

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, February 28, 2001

LEASE-PURCHASE PROGRAM FUNDING OF
JOINT USE PROJECTS FOR GYMNASIUMS, MULTIPURPOSE ROOMS
AND LIBRARIES (SB 1795)

PURPOSE OF REPORT

To present a policy for funding of Joint Use Projects under the provisions of Senate Bill (SB) 1795 (Alpert).

DESCRIPTION

SB 1795 creates a special program under the provisions of the Lease-Purchase Program (LPP) to fund joint use projects to construct either gymnasiums, multipurpose rooms or libraries on school sites where these types of facilities will be used jointly for both school and community purposes under the following criteria:

1. The school does not have the type of facility for which the district is seeking joint use funding.
2. The district agrees to pay 50 percent of the eligible cost of the project and 100 percent of all cost of the project that exceeds the State's standards.
3. The plans and specifications for the joint use facility have been approved by the Division of the State Architect and the California Department of Education.
4. The district has entered into an appropriate joint use agreement with the joint use partner.
5. The district has demonstrated that the joint use facility will be used to the maximum extent possible by the district and the joint use partner after regular school hours.

The State Allocation Board (SAB) will determine funds available for this purpose from any funds remaining from the LPP and shall allocate those funds for eligible projects at the regularly scheduled SAB meeting in July of each year until the available funds are exhausted. The SAB Implementation Committee has reviewed this policy.

The Office of Public School Construction (OPSC) had originally considered joint use projects that are being constructed as part of a new school School Facility Program project; however, the OPSC no longer supports this concept as it appears that joint use eligibility would have been provided that exceeded the minimum essential facilities necessary at the new school site.

A proposed policy and amended forms to implement the provisions of this new law are shown on the Attachments and are ready for SAB approval.

RECOMMENDATIONS

1. Approve the SB 1795 Policy as shown on the Attachment A.
2. Approve the amendments to the *Application for Joint Use Apportionment*, Form SAB 506 JU (New 02/01), as shown on Attachment B.
3. Approve the amendments to the *Agreement-Joint Use*, Form SAB 518 JU (New 02/01), as shown on Attachment C.

BOARD ACTIONS

In considering this Item, the Board approved the OPSC's recommendations with the following amendments to Attachment A:

- Deleted the restriction that only one application could be submitted per funding cycle in the "Eligibility" section.
- Eliminated the provision in the "Funding Availability" section for the OPSC to conduct a lottery if there were insufficient funds to fully allocate a funding priority.
- Added a provision in the "Funding Availability" section that applications would be funded based on the date order received within a funding category.
- Added three funding categories in the "Funding Availability" section after funding category b. as follows:
 - c. To those joint use projects where there is no gymnasium, no multipurpose room and no library at the site or the existing square footage of all of these facilities is less than 50 percent of the square footage eligibility allowed in this Joint Use Policy.
 - d. To those joint use projects where there is only one of the following or the existing square footage of two on these facilities is less than 50 percent of the square footage eligibility allowed in the Joint Use Policy. A gymnasium, a multipurpose room or a library.
 - e. To those joint use projects where there are two of the following or the existing square footage of one of these facilities is less than 50 percent of the square footage eligibility allowed in this Joint Use Policy. A gymnasium, a multipurpose room or a library.
- Added a lowest funding category for those additional joint use projects, beyond the first submitted by a district funding cycle.
- Directed the OPSC to contract for an independent study to determine if the cost allowances provided in the "Eligible State Funding Section" are appropriate.

ATTACHMENT A

SB 1795 LEASE-PURCHASE PROGRAM
FUNDING OF JOINT USE PROJECTS FOR GYMNASIUMS,
MULTIPURPOSE ROOMS AND LIBRARIES
As approved and amended by the SAB on February 28, 2001

ELIGIBILITY

- The project request is for either a gymnasium, a multipurpose room or a library on an existing school site where the type of facility requesting funding does not exist.
- The application request may include only one of the above types of facilities.
- The district may submit more than one application per funding cycle. A funding cycle is deemed to be July 1st through June 30th of each fiscal year. If the district submits more than one application per funding cycle, the district must identify the district's funding priority for all its applications submitted within that funding cycle.
- The district meets all the requirements of the Application Process described below.
- The construction contract for the facility may not be executed prior to the approval or "unfunded" approval of the project by the State Allocation Board (SAB).
- The joint use facility may not be included in a new school project under the School Facility Program (SFP) or located on a site where SFP new construction grants were provided for a new school facility.
- The joint use facility may be included in a SFP project that is an addition to an existing site.

APPLICATION PROCESS

Joint use applications shall be submitted under the provisions of the Lease-Purchase Program (LPP) using Form SAB 506 JU (New 02/01) and shall include all the following:

- A copy of the joint use agreement between the district and the community organization (i.e. joint use partner) for the facility for which the district is requesting funding that meet the requirements of the Joint Use Agreement Criteria described in this Policy.
- The plans and specifications approved by the Division of the State Architect for the facility requesting funding.
- The California Department of Education (CDE) approval of the project.

JOINT USE AGREEMENT CRITERIA

The joint use agreement must be with a community organization (i.e. joint use partner) defined as an organization charged with the responsibility to provide the appropriate community service. The agreement must include the following:

- A provision regarding the shared responsibility for funding of the project between the State, the district and the joint use partner.
- A provision regarding the shared responsibility for the funding of the operational costs of the facility (after construction) between the district and the joint use partner.
- A provision that specifies the responsibilities of the district and the joint use partner regarding the operation and staffing of the facility (after construction).
- A provision regarding specific criteria that will be utilized by the district and the joint use partner to ensure the safety of the pupils during regularly scheduled school hours.
- A provision that the facility will be available for district-wide community purposes after regularly scheduled school hours for at least 20 hours per week.

SQUARE FOOTAGE ELIGIBILITY

The State funded (i.e. 50 percent) square footage of the joint use project may not exceed the eligible square footages identified in the Chart of Eligible Square Footage below using the latest enrollment at the site using the California Basic Enrollment Data System to determine the “per pupil” square footage entitlements.

CHART OF ELIGIBLE SQUARE FOOTAGE

Facility	Elementary School Pupils K-6	Middle School Pupils 7-8 or 6-8 if on separate campus	High School Pupils 9-12 or 7-12 if on separate campus
Multipurpose	5.3 sq. ft. per pupil minimum 3,500 sq. ft.	5.3 sq. ft. per pupil minimum 4,500 sq. ft.	6.3 sq. ft. per pupil minimum 7,500 sq. ft.
Mech./Elect.	0.3 sq. ft. per pupil minimum 100 sq. ft.	0.3 sq. ft. per pupil minimum 100 sq. ft.	0.3 sq. ft. per pupil minimum 100 sq. ft.
Food Service	2 sq. ft. per pupil minimum 400 sq. ft. maximum 1,480 sq. ft.	2 sq. ft. per pupil minimum 400 sq. ft. maximum 1,880 sq. ft.	3 sq. ft. per pupil minimum 600 sq. ft. maximum 3,975 sq. ft.
Gymnasium		7 sq. ft. per pupil minimum 5828 sq. ft.	8 sq. ft. per pupil minimum 7280 sq. ft.
Shower/Locker		4 sq. ft. per pupil minimum 400 sq. ft.	5 sq. ft. per pupil minimum 500 sq. ft.
P.E. Office		50 sq. ft./coach	50 sq. ft./coach
P.E. Storage		0.5 sq. ft. per pupil minimum 500 sq. ft.	0.5 sq. ft. per pupil minimum 500 sq. ft.
Bleachers		0.9 sq. ft. per pupil maximum 1820 sq. ft.	1.3 sq. ft. per pupil maximum 2600 sq. ft.
Mech/Elect		0.3 sq. ft. per pupil minimum 100 sq. ft.	0.3 sq. ft. per pupil minimum 100 sq. ft.
Library/Media Center	2.3 sq. ft. per pupil + 600 sq. ft.	3.3 sq. ft. per pupil + 600 sq. ft.	4.3 sq. ft. per pupil + 600 sq. ft.

ELIGIBLE STATE FUNDING

The State's share of the project shall be equal to the lesser of a. or b.:

- a. The total of all the following:
 1. \$150 per square foot for eligible toilet and food service area in the joint use project.
 2. \$75 for all other eligible area in the joint use project.

The dollar amounts shown in 1 and 2 above are subject to increase pursuant to SFP Regulation Sections 1859.71 and 1859.83 (a) and (d).

For purposes of 1 and 2 above, square footage means the enclosed area measured from the outside face of exterior structural walls of the building. For interior areas or portions of building areas, the enclosed area shall be measured from the centerline of the interior demising wall.

ELIGIBLE STATE FUNDING (cont.)

If the joint use project contains square footage area in excess of the amounts allowed in the Chart of Eligible Square Footage above, the identification of the cost of the excess area in the project will be determined by equally prorating all the project square footage. For example, if the eligible project area is 75 percent of the total area in the project, then it will be assumed that 75 percent of component toilet and food service area is State eligible square footages and 25 percent is excess area.

3. 50 percent of eligible site development cost as allowed under SFP Regulations Section 1859.76. Eligible site development cost will not be prorated if the project contains excess square footage area.
- b. \$1 million if the joint use project will be located on an elementary school that serves any combination of grades K through 6.
\$1.5 million if the joint use project will be located on a middle school that serves any combination of grades 7 and 8.
\$2 million if the joint use project will be located on a high school that serves any combination of grades 9 through 12.

The eligible State funding for the joint use project shall be deemed the full and final apportionment for the project. The district will not be subject to any restrictions regarding building allowances, architectural fees, construction management fees, bid approvals, etc. Any additional costs incurred beyond the State and district financial contribution are the responsibility of the district, as no additional State funding will be made available for the project.

DISTRICT FINANCIAL CONTRIBUTION

The district's share of the project shall be equal to all the following:

- An amount equal to the State funding for the project as determined in the Eligible State Funding Section above.
- An amount equal to two times the cost of the remaining area after subtracting b from a in the Eligible State Funding Section above. Zero if a negative number.
- An amount equal to two times the square footage amounts (i.e. \$150/\$75) times the excess building area in the project. The dollar amounts shown are subject to increase pursuant to SFP Regulation Sections 1859.71 and 1859.83 (a) and (d). Excess building area is the total area of the joint use project less the square footage eligible for State funding as determined in the Square Footage Eligibility Section above.

At the time of submittal of the funding application to the SAB, the district must be able to certify that it has its financial contribution. Districts unable to certify it has its financial contribution are ineligible for funding under this law.

Districts that are currently eligible for financial hardship under the SFP must be able to demonstrate that the entire district contribution required above will be funded by the joint use partner and not from funding resources available to the district.

AUDIT PROCEDURES AND EXPENDITURES

If the joint use project contains excess building area, the reported expenditures for the project will be prorated in a manner described in item 2 of Part a of the Eligible State Funding Section above. The State apportionment for the project will be adjusted at audit time based on the eligible expenditures reported for the project. Any savings in the project will be shared based on the financial contributions of the State and district in the joint use project.

Eligible expenditures shall be consistent with expenditures allowed under the SFP and Education Code Section 17072.35.

APPORTIONMENT OF ELIGIBLE PROJECTS

The SAB will accept funding applications for the first funding cycle through June 30, 2001 and make apportionments to eligible projects received no later than that date at the regularly scheduled SAB meeting in July 2001. Eligible applications received between July 1, 2001 and June 30, 2002 will be considered for funding at the regularly scheduled SAB meeting in July 2002 and so on in each fiscal year as long as funds are available to the SAB for this purpose. Applications received during each funding cycle that are deemed eligible for an apportionment shall be recommended for placement on an "unfunded" list as they are processed by the OPSC.

Placement on an "unfunded" list is for reimbursement purposes only and does not constitute a commitment by the SAB of future funding.

FUNDING AVAILABILITY

At the SAB meeting in July 2001, the SAB will determine the funds available for this purpose and allocate funds to eligible projects submitted no later than June 30, 2001 pursuant to the following funding priority categories below. Funding categories a. through f. are only available for the first application submitted by the district in a funding cycle. The first application submitted in the funding cycle is determined by the district's funding priority assigned to the project on Form SAB 596JU.

- a. To those projects where the district constructed facilities on the same site between September 30, 1996 and September 29, 1998 that meet all the following criteria:
 - The facilities were constructed with district funds not committed to a State-funded project.
 - The facilities were under contract or under construction between September 30, 1996 and September 29, 1998.
 - The facilities included new classroom area of at least 3,500 square feet. The new classroom area may not include leased or lease-purchase portable buildings.
 - The facilities were not used to qualify for State funding of a gymnasium or multipurpose room under the provisions of AB 191.
- b. To those joint use projects that meet all the following:
 1. The joint use facility to be constructed contains excess square footage beyond the State funded eligible square footage and the excess square footage is at least 30 percent more than the greater of the following:

FUNDING AVAILABILITY (cont.)

- The State funded eligible square footage as determined in the Square Footage Eligible Section above.
 - The square footage authorized in the Chart of Eligible Square Footage Section above by determining the "per pupil" entitlements by the CDE master planned capacity of the site, using SFP loading standards per classroom of 25 for kindergarten through grade six, 27 for grades seven through 12, 13 for non-severe special day classes and 9 for severe special day classes. Classrooms shall not include any classrooms reduced from the Gross Classroom Inventory pursuant to SFP Regulation Section 1859.32.
2. The district certifies that the excess area beyond the State funded eligible square footage is funded solely by the community organization (i.e. joint use partner).
- c. To those joint use projects where there is no gymnasium, no multipurpose room and no library at the site or the existing square footage of all of these facilities are less than 50 percent of the square footage eligibility allowed in this Joint Use Policy.
 - d. To those joint use projects where there is only one of the following or the existing square footage of two of these facilities are less than 50 percent of the square footage eligibility allowed in this Joint Use Policy. A gymnasium, a multipurpose room or a library.
 - e. To those joint use projects where there is two of the following or the existing square footage of one of these facilities is less than 50 percent of the square footage eligibility allowed in this Joint Use Policy. A gymnasium, a multipurpose room or a library.
 - f. The multiple joint use projects beyond the first application submitted by the district within a funding cycle.

If there are insufficient funds to fully allocate a funding priority category noted above, the OPSC shall conduct a lottery to determine which projects within the funding category are funded.

Any project not funded at the July 2001 SAB meeting shall retain its place on the "unfunded" list based on the funding priority category of the project and may be considered for funding in the next funding cycle.

At the SAB meeting in July 2002, the SAB will determine the funds available for this purpose and allocate funds to eligible projects pursuant to the following funding priority categories:

1. To those projects on the "unfunded" list that were submitted no later than June 30, 2001 by funding priority category noted above.
2. To eligible projects submitted between July 1, 2001 and June 30, 2002 by funding priority category noted above.

FUNDING AVAILABILITY (cont.)

If there are insufficient funds to fully allocate a funding category noted above, the OPSC shall conduct a lottery to determine which projects within the funding category are funded.

Any project not funded at a SAB meeting due to funding availability shall retain its place on the "unfunded" list based on the funding priority of the project and may be considered for funding in the next funding cycle.

In July 2003 and thereafter, funding priorities shall be made in a manner consistent with the funding priorities described for July 2002.

TIME LIMITS AND FUND RELEASES

All State funds allocated will be released to the district upon certification that a construction contract for the joint use facility has been executed and the district has submitted a fully executed Agreement Form SAB 518 JU (New 02/01). Funds not released within one year of the apportionment are subject to rescission pursuant to existing "Time Limits on Apportionments" policy under the LPP.

REIMBURSEMENTS

All joint use projects are subject to current LPP policy and law regarding reimbursements, which require that construction expenditures are eligible only if incurred after the approval of the project or placement on an "unfunded" list.