

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

ASSEMBLY BILL 127
GRANT INCREASE - PROJECT INFORMATION WORKSHEET

PURPOSE OF REPORT

To present the proposed Project Information Worksheet that will be used to gather data for the purpose of determining the annual increase or decrease to the New Construction Base Grant per Education Code (EC) Section 17072.11.

BACKGROUND

At the September 2006 State Allocation Board (SAB) meeting, regulations were approved to implement Assembly Bill (AB) 127, Chapter 35, Statutes of 2006 (Perata/Nunez). AB 127 added EC Section 17072.11 which provided for an increase of seven percent for elementary and middle school projects and a four percent increase for high school projects beginning July 1, 2006. AB 127 also stated that beginning January 1, 2008, the SAB has the authority to increase the base grant up to six percent or decrease it by an amount determined every fiscal year based on the current construction costs. Staff proposed correlating the annual recommended change in the base grant with the CCI increase, and the Implementation Committee recommended that regulations be developed to clarify the SAB's flexibility when adjusting the New Construction Base Grant. These regulations were approved as part of the regulation package approved at the September 2006 meeting. However, the proposed regulations relating to the new construction base grant increases were later withdrawn from the Office of Administrative Law (OAL) and cannot be resubmitted until a method to capture the current costs to build schools is approved by the SAB.

AUTHORITY

EC Section 17072.11(a)(3) states "the board shall conduct an analysis of the relationship between the per-unhoused-pupil grant eligibility....and the per-pupil cost of new school construction..."

EC Section 17072.11(b) states, "On or after January 1, 2008, the board shall increase or decrease the per-unhoused-pupil grant eligibility by amounts it deems necessary to cause the grants to correspond to costs of new school construction"

STAFF COMMENTS

In order to capture the most current costs to construct schools, Staff, with the assistance of the Grant Adequacy Committee, has developed the proposed Project Information Worksheet as shown on the Attachment. A district will need to complete the worksheet for new construction projects and submit it with the *Fund Release Authorization* and/or the *Expenditure Report*. The worksheet requests information on actual project costs and provides the data necessary for Staff to analyze current school construction costs. The information collected will be used to make a recommendation to the Board to determine the increase/decrease in the new construction base grant.

Staff will also be requesting information on how many classrooms are in the project, whether the projects include optional or required local design features, or if districts are re-using plans and if the re-use is resulting in cost-savings. The additional information requested will be used in providing bond accountability or may be used when comparing the costs to build schools with the grants provided by the State.

RECOMMENDATIONS

1. Approve the Project Information Worksheet as presented in the Attachment.
2. Authorize the OPSC to re-file the Grant Increase regulations with the OAL.

BOARD ACTION

In considering this Item, the Board requested that Staff return to the August State Allocation Board meeting with a revised Project Information Worksheet. In addition, the Board requested that Staff meet with the stakeholders and practitioners for input on the worksheet.

INFORMATION

Sections A, B and C of this worksheet will be used to complete the analysis to determine the yearly increase/decrease in the new construction base grant based on the current costs to construct schools as required by Education Code 17072.11(b).

Section D of this worksheet will be used to gather information on State funded projects that is required for inclusion in the Governor's bond accountability report.

INSTRUCTIONS

This worksheet must be completed and submitted with the Fund Release Authorization (Form SAB 50-05) for all new construction projects that are completing Part IV of the Form SAB 50-05.

This worksheet must be completed and submitted with the Expenditure Report (Form SAB 50-06) for all new construction projects.

Attach to this form the accepted bid documents including additive/deductive alternates.

A. Project Information:

1. Enter the total building square footage of the project. When calculating the square footage, include the total enclosed exterior square footage of the school building(s) per Regulation Section 1859.2. Do not include un-enclosed corridor area. Enter the cost per square foot. To determine the cost per square foot, divide the total building cost, excluding site development (service site, offsite, utilities and general site) costs by the total building square footage as reported.
 - a. From the total square footage entered above, enter the amount of square footage that is considered permanent (including modular buildings).
 - b. From the total square footage entered above, enter the amount of square footage that is considered portable per Education Code Section 17070.15(j)
 - c. Enter the total square footage of the multi-level parking included in the project (if applicable). Enter the cost per square foot. To determine the cost per square foot, divide the total cost of the parking structure, excluding site development, by the total square footage as reported.
2. Enter the recommended site size, as determined by the California Department of Education (CDE). Enter the number of pupils that were used to determine the recommended site size.
3. Enter the master plan site size, as reported to the CDE on the Form 4.02 or other documentation submitted to the CDE. Enter the number of pupils that were used to determine the master plan site size.
4. Enter the percentage of the main components of the permanent building(s) envelope. Enter the type of roofing used for this project.
5. Enter the percentage of the main components of the permanent building(s) structural system.

B. Financial Information (do not include site acquisition dollars):

1. Funds Available
 - Enter the amount of the State Apportionment(s) (Career Technical Education, Joint-Use, all other applicable State Funding).

- Enter the amount of any interest earned on State funds for this project.
- Enter the amount of the total local contribution, include any funds that exceed the district match on this project (including any funds that were part of the local contribution for a joint-use project, if applicable.)

2. Bid/Contract Data

- a. Enter the accepted base bid amount prior to any accepted additive/deductive alternates for all contracts. If there is more than one contract signed (e.g. multi-prime, etc.) please enter the total of all base bids.
- b. Enter the amount of all accepted additive/deductive alternates for all contracts.
- c. Enter the amount of the total construction contract. Include the amount of any change orders.
 - 1) Enter the amount of the building cost in the contract(s).
 - 2) Enter the amount of the site development work, including service site, offsite, utilities, and general site, included in the contract(s).
 - 3) Enter the amount of any other construction fees (as applicable). For example: Construction Management fees, General Conditions, etc...
3. Enter the amount of the estimated remaining project cost not yet contracted, invoiced or obligated (e.g., furniture and equipment, portions of work not yet bid, etc.) that are necessary for the completion of this project. *Do not include any costs that are reported in 4 below.*
4. Enter the amount of actual and estimated (not yet contracted, invoiced or obligated) soft costs for the project (e.g. tests and inspections, architect fees). *Do not include any costs reported in 3 above.*
5. Enter the amount of the total project cost. This amount should be equal to the sum of 2c, 3, and 4 above.

Additional Bid Data

- Enter the number of bidders who bid this project. If more than one contract was signed, please attach a separate listing of all trades, the number of bidders per package, and the dates each respective bid was opened.
- Enter the date(s) the bid(s) opened. If more than one bid date, enter the opening bid date of the first bid package.
- Describe the additive/deductive alternates. Include the amount of square footage included in the additive/deductive alternates, if applicable.

C. Detailed Project Information:

- For each of the core facilities listed in this section, enter the quantity built and the square footage of each facility. For purposes of the gymnasium include shower, locker, toilet, and office areas. For multi-purpose rooms, include the toilet area. The total square footage listed should not exceed the total project square footage listed in Section A(1). For purposes of identifying square footage, include the total enclosed exterior square footage of the buildings. Do not report any area more than once.
- List the core facilities from this section that were built to the number of pupils for the master plan enrollment.

D. Additional Information for Bond Accountability

Answer the following questions as completely as possible. If you need additional space, you may attach additional pages.

1. Enter the number of classrooms that are included in the construction contract(s).
2. Enter the capacity of the project based on single track use (disregard multi-track year round loading) and local district loading standards. Based on teacher contracts and/or local loading standards this number **may be** different from the number of pupils requested on the *Application for Funding* (Form SAB 50-04).
3. Joint-Use Information
 - Check yes or no to indicate whether the project includes a joint-use partner, even if the joint-use project does not include State funding. Enter the OPSC application number, if applicable.
 - If applicable, enter the name of the joint-use partner and what facilities are included as part of the joint-use project.
 - Check yes or no to indicate whether the joint-use partner pledged or contributed capital funding towards this project. Any pledged or contributed amount needs to be included in the total local contribution in Section B-1
 - If applicable, enter the dollar amount the joint-use partner is contributing
4. Check yes or no to indicate whether there were any local requirements or ordinances the district had to meet. For example, building a bridge, road, or street improvements, utilities, snow load, seismic.
 - Check yes or no to indicate whether the State funded these mandates.
 - If you checked yes on the previous box, enter the amount of State funding received.
 - Check yes or no to indicate whether the cost of the mandated work was in the construction contract.
 - Describe the local requirement(s) and any associated costs to meet the requirement(s).
5. Check yes or no to indicate whether this project is a re-use of plans.
 - If the project is a re-use of plans, enter the number of times the plans have been re-used and the date the plans were first built.
- Enter the building and site development costs of the original project.
- Check yes or no to indicate whether changes were made to the original plans (classrooms/core facilities added/deleted) on the subsequent use(s).
- List the changes that were made to the plans (classrooms/core facilities added/deleted) on the subsequent use(s).
- Enter the building and site development costs on the subsequent projects.
- Check yes or no to indicate whether the re-use of the plans resulted in cost savings on this project. Examples of cost savings may include: architect fees- this may produce some savings since the basic plans are already completed and may only need to be slightly modified to accommodate the site; building costs- since the buildings have previously been built, it may result in fewer change orders; etc.
6. Please provide any additional information about this project that you think will be helpful in completing the analysis.

SCHOOL DISTRICT	COUNTY	APPLICATION NUMBER
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A. PROJECT INFORMATION

1. **Total Building Square Footage:** _____ **Cost per Square Foot:** \$ _____

a. Permanent Area (including modular): _____

b. Portable Area: _____

c. Square footage of multi-level parking (if applicable) _____ **Cost per Square Foot:** \$ _____

2. **CDE Recommended Acreage:** _____ **Based on how many pupils?** _____

3. **CDE Master Plan Acreage:** _____ **Based on how many pupils?** _____

4. **What materials are the main components of this project's building envelope?** Please indicate the percentage of each type of material used.

Brick: _____ %

Stucco: _____ %

Siding: _____ %

Concrete: _____ %

Type of Roofing: _____

5. **What materials are the main components of this project's structural system?** Please indicate the percentage of each type of material used.

Steel: _____ %

Wood: _____ %

Concrete: _____ %

Other (explain): _____ %

B. FINANCIAL INFORMATION (Do not include site acquisition dollars)

1. Funds Available

Amount of State Apportionment: \$ _____

Interest Earned on State Funds for this project: \$ _____

Total Local Contribution: \$ _____

2. Bid/Contract Data

**PROJECT COST UNDER CONTRACT
(INCLUDE ALL SOURCES OF FUNDING)**

a. Accepted Base Bid Amount prior to additive/deductive alternates: \$ _____

b. Amount of accepted additive/deductive alternates: \$ _____

c. Total Contract Cost \$ _____

1) Building Cost in Contract: \$ _____

2) Site Development in Contract: \$ _____

3) Other, if applicable (i.e. CM Fees, General Conditions) \$ _____

3. **Estimated Remaining Project Cost Not Yet Contracted:** \$ _____

4. **Soft Costs (e.g., tests and inspections, architect fees):** \$ _____

5. **Total Project Cost (Sum of 2c, 3, and 4):** \$ _____

Additional Bid Information:

How many bidders bid the project? _____

What date did the bids open? _____

Please describe the additive/deductive alternates: _____

Square Footage of Additive/Deductive Alternates: _____

C. DETAILED PROJECT INFORMATION

Please check those facilities included in the project. For purposes of determining square footage, please only include the total enclosed exterior square footage. The total square footage listed below should not exceed the total project square footage listed above in Section A(1). Please do not report the same area more than once.

	QTY	TOTAL SQ FT
<input type="checkbox"/> Media Center/Library	_____	_____
<input type="checkbox"/> Multi Purpose Room	_____	_____
<input type="checkbox"/> Gymnasium	_____	_____
<input type="checkbox"/> Administration	_____	_____
<input type="checkbox"/> Kitchen Area		
<input type="checkbox"/> Central Kitchen (serves other sites)		_____
<input type="checkbox"/> Warming Kitchen		_____
<input type="checkbox"/> Full Service Kitchen		_____
<input type="checkbox"/> Other Area		
<input type="checkbox"/> Special Education (severely handicapped)		_____
Therapy Area		_____
<input type="checkbox"/> Facilities for dance, theater and visual arts (Performing Arts)		_____
<input type="checkbox"/> Stadium (seating capacity in lieu of square footage)		_____
<input type="checkbox"/> Lighting for evening games	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____
<input type="checkbox"/> Other	_____	_____

Provide description (e.g., swimming pool): _____

Other Area as required by local educational specifications _____

Provide description: _____

Of the above core facilities (indicated by **boldface** type), which were built based on the number of pupils for the Master Plan Enrollment?

PROJECT INFORMATION WORKSHEET

NEW CONSTRUCTION PROJECTS ONLY

(NEW 06/07)

D. ADDITIONAL INFORMATION FOR BOND ACCOUNTABILITY

Please answer the following questions in the space provided. If more space is needed you may attach additional pages.

1. Number of classrooms in contract(s): _____

2. Capacity of project based on single-track use and local district loading standard: _____

3. Joint-Use Information

Did the project include a joint-use partner? Yes No OPSC application number (if applicable): _____

If yes, who was the joint-use partner and which facilities are involved? _____

Did the joint-use partner pledge or contribute any capital funding towards the construction of the project? Yes No

If yes, how much? \$ _____

4. Were there any local requirements or ordinances the district had to meet (i.e., road, street improvements, utilities, snow load, seismic)? Yes No

If yes, did the State fund these mandates? Yes No State Cost: \$ _____

If yes, were these costs included in the contract? Yes No

If yes, please specify the local requirement and the associated cost _____ \$ _____

5. Did you utilize existing architectural plans from another project? Yes No

If yes, how many times were these plans re-used? _____

What was the cost of the original project? Building: \$ _____ Site Development: \$ _____ Year Built: _____

Were there any changes to the plans for any subsequent projects (i.e., buildings added or excluded)? Yes No

If yes, what were the changes? _____

What was the cost of subsequent projects? Building: \$ _____ Site Development: \$ _____

Did the re-use of plans result in a cost savings on this project? (Including architect fees, building costs, etc.) Yes No

6. Comments _____

I certify, as the District Representative, that the information reported on this worksheet is:

- True and correct for the contract amount(s) reported; and
- To the best of my knowledge, all estimates include the most recent and updated information available; and,
- I am an authorized representative of the district as authorized by the governing board of the district; and
- This worksheet is an exact duplicate (verbatim) of the worksheet provided by the Office of Public School Construction (OPSC). In the event a conflict should exist, then the language in the OPSC worksheet will prevail.

SIGNATURE OF DISTRICT REPRESENTATIVE	DATE
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REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, July 25, 2007

ADMINISTRATIVE COSTS FOR FISCAL YEAR 2007/2008

PURPOSE OF REPORT

To request approval to reserve funds for administrative costs for the 2007/2008 Fiscal Year, conditional upon the adoption of the Governor's Budget.

DESCRIPTION

The Education Code requires that any funds made available for expenditure in the various school building aid programs administered by the State Allocation Board (SAB) must be specifically authorized by the SAB.

Listed below are the anticipated costs for the 2007/2008 Fiscal Year:

2006 School Facilities Bond Fund		
Office of Public School Construction	\$	575,000
California School Finance Authority		<u>429,000</u>
Sub-Total	\$	<u>1,004,000</u>
2004 School Facilities Bond Fund		
Office of Public School Construction	\$	12,525,000
California Department of Education		2,629,000
State Controller's Office		<u>935,000</u>
California School Finance Authority		<u>566,000</u>
Sub-Total	\$	<u>16,655,000</u>
State School Building Aid Fund		
Office of Public School Construction	\$	289,000
State School Deferred Maintenance Fund		
Office of Public School Construction	\$	153,000
General Fund		
Office of Public School Construction	\$	338,000
Total for 2007/2008 Fiscal Year	\$	<u>18,439,000</u>

STAFF COMMENTS

The Office of Public School Construction's administrative costs for this budget year is \$13,880,000, which includes \$575,000 from Proposition 1D; \$12,525,000 from Proposition 55; \$289,000 for support of the State Relocatable Program; \$153,000 for support of the Deferred Maintenance Program; and, \$338,000 from the General Fund for the support of the Emergency Repair Program. Other administrative costs include \$995,000 for support of the Charter School financial soundness reviews the California School Finance Authority performs; \$2,629,000 for support of site approval and educational plan reviews that the California Department of Education performs; and, \$935,000 for fiscal oversight functions that the State Controller's Office performs.

RECOMMENDATIONS

In accordance with the proposed 2007/2008 Governor's Budget, approve the administrative costs as detailed in this item and listed below:

1. Authorize [REDACTED] from the 2006 State School Facilities Fund for the Office of Public School Construction and California School Finance Authority.
2. Authorize [REDACTED] from the 2004 State School Facilities Fund for the Office of Public School Construction, California Department of Education, State Controller's Office and California School Finance Authority.
3. Authorize \$289,000 from the State School Building Aid Fund for the Office of Public School Construction.
4. Authorize \$153,000 from the State School Deferred Maintenance Fund for the Office of Public School Construction.
5. Authorize \$338,000 from the General Fund for the Office of Public School Construction.
6. Provide that this approval is conditional upon the adoption of the 2007/2008 Governor's Budget.

This Item was approved by the State Allocation Board on July 25, 2007.

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

PROCESS OF STATE ALLOCATION BOARD AGENDA

PURPOSE OF REPORT

To provide information on the process of the State Allocation Board (SAB) agenda.

BACKGROUND

At the June 2007 meeting, the Board requested information regarding the preparation of the consent calendar. In response to the Board's request, Staff has prepared a report describing the process of the SAB agenda which includes the consent calendar.

STAFF COMMENTS

The SAB agenda includes several items. A brief description of each item is provided below:

Minutes

Provides a summary of the previous SAB meeting, which is presented for the Board's approval.

Executive Officer's Statement

Provides the Executive Officer with the opportunity to highlight a particular topic(s) or issue(s) to the Board.

Consent Agenda

The consent agenda contains "consent items" which are applications requiring action by the SAB that conform entirely to law, regulation and SAB policy and with which the district is in concurrence with the recommended action. Since the early 1980's, "consent items" have been a part of the SAB agenda with the purpose of expediting approval of the apportionments.

The types of "consent items" that typically appear on the SAB monthly agenda are as follows:

- School Facility Program
 - Resolution
 - Eligibility Approvals
 - Funding
 - Closeouts
 - Rescissions
- Lease-Purchase Program
 - Resolution
 - Construction Cost Index
 - Closeouts
- Deferred Maintenance Program
 - Five-Year Plan Approvals
 - Unfunded Approvals
 - Funding
 - Rescissions
 - Closeouts

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STAFF COMMENTS (cont.)

Consent Agenda (cont.)

- Relocatable Classroom Program
 - Sale of State Relocatable Classrooms
 - Disposal of State Relocatable Classrooms
- Unused Sites Program
 - Assessment Fee Report
 - Assessment Fee Refunds
- Emergency Repair Program
 - Funding

"Consent items" are reviewed and analyzed in detail by Office of Public School Construction (OPSC) Staff (hereinafter referred to as Staff), which includes a peer review and a supervisory review. In addition, prior to the statutory 10-day notice, all "consent items" are reviewed thoroughly by a consent review team, which includes mid-level manager(s). Consent items that meet the criteria of a "consent item" that are of particular interest are brought to the Board members attention prior to the public SAB meeting.

Financial Reports

Financial Reports are items that provide the Board with information regarding the status of funds, administrative costs, etc.

Consent Specials

"Consent Specials" are apportionments that are being highlighted to the Board; however, many of these requests conform to law, regulation, and SAB policy. Typical "consent specials" are time extensions, facility hardship and rehabilitation projects with recommendations for conceptual approval or funding. They are reviewed, analyzed in detail, and prepared by Staff and reviewed thoroughly by management.

Some "consent specials" may not conform to law, regulation, or SAB policy, such as potential material inaccuracy items. However, all "consent specials" are items where Staff and the district are in concurrence with the recommendation.

Specials

"Specials" are items that may be specific to a district or it may be a global issue, either of which Staff has determined should be brought to the Board's attention. "Specials" may also be presented according to direction given by the Board. "Specials" are reviewed, analyzed in detail, and prepared by Staff. In addition, all "specials" are reviewed thoroughly by management.

(Continued on Page Three)

STAFF COMMENTS (cont.)

Appeals

Typically, "appeals" are items that represent a request by a district for special consideration by the Board regarding circumstances which the OPSC deems to be outside of the established State school program provisions and which cannot be otherwise administratively resolved within existing program requirements or regulations. Typically, Staff cannot provide a favorable recommendation. "Appeals" are reviewed, analyzed in detail, and prepared by Staff. In addition, all "appeals" are reviewed thoroughly by management. When considering appeal items, the SAB, as an administrative body is responsible for making decisions in accordance with statutory requirements and Board regulations.

Regulations

The SAB is charged with adopting regulations that implement the various statutory programs for which it is given responsibility. Upon enactment of legislation, OPSC Staff prepares and presents discussion papers that offer proposed regulation language and operating procedures to the SAB Implementation Committee to seek public input. The SAB Implementation Committee is an informal advisory committee formed by the OPSC that is made up of members representing various school districts and related associations, councils, and State departments. Meetings are attended by district representatives, consultants, architects, and other members of the public interested in school facilities.

The feedback received by OPSC Staff at the SAB Implementation Committee meetings is provided to the Executive Officer of the OPSC who is responsible for making final recommendations to the SAB. Once final recommendations have been determined, the OPSC Staff finalizes the proposed regulation package and it is reviewed thoroughly by management. Finally, the proposal is taken to the SAB for consideration and approval in accordance with the requirements of the Administrative Procedure Act.

Reports

Reports are informational items that do not require a Board decision. The Board needs only to accept or reject the report. Generally, reports are to provide additional information to the Board on a subject that required additional background or research. Reports may also be presented according to direction given by the Board. Reports are prepared by Staff and are reviewed thoroughly by management prior to Board presentation.

Information

Information items do not require Board action. Typical information items are the OPSC workload list, dates of the upcoming SAB meetings, lists of the Deferred Maintenance Extreme Hardship unfunded approvals, and lists of the facility hardship/rehabilitation approvals without funding. Information items are prepared by Staff and reviewed by management.

RECOMMENDATION

Accept this report.

BOARD ACTION

In considering this Item, the Board accepted the report. In addition, the Board requested that in the future exceptions to the process be submitted for Board consideration.

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

LABOR COMPLIANCE PROGRAM GRANT

PURPOSE OF REPORT

To present for the Board's consideration proposed regulatory amendments to adjust the Labor Compliance Program (LCP) grant.

BACKGROUND

At the July 2003 State Allocation Board (SAB) meeting, the Board approved regulations that provided a per-pupil grant increase to accommodate the State's share of increased costs of a new construction or modernization project for the initiation and enforcement of a LCP. Since there was limited LCP cost data available during the initial implementation of the program, Staff was requested by the Board to report on the adequacy of the LCP grant augmentation.

At the March 2006 SAB meeting, Staff presented a report to the SAB concerning LCP grant adequacy. This report represented all 61 projects that had completed audit. Since the sample size was too small to make any determination, Staff did not recommend any adjustments at that time.

At the March 2007 SAB meeting, Staff provided the Board an update to the March 2006 report regarding the adequacy of LCP apportionments based on 245 project audits. The report contained the following information:

- Through January 2007, the SAB has provided LCP grants for 3,342 projects.
- The 245 project audits represent 7.3 percent of all projects that have received LCP grants and 100 percent of those projects closed out to date.
- New Construction LCP apportionments have been under spent by an average of 40.9 percent.
- Modernization LCP apportionments have been under spent by 63.7 percent.

At the June 2007 SAB meeting, Staff returned with proposed regulations that addressed two specific issues: to provide the LCP grant augmentation for those districts that voluntarily initiate and enforce a LCP for projects apportioned from Proposition 1D, and to adjust the LCP grant. However, due to differing legal opinions regarding the Board's authority to provide grants to districts that voluntarily participate in a LCP, the Board requested this topic to be submitted to the Office of the Attorney General (AG) for an informal opinion. Alternative Two of the June 2007 item, the proposed regulatory amendments to reduce the LCP grants, was held over to this July SAB meeting.

AUTHORITY

Labor Code Section 1771.7 states in part that the SAB shall increase per-pupil grant amounts to accommodate the State's share of the costs of initiating and enforcing a LCP. The law provides that a School Facility Program (SFP) project is eligible for an increase in the per-pupil grant amount if both of the following conditions are met:

- The project was or will be funded from the proceeds of Propositions 47 or 55.
- The Notice to Proceed for the initial contract for construction of the project was issued on or after April 1, 2003.

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AUTHORITY (cont.)

Labor Code Section 1771.7 also provides an exception to the full and final apportionment provisions in the law to accommodate LCP costs on projects that have already received their full apportionment amount without the LCP funding but were eligible for the funding. Additionally, this statute gives the SAB the authority to provide grant augmentations to ensure prevailing wage rates are paid on public works projects.

STAFF COMMENTS

LCP Grant Amounts

At the May 4, 2007 Implementation Committee meeting, Staff introduced a proposed reduction to the new construction and modernization LCP grant. For new construction projects, the proposed reduction is limited to those districts with projects with a total project cost, less site acquisition costs, of one million dollars or less as Staff believes there is sufficient data to justify the reduction. Under current regulations, a district receives a LCP apportionment of \$16,000 for any project where the cost is \$1 million or less, less site acquisition costs. For example, a district with a project that will cost \$1 million and a district with a project that will cost \$50,000 will both receive a \$16,000 LCP grant. Under the proposed regulations, districts with projects in this cost range will receive a LCP apportionment of 0.65 percent of the total project cost, less site acquisition costs. Staff recommends this change based on data which indicates districts are expending only 16.10 percent of the LCP funds for projects totaling \$1 million or less. If a project exceeds \$1 million, no changes are being recommended as there is insufficient data to provide a defensible adjustment to the existing LCP grant.

For modernization projects, Staff is proposing a 25 percent reduction in the LCP grant for all projects regardless of the total project costs. While the data supports an even further reduction in the LCP apportionment for most of the projects audited, Staff believes a 25 percent reduction is conservative and reasonable at this time until more data can be gathered over the forthcoming year.

Members of the Committee and audience expressed concern with Staff's recommendations. Many cited that the data pool was too small to justify any adjustment to the LCP grant. While the data used for this analysis represented 7.3 percent of all projects apportioned with LCP funds, the 245 projects represented 100 percent of all projects audited. Some audience members also cited that it is common for districts to not report or under-report LCP expenditures explaining that with larger projects it was difficult for the district to identify LCP costs, especially if force account labor was used. Others cited that multiple projects are often bid together as a means of economies of scale, therefore making it difficult to extract accurate LCP costs as the common practice was to take the LCP costs and divide them equally amongst the contracted projects. While this method may be convenient for reporting purposes, it does not represent the actual LCP costs for each of the projects reported. Some members of the Committee and audience contended that since 73 (12 new construction and 61 modernization) of the 245 projects had no LCP costs reported by the districts, the adjustments to the LCP grants could not be justified. While Staff does not concur with that rationale, Staff eliminated those 73 projects when developing the conservative grant reduction recommendations to the Board. The results of the review of the remaining 172 projects (39 new construction and 133 modernization) are as follows:

- New Construction LCP apportionments have been under spent by an average of 30.3 percent.
- Modernization LCP apportionments have been under spent by 46.8 percent.

The average under spent amounts compared to the LCP grants provided is visually displayed on Attachments A and B. These attachments also illustrate that the proposed grant reduction will still provide grants in excess of the average LCP expenditures.

STAFF COMMENTS (cont.)

There was limited LCP cost data available during the initial implementation of the program in July 2003. Therefore, Staff, with input from the Implementation Committee, recommended a grant augmentation that was based on the best available cost data at the time. In turn, it was agreed that the amount of the per pupil grant for LCP would be revisited based on actual costs incurred by districts. The districts were subsequently asked to account for all LCP funds expended for each project apportioned. If a district combined several projects for the purposes of economies of scale or used force account labor, the district was responsible for tracking and reporting complete LCP expenditures appropriately for audit purposes. In fact, pursuant to SFP Regulation Section 1859.106, Program Accountability Expenditure Audit, districts are required to maintain a record of the complete LCP costs incurred:

"Districts shall be required to maintain all appropriate records that support all district certifications and expenditures for all costs associated with SFP, Charter School, and Joint-Use projects for a period of not less than four years from the date the notice of completion is filed for the project in order to allow other agencies, including, without limitation, the Bureau of State Audits and the State Controller to perform their audit responsibilities."

Furthermore, in the SFP Expenditure Audit Guidebook, districts are instructed to:

"...provide a detailed listing of project expenditures that reflect all expenditures for the project by warrant numbers, warrant dates, warrant payees, warrant amounts, and specific descriptions of the expenditures, as required on the Form SAB 50-06. The description of expenditures must provide sufficient detail for the audit staff to verify all project expenditures are applicable to the project and that the expenditures have been recorded in the proper cost categories. In addition, the district must report the eligible expenditures for the project that encompass the State and district matching share. Also, if the district augmented the project beyond the State and district share, please include these costs on the same report, but identify them as being solely district funded."

Thus, even if the LCP grants are not adjusted today based on the assertions of the stakeholders and more data is collected over the course of the next year, it is likely Staff will continue to receive incorrect LCP cost expenditure data from the districts resulting in the same conundrum. Consequently, based on the expenditure data reported in the 309 projects audited thus far, it appears the SFP is over funding the LCP grant; therefore, Staff recommends a reduction in the State's share of the LCP grant for new construction and modernization projects. In an effort to ensure the LCP grant augmentation remains sufficient to cover the costs of initiating and enforcing a LCP, Staff will conduct another analysis in one year to ensure the adequacy of the LCP grant.

Additional non-substantive SFP Regulation changes included in this item

The *Application for Funding* (Form SAB 50-04) includes the addition of a certification that the district will comply with all laws pertaining to the construction of its facilities. This certification was inadvertently omitted in a prior regulatory revision.

The *Fund Release Authorization* (Form SAB 50-05) is being revised to require districts to provide:

- a copy of voter approved bond language when a district's joint-use partners' financial contribution is provided through local bond proceeds.
- a certification that the district's joint-use partner's financial contribution has been provided by a local bond specifically for the joint-use purpose, if applicable.
- the earliest issue date of the Notice to Proceed as well as the date the contract was signed for New Construction, Modernization and Joint-Use projects.

The *Application for Joint Use Funding* (Form SAB 50-07) corrects the Department of Labor Relations to Department of Industrial Relations.

RECOMMENDATIONS

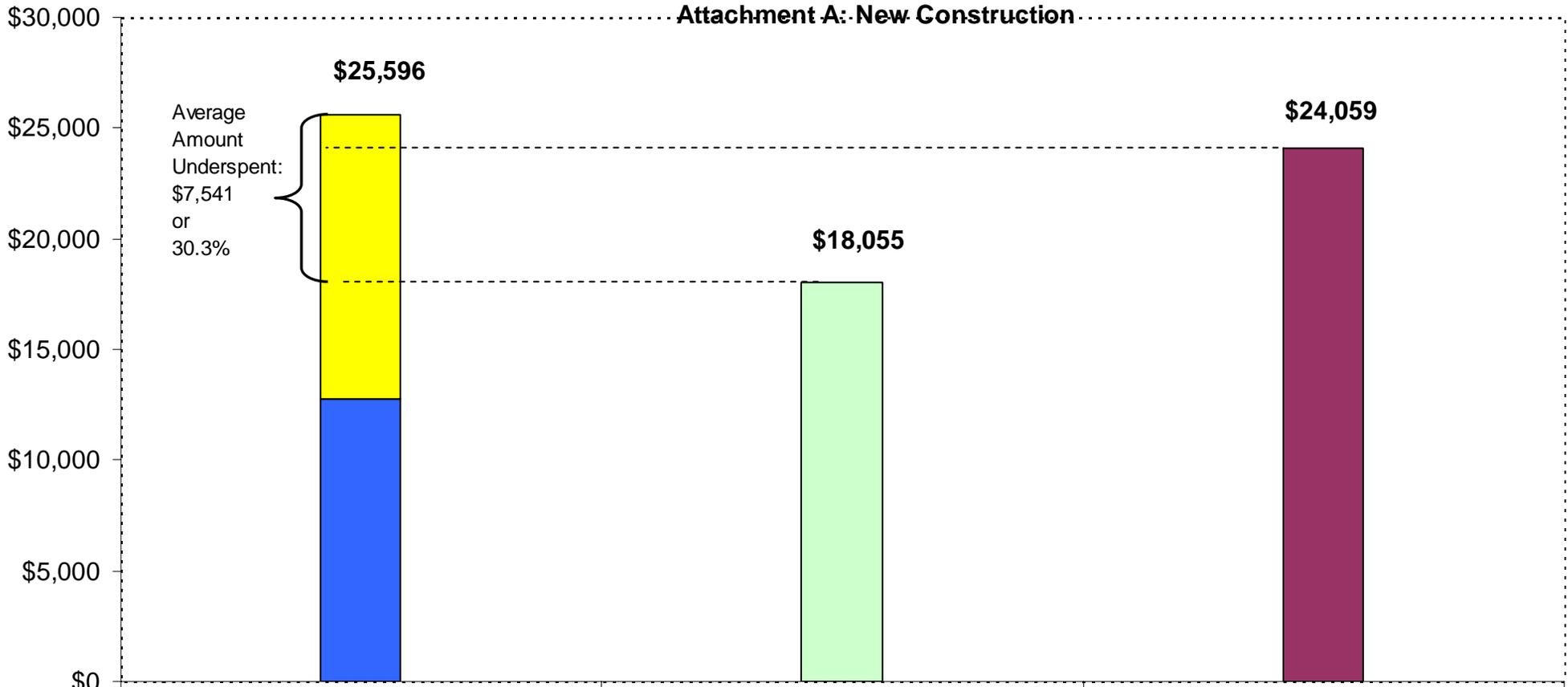
1. Adopt the proposed amendments to the regulations as shown on Attachment C and request Staff to begin the regulatory process to reduce the LCP grant for both new construction and modernization projects.
2. Request Staff to return in one year to provide an update on the adequacy of the LCP grants.

BOARD ACTION

This Item was postponed pending the receipt of the informal opinion from the Attorney General's Office.

AVERAGE LCP APPORTIONMENTS vs. PROPOSED ESTIMATED LCP APPORTIONMENT
(Includes State Grant, Financial Hardship and District Share)

Attachment A: New Construction



*Amount of Grants for Projects with Reported LCP Expenditures

Average Amount Spent

Esitimated Amount of LCP Grant with Proposed Reduction (0.65% for Projects less than \$1 Million)



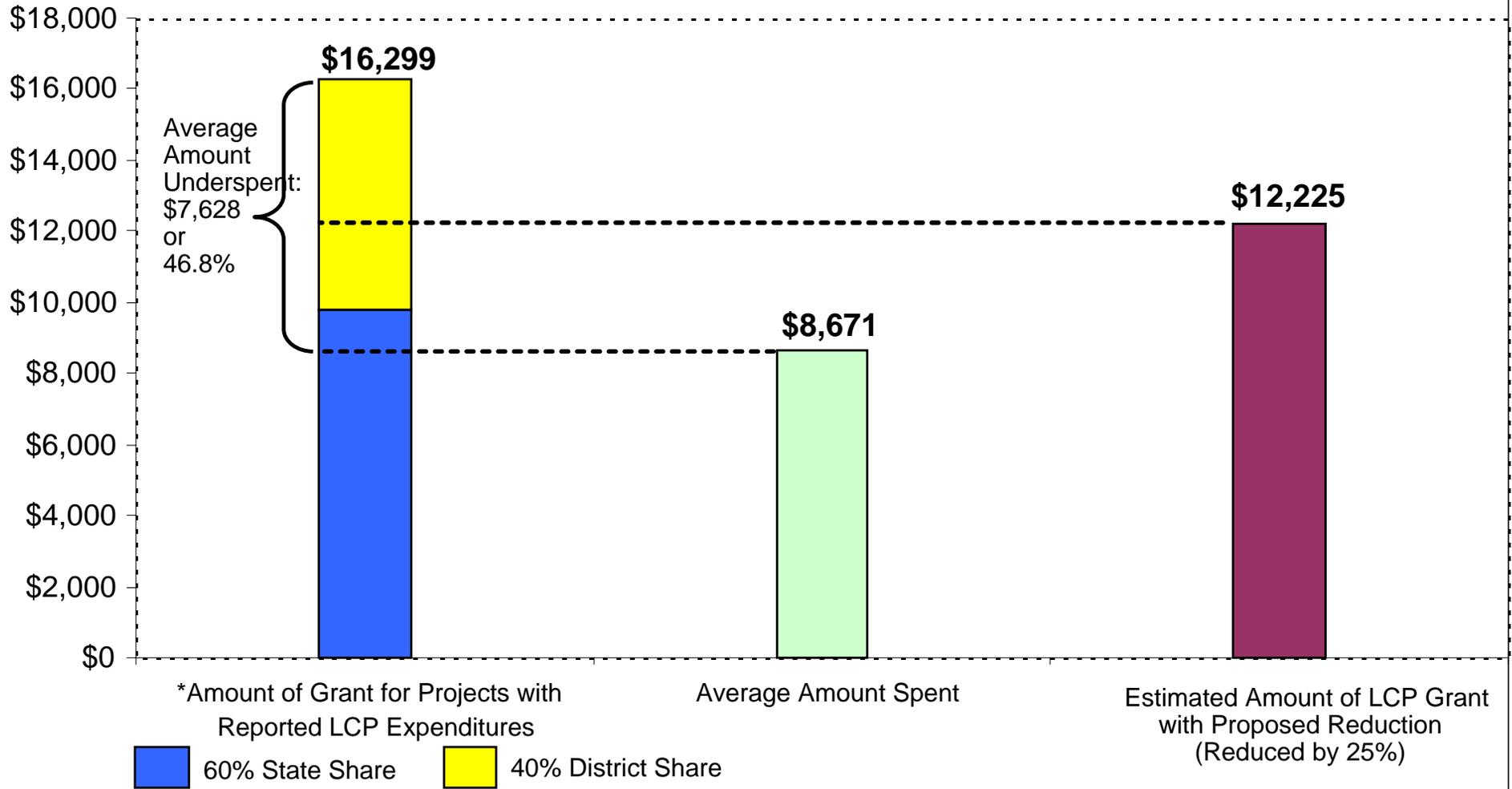
50% State Share



50% District Share

*Removed projects with no LCP costs.

AVERAGE LCP APPORTIONMENTS vs. PROPOSED ESTIMATED LCP APPORTIONMENT
 (Includes State Grant, Financial Hardship and District Share)
Attachment B: Modernization



*Removed projects with no LCP costs.

ATTACHMENT C

Article 8. New Construction and Modernization Grant Determinations

Section 1859.71.4. New Construction Pupil Grant Increase for Labor Compliance Program.

- (a) After determining all other funding authorized by these Regulations, the Board shall increase the per-unhoused-pupil grant amount by 50 percent of the following calculation for any project for which the district is required under Labor Code Section 1771.7(a) and (b) to initiate and enforce a LCP:
 - (1) Using the chart in (b) of this Section, determine the total amount of funding to be provided for the increased costs of a new construction project due to the initiation and enforcement of a LCP.
 - (2) Divide the amount determined in subsection (a)(1) by the total number of pupils, or by one if no pupils are assigned, in the approved application.
- (b) The funding provided for a new construction project to initiate and enforce a LCP shall be calculated on the total project cost, exclusive of site acquisition costs, as follows:

\$16,000 <u>0.65 percent of</u> For the first costs for projects less than \$1 million or any part thereof, plus <u>or</u> \$16,000 for the first \$1 million for projects equal to or more than \$1 million, plus	
1.6 percent	Of the next \$1 million or any part thereof, plus
0.25 percent	Of the next \$1 million or any part thereof, plus
0.15 percent	Of the next \$1 million or any part thereof, plus
0.32 percent	Of the next \$2 million or any part thereof, plus
0.31 percent	Of the next \$2 million or any part thereof, plus
0.46 percent	Of the next \$5 million or any part thereof, plus
0.44 percent	Of the next \$5 million or any part thereof, plus
0.42 percent	Of the next \$30 million or any part thereof, plus
0.4 percent	Of any remaining portion

Note: Authority cited: Section 17070.35, Education Code.

Reference: Section 17072.10, Education Code.

...

Section 1859.78.1. Modernization Pupil Grant Increase for Labor Compliance Program.

- (a) After determining all other funding authorized by these Regulations, the Board shall increase the per-pupil grant amount by the following calculation, less the district matching share required in Section 1859.79, for any project for which the district is required under Labor Code Section 1771.7(a) and (b) to initiate and enforce a LCP:
 - (1) Using the chart in (b) of this Section 1859.71.4(b), determine the total amount of funding to be provided for the increased costs of a modernization project due to the initiation and enforcement of a LCP.
 - (2) Divide the amount determined in subsection (a)(1) by the total number of pupils, or by one if no pupils are assigned, in the approved application.
- (b) The funding provided for a modernization project to initiate and enforce a LCP shall be calculated on the total project cost as follows:

<u>\$12,000</u>	<u>For the first \$1 million or any part thereof, plus</u>
<u>1.2 percent</u>	<u>Of the next \$1 million or any part thereof, plus</u>
<u>0.18 percent</u>	<u>Of the next \$1 million or any part thereof, plus</u>
<u>0.11 percent</u>	<u>Of the next \$1 million or any part thereof, plus</u>
<u>0.24 percent</u>	<u>Of the next \$2 million or any part thereof, plus</u>
<u>0.23 percent</u>	<u>Of the next \$2 million or any part thereof, plus</u>
<u>0.35 percent</u>	<u>Of the next \$5 million or any part thereof, plus</u>
<u>0.33 percent</u>	<u>Of the next \$5 million or any part thereof, plus</u>
<u>0.32 percent</u>	<u>Of the next \$30 million or any part thereof, plus</u>
<u>0.3 percent</u>	<u>Of any remaining portion</u>

Note: Authority cited: Section 17070.35, Education Code.

Reference: Section 17074.10, Education Code

GENERAL INFORMATION

Once the Board has determined or adjusted the district's eligibility for either new construction or modernization funding, the district may file an application for funding by use of this form. The Board will only provide new construction funding if this form is submitted prior to the date of occupancy of any classrooms included in the construction contract. If the district has a pending reorganization election that will result in the loss of eligibility for the proposed project, the district may not file an application for funding until the Board has adjusted the district's new construction baseline eligibility as required in Section 1859.51. This may be accomplished by completion of Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03.

For purposes of Education Code Section 17073.25, the California Department of Education (CDE) is permitted to file modernization applications on behalf of the California Schools for the Deaf and Blind.

Requests for funding may be made as follows:

1. A separate apportionment for site acquisition for a new construction project for environmental hardship pursuant to Section 1859.75.1. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):

- Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
- Contingent site approval letter from the CDE.
- Preliminary appraisal of property.
- Approval letter from the Department of Toxic Substances Control.

2. A separate apportionment for site acquisition and/or design costs for a new construction project pursuant to Section 1859.81.1. This apportionment is available only to districts that meet the financial hardship criteria in Section 1859.81. Districts may apply for a separate apportionment for the design and for site acquisition on the same project. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):

- Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
- Contingent site approval letter from the CDE (site apportionment only).
- Preliminary appraisal of property (site apportionment only).

3. A separate apportionment for district-owned site acquisition cost pursuant to Section 1859.81.2. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate);

- Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
- Site approval letter from the CDE.
- Appraisal of district-owned site.
- Cost benefit analysis as prescribed in Section 1859.74.6 or a copy of the Board finding that the non-school function on the district-owned site must be relocated.

4. A separate apportionment for design cost for a modernization project pursuant to Section 1859.81.1. This apportionment is available only to districts that meet the financial hardship criteria in Section 1859.81. For purposes of this apportionment, the Form SAB 50-03 must accompany this form (if not previously submitted).

5. A New Construction Adjusted Grant pursuant to Section 1859.70. If the funding request includes site acquisition, the proposed site must either be owned by the district, in escrow, or the district has filed condemnation proceedings and received an order of possession of the site. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):

- Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).

- Site/plan approval letter from the CDE.
- Appraisal of property if requesting site acquisition funds.
- Plans and specifications (P&S) for the project that were approved by the DSA. Submittal of plans may be on CD-ROM or "Zip Drive" readable in AutoCAD 14. The specifications may be provided on a diskette that is IBM compatible.
- Cost estimate of proposed site development, if requesting site development funding.
- If this request is pursuant to Section 1859.77.2 and the district's housing plan is other than those listed in the certification section of this form, a copy of the school board resolution and the approved housing plan.
- If the site apportionment is requested pursuant to Regulation Section 1859.74.5, a cost benefit analysis as prescribed in Regulation Section 1859.74.6 or a copy of the Board finding that the non-school function on the district-owned site must be relocated.
- If this is a request for funding under the Small High School Program, pursuant to Regulation Section 1859.93.2, the district must also provide a CDE Small High School academic reform strategy approval.
- If this request is fully or partially based on eligibility derived from an Alternative Enrollment Projection, a justification of how the project relieves overcrowding, including but not limited to, the elimination of the use of Concept 6 calendars, four track year-round calendars, or bussing in excess of 40 minutes.

Modernization Adjusted Grant pursuant to Section 1859.70. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):

- Form SAB 50-03 (if not previously submitted).
- P&S for the project that were approved by the DSA.
- If the request includes funding for accessibility and fire code requirement pursuant to Section 1859.83(f), the DSA approved list of the minimum accessibility work required and a detailed cost estimate for the work in the plans.
- DSA approval letter for elevator to meet handicapped compliance, if funding is requested.
- Cost estimate of the proposed site development necessary for the Reconfiguration of an existing high school.
- Plan approval letter from the CDE.
- Districtwide enrollment data on Form SAB 50-01 when requesting project assistance (if not previously submitted).
- If the request includes funding for 50 year old permanent buildings pursuant to Section 1859.78.6, a site diagram identifying all buildings to be modernized in the project. The diagram must specify those buildings that are at least 50 years old.

Prior to acceptance of an application for funding that includes a financial hardship request, the district must have its financial hardship status "pre-approved" by the Office of Public School Construction (OPSC). To apply for a financial hardship "pre-approval", consult the OPSC Web site at www.opsc.dgs.ca.gov.

If the district is requesting New Construction funding after the initial baseline eligibility was approved by the Board and the district's current CBEDS enrollment reporting year is later than the enrollment reporting year used to determine the district's baseline eligibility or adjusted eligibility, the district must complete a new Form SAB 50-01 based on the current year CBEDS enrollment data, and submit it to the OPSC with this form. In addition, if the district's request is fully or partially based on eligibility derived from an Alternative Enrollment Projection, the district must update the Alternative Enrollment Projection to correspond with the CBEDS enrollment data for the current year. A small district with 2,500 or less enrollment as defined in Section 1859.2 will not have its eligibility reduced for a period of three years from the date the district's baseline eligibility was approved by the Board as a result of reduction in projected enrollment.

APPLICATION FOR FUNDING SCHOOL FACILITY PROGRAM

For a list of the documents that must be submitted in order for the OPSC to deem a funding request for new construction or modernization complete and ready for OPSC processing, consult the SFP handbook and other information located on the OPSC Web site at www.opsc.dgs.ca.gov.

For purposes of completing this form for a Final Charter School Apportionment, a charter school shall be treated as a school district.

SPECIFIC INSTRUCTIONS

The district must assign a Project Tracking Number (PTN) to this project. The same PTN is used by the OPSC, the DSA and the CDE for all project applications submitted to those agencies to track a particular project through the entire state application review process. If the district has already assigned a PTN to this project by prior submittal of the P&S to either the DSA or the CDE for approval, use that PTN for this application submittal. If no PTN has been previously assigned for this project, a PTN may be obtained from the OPSC Web site at www.opsc.dgs.ca.gov "PT Number Generator."

1. Type of Application

Check the appropriate box that indicates the type of School Facility Program (SFP) grant the district is requesting for purposes of new construction, modernization, a separate design and/or site apportionment, site apportionment as an environmental hardship or New Construction (Final Apportionment). If the application is for the modernization of school facilities and includes facilities that are eligible for an additional apportionment pursuant to Section 1859.78.8, include a site diagram with this application that specifies the age of each facility eligible for modernization. The diagram should also indicate the date of its original DSA plan approval and the date the facility received its prior modernization apportionment. If known include the project modernization number on the diagram. If the application is for modernization of a California School for the Deaf or Blind, the CDE shall check the box identified as Modernization of California Schools for the Deaf/Blind. If the request is for a separate design apportionment, the CDE shall check the appropriate box. If the eligibility for this project was established as a result of the need for new or replacement facilities pursuant to Section 1859.82 (a) and (b), or rehabilitation pursuant to Section 1859.83 (e), check the appropriate box.

If this request is for an addition to an existing site and advance funding for the evaluation and RA costs, check the appropriate box and refer to Section 1859.74.4.

If this request is to convert a Preliminary Apportionment or a Preliminary Charter School Apportionment to a Final Apportionment, check the New Construction Final Apportionment, New Construction Final Charter School Apportionment or the Rehabilitation Final Charter School Apportionment box, as appropriate.

If the district is requesting a separate site and/or design apportionment, complete boxes 2a, 3, 4, the site acquisition data in box 5 (d and e), and boxes 12, 13, 14, 15 and 21 only.

2. Type of Project

- Select the type of project that best represents this application request and enter the total number of pupils assigned to the project for each grade group. Include pupils to be housed in a new or replacement school authorized by Section 1859.82 (a). The amount entered cannot exceed the district's baseline

eligibility determined on Form SAB 50-03 and will be the basis for the amount of the new construction or modernization grants provided for the project.

If this request is for a Final Apportionment, the pupils assigned to the project must be at least 75 percent, but not more than 100 percent, of the pupils that received the Preliminary Apportionment. Refer to Section 1859.147.

- Check the box if the project is eligible for funding for 50 year or older permanent buildings and report, at the option of the district:
 - The total number of eligible classrooms or the total eligible square footage building area at the site. Refer to Section 1859.78.6(b)(1)(A) or (b)(2)(A).
 - The total number of permanent classrooms or the total permanent square footage building area that is at least 50 years old and not been previously modernized with state funds. Refer to Section 1859.78.6(b)(1)(B) or (b)(2)(B).
 - Enter the greater percentage as calculated under Regulation Section 1859.78.6(b)(1)(C) or Regulation Section 1859.78.6(b)(2)(C).
 - If this project includes eligible 50 year or older pupil grants, enter the appropriate number assigned to the project for each grade group. The number of pupils entered cannot exceed the cumulative number of 50 year or older permanent buildings pupil grants requested for all modernization funding applications for the site as determined by using the percentage factor above.
- If this request includes pupil grants generated by an Alternative Enrollment Projection Method, enter the number of pupils by grade level.
- Indicate if this request is for funding of a 6-8 school and/or an Alternative Education School.
- Check the applicable box if the district is requesting additional pupil grants assigned to the project that exceed the capacity of the project or if the pupils assigned represent eligibility determined at another grade level and check the appropriate box to indicate under which regulation the district is applying. The pupil capacity of the project may be determined by multiplying the classrooms reported in box 3 by 25 for K-6; 27 for 7-8, 9-12 grades; 13 for non-severe and 9 for severe.
- If the request is for replacement facilities pursuant to Section 1859.82 (a) or (b) on the same site, check the facility hardship box.
- Enter the square footage of the non-toilet area and toilet area contained in the rehabilitation project.

3. Number of Classrooms

Enter the:

- Number of classrooms as shown on the plans and specifications (P&S). If there was demolition at the site, report the net increase in the number of classrooms showing in the P&S.
- Master plan site size, as recommended by the California Department of Education.
- Recommended site size, as determined by the California Department of Education.
- Existing Useable Acres already owned at that location (if any).
- Proposed Useable Acres that was/will be purchased as part of the application (if any).

4. Financial Hardship Request

Check the box if the district is requesting financial hardship assistance because it is unable to meet its matching share requirement. Refer to Section 1859.81 for eligibility criteria. Districts requesting financial assistance must have received a pre-approval for financial hardship status by the OPSC. Consult the OPSC Web site at www.opsc.dgs.ca.gov for details and necessary documentation needed in order to determine eligibility.

5. New Construction Additional Grant Request

Check the appropriate box(es) if the district requests an augmentation to the new construction grant for "additional" grants for the items listed or for replacement facilities pursuant to Section 1859.82(a) and (b). Refer to Sections 1859.72 through 1859.76 and 1859.82(a) and (b) for eligibility criteria. Enter the:

- a. Therapy area in square feet as provided in Section 1859.72.
- b. Multilevel classrooms in the P&S pursuant to Section 1859.73.
- c. Check the box if the district is requesting project assistance pursuant to Section 1859.73.1. If the district has not submitted a request for new construction baseline eligibility on a district-wide basis, it must submit a current Form SAB 50-01 based on district-wide enrollment data with this form.
- d. Indicate the site scenario that best represents the project request. If no RA is required, refer to Section 1859.74. If a RA is required on a site that is not leased or an addition to an existing site, refer to Section 1859.74.2. If RAs are required on a leased site or an addition to an existing site, refer to Sections 1859.74.3 or 1859.74.4, respectively. The limitation of 50 percent may be exceeded when unforeseen circumstances exist, the CDE determines that the site is the best available site, and substantiation that the costs are the minimum required to complete the evaluation and RA.
 - 1) Enter 50 percent of the actual cost.
 - 2) Enter 50 percent of the appraised value of the site. If the request is made pursuant to Regulation Section 1859.74.5, enter 50 percent of the appraised value.
 - 3) Enter 50 percent of the allowable relocation cost.
 - 4) Enter two percent of the lesser of the actual cost or appraised value of the site (minimum \$25,000).
 - 5) Enter 50 percent of the Department of Toxic Substances Control (DTSC) fee for review and approval of the phase one environmental site assessment and preliminary endangerment assessment reports. Refer to Sections 1859.74, 1859.74.1, 1859.74.5, 1859.75, 1859.75.1 and 1859.81.1. If the district is submitting a funding request for new construction under the Small High School Program, enter the 60 percent values.

A project that received site acquisition funds under the Lease-Purchase Program (LPP) as a priority two project is not eligible for site acquisition funds under the SFP. A district-owned site acquired with LPP, SFP or Proposition 1A funds is not eligible for funding under Regulation Section 1859.74.5.

- e. Enter 50 percent of the amount allowable for hazardous materials/waste removal and/or remediation for the site acquired pursuant to Sections 1859.74.2, 1859.74.3, 1859.74.4, 1859.75.1 or 1859.81.1. If an RA is required, check the box.
- f. Enter 50 percent of eligible service-site development, off-site development including pedestrian safety paths and utilities costs allowed pursuant to Section 1859.76. If the district is submitting a funding request for new construction under the Small High School Program, enter the 60 percent values. Attach cost estimates of the proposed site development work which shall be supported and justified in the P&S. All cost estimates shall reflect 100 percent of the proposed work.

Check the box if the district is requesting an Additional Grant for General Site Development pursuant to Section 1859.76

- g. If the district is requesting replacement facilities on the same site, enter the square footage requested as provided in Section 1859.82(a) or (b).

- h. Enter the square feet of eligible replacement area as provided by Section 1859.73.2.
- i. If the district is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.71.3, enter the percentage of energy efficiency that exceeds Title 24 requirements as prescribed in Section 1859.71.3(a)(3).
- j. Check the box(es) if the district requests and the project qualifies for additional funding for fire code requirements authorized in Section 1859.71.2.

6. Modernization Additional Grant Request

- a. Check the box if the district is requesting project assistance allowance pursuant to Section 1859.78.2. If the district has not submitted a request for new construction baseline eligibility on a district-wide basis, it must submit a current Form SAB 50-01 based on district-wide enrollment data with this form.
- b. If the district is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.78.5, enter the percentage of energy efficiency that exceeds Title 24 requirements as prescribed in Section 1859.78.5(a)(3).
- c. Check the box if the district requests an additional grant for site development utility cost necessary for the modernization of 50 years or older permanent building(s). Enter 60 percent of the eligible costs allowable pursuant to Section 1859.78.7(a).
- d. Check the box if the district is requesting a Separate Apportionment for Reconfiguration pursuant to Section 1859.78.9. Enter the full value of the Reconfiguration request, not to exceed an aggregate of \$500,000 for all high school entities created.
- e. Check the box(es) if the district requests and the project qualifies for additional funding for fire code requirements authorized in Section 1859.78.4.

7. Excessive Cost Hardship Request

Check the appropriate box to request an augmentation to the New Construction, Modernization or Charter School Facility Program Rehabilitation Grants for an excessive cost hardship for the items listed. Refer to Section 1859.83 for eligibility criteria. Requests for excessive cost grants for accessibility requirements are allowed only if required by the Division of the State Architect (DSA). At the district's option, the district may request three percent of the modernization base grant or enter 60 percent of the amount calculated pursuant to Regulation Section 1859.83(f). Attach a copy of the DSA approved list that shows the minimum work necessary for accessibility requirements.

If the request is for the excessive cost grant for a new Alternative Education school pursuant to Section 1859.83(c)(2) and the district wishes to request less than the maximum allowance, please submit a letter along with application indicating the desired amount.

If the request is for rehabilitation mitigation, report 80 percent or 60 percent (as appropriate) of health/safety rehabilitation mitigation cost for a modernization project as authorized by Section 1859.83(e).

8. Project Priority Funding Order

Enter the priority order of this project in relation to other new construction applications submitted by the district on the same date. If applications are not received on the same date, the OPSC will assign a higher district priority to the application received first. Check the box(es) if the project meets the criteria outlined in Section 1859.92(c)(3),(4) and (6), as appropriate. This information is needed for purposes of priority points.

APPLICATION FOR FUNDING SCHOOL FACILITY PROGRAM

SAB 50-04 (REV 07/07/05/07)

9. Prior Approval Under the LPP

If the project the district is requesting SFP grants for received a Phase P, S, or C approval under the LPP, report the application number of that project, regardless if the project actually received funding or was included on an "unfunded" list. Failure to report this information may delay the processing of the application by the OPSC.

10. Prior Apportionment Under the SFP

If the project received a separate apportionment under the SFP for either site and/or design, or site environmental hardship, enter the application number of the project. Failure to report this information may delay the processing of the application by the OPSC.

11. Preliminary Apportionment to a Final Apportionment

If this request is to convert a Preliminary Apportionment to a Final Apportionment, enter the application number of the Preliminary Apportionment. Failure to report this information may delay the processing of the application by the OPSC.

12. Alternative Developer Fee

The district must report certain alternative fees collected pursuant to Government Code Section 65995.7, as of the date of application submittal to the OPSC. Refer to Section 1859.77 for details. Districts are advised that the OPSC may perform an audit of the developer fees collected prior to application approval by the Board.

13. Adjustment to New Construction Baseline Eligibility

Pursuant to Section 1859.51 certain adjustments to the district's new construction baseline eligibility must be made each time a district submits Form SAB 50-04, to the OPSC for SFP new construction or modernization grants. These adjustments are made by the OPSC based on information reported by the district on this form.

- Report all additional classroom(s) provided after the district submitted its request for determination of its new construction baseline eligibility for the grades shown, or indicate N/A if there are none. Refer to Section 1859.51(i).
- If the eligibility for this project was determined on a high school attendance area (HSAA) or Super HSAA pursuant to Section 1859.41, enter the number of pupils by grade level type that were included in the latest report by the CDE pursuant to Education Code Section 42268 that received operational grants in that HSAA or Super HSAA.

14. Pending Reorganization Election

Complete only for new construction projects. Indicate if there is a pending reorganization election that will result in a loss of eligibility for this project. If the answer is "yes", the district must complete Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03, to adjust the district's new construction baseline eligibility as a result of the reorganization and submit them with this form.

15. Joint-Use Facility/Leased Property

Check the box if:

- The facilities to be constructed/modernized as part of this project will be for joint use by other governmental agencies.
- The new construction or modernization grants will be used for facilities located or to be located on leased property.

16. Project Progress Dates

Complete this section for new construction/modernization projects:

- Enter the date the initial construction contract was signed for this project. If a construction contract has not been executed, enter N/A.
- Enter the issue date for the Notice to Proceed for the construction phase of the project, or enter N/A if a Notice to Proceed has not been issued.

17. Labor Compliance Program

Indicate whether the district is subject to a Labor Compliance Program that has been approved by the Department of Industrial Relations pursuant to Labor Code Section 1771.7 by checking the appropriate box.

18. Construction Delivery Method

Check the box that best represents the construction delivery method that the district has or will use for this project, if known.

19. Architect of Record or Licensed Architect Certification

The architect of record or the licensed architect must complete this section.

20. Architect of Record or Design Professional Certification

The architect of record or the appropriate design professional must complete this section.

21. Certification

The district representative must complete this section. For additional information regarding district certifications, refer to the SFP handbook located on the OPSC web site at www.opsc.dgs.ca.gov.

The school district named below applies to the State Allocation Board via the Office of Public School Construction for a grant under the provisions of Chapter 12.5, Part 10, Division 1, commencing with Section 17070.10, et seq., of the Education Code and the Regulations thereto.

SCHOOL DISTRICT		APPLICATION NUMBER
SCHOOL NAME		PROJECT TRACKING NUMBER
COUNTY	DISTRICT REPRESENTATIVE'S E-MAIL ADDRESS	HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPER HSAA (IF APPLICABLE)

1. Type of Application—Check Only One

- New Construction
- New Construction (Final Apportionment)
- New Construction (Final Charter School Apportionment)
- New Construction (Small High School Program)
- Rehabilitation (Final Charter School Apportionment)
- Modernization
- Modernization of California Schools for Deaf/Blind

Separate Apportionment

- Site Only—New Construction [Section 1859.81.1]
- Site Only (District owned)—New Construction [Section 1859.81.2]
- Site Only—Environmental Hardship [Section 1859.75.1]
- Design Only—New Construction [Section 1859.81.1]
- Design Only—Modernization
- Design Only—Modernization of California Schools for Deaf/Blind
- Facility Hardship [Section 1859.82(a)]
- Facility Hardship [Section 1859.82(b)]
- Rehabilitation [Section 1859.83(e)]
- Advance Funding for Evaluation and RA

2. Type of Project

- a. Elementary School
- Middle School
- High School

Total Pupils Assigned:

K-6: _____
 7-8: _____
 9-12: _____
 Non-Severe: _____
 Severe: _____

- b. 50 Years or Older Building Funding (Modernization Only)

Total Eligible Classrooms/Square Footage: _____
 Classroom/Square Footage at Least 50 Years Old: _____
 Ratio of 50 Years Old Classrooms/Square Footage: _____ %
 From 2a above, how many are 50 Year or Older Pupil Grants?

K-6: _____
 7-8: _____
 9-12: _____
 Non-Severe: _____
 Severe: _____

- c. Included in 2a above, how many pupils are generated by the Alternative Enrollment Projection? (New Construction Only)

K-6: _____
 7-8: _____
 9-12: _____
 Non-Severe: _____
 Severe: _____

- d. Is this a 6-8 school? Yes No

If you answered yes, how many K-6 pupils reported above are sixth graders? _____

- Is this an Alternative Education School? Yes No

- e. Is this a use of grant request pursuant to Section 1859.77.2? Yes No

Is this request pursuant to Section 1859.77.2(c)? Yes No

If yes, enter date of successful bond election: _____

- Is this a use of grant request pursuant to Section 1859.77.3? Yes No

Is this request pursuant to Section 1859.77.3(c)? Yes No

If yes, enter date of successful bond election: _____

- f. Facility Hardship (no pupils assigned)

- g. Charter School Facility Program Rehabilitation Request:

Toilets (sq. ft.) _____

Other (sq. ft.) _____

3. Number of Classrooms:

Master Plan Acreage Site Size (Useable): _____

Recommended Site Size (Useable): _____

Existing Acres (Useable): _____

Proposed Acres (Useable): _____

4. Financial Hardship Request—Must Have Pre-Approval by OPSC

5. New Construction Additional Grant Request—New Construction Only

- a. Therapy: Toilets (sq. ft.) _____

Other (sq. ft.) _____

- b. Multilevel Construction (CRS): _____

- c. Project Assistance

- d. Site Acquisition:

Leased Site

Additional Acreage to Existing Site

Addition to Existing Site

(1) 50 percent Actual Cost: \$ _____

(2) 50 percent Appraised Value: \$ _____

(3) 50 percent Relocation Cost: \$ _____

(4) 2 percent (min. \$25,000): \$ _____

(5) 50 percent DTSC Fee: \$ _____

- e. 50 percent hazardous waste removal: \$ _____

Response Action (RA)

- f. Site Development

50 percent Service-Site: \$ _____

50 percent Off-Site: \$ _____

50 percent Utilities: \$ _____

General Site

**APPLICATION FOR FUNDING
SCHOOL FACILITY PROGRAM**

- g. Facility Hardship Section 1859.82(a) or (b)
 - Toilet (sq. ft.): _____
 - Other (sq. ft.): _____
- h. Replacement area
 - Toilet (sq. ft.): _____
 - Other (sq. ft.): _____
- i. Energy Efficiency: _____ %
- j. Automatic Fire Detection/Alarm System
- Automatic Sprinkler System

6. Modernization Additional Grant Request—Modernization Only

- a. Project Assistance
- b. Energy Efficiency: _____ %
- c. Site Development—60 percent utilities: \$ _____
- d. Separate Apportionment for Reconfiguration (for Small High School Program only): \$ _____
- e. Automatic Fire Detection/Alarm System

7. Excessive Cost Hardship Request

New Construction Only

- Geographic Percent Factor: _____ %
- New School Project [Section 1859.83(c)(1)]
- New School Project [Section 1859.83(c)(2)]
- New School Project [Section 1859.83(c)(3)]
- Small Size Project
- Urban/Security/Impacted Site: If a new site, \$ _____ per Useable Acre [Section 1859.83(d)(2)(C)]

Modernization or Charter School Facility Program Rehabilitation Only

- Rehabilitation/Mitigation [Section 1859.83(e)]: \$ _____
- Geographic Percent Factor: _____ %
- Accessibility/Fire Code
 - 3 percent of base grant; or,
 - 60 percent of minimum work \$ _____
- Number of 2-Stop Elevators: _____
- Number of Additional Stops: _____
- Small Size Project
- Urban/Security/Impacted site

8. Project Priority Funding Order—New Construction Only

Priority order of this application in relation to other new construction applications submitted by the district at the same time: # _____

Project meets:

- Density requirement pursuant to Section 1859.92(c)(3).
- Stock plans requirement pursuant to Section 1859.92(c)(4).
- Energy efficiency requirement pursuant to Section 1859.92(c)(6).

9. Prior Approval Under the LPP

New Construction: 22/ _____

Modernization: 77/ _____

10. Prior Apportionment Under the SFP

Site/Design—New Construction: 50/ _____

Design—Modernization: 57/ _____

11. Preliminary Apportionment to Final Apportionment

Preliminary Apportionment Application Number: # _____

12. Alternative Developer Fee—New Construction Only

Alternative developer fee collected and reportable pursuant to Regulation Section 1859.77: \$ _____

13. Adjustment to New Construction Baseline Eligibility

- a. Additional Classroom(s) provided:
 - K-6: _____
 - 7-8: _____
 - 9-12: _____
 - Non-Severe: _____
 - Severe: _____
- b. Operational Grant (HSAA) only:
 - K-6: _____
 - 7-8: _____
 - 9-12: _____
 - Non-Severe: _____
 - Severe: _____

14. Pending Reorganization Election—New Construction Only

Yes No

15. Joint-Use Facility/Leased Property

- a. Joint-Use Facility
- b. Leased Property

16. Project Progress Dates

- a. Construction Contract signed on: _____
- b. Notice to Proceed issued on: _____

17. Labor Compliance Program

Will you be required to initiate and enforce a Labor Compliance Program pursuant to Labor Code Section 1771.7 for this project? Yes No

18. Construction Delivery Method

- Design-Bid-Build
- Design-Build
- Developer Built
- Lease Lease-Back
- Energy Performance Contract
- Other: _____

**APPLICATION FOR FUNDING
SCHOOL FACILITY PROGRAM**

19. Architect of Record or Licensed Architect Certification

I certify as the architect of record for the project or as a licensed architect that:

- The P&S for this project were submitted to the OPSC by electronic medium (i.e., CD-ROM, zip disk or diskette) or as an alternative, if the request is for a modernization Grant, the P&S were submitted in hard copy to the OPSC.
- Any portion of the P&S requiring review and approval by the Division of the State Architect (DSA) were approved by the DSA on _____ (enter DSA approval date).
- Any portion of the P&S not requiring review and approval by the DSA meets the requirements of the California Code of Regulations, Title 24, including any handicapped access and fire code requirements.
- If the request is for a Modernization or Charter School Facility Program Rehabilitation Grant, the P&S include the demolition of more classrooms than those to be constructed in the project, the difference is _____ classroom(s). (Indicate N/A if there are none.)
- If the request is for a Modernization or Charter School Facility Program Rehabilitation Grant, the P&S include the construction of more classrooms than those to be demolished in the project, the difference is _____ classroom(s). (Indicate N/A if there are none.)

ARCHITECT OF RECORD OR LICENSED ARCHITECT (PRINT NAME)

SIGNATURE

DATE

20. Architect of Record or Design Professional Certification

I certify as the architect of record for the project or the appropriate design professional, that:

- If the request is for a New Construction Grant, I have developed a cost estimate of the proposed project which indicates that the estimated construction cost of the work in the P&S including deferred items (if any) relating to the proposed project, is at least 60 percent of the total grant amount provided by the State and the district's matching share, less site acquisition costs. This cost estimate does not include site acquisition, planning, tests, inspection, or furniture and equipment and is available at the district for review by the OPSC.
- If the request is for a Modernization or Charter School Facility Program Rehabilitation Grant, I have developed a cost estimate of the proposed project which indicates that the estimated construction cost of the work in the P&S, including deferred items and interim housing (if any) relating to the proposed project, is at least 60 percent of the total grant amount provided by the State and the district's matching share. This cost estimate does not include planning, tests, inspection or furniture and equipment and is available at the district for review by the OPSC.

ARCHITECT OF RECORD OR DESIGN PROFESSIONAL (PRINT NAME)

SIGNATURE

DATE

21. Certification

I certify, as the District Representative, that the information reported on this form, with the exception of items 19 and 20, is true and correct and that:

- I am an authorized representative of the district as authorized by the governing board of the district; and,
- A resolution or other appropriate documentation supporting this application under Chapter 12.5, Part 10, Division 1, commencing with Section 17070.10, et. seq., of the Education Code was adopted by the school district's governing board or the designee of the Superintendent of Public Instruction on, _____; and,
- The district has established a "Restricted Maintenance Account" for exclusive purpose of providing ongoing and major maintenance of school buildings and has developed an ongoing and major maintenance plan that complies with and is implemented under the provisions of Education Code Section 17070.75 and 17070.77 (refer to Sections 1859.100 through 1859.102); and,
- Pursuant to Education Code Section 17070.755, the district has made a priority of the funds in the restricted maintenance account, established pursuant to Education Code Section 17070.75, to ensure that facilities are functional and meet local hygiene standards; and,
- The district has considered the feasibility of the joint use of land and facilities with other governmental agencies in order to minimize school facility costs; and,
- The district will comply with all laws pertaining to the construction or modernization of its school buildings; and
- If this funding request is for the modernization of portable classrooms eligible for an additional apportionment pursuant to Education Code Section 17073.15, the district certifies that (check the applicable box below):
 - 1. The state modernization funds will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,
 - 2. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional apportionment is better use of public resources than the replacement of these facilities.
- Facilities to be modernized have not been previously modernized with Lease-Purchase Program, Proposition 1A Funds or School Facility Program state funds; and,
- Facilities to be rehabilitated under the Charter School Facility Program previously funded with School Facility Program State funds meet the requirements of Section 1859.163.6; and,
- All contracts entered on or after November 4, 1998 for the service of any architect structural engineer or other design professional for any work under the project have been obtained pursuant to a competitive process that is consistent with the requirements of Chapter 10 (commencing with Section 4525) of Division 5, of Title 1, of the Government Code; and,
- If this request is for new construction funding, the district has received approval of the site and the plans from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- If this request is for modernization or Charter School Facility Program Rehabilitation funding, the district has received approval of the plans for the project from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- The district has or will comply with the Public Contract Code regarding all laws governing the use of force account labor; and,

APPLICATION FOR FUNDING SCHOOL FACILITY PROGRAM

- This district has or will comply with Education Code Section 17076.11 regarding at least a 3 percent expenditure goal for disabled veteran business enterprises; and,
- The district matching funds required pursuant to Sections 1859.77.1 or 1859.79 has either been expended by the district, deposited in the County School Facility Fund or will be expended by the district prior to the notice of completion for the project; and,
- The district has received the necessary approval of the plans and specifications from the Division of the State Architect unless the request is for a separate site and/or design apportionment; and,
- If the district is requesting site acquisition funds as part of this application, the district has complied with Sections 1859.74 through 1859.75.1 as appropriate; and,
- With the exception of an apportionment made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing the pupil capacity or renovation of its facilities within 18 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105); and,
- If the apportionment for this project was made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing the pupil capacity or renovation of its facilities within 12 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105.1); and,
- The district understands that funds not released within 18 months of apportionment shall be rescinded and the application shall be denied (refer to Section 1859.90); and,
- The statements set forth in this application and supporting documents are true and correct to the best of my knowledge and belief; and,
- All school facilities purchased or newly constructed under the project for use by pupils who are individuals with exceptional needs, as defined in Education Code Section 56026, shall be designed and located on the school site so as to maximize interaction between those individuals with exceptional needs and other pupils as appropriate to the needs of both; and,
- This form is an exact duplicate (verbatim) of the form provided by the OPSC. In the event a conflict should exist, the language in the OPSC form will prevail; and,
- The district understands that some or all of the State funding for the project must be returned to the State as a result of an audit pursuant to Sections 1859.105, 1859.105.1, 1859.106; and,
- The district has complied with the provisions of Sections 1859.76 and 1859.79.2 and that the portion of the project funded by the State does not contain work specifically prohibited in those Sections; and,
- If the SFP grants will be used for the construction or modernization of school facilities on leased land, the district has entered into a lease agreement for the leased property that meets the requirements of Section 1859.22; and,
- If the application contains a "Use of New Construction Grant" request, the district has adopted a school board resolution and housing plan at a public hearing at a regularly scheduled meeting of the governing board on _____ as specified in Sections 1859.77.2, or 1859.77.3, as appropriate. The district's approved housing plan is as indicated (check all that apply):
 - 1. The district will construct or acquire facilities for housing the pupils with funding not otherwise available to the SFP as a district match within five years of project approval by the SAB and the district must identify the source of the funds. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
 - 2. The district will utilize higher district loading standards providing the loading standards are within the approved district's teacher contract and do not exceed 33:1 per classroom. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
 - 3. The pupils requested from a different grade level will be housed in classrooms at an existing school in the district which will have its grade level changed, to the grade level requested, at the completion of the proposed SFP project. [Applicable for Sections 1859.77.2(b) and 1859.77.3(b)]
- If the district requested additional funding for fire code requirements pursuant to Sections 1859.71.2 or 1859.78.4, the district will include the automatic fire detection/alarm system and/or automatic sprinkler system in the project prior to completion of the project; and
- If this request is for a Large New Construction Project or a Large Modernization Project, the district has consulted with the career technical advisory committee established pursuant to Education Code Section 8070 and it has considered the need for vocational and career technical facilities to adequately meet its program needs in accordance with Education Code Sections 51224, 51225.3(b) and 51226.1; and
- If the district is requesting an Additional Grant for Energy Efficiency pursuant to Sections 1859.71.3 or 1859.78.5, the increased costs for the energy efficiency components in the project exceeds the amount of funding otherwise available to the district; and
- If this application is submitted after January 1, 2004 for modernization funding, the district has considered the potential for the presence of lead-containing materials in the modernization project and will follow all relevant federal, state, and local standards for the management of any identified lead; and
- The district has or will initiate and enforce a Labor Compliance Program that has been approved by the Department of Industrial Relations, pursuant to Labor Code Section 1771.7, if the project is funded from Propositions 47 or 55 and the Notice to Proceed for the construction phase of the project is issued on or after April 1, 2003; and,
- Beginning with the 2005/2006 fiscal year, the district has complied with Education Code Section 17070.75(e) by establishing a facilities inspection system to ensure that each of its schools is maintained in good repair; and
- If this application is submitted pursuant to Section 1859.93.2, the district certifies that is has an academic reform strategy scored by the CDE, and is available at the district office for OPSC verification; and
- If this application is submitted pursuant to Section 1859.93.2, the district certifies the enrollment at the Small High School will not exceed 500 pupils for a minimum of two complete school years after the Occupancy of the last Small High School funded, as outlined in Section 1859.104(e)(2); and
- If this application is submitted pursuant to Section 1859.78.9, the district certifies the enrollment at the resulting Small High Schools will not exceed 500 pupils for a minimum of two complete school years after the Occupancy of the Small High Schools; and
- If this application is submitted pursuant to Section 1859.78.9 or Section 1859.93.2, the district certifies that is will meet all reporting requirements as specified in Section 1859.104(e)(1) and/or (2).

FUND RELEASE AUTHORIZATION

SCHOOL FACILITY PROGRAM

SAB 50-05 (REV 07/07/09/06)

GENERAL INFORMATION

(Refer to Title 2, California Code of Regulations, Sections 1859.90 and 1859.91)

After a School Facility Program (SFP) grant has been funded by the Board, the Office of Public School Construction (OPSC) will release the apportioned funds with the exception of design funds, to the appropriate county treasury once the district has completed and submitted this form to the OPSC. Design funds will automatically be released to the district within 30 days of the apportionment, with the exception of Preliminary Apportionments.

The following documents must be submitted with this form (as appropriate):

1. Signature page of the contract(s) that meets the requirement for a fund release (Part IV and/or VI).
2. Notice(s) to Proceed.
3. For projects that require a Labor Compliance Program:
 - All school district and/or third party provider Department of Industrial Relations approval letters (initial, extension(s) and/or final).
 - Third party contract(s).
4. For new construction projects that complete Part IV attach:
 - Accepted bid documents including additive/deductive alternates.

For the purposes of completing this form to obtain a fund release for a Final Charter School Apportionment, a charter school shall be treated as a school district.

When determining if the district has entered into binding construction contract(s) for 50 percent of the construction included in the plans, please refer to the list below for an example of eligible construction costs;

- a. Utility Services costs pursuant to Sections 1859.76(c) and 1859.78.7.
- b. Off-Site Development costs pursuant to Section 1859.76(b)
- c. Service Site Development costs pursuant to Section 1859.76(a).
- d. General Site Development costs.
- e. Building Construction costs.
- f. Modernization costs (may include)
 1. Any new building area included in a modernization project which replaces "like kind" area.
 2. New site development costs for replacement, repair or additions to existing site development work.
 3. Removal of hazardous waste the Department of Toxic Substances Control has declared unsafe which does not exceed ten percent of the total modernization project cost.
- g. Construction Management (CM) Fees – if CM is "at-risk.
- h. Demolition Costs – Eligible if the costs are attributable to replacement of "like kind" building area for modernization projects pursuant to Section 1859.79.2(a), no cost limitations for new construction projects.
- i. Force Account Labor costs – Eligible if they comply with the Public Contract Code and are specific to the project.
- j. Interim Housing costs – Eligible for modernization projects. Costs may also be eligible for new construction projects that are additions to an existing site where classrooms temporarily are inaccessible or unsafe to house students.
- k. Unconventional Energy costs.
- l. Construction Testing costs.
- m. Inspection costs.
- n. Furniture and Equipment costs – Eligible when included in a construction contract (such as built-in equipment for central kitchen, etc.)
- o. Construction Supervision/Security costs.
- p. Energy Conservation costs.

SPECIFIC INSTRUCTIONS

Part I. Preliminary Apportionment—Design Only

Check the boxes if the district has current financial hardship status pursuant to Section 1859.81 and is requesting release of Preliminary Apportionment funds for design, engineering, and other preconstruction project costs. Attach to this form the California Department of Education (CDE) Letter pursuant to Section 1859.149(a)(2).

Part II. Preliminary Charter School Apportionment

Check the boxes if the charter school is requesting a release of a Preliminary Charter School Apportionment for design and/or separate site apportionment pursuant to Section 1859.164.2. Attach to this form the Charter School Agreements.

Part III. Separate Site Apportionment

Check the box, for release of a separate site apportionment provided pursuant to Sections 1859.75.1 or 1859.81.1 or for release of Preliminary Apportionment site only acquisition pursuant to 1859.153(b) or (c).

Part IV. New Construction/Modernization/Charter School Rehabilitation

Check the box(es) for release of new construction, modernization or rehabilitation funds and enter the following:

- a. Enter the percent of the construction the district has under binding contract(s).
- b. Earliest issue date of the Notice to Proceed for the construction phase of the project; and,
- c. The name of the initial contractor;
- d. Signature date of the initial construction contract entered into by the district for this project.

For Final Charter School Apportionment attach to this form the Charter School Agreements if not previously submitted or if since revised.

Part V. New Construction—Site Acquisition Only

Check the boxes if the district is requesting a separate release of site acquisition funds as part of a new construction project.

Part VI. Joint-Use Projects

Check the boxes if the district is requesting release of joint-use project funds and enter:

- a. Earliest issue date of the Notice to Proceed for the construction phase of the project; and
- b. The name of the initial contractor; and,
- c. Signature date of the initial construction contract entered into by the district for this project.

When the joint-use partners' financial contribution is provided by the district through local bond proceeds, please submit a copy of the voter approved bond language.

Part VII. Identify District and Joint-Use Partners' Funding Sources

Check the appropriate box(es) that identify the district funding sources that have or will be used for the district's share of the project.

Part VIII. Identify District's Construction Delivery Method

Check the appropriate box that identifies the construction delivery method that the district utilized for this project.

FUND RELEASE AUTHORIZATION

SCHOOL FACILITY PROGRAM

SAB 50-05 (REV 07/07/09/06)

SCHOOL DISTRICT	APPLICATION NUMBER
SCHOOL NAME	FIVE-DIGIT DISTRICT CODE NUMBER (SEE CALIFORNIA PUBLIC SCHOOL DIRECTORY)
COUNTY	HIGH SCHOOL ATTENDANCE AREA (HSAA) (IF APPLICABLE)

Part I. Preliminary Apportionment—Design Only

- The district certifies it has complied with Section 1859.149(a).
- The district certifies that its applicable matching share has either:
- been deposited in the County School Facility Fund
 - has already been expended by the district for the project
 - will be expended by the district prior to the Notice of Completion for the project
- The district certifies that it currently has Financial Hardship status under the provisions of Section 1859.81.

Part II. Preliminary Charter School Apportionment

A. Design Only

Pursuant to Section 1859.164.2(a), must be able to check all boxes:

- The Charter School certifies that its applicable matching share has either:
- been deposited in the County School Facility Fund
 - has already been expended by the Charter School for the project
 - will be expended by the Charter School prior to the Notice of Completion for the project
- The Charter School certifies it has current financial soundness status from the California School Finance Authority.
- The Charter School certifies it has entered into the Charter School Agreements pursuant to Section 1859.164.2.

B. Separate Site Apportionment

Pursuant to Section 1859.164.2(b), must be able to check all boxes:

- Release site acquisition funds. The Charter School certifies the funds are needed to place on deposit in order to secure the site acquisition.
- The Charter School certifies that its applicable matching share has either:
- been deposited in the County School Facility Fund
 - has already been expended by the Charter School for the project
 - will be expended by the Charter School prior to the Notice of Completion for the project
- The Charter School certifies it has current financial soundness status from the California School Finance Authority.
- The Charter School certifies it has entered into the Charter School Agreements pursuant to Section 1859.164.2.

Part III. Separate Site Apportionment

- RA on additions to existing school sites pursuant to Section 1859.74.4.

Pursuant to Sections 1859.75.1 or 1859.81.1, district must be able to check both boxes:

- Release site acquisition funds. The district certifies the funds are needed to place on deposit in order to secure the site acquisition.
- The district certifies that its applicable matching share has either:
- been deposited in the County School Facility Fund
 - has already been expended by the district for the project
 - will be expended by the district prior to the Notice of Completion for the project

Part IV. New Construction/Modernization/Charter School Rehabilitation

District/Charter School must be able to check all both boxes:

- The district certifies that its applicable matching share has either:
- been deposited in the County School Facility Fund
 - has already been expended by the district for the project
 - will be expended by the district prior to the Notice of Completion for the project
- The district certifies it has entered into a binding contract(s) for ____ percent of the construction (must be at least 50 percent of the construction included in the plans and specifications applicable to the state funded project), **and has issued the Notice to Proceed on _____ for that contract signed on _____.**
- The district certifies that the earliest issue date of the Notice to Proceed for the construction phase is _____ for the _____ contract signed on _____.

The Charter School must also be able to check the following box:.

- The Charter School certifies it has entered into the Charter School Agreements pursuant to Section 1859.164.2.

The amount of State funds released for new construction shall be 100 percent of the total SFP New Construction Adjusted Grant, less any site acquisition funds previously released in Part III.

The amount of State funds released for modernization shall be 100 percent of the SFP Modernization Adjusted Grant.

**FUND RELEASE AUTHORIZATION
SCHOOL FACILITY PROGRAM**

Part V. New Construction—Site Acquisition Only

District must be able to check both boxes:

- The district certifies it has entered escrow for the site (attach copy of escrow instructions).
- The district certifies that its applicable matching share has either:
 - been deposited in the County School Facility Fund
 - has already been expended by the district for the project
 - will be expended by the district prior to the Notice of Completion for the project

The amount of State funds released shall be equal to the additional grant provided for site acquisition.

Part VI. Joint-Use Projects

- The district certifies that the Joint-Use Partners' financial contribution has either:
 - been received and deposited in the County School Facility Fund
 - has been received and expended by the district
 - will be received and expended by the district prior to the Notice of Completion for the project
 - has been provided by the district through a local bond approved specifically for this purpose.
- The district certifies it has entered into a binding contract(s) for ____ percent of the construction (must be at least 50 percent of the construction included in the plans and specifications applicable to the state funded project), ~~and has issued the Notice to Proceed on _____ for that contract signed on _____.~~
- The district certifies that the earliest issue date of the Notice to Proceed for the construction phase is _____ for the _____ contract signed on _____.

The amount of State funds released for new construction shall be 100 percent of the Joint-Use Grant.

I certify, as the District Representative, that the information reported on this form is true and correct and that:

- I am an authorized representative of the district as authorized by the governing board of the district; and
- The site where buildings will be modernized or rehabilitated must comply with Education Code Sections 17212, 17212.5, and 17213; and,
- The grant amount provided by the State, combined with local matching funds or the Joint-Use Partner's financial contribution, are sufficient to complete the school construction project, unless the request is for a separate site and/or design apportionment; and,
- The district has or will comply with the Public Contract Code regarding all laws governing the use of force account labor; and,
- This project for which the grant amount is provided complies with Education Code Sections 17070.50 and 17072.30; and,
- The district shall certify at the time of a fund release for the project that it complies with Section 1859.90.1.
- This form is an exact duplicate (verbatim) of the form provided by the Office of Public School Construction (OPSC). In the event a conflict should exist, then the language in the OPSC form will prevail; and,
- If required by Labor Code Section 1771.7, the district has initiated and will enforce a Labor Compliance Program that has been approved by the Department of Industrial Relations.

Part VII. Identify District and Joint-Use Partners' Funding Sources

- Available bond funds such as general obligation, or Mello-Roos.
- Available developer fees, proceeds from the sale of surplus property, or federal grants.
- Other funds available (identify)
- Funds already expended by the district for the project.
- Funds already expended by the Joint-Use Partners for the project.
- Future revenue sources to be used for the project (identify)

Part VIII. Identify District's Construction Delivery Method

- Design-Bid-Build
- Design-Build
- Developer Built
- Lease Lease-Back
- Energy Performance Contract
- This project includes or will include piggyback contract(s), as defined in Section 1859.2
- Other: _____

SIGNATURE OF DISTRICT REPRESENTATIVE

DATE

**APPLICATION FOR JOINT-USE FUNDING
SCHOOL FACILITY PROGRAM**

SAB 50-07 (REV 07/0701/05)

GENERAL INFORMATION

This form is used by a district to request State funding for a joint-use project under the provisions of Education Code Sections 17077.40, 17077.42 and 17077.45.

Requests for funding may be made as follows:

1. A Type I Joint-Use Project pursuant to Section 1859.122. The following documents must be submitted with this form in order for the Office of Public School Construction (OPSC) to accept the application for processing:
 - Joint-use agreement, that complies with the requirements of Education Code Section 17077.42.
 - Plans and Specifications (P&S) for the joint-use project approved by the Division of the State Architect (DSA). Submittal of plans may be on CD-ROM or "Zip Drive" readable in AutoCAD 14. The specifications may be provided on a diskette that is IBM compatible.
 - Cost estimate of proposed site development, if requesting site development funding.
 - Plan approval letter for the joint-use project from the California Department of Education (CDE).
 - A cost estimate to construct the joint-use project, if the district is requesting Extra Cost funding pursuant to Section 1859.125.1.

2. A Type II Joint-Use Project pursuant to Section 1859.122.1 or 1859.122.2. The following documents must be submitted with this form in order for the OPSC to accept the application for processing:
 - Joint-use Agreement, that complies with the requirements of Education Code Section 17077.42.
 - P&S for the joint-use project approved by the DSA if the joint-use project will be part of a qualifying School Facility Program (SFP) Modernization project, or preliminary plans if the joint-use project will not be part of a qualifying SFP Modernization project. Submittal of plans may be on CD-ROM or "Zip Drive" readable in AutoCAD 14. The specifications may be provided on a diskette that is IBM compatible.
 - Cost estimate of proposed site development, if requesting site development funding.
 - Plan approval letter from the CDE.

SPECIFIC INSTRUCTIONS

The district must assign a Project Tracking Number (PTN) to this project. The same PTN is used by the OPSC, the DSA and the CDE for all project applications submitted to those agencies which assists those agencies to track a particular project through the entire state application review process. If the district has already assigned a PTN to this project by prior submittal of the P&S to either the DSA or the CDE for approval, use that PTN for this application submittal. If no PTN has been previously assigned for this project, a PTN may be obtained from the OPSC Web site at www.opsc.dgs.ca.gov "P.T. Number Generator."

1. Type of Application

Check the box that indicates the type of joint-use project funding requested. Refer to Sections 1859.122, 1859.122.1 and 1859.122.2 for eligibility criteria.

2. Pupils Served

Check the box that indicates the highest pupil grade level that is or will be served by the joint-use project. If the joint-use project will serve more than one school site, the CDE shall determine the highest pupil grade level to be served by the joint-use project.

3. Qualifying SFP Project Application Number

If the request is for a Type I or II Joint-Use Project which will be part of a qualifying SFP project, indicate the SFP application number or the project tracking number of the qualifying SFP project. Refer to Section 1859.123 and/or 1859.123.1.

4. Joint-Use Facility Square Footage

Enter the square footage of the non-toilet area, toilet area and total area of the joint-use facility.

5. Eligible Square Footage

Enter the eligible square footage of the joint-use project as determined by Section 1859.124.

6. Type I Joint-Use Project Extra Cost

If the request is for Extra Cost for a Type I Joint-Use Project, report: 50 percent of the estimated cost to construct the square footage in the joint-use project.

7. Site Development Cost

Enter 50 percent of service site development and utilities that meet the requirements of Sections 1859.125(a)(3) or 1859.125.1(a)(1)(B).

8. Project Assistance

Check the box if the district is requesting project assistance pursuant to Section 1859.73.1. This project assistance is available only for Type II Joint-Use Projects, not part of a qualifying SFP Modernization project.

9. Excessive Cost Hardship

Check the box(es) if the district qualifies and is requesting Excessive Cost Hardship funding for:

- (a) Geographic Percent Factor. Enter the percentage factor shown in the Geographic Percentage Chart for the location of the project. Refer to Section 1859.83(a).
- (b) Small Size Project. If the request is for a Type I or II Joint-Use Project, which will be part of a qualifying SFP project, check the box and enter the pupils assigned to the qualifying SFP project pursuant to Section 1859.123 and/or 1859.123.1. If request is for Type II Joint-Use Project, and will not be part of a qualifying SFP Modernization project, just check the box.

**APPLICATION FOR JOINT-USE FUNDING
SCHOOL FACILITY PROGRAM**

(c) Urban location, enter the:

- Existing Useable Acres, if the qualifying SFP New Construction project pursuant to Section 1859.123 is an addition to an existing school.
- The proposed Useable Acres that was/will be purchased as part of the qualifying SFP New Construction project pursuant to Section 1859.123.
- Master plan acreage size as recommended by the CDE.

10. District Project Priority

Enter the funding priority order of this application in relation to other district joint-use projects submitted to the OPSC on the same date. If the applications are not received on the same date, the OPSC will assign a higher district funding priority to that district application received first.

11. Project Progress Dates

Enter the following project progress dates:

- (a) Date the initial construction contract was signed for this project. If a construction contract has not been executed, enter N/A.
- (b) Issue date of the Notice to Proceed for the construction phase of the project, or enter N/A if a Notice to Proceed has not been issued.

12. Labor Compliance Program

Indicate whether the district is subject to a Labor Compliance Program that has been approved by the Department of Industrial Labor Relations, pursuant to Labor Code Section 1771.7 by checking the appropriate box.

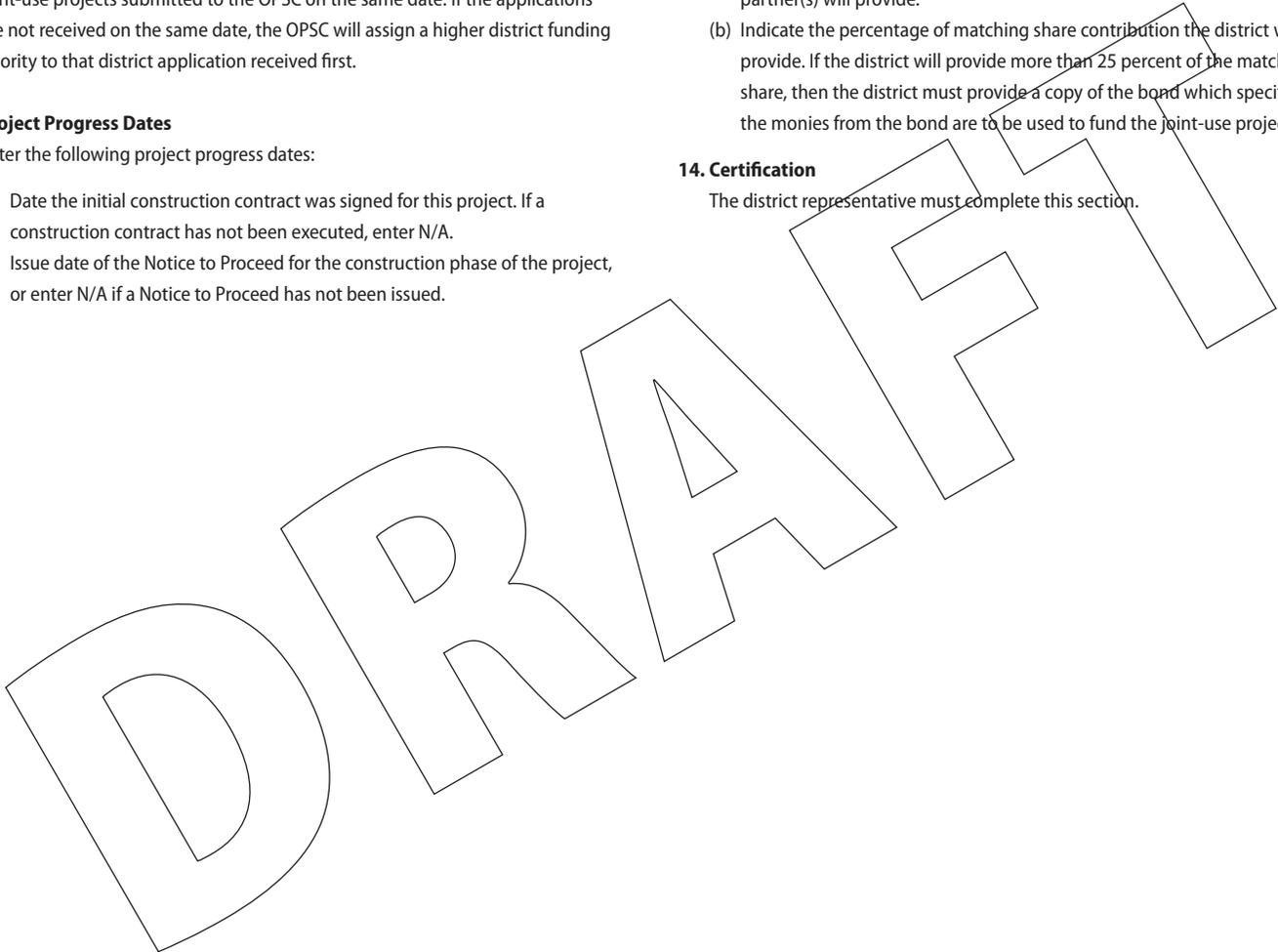
13. Matching Share

Indicate the percentage each party will contribute towards the matching share.

- (a) Indicate the percentage of matching share contribution the joint-use partner(s) will provide.
- (b) Indicate the percentage of matching share contribution the district will provide. If the district will provide more than 25 percent of the matching share, then the district must provide a copy of the bond which specifies that the monies from the bond are to be used to fund the joint-use project.

14. Certification

The district representative must complete this section.



**APPLICATION FOR JOINT-USE FUNDING
SCHOOL FACILITY PROGRAM**

SAB 50-07 (REV 07/0701/05)

The school district named below applies to the State Allocation Board via the Office of Public School Construction for a Joint-Use Project Grant(s) under the provisions of Chapter 12.5, Part 10, Division 1, Article 10.6, commencing with Section 17077.40, et seq., of the Education Code and the Regulations thereto.

SCHOOL DISTRICT	APPLICATION NUMBER
SCHOOL NAME	PROJECT TRACKING NUMBER
COUNTY	

1. Type of Application—Check Only One

- Type I Joint-Use Project
- Type II Joint-Use Project—reconfigure existing school buildings
- Type II Joint-Use Project—construct new school buildings

2. Pupils Served—Check Only One

- Elementary School
- Middle School
- High School

3. Qualifying SFP Project Application Number

Application Number: # _____

Project Tracking Number: # _____

4. Joint-Use Facility Square Footage

Non-Toilet Facilities (sq. ft.): _____

Toilet Facilities (sq. ft.): _____

Total Joint-Use Facilities (sq. ft.): _____

5. Eligible Square Footage

6. Type I Joint-Use Project Extra Cost

Fifty percent of Construction Cost: \$ _____

7. Site Development Cost

Fifty percent of Service Site: \$ _____

Fifty percent of Utilities: \$ _____

8. Project Assistance

- Type II Joint-Use Project only—not part of a qualifying SFP Modernization project

9. Excessive Cost Hardship

- a. Geographic Percent Factor: _____ %
- b. Small Size Project (Pupils): _____
- c. Urban
 - Existing Acres (Useable): _____
 - Proposed Acres (Useable): _____
 - CDE Master Plan: _____

10. District Project Priority

Priority order of this joint-use project application in relation to other joint-use project applications submitted by the district at the same time. # _____

11. Project Progress Dates

- a. Construction Contract signed on: _____
- b. Notice to Proceed issued on: _____

12. Labor Compliance Program

Will you be required to initiate and enforce a Labor Compliance Program pursuant to Labor Code Section 1771.7 for this project? Yes No

13. Matching Share

- a. Joint-use partner(s) contribution: _____ %
- b. District contribution: _____ %

**APPLICATION FOR JOINT-USE FUNDING
SCHOOL FACILITY PROGRAM**

14. CERTIFICATION

I certify, as the District Representative, that the information reported on this form is true and correct and that I am the authorized representative of the district as authorized by the Governing Board of the District; and,

- A resolution or other appropriate documentation supporting this application under Chapter 12.5, Part 10, Division 1, Article 10.6, commencing with Section 17077.40, et. seq., of the Education Code was adopted by the School District's Governing Board on _____; and,
- The district has established a "Restricted Maintenance Account" for exclusive purpose of providing ongoing and major maintenance of school buildings and has developed an ongoing and major maintenance plan that complies with and is implemented under the provisions of Education Code Sections 17070.75 and 17070.77 (Refer to Sections 1859.100 through 1859.102); and,
- The district will comply with all laws pertaining to the construction of its school building; and,
- All contracts entered into for the service of any architect structural engineer or other design professional for any work under the project have been obtained pursuant to a competitive process that is consistent with the requirements of Chapter 10 (commencing with Section 4525) of Division 5, of Title 1, of the Government Code; and,
- If the request is for a Type I or II Joint-Use Project, which is part of a qualifying SFP project, the district has received approval of the plans from the CDE and approval of the P&S from the DSA; and,
- If this request is for a Type II Joint-Use Project, and is not part of a qualifying SFP Modernization project, the district has completed the preliminary plans for the project and has received preliminary approval of the plans from the CDE; and,
- The district has or will comply with the Public Contract Code regarding all laws governing the use of force account labor; and,
- This district has or will comply with Education Code Section 17076.11 regarding at least a 3 percent expenditure goal for disabled veteran business enterprises; and,
- The joint-use partners' financial contribution for the project required pursuant to Section 1859.127 has either been received and expended by the district, deposited in the County School Facility Fund or will be received and expended by the district prior to the notice of completion for the project; and,
- The district understands that the lack of substantial progress toward increasing the pupil capacity of its facilities within 18 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105); and,
- If the request is for a Type I or II Joint-Use Project, which is part of a qualifying SFP Modernization project, the district understands that funds not released within 18 months of apportionment shall be rescinded and the application shall be denied (refer to Section 1859.90); and,

- If the request is for a Type II Joint-Use Project, and is not part of a qualifying SFP Modernization project, the district understands that funds not released within 18 months from the date the DSA approved P&S are submitted to the OPSC, the apportionment shall be rescinded and the application shall be denied (refer to Section 1859.90); and,
- The statements set forth in this application and supporting documents are true and correct to the best of my knowledge and belief; and,
- This form is an exact duplicate (verbatim) of the form provided by the OPSC. In the event a conflict should exist, the language in the OPSC form will prevail; and,
- The district understands that some or all of the State funding for the project must be returned to the State as a result of an audit pursuant to Sections 1859.105 and 1859.106; and,
- The district has complied with the provisions of Section 1859.76 and that the portion of the project funded by the State does not contain work specifically prohibited in that Section; and,
- If the joint-use project grant will be used for the construction of school facilities on leased land, the district has entered into a lease agreement for the leased property that meets the requirements of Section 1859.22; and,
- The district has complied with the applicable Joint-Use Program Eligibility Criteria outlined in Sections 1859.122, 1859.122.1 and 1859.122.2 as appropriate; and,
- The district has or will initiate and enforce a Labor Compliance Program that has been approved by the Department of Industrial Relations, pursuant to Labor Code Section 1771.7, if the project is funded from Proposition 47 and the Notice to Proceed for the construction phase of the project is issued on or after April 1, 2003; and,
- If the joint-use project will serve more than one school site, the CDE has determined the highest grade level that will be served by the joint-use project; and
- The district has or will initiate and enforce a Labor Compliance Program that has been approved by the Department of Industrial Relations, pursuant to Labor Code Section 1771.7, if the project is funded from Propositions 47 or 55 and the Notice to Proceed for the construction phase of the project is issued on or after April 1, 2003; and,
- Beginning with the 2005/2006 fiscal year, the district has complied with Education Code Section 17070.75(e) by establishing a facilities inspection system to ensure that each of its schools is maintained in good repair.

SIGNATURE OF DISTRICT REPRESENTATIVE

DATE

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.

(Continued on Page Two)

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.

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

SCHOOL DISTRICT DATA

School District:.....SANTA MARIA JOINT UNION HIGH County:.....SANTA BARBARA
Application Number:.....57/69310-00-001 School Name:.....SANTA MARIA HIGH
Total District Enrollment:.....7,600 Project Grade Levels:.....9-12
Financial Hardship:NO

PURPOSE OF REPORT

1. To present a School Facility Program (SFP) audit finding.
2. To define a timeframe in which construction management contracts may be used by school districts towards meeting the *Fund Release Authorization* requirements.

BACKGROUND

SFP statute requires that once a district receives an apportionment for a new construction or modernization project, the district has a maximum of 18 months to meet the criteria to have the funds released. The essential element necessary to meet the criteria is to have "...a binding contract for the completion of the approved project" (Education Code [EC] Section 17072.32). The District received SFP adjusted grants for Santa Maria High School project, Application Number 57/69310-00-001. The District submitted a fund release request using the standard *Fund Release Authorization* on which the District specifically checked the following on the certification:

"The District certifies that it has entered into a binding contract(s) for at least 50 percent of the construction included in the plans applicable to the state funded project."

This certification is necessary to comply with SFP law, which states that funds may not be released until a contract exists.

DESCRIPTION

The District prematurely certified to entering into a binding contract(s) for at least 50 percent of the construction included in the plans applicable to the State funded project on February 28, 2001. The funds for the Santa Maria High School modernization project were released on March 28, 2001. The Office of Public School Construction (OPSC) conducted an expenditure audit of the Santa Maria High School, Application Number 57/69310-00-001, which indicated that the District used construction management related expenditures to assist them in meeting the certification requirement on the *Fund Release Authorization*.

DISTRICT'S PERSPECTIVE

The District submitted correspondence and documentation to the OPSC on April 12, 2007 and June 18, 2007, providing justification for their inclusion of construction management expenditures in meeting the District's *Fund Release Authorization* certification. The documentation provided by the District provides detailed information and the listing of the services that were performed.

The District believed, at the time of the *Fund Release Authorization* submittal, the certification was made accurately using the information available at that time. The District claimed no definitions or formulas were available, back at the time, as to how the "50 percent of the construction included in the plans applicable to the state funded project" was calculated. Therefore, the District asserts that construction management related expenditures, which they believed to be a construction cost, should be included in the calculation in meeting the *Fund Release Authorization* certification threshold. With the inclusion of the construction management related expenditures, the District did meet the 50 percent certification.

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AUTHORITY

Current statute provides that the SAB may make a finding of material inaccuracies and take appropriate actions to impose the school district's penalties as follows:

Material Inaccuracy

SFP Regulation Section 1859.2 (Definition of Material Inaccuracy), "Means any falsely certified eligibility or funding application related information submitted by the school districts, architects or other design professionals that allowed the school district an advantage in the funding process." Under the law and regulations governing material inaccuracy, the term "false certification" is used. It is not necessary for the SAB to determine that the certification was knowingly false. The term in this context is the simple and common meaning of inaccurate or not true. It does not require proof of any intent.

To make a finding of Material Inaccuracy, EC Section 17070.51 (a) states, "If any certified eligibility or funding application related information is found to have been falsely certified by school districts, architects or design professionals, hereinafter referred to as a Material Inaccuracy, the OPSC shall notify the Board."

STAFF COMMENTS

Since the inception of the SFP, the OPSC has maintained the position that certain construction management contracts or the expenditures associated with construction management services are not eligible in meeting the *Fund Release Authorization* certification. However, Staff believes that there may have been some ambiguity early in the SFP whether construction management fees could be used towards meeting the *Fund Release Authorization* certification. Upon further analysis of the recently submitted documentation from the District, Staff believes that the District acted in good faith during the submittal of the *Fund Release Authorization*, based on its understanding that construction management related costs could be applied to meet the fund release requirement. If the OPSC accepts the construction management related costs as reported, the District would have met the 50 percent *Fund Release Authorization* certification requirements; therefore, there was no funding advantage.

The OPSC does believe that there was some ambiguity from the inception of the SFP program to January of 2004. Since that time, the OPSC has taken additional steps, through various public forums (i.e. workshops, county office of education meetings, etc.) and *Advisory Action Newsletter* articles to clarify that only construction management contracts that are "at risk" were acceptable. For a construction management firm's contract to be deemed "at risk," the construction management firm must secure a bond for the project and be responsible for any costs incurred and/or penalties if the job is not completed in a timely manner. In essence, the construction manager is guaranteeing the construction project delivery at an agreed upon and binding cost.

In order to assist the Santa Maria Joint Union High and other school districts that believed construction management contract costs would meet the fund release requirements, Staff is recommending a grace period be established for audit purposes. It is recommended that from January 1, 1999 through December 31, 2003 Staff would deem the use of construction management contract fees as being acceptable in meeting the 50 percent fund release requirements for audit purposes regardless if the construction management contract was "at risk" or not. However, for any *Fund Release Authorization* certifications signed on or after January 1, 2004, the districts can only include "at risk" construction management contracts in order to meet the fund release requirements. By adopting the grace period, Staff believes this will address the past ambiguity and will provide further clarity on this topic for the future.

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RECOMMENDATIONS

1. Permit the Santa Maria Joint Union High School District a one-time exception to use the costs associated with the reported construction management related services to be applied towards the *Fund Release Authorization* submittal requirements.
2. Accordingly, provide that a material inaccuracy did not occur for SFP Application Number 57/69310-00-001.
3. Establish a grace period for audit purposes, only for fund release certifications made by school districts starting from January 1, 1999 through December 31, 2003 to permit Staff to accept the use of construction management contracts for the purposes of meeting the 50 percent *Fund Release Authorization* requirements.
4. Provide that for fund release certifications made by school districts on or after January 1, 2004 the use of "at risk" construction management contracts will be deemed the only acceptable construction management contracts in meeting the 50 percent *Fund Release Authorization* requirements.

BOARD ACTION

In considering this Item, the Board approved Staff's recommendations. In addition, Staff provided further clarification that projects meeting the grace period would be processed at the administrative level.