To enrich the lives of California's school children as stewards of the taxpayers' commitment to education.

Seismic Mitigation Program Handbook

A guide to assist with applying for and obtaining School Facility Program grant funding through the Seismic Mitigation Program

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Preface

Introduction

This handbook was developed by the Office of Public School Construction to assist school districts in applying for and obtaining "grant" funds for the purposes of performing seismic mitigation work on school facilities. It is intended to be an overview of the program for use by school districts, architects, and other interested parties on how a school district or county superintendent of schools becomes eligible and applies for the different types of state funding available.

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Section 1

Seismic Mitigation Program

Overview

Proposition 1D, approved by California voters in 2006, provided up to $199.5 million in bond authority for seismic construction projects determined to have "most vulnerable California school facilities" status. The Seismic Mitigation Program (SMP) is a subset of the School Facility Program Facility Hardship program that provides funding for the seismic repair, reconstruction, or replacement of the "most vulnerable" school facilities. The Division of the State Architect determines whether or not a building is eligible for the SMP.

School districts with eligible buildings may submit applications for funding to the Office of Public School Construction (OPSC) for review and processing to the State Allocation Board (SAB), which awards the funding. SMP funding is provided on a 50 percent matching basis of the approved costs to either replace or to rehabilitate the building:

- The building is eligible for replacement funding when the costs to rehabilitate the building are more than 50 percent of the replacement costs.
- The building is eligible for rehabilitation funding when the costs to rehabilitate the building are less than 50 percent of the replacement costs.

More general information regarding the SMP is available on OPSC's website at http://www.dgs.ca.gov/opsc/programs/seismicmitigationprogram.aspx

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Section 2
Program Eligibility

Eligibility

A Seismic Mitigation Program (SMP) project must meet all of the following criteria:

1. The project funding provided shall be limited to the minimum work necessary to obtain the Division of the State Architect (DSA) approval;

2. The building is designed for occupancy by students and staff; and,

3. DSA concurs with a report for each building by a structural engineer, which identifies the building as a "most vulnerable" Category 2 building type and details structural deficiencies that pose an unacceptable risk of injury to its occupants in a seismic event (see Appendix 1 for a listing of Category 2 building types).

   » *DSA reviews these reports to determine program eligibility through DSA Procedure 08-03, School Facility Program/Seismic Mitigation Program. (If the unacceptable risk of injury is due to the presence of faulting, liquefaction or landslide, these hazards must be documented by a geologic hazards report prepared by an engineering geologist in accordance with California Building Code, Part 2, Chapter 18, section 1803A and with the concurrence of the California Geological Survey.)*

Eligibility to participate in the program is determined by DSA before an application is submitted to the Office of Public School Construction (OPSC). DSA approval is obtained in three steps:

Step One

» Phase 1: Eligibility Evaluation

Step Two

» Phase 2: Replacement Option Analysis, or
» Phase 3: Seismic Rehabilitation Pre-Application

Step Three

» Phase 4: Project Application (final construction plan approval)

DSA approval letters for each step will be required to be submitted to OPSC in order to apply for SMP funding.

Conceptual Approvals

The school district may choose to request a conceptual approval from the State Allocation Board once it has received the second step (either Phase 2 or Phase 3) approval from DSA, or it may choose to proceed directly to Step 3 (Phase 4 or final construction plan approval) to request funding.

A conceptual approval is not required prior to the funding application, but it does provide assurance of program eligibility and an estimate of the funding for which the project may qualify. A conceptual approval does not reserve any bond authority, and is not a guarantee of funding. Once the school district has obtained DSA approvals required for conceptual approval and DSA-approved plans and specifications for the replacement or rehabilitation project, the school district may submit a funding application to OPSC.

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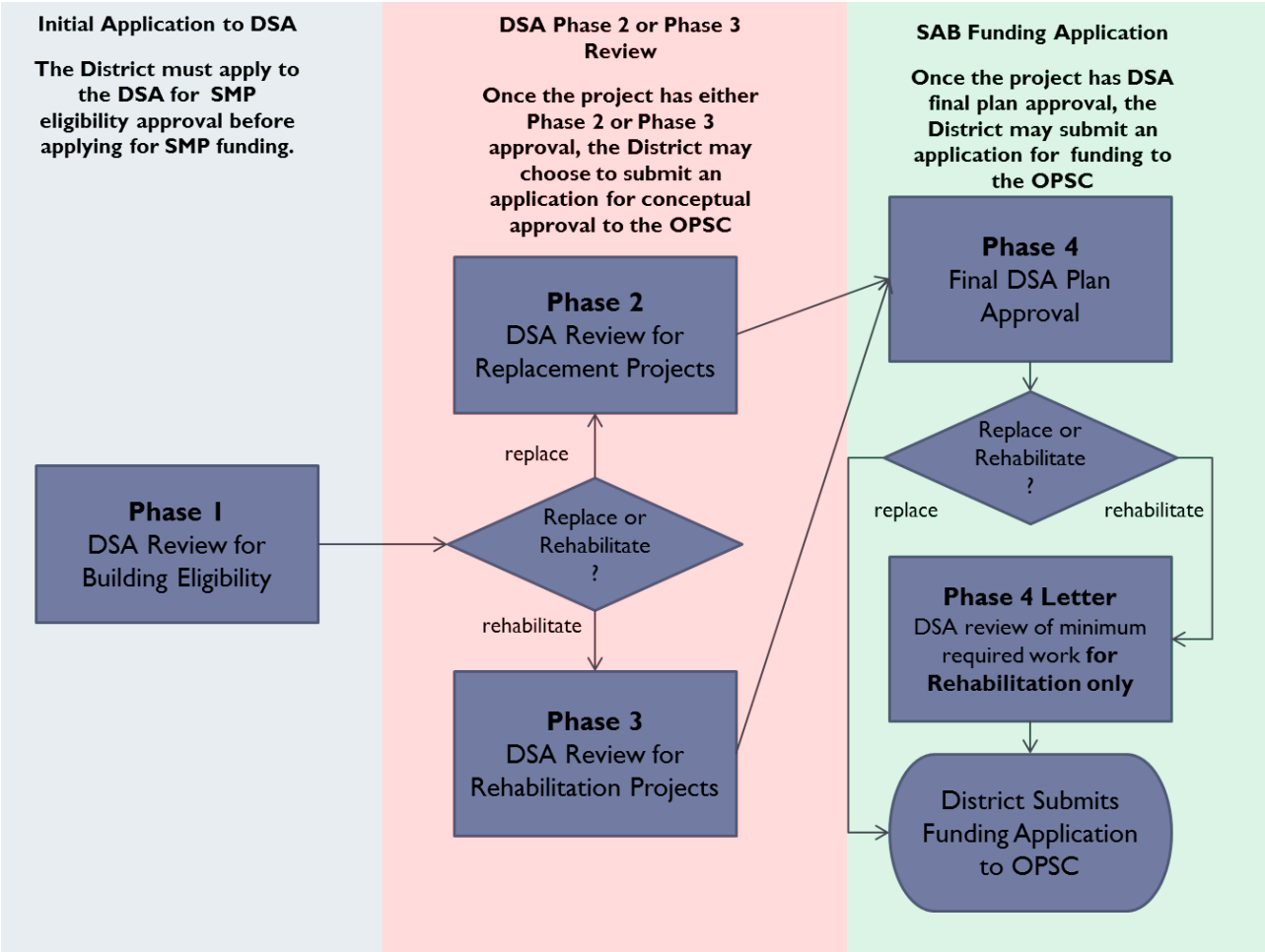
Section 3

Division of State Architect (DSA) Approval Process

Approval Process Diagram

DSA Procedure 08-03, School Facility Program/Seismic Mitigation Program, details the steps and the required submittals in order to obtain DSA's approval for a Seismic Mitigation Program (SMP) project. This Procedure is available on DSA's website at http://www.documents.dgs.ca.gov/dsa/pubs/PR_08-03.pdf, and includes a complete description of the DSA approved process. The chart below illustrates how a SMP project proceeds through the different phases:



Step One: Eligibility Evaluation

The first step, or Phase 1, of the procedure is to verify the SMP eligibility for a given building. The school district must submit a completed Eligibility Evaluation Report template to DSA to demonstrate the proposed building meets these eligibility criteria. The template is available on DSA's website at http://www.documents.dgs.ca.gov/dsa/pubs/smp_template.doc.

Step Two: Replacement Option Analysis or Rehabilitation Pre-Application

Replacement or Rehabilitation funding? Projects are eligible for **replacement** funding when the minimum costs for rehabilitation are ***greater* than 50 percent of the of the replacement costs.** Projects are eligible for rehabilitation when the minimum costs for rehabilitation are less than 50 percent of the replacement costs.

The second step begins with a determination of whether the school district will seek replacement or rehabilitation funding for the eligible building. In order to make this decision, the school district may compare the costs for the minimum rehabilitation work required to obtain DSA plan approval to the Current Replacement Costs.

- How is the Current Replacement Cost determined?
  - *The Current Replacement Cost is determined by multiplying the eligible square footage of the existing facility by the Facility Hardship/Rehabilitation Current Replacement Cost (per square foot) dollar amounts—one for other and one for toilet—listed on page 2 of the Annual Adjustment to School Facility Program Grants, available on OPSC's website at http://www.documents.dgs.ca.gov/opsc/attachments/Annual_Adj_Grants.pdf.*

When the school district has decided which type of funding it wishes to seek, it will submit either:

- A Phase 2, Replacement Option Analysis, or
- A Phase 3, Seismic Rehabilitation Option Pre-Application and an Evaluation and Design Criteria Report.

For the Phase 2 option, the school district will need to prepare and submit a detailed description of seismic deficiencies and a cost estimate reflecting only the minimum work required to mitigate the seismic deficiencies and any associated fire and life safety and accessibility work in the affected area. This minimum cost will be compared to the current replacement cost of the entire building. Upon agreement, DSA issues a concurrence letter to allow the project to proceed to Phase 4.

For the Phase 3 option, the district prepares an Evaluation and Design Criteria Report which includes a detailed description of the seismic deficiencies and any associated fire and life safety and accessibility work in the affected area, the proposed methods of mitigating the deficiencies, and any testing and inspection necessary to complete the evaluation. Upon completion, DSA approves the Report to allow the project to proceed to Phase 4.

Q: What if funding type does not match the desired construction outcome?
School districts may choose to use rehabilitation funding toward a replacement project; however, any additional cost beyond the amount of rehabilitation funding approved by OPSC must be school district funded. If a school district would like to rehabilitate a building that is eligible for replacement funding, the school district must submit an appeal request to the SAB using the *School District Appeal Request (Form SAB 189).*

Once the school district has a DSA Phase 2 concurrence letter or Phase 3 approved Evaluation and Design Criteria Report, it has the option the submit a request for SMP conceptual approval to OPSC. A conceptual approval does not reserve any bond authority, and is not a guarantee of funding, but it does provide assurance of program eligibility and an estimate of the funding for which the project may qualify.

Step Three: Project Application

The third step, or Phase 4, Project Application, requires the school district to submit complete construction plans and specifications for the project for DSA review and approval through the same process required for all school construction projects.

If the plans are for rehabilitation, and the school district wishes to expand the scope of the project beyond the minimum seismic rehabilitation, the project application must be submitted to DSA in increments. One of the increments must contain only the work which is expected to receive state funds for seismic rehabilitation and associated required fire and life safety and accessibility upgrades. The other increment(s) must include work unrelated to seismic rehabilitation and associated required fire and life safety and accessibility.

Additionally, if the project is for rehabilitation and the school district has not previously received a DSA Phase 3 approval letter, the school district will need to request a separate Phase 4 approval letter (beyond the regular DSA plan approval letter) to provide concurrence that the cost estimate submitted for rehabilitation reflects the minimum required work.

Once the plans have been approved by DSA and the school district has a DSA plan approval letter, the school district can submit a funding application to OPSC.

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Section 4

Office of Public School Construction (OPSC) Approval Process

Replacement vs. Rehabilitation Funding

The first step to applying for Seismic Mitigation Program (SMP) funding is to determine what type of application to submit:

- Funding is provided in two categories: replacement or rehabilitation of facilities.
- The 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.

   - *Only for projects in which all the buildings on the campus are eligible for SMP replacement funding.*
   - *Funding is based on New Construction pupil grants equivalent to the pupils housed in the replaced facility or the latest California Basic Educational Data System (CBEDS) enrollment, whichever is lower. (See the latest Annual Adjustment to School Facility Program Grants, available on the Office of Public School Construction's (OPSC) website at http://www.documents.dgs.ca.gov/opsc/attachments/Annual_Adj_Grants.pdf., for the current grant amounts.)*

Project Savings?
Please be aware that the state portion of any and all project savings realized from the funding of an SMP project must be returned to the state.

2. Replacement of individual facilities on an existing site.

   - *Only for projects replacing one or more buildings on a site but not all of the buildings on the site.*
   - *Funding is based on a dollar amount per eligible square foot. (See the latest Annual Adjustment to School Facility Program (SFP) Grants for the current grant amounts available on OPSC's website at http://www.documents.dgs.ca.gov/opsc/attachments/Annual_Adj_Grants.pdf.)*
   - *Not all of the square footage may be eligible for replacement funding. Certain facility types are limited to a specified square footage after accounting for all useable facilities.*

3. Repair of individual facilities on an existing site.

   - *Only for projects that are not eligible for replacement funding.*
   - *Funding is based on a detailed cost estimate of the costs for the seismic mitigation plus any fire and life safety and access compliance work that will be required by the Division of the State Architect (DSA) for plan approval.*
   - *Costs beyond what is required for DSA plan approval are not allowed.*
   - *Replacement and rehabilitation projects are funded on a 50/50 state and local sharing basis per statute.*

Please be aware that the state portion of any and all project savings realized from the funding of an SMP project must be returned to the state.

Application Submittal

A school district that has DSA's Phase 1, Eligibility Evaluation and Phase 2, Replacement Option Analysis or Phase 3, Evaluation and Design Criteria Report approval letters but does not have DSA-approved plans and specifications can apply for a conceptual approval. Through this process, the school district will learn whether or not the project qualifies for replacement or rehabilitation funding, and receive an estimate of the funding for which the project qualifies.

Request for Conceptual Approval

A request for conceptual approval is not required prior to a funding application, and does not reserve bond authority, nor does it guarantee funding. A conceptual approval does provide an estimate of the funding for which a project will qualify and may assist a school district in deciding the scope of a replacement or rehabilitation project.

To apply for conceptual approval, a school district must submit the following documentation to OPSC for review and processing to the State Allocation Board (SAB) for approval:

1. Facility Hardship Request Worksheet (optional)
   - *Available on OPSC's website at http://www.documents.dgs.ca.gov/opsc/Forms/Worksheets/FacHS_WS.pdf.*
   - *This worksheet is optional but is very useful in guiding the school district through the list of required documentation needed for the project.*

2. Industry Specialist Reports
   - *DSA-approved Phase 1, Eligibility Evaluation Report (Optional).*
   - *DSA-approved Phase 2, Replacement Option Analysis or Phase 3, Evaluation and Design Criteria Report.*
   - *Geotechnical Soils Report-only for projects for which building eligibility is based on the presence of faulting, liquefaction, or landslide.*

3. Governmental Concurrence Letters
   - *DSA Phase 1, Eligibility Evaluation Report approval letter.*
   - *DSA Phase 2, Replacement Option Analysis or Phase 3, Evaluation and Design Criteria Report approval letter.*
   - *California Geological Survey (CGS) concurrence letter for Geotechnical Soils Report-only for projects for which building eligibility is based on the presence of faulting, liquefaction, or landslide.*

4. Detailed Cost Estimate
   - *The school district must provide detail/explanation of all planning, testing, inspection, and repair/replacement costs, including the number of units, unit cost, work activity, and square footage of buildings. The cost estimate should show the minimum work necessary to mitigate the health and safety hazard and obtain DSA approval on the project. This is required for both replacement and rehabilitation applications.*
   - *OPSC reviews this estimate primarily using the latest "Current Construction Cost Remodeling Repair" book published by Sierra West.*

5. Cost/Benefit Analysis
   - *This is a comparison of the cost to make repairs versus the cost to replace the facility or component. If the cost to repair the facility/component exceeds 50 percent of the cost to replace the facility/component, then the school district will qualify for funding for replacement. The cost for replacing the facility is calculated based on the square footage of the facility by multiplying the eligible square footage of the existing facility by the Facility Hardship/Rehabilitation Current Replacement Cost (per square foot) dollar amounts—one for other and one for toilet—listed on page 2 of the Annual Adjustment to School Facility Program Grants, available on the OPSC website at http://www.documents.dgs.ca.gov/opsc/attachments/Annual_Adj_Grants.pdf.*

6. Site Diagram
   - *Indicate affected areas of the site. For buildings, include their ages and square footages. For "Toilet" or "Other" building areas that are affected, indicate those areas and their square footages separately. Covered corridors and any unenclosed space should be excluded from square footage.*
   - *1A diagrams for all buildings on the site may be required for replacement applications.*

7. Photos (Optional)
   - *OPSC recommends that the school district include photos showing hazardous conditions, affected facilities, and other relevant areas of concern.*

Once the project is determined to meet the eligibility criteria for the SMP, OPSC will review additional criteria to determine if the project is eligible for funding and determine a potential grant amount. The factors that must be taken into consideration and may impact funding include:

- Space available in the school district, High School Attendance Area or Super High School Attendance Area that could be used for housing some or all of the displaced pupils. Any such space must first be accounted for, which may reduce or eliminate the possibility of Facility Hardship funding. If the school district has negative New Construction eligibility, it likely has existing available classroom space.
- The cost to rehabilitate and remain in the facility must be greater than 50 percent of the current replacement cost of the facility based on the current square footage of the facility. If not, the school district does not qualify for replacement funding; instead the project would be eligible for the minimum costs for seismic rehabilitation and any ancillary work required by DSA as a result of the seismic work.

Application for Funding

A school district that has DSA-approved plans and specifications can apply for funding. Unless a prior conceptual approval has been obtained, the school district must submit all the documents required for conceptual approval as well as the documents listed below:

1. Application for Funding (Form SAB 50-04)
   - *This form is available on OPSC's website under Forms at http://www.documents.dgs.ca.gov/opsc/Forms/SAB_50-04.pdf. For assistance in completing this form, please contact your OPSC Project Manager.*

2. DSA Plan/Specification Approval Letter
   - *A letter from DSA stating that the plans and specifications are approved.*

3. DSA-Approved Plans and Drawings
   - *A full set of DSA-approved plans and specifications. The school district may submit the plans electronically in an AutoCAD-compatible format.*

4. California Department of Education (CDE) Site/Plan Approval Letter
   - *A letter from the CDE stating that the site and plans are approved.*

5. Career Technical Education (CTE) Letter or Meeting Minutes
   - *Documentation from the school district's CTE Advisory Committee stating that it has reviewed the district-wide CTE needs in relation to the specific project site and the district-wide CTE needs are being adequately met.*

6. Site Development Worksheet. Required for replacement applications only.
   - *Estimated service-site, off-site, and utility project costs.*
   - *A template is available on OPSC's website under Forms at http://www.documents.dgs.ca.gov/opsc/Forms/Worksheets/Site_Dev_Wrksht.xlt.*

Supplement Grants

The Supplemental Grant Matrix provided below details which supplemental grants are available for SMP replacement and rehabilitation projects.

Type of Grant	SMP Full School Replacement	SMP Replacement Facilities	SMP Rehabilitation
Fire Detection Alarm System	✓	✓	
Fire Sprinkler System	✓	✓	
General Site	✓	✓	
Geographic % Factor	✓	✓	✓
Labor Compliance Program	✓	✓	✓
Prevailing Wage Monitoring	✓	✓	✓
Multilevel Construction	✓	✓	
New School Project	✓		
Project Assistance	✓	✓	✓
Replacement with Multi-Story	✓	✓	
Site Acquisition -Actual or Appraised -Real Estate Fees (2%) -DTSC -Hazardous Materials -Relocation Costs	✓	✓	
Site Development -Off-Site -Service Site -Utilities	✓	✓	
Small Size Project	✓	✓	
Special Ed. Therapy/Other Area	✓	✓	
Special Ed. Toilet Area	✓	✓	
Two-Stop Elevator			✓
Urban Security	✓	✓	

(For additional information on these supplemental grants, refer to Appendix 2)

OPSC Review

» Intake review/24 hour request:
OPSC makes every effort to process a request for conceptual approval or a funding application to the SAB for oval within 90-120 days. In order to facilitate this timeline, OPSC will review the incoming application for the

minimum required documentation within five business days of the received date, and will issue a 24-Hour Request for any missing required documentation as shown on the following chart:

REQUIRED DOCUMENTS	TYPE OF APPLICATION	
	FUNDING	CONCEPTUAL
Facility Hardship Request. (optional but recommended)	✓	✓
Industry Specialist Report—Phase 2 Replacement Option Analysis **or** Phase 3 Evaluation and Design Criteria Report	✓	✓
Geotechnical Report if applicable	✓	✓
Governmental concurrence letters—DSA Phase 1 **and** Phase 2 **or** 3 letters, CGS concurrence letter if applicable	✓	✓
Detailed Cost Estimate	✓	✓
Cost/Benefit Analysis	✓	✓
Site Diagram	✓	✓
Photos (optional)	✓	✓
Application for Funding (Form SAB 50-04)	✓	
Career Technical Education Advisory Committee certification	✓	
If Site Acquisition is requested, the following documents: • Appraisal of property • Escrow closing statement or court order • CDE site approval letter	✓	
Final DSA plan approval and DSA-approved plans and specifications	✓	
CDE approval of final plans	✓	
Cost estimate for site development (if applicable)	✓	

» 15-Day Letter review:
- *Once an application package has been deemed complete, OPSC will review the package to determine that the project meets all the requirements for SMP funding eligibility.*
- *OPSC's Plan Verification Team (PVT) will review the rehabilitation cost estimate for the following:*
  - *To verify the cost-benefit analysis and confirm eligibility for either replacement or rehabilitation funding.*
  - *For rehabilitation applications, to approve the minimum costs for rehabilitation funding.*
- *OPSC will then send the school district a letter that details the review findings and give the gives the school district 15 calendar days to either provide concurrence with the OPSC findings or to submit additional evidence to support different findings.*
- *The school district also has the option to request a meeting with OPSC, either in person or via conference call, to discuss OPSC findings in further detail.*

» 4-Day Letter review:
- *OPSC will review any additional information presented with the school district response to the 15-Day Letter. OPSC will then send the school district a letter that details any revised findings and give the gives the school district four business days to either provide concurrence so that the application can be processed to the next available SAB meeting, or to withdraw the application and submit an appeal directly to the SAB by submitting a School District Appeal Request, Form SAB 189, available on OPSC's website at http://www.documents.dgs.ca.gov/opsc/Forms/SAB_189.pdf.*

SAB Approval

- Conceptual Approval—The school district must submit a funding application within 18 months of the date of conceptual approval. For rehabilitation applications, the school district will be required to submit an updated rehabilitation cost estimate based on the final rehabilitation plans.

- Unfunded Approval—Funding applications will be placed on the Unfunded List (Lack of AB 55 Loans), and will be subject to the Priority Funding Process.

Priority Funding Process

The priority funding process was created to allow projects that receive unfunded approval by the SAB and are placed on the Unfunded List (Lack of AB 55 Loans) to receive an Apportionment with accelerated timelines.

Once a school district has a project on the Unfunded List (Lack of AB 55 Loans), the next step is to participate in the next available Priority Funding (PF) request filing period by submitting a written statement that requests to convert the unfunded approval to an Apportionment and making certain acknowledgments regarding the PF process.

SFP regulations established two PF request filing periods per year for projects on the Unfunded List (Lack of AB 55 Loans) to receive apportionments. Each period has a 30-day request submittal window. The two annual PF filing periods begin on the 2nd Wednesday of May and the 2nd Wednesday of November.

School districts participating in the filing period beginning in May are eligible to have their projects apportioned as cash becomes available between July 1 and December 31 of that calendar year, while school districts participating in the filing period beginning in November are eligible for apportionment between January 1 and June 30 of the following calendar year.

SFP regulations currently include requirements for school districts with projects on the Unfunded List (Lack of AB 55 Loans) to participate in the PF process or risk having their project(s) rescinded. The purpose is to avoid having limited bond authority reserved for projects that are not being moved forward. Any project that incurs two nonparticipation occurrences will be removed from the Unfunded List (Lack of AB 55 Loans), and the PF Apportionment will be rescinded without further SAB action.

Complete Priority Funding information, including detailed instructions, is available on OPSC's website at http://www.dgs.ca.gov/opsc/Home/PriorityFunding.aspx.

Fund Release Request

The SFP grant is processed for release when the school district submits a valid *Fund Release Authorization* (Form SAB 50-05), available on OPSC website at http://www.documents.dgs.ca.gov/opsc/Forms/SAB_50-05.pdf. When a properly executed form is received, OPSC sends a School Facilities Fund Release notification to the school district representative and county office of education. The notification indicates the type of grant released, amount, school district, application number, school name, and date processed.

Closeout Review Process and Project Savings

The SFP has significant program flexibility and places responsibility for program compliance at the local level and minimizes the state's oversight role. In general, the state's fiscal concerns are limited to verifying that the expenditures and certifications of program requirements made by the school district for the project comply with the law, that the school district followed applicable state requirements pertaining to construction, and to verify that the project progresses in a timely manner as specified in statute. To assist with this oversight, a school district is required to submit *Expenditure Reports* (Form SAB 50-06) and evidence of progress during the construction of the project. On a project that requires less than a year to complete, only one *Expenditure Report* is required.

Expenditure Report

Throughout the construction period of a project, the district will file one or more expenditure reports.

The first expenditure report is due one year after the first fund release or upon completion of the project, whichever occurs first. Additional expenditure reports are due annually from the date the first report is due until the project is complete. A project is considered complete when either of the following occurs:

- The school district notified OPSC that the project is 100 percent complete.
- If a report is less than 100 percent three years from the date of the final fund release for an elementary school project or four years from the date of the final fund release for a middle or high school project, then the district must submit its final report. The district may designate a report less than 100 percent as its final report. A school district submits a record of project expenditures by using the *Expenditure Report* (Form SAB 50-06) which can be found on OPSC's website at http://www.documents.dgs.ca.gov/opsc/Forms/SAB_50-06.pdf.

This form allows the school district to report all expenditures from district and state funds in summary form.

To support the *Expenditure Report*, OPSC has developed an Expenditure Worksheet which is available on OPSC's website at http://www.documents.dgs.ca.gov/opsc/Forms/Worksheets/ExpenditureWrksht.xls.

School districts are encouraged to use this worksheet to gather and record the expenditure detail and to accompany the Form SAB 50-06.

Expenditure Closeout Review

Within two years of receipt of the final *Expenditure Report* from the school district, OPSC must initiate a closeout of the expenditures. If the school district is not notified by OPSC within that time frame that a closeout review will be made, the expenditures submitted by the school district will be accepted. If OPSC has notified the district that a closeout review will be made, OPSC must complete the closeout review within six months, unless additional documentation requested from the school district has not been received.

Project Savings

The state's portion of any and all project savings, including interest earned on state funds, realized from the funding of a Seismic Mitigation Program project must be returned to the state.

Appendix 1

Category 2 Building Types

The Kindergarten-University Public Education Facilities Bond Act of 2006 (Proposition 1D), approved by California voters in 2006, provided up to $199.5 million in bond authority "for seismic repair, reconstruction or replacement, pursuant to Section 17075.10." Education Code Section 17075.10 further defined the criteria for the Seismic Mitigation Program (SMP) to include "the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317 and determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event."

The State Allocation Board (SAB) first approved regulations to implement the SMP in September 2007. Since then, the SAB has had multiple discussions on changes and approved amendments to the SMP regulations two more times in an effort to increase participation in the program. The table below summarizes The major regulation amendments adopted by the SAB to date.

Regulation Adoption	Ground Shaking Intensity	Number of Category 2 Building Types	Other Changes	Number of Applications Approved
Sep-07	>1.70	4 of 14	N/A	3
Aug-09	> 1.68	8 of 14	N/A	0
June 2011*	Requirement removed	14 of 14	Additional Geological threats added	17

*In May 2013 the SAB approved a regulatory amendment to allow school districts to request the High Performance Incentive grant. However, this amendment was not for the purposes of increasing participation in the SMP.

As of June, 2011 in order to be eligible for seismic funding, the school district must have a qualifying Category 2 Building Type as defined in the definitions of the School Facility Program Regulation Section 1859.2 as follows:

- C1 – Concrete Moment Frame,
- C1B – Reinforced Concrete Cantilever Columns with Flexible Diaphragms,
- C2A – Concrete Shear Wall with Flexible Diaphragms,
- C3A – Concrete Frame with Infill Masonry Shear Walls and Flexible Diaphragms,
- PC1 – Precast/Tilt-up Concrete Shear Wall with Flexible Diaphragms,
- PC1A – Precast/Tilt-up Concrete Shear Wall with Rigid Diaphragms,

- PC2A – Precast Concrete Frame without Concrete Shear Walls and with Rigid Diaphragms,
- PC2 – Precast Concrete Frame and Roofs with Concrete Shear Walls,
- URM – Unreinforced Masonry Bearing Wall Buildings,
- RM1 – Reinforced Masonry Bearing Wall with Flexible Diaphragms,
- URMA - Unreinforced Masonry Bearing Wall with Rigid Diaphragms,
- S1B – Steel Cantilever Columns with Flexible Diaphragm,
- S3 – Steel Light Frame Metal Siding and/or Rod Bracing, or
- M – Mixed construction containing at least one of the above structures types.

Appendix 2

Additional Grants Available for Seismic Mitigation Program (SMP) Projects

Fire Code Requirements: School Facility Program (SFP) Regulation Sections 1859.71.2 & 1859.78.4 (Fire Detection Alarm System and Fire Sprinkler System)—Available to eligible Full School Replacement or Replacement Facilities projects only.

- The new construction grant will be increased for each pupil in a project that includes an automatic fire detection and alarm system and/or a sprinkler system.*

General Site Development: SFP Regulation Section 1859.76—Available to eligible Full School Replacement or Replacement Facilities projects only.

- 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 $16,838 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). School 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 School Facility Program grants as approved by the SAB.*

Geographic Location: SFP Regulation Section 1859.83—Available to all eligible SMP projects.

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

Labor Compliance Program (LCP): SFP Regulation Sections 1859.71.4 & 1859.78.1—Available to all eligible SMP projects.

- 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: SFP Regulation Sections 1859.71.4 & 1859.78.1—Available to all eligible all SMP projects.

» 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, and before June 20, 2014, regardless of the bond source. The grant will be equal to one quarter of one percent of the state's share.

Multi-Level Construction: SFP Regulation Section 1859.73—Available to eligible Full School Replacement or Replacement Facilities projects only.

» 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 California Department of Education (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: SFP Regulation Section 1859.83—Available to eligible Full School Replacement projects only.

» School 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: SFP Regulation Sections 185973.1 and 1859.78.2—Available to all eligible all SMP projects.

» The SAB may provide additional project grants for project assistance to school districts with enrollment of 2,500 pupils or less. The 2015 additional grant of $6,327 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 School Facility Program grants as approved by the SAB.*

Replacement with Multi-Story Construction: SFP Regulation Section 1859.73.2— Available to eligible Full School Replacement or Replacement Facilities projects only.

» 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: SFP Regulation Sections 1859.74 through 1859.75—Available to eligible Full School Replacement or Replacement Facilities projects only.

- The site acquisition grant can be used to acquire and develop new school sites. Under some circumstances, a school district may receive grants for a school 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 school 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 school district's funding application to 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. The supplemental grant increase for hazardous waste removal cannot exceed $750,000 unless approved by the SAB 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 – School 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 DSA approved plans.

Site Development: SFP Regulation Sections 1859.76 & 1859.78.7—Available to eligible Full School Replacement or Replacement Facilities projects only.

- 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. 50 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 school 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 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 school district must submit an itemized site development worksheet that contains only work that can be verified on the plans and specifications.

Small Size Projects: SFP Regulation Section 1859.83—Available to eligible Full School Replacement or Replacement Facilities projects only.

- A supplemental grant is available to school 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 school 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: SFP Regulation Sections 1859.72, 1859.73.2, 1859.82, 1859.125 & 1859.125.1—Available to eligible Full School Replacement or Replacement Facilities projects only.

- 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.*

Two Stop Elevators: SFP Regulation Section 1859.83—Available to eligible Rehabilitation projects only.

- If DSA requires two-stop elevators in a modernization project, the modernization grant can be increased.*

Urban Locations/Security Requirements & Impacted Sites: SFP Regulation Section 1859.83—Available to eligible Full School Replacement or Replacement Facilities projects only.

- 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 school districts to acquire ample real property, which causes increased project costs uniquely associated with urban construction. School 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.

- School 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.*

*See the latest Annual Adjustment to School Facility Program Grants for the current grant amounts on OPSC's website at http://www.documents.dgs.ca.gov/opsc/attachments/Annual_Adj_Grants.pdf.