

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 25, 2006

DETERMINATION OF ELIGIBILITY AND RELIEVING OVERCROWDING
UNDER THE SCHOOL FACILITY PROGRAM

PURPOSE OF REPORT

To provide an overview on the determination of new construction eligibility under the School Facility Program (SFP) and an explanation of existing mechanisms that provide eligibility to relieve overcrowding.

DESCRIPTION

At the August 2005 State Allocation Board meeting, the Board requested Staff to provide a primer on the manner in which new construction eligibility is determined under the SFP, including how enrollment is projected and how the existing building capacity is established.

STAFF COMMENTS

Overview of the Determination of Eligibility

The underlying concept behind eligibility for new construction is straightforward. A district must demonstrate, by K to 6, 7 to 8, and 9 to 12 grade levels, that existing seating capacity is insufficient to house the pupils existing and anticipated in the district using a five-year projection of enrollment. If the number of pupils existing and anticipated to be in the district exceeds the existing seating capacity, there are "unhoused pupils," meaning eligibility exists. Once the new construction eligibility is determined, an "eligibility baseline" is created that remains in place as the basis for which grants can be provided by the State for districts to construct facilities to house these pupils, provided the funding application requirements are met. The baseline is adjusted for changes in enrollment and for facilities added. Except for these updates, the establishment of the eligibility baseline is a one-time process.

Options in the Establishment of Eligibility

Districts generally establish eligibility for new construction funding on a district-wide basis. When filing district-wide, eligibility is determined by comparing the current and projected enrollment of the district to the capacity of the entire district. For most districts this is the most beneficial method, and the vast majority of applications are filed in this manner. However, a district may have more eligibility in one or more areas of the district if the applications are made on a High School Attendance Area (HSAA) basis using one or more attendance areas. When filing on a HSAA basis, only the current and projected enrollment of the schools in that attendance area are taken into consideration, not the entire district, and then are compared to the capacity of that attendance area.

A district may file using one high school attendance area, or at the district's option, may combine two or more adjacent HSAs, commonly called a "Super HSAA." In either case, the attendance areas must serve an existing, operating high school, and the district must demonstrate that at least one HSAA has negative eligibility at any grade level. Continuation or proposed high schools may not be used for this purpose. Once a district receives funding using a high school attendance area as the basis of its eligibility, it must continue to file future new construction applications on that basis for five years.

STAFF COMMENTS (cont.)*Process in the Determination of the Eligibility Baseline*

The establishment of the eligibility baseline is a three-step process as follows:

Step One - Enrollment Projection:

The method of projecting enrollment into the future involves using current and historical California Basic Educational Data System (CBEDS) enrollment data for a district or HSAA, as applicable. A district reports CBEDS data to the California Department of Education (CDE). The data collected is projected into the future for five years using a method known as a Cohort Survival Projection Method (Cohort). The Cohort uses previous years' trends of growth to project enrollment. The basic method involves calculating the ratio of the number of students in one grade during one year compared to the number of students who "survive" the year and enroll in the next grade in the following year. Fluctuations in the enrollment from year to year create a pattern from which an average survival rate can be calculated to project future student enrollment. For purposes of projecting enrollment for the SFP, the Office of Public School Construction uses the current enrollment year plus the enrollment from the three previous years and then projects out the enrollment for five years.

When a district is experiencing rapid growth from residential development, it may augment the enrollment projection based on the number of pupils that are anticipated as a result of proposed dwelling units in approved subdivision maps or valid tentative subdivision maps for developments to be located in the district, HSAA, or Super HSAA boundaries. The number of dwelling units that are anticipated to be constructed is then applied to the state-wide average yield factor, or simply put, by the number of pupils that are anticipated to result from the new home, and then added to the projection. In instances when a district believes that the houses in its boundaries generate more pupils per household than the state-wide average yield, it may conduct a student yield study which may result in a yield factor higher than the state-wide average. This yield factor is then applied to the number of proposed dwelling units to supplement the enrollment projection.

Step Two - Calculation of the Existing School Building Capacity:

In order to determine the capacity of a district, HSAA, or Super HSAA, as applicable, five calculations must be made. The district must first complete a gross inventory, by grade level, of all spaces constructed or reconstructed to serve as an area to provide pupil instruction. This gross inventory is then adjusted by certain spaces that are not considered available teaching stations under law or regulation resulting in a net classroom capacity. After the net number of classrooms is determined, districts may then choose one of two options below, referred to as Option A and B, to determine the total number of classrooms that are considered available:

Inventory	Option A	Option B
Classrooms Counted	1. All permanent classrooms	1. All permanent classrooms
	2. Interim housing portables leased > 5 years	2. All portables, excluding all interim housing portables, <i>up to</i> 25 percent of the total number of permanent classrooms.
	3. Portable classrooms leased > 5 years	
	4. Portable classrooms owned by the district	
Classrooms Not Counted	1. State Relocatable Classrooms	1. All portables <i>in excess</i> of 25 percent of the total number of permanent classrooms
	2. Interim housing portables leased < 5 years	
	3. Portable classrooms leased < 5 years	

(Continued on Page Three)

STAFF COMMENTS (cont.)

Option A is typically more beneficial to those districts that have a lot of portables that are considered temporary. Option B is typically more beneficial to districts that have a large amount of portables in the district on a permanent basis. With either option, a district will never have more than 25 percent of the total number of permanent classrooms in portables considered a part of the net classroom capacity.

Once the number of available classrooms has been determined using Option A or Option B, the classrooms remaining in the inventory are then multiplied by a loading factor of 25 for elementary, 27 for middle and high school, 13 for non-severe special day, and 9 for severe special day classrooms to determine the pupil capacity.

A final calculation is made to increase the capacity of the district for either not having a specified number of students enrolled in Multi-Track Year Round Education (MTYRE) or if the district receives MTYRE Operational Grants from the CDE. (A district may request a waiver of the MTYRE requirement from the Waiver and Review Committee of the SAB.) The adjustment made is the greater of:

1. For an elementary or unified district that does not have at least 30 percent of its K to 6 enrollment on MTYRE, six percent of the existing pupil capacity. If the district does meet this requirement, has a waiver, or is a high school district, then the six percent is not applied.
2. The number of Operational Grants the district has most recently received from the CDE.

Step Three - Determination of the Eligibility Baseline:

The existing school building capacity calculated in step two is subtracted from the enrollment projection determined in step one. The number of pupils remaining, if any, are considered "unhoused" for the purposes of the SFP. They represent the district's eligibility for new construction grant entitlement.

Existing mechanisms that provide eligibility and grants to relieve overcrowding

Beyond the Critically Overcrowded Schools Program and the future availability of districts to garner additional eligibility through Alternative Enrollment Projection Methods included within this agenda for Board consideration, there are several eligibility calculations and mechanisms within the SFP that provide eligibility and/or grants to relieve overcrowding in schools, as described below:

HSAA and Super HSAA Eligibility Filing Basis

The ability to file on a HSAA or Super HSAA eligibility filing basis enables a district to generate eligibility within a regionalized or local area. This eligibility filing option is advantageous for a district when the building capacity in one HSAA prevents another from receiving maximum eligibility, or in other words, it enables the district to garner more eligibility to build classrooms where it is most needed. For example, one attendance area may have surplus classroom capacity while another does not have the needed seats to meet the current and projected student enrollment or has a number of schools considered overcrowded. If the district were to file on a district-wide basis, there might be little or no overall eligibility, even though the students in one attendance area are "unhoused" or are in overcrowded schools. In this case, by filing on a HSAA-basis and accounting for all the pupils that are in the overcrowded schools, the eligibility would increase to allow construction of adequate facilities for the unhoused or overcrowded students.

STAFF COMMENTS (cont.)Existing Building Capacity Calculations

As part of the calculation of the existing building capacity as described under Step Two, the following classrooms are not considered adequate classroom capacity:

- Classrooms that are less than 700 square feet in size;
- Trailers;
- Spaces originally constructed for instructional purposes but now used for libraries or administrative purposes;
- Classrooms used exclusively for regional occupational centers, regional occupational programs, child care, preschool and/or Adult Education Programs, and that were built or acquired with funds specifically available for those purposes;
- Classrooms owned but leased to another district;
- Permanent space that is leased less than five years;
- Classrooms acquired with joint-use funds; and,
- Portables that are excluded under Option A or B as described under Step Two of the Calculation of the Existing School Building Capacity above.

These classrooms are not counted in the existing building capacity, and therefore the pupils are artificially unhoused for purposes of the SFP. In other words, eligibility is garnered even though there are pupils housed in those classrooms providing the district with the opportunity to file funding applications to adequately house these same pupils.

Classroom Loading Standards

The classrooms that do remain a part of the existing building capacity are loaded using the State loading factor described above. Unlike the Lease Purchase Program where elementary classrooms were loaded at 29 pupils for grades 1 to 3 and 33 for grades 4 to 6, in the development of the SFP, the loading factor of 25 for each elementary classroom was derived to mitigate the lower loading standards of the Class Size Reduction Program. In many instances, districts also have teacher contracts that allow for the loading of classrooms in 4 to 6 grade levels at a rate of 30-33 students per classroom. As a result, the loading of classrooms not by their actual capacity, but by the use of the averaged K to 6 State loading factor, provides for additional eligibility.

In addition, although many schools in California operate multi-track, year round schedules, the classrooms at MTYRE schools, for purposes of determining the existing building capacity, are not loaded in the manner in which they are utilized. Classrooms, whether at a school on a regular track or on a multi-track, are loaded using the same State loading factor. However, the pupils attending these schools on MTYRE are captured on the district's enrollment, thereby generating eligibility as illustrated in the following example:

Description	District A	District B
Operating Schedule	MTYRE	Regular Track
Current Enrollment	120	100
Projected Enrollment ¹ (Step One)	120	100
Existing Building Capacity (Step Two)	100	100
4 classrooms x 25		
Baseline Eligibility (Step Three)	20	0

¹ Growth rate assumed to be 0%

STAFF COMMENTS (cont.)

The MTYRE school district will have 20 pupils worth of eligibility to construct facilities to eliminate the need for the school to be on MTYRE.

Grants to replace of single-story facilities with multi-story

A funding mechanism that exists to relieve overcrowding is the ability of districts to demolish and replace single-story facilities with multi-story facilities. As long as the district can demonstrate that it is more cost beneficial to replace single-story facilities with multi-story facilities and increase the capacity of the school by the greater of 20 percent of the existing enrollment of the school or 200 pupils, a district can request State funding for the costs to demolish the existing single-story facilities and for the costs to replace them with multi-story facilities using eligibility only for the increased capacity added to the school site. In this instance, a district must have some eligibility to support the increased capacity.

Although the regulations for this additional grant were approved by the Office of Administrative Law in July 2001, the opportunity remains underutilized as only two districts have been funded under this provision of the regulations.

The SAB administers the SFP under statute and regulation which prescribe the manner in which eligibility is established for qualified school districts. While there are a number of ways in which eligibility is garnered to assist districts in relieving overcrowding, there are some issues in relieving overcrowding that cannot be rectified under current law. Any possible additional solutions that may further address overcrowding must be accomplished through legislation.

RECOMMENDATION

Accept this report.

This report was accepted by the State Allocation Board on January 25, 2006.