

STATE ALLOCATION BOARD AGENDA

Meeting Date: May 22, 2013

**State Capitol
Room 112
4:00 p.m.**

Revision date: 05/16/2013

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Consent – Insert pp. 167a – 167e

Tab 11 – Insert pp. 491 - 497

Thank you,

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May 22, 2013

Agenda

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7	ALISAL UNION ELEMENTARY/MONTEREY 58/65961-00-002, 003, AND 004 # — To present the District's request for Facility Hardship Program unfunded approvals for the rehabilitation of multiple buildings on the Dr. Oscar F. Loya, Creekside, and Cesar E. Chavez Elementary School sites.	189 - 203
	<u>ACTION ITEMS</u>	
8	PRIORITIES IN SCHOOL CONSTRUCTION FUNDING To provide State Apportionments for the School Facility Program priority funding round for some of the school district projects listed on Attachment A.	204 - 452
9	SCHOOL FACILITY PROGRAM REGULATORY AMENDMENTS FOR THE HIGH PERFORMANCE INCENTIVE GRANT To present proposed School Facility Program regulatory amendments to provide the High Performance Incentive Grant to Facility Hardship projects and to incorporate references to the California Green Building Standards and the California Energy Code.	453 - 486
10	SCHOOL FACILITY PROGRAM REGULATORY AMENDMENTS FOR THE GENERAL SITE DEVELOPMENT GRANT To request direction from the State Allocation Board regarding the General Site Development grant.	487 - 490
11	HIGH PERFORMANCE INCENTIVE GRANT — To provide information and discuss the Board's prior request to evaluate methods for providing the High Performance Incentive grant.	491 - 497 WITHDRAWN
#	Item has been re-designated to a Consent Item	

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, May 22, 2013

SCHOOL DISTRICT DATA

School District:ALISAL UNION	County:.....MONTEREY
Application Numb.....58/65961-00-002, 003, 004	School Name:.....LOYA, CREEKSIDE, CHAVEZ ELEM.
Total District8,751	Project Grade Level:.....K-6
Financial Hardship:.....NO	

PURPOSE OF REPORT

Type of Request	State Allocation Board (Board) unfunded approvals for three School Facility Program (SFP) Facility Hardship rehabilitation projects.
Total Project Cost	\$7,858,658
Cost to the State	\$4,715,195

DESCRIPTION

Description of Health and Safety Threat	The District is located near the ocean in an extremely damp climate. After the passage of a \$90 million bond measure in November 2006, the District began district wide modernization projects, including these school sites which were constructed between 1996 and 2000. At that time, it was discovered that these schools were designed inadequately which led to water intrusion problems. For example, windows were installed without flashing, only caulk was used as a sealant, and incorrect sheetrock for the climate was used. Extensive water damage, excessive moisture, and mold were found as a result of these design and construction flaws. The District hired an environmental consultant who concluded that there was significant mold which posed imminent health and safety risk to the students at the sites. The District sued the architect, but the architectural firm is no longer in existence and the architect of record is deceased. Further, the buildings are beyond the construction warranty.
Scope of Project	The scope of the projects on all three sites includes mold mitigation and, where applicable, removal and replacement of roofing, HVAC and flooring materials.
Status of School Site	The mitigation work was completed in 2009 and the schools are currently occupied.

(Continued on Page Two)

QUALIFYING CRITERIA

Government/State Level Concurrence	The California Department of Public Health (CDPH) reviewed the District's environmental consultant's reports and concluded that the conditions documented in these three schools constituted an unacceptable health hazard to students and workers. The CDPH provided written concurrence that the reports outlined the minimum remediation work required to correct the health and safety threat.
Staff Supports the District's Request	Yes
Site Visit Completed by Staff	Staff accepted detailed reports from the industry specialists and the CDPH approval in lieu of a site visit.

AUTHORITY

SFP Regulation Section 1859.82 states, "A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils."

SFP Regulation Section 1859.82(a)(1) provides for Facility Hardship grant funding when, "The facilities are needed to ensure the health and safety of the pupils if the district can demonstrate to the satisfaction of the Board that the health and safety of the pupils is at risk."

SFP Regulation Section 1859.83 "Excessive Cost Hardship Grant" states in part, "In addition to any other funding authorized by these Regulations, a district is eligible for funding as a result of unusual circumstances that created excessive project costs beyond the control of the district."

SFP Regulation Section 1859.83(e) provides for excessive costs and provides,

Excessive Costs for rehabilitation of facilities the Board has determined are a health and safety risk to the pupils pursuant to Section 1859.82(a)(1) and the cost/benefit analysis to mitigate the problem and remain in the facility is less than 50 percent of the Current Replacement Cost of the facility. If the district qualifies, the district is eligible for funding of rehabilitation costs as a modernization project... If the Approved Application is received after April 29, 2002, the grant amount provided is 60 percent of the amount of the cost estimate required in Section 1859.82(a)(1) that has been reviewed by the OPSC and approved by the Board.

RECOMMENDATIONS

1. Approve the District's request for unfunded approvals to rehabilitate the Loya, Creekside, and Chavez Elementary School sites, pursuant to the SFP Regulation Section 1859.82, as provided on Attachments A through C.
2. Provide that the State portion of any and all project savings realized from the funding of this replacement project must be returned to the State.

SCHOOL DISTRICT DATA

Application No: 58/65961-00-002 County: Monterey
 School District: Alisal Union School Name: Loya (Oscar F.) Elementary

PROJECT DATA

Type of Project: Elementary School Application Filing Basis: Site Specific
 Pupils Assigned Under 50 Yrs: K-6:
 7-8:
 9-12:
 Non-Severe:
 Severe:
 Financial Hardship Requested: No Recommended Acres: 14
 Alternative Education School: No Existing Acres: 8

ADJUSTED GRANT DATA

Rehabilitation	\$ 794,297.00
Total State Share (60%)	794,297.00
District Share (40%)	529,532.00
Total Project Cost	<u>\$ 1,323,829.00</u>

PROJECT FINANCING

State Share	
This Project	\$ 794,297.00
District Share	
Cash Contribution	529,532.00
Financial Hardship	
Total Project Cost	<u>\$ 1,323,829.00</u>

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	Unfunded Approval This Action
State Share					
Modernization/Additional Grant	957-570	1D	\$	\$ 794,297.00	\$ 794,297.00
District Share					
Cash Contribution				529,532.00	
Total			\$	\$ <u>1,323,829.00</u>	\$ <u>794,297.00</u>

Funding Source: Proposition 1D Bonds/2006-Nov.

Pursuant to the Board's action on March 11, 2009, this application has been approved and placed on the Unfunded List. This approval does not constitute a guarantee or commitment of future State funding.

Provide that the State portion of any and all project savings realized from the funding of this facility hardship replacement/rehabilitation project must be returned to the State.

Assembly Bill 436 (Solorio), Chapter 378, Statutes of 2011, requires school districts to notify the Department of Industrial Relations (DIR) of School Facility Program projects with a public works contract awarded on or after January 1, 2012. Except for projects exempt pursuant to Labor Code Section 1771.3(b)(3), the DIR is required to provide prevailing wage monitoring services for the projects.

The District shall ensure that it is in compliance with all applicable laws, regulations and certifications it made on the program forms.

SAB Meeting: May 22, 2013

Modernization - Adjusted Grant Approval

SCHOOL DISTRICT DATA

Application No: 58/65961-00-003 County: Monterey
 School District: Alisal Union School Name: Creekside Elementary

PROJECT DATA

Type of Project: Elementary School Application Filing Basis: Site Specific
 Pupils Assigned Under 50 Yrs: K-6:
 7-8:
 9-12:
 Non-Severe:
 Severe:
 Financial Hardship Requested: No Recommended Acres: 10
 Alternative Education School: No Existing Acres: 6

ADJUSTED GRANT DATA

Rehabilitation	\$ 1,695,890.00
Total State Share (60%)	1,695,890.00
District Share (40%)	1,130,594.00
Total Project Cost	<u>\$ 2,826,484.00</u>

PROJECT FINANCING

State Share	
This Project	\$ 1,695,890.00
District Share	
Cash Contribution	1,130,594.00
Financial Hardship	
Total Project Cost	<u>\$ 2,826,484.00</u>

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	Unfunded Approval This Action
State Share					
Modernization/Additional Grant	957-570	1D	\$	\$ 1,695,890.00	\$ 1,695,890.00
District Share					
Cash Contribution				1,130,594.00	
Total			<u>\$</u>	<u>\$ 2,826,484.00</u>	<u>\$ 1,695,890.00</u>

Funding Source: Proposition 1D Bonds/2006-Nov.

Pursuant to the Board's action on March 11, 2009, this application has been approved and placed on the Unfunded List. This approval does not constitute a guarantee or commitment of future State funding.

Provide that the State portion of any and all project savings realized from the funding of this facility hardship replacement/rehabilitation project must be returned to the State.

Assembly Bill 436 (Solorio), Chapter 378, Statutes of 2011, requires school districts to notify the Department of Industrial Relations (DIR) of School Facility Program projects with a public works contract awarded on or after January 1, 2012. Except for projects exempt pursuant to Labor Code Section 1771.3(b)(3), the DIR is required to provide prevailing wage monitoring services for the projects.

The District shall ensure that it is in compliance with all applicable laws, regulations and certifications it made on the program forms.

SAB Meeting: May 22, 2013

Modernization - Adjusted Grant Approval

SCHOOL DISTRICT DATA

Application No: 58/65961-00-004 County: Monterey
 School District: Alisal Union School Name: Chavez (Cesar) Elementary

PROJECT DATA

Type of Project: Elementary School Application Filing Basis: Site Specific
 Pupils Assigned Under 50 Yrs: K-6:
 7-8:
 9-12:
 Non-Severe:
 Severe:
 Financial Hardship Requested: No Recommended Acres: 11.5
 Alternative Education School: No Existing Acres: 8

ADJUSTED GRANT DATA

Rehabilitation	\$ 2,225,007.00
Total State Share (60%)	2,225,007.00
District Share (40%)	1,483,338.00
Total Project Cost	<u>\$ 3,708,345.00</u>

PROJECT FINANCING

State Share	
This Project	\$ 2,225,007.00
District Share	
Cash Contribution	1,483,338.00
Financial Hardship	
Total Project Cost	<u>\$ 3,708,345.00</u>

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	Unfunded Approval This Action
State Share					
Modernization/Additional Grant	957-570	1D	\$	\$ 2,225,007.00	\$ 2,225,007.00
District Share					
Cash Contribution				1,483,338.00	
Total			\$	<u>\$ 3,708,345.00</u>	<u>\$ 2,225,007.00</u>

Funding Source: Proposition 1D Bonds/2006-Nov.

Pursuant to the Board's action on March 11, 2009, this application has been approved and placed on the Unfunded List. This approval does not constitute a guarantee or commitment of future State funding.

Provide that the State portion of any and all project savings realized from the funding of this facility hardship replacement/rehabilitation project must be returned to the State.

Assembly Bill 436 (Solorio), Chapter 378, Statutes of 2011, requires school districts to notify the Department of Industrial Relations (DIR) of School Facility Program projects with a public works contract awarded on or after January 1, 2012. Except for projects exempt pursuant to Labor Code Section 1771.3(b)(3), the DIR is required to provide prevailing wage monitoring services for the projects.

The District shall ensure that it is in compliance with all applicable laws, regulations and certifications it made on the program forms.

THE HIGH PERFORMANCE INCENTIVE GRANT
ITEM HAS BEEN WITHDRAWN