + District Share 50% = Total Project Cost 100%

See Sample project on next page for a detailed example of the funding calculation for a new construction project.

# EXAMPLE: NEW CONSTRUCTION 20 CLASSROOM (K-6) SCHOOL, 500 PUPILS

**BASE GRANT** **$4,727,500.00**
($9,455 per pupil, 25 pupils per classroom, 20 classrooms)
(9,455 X 500 = 4,727,500)

**FIRE DETECTION/ALARM SYSTEM** **$5,500.00**
($11 per pupil for installation of a fire alarm system)
(11 X 500 = 5,500)

**AUTOMATIC SPRINKLER SYSTEM** **$79,500.00**
($159 per pupil for installation of a sprinkler system)
(159 X 500 = 79,500)

**MULTILEVEL CONSTRUCTION** **$567,300.00**
(12% of base grant for each pupil housed in a multilevel building)
(0.12 X 4,727,500 = 567,300)

**PROJECT ASSISTANCE** **$5,705.00**
($5,705 flat rate for districts with less than 2,500 pupils)

**SITE ACQUISITION** **$2,500,000.00**
(50% of lesser of appraised or actual cost of land)

**RELOCATION COSTS** **$50,000.00**
(50% of actual costs for relocation of businesses)

**TWO PERCENT OF APPRAISED OR ACTUAL VALUE** **$100,000.00**
(For costs associated with appraisal, escrow, survey, site testing, etc.)
(0.02 X 5,000,000 = 100,000)

**DTSC FEES** **$50,000.00**
(50% of actual costs for DTSC review, approval, and oversight)

**HAZARDOUS WASTE REMOVAL** **$100,000.00**
(50% of actual costs as required by the DTSC)

**SERVICE SITE DEVELOPMENT** **$500,000.00**
(Actual costs for clearance, grading, soil compaction, utility rerouting, demolition, drainage, etc. at the site)

**OFF-SITE DEVELOPMENT** **$100,000.00**
(Actual costs for curbs, gutters, paving, sidewalks, lighting, signage, trees, on two adjacent sides of the site)

**UTILITIES** **$200,000.00**
(Actual costs for water, sewer, gas, electric, and communications systems at the site)

**GENERAL SITE DEVELOPMENT** **$333,663.00**
(Formula based grant for driveways, walks, parking, curbs, gutters, sports fields, and landscaping)
(The attached calculation page shows the calculation for the General Site Development grant)

**HIGH PERFORMANCE INCENTIVE GRANT (34 points)** **$339,100.00**
(Formula based grant for projects containing high performance components)
(The attached calculation page shows the calculation for the High Performance Incentive grant)

**GEOGRAPHIC LOCATION (5%)** **$236,375.00**
(5%-20% of base grant based on the geographic isolation of the site)
(0.05 X 4,727,500 = 236,375)

**URBAN/SECURITY/IMPACTED SITE** **$2,914,031.00**
(Formula based grant for projects in high cost/high density areas where an appropriately sized site cannot be found)
(The attached calculation page shows the calculation for the Urban/Security/Impacted Site grant)

**PREVAILING WAGE MONITORING GRANT** **$32,022.00**
(One quarter of 1% of the total apportionment for DIR monitoring and enforcement)
(0.0025 X 12,808,674 = 32,022)

| | |
|---|---|
| **STATE SHARE 50%:** | **$12,840,696.00** |
| **DISTRICT SHARE 50%:** | **$12,840,696.00** |
| **TOTAL 100%:** | **$25,681,392.00** |

# FORMULA BASED NEW CONSTRUCTION CALCULATIONS

## GENERAL SITE DEVELOPMENT GRANT

This is a three step calculation.

Step 1: Allow $15,365 per usable acre. Our sample project has 2 acres, therefore:
15,365 X 2 = **30,730**

Step 2: 6% of the base grant for an elementary school project (3.75% for middle and high school projects):
0.06 X 4,727,500 = **283,650**

Step 3: 6% of the following grants: Multilevel Construction, Fire Detection/Alarm, Automatic Sprinkler System, Exceptional Needs grant, Replaced Facilities grant, Facility Hardship, Small Size Project grant, Geographic Location, New School grant, and Joint Use grant. Therefore:
5,500 (Fire Alarm) + 79,500 (Sprinkler) + 236,375 (Geographic) = 321,375 X 0.06 = **19,282.50**

30,730 + 283,650 + 19,282.50 = **$333,663**

## HIGH PERFORMANCE INCENTIVE GRANT

There are separate calculations for projects accepted by DSA before and after 10/1/07. Our sample project will use the newer calculation. The new construction grant is calculated as follows.

Step 1: Allow **$150,000** one time per school site.

Step 2: Allow a percentage of the base grant based on how many CHPS points (as determined by DSA) the project has attained. Our sample project has 34 points, so the SFP regulations stipulate an allowance of 4% of the base grant at 34 points:
0.04 X 4,727,500 = **189,100**

Step 3: Allow 0.36% of the base grant for each CHPS point attained from 35 through 47. Our sample project has 34 points so we do not need to perform this step for this project.

150,000 + 189,100 + 0 = **$339,100**

## URBAN/SECURITY/IMPACTED SITE GRANT

To qualify for this grant, a new construction project must include multilevel construction for at least 60% of the classrooms, the site size must be 60% or less than the CDE recommended site size, and if acquiring acreage, the value must be at least $750,000 per acre. The new construction grant is calculated as follows:

Step 1: Find the acre ratio. Proposed acres + existing acres divided by CDE recommended acres. Our sample project has two proposed acres, no existing acres, and the CDE recommends a site size of 10 acres: 2 divided by 10 = 0.2. The acre ratio is 0.2.

Step 2: Multiplier. Multiply the acre ratio by 100, subtract from 60, then multiply by 1.166. Finally, add 15:
0.2 X 100 = 20. 60 – 20 = 40. 40 X 1.166 = 46.64. 46.64 + 15 = 61.64.

Step 3: Divide Multiplier by 100, and take the resulting percentage of the base grant, the small size grant, and the new school grant, if applicable:
61.64 divided by 100 = 0.6164. 0.6164 X 4,727,500 (base grant) = **$2,914,031**

# Modernization Program

## Funding Sources: Propositions 1A, 47, 55 & 1D

### Overview

- Modernization funding is designed to extend the useful life of existing facilities, or to enhance the physical environment of a school.
- Modernization funding can be used for a current project or reimbursement for a completed project.
- Typical projects include, but are not limited to, the following: structural upgrades, access compliance upgrades, air conditioning, plumbing, lighting, and electrical systems, roof replacement, new furniture and equipment, technology upgrades, and replacement of existing facilities.
- Modernization funding can also be used to demolish and replace existing facilities of like kind.
- Funding is provided based on a per pupil grant amount. The per pupil grant amount is multiplied by the number of pupils requested as part of a district's funding application. The pupils requested in each separate grade level receive specific grant amounts prescribed in law. The per pupil amount may be adjusted annually based on the Class B Construction Cost Index as approved by the State Allocation Board.
- The per pupil grant amount and funding for specific utility upgrades is available if permanent buildings to be modernized are 50 years of age or older.

### Eligibility

- Modernization eligibility is site-specific. Each school site has its own separate modernization eligibility.
- Districts establish an initial Gross Classroom Inventory for the site. This inventory (a.k.a. *snapshot*) does not change as classrooms are added to or subtracted from the site.
- Eligibility Factors:
    - Building Age: Permanent Buildings must be at least 25 years old and Portable buildings must be at least 20 years old.
    - Site enrollment separated out by the total number of K-6, 7-8, 9-12, Non-Severe and Severe students housed at the site.
- Eligibility Options:
    - Classroom count; or
    - Square footage/classroom ratio
- Districts can alternate annually between classroom and square footage eligibility based on benefit to the district.
- Eligibility cannot exceed the total number of pupils housed at the site.
- Districts are not required to update modernization eligibility once it has been established. Districts can choose to update if eligibility will increase.
- Facilities that have been previously modernized with state funding may begin generating eligibility again 25 years after the Board approved apportionment for permanent facilities, and 20 years after the Board approved apportionment for portable facilities.
- Eligibility Calculation:

*Eligibility Option: Classroom (CR) count*

Number of Eligible Classrooms x Pupil Loading Standard = Number of Pupil Grants

Example for a K-6 School:

6 classrooms x 25 (loading standard) = 150 eligible pupil grants.

*Eligibility Option: Square Footage Ratio*

Ratio: Classroom or Sq. Ft of age/Total Classroom or Sq. Ft on the site x Total enrollment by grade = Number of Pupil Grants

Example:

Step 1:

$$\frac{2000 \text{ (eligible sq. ft.)}}{4000 \text{ (total sq. ft.)}} = 0.5$$

Step 2:

100 (K-6) pupils x 0.5 = 50 pupil grants

## Funding

- The Modernization program provides funding on a 60/40 State and local match basis.
- Funding is provided based on a per pupil grant amount. The per pupil grant amount is multiplied by the number of pupils requested as part of a district's funding application. The pupils requested in each separate grade level receive specific grant amounts prescribed in law.
- The per pupil amount may be adjusted annually based on the Class B Construction Cost Index as approved by the State Allocation Board.
- Prior to application submittal, the District must receive the necessary project approvals from the California Department of Education and Division of the State Architect.
- The estimated or actual construction costs must be greater than or equal to 60 percent of the State grant plus the district's matching share.
- The 2012 modernization per pupil grant amounts are as follows:

| Grade Level | Grant Amount |
|---|---|
| K - 6 | $3,600 |
| 7 - 8 | $3,809 |
| 9 - 12 | $4,985 |
| Non - Severe | $7,674 |
| Severe | $11,470 |

## Funding Formula

Funding is determined using the SFP modernization per pupil grant amounts of the grade level requested.

- In addition to the base grant, the district is eligible to request supplemental grants. The eligible supplemental grants under the modernization program have been identified on the supplemental grants matrix.
- A sample modernization project grant amount calculation is provided on the following page.

1) Pupil Grants Requested x Per Pupil Grant Amount = Base Grant

2) Base Grant + Supplemental Grants = Total State Share

3) State Share 60% + District Share 40% = Total Project Cost 100%

# 200 PUPIL GRANT MODERNIZATION PROJECT AT AN ELEMENTARY SCHOOL

**BASE GRANT** **$720,000.00**
($3,600 per pupil K-6)
(3,600 X 200 = 720,000)

**FIRE DETECTION/ALARM SYSTEM** **$23,000.00**
($115 per pupil for installation of a fire alarm system)
(115 X 200 = 23,000)

**PROJECT ASSISTANCE** **$3,040.00**
($3,040 flat rate for districts with less than 2,500 pupils)

**HIGH PERFORMANCE INCENTIVE GRANT (34 points)** **$278,800.00**
(Formula based grant for projects containing high performance components)
(The attached calculation page shows the calculation for the High Performance Incentive grant)

**GEOGRAPHIC LOCATION (5%)** **$36,000.00**
(5%-20% of base grant based on the geographic isolation of the site)
(0.05 X 720,000 = 36,000)

**SMALL SIZE PROJECT (4%)** **$28,800.00**
(4% or 12% of base grant for small scale project of 200 pupil grants or less)
(0.04 X 720,000 = 28,800)

**HANDICAPPED ACCESS/FIRE CODE (3%)** **$21,600.00**
(3% of base grant or formula based grant in order to meet accessibility and fire code requirements at the site)
(0.03 X 720,000 = 21,600)

**TWO-STOP ELEVATORS GRANT** **$96,160.00**
(96,160 flat rate for each two-stop elevator required by the DSA; $17,307 for each additional)

**URBAN/SECURITY/IMPACTED SITE** **$212,060.00**
(Formula based grant for projects in which the site size is less than 60% of that recommended by CDE)
(The attached calculation page shows the calculation for the Urban/Security/Impacted Site grant)

**PREVAILING WAGE MONITORING GRANT** **$3,549.00**
(One quarter of 1% of the total apportionment for DIR monitoring and enforcement)
(0.0025 X 1,419,460 = 3,549)

| | |
|---|---|
| **STATE SHARE 60%:** | **$1,423,009.00** |
| **DISTRICT SHARE 40%:** | **$948,673.00** |
| **TOTAL 100%:** | **$2,371,682.00** |

# FORMULA BASED MODERNIZATION CALCULATIONS

## HIGH PERFORMANCE INCENTIVE GRANT

There are separate calculations for projects accepted by DSA before and after 10/1/07. Our sample project will use the newer calculation. The grant is calculated as follows.

Step 1: Allow **$250,000** one time per school site.

Step 2: Allow a percentage of the base grant based on how many CHPS points (as determined by DSA) the project has attained. Our sample project has 34 points, so the SFP regulations stipulate an allowance of 4% of the base grant at 34 points:
0.04 X 720,000 = **28,800**

Step 3: Allow 0.36% of the base grant for each CHPS point attained from 35 through 47. Our sample project has 34 points so we do not need to perform this step for this project.

250,000 + 28,800 + 0 = **$278,800 Modernization**

## URBAN/SECURITY/IMPACTED SITE GRANT

To qualify for this grant, the site size must be 60% or less than the CDE recommended site size. The modernization grant is calculated as follows:

Step 1: Find the acre ratio. Existing acres divided by CDE recommended acres. Our sample project has two existing acres and the CDE recommends a site size of 10 acres: 2 divided by 10 = 0.2. The acre ratio is 0.2.

Step 2: Multiplier. Multiply the acre ratio by 100, subtract from 60, then multiply by 0.333. Finally, add 15:
0.2 X 100 = 20. 60 – 20 = 40. 40 X 0.333 = 13.32. 13.32 + 15 = 28.32.

Step 3: Divide Multiplier by 100, and take the resulting percentage of the base grant and the small size grant, if applicable:
28.32 divided by 100 = 0.2832. 0.2832 X 748,000 (base grant + small size) = **$212,060**

# Supplemental Grants

The Supplemental Grant Matrix provided in the next section details which supplemental grants are available for each specific School Facility Program (SFP) program.

Accessibility/Fire Code Requirements: Regulation Section 1859.83

There are two options for districts to choose from for this supplemental grant. The District may elect to receive up to 60 percent of the minimum work required to comply with current accessibility and fire code requirements or three percent of the base grant. The 60 percent allowance is based on actual hard costs as reported by the district on the accessibility/fire code requirements checklist. These costs must be the minimum work necessary to receive approval from the Division of the State Architect (DSA) and must be verified by the DSA and the Office of Public School Construction (OPSC). However, there is a cap on the grant amount.

Energy Efficiency: Regulation Sections 1859.71.3 & 1859.78.5

See page #.

Fire Code Requirements: Regulation Sections 1859.71.2 & 1859.78.4

The new construction grant will be increased for each pupil in a project that includes an automatic fire detection and alarm system. The grant amounts will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board.

General Site Development: Regulation Section 1859.76

A supplemental grant for work including onsite driveways, walks, parking, curbs and gutters, outdoor play facilities, such as tennis/handball courts, running tracks, baseball, football, and soccer fields, and landscaping around these facilities. Funding for general site work is limited to $15,365 per usable acre plus a percentage of the base grant including specific additional grants (multi-level, automatic fire detection/alarm system, automatic sprinkler system, and excessive cost hardship grants). Districts receive a 6 percent increase for elementary and middle school projects and a 3.75 percent increase for high school projects. The grant amount will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board.

Geographic Location: Regulation Section 1859.83

A supplemental grant is available to districts with projects that are located in areas of California that are remote, difficult to access, or lack a pool of contractors. A district may qualify and request an augmentation to the new construction grant due to their geographic location. The supplemental grant varies between 5% - 20% depending on the geographic location of the district as defined in regulation.

High Performance Incentive: Regulation Sections 1859.71. 6 & 1859.77.4

See page #

### Labor Compliance Program: Regulation Sections 1859.71.4 & 1859.78.1

A labor compliance program, as specified by Labor Code Section 1771.5, must be initiated and enforced for each project funded wholly or in part from Propositions 47 or 55 funds if the Notice to Proceed was issued on or after April 1, 2003, and the contract was awarded prior to January 1, 2012. An additional grant is provided for these projects. The LCP grant is calculated on a sliding scale based on the total grant amount.

### Prevailing Wage Monitoring: Regulation Sections 1859.71.4 & 1859.78.1

Section 1771.3 of California Labor Code (LC) requires the Department of Industrial Relations (DIR) to monitor and enforce compliance with applicable prevailing wage requirements for any public works project paid for in whole or in part out of State bond funds. The Prevailing Wage Monitoring grant is available for projects with a construction contract awarded after January 1, 2012, regardless of the bond source. The grant will be equal to one quarter of one percent of the State's share.

### Multi-Level Construction: Regulation Section 1859.73

The SFP provides an additional grant to construct multi-level school facilities on small sites. This grant is available for projects in densely populated areas, where site acquisition costs are high and land is scarce, to provide funds to alleviate and mitigate the impact of small sites. If the useable site acreage for the project is less than 75 percent of the site size recommended by the CDE for the master planned project capacity, the new construction grant can be increased by 12 percent for each pupil housed in a multi-level building that will house pupils in all levels of the building.

### New School Project: Regulation Section 1859.83

Districts that will construct an entirely new school, including an alternative education school, on a site without existing facilities may qualify for a supplemental allowance. This grant allowance is intended to provide funds to construct core facilities such as multi-purpose rooms, gymnasiums, libraries, kitchens, etc., for projects that have a minimal amount of classrooms, but not enough to generate a sufficient new construction grant to build these essential facilities. Because it is an allowance, when a district adds classrooms to the site in the future as part of a separate application, a portion of the original grant amount is reduced from the subsequent application(s).

### Project Assistance: Regulation Sections 185973.1 and 1859.78.2

The Board may provide additional project grants for project assistance to school districts with enrollment of 2,500 pupils or less. The 2012 additional grant of $5,705 may be used for costs associated with the preparation and submission of the SFP eligibility and funding applications, including costs related to support documentation such as site diagrams. The grant amount will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board.

### Replacement with Multi-Story Construction: Regulation Section 1859.73.2

As part of a SFP new construction project, a school district may demolish a single story facility and replace it with a multi-story facility on the same site. This grant provides 50 percent of the replacement cost of the single story facility(s) to be replaced. In order to qualify, the site size must be less than 75 percent of the recommended CDE site size, the pupil capacity at the site must be increased, the cost of the demolition and replacement must be less than the cost of providing a new facility at a new site to house the increased pupil capacity, and the project must have CDE approval.

## Site Acquisition: Regulation Sections 1859.74 through 1859.75

The site acquisition grant can be used to acquire and develop new school sites. Under some circumstances, a district may receive grants for a district-owned site. Eligible costs for site acquisition are:

- 50 percent of the lesser of the actual cost or the appraised value of the site.
- 50 percent of the relocation cost.
- 2 percent of the value of the site (minimum of $25,000).
- 50 percent of some Department of Toxic Substances Control (DTSC) review and oversight costs.
- 50 percent of hazardous waste removal (within one and one half times the appraised value).

*Site Valuation -* The district is required to submit one site appraisal with the funding application. A California licensed and duly-qualified appraiser must issue a current appraisal report for the proposed site using the Uniform Standards of Professional Appraisal Practice.

The site must be appraised as if it were a clean site, safe from all contaminants. The appraisal report must evaluate both the gross and net usable acreage and any severance damages.

The appraisal date of valuation, or an update, may not predate by more than six months the district's funding application to the OPSC. An SFP project which had the site funded as a LPP project shall use the value funded under the LPP.

*DTSC Costs -* Site acquisition costs may include up to 50 percent of the cost for the review, approval and oversight of the Phase One Environmental Site Assessment (POESA) and the Preliminary Endangerment Assessment (PEA). Note that these costs are prior to the actual clean-up costs, if any. Those costs may be included under some circumstances. See the paragraph entitled "Hazardous Waste Removal" below.

*Hazardous Waste Removal* **-** Site acquisition costs may be increased by up to one-half of the costs associated with the removal or remediation of hazardous waste on the site to be acquired. The increase in site acquisition may not exceed the difference between one and one half times the appraised value of the site as if no contamination existed and the actual cost of the contaminated site.

Example:

Appraised Site Value (if no contamination existed) = $1,000,000
Actual Cost of the Site = $750,000

Step 1: Determine one and a half times the appraised value of the site
$1,000,000 x 1.5 = $1,500,000

Step 2: Determine difference between Step 1 and the actual cost of the site
$1,500,000 - $750,000 = $750,000

The supplemental grant increase for hazardous waste removal cannot exceed $750,000 unless approved by the Board under specific conditions defined in SFP Regulation.

*Relocation Expenses* **-** Reasonable and necessary costs to relocate residential occupants and businesses from the proposed new school site, including purchasing fixtures and equipment, personal property, new machinery and equipment, and the installation of any improvements at the replacement residences or business locations are permitted as site acquisition costs.

*Two Percent Allowance* – Districts are eligible for an additional grant of two percent of the appraised value to cover costs associated with appraisals, escrow, survey, site testing, CDE reviews/approvals and preparation of the POESA and PEA.

*Incidental Site and Hazardous Waste Removal for Leased Sites or Existing School Site* **-** If the funding application includes a vacant leased site that was never used for school purposes, the site acquisition costs may be increased by up to one-half of the costs associated with the removal or remediation of hazardous waste on the site to be leased.

*Hazardous Waste Removal Required on an Existing School Site* **-** Site acquisition funding may be available for the evaluation and response action in connection with hazardous substances at an existing school site in advance of submittal of the DSA approved plans.

Site Development: Regulation Sections 1859.76 & 1859.78.7

In addition to the new construction grant, the SFP provides a supplemental grant for the purpose of developing the site where the project is to be located. Fifty percent of the site development costs are available for both new sites and for existing sites where additional facilities are being constructed. These development costs fall under the three categories listed below:

*Service site development* - For improvements that are performed within school property lines and may include eligible site clearance, rough grading, soil compaction, drainage, erosion control and multi-level, single-level subterranean or under-building parking structures. This portion of the site preparation is accomplished prior to the general site development and construction of buildings.

*Off -site* – For improvements that are located along the perimeter of two sides of the site including street grading and paving, storm drainage lines, curbs, gutters, sidewalks, and street lighting. These improvements are commonly dedicated for public use. If a district is requesting off -site improvements, the local entities having jurisdiction of areas where the off -site development is proposed must approve the related plans and specifications. These approved plans and specifications must be submitted to the OPSC at the time the application for funding is submitted.

*Utility service* - Include improvements of water, sewer, gas, electric, and telephone from the closest existing utility connection.

As part of the application package, the district must submit an itemized site development worksheet that contains only work that can be verified on the plans and specifications.

Small Size Projects: Regulation Section 1859.83

A supplemental grant is available to districts with projects that house no more than 200 pupils. The grant is intended to provide additional funds for core facilities and to make up for the lack of economies of scale when districts build small projects. The new construction grant can be increased as follows:

Capacity of the project is 0 – 100 Pupils
Base grant x 12% = Small Size grant

Capacity of the project is 101 – 200 Pupils
Base grant x 4% = Small Size grant

Special Education – Therapy: Regulation Sections 1859.72, 1859.73.2, 1859.82, 1859.125 & 1859.125.1

The new construction grant will be increased for the area of therapy rooms, not to exceed 3,000 square feet, plus 750 square feet per additional Special Day Class classroom needed for severely disabled individuals with exceptional needs. The current unit cost per square foot of therapy area is as follows:

$278 per square foot for toilet facilities
$154 per square foot for other facilities

The grant amounts will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board.

Two Stop Elevators: Regulation Section 1859.83

If the DSA requires two-stop elevators in a modernization project, the modernization grant will be increased by $96,160 for each two-stop elevator. The modernization grant will be increased by $17,307 for each additional stop required. The grant amounts will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board.

Urban Locations/Security Requirements & Impacted Sites: Regulation Section 1859.83

Urban locations on impacted sites are generally in areas of high population density or high property values. In these situations, the environment makes it difficult for districts to acquire ample real property, which causes increased project costs uniquely associated with urban construction. Districts with projects on these impacted sites are also faced with extra security requirements. The supplemental grant provides funds for security fences, watchpersons, increased premiums for insurance for contractors, and storage or daily delivery of construction materials to prevent theft and vandalism.

Districts with projects in urban locations on impacted sites may request a supplemental grant if *all* of the following conditions are met:

1) The CDE Final Plan approval letter shows the useable site acreage for the project is 60 percent or less of the site size recommended for the net school building capacity for the project plus any existing enrollment at the site, if any.

2) At least 60 percent of the classrooms verified in the project construction plans are in multi-story facilities.

3) For new construction of a new school site, the value of the site being acquired is at least $750,000 per useable acre, determined by dividing the proposed acres by the appraised value of the site. This condition does not apply to new construction additions to existing school sites.

# School Facility Program
# Supplemental Grants Matrix

| Type of Grant | New Construction | Modernization | Overcrowded Relief Grant | Critically Overcrowded Schools | Career Technical Education Facilities | Charter (NC) | Charter (Rehabilitation) | Facility Hardship (Replacement) | Facility Hardship-Rehabilitation | Joint-Use | Seismic Mitigation-Replacement | Seismic Mitigation-Rehabilitation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Accessibility/Fire Code Requirements | | x | | | | | x | | | | | |
| Energy Efficiency | x | x | x | x | | x | x | x | | | x | |
| Fire Detection Alarm System | x | x | x | x | | x | x | x | | | x | |
| Fire Sprinkler System | x | | x | x | | x | | x | | | x | |
| General Site | x | | x | x | | x | | x | | | x | |
| Geographic % factor | x | x | x | x | | x | x | x | x | x | x | x |
| High Performance Incentive (HPI) | x | x | x | x | | x | x | | | | | |
| HPI Base Grant-only | | | | | x | | | | | | | |
| Labor Compliance Program | x | x | | x | | x | x | x | x | x | x | x |
| Prevailing Wage Monitoring | x | x | x | x | x | x | x | x | x | x | x | x |
| Multilevel Construction | x | | x | x | | x | | x | | | x | |
| New School Project | x | | x | x | | x | | x | | | x | |
| Project Assistance | x | x | x | x | x | x | | x | x | x | x | x |
| Replacement with Multi-Story | x | | | | | | | | | | | |
| Site Acquisition<br>-Actual or Appraised<br>-Real Estate Fees (2%)<br>-DTSC<br>-Haz. Materials<br>-Relocation Costs | x | | x | x | | x | | x | | | x | |
| Site Development<br>-Off-Site<br>-Service Site<br>-Utilities | x | * | x | x | x | x | | x | | x | x | |
| Small Size Project | x | x | x | x | | x | x | x | x | x | x | x |
| Special Ed. Therapy/Other Area | x | | x | x | | x | | x | | | x | |
| Special Ed. Toilet Area | x | | x | x | | x | | x | | | x | |
| Two-Stop Elevator | | x | | | | | x | | x | | | x |
| Urban Security | x | x | x | x | | x | x | x | x | x | x | x |

*If Modernization includes facilitiesthat are 50 years old or more,
Utilities grants may apply.

# Critically Overcrowded Schools Program

(Authority within this program is exhausted; there is no provision for any future funding)
Funding Sources: Propositions 47 & 55

## Overview

- The Critically Overcrowded Schools (COS) program allows school districts with critically overcrowded school facilities to apply for a preliminary apportionment (reservation of funds) and an adjusted grant apportionment (final apportionment).
- School districts must convert the preliminary apportionment into a SFP new construction project within a four-year period.
- The project may be either a new school project or an addition to an existing site.

## Eligibility

- Must have School Facility Program new construction eligibility to support the project or use an "alternative eligibility method", such as current enrollment, current residency data or a projection of residency data to justify the project.
- Must be listed as critically overcrowded on California Department of Education's (CDE) Source School List which identifies schools with qualifying site densities.
- District must identify at least 75 percent of the proposed pupil occupancy as coming from a source school(s)
- Project must be located within the attendance area or a one-mile radius of an elementary source school or, within the attendance area or a three-mile radius for a secondary source school.

## Funding

- Funding is based on a 50/50 State and local match.
- Funding is provided based on a per pupil grant amount. The per pupil grant amount is multiplied by the number of pupils requested as part of a district's funding application. The pupils requested in each separate grade level receive specific grant amounts prescribed in law.
- The per pupil amount may be adjusted annually based on the Class B Construction Cost Index as approved by the State Allocation Board.
- Projects are awarded preliminary apportionments. Within four years the reservation of funds must be converted to a final apportionment. A single one-year extension may be granted.
- The estimated preliminary apportionment grant amounts are based on new construction pupil base grant amounts and any additional site acquisition, site development, and/or supplemental allowances.
- Advanced fund release is available for site and design costs.
- Preliminary apportionments are a reservation of funds based on a proposed project; a final apportionment is the full project, complete with Division of the State Architect and CDE approved plans.
- The 2012 new construction per pupil grant amounts are as follows:

| Grade Level | Grant Amount |
|---|---|
| K - 6 | $9,455 |
| 7 - 8 | $9,999 |
| 9 - 12 | $12,721 |
| Non - Severe | $17,765 |
| Severe | $26,564 |

## Funding Formula

1) Pupil Grants Requested x Per Pupil Grant Amount = Base Grant

2) Base Grant + Supplemental Grants = Total State Share

3) State Share 50% + District Share 50% = Total Project Cost 100%

# Overcrowding Relief Grant Program

## Funding Source: Proposition 1D

### Overview

- The Overcrowding Relief Grant Program (ORG) replaces portable classrooms with permanent classrooms on overcrowded school sites. Projects must reduce overcrowding at each site that eligibility is drawn from.
- ORG projects must increase useable outdoor space for play areas, green space, or outdoor lunch areas.
- Projects may include construction of a new school or replacement of classrooms at an existing school.

### Eligibility

- Eligibility is calculated on a school site-specific basis by the California Department of Education (CDE).
- Eligible ORG school sites must have a population density equal to or greater than 175 percent of CDE's recommended population density. Population density is based on the 2005/2006 academic year enrollment.
- After eligibility is established with the CDE, the district must establish district-wide eligibility with the OPSC prior to or concurrently with a funding application.
- The district-wide eligibility will identify the total number of pupils and portable classrooms that can be requested through ORG applications.

### Funding

- The ORG provides funding on a 50/50 State and local match basis.
- ORG funding is determined using the SFP New Construction Program per pupil grant amounts based on the number of pupils requested.
- The per pupil amount may be adjusted annually based on the Class B Construction Cost Index as approved by the State Allocation Board.
- Unlike New Construction funding, ORG funding is not based on the grade levels served by the portable classrooms. ORG funding can be requested at any grade level.
- A single funding application can pull eligibility from multiple ORG-eligible sites.
- The base grant provides funding for design, construction, testing, inspection, furniture, equipment, and other costs related to the actual school facilities construction.
- Prior to the district's funding application submittal, it must obtain approvals from the California Department of Education and the Division of the State Architect.
- The per pupil amount may be adjusted annually based on the Class B Construction Cost Index as approved by the State Allocation Board.
- In addition to the base grant, the district may request supplemental grants. The eligible supplemental grants that apply to ORG are identified in Supplemental Grant Matrix.
- The 2012 new construction per pupil grant amounts are as follows:

| Grade Level | Grant Amount |
|---|---|
| K - 6 | $9,455 |
| 7 - 8 | $9,999 |
| 9 - 12 | $12,721 |
| Non - Severe | $17,765 |
| Severe | $26,564 |

## Funding Formula

1) Pupil Grants Requested x Per Pupil Grant Amount = Base Grant

2) Base Grant + Supplemental Grants = Total State Share

3) State Share 50% + District Share 50% = Total Project Cost 100%

# Charter School Facilities Program
## New Construction & Rehabilitation

### Funding Sources: Propositions 47, 55 & 1D

### Overview

The Charter School Facilities Program (CSFP) provides charter schools funding to construct new charter school facilities and/or rehabilitate existing school district-owned facilities that are at least 15 years old for charter school use. Applications may be submitted by charter school directly or through the school district where the projects will be physically located. Title to project facilities is generally held by the local school district; however, charter schools may submit a request to hold title.

### Eligibility

- The school district in which the charter school is physically located must have established and updated SFP new construction eligibility.
- The school district must certify to the number of district unhoused students a charter school will house in a new construction project.
- The charter school must be deemed financially sound by the California School Finance Authority (CSFA).
- The buildings in a proposed Rehabilitation project must be at least 15 years old.

### Funding

- Upon State Allocation Board approval, charter school projects receive a reservation of funds known as a "preliminary apportionment." Within four years, the reservation of funds must be converted into a final apportionment. A single one-year extension may be granted.
- The preliminary apportionment grant amounts are based on the grade level served by the CSFP project, and any additional site acquisition, site development, and/or supplemental allowances.
- Charter schools may receive an advanced fund release for site and design costs.
- Funding is provided based on a 50/50 State and local match.
- Final apportionment funding is provided based on a per pupil grant amount. The per pupil grant amount is multiplied by the number of pupils requested as part of a district's funding application. The pupils requested in each separate grade level receive specific grant amounts prescribed in law.
- The per pupil amount may be adjusted annually based on the Class B Construction Cost Index as approved by the State Allocation Board.
- Charter schools may borrow their matching share from the State through the CSFA.
- Charter schools must enter into the appropriate Charter School Agreements outlining property use, State loan repayments, and other project details prior to receipt of any State funds.
- Preliminary apportionments are a reservation of funds based on a proposed project; a final apportionment is the full project, complete with Division of the State Architect and California Department of Education approved plans.
- CSFP new construction final apportionments are funded similarly to SFP new construction projects with the same base grant and most of the same supplemental grants.
- CSFP rehabilitation final apportionments are calculated based on the square footage rehabilitated. Some of the SFP supplemental modernization grants are also available for CSFP rehabilitation projects.

- The 2012 new construction per pupil grant amounts are as follows:

| Grade Level | Grant Amount |
|---|---|
| K - 6 | $9,455 |
| 7 - 8 | $9,999 |
| 9 - 12 | $12,721 |
| Non - Severe | $17,765 |
| Severe | $26,564 |

- The 2012 replacement costs are as follows:

| Square Footage Type | Grant Amount per Square Foot |
|---|---|
| Toilet | $555 |
| Non-Toilet | $307 |

### Funding Formula

## New Construction

1) Pupil Grants Requested x Per Pupil Grant Amount = Base Grant

2) Base Grant + Supplemental Grants = Total State Share

3) State Share 50% + District Share 50% = Total Project Cost 100%

## Rehabilitation

1) Toilet Square Footage x Toilet Facilities Grant Amount) + (Non- Toilet Square Footage x Therapy/Other Grant Amount) = Base Grant

2) Base Grant + Supplemental Grants = Total State Share

3) State Share 50% + District Share 50% = Total Project Cost 100%

# High Performance Incentive

## Funding Source: Proposition 1D

### Overview

- Provides additional funds to New Construction, Modernization, Overcrowding Relief Grant, Critically Overcrowded Schools, Charter and Career Technical Education projects as an incentive to include *high performance* attributes in the project.

- High Performance attributes include project design that promotes energy and water efficiency, maximizes the use of natural lighting, improves indoor air quality, utilizes recycled materials, and materials that emit a minimum of toxic substances, and employs acoustics that are conducive to teaching and learning.

### Eligibility

- A High Performance Rating Criteria (HPRC) was established to determine the high performance attributes in a project, and assign each application a score that will directly correlate to the amount of additional funding a project receives.

- The HPRC was modeled after the rating criteria as identified in the 2002, 2006 and 2009 California Collaborative of High Performance Schools (CHPS) criteria. However, the criteria were modified to assure that funds allocated from this program focus on facility components that enhance high performance.

- The project must include components from each of the following five pre-requisite HPRC categories:
    - Sustainable Site Selection
    - Reduced Water Usage
    - Energy Efficiency
    - Use of Sustainable, Renewable, and/or Recycled Materials
    - Indoor Environmental Quality

- The Division of the State Architect (DSA) reviews the plans using the HPRC to determine the number of High Performance Credits attained in the project design

### Funding Requirements

- The DSA verifies the HPI attributes in the project plans using the HPRC and concurs with the total "HP points" achieved in the project.

- New Construction on New School Sites
    - In order to qualify for the additional grant, new school/new construction projects must meet all prerequisites in all HPRC categories; then, the district may select the credits it wishes to pursue. The minimum point threshold to qualify is 27 points and the maximum possible is 88 points, with a minimum of four points being obtained in the superior energy performance and/or alternate energy sources categories.

- New Construction Additions to a Site and Modernization
  - New Construction additions to a site and modernization projects must meet all the prerequisites in the HPRC categories that are within the scope of the project; then, the district may select the credits it wishes to pursue. The minimum point threshold to qualify is 20 points and a maximum of 84 points can be attained.

- Career Technical Education Facilities Program projects are now eligible to receive the High Performance Base Incentive grant amount.

## Funding Formula

- HP Points are converted to a percentage following criteria specified in SFP Regulations.
- SFP Base Grant can be increased from 2% to just over 11%, depending on the number of HP points achieved.

2009 % increase for Modernization or New Construction Addition to Existing Site Applications

| HPI Points | Base Grant Increase Percentage Range |
|---|---|
| 20 -29 | 2% - 2.9% |
| 30 - 33 | 3% - 3.9% |
| 34 - 36 | 4% - 4.9% |
| 37 - 39 | 5% - 5.9% |
| 40 - 42 | 6% - 6.9% |
| 43 - 45 | 7% - 7.9% |
| 46 - 47 | 8% - 8.9% |
| 48 - 63 | 9% - 9.9% |
| 64 - 80 | 10% - 10.9% |
| 81 - 84 | 11% - 11.21% |

- All projects meeting the 2009 HPRC requirements are eligible to receive the High Performance Base Incentive grant.
  - HPI Base grant: $150,000 for a new school and $250,000 for a modernization project or a new construction project at an existing site

Example: Modernization Project with 46 HPI Points
Project Base Grant = $500,000

HPI Base Grant = $250,000
Project Base Grant Increase = $500,000 x 8.32% = $41,600
Total HPI Grant = $250,000 + $41,600 = $291,600

# Energy Efficiency

(Authority within this program is exhausted; there is no provision for any future funding)
Funding Sources: Propositions 47 & 55

## Overview

The Energy Efficiency supplemental grant preceded the High Performance Incentive (HPI) grant program. While similar in nature to HPI, the Energy Efficiency supplemental grant differs in that it solely focused on energy-saving features. The grant provides additional funding for energy cost savings. Currently, there is no remaining Energy Efficiency funding.

## Eligibility

- The average energy efficiency score of all buildings in the project must exceed the nonresidential building energy efficiency standards specified in Part 6 of Title 24 of the California Code of Regulations by at least:
    - 10% for Modernization
    - 15% for New Construction

- Energy efficiency components that may be included as part of the project include the following:
    - Conservation
    - Load reduction technology
    - Peak-load shifting
    - Solar water heating technology
    - Ground source heating and cooling
    - Photovoltaics
    - Other technologies that meet emerging technology eligibility criteria

- The Division of the State Architect reviews the plans and concurs with the reported energy efficiency score.

## Funding Formula

- Districts are eligible to receive a graduated percentage (up to five percent of the project's base grant) based on their energy efficiency score.

# Career Technical Education Facilities Program

## Funding Source: Proposition 1D

### Overview

- Provides funding to school districts and joint powers authorities (JPA) for the construction of new Career Technical Education (CTE) facilities, modernization of existing CTE facilities, and/or purchase of equipment for the CTE program.
- School districts have two options available when submitting a funding application.

  Option 1: A district with Division of State Architect (DSA) and California Department of Education (CDE) approved plans may request full project funding.

  Option 2: Prior to receiving DSA and CDE approvals, districts may request a reservation of funds. The district has up to 12 months from the date of apportionment to submit the necessary approvals.

- CTE projects can consist of facilities and equipment, or consist solely of equipment with at least a ten-year average useful life expectancy.
- Districts may choose to have a stand-alone CTE project, or they may combine a CTE project with a new construction or modernization project.
- The CDE currently recognizes 15 industry sectors for CTE programs.

### Eligibility

- The district must have an active career technical advisory committee.
- The CTE program plans must be reviewed and scored by CDE. Scores are based on the overall CTE plan for each course of study within the approved industry sector, enrollment projections, identification of feeder schools and industry partners, approval of the plan by these entities, outcome accountability, coordination with other area schools, and evidence that the district will meet all statutory obligations relating to CTE.
- Plans receiving the minimum score or higher are eligible to submit an application for funding.

### Funding

- Funding is a 50/50 State and local match. The total grant amount is based on the combined construction, site development and equipment costs, and any eligible supplemental grants.
- Districts are required to submit an itemized list of equipment including cost, a detailed construction cost estimate, and a detailed cost estimate of proposed site development (if requesting site development funding).
- Districts may request a loan for all or part of their required 50 percent match. As districts repay their loans, the State re-deposits the loan repayments into the CTEFP fund.
- The maximum grant amount is $3 million for new construction and $1.5 million for modernization.
- Funding order is based on the project's locale and CDE score. A project's locale is Urban, Suburban or Rural, as determined by the National Center for Education Statistics (NCES). Funds are apportioned to projects in each locale. If there are no applications in a given locale, projects will be apportioned in the remaining locales.

Funding Formula

1) 50%Construction Costs + 50% Equipment + Supplemental Grants = Total State Share

2) State Share 50% + District Share 50% = Total Project Cost 100%

NOTE: The State Share cannot exceed the grant amount caps set in statute. This cap does not include funding for the High Performance Incentive grant, because it is a separate funding source.

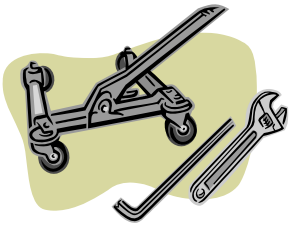
STAND ALONE FACILITY

OR

WITHIN A NC OR MOD PROJECT

OR

EQUIPMENT ONLY



# Joint-Use Program

## Funding Source: Proposition 1A, 47, 55 & 1D

### Overview

The Joint-Use Program allows school districts to use funds from a Joint-Use partner to build a Joint-Use project the district would not otherwise be able to build due to lack of financial resources. Each project requires a Joint-Use partner that is a government agency, higher education provider, or non-profit organization.

### Eligibility

School districts may apply for two types of Joint-Use projects: Type I and Type II. For both types, the district must have executed its construction contract after April 29, 2002, and enter into a Joint-Use Agreement with a Joint-Use partner.

Type I Project

- The project must increase the size, create extra cost, or do both for a multipurpose room, gymnasium, childcare facility, library, or teacher education facility.
- The Joint-Use project must be part of an SFP New Construction application.

Type II Project

- The project must reconfigure existing school buildings, construct new buildings, or both, to provide for a multipurpose room, gymnasium, childcare facility, library, or teacher education facility.
- The Joint-Use project must be part of an SFP modernization application, or it may be a stand-alone project.
- The school site cannot have the type of facility planned in the project or the existing facility must be inadequate.

### Funding

- The Joint-Use grant provides State funds on a 50/50 State and local sharing basis. The Joint-Use partner must provide a minimum of 25 percent of the eligible project costs.
- If the district has passed a bond which specifies that the monies are to be used specifically for the purposes of the Joint-Use project, then the district can opt to pay up to the full 50 percent local share of eligible costs. Anything beyond the eligible project cost is the responsibility of the Joint-Use partner and/or the district.

- Each project has a maximum state contribution of $1 million for an elementary school, $1.5 million for a middle school, and $2 million for a high school.
- The 2012 Joint-Use grant amounts are as follows:

| Square Footage Type | Grant Amount per Square Foot |
|---|---|
| Toilet | $278 |
| Non-Toilet | $154 |

## Funding Formula

1) Proposed Square Footage x Square Foot Grant Amount = Base Grant

2) Base Grant + Extra Cost (Type 1 only) + Supplemental Grants = Total State Share

3) State Share 50% + District Share 50% = Total Project Cost 100%

# Facility Hardship Program

## Funding Sources: Propositions 1A, 47, 55 & 1D

### Overview

The purpose of the grant is to assist districts with funding when it has been determined that the district has a critical need for pupil housing, because the condition of the facilities, or the lack of facilities, presents a health and safety threat to the pupils. The program provides funding for the minimum work necessary to mitigate the health and safety threat.

### Eligibility

- In order for a project to be eligible under the Facility Hardship Program, one of the following two conditions must exist:
  - Facilities must be in need of repair or replacement due to a health and safety threat
    Or
  - Facilities were lost or destroyed due to fire, flood, earthquake, or other disaster

- The District must provide a report from an industry specialist with governmental concurrence to identify the health and safety threat and the minimum work required to mitigate the threat.

- SFP New Construction or Modernization eligibility is not required to participate.

- Enrollment must justify a continuing need for the facilities
  - The maximum eligible replacement square footage is defined in SFP regulations.

### Funding Determination

- Funding is provided in two categories: Replacement or Repair of facilities.

- Funding category is confirmed by a Cost Benefit Analysis (CBA) of cost to repair vs. cost to replace.
  - Replacement: if cost to repair is greater than 50 percent of the cost of replacement.
  - Repair: if the cost to repair is less than 50 percent of replacement.

- There are three types of Facility Hardship projects:
  1. Replacement of entire school, with or without site acquisition.
  2. Replacement of individual buildings and/or facilities on an existing site.
  3. Repair of individual buildings or facilities on an existing site.

- Replacement projects are considered a type of new construction project. Therefore, funds are provided on a 50/50 State and local sharing basis.

- Rehabilitation projects are considered a type of modernization project. Therefore funds are provided on a 60/40 State and local sharing basis.

- Districts can request a conceptual approval or submit a full funding application. The conceptual approval of a Facility Hardship project is an approval from the Board that indicates that the health and safety threat warrants an application under the program. This approval gives the district a comfort level that State funding may be provided if they move forward with the project.

- The 2012 new construction per pupil grant amounts are as follows:

| Grade Level | Grant Amount |
|---|---|
| K - 6 | $9,455 |
| 7 - 8 | $9,999 |
| 9 - 12 | $12,721 |
| Non - Severe | $17,765 |
| Severe | $26,564 |

- The 2012 replacement costs are as follows:

| Square Footage Type | Grant Amount per Square Foot |
|---|---|
| Toilet | $555 |
| Non-Toilet | $307 |

## Funding Formula by Project Type

1. Replacement of Entire School – Similar to New Construction Program

   Step 1) Enrollment @ Site ÷ Grade Level Loading Standard = Number of Classrooms (Round up)

   Step 2) (Number of Classrooms x Grade Level Loading Standard) x Per Pupil Grant = Base Grant

   Step 3) Base Grant + Supplemental Grants = Total State Share

   Step 4) State Share 50% + District Share 50% = Total Project Cost 100%

2. Replacement of Individual Buildings/Facilities/Facility Components
   a. Building Replacement is based on total square footage – Currently $555 (toilet) and $307 (other) per square foot and adjusted each year
   b. Cost to replace a facility component, such as a heating system is based on the cost estimate submitted by the District and verified by the OPSC.

3. Rehabilitation – Funding is based on the detailed cost estimate for the minimum work required to mitigate the health and safety threat submitted by the district and verified by the OPSC.

- State funding is reduced by any insurance or lawsuit settlement funds the district receives for the project.

# Seismic Mitigation Program

## Funding Source: Proposition 1D

### Overview

The Seismic Mitigation Program is a sub-component of the Facility Hardship program that provides funding for seismic construction projects with buildings determined to have "most vulnerable California school facilities" status.

### Eligibility

- Facility must be identified by the Division of the State Architect (DSA) as a qualifying Category 2 building.
- The building is designed for occupancy by students and staff
- The project funding provided shall be the minimum work necessary to obtain DSA approval
- The DSA concurs with a structural engineer's report that identifies structural deficiencies in accordance with the requirements of DSA Procedure 08-03.
- If building eligibility is based on the presence of faulting, liquefaction, or landslide, the California Geological Survey must concur with a geologic analysis.
- The construction contract was executed on or after May 20, 2006
- SFP New Construction or Modernization eligibility is not required to participate.

### Funding Determination

- Funding is provided in two categories: Replacement or Repair of facilities.
- Funding category is confirmed by a Cost Benefit Analysis (CBA) of cost to repair vs. cost to replace.
  - Replacement: if cost to repair is greater than 50 percent of the cost of replacement.
  - Repair: if the cost to repair is less than 50 percent of replacement.
- There are three types of Seismic Mitigation projects as follows:
  1. Replacement of entire school, with or without site acquisition.
  2. Replacement of individual facilities on an existing site.
  3. Repair of individual facilities on an existing site.
- Replacement and rehabilitation projects are funded on a 50/50 State and local sharing basis per statute.
- Districts can request a conceptual approval or submit a full funding application.
- The 2012 new construction per pupil grant amounts are as follows:

| Grade Level | Grant Amount |
|---|---|
| K - 6 | $9,455 |
| 7 - 8 | $9,999 |
| 9 - 12 | $12,721 |
| Non - Severe | $17,765 |
| Severe | $26,564 |

- The 2012 replacement costs are as follows:

| Square Footage Type | Grant Amount per Square Foot |
|---|---|
| Toilet | $555 |
| Non-Toilet | $307 |

## Funding Formula by Project Type

1. Replacement of Entire School – Similar to New Construction Program

   Step 1) Enrollment @ Site ÷ Grade Level Loading Standard = Number of Classrooms (Round up)

   Step 2) (Number of Classrooms x Grade Level Loading Standard) x Per Pupil Grant = Base Grant

   Step 3) Base Grant + Supplemental Grants = Total State Share

   Step 4) State Share 50% + District Share 50% = Total Project Cost 100%

2. Replacement of individual facilities is based on total square footage – Currently, $555 (toilet) and $307 (other) per square foot and adjusted each year for the change in Class B Construction Cost Index as approved by the Board.

3. Rehabilitation – Funding based on the detailed cost estimate for the minimum work required to mitigate the health and safety threat submitted by the district and verified by the OPSC.

# School Facility Program (SFP) Financial Hardship (FH) Program

## Overview

The SFP FH program assists school districts and County Offices of Education (COE) that cannot provide their matching share to an SFP new construction or modernization project.

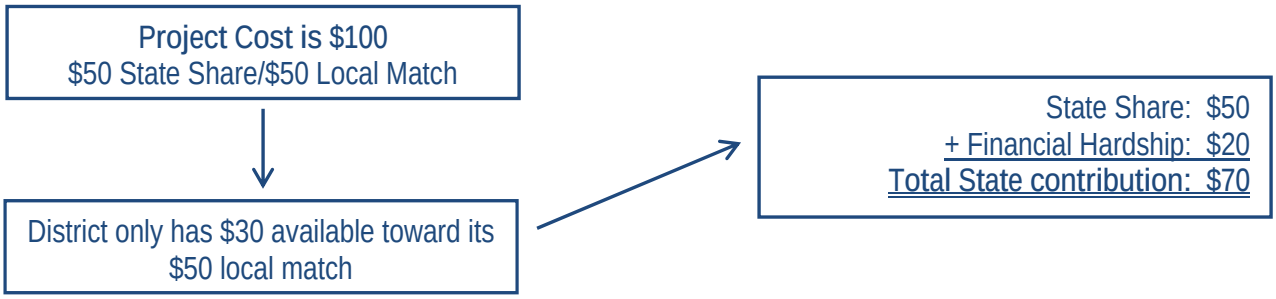
## Eligibility

| Financial Hardship Criteria |
|---|
| In order to qualify for financial hardship, the district must be levying the developer fee justified under law, AND meet one of the following criteria: |
| 1. The district's current outstanding bond indebtedness is at least 60 percent of the district's total bonding capacity. |
| 2. The district has had a successful registered voter bond election for at least the maximum amount allowed under Proposition 39 within the previous two years. |
| 3. The district is a County Superintendent of Schools (County Office of Education). |
| 4. The district's total bonding capacity is $5 million or less. |
| 5. Other evidence of reasonable effort as approved by the State Allocation Board. |

- Once a district or COE has met the basic the eligibility requirement, the OPSC will review its financial records to determine how much funding the district or COE has to contribute.
- Only after both the review of the eligibility requirements and the review of the financial records for available funds are complete can a district or COE qualify for FH status.

## Funding

- If an FH district meets the basic eligibility requirements, and local funds are less than the district's required contribution to the project, then the State will fund the difference between the available amount and the district match, up to 100 percent of a project.



## Funding (cont.)

- FH districts also have the added flexibility to request separate site and design funding prior to requesting full (construction) funding.
- Once granted FH status, a district's expenditures within capital facility related funds are limited to verifiable contracts and payables (encumbrances) entered into and approved by the OPSC prior to the initial FH application. Spending for other purposes will result in an offset to the FH apportionment equal to the ineligible amount during subsequent FH reviews.
- FH project savings must be applied to future SFP FH projects planned by the district or paid back to the State. After three years, any remaining savings plus interest must be returned to the State.
- FH Status: Once a district is approved for a FH apportionment, the district has six months from the date of the approval letter to submit an application for funding for the projects and phases of projects listed on the FH approval. If no application is received within six months, the district is subject to another full FH review.
- If a district's project is on the unfunded list for more than 180 days, the district's financial records will undergo a re-review to determine whether additional funds have become available to offset the FH apportionment. In this case, the basic eligibility review is not conducted.

**ATTACHMENT A**

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS
State Allocation Board Meeting, January 25, 2012

**Grant Amount Adjustments**

| | | Regulation Section | Current Adjusted Grant Per Pupil Effective 1-1-11 | Current Grant Per Pupil Effective 1-1-12 |
|---|---|---|---|---|
| New Construction | Elementary | 1859.71 | $9,112 | $9,455 |
| | Middle | 1859.71 | $9,637 | $9,999 |
| | High | 1859.71 | $12,260 | $12,721 |
| | Special Day Class – Severe | 1859.71.1 | $25,601 | $26,564 |
| | Special Day Class – Non-Severe | 1859.71.1 | $17,121 | $17,765 |
| | Automatic Fire Detection/Alarm System – Elementary | 1859.71.2 | $11 | $11 |
| | Automatic Fire Detection/Alarm System – Middle | 1859.71.2 | $15 | $16 |
| | Automatic Fire Detection/Alarm System – High | 1859.71.2 | $24 | $25 |
| | Automatic Fire Detection/Alarm System – Special Day Class – Severe | 1859.71.2 | $47 | $49 |
| | Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe | 1859.71.2 | $32 | $33 |
| | Automatic Sprinkler System – Elementary | 1859.71.2 | $153 | $159 |
| | Automatic Sprinkler System – Middle | 1859.71.2 | $182 | $189 |
| | Automatic Sprinkler System – High | 1859.71.2 | $189 | $196 |
| | Automatic Sprinkler System – Special Day Class – Severe | 1859.71.2 | $484 | $502 |
| | Automatic Sprinkler System – Special Day Class – Non-Severe | 1859.71.2 | $324 | $336 |
| Modernization | Elementary | 1859.78 | $3,470 | $3,600 |
| | Middle | 1859.78 | $3,671 | $3,809 |
| | High | 1859.78 | $4,804 | $4,985 |
| | Special Day Class - Severe | 1859.78.3 | $11,054 | $11,470 |
| | Special Day Class – Non-Severe | 1859.78.3 | $7,396 | $7,674 |
| | State Special School – Severe | 1859.78 | $18,429 | $19,122 |
| | Automatic Fire Detection/Alarm System – Elementary | 1859.78.4 | $111 | $115 |
| | Automatic Fire Detection/Alarm System – Middle | 1859.78.4 | $111 | $115 |
| | Automatic Fire Detection/Alarm System – High | 1859.78.4 | $111 | $115 |
| | Automatic Fire Detection/Alarm System – Special Day Class – Severe | 1859.78.4 | $310 | $322 |
| | Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe | 1859.78.4 | $208 | $216 |
| | Over 50 Years Old – Elementary | 1859.78.6 | $4,819 | $5,000 |
| | Over 50 Years Old – Middle | 1859.78.6 | $5,098 | $5,290 |
| | Over 50 Years Old – High | 1859.78.6 | $6,674 | $6,925 |
| | Over 50 Years Old – Special Day Class – Severe | 1859.78.6 | $15,360 | $15,938 |
| | Over 50 Years Old – Special Day Class – Non-Severe | 1859.78.6 | $10,272 | $10,658 |
| | Over 50 Years Old – State Special School – Severe | 1859.78.6 | $25,601 | $26,564 |

(Continued on Page Two)

**ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS**

**Grant Amount Adjustments**

| New Construction / Modernization / Joint-Use | Regulation Section | Current Adjusted Grant Per Pupil Effective 1-1-11 | Current Grant Per Pupil Effective 1-1-12 |
|---|---|---|---|
| Therapy/Multipurpose Room/Other (per square foot) | 1859.72<br>1859.73.2<br>1859.82<br>1859.125<br>1859.125.1 | $148 | $154 |
| Toilet Facilities (per square foot) | 1859.72<br>1859.73.2<br>1859.82<br>1859.125<br>1859.125.1 | $268 | $278 |
| New Construction Only | | | |
| Parking Spaces | 1859.76 | $11,586 | $12,022 |
| General Site Grant (per acre for additional acreage being acquired) | 1859.76 | $14,808 | $15,365 |
| Project Assistance (for school district with less than 2,500 pupils) | 1859.73.1 | $5,498 | $5,705 |
| Modernization Only | | | |
| Two-stop Elevator | 1859.83 | $92,675 | $96,160 |
| Additional Stop | 1859.83 | $16,680 | $17,307 |
| Project Assistance (for school district with less than 2,500 pupils) | 1859.78.2 | $2,930 | $3,040 |
| Facility Hardship / Rehabilitation | | | |
| Current Replacement Cost - Other (per square foot) | 1859.2 | $296 | $307 |
| Current Replacement Cost - Toilets (per square foot) | 1859.2 | $535 | $555 |
| | | | |
| Interim Housing – Financial Hardship (per classroom) | 1859.81 | $30,539 | $31,687 |
| Charter School Facilities Program - Preliminary Apportionment Amounts | | | |
| Charter School Elementary | 1859.163.1 | $8,638 | $8,963 |
| Charter School Middle | 1859.163.1 | $9,145 | $9,489 |
| Charter School High | 1859.163.1 | $11,944 | $12,393 |
| Charter School Special Day Class - Severe | 1859.163.1 | $27,524 | $28,559 |
| Charter School Special Day Class - Non-Severe | 1859.163.1 | $18,406 | $19,098 |

(Continued on Page Three)

**ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS**

**New School Adjustments (Regulation Section 1859.83)**

| Class- rooms in Project | Elementary School Adjusted Grant Effective 1-1-11 | Elementary School Adjusted Grant Effective 1-1-12 | Middle School Adjusted Grant Effective 1-1-11 | Middle School Adjusted Grant Effective 1-1-12 | High School Adjusted Grant Effective 1-1-11 | High School Adjusted Grant Effective 1-1-12 | Alternative Education New School Effective 1-1-11 | Alternative Education New School Effective 1-1-12 |
|---|---|---|---|---|---|---|---|---|
| 1 | $247,135 | $256,427 | $1,041,062 | $1,080,206 | $2,264,383 | $2,349,524 | $671,438 | $696,684 |
| 2 | $582,315 | $604,210 | $1,167,718 | $1,211,624 | $2,355,517 | $2,444,084 | $814,622 | $845,252 |
| 3 | $874,243 | $907,115 | $1,297,464 | $1,346,249 | $2,911,575 | $3,021,050 | $1,424,060 | $1,477,605 |
| 4 | $1,107,480 | $1,149,121 | $1,439,568 | $1,493,696 | $3,405,844 | $3,533,904 | $1,602,137 | $1,662,377 |
| 5 | $1,300,552 | $1,349,453 | $1,587,849 | $1,647,552 | $3,750,292 | $3,891,303 | $1,780,215 | $1,847,151 |
| 6 | $1,577,040 | $1,636,337 | $1,737,677 | $1,803,014 | $4,094,737 | $4,248,699 | $1,958,293 | $2,031,925 |
| 7 | $1,856,612 | $1,926,421 | $1,887,502 | $1,958,472 | $4,439,182 | $4,606,095 | $2,136,368 | $2,216,695 |
| 8 | $2,071,311 | $2,149,192 | $2,051,232 | $2,128,358 | $4,704,854 | $4,881,757 | $2,323,341 | $2,410,699 |
| 9 | $2,071,311 | $2,149,192 | $2,224,225 | $2,307,856 | $4,918,006 | $5,102,923 | $2,516,432 | $2,611,050 |
| 10 | $2,435,835 | $2,527,422 | $2,398,765 | $2,488,959 | $5,129,621 | $5,322,495 | $2,709,522 | $2,811,400 |
| 11 | $2,435,835 | $2,527,422 | $2,573,305 | $2,670,061 | $5,342,772 | $5,543,660 | $3,458,809 | $3,588,860 |
| 12 | $2,564,037 | $2,660,445 | | | $5,537,394 | $5,745,600 | $3,651,898 | $3,789,209 |
| 13 | | | | | $5,728,922 | $5,944,329 | $3,844,990 | $3,989,562 |
| 14 | | | | | $5,920,454 | $6,143,063 | $4,038,081 | $4,189,913 |
| 15 | | | | | $6,113,532 | $6,343,401 | $4,231,170 | $4,390,262 |
| 16 | | | | | $6,305,059 | $6,542,129 | $4,424,261 | $4,590,613 |
| 17 | | | | | $6,498,136 | $6,742,466 | $4,617,352 | $4,790,964 |
| 18 | | | | | $6,689,666 | $6,941,197 | $4,810,443 | $4,991,316 |
| 19 | | | | | $6,881,196 | $7,139,929 | $5,003,533 | $5,191,666 |
| 20 | | | | | $7,074,270 | $7,340,263 | $5,196,623 | $5,392,016 |
| 21 | | | | | $7,265,804 | $7,538,998 | $5,389,853 | $5,592,511 |
| 22 | | | | | $7,457,333 | $7,737,729 | $5,582,944 | $5,792,863 |
| 23 | | | | | | | $5,776,035 | $5,993,214 |
| 24 | | | | | | | $5,969,125 | $6,193,564 |
| 25 | | | | | | | $6,162,213 | $6,393,912 |
| 26 | | | | | | | $6,355,308 | $6,594,268 |
| 27 | | | | | | | $6,548,397 | $6,794,617 |

# School Facility Program Forms by Number

Form SAB 50-01: *Enrollment Certification/Projection*
To determine a district's initial eligibility for new construction funding under the School Facility Program (SFP), the district must provide enrollment information for the current and previous three or seven years, as appropriate.

Form SAB 50-02: *Existing School Building Capacity*
This form is used to determine a district's existing school building capacity to house students. This one-time report and the Form SAB 50-01 are used to calculate the district's eligibility for SFP New Construction funding.

Form SAB 50-03: *Eligibility Determination*
This form is used by a district to calculate their eligibility for new construction and modernization funding under the SFP.

Form SAB 50-04: *Application for Funding*
Once eligibility has been established, a district can submit this form to apply for SFP funds.

Form SAB 50-05: *Fund Release Authorization*
After an SFP grant has been funded by the Board, the OPSC will release the apportioned funds to the appropriate county treasury once the district has completed and submitted this form to the OPSC.

Form SAB 50-06: *Expenditure Report* (SFP)
Districts use this form to report SFP-funded project expenditures annually to the State until project completion.

Form SAB 50-07: *Application for Joint-Use Funding*
This form is used by a district to request State funding for a project on a K-12 school site in which the district has entered into a joint-use agreement with a governmental agency, public community college, public college or public university, or a nonprofit organization approved by the board.

Form SAB 50-08: *Application for Preliminary Apportionment*
This form is used by eligible applicants with critically overcrowded schools in advance of full compliance with all of the application requirements for final apportionment.

Form SAB 50-09: *Application for Charter School Preliminary Apportionment*
This form is used by eligible applicants to request a preliminary apportionment for the new construction or rehabilitation of charter school facilities in advance of full compliance with all the application requirements for a final apportionment.

Form SAB 50-10: *Application for Career Technical Education Facilities Funding*
This form is to be used by a school district/joint powers authority to request a Career Technical Education Facilities grant.

Form SAB 50-11: *Overcrowding Relief Grant District-Wide Eligibility Determination*
As part of the district's request for new construction funding for the Overcrowding Relief Grant, this form is used to determine the district's District-wide/High School Attendance Area pupil eligibility.

Form SAB 189: *School District Appeal Request*
School districts are required to use this form to initiate an appeal for consideration by the State Allocation Board.

# State Agency Roles

School districts planning to construct or modernize existing schools require the assistance of several local, State, and federal agencies. It is essential that those dealing with the school construction process have an understanding of the role each agency plays. The five primary State agencies are the Office of Public School Construction (OPSC), the Division of the State Architect (DSA), the California Department of Education (CDE) School Facilities Planning Division (SFPD), the Department of Toxic Substances Control (DTSC), and the Department of Industrial Relations (DIR). School districts may also come into contact with many other agencies. The OPSC encourages district representatives to contact each agency to obtain more information about its procedures and processes.

## Office of Public School Construction

As staff to the State Allocation Board (Board), the Office of Public School Construction (OPSC) is responsible for facilitating the processing of school district applications for State funding for eligible new construction and modernization projects to provide safe and adequate facilities for California's public school children. The OPSC is also responsible for the management of these funds and the expenditures made with them. Additionally, the OPSC prepares regulations, policies, and procedures for Board approval in order to carry out statutory mandates.

## Department of General Services, Division of the State Architect

The primary role of the DSA in the school construction process is to review plans and specifications to ensure that they comply with California's building codes, with an emphasis on structural and seismic safety. The DSA reviews the working drawings to assure that the proposed structures meet codes and requirements for structure (seismic), fire and life safety, and universal design compliance.

DSA approval of all plans and specifications is required prior to a construction contract being signed for new construction, modernization or alteration of any school building. The only exception to this requirement is for relocatable buildings, for which districts may enter into a contract to acquire the plans and specifications; however, construction cannot commence until DSA approval has been obtained.

## California Department of Education, School Facilities Planning Division

The SFPD's role is to review and approve school district sites and construction plans. The SFPD review begins when a school district plans to acquire a new school construction site. Prior to approving a site for school purposes, the SFPD reviews many factors, including, but not limited to, environmental hazards, proximity to airports, freeways, and power transmission lines. The SFPD's review of construction plans focuses mainly on the educational adequacy of the proposed facility and whether the needs of students and faculty will be met.

## Department of Toxic Substances Control

The role of the DTSC in the school construction process begins with the SFPD's site approval process. The DTSC will assist the district with an assessment of any possible contamination, and, if necessary, with the development and implementation of a mitigation plan.

## Department of Industrial Relations

DIR's role in the school construction process is to enforce labor laws relating to contractors and employers.

The DIR has established the Compliance Monitoring Unit (CMU) to monitor and enforce prevailing wage requirements, required by Labor Code Section 1771.3, on public works projects that receive state bond funding and on other projects with construction contracts awarded after January 1, 2012.

For projects for which the initial public works construction contract was awarded before January 1, 2012, California Labor Code Section 1771.7 requires districts to certify that a DIR-approved LCP has been initiated and enforced for a project apportioned under the SFP, if both of the following conditions exist:

- The project is apportioned from either Proposition 47 or 55; and
- The construction phase of the project commences on or after April 1, 2003, as signified by the date of the Notice to Proceed.

**School Facility Program Fast Facts**
(funding by each program since 1998)

| Program | Fast Facts |
|---|---|
| **New Construction*** | $17.7 billion in SAB-approved projects<br>$17.4 billion apportioned projects and $0.3 billion in unfunded approvals<br>3,684 SAB-approved projects<br>3,573 apportioned projects and 111 unfunded approvals |
| **Modernization*** | $11.3 billion in SAB-approved projects<br>$10.6 billion apportioned projects and $0.7 billion in unfunded approvals<br>6,440 SAB-approved projects<br>6,080 apportioned projects and 360 unfunded approvals |
| **Critically Overcrowded Schools** | $2.2 billion in SAB-approved projects<br>$2.2 billion apportioned projects and $0.03 in unfunded approvals<br>72 SAB-approved projects<br>70 apportioned projects and 2 unfunded approvals |
| **Charter School Facilities** | $0.8 billion in SAB-approved Preliminary Apportionments (PA):<br>$0.2 billion in Final Apportionments; $0.09 billion in Unfunded Approvals; $0.2 billion in advance funding. $0.4 billion is still set aside for PAs.<br>64 SAB-approved projects<br>16 Final Apportionments; 2 Unfunded Approvals; 46 have not converted to Final Apportionments |
| **Overcrowding Relief Grant** | $0.7 billion in SAB-approved projects<br>$0.6 billion apportioned projects and $0.1 billion in unfunded approvals<br>108 SAB-approved projects<br>91 apportioned projects and 17 unfunded approvals |
| **Career Technical Education Facilities** | $0.5 billion in SAB-approved projects<br>$0.4 billion apportioned projects and $0.1 billion in unfunded approvals<br>472 SAB-approved projects<br>415 apportioned projects and 57 unfunded approvals |
| **Joint-Use** | $0.2 billion in SAB-approved projects<br>$0.2 billion apportioned projects and $0 in unfunded approvals<br>170 SAB-approved projects<br>170 apportioned projects and 0 unfunded approvals |

*includes Facility Hardship and Seimic Repair projects

## School Facility Program Regulations

Link

## Leroy F. Greene School Facilities Act of 1998, Chapter 12.5

| Article No. | Title | Education Code Section |
|---|---|---|
| 1 | General Provisions | 17070.10-17070.99 |
| 2 | Existing School Building Capacity | 17071.10-17071.46 |
| 3 | New Construction Eligibility Determination | 17071.75-17071.76 |
| 4 | New Construction Grant Eligibility Determination | 17072.10-17072.18 |
| 5 | New Construction Funding Process | 17072.20-17072.35 |
| 6 | Modernization Eligibility Determination | 17073.10-17073.25 |
| 7 | Modernization Apportionment | 17074.10-17074.30 |
| 8 | Hardship Application | 17075.10-17075.15 |
| 9 | Program Accountability | 17076.10-17076.11 |
| 10 | School Project Safety Components | 17077.10 |
| 10.5 | Energy Efficiency | 17077.30-17077.35 |
| 10.6 | Joint-Use Facilities | 17077.40-17077.45 |
| 11 | Critically Overcrowded School Facilities | 17078.10-17078.30 |
| 12 | Charter Schools | 17078.52-17078.66 |
| 13 | Career Technical Education Facilities Program | 17078.70-17078.72 |
| 14 | Overcrowding Relief Grants | 17079-17079.30 |

## Public Education Bonds – Fund Schedules 11-08-12

| Bond Title | Education Code Section |
|---|---|
| Class Size Reduction Kindergarten-University Public Education Facilities Bond Act Of 1998 | 100420 |
| Kindergarten-University Public Education Facilities Bond Act Of 2002 | 100620 |
| Kindergarten-University Public Education Facilities Bond Act Of 2004 | 100820 |
| Kindergarten-University Public Education Facilities Bond Act Of 2006 | 101012 |

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# Introduction

## Purpose

The purpose of the November 28, 2012 State Allocation Board Program Review Subcommittee (Subcommittee) is to take an in depth look at how new construction eligibility is currently determined and discuss what has been authorized using the new construction program.

## Item Format

This item describes the process of establishing new construction eligibility. The item is divided into four main topics: enrollment projections, a Cohort Survival Enrollment Projection System (Cohort) study, classroom capacity and new construction data.

*Enrollment Projections*: The enrollment projections section focuses on the Cohort, enrollment augmentations, district-wide vs. High School Attendance Area (HSAA) reporting, and types of reportable students.

*Cohort Survival Enrollment Projection System Study:* This section provides the results of a study performed by the Office of Public School Construction (OPSC) on the accuracy of the Cohort in the School Facility Program (SFP) versus actual enrollment.

*Existing Classroom Capacity*: This section focuses on the loading standards for classrooms and the definition of a classroom under the SFP.

*New Construction Data*: Using data collected from application submittals and the Project Information Worksheet (PIW), information is presented to show what districts are building with SFP funds. The data includes number of classrooms, square footage, types of core facilities and permanent vs. portable/modular construction.

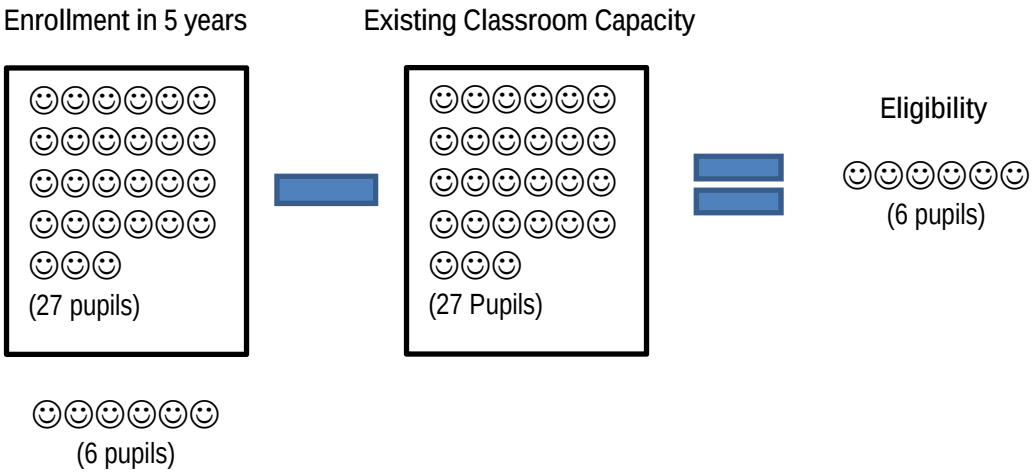
## What is New Construction Eligibility?

The premise behind new construction eligibility is fairly simple. A district must demonstrate that existing seating capacity within the District is insufficient to house the anticipated future enrollment within the district. The new construction eligibility formula compares enrollment projections to the existing classroom capacity.

The new construction eligibility formula is as follows:

Enrollment in 5 or 10 years – Existing Classroom Capacity = # of Unhoused Pupils = Eligibility

Example ➡ 33 9-12 pupils (Enrollment in 5 years) - 27 (existing classroom capacity) = 6 (eligibility)



Districts establish an initial “baseline” eligibility that remains in place as the basis for all future applications. This baseline is updated over time to reflect changes in enrollment and for classrooms added within the district. Districts use this eligibility to request funding from the State to assist in the construction of school facilities.

Eligibility manifests itself in the form of pupil grants, which are intended to fund design, construction, testing, inspection, furnishings, and other costs closely related to the actual construction of the school buildings.

# Enrollment Projections

## Overview

New construction eligibility is based on enrollment projections. Enrollment projections are used primarily because building a school can be a lengthy process and districts need to be able to plan and provide adequate facilities not only for their current students, but also those students that will need to be housed in the future.

In order for a district to qualify for new construction funding, it must demonstrate a need to provide facilities for students that will be unhoused, based on a five-year or a ten-year projection of enrollment.

All districts have the option of establishing eligibility on a district-wide basis (i.e., the number of unhoused students district-wide), or on a HSAA basis (i.e., the number of unhoused students are determined separately for each HSAA within the district). HSAA attendance can be reported based on either residency within each HSAA or by attendance of the schools within each HSAA. There is also an option to combine one or more HSAA into one Super-HSAA.

## Projecting Enrollment

The first step in determining new construction eligibility is to calculate the district's projected enrollment. This projection is mathematically calculated using the Cohort. Districts may use either a five-year or a 10-year projection.

If using a five-year projection, districts may augment their enrollment projection using the following:

- dwelling units (future housing included in approved and valid tentative subdivision maps), and/or
- birth rate data, and/or
- a student yield factor study.

Districts that use a ten year projection, as opposed to a five year projection may not use augmentations.

The enrollment projection is weighted. Under the standard weighting mechanism, the most recent year's enrollment is given greater weight. Districts may use either the standard weighting mechanism, or they may use a modified weighting mechanism. However, the district must substantiate that the modified mechanism is more accurate.

## Enrollment Data

The California Basic Educational Data System (CBEDS) is an annual data collection administered by the California Department of Education (CDE). Districts report CBEDS data to the CDE for purposes of collecting information on student and staff demographics. The data is due in October with the following exceptions: SDC enrollment is reported in December, and community day enrollment is reported in April. Districts use CBEDS data when reporting enrollment data, however, the following students are not included for purposes of the enrollment projection:

- Students living in the district's boundaries but attending other districts
- Students attending regional occupational programs
- Students attending preschool programs
- Other students not generally considered K–12 students including adult education students
- Students receiving Classroom-Based Instruction in Charter Schools located within the district boundaries but are enrolled in grade levels or type not served by the district
- Students living inside district boundaries but are receiving Classroom-Based Instruction in Charter Schools located outside the district boundaries
- Students receiving Nonclassroom-Based Instruction
- Juvenile court/court school students
- Special Day Class pupils
- Continuation high school pupils

## Cohort Survival Projection Enrollment System

The existing projection system utilizes the Cohort and four years of historical data (for a five-year projection) to develop an average change, which shows the average change in pupils from one year to the next as students advance through the grade levels. This average change is applied for each year until the fifth year projection is reached. This calculation method was utilized in the Lease-Purchase Program.

The Cohort is the mathematical means used to determine the enrollment projection. The Cohort estimates what the district's enrollment will be in five or 10 years by observing the trend of enrollment (increasing or decreasing) between grade levels, assuming that same trend will continue for five or 10 years.

Each grade level has a separate calculation. The sum of these calculations (for K-6, 7-8 and 9-12) becomes the five year projection. The average change is calculated for each grade. The 5th-year projection for each grade level is based on the current enrollment of the 5th prior grade level, plus the "average change" for each progressive grade. The projection basis is the current enrollment of the 5th prior grade. For example, current 6th grade enrollment is the basis for the 11th grade calculation. For grades kindergarten through five, the projection basis is the current Kindergarten enrollment. Five average changes are added to the basis, to progress the basis from current enrollment to each 5th year projection. (For grades K-5, the projection basis is the current Kindergarten enrollment. This is because data is not available for pre-kindergarten.)

In calculating the average change for each grade level, the Cohort calculates and averages the enrollment increase/decrease based on weighting mechanisms (described later in this section). In the standard calculation, the most recent year is weighted the heaviest. However, a district may select modified weighting if it is proven to be more accurate within the district.

Kindergarten is calculated by comparing the current kindergarten enrollment to the previous year's kindergarten enrollment, whereas all other grades compare to the previous year enrollment of the grade level below (i. e. current 1st grade enrollment-previous years kindergarten enrollment). That is because there is no pre-school data to compare kindergarten enrollment to. However, the SFP Regulations do authorize the use of birth-rate augmentation in order to help districts make the enrollment projection more accurate. This is true in circumstances where kindergarten enrollment fluctuates or makes an uncharacteristic drop in kindergarten enrollment. The birth-rate augmentation compares historical birth numbers to past kindergarten enrollment to determine how many children born will attend that district.

Below is a sample kindergarten one year calculation. This calculation highlights the projection based on weighted change from the 1999/2000 Kindergarten class to the 2000/2001 1st grade class.

Historic Enrollment

| Year/ Grade | 96/97 | 97/98 | 98/99 | 99/00 |
|---|---|---|---|---|
| K | 174 | 182 | 175 | 143 |
| 1st Grade | 191 | 188 | 231 | 192 |
| 2nd Grade | 182 | 182 | 167 | 200 |
| 3rd Grade | 167 | 195 | 191 | 168 |

Projected Enrollment

| Year/ Grade | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 |
|---|---|---|---|---|---|
| K | 126 | 109 | 92 | 75 | **58** |
| 1st Grade | 170 | 153 | 136 | 119 | **102** |
| 2nd Grade | 168 | 146 | 129 | 112 | **95** |
| 3rd Grade | 206 | 174 | 152 | 135 | **118** |
| **5-Year Projected Enrollment** | | | | | **373** |

**Numeric Change**

| | 96/97 | 97/98 | 98/99 | 99/00 |
|---|---|---|---|---|
| K | 174 | 182 | 175 | |
| 1st Grade | | 188 | 231 | 192 |
| | | 14 | 49 | 17 |

**1st Year Projection:**

Current Year Kindergarteners become next year's 1st Graders

Current Kindergarten + 1st Grade Weighted Average Change

143 + 27 =**170**

**Weighted Change**

| 96/97 | 97/98 | 98/99 | 99/00 |
|---|---|---|---|
| | **14** | **49** | **17** |
| | x | x | x |
| | 1 | 2 | 3 |
| | **14** | **98** | **51** |

| Year/Grade | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 |
|---|---|---|---|---|---|
| K | 126 | 109 | 92 | 75 | 58 |
| 1st Grade | 170 | 153 | 136 | 119 | **102** |
| 2nd Grade | 168 | 146 | 129 | 112 | **95** |
| 3rd Grade | 206 | 174 | 152 | 135 | **118** |

**Weighted Average Change**

(14 + 98 + 51) / 6 = **27**

## Enrollment Projection Options

Districts have a number of options when it comes to reporting their projected enrollment.

- District-wide
- High School Attendance Area (HSAA) basis
- Five-year enrollment projection
- 10-year enrollment projection
- Small school district

## District-wide vs. HSAA reporting

Districts generally establish eligibility for new construction funding on a district-wide basis. For most districts this is the most beneficial method, and the majority of applications are filed in this manner. However, under certain circumstances, the district may have more eligibility if the applications are made on a HSAA basis using two or more attendance areas. This circumstance occurs when the classroom capacity in one HSAA prevents another from receiving maximum eligibility.

For example, one attendance area may have surplus classroom capacity while another does not have the needed seats to meet the current and projected student enrollment. If the district were to file on a district-wide basis, there might be little or no overall eligibility, even though the students in one attendance are *unhoused* as defined by the SFP. In this case, by filing on a HSAA, the eligibility would increase to allow construction of adequate facilities for the unhoused students in that attendance area.

In the chart below, attendance areas 1 and 4 have surplus seats, while attendance areas 2 and 3 have unhoused pupils. If the district filed its eligibility on a district-wide basis, the district may not generate any eligibility even though there are areas of need. If the district files on an HSAA basis, the district may generate eligibility to house the pupils located in attendance areas 2 and 3.

| Attendance Area 1 | Attendance Area 2 |
|---|---|
| | |
| **Attendance Area 3** | **Attendance Area 4** |
| | |

The district may file using one high school attendance area, or at the district's option, it may combine two or more adjacent HSAAs, commonly called a "Super Attendance Area."

HSAA reporting requirements

1. The attendance area must serve an existing, operating high school
2. Eligibility for the HSAA or Super HSAA is based on existing HSAA boundaries
3. At least one HSAA has negative eligibility at any grade level

District's filing on an HSAA basis can report enrollment by either attendance or residency.

Once a district receives funding using an HSAA as the basis of its eligibility, it must continue to file future new construction applications on that basis for five years. In addition, funding generated by HSAA eligibility must be used within the boundaries of the HSAA that generated the eligibility.

## Five-Year Enrollment Projection

The standard projection is the five-year enrollment projection. Enrollment must be reported for the current year and four years of historical enrollment. The five-year enrollment projection allows for augmentations to the Cohort projection. Five-Year Projection augmentations are listed and described below:

- Modified or alternative weighting mechanisms
- Birth Rate Augmentation
- Dwelling Unit Supplements
- Student Yield Factor

## Modified Weighting Mechanisms

The Cohort weights the changes from one year to the next based on the assumption that the more recent changes in a district's enrollment will have the most effect on the district's future enrollment. Education Code (EC) Section 17071.75(a)(2)(b) allows for districts to supplant this weighting method with one that best represents the trends of the district. SFP Regulations provide a method for determining the weighting method that best represents the enrollment trends of the district using three standard modified weighting methods, and allow a district to propose an additional alternative weighting method for comparison.

Districts may use an alternate weighting mechanism only if it more accurately represents the district's five-year projection. Districts electing to use either the "3-2-1" or "1-1-1" modified weighting mechanisms below, or an alternative weighting mechanism must submit 18 years of historic data, in order to substantiate the request. The weighting options are:

- *1-2-3 (Standard Weighting)*- This is the standard weighting formula for the projection method as it has been shown to accurately predict future enrollment for the majority of districts. The projection method represents districts in which the current enrollment trends are most relevant to the fifth-year projections. In determining the annual change, the change from the current to previous year is multiplied by three, the change between previous and second previous year is multiplied by two, and the change from second previous year to third previous year is given a weight of one. The changes are then averaged to determine the average change.

- *3-2-1*- This mechanism is designed for districts where the more recent trends are contrary to the long term trends of the district. By weighting towards the older years, the weighting system is implying that past trends will be more prevalent in the future than the current ones. This method reverses the weighting that is applied in 1-2-3 calculation described above.

- *1-1-1*- This mechanism is designed for districts that have varied enrollment from year to year, and do not grow or in decline a more predictable manner. This method applies equal weights to each year's change in enrollment.

- *An alternate weighting mechanism*- A district may choose an alternate weighting mechanism using any 3 integers. (Example: *3-4-8, 3-2-8*, etc.). This method may only be used if the district can demonstrate it to be more accurate than any other weighting mechanism.

In order to use modified weighting, the district must supply 18 years of historical enrollment. These historical projections are then compared to the actual enrollment for the fifth projection year to analyze how accurate each method proved to be. Furthermore, SFP Regulations require the use of a linear regression model, or line-of-best-fit, to plot the results and determine which weighting mechanism is projected to yield the more accurate results and thus shall be used to make the fifth-year enrollment projection.

## Birth Rate Augmentation

*Birth Rate Augmentation*- The SFP Regulations allow use of an average birth attendance rate to supplement the projection by supplanting the calculation of future kindergarten enrollment. Typically, the Cohort projects the kindergarten enrollment through an average change which compares kindergarten enrollment to the previous year's kindergarten enrollment. The birth-attendance rate supplement would replace this calculation by comparing historical birth numbers to past kindergarten enrollment to determine how many children born will attend that district. The rate is then applied to birth numbers corresponding to the projection years to determine the kindergarten enrollment. This modification does not change the nature of the Cohort; rather, it replaces the calculation of projected kindergarten enrollment. The Cohort is maintained because the kindergarten enrollment is then survived through the remaining grade levels providing for a consistent projection method.

Birth rate information may be reported based on county birth data, or based on birth data for the ZIP codes served by the district.

## Dwelling Unit Supplements

A district may supplement the Cohort by the number of un-housed pupils that are anticipated as a result of dwelling units proposed to be built in the district or HSAA pursuant to approved and valid tentative subdivision maps. Essentially, districts that are experiencing residential growth can factor in these additional students into the enrollment projection.

California State law provides a framework by which city or county planning authorities process residential development projects. Typically, this process begins at the Specific Map stage, then proceeds to the Tentative Tract Map stage and concludes at the Final Map stage. The OPSC recognizes that each city or county planning authority process may not entirely follow this process. However, State law requires a tentative subdivision map be approved and valid at the time of submittal for the purposes of augmenting the enrollment projection. The following maps are eligible to be used to augment enrollment projections:

- Tentative Tract Map
- Final Map
- Parcel Map - only when the construction involves an apartment complex or condominium building.
- Other tract maps will be reviewed on a case-by-case basis.

In order for districts to account for the additional students that will reside in new subdivisions represented by the maps listed above, a district will need to submit an *Enrollment Certification/Projection* (Form SAB 50-01) and report the number of dwelling units to be constructed in the approved proposed subdivision. Additionally, the district must provide the approval dates of the maps by the local planning commission or approval authority; the number of dwelling units to be built in the subdivision; and one of the following:

- an acceptable map with the local planning commission or approval authority stamp approving the map; or,
- an acceptable map with the appropriate supporting documentation; or,
- a spreadsheet listing all of the subdivisions reported on the Form SAB 50-01 with the appropriate supporting documentation.

Supporting documentation must include one of the following:

- local planning commission or approval authority meeting minutes detailing the approval of the map; or,
- a letter from the local planning commission or approval authority indicating that the tract map is approved and valid at the time of the submittal; or,
- any other reasonable documentation from the local planning commission or approval authority that indicates the tract map is approved and valid.

Student Yield Factor

The Student Yield Factor means the number of students each dwelling unit will generate for purposes of an enrollment augmentation. The statewide average Student Yield Factors are as follows:

| Student Yield Factor | District Type |
|---|---|
| 0.2 | High School Districts |
| 0.5 | Elementary School Districts |
| 0.7 | Unified School Districts |

As an alternative, a district may use its own Student yield Factor. Should the district wish to use its own Student Yield Factor, a School Facility Needs Analysis study that justifies the student yield factor must be submitted. The district's study should determine the elementary, middle and high school pupils generated by new residential units, in each category of pupils enrolled in the district. This study should be based on the historical student generation rates of new residential units constructed during the previous five years that are of a similar type of unit to those anticipated to be constructed in which the school district is located.

## Ten-Year Enrollment Projection

The ten-year projection is based on eight historical years of enrollment data as opposed to four, as a longer historical trend is needed to more accurately calculate a longer-term projection. The ten-year projection is still a cohort calculation, however this ten-year calculation is a stand-alone option; districts utilizing the ten-year projection may not use the dwelling unit augmentation, modified weighting mechanisms or the birth rate supplement.

## Small School Districts

It is possible that small school districts can be disadvantaged by their size when submitting enrollment projections. Even small fluctuations can cause a dramatic change in a district's projected enrollment and eligibility. As a result, small school districts have a couple of reporting options.

*Districts with less than 2500 pupils enrolled*: Districts are required to update their enrollment for current CBEDS for projects received on or after November 1 of each year. Small School Districts may wait for three years between CBEDS updates if they are in a declining trend. If they have increases, they may apply for an update each year like any other district.

*Districts with less than 300 pupils enrolled*: As an option, school districts with current enrollment of less than 300 may report the previous five year average for any grade level for any year when the enrollment for that grade level has decreased by more than 50 percent from the previous year. If this option is used, the district must identify each grade level where this option is used and submit the appropriate enrollment documentation to support the request.

# Cohort Enrollment Projection Study

## Scope and Methodology of Study

Using data taken from submitted and verified *Enrollment Certification/Projections* (Forms SAB 50-01), the five-year projections were compared to actual enrollment for nine enrollment years: from 2001/2002 to 2011/2012. The study does not include information from county offices of education and districts with errors or omissions adjustments to their new construction eligibility. In addition, enrollment projections without the dwelling unit augmentation were compared to actual enrollment.

The first chart below provides information about the districts, counties, and district enrollment in the study. The second chart below shows the enrollment year and number of projections that were compared to actual enrollment.

| | |
|---|---|
| Number of Districts | 162 |
| Number of Counties | 37 |
| Average District Enrollment in Study | 30,584 |
| Average District Enrollment in Study (Omitting LAUSD) | 13,715 |
| Greatest District Enrollment in Study | 714,428 |
| Least District Enrollment in Study | 43 |

| Enrollment Year | Number of Comparisons |
|---|---|
| 2001/2002 | 1* |
| 2002/2003 | 1* |
| 2003/2004 | 51 |
| 2004/2005 | 35 |
| 2005/2006 | 43 |
| 2006/2007 | 38 |
| 2007/2008 | 32 |
| 2008/2009 | 42 |
| 2009/2010 | 19 |
| 2010/2011 | 16 |
| 2011/2012 | 6 |
| Total | 284 |

*Note: The data above from 2001/2002 and 2002/2003 is from the Los Angeles Unified School District.

## Findings

The charts below reflect data from the comparison of the projected enrollment to the actual enrollment. The Average Trend represents the trend of the projections in the study – if it is a positive percentage, the projection generally over projected the enrollment in the data set. If it is a negative percentage, the projection generally under projected the enrollment. The Overall Inaccuracy represents the absolute value of the average inaccuracy of the projections

For the first chart, the projections were compared to the actual enrollment. Many of the projections include dwelling unit augmentations. Some districts did not request a dwelling unit augmentation.

Projections versus Actual Enrollment
(Projections include dwelling unit augmentation, if requested)

| | Average Trend | Overall Inaccuracy (%) |
|---|---|---|
| K-6 | 3.98% | 7.02% |
| 7-8 | 4.25% | 6.64% |
| 9-12 | 4.77% | 6.92% |
| Non-Severe | 3.52% | 18.54% |
| Severe | -20.65% | 37.68% |

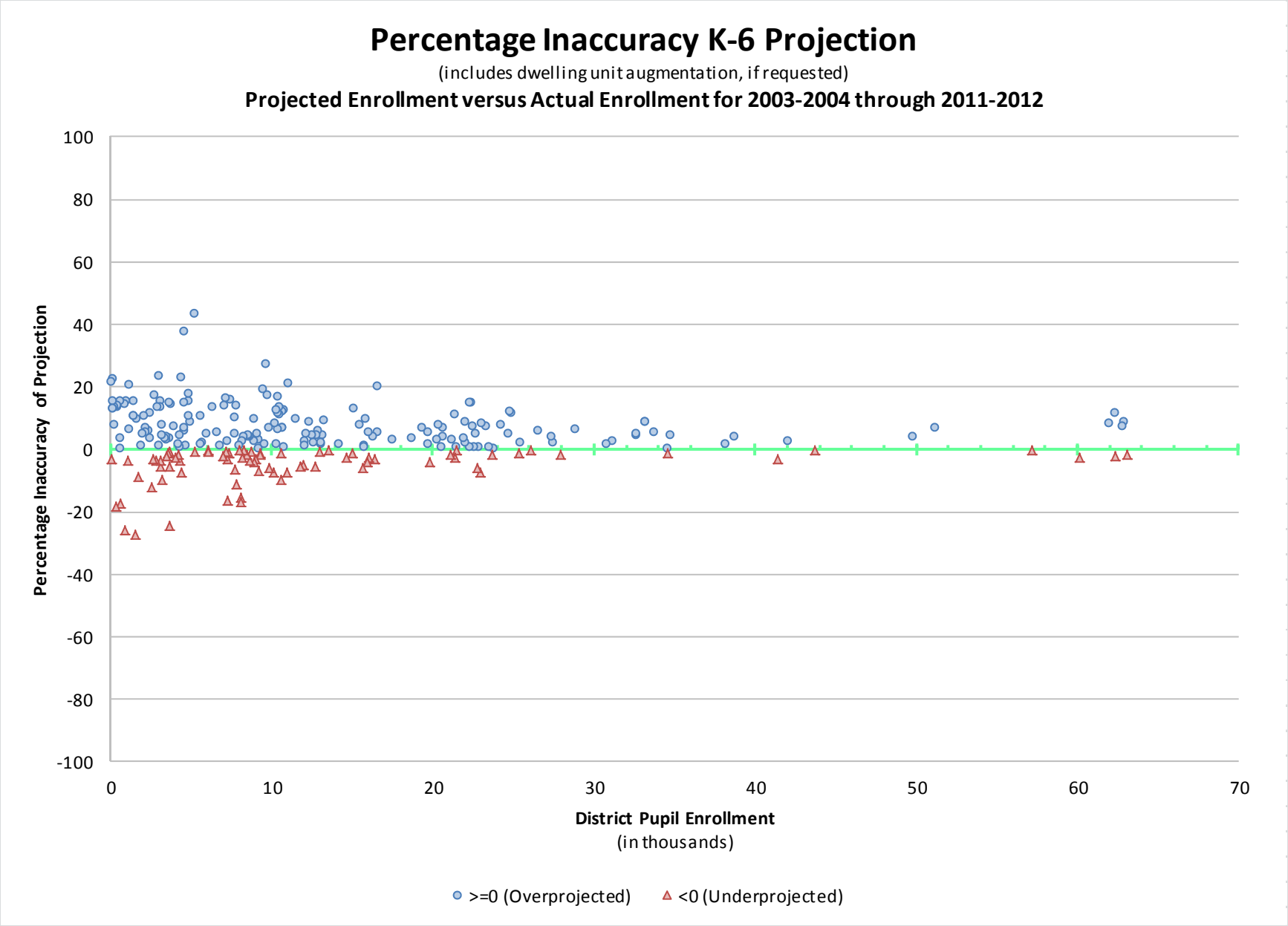
The study also examined the effect of the dwelling unit augmentation on the projections. For the second chart, Staff took the verified and approved projections with a dwelling unit augmentation and then calculated a second projection with the same enrollment data, but without the dwelling unit augmentation. The un-augmented second projections, along with the projections originally submitted without a dwelling unit request, were then compared to the actual enrollment. There is no comparison of Non-Severe and Severe Special Day Class (SDC) data because the dwelling unit augmentation does not apply to SDC projections.

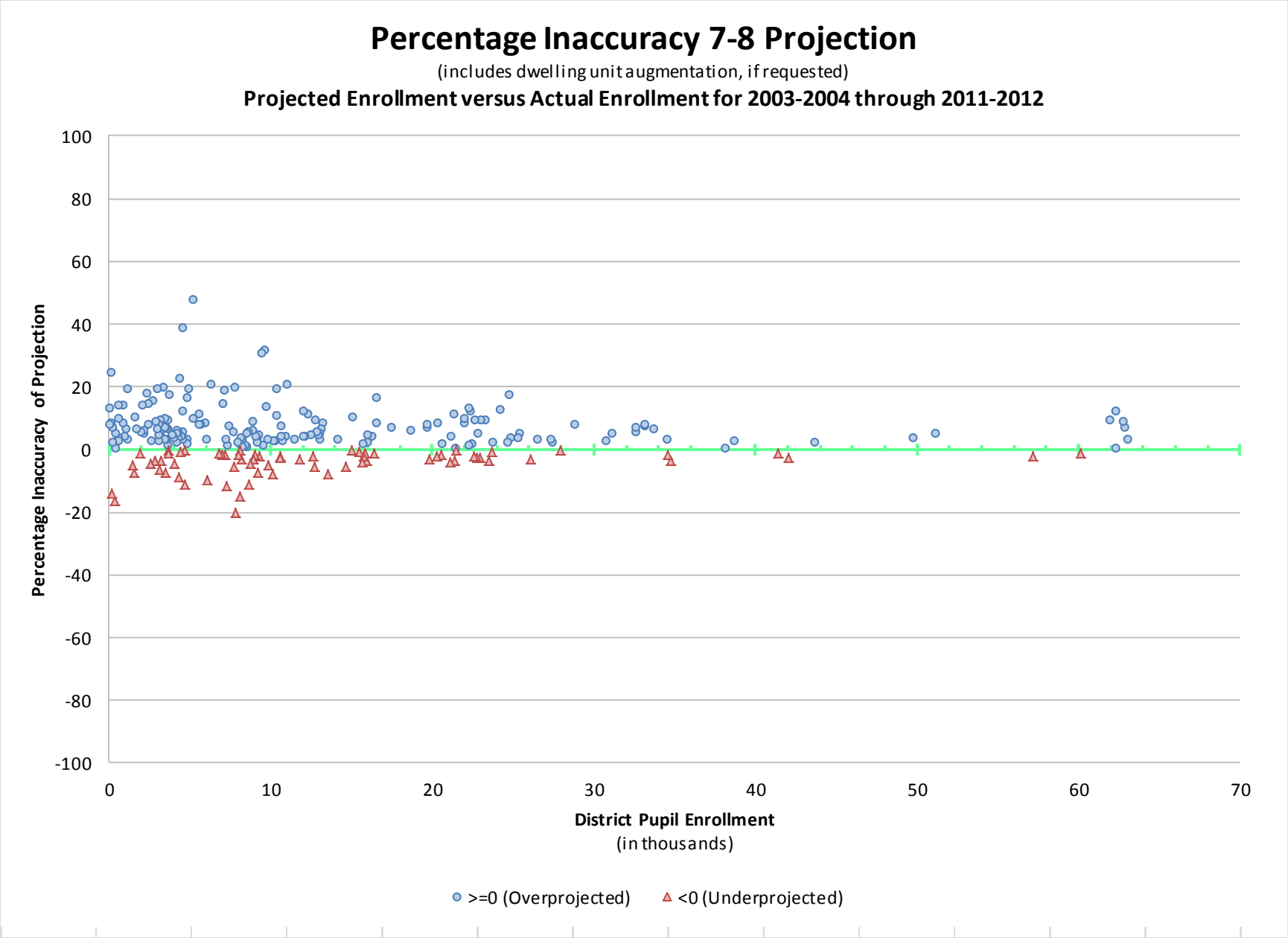
Projections (without dwelling unit augmentation) versus Actual Enrollment

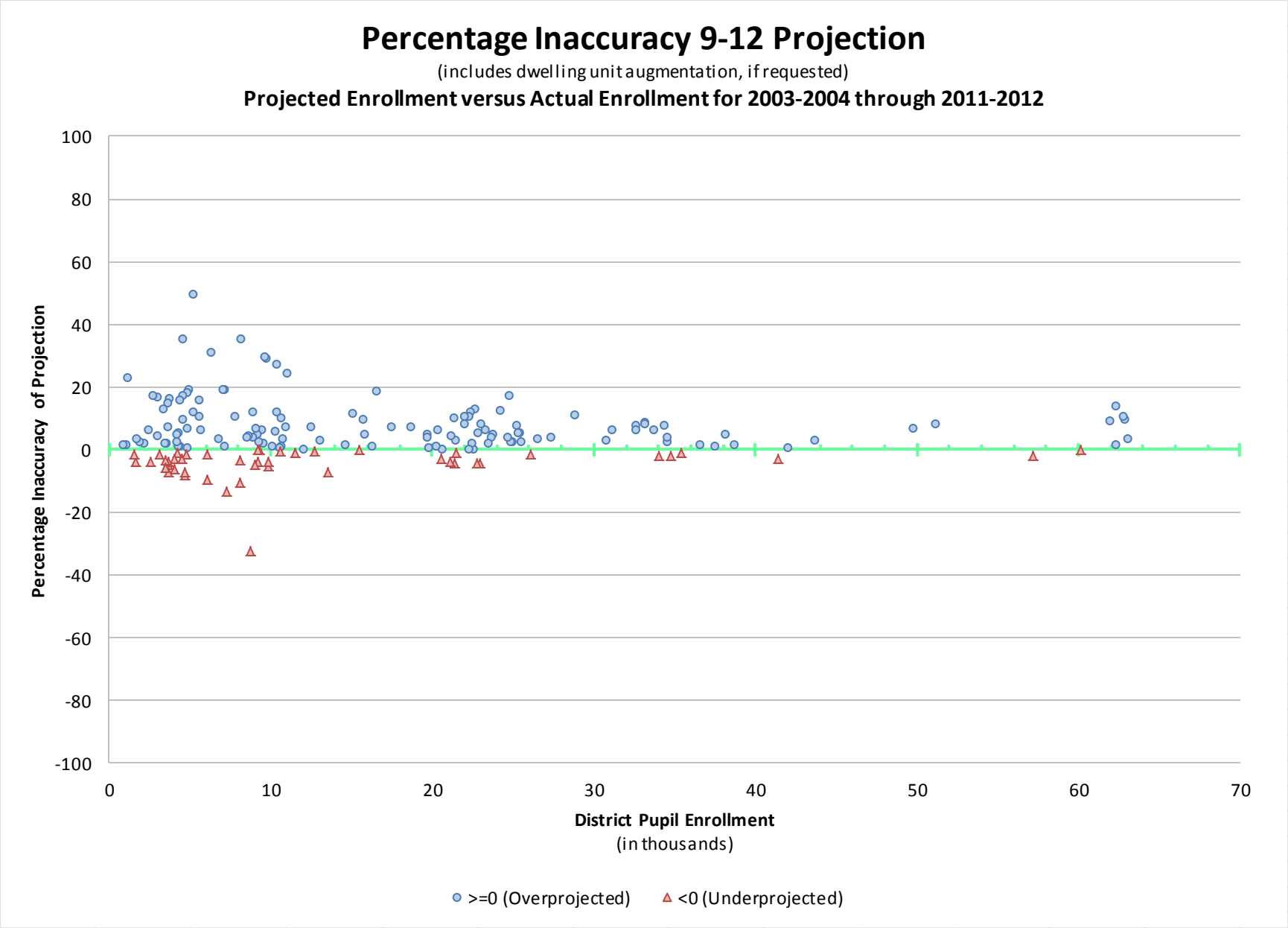
| | Average Trend | Overall Inaccuracy (%) |
|---|---|---|
| K-6 | -0.27% | 5.96% |
| 7-8 | -0.18% | 4.88% |
| 9-12 | -0.34% | 4.24% |

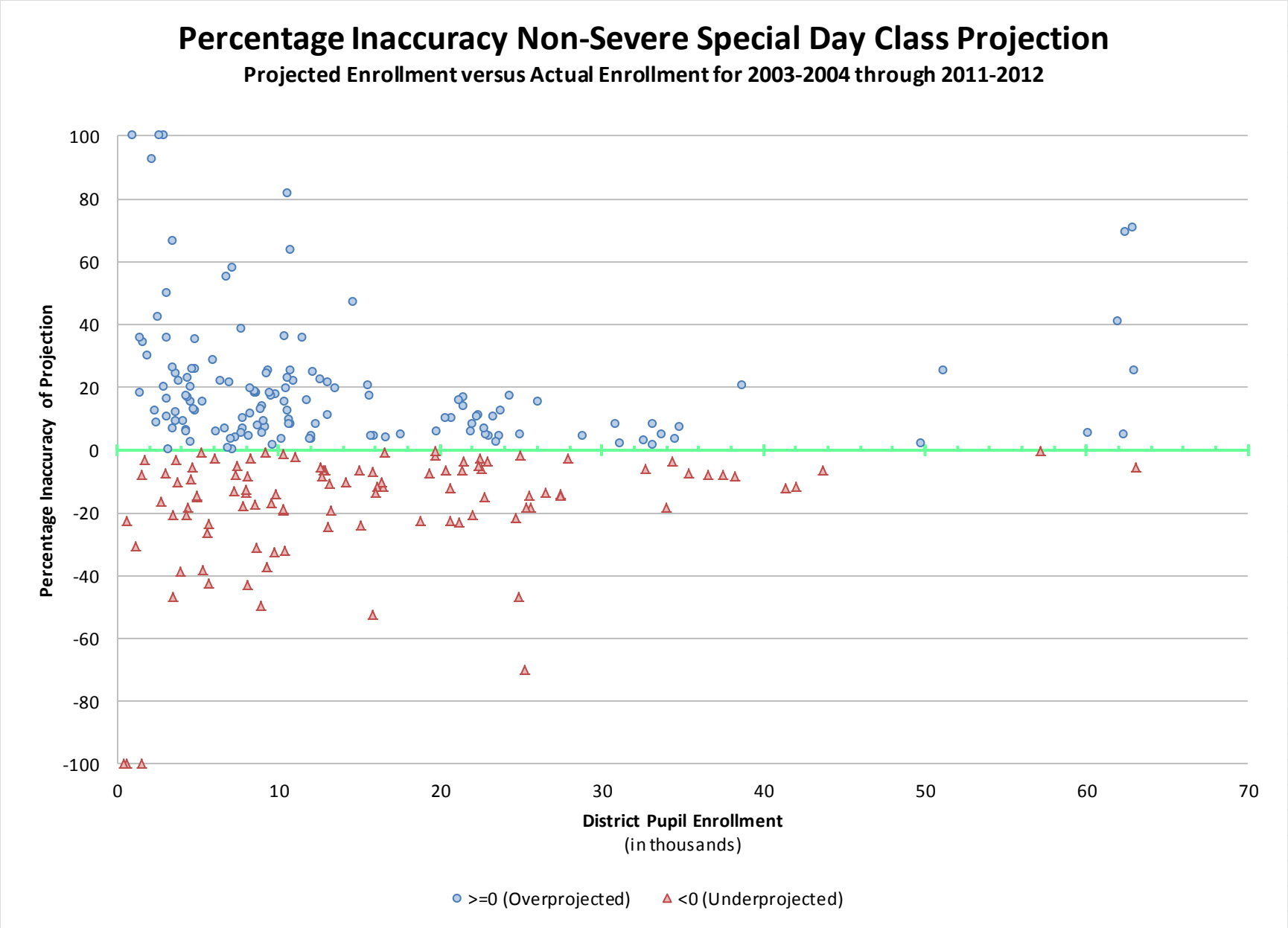
Lastly, the Overall Inaccuracy of the two sets of projections were compared (one set including the dwelling unit augmentations, if requested, versus the other set without the dwelling unit augmentation). On average:

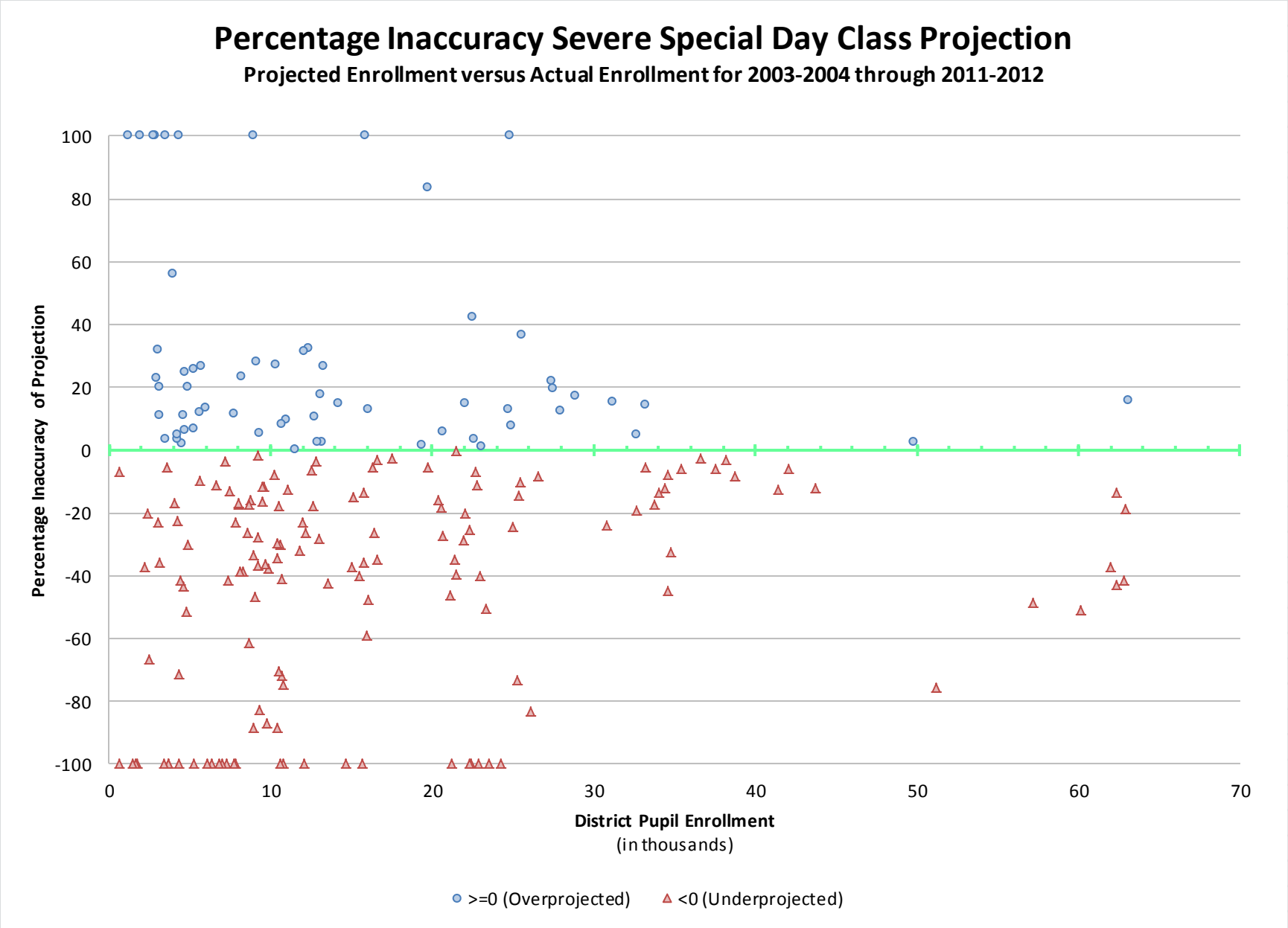
- K-6 projections with the dwelling unit augmentation were 1.06% less accurate than projections without it.
- 7-8 projections with the dwelling unit augmentation were 1.76% less accurate.
- 9-12 projections with the dwelling unit augmentation were 2.68% less accurate.

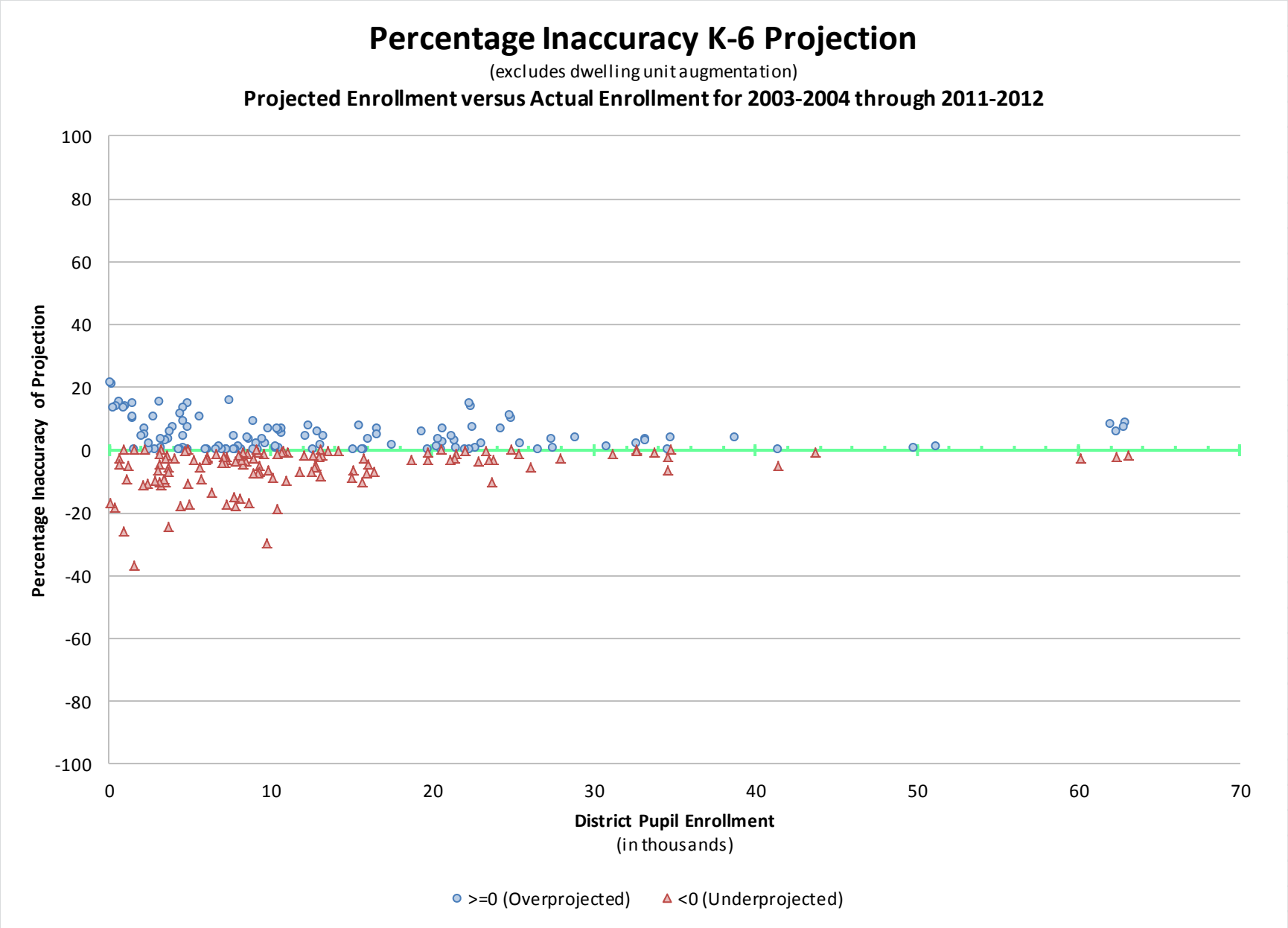

Percentage Inaccuracy K-6 Projection
(includes dwelling unit augmentation, if requested)
Projected Enrollment versus Actual Enrollment for 2003-2004 through 2011-2012
Percentage Inaccuracy of Projection
100
80
60
40
20
0
-20
-40
-60
-80
-100
0
10
20
30
40
50
60
70
District Pupil Enrollment
(in thousands)
>=0 (Overprojected)
<0 (Underprojected)

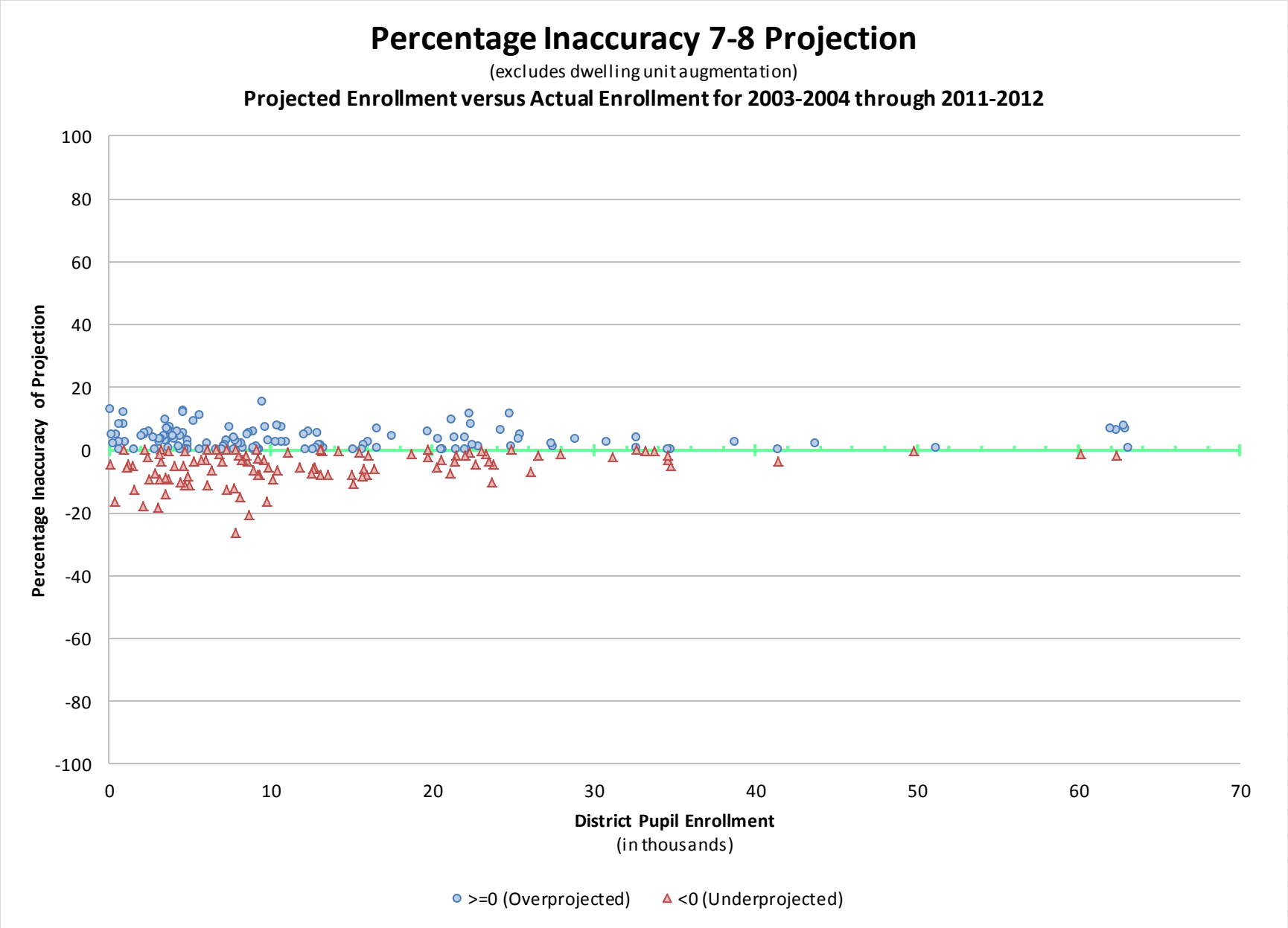

Percentage Inaccuracy 7-8 Projection
(includes dwelling unit augmentation, if requested)
Projected Enrollment versus Actual Enrollment for 2003-2004 through 2011-2012
Percentage Inaccuracy of Projection
100
80
60
40
20
0
-20
-40
-60
-80
-100
0
10
20
30
40
50
60
70
District Pupil Enrollment
(in thousands)
>=0 (Overprojected)
<0 (Underprojected)

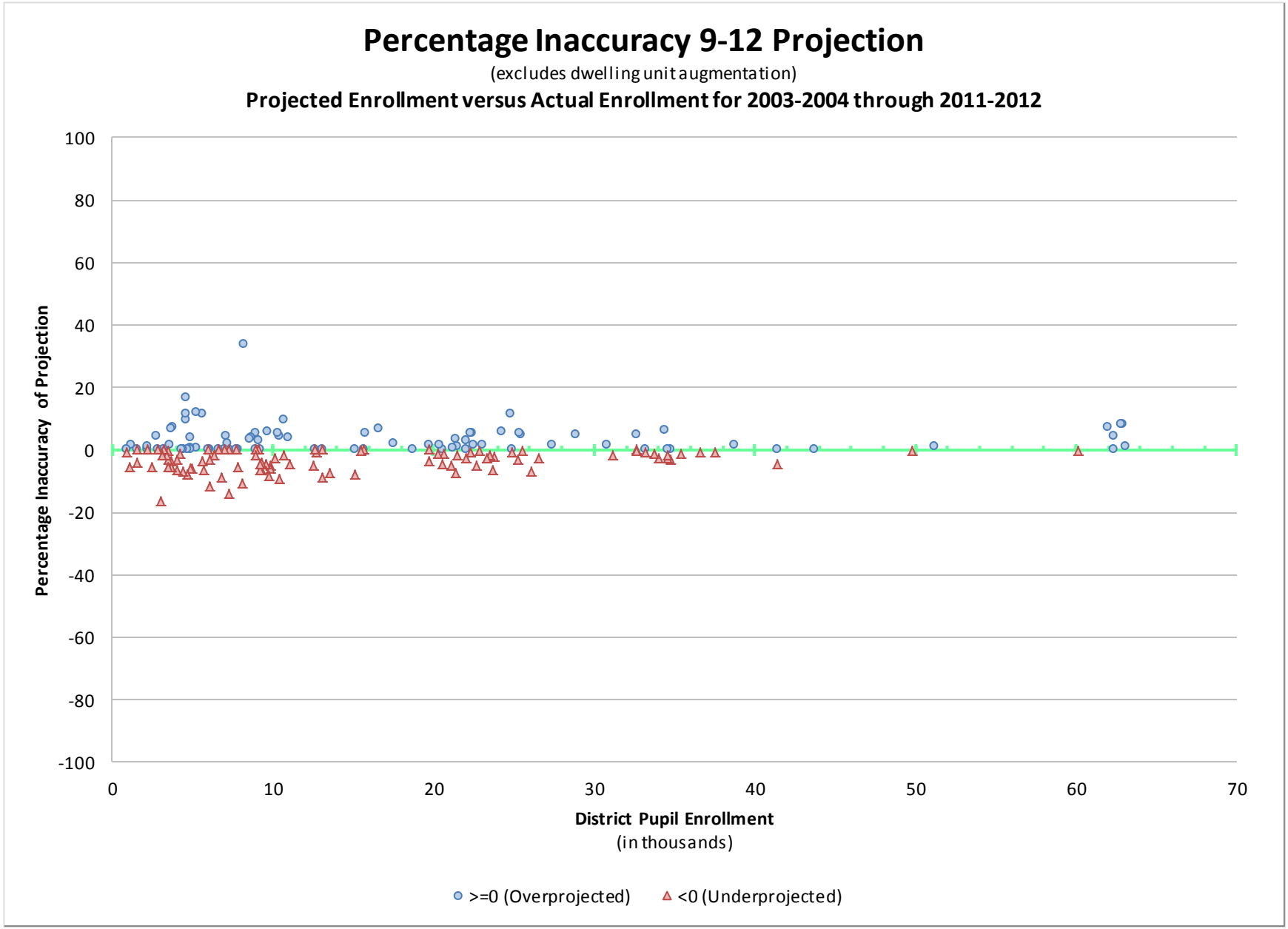

Percentage Inaccuracy 9-12 Projection
(includes dwelling unit augmentation, if requested)
Projected Enrollment versus Actual Enrollment for 2003-2004 through 2011-2012
Percentage Inaccuracy of Projection
100
80
60
40
20
0
-20
-40
-60
-80
-100
0
10
20
30
40
50
60
70
District Pupil Enrollment
(in thousands)
>=0 (Overprojected)
<0 (Underprojected)


Percentage Inaccuracy Non-Severe Special Day Class Projection
Projected Enrollment versus Actual Enrollment for 2003-2004 through 2011-2012
Percentage Inaccuracy of Projection
100
80
60
40
20
0
-20
-40
-60
-80
-100
0
10
20
30
40
50
60
70
District Pupil Enrollment
(in thousands)
>=0 (Overprojected)
<0 (Underprojected)


Percentage Inaccuracy Severe Special Day Class Projection
Projected Enrollment versus Actual Enrollment for 2003-2004 through 2011-2012
Percentage Inaccuracy of Projection
100
80
60
40
20
0
-20
-40
-60
-80
-100
0
10
20
30
40
50
60
70
District Pupil Enrollment
(in thousands)
>=0 (Overprojected)
<0 (Underprojected)


Percentage Inaccuracy K-6 Projection
(excludes dwelling unit augmentation)
Projected Enrollment versus Actual Enrollment for 2003-2004 through 2011-2012
Percentage Inaccuracy of Projection
100
80
60
40
20
0
-20
-40
-60
-80
-100
0
10
20
30
40
50
60
70
District Pupil Enrollment
(in thousands)
>=0 (Overprojected)
<0 (Underprojected)


Percentage Inaccuracy 7-8 Projection
(excludes dwelling unit augmentation)
Projected Enrollment versus Actual Enrollment for 2003-2004 through 2011-2012
Percentage Inaccuracy of Projection
100
80
60
40
20
0
-20
-40
-60
-80
-100
0
10
20
30
40
50
60
70
District Pupil Enrollment
(in thousands)
>=0 (Overprojected)
<0 (Underprojected)


Percentage Inaccuracy 9-12 Projection
(excludes dwelling unit augmentation)
Projected Enrollment versus Actual Enrollment for 2003-2004 through 2011-2012
Percentage Inaccuracy of Projection
100
80
60
40
20
0
-20
-40
-60
-80
-100
0
10
20
30
40
50
60
70
District Pupil Enrollment
(in thousands)
>=0 (Overprojected)
<0 (Underprojected)

# Classroom Capacity

## Overview

As part of the district's request for new construction eligibility, a determination of the district's existing school building capacity must be made. The capacity of the school district is determined at the time the first application for eligibility is filed under the SFP. This capacity calculation is done only once. The classroom capacity is based on the State loading standards and the number of classrooms available to the district.

## State Loading Standards

The State has loading standards for the number of pupils that can be housed in a single classroom. These loading standards are grade specific and are used in determining the classroom capacity of a district as follows:

| Grade Level | Loading Standard |
|---|---|
| K - 6 | 25 |
| 7 - 8 | 27 |
| 9 - 12 | 27 |
| Non - Severe | 13 |
| Severe | 9 |

## The Calculation of Capacity

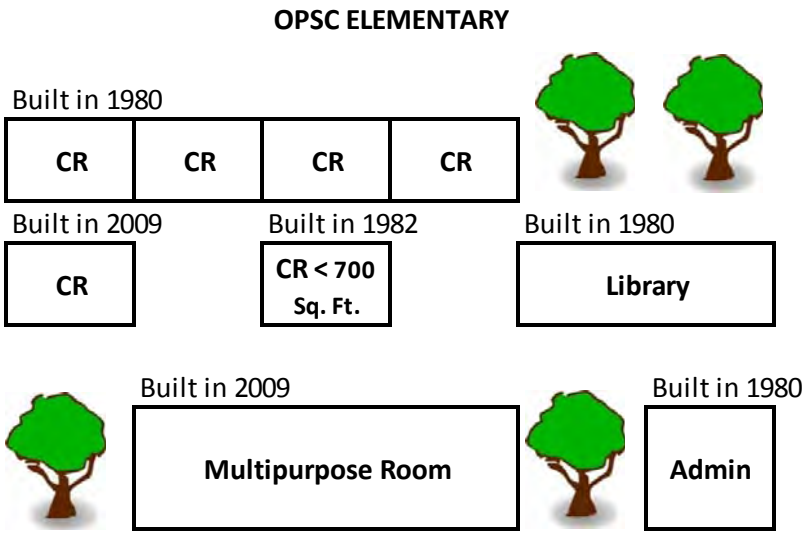
In order to determine a district's classroom capacity, the State looks at all of the available classrooms located within the district. All of the classrooms within the district make up the gross classroom inventory. Each classroom is identified based on the grade level served.

SFP Regulations allow for the exclusion of specific classrooms. These classrooms are deducted from the districts gross classroom inventory to determine the existing district capacity. The total number of existing classrooms after exclusions is used to determine the existing classroom capacity. The basic existing classroom formula is below.

Gross Classroom Inventory (all classrooms) – Exclusions = Existing Classrooms

In order to determine the total existing classrooms within a district, the district provides the OPSC with a site map for each site. The site map shows all of the buildings on the site and includes the age, building type and whether the building is permanent or portable.

The site map provided below is similar to what would be submitted by a district. In this case, the District has six total classrooms on the site; however one classroom can be excluded due to its size. For new construction eligibility determination purposes, this site has five total classrooms.




The process of calculating the districts' existing school building capacity is as follows:

1. The district completes a gross inventory of all spaces constructed or reconstructed to serve as an area to provide pupil instruction. The grade level of each classroom is also identified.
2. The gross inventory is adjusted by excluding certain spaces that are not considered available teaching stations under law or regulation. The classrooms remaining in the inventory are multiplied by the standard loading factor for the grade level (25 for elementary, 27 for middle and high school, 13 for non-severe, and 9 for severe classrooms) to determine the pupil capacity.
3. A final calculation is done to increase the capacity by a specified amount if the district does not have a substantial number of students enrolled in multi-track year-round education. High school districts are not subject to this adjustment. The district may request a waiver from this adjustment from the CDE, School Facilities Planning Division.

Districts are allowed to calculate the new construction eligibility using two different options depending on which option gives the greater eligibility (a lower classroom capacity produces greater eligibility).

*Option A*:
Straight count of classrooms – This option is the total number of classrooms after adjusting for exclusions.

*Option B*:
25 % Portable Exclusion - This option helps districts with a large number of portables according to the provisions of EC Section 17071.30. It allows districts with a proportionally large number of portable classrooms to exclude a percentage of them during the calculation of the new construction baseline eligibility. The goal is to assist school districts with a lot of portables to build more permanent facilities for their students as districts may request new construction eligibility to replace the excluded portables.

## Substantial Enrollment Requirement

Most school districts must add capacity for the Substantial Enrollment Requirement (SER). Statute requires districts to alleviate six percent of their capacity needs by offering year-round classes. A SER calculation is done to increase the capacity by a specified amount if the district does not have a substantial number of students enrolled in multi-track year-round education.

The SER is calculated as follows

1. Six percent of the K-6 pupil capacity; and
2. Six percent of the K-6, non-severe and severe classroom capacity for elementary and unified districts.

Districts have the option to either spread the pupils out proportionally between all grade levels served, or place the total amount in one grade level.

A district does not have to make an SER adjustment if the elementary or unified district meets the substantial enrollment requirement, if the district is a high school district, or the district qualifies for a waiver of the SER authorized by EC Sections 17017.6 and 17017.7 (c). The Board approves these waivers based on a recommendation by the CDE.

## Sample Classroom Capacity Calculation for a Unified School District

### General Information

*Gross Classroom Inventory (GCI)*

| Grade Level | Number of Classrooms |
|---|---|
| K-6 | 100 |
| Non - Severe | 25 |

*Exclusions*

| Grade Level | Number of Classrooms |
|---|---|
| K-6 | 10 |
| Non - Severe | 15 |

### Step 1: Determine the Total number of eligible classrooms

GCI – Exclusions = Total eligible classrooms

| Grade Level | GCI - Exclusions | Total Eligible Classrooms |
|---|---|---|
| K-6 | 100 - 10 | 90 |
| Non - Severe | 25 - 15 | 10 |

### Step 2: Determine the Total Classroom Capacity

*Classroom Capacity* = Number of Classrooms x State Loading Standard

| Grade Level | Number of Classrooms x State Loading Standard | Classroom Capacity |
|---|---|---|
| K-6 | 90 x 25 | 2,250 |
| Non - Severe | 10 x 13 | 130 |

Step 3: Determine the SER adjustment

SER Adjustment

| Grade Level | Classroom Capacity x 6% | SER Adjustment |
|---|---|---|
| K-6 | 2,250 x .06 | 135 |
| Non - Severe | 130 x .06 | 8 |

Step 4: Determine the Total Classroom Capacity

Total Classroom Capacity

| Grade Level | Classroom Capacity x SER Adjustment | SER Adjustment |
|---|---|---|
| K-6 | 2,250 + 135 | 2,385 |
| Non - Severe | 130 + 8 | 138 |

## Gross Classroom Inventory

As described earlier, the gross classroom inventory is made up of all of the classrooms located within the district boundaries. These can be reported on a district-wide basis or on an HSAA basis. SFP Regulation Section 1859.31 defines what must be reported as classroom capacity. The following spaces are considered a classroom.

Any classroom:

- under contract but not yet built;
- built under the Lease-Purchase Program (LPP);
- used for Special Day Class or Resource Specialist Programs;
- that are standard classrooms, shops, science laboratories, computer laboratories, or computer classrooms;
- acquired for Class Size Reduction purposes;
- used for preschool programs;
- converted to any non-classroom purpose including use by others;
- with Housing and Community Development or Department of Housing insignia;
- acquired for interim housing for a modernization project;
- leased or purchased under the State Relocatable Program;
- that have a waiver for continued use by the Board for Field Act Exemptions;
- used for Community School purposes;
- included in a closed school.

## Gross Classroom Inventory Exclusions

Once the gross classroom inventory has been established, districts are eligible for classroom exemptions in order to reduce their existing school capacity. The gross inventory is adjusted by excluding certain spaces that are not considered available teaching stations.

Districts are eligible to exclude the spaces listed below; pursuant to SFP Regulations Section 1859.32 (the most common exclusions are underlined):

Any classroom:

- abandoned and approved for replacement as a hardship under the provisions of the LPP;
- at a school operated on a year round schedule that has been used continually at least 50 percent of the time for preschool programs in the five years preceding the receipt of the application for determination of eligibility;
- included in any new construction LPP project that has not received a phase C apportionment;
- that is portable and owned or leased by the district for 20 years or more that was approved for abandonment in a LPP project and the plans for the project had Division of the State Architect approval prior to November 4, 1998;
- that is a trailer and is transported/towed on its own wheels and axles;
- <u>used exclusively for regional occupational centers, regional occupational programs, child care, preschool and or Adult Education Programs, and was acquired with funds specifically available for these purposes</u>;
- <u>of less than 700 interior square feet</u>;
- <u>originally build for instructional use, but converted to one of the following:</u>
    - used continually for school administration for at least five years prior to the submittal of the application to the OPSC for determination of eligibility;
    - used continuously for central or main district administration for at least five years prior to the submittal of the application to the OPSC for determination of eligibility;
    - used for library purposes during the previous school year;
- <u>owned but leased to another district</u>;
- any portable classroom excluded by Education Code Section 17071.30;
- <u>that is permanent spaced and leased for less than 5 years</u>;
- any permanent classroom contained in a project for which the construction contract was signed between August 27, 1998 and November 18, 1998 and for which the district did not have full project eligibility under the LPP;
- that was acquired with joint-use funds specifically available for that purpose.

## What Are We Building?

Data regarding facilities constructed under the SFP New Construction and Charter School Facilities Program are displayed on the following pages. Where possible, the data is also broken down and displayed by Career Technical Education (CTE) Service Regions to demonstrate the statewide distribution of SFP facilities constructed, though funding was not provided through the CTE Facilities Program.

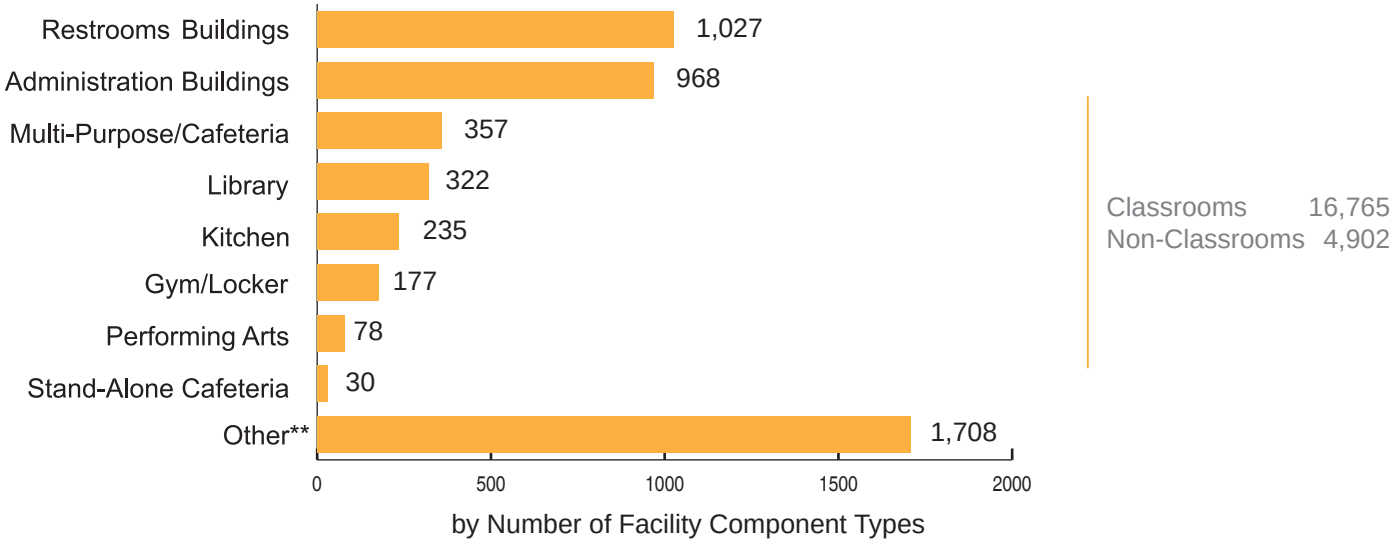
The "Square Footage Constructed", "Non-Classroom Facilities Built" and "Square Footage per Pupil Housed" charts are based on information provided on the Project Information Worksheet (PIW). Because PIWs were not required to be submitted until 2008, this information does not include all New Construction and CSFP projects.

To demonstrate what has been built throughout the entire course of the SFP, the total SFP classrooms approved for funding by the SAB is shown for each CTE Region throughout the State. The information was compiled using the number of classrooms indicated by the district on the *Application For Funding* (Form SAB 50-04) for all New Construction and CSFP new construction projects approved by the Board. This includes projects funded from all four SFP bond acts, the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 (Proposition 1A), the Kindergarten-University Public Education Facilities Bond Acts of 2002, 2004 and 2006 (Propositions 47, 55 and 1D).

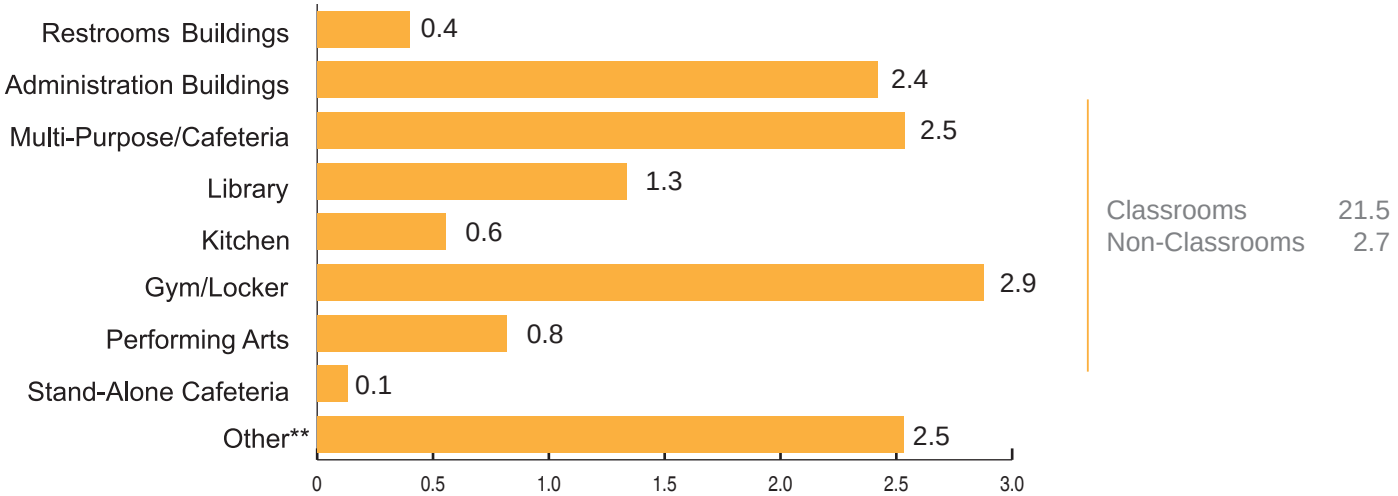
The number of SFP classrooms funded is also provided to the Legislature annually in the General Obligation Bond Report; however, that report only contains information related to the Propositions 55 and 1D, pursuant to Government Code Section 16724.4.

## Facilities Built

Project Information Worksheet (PIW) Data*
(as of 11/15/12)




by Number of Facility Component Types




by Square Feet of Facility Component Types
(In Millions)

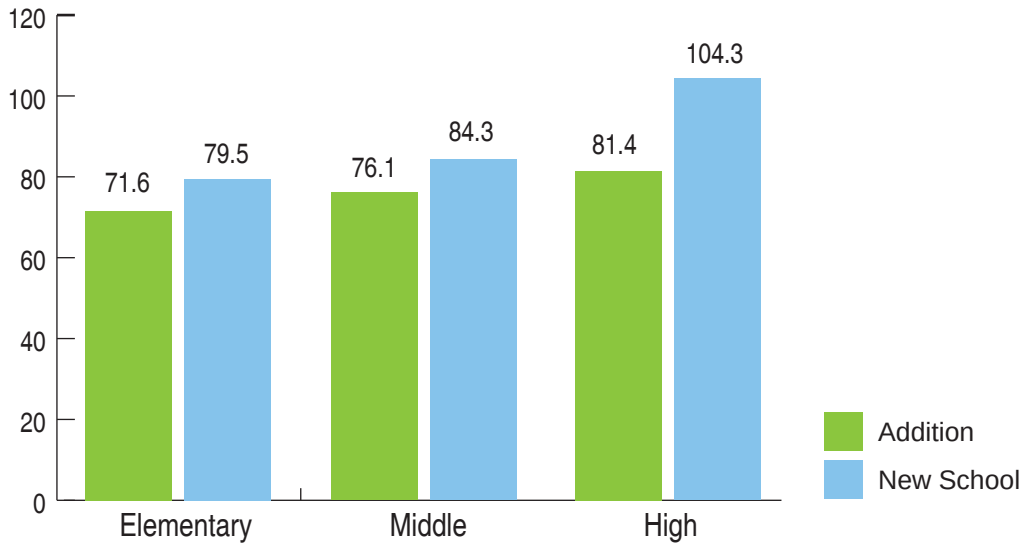
**Average Square Feet Per Facility**

| | | | |
|---|---|---|---|
| Restroom Buildings | 388 | Gym/Locker | 16,264 |
| Administration Buildings | 2,499 | Performing Arts | 10,505 |
| Multi-Purpose/Cafeteria | 7,098 | Stand-Alone Cafeteria | 4,360 |
| Library | 4,145 | Other** | 1,482 |
| Kitchen | 2,364 | Classrooms | 1,280 |

* The above information was compiled using 1,091 PIWs submitted to the Office of Public School Construction for School Facility Program New Construction and Charter projects since 2008. Facility Hardship projects were not included.

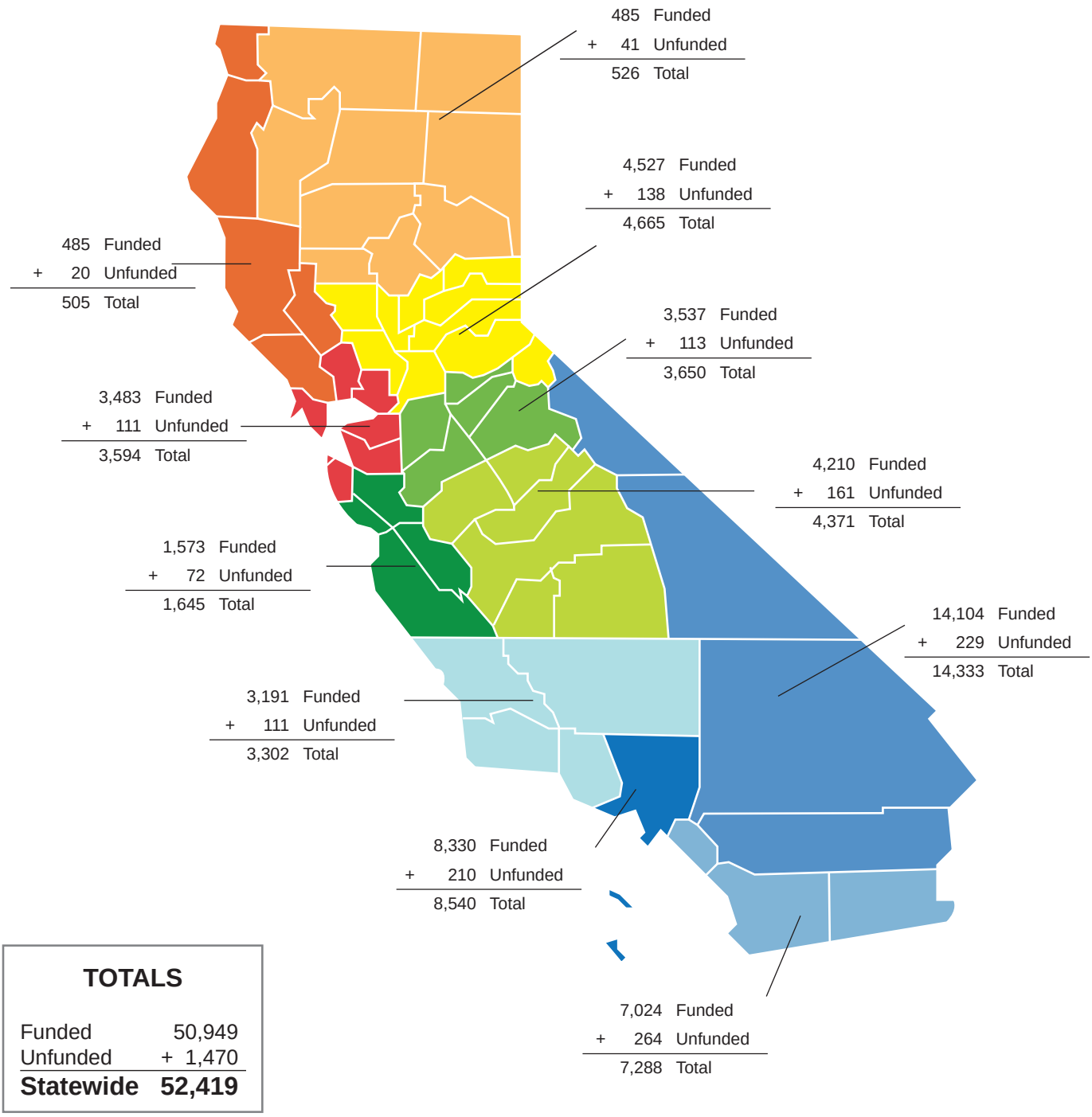
** Other includes (but is not limited to) facilities such as staff rooms, conference rooms and resource rooms.

Square Footage Per Pupil Housed
Project Information Worksheet (PIW) Data
(as of 11/15/12)




The above information was compiled using 953 PIWs submitted to the Office of Public School Construction for School Facility Program (SFP) New Construction and Charter projects since 2008. Use of Grants projects funded pursuant to SFP Regulation Section 1859.77.3 and Facility Hardship projects were not included.

New Construction and Charter Classrooms per Career Technical Education Service Regions
(as of 11/15/12)



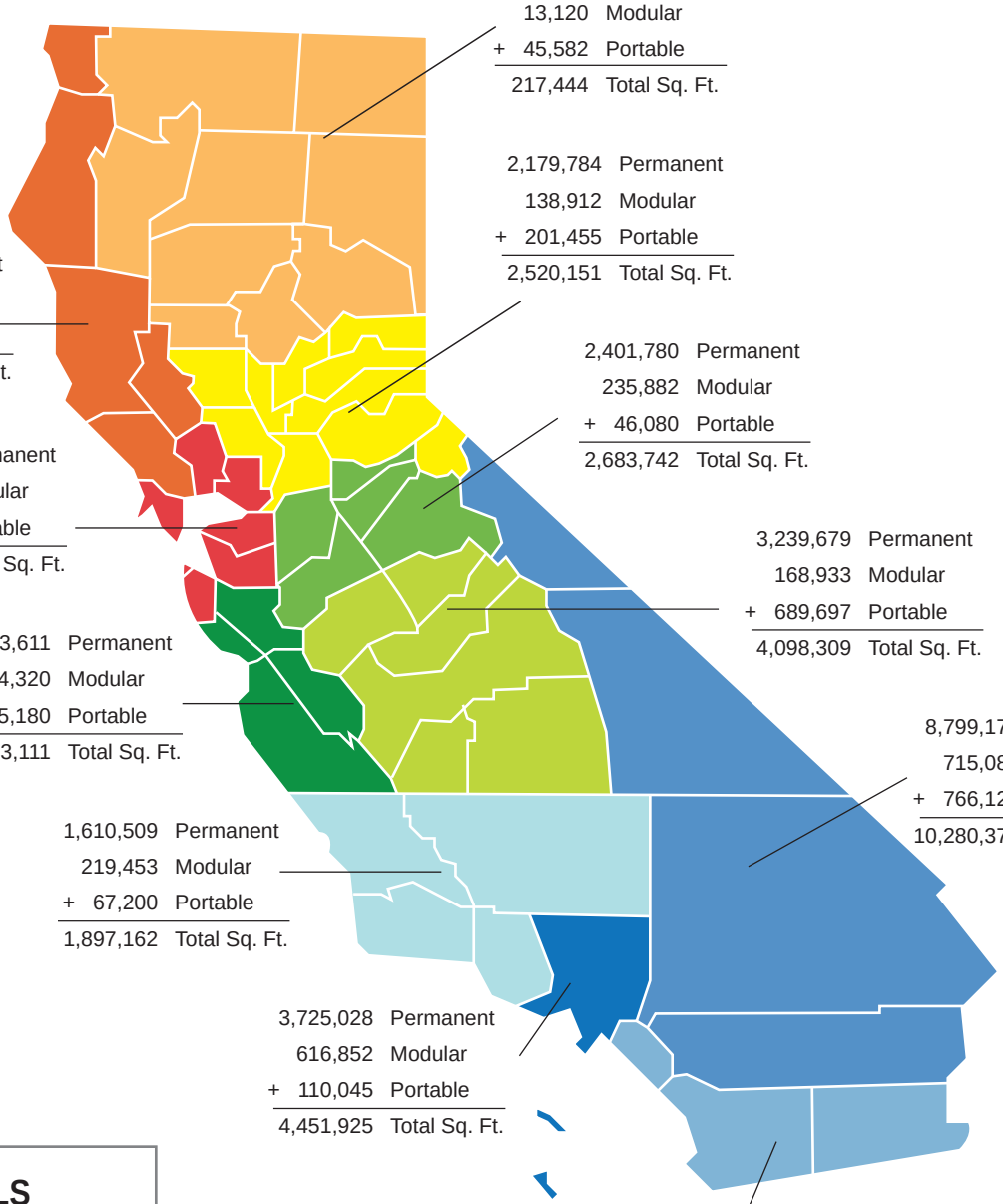

**TOTALS**

| | |
|---|---|
| Funded | 50,949 |
| Unfunded | + 1,470 |
| **Statewide** | **52,419** |

The above information was compiled using 3,737 *Applications For Funding* (Form SAB 50-04) (3,594 Funded and 143 Unfunded) submitted to the Office of Public School Construction for School Facility Program New Construction and Charter projects since 1998. Facility Hardship projects were not included.

## Square Footage Constructed per Career Technical Education Service Regions

Project Information Worksheet (PIW) Data
(as of 11/15/12)



158,742 Permanent
13,120 Modular
+ 45,582 Portable
217,444 Total Sq. Ft.

2,179,784 Permanent
138,912 Modular
+ 201,455 Portable
2,520,151 Total Sq. Ft.

53,398 Permanent
7,288 Modular
+ 1,920 Portable
62,606 Total Sq. Ft.

2,401,780 Permanent
235,882 Modular
+ 46,080 Portable
2,683,742 Total Sq. Ft.

3,083,967 Permanent
245,552 Modular
+ 15,716 Portable
3,345,235 Total Sq. Ft.

3,239,679 Permanent
168,933 Modular
+ 689,697 Portable
4,098,309 Total Sq. Ft.

743,611 Permanent
64,320 Modular
+ 15,180 Portable
823,111 Total Sq. Ft.

8,799,172 Permanent
715,080 Modular
+ 766,123 Portable
10,280,375 Total Sq. Ft.

1,610,509 Permanent
219,453 Modular
+ 67,200 Portable
1,897,162 Total Sq. Ft.

3,725,028 Permanent
616,852 Modular
+ 110,045 Portable
4,451,925 Total Sq. Ft.

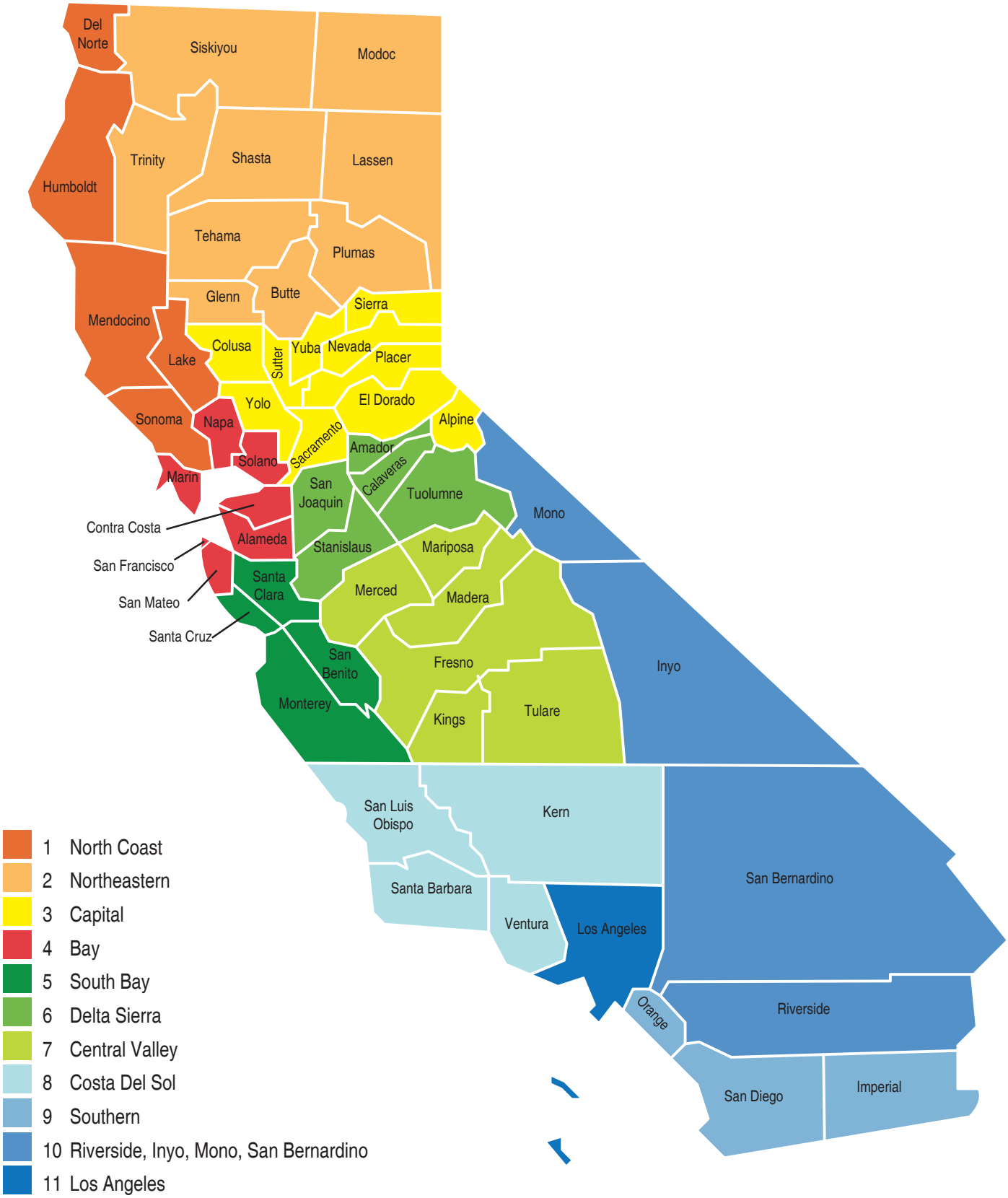
3,898,465 Permanent
291,895 Modular
+ 67,680 Portable
4,258,040 Total Sq. Ft.

**TOTALS**

| | |
|---|---|
| Permanent | 29,894,135 |
| Modular | 2,717,287 |
| Portable | + 2,026,678 |
| **Statewide** | **34,638,100** |

The above information was compiled using 1,236 PIWs submitted to the Office of Public School Construction for School Facility Program New Construction and Charter projects since 2008. Facility Hardship projects were not included.

## Career Technical Education Service Regions



## School Facility Program Regulations

The following Regulation Sections pertaining to new construction eligibility listed below can be viewed at the following link: Link

Article 4 Determining Existing School Building Capacity

1859.30. Calculations to Determine Existing School Building Capacity.

1859.31. Gross Classroom Inventory.

1859.32. Adjustments to Gross Classroom Inventory.

1859.33. Classroom Identification and Determination of Existing School Building Capacity.

1859.35. Calculation of Existing School Building Capacity.

Article 5 Enrollment Projections

1859.40. Enrollment Projections Used to Determine a District's Eligibility for New Construction Grants.

1859.41. High School Attendance Area Reporting.

1859.41.1. Pupil Reporting Options for Projecting High School Attendance Area Enrollment.

1859.42. Projecting Non-Special Day Class Enrollment.

1859.42.1. Supplements to the Fifth-Year Projection of Non-Special Day Class Enrollment.

1859.43. Projecting Special Day Class Enrollment.

Article 6 New Construction Eligibility Determination

1859.50. Calculations to Determine New Construction Baseline Eligibility.

1859.51. Adjustments to the New Construction Baseline Eligibility.

1859.51.1. Baseline Adjustments for Locally Funded Facilities.

## Leroy F. Greene School Facilities Act of 1998, Chapter 12.5: Pertaining to New Construction Eligibility

| Article No. | Title | Education Code Section |
|---|---|---|
| 1 | General Provisions | 17070.10-17070.99 |
| 2 | Existing School Building Capacity | 17071.10-17071.46 |
| 3 | New Construction Eligibility Determination | 17071.75-17071.76 |

Cohort Survival Enrollment Projection System for New Construction Eligibility

**Step #1:**
Figures are calculated on a *diagonal*:
120 - 130 = -10

**Step #2:**
Figures are calculated on a *diagonal*, then multiplied by "2":
(150-130) x 2 = 40

**Step #3:**
Figures are calculated *across* (K only), then multiplied by "3":
(110 - 120) x 3 = -30

**Step #4 (Average Change):**
Add the weighted enrollment change numbers across, then divide by 6:
[ (-10) + (-20) + (-30) ] / 6 = -10

## 5-YEAR ENROLLMENT PROJECTION

| School District | Dwelling Units | SYF | County | Application No. |
|---|---|---|---|---|
| ABC Unified | 0 | 0.7 | ABC | 50/12345-00-00 |

| | ACTUAL ENROLLMENT | | | | Average Change (Div. By 6) | PROJECTED ENROLLMENT | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | 02/03 | 03/04 (x 1) | 04/05 (x 2) | 05/06 (x 3) | | 06/07 1-year projection | 07/08 2-year projection | 08/09 3-year projection | 09/10 4-year projection | 10/11 5-year projection |
| K | 140 | 130<br>-10 | 120<br>-20 | 110<br>-30 | -10 | 100 | 90 | 80 | 70 | 60 |
| 1 | 130 | 130<br>-10 | 150<br>40 | 150<br>90 | 20 | 130 | 120 | 110 | 100 | 90 |
| 2 | 140 | 120<br>-10 | 150<br>40 | 160<br>30 | 10 | 160 | 140 | 130 | 120 | 110 |
| 3 | 160 | 140<br>0 | 150<br>60 | 140<br>-30 | 5 | 165 | 165 | 145 | 135 | 125 |
| 4 | 145 | 160<br>0 | 170<br>60 | 150<br>0 | 10 | 150 | 175 | 175 | 155 | 145 |
| 5 | 135 | 150<br>5 | 170<br>20 | 180<br>30 | 9 | 159 | 159 | 184 | 184 | 164 |
| 6 | 150 | 170<br>35 | 140<br>-20 | 160<br>-30 | -3 | 177 | 156 | 156 | 181 | 181 |
| 7 | 145 | 160<br>10 | 170<br>0 | 150<br>30 | 7 | 167 | 184 | 163 | 163 | 188 |
| 8 | 140 | 140<br>-5 | 150<br>-20 | 160<br>-30 | -9 | 141 | 158 | 175 | 154 | 154 |
| 9 | 160 | 170<br>30 | 165<br>50 | 165<br>45 | 21 | 181 | 162 | 179 | 196 | 175 |
| 10 | 170 | 180<br>20 | 175<br>10 | 185<br>60 | 15 | 180 | 196 | 177 | 194 | 211 |
| 11 | 140 | 140<br>-30 | 150<br>-60 | 160<br>-45 | -23 | 162 | 157 | 173 | 154 | 171 |
| 12 | 145 | 160<br>20 | 170<br>60 | 185<br>105 | 31 | 191 | 193 | 188 | 204 | 185 |
| TOTAL Elem. | 1000 | 1000 | 1050 | 1050 | | 1041 | 1005 | 980 | 945 | 875 |
| TOTAL High | 900 | 950 | 980 | 1005 | | 1022 | 1050 | 1055 | 1065 | 1084 |
| TOTAL | 1900 | 1950 | 2030 | 2055 | | 2063 | 2055 | 2035 | 2010 | 1959 |
| Annual change | | 50 | 80 | 25 | | 8 | -8 | -20 | -25 | -51 |

## 5-YEAR ENROLLMENT PROJECTION

| ACTUAL ENROLLMENT | | | | | Average Change (Div. By 6) | PROJECTED ENROLLMENT | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | 02/03 | 03/04 (x 1) | 04/05 (x 2) | 05/06 (x 3) | | 06/07 1-year projection | 07/08 2-year projection | 08/09 3-year projection | 09/10 4-year projection | 10/11 5-year projection |
| K | 140 | 130 -10 | 120 -20 | **110** -30 | -10 | 100 | 90 | 80 | 70 | **60** |
| 1 | 130 | 130 -10 | 150 40 | 150 90 | 20 | 130 | 120 | 110 | 100 | 90 |
| 2 | 140 | 120 -10 | 150 40 | 160 30 | 10 | 160 | 140 | 130 | 120 | 110 |
| 3 | 160 | 140 0 | 150 60 | 140 -30 | 5 | 165 | 165 | 145 | 135 | 125 |
| 4 | 145 | 160 0 | 170 60 | 150 0 | 10 | 150 | 175 | 175 | 155 | 145 |
| 5 | 135 | 150 5 | 170 20 | 180 30 | 9 | 159 | 159 | 184 | 184 | 164 |
| 6 | 150 | 170 35 | 140 -20 | 160 -30 | -3 | 177 | 156 | 156 | 181 | 181 |
| 7 | 145 | 160 10 | 170 0 | 150 30 | 7 | 167 | 184 | 163 | 163 | 188 |
| 8 | 140 | 140 -5 | 150 -20 | 160 -30 | -9 | 141 | 158 | 175 | 154 | 154 |
| 9 | 160 | 170 30 | 165 50 | 165 45 | 21 | 181 | 162 | 179 | 196 | 175 |
| 10 | 170 | 180 20 | 175 10 | 185 60 | 15 | 180 | 196 | 177 | 194 | 211 |
| 11 | 140 | 140 -30 | 150 -60 | 160 -45 | -23 | 162 | 157 | 173 | 154 | 171 |
| 12 | 145 | 160 20 | 170 60 | 185 105 | 31 | 191 | 193 | 188 | 204 | 185 |
| *TOTAL Elem.* | 1000 | 1000 | 1050 | 1050 | | 1041 | 1005 | 980 | 945 | 875 |
| *TOTAL High* | 900 | 950 | 980 | 1005 | | 1022 | 1050 | 1055 | 1065 | 1084 |
| *TOTAL* | **1900** | **1950** | **2030** | **2055** | | 2063 | 2055 | 2035 | 2010 | **1959** |
| *Annual change* | | **50** | **80** | **25** | | 8 | -8 | -20 | -25 | -51 |

**Step #5 (Kindergarten 5-Yr Projection):**

Take the current K enrollment & add the K average change, calculated *across* (K only) and repeat 5 times.

110 + (-10) + (-10) + (-10) + (-10) + (-10) = **60**

## 5-YEAR ENROLLMENT PROJECTION

| ACTUAL ENROLLMENT | | | | | Average Change (Div. By 6) | PROJECTED ENROLLMENT | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | 02/03 | 03/04 (x 1) | 04/05 (x 2) | 05/06 (x 3) | | 06/07 1-year projection | 07/08 2-year projection | 08/09 3-year projection | 09/10 4-year projection | 10/11 5-year projection |
| K | 140 | 130 -10 | 120 -20 | **110** -30 | -10 | 100 | 90 | 80 | 70 | 60 |
| 1 | 130 | 130 -10 | 150 40 | 150 90 | 20 | 130 | 120 | 110 | 100 | 90 |
| 2 | 140 | 120 -10 | 150 40 | 160 30 | 10 | 160 | 140 | 130 | 120 | **110** |
| 3 | 160 | 140 0 | 150 60 | 140 -30 | 5 | 165 | 165 | 145 | 135 | 125 |
| 4 | 145 | 160 0 | 170 60 | 150 0 | 10 | 150 | 175 | 175 | 155 | 145 |
| 5 | 135 | 150 5 | 170 20 | 180 30 | 9 | 159 | 159 | 184 | 184 | 164 |
| 6 | 150 | 170 35 | 140 -20 | 160 -30 | -3 | 177 | 156 | 156 | 181 | 181 |
| 7 | 145 | 160 10 | 170 0 | 150 30 | 7 | 167 | 184 | 163 | 163 | 188 |
| 8 | 140 | 140 -5 | 150 -20 | 160 -30 | -9 | 141 | 158 | 175 | 154 | 154 |
| 9 | 160 | 170 30 | 165 50 | 165 45 | 21 | 181 | 162 | 179 | 196 | 175 |
| 10 | 170 | 180 20 | 175 10 | 185 60 | 15 | 180 | 196 | 177 | 194 | 211 |
| 11 | 140 | 140 -30 | 150 -60 | 160 -45 | -23 | 162 | 157 | 173 | 154 | 171 |
| 12 | 145 | 160 20 | 170 60 | 185 105 | 31 | 191 | 193 | 188 | 204 | 185 |
| *TOTAL Elem.* | 1000 | 1000 | 1050 | 1050 | | 1041 | 1005 | 980 | 945 | 875 |
| *TOTAL High* | 900 | 950 | 980 | 1005 | | 1022 | 1050 | 1055 | 1065 | 1084 |
| *TOTAL* | **1900** | **1950** | **2030** | **2055** | | 2063 | 2055 | 2035 | 2010 | **1959** |
| *Annual change* | | **50** | **80** | **25** | | 8 | -8 | -20 | -25 | -51 |

**Step #5 (2nd Grade 5-Yr Projection:**

Take the current K enrollment & add the K average change, calculating *across* for 3 years.

Then add the 1st grade average change, then the 2nd grade average change, calculating on a *diagonal:*

110 + (-10) + (-10) + (-10) + 20 + 10 = **110**

## 5-YEAR ENROLLMENT PROJECTION

| ACTUAL ENROLLMENT | | | | | Average Change (Div. By 6) | PROJECTED ENROLLMENT | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | 02/03 | 03/04 (x 1) | 04/05 (x 2) | 05/06 (x 3) | | 06/07 1-year projection | 07/08 2-year projection | 08/09 3-year projection | 09/10 4-year projection | 10/11 5-year projection |
| K | 140 | 130 -10 | 120 -20 | **110** -30 | -10 | 100 | 90 | 80 | 70 | 60 |
| 1 | 130 | 130 -10 | 150 40 | 150 90 | 20 | 130 | 120 | 110 | 100 | 90 |
| 2 | 140 | 120 -10 | 150 40 | 160 30 | 10 | 160 | 140 | 130 | 120 | 110 |
| 3 | 160 | 140 0 | 150 60 | 140 -30 | 5 | 165 | 165 | 145 | 135 | 125 |
| 4 | 145 | 160 0 | 170 60 | 150 0 | 10 | 150 | 175 | 175 | 155 | 145 |
| 5 | 135 | 150 5 | 170 20 | 180 30 | 9 | 159 | 159 | 184 | 184 | **164** |
| 6 | 150 | 170 35 | 140 -20 | 160 -30 | -3 | 177 | 156 | 156 | 181 | 181 |
| 7 | 145 | 160 10 | 170 0 | 150 30 | 7 | 167 | 184 | 163 | 163 | 188 |
| 8 | 140 | 140 -5 | 150 -20 | 160 -30 | -9 | 141 | 158 | 175 | 154 | 154 |
| 9 | 160 | 170 30 | 165 50 | 165 45 | 21 | 181 | 162 | 179 | 196 | 175 |
| 10 | 170 | 180 20 | 175 10 | 185 60 | 15 | 180 | 196 | 177 | 194 | 211 |
| 11 | 140 | 140 -30 | 150 -60 | 160 -45 | -23 | 162 | 157 | 173 | 154 | 171 |
| 12 | 145 | 160 20 | 170 60 | 185 105 | 31 | 191 | 193 | 188 | 204 | 185 |
| *TOTAL Elem.* | 1000 | 1000 | 1050 | 1050 | | 1041 | 1005 | 980 | 945 | 875 |
| *TOTAL High* | 900 | 950 | 980 | 1005 | | 1022 | 1050 | 1055 | 1065 | 1084 |
| *TOTAL* | **1900** | **1950** | **2030** | **2055** | | 2063 | 2055 | 2035 | 2010 | **1959** |
| *Annual change* | | **50** | **80** | **25** | | 8 | -8 | -20 | -25 | -51 |

**Step #5 (5th Grade 5-Yr Projection:**

Take the current K enrollment & add the 1st grade average change (since K enrollment becomes the 1st grade enrollment on the following year), calculating on a *diagonal.*

Then add the 2nd grade average change, then the 3rd grade average change, and so forth, for 5 years:

110 + 20 + 10 + 5 + 10 + 9 = **164)**

## 5-YEAR ENROLLMENT PROJECTION

| ACTUAL ENROLLMENT | | | | | Average Change (Div. By 6) | PROJECTED ENROLLMENT | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | 02/03 | 03/04 (x 1) | 04/05 (x 2) | 05/06 (x 3) | | 06/07 1-year projection | 07/08 2-year projection | 08/09 3-year projection | 09/10 4-year projection | 10/11 5-year projection |
| K | 140 | 130 -10 | 120 -20 | **110** -30 | -10 | 100 | 90 | 80 | 70 | 60 |
| 1 | 130 | 130 -10 | 150 40 | 150 90 | 20 | 130 | 120 | 110 | 100 | 90 |
| 2 | 140 | 120 -10 | 150 40 | 160 30 | 10 | 160 | 140 | 130 | 120 | 110 |
| 3 | 160 | 140 0 | 150 60 | 140 -30 | 5 | 165 | 165 | 145 | 135 | 125 |
| 4 | 145 | 160 0 | 170 60 | 150 0 | 10 | 150 | 175 | 175 | 155 | 145 |
| 5 | 135 | 150 5 | 170 20 | 180 30 | 9 | 159 | 159 | 184 | 184 | 164 |
| 6 | 150 | 170 35 | 140 -20 | **160** -30 | -3 | 177 | 156 | 156 | 181 | 181 |
| 7 | 145 | 160 10 | 170 0 | 150 30 | 7 | 167 | 184 | 163 | 163 | 188 |
| 8 | 140 | 140 -5 | 150 -20 | 160 -30 | -9 | 141 | 158 | 175 | 154 | 154 |
| 9 | 160 | 170 30 | 165 50 | 165 45 | 21 | 181 | 162 | 179 | 196 | 175 |
| 10 | 170 | 180 20 | 175 10 | 185 60 | 15 | 180 | 196 | 177 | 194 | 211 |
| 11 | 140 | 140 -30 | 150 -60 | 160 -45 | -23 | 162 | 157 | 173 | 154 | **171** |
| 12 | 145 | 160 20 | 170 60 | 185 105 | 31 | 191 | 193 | 188 | 204 | 185 |
| TOTAL Elem. | 1000 | 1000 | 1050 | 1050 | | 1041 | 1005 | 980 | 945 | 875 |
| TOTAL High | 900 | 950 | 980 | 1005 | | 1022 | 1050 | 1055 | 1065 | 1084 |
| TOTAL | **1900** | **1950** | **2030** | **2055** | | 2063 | 2055 | 2035 | 2010 | **1959** |
| Annual change | | **50** | **80** | **25** | | 8 | -8 | -20 | -25 | -51 |

**Step #5 (11th Grade 5-Yr Projection):**

Take the current 6th grade enrollment & add the 7th grade average change (since 6th grade enrollment becomes the 7th grade enrollment on the following year), calculating on a *diagonal.*

Then add the 8th grade average change, then the 9th grade average change, and so forth, for 5 years:

160 + 7 + (-9) + 21 + 15 + (-23) = **171**

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# Introduction

## Purpose

The January 15, 2013 State Allocation Board Program Review Subcommittee (Subcommittee) meeting will have three purposes. The first is to take an in depth look at the Charter School Facilities Program (CSFP), including how it has evolved since its inception. The second is to take an in depth look at how modernization eligibility is currently determined. Finally, the Subcommittee will discuss the Project Information Worksheet (PIW).

## What is the CSFP?

The CSFP permits a charter school or school district filing on behalf of a charter to apply for a preliminary apportionment (reservation of funds) for the construction of new facilities and/or rehabilitation of existing district owned facilities that are at least 15 years old. To qualify for funding, a charter must be deemed financially sound by the California School Finance Authority (CSFA).

The preliminary apportionment for a CSFP project must be converted within a four-year period to an adjusted grant apportionment meeting all the School Facilities Program (SFP) criteria, unless a single one year extension is granted.

The CSFP is a program with limited bond authority, and the program design incorporates competitive funding rounds and Preference Points used to rank applicants. The Preference Points and order of funding were developed based on the statutory requirement that funded charter schools are representative of the different types of charter schools throughout the State.

Charter schools also face unique challenges in completing school construction projects. The CSFP was designed to address these issues, including providing advance fund releases for Design and Site Acquisition, and providing loans for up to the full 50 percent local matching share.

## What is Modernization Eligibility?

Modernization eligibility uses student enrollment and the ages and types of the buildings to determine the amount of funds each district site is eligible to receive. Each school site has its own modernization eligibility. Permanent buildings that are 25 years old or older and portable buildings that are 20 years old or older can generate modernization eligibility if enrollment at the site justifies the need to modernize the building. Districts establish an initial “baseline” eligibility that remains in place as the basis for all future applications. This baseline is updated over time to reflect increases in enrollment or other changes. Districts use this eligibility to request funding from the State to assist in the modernization of school facilities.

An application for modernization eligibility is *not* an application for funding. Modernization eligibility determines the amount of funding a school district is eligible to receive in order to modernize existing school facilities. Districts may use their modernization eligibility either on an upcoming eligible project, or to reimburse a project that was already completed (the project must have been completed after the inception of the School Facility Program [SFP] in 1998). Districts have local control to decide where the funds are to be used on the site that generates the eligibility. The district is not required to use the modernization funding on the same building that generated the eligibility.

Eligibility is in the form of pupil grants. Modernization pupil grants are used to provide funding for improvements to enhance and extend the useful life of school facilities, with State funds provided on a 60/40 basis. Examples of modernization projects include upgrades to certain building components such as air conditioning, plumbing, lighting, and electrical systems, or demolition and replacement of entire facilities. Modernization eligibility may only be used on eligible expenditures allowed under the SFP.

## What is the PIW?

The PIW was designed to collect data for SFP new construction projects to study the relationship between the new construction pupil grant amount and the per pupil cost of new school construction, to monitor the status of the bid climate and to meet bond accountability requirements. It was revised in 2010 to capture information regarding the costs and benefits of including high performance components in the construction project. Districts submit the high performance information for any projects that qualified for the SFP High Performance Incentive grant, including modernization projects.

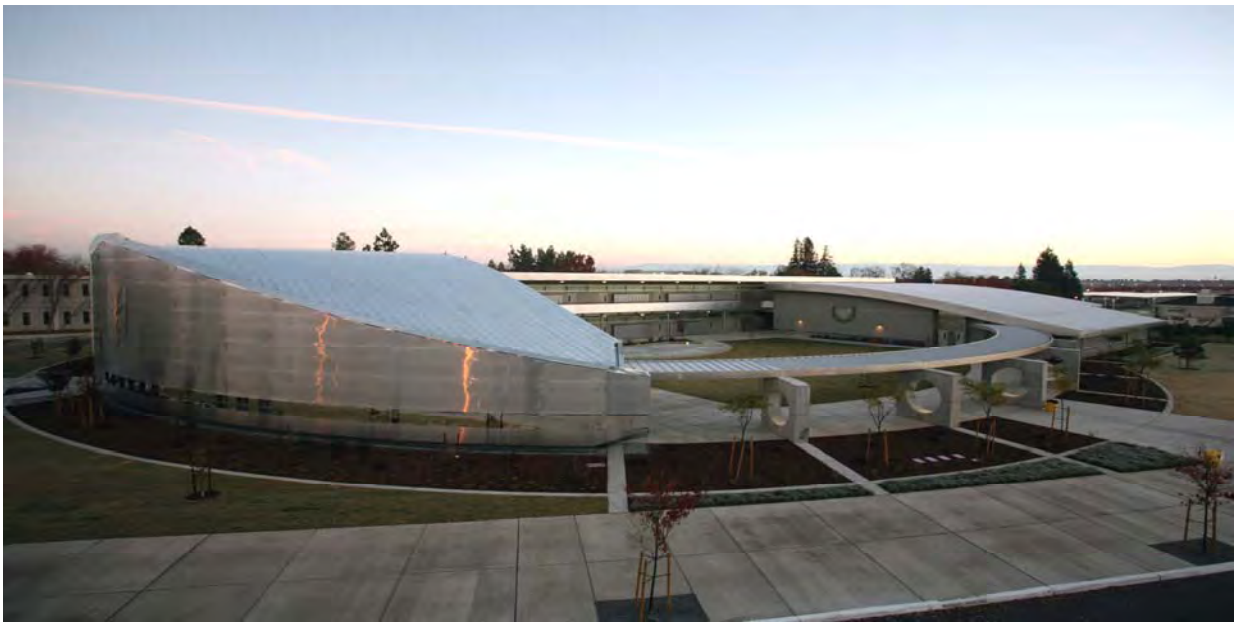
Districts first submit the PIW online for a project when the *Fund Release Authorization* (Form SAB 50-05). Updated PIWs are submitted when the first and final Expenditure Report (Form SAB 50-06) is sent to the OPSC.

# Charter School Facilities Program

## Overview

The Charter School Facilities Program (CSFP) provides charter schools funding to construct new charter school facilities and/or rehabilitate existing school district-owned facilities that are at least 15 years old for charter school use. Applications may be submitted by a charter school directly or through the school district where the projects will be physically located. Title to project facilities is generally held by the local school district; however, charter schools may submit a request to hold title. The CSFP is a 50 percent State share and 50 percent local match program for both new construction and rehabilitation projects, although applicants have the option to request a long-term State loan for up to the entire 50 percent local share amount.

Due to the high interest and limited authority within the program, applicants compete for funding through competitive filing rounds. Successful applicants are awarded a reservation of bond authority (preliminary apportionment) based on an idea for a future project and the proposed components of that project. Once a preliminary apportionment is awarded, the applicant has four years (with the ability to request a single one-year extension) to convert into a full funding application. When the full funding application is submitted, it will look identical to any other SFP full funding application and meet all of the same requirements.



UNIVERSITY HIGH SCHOOL IN FRESNO, CSFP PROJECT APPROVED IN 2008

## Program History

In 2002, Proposition 47 established the CSFP as a pilot program to provide charter schools with funding to construct new facilities and provided $100 million in bond funding.

In 2004, Proposition 55 revised the CSFP in order to maximize the number of projects funded and provided an additional $300 million in bond funding. Changes made included the placement of a cap on project costs. This change was made to allow more projects to receive funding, as only six preliminary apportionments were made with the Proposition 47 funding.

In 2006, Proposition 1D provided an additional $500 million for the CSFP and further revised the program. For this round, funding caps on existing projects were removed, as applicants were encountering difficulty in converting their projects within the amount provided. The option of rehabilitating existing district facilities was also added into law, making CSFP rehabilitation projects allowable for the first time. With the addition of the rehabilitation component, the law was further changed to modify the types of projects that receive preference to include rehabilitation projects. Also, for the first time, district eligibility was not automatically deducted for the capacity of a new construction CSFP project. The local district would now certify to the number of unhoused pupils to be served in the project, and their eligibility would be adjusted according to this certification.

In 2009, unused and returned funds from Proposition 47 and 1D were used to create a fourth filing round, following the same requirements as Proposition 1D. The following shows preliminary apportionment data for each Proposition:

| FILING ROUND | PROPOSITION 47 | PROPOSITION 55 | PROPOSITION 1D | 2009 (47 AND 1D) |
|---|---|---|---|---|
| # OF PRELIMINARY APPORTIONMENTS | 6 | 28 | 30 | 17 |
| AMOUNT OF PRELIMINARY APPORTIONMENTS | $97.0 million* | $276.8 million* | $482.5 million* | $122.4 million |

*The difference between the amount apportioned and the $900 million approved by the Propositions is accounted for by both administrative costs of the California School Finance Authority, who co-administers the CSFP, and the decision to not partially fund projects on the list. The funds not originally used have since been apportioned and there is no remaining authority.

Other changes have been made to improve the process over time, including statutory changes that allow charter schools to hold title to project facilities and process changes that allow those with preliminary apportionments to participate in SFP Priority Funding rounds.

# Preliminary Apportionments

## Overview

The Charter School Facilities Program (CSFP) is designed with two main components: a preliminary apportionment and a full funding application (final apportionment). Charter schools that wish to pursue State funding may not have the means to complete a school construction or rehabilitation project without a guarantee of State funding, so their proposed projects are only a concept or an idea for a project. The purpose of a preliminary apportionment is to reserve bond authority for these proposed projects. Preliminary apportionments provide assurance to an applicant so that it can move forward with the planning, design, and execution of its project.

Because of the limited amount of CSFP funds, the program includes a competitive selection process in the event that applications received exceeded the available bond authority. Statute governing the CSFP requires recipients, when viewed as a whole, to be representative of the different types of charter schools throughout the State. It also states that preference should be given to schools in overcrowded districts, schools in low income areas, schools operated by non-profit entities, and schools that utilize existing district facilities. Applicants are ranked according to the criteria set in statute and regulation. Additionally, because applicants are often independent and smaller organizations than traditional school districts, an applicant must be found financially sound by the State in order to receive a preliminary apportionment.

## Application Components

The information provided in a preliminary apportionment application is the basis for determining the apportionment amounts that the applicant will receive, as well as the ranking they will receive compared to the other applicants. It provides the OPSC with the general project information to determine the future new construction or rehabilitation adjusted grant; the grade level of the project, the number of SFP pupils the project will serve, whether or not a site is to be acquired, and if any supplemental grants are requested. The applicant must submit the following documents:

- *Application for Charter School Preliminary Apportionment* (Form SAB 50-09)
- Narrative description of the project
- California Department of Education (CDE) Recommended Site Size Letter
- Approved and valid charter petition
- Charter School Facilities Program Application (CSFA 03-01) for determining financial soundness
- All supporting financial documentation (e.g. organization and financial information, all material contracts, and legal status questionnaire)
- Evidence that charter school delivered notification to the school district at least 30 days prior to the submission of the application submittal. This allows the District time to create an eligibility certification or enter into the rehabilitation agreement
- Verification of Non-Profit status, if applicable (for ranking purposes)
- Drawing of all proposed buildings including interior dimensions and labeling of facilities (rehabilitation only)
- Signed agreement between the charter school and the school district for the rehabilitation of district owned facilities (rehabilitation only)
- Property Appraisal or Preliminary Appraisal *or* Median Cost Evaluation (if requesting funds for site acquisition)
- Relocation / Department of Toxic Substance Control (DTSC) cost documents (if specific cost submitted *or* historical)
- Cost Estimate for site development (if specific cost submitted *or* historical)

In addition, the local school district where the project will be located must submit a certification as to how many of its unhoused pupils will be housed by the project, even if the applicant is an independent charter school with no affiliation with the district. The district must also submit the methodology for how it made this unhoused pupil determination. If there are unhoused district pupils to be housed in the project, that district's new construction eligibility will be adjusted to account for this. This prevents the State from double funding district pupils being housed in a CSFP project. The applicant must also certify that it has considered district facilities made available pursuant to Proposition 39 prior to application submittal.

Once the OPSC receives the preliminary application, an initial review of the proposed project is conducted to determine the appropriate grant amounts and to confirm all of the applicant's information. At the same time, the California School Finance Authority (CSFA) works to determine the financial soundness of the applicant.

## Preliminary Apportionment Grants

The grant reservation provided in a preliminary apportionment is based on what the applicant believes will be the eventual components of the project. The applicant uses the Form SAB 50-09 to request a reservation of certain number of pupil grants and additional supplemental grants. Many of the grants are based on the same supplemental grant amounts for full funding applications, such as Multilevel, Small Size Project, Geographic Percent Factor, etc. Other grants are provided using estimates, such as Site Development and Relocation/DTSC Costs. Still others are based on the best information available at the time. For instance, site acquisition grants are based on the median cost of property in the vicinity of the proposed project (unless a specific site has been determined, which is not usually the case). A built-in inflator factor is also included in the preliminary apportionment to estimate for the inflation of the grants amount over a four year period. These grants are merely used to approximate the appropriate amount of funding needed for the project. A list of these grants can be found on the Attachment at the end of this section.

## Financial Soundness

In order for a preliminary apportionment to be approved, the State must determine that the applicant is a Financially Sound organization. Statute requires a charter school to have been in operation and in good financial standing for two years or have the equivalent managerial experience to be considered financially sound. The California School Finance Authority (CSFA) is responsible for making this determination by conducting an in-depth financial review of each applicant submittal, based on the requirements outlined in Education Code (EC) Section 17078.52(c)(4), at the same time that OPSC is reviewing the application. Determinations are made on a pass/fail basis.

## Preference Points and Funding Matrix

If a CSFP filing round is oversubscribed, projects are ranked using the criteria outlined in EC 17078.56. The projects funded must be representative of:

- The various geographical regions of the State
- The urban, rural, and suburban regions of the State
- The large, medium, and small charter schools throughout the State
- The various grade levels of the pupils served by charter school applications

Each of these categories has specific definitions within the SFP Regulations. Within each category above, the law also requires that preference is given to charters in overcrowded school districts, charters in low-income areas, not-for-profit charters, and for the use of existing district facilities. A Preference Points calculation system, based on the criteria set above, was developed to determine the projects that will be funded from each category. The Preference Point system allows an applicant to receive up to 160 Points, as follows:

| PROJECT TYPE | PREFERENCE POINTS |
|---|---|
| Non-Profit Status | 40 points |
| Rehabilitation Project* | 40 points |
| Low Income Percentage | 0-40 points (sliding scale) |
| Unhoused District Pupils Housed in Project* | 0-40 points (sliding scale) |
| TOTAL POSSIBLE PREFERENCE POINTS | 160 |

*Some projects may have both a new construction and a rehabilitation component, allowing the applicant to receive Preference Points for both rehabilitation and the housing of unhoused pupils.

A funding matrix was developed to ensure that preliminary apportionments are awarded competitively and in compliance with the law. The funding matrix is a combination of the Preference Points and the different classifications of charter schools throughout the State described in EC 17078.56 (listed above). Projects are funded in order of most Preference Points within each category. See the sample matrix below (order of funding highlighted in white):

| Applicant | Preference Points | CATEGORY 1 | | CATEGORY 2 | | CATEGORY 3 | | CATEGORY 4 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Region | Funding Order | Urban, Rural, Suburban | Funding Order | Large, Medium, Small | Funding Order | Grade Level | Funding Order |
| ABC Charter School | 120 | 1 | 1 | Suburban | ~ | Large | ~ | 9-12 | ~ |
| XYZ Charter School | 104 | 2 | 2 | Suburban | ~ | Small | ~ | 9-12 | ~ |
| Charter for the Arts | 112 | 3 | 3 | Suburban | ~ | Small | ~ | K-6 | ~ |
| Pacific Technical Charter School | 100 | 4 | 4 | Suburban | ~ | Large | ~ | 9-12 | ~ |
| Johnson Charter School | 116.5 | 1 | ~ | Urban | 5 | Large | ~ | 7-8 | ~ |
| Silverlake Charter School | 96 | 1 | ~ | Rural | 6 | Small | ~ | K-6 | ~ |
| Poly Technical School | 116 | 1 | ~ | Suburban | 7 | Medium | ~ | 9-12 | ~ |
| CDE Unified School District | 80 | 3 | ~ | Urban | ~ | Large | 8 | 9-12 | ~ |
| Mary Charter Academy | 96 | 3 | ~ | Suburban | ~ | Medium | 9 | 7-8 | ~ |
| Fireside Charter School | 76 | 3 | ~ | Urban | ~ | Small | 10 | 7-8 | ~ |
| Learning Institute | 76 | 1 | ~ | Urban | ~ | Small | ~ | K-6 | 11 |
| Country Day Charter | 77.5 | 3 | ~ | Suburban | ~ | Small | ~ | 7-8 | 12 |
| Aspirations Charter School | 104 | 2 | ~ | Urban | ~ | Medium | ~ | 9-12 | 13 |
| Advance Charter Middle School | 76 | 1 | 14 | Urban | ~ | Medium | ~ | 7-8 | ~ |
| California Learning Center | 79 | 2 | 15 | Urban | ~ | Medium | ~ | 9-12 | ~ |
| Seaside Charter High School | 79 | 3 | 16 | Suburban | ~ | Small | ~ | 9-12 | ~ |
| Einstein Elementary School | 64 | 4 | 17 | Urban | ~ | Large | ~ | 7-8 | ~ |

Please note the key aspects of the funding matrix. The project with the highest overall Preference Point total is not necessarily funded first; rather the project with the highest Preference Point total in Geographic Region 1(regardless of its other classifications) is funded first, then the highest total for Region 2, then 3, then 4. Then the project classified as "Urban," regardless of Geographic Region or any other classification, is funded next, then Suburban, etc. through each of the four *Categories*. Once a project from each *Category* is funded, the process begins a new cycle, beginning with *Category 1* once again, until the bond authority is exhausted.

## State Allocation Board Approval

Once all preliminary apportionment applications have been finalized and found financially sound, the funding matrix is compared to the available bond authority to determine who should receive a preliminary apportionment. Those preliminary apportionments are presented to the State Allocation Board for approval. Once approved, recipients then have four years to submit a full funding application to perfect their projects.

# What Happens After a Preliminary Apportionment?

## Overview

Once an applicant receives a preliminary apportionment, it has four years (with the option of requesting a single one-year extension) to convert to a full funding application. There are steps to conversion unique to the Charter School Facilities Program (CSFP). These include the ability to access advance funding for Design and Site Acquisition, the need to enter into the Charter School Agreements prior to receiving any State funding, the need to maintain Financial Soundness, the determination of whether the charter school or the local school district will hold title to the project facilities, and finally the actual conversion from preliminary to final apportionment. Each of these concepts is discussed in this section.

### Advance Fund Release for Site and Design

An applicant seeking State funding for a construction project has up-front costs it must incur before they can submit a full funding application. These costs include hiring design professionals to design the project, obtaining Division of the State Architect (DSA) and California Department of Education (CDE) approvals, and potential costs associated with site acquisition. Because charter schools often do not have the resources to pay for these costs, the CSFP was designed to allow applicants to receive advance fund releases for Design and/or Site Acquisition.

The following table lists the requirements for an applicant with a preliminary apportionment to receive an advance fund release for Design or Site Acquisition:

| DESIGN REQUIREMENTS | SITE REQUIREMENTS |
|---|---|
| • Charter School Agreements (discussed later)<br>• Current Financial Soundness<br>• *Fund Release Authorization* (Form SAB 50-05) | • Charter School Agreements<br>• Current Financial Soundness<br>• Form SAB 50-05<br>• Updated Application for Charter School Preliminary Apportionment (Form SAB 50-09)<br>• Contingent CDE Site Approval Letter<br>• Appraisal of the site (may be preliminary) |

*Design*

An advance fund release for Design is intended to provide funds so that the recipient may hire an architect to design the project and other pre-construction costs, as well as pay application fees to DSA and CDE. A Design fund release is equal to 10 percent of the total estimated project costs determined in the preliminary apportionment minus any site acquisition costs. For example, if a charter school's preliminary apportionment showed a total project cost of $10 million, with $2 million of that reserved for Site Acquisition costs, the amount eligible for a Design fund release would be 10 percent of $8 million.

$10 million (Total Costs) - $2 million (Site Acquisition amount) = $8 million

$8 million X 20% = $800,000 (Design fund release amount)

*Site Acquisition*

An advance fund release for Site Acquisition is intended to provide the funds necessary for the applicant to purchase a site needed for the project. The amount is determined during the preliminary apportionment phase, where the applicant provides either an appraisal of a specific site or, if they don't have a specific site in mind at the time of preliminary apportionment, a median cost analysis for property value in a specific area. The amount provided for fund release is the amount that was reserved for site acquisition as part of the preliminary apportionment.

## Charter School Agreements

One of the unique aspects of the CSFP is the need for applicants to enter into the Charter School Agreements. The agreements discuss different aspects of the arrangement a charter school will have with both the local school district and the State of California. These must be entered into prior to receiving any funds (advance or final fund release) from the State. The three agreements are the Memorandum of Understanding (MOU), the Funding Agreement, and the Facilities Use Agreement. The California School Finance Authority (CSFA) has developed templates approved by the State Allocation Board (SAB) for the MOU and the Funding Agreement. Since the State is not a party to the Facilities Use Agreement, it has not developed a template.

*Memorandum of Understanding*
Depending upon who holds title to the facilities, the MOU is either a two party or three party agreement. When the local school district is holding title to an independent charter school facility, the MOU is executed between the State, the district, and the charter school. When title is held by the charter school itself, the MOU is only between the charter school and the State. The MOU outlines the overall roles and responsibilities of each party, including defining the parties' obligations to one another within the CSFP, instructions for the acquisition and/or transfer of title, the existing condition of the project facilities, required State agency approvals, release of liability, and default remedies.

*Funding Agreement*
When an applicant requests a loan from the State for all or some of the local matching share, it is required to enter into a two-party Funding Agreement between the applicant and the State. This agreement summarizes the loan amount, interest, terms, and repayment schedule. This agreement is only required for those requesting a loan.

*Facilities Use Agreement*
A Facilities Use Agreement is a two party agreement between the local school district and the charter school. This agreement is required when the local district will hold title to the facilities, but the charter school is operating on the site. The agreement summarizes the rights and obligations of each party relating to the site itself, including the types of insurance required, rights to enter the property, any shared use of facilities, etc. The State is not a party to this agreement, and only reviews it to ensure that there are no provisions that would disqualify the project for funding. A Facilities Use Agreement is not needed when the charter school itself is holding title to the facilities.

## Financial Soundness Updates

Another requirement of the CSFP is that the applicant maintains financial soundness throughout the process. Financial Soundness is verified prior to preliminary apportionment, at the time of any advance fund release, and at final apportionment. The CSFA makes the determination as to the Financial Soundness of an applicant. Each time a review is conducted, that determination is valid for six months. If an applicant's latest review has expired, the applicant must re-submit financial information to the CSFA for a new determination prior to requesting an advance fund release or final apportionment.

## Who Holds Title?

Title to CSFP project facilities has historically been held by the local school district where the project is located, regardless of the district's level of involvement. This was a requirement until Senate Bill 592 changed the Education Code (EC) in 2010 to allow charter schools to submit a request to hold title. A request to hold title by a charter school must be made and the SAB must make a finding that the charter school has met the legal requirements to hold title. The charter school must include reasons why title is not held by the local district or another local governmental entity. There are several additional conditions that are also required for a charter school to hold title.

*Restrictive Covenant*
EC requires that a restrictive covenant specifying that the facility shall be used only for public school purposes as authorized in the California Constitution and Statute must be recorded.

*Remainder Interest*
EC states that a remainder interest is placed on the title that is triggered when the charter school at the site ceases to use the facilities for charter school purposes. The remainder interest passes title to the school district in which the facility is physically located or, if the district disclaims the interest, to the SAB.

*Lien*
The third requirement in EC is that a lien is recorded in favor of the SAB for the total amount of bond funds allocated , including any loan amount.

## Final Apportionment

The ultimate goal of the CSFP is for an applicant to convert its preliminary apportionment to a full funding application. The applicant has four years from approval of the preliminary apportionment (with the possibility to request a single one-year extension) to submit an *Application for Funding* (Form SAB 50-04). The requirements for a full funding application are the same as for any other SFP project, including DSA and CDE plan approval.

When a preliminary apportionment converts to a full funding application, the grant and dollar amounts provided are adjusted to reflect the actual project components. The preliminary apportionment is only an estimate of the design elements and location of the project. Any supplemental grants provided in the preliminary apportionment will be verified and adjusted as applicable to the final project. For example, an applicant may have not requested a grant for Multilevel construction in the preliminary apportionment. However, if the project includes multilevel buildings, the project would be eligible to request the Multilevel construction grant at the time of final apportionment. Also, costs that were estimated such as Site Acquisition and Site Development grants are almost certain to change at final apportionment.

There are two limiting factors for how much funding a CSFP final apportionment may receive. First, final apportionments are capped by the amount of pupil grants requested in the preliminary apportionment. The pupil grants requested in the final apportionment cannot exceed those requested in the preliminary apportionment, although they may request fewer. Secondly, a final apportionment is capped by the dollar amount reserved by the preliminary apportionment only if there is no remaining CSFP bond authority. If the actual project costs exceed the reservation amount and there is CSFP bond authority is available at the time of conversion, the project may be eligible for an increase. If the eligible project costs at the time of final apportionment are less than the preliminary apportionment, the apportionment will be made at the lower amount. Actual funding released will be offset by any advance fund releases already received for the project.

OSCAR DE LA HOYA ANIMO CHARTER HIGH IN LOS ANGELES, CSFP PROJECT

ATTACHMENT

# Preliminary Apportionment Grants

| Name of Grant | How to qualify | New Construction or Rehabilitation? |
|---|---|---|
| Base per-pupil grant | Based on loading standard of classes proposed to be included in new construction project | New Construction |
| Base Grant (square footage based) | Eligible for rehabilitation projects, based on toilet and non-toilet square footage to be rehabilitated | Rehabilitation |
| Multilevel Construction | Eligible if the applicant plans to build multilevel facilities housing pupils on all levels | New Construction |
| Site Acquisition Grant | Eligible if the applicant believes it needs to acquire property for the project | New Construction |
| Relocation/DTSC Costs | 15% of Site Acquisition Costs OR actual amount if the proposed site has known costs | New Construction |
| Site Development Grants | $70,000 per usable acre of proposed project OR actual amount if the proposed site has known costs | New Construction |
| General Site | Eligible if requesting Site Acquisition Grants | New Construction |
| Geographic Percent Factor | Eligible if the project will be in a specific geographic region identified in SFP Regulations | Both |
| Small Size Project | Eligible if the proposed project is to house no more than 200 pupils | Both |
| Urban Allowance | Eligible if the proposed site size is less than 60% of the CDE recommended site size (and for new construction, multilevel must be requested and the value of the property must be at least $750,000 per acre) | Both |
| Number of 2-Stop Elevators | DSA has issued a letter stating that a two-stop elevator in a rehabilitated multi-story building is likely to be required for the project | Rehabilitation |
| Additional Stops | The DSA letter states that the elevator required will have more than two stops | Rehabilitation |
| Prevailing Wage Monitoring Grant | All projects implementing and enforcing a Labor Compliance Program are eligible | Both |

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# Establishing Modernization Baseline Eligibility

## What is Modernization Eligibility?

Establishing modernization eligibility is the first step for districts to receive School Facility Program (SFP) funds to renovate, modernize, or replace existing school buildings. It compares pupil enrollment with the ages and types of school buildings on a site to determine the grants that each site may receive. Each school site has its own modernization eligibility. Permanent buildings that are at least 25 years old and portable buildings that are at least 20 years old can generate modernization eligibility if enrollment at the site supports it. Districts establish an initial *baseline* eligibility that remains in place as the basis for all future applications. This baseline is updated over time to reflect increases in enrollment and buildings coming of age. Districts use this eligibility to request funding from the State to assist in the modernization of school facilities.

Modernization eligibility determines the amount of funding a school district is eligible to receive in order to modernize existing school facilities in the form of pupil grants. The rules for establishing the modernization eligibility for a school site are written in SFP Regulation Section 1859.60. Districts request modernization eligibility for a site by submitting a completed *Eligibility Determination* (Form SAB 50-03) along with a site map that shows the age and square footage of all classrooms (including grade level) and school buildings on the site.

## 25 and 20 Year Age Requirement

In order to qualify for modernization eligibility, the site must have permanent school buildings that are at least 25 years old or portable buildings that are 20 years old. The age of a building begins 12 months after the plans for the building were approved by the Division of the State Architect (DSA). If the buildings were previously modernized with State funds, such as under the Lease-Purchase Program, the 25/20 year period begins on the date of the previous apportionment. Modernization eligibility is capped at the number of pupils housed at a school site.

## What Counts as a Classroom?

Establishing modernization eligibility starts with making a list of all classrooms and other school buildings on the site. This is the Gross Classroom Inventory. All classrooms and other school buildings owned or leased by the school district on the site are counted for the purpose of generating eligibility. In the case of classrooms, the following definitions are used:

> "Classroom" is any space that was constructed or reconstructed to serve as an area in which to provide pupil instruction (pursuant to Education Code (EC) Section 17071.25(a)(1)).
>
> "Permanent Classroom" is any classroom not meeting the definition of a Portable Classroom (pursuant to SFP Regulation Section 1859.2).
>
> "Portable Classroom" is a classroom building of one or more stories that is designed and constructed to be relocatable and transportable over public streets, and with respect to a single story portable classroom, is designed and constructed for relocation without the separation of the roof or floor from the building and when measured at the most exterior walls, has a floor area not in excess of 2,000 square feet (pursuant to EC Section 17070.15(k)).

Unlike new construction eligibility, there are no building exclusions when determining the modernization eligibility. For example, a classroom that is less than 700 square feet will be counted.

Once the original Gross Classroom Inventory is taken, it does not change. Facilities are not added or deducted.* If a classroom is added to the site, the Gross Classroom Inventory is not adjusted to reflect the new classroom. If a classroom is removed or demolished, there is no adjustment reflecting the change. All future adjustments made to the site's modernization eligibility are in relation to the original inventory. When any underage classroom or other school building becomes of age, the district may submit an application to adjust the modernization eligibility.

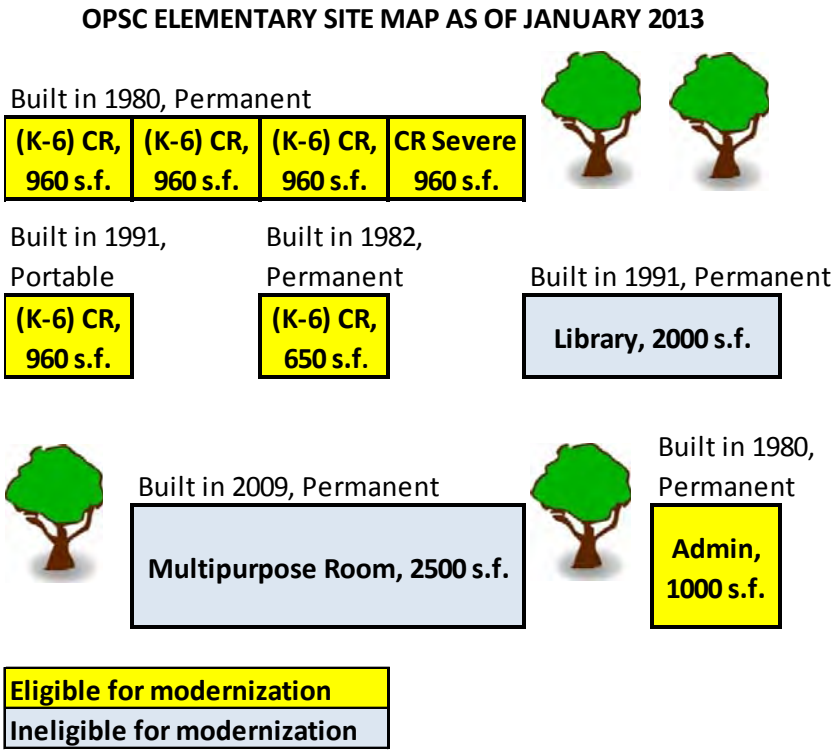
In order to qualify for modernization a school building must have been approved by the DSA. The following are considered classrooms under the SFP Regulations and may be counted in the Gross Classroom Inventory for purposes of generating modernization eligibility. Regulation Section 1859.31 lists the following:

Count any classroom:

- under contract but not yet built;
- built under the Lease-Purchase Program;
- used for Special Day Class or Resource Specialist Programs;
- that are standard classrooms, shops, science laboratories, computer laboratories, or computer classrooms;
- acquired for Class Size Reduction purposes;
- used for preschool programs;
- converted to any non-classroom purpose including use by others;
- with Housing and Community Development or Department of Housing insignia;
- acquired for interim housing for a modernization project;
- leased or purchased under the State Relocatable Program;
- that have a waiver for continued use by the Board for Field Act Exemptions;
- used for Community School purposes;
- included in a closed school.

* There are two exceptions to this rule. If an existing building is demolished and replaced as part of a Facility Hardship project, a commensurate deduction is made from the eligibility. Also, if an existing portable building is replaced in an ORG project, a commensurate deduction is made from the eligibility.

Here is an example of a site diagram and which buildings are eligible for modernization:




In this example, there are several eligible buildings. The portable classroom is over 20 years old, so it is eligible. All of the permanent classrooms are over 25 years old, so they are eligible. Even the 650 square foot classroom—which would be excluded under new construction—is eligible for modernization funding. There is an administration building that is eligible, but the library and multipurpose rooms are not yet eligible because they are permanent buildings that are less than 25 years old.

## How Eligible Buildings Translate to Eligibility: Square Footage or Classroom Count Ratios

There are two ways to calculate eligibility. A district may request modernization eligibility based on the pupil capacity of the eligible classrooms, a method known as Option A. Alternatively, a district may request eligibility based on a percentage of the site enrollment calculated using the ratio of total eligible square footage or number of classrooms on the site to the amount of ineligible square footage or classrooms, known as Option B. In either case, the eligibility will be capped by the pupil enrollment at the site.

## Examples of How to Calculate Modernization Eligibility

## Option A – Classroom Count

This option is the most common method of determining eligibility and in most cases maximizes a site's modernization eligibility. The classrooms that are eligible for modernization are counted and multiplied by the appropriate State loading standard for the grade level. That total number is compared to the actual enrollment at the site to determine the baseline eligibility. Enrollment is verified using the current year California Basic Educational Data System (CBEDS). The baseline eligibility is the lesser of the two. The State loading standards are as follows:

| Grade Level | Loading Standard |
|---|---|
| K - 6 | 25 |
| 7 - 8 | 27 |
| 9 - 12 | 27 |
| Non - Severe | 13 |
| Severe | 9 |

Example: A site has 5 (K-6) and 1 (Severe) classrooms that are of age, with an enrollment of 150 (K-6) pupils and 8 (Severe) pupils.

| | K-6 | Severe |
|---|---|---|
| Enrollment | 150 | 8 |
| Eligible Classroom Capacity | 125<br>(5 CR X 25) | 9<br>(1 CR X 9) |
| Resulting Eligibility | 125 | 8 |

This calculation and comparison is performed for all grade levels served by the site, so that a site may have eligible pupils in more than one grade level. For example, a K-8 school may have eligibility in the K-6, 7-8, Non-Severe, and Severe categories.

## Option B – Ratio of Eligible Space to Non-Eligible Space

A district may choose to request eligibility based on a ratio of eligible space to non-eligible space. It may choose to apply this formula to either the classroom count on the site or to the amount of total square footage of all space on the site. The latter may be advantageous to a district in cases where they have a lot of eligible non-classroom space, such as a library, multipurpose room, etc. while not having many eligible classrooms. To determine modernization eligibility, divide the eligible space (in either classroom count or square footage) by the total space (in either classroom count or square footage) at the site. Apply the resulting percentage to the enrollment at the site to determine the amount of eligible pupil grants.

For example, using the sample school from the site diagram shown earlier in this item and the enrollment from the previous example, there is 6,450 square feet of eligible space, 10,950 total square feet (eligible plus non-eligible), 150 (K-6) pupils, and 8 (Severe) pupils at the site. The Option B calculation would be as follows:

Step 1: Calculate Ratio

$$\frac{6{,}450 \text{ (eligible square feet)}}{10{,}950 \text{ (total square feet)}} = 0.589 \Rightarrow 59\%$$

Step 2: Apply Ratio to CBEDS at Each Grade Level

59% of 150 (K-6) = 88.35 ⇨ 89

59% of 8 (Severe) = 4.71 ⇨ 5

Resulting Eligibility =

| K-6 | 7-8 | 9-12 | Non-Severe | Severe |
|---|---|---|---|---|
| 89 | 0 | 0 | 0 | 5 |

Districts are encouraged to explore both Option A and Option B to determine which one maximizes the eligibility at the site. After establishing eligibility, a District may switch from Option A to Option B at any time when adjustments are made to the site's eligibility. Eligibility adjustments are discussed in the next section.

## Cap on Enrollment

A school site can only generate modernization pupil grants for a maximum of the enrollment at the site. Because of this, all of the buildings on a school site may be more than 25 years old, but may not be eligible to receive modernization funding. Instead, the site would only be eligible to receive funding for the number of pupils that attend the school and NOT the full capacity of all the buildings.

For example, a site may have 5 (K-6) classrooms and an enrollment of 100 pupils. The capacity of the buildings that are of age on the site is 125 (K-6) pupils; however, the site only has 100 pupils. Therefore, the eligibility at the site is 100 (K-6) pupil grants.

Additionally, enrollment adjustments are only made when enrollment at a site increases. Decreases in enrollment do not result in a reduction in a site's modernization eligibility. A district is not required to update the enrollment at the site when an adjustment is processed for additional buildings that have become eligible if the current year enrollment has decreased.

## When is a Building Considered *Modernized*?

The SFP modernization program is designed to provide flexibility for districts when planning their projects; therefore, the program does not specifically define when a building is *modernized.* There are many types of modernization projects that range from complete renovation or replacement of existing buildings to upgrades throughout the school site to single components, such as electrical or Heating, Ventilation and Air Conditioning (HVAC) systems that may only renovate a portion of multiple buildings. Once the eligibility for the modernization program is established, the district decides when and how the funds are to be used on the site that generates the eligibility. The district is not required to use the modernization funding on the same building that generated the eligibility. For example, if a given classroom generates modernization eligibility, the district may determine the funds are needed for a multi-purpose room on a different part of the site that may or may not be of age. However, once the eligibility generated by a specific building is used, regardless of how, that building is considered modernized for purposes of the SFP.

# Adjustments to Modernization Eligibility

## Increases and Decreases

Modernization eligibility at a site is adjusted for enrollment changes, buildings coming of age, requests for funding, and other changes, which result in increases or decreases to the baseline eligibility. There are two occasions when an adjustment is not made. The first is when a building is added or removed from the site, with the exception of facilities that are a part of a Facility Hardship or ORG application. Once the Gross Classroom Inventory of the site has been established, changes in the capacity of the site do not result in an eligibility adjustment. Additionally, no adjustment is made for decreases in enrollment, which allows the district to maximize its eligibility. Modernization eligibility adjustments are prescribed in the School Facility Program (SFP) Regulations and include the following (the most common are underlined):

- A decrease for any pupil grants provided in a modernization SFP, Charter School Facilities Program, or Lease Purchase Program project at the site
- An increase in for any increase in enrollment at the site
- An increase for any buildings on the site that become of age
- An increase or decrease as a result of errors or omissions
- An adjustment to for SDC classrooms that were originally classified as (K-6), (7-8), or (9-12) before program changes occurred to count them separately
- An adjustment due to a Material Inaccuracy finding
- An increase for previously modernized facilities that become eligible once again (Second Round Modernization, discussed in the next section)
- A decrease for eligible facilities that were replaced in a non-State funded project
- An eligibility reduction for classrooms replaced under the ORG or Facility Hardship programs

The most common increases are for enrollment changes or additional buildings coming of age. Unlike the new construction program, enrollment decreases do not result in a decrease in eligibility. Only enrollment increases result in a change to the site's eligibility. If a site has 100 pupils one year, and the enrollment decreases to 90 pupils the next year, the district is not required to update its modernization eligibility. On the other hand, if the enrollment at the site increases in subsequent years, the district may submit an *Enrollment Certification/Projection* (Form SAB 50-03) for an adjustment. For example, if a school site choosing Option A had 5 (K-6) classrooms and 100 (K-6) pupils, it would have a baseline eligibility of 100 pupils because the capacity at the site is 125 and the eligibility is the lesser of capacity and enrollment under Option A. If the enrollment increased to 125 (K-6) pupils in a subsequent year, the district would be eligible for a modernization adjustment of an additional 25 (K-6) pupil grants.

The most common decrease occurs when a district draws on eligibility in a funding application for a modernization project at the site. Less common decreases include those made when buildings are replaced as part of another SFP program project, such as an ORG or Facility Hardship project, and when a District does a project on their own outside of the SFP that involves the replacement of eligible buildings. Since these buildings are brand new, the State views them as having been modernized and will adjust the district's eligibility accordingly.

# Other Modernization Eligibility Considerations

## 50-Year Old Buildings

In addition to standard modernization eligibility for permanent buildings that are 25 years old and portable buildings that are 20 years old, additional funding is available for permanent buildings that are 50 years old or older. Permanent buildings 50 years old and older typically require more extensive modernization measures and are therefore given an increased grant at the time of funding. As mentioned previously, the age of a building begins 12 months after the plans for the building were approved by the Division of the State Architect.

Fifty year old pupil grant eligibility is available for all sites, whether Option A or Option B is used to determine modernization eligibility. A simple way to look at 50 year old eligibility is to look at the overall modernization eligibility at the site. Once the eligibility is determined, the next step is to determine how many of those pupil grants are for 50 year old and older buildings. The percentage of the total eligibility that comes from 50 year old buildings is applied to each grade level that has eligibility. For example, a district choosing Option A (classroom count option) with an enrollment of 500 (K-6) that has 20 eligible classrooms, with 5 of them being permanent and 50 years old or older, would determine its percentage of 50 year old eligibility by comparing the number of 50 year old buildings to the total number of eligible buildings as follows:

### Step 1: Calculate Total Modernization Pupil Grant Eligibility

20 (Eligible Classrooms) X 25 (Loading Standard) = 500 Capacity

CBEDS at Site……..500 Pupil Grants

Lesser of CBEDS or Capacity……500 Pupil Grants Eligibility

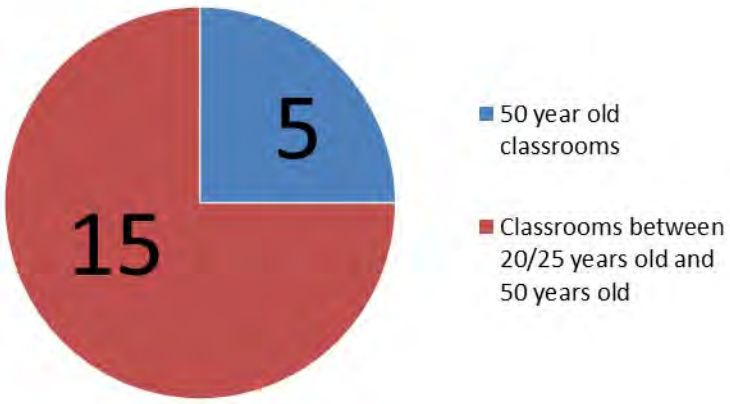
### Step 2: Calculate 50-Year Old Building Ratio

Total eligible (20/25 years old) Classrooms…… 20

Classrooms at least 50 years old…… 5

Ratio of 50 year old Classrooms…….....25%

5 / 20 = 25%

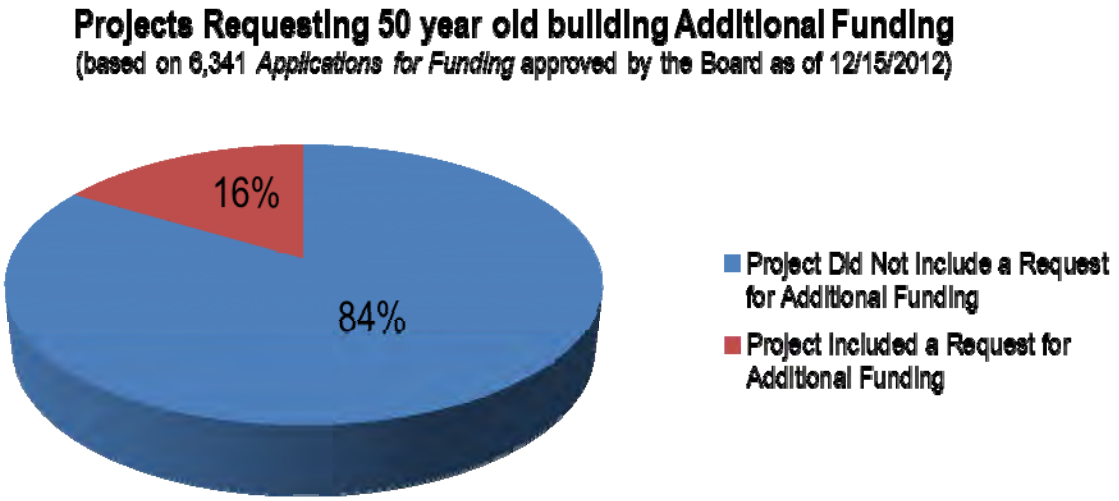


## Step 3: Apply the Ratio to determine the Maximum 50-Year Old Pupil Grants for the Site

500 Pupil Grants X 25% = 125 maximum 50 Year Old Grants

The district would be eligible for additional funding for eligibility generated from 50 year old buildings. It is important to note that 50 year old eligibility is *not counted in addition to modernization eligibility*; instead, it is an increase in the grant amount to a specified number of pupil grants within the overall eligibility. In this example, the total number of eligible pupil grants would remain the same, but the district would be eligible to receive additional funding for up to 25% of those pupil grants. For the (K-6) level, they would still have 500 pupil grants, with 125 being eligible for the 50 year old grant amount and 375 being eligible for the standard modernization grant amount. As other permanent buildings become 50 years old on the site, the ratio of grants eligible for the 50 year old grant amounts increases accordingly.

The 50 year old pupil grant eligibility is not separately approved by the Board like the modernization eligibility. Districts request 50 year old pupil grants during the application for funding process. Staff verifies the total number of 50 year old pupil grants used on each site.




### Second Round Modernization

Statute allows for school buildings previously modernized with State funds to become eligible a second time for modernization after 20/25 years. Permanent buildings may be renovated or replaced the second time they become eligible for modernization; however, to modernize a portable for a second time, the district must provide documentation to justify that modernizing, rather than replacing the portable classroom, is a better use of public resources.

### Closed school sites

Modernization eligibility can be generated and used for school sites that are currently closed. If a district intends to reopen the site and use it for at least the next five years, it may apply for modernization eligibility and funding for the site. The site's projected enrollment would be estimated based on district demographic data.

# Modernization Program Data

Data regarding SFP Modernization Program funds is displayed on the following pages.

Classroom information was compiled using the number of classrooms indicated by districts on the *Application for Funding* (Form SAB 50-04). Districts enter the number of classrooms as shown on the project plans and specifications. The classrooms may not have been entirely modernized.

State funding information was compiled from all SFP Modernization projects approved by the Board. This includes projects funded from all four SFP bond acts – the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 (Proposition 1A) and the Kindergarten-University Public Education Facilities Bond Acts of 2002, 2004, and 2006 (Propositions 47, 55, and 1D, respectively).

The number of SFP classrooms funded is also provided to the Legislature annually in the General Obligation Bond Report; however, that report only contains information related to Propositions 55 and 1D, pursuant to Government Code Section 16724.4.

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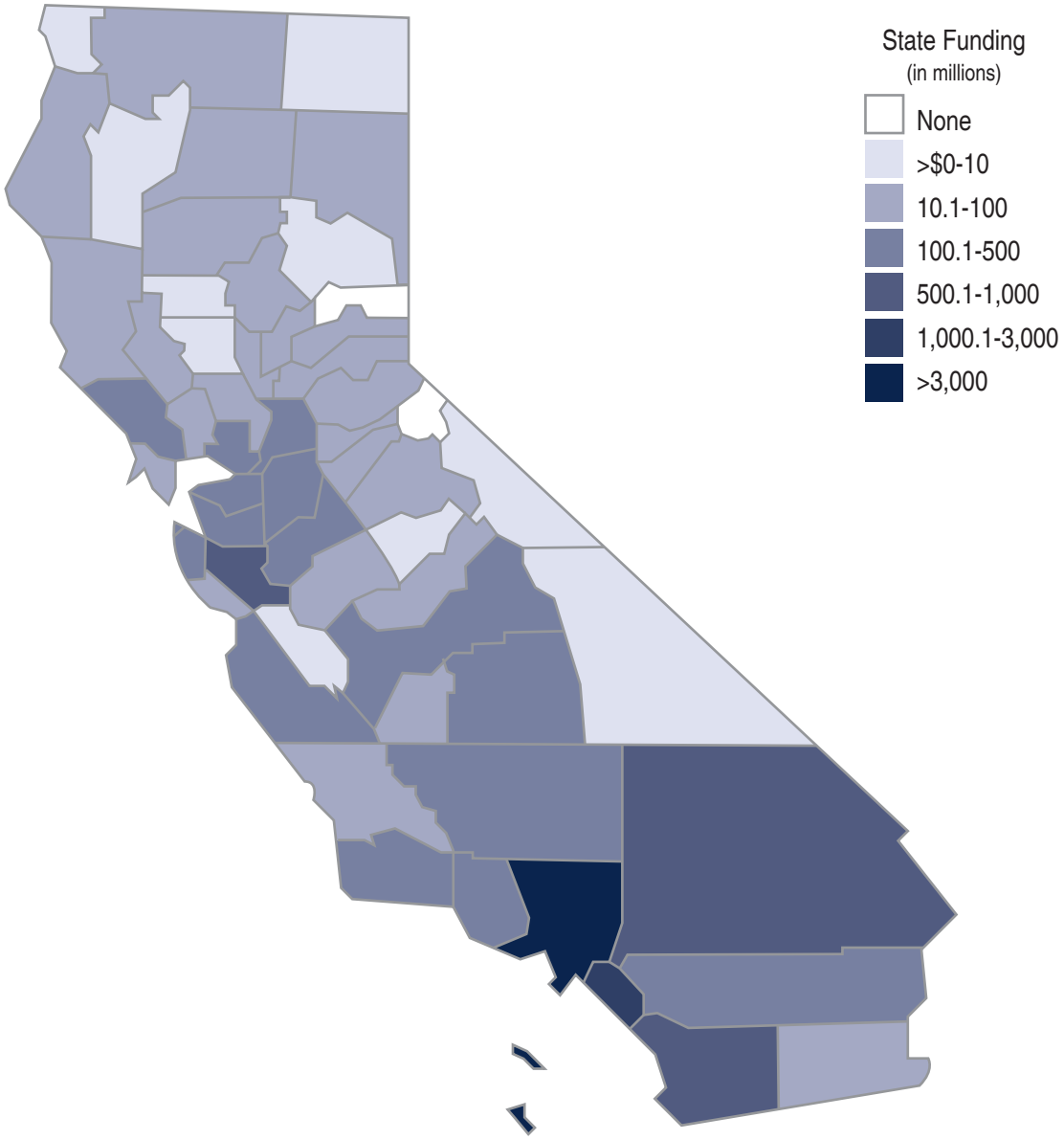
Modernization State Funding by County
(as of 12/15/2012)




The above information was compiled using 6,341 *Applications For Funding* (Form SAB 50-04) (6,100 Funded and 241 Unfunded) submitted to the Office of Public School Construction for School Facility Program Modernization projects since 1998. State funding includes state financial hardship contributions. Facility Hardship projects were not included. Districts report the number of classrooms on the project plans and specifications on the Form SAB 50-04. Data on the scope of modernization projects is currently not collected for the SFP. For more information, please see the Modernization Detail page.

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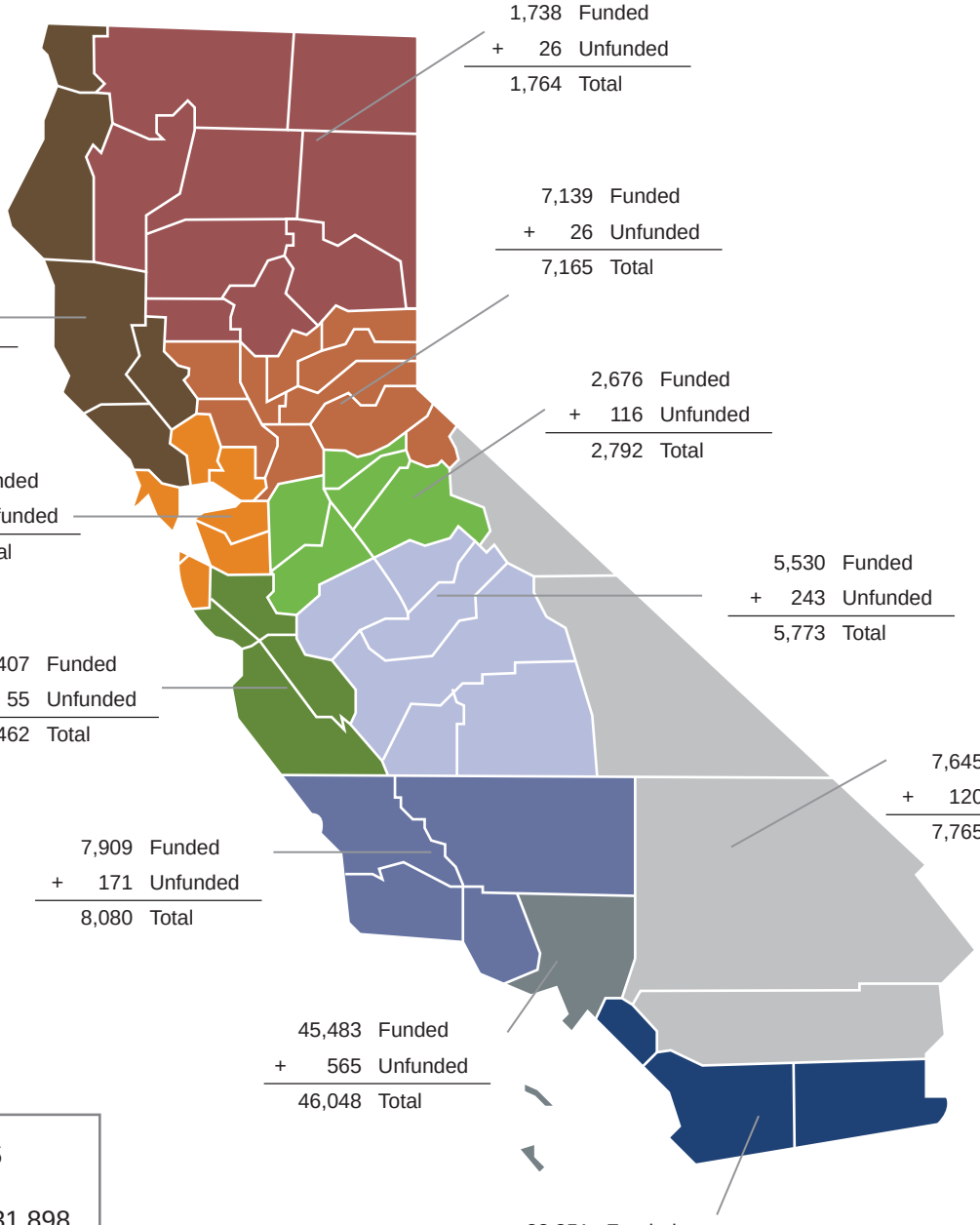
## Classrooms Modernized per Career Technical Education Service Regions
(as of 12/15/12)




**TOTALS**

| | |
|---|---|
| Funded | 131,898 |
| Unfunded | + 2,739 |
| **Statewide** | **134,637** |

The above information was compiled using 6,341 *Applications For Funding* (Form SAB 50-04) (6,100 Funded and 241 Unfunded) submitted to the Office of Public School Construction for School Facility Program Modernization projects since 1998. Facility Hardship projects were not included. Districts report the number of classrooms on the project plans and specifications on the Form SAB 50-04. Data on the scope of modernization projects is currently not collected for the SFP. For more information, please see the Modernization Detail page.

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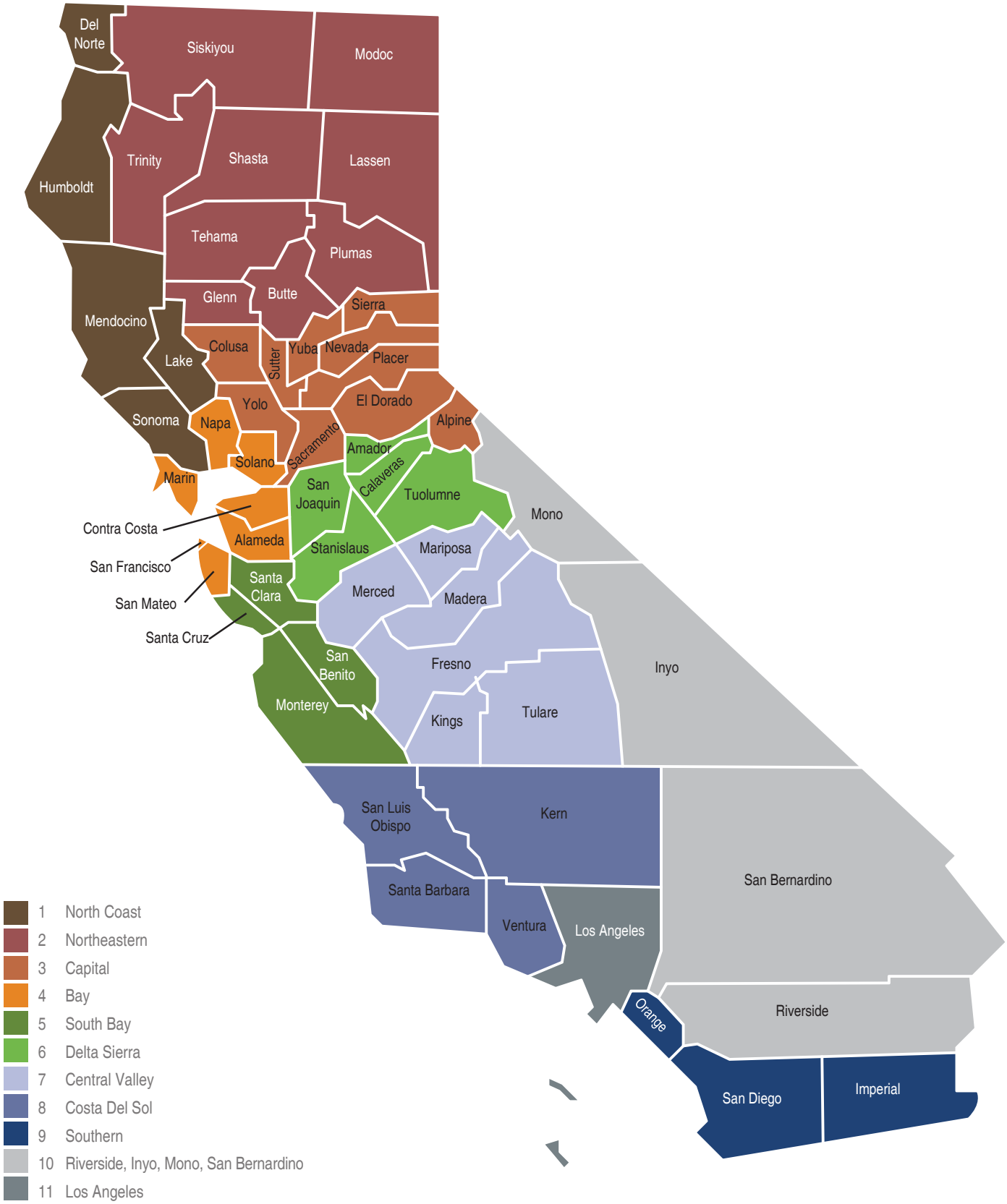
## Career Technical Education Service Regions



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# Modernization Detail

| COUNTY | FUNDED | | | UNFUNDED | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|
| | Application Count | Classroom Count | State Funding Amount | Application Count | Classroom Count | State Funding Amount | Application Count | Classroom Count | State Funding Amount |
| Alameda | 264 | 5,090 | $469,548,638 | 3 | 13 | $4,138,635 | 267 | 5,103 | $473,687,273 |
| Alpine | 0 | 0 | $0 | 0 | 0 | $0 | 0 | 0 | $0 |
| Amador | 10 | 139 | $10,358,464 | 0 | 0 | $0 | 10 | 139 | $10,358,464 |
| Butte | 27 | 361 | $37,237,997 | 0 | 0 | $0 | 27 | 361 | $37,237,997 |
| Calaveras | 13 | 161 | $14,211,289 | 0 | 0 | $0 | 13 | 161 | $14,211,289 |
| Colusa | 8 | 74 | $4,311,948 | 0 | 0 | $0 | 8 | 74 | $4,311,948 |
| Contra Costa | 206 | 4,060 | $361,789,165 | 5 | 38 | $13,780,208 | 211 | 4,098 | $375,569,373 |
| Del Norte | 5 | 63 | $5,496,840 | 0 | 0 | $0 | 5 | 63 | $5,496,840 |
| El Dorado | 46 | 587 | $62,613,913 | 2 | 9 | $965,932 | 48 | 596 | $63,579,845 |
| Fresno | 195 | 3,171 | $281,786,780 | 9 | 185 | $17,607,679 | 204 | 3,356 | $299,394,459 |
| Glenn | 11 | 77 | $8,369,268 | 0 | 0 | $0 | 11 | 77 | $8,369,268 |
| Humboldt | 40 | 569 | $47,282,105 | 0 | 0 | $0 | 40 | 569 | $47,282,105 |
| Imperial | 39 | 509 | $57,898,834 | 0 | 0 | $0 | 39 | 509 | $57,898,834 |
| Inyo | 9 | 60 | $7,914,694 | 1 | 0 | $740,545 | 10 | 60 | $8,655,239 |
| Kern | 83 | 1,362 | $135,935,978 | 7 | 122 | $15,885,479 | 90 | 1,484 | $151,821,457 |
| Kings | 31 | 336 | $26,469,414 | 0 | 0 | $14,269 | 31 | 336 | $26,483,683 |
| Lake | 18 | 111 | $14,476,760 | 0 | 0 | $0 | 18 | 111 | $14,476,760 |
| Lassen | 15 | 119 | $17,794,535 | 0 | 0 | $0 | 15 | 119 | $17,794,535 |
| Los Angeles | 1,663 | 45,483 | $3,119,563,560 | 75 | 565 | $83,813,378 | 1,738 | 46,048 | $3,203,376,938 |
| Madera | 30 | 283 | $28,853,082 | 0 | 0 | $0 | 30 | 283 | $28,853,082 |
| Marin | 72 | 1,448 | $87,390,463 | 1 | 0 | $874,180 | 73 | 1,448 | $88,264,643 |
| Mariposa | 9 | 64 | $6,178,200 | 0 | 0 | $0 | 9 | 64 | $6,178,200 |
| Mendocino | 21 | 345 | $35,480,746 | 6 | 0 | $2,085,902 | 27 | 345 | $37,566,648 |
| Merced | 64 | 839 | $75,439,341 | 0 | 0 | $0 | 64 | 839 | $75,439,341 |
| Modoc | 7 | 42 | $3,308,515 | 0 | 0 | $0 | 7 | 42 | $3,308,515 |
| Mono | 9 | 24 | $5,253,319 | 0 | 0 | $0 | 9 | 24 | $5,253,319 |
| Monterey | 69 | 1,581 | $134,673,719 | 1 | 2 | $824,238 | 70 | 1,583 | $135,497,957 |
| Napa | 34 | 762 | $53,793,679 | 1 | 10 | $2,595,634 | 35 | 772 | $56,389,313 |
| Nevada | 15 | 166 | $19,826,937 | 0 | 0 | $0 | 15 | 166 | $19,826,937 |
| Orange | 426 | 11,542 | $1,053,530,195 | 54 | 1,257 | $219,972,754 | 480 | 12,799 | $1,273,502,949 |
| Placer | 40 | 380 | $45,230,808 | 1 | 17 | $1,301,495 | 41 | 397 | $46,532,303 |
| Plumas | 8 | 121 | $8,537,067 | 0 | 0 | $0 | 8 | 121 | $8,537,067 |
| Riverside | 146 | 2,676 | $279,151,017 | 9 | 19 | $7,599,078 | 155 | 2,695 | $286,750,095 |
| Sacramento | 219 | 4,496 | $362,552,442 | 0 | 0 | $0 | 219 | 4,496 | $362,552,442 |
| San Benito | 5 | 58 | $6,275,135 | 0 | 0 | $0 | 5 | 58 | $6,275,135 |
| San Bernardino | 236 | 4,885 | $570,758,851 | 12 | 101 | $16,034,952 | 248 | 4,986 | $586,793,803 |
| San Diego | 479 | 11,300 | $963,123,092 | 8 | 97 | $7,711,037 | 487 | 11,397 | $970,834,129 |
| San Francisco | 50 | 1,255 | $122,604,068 | 0 | 0 | $0 | 50 | 1,255 | $122,604,068 |
| San Joaquin | 70 | 1,065 | $122,006,061 | 2 | 60 | $5,341,167 | 72 | 1,125 | $127,347,228 |
| San Luis Obispo | 39 | 672 | $46,166,286 | 0 | 0 | $0 | 39 | 672 | $46,166,286 |
| San Mateo | 180 | 3,415 | $235,666,918 | 0 | 0 | $0 | 180 | 3,415 | $235,666,918 |
| Santa Barbara | 89 | 1,685 | $159,539,776 | 0 | 0 | $0 | 89 | 1,685 | $159,539,776 |
| Santa Clara | 362 | 8,007 | $641,157,685 | 8 | 53 | $16,313,993 | 370 | 8,060 | $657,471,678 |
| Santa Cruz | 49 | 761 | $68,559,039 | 1 | 0 | $392,799 | 50 | 761 | $68,951,838 |
| Shasta | 49 | 697 | $57,907,404 | 2 | 13 | $3,353,002 | 51 | 710 | $61,260,406 |
| Sierra | 0 | 0 | $0 | 0 | 0 | $0 | 0 | 0 | $0 |
| Siskiyou | 15 | 136 | $11,857,946 | 1 | 5 | $536,277 | 16 | 141 | $12,394,223 |
| Solano | 76 | 1,557 | $114,036,593 | 2 | 2 | $56,310 | 78 | 1,559 | $114,092,903 |
| Sonoma | 111 | 1,345 | $112,370,623 | 15 | 0 | $10,718,951 | 126 | 1,345 | $123,089,574 |
| Stanislaus | 75 | 1,205 | $161,572,014 | 5 | 56 | $5,923,143 | 80 | 1,261 | $167,495,157 |
| Sutter | 24 | 421 | $34,801,416 | 2 | 0 | $108,177 | 26 | 421 | $34,909,593 |
| Tehama | 13 | 145 | $16,067,747 | 1 | 8 | $222,933 | 14 | 153 | $16,290,680 |
| Trinity | 5 | 40 | $4,451,255 | 0 | 0 | $0 | 5 | 40 | $4,451,255 |
| Tulare | 93 | 837 | $100,433,662 | 5 | 58 | $9,476,763 | 98 | 895 | $109,910,425 |
| Tuolumne | 11 | 106 | $12,320,351 | 0 | 0 | $0 | 11 | 106 | $12,320,351 |
| Ventura | 162 | 4,190 | $277,518,740 | 2 | 49 | $3,896,563 | 164 | 4,239 | $281,415,303 |
| Yolo | 38 | 794 | $54,308,727 | 0 | 0 | $0 | 38 | 794 | $54,308,727 |
| Yuba | 17 | 221 | $17,033,949 | 0 | 0 | $0 | 17 | 221 | $17,033,949 |
| **TOTAL** | **6,100** | **131,898** | **$10,792,797,050** | **241** | **2,739** | **$452,285,473** | **6,341** | **134,637** | **$11,245,082,523** |

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# Project Information Worksheet

## Overview

The PIW was designed to collect data for SFP new construction projects to study the relationship between the new construction pupil grant amount and the per pupil cost of new school construction, to monitor the status of the bid climate and to meet bond accountability requirements.

## Brief History

The State Allocation Board (Board) approved the PIW in September 2007 (and modified it in May 2010) for the following reasons:

- To analyze the relationship between the pupil grant eligibility and the cost of new construction pursuant to EC Section 17072.11(b).
- Bond accountability.
- To study the status of the bid climate.
- To evaluate the High Performance Incentive Grant.

The PIW is based largely on a survey developed by a new construction grant adequacy ad hoc committee[1] assembled by the Board in December 2005. The PIW incorporates the Board Implementation Committee's (Committee) input and was tested by a sample of districts prior to Board approval. At the time of development, stakeholders commented that the PIW should be independent of the *Expenditure Report* (Form SAB 50-06). Additional input was also received from the various stakeholders/districts that the collection of data for the PIW should also include all locally funded expenditures since districts only report the minimum expenditures necessary to establish compliance with the local match requirement on the Form SAB 50-06.

## Submittal Process

Currently, a PIW is required for all new construction projects that receive funding based on new construction pupil grants, or for modernization projects that receive HPI grant funding.

The Districts complete and submit the PIW electronically on the OPSC website. The online submittal of the PIW is required three times:

- When the District submits the *Fund Release Authorization* (Form SAB 50-05)
- With the first *Expenditure Report* (Form SAB 50-06)
- With the final *Expenditure Report*

## Board Direction for PIW Implementation Committee Discussions

At the January 2012 Board meeting, the Board directed Office of Public School Construction (OPSC) staff to take an item to the Committee to explore ways to streamline the PIW, apply the PIW to additional School Facility Program (SFP) projects beyond new construction and to reduce the number of required submittals. The Committee discussed these issues at five meetings from July 2012 to November 2012.

At the October 2012 Board meeting, the Board directed that the PIW be discussed at the Program Review Subcommittee.

[1] Grant adequacy ad hoc committee consisted of school districts, architectural, construction, and construction management firms, consultants, the Department of Finance, the California Department of Education and the Office of Public School Construction.

## Implementation Committee Discussions

At the February, March and April 2012 Committee meetings, OPSC staff worked with the Committee to develop plans to streamline the PIW online submittal process through auto-population of any information already collected by the OPSC, and to develop options to reduce the number of submittals required. The Committee also discussed whether the PIW could be used for SFP project types other than new construction, such as modernization.

## Streamline Submittal Process

Based on the discussions from Committee meetings as well as feedback from school districts, staff has streamlined the online submittal PIW process by making the following changes:

- The "Auto fill" feature automatically fills in the information that the OPSC already has in its database once an OPSC application number(s) is entered, including:
  - County
  - School District
  - State Funding
  - Joint-Use project information (if applicable)
  - Site Acreage
- The "Auto calculation" feature automatically calculates the totals for the project costs and square footage that are entered throughout the worksheet.

## Reduce Number of Required Submittals

OPSC staff discussed options for reducing the number of required PIWs to the Committee. One option would eliminate the PIW submitted with the *Fund Release Authorization* (Form SAB 50-05). This would allow the information in the first submittal to be more accurate, but it would take longer to receive from districts. Another option would eliminate the PIW submitted with the first *Expenditure Report* (Form SAB 50-06). Under this option, the information would be received quickly (with the Form SAB 50-05) and accurately (with the final Form SAB 50-06), but it may be difficult for some districts to complete both the PIW and the Form SAB 50-05 by the 90-day Priority Funding submittal deadline. Because SFP regulations indicate when a PIW must be submitted, a regulation change is necessary in order to reduce the number of required PIWs for a project. These options have not yet been presented to the Board.

## Expand to other programs

In July 2012, the Committee began an in-depth discussion of how the PIW could be expanded to modernization programs. Because the PIW was originally designed only for projects funded on the basis of new construction pupil grants, many of the questions do not apply to modernization projects. For example, the classroom square footage and building costs may not be as relevant for modernization projects as the project scope (roofing, electrical, etc.) and the costs specifically associated with Americans with Disabilities Act compliance, which are not captured on the PIW. The Committee agreed that the current PIW would not effectively gather data for these programs, and that expanding the PIW to other programs would require different questions to address the wide variety of types of work that may be funded for modernization.

## Draft Versions of the PIW for Modernization Projects

At the August 2012 Committee meeting, the OPSC presented concepts for the collection of modernization project information. Concerns were expressed, including that the project information was too detailed and that providing it would be very time consuming. Using Committee input, alternatives were discussed at the September, October and November meetings. Two versions of the PIW tool for modernization data collection are presented on the following pages. The first version aims to collect detailed information on the modernization project. The second version includes changes based on Committee discussion and feedback to make completion of the document less cumbersome, but does not require as much project detail.

ATTACHMENT A

## PROJECT INFORMATION - MODERNIZATION

School Type _____ Total Teaching Stations on Site _____ Project Type _____

### Buildings Modernized

| Building Name or Number | Type of Facility | Type of Work | Original Number of Classrooms, if Applicable | Number of Stories | Construction Type | Age of Building | When Was the Last Time This Type of Work was Completed? | Will this Building Require Further Modernization within the next five years? | Total Building Square Feet | Square Feet Modernized | Cost to Modernize |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

### Information on New Buildings (Like-Kind Replacement)

| Building Name or Number | Reason Building Was Replaced | Age of Building Replaced | Original Building - Type of Facility | Replacement Building - Type of Facility | Original Number of Classrooms | Replacement Number of Classrooms | Original Number of Stories | Replacement Number of Stories | Original Building Construction Type | Replacement Building Construction Type | Original Total Building Square Footage | Replacement Total Building Square Footage | Cost of New Building |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

### Non Building Modernization Work

| Type of Work | Location of Work | Cost Per Square Foot | When Was the Last Time This Type of Work Was Completed |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

**Grade and Number of Pupils Served**
*(Check all that apply)*

| GRADE | PUPILS SERVED |
|---|---|
| ☐ K | |
| ☐ 1 | |
| ☐ 2 | |
| ☐ 3 | |
| ☐ 4 | |
| ☐ 5 | |
| ☐ 6 | |
| ☐ 7 | |
| ☐ 8 | |
| ☐ 9 | |
| ☐ 10 | |
| ☐ 11 | |
| ☐ 12 | |
| ☐ Non-Severe | |
| ☐ Severe | |
| Total: | |

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## PROJECT INFORMATION - MODERNIZATION

School Type _____ Total Teaching Stations on Site _____ Total Pupils Served on Site _____

| TYPE OF WORK | COMPONENT HARD COST AMOUNT | |
|---|---|---|
| | FIRST SUBMITTAL | SECOND SUBMITTAL |
| ☐ **Building Replacement** | $ | $ |
| ☐ Hazardous Materials Abatement | $ | $ |
| ☐ Sitework | $ | $ |
| ☐ Structural/Seismic Upgrades | $ | $ |
| ☐ Roofing | $ | $ |
| ☐ Site Infrastructure | $ | $ |
| ☐ Building Interior (Wall Systems, Flooring, Casework) | $ | $ |
| ☐ Building Exterior (Wall Systems, Windows, Doors) | $ | $ |
| ☐ HVAC | $ | $ |
| ☐ Plumbing | $ | $ |
| ☐ Technology Upgrades | $ | $ |
| ☐ Renewable Energy Systems | $ | $ |
| ☐ Electrical | $ | $ |
| ☐ Access Compliance/ADA | $ | $ |
| ☐ Other (please specify) | $ | $ |
| **Total:** | $ | $ |

**Facilities Modernized**
*(Check all that apply)*

| FACILITY | NUMBER |
|---|---|
| ☐ Classrooms | |
| ☐ Administration/Support | |
| ☐ Gym/Shower Locker Room | |
| ☐ Muliti-Purpose Room/Cafeteria | |
| ☐ Cafeteria - Stand Alone | |
| ☐ Kitchen | |
| ☐ Library | |
| ☐ Performing Arts Facility | |
| ☐ Restroom(s) | |
| ☐ Play/Athletic Field | |
| ☐ Playground/Hardcourt/Turf | |
| ☐ Track | |
| ☐ Swimming Pool | |
| ☐ Stadium | |
| ☐ Parking Drop-off | |
| ☐ Parking Structure | |
| ☐ Other (Explain) | |

| **Total Square Feet Modernized All Facilities** |
|---|
| Permanent: |
| Modular: |
| Portable: |
| Total: |

| **Total Modernization Cost (Per Square Foot)** | |
|---|---|
| FIRST SUBMITTAL | SECOND SUBMITTAL |
| $ | $ |

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ATTACHMENT B

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# ATTACHMENT C

## AUTHORTIY

### EDUCATION CODE

Education Code (EC) Section 17072.11 (b) states, "On or after January 1, 2008, the [Board] shall increase or decrease the per-unhoused-pupil grant eligibility determined pursuant to subdivision (a) by amounts it deems necessary to cause the grants to correspond to costs of new school construction, provided that the increase in any fiscal year pursuant to this section shall not exceed 6 percent."

EC Section 17074.25 states, "(a) A modernization apportionment may be used for an improvement to extend the useful life of, or to enhance the physical environment of, the school. The improvement may only include the cost of design, engineering, testing, inspection, plan checking, construction management, demolition, construction, the replacement of portable classrooms, necessary utility costs, utility connection and other fees, the purchase and installation of air-conditioning equipment and insulation materials and related costs, furniture and equipment, including telecommunication equipment to increase school security, fire safety improvements, playground safety improvements, the identification, assessment, or abatement of hazardous asbestos, seismic safety improvements, and the upgrading of electrical systems or the wiring or cabling of classrooms in order to accommodate educational technology. A modernization grant may not be used for costs associated with acquisition and development of real property or for routine maintenance and repair.
(b) A modernization apportionment may also be used for the cost of designs and materials that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and other characteristics of high-performance schools."

EC Section 17070.35(a) states, "In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following: . . . (2) Establish and publish any procedures and policies in connections with the administration of this chapter as it deems necessary."

### GOVERNMENT CODE

Government Code Section 15503 states, "Whenever the board is required to make allocations or apportionments under this part, it shall prescribe rules and regulations for the administration of, and not inconsistent with, the act making the appropriation of funds to be allocated or apportioned. The board shall require the procedure, forms, and the submission of any information it may deem necessary or appropriate. . . ."

### SCHOOL FACILITY PROGRAM REGULATIONS

School Facility Program (SFP) Regulation Section 1859.71 states, "The new construction per-unhoused-pupil grant amount, as provided by (EC) Section 17072.10(a), may be increased by an additional amount not to exceed six percent in a fiscal year, or decreased, based on the analysis of the current cost to build schools as reported on the Project Information Worksheet (New 09/07) which shall be submitted with the Forms SAB 50-05 and 50-06 and as approved by the Board."

SFP Regulation Section 1859.104.1 states, "A school district filing a (PIW) with the best information available will not be subject to a Material Inaccuracy for that information."

SFP Regulation Section 1859.71 states, "The new construction per-unhoused-pupil grant amount, as provided by Education Code Section 17072.10(a), may be increased by an additional amount not to exceed six percent in a fiscal year, or decreased, based on the analysis of the current cost to build schools as reported on the Project Information Worksheet (New 09/07) which shall be submitted with the Forms SAB 50-05 and 50-06 and as approved by the Board."

SFP Regulation Section 1859.104 states, "A School District receiving an Apportionment for high performance incentive grants pursuant to Section 1859.71.6 or 1859.77.4 shall submit a completed Project Information Worksheet to the OPSC for all expenditures related to the additional design and construction costs of the high performance building components. In addition, the School District shall provide information related to resulting energy savings and efficiency, as well as other resulting benefits. The Project Information Worksheet shall be submitted with the Form SAB 50-05 and the District's first and final Forms SAB 50-06 pursuant to (a)(1) and (2) above."

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# School Facility Program (SFP) Financial Hardship (FH) Program

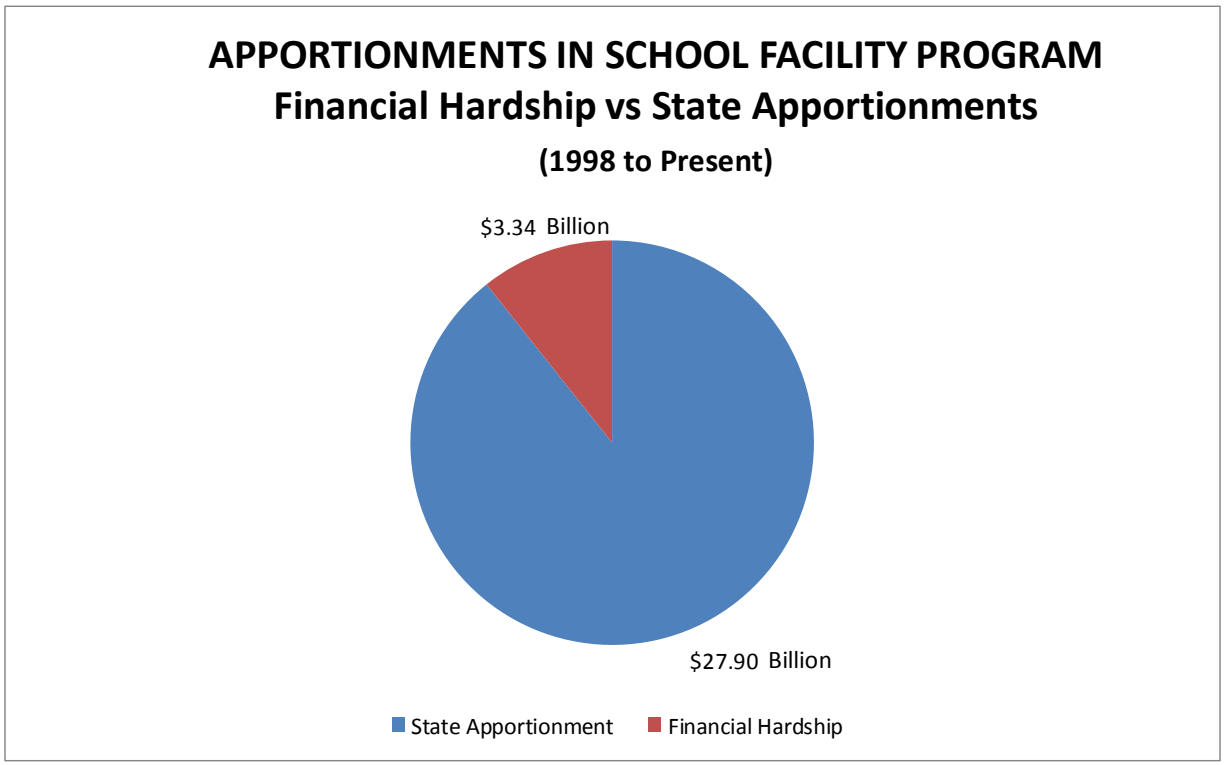
## Overview

The SFP FH program assists school districts and County Offices of Education (COE) that cannot provide their matching share to an SFP new construction or modernization project.

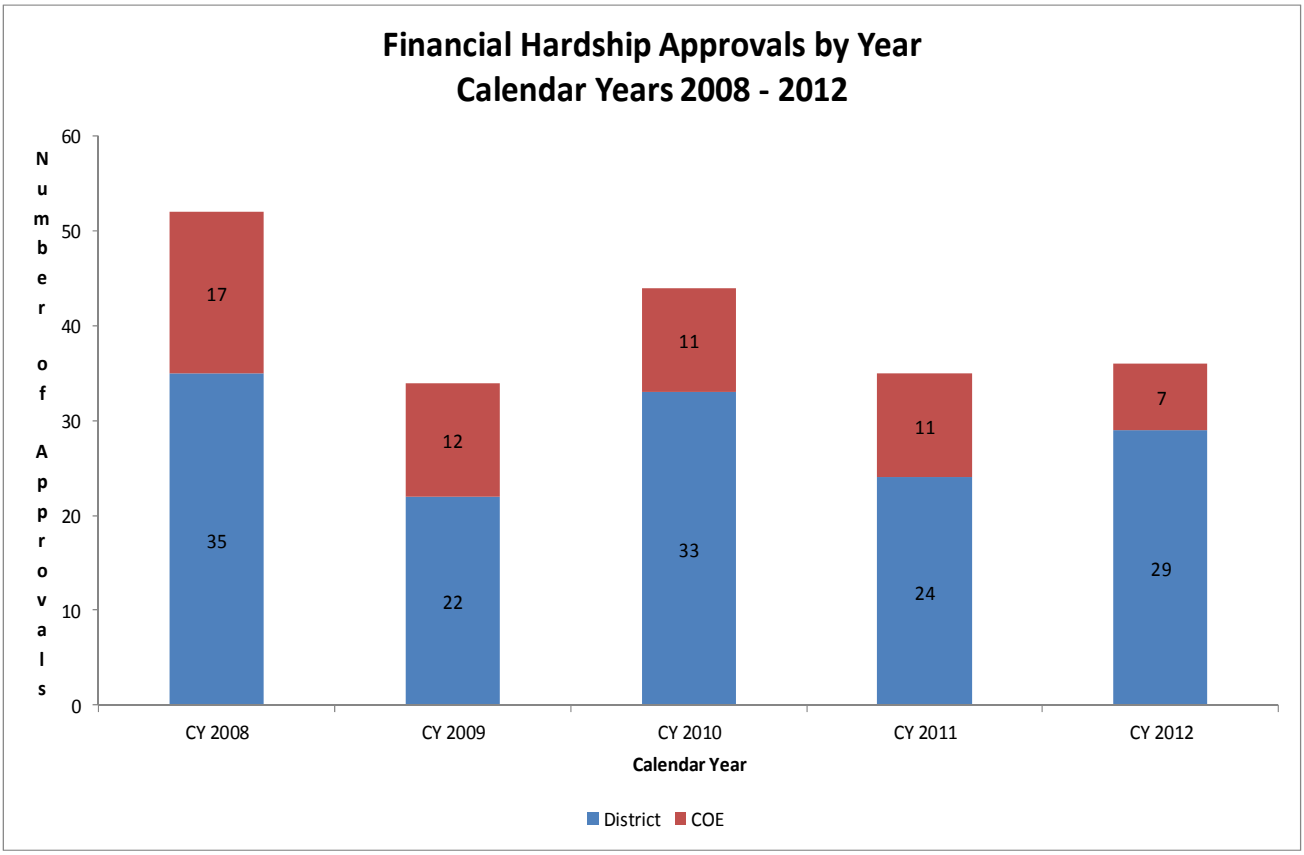
## Authority

FH reviews are conducted per California Education Code Section(s) 17075.10 and 17075.15 (See Attachment A) and SFP Regulation Section 1859.81 (See Attachment B).

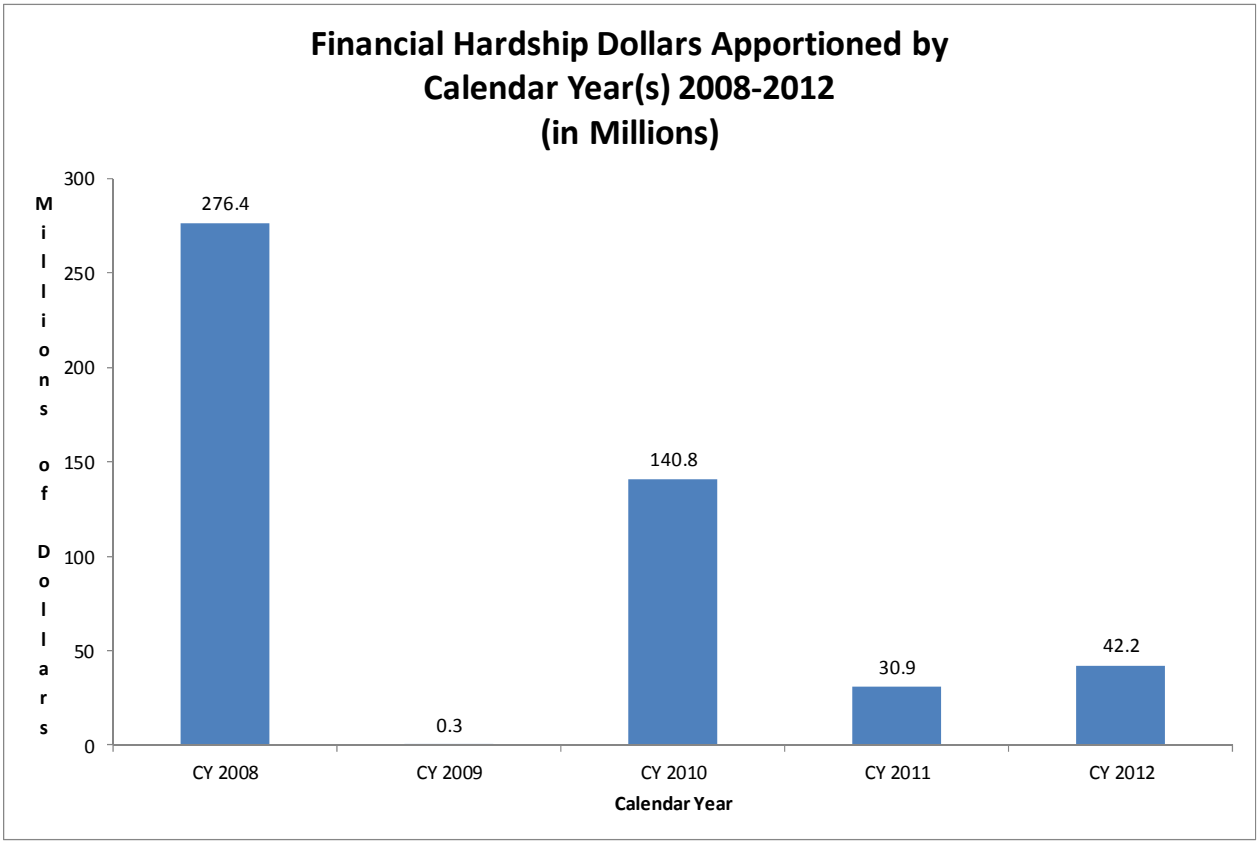
## Program Statistics



## Program Statistics (cont.)



## Program Statistics (cont.)




For a breakout of how FH funding was distributed throughout the State from 1998 to the present please see Attachment C.

## Eligibility

Currently, a District or COE is eligible for FH assistance after demonstrating: (1) It has made all reasonable efforts to fund its matching share of its project(s) and (2) The district is financially unable to provide all necessary matching funds for an eligible SFP project.

## Qualifying Process

Both School Districts and County Office of Education start by submitting the Financial Hardship Checklist(s) and appropriate documentation.

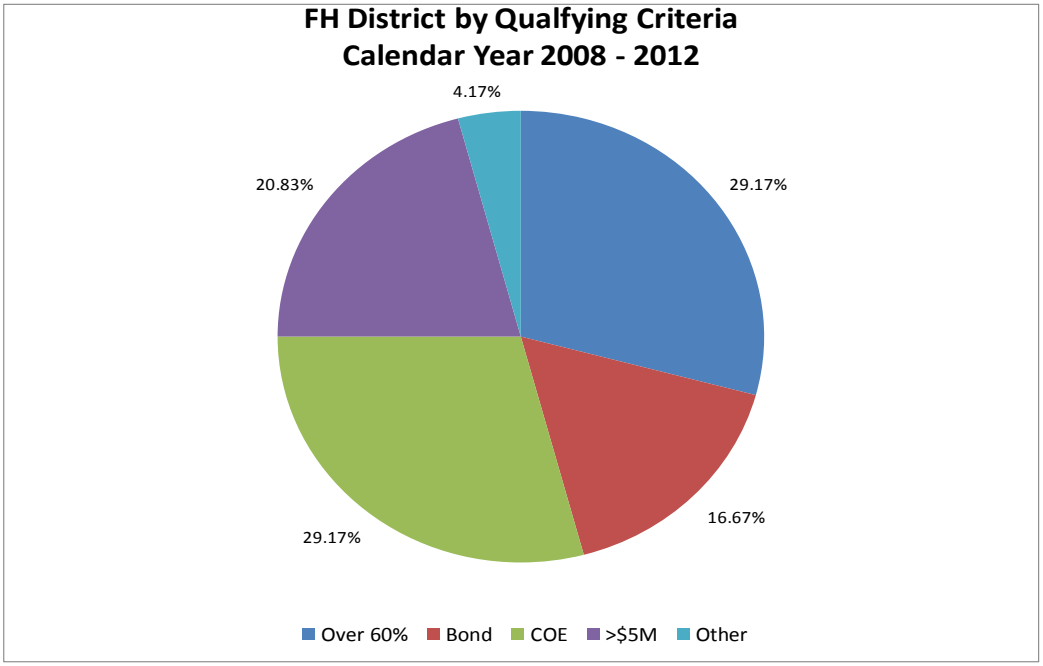
- The FH package is reviewed and then added to the FH workload once complete.
- FH review is assigned to an auditor and they review the documentation to determine if the district or COE meets one of the qualifying FH criteria per California Education Code Section 17075.15(d) (1-5) and the SFP Regulation Section 1859.81(c) (1-5). The criteria are listed in the table below.

## Qualifying Process (cont.)

| Financial Hardship Criteria |
|---|
| In order to qualify for financial hardship, the district must be levying the developer fee[a] justified under law, AND meet one of the following criteria: |
| 1. The district's current outstanding bond indebtedness[b] is at least 60 percent of the district's total bonding capacity[c]. |
| 2. The district has had a successful registered voter bond election for at least the maximum amount allowed under Proposition 39 within the previous two years. |
| 3. The district is a County Superintendent of Schools (County Office of Education). |
| 4. The district's total bonding capacity is $5 million or less. |
| 5. Other evidence of reasonable effort as approved by the State Allocation Board. |

a. School Districts are authorized to levy school impact fees or *developer fees* on residential and commercial/industrial development for the purpose of funding the construction or reconstruction of school facilities. The authority for the District's assessment of developer fees is set forth in Education Code Section 17620, pursuant to Government Code 65995.
b. School District or COE's sell bonds or certificates of participation for capital facility construction or capital equipment purchases. The bonded indebtedness is a measurement of the level of debt issued for this purpose.
c. A bonding capacity is a determination of how much total bond debt a District can issue in their community for financing facilities.

The graph below details by percentage the criteria in which Districts or COE's qualified for FH status during the calendar years 2008 through 2012.



## Qualifying Process (cont.)

- The documentation reviewed includes:
    - Needs Analysis and Justification Study for developer fees
    - Letter from County Audit Controller stating assessed valuation
    - General Obligation (GO) Bond booklet(s)
    - Certificate of Participation booklet(s)
    - Copy of ballot issue for GO Bond
    - Certification from Registrar of Voters
    - Copy of most recent audited financial statement

- Once the OPSC has reviewed and made a determination that a district or COE has met the basic the eligibility requirement, the OPSC will review the District or COE's financial records to determine how much funding the district or COE has to contribute towards their SFP projects.

## Review of Finances

The OPSC will review their financial records to make a determination of available funds. The review will not commence until the documentation is complete.

Capital facility funding sources that are reviewed include but are not limited to:

- Local General Obligation Bonds
- Certificates of Participation (COP)
- Developer Fees
- Sale of Surplus Property

The documents needed for the review of the financial records includes but is not limited to:

- Copy of the District or COE Capital Outlay plan for the next five years
- Financial Hardship Fund worksheets - for each fund that contain capital facility related funding
- General Ledger detail reports
- Copy of the latest two Independent Audit Reports
- Separate expenditure report (SAB 50-06) – for each project submitted for FH
- Documentation supporting reported encumbrances

Any capital facility related funds not encumbered or spent prior to the initial FH review will be deemed available as cash contribution towards a District or COE's construction project.

Only after both the review of the eligibility requirements and the review of the financial records for available funds are complete can a District or COE qualify for FH status.

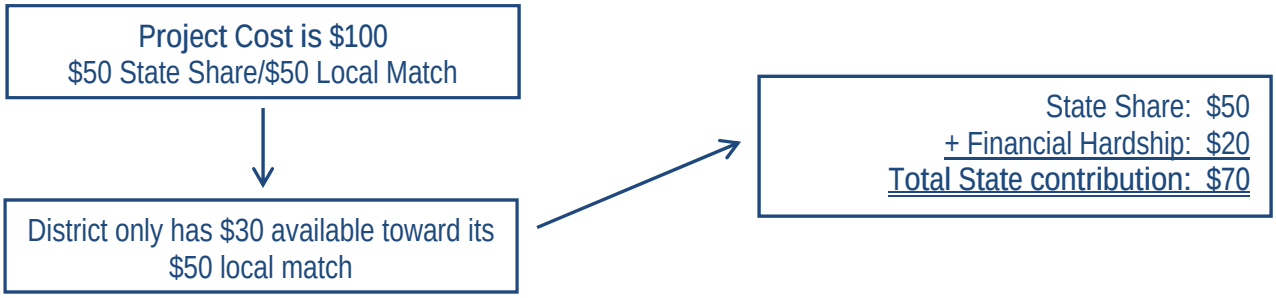
## FH Approval Period

The OPSC makes a determination of available funds using the information provided by the District or COE. Once complete a Findings letter is issued with attached Fund worksheets detailing the amount of available funds that can be used as matching share by the District or COE.

- The District or COE concurs with the findings by signing and returning the Fund worksheets to the OPSC.
- When the OPSC receives the signed Fund worksheets a FH Approval letter is issued.
- FH approval is a pre-requisite for a District or COE to submit a request for funding.
    - Once received it allows a District or COE to submit their applications for funding.
    - The approval period is valid for six months.
- FH Status: Once a district is approved for a FH apportionment, the district has six months from the date of the approval letter to submit an application for funding for the projects and phases of projects listed on the FH approval. If no application is received within six months, the district is subject to another full FH review.
- If a district's project is on the unfunded list for more than 180 days, the district's financial records will undergo a re-review to determine whether additional funds have become available to offset the FH apportionment. The review will include the documents mentioned under the Review of Finances section. In this case, the basic eligibility review is not conducted.

## Funding

- If an FH district meets the basic eligibility requirements, and local funds are less than the district's required contribution to the project, then the State will fund the difference between the available amount and the district match, up to 100 percent of a project.




- FH districts also have the added flexibility to request separate design and site funding prior to requesting full (construction) funding. This funding assists those applicants who may not have the funding available to begin their project.
    - However if a project does not move forward within the required timelines allowed by regulation then the project must be reduced to costs incurred or rescinded.
    - Statistics involving reduction to costs incurred or recessions includes:
        - 293 projects have been reduced to costs incurred or rescinded.
        - Separate Design grants in the amount of $153,861,340 million.
        - Separate Site grants totaling $28,592,762 million.

## Funding (cont.)

- If a District or COE receives a separate design and/or site funding and does not move forward to the construction grant within the six month FH approval period then they will have submit a new FH package to re-qualify for FH status.

- Once granted FH status, a district's expenditures within capital facility related funds are limited to verifiable contracts and payables (encumbrances) entered into and approved by the OPSC prior to the initial FH application. Spending for other purposes will result in an offset to the FH apportionment equal to the ineligible amount during subsequent FH reviews.
- FH project savings must be applied to future SFP FH projects planned by the district or paid back to the State. After three years, any remaining savings plus interest must be returned to the State.

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# Attachment A

**EDUCATION CODE**
**SECTION 17075.10-17075.15**

17075.10. (a) A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

(b) A school district applying for hardship state funding under this article shall comply with either paragraph (1) or (2).

(1) Demonstrate both of the following:

(A) That due to extreme financial, disaster-related, or other hardship the school district has unmet need for pupil housing.

(B) That the school district is not financially capable of providing the matching funds otherwise required for state participation, that the district has made all reasonable efforts to impose all levels of local debt capacity and development fees, and that the school district is, therefore, unable to participate in the program pursuant to this chapter except as set forth in this article.

(2) Demonstrate that due to unusual circumstances that are beyond the control of the district, excessive costs need to be incurred in the construction of school facilities. Funds for the purpose of seismic mitigation work or facility replacement pursuant to this section shall be allocated by the board on a 50-percent state share basis from funds reserved for that purpose in any bond approved by the voters after January 1, 2006. If the board determines that the seismic mitigation work of a school building would require funding that is greater than 50 percent of the funds required to construct a new facility, the school district shall be eligible for funding to construct a new facility under this chapter.

(c) The board shall review the increased costs that may be uniquely associated with urban construction and shall adjust the per-pupil grant for new construction or modernization hardship applications as necessary to accommodate those costs. The board shall adopt regulations setting forth the standards, methodology, and a schedule of allowable adjustments, for the urban adjustment factor established pursuant to this subdivision.

## Attachment A

17075.15. (a) From funds available from any bond act for the purpose of funding facilities for school districts with a financial hardship, the board may provide other construction, modernization, or relocation assistance as set forth in this chapter or Chapter 14 (commencing with Section 17085) to the extent that severe circumstances may require, and may adjust or defer the local financial participation, as pupil health and safety considerations require to the extent that bond act funds are provided for this purpose.

(b) The board shall adopt regulations for determining the amount of funding that may be provided to a district, and the eligibility and prioritization of funding, under this article.

(c) The regulations shall define the amount, and sources, of financing that the school district could reasonably provide for school facilities as follows:

(1) Unencumbered funds available in all facility accounts in the school district including, but not limited to, fees on development, redevelopment funds, sale proceeds from surplus property, funds generated by certificates of participation for facility purposes, bond funds, federal grants, and other funds available for school facilities, as the board may determine.

(2) The board may exclude from consideration all funds encumbered for a specific capital outlay purpose, a reasonable amount for interim housing, and other funds that the board may find are not reasonably available for the project.

(d) Further, the regulations shall also specify a method for determining required levels of local effort to obtain matching funds. The regulations shall include consideration of at least all of the following factors:

(1) Whether the school district has passed a bond measure within the two-year period immediately preceding the application for funding under this article, the proceeds of which are substantially available for use in the project to be funded under this chapter, but remains unable to provide the necessary matching share requirement.

(2) Whether the principal amount of the current outstanding bonded indebtedness issued for the purpose of constructing school facilities for the school district and secured by property within the school district or by revenues of, or available to, the school district, which shall include general obligation bonds, Mello-Roos bonds, school facility improvement district bonds, certificates of participation, and other debt instruments issued for the purpose of constructing school facilities for the school district and for which owners of property within the school district or the school district are paying debt service is at least 60 percent of the school district's total bonding capacity, as determined by the board.

(3) Whether the total bonding capacity, as defined in Section 15102 or 15106, as applicable, is five million dollars ($5,000,000) or less, in which case, the school district shall be deemed eligible for financial hardship.

(4) Whether the application for funding under this article is from a county superintendent of schools.

(5) Whether the school district submits other evidence of substantial local effort acceptable to the board.

(6) The value of any unused local general obligation debt capacity, and developer fees added to the needs analysis to reflect the district's financial hardship, available for the purposes of school facilities financing.

# Attachment B

## School Facility Program Regulations
## Section 1859.81. Financial Hardship.

Except for Joint-Use Projects and Career Technical Education Facilities Projects, a district is eligible for financial hardship to fund all or a portion of its matching share requirement after demonstrating the requirements of (a), (c), and (d) below:

(a) The district is financially unable to provide all necessary matching funds for an eligible project. To determine this, an analysis shall be made of the district's financial records by the OPSC including data and records maintained by the CDE and the County Office of Education. The analysis shall consist of a review of the district's latest Independent Audit regarding funds available from all capital facility accounts, including, but not limited to, developer fees, funds generated from capital facility certificates of participation, federal grants, redevelopment funds, sale proceeds from surplus property, the appraised value of facilities approved for replacement pursuant to Section 1859.82, bond funds either encumbered, unencumbered or authorized but unsold, and savings from other SFP projects. All funds thus identified that have not been expended or encumbered by a contractual agreement for a specific capital outlay purpose prior to the initial request for financial hardship status shall be deemed available as a matching contribution.

After the initial request for financial hardship status is granted, no further encumbrances will be approved by the OPSC and all prospective revenue made available to the district's capital facility accounts shall be deemed available as matching contribution on the subsequent financial hardship review, with the exception of:

(1) Approved interim housing expenditures.

(2) Funding to pay for previously recognized multi-year encumbrances approved at the initial financial hardship approval.

(3) Funding that is transferred into a Special Reserve Fund and is used for the express purpose of the Federal Renovation Program when the amount expended out of that fund does not exceed the maximum Federal Renovation Grant amount.

(4) Funding that is transferred into a Special Reserve Fund and is used for the express purpose of the School Facilities Needs Assessment Grant Program or Emergency Repair Program when the amount expended out of that fund does not exceed the maximum grant amount apportioned.

(5) Funding that is transferred into a Special Reserve Fund and is used for the express purpose of the Career Technical Education Facilities Program when the amount expended out of that fund does not exceed the applicant's share of the maximum grant amount apportioned.

(6) Funding that is transferred into a Special Reserve Fund and used for the express purpose of the Overcrowding Relief Grant when the amount expended out of that fund does not exceed the amount of the site acquisition and design costs of the project and the district has submitted an approved Form SAB 50-11.

(7) Funding that is used for the express purpose of reimbursing the State a proportionate share of financial hardship received when there has been a transfer of a special education program and title to the facility. In addition, the funding was used within five years of the title transfer.

(8) Funding to pay for obtaining a structural report pursuant to Section 1859.82 for an approvable and funded seismic mitigation project.

(9) All other capital facility funding for a period of three years when no subsequent financial hardship request is made during this period, with the exception of the funding identified in (6). The three-year period begins with the date of the most recent financial hardship new construction or modernization adjusted grant funding apportionment.

When Overcrowding Relief Grant funding is set aside pursuant to (6) and the School District has not submitted, or the OPSC has not accepted, a Form SAB 50-04 for an Overcrowding Relief Grant within three years from the date of deposit into the Special Reserve Fund, or the School District has not met the requirements in Sections 1859.90 or 1859.105, remaining funds plus interest accrued at the Pooled Money Investment Board rate at that

## Attachment B

time period shall be deemed available as matching contribution on a subsequent financial hardship project or be captured through an audit adjustment pursuant to Section 1859.106.

The financial hardship analysis is subject to approval by the Board.

(b) From the funds deemed available as a matching contribution, the district may retain $19,776 per classroom in each enrollment reporting period for the cost to provide interim housing for the currently unhoused pupils of the district. The amount shown shall be adjusted annually in the manner prescribed in Section 1859.71. The number of classrooms needed for interim housing for the currently unhoused pupils shall be the sum of the positive numbers determined in (b)(7) as follows:
(1) Determine the current enrollment of the district by grade level as shown on the latest Form SAB 50-01.
(2) Determine the New Construction Grants apportioned by grade level for all SFP projects and LPP funded under the provisions of Sections 1859.12 or 1859.13 where the district has submitted Form SAB 50-06 indicating that the project is 100 percent complete.
(3) Subtract (b)(2) from (b)(1).
(4) Determine the number of classrooms by grade level reported in Part 1, Line 8 on Form SAB 50-02.
(5) Multiply the classrooms determined in (b)(4) by 25 for K-6, 27 for 7-12, 13 for Non-Severe and 9 for Severe.
(6) Subtract the product determined in (b)(5) from the difference determined in (b)(3) by grade level.
(7) Divide the difference by grade level determined in (b)(6) by 25 for K-6, 27 for 7-12, 13 for Non-Severe and 9 for Severe and round up to the nearest whole number.

From the funds deemed available as a matching contribution, the district may also retain $19,776 per portable toilet unit in each reporting period for the cost to provide necessary interim toilet facilities for the currently unhoused pupils of the district.

The amount shown shall be adjusted annually in the manner prescribed in Section 1859.71. The number of toilet facilities needed for interim housing shall be the sum of the positive numbers determined in (b)(7) divided by eight rounded up to the nearest whole number.

From the funds deemed available as a matching contribution, the district may also retain $19,776 per classroom in each reporting period for the cost to provide necessary interim housing for the currently unhoused pupils displaced as a result of a SAB approved seismic mitigation project pursuant to Section 1859.82. The amount shown shall be adjusted annually in the manner prescribed in Section 1859.71. The number of classrooms needed for interim housing shall be the quotient of the displaced pupils by 25 for K-6, 27 for 7-12, 13 for Non-Severe and 9 for Severe and round up to the nearest whole number.

If the district's available funds, as determined by the OPSC analysis less costs for interim housing, is less than its matching share, the district will be deemed to have met the requirements of this Subsection.

(c) The district has made all reasonable efforts to fund its matching share of the project by demonstrating it is levying the developer fee justified under law or an alternative revenue source equal to or greater than the developer fee otherwise justified under law at the time of request for hardship and the district meets at least one of the following:
(1) The current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity. Outstanding bonded indebtedness includes that part of general obligation bonds, Mello-Roos Bonds, School Facility Improvement District Bonds and certificates of participation which the district is paying a debt service that was issued for capital outlay school facility purposes.

## Attachment B

(2) The district had a successful registered voter bond election for at least the maximum amount allowed under Proposition 39 within the previous two years from the date of request for financial hardship status. The proceeds from the bond election that represent the maximum amount allowed under the provisions of Proposition 39 must be used to fund the district's matching share requirement for SFP project(s).
(3) It is a County Superintendent of Schools.
(4) The district's total bonding capacity at the time of the request for financial hardship status is $5 million or less.
(5) Other evidence of reasonable effort as approved by the SAB.

If the district's request for financial hardship status is denied by the Board, the district may be deemed eligible for rental payments of $2,000 per year per classroom under the Emergency School Classroom Law of 1979 for a two year period when relocatable classroom buildings are available and the district provides financial documentation that it is unable to afford the full rental amount and any other information satisfactory to the Board that the rental reduction is necessary. The number of classrooms eligible for the $2,000 rental payments shall be the sum of the numbers determined in (c)(5)(B) as follows:
(A) Determine the number of pupils by grade level that the district requested a New Construction Grant on the Form SAB 50-04 that were denied financial hardship status.
(B) Divide the number by grade level determined in (c)(5)(A) by 25 for K-6, 27 for 7-12, 13 for Non-Severe and 9 for Severe and round up to the nearest whole number.
(d) The district has not signed a contract for acquisition or construction of classrooms that replace existing facility(ies), which were included in the determination of the district's new construction eligibility pursuant to Education Code Section 17071.75, in a locally funded project during the five-year period immediately preceding the district's application for financial hardship assistance. This restriction may be lifted if the Board finds that unforeseen and extenuating circumstances existed that required the district to use local funds to replace the facility(ies).
(e) If the district meets the financial hardship requirements in this Section, the amount of financial hardship is equal to the district's matching share less funds deemed available in (a).
(1) Once a district has been notified by the OPSC that it meets the requirements of financial hardship in this Section, the district may file Form SAB 50-04 under the provisions of financial hardship anytime within a period of 180 calendar days from the date of the OPSC notification.
(2) If the district does not submit Form SAB 50-04 under the provisions of financial hardship within 180 calendar days of the OPSC notification of approval of financial hardship status, the district must re-qualify for financial hardship status under the provisions of this Section by submittal of a new request for financial hardship status.
(3) If the district submits Form SAB 50-04 within 180 calendar days of the OPSC notification of approval of financial hardship and the project(s) has been included on an unfunded list for more than 180 calendar days, a review of the district's funds pursuant to (a) will be made to determine if additional district funds are available to fund the district's matching share of the project(s).

Financial hardship approval status by the OPSC for a separate design and/or site apportionment does not apply to any subsequent funding for the project(s).

(f) If the district submits Form SAB 50-04 within 180 calendar days of the OPSC notification of approval of financial hardship and the project(s) has been included on the "Unfunded List (Lack of AB 55 Loans)" for more than 180 calendar days as a result of the State of California's inability to provide interim financing from the Pooled Money Investment Account (AB 55 loans), the Board may suspend the unfunded review requirement as defined in Regulation Section 1859.81(e). Projects added to any other unfunded list shall be subject to the review detailed in Regulation Section 1859.81(e). Regulation Section 1859.81(f) shall become inoperative July 1, 2011.
(g) A project added to an unfunded list on or after July 1, 2011 will be subject to the review detailed in section (e)(3). For projects added to an unfunded list between February 25, 2009 and June 30, 2011, only the district's financial records on or after July 1, 2011 will be considered in calculating any adjustment to the district's matching share.
Note: Authority cited: Sections 17070.35, 17075.15, 17078.72 and 17592.73, Education Code.
Reference: Sections 17071.75, 17075.10, 17075.15, and 17079.20, Education Code.

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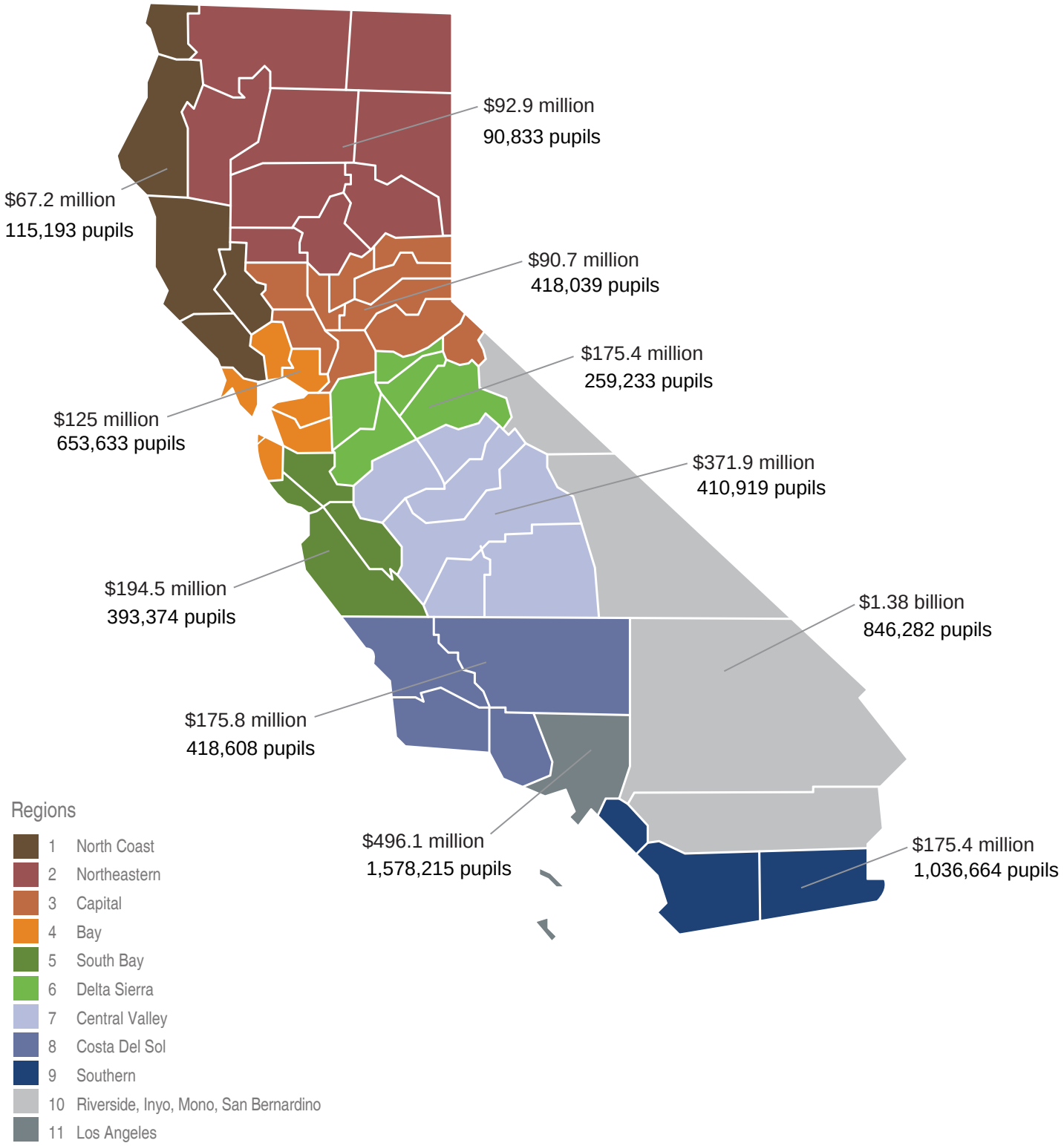
Attachment C

SCHOOL FACILITY PROGRAM

School Facility Program Funding by Region

**Financial Hardship Program**

The below map illustrates the regional distribution of $3.34 billion in Financial Hardship school facility funding awarded by the State Allocation Board from 1998 to present. The map also shows 2011/2012 enrollment.



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# County Offices of Education

## Overview

California's 58 County Superintendents of Schools and their respective County Offices of Education support the financial and academic stability of every district and school in the state. The primary aim of County Superintendents is to work collaboratively with school districts to ensure that every student benefits from a quality educational experience, regardless of their circumstances, including students with disabilities, juvenile offenders, students at risk of dropping out or who thrive in alternative classroom settings, and students in high-priority schools.

## History

County Superintendents are state constitutional officers. The position was established in the original State Constitution in 1849 as a duty of the county assessor. In 1852, the office of county superintendent of schools was created by statute. The revised State Constitution of 1879 established the position as a constitutional office (Article IX, Section 3).

In 1976, Proposition 8 was approved by the electorate and made the following constitutional changes:

- Authorized county boards of education, instead of the Legislature, to set the salaries of county superintendents,
- Empowered the voters of each county to determine whether the county superintendent should be elected or appointed, and
- Empowered the voters of two or more counties to create joint superintendencies and joint county boards.

Elections were required in each "general law" county, to determine whether the county superintendent should be elected or appointed. (In "charter" counties, the county charter may provide for the election or appointment of county officials.) The elections were held in 1977 and 1978. In all cases, voters opted for elected county superintendents. Consequently, fifty-three (53) of the 58 County Superintendents are locally elected officials. In four charter counties, the county superintendent is appointed by the county board of education (Sacramento, San Diego, San Francisco and Santa Clara). In Los Angeles, the county board of supervisors appoints the county superintendent of schools. All county superintendents, whether elected or appointed, are required to hold a California administrative services credential.

McCollam County Annex, Santa Clara, SFP funded project, opened in 2012

## Current Authority and Responsibilities

County Superintendents operate intermediate service agencies providing direct and regional support to school districts and serve as the primary implementation arm of the California Department of Education (CDE). Current responsibilities can be described in the following categories:

- Educating specific student populations
- Monitoring and oversight of student academic environment
- Monitoring and oversight for district fiscal stability
- Providing academic support and assistance
- Providing direct services to small school districts
- Implementing regional support activities to assist district and school staffs

## Educating Specific Student Populations

County Superintendents provide direct services to many of the state's most vulnerable students and those with unique needs. County Superintendents provide instructional and related services to severely disabled special education pupils; adjudicated, incarcerated, and expelled students served through court and community schools; career technical education students through countywide regional occupational programs (ROPs); and migrant students. In addition, 3 out of 4 counties operate a wide range of state and federally-funded preschool, child care and child development programs and services, including after school programs. Nearly half of the County Superintendents provide hands-on outdoor science and environmental education programs to students in elementary schools.

### *Alternative Education*

Many of the 1,000 school districts in the state serve these special populations of children and youth in need of program placements by partnering with the County Superintendent to provide those services directly, because it is more cost-effective. Moreover, the safe school movement begun in the 1990's specifically requires that students determined to be a threat to the safety of others on school campuses be removed from their "home" campuses; thus creating the need for court, community, and community day schools (aka "alternative" schools) operated by County Superintendents for students who have been expelled.

### *Special Education*

In California, special education services - programs for severely and non-severely handicapped students - are administered and funded through a system of 120 Special Education Local Plan Areas (SELPAs) (Education Code 56195.1). County Superintendents in 52 counties manage SELPAs. In 57 counties, County Superintendents provide direct instructional services for the most severely handicapped students. In addition, they provide specialized services, such as speech and language therapy, to non-severely handicapped students not served by larger school districts.

### *Early Childhood Education*

County Superintendents operate a variety of child care and child development programs which range from part-day preschool programs to full day child care programs in 45 counties. In addition, while not a direct service to children, county-based Local Planning Councils (LPCs) are responsible for assessing need, planning, and coordinating child care services within the county. In 46 counties, LPCs are administered by the County Superintendent.

How many County Superintendents educate students under these specialized programs?

- 57 of 58 operate one or more programs for special needs students
- 53 of 58 operate community or community day schools
- 49 of 58 operate juvenile court schools
- 45 of 58 operate one or more programs for early childhood

Please note that seven counties are single-district counties and the County Superintendent serves as both the county and the district superintendent educating <u>all</u> students in every educational setting countywide. Those counties are Alpine, Amador, Del Norte, Mariposa, Plumas, San Francisco, and Sierra.

## Monitoring and Oversight of Student Academic Environment

*Education Code* section 1240 requires the County Superintendent to, among other duties, "Superintend the schools of his or her county." Until the 1990's, this provision defined those duties as enforcing the use of state textbooks, enforcing academic courses of study, and communicating all laws, reports, and information to school districts. Over the last several years, the Legislature has increasingly expanded County Superintendents' responsibilities for monitoring and oversight of the teaching and learning environment in all public schools with the goal of improving student achievement across the state.

### *Williams v. California Settlement*

In the fall of 2004, the state settled the *Williams v. California* lawsuit related to equitable educational opportunities for all students. Legislation which codified the settlement created new standards for textbook sufficiency, teacher quality, and good repair of facilities for all California public schools. The settlement also required County Superintendents, as the monitoring agents, to ensure that these new standards were implemented. While all schools must comply with the requirements of the settlement, County Superintendents are required to annually visit schools performing in the lowest 30% on the state's Academic Performance Index (API) and prepare quarterly and annual reports to local district governing boards, county boards, and boards of supervisors on compliance with the *Williams* standards. In 2009, over 2,100 schools in 48 counties were identified to receive the additional oversight by County Superintendents.

### *California Teachers Association v. Schwarzenegger*

In 2006, the state settled a $3 billion lawsuit by enacting the Quality Education Investment Act (QEIA) with the goal of improving the quality of academic instruction and the level of pupil achievement in schools in which pupils have high levels of poverty and complex educational needs (defined as schools in the bottom third of the API). Funding is intended for school improvement activities – class size reduction, high quality staff development, equitable distribution of experienced teachers, and reduction of student-to-counselor ratios in high schools. The legislation creates new technical assistance and annual oversight responsibilities for County Superintendents in 42 counties in which 488 schools are participating in the program.

### *Valenzuela v. O'Connell Settlement*

The *Valenzuela v. O'Connell* settlement established additional oversight and monitoring responsibilities relative to school districts' efforts to offer students intensive instruction and services for up to two additional years if they have not passed one or both parts of the California High School Exit Exam (CaHSEE) by completion of the 12$^{th}$ grade. The settlement and monitoring requirements include high schools in every county of the state.

## Monitoring and Oversight for District Fiscal Stability

The Legislature has steadily increased statutory responsibilities of County Superintendents for fiscal oversight and monitoring of school districts since 1991. Under current law, each County Superintendent is responsible for reviewing and approving the annual budget for every school district within his or her county. In addition, County Superintendents must assess the financial reports for each district several times each year to ensure the district's fiscal solvency. The County Superintendent is also responsible for reviewing a district's annual audit to ensure audit resolution. The County Superintendent can authorize a review or audit of a district's expenditures and internal controls if the Superintendent has reason to believe that fraud, misappropriation of funds, or other illegal practices may have occurred. Since 2004 (Assembly Bill 2756), County Superintendents have additional authority to focus more attention on the financial obligations to districts created by collective bargaining agreements and the quality of school district audits performed by certified public accountants.

## Providing Direct Services to Small School Districts

By statute, County Superintendents must provide a wide range of needed administrative and educational support services to 395 small school districts – defined as serving less than 901 average daily attendance (ADA) for elementary school districts, 301 ADA for high school districts, and 1,501 ADA for unified school districts. In 51 counties, these direct services include supervision of instruction, attendance and health services programs, guidance services, library services, and the training and education of prisoners. The school districts receiving direct services represent 40 percent of the districts statewide.

## Implementing Regional Support Activities to Assist District and School Staff

Under current law, County Superintendents organize regionally to operate a variety of technical assistance projects for school districts on behalf of the state.

Examples of regional assistance efforts include, but are not limited to:

- Fiscal Crisis Management Assistance Team (FCMAT) Regional Teams - Education Code (EC) 42127.8
- Regional Occupational Programs - EC 52300, et seq.
- California Technology Assistance Program - EC 51871
- Migrant Education - EC 54444
- After School Programs Technical Assistance - EC 8483.55
- Title III English Learner District Assistance Projects - federal NCLB, Title III
- California Preschool Instructional Network (CPIN) – federal Child Care and Development Funds
- Beginning Teacher Support and Assessment (BTSA) Regional Centers – EC 44279.1

(The information in this section has been provided by the California County Superintendents' Educational Services Association)

# County Office of Education Eligibility

## What SFP programs do County Offices of Education qualify for?

County Offices of Education (COE) are considered districts for the purposes of the School Facility Program (SFP). Any time the word "district" or "local educational agency" is used in regulation it includes COE. They are eligible to participate in any program for which they qualify for funding. It is important to note that while a COE provides many services for the districts and the pupils within the county, district pupils are not counted when determining a COE's eligibility for any program within the SFP. These pupils are served directly by their respective district and generate SFP eligibility specifically for that district. A COE's eligibility is determined using the pupils that are only served by the COE and do not attend district schools.

COE use the same methods as a district for determining eligibility. For new construction eligibility, a COE would submit an *Enrollment Certification/Projection* (Form SAB 50-01), *Existing School Building Capacity* (Form SAB 50-02), and *Eligibility Determination* (Form SAB 50-03). For modernization eligibility, a COE would submit a site map and a Form SAB 50-03 on a site specific basis. For all other programs, a COE must meet the same eligibility requirements as a district.

## SELPA Transfers

There are additional reporting requirements when a Special Education Local Plan Area (SELPA) is transferred after new construction eligibility was established. SELPA facilities can be transferred either from a district to a COE or from a COE to a district. In these cases, each entity's new construction baseline will be adjusted commensurate with the capacity of the facilities, and the entity relinquishing the facilities shall also have their enrollment projection adjusted to remove the pupils served in the facility. Additionally, if the facilities were funded through the SFP and had financial hardship assistance, and if the receiving entity would not have qualified for financial hardship at the time the facilities were funded by the State, the receiving entity shall provide to the State a proportionate share of any financial hardship assistance provided.

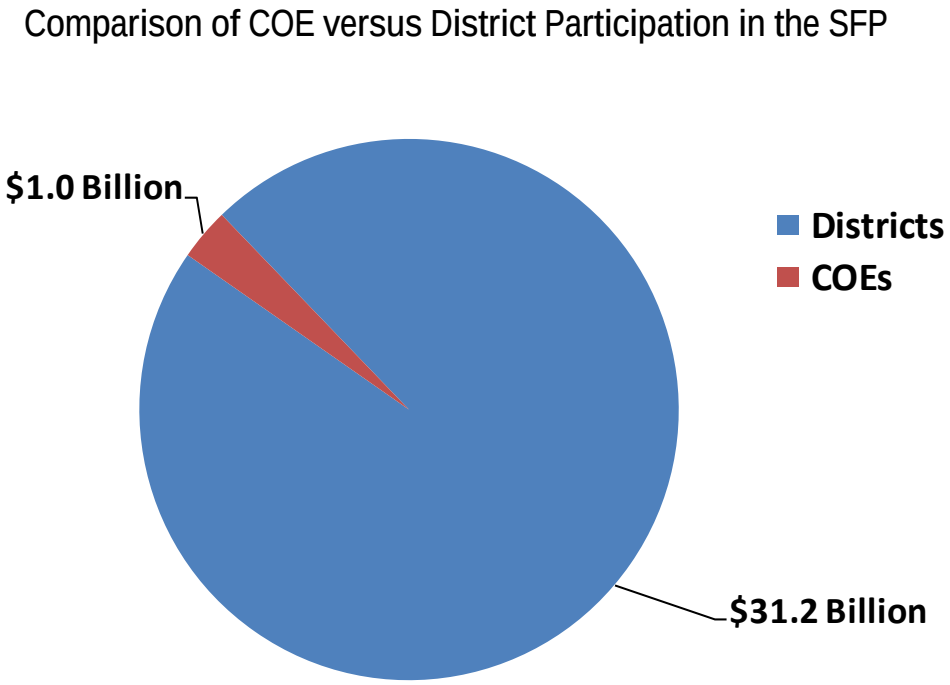
## COE Participation in the SFP

COE can participate in any program within the SFP for which it meets the program criteria. Here is a breakdown of COE apportionments and unfunded approvals since the inception of the SFP in 1998:

| Project Type | Number of Projects | Total Apportionments / Unfunded Approvals | Average Number of Classrooms |
|---|---|---|---|
| New Construction | 551 | $988,474,617 | 4 |
| Modernization | 78 | $41,485,125 | 6 |
| Facility Hardship | 5 | $2,558,827 | 1 |
| Joint-Use Program | 2 | $1,846,784 | 0* |
| Career Tech Program | 5 | $3,598,427 | 2 |
| TOTALS | 641 | $1,037,963,780 | 4 |

*The Joint-Use Program provides funding for the construction of a multipurpose room, gymnasium, Childcare facility, library, or Teacher Education Facility, not classrooms. The two COE Joint-Use projects each built a Teacher Education Facility.

When counting both apportionments and unfunded approvals since the inception of the SFP, COE projects account for approximately 3 percent of total allocations.




Overall, COE have submitted more new construction projects than any other type of project. Additionally, COE projects are typically small in scope, averaging approximately four classrooms per project. Since the OPSC began tracking the types of sites being used for SFP new construction projects in 2003, new sites account for 65 percent of the 287 tracked COE new construction projects, existing COE owned sites account for 21 percent, and sites leased by the COE from another entity account for 14 percent.

| Type of Site | Percentage of New Construction COE Projects |
|---|---|
| New Site | 65% |
| Existing Site | 21% |
| Leased Site | 14% |

Of the 237 SFP projects that have received HPI funding, seven were COE projects.

| Applicant | Number of Projects Receiving HPI | Total HPI Grant Amount Allocated | Percentage of HPI Grant Amounts |
|---|---|---|---|
| District | 230 | $56,267,657 | 98.8% |
| COE | 7 | $689,892 | 1.2% |

## Sources of Revenue

COE and local school districts have similar sources of revenue. The different types of revenue are summarized below.

- *Site Sale Proceeds*
  COE and local school districts can generate revenue through the sale of surplus sites.

- *Federal Grants*
  If the COE/district has received facilities related grants from the federal government, this may be viewed as revenue that could be put toward an SFP project.

- *Interest from Holdings*
  Whenever a COE/district has funds in a non-reserved account such as a Capital Project Account, interest is generated from those funds. The interest is considered revenue.

- *Developer Fees - Districts Only*
  When a community experiences growth through new housing developments, a need for new schools arises. The developer of the housing is required to provide funding to build schools to accommodate the projected new student population. These funds are distributed to the local school district.

Other sources of funds available to a COE that may not be considered revenue, but could be used for funding a project include the following:

- *Financial Hardship Program*
  COE automatically qualify for Financial Hardship funding, pursuant to SFP Regulation Section 1859.81(c)(3). The Financial Hardship program provides State funding for the local matching share minus any revenue the COE is deemed to have. Financial Hardship is discussed in detail in the next section.

- *Savings from prior SFP projects*
  If a COE or a district has project savings from a previous SFP project for which they received Financial Hardship funding, they have the option of either returning the savings to the State or using the savings on a future SFP Financial Hardship project within three years. If the funds are not used within the three year period, they then must be returned to the State.

Revenue and Other Funding Sources for Districts and COE

| Source | COE | District |
|---|---|---|
| Site Sale Proceeds | X | X |
| Federal Grants | X | X |
| Interest from Holdings | X | X |
| Developer Fees | No | X |
| SFP Financial Hardship | X | X |
| Savings from prior SFP projects | X | X |
| Issuance of Bonds | ? | X |

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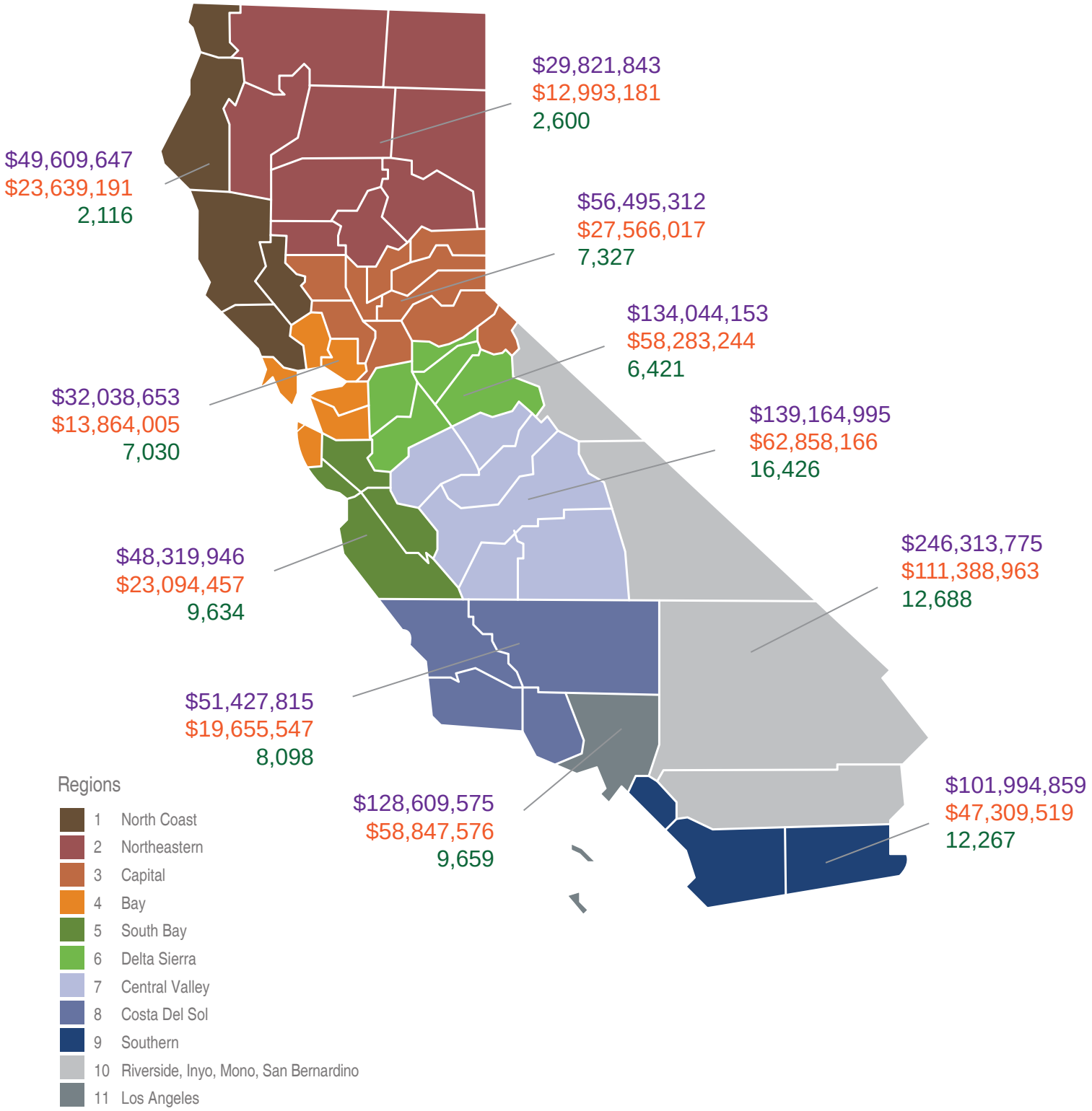
# COE Funding & Enrollment by Region

Total Apportionments/Unfunded Approvals (1998 - Present)
Total Financial Hardship (1998 - Present)
Total Enrollment (2011/2012)



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| County Office of Education | Apportionments/ Unfunded Approvals | Financial Hardship | Enrollment |
|---|---|---|---|
| **Region 1** | | | |
| DEL NORTE | $6,244,077 | $3,063,449 | 547 |
| HUMBOLDT | $4,141,193 | $1,971,086 | 467 |
| MENDOCINO | $25,886 | $0 | 158 |
| LAKE | $8,970,441 | $4,318,602 | 49 |
| SONOMA | $30,228,050 | $14,286,054 | 895 |
| **Regional Totals** | **$49,609,647** | **$23,639,191** | **2,116** |
| **Region 2** | | | |
| SISKIYOU | $0 | $0 | 445 |
| MODOC | $929,896 | $464,948 | 50 |
| TRINITY | $0 | $0 | 26 |
| SHASTA | $6,388,762 | $3,069,609 | 416 |
| LASSEN | $482,025 | $172,765 | 44 |
| TEHAMA | $3,183,209 | $0 | 187 |
| PLUMAS | $0 | $0 | 29 |
| BUTTE | $6,873,611 | $3,327,136 | 1,085 |
| GLENN | $11,964,340 | $5,958,723 | 318 |
| **Regional Totals** | **$29,821,843** | **$12,993,181** | **2,600** |
| **Region 3** | | | |
| COLUSA | $18,019,639 | $8,536,626 | 24 |
| YOLO | $0 | $0 | 331 |
| SUTTER | $12,180,926 | $6,090,463 | 425 |
| YUBA | $0 | $0 | 583 |
| SIERRA | $0 | $0 | 2 |
| NEVADA | $0 | $0 | 3,475 |
| PLACER | $12,335,246 | $6,214,956 | 548 |
| EL DORADO | $5,951,782 | $2,975,891 | 1,052 |
| SACRAMENTO | $8,007,719 | $3,748,081 | 887 |
| ALPINE | $0 | $0 | 0 |
| **Regional Totals** | **$56,495,312** | **$27,566,017** | **7,327** |
| **Region 4** | | | |
| MARIN | $630,516 | $0 | 389 |
| NAPA | $194,041 | $0 | 162 |
| SOLANO | $8,381,120 | $3,986,234 | 536 |
| CONTRA COSTA | $19,158,109 | $8,872,041 | 1,346 |
| ALAMEDA | $2,011,460 | $1,005,730 | 3,553 |
| SAN FRANCISCO | $0 | $0 | 561 |
| SAN MATEO | $1,663,407 | $0 | 483 |
| **Regional Totals** | **$32,038,653** | **$13,864,005** | **7,030** |
| **Region 5** | | | |
| SANTA CLARA | $32,359,953 | $15,822,890 | 6,789 |
| SANTA CRUZ | $6,268,288 | $3,134,144 | 1,166 |
| SAN BENITO | $0 | $0 | 107 |
| MONTEREY | $9,691,705 | $4,137,423 | 1,572 |
| **Regional Totals** | **$48,319,946** | **$23,094,457** | **9,634** |
| **Region 6** | | | |
| AMADOR | $1,205,950 | $0 | 284 |
| SAN JOAQUIN | $45,142,318 | $20,813,351 | 3,221 |
| CALAVERAS | $14,974,802 | $7,487,401 | 548 |
| TUOLUMNE | $34,779 | $17,389 | 176 |
| STANISLAUS | $72,686,304 | $29,965,103 | 2,192 |
| **Regional Totals** | **$134,044,153** | **$58,283,244** | **6,421** |
| **Region 7** | | | |
| MERCED | $64,549,641 | $28,996,417 | 1,541 |
| MARIPOSA | $0 | $0 | 76 |
| MADERA | $18,112,780 | $8,919,827 | 857 |
| FRESNO | $20,659,977 | $9,953,100 | 2,128 |
| KINGS | $11,024,871 | $3,990,833 | 9,838 |
| TULARE | $24,817,726 | $10,997,989 | 1,986 |
| **Regional Totals** | **$139,164,995** | **$62,858,166** | **16,426** |
| **Region 8** | | | |
| SAN LUIS OBISPO | $30,912,293 | $15,187,344 | 641 |
| KERN | $10,792,728 | $0 | 4,251 |
| SANTA BARBARA | $647,155 | $0 | 666 |
| VENTURA | $9,075,639 | $4,468,203 | 2,540 |
| **Regional Totals** | **$51,427,815** | **$19,655,547** | **8,098** |
| **Region 9** | | | |
| ORANGE | $63,609,259 | $29,897,217 | 7,635 |
| SAN DIEGO | $9,889,261 | $4,016,746 | 4,073 |
| IMPERIAL | $28,496,339 | $13,395,556 | 559 |
| **Regional Totals** | **$101,994,859** | **$47,309,519** | **12,267** |
| **Region 10** | | | |
| RIVERSIDE | $80,963,446 | $39,135,387 | 7,745 |
| INYO | $5,496,853 | $2,747,917 | 1,450 |
| MONO | $2,266,107 | $0 | 212 |
| SAN BERNARDINO | $157,587,369 | $69,505,659 | 3,281 |
| **Regional Totals** | **$246,313,775** | **$111,388,963** | **12,688** |
| **Region 11** | | | |
| LOS ANGELES | $128,609,575 | $58,847,576 | 9,659 |
| **Regional Totals** | **$128,609,575** | **$58,847,576** | **9,659** |
| **GRAND TOTALS** | **$1,017,840,573** | **$459,499,866** | **94,266** |

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