

TABLE OF CONTENTS

<u>TAB</u>	<u>SUBJECT</u>	<u>PAGE</u>
1	Introduction	1
2	Charter School Facilities Program	
	Overview	3
	Preliminary Apportionments	5
	What Happens After a Preliminary Apportionment?	9
3	Modernization Eligibility	
	Establishing Modernization Eligibility	15
	Adjustments to Modernization Eligibility	20
	Other Modernization Eligibility Considerations	21
	Modernization Program Data	23
4	Project Information Worksheet	33

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Introduction

Purpose

The January 15, 2013 State Allocation Board Program Review Subcommittee (Subcommittee) meeting will have three purposes. The first is to take an in depth look at the Charter School Facilities Program (CSFP), including how it has evolved since its inception. The second is to take an in depth look at how modernization eligibility is currently determined. Finally, the Subcommittee will discuss the Project Information Worksheet (PIW).

What is the CSFP?

The CSFP permits a charter school or school district filing on behalf of a charter to apply for a preliminary apportionment (reservation of funds) for the construction of new facilities and/or rehabilitation of existing district owned facilities that are at least 15 years old. To qualify for funding, a charter must be deemed financially sound by the California School Finance Authority (CSFA).

The preliminary apportionment for a CSFP project must be converted within a four-year period to an adjusted grant apportionment meeting all the School Facilities Program (SFP) criteria, unless a single one year extension is granted.

The CSFP is a program with limited bond authority, and the program design incorporates competitive funding rounds and Preference Points used to rank applicants. The Preference Points and order of funding were developed based on the statutory requirement that funded charter schools are representative of the different types of charter schools throughout the State.

Charter schools also face unique challenges in completing school construction projects. The CSFP was designed to address these issues, including providing advance fund releases for Design and Site Acquisition, and providing loans for up to the full 50 percent local matching share.

What is Modernization Eligibility?

Modernization eligibility uses student enrollment and the ages and types of the buildings to determine the amount of funds each district site is eligible to receive. Each school site has its own modernization eligibility. Permanent buildings that are 25 years old or older and portable buildings that are 20 years old or older can generate modernization eligibility if enrollment at the site justifies the need to modernize the building. Districts establish an initial "baseline" eligibility that remains in place as the basis for all future applications. This baseline is updated over time to reflect increases in enrollment or other changes. Districts use this eligibility to request funding from the State to assist in the modernization of school facilities.

An application for modernization eligibility is *not* an application for funding. Modernization eligibility determines the amount of funding a school district is eligible to receive in order to modernize existing school facilities. Districts may use their modernization eligibility either on an upcoming eligible project, or to reimburse a project that was already completed (the project must have been completed after the inception of the School Facility Program [SFP] in 1998). Districts have local control to decide where the funds are to be used on the site that generates the eligibility. The district is not required to use the modernization funding on the same building that generated the eligibility.

Eligibility is in the form of pupil grants. Modernization pupil grants are used to provide funding for improvements to enhance and extend the useful life of school facilities, with State funds provided on a 60/40 basis. Examples of modernization projects include upgrades to certain building components such as air conditioning, plumbing, lighting, and electrical systems, or demolition and replacement of entire facilities. Modernization eligibility may only be used on eligible expenditures allowed under the SFP.

What is the PIW?

The PIW was designed to collect data for SFP new construction projects to study the relationship between the new construction pupil grant amount and the per pupil cost of new school construction, to monitor the status of the bid climate and to meet bond accountability requirements. It was revised in 2010 to capture information regarding the costs and benefits of including high performance components in the construction project. Districts submit the high performance information for any projects that qualified for the SFP High Performance Incentive grant, including modernization projects.

Districts first submit the PIW online for a project when the *Fund Release Authorization* (Form SAB 50-05). Updated PIWs are submitted when the first and final Expenditure Report (Form SAB 50-06) is sent to the OPSC.

Charter School Facilities Program

Overview

The Charter School Facilities Program (CSFP) provides charter schools funding to construct new charter school facilities and/or rehabilitate existing school district-owned facilities that are at least 15 years old for charter school use. Applications may be submitted by a charter school directly or through the school district where the projects will be physically located. Title to project facilities is generally held by the local school district; however, charter schools may submit a request to hold title. The CSFP is a 50 percent State share and 50 percent local match program for both new construction and rehabilitation projects, although applicants have the option to request a long-term State loan for up to the entire 50 percent local share amount.

Due to the high interest and limited authority within the program, applicants compete for funding through competitive filing rounds. Successful applicants are awarded a reservation of bond authority (preliminary apportionment) based on an idea for a future project and the proposed components of that project. Once a preliminary apportionment is awarded, the applicant has four years (with the ability to request a single one-year extension) to convert into a full funding application. When the full funding application is submitted, it will look identical to any other SFP full funding application and meet all of the same requirements.



UNIVERSITY HIGH SCHOOL IN FRESNO, CSFP PROJECT APPROVED IN 2008

Program History

In 2002, Proposition 47 established the CSFP as a pilot program to provide charter schools with funding to construct new facilities and provided \$100 million in bond funding.

In 2004, Proposition 55 revised the CSFP in order to maximize the number of projects funded and provided an additional \$300 million in bond funding. Changes made included the placement of a cap on project costs. This change was made to allow more projects to receive funding, as only six preliminary apportionments were made with the Proposition 47 funding.

In 2006, Proposition 1D provided an additional \$500 million for the CSFP and further revised the program. For this round, funding caps on existing projects were removed, as applicants were encountering difficulty in converting their projects within the amount provided. The option of rehabilitating existing district facilities was also added into law, making CSFP rehabilitation projects allowable for the first time. With the addition of the rehabilitation component, the law was further changed to modify the types of projects that receive preference to include rehabilitation projects. Also, for the first time, district eligibility was not automatically deducted for the capacity of a new construction CSFP project. The local district would now certify to the number of unhoused pupils to be served in the project, and their eligibility would be adjusted according to this certification.

In 2009, unused and returned funds from Proposition 47 and 1D were used to create a fourth filing round, following the same requirements as Proposition 1D. The following shows preliminary apportionment data for each Proposition:

FILING ROUND	PROPOSITION 47	PROPOSITION 55	PROPOSITION 1D	2009 (47 AND 1D)
# OF PRELIMINARY APPORTIONMENTS	6	28	30	17
AMOUNT OF PRELIMINARY APPORTIONMENTS	\$97.0 million*	\$276.8 million*	\$482.5 million*	\$122.4 million

*The difference between the amount apportioned and the \$900 million approved by the Propositions is accounted for by both administrative costs of the California School Finance Authority, who co-administers the CSFP, and the decision to not partially fund projects on the list. The funds not originally used have since been apportioned and there is no remaining authority.

Other changes have been made to improve the process over time, including statutory changes that allow charter schools to hold title to project facilities and process changes that allow those with preliminary apportionments to participate in SFP Priority Funding rounds.



Preliminary Apportionments

Overview

The Charter School Facilities Program (CSFP) is designed with two main components: a preliminary apportionment and a full funding application (final apportionment). Charter schools that wish to pursue State funding may not have the means to complete a school construction or rehabilitation project without a guarantee of State funding, so their proposed projects are only a concept or an idea for a project. The purpose of a preliminary apportionment is to reserve bond authority for these proposed projects. Preliminary apportionments provide assurance to an applicant so that it can move forward with the planning, design, and execution of its project.

Because of the limited amount of CSFP funds, the program includes a competitive selection process in the event that applications received exceeded the available bond authority. Statute governing the CSFP requires recipients, when viewed as a whole, to be representative of the different types of charter schools throughout the State. It also states that preference should be given to schools in overcrowded districts, schools in low income areas, schools operated by non-profit entities, and schools that utilize existing district facilities. Applicants are ranked according to the criteria set in statute and regulation. Additionally, because applicants are often independent and smaller organizations than traditional school districts, an applicant must be found financially sound by the State in order to receive a preliminary apportionment.

Application Components

The information provided in a preliminary apportionment application is the basis for determining the apportionment amounts that the applicant will receive, as well as the ranking they will receive compared to the other applicants. It provides the OPSC with the general project information to determine the future new construction or rehabilitation adjusted grant; the grade level of the project, the number of SFP pupils the project will serve, whether or not a site is to be acquired, and if any supplemental grants are requested. The applicant must submit the following documents:

- *Application for Charter School Preliminary Apportionment* (Form SAB 50-09)
- Narrative description of the project
- California Department of Education (CDE) Recommended Site Size Letter
- Approved and valid charter petition
- Charter School Facilities Program Application (CSFA 03-01) for determining financial soundness
- All supporting financial documentation (e.g. organization and financial information, all material contracts, and legal status questionnaire)
- Evidence that charter school delivered notification to the school district at least 30 days prior to the submission of the application submittal. This allows the District time to create an eligibility certification or enter into the rehabilitation agreement
- Verification of Non-Profit status, if applicable (for ranking purposes)
- Drawing of all proposed buildings including interior dimensions and labeling of facilities (rehabilitation only)
- Signed agreement between the charter school and the school district for the rehabilitation of district owned facilities (rehabilitation only)
- Property Appraisal or Preliminary Appraisal *or* Median Cost Evaluation (if requesting funds for site acquisition)
- Relocation / Department of Toxic Substance Control (DTSC) cost documents (if specific cost submitted *or* historical)
- Cost Estimate for site development (if specific cost submitted *or* historical)

In addition, the local school district where the project will be located must submit a certification as to how many of its unhoused pupils will be housed by the project, even if the applicant is an independent charter school with no affiliation with the district. The district must also submit the methodology for how it made this unhoused pupil determination. If there are unhoused district pupils to be housed in the project, that district's new construction eligibility will be adjusted to account for this. This prevents the State from double funding district pupils being housed in a CSFP project. The applicant must also certify that it has considered district facilities made available pursuant to Proposition 39 prior to application submittal.

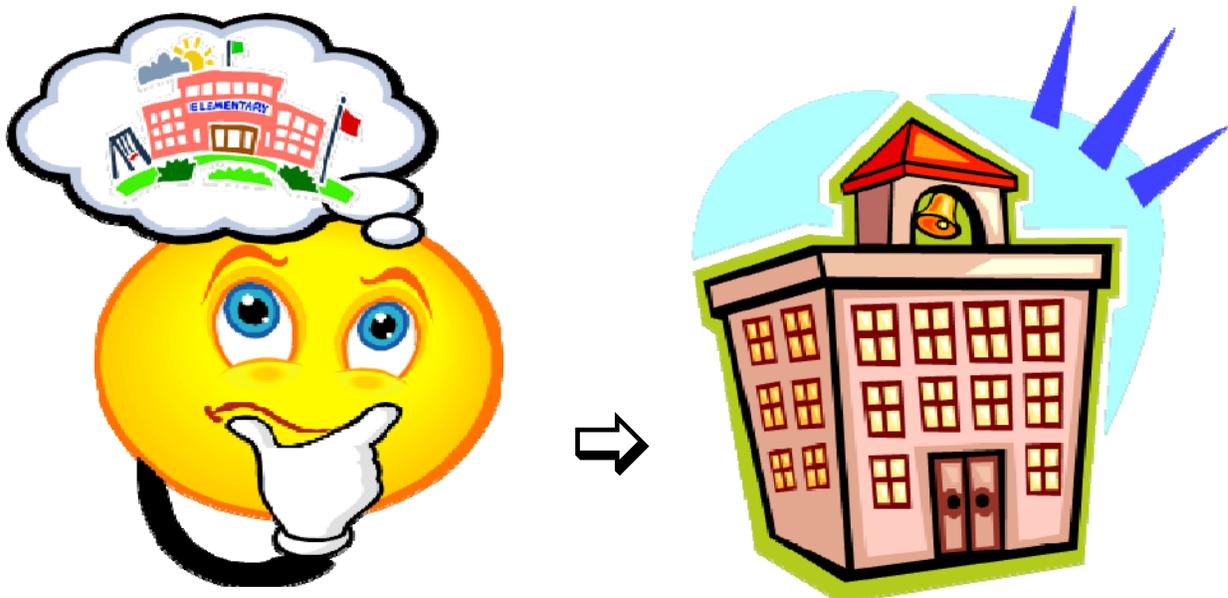
Once the OPSC receives the preliminary application, an initial review of the proposed project is conducted to determine the appropriate grant amounts and to confirm all of the applicant's information. At the same time, the California School Finance Authority (CSFA) works to determine the financial soundness of the applicant.

Preliminary Apportionment Grants

The grant reservation provided in a preliminary apportionment is based on what the applicant believes will be the eventual components of the project. The applicant uses the Form SAB 50-09 to request a reservation of certain number of pupil grants and additional supplemental grants. Many of the grants are based on the same supplemental grant amounts for full funding applications, such as Multilevel, Small Size Project, Geographic Percent Factor, etc. Other grants are provided using estimates, such as Site Development and Relocation/DTSC Costs. Still others are based on the best information available at the time. For instance, site acquisition grants are based on the median cost of property in the vicinity of the proposed project (unless a specific site has been determined, which is not usually the case). A built-in inflator factor is also included in the preliminary apportionment to estimate for the inflation of the grants amount over a four year period. These grants are merely used to approximate the appropriate amount of funding needed for the project. A list of these grants can be found on the Attachment at the end of this section.

Financial Soundness

In order for a preliminary apportionment to be approved, the State must determine that the applicant is a Financially Sound organization. Statute requires a charter school to have been in operation and in good financial standing for two years or have the equivalent managerial experience to be considered financially sound. The California School Finance Authority (CSFA) is responsible for making this determination by conducting an in-depth financial review of each applicant submittal, based on the requirements outlined in Education Code (EC) Section 17078.52(c)(4), at the same time that OPSC is reviewing the application. Determinations are made on a pass/fail basis.



Preference Points and Funding Matrix

If a CSFP filing round is oversubscribed, projects are ranked using the criteria outlined in EC 17078.56. The projects funded must be representative of:

- The various geographical regions of the State
- The urban, rural, and suburban regions of the State
- The large, medium, and small charter schools throughout the State
- The various grade levels of the pupils served by charter school applications

Each of these categories has specific definitions within the SFP Regulations. Within each category above, the law also requires that preference is given to charters in overcrowded school districts, charters in low-income areas, not-for-profit charters, and for the use of existing district facilities. A Preference Points calculation system, based on the criteria set above, was developed to determine the projects that will be funded from each category. The Preference Point system allows an applicant to receive up to 160 Points, as follows:

PROJECT TYPE	PREFERENCE POINTS
Non-Profit Status	40 points
Rehabilitation Project*	40 points
Low Income Percentage	0-40 points (sliding scale)
Unhoused District Pupils Housed in Project*	0-40 points (sliding scale)
TOTAL POSSIBLE PREFERENCE POINTS	160

*Some projects may have both a new construction and a rehabilitation component, allowing the applicant to receive Preference Points for both rehabilitation and the housing of unhoused pupils.

A funding matrix was developed to ensure that preliminary apportionments are awarded competitively and in compliance with the law. The funding matrix is a combination of the Preference Points and the different classifications of charter schools throughout the State described in EC 17078.56 (listed above). Projects are funded in order of most Preference Points within each category. See the sample matrix below (order of funding highlighted in white):

Applicant	Preference Points	CATEGORY 1		CATEGORY 2		CATEGORY 3		CATEGORY 4	
		Region	Funding Order	Urban, Rural, Suburban	Funding Order	Large, Medium, Small	Funding Order	Grade Level	Funding Order
ABC Charter School	120	1	1	Suburban	~	Large	~	9-12	~
XYZ Charter School	104	2	2	Suburban	~	Small	~	9-12	~
Charter for the Arts	112	3	3	Suburban	~	Small	~	K-6	~
Pacific Technical Charter School	100	4	4	Suburban	~	Large	~	9-12	~
Johnson Charter School	116.5	1	~	Urban	5	Large	~	7-8	~
Silverlake Charter School	96	1	~	Rural	6	Small	~	K-6	~
Poly Technical School	116	1	~	Suburban	7	Medium	~	9-12	~
CDE Unified School District	80	3	~	Urban	~	Large	8	9-12	~
Mary Charter Academy	96	3	~	Suburban	~	Medium	9	7-8	~
Fireside Charter School	76	3	~	Urban	~	Small	10	7-8	~
Learning Institute	76	1	~	Urban	~	Small	~	K-6	11
Country Day Charter	77.5	3	~	Suburban	~	Small	~	7-8	12
Aspirations Charter School	104	2	~	Urban	~	Medium	~	9-12	13
Advance Charter Middle School	76	1	14	Urban	~	Medium	~	7-8	~
California Learning Center	79	2	15	Urban	~	Medium	~	9-12	~
Seaside Charter High School	79	3	16	Suburban	~	Small	~	9-12	~
Einstein Elementary School	64	4	17	Urban	~	Large	~	7-8	~

Please note the key aspects of the funding matrix. The project with the highest overall Preference Point total is not necessarily funded first; rather the project with the highest Preference Point total in Geographic Region 1 (regardless of its other classifications) is funded first, then the highest total for Region 2, then 3, then 4. Then the project classified as "Urban," regardless of Geographic Region or any other classification, is funded next, then Suburban, etc. through each of the four *Categories*. Once a project from each *Category* is funded, the process begins a new cycle, beginning with *Category 1* once again, until the bond authority is exhausted.

State Allocation Board Approval

Once all preliminary apportionment applications have been finalized and found financially sound, the funding matrix is compared to the available bond authority to determine who should receive a preliminary apportionment. Those preliminary apportionments are presented to the State Allocation Board for approval. Once approved, recipients then have four years to submit a full funding application to perfect their projects.

What Happens After a Preliminary Apportionment?

Overview

Once an applicant receives a preliminary apportionment, it has four years (with the option of requesting a single one-year extension) to convert to a full funding application. There are steps to conversion unique to the Charter School Facilities Program (CSFP). These include the ability to access advance funding for Design and Site Acquisition, the need to enter into the Charter School Agreements prior to receiving any State funding, the need to maintain Financial Soundness, the determination of whether the charter school or the local school district will hold title to the project facilities, and finally the actual conversion from preliminary to final apportionment. Each of these concepts is discussed in this section.

Advance Fund Release for Site and Design

An applicant seeking State funding for a construction project has up-front costs it must incur before they can submit a full funding application. These costs include hiring design professionals to design the project, obtaining Division of the State Architect (DSA) and California Department of Education (CDE) approvals, and potential costs associated with site acquisition. Because charter schools often do not have the resources to pay for these costs, the CSFP was designed to allow applicants to receive advance fund releases for Design and/or Site Acquisition.

The following table lists the requirements for an applicant with a preliminary apportionment to receive an advance fund release for Design or Site Acquisition:

DESIGN REQUIREMENTS	SITE REQUIREMENTS
<ul style="list-style-type: none"> • Charter School Agreements (discussed later) • Current Financial Soundness • <i>Fund Release Authorization</i> (Form SAB 50-05) 	<ul style="list-style-type: none"> • Charter School Agreements • Current Financial Soundness • Form SAB 50-05 • Updated Application for Charter School Preliminary Apportionment (Form SAB 50-09) • Contingent CDE Site Approval Letter • Appraisal of the site (may be preliminary)

Design

An advance fund release for Design is intended to provide funds so that the recipient may hire an architect to design the project and other pre-construction costs, as well as pay application fees to DSA and CDE. A Design fund release is equal to 10 percent of the total estimated project costs determined in the preliminary apportionment minus any site acquisition costs. For example, if a charter school's preliminary apportionment showed a total project cost of \$10 million, with \$2 million of that reserved for Site Acquisition costs, the amount eligible for a Design fund release would be 10 percent of \$8 million.

$$\text{\$10 million (Total Costs) - \$2 million (Site Acquisition amount) = \$8 million}$$

$$\text{\$8 million X 20\% = \$800,000 (Design fund release amount)}$$

Site Acquisition

An advance fund release for Site Acquisition is intended to provide the funds necessary for the applicant to purchase a site needed for the project. The amount is determined during the preliminary apportionment phase, where the applicant provides either an appraisal of a specific site or, if they don't have a specific site in mind at the time of preliminary apportionment, a median cost analysis for property value in a specific area. The amount provided for fund release is the amount that was reserved for site acquisition as part of the preliminary apportionment.

Charter School Agreements

One of the unique aspects of the CSFP is the need for applicants to enter into the Charter School Agreements. The agreements discuss different aspects of the arrangement a charter school will have with both the local school district and the State of California. These must be entered into prior to receiving any funds (advance or final fund release) from the State. The three agreements are the Memorandum of Understanding (MOU), the Funding Agreement, and the Facilities Use Agreement. The California School Finance Authority (CSFA) has developed templates approved by the State Allocation Board (SAB) for the MOU and the Funding Agreement. Since the State is not a party to the Facilities Use Agreement, it has not developed a template.

Memorandum of Understanding

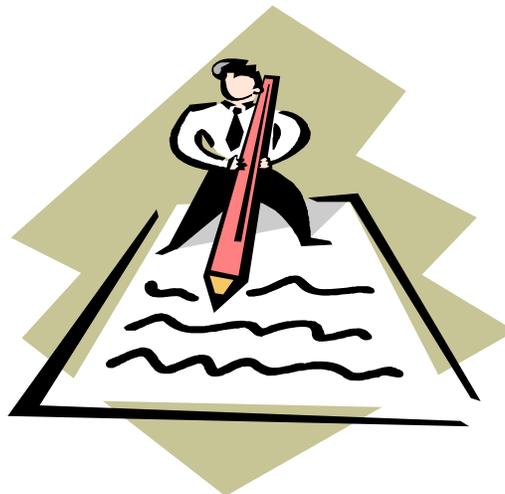
Depending upon who holds title to the facilities, the MOU is either a two party or three party agreement. When the local school district is holding title to an independent charter school facility, the MOU is executed between the State, the district, and the charter school. When title is held by the charter school itself, the MOU is only between the charter school and the State. The MOU outlines the overall roles and responsibilities of each party, including defining the parties' obligations to one another within the CSFP, instructions for the acquisition and/or transfer of title, the existing condition of the project facilities, required State agency approvals, release of liability, and default remedies.

Funding Agreement

When an applicant requests a loan from the State for all or some of the local matching share, it is required to enter into a two-party Funding Agreement between the applicant and the State. This agreement summarizes the loan amount, interest, terms, and repayment schedule. This agreement is only required for those requesting a loan.

Facilities Use Agreement

A Facilities Use Agreement is a two party agreement between the local school district and the charter school. This agreement is required when the local district will hold title to the facilities, but the charter school is operating on the site. The agreement summarizes the rights and obligations of each party relating to the site itself, including the types of insurance required, rights to enter the property, any shared use of facilities, etc. The State is not a party to this agreement, and only reviews it to ensure that there are no provisions that would disqualify the project for funding. A Facilities Use Agreement is not needed when the charter school itself is holding title to the facilities.



Financial Soundness Updates

Another requirement of the CSFP is that the applicant maintains financial soundness throughout the process. Financial Soundness is verified prior to preliminary apportionment, at the time of any advance fund release, and at final apportionment. The CSFA makes the determination as to the Financial Soundness of an applicant. Each time a review is conducted, that determination is valid for six months. If an applicant's latest review has expired, the applicant must re-submit financial information to the CSFA for a new determination prior to requesting an advance fund release or final apportionment.

Who Holds Title?

Title to CSFP project facilities has historically been held by the local school district where the project is located, regardless of the district's level of involvement. This was a requirement until Senate Bill 592 changed the Education Code (EC) in 2010 to allow charter schools to submit a request to hold title. A request to hold title by a charter school must be made and the SAB must make a finding that the charter school has met the legal requirements to hold title. The charter school must include reasons why title is not held by the local district or another local governmental entity. There are several additional conditions that are also required for a charter school to hold title.

Restrictive Covenant

EC requires that a restrictive covenant specifying that the facility shall be used only for public school purposes as authorized in the California Constitution and Statute must be recorded.

Remainder Interest

EC states that a remainder interest is placed on the title that is triggered when the charter school at the site ceases to use the facilities for charter school purposes. The remainder interest passes title to the school district in which the facility is physically located or, if the district disclaims the interest, to the SAB.

Lien

The third requirement in EC is that a lien is recorded in favor of the SAB for the total amount of bond funds allocated, including any loan amount.

Final Apportionment

The ultimate goal of the CSFP is for an applicant to convert its preliminary apportionment to a full funding application. The applicant has four years from approval of the preliminary apportionment (with the possibility to request a single one-year extension) to submit an *Application for Funding* (Form SAB 50-04). The requirements for a full funding application are the same as for any other SFP project, including DSA and CDE plan approval.

When a preliminary apportionment converts to a full funding application, the grant and dollar amounts provided are adjusted to reflect the actual project components. The preliminary apportionment is only an estimate of the design elements and location of the project. Any supplemental grants provided in the preliminary apportionment will be verified and adjusted as applicable to the final project. For example, an applicant may have not requested a grant for Multilevel construction in the preliminary apportionment. However, if the project includes multilevel buildings, the project would be eligible to request the Multilevel construction grant at the time of final apportionment. Also, costs that were estimated such as Site Acquisition and Site Development grants are almost certain to change at final apportionment.

There are two limiting factors for how much funding a CSFP final apportionment may receive. First, final apportionments are capped by the amount of pupil grants requested in the preliminary apportionment. The pupil grants requested in the final apportionment cannot exceed those requested in the preliminary apportionment, although they may request fewer. Secondly, a final apportionment is capped by the dollar amount reserved by the preliminary apportionment only if there is no remaining CSFP bond authority. If the actual project costs exceed the reservation amount and there is CSFP bond authority available at the time of conversion, the project may be eligible for an increase. If the eligible project costs at the time of final apportionment are less than the preliminary apportionment, the apportionment will be made at the lower amount. Actual funding released will be offset by any advance fund releases already received for the project.



OSCAR DE LA HOYA ANIMO CHARTER HIGH IN LOS ANGELES, CSFP PROJECT

ATTACHMENT

Preliminary Apportionment Grants

Name of Grant	How to qualify	New Construction or Rehabilitation?
Base per-pupil grant	Based on loading standard of classes proposed to be included in new construction project	New Construction
Base Grant (square footage based)	Eligible for rehabilitation projects, based on toilet and non-toilet square footage to be rehabilitated	Rehabilitation
Multilevel Construction	Eligible if the applicant plans to build multilevel facilities housing pupils on all levels	New Construction
Site Acquisition Grant	Eligible if the applicant believes it needs to acquire property for the project	New Construction
Relocation/DTSC Costs	15% of Site Acquisition Costs OR actual amount if the proposed site has known costs	New Construction
Site Development Grants	\$70,000 per usable acre of proposed project OR actual amount if the proposed site has known costs	New Construction
General Site	Eligible if requesting Site Acquisition Grants	New Construction
Geographic Percent Factor	Eligible if the project will be in a specific geographic region identified in SFP Regulations	Both
Small Size Project	Eligible if the proposed project is to house no more than 200 pupils	Both
Urban Allowance	Eligible if the proposed site size is less than 60% of the CDE recommended site size (and for new construction, multilevel must be requested and the value of the property must be at least \$750,000 per acre)	Both
Number of 2-Stop Elevators	DSA has issued a letter stating that a two-stop elevator in a rehabilitated multi-story building is likely to be required for the project	Rehabilitation
Additional Stops	The DSA letter states that the elevator required will have more than two stops	Rehabilitation
Prevailing Wage Monitoring Grant	All projects implementing and enforcing a Labor Compliance Program are eligible	Both

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Establishing Modernization Baseline Eligibility

What is Modernization Eligibility?

Establishing modernization eligibility is the first step for districts to receive School Facility Program (SFP) funds to renovate, modernize, or replace existing school buildings. It compares pupil enrollment with the ages and types of school buildings on a site to determine the grants that each site may receive. Each school site has its own modernization eligibility. Permanent buildings that are at least 25 years old and portable buildings that are at least 20 years old can generate modernization eligibility if enrollment at the site supports it. Districts establish an initial *baseline* eligibility that remains in place as the basis for all future applications. This baseline is updated over time to reflect increases in enrollment and buildings coming of age. Districts use this eligibility to request funding from the State to assist in the modernization of school facilities.

Modernization eligibility determines the amount of funding a school district is eligible to receive in order to modernize existing school facilities in the form of pupil grants. The rules for establishing the modernization eligibility for a school site are written in SFP Regulation Section 1859.60. Districts request modernization eligibility for a site by submitting a completed *Eligibility Determination* (Form SAB 50-03) along with a site map that shows the age and square footage of all classrooms (including grade level) and school buildings on the site.

25 and 20 Year Age Requirement

In order to qualify for modernization eligibility, the site must have permanent school buildings that are at least 25 years old or portable buildings that are 20 years old. The age of a building begins 12 months after the plans for the building were approved by the Division of the State Architect (DSA). If the buildings were previously modernized with State funds, such as under the Lease-Purchase Program, the 25/20 year period begins on the date of the previous apportionment. Modernization eligibility is capped at the number of pupils housed at a school site.



What Counts as a Classroom?

Establishing modernization eligibility starts with making a list of all classrooms and other school buildings on the site. This is the Gross Classroom Inventory. All classrooms and other school buildings owned or leased by the school district on the site are counted for the purpose of generating eligibility. In the case of classrooms, the following definitions are used:

“Classroom” is any space that was constructed or reconstructed to serve as an area in which to provide pupil instruction (pursuant to Education Code (EC) Section 17071.25(a)(1)).

“Permanent Classroom” is any classroom not meeting the definition of a Portable Classroom (pursuant to SFP Regulation Section 1859.2).

“Portable Classroom” is a classroom building of one or more stories that is designed and constructed to be relocatable and transportable over public streets, and with respect to a single story portable classroom, is designed and constructed for relocation without the separation of the roof or floor from the building and when measured at the most exterior walls, has a floor area not in excess of 2,000 square feet (pursuant to EC Section 17070.15(k)).

Unlike new construction eligibility, there are no building exclusions when determining the modernization eligibility. For example, a classroom that is less than 700 square feet will be counted.

Once the original Gross Classroom Inventory is taken, it does not change. Facilities are not added or deducted.* If a classroom is added to the site, the Gross Classroom Inventory is not adjusted to reflect the new classroom. If a classroom is removed or demolished, there is no adjustment reflecting the change. All future adjustments made to the site’s modernization eligibility are in relation to the original inventory. When any underage classroom or other school building becomes of age, the district may submit an application to adjust the modernization eligibility.

In order to qualify for modernization a school building must have been approved by the DSA. The following are considered classrooms under the SFP Regulations and may be counted in the Gross Classroom Inventory for purposes of generating modernization eligibility. Regulation Section 1859.31 lists the following:

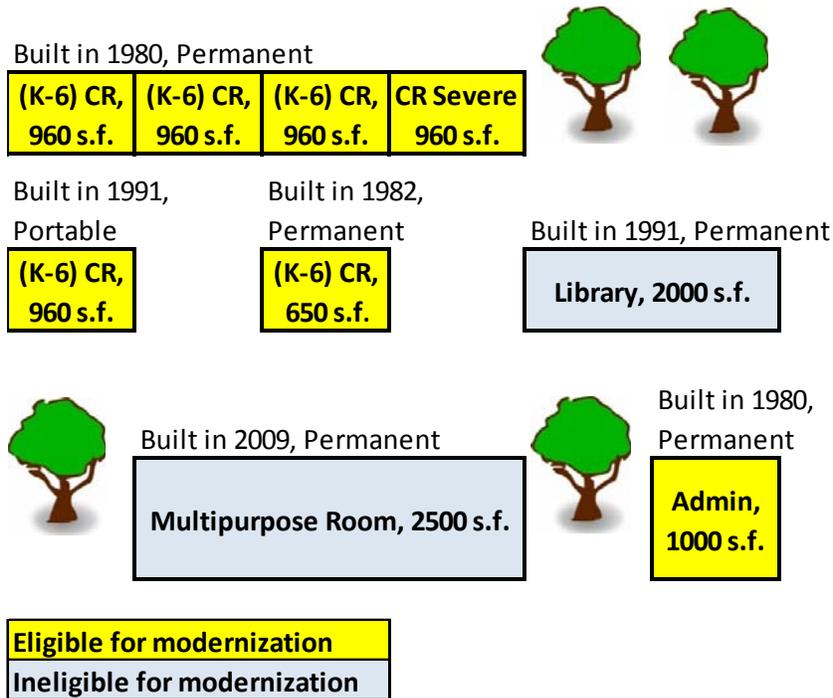
Count any classroom:

- under contract but not yet built;
- built under the Lease-Purchase Program;
- used for Special Day Class or Resource Specialist Programs;
- that are standard classrooms, shops, science laboratories, computer laboratories, or computer classrooms;
- acquired for Class Size Reduction purposes;
- used for preschool programs;
- converted to any non-classroom purpose including use by others;
- with Housing and Community Development or Department of Housing insignia;
- acquired for interim housing for a modernization project;
- leased or purchased under the State Relocatable Program;
- that have a waiver for continued use by the Board for Field Act Exemptions;
- used for Community School purposes;
- included in a closed school.

* There are two exceptions to this rule. If an existing building is demolished and replaced as part of a Facility Hardship project, a commensurate deduction is made from the eligibility. Also, if an existing portable building is replaced in an ORG project, a commensurate deduction is made from the eligibility.

Here is an example of a site diagram and which buildings are eligible for modernization:

OPSC ELEMENTARY SITE MAP AS OF JANUARY 2013



In this example, there are several eligible buildings. The portable classroom is over 20 years old, so it is eligible. All of the permanent classrooms are over 25 years old, so they are eligible. Even the 650 square foot classroom—which would be excluded under new construction—is eligible for modernization funding. There is an administration building that is eligible, but the library and multipurpose rooms are not yet eligible because they are permanent buildings that are less than 25 years old.

How Eligible Buildings Translate to Eligibility: Square Footage or Classroom Count Ratios

There are two ways to calculate eligibility. A district may request modernization eligibility based on the pupil capacity of the eligible classrooms, a method known as Option A. Alternatively, a district may request eligibility based on a percentage of the site enrollment calculated using the ratio of total eligible square footage or number of classrooms on the site to the amount of ineligible square footage or classrooms, known as Option B. In either case, the eligibility will be capped by the pupil enrollment at the site.

Examples of How to Calculate Modernization Eligibility

Option A – Classroom Count

This option is the most common method of determining eligibility and in most cases maximizes a site’s modernization eligibility. The classrooms that are eligible for modernization are counted and multiplied by the appropriate State loading standard for the grade level. That total number is compared to the actual enrollment at the site to determine the baseline eligibility. Enrollment is verified using the current year California Basic Educational Data System (CBEDS). The baseline eligibility is the lesser of the two. The State loading standards are as follows:

Grade Level	Loading Standard
K - 6	25
7 - 8	27
9 - 12	27
Non - Severe	13
Severe	9

Example: A site has 5 (K-6) and 1 (Severe) classrooms that are of age, with an enrollment of 150 (K-6) pupils and 8 (Severe) pupils.

	K-6	Severe
Enrollment	150	8
Eligible Classroom Capacity	125 (5 CR X 25)	9 (1 CR X 9)
Resulting Eligibility	125	8

This calculation and comparison is performed for all grade levels served by the site, so that a site may have eligible pupils in more than one grade level. For example, a K-8 school may have eligibility in the K-6, 7-8, Non-Severe, and Severe categories.

Option B – Ratio of Eligible Space to Non-Eligible Space

A district may choose to request eligibility based on a ratio of eligible space to non-eligible space. It may choose to apply this formula to either the classroom count on the site or to the amount of total square footage of all space on the site. The latter may be advantageous to a district in cases where they have a lot of eligible non-classroom space, such as a library, multipurpose room, etc. while not having many eligible classrooms. To determine modernization eligibility, divide the eligible space (in either classroom count or square footage) by the total space (in either classroom count or square footage) at the site. Apply the resulting percentage to the enrollment at the site to determine the amount of eligible pupil grants.

For example, using the sample school from the site diagram shown earlier in this item and the enrollment from the previous example, there is 6,450 square feet of eligible space, 10,950 total square feet (eligible plus non-eligible), 150 (K-6) pupils, and 8 (Severe) pupils at the site. The Option B calculation would be as follows:

Step 1: Calculate Ratio

$$\frac{6,450 \text{ (eligible square feet)}}{10,950 \text{ (total square feet)}} = 0.589 \Rightarrow 59\%$$

Step 2: Apply Ratio to CBEDS at Each Grade Level

$$59\% \text{ of } 150 \text{ (K-6)} = 88.35 \Rightarrow 89$$

$$59\% \text{ of } 8 \text{ (Severe)} = 4.71 \Rightarrow 5$$

Resulting Eligibility =	K-6	7-8	9-12	Non-Severe	Severe
	89	0	0	0	5

Districts are encouraged to explore both Option A and Option B to determine which one maximizes the eligibility at the site. After establishing eligibility, a District may switch from Option A to Option B at any time when adjustments are made to the site’s eligibility. Eligibility adjustments are discussed in the next section.

Cap on Enrollment

A school site can only generate modernization pupil grants for a maximum of the enrollment at the site. Because of this, all of the buildings on a school site may be more than 25 years old, but may not be eligible to receive modernization funding. Instead, the site would only be eligible to receive funding for the number of pupils that attend the school and NOT the full capacity of all the buildings.

For example, a site may have 5 (K-6) classrooms and an enrollment of 100 pupils. The capacity of the buildings that are of age on the site is 125 (K-6) pupils; however, the site only has 100 pupils. Therefore, the eligibility at the site is 100 (K-6) pupil grants.

Additionally, enrollment adjustments are only made when enrollment at a site increases. Decreases in enrollment do not result in a reduction in a site’s modernization eligibility. A district is not required to update the enrollment at the site when an adjustment is processed for additional buildings that have become eligible if the current year enrollment has decreased.

When is a Building Considered *Modernized*?

The SFP modernization program is designed to provide flexibility for districts when planning their projects; therefore, the program does not specifically define when a building is *modernized*. There are many types of modernization projects that range from complete renovation or replacement of existing buildings to upgrades throughout the school site to single components, such as electrical or Heating, Ventilation and Air Conditioning (HVAC) systems that may only renovate a portion of multiple buildings. Once the eligibility for the modernization program is established, the district decides when and how the funds are to be used on the site that generates the eligibility. The district is not required to use the modernization funding on the same building that generated the eligibility. For example, if a given classroom generates modernization eligibility, the district may determine the funds are needed for a multi-purpose room on a different part of the site that may or may not be of age. However, once the eligibility generated by a specific building is used, regardless of how, that building is considered modernized for purposes of the SFP.

Adjustments to Modernization Eligibility

Increases and Decreases

Modernization eligibility at a site is adjusted for enrollment changes, buildings coming of age, requests for funding, and other changes, which result in increases or decreases to the baseline eligibility. There are two occasions when an adjustment is not made. The first is when a building is added or removed from the site, with the exception of facilities that are a part of a Facility Hardship or ORG application. Once the Gross Classroom Inventory of the site has been established, changes in the capacity of the site do not result in an eligibility adjustment. Additionally, no adjustment is made for decreases in enrollment, which allows the district to maximize its eligibility. Modernization eligibility adjustments are prescribed in the School Facility Program (SFP) Regulations and include the following (the most common are underlined):

- A decrease for any pupil grants provided in a modernization SFP, Charter School Facilities Program, or Lease Purchase Program project at the site
- An increase in for any increase in enrollment at the site
- An increase for any buildings on the site that become of age
- An increase or decrease as a result of errors or omissions
- An adjustment to for SDC classrooms that were originally classified as (K-6), (7-8), or (9-12) before program changes occurred to count them separately
- An adjustment due to a Material Inaccuracy finding
- An increase for previously modernized facilities that become eligible once again (Second Round Modernization, discussed in the next section)
- A decrease for eligible facilities that were replaced in a non-State funded project
- An eligibility reduction for classrooms replaced under the ORG or Facility Hardship programs

The most common increases are for enrollment changes or additional buildings coming of age. Unlike the new construction program, enrollment decreases do not result in a decrease in eligibility. Only enrollment increases result in a change to the site's eligibility. If a site has 100 pupils one year, and the enrollment decreases to 90 pupils the next year, the district is not required to update its modernization eligibility. On the other hand, if the enrollment at the site increases in subsequent years, the district may submit an *Enrollment Certification/Projection* (Form SAB 50-03) for an adjustment. For example, if a school site choosing Option A had 5 (K-6) classrooms and 100 (K-6) pupils, it would have a baseline eligibility of 100 pupils because the capacity at the site is 125 and the eligibility is the lesser of capacity and enrollment under Option A. If the enrollment increased to 125 (K-6) pupils in a subsequent year, the district would be eligible for a modernization adjustment of an additional 25 (K-6) pupil grants.

The most common decrease occurs when a district draws on eligibility in a funding application for a modernization project at the site. Less common decreases include those made when buildings are replaced as part of another SFP program project, such as an ORG or Facility Hardship project, and when a District does a project on their own outside of the SFP that involves the replacement of eligible buildings. Since these buildings are brand new, the State views them as having been modernized and will adjust the district's eligibility accordingly.

Other Modernization Eligibility Considerations

50-Year Old Buildings

In addition to standard modernization eligibility for permanent buildings that are 25 years old and portable buildings that are 20 years old, additional funding is available for permanent buildings that are 50 years old or older. Permanent buildings 50 years old and older typically require more extensive modernization measures and are therefore given an increased grant at the time of funding. As mentioned previously, the age of a building begins 12 months after the plans for the building were approved by the Division of the State Architect.

Fifty year old pupil grant eligibility is available for all sites, whether Option A or Option B is used to determine modernization eligibility. A simple way to look at 50 year old eligibility is to look at the overall modernization eligibility at the site. Once the eligibility is determined, the next step is to determine how many of those pupil grants are for 50 year old and older buildings. The percentage of the total eligibility that comes from 50 year old buildings is applied to each grade level that has eligibility. For example, a district choosing Option A (classroom count option) with an enrollment of 500 (K-6) that has 20 eligible classrooms, with 5 of them being permanent and 50 years old or older, would determine its percentage of 50 year old eligibility by comparing the number of 50 year old buildings to the total number of eligible buildings as follows:

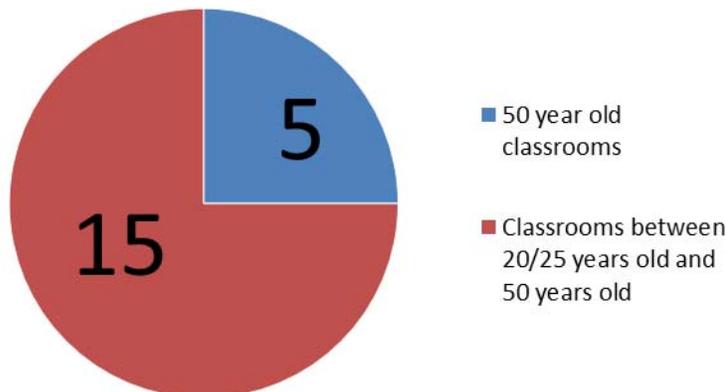
Step 1: Calculate Total Modernization Pupil Grant Eligibility

20 (Eligible Classrooms) X 25 (Loading Standard) = 500 Capacity
 CBEDS at Site.....500 Pupil Grants
 Lesser of CBEDS or Capacity.....500 Pupil Grants Eligibility

Step 2: Calculate 50-Year Old Building Ratio

Total eligible (20/25 years old) Classrooms..... 20
 Classrooms at least 50 years old..... 5
 Ratio of 50 year old Classrooms.....25%

$5 / 20 = 25\%$



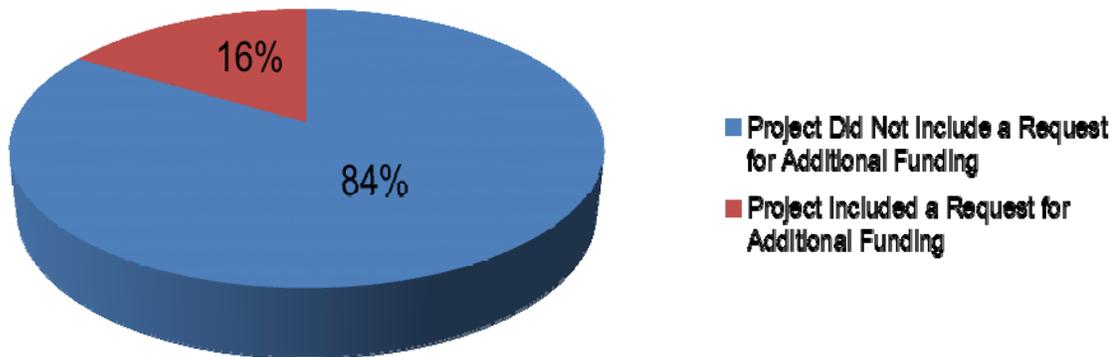
Step 3: Apply the Ratio to determine the Maximum 50-Year Old Pupil Grants for the Site

$$500 \text{ Pupil Grants} \times 25\% = 125 \text{ maximum 50 Year Old Grants}$$

The district would be eligible for additional funding for eligibility generated from 50 year old buildings. It is important to note that 50 year old eligibility is *not counted in addition to modernization eligibility*; instead, it is an increase in the grant amount to a specified number of pupil grants within the overall eligibility. In this example, the total number of eligible pupil grants would remain the same, but the district would be eligible to receive additional funding for up to 25% of those pupil grants. For the (K-6) level, they would still have 500 pupil grants, with 125 being eligible for the 50 year old grant amount and 375 being eligible for the standard modernization grant amount. As other permanent buildings become 50 years old on the site, the ratio of grants eligible for the 50 year old grant amounts increases accordingly.

The 50 year old pupil grant eligibility is not separately approved by the Board like the modernization eligibility. Districts request 50 year old pupil grants during the application for funding process. Staff verifies the total number of 50 year old pupil grants used on each site.

Projects Requesting 50 year old building Additional Funding (based on 6,341 Applications for Funding approved by the Board as of 12/15/2012)



Second Round Modernization

Statute allows for school buildings previously modernized with State funds to become eligible a second time for modernization after 20/25 years. Permanent buildings may be renovated or replaced the second time they become eligible for modernization; however, to modernize a portable for a second time, the district must provide documentation to justify that modernizing, rather than replacing the portable classroom, is a better use of public resources.

Closed school sites

Modernization eligibility can be generated and used for school sites that are currently closed. If a district intends to reopen the site and use it for at least the next five years, it may apply for modernization eligibility and funding for the site. The site's projected enrollment would be estimated based on district demographic data.

Modernization Program Data

Data regarding SFP Modernization Program funds is displayed on the following pages.

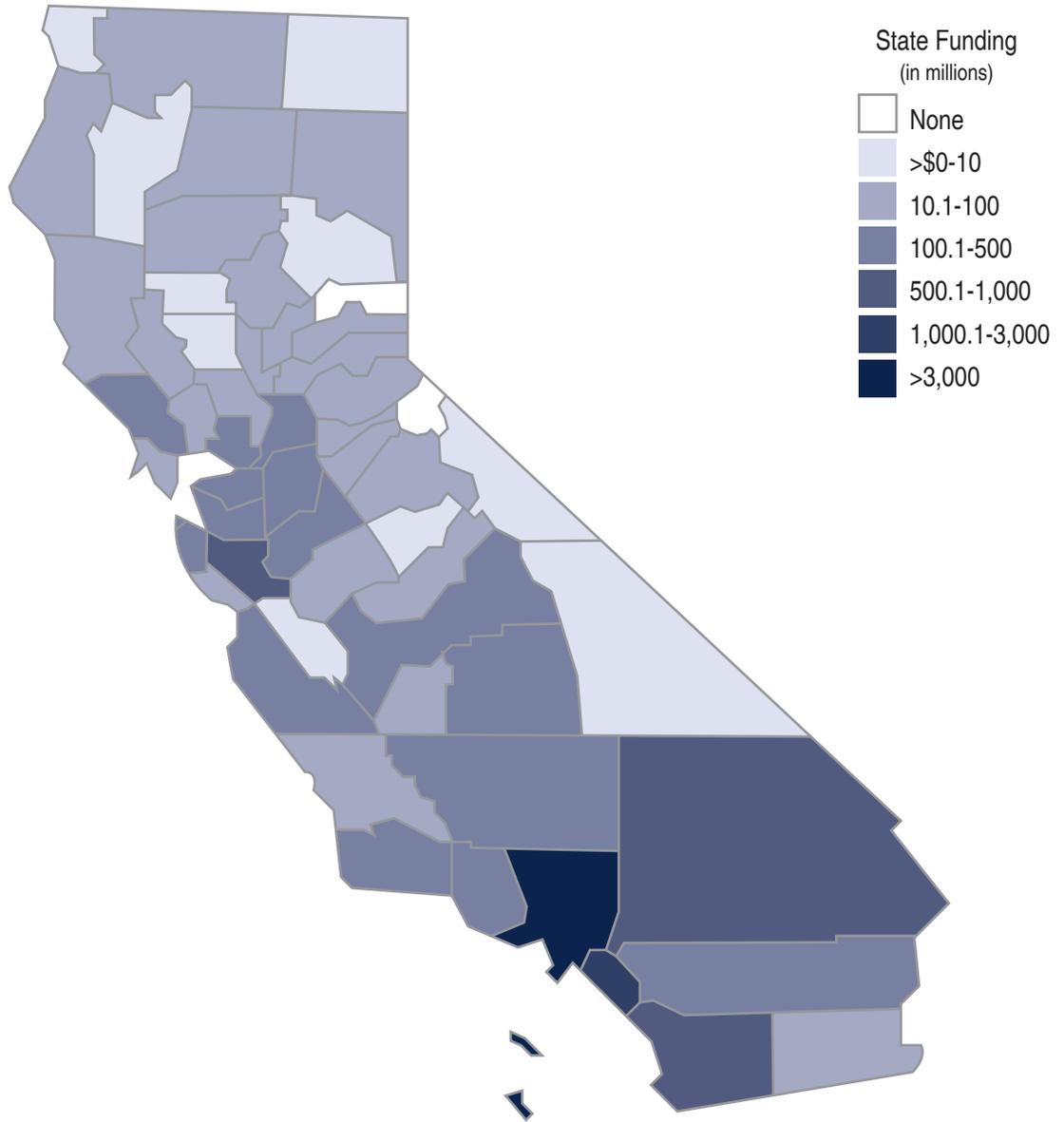
Classroom information was compiled using the number of classrooms indicated by districts on the *Application for Funding* (Form SAB 50-04). Districts enter the number of classrooms as shown on the project plans and specifications. The classrooms may not have been entirely modernized.

State funding information was compiled from all SFP Modernization projects approved by the Board. This includes projects funded from all four SFP bond acts – the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 (Proposition 1A) and the Kindergarten-University Public Education Facilities Bond Acts of 2002, 2004, and 2006 (Propositions 47, 55, and 1D, respectively).

The number of SFP classrooms funded is also provided to the Legislature annually in the General Obligation Bond Report; however, that report only contains information related to Propositions 55 and 1D, pursuant to Government Code Section 16724.4.

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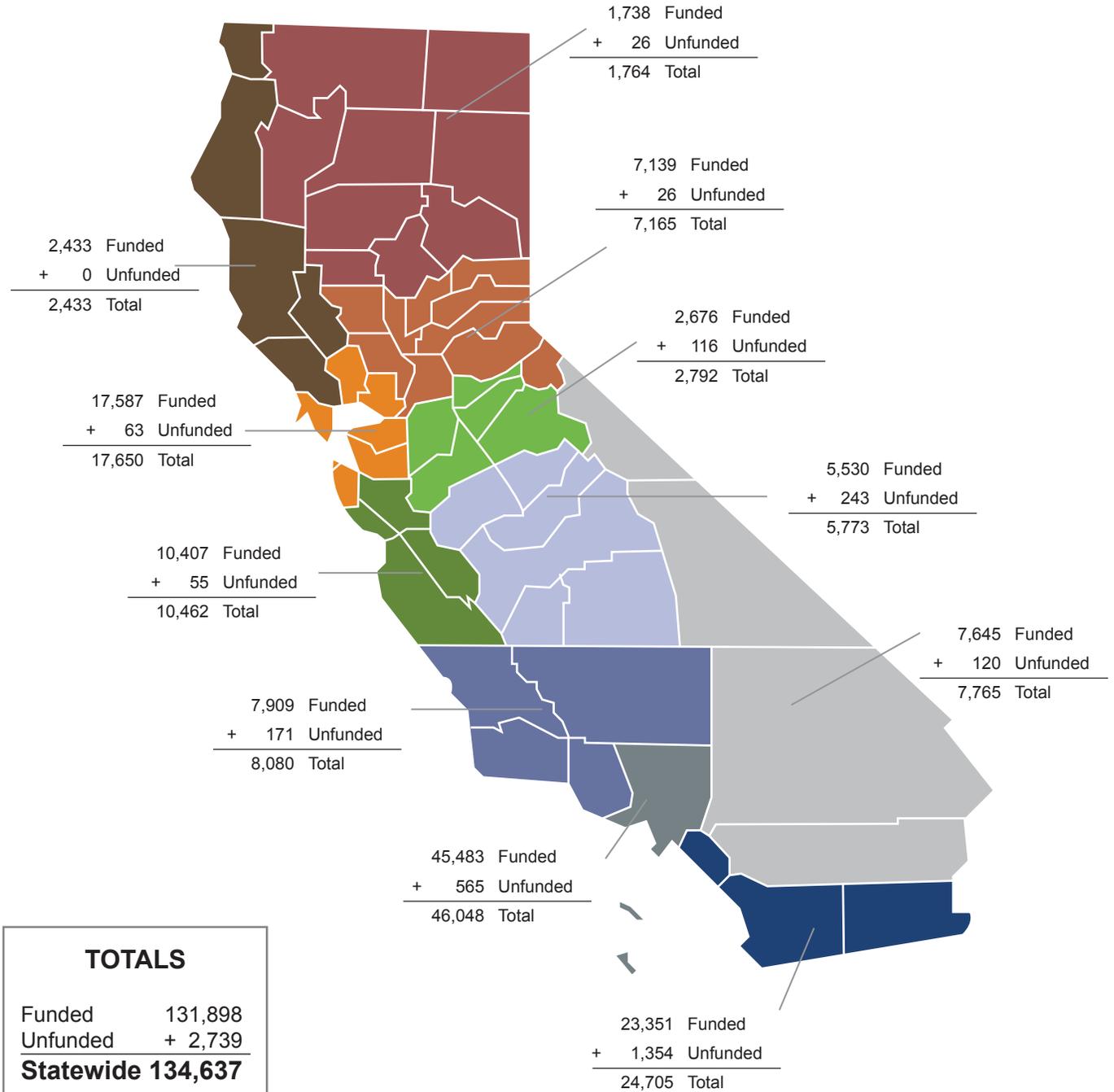
Modernization State Funding by County
(as of 12/15/2012)



The above information was compiled using 6,341 *Applications For Funding* (Form SAB 50-04) (6,100 Funded and 241 Unfunded) submitted to the Office of Public School Construction for School Facility Program Modernization projects since 1998. State funding includes state financial hardship contributions. Facility Hardship projects were not included. Districts report the number of classrooms on the project plans and specifications on the Form SAB 50-04. Data on the scope of modernization projects is currently not collected for the SFP. For more information, please see the Modernization Detail page.

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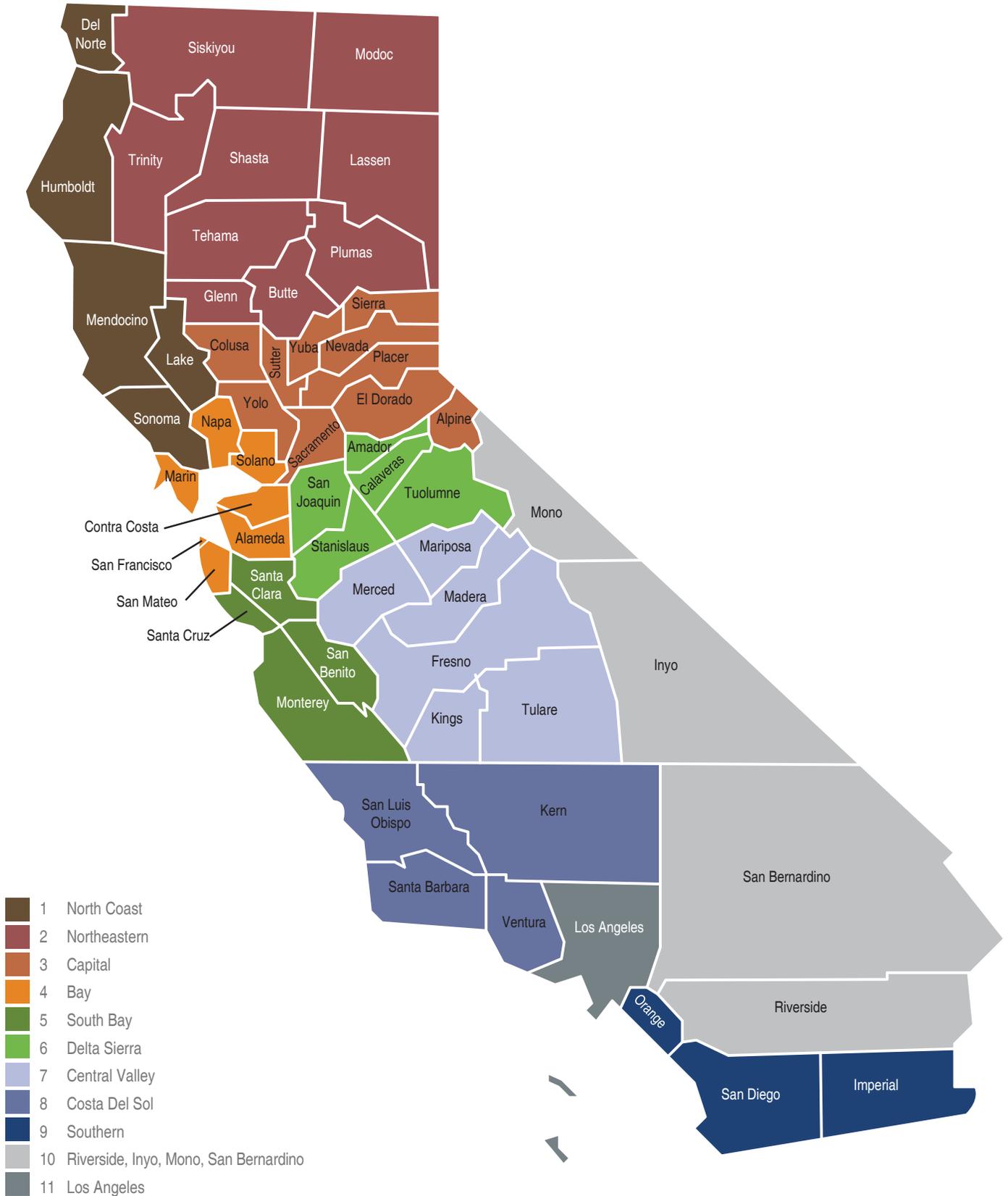
Classrooms Modernized per Career Technical Education Service Regions (as of 12/15/12)



The above information was compiled using 6,341 *Applications For Funding* (Form SAB 50-04) (6,100 Funded and 241 Unfunded) submitted to the Office of Public School Construction for School Facility Program Modernization projects since 1998. Facility Hardship projects were not included. Districts report the number of classrooms on the project plans and specifications on the Form SAB 50-04. Data on the scope of modernization projects is currently not collected for the SFP. For more information, please see the Modernization Detail page.

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Career Technical Education Service Regions



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Modernization Detail

COUNTY	FUNDED			UNFUNDED			TOTAL		
	Application Count	Classroom Count	State Funding Amount	Application Count	Classroom Count	State Funding Amount	Application Count	Classroom Count	State Funding Amount
Alameda	264	5,090	\$469,548,638	3	13	\$4,138,635	267	5,103	\$473,687,273
Alpine	0	0	\$0	0	0	\$0	0	0	\$0
Amador	10	139	\$10,358,464	0	0	\$0	10	139	\$10,358,464
Butte	27	361	\$37,237,997	0	0	\$0	27	361	\$37,237,997
Calaveras	13	161	\$14,211,289	0	0	\$0	13	161	\$14,211,289
Colusa	8	74	\$4,311,948	0	0	\$0	8	74	\$4,311,948
Contra Costa	206	4,060	\$361,789,165	5	38	\$13,780,208	211	4,098	\$375,569,373
Del Norte	5	63	\$5,496,840	0	0	\$0	5	63	\$5,496,840
El Dorado	46	587	\$62,613,913	2	9	\$965,932	48	596	\$63,579,845
Fresno	195	3,171	\$281,786,780	9	185	\$17,607,679	204	3,356	\$299,394,459
Glenn	11	77	\$8,369,268	0	0	\$0	11	77	\$8,369,268
Humboldt	40	569	\$47,282,105	0	0	\$0	40	569	\$47,282,105
Imperial	39	509	\$57,898,834	0	0	\$0	39	509	\$57,898,834
Inyo	9	60	\$7,914,694	1	0	\$740,545	10	60	\$8,655,239
Kern	83	1,362	\$135,935,978	7	122	\$15,885,479	90	1,484	\$151,821,457
Kings	31	336	\$26,469,414	0	0	\$14,269	31	336	\$26,483,683
Lake	18	111	\$14,476,760	0	0	\$0	18	111	\$14,476,760
Lassen	15	119	\$17,794,535	0	0	\$0	15	119	\$17,794,535
Los Angeles	1,663	45,483	\$3,119,563,560	75	565	\$83,813,378	1,738	46,048	\$3,203,376,938
Madera	30	283	\$28,853,082	0	0	\$0	30	283	\$28,853,082
Marin	72	1,448	\$87,390,463	1	0	\$874,180	73	1,448	\$88,264,643
Mariposa	9	64	\$6,178,200	0	0	\$0	9	64	\$6,178,200
Mendocino	21	345	\$35,480,746	6	0	\$2,085,902	27	345	\$37,566,648
Merced	64	839	\$75,439,341	0	0	\$0	64	839	\$75,439,341
Modoc	7	42	\$3,308,515	0	0	\$0	7	42	\$3,308,515
Mono	9	24	\$5,253,319	0	0	\$0	9	24	\$5,253,319
Monterey	69	1,581	\$134,673,719	1	2	\$824,238	70	1,583	\$135,497,957
Napa	34	762	\$53,793,679	1	10	\$2,595,634	35	772	\$56,389,313
Nevada	15	166	\$19,826,937	0	0	\$0	15	166	\$19,826,937
Orange	426	11,542	\$1,053,530,195	54	1,257	\$219,972,754	480	12,799	\$1,273,502,949
Placer	40	380	\$45,230,808	1	17	\$1,301,495	41	397	\$46,532,303
Plumas	8	121	\$8,537,067	0	0	\$0	8	121	\$8,537,067
Riverside	146	2,676	\$279,151,017	9	19	\$7,599,078	155	2,695	\$286,750,095
Sacramento	219	4,496	\$362,552,442	0	0	\$0	219	4,496	\$362,552,442
San Benito	5	58	\$6,275,135	0	0	\$0	5	58	\$6,275,135
San Bernardino	236	4,885	\$570,758,851	12	101	\$16,034,952	248	4,986	\$586,793,803
San Diego	479	11,300	\$963,123,092	8	97	\$7,711,037	487	11,397	\$970,834,129
San Francisco	50	1,255	\$122,604,068	0	0	\$0	50	1,255	\$122,604,068
San Joaquin	70	1,065	\$122,006,061	2	60	\$5,341,167	72	1,125	\$127,347,228
San Luis Obispo	39	672	\$46,166,286	0	0	\$0	39	672	\$46,166,286
San Mateo	180	3,415	\$235,666,918	0	0	\$0	180	3,415	\$235,666,918
Santa Barbara	89	1,685	\$159,539,776	0	0	\$0	89	1,685	\$159,539,776
Santa Clara	362	8,007	\$641,157,685	8	53	\$16,313,993	370	8,060	\$657,471,678
Santa Cruz	49	761	\$68,559,039	1	0	\$392,799	50	761	\$68,951,838
Shasta	49	697	\$57,907,404	2	13	\$3,353,002	51	710	\$61,260,406
Sierra	0	0	\$0	0	0	\$0	0	0	\$0
Siskiyou	15	136	\$11,857,946	1	5	\$536,277	16	141	\$12,394,223
Solano	76	1,557	\$114,036,593	2	2	\$56,310	78	1,559	\$114,092,903
Sonoma	111	1,345	\$112,370,623	15	0	\$10,718,951	126	1,345	\$123,089,574
Stanislaus	75	1,205	\$161,572,014	5	56	\$5,923,143	80	1,261	\$167,495,157
Sutter	24	421	\$34,801,416	2	0	\$108,177	26	421	\$34,909,593
Tehama	13	145	\$16,067,747	1	8	\$222,933	14	153	\$16,290,680
Trinity	5	40	\$4,451,255	0	0	\$0	5	40	\$4,451,255
Tulare	93	837	\$100,433,662	5	58	\$9,476,763	98	895	\$109,910,425
Tuolumne	11	106	\$12,320,351	0	0	\$0	11	106	\$12,320,351
Ventura	162	4,190	\$277,518,740	2	49	\$3,896,563	164	4,239	\$281,415,303
Yolo	38	794	\$54,308,727	0	0	\$0	38	794	\$54,308,727
Yuba	17	221	\$17,033,949	0	0	\$0	17	221	\$17,033,949
TOTAL	6,100	131,898	\$10,792,797,050	241	2,739	\$452,285,473	6,341	134,637	\$11,245,082,523

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Project Information Worksheet

Overview

The PIW was designed to collect data for SFP new construction projects to study the relationship between the new construction pupil grant amount and the per pupil cost of new school construction, to monitor the status of the bid climate and to meet bond accountability requirements.

Brief History

The State Allocation Board (Board) approved the PIW in September 2007 (and modified it in May 2010) for the following reasons:

- To analyze the relationship between the pupil grant eligibility and the cost of new construction pursuant to EC Section 17072.11(b).
- Bond accountability.
- To study the status of the bid climate.
- To evaluate the High Performance Incentive Grant.

The PIW is based largely on a survey developed by a new construction grant adequacy ad hoc committee¹ assembled by the Board in December 2005. The PIW incorporates the Board Implementation Committee's (Committee) input and was tested by a sample of districts prior to Board approval. At the time of development, stakeholders commented that the PIW should be independent of the *Expenditure Report* (Form SAB 50-06). Additional input was also received from the various stakeholders/districts that the collection of data for the PIW should also include all locally funded expenditures since districts only report the minimum expenditures necessary to establish compliance with the local match requirement on the Form SAB 50-06.

Submittal Process

Currently, a PIW is required for all new construction projects that receive funding based on new construction pupil grants, or for modernization projects that receive HPI grant funding.

The Districts complete and submit the PIW electronically on the OPSC website. The online submittal of the PIW is required three times:

- When the District submits the *Fund Release Authorization* (Form SAB 50-05)
- With the first *Expenditure Report* (Form SAB 50-06)
- With the final *Expenditure Report*

Board Direction for PIW Implementation Committee Discussions

At the January 2012 Board meeting, the Board directed Office of Public School Construction (OPSC) staff to take an item to the Committee to explore ways to streamline the PIW, apply the PIW to additional School Facility Program (SFP) projects beyond new construction and to reduce the number of required submittals. The Committee discussed these issues at five meetings from July 2012 to November 2012.

At the October 2012 Board meeting, the Board directed that the PIW be discussed at the Program Review Subcommittee.

¹ Grant adequacy ad hoc committee consisted of school districts, architectural, construction, and construction management firms, consultants, the Department of Finance, the California Department of Education and the Office of Public School Construction.

Implementation Committee Discussions

At the February, March and April 2012 Committee meetings, OPSC staff worked with the Committee to develop plans to streamline the PIW online submittal process through auto-population of any information already collected by the OPSC, and to develop options to reduce the number of submittals required. The Committee also discussed whether the PIW could be used for SFP project types other than new construction, such as modernization.

Streamline Submittal Process

Based on the discussions from Committee meetings as well as feedback from school districts, staff has streamlined the online submittal PIW process by making the following changes:

- The “Auto fill” feature automatically fills in the information that the OPSC already has in its database once an OPSC application number(s) is entered, including:
 - County
 - School District
 - State Funding
 - Joint-Use project information (if applicable)
 - Site Acreage
- The “Auto calculation” feature automatically calculates the totals for the project costs and square footage that are entered throughout the worksheet.

Reduce Number of Required Submittals

OPSC staff discussed options for reducing the number of required PIWs to the Committee. One option would eliminate the PIW submitted with the *Fund Release Authorization* (Form SAB 50-05). This would allow the information in the first submittal to be more accurate, but it would take longer to receive from districts. Another option would eliminate the PIW submitted with the first *Expenditure Report* (Form SAB 50-06). Under this option, the information would be received quickly (with the Form SAB 50-05) and accurately (with the final Form SAB 50-06), but it may be difficult for some districts to complete both the PIW and the Form SAB 50-05 by the 90-day Priority Funding submittal deadline. Because SFP regulations indicate when a PIW must be submitted, a regulation change is necessary in order to reduce the number of required PIWs for a project. These options have not yet been presented to the Board.

Expand to other programs

In July 2012, the Committee began an in-depth discussion of how the PIW could be expanded to modernization programs. Because the PIW was originally designed only for projects funded on the basis of new construction pupil grants, many of the questions do not apply to modernization projects. For example, the classroom square footage and building costs may not be as relevant for modernization projects as the project scope (roofing, electrical, etc.) and the costs specifically associated with Americans with Disabilities Act compliance, which are not captured on the PIW. The Committee agreed that the current PIW would not effectively gather data for these programs, and that expanding the PIW to other programs would require different questions to address the wide variety of types of work that may be funded for modernization.

Draft Versions of the PIW for Modernization Projects

At the August 2012 Committee meeting, the OPSC presented concepts for the collection of modernization project information. Concerns were expressed, including that the project information was too detailed and that providing it would be very time consuming. Using Committee input, alternatives were discussed at the September, October and November meetings. Two versions of the PIW tool for modernization data collection are presented on the following pages. The first version aims to collect detailed information on the modernization project. The second version includes changes based on Committee discussion and feedback to make completion of the document less cumbersome, but does not require as much project detail.

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PROJECT INFORMATION - MODERNIZATION

School Type Total Teaching Stations on Site Total Pupils Served on Site

TYPE OF WORK	COMPONENT HARD COST AMOUNT	
	FIRST SUBMITTAL	SECOND SUBMITTAL
<input type="checkbox"/> Building Replacement	\$	\$
<input type="checkbox"/> Hazardous Materials Abatement	\$	\$
<input type="checkbox"/> Sitework	\$	\$
<input type="checkbox"/> Structural/Seismic Upgrades	\$	\$
<input type="checkbox"/> Roofing	\$	\$
<input type="checkbox"/> Site Infrastructure	\$	\$
<input type="checkbox"/> Building Interior (Wall Systems, Flooring, Casework)	\$	\$
<input type="checkbox"/> Building Exterior (Wall Systems, Windows, Doors)	\$	\$
<input type="checkbox"/> HVAC	\$	\$
<input type="checkbox"/> Plumbing	\$	\$
<input type="checkbox"/> Technology Upgrades	\$	\$
<input type="checkbox"/> Renewable Energy Systems	\$	\$
<input type="checkbox"/> Electrical	\$	\$
<input type="checkbox"/> Access Compliance/ADA	\$	\$
<input type="checkbox"/> Other (please specify)	\$	\$
Total:	\$	\$

Facilities Modernized <i>(Check all that apply)</i>		NUMBER
FACILITY		
<input type="checkbox"/> Classrooms		
<input type="checkbox"/> Administration/Support		
<input type="checkbox"/> Gym/Shower Locker Room		
<input type="checkbox"/> Multi-Purpose Room/Cafeteria		
<input type="checkbox"/> Cafeteria - Stand Alone		
<input type="checkbox"/> Kitchen		
<input type="checkbox"/> Library		
<input type="checkbox"/> Performing Arts Facility		
<input type="checkbox"/> Restroom(s)		
<input type="checkbox"/> Play/Athletic Field		
<input type="checkbox"/> Playground/Hardcourt/Turf		
<input type="checkbox"/> Track		
<input type="checkbox"/> Swimming Pool		
<input type="checkbox"/> Stadium		
<input type="checkbox"/> Parking Drop-off		
<input type="checkbox"/> Parking Structure		
<input type="checkbox"/> Other (Explain)		

Total Square Feet Modernized All Facilities	
Permanent:	
Modular:	
Portable:	
Total:	

Total Modernization Cost (Per Square Foot)	
FIRST SUBMITTAL	SECOND SUBMITTAL
\$	\$

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ATTACHMENT CAUTHORITYEDUCATION CODE

Education Code (EC) Section 17072.11 (b) states, "On or after January 1, 2008, the [Board] shall increase or decrease the per-unhoused-pupil grant eligibility determined pursuant to subdivision (a) by amounts it deems necessary to cause the grants to correspond to costs of new school construction, provided that the increase in any fiscal year pursuant to this section shall not exceed 6 percent."

EC Section 17074.25 states, "(a) A modernization apportionment may be used for an improvement to extend the useful life of, or to enhance the physical environment of, the school. The improvement may only include the cost of design, engineering, testing, inspection, plan checking, construction management, demolition, construction, the replacement of portable classrooms, necessary utility costs, utility connection and other fees, the purchase and installation of air-conditioning equipment and insulation materials and related costs, furniture and equipment, including telecommunication equipment to increase school security, fire safety improvements, playground safety improvements, the identification, assessment, or abatement of hazardous asbestos, seismic safety improvements, and the upgrading of electrical systems or the wiring or cabling of classrooms in order to accommodate educational technology. A modernization grant may not be used for costs associated with acquisition and development of real property or for routine maintenance and repair.

(b) A modernization apportionment may also be used for the cost of designs and materials that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and other characteristics of high-performance schools."

EC Section 17070.35(a) states, "In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following: . . . (2) Establish and publish any procedures and policies in connections with the administration of this chapter as it deems necessary."

GOVERNMENT CODE

Government Code Section 15503 states, "Whenever the board is required to make allocations or apportionments under this part, it shall prescribe rules and regulations for the administration of, and not inconsistent with, the act making the appropriation of funds to be allocated or apportioned. The board shall require the procedure, forms, and the submission of any information it may deem necessary or appropriate. . . ."

SCHOOL FACILITY PROGRAM REGULATIONS

School Facility Program (SFP) Regulation Section 1859.71 states, "The new construction per-unhoused-pupil grant amount, as provided by (EC) Section 17072.10(a), may be increased by an additional amount not to exceed six percent in a fiscal year, or decreased, based on the analysis of the current cost to build schools as reported on the Project Information Worksheet (New 09/07) which shall be submitted with the Forms SAB 50-05 and 50-06 and as approved by the Board."

SFP Regulation Section 1859.104.1 states, "A school district filing a (PIW) with the best information available will not be subject to a Material Inaccuracy for that information."

SFP Regulation Section 1859.71 states, "The new construction per-unhoused-pupil grant amount, as provided by Education Code Section 17072.10(a), may be increased by an additional amount not to exceed six percent in a fiscal year, or decreased, based on the analysis of the current cost to build schools as reported on the Project Information Worksheet (New 09/07) which shall be submitted with the Forms SAB 50-05 and 50-06 and as approved by the Board."

SFP Regulation Section 1859.104 states, "A School District receiving an Apportionment for high performance incentive grants pursuant to Section 1859.71.6 or 1859.77.4 shall submit a completed Project Information Worksheet to the OPSC for all expenditures related to the additional design and construction costs of the high performance building components. In addition, the School District shall provide information related to resulting energy savings and efficiency, as well as other resulting benefits. The Project Information Worksheet shall be submitted with the Form SAB 50-05 and the District's first and final Forms SAB 50-06 pursuant to (a)(1) and (2) above."