

**STATE ALLOCATION BOARD**

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<http://www.dgs.ca.gov/opsc>



**Date:** October 3, 2007

**To:** Interested Parties

**Subject:** **NOTICE OF THE STATE ALLOCATION BOARD  
IMPLEMENTATION COMMITTEE MEETING**

Notice is hereby provided that the State Allocation Board Implementation Committee will hold a meeting on **Friday, October 5, 2007 from 1:30 p.m. to 3:30 p.m.** in the Legislative Office Building located at 1020 "N" Street, Room 100, Sacramento, California. **Please note the change in start time.**

The Implementation Committee's proposed agenda is as follows:

1. Convene Meeting
2. Joint-Use  
*Discussion on proposed regulatory amendments to the Joint-Use Facilities Program.*

Any interested person may present public testimony or comments at this meeting regarding the issues scheduled for discussion. Any public input regarding unscheduled issues should be presented in writing, which may then be scheduled for a future meeting. For additional information, please contact Carrie Richter at (916) 445-3159.

A handwritten signature in cursive script that reads "MaVonne Garrity".

MAVONNE GARRITY, Chairperson  
State Allocation Board Implementation Committee

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STATE ALLOCATION BOARD  
IMPLEMENTATION COMMITTEE

Pending Items List  
October 5, 2007

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A. Future Items

- Potential Proposed Amendments to the Financial Hardship Regulations
- Site Sale Proceeds

*Discussion on proposed regulatory amendments regarding proceeds from the sale of a site funded in whole or part with State funds.*

B. Suspended Items

- Alternative Education Loading Standards and Funding

*Discussion on the loading standards and adequacy of the funding provided for continuation high, community day, and county community day schools under the School Facility Program.*

STATE ALLOCATION BOARD  
IMPLEMENTATION COMMITTEE MEETING  
October 5, 2007

SCHOOL FACILITY PROGRAM JOINT-USE PROJECTS

PURPOSE

To discuss proposed amendments to the SFP Joint-Use Program.

BACKGROUND

At the July and August 2007 State Allocation Board (SAB) meetings, the Board requested Staff to develop proposed amendments to the current SFP joint use regulations. The areas of interest being to change the application filing deadline and clarify non-profit organizations as joint-use partners and program requirements related to the use of local bond measure funds.

DISCUSSION

*Application Filing Period*

The Office of Public School Construction (OPSC) Staff suggest changing the application received date from May 31 of each year, to May 1 for 2008 and March 1 thereafter, for SFP joint-use applications that statute requires be presented to the SAB in July of each year. This extended period would provide applicant districts, as well as Staff, a processing timeframe closer to that of a typical application submitted to the OPSC. Due to the increased participation in the SFP Joint Use Program a more realistic amount of time to process the submitted applications will ensure that each continues to be carefully examined, while providing more time for districts to mitigate any issues that should arise throughout the analysis.

*Bond Language*

Education Code Section 17077.42(c) states that "...the contribution made by a joint-use partner shall be no less than 25 percent of eligible project costs, unless the school district has passed a local bond which specifies that such funds are to be used for the joint-use project..." For your convenience the complete Education Code Article authorizing the SFP Joint Use Program is attached.

It has become apparent that clear cut regulations are needed in order to effectively ensure the local community, school districts and Staff have an objective set of criteria to confirm compliance with this SFP Joint Use program statutory requirement. To provide this guidance for those considering utilizing local bond funds in lieu of the required joint-use partner contribution, Staff proposes the following to clarify what is needed to meet program requirements. The local bond measure approved by the voters contains an acknowledgement that the proceeds will or may be used for both of the following:

- (1) Joint or community use purposes. (The term joint use or community use must be present in the bond language)
- (2) The subject projects. (This must be identified by at least one of two ways. Either the specific facility type requested for the SFP Joint Use project and/or the specific school site.)

*Non-Profit Organizations*

Currently, the SFP Regulations provide a definition of "Non-Profit Organization" as an entity that is organized and operated for purposes of not making profit under the provisions of the Revenue and Taxation Code. The organizational relationships of the Joint-Use Partners, specifically non-profit organizations, and their financial contributions were discussed at the July and August 2007 SAB meetings. Staff provided the Board a review of the joint-use application trend since 2003, which indicates there is an increasing trend for school districts to utilize specifically designated local bond funds toward the entire 50 percent local match, as permitted in statute, relieving the joint-use partner of its financial contribution obligations.

The Board would like to further define non-profit organizations and relationships with the applicant school district for future application cycles. Staff is requesting input through the Committee to develop a proposal.

In addition to these specific areas of interest, Staff presents to the Committee the following topics for discussion as potential modifications to the SFP Joint Use Program.

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### *Joint-Use Project Priorities*

Staff is proposing a change to SFP Regulation Section 1859.126 *Joint-Use Project Funding Priority and Funding Availability*, based upon the authority provided in Education Code Section 17077.45(d). Within each project type under this proposal, applications that have significant Joint-Use Partner contributions toward the local match requirement would receive a higher priority than those with limited Joint-Use Partner contribution and/or utilizing local bond funds for the full 25% partner matching share. For example, if three different school districts have projects with joint-use partner contributions of 50%, 40% and 25% respectively, the application with the 50% contribution will automatically receive a higher priority than the other two. Still no district may receive funding for more than one application before all other districts have at least one approval, in accordance with current regulation. Once this criterion has been met all subsequent applications with the highest joint-use partner contribution will receive a higher priority. Also in accordance with the law, all Type I applications are funded before any Type II applications may receive funding.

### *Application Limits*

Should a limit on the number of projects from any one district be established to encourage wide-ranging participation in the SFP Joint Use Program? Staff is seeking stakeholders input as to if a quota should be considered on the number of Joint Use Applications that may be submitted for the same school district and/or joint use partner during a filing period. This would provide a means to ensure equity within the program and moderate the depletions of funds potentially providing for additional funding cycles. Until the 2007 funding cycle, participant school districts historically received no more than two apportionments per cycle. However, this year two school districts received multiple apportionments: one receiving authorization of six projects and 21 for the other.

### *Teacher Education Facilities*

Should the SFP Regulations define teacher education facilities? Eligible joint use projects under Education Code 17077.40 included construction or reconfiguration of facilities for multipurpose, gymnasium, library, childcare and teacher education. Within the school facilities construction field there is a common understanding of multipurpose, gymnasiums, libraries and childcare facilities. It appears beneficial to clarify teacher education facilities.

### *Final DSA/CDE Approved Plans Adjustments*

Type II projects that are submitted with preliminary plans have one year from the date of the apportionment to submit final DSA and CDE approvals of the plans. Often, when the OPSC receives the final approved plan set, there is a variance in the size of the facility to be constructed. Staff is proposing to clarify in regulation when the final project plans would warrant a decrease in the apportionment that the decrease will occur.

### RECOMMENDATION

Present proposed amendments to the SFP Joint-Use Regulations at an upcoming State Allocation Board Implementation Committee meeting.

## Attachment

17077.40. (a) With funds made available for the purposes of this article, the board may provide a grant to fund joint-use projects to construct facilities on kindergarten to grade 12, inclusive, schoolsites.

(b) A school district may apply to the board for funding under this article for a project that meets any of the following criteria:

(1) The joint-use project is part of an application for new construction funding under this chapter, and will increase the size or extra cost associated with the joint use of the proposed multipurpose room, gymnasium, child care facility, library, or teacher education facility beyond that necessary for school use.

(2) The joint-use project proposes to either reconfigure existing school buildings or construct new school buildings, or both, to provide for a multipurpose room, a gymnasium, a library, a child care facility, or a teacher education facility and the project will be located at a school that does not have the type of facility for which funds are requested or the existing facility is inadequate.

(3) The joint-use project proposes to either reconfigure existing school buildings or construct new school buildings, or both, to provide for facilities to improve pupil academic achievement, and the plans for the facility were accepted for review and approval by the department prior to January 1, 2004.

17077.42. In order to be approved for a grant under this article, the applicant district shall demonstrate that it has complied with all of the following:

(a) The school district has entered into a joint-use agreement with a governmental agency, public community college, public college or public university, or a nonprofit organization approved by the board.

(b) The joint-use agreement specifies the method of sharing capital and operating costs, specifies relative responsibilities for the operation and staffing of the facility, and specifies the manner in which the safety of the pupils will be ensured.

(c) The joint-use agreement specifies the amount of the contribution to be made by the school district and the joint-use partner toward the 50 percent local share of eligible project costs. The contribution made by a joint-use partner shall be no less than 25 percent of eligible project costs, unless the school district has passed a local bond which specifies that such funds are to be used for the joint-use project, in which case the school district may opt to provide up to the full 50 percent local share of eligible costs.

(d) The school district demonstrates that the facility will be used to the maximum extent possible for both school and community purposes, or both school and higher education purposes, as applicable.

(e) (1) The project application qualifies for funding under paragraph (1) of subdivision (b) of Section 17077.40 and the school district has received all approvals necessary for apportionment under this chapter.

(2) The project qualifies for funding under paragraph (2) or (3) of subdivision (b) of Section 17077.40 and the school district has completed preliminary plans for the project and has received State Department of Education approval of the plans.

17077.45. (a) The board shall establish standards for determining the amount of the supplemental grant funding to be made available for each project under this article.

(1) For a project application qualifying for funding under paragraph (1) of subdivision (b) of Section 17077.40, the supplemental grant shall be in the form of an adjustment to the per-pupil eligibility of the project. This per-pupil eligibility adjustment shall be calculated to cover costs associated with the project that are uniquely related to the joint-use nature of the project, including, but not limited to, any increased costs associated with planning the joint-use aspect of the project.

(2) For a project application qualifying under paragraph (2) or (3) of subdivision (b) of Section 17077.40, the supplemental grant may be provided without regard to the existence of per-pupil eligibility pursuant to this chapter, and may be expressed on a per-square-foot cost basis, on a per-pupil cost basis, or on a per-project cost basis.

(b) Notwithstanding any other provision of this chapter, project costs may exceed the board's standards established pursuant to subdivision (a) only if the excess is paid completely by local or joint-use partner sources.

(c) On July 1 of each year the board shall apportion to qualifying applicant school districts those funds that it determines are available for the purpose of this article. The board shall not release funds to a qualifying applicant until the project plans have received all approval required pursuant to this chapter, including, but not limited to, the approval of the Division of the State Architect. If the project does not receive all necessary plan approvals within one year of the date of the apportionment, the board shall rescind the apportionment.

(d) If the total funding for the purposes of this article is not sufficient to fund all of the joint-use projects for funding under this article, the board shall first fund projects eligible under paragraphs (1), (2), and (3) of subdivision (b) of Section 17077.40 in that order. The board may establish other priority standards within that order, as necessary.

(e) Except as expressly provided in this article, projects funded pursuant to this article shall comply with all other requirements of this chapter, except for Article 11 (commencing with Section 17078.10), which shall apply only to projects under this article if they also qualify for funding under Article 11 (commencing with Section 17078.10).