

# **STATE ALLOCATION BOARD AGENDA**

**Meeting Date: January 23, 2013**

**State Capitol  
Room 447  
4:00 p.m.**

**Revision date: 01/18/2013**

**Executive Officer Statement – Insert p. 17/17a**

**Tab 10 – Replace pp. 212 – 216**

**Tab 12 – Insert pp. 232 - 237**

Thank you,

Ron Koepl  
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EXECUTIVE OFFICER STATEMENT  
State Allocation Board Meeting, January 23, 2013

**30-DAY PRIORITY FUNDING REQUEST PERIOD OPEN**

A new 30-day priority funding request filing period began on Wednesday, January 9 and **ends on Thursday, February 7, 2013**. All previously-submitted requests expired on January 8, 2013. School districts and charter schools that have not received an apportionment must submit new requests to be eligible to receive priority funding apportionments for projects on the Unfunded List (Lack of AB 55 Loans).

As a reminder, projects that receive an approval for placement on the Unfunded List (Lack of AB 55 Loans) at today's Board meeting are also eligible to participate. Requests with original signatures must be physically received by the Office of Public School Construction (OPSC) before 5:00 PM on **Thursday, February 7, 2013**. The new requests will be valid through June 30, 2013. For more information, please see the "Procedures for School Facility Program [SFP] Funding": [http://www.documents.dgs.ca.gov/opsc/Attachments/PIF\\_Procedures\\_7-27-11.pdf](http://www.documents.dgs.ca.gov/opsc/Attachments/PIF_Procedures_7-27-11.pdf).

**FUND RELEASES FOR PRIORITY FUNDING APPORIONMENTS**

*December 12, 2012 Apportionments*

The Board approved \$383.8 million in priority funding apportionments for 196 apportionments. As of January 11, 2013, Staff has received Forms SAB 50-05 for approximately \$111.3 million that represents 58 projects. Approximately \$49.5 million has been released for 24 projects.

Districts that received a priority funding apportionment on December 12, 2012 must complete a Form SAB 50-05 containing an original signature, and submit it to the OPSC by **Tuesday, March 12, 2013**. If the Form SAB 50-05 is not physically received at the OPSC by 5:00 PM on Tuesday, March 12, 2013, the project will be rescinded without further Board action and will return to the Unfunded List (Lack of AB 55 Loans) with a new approval date of March 12, 2013.

**OVERCROWDING RELIEF GRANT**

*10<sup>th</sup> Cycle Unfunded Approvals*

In today's Consent agenda, Staff is presenting 22 applications for \$110.2 million for unfunded approval and placement on the Unfunded List (Lack of AB 55 Loans) as part of the tenth cycle of Overcrowding Relief Grant (ORG) funding. Once the tenth cycle applications are approved in today's Consent agenda, there will be approximately \$112.7 million in remaining bond authority for the 11<sup>th</sup> funding cycle.

*11<sup>th</sup> Funding Cycle Application Filing Deadline*

For those districts interested in pursuing ORG funding, please note that the final application filing deadline for the 11th cycle of ORG funding is 5:00 PM on **Thursday, January 31, 2013**. We would like to encourage school districts to contact our office if they have any questions or need assistance in submitting a funding request.

**GOVERNOR'S PROPOSED BUDGET - OPSC STAFF POSITION REDUCTIONS**

On January 10, 2013, the Governor's proposed budget for Fiscal Year 2013-2014 was released. The budget proposes a decrease to the OPSC budget of "...\$1.6 million state bond funds and 20 positions to align administrative resources with expected workload for the School Facilities Program."

## EXECUTIVE OFFICER STATEMENT (cont.)

### **LABOR COMPLIANCE PROGRAM REGULATIONS IN EFFECT**

On December 31, 2012, SFP emergency regulations that clarify the Labor Compliance Program (LCP) “written finding” requirement specified in the Labor Code went into effect. The regulations provide criteria for districts to receive Proposition 47 or 55 bond funding in cases where a district initiated and enforced an LCP **after** the construction contract was awarded for the project. The emergency regulations apply to projects with construction contracts awarded prior to January 1, 2012 (because different criteria became effective for projects with construction contracts awarded on or after January 1, 2012). Districts are encouraged to contact the OPSC with any questions: [www.dgs.ca.gov/opsc/AboutUs/PMList.aspx](http://www.dgs.ca.gov/opsc/AboutUs/PMList.aspx)

### **BOARD-ACKNOWLEDGED APPLICATIONS RECEIVED BEYOND AUTHORITY LIST**

On November 1, 2012, amendments to the SFP regulations that establish “Applications Received Beyond Authority List” became effective. The regulations provide a new process for accepting and tracking SFP eligibility and funding applications when there is insufficient school bond authority remaining. Applications received starting November 1, 2012 that exceed the available bond authority have been placed on this list.

Staff is presenting the “Applications Received Beyond Authority List” in the Information section (starting on page 267) of today’s agenda. For additional information, districts may contact their OPSC project manager: [www.dgs.ca.gov/opsc/AboutUs/PMList.aspx](http://www.dgs.ca.gov/opsc/AboutUs/PMList.aspx)

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, January 23, 2013

SCHOOL FACILITY PROGRAM REGULATORY AMENDMENTS

PURPOSE OF REPORT

To present proposed regulatory amendments to the School Facility Program (SFP) regulations to provide a mechanism for the State Allocation Board (Board) to rescind the unfunded approval for applications that do not participate in the priority funding process.

DESCRIPTION

At the October 24, 2012 meeting, Staff presented the Board options for advancing applications that are currently on the Unfunded List (Lack of AB 55 Loans). From here forward, this list will be referred to as the list of unfunded approvals. The options were focused on applications that have not participated in the last two or more priority funding request periods. The Board directed Staff to draft regulations that provide a mechanism to rescind the unfunded approval for certain applications that do not participate in the priority funding process.

The proposed amendments to the SFP Regulations in Attachment A provide a method for rescinding any new construction or modernization project for which a district bypasses more than one priority funding request period.

AUTHORITY

See Attachment B.

BACKGROUND

*History of the Priority Funding Process*

The Board established the priority funding process in May 2010 and has held five priority funding request periods to date. The purpose of the priority funding process is to expedite the apportionment and fund release process for construction-ready projects by reducing the time limit on fund release requests to 90 days. Previously, districts were allowed the statutory maximum of 18 months to request a fund release. For each priority funding round, Staff compiles a complete list of applications from districts that have elected to participate and are able to submit the fund release request within 90 days of apportionment. Once all of the requests to participate have been processed, the Board provides apportionments to projects on the list of unfunded approvals up to the amount of cash available. While the priority funding process has been very successful, not all applicants on the list of unfunded approvals have chosen to participate.

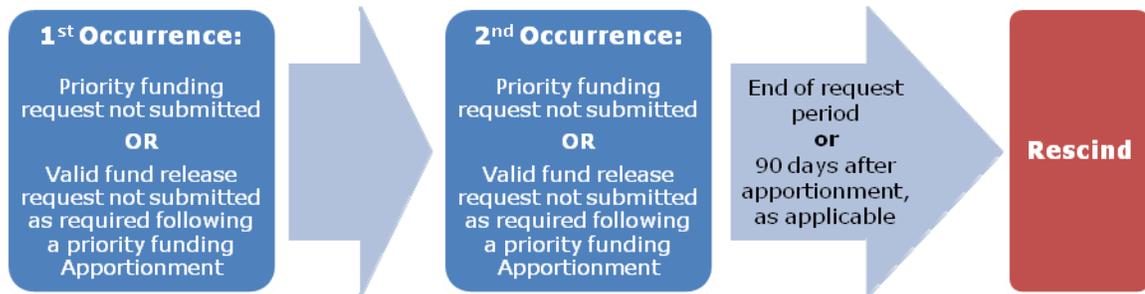
At the October 24, 2012 meeting, the Board discussed options to promote activity on the list of unfunded approvals. The Board approved a motion to develop regulations allowing school districts with new construction and modernization projects to pass on participating in the priority funding process one time, meaning either abstaining from submitting a request to participate in priority funding, or failing to submit a valid fund release request within 90 days after receiving a priority funding apportionment. The Board also specified that the new regulations would not apply to Career Technical Education Facilities Program (CTEFP) and Charter School Facilities Program (CSFP) applications.

STAFF ANALYSIS/STATEMENTS

Based on the direction provided by the Board, Staff has drafted proposed regulations to specify the number of times that a district can decline to participate in the priority funding process.

*Proposed Regulatory Amendments*

The proposed SFP regulatory amendments shown in Attachment A provide a method for rescinding new construction and modernization applications that have bypassed a priority funding request period or have failed to meet the 90-day fund release request deadline for a priority funding apportionment more than once. In essence, for a particular project, districts are only allowed to “pass” the priority funding process once by either bypassing a priority funding request period, or failing to meet the 90-day fund release request deadline for a priority funding apportionment. The next time a district “passes” the process, the project will be removed from the list of unfunded approvals and/or the priority funding apportionment will be rescinded, as applicable. The rescinded application will not be placed on the Unfunded List or Applications Received Beyond Bond Authority List. Instead, the application will be returned to the district. The district would need to submit a new application to be considered for placement on the Applications Received Beyond Bond Authority List. The following chart illustrates the process:



The proposed SFP regulatory amendments provide an alternative definition of the term *rescission* for projects from specified programs that “pass” on the priority funding process more than once. The amendments provide for a complete project rescission such that an application is returned to the district and bond authority previously allocated to a project is returned to its respective program for allocation to the next eligible SFP application. The applicable new construction or modernization eligibility is reinstated to the district’s baseline for applications that are rescinded.

The attached regulations are structured so that applications receiving an apportionment and that fail to meet the fund release request deadline are classified the same as applications that have bypassed a funding request period. If a district fails to meet the fund release requirement on a priority funding apportionment, it would be required to submit a priority funding request for each subsequent request period until an apportionment is awarded. Failure to submit a valid Form SAB 50-05 after an apportionment is awarded a second time would also result in the rescission of the apportionment and the unfunded approval. When the unfunded approval is rescinded, the application is removed from the list of unfunded approvals and returned to the district.

For the purposes of the regulation, counting the number of times a district “passes” on the priority funding process for a project would only start with the next priority funding request period that occurs after the regulations become effective. Failing to submit a valid fund release or not requesting to participate in a priority funding round before the effective date of the regulations would not be counted against an application.

(Continued on Page Three)

STAFF ANALYSIS/STATEMENTS (cont.)

*Applicable Programs*

At the October 24, 2012 meeting, the Board directed Staff to draft regulatory amendments that would apply to the new construction and modernization programs. The Board specifically excluded the CSFP and the CTEFP from the regulation amendments. These programs work on different timelines than standard new construction and modernization programs. Therefore, the proposed new SFP Regulation Section 1859.90.3 specifically states that it applies only to the SFP new construction, modernization, Facility Hardship and Facility Hardship rehabilitation programs, and excludes the CSFP and CTEFP.

RECOMMENDATIONS

1. Approve the regulatory amendments presented in Attachment A.
2. Authorize the Executive Officer to file the regulations on an emergency basis with the Office of Administrative Law.

## Section 1859.51. Adjustments to the New Construction Baseline Eligibility.

The baseline eligibility for new construction determined on the Form SAB 50-03, will be adjusted as follows:

- (a) Reduced by the number of pupils provided grants in a new construction SFP project and by the number of pupils that received a Preliminary Apportionment pursuant to Section 1859.140 or a Preliminary Charter School Apportionment pursuant to Section 1859.162.2.
- (b) Reduced by the number of pupils housed, based on the loading standards pursuant to Education Code Section 17071.25(a)(2)(A), in a new construction LPP project funded under the provisions of the LPP pursuant to Sections 1859.12 or 1859.13.
- (c) Reduced by the number of pupils housed in additional classrooms constructed or purchased based on the loading standards, pursuant to Education Code Section 17071.25(a)(2)(A), in a modernization SFP project.
- (d) Adjusted as a result of the audit findings made pursuant to Sections 1859.90, 1859.90.3 and 1859.105.

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Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17052, 17070.51, 17071.25, 17071.75, 17071.76, 17072.20, 17077.40, 17078.72, 17079.20, 42268, and 42270, Education Code.

## Section 1859.61. Adjustments to the Modernization Baseline Eligibility.

The baseline eligibility for modernization as provided in Section 1859.60 for a specific site will be adjusted as follows:

- (a) Reduced by the number of pupils provided grants in a modernization SFP project or a CSFP Rehabilitation project at the specific site.
- (b) Reduced by the number of pupils housed, based on the loading standards pursuant to Education Code Section 17071.25(a)(2), in a modernization LPP project funded under the LPP pursuant to Sections 1859.14 and 1859.15.
- (c) Increased by changes in projected enrollment in subsequent enrollment reporting years.
- (d) Increased for additional facilities not previously modernized with State funds, that become 25 years old, if permanent, or 20 years old, if portable or as a result of audit findings made pursuant to Sections 1859.90, 1859.90.3, and 1859.105.

....

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.51, 17071.25, 17072.15, 17072.20, 17073.15, 17074.10, 17075.10 and 17079.30, Education Code.

## Section 1859.90.2. Priority Funding Process.

The priority funding process allows the Board to distribute available funds to districts or charter schools that request, pursuant to (a) or (b) below, as applicable, an Apportionment or an advance release of funds from a Preliminary Apportionment or Preliminary Charter School Apportionment, during specific 30-calendar day filing periods beginning with July 27, 2011 and continuing with the 2nd Wednesday of January and the 2nd Wednesday of July of 2012. Requests submitted during the filing periods described above are valid until the next filing period begins. The specific 30-calendar day filing periods subsequent to 2012 begin with January 9, 2013 and continue with the 2nd Wednesday of May and the 2nd Wednesday of November, each calendar year. Requests submitted during the filing period beginning with January 9,

## ATTACHMENT A

2013 are valid until June 30, 2013. Requests submitted during a filing period beginning with the 2nd Wednesday of May are valid from July 1 until December 31 of that year. Requests submitted during a filing period beginning with the 2nd Wednesday in November are valid from January 1 until June 30 of the following year. Requests must be physically received by the OPSC by the 30th calendar day of each filing period to be considered valid.

~~During the priority funding process a district or charter school must submit a valid, original signature copy of the Form SAB 50-05 within a specified time period of the Apportionment or approved advance release of funds request, pursuant to (a)(2) or (b)(2) of this section, as applicable.~~

~~Projects receiving an apportionment as part of the priority funding process for which the OPSC does not physically receive a valid, original signature copy of the Form SAB 50-05 within the time limit pursuant to (a)(2) or (b)(2) of this section, as applicable, shall be rescinded without further Board action.~~

- (a) In order to be considered for an Apportionment, approved advance release of design funds from a Preliminary Charter School Apportionment, or approved advance release of environmental hardship site acquisition funds from a Preliminary Apportionment, the district or charter school must provide a priority funding request in the form of a written statement signed by an authorized representative that includes each of the project application numbers, and the type of apportionment request (e.g., Apportionment, separate apportionment for design or site acquisition), within the 30-calendar day filing period, and shall contain all of the following:
  - (1) Statement that the request is to convert the unfunded approval to an Apportionment or to receive an approved advance release of funds; and
  - (2) Acknowledgement that a valid, original signature Form SAB 50-05 must be submitted and physically received by the OPSC within 90 calendar days of Apportionment or approved advance release of funds request and that failure to do so will result in the rescission of the Apportionment or approved advance release of funds request without further Board action; and
  - (3) Acknowledgement that, if the district submits the Form SAB 50-05 on or after July 1, 2013 and is required to submit an LCP third party report, pursuant to Section 1859.97(b), the report will be submitted to the OPSC and the DIR at least 60 days prior to submitting the Form SAB 50-05; and
  - (4) For those receiving an Apportionment, acknowledgement that by participating in the priority funding process, the district or charter school is waiving its right to the 18 month timeline for fund release submittal described in Section 1859.90.
- (b) In order to be considered for an approved advance release of site acquisition funds from a Preliminary Charter School Apportionment, the district or charter school must provide a priority funding request in the form of a written statement signed by an authorized representative within the 30-calendar day filing period, and shall contain all of the following:
  - (1) Statement that the request is to convert the advance release of funds to an approved advance release of funds request; and,
  - (2) Acknowledgement that a valid, original signature Form SAB 50-05 must be submitted and physically received by the OPSC within 180 calendar days of the approved advance release of funds request and that failure to do so will result in the rescission of the approved advance release of funds request without further Board action; and
  - (3) Acknowledgement that it must provide evidence that it has entered into the Charter School Agreements within 90 calendar days of approval of the advance release of funds request and that failure to do so will result in the rescission of the approval without further Board action.
- (c) If a district or charter school receives an Apportionment or approved advance release of funds request through the priority funding process, the OPSC must receive a valid, original signature copy of the Form SAB 50-05 within the specified time period, pursuant to (a)(2) or (b)(2) as applicable. If the OPSC does not receive a valid, original signature copy of the Form SAB 50-05 within the time period:
  - (1) The priority funding Apportionment or approved advance release of funds request shall be rescinded without further Board action, and
  - (2) If the application is not subject to rescission pursuant to Section 1859.90.3(b) as defined in Section 1859.90.3(c), the application shall return to the Unfunded List (Lack of AB 55 Loans) with a new unfunded approval date that is 90 calendar days from the date of Apportionment or approval of the advance release of funds request.
- (d) In the event that the amount of requests received during a specific 30-calendar day filing period exceeds the funds available, the Board shall apportion based on the unfunded approval date and the application received date up to the available cash from each bond source. Projects that have requested to participate in the priority funding process for

## ATTACHMENT A

(Rev. 1)

which an Apportionment cannot be provided shall retain their date order position on the Unfunded List (Lack of AB 55 Loans). Requests not converted to apportionments will not be returned to the district or kept by the Office of Public School Construction (OPSC).

- (e) For purposes of this section “rescinded” or “rescission” shall mean that the apportionment or approved advance release of funds request returns to unfunded approval status with a new unfunded approval date. The new unfunded approval date will be 90 calendar days ~~after~~from the apportionment date. The district or charter school will not be required to re-submit the application and no further application review will be required.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17072.12, 17072.30, 17074.16, 17076.10, 17077.40, 17077.42 and 17077.45, Education Code.

### Section 1859.90.3. Participation in the Priority Funding Process.

This section applies only to applications for new construction, modernization, Facility Hardship pursuant to Section 1859.82 and rehabilitation pursuant to Section 1859.83(e), and specifically excludes applications for the Charter School Facilities and Career Technical Education Facilities Programs.

- (a) For each application on the Unfunded List (Lack of AB 55 Loans) for new construction, modernization, Facility Hardship pursuant to Section 1859.82 or rehabilitation pursuant to Section 1859.83(e), the occurrences of (1) or (2) below shall be limited after the effective date of this regulation section:
- (1) The district abstains from participating in a priority funding 30-calendar day filing period described in Section 1859.90.2 for the application on the Unfunded List (Lack of AB 55 Loans).
- (2) The application receives a priority funding Apportionment pursuant to Section 1859.90.2(a), and the district fails to meet the fund release requirements pursuant to Section 1859.90.2(c).
- (b) The first occurrence of (a)(1) or (a)(2) shall result in the following, as applicable:
- (1) If (a)(1) occurs, the application shall retain its place on the Unfunded List (Lack of AB 55 Loans).
- (2) If (a)(2) occurs, the priority funding Apportionment shall be rescinded and the application shall be returned to the Unfunded List (Lack of AB 55 Loans) pursuant to Section 1859.90.2(c)(2).
- (c) If subsection(b) has occurred, a subsequent occurrence of either (a)(1) or (a)(2) shall result in the rescission of the application’s Apportionment and/or unfunded approval, as applicable, and the removal of the application from the Unfunded List (Lack of AB 55 Loans) without further Board action. The application shall be returned to the applicant.
- (d) For purposes of subsection (c), “rescinded” or “rescission” of an unfunded approval shall mean that the bond authority associated with the Apportionment or unfunded approval, as applicable, returns to the appropriate School Facility Program bond authority source for reallocation. If applicable, the pupils housed in the project will be added back to the district’s baseline eligibility pursuant to Sections 1859.51(d) for new construction or 1859.61(d) for modernization.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17072.12, 17072.30, 17074.16 and 17076.10, Education Code.

### Section 1859.90-3.4 . Local Bond Reimbursement Fund Releases.

When a school district uses local bond funds to make eligible project expenditures authorized in the Leroy F. Greene Act and state school bonds funds are made available to reimburse the state’s share of those eligible project expenditures, the reimbursement funds shall be used as follows:

- (a) Toward retiring the local bonds; and/or
- (b) Toward uses permitted by the local bond, or
- (c) For any high priority capital outlay expenditure in the district as permitted in Education Code Section 17070.63(c).

The use of the reimbursement funds in accordance with this section shall be subject to oversight by the applicable county office of education pursuant to Education Code Section 1240.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.63 and 17072.35, Education Code

## Section 1859.104. Program Reporting Requirements.

A district receiving funds in accordance with the Act shall submit the following:

- (a) An expenditure report from the district on the Form SAB 50-06. The program reporting requirements are as follows:
  - (1) The first expenditure report shall be due one year from the date that any funds were released to the district for the project pursuant to Section 1859.90 or 1859.90.2, or upon completion of the project, whichever occurs first. A project shall be deemed complete when either of the following occur:
    - (A) When the notice of completion for the project has been filed, all outstanding invoices, claims, change orders have been satisfied and the facility is currently in use by the district.
    - (B) Three years from the date of the final fund release for an elementary school project or four years from the date of the final fund release for a middle or high school project.
  - (2) The second and subsequent expenditure reports, if necessary, shall be due annually beginning one year from the first report, or upon completion of the project, whichever occurs first. The final expenditure report must be made no later than three years from the date of the final fund release for an elementary school project or four years from the date of the final fund release for a middle or high school project.
- (b) With the exception of projects that qualify for an apportionment pursuant to Section 1859.75.1, a progress report, in the form of a narrative from the district, shall be due 18 months from the date any funds were released to the district for the project pursuant to Section 1859.90 or 1859.90.2. The progress report shall include information regarding the progress the district has made towards substantial completion of the project. If the notice of completion has been filed within 18 months of the release of funds pursuant to Section 1859.90 or 1859.90.2, or the expenditure reports required in (a)(1) or (2) indicate that substantial progress (as defined in Section 1859.105) on the project has occurred, no progress report is required.

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Note: Authority cited: Sections 17070.35, 17072.13 and 17079.30, Education Code.

Reference: Sections 17070.35, 17070.99, 17072.12, 17072.13, 17076.10 and 17079.30, Education Code.

## Section 1859.164.2. Preliminary Charter School Apportionment Fund Release.

A Charter School receiving a Preliminary Charter School Apportionment from the Board after July 2, 2003 may request an advance release of funds for either of the following:

- (a) A separate advance release of funds for design equal to 20 percent of the amount determined in Section 1859.163.1(a)(1) through (9) or Section 1859.163.5(a) through (g).
- (b) A separate advance release of funds for site acquisition once the requirements in Section 1859.81.1(a)(2) and (3) are met for an amount not to exceed the Preliminary Charter School Apportionment for site acquisition. The Board shall release to the Charter School an amount up to the Preliminary Charter School Apportionment determined in Section 1859.163.1(b).

Qualified Charter Schools may request a separate advance release of funds for the design and for the site acquisition for the same project. A Charter School seeking an advance release of funds pursuant to (a) and/or (b) must have been deemed and maintained financial soundness status from the Authority. Subject to the availability of financing provided by the Pooled Money Investment Board for bond-funded projects, the OPSC will release State funds included in a Preliminary Charter School Apportionment pursuant to (a) or (b) to the Charter School after submittal of the Form SAB 50-05. The OPSC shall not release funds in excess of the Preliminary Charter School Apportionment. State funds released from a Preliminary Charter School Apportionment pursuant to this Section shall be subject to the provisions in Section 1859.166. Once the Preliminary Charter School Apportionment is converted to a Final Charter School Apportionment pursuant to Section 1859.167, the Charter School may request a release of the remaining funds as prescribed in Section 1859.90 or 1859.90.2. Prior to the release of any funds, the Charter School Agreements must be executed.

Note: Authority cited: Sections 17070.35 and 17078.64, Education Code.

Reference: Sections 17078.53 and 17078.58, Education Code.

## ATTACHMENT A

### Section 1859.184.1. Application Process for Districts with Financial Hardship Approval.

An approved application for districts that have received Financial Hardship approval shall be substantially identical to that of non-financial hardship districts, with the exception of those districts proposing projects that require the use of condemnation proceedings to acquire all or a portion of the site on which the project will be located. In this instance, the following conditions shall apply:

- (a) A complete application shall include:
  - (1) Documentation of Financial Hardship approval pursuant to Section 1859.81.
  - (2) All project related approvals and requirements that would otherwise apply to SFP projects with the exception of ownership pursuant to Section 1859.23 for those parcels being acquired through condemnation proceedings. A CDE site approval letter is required for all components of the site, including the area to be acquired through condemnation. The CDE Final Plan Approval letter must include the acreage to be acquired through condemnation. This subsection includes the submittal of DSA approved construction plans and related documents.
  - (3) A copy of the Resolution of Necessity for the initiation of condemnation proceedings.
  - (4) For any additional parcels that are being acquired without condemnation, documentation that demonstrates that the district has opened escrow, has ownership, or holds a lease meeting the requirements of Section 1859.22.
  - (5) An appraisal for the value of all properties being acquired as part of the application.
- (b) Site Acquisition Funding for Financial Hardship Overcrowding Relief Grant applications using condemnation shall be equal to the sum of:
  - (1) The lesser of the actual or appraised value for all parcels acquired through means other than condemnation, pursuant to Section 1859.74.
  - (2) The appraised value of the parcels being acquired through condemnation, multiplied by 1.15.
  - (3) Amounts for hazardous waste removal pursuant to Sections 1859.74.2, 1859.74.3 and/or 1859.74.4.
- (c) The Overcrowding Relief Grant projects meeting the criteria in subsection (a) above shall be able to request an advance fund release for site acquisition when condemnation proceedings are required for the acquisition of the site. The advance fund release shall be equal to the State share plus the Financial Hardship grant of only the amount determined in subsection (b).
- (d) Pursuant to Section 1859.103, grants for Overcrowding Relief Grant projects shall be limited to eligible expenditures, up to the State Apportionment for the project with the exception of the funds provided in subsection (b) above that are for site acquisition purposes only and cannot be transferred over to eligible construction related costs.

When making an apportionment for an Overcrowding Relief Grant project meeting the criteria in this section, the Board shall make a Final Apportionment for the total project cost. However, the fund release for the non-site acquisition project costs will not be accepted or processed until the district is able to produce the court order for prejudgment possession verifying the initial amount to be paid through condemnation proceedings. The project timelines for the project as a whole, as specified in law and outlined in Section 1859.90 or 1859.90.2, as applicable, remain in effect. The advance fund release for site acquisition can be requested at any time after the Final Apportionment is granted by the Board. The advance fund release for site acquisition is not subject to the requirements of Section 1859.81.1.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Section 17079.20, Education Code.

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, January 23, 2013

2012 ANNUAL SUMMARY OF APPROVED SCHOOL FACILITY PROGRAM ITEMS

PURPOSE OF REPORT

To present a report to the State Allocation Board (Board) summarizing the School Facility Program (SFP) funding applications approved in 2012.

DESCRIPTION

This report provides the Board with a summary of funding applications approved in the Consent, Action, and Appeal portions of the monthly agenda in 2012. This includes apportionments for projects that received unfunded approvals before 2012.

BACKGROUND

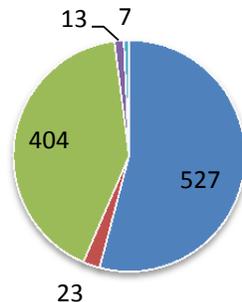
In May 2009, the Board requested Staff to present an annual report summarizing all funding items approved by the Board during the prior calendar year and including all items approved in Consent and Appeals. The previous reports were presented to Board at the January 2010, 2011, and 2012 meetings. In December 2010, the Board adopted the *Rules and Operating Procedures of the State Allocation Board*, which added the "Action" section to the agenda. Therefore, subsequent reports included Consent, Action and Appeal items.

STAFF ANALYSIS/STATEMENTS

Since the inception of the SFP in 1998, voters have authorized approximately \$35.5 billion in bond funds and the Board has apportioned and/or provided unfunded approvals for more than \$32.3 billion to approximately 11,000 projects. In 2012, the Board approved 527 Consent items, 427 Action items (this includes Priority Funding items), and heard 13 Appeals. An additional seven appeal items were administratively resolved and required Board action in Consent resulting in 974 items approved by the Board with a total dollar value of almost \$2 billion. There were 24 appeals on the workload for 2012 (this includes 5 received in 2011 and processed in 2012). Seven appeals were administratively resolved, four were withdrawn, and 13 were heard in 2012. The following graphs break down the approved grants and projects by agenda category.

**Items Processed in 2012**

**Total = 974**  
**(includes appeals that were administratively resolved)**



Category	% of Total Items
Priority Funding	41.5%
Consent	54.1%
Action	2.4%
Appeals Heard	1.3%
Administratively Resolved	0.7%

(Continued on Page Two)

STAFF ANALYSIS/STATEMENTS (cont.)

The following table breaks down each agenda section by program and shows the number of approvals for each with the total grant value as well.

School Facility Program Category	Consent*		Action/Priority Funding		Appeal		Administratively Resolved Appeals		Total	
	Total Number of Approvals	Approximate Apportionments/Unfunded Approvals (in Millions)	Total Number of Approvals	Approximate Apportionments/Unfunded Approvals (in Millions)	Total Number of Items	Approximate Apportionments/Unfunded Approvals (in Millions)	Total Number of Items	Approximate Apportionments/Unfunded Approvals (in millions)	Total Number of Items	Approximate Apportionments/Unfunded Approvals (in millions)
New Construction	82	\$314.3	94	\$336.1	9	\$0.9	4	\$0.9	189	\$652.2
Modernization	371	400.3	278	456.6	4	5.8	1	0.0	654	863.5
Career Technical Education	40	5.2	25	34.3	-	-	1	0.0	66	39.5
Overcrowding Relief Grant	21	39.8	29	177.7	-	-	1	0.8	51	217.5
Critically Overcrowded Schools	3	88.3	1	62.7	-	-	-	-	4	151.0
Charter Schools	6	45.2			-	-	-	-	6	45.2
Joint-Use	4-	5.1-			-	-	-	-	4	5.1
<b>Grand Total:</b>	<b>527</b>	<b>\$898.2</b>	<b>427</b>	<b>\$1067.4</b>	<b>13</b>	<b>\$6.7</b>	<b>7</b>	<b>\$1.7</b>	<b>974</b>	<b>\$1,974.0</b>
<b>% of Total:</b>	<b>54.1%</b>	<b>45.5%</b>	<b>44.0%</b>	<b>54.0%</b>	<b>1.3%</b>	<b>0.34%</b>	<b>0.72%</b>	<b>0.09%</b>	<b>100%</b>	<b>100%</b>

Note: An individual project may be included in more than one agenda category if it received multiple approvals in 2012. For example, some projects received an unfunded approval under Consent and a subsequent apportionment under Action. \*Rescissions and closeout adjustments are not included.

Unfunded List

\*In addition to the items presented above in Consent, Staff processed and the Board approved 33 funding applications totaling \$76.8 million beyond available bond authority that were added to the Unfunded List in 2012.

Unfunded Approvals, Apportionments and Fund Releases by County

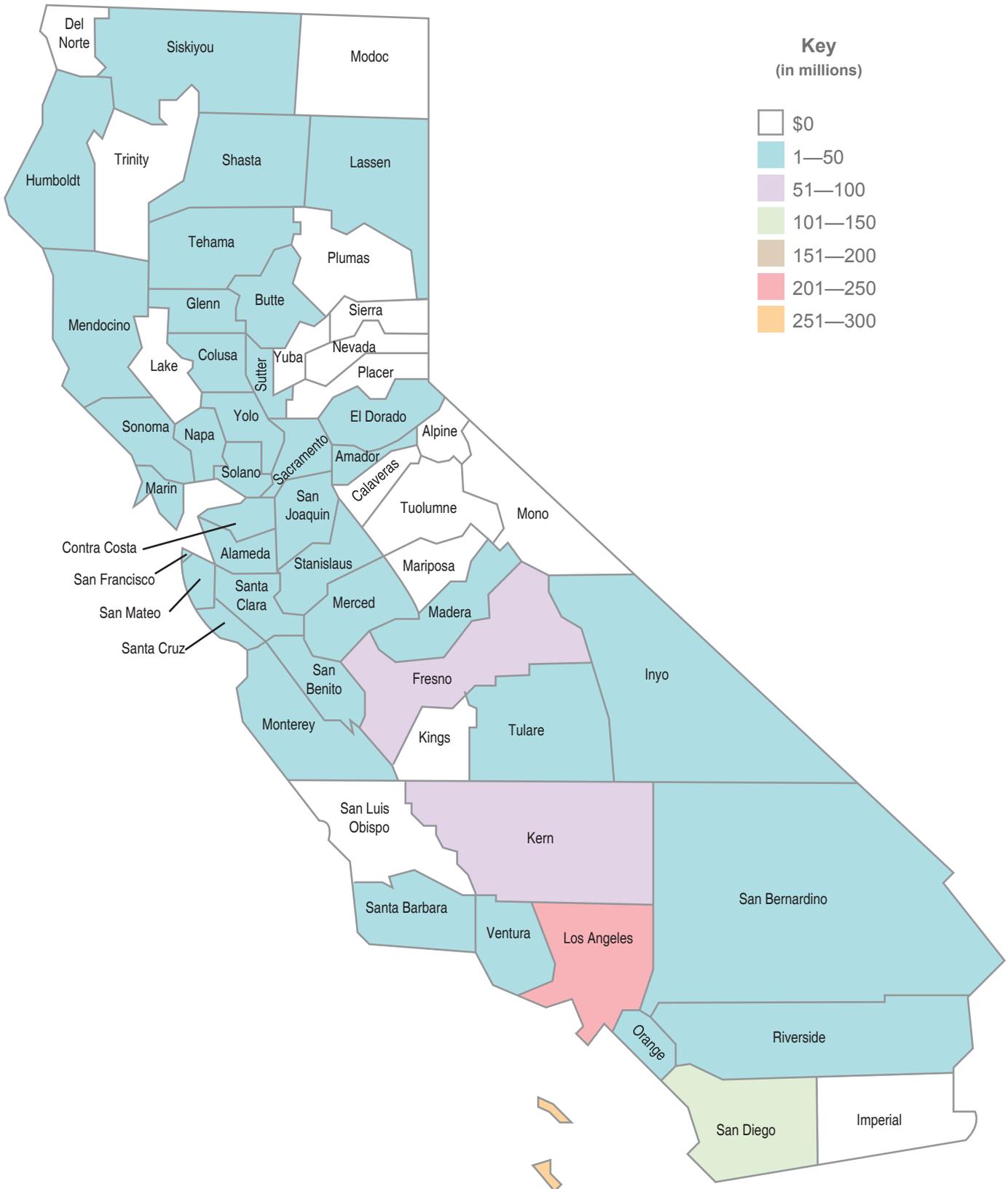
Attachments A, B, C and D break down SFP project activity in 2012 by county. Attachment A illustrates the unfunded approvals by county, Attachment B illustrates the apportionments by county, and Attachment C illustrates the funds released by county. Attachment D presents more detailed information on unfunded approvals, apportionments, and funds released by county, in a table format.

RECOMMENDATION

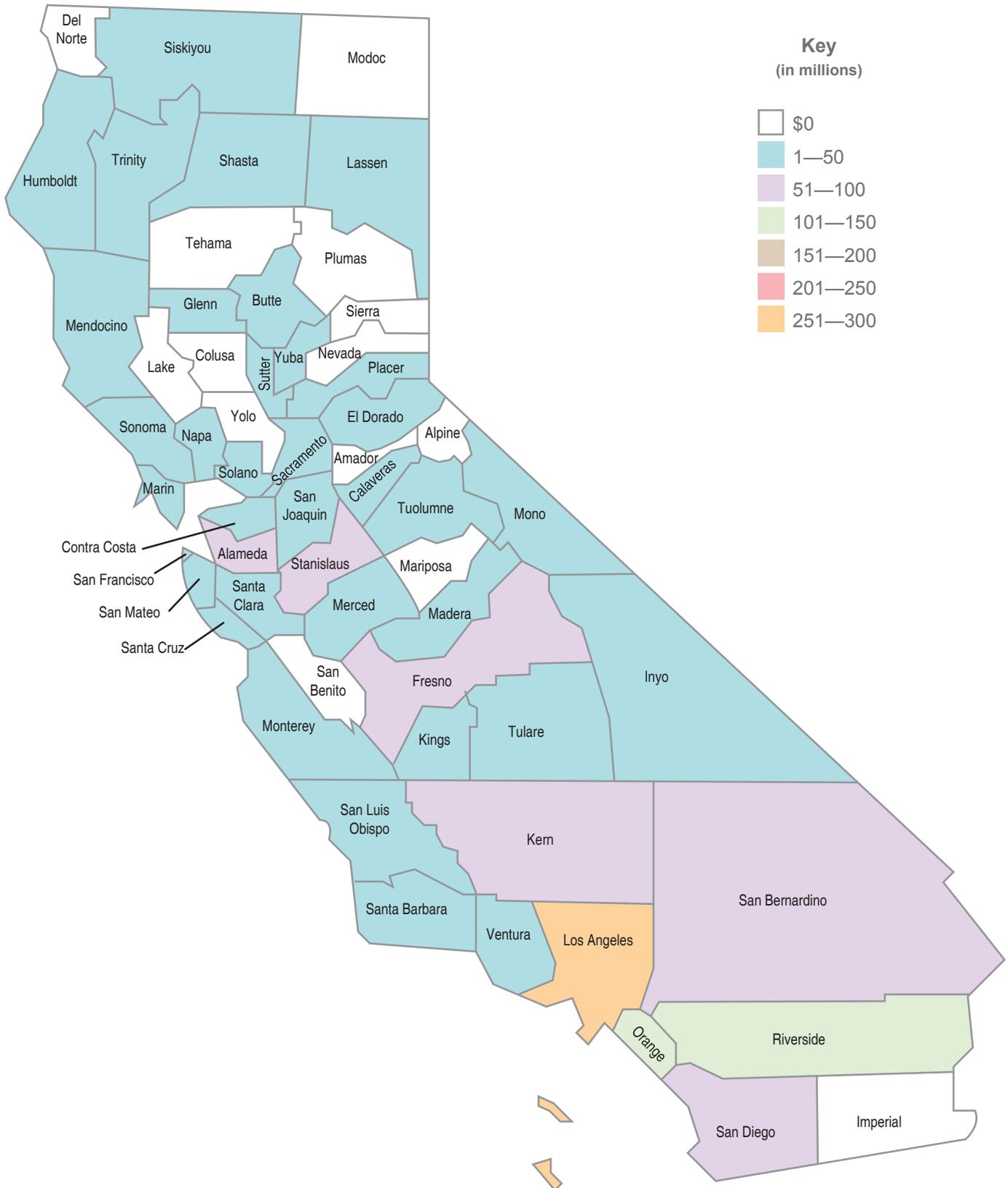
Acknowledge this report.

Attachment A  
School Facility Program

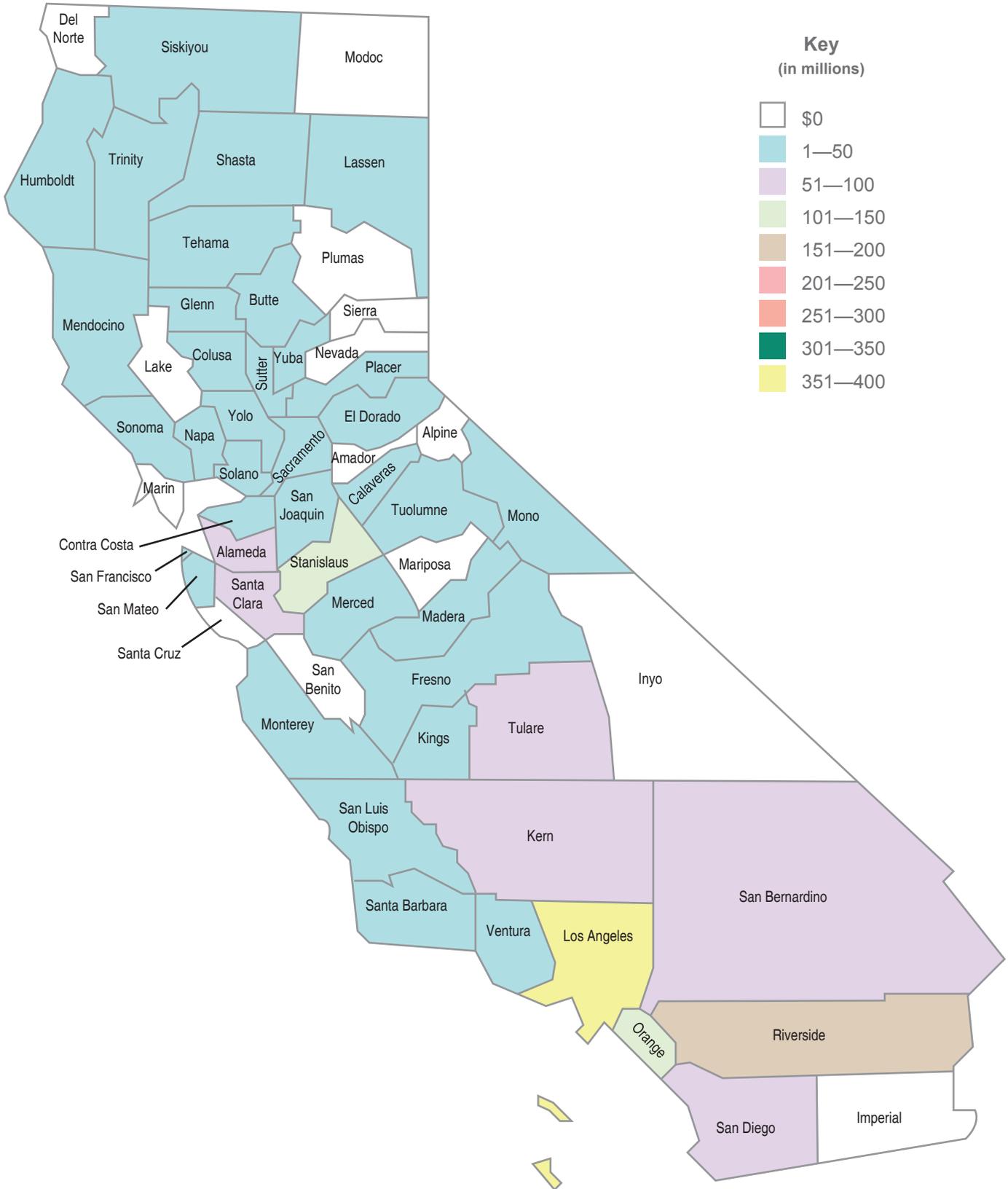
Unfunded Approvals in 2012  
\$843,827,010 for 504 Projects



Attachment B  
 School Facility Program  
**Apportionments in 2012**  
*\$1,132,186,064 for 452 Projects*



Attachment C  
 School Facility Program  
**Funds Released in 2012**  
*\$1,664,134,789 for 602 Projects*



Attachment D  
School Facility Program  
2012 County Funding Summary

COUNTY	UNFUNDED APPROVALS		APPORTIONMENTS		FUNDS RELEASED	
	# PROJECTS	\$ PROJECTS	# PROJECTS	\$ PROJECTS	# PROJECTS	\$ PROJECTS
ALAMEDA	13	\$37,230,561	21	\$67,980,052	30	\$89,209,589
ALPINE	0	\$0	0	\$0	0	\$0
AMADOR	4	\$1,205,950	0	\$0	0	\$0
BUTTE	1	\$943,608	2	\$3,943,608	1	\$3,000,000
CALAVERAS	0	\$0	3	\$3,732,355	2	\$4,570,771
COLUSA	1	\$921,679	0	\$0	1	\$12,541,016
CONTRA COSTA	17	\$45,542,896	15	\$39,818,523	11	\$39,887,634
DEL NORTE	0	\$0	0	\$0	0	\$0
EL DORADO	9	\$2,706,759	13	\$13,254,745	10	\$12,697,497
FRESNO	27	\$57,453,145	29	\$63,795,077	24	\$46,122,770
GLENN	2	\$628,319	3	\$717,431	3	\$717,431
HUMBOLDT	9	\$4,377,995	9	\$3,905,590	2	\$887,146
IMPERIAL	0	\$0	0	\$0	0	\$0
INYO	1	\$740,545	1	\$655,476	0	\$0
KERN	17	\$55,645,121	8	\$64,494,328	19	\$95,195,630
KINGS	0	\$0	2	\$1,612,113	2	\$1,612,113
LAKE	0	\$0	0	\$0	0	\$0
LASSEN	1	\$268,835	1	\$269,030	1	\$2,207,639
LOS ANGELES	119	\$236,505,337	64	\$270,176,022	116	\$365,194,705
MADERA	2	\$951,951	4	\$3,530,521	5	\$3,219,821
MARIN	6	\$5,279,773	4	\$4,114,706	0	\$0
MARIPOSA	0	\$0	0	\$0	0	\$0
MENDOCINO	6	\$2,085,902	1	\$4,794,752	3	\$8,090,768
MERCED	1	\$390,564	3	\$618,743	3	\$2,915,759
MODOC	0	\$0	0	\$0	0	\$0
MONO	0	\$0	1	\$702,101	1	\$702,101
MONTEREY	1	\$5,133,728	4	\$7,637,357	8	\$32,293,482
NAPA	1	\$2,595,634	1	\$465,127	4	\$3,762,992
NEVADA	0	\$0	0	\$0	0	\$0
ORANGE	91	\$49,241,600	70	\$125,050,531	46	\$117,852,746
PLACER	0	\$0	1	\$6,716,046	2	\$6,717,182
PLUMAS	0	\$0	0	\$0	0	\$0
RIVERSIDE	17	\$42,341,304	20	\$109,078,103	26	\$172,514,735
SACRAMENTO	4	\$13,427,018	6	\$5,802,481	12	\$24,382,261
SAN BENITO	1	\$750,442	0	\$0	0	\$0
SAN BERNARDINO	29	\$41,864,313	30	\$73,263,842	38	\$94,800,503
SAN DIEGO	33	\$108,565,227	22	\$51,363,057	34	\$90,719,049
SAN FRANCISCO	1	\$2,924,127	6	\$14,966,075	15	\$33,684,459
SAN JOAQUIN	7	\$9,969,245	5	\$6,704,984	16	\$33,164,296
SAN LUIS OBISPO	0	\$0	3	\$6,467,922	3	\$8,045,989
SAN MATEO	1	\$1,598,732	9	\$23,331,181	27	\$43,430,459
SANTA BARBARA	2	\$9,969,878	1	\$469,536	2	\$6,103,640
SANTA CLARA	15	\$18,705,796	18	\$23,904,297	26	\$58,244,410
SANTA CRUZ	3	\$1,997,637	2	\$1,604,838	0	\$0
SHASTA	2	\$1,748,574	2	\$2,023,718	3	\$4,748,472
SIERRA	0	\$0	0	\$0	0	\$0
SISKIYOU	1	\$536,277	1	\$542,344	2	\$2,495,736
SOLANO	1	\$28,675	15	\$2,888,477	17	\$9,926,337
SONOMA	16	\$11,130,415	2	\$476,527	8	\$5,343,767
STANISLAUS	13	\$11,298,279	17	\$78,281,408	23	\$117,341,261
SUTTER	5	\$3,190,933	3	\$3,728,131	4	\$9,259,534
TEHAMA	3	\$1,519,274	0	\$0	1	\$213,754
TRINITY	0	\$0	1	\$400,667	1	\$400,667
TULARE	12	\$19,050,101	19	\$29,740,896	28	\$65,097,738
TUOLUMNE	0	\$0	1	\$1,324,933	2	\$1,724,812
VENTURA	5	\$14,700,312	8	\$12,078,973	14	\$24,265,263
YOLO	1	\$39,738	0	\$0	1	\$1,246,311
YUBA	0	\$0	2	\$3,989,963	5	\$7,582,545

<b>GRAND TOTALS</b>	<b>501</b>	<b>\$825,206,199</b>	<b>453</b>	<b>\$1,140,416,587</b>	<b>602</b>	<b>\$1,664,134,789</b>
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