

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, July 25, 2007

SCHOOL FACILITY PROGRAM JOINT-USE PROJECTS

PURPOSE OF REPORT

To present requests for funding under the School Facility Program (SFP) Joint-Use Program.

DESCRIPTION

Under the SFP Joint-Use Program, a school district may partner with a local entity to build either a Type I or Type II facility.

- A Type I facility is a joint-use project that is a part of a qualifying SFP new construction project and is constructed under the Joint-Use Program. The proposed facility consists of an increased square footage amount and/or an increase in eligible costs that are greater than that applied to a standard project under the SFP. The joint-use project may consist of a multipurpose room, gymnasium, childcare facility, library, or teacher education facility that is part of a new construction project.
- A Type II facility allows for the construction of new joint-use facilities or the reconfiguration of existing school buildings to provide for a multipurpose room, gymnasium, childcare facility, library, or teacher education facility.

A district may submit more than one application for each type of project; however, after its first application is placed on a funding priority list in date-received order, its subsequent applications are not placed on the priority for funding list until all other districts' initial applications are placed on the list. This allows all districts that have applied the opportunity to receive funding under the Joint-Use Program. In addition, Type I applications receive funding consideration first and then Type II applications are considered, if remaining funds are available. Applications not apportioned due to the funding priority mechanism shall be returned to the district and may be re-submitted in subsequent filing periods when funds become available.

A financial contribution toward the cost of the joint-use project must be equal to the State's share (50/50). The contribution made by the joint-use partner(s) must be no less than 25 percent of the eligible project costs. The remaining local contribution may come from any other district source that would not otherwise be available to the State Allocation Board (SAB). However, if the school district has passed a local bond which specifies that such funds are to be used for that joint-use project, then the school district may opt to provide up to the full 50 percent local share of eligible costs. The State share of a joint-use project will be 50 percent of the eligible project costs not to exceed \$1 million if the project is serving an elementary school, \$1.5 million if the project is serving a middle school, or \$2 million if the project is serving a high school.

STAFF COMMENTS

EC Section 101012 (a)(6) provides \$29 million dollars from Proposition 1D for the purposes set forth in EC Section 17077.40 relating to joint-use projects. In addition to these funds, at the June 2007 SAB meeting, the Board approved a transfer of \$21 million from prior authorized bond funding to the 2006 State School Facilities Fund for joint-use purposes for a total amount of \$50 million available for this funding cycle. The total amount available currently, including project rescissions and close-outs, is \$52.3 million .

The SFP Joint-Use Program application filing period was June 1, 2006 through May 31, 2007 for projects to be considered for funding. The Office of Public School Construction (OPSC) received 68 applications of which 39 projects have been determined to be qualified for SFP joint-use funding and listed on the Attachment in priority order. These projects are eligible for SAB approval in accordance with the provisions of Education Code (EC) Section 17077.40. The 29 applications deemed ineligible were from eight districts.

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STAFF COMMENTS (cont.)

A significant number of the ineligible applications included districts opting to provide up to the full 50 percent local share of eligible costs through the use of a local bond in lieu of the joint-use partner(s) contribution requirement. This is permissible but only when the local bond specifies that the bond funds can be used for that joint-use project. In 2006, while addressing an issue that arose with a previous joint use applicant school district, the SAB legal counsel opined a district's local bond language must contain specific information in order to validate that the bond funds were intended for that particular joint-use project, as follows:

- Identify the type of facility being constructed;
- Identify the site where the Joint-Use project will be located; and
- Acknowledge that the facility will be used for community and/or joint-use purposes outside of normal school usage.

After obtaining this information from counsel in the Fall of 2006, the OPSC proactively advised stakeholders of the clarification of the original statutory requirements through the OPSC Advisory Action publications, in addition to various other documents located on the OPSC website such as the Frequently Asked Questions for the Joint-Use Program. However, with this new policy, an unusually large number of applications were found to be ineligible solely due to insufficient detail in local bond language. Staff is exploring options for resolving what appears to be an overly prescriptive policy. Staff intends to report back at the August Board meeting.

This problem is also, in part, a product of an inadequate timeframe to process applications. The SFP Regulations stipulate a May 31 filing date and the law requires qualified projects be presented to the SAB in July. The OPSC Staff believes that it would be beneficial for both school districts and Staff to provide additional processing time. Accordingly, Staff recommends that it prepare regulatory amendments to move the filing date to March 1 of each year to correct this problem.

RECOMMENDATIONS

1. Apportion \$32,612,825 as shown on the Attachment.
2. Direct Staff to resolve the status of the 18 applications in the amount of \$16,346,599, that were disqualified solely due to this new policy.
3. Direct Staff to return with proposed amendments to the regulations to move the joint-use filing date to March 1 of each year.

BOARD ACTION

In considering this Item, the Board approved the Staff's Recommendation No. 1 to fund the Joint-Use projects on the attachment with the exception of Roseland Elementary School District, which was held over to the August State Allocation Board meeting without prejudice.

The Board requested Staff to return in August with recommendations on the 18 applications disqualified due to new policy related to local bond language.

The Board requested Staff to prepare and distribute to the members information regarding the current Joint-Use Program statutes and regulations.

ATTACHMENT

**SCHOOL FACILITY PROGRAM JOINT-USE PROJECTS
State Allocation Board Meeting, July 25, 2007**

County	School District	Site Name	Application Number	Type of Facility	Joint Use Partner	Joint Use Type	Grade Level	Project Cost				
								Total Estimated Cost	Joint Use Partner Share	District Share	*Additional District/ Partner Contribution	**State Apportionment
Sacramento	Folsom-Cordova USD	Vista Del Lago High	52/67330-21-001	Library	City of Folsom	1	9-12	\$3,446,758	\$861,690	\$861,690	\$0	\$1,723,378
San Joaquin	Manteca Unified	Lathrop High School	52/68593-00-004	Gymnasium	City of Lathrop	1	9-12	\$9,995,036	\$1,000,000	\$1,000,000	\$5,995,036	\$2,000,000
San Luis Obispo	Cayucos Elementary	Cayucos Elementary	52/68726-00-004	Multipurpose	County of San Luis Obispo	1	K-8	\$1,531,994	\$0	\$765,997	\$0	\$765,997
Contra Costa	Pittsburg Unified	Marina Elementary	52/61788-00-001	Multipurpose	City of Pittsburg	1	K-5	\$3,793,348	\$1,000,000	\$0	\$1,793,348	\$1,000,000
Alameda	Hayward USD	Burbank Elementary	52/61192-00-001	Multipurpose	Hayward Recreation and Park District	1	K-6	\$1,676,206	\$838,103	\$0	\$0	\$838,103
Merced	Los Banos Unified	Los Banos High	52/65755-00-001	Gymnasium	City of Los Banos	1	9-12	\$4,769,962	\$2,000,000	\$0	\$769,962	\$2,000,000
Shasta	Pacheco Union Elementary	Pacheco Elementary	52/70094-00-001	Gymnasium	City of Redding, City of Shasta, etc.	2	4-8	\$2,402,646	\$1,201,323	\$0	\$0	\$1,201,323
Los Angeles	Arcadia Unified	Foothills Middle	52/64261-00-002	Gymnasium ¹	City of Arcadia	2	6-8	\$3,631,306	\$750,000	\$750,000	\$631,306	\$1,500,000
Sutter	Franklin Elementary	Franklin Elementary	52/71381-00-001	Multipurpose	City of Yuba City	2	K-8	\$1,476,988	\$0	\$738,499	\$0	\$738,499
San Luis Obispo	Cayucos Elementary	Cayucos Elementary	52/68726-00-003	Library	County of San Luis Obispo	2	K-8	\$267,942	\$0	\$133,971	\$0	\$133,971
Fresno	Kings Canyon Joint USD	Jefferson Elementary	52/62265-00-005	Multipurpose	City of Reedley	2	K-5	\$1,427,132	\$0	\$713,566	\$0	\$713,566
Sonoma	Roseland Elementary	Roseland Elementary	52/70904-00-001	Library	Roseland Charter School	2	K-6	\$808,214	\$404,107	\$0	\$0	\$404,107
San Diego	Santee Elementary	Carlton Oaks Elem	52/68361-00-009	Library	Santee School District Foundation	2	K-8	\$1,029,664	\$0	\$514,832	\$0	\$514,832
Monterey	Gonzales Unified	Fairview Middle	52/75473-00-001	Gymnasium	City of Gonzales	2	5-8	\$3,142,114	\$750,000	\$750,000	\$142,114	\$1,500,000
Madera	Bass Lake Joint Union Elem	Wasuma Elementary	52/65185-00-002	Gymnasium	Educational Enhancement Foundation	2	K-8	\$3,119,074	\$0	\$1,000,000	\$1,199,074	\$1,000,000
San Bern.	Adelanto Elementary	Mesa Linda Middle	52/67587-00-001	Gymnasium ¹	City of Victorville	2	6-8	\$2,903,244	\$725,811	\$725,811	\$0	\$1,451,622
Los Angeles	Mountain View Elementary	Kranz Intermediate	52/64816-00-001	Gymnasium ¹	City of El Monte	2	7-8	\$4,982,858	\$750,000	\$750,000	\$1,982,858	\$1,500,000
Yolo	Winters Joint Unified	Winters High	52/72702-00-001	Library	City of Winters & County of Yolo	2	9-12	\$1,176,064	\$294,016	\$294,016	\$0	\$588,032
Kern	Vineland Elementary	Sunset Middle	52/63834-00-001	Gymnasium	Kern County Wrestling Association	2	5-8	\$2,453,982	\$0	\$1,226,991	\$0	\$1,226,991
Los Angeles	Bassett Unified	Torch Middle	52/64295-00-001	Gymnasium	City of Industry	2	6-8	\$3,276,188	\$0	\$1,500,000	\$267,188	\$1,500,000
Riverside	Lake Elsinore Unified	Terra Cotta Junior High	52/75176-00-001	Gymnasium ¹	City of Lake Elsinore	2	6-8	\$5,777,802	\$750,000	\$750,000	\$2,777,802	\$1,500,000
Alameda	New Haven Unified	James Logan High	52/61242-00-001	Child Care ¹	Kidango	2	9-12	\$966,644	\$0	\$483,322	\$0	\$483,322
Lake	Konocti Unified	Pomo Elementary	52/64022-00-008	Library ¹	City of Clearlake	2	K-6	\$474,212	\$0	\$237,106	\$0	\$237,106
San Diego	Santee Elementary	Rio Seco Elementary	52/68361-00-010	Library	Santee School District Foundation	2	K-8	\$1,018,306	\$0	\$509,153	\$0	\$509,153
Lake	Konocti Unified	Lower Lake Elementary	52/64022-00-009	Library	County of Lake	2	K-6	\$743,306	\$0	\$371,653	\$0	\$371,653
Fresno	Kings Canyon Joint USD	General Grant Middle	52/62265-00-003	Gymnasium	City of Reedley	2	7-8	\$2,745,514	\$0	\$1,372,757	\$0	\$1,372,757
San Diego	Santee Elementary	Hill Creek Elementary	52/68361-00-011	Library	Santee School District Foundation	2	K-8	\$1,014,280	\$0	\$507,140	\$0	\$507,140
Fresno	Kings Canyon Joint USD	Riverview Elementary	52/62265-00-004	Multipurpose	City of Reedley	2	K-8	\$1,808,324	\$0	\$904,162	\$0	\$904,162
San Diego	Santee Elementary	Pepper Drive Elementary	52/68361-00-017	Teacher Ed. ¹	Santee School District Foundation	2	K-8	\$692,842	\$0	\$346,421	\$0	\$346,421
Fresno	Kings Canyon Joint USD	Reedley High	52/62265-00-001	Library ¹	City of Reedley	2	9-12	\$3,002,776	\$0	\$1,501,388	\$0	\$1,501,388
San Diego	Santee Elementary	Sycamore Canyon Elementary	52/68361-00-015	Teacher Ed. ¹	Santee School District Foundation	2	K-6	\$692,842	\$0	\$346,421	\$0	\$346,421
San Diego	Santee Elementary	Prospect Ave. Elementary	52/68361-00-016	Teacher Ed. ¹	Santee School District Foundation	2	K-8	\$692,842	\$0	\$346,421	\$0	\$346,421
San Diego	Santee Elementary	Cajon Park Elementary	52/68361-00-018	Teacher Ed. ¹	Santee School District Foundation	2	K-8	\$604,082	\$0	\$302,041	\$0	\$302,041
San Diego	Santee Elementary	Rio Seco Elementary	52/68361-00-020	Teacher Ed. ¹	Santee School District Foundation	2	K-8	\$604,082	\$0	\$302,041	\$0	\$302,041
San Diego	Santee Elementary	Carlton Hills Elementary	52/68361-00-021	Teacher Ed. ¹	Santee School District Foundation	2	K-8	\$604,082	\$0	\$302,041	\$0	\$302,041
San Diego	Santee Elementary	Carlton Oaks Elementary	52/68361-00-019	Teacher Ed. ¹	Santee School District Foundation	2	K-8	\$604,082	\$0	\$302,041	\$0	\$302,041
San Diego	Santee Elementary	Hill Creek Elementary	52/68361-00-022	Teacher Ed. ¹	Santee School District Foundation	2	K-8	\$604,082	\$0	\$302,041	\$0	\$302,041
San Diego	Santee Elementary	Sycamore Canyon Elementary	52/68361-00-026	Library	Santee School District Foundation	2	K-6	\$452,270	\$0	\$226,135	\$0	\$226,135
San Diego	Santee Elementary	Harritt Elementary	52/68361-00-023	Teacher Ed. ¹	Santee School District Foundation	2	K-8	\$300,240	\$0	\$150,120	\$0	\$150,120
Total												\$32,612,825

* Any additional financial contributions can be made by the Joint-Use partner(s), the district or any other local source.

** The State Apportionment has a maximum cap of \$1,000,000 for an elementary school, \$1,500,000 for a middle school, and \$2,000,000 for a high school.

1. The District is not building Minimum Essential Facilities; however, the CDE has approved the reduced square footage.

2. Pending verification of addendum to agreement designating the school district ownership of the building.