

## Idle facilities money set for transfer into badly-depleted building fund

By Allen Young

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A long-awaited move to shift rarely accessed school facility money into the badly-depleted account for new construction and into another account for earthquake retrofits is set to come before the State Allocation Board this month.

The plan, being pushed by legislators on the board, is to shift a large portion of the \$459 million in the Overcrowding Relief Grant – money set aside to replace portable classrooms – into the new construction program.

The second part is to move approximately \$195 million from the Seismic Mitigation Program into the Facility Hardship Program, a pool of money that schools can use to replace buildings due to natural disaster.

“If we’ve got the money, let’s get it out to projects. Let’s fix schools so kids are going to safe schools, so they have adequate facilities,” said Assemblywoman Joan Buchanan, D-San Ramon, who sits on the allocation board and supports both proposals.

The two options were originally unveiled by representatives from the Office of Public School Construction and are expected to be a focus of attention at the next State Allocation Board meeting set for March 23.

Proposition 1D, approved by voters in 2006, allocated \$1 billion to help districts reduce the number of portable classrooms and \$199.5 million to upgrade schools deemed seismically unsafe.

For the seismic account, Assemblywoman Buchanan said she would support moving the lion’s share of funds into the Facility Hardship program, because both programs fund safety-related construction projects.

But the seismic program has existed since 2006 and has only funded one project so far because the eligibility criteria is extremely limiting.

But Senator Loni Hancock, another allocation board member who helped develop the seismic program, doesn’t support changing the rules because she anticipates districts will soon be accessing the seismic program.

“We’ve set aside this money to address facility problems – it must be spent on seismic mitigation. We know we have a problem, and districts are stepping forward,” said Rebecca Baumann, a spokeswoman for Hancock, D-Berkeley.

Last year, the state Seismic Safety Commission gave \$200,000 to the OPSC to help districts develop an earthquake template that would identify which schools were eligible for the seismic program.

Next week, the OPSC is expected to release a report that details the number of districts that appear to qualify along with estimated projects costs. Preliminary findings showed that 16 projects appeared to qualify and an additional seven may qualify.

But state officials stressed that next week’s seismic report will only provide rough cost estimates and shouldn’t be used to gauge how much the seismic program will be drawn down.

Meanwhile, the allocation board has approved a seismic workgroup that will attempt to identify the barriers in the program. The work group includes state officials, civil engineers, and district representatives, and is expected to have their first meeting in the coming weeks.

Hancock, who is spearheading the work group, has said she is open to potentially changing the seismic program criteria if it would allow more schools to come forward for funding.

As for the Overcrowded Relief Grant, after five years, only about half of the funds set aside for the program have been accessed. Meanwhile, funding for new school construction has steadily drawn down and now districts have applied for all but a few million dollars.

Once all the funds are allocated from the school construction account, new school financing falls completely on the housing industry, which builders say would decimate the market.

“We have a moribund housing market as it is,” said Richard Lyon, spokesman for the California Building Industry Association. “Homeowners would be significantly priced out of the market, those few that could actually qualify.”

The triggering of so-called ‘level III developer fees’ would raise average home costs upwards of \$20,000 apiece, said Lyon, adding he supports transferring every dollar from unused facility programs into new school construction.