

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, April 2, 1997

DEFERRED MAINTENANCE INCLUDING BASIC AND CRITICAL HARDSHIP POLICY

PURPOSE OF REPORT

To recommend modifications to the State School Deferred Maintenance Program regarding the basic apportionments and the critical hardship "out-of-order" requests.

DESCRIPTION

At a previous meeting, the State Allocation Board (SAB) directed the Office of Public School Construction (OPSC) and the SAB Implementation Committee to review and make recommendations regarding the policy for funding "out-of-order" critical hardship requests. Current SAB policy and regulation provide that critical hardship requests are funded in accordance with priorities set by regulation. First priority is underground toxic/contaminated tank clean-up/removal, second priority is roofing, third is plumbing and so on. The regulation also provides that the SAB may make exceptions to these priorities on a case-by-case basis for the benefit of the pupils affected. Requests for exception of the funding priorities is deemed to be an "out-of-order" critical hardship request. Due to limited funds available for critical hardships in previous years, the requests for "out-of-order" funding sometimes exceed the funds available for critical hardships in any given year.

The OPSC and the SAB Implementation Committee have reviewed the policy and regulation regarding the basic apportionments and the critical hardship funding and support the following recommendations:

RECOMMENDATIONS

1. Provide the following modifications to the "basic" and "additional" apportionments be made and implemented immediately:
 - a. The allocation of available funds for the "basic" and "additional" apportionments will be made to all districts, with the exception of those that are ineligible by law to receive Deferred Maintenance funds. All allocations will be made in accordance with prescribed formulas in current law.
 - b. The allocation of funds will be made at the July SAB meeting each year.
 - c. Certifications of the district's required financial deposit must be made and received from the local County Treasurer no later than September 30th of each year. Any funds not matched by that date will be rescinded and made available for hardship requests in accordance with existing law.
 - d. The districts will no longer be required to file an application for the "basic" or "additional" apportionment each year. The SAB will recognize the districts financial deposit as the application for apportionment.
2. Provide the following modifications to the critical hardship apportionments be made and implemented immediately:

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RECOMMENDATIONS (con't)

- a. All critical hardship requests must include a report from a licensed architect or structural engineer which addresses the following:
 - * A statement as to how the proposed project meets current program requirements and the provisions outlined in Education Code Section 39619.5 (a)(2) regarding the necessity for that project to be completed in one year or it will result in serious damage to the remainder of the facility.
 - * An outline of the recommended solution, including the estimated cost to correct the problem (use Form SAB 40-3).
 - b. Districts with critical hardship requests currently in-house may re-apply under the above criteria and receive a date priority for funding purposes.
 - c. The first \$1,000.00 of the cost for the preparation of the report required in item 2a above, may be considered as an eligible project cost.
 - d. All critical hardship requests will be categorized in three funding priorities as follows:
 - Priority One - Any critical hardship project proposed at a school which has been closed by the local school board by appropriate resolution because of the need to complete the necessary repairs, or other critical projects as directed by the SAB. Requests for critical hardship funding in this category may only include the work required in the portion of the school actually closed.
 - Priority Two - Includes underground toxic/contaminated tanks (clean-up and removal), roofing, plumbing (water/sewer), heating/air-conditioning, and electrical.
 - Priority Three - Includes wall systems, floor systems, paving and other.
 - e. Critical hardship requests that meet SAB criteria will receive a "zero" approval in accordance with the above priorities after submittal to the OPSC. The OPSC will endeavor to review and process the request to the SAB within 60 calendar days of submittal by the district of the complete application.
 - f. When funds become available, the SAB will fund critical hardship requests in the order they receive a "zero" approval and in accordance with the above priorities. All requests will be funded in priority order, regardless of the "zero" approval date. Any critical hardship project that receives a "zero" approval that does not receive actual funding in a given fiscal year will automatically remain on the "unfunded list" for funding consideration in subsequent fiscal years.
3. Direct the OPSC to modify the Board Regulations as appropriate.
 4. Until the regulations are modified, direct the OPSC to include a recommendation on all critical hardship requests that all apportionments will be made utilizing the SAB authority to make exceptions to the funding priorities for the benefit of the pupils affected.
 5. Reimbursement of eligible expenditures will be allowed up to 90 calendar days prior to the date the critical hardship project receives a "zero" approval.

BOARD ACTION

In considering this Item, the Board approved the OPSC's recommendations including the modification to Recommendation No. 2d, Priority Three, to read as follows:

- "d. Priority Three - All other items."