

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, August 24, 2011

HIGH PERFORMANCE INCENTIVE GRANT FUNDING STATUS REPORT

PURPOSE

To provide the State Allocation Board (Board) with a status report on High Performance Incentive (HPI) grant funding through July 2011.

DESCRIPTION

At the May 2011 meeting, the Board requested a status update on funding requests for HPI grants. On January 25, 2011 the Office of Administrative Law approved HPI grant regulation changes that are intended to promote interest in HPI grants and increase the number of requests for HPI grant funding. This item will present all current data and status on the HPI program.

AUTHORITY

Education Code (EC) Section 101012(a)(8) states, "The amount of one hundred million dollars (\$100,000,000) for incentive grants to promote the use of designs and materials in new construction and modernization projects that include the attributes of high-performance schools, including, but not limited to, the elements set forth in Section 17070.96, pursuant to regulations adopted by the State Allocation Board."

School Facility Program (SFP) Regulation Section 1859.71.6 outlines the HPRC and funding formulas for new construction projects.

SFP Regulation Section 1859.77.4 outlines the HPRC and funding formulas for addition and modernization projects.

BACKGROUND

Proposition 1D, approved by the voters in 2006, set aside \$100 million for incentive grants to promote the use of high performance attributes in new construction and modernization projects for K-12 schools. The high performance attributes are in the following categories:

- Sustainable Sites
- Energy
- Water
- Materials
- Indoor Environmental Quality

By meeting High Performance Rating Criteria (HPRC) within the categories, a project achieves points; more of the high performance attributes generally means a higher point score. Each project must achieve a minimum point score to qualify for an incentive grant. In order for a project to qualify for the HPI grants, a minimum of 27 points must be attained for new construction projects, while a minimum of 20 points for new construction additions or modernizations must be attained. The construction plans and supporting documentation are submitted to the Division of the State Architect (DSA) for review and point score verification. The verified point score is reported on a scorecard and submitted to the Office of Public School Construction (OPSC) as part of the complete funding request. The number of points verified for a project corresponds to an increase to the project's per pupil construction base grant amount that can currently range from two to just over 11 percent.

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BACKGROUND (cont.)

At the May 2010 meeting, the Board approved HPI grant regulation changes to promote increased participation and provide more funding for projects that will incorporate high performance building features. At the November 2010 Board meeting, the Board approved additional regulatory updates to incorporate California Green Code requirements. These regulations were approved by the Office of Administrative Law and became effective on January 25, 2011.

STAFF COMMENTS / STATEMENTS

To date there have been a total of 178 applications received by the OPSC; 153 for new construction and 25 for modernization. Of those, 161 applications have been approved by the Board either with an apportionment or unfunded approval; 141 for new construction and 20 for modernization. There has been an average of 34.8 high performance rating criteria points for these applications. The OPSC has received 15 applications since the new regulations became effective on January 25, 2011, 10 for new construction and 5 for modernization. As of the July Board meeting, the remaining bond authority for future applications for the HPI Program is \$69,915,822.

The chart below provides a geographic breakdown of approved HPI applications:

**High Performance Incentive Grants Apportioned**

<b>County Name</b>	<b>New Construction Applications</b>	<b>Modernization Applications</b>	<b>Total Applications</b>	<b>Total Dollars</b>
Alameda	4		4	\$308,176
Butte	3		3	\$363,879
Contra Costa	2	3	5	\$594,563
El Dorado	2		2	\$247,291
Los Angeles	63		63	\$16,330,158*
Merced	2		2	\$582,506
Napa	1		1	\$848,860
Orange	1		1	\$139,700
Placer	1		1	\$394,623
Riverside	5		5	\$1,369,968
San Bernardino	4		4	\$673,597
San Diego	3	6	9	\$1,329,228
Santa Clara	1		1	\$290,407
Sonoma	1		1	\$121,042
Tulare	1		1	\$210,193
Yuba	2	4	6	\$293,318
<b>Totals</b>	<b>96</b>	<b>13</b>	<b>109</b>	<b>\$24,097,509</b>

\* Includes \$32,888 in unfunded HPI approvals created due to Cost Construction Index increases

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STAFF COMMENTS / STATEMENTS (cont.)

**High Performance Unfunded Approvals**

<b>County Name</b>	<b>New Construction Applications</b>	<b>Modernization Applications</b>	<b>Total Applications</b>	<b>Total Dollars</b>
Alameda	1	1	2	\$549,507
Colusa	1		1	\$95,484
Contra Costa		1	1	\$412,393
El Dorado	1		1	\$46,642
Los Angeles	7		7	\$1,268,811
Napa		1	1	\$39,626
Orange	2	1	3	\$336,931
Placer	1		1	\$56,619
Riverside		1	1	\$74,577
San Bernardino	18		18	\$1,822,277
San Diego		2	2	\$21,291
Santa Clara	2		2	\$73,504
Stanislaus	2		2	\$229,469
Tulare	5		5	\$1,047,318
Yuba	5		5	\$252,332
<b>Totals</b>	<b>45</b>	<b>7</b>	<b>52</b>	<b>\$6,326,781</b>

**High Performance Applications on OPSC Workload List**

<b>County Name</b>	<b>New Construction</b>	<b>Modernization</b>	<b>Total</b>
Alameda	2	1	3
Fresno	3	1	4
Kern	1		1
Los Angeles	2		2
Sacramento		1	1
San Bernardino		2	2
San Diego	2	0	2
San Mateo	1		1
Tulare	1		1
<b>Totals</b>	<b>12</b>	<b>5</b>	<b>17</b>

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STAFF COMMENTS / STATEMENTS (cont.)

The following 28 applications have been submitted to the DSA for High Performance reviews and are anticipated to be submitted to the OPSC in the future:

**High Performance Reviews Received by the DSA Since January 25, 2011**

<b>Review Status</b>	<b>New Construction</b>	<b>Modernization</b>	<b>Total</b>
Completed	3	6	9
In Progress	7	12	19
<b>Totals</b>	<b>10</b>	<b>18</b>	<b>28</b>

RECOMMENDATION

Acknowledge this report.