

STATE ALLOCATION BOARD AGENDA

Meeting Date: May 28, 2014

State Capitol
Room 437
4:00 p.m.

Revision date: May 22, 2014

Table of Contents – Replace page ii

Tab #2 – Replace page 3

Tab #8 – Replace page 101 - 132

Tab #12 – Insert pages 186 – 188

Tab #15 – Replace page 249

Thank you,

Lisa Jones
Office of Public School Construction
Lisa.jones@dgs.ca.gov
(916) 376-1753

May 28, 2014
Agenda

<u>TAB</u>	<u>SUBJECT</u>	<u>PAGE</u>
<u>FINANCIAL REPORTS</u>		
5	STATUS OF FUND RELEASES	67 - 73
6	STATUS OF FUNDS	74 - 90
<u>APPEAL ITEMS</u>		
7	MERCED COUNTY OFFICE OF EDUCATION/MERCED 50/10259-00-034 To present the Merced County Office of Education's request to be allowed to submit a new set of Division of the State Architect approved plans and specifications for new construction funding for Office of Public School Construction Application number 50/10259-00-034, while maintaining the same place on the Unfunded List (Lack of AB 55 Loans).	91 - 100
8	ORANGE COUNTY DEPARTMENT OF EDUCATION/ORANGE 50/10306-00-018 To present the Orange County Department of Education's request related to the disallowance of certain expenditures.	101 – 132 WITHDRAWN
9	TWIN RIVERS UNIFIED/SACRAMENTO 51/76505-00-002 To present the District's request for Facility Hardship replacement funding for the abandonment of the Harmon Johnson Elementary School and the ability to use the grant on a different school site in the District.	133 - 143 WITHDRAWN
<u>ACTION ITEMS</u>		
10	CHARTER SCHOOL FACILITIES PROGRAM REHABILITATION SUPPLEMENTAL GRANTS To request State Allocation Board approval of School Facility Program regulatory amendments to align Charter School Facilities Program Rehabilitation supplemental grants with Education Code requirements.	144 - 180
11	SCHOOL FACILITY PROGRAM REGULATORY AMENDMENTS: CONSTRUCTION COST PUBLICATION To request State Allocation Board approval of regulatory amendments to continue the use of specific construction cost publications currently used for calculating certain grants in the School Facility Program.	181 - 185

APPEAL ITEMS (cont.)

Cinnabar Elementary/Sonoma 57/70649-00-002 (cont.)

The Chair called for a roll-call vote and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Hancock	X			
Senator Liu				X
Senator Fuller	X			
Assembly Member Buchanan	X			
Assembly Member Hagman	X			
Assembly Member Nazarian	X			
Esteban Almanza	X			
Kathleen Moore	X			
Cesar Diaz (Governor's Appointee)	X			
Eraina Ortega	X			
Total	9			1

Motion:

Carried X
 Failed

ACTION ITEMS

Charter School Facilities Program Rehabilitation Apportionment (San Francisco Unified)

This item was approved with the Consent portion of the Agenda. The SAB approved the staff's recommendations.

Consideration of Additional Programs Required to Participate in the Priority Funding Process

Mr. Juan Mireles, representing the SAB staff, presented this item to the SAB. There was much discussion surrounding the effective date for implementing the proposed regulations. Representatives from the Glendale Unified School District indicated that the District would not be ready to participate until January 2015 based on the District's plan of action regarding its ten Overcrowding Relief Grant (ORG) Program applications. **During the discussion, a comment was made by an SAB member suggesting that if the District was unable to meet the timelines of the Priority Funding process, the District could try to appeal to the SAB and inform the Board of its progress.** A motion was made to approve Option #3 on a non-emergency basis, which would require ORG, Career Technical Education Facilities Program (CTEFP), and Charter School Facilities Program (CSFP) [excluding CSFP advance release of design and/or site acquisition funds from a Preliminary Charter School Apportionment] to participate in the Priority Funding process. Applicants would be subject to the Priority Funding participation requirements set forth in Regulation Section 1859.90.3 as soon as October 1, 2014. In addition, the Option provides 12 months for CTEFP projects to obtain CDE and Division of the State Architect plan approvals once the SAB has approved a Priority Funding apportionment and submit the plans to the OPSC, upon which CTEFP applicants would have 90 days to meet the requirements of a Priority Funding apportionment fund release. The Chair called for a roll-call vote and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Hancock	X			
Senator Liu			X	
Senator Fuller	X			
Assembly Member Buchanan	X			
Assembly Member Hagman	X			
Assembly Member Nazarian			X	
Esteban Almanza	X			
Kathleen Moore	X			
Cesar Diaz (Governor's Appointee)	X			
Eraina Ortega	X			
Total	8		2	

Motion:

Carried X
 Failed

THE ORANGE COUNTY DEPARTMENT OF EDUCATION
(50/10306-00-018) APPEAL ITEM
HAS BEEN WITHDRAWN

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, May 28, 2014

PROGRAM STATUS UPDATE

PURPOSE OF REPORT

To provide the State Allocation Board (Board) with an update on the status of the Career Technical Education Facilities Program (CTEFP), the High Performance Incentive (HPI) Grant, the Overcrowding Relief Grant (ORG) program, and the Facility Hardship Seismic Mitigation Program (SMP).

DESCRIPTION

At the March 26, 2014 meeting, a Board member requested that Staff provide an update on the status of the CTEFP, the HPI grant, the ORG program, and the Facility Hardship SMP. This item includes updates on each of those programs based on Board actions taken through the March 26, 2014 meeting.

BACKGROUND

The Kindergarten-University Public Education Facilities Bond Act of 2006 (Proposition 1D), approved by California voters in 2006, provided authority for the creation of the CTEFP, HPI grant, ORG program, and the Facility Hardship SMP.

Proposition 1D provided the following bond authority:

Bond Authority Provided by Proposition 1D	
CTEFP	\$ 500,000,000
HPI	\$ 100,000,000
ORG	\$1,000,000,000
SMP	\$ 199,500,000

STAFF ANALYSIS/STATEMENTS

At the March 26, 2014 meeting, a Board member requested that Staff provide an update on the status of the CTEFP, the HPI grant, the ORG program, and the Facility Hardship SMP. A description of the basic purpose and the status of each program is presented below.

Career Technical Education Facilities Program (CTEFP)

The program provides funding to school districts and joint powers authorities (JPA) for the construction of new Career Technical Education (CTE) facilities, modernization of existing CTE facilities, and/or purchase of equipment for the CTE program. As directed by the Board in May 2011, Staff continues to present applications received in the third CTEFP funding cycle for unfunded approval when bond authority becomes available.

Status of Authority (in millions)

CTEFP	May 28, 2014 Consent Agenda Approvals	Remaining Authority (after May 28, 2014 Board)	Unfunded List (Lack of Authority)	Applications Received Beyond Authority List	Remaining 3 rd Cycle Applications (estimated State grant beyond Authority)
	\$3.5	\$0.0	N/A	N/A	\$71.7

(Continued on Page Two)

STAFF ANALYSIS/STATEMENTS (cont.)

High Performance Incentive Grant (HPI)

Provides additional funds to New Construction, Modernization, ORG, Critically Overcrowded Schools, Charter School Facilities and CTEFP projects as an incentive to include *high performance* attributes in the project. High Performance attributes include project design that promotes energy and water efficiency, maximizes the use of natural lighting, improves indoor air quality, utilizes recycled materials, and materials that emit a minimum of toxic substances, and employs acoustics that are conducive to teaching and learning. The regulations became effective in January 2007 and were amended in January 2011. The amended regulations incorporated the California Green Code requirements, added design criteria options for additional credits, and provided a new base incentive grant. In total, 261 projects have included HPI grants.

Status of Authority (in millions)

HPI	May 28, 2014 Consent Agenda Approvals	Remaining Authority (after May 28, 2014 Board)	Unfunded List (Lack of Authority)	Applications Received Beyond Authority List	OPSC Workload
	\$0.4	\$32.9	\$6.5*	\$6.7*	\$0

*This represents new construction and modernization projects that include a request for HPI grants.

Overcrowding Relief Grant Program (ORG)

The ORG program provides funding to replace portable classrooms with permanent classrooms on overcrowded school sites. Projects must reduce overcrowding at each site that eligibility is drawn from. ORG projects must increase useable outdoor space for play areas, green space, or outdoor lunch areas. Projects may include construction of a new school or addition of classrooms at an existing school. While there is ORG authority available, the applications received in the 12th ORG funding cycle cannot be processed for unfunded approval until a future item is taken to the Board to discuss how to address the remaining projects and authority.

Status of Authority (in millions)

ORG	May 28, 2014 Consent Agenda Approvals	Remaining Authority (after May 28, 2014 Board)	Unfunded List (Lack of Authority)	Applications Received Beyond Authority List	Remaining 12 th Cycle Applications (estimated State grant)
	\$1.9	\$18.9*	N/A	N/A	\$53.2

*Reserved for a current appeal that will be presented at a future Board.

Facility Hardship Seismic Mitigation Program (SMP)

Pursuant to Education Code Section 17075.10, the SMP is a sub-component of the Facility Hardship program that provides grant funds to repair, reconstruct, or replace the “most vulnerable” school facilities that are identified as Category 2 buildings and determined by the Division of the State Architect to pose an unacceptable risk of injury to occupants in the event of a seismic event. Since the program regulations were first adopted in 2007, the Board has made several efforts to encourage participation including regulation amendments adopted in 2009 and 2011. The most recent amendments that became effective in September 2011 expanded the qualifying criteria to include all Category 2 building types.

(Continued on Page Three)

STAFF ANALYSIS/STATEMENTS (cont.)

In addition, the amendments stated that seismic mitigation projects must meet all of the following requirements:

1. The construction contract was executed on or after May 20, 2006;
2. The project funding provided shall be for the minimum work necessary to obtain DSA approval;
3. The building is designed for occupancy by students and staff; and
4. The DSA concurs with a report by a structural engineer, which identifies structural deficiencies that pose an unacceptable risk of injury to its occupants in a seismic event. If the unacceptable risk of injury is due to the presence of faulting, liquefaction or landslide, these hazards must be documented by a geologic hazards report prepared by an engineering geologist in accordance with California Building Code, Part 2, Chapter 18, section 1803A and with the concurrence of the California Geological Survey.

Since these regulation changes became effective, the Board approved 17 applications for \$33 million in SMP funding. The current OPSC workload noted in the chart below represents 14 SMP-eligible buildings, which are included in seven funding applications from three school districts. Staff anticipates presenting additional funding applications for SMP unfunded approval in June and July. In addition, the Board previously provided conceptual approvals to two school districts for six buildings.

Status of Authority (in millions)

SMP	May 28, 2014 Consent Agenda Approvals	Remaining Authority (after May 28, 2014 Board)	Unfunded List (Lack of Authority)	Applications Received Beyond Authority List	OPSC Workload (estimated State grant within Authority)
	\$2.6	\$148.1	N/A	N/A	\$17.7

Note: Prior to the establishment of the DSA Phases/Steps of approval, the Board approved three SMP funding applications with a State share grant total of \$7.1 million that are not included in these charts.

Project Status of SMP Eligible Buildings

The table below provides an updated summary of buildings that have been submitted to the Division of the State Architect (DSA) for review as of April 30, 2014. Upon approval, these buildings may result in funding applications being submitted to the Board for unfunded approval.

There are 147 buildings that were submitted and approved by the DSA for eligibility for the program (Step 1). Currently, there are 57 buildings proceeding through the DSA preliminary review process (Step 2) for either replacement or rehabilitation. The estimated funding request for these buildings is approximately \$89.1 million. In addition, there are also five buildings pending full DSA plan approval (Step 3).

DSA Review Steps	Number of Buildings	Potential Amount of Funding Request (in millions)
Step 1 Preliminary Assessment for Eligibility	147	Not available
Step 2 Detailed Assessment to Determine Replacement or Rehabilitation Design Review	57	\$89.1
Step 3 Review of Construction Plans for Final Approval	5	\$7.3

(Continued on Page Four)

STAFF ANALYSIS/STATEMENTS (cont.)

Explanation of Steps:

The DSA procedures refer to the various review stages as Phases. For ease of reference the phases are referred to here as Steps as follows:

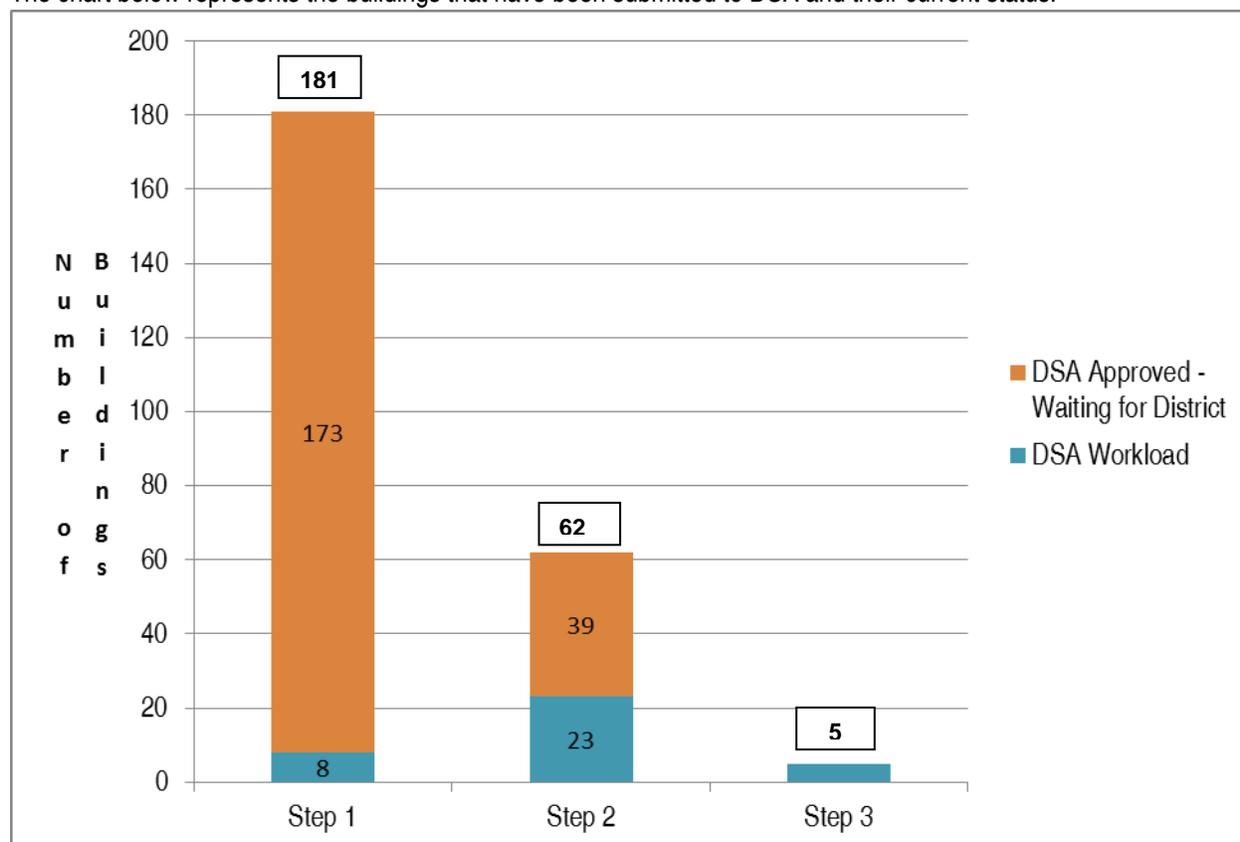
Step 1 refers to the review phase also known as “Phase 1”.

Step 2 refers to the review phase also known as “Phase 2” and “Phase 3”.

Step 3 refers to the review phase also known as “Phase 4”.

Status of SMP Eligible Buildings

The chart below represents the buildings that have been submitted to DSA and their current status.



DSA Workload Category Notes

Step 1 – For five of the eight projects listed in the DSA Workload Category, the last contact between DSA and the Districts occurred between December 2012 and May 2013.

Step 2 – For these 23 projects listed in the DSA Workload Category, the last contact between DSA and the Districts occurred between June 2012 and November 2013.

Step 3 – For two of the five projects listed in the DSA Workload Category, the last contact between DSA and the District’s architect occurred in May 2013. No response was received as of May 1, 2014. For the remaining three projects listed in the DSA Workload Category, DSA returned the plans with comments to the District’s architect for corrections in June 2013. The architect scheduled the backcheck on March 11, 2014.

RECOMMENDATION

Acknowledge this report.

FACILITY HARDSHIP/REHABILITATION APPROVALS WITHOUT FUNDING

As of April 30, 2014

FACILITY HARDSHIP

<i>School District</i>	<i>County</i>	<i>Program</i>	<i>Application Number</i>	<i>School Site Name</i>	<i>SAB Approval Date</i>	<i>Funding Application Due Date</i>	<i>Estimated State Grant</i>
Marysville Joint Unified	Yuba	Facility Hardship	51/72736-00-001	Alicia Middle	8/28/2013	5/26/2014	\$ 7,882,440
Somis Union	Ventura	Gas/Pipeline	51/72611-00-001	Somis Elementary	3/20/2013	3/20/2015	TBD
Garden Grove USD	Orange	Seismic Mitigation	51/66522-00-001	La Quinta High	11/25/2013	5/25/2015	\$ 16,755,713
Garden Grove USD	Orange	Seismic Mitigation	51/66522-00-002	Pacifica High	11/25/2013	5/25/2015	\$ 16,755,713
St. Helena Unified	Orange	Facility Hardship	51/66290-00-001	St. Helena High	1/22/2014	7/22/2016	\$ 2,256,581
Long Beach Unified	Los Angeles	Seismic Mitigation	51/64725-00-001	Hill Junior High	3/26/2014	9/26/2016	\$ 4,619,798
Long Beach Unified	Los Angeles	Seismic Mitigation	51/64725-00-002	Hamilton Junior High	3/26/2014	9/26/2016	\$ 4,578,906
Estimated Total Need (State Share)							\$ 45,972,772

REHABILITATION

<i>School District</i>	<i>County</i>	<i>Program</i>	<i>Application Number</i>	<i>School Site Name</i>	<i>SAB Approval Date</i>	<i>Funding Application Due Date</i>	<i>Estimated State Grant</i>
Eureka City Schools	Humboldt	Facility Hardship	58/75515-00-002	Eureka Sr. High	12/12/2012	6/12/2014	\$ 172,826
Scotia Union Elementary	Humboldt	Facility Hardship	58/63024-00-004	Stanwood Murphy Elementary	3/26/2014	4/24/2015	\$ 4,052,500
Long Beach Unified	Los Angeles	Seismic Mitigation	58/64725-00-004	Bancroft Junior High	6/26/2013	12/26/2015*	\$ 1,043,180
Long Beach Unified	Los Angeles	Seismic Mitigation	58/64725-00-005	Hoover Junior High	6/26/2013	12/26/2015*	\$ 1,343,937
Estimated Total Need (State Share)							\$ 6,612,443

Facility Hardship and Rehabilitation Estimated Total Need (State Share)							\$ 52,585,215
--	--	--	--	--	--	--	---------------

* Funding applications received April 1, 2014.