

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE MEETING
January 13, 2011

Minimal Requests for Modernization Grant Funds

PURPOSE OF REPORT

To amend School Facility Program (SFP) regulations to allow school districts to request less than the currently required 101 modernization grants for projects requesting Special Day Class (SDC) grants.

BACKGROUND

School districts have had modernization funding applications denied because they have requested less than the 101 pupil grants required by SFP Regulation Section 1859.79.3. This threshold requires projects requesting SDC grants to be much larger in scope than projects requesting K-12 grants due to SDC classroom loading standards being lower than K-12 loading standards.

According to the Initial Statement of Reasons for the minimum request regulation, submitted to the Office of Administrative Law with the new regulation, the minimum threshold was adopted because it was possible to submit multiple applications of just a few modernization pupil grants each that would allow projects to 1) become eligible for the small size project excessive cost hardship grant and 2) present a scope of work for each application that was so small that it would not require Division of the State Architect (DSA) approval, thereby receiving an early received date by the Office of Public School Construction (OPSC).

The current modernization per-pupil grant amounts and grade level loading standards are listed below:

Grade Level	Per-Pupil Grant (buildings less than 50 years old)	Loading Standard
K-6	\$3,328	25
7-8	\$3,520	27
9-12	\$4,607	27
Non-Severe	\$7,092	13
Severe	\$10,600	9

AUTHORITY

EC Section 17074.16 establishes the 60 percent State share for SFP modernization projects. The board shall only apportion funds to an eligible school district if the project has received DSA approval.

EC Section 17074.25 details the acceptable uses of the modernization grants.

School Facility Program Regulation Section 1859.79.3

“With the exception of Approved Applications that meet the requirements of Section 1859.107(a), districts seeking a Modernization Grant must submit Form SAB 50-04 for at least 101 grants, or the remaining modernization eligibility at the school site if less than 101 grants. Form SAB 50-04 requesting Modernization Grant funds that do not meet the above criteria will not be accepted by the SAB.”

DISCUSSION

Staff believes the regulations unnecessarily exclude all but the largest SDC modernization projects. Since the base grant amounts for an average K-12 four classroom modernization project and an average SDC four classroom project are comparable (see the table below), regulations should be amended to allow a district to request the equivalent of four classrooms worth of SDC modernization grants to meet the minimum threshold; that is, 52 Non-Severe or 36 Severe grants.

Based on a review of statewide modernization eligibility on January 4, 2011, this proposal would make 82 more schoolsites eligible to request modernization SDC grants for base grants worth over \$43 million.

As shown in the following table, the base grant amount for a four classroom project for 7-8, Non-Severe, and Severe grade levels is very close:

Grade Level	Four classroom (CR) project pupils	Four CR project base grant
K-6	100	\$332,800
7-8	108	\$380,160
9-12	108	\$497,556
Non-Severe	52	\$368,784
Severe	36	\$381,600

Current regulations require projects requesting exclusively Non-Severe or Severe grants to be much larger in scope than projects requesting exclusively K-12 grants:

Grade Level	101 pupils	CRs	101 pupil project base grant
K-6	101	between 4 and 5	\$336,128
7-8	101	between 3 and 4	\$355,520
9-12	101	between 3 and 4	\$465,307
Non-Severe	101	between 7 and 8	\$716,292
Severe	101	between 11 and 12	\$1,070,600

Proposed Regulations

Section 1859.79.3 Minimal Requests for Modernization Grant Funds

(a) With the exception of Approved Applications that meet the requirements of Section 1859.107(a), districts seeking a Modernization Grant must submit Form SAB 50-04 for **one of the following:**

(1) at least 52 Non-Severe grants,

(2) at least 36 Severe grants,

(3) at least 101 grants *of any combination,* or

(4) the remaining modernization eligibility at the school site if less than *the grants in (1), (2), or (3).*

(b) Form SAB 50-04 requesting Modernization Grant funds that do not meet the above criteria will not be accepted by the SAB.