

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, February 28, 2007

HIGH PERFORMANCE SCHOOLS INCENTIVE GRANT

PURPOSE OF REPORT

To present an update on the proposal made by Global Green, USA regarding the high performance schools incentive grant.

BACKGROUND

The High Performance Grant (HPG)

Staff presented two options to the State Allocation Board (SAB) for its consideration at the September 2006 meeting to determine the high performance schools incentive grant. The Board approved regulations providing an additional percentage increase to the base grant, based on a High Performance Rating Criteria (HPRC) that is intended to cover all the upfront costs of designing, purchasing, and constructing high performance measures in schools. The upfront costs used to determine the proposed grant are partially based on data analyzed by the California Energy Commission and the Division of the State Architect (DSA). At this meeting, Global Green, USA requested the Board to consider its proposal (summarized below). The Board requested Staff to review the issue and report back at a future SAB meeting.

Global Green, USA Proposal

Global Green, USA proposes an additional incentive grant of \$50,000 above the approved funding for meeting any one of seven specific high performance criteria. The \$50,000 grant would be awarded in each of the following categories:

1. Superior indoor air quality
2. Superior day lighting
3. Excellent acoustical performance
4. Renewable energy installation
5. Enhanced commissioning
6. Edible gardens
7. Participation in the California Climate Action Registry (CCAR).

A district could therefore conceivably meet all seven high performance criteria and receive an additional \$350,000 in incentive grants. Global Green, USA contends that the proposal would cover some of the cost of items that may impact at least two of the three following criteria: 1) improved student performance; 2) reduction in long-term operating costs; and 3) enhanced environmental benefits.

STAFF COMMENTS

Staff created a high performance work group to discuss the Global Green, USA incentives presented to the SAB for consideration. It was the intention of the high performance work group to have the entire upfront costs covered by the district and the State. The majority of the work group was concerned that the first five categories in the Global Green, USA proposal already earn HPRC points. Adding the \$50,000 supplemental increase would provide additional funding for costs that are already covered by the current incentive grant. Further, Category 6, the edible garden, would have nutritional benefits for the children; however, it does not appear to be a component of high performance. Lastly, Category 7, participation in the CCAR, has two cost categories, the membership fee and certification, and both are annual costs. Costs such as these are generally considered operational costs and should come out of a district's operational budget. To date, the Collaborative for High Performance Schools (CHPS) does not include categories 6 and 7 in the CHPS certification.

STAFF COMMENTS (cont.)

Staff consulted with legal counsel to determine if the legislation would allow the additional \$50,000 incentive to build superior high performing green schools. Counsel opined that the Board-approved regulations provide an incentive and meet the guidelines of the current legislation. While there is nothing in the legislation that would prohibit the additional incentive of \$50,000 for each of the seven specific categories proposed by Global Green, USA; this proposal does not appear to be necessary because, based on the best cost data available, at this time the entire costs are included in the existing grant as approved by the SAB.

Staff and the DSA will monitor data received from districts requesting the high performance schools incentive grant. The data collected from the participants will be analyzed to determine the following:

- The rate of participation from districts that include high performance as a part of a project.
- Whether the current percentage increase to the base grant covers the upfront costs of designing, purchasing, and constructing high performance measures in schools.
- If an adjustment to the high performance schools incentive grant is needed.

RECOMMENDATION

Accept this report.

BOARD ACTION

The Board requested Staff to bring this Item back to the March State Allocation Board meeting so that relevant follow-up issues can be explored. The Board asked what was meant by the terms "Enhanced Commissioning" and "Edible Gardens," which was read into the record. In addition, the Board requested Staff to research additional information concerning the California Climate Action Registry in light of the Governor's recent meeting related to the registry for global warming.