

STATE ALLOCATION BOARD

1130 K Street, Suite 400
Sacramento, CA 95814
<http://www.opsc.dgs.ca.gov>



Date: September 17, 2009

To: Interested Parties

Subject: **NOTICE OF THE STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE MEETING**

Notice is hereby provided that the State Allocation Board Implementation Committee will hold a meeting on *Thursday, October 1, 2009* from 9:30 a.m. to 3:30 p.m. in the California State Capitol, Room 126, Sacramento, California.

The Implementation Committee's proposed agenda is as follows:

- 1) Convene Meeting
- 2) Implementation Committee Meeting Calendar
- 3) Career Technical Education Facilities Program Improvements
Continue discussions on proposed regulatory changes for Career Technical Education Facilities Program Improvements to extend current timelines and adjust apportionments.
- 4) Improvements to School District Appeal Request Document/Process Improvements for Facility Hardship Requests
Continue discussions on proposed improvements to school district appeal request document and proposed process improvements for Facility Hardship requests.

Any interested person may present public testimony or comments at this meeting regarding the issues scheduled for discussion. Any public input regarding unscheduled issues should be presented in writing, which may then be scheduled for a future meeting. For additional information, please contact Sue Genera at (916) 445-4320.

A handwritten signature in cursive script that reads "Susan Ronnback".

SUSAN RONNBACK, Chairperson
State Allocation Board Implementation Committee

Individuals who need auxiliary aids for effective participation are invited to make their requests and preferences known to Sue Genera at (916) 445-4320 five days prior to the meeting.

STATE ALLOCATION BOARD

1130 K Street, Suite 400
Sacramento, California 95814
<http://www.dgs.ca.gov/opsc>



**Implementation Committee
Partial 2009/2010 MEETING CALENDAR**

Thursday, December 3, 2009

California State Capitol
10th Street and Capitol Mall, Room 126
Sacramento, California

Thursday, February 4, 2010

California State Capitol
10th Street and Capitol Mall, Room 126
Sacramento, California

Thursday, April 1, 2010

California State Capitol
10th Street and Capitol Mall, Room 126
Sacramento, California

Thursday, June 3, 2010

California State Capitol
10th Street and Capitol Mall, Room 126
Sacramento, California

*Meeting times are scheduled from 9:30 am to 3:30 pm with a 1-hour lunch break.
Meeting times, dates and locations are subject to change.*

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE

Pending Items List
October 1, 2009

A. Future Items

- Joint-Use Program
 - Role of the Implementation Committee
 - Alternative Education Loading Standards and Funding
 - Change of Scope for SFP Projects
-

State Allocation Board
IMPLEMENTATION COMMITTEE
October 1, 2009

Purpose

To discuss the Career Technical Education Facility Program (CTEFP) improvements presented at the September 3, 2009 Implementation Committee Meeting.

1. *Increase to reservation of funds timeline*

To increase the time period districts have to submit applicable Division of the State Architect (DSA) and/or California Department of Education (CDE) approvals from 12 to 15 months after the reservation of funds apportionment date. This revised timeline would apply to third cycle and any subsequent application acceptance periods.

2. *Adjustment to CTEFP apportionment*

To establish a mechanism to adjust a CTEFP reservation of funds apportionment when 50 percent of the verified project costs are less than the apportionment. This change would be applicable to all reservation of funds projects when the necessary project approvals are received by the OPSC after the effective date of these regulations.

3. *Remittance of savings*

To discuss changing the expenditure reporting procedure to provide a mechanism to remit savings and interest earlier. This change would be applicable to all CTEFP projects funding cycles.

Background

1. An apportionment with a reservation of funds provides the applicant 12 months to obtain and submit the necessary DSA and CDE approvals to the Office of Public School Construction (OPSC).

2. The State Allocation Board (SAB) grants full and final apportionments based on preliminary estimates for CTEFP reservation of funds projects. After apportionments are made, the district must submit the final DSA approved plans and specifications, DSA plan approval letter, CDE plan approval letter, and final detailed cost estimate within 12 months of the apportionment. Staff reviews these documents to ensure the approved project scope is reflected in the plans and verifies that the final estimated project costs are within an acceptable range based on industry standards.

3. Annual expenditure reports for the CTEFP are required beginning one year from the date of the first fund release until the project is complete. The project is considered complete and ready for the final expenditure audit when either of the following occurs:

- a. The final *Expenditure Report* (Form SAB 50-06) indicating 100 percent of the project is complete and the Detailed Listing of Project Expenditures are submitted by the district; or
- b. Four years elapse from the date of the fund release for a high school project.

The District must submit a final expenditure report within four years of the final fund release date. The OPSC must commence the final expenditure audit within two years of the receipt of the final expenditure audit. The savings amount is determined and verified through the OPSC expenditure audit. Currently, any savings associated with a CTEFP project is collected once a

project closeout is finalized. This process could delay the collection of savings for over two years. This length of time increases the amount of interest earned by the district and due to the State. The OPSC proposes that the applicant return savings with the final expenditure report. The applicant would owe less interest to the State and overall workload for the districts and the OPSC would be reduced. With the expeditious return of savings, the OPSC may fund more projects in a timely manner. The OPSC proposes to supplement the Form SAB 50-06 with a worksheet that provides a mechanism for the applicant to calculate and remit savings and interest. The remittance of savings by the applicant would not constitute that an audit has commenced. At the final expenditure audit, the savings amount previously reported and remitted by the district may be adjusted.

Authority

Education Code (EC) Section 17070.43. Creation of County Fund: Transfers & Expenditures

- (a) A county school facilities fund is hereby established in the county treasury within each county for each school district in the county.
- (b) The board may from time to time authorize the Controller to transfer any funds that the board may deem necessary from the 1998 State School Facilities Fund, the 2002 State School Facilities Fund, or the 2004 State School Facilities Fund, as the case may be, to the corresponding county fund in the county treasury. Interest on all funds deposited in the county fund shall be retained in that fund.
- (c) Funds may be expended from the county fund by the recipient school district for qualifying school facilities expenditures set forth in Sections 17072.35 and 17074.25.

EC Section 17070.63.(a) State's Full and Final Contribution

The total funding provided under this chapter shall constitute the state's full and final contribution to the project and for eligibility for state facilities funding represented by the number of un-housed pupils for which the school district is receiving the state grant. As a condition of receipt of funds, a school district shall certify that the grant amount, combined with local funds, shall be sufficient to complete the school construction project for which the grant is intended.

SFP Regulation Section 1859.193(d) states that the Board may apportion and reserve funds for up to 12 months for the applicant to obtain and submit the necessary DSA and/or CDE approvals.

SFP Regulation Section 1859.197 describes the fund release process for CTEFP apportionments made by the Board pursuant to Sections 1859.195 and 1859.196. Section 1859.195 outlines the funding cycle schedule. Section 1859.196 describes the funding order of projects within each cycle.

SFP Regulation Section 1859.198 states the district is subject to the time limit on the apportionment as outlined in Education Code Section 17076.10 and substantial progress requirements pursuant to Section 1859.105. Any Career Technical Education Facilities Project funds returned due to projects being rescinded or reduced to cost incurred shall be made available for apportionment in subsequent funding cycles.

SFP Regulation Section 1859.199 states that an applicant may not retain savings realized by a Career Technical Education Facilities Project.

Discussion

At the September 3, 2009 Implementation Committee meeting these three items were discussed by members of the Committee and the public. The following is a summary of concerns and suggestions made:

1. Increase to reservation of funds timeline

In general, the Committee expressed support for the proposal to increase the reservation of funds period from 12 months to 15 months. One member stated the existing time frame of 12 months should remain unchanged. A request from the public was made to add a one time extension for an additional 3 months that must be approved by the SAB. This could apply only to apportionments made in the third and subsequent cycles. Staff disagrees with this proposal as it would interfere with the competitive nature of the program. With a limited amount of funds available within this competitive program, allowing a district an extra three months may disadvantage other applicants who have final documents and are ready for funding. If funds have been apportioned to an applicant who requests an extension, those funds would not be available to an applicant who is construction ready.

2. Adjustment to CTEFP apportionment

In response to the proposal to adjust the reservation of funds apportionments, members and public attendees suggested some alternatives. The OPSC incorporated this feedback into the options listed below with pros and cons for each.

In addition, a concern was raised that reducing an apportionment would be in conflict with the Education Code Section 17070.63 which details the State's full and final apportionment. This would not be the case as the apportionment that would be reduced is preliminary in nature and not supported with complete DSA approved plans and specifications but is derived from a conceptual estimate. The purpose of reducing an apportionment is to ensure a consistent method to determine eligible funding for reservation of funds and non-reservation of funds projects.

Proposal 2., Option 1

To reduce a CTEFP reservation of funds final apportionment upon completion of review of the submitted DSA approved plans, specifications, CDE plan approval, and detailed cost estimate by the OPSC. The reduction of the apportionment would occur when the verified project cost estimate is less than the apportionment. The attached revised *Application for Career Technical Education Facilities Funding* (Form SAB 50-10) and regulation sections reflect the proposed regulation changes for this option. The district is eligible to submit a *Fund Release Authorization* (Form SAB 50-05) when the OPSC review is complete.

Pros:

- Provides the earliest point of returning funds from overestimated projects resulting in more funds available for subsequent funding cycles and funding more projects.
- Reduces the final amount of project savings and consequently reduces the amount of interest an applicant would remit to the State.
- Ensures consistency between non-reservation of funds applicants and reservation of funds applicants by approving project costs which are verified under the same practices.
- Maintains the integrity of the program by releasing only funds that have been substantiated by the applicant and verified according to the DSA approved plans and accepted industry standards for pricing.

- The district is not required to have 50 percent of the project under contract when submitting the Form SAB 50-05.

Cons:

- At this point in the process a project is not likely to have been bid yet; therefore actual costs are unknown. If the project has not been bid the reduction in apportionment would be based on the detailed cost estimate.
- There is uncertainty that industry standard pricing as listed in the Leland Saylor publication will reflect actual costs once the project is bid.
- Due to the competitive nature of the program, increases in the apportionment amount are not allowed.

Proposal 2., Option 2

To reduce a CTEFP apportionment if the verified project bid amount is less than the apportionment. This reduction would occur when the Form SAB 50-05 is submitted and once the project is at least 50 percent under contract. The Form SAB 50-05 would be modified to include a certification that the project is at least 50 percent under contract for both equipment and construction. This option would require a third review of the project by OPSC to verify the scope of the bid in accordance with the application.

Pros:

- Reduces the chance of a project being under-funded by allowing applicants to have a bid price established for the project amount before the apportionment is reduced.

Cons:

- Due to the competitive nature of the program, increases in the apportionment amount are not allowed.
- A non-reservation of funds apportionment is based on DSA approved plans and a detailed cost estimate. This recommendation would create different criteria for these applicants; i.e. apportionment based on cost estimate versus an apportionment based on the bid.
- Fund releases would be delayed due to an increased processing time.
- Currently, the scope of a project is verified before the fund release is authorized. It would be difficult for the OPSC to verify that the final approved scope of the CTEFP project, and only the approved scope, would be covered by the bid without performing a third review of the project upon receipt of the Form SAB 50-05.
- Bids that include other work such as new construction or modernization would be unverifiable.

Proposal 2., Option 3

Proceed with reduction of the apportionment, as proposed in Option 1, but maintain a percentage threshold between the apportionment and 50 percent of the verified project cost before an apportionment is reduced. For example, a reduction in apportionment would occur only if the verified costs are more than 10 percent greater than the total of the District and State shares.

Pros:

- Allows applicants a budget contingency for determining actual project costs and does not penalize applicants that show minor variance between apportionment and the verified cost estimate.

- Encourages applicants to give a more accurate estimate at the conceptual stage for the preliminary apportionment.

Cons:

- Allowing all reservation of funds applicants to retain this budget contingency would be against the objective of maximizing bond funds and would reduce the amount available for projects in future funding cycles.
- Due to the competitive nature of the program, increases in the apportionment amount are not allowed.
- Applicants that show significant variance surpassing the threshold will not receive the financial “pad” that applicants will receive who show a lesser difference between the apportionment and the final cost estimate. Therefore, this option would penalize applicants that make efforts to produce a conservative budget for the project. For example, if the threshold was set at 10 percent for a \$1,000,000 project, the apportionment for a district whose cost estimate substantiated \$910,000 would not be reduced (variance $\leq 10\%$ = no reduction to apportionment). Whereas the apportionment for a district whose cost estimate substantiated \$850,000 would be reduced to the verified amount (variance $> 10\%$ = reduction of apportionment).

Proposal 2., Option 4

To allow a 10 percent contingency allowance for all projects that have DSA-approved plans and specifications as part of the construction cost estimate, or if contracts have not yet been signed for the project.

Pros:

- Ensures consistency of project requirements between reservation of funds and non-reservation of funds projects.
- A regulation change would not be needed as this allowance could be part of the OPSC cost estimate guideline.

Cons:

- Results in a significant amount of unverified funds being released that would decrease funds available for subsequent cycles.
- Allowing contingencies at the final detailed cost estimate stage would be in contradiction to all other SFP programs as well as generally accepted construction industry standard practices.
- Could result in up to \$8.4 million of grant funds apportioned for contingencies alone in the third cycle.

Definition of terms

Cost Estimate*: A detailed itemization of quantities, types, size, and unit costs that can be verified in the plans. Eligible sums must be itemized so costs can be verified. All direct construction costs should be summarized into a cost breakdown summary sheet and be broken down either by Trade or by Construction Specifications Institute Master Format. Service-site costs, off-site costs and utility services costs must be included. Lump sums that cannot be verified will not be considered for grant costs. Costs must be consistent with the most current edition of the *Saylor Remodeling/Repair Construction Cost*. All indirect construction costs such as general requirements, overhead and profits and fees shall be listed separately.

Design Contingency*: Allowances to cover unforeseen changes in project design and the actual drafting of plans. Industry standards, as illustrated in the Leland Saylor publication, do not allow for a design contingency once plans are finalized.

Construction Contingency*: Allowances to cover uncertainties on projects not yet designed. Industry standards, as illustrated in the Leland Saylor publication, do not allow for construction contingency once plans are finalized in new construction projects, but allow for a maximum of 2 percent for modernization projects.

**Reference- OPSC Architects Submittal Guidelines*

3. Remittance of savings

The concept of the third item was met with general approval with one member dissenting. Concerns were raised on how to determine interest on project savings and how it will be tracked. Different methods of remitting savings and interest were discussed. In response to the discussion, staff proposes the following clarifications:

- The savings, which include any interest earned, would be returned to the State when the district submits the final Form SAB 50-06 to the OPSC.
- Should the district not declare or provide substantiation for actual interest earned on State funds, the OPSC shall calculate interest on the savings amount from the date the warrant was released to the date of the Form SAB 50-06 submittal to OPSC at the Pooled Money Investment Account interest rate at the time the warrant was released.
- Upon receipt of the final Form SAB 50-06, the OPSC would recommend to the Board that the Apportionment be reduced by the amount of savings realized by the district.
- The reduced apportionment will be deemed the full and final apportionment for the project.

In addition, some changes are proposed to the SFP regulations for Savings, and Program Accountability with references to the CTEFP to ensure clarity in the regulations related to the CTEFP.

Attachment A

Summary of Proposed CTEFP Regulation Changes

Section 1859.103. Savings

A district may expend the savings not needed for a project on other high priority capital facility needs of the district including the relocation of district facilities necessary as a result of Subdivision (b) of Education Code Section 17072.12. The grants for the projects funded pursuant to Section 1859.70.2, ~~or Section 1859.180, or Section 1859.190~~ shall be limited to eligible expenditures, up to the State Apportionment for the project except as specified in Section 1859.184.1(d). Savings may be declared by the district in writing to the OPSC any time after the release of all funds for the project.

With the exception of savings attributable to a site apportionment made pursuant to Sections 1859.74.5 or 1859.81.2, the State's portion of any savings declared by the district or determined by the OPSC by audit must be used to reduce the SFP financial hardship grant of that project or other financial hardship projects within the district for a period of three years from the date the savings were declared by the district or determined by the OPSC audit. The State's portion of any savings from a new construction project or a Joint-Use Project may be used as a district matching share requirement, only on another new construction project, and the State's share of any savings from a modernization project may be used as a district matching share requirement, only on another modernization project.

Any interest earned on a financial hardship project not expended on eligible project expenditures will be treated as savings and will be used to reduce the SFP financial hardship grant for that project.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.63, 17072.12, 17077.40, 17078.72 and 17079.20, Education Code.

Section 1859.106. Program Accountability Expenditure Audit

The projects will be audited to assure that the expenditures incurred by the district were made in accordance with the provisions of Education Code Section 17072.35 for new construction projects, Section 1859.120 for Joint-Use Projects, Section 1859.140 for Critically Overcrowded School projects, Section 1859.160 for Charter School projects, Section 1859.190 for Career Technical Education Facilities projects, and Education Code Section 17074.25 and Section 1859.79.2 for modernization projects. The audit will also assure that the district complied with all site acquisition guidelines as provided in Education Code Sections 17072.13 and 17072.14 and Sections 1859.74, 1859.74.1, 1859.74.2, 1859.74.3, 1859.74.4, 1859.75 and 1859.75.1.

...

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.35, 17070.50, 17071.75, 17072.13, 17072.14, 17072.18, 17072.35, 17074.25, 17076.10, 17077.40, 17078.52, 17078.72 and 17251, Education Code.

Section 1859.193. Career Technical Education Facilities Grant Determination

...

~~(d) If an applicant meets the eligibility criteria in Section 1859.192, but does not have the necessary approvals from the DSA and/or the CDE at the time of apportionment, the Board may apportion funds for the Career Technical Education Facilities Project and reserve them for a period of up to 12 months. The grant amount to be reserved for the project will be the maximum funding as determined above in (a), (b), or (c).~~

...

Section 1859.193.2. Reservation of Funds Apportionment

(a) If an applicant meets the eligibility criteria in Section 1859.192, but does not have the necessary approvals from the DSA and/or the CDE at the time of apportionment, the Board may apportion funds for the Career Technical Education Facilities Project and reserve them as follows:

(1) For a period of up to 12 months for Form SAB 50-10 project applications that are accepted by the OPSC on or prior to April 30, 2008.

(2) For a period of 15 months for Form SAB 50-10 project applications that are accepted by the OPSC on or after May 1, 2008.

(b) The applicant shall submit a CDE plan approval, DSA-approved plans and specifications, and a final detailed cost estimate within the applicable time period defined in either (a)(1) or (2). If 50 percent of the total project costs as verified by the OPSC is less than the reservation of funds apportionment, the applicant shall submit a Form SAB 50-10 which concurs with the verified amount. The OPSC shall recommend to the Board that the apportionment be reduced by the difference between 50 percent of the verified project cost and the reservation of funds apportionment.

Section 1859.197. Fund Release Process

The OPSC will release State funds that have been apportioned by the Board pursuant to Sections 1859.195 and 1859.196 after submittal by the applicant of the Form SAB 50-05.

(a) If an apportionment was made for a Career Technical Education Facilities Project, the applicant must submit a Form SAB 50-05 within 18 months of the Apportionment as outlined in Education Code Section 17076.10 or the apportionment shall be rescinded without further Board action.

(b) If Career Technical Education Facilities funds were reserved for the applicant and verified by the OPSC pursuant to Section 1859.193.2(b) of these Regulations, the applicant:

(1) Has one year or 15 months as defined in Section 1859.193.2 (a)(1) or (2) from the date of apportionment to submit the CDE plan approval and DSA-approved plans and specifications, as required, to the OPSC for the Career Technical Education Facilities Project, otherwise the apportionment shall be rescinded without further Board action.

(2) Has 18 months from the date the CDE plan approval and DSA-approved plans and specifications, as needed, are submitted to the OPSC to submit a completed Form SAB 50-05 or the apportionment shall be rescinded without further Board action.

(c) If the applicant requires a loan for the entire matching share requirement pursuant to Section 1859.194(b) of these Regulations:

(1) Subject to the availability of financing provided by the Pooled Money Investment Board for bond-funded projects, the OPSC will release ten percent of the Career Technical Education Facilities grant to the applicant within 30 calendar days of the apportionment.

(2) The applicant has one year or 15 months as defined in Section 1859.193.2 (a)(1) or (2) from the date of apportionment to submit the CDE plan approval and DSA-approved plans and specifications, as required, to the OPSC for the Career Technical Education Facilities Project, otherwise the apportionment shall be rescinded without further Board action.

Section 1859.199. Program Accountability

A project shall be deemed complete when either of the following occurs, whichever occurs first:

- (a) The final notice of completion is filed for the project; or,
- (b) Four years have elapsed from the final fund release for the project.

Projects will be subject to Program Reporting Requirements pursuant to Section 1859.104 and a Program Accountability Expenditure Audit pursuant to Section 1859.106. Any repayments due back to the state as a result of these audits will be subject to the repayment provisions identified in Section 1859.106.1.

An applicant district may not retain savings realized by a Career Technical Education Facilities Project. The savings, which include any interest earned, must be returned to the State when the district submits the final Form SAB 50-06 to the OPSC as set forth in Section 1859.104(a).

Should the district not declare or provide substantiation for actual interest accrued on State funds, the OPSC shall calculate interest on the savings amount from the date the warrant was released to the date of the Form SAB 50-06 submittal to OPSC at the Pooled Money Investment Account interest rate at the time the warrant was released.

The OPSC shall recommend to the Board that the Apportionment be reduced by the amount of savings realized by the district. The reduced apportionment will be deemed the full and final apportionment for the project.

Note: Authority cited: Sections 17070.35 and 17078.72(k), Education Code.

Reference: Section 17078.72, Education Code.

GENERAL INFORMATION

This form is to be used by a school district/joint powers authority (JPA) to request a Career Technical Education Facilities Program (CTEFP) grant. Requests for funding may be made as follows:

New Construction or Modernization project pursuant to Regulation Section 1859.190. The following documents must be submitted with this form for purposes of this apportionment:

- California Department of Education's (CDE) Career Technical Education (CTE) score letter.
- A copy of the submitted CTEFP application that complies with the requirements of Education Code Section 17078.72.
- If applicable, Plan Approval letter from the CDE School Facilities Planning Division.

SPECIFIC INSTRUCTIONS

A Project Tracking Number must be assigned by the applicant for all applications submitted to the OPSC, the DSA, or the CDE. This number may be obtained from the OPSC Web site at www.opsc.dgs.ca.gov or the DSA or the CDE Web sites under "Project Tracking Number Generator." The locale must be entered for all CTE applications submitted to the OPSC.

1. Type of Application

Check the box that indicates the type of CTEFP funding requested. Refer to Section 1859.192 for the eligibility criteria.

- Check the box if the district is requesting new construction funding. Refer to Section 1859.192 for the eligibility criteria.
- Check the box if the district is requesting modernization funding. Refer to Section 1859.192 for eligibility criteria.
- Check the box if this is a reduction to a prior reservation of funds apportionment, pursuant to Section 1859.193.2 (b).

2. CTE Industry Sector and Pathway(s)

Enter the name of the Industry Sector and Pathway(s).

3. Reservation of Funds

Check the box "Yes" if requesting a reservation of funds pursuant to Section 1859.193(d). Otherwise, check the box "No."

4. Loan Request

Check the box "Yes" if requesting a loan pursuant to Section 1859.194. Otherwise, check the box "No."

5. Number of CTE Classrooms

Enter the number of CTE classrooms specified in the CDE CTE Application.

6. Qualifying SFP Project Application Number

If the request is for a CTEFP Project that is part of a qualifying SFP project, indicate the SFP application number or the project tracking number of the qualifying SFP project. Refer to Section 1859.193.1 for a definition of a qualifying SFP project.

- If applicable, Plans and Specifications (P&S) for the project that were approved by the Division of the State Architect (DSA) and the DSA Approval letter. 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.
- Detailed cost estimate of proposed site development, if requesting site development funding.
- Detailed construction cost estimate, if requesting construction funding.
- Itemized list of equipment including cost, if requesting equipment funding.
- If requesting a loan, the applicant must attach the completed CTEFP Funding Availability Worksheet.

7. CDE Application Overall Score

Enter the score from the CDE CTE score letter for this project. (The applicant must have received a score of at least 105 points, as determined by the CDE pursuant to Section 1859.192(c).)

8. CTE Facility Square Footage

Enter the total eligible square footage of the CTE Facility in the project.

9. Eligible Costs

- Enter 50 percent of the construction cost if constructing new building area, or modernizing or reconfiguring an existing building.
- Enter 50 percent of the equipment cost pursuant to Education Code Section 17078.72(a).
- If the request is for a CTEFP Project that is not a part of a qualifying SFP project, enter 50 percent of the site development costs that meet the requirements of Section 1859.193.
- If the CTEFP Project is part of a qualifying SFP Project, enter 50 percent of the total SFP allowance for New Construction Grants for CTE classrooms pursuant to Section 1859.193(a)(1)(C).
- Enter the total of a plus b plus c minus d.

10. Cost Per Square Footage

Enter the cost per square foot by dividing the total eligible costs in Item 9 at 100 percent by the CTE facility square footage noted in Item 8.

11. Project Assistance

Check the box if the district is requesting project assistance pursuant to Section 1859.73.1. This grant is available only to a new construction or modernization CTE project that is not part of a qualifying SFP New Construction or Modernization project.

12. Project Progress Dates

Enter the following project progress dates:

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

The school district/JPA named below applies to the State Allocation Board via the Office of Public School Construction for a grant under the provisions of Article 13, Chapter 12.5, Part 10, Division 1, commencing with Section 17078.70, et seq, of the Education Code and the Regulations thereto.

| | | |
|--|--------|--|
| SCHOOL DISTRICT/JOINT POWERS AUTHORITY | | APPLICATION NUMBER |
| SCHOOL NAME | | PROJECT TRACKING NUMBER |
| COUNTY | LOCALE | HIGH SCHOOL ATTENDANCE AREA (HSAA) (IF APPLICABLE) |

1. Type of Application—Check Only One

- a. New Construction Project—construct new school buildings and/or equipment
- b. Modernization Project—reconfigure existing school buildings and/or equipment
- c. Adjustment to a prior reservation of funds apportionment

2. CTE Industry:

Sector: _____

Pathway(s): _____

3. Reservation of Funds:

Yes No

4. Loan Request:

Yes No

5. Number of CTE Classrooms in the CTEFP application

6. Qualifying SFP Project Application Number

Application Number: # _____

Project Tracking Number: # _____

7. CDE Application Overall Score:

Minimum Score: _____ **105** _____

8. CTE Facility Square Footage:

9. Eligible Costs

- a. 50 Percent Construction: \$ _____
- b. 50 Percent Equipment: \$ _____
- c. 50 Percent Site Development: \$ _____
- d. 50 Percent SFP Allowance (New Construction Only) \$ _____
- e. Total (a+b+c-d): \$ _____

10. Cost Per Square Foot:

\$ _____

11. Project Assistance

CTE Project Only—not part of a qualifying SFP project

12. Project Progress Dates

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

13. Certification

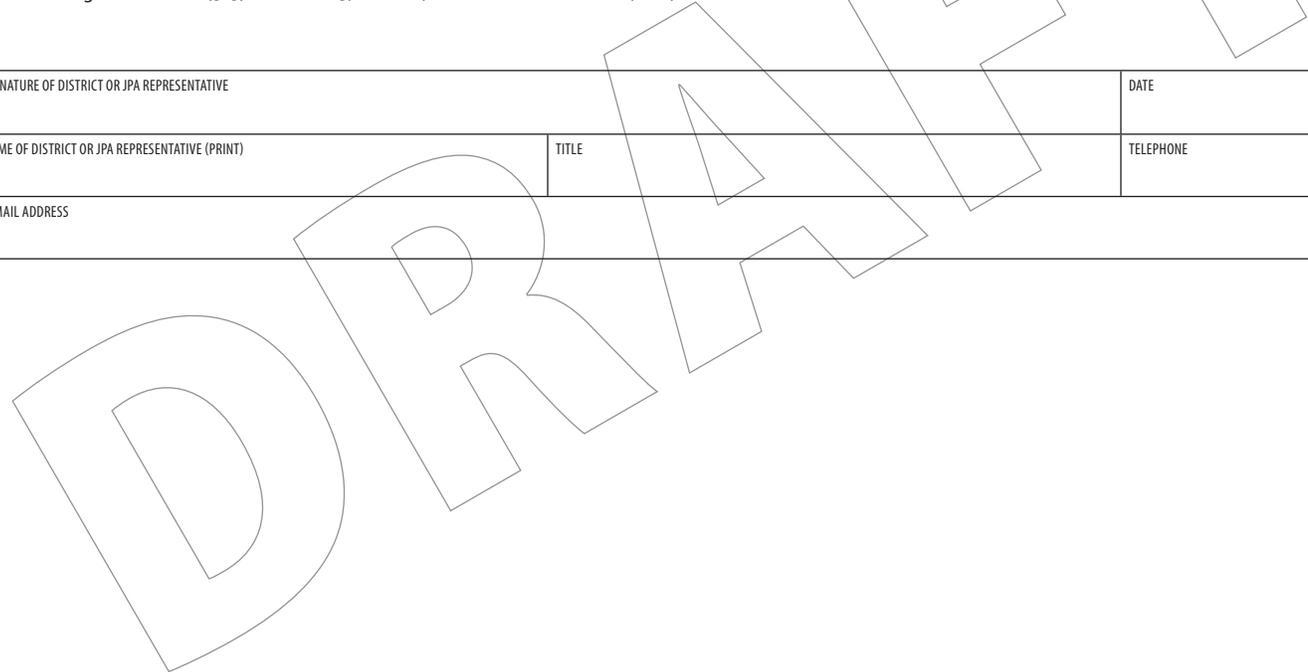
I certify, as the Representative for the School District or JPA, that the information reported on this form is true and correct and that: I am the authorized representative of the District or JPA as authorized by the governing board of the district or JPA; and,

- A resolution or other appropriate documentation supporting this application under Article 13, Chapter 12.5, Part 10, Division 1, commencing with Section 17078.70, et. seq., of the Education Code was adopted by the applicant's Governing board on _____; and,
- The district has established a "Restricted Maintenance Account" for the 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); if the applicant is a joint powers authority that is not required to establish a "Restricted Maintenance Account" under the provisions of Education Code Section 17070.75, the applicant certifies that it can maintain its facilities with a lesser annual deposit (refer to Section 1859.101); and,
- The matching funds required pursuant to Section 1859.194 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 participant has or will receive the necessary approval of the plans and specifications from the Division of the State Architect; and,
- The participant has or will receive the necessary approval of the plans and specifications from the CDE; and,
- The participant 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 SFP grants will be used for a CTEFP project on school facilities on leased land, the participant has entered into a lease agreement for the leased property that meets the requirements of Section 1859.22; and,
- The participant has complied with the CTEFP eligibility criteria as outlined in Section 1859.192; and,
- The participant will comply with all laws pertaining to the construction of its CTE school building; and,

**APPLICATION FOR CAREER TECHNICAL EDUCATION FACILITIES FUNDING
SCHOOL FACILITY PROGRAM**

- The participant understands that funds not released within 18 months of apportionment shall be rescinded and the application shall be denied (refer to Section 1859.197); and,
- The participant understands that by reserving funds, the applicant must submit the necessary approvals and/or Plans and Specifications within one year of apportionment; otherwise the funds will be rescinded without further Board action (refer to Section 1859.197); and,
- The participant understands that the lack of substantial progress within 18 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.198); and,
- The participant 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 that the portion of the project funded by the State does not contain work specifically prohibited; and,
- All contracts 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,
- The participant has or will comply with the Public Contract Code regarding all laws governing the use of force account labor; and,
- If this request is for modernization of CTE facilities, contracts for construction were executed on or after May 20, 2006; and,
- All equipment was purchased on or after May 20, 2006, unless the project is combined with a qualifying SFP new construction project pursuant to Section 1859.193.1; and,
- If this request is for new construction projects, the CTE classrooms constructed were not occupied prior to May 20, 2006; and,
- If the applicant is requesting a loan for the matching share, a CTEFP Loan Agreement will be executed pursuant to the requirements in Section 1859.194; and,
- The applicant has or will comply with Education Code Section 17076.11 regarding at least a 3 percent expenditure goal for disabled veteran business enterprises; 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 statements set forth in this application and supporting documents are true and correct to the best of my knowledge and belief.

| | | |
|--|-------|-----------|
| SIGNATURE OF DISTRICT OR JPA REPRESENTATIVE | | DATE |
| NAME OF DISTRICT OR JPA REPRESENTATIVE (PRINT) | TITLE | TELEPHONE |
| E-MAIL ADDRESS | | |



CAREER TECHNICAL EDUCATION FACILITIES PROGRAM

(This worksheet may be used for Career Technical Education Facilities Program projects submitting the Final Expenditure Report Form SAB 50-06 –pursuant to School Facility Program Regulation 1859.199)

- A. Name of School District/Joint Powers Authority: _____
- B. Name of School: _____
- C. Project Number: _____
- D. SAB Apportionment Date: _____
- E. Date District Received Warrant: _____
- F. Total Amount of Grant: _____
- G. Total Interest Earned*:
(From column 6 on the Form SAB 50-06) _____
- H. Total Expenditure:
(From column 6 on the Form SAB 50-06) _____
- I. Total Savings to be Returned to the State
(Add Parts F and G, subtract Part H) _____

Attach amount due from Part I to worksheet. **Mail check, worksheet and the completed Form SAB 50-06 to:**

**Department of General Services
Office of Public School Construction
Attention: Accounting
1130 K Street, Suite 400
Sacramento, CA 95814-2928**

I certify as the authorized District Representative that the information reported on this form is true and correct and that I have on file all appropriate support documentation and will make these documents available in the event the OPSC requests them for purposes of audit.

Signature of District Representative **Date**

Name of District Representative

*Report interest earned from the date the warrant is deposited into the County Treasurer until the submittal date of Form SAB 50-06. If no interest is declared the OPSC shall determine interest based on the PMIA rate from date the warrant is released to the submittal date of the SAB Form 50-06.

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE MEETING
October 1, 2009

NEW FACILITY HARDSHIP REQUEST CHECKLIST & IMPROVED APPEAL REQUEST FORM

PURPOSE

To continue discussion of a proposed Facility Hardship Request checklist to improve the facility hardship application process, as well as an improved *School District Appeal Request* (Form SAB 189).

BACKGROUND

When a district is faced with a facility-related threat to the health and safety of students, it may be eligible for facility hardship funding. Such districts also have the opportunity to present potential facility hardship replacement or rehabilitation projects to the State Allocation Board (SAB) for conceptual approval. A conceptual approval allows the district to move a project forward with confidence that the SAB considers the hazardous situation and proposed mitigation plan eligible for facility hardship funding.

It is the nature of facility hardship projects to include unique circumstances, and the documentation needed to support facility hardship requests can vary. Unfortunately, in the absence of standard criteria for request submittals, school districts sometimes submit minimal or incorrect documentation to support their requests. In these cases, processing time is significantly extended and, sometimes, results in the project not meeting the basic requirements for facility hardship eligibility. The new Facility Hardship Request checklist is intended to provide clearer direction to applicant districts, including a list of information and documentation typically needed when submitting a request package. Staff believes this approach will help avoid workload backlogs caused by incomplete submittals, and will help ensure that requests include documentation the Office of Public School Construction (OPSC) typically relies upon to move an application forward. In any case, districts are strongly encouraged to contact their OPSC Project Managers whenever there is a question regarding the documentation needed to process its Facility Hardship request.

In addition, with the process currently in place, when a district submits a facility hardship request for conceptual approval it must submit both a Form SAB 189 and also a partially completed *Application for Funding* (Form SAB 50-04). However, a facility hardship request is not an appeal and, when the request is for a conceptual approval, it is both unfitting and confusing to use a Form SAB 50-04 because a conceptual approval request is not a funding request. By using the checklist for all facility hardship requests, no additional forms would be required for conceptual approval requests; funding requests would require the Facility Hardship Request checklist as well as a Form SAB 50-04.

Appeal requests will still be made using the Form SAB 189, which is proposed to be modified to help make appeal requests more clear.

STAFF COMMENTS

The new Facility Hardship Request checklist is intended to assist districts in defining a request and enable more expeditious review by the OPSC.

The proposed Form SAB 189 is modified to add a section where districts will indicate the law, Regulation, or other basis that supports the district's request. This is intended to help districts clarify their requests and to assist OPSC Staff in analysis of the requests. In addition, the Fiscal Information section, which requested information that is only pertinent to Financial Hardship review and does not need to be reported on this form, is removed.

No regulatory changes are needed to implement the new checklist or modified Form SAB 189, as neither are part of the School Facility Program regulations. There are also no changes proposed regarding eligibility or qualification for facility hardship replacement or rehabilitation.

Staff proposes that the new Facility Hardship Request checklist and improved Form SAB 189 will be available to school districts via the OPSC website by October 15, 2009.

DISCUSSION

The following is a summary of the key concerns and suggestions made during discussion at the September 3, 2009 Implementation Committee meeting:

- Clarification was requested regarding whether the new Facility Hardship Request would be required as part of a submittal request. Staff stated that the Facility Hardship Request checklist is intended to assist districts in producing a complete submittal package to enable expeditious processing by the OPSC. The OPSC will strongly encourage districts to use the checklist to avoid processing delays or returned submittals, but there is no plan to make the document required by Regulation.
- Concern was raised that use of the Facility Hardship Request checklist would preclude districts from receiving guidance from the OPSC prior to request submittal. Staff assured that the OPSC will continue to assist school districts as it always has, even before a submittal package has been received, and that districts are encouraged to call the OPSC as soon as a potential Facility Hardship situation arises. To make this clear, a statement has been added to the beginning of the latest version of the Facility Hardship Request checklist.
- A Committee member inquired about the need for a signature on the checklist. Staff clarified that there is no certification being made to information provided on the document. Rather, a school district representative signature indicates that he or she is aware of the request being submitted.
- A Committee member suggested that more specific information be included for Seismic Mitigation Program requests. The suggestion has been incorporated into the latest version of the document.
- It was suggested that space be provided for districts to explain if any of the typically needed supporting documentation is not applicable to a request. The suggestion has been incorporated into the latest version of the document.
- A Committee member offered that "Architect" may be included among the list of common preparers of Industry Specialist Reports. This was considered; however, at this time, the OPSC believes it would not be applicable to incorporate this into the document.
- Regarding the Form SAB 189, suggestions were made to remove "SAB Policy" from the "Basis of Request" checkbox list, and to eliminate the "Fiscal Information" section. The latest version of the proposed updated Form SAB 189 incorporates these suggestions.

| | |
|------------------|---------------------|
| SCHOOL DISTRICT | APPLICATION NUMBER* |
| SCHOOL NAME | COUNTY |
| DISTRICT CONTACT | PHONE EMAIL |

* Enter the Application Number that has been assigned to this project by the OPSC. Leave blank if this is the first request related to this project.

If you believe your school district has a facility-related health and safety threat please call the Office of Public School Construction (OPSC) Policy and Appeals Team to discuss your concerns and options.

GENERAL INSTRUCTIONS

The following checklist is designed to guide the district through the facility hardship process and provide direction on what is typically required in a complete facility hardship submittal. School districts are encouraged to use this checklist to request approval by the State Allocation Board (SAB) for a facility hardship application. This checklist provides for both conceptual approval requests and funding requests of facility hardship projects, which includes seismic mitigation. School districts may request facility hardship funding without a conceptual approval; however, a conceptual approval provides the benefit of assurance, prior to a funding request, that the hazardous conditions and proposed scope of mitigation work will be eligible for facility hardship funding.

Include all supporting documentation with your submittal to the OPSC. Requests for SAB consideration are a top priority and are processed to the Board upon receipt by the OPSC of all required documentation and upon completion of a thorough analysis by the OPSC. More information about the Facility Hardship Program can be found at www.opsc.dgs.ca.gov/Programs/SFPrograms/FacHS.

Type of Application

Check the applicable box to indicate whether the district is seeking a conceptual approval of its facility hardship project or is presenting a complete facility hardship request for funding. Also indicate "Replacement" if costs to mitigate the health and safety threat are greater than 50 percent of the "Current Replacement Cost," or "Rehabilitation" if less than 50 percent of the "Current Replacement Cost," as defined in SFP Regulation Section 1859.82.2.

- Conceptual Approval - Complete both Section I and Section II
- Replacement Rehabilitation
- Funding Request - Complete only Section I and attach a completed *Application for Funding* (Form SAB 50-04)
- Replacement Rehabilitation

Type(s) of Hazard:

- Mold Structural Deficiency Asbestos Toxic Soil
- Seismic Mitigation* Fire Damage Proximity to Hazard Other: _____

*Seismic mitigation of Most Vulnerable Category 2 Buildings as defined by the Division of the State Architect

Description

Include a chronological narrative of circumstances and any other information relevant to the district's request:

SECTION I

This section must be completed for both conceptual approval requests and funding requests.

SUPPORTING DOCUMENTATION

Although unique circumstances may affect what documentation is sufficient to support a facility hardship request, typically required documentation is listed below for your reference. Please check every applicable box below to indicate documentation that the district has included with its submittal. For each box not checked, please add a brief explanation as to why the documentation does not apply. Other substantiating documentation may be attached as necessary to support the district's request.

 Industry Specialist's Report

Report must identify and substantiate the health and safety threat and detail the minimum work necessary to mitigate the problem.

Indicate the type of industry specialist that prepared the report:

Structural Engineer Environmental Specialist Electrical Engineer
 Geotechnical Engineer Other (specify): _____

If not applicable, please explain: _____

 Governmental Concurrence

A State-level agency or other appropriate governmental agency must provide written concurrence to the industry specialist's report, specifically noting the presence of a threat to the health and safety of students and the minimum work necessary to mitigate the threat. If the district's chosen corrective plan is different from the minimum work necessary to mitigate the health and safety threat, the governmental concurrence must also verify that the district's plan will mitigate the health and safety threat. For Seismic Mitigation requests, an additional letter from the Division of the State Architect must be included to verify the eligibility of the applicable buildings.

Indicate the type of Government entity that provided concurrence with the specialist's report:

Division of the State Architect Department of Toxic Substances Control Department of Health Services
 California Highway Patrol Department of Education Other (specify): _____

If not applicable, please explain: _____

 Mitigation Measures

Include a narrative describing the district's chosen corrective plan as well as the alternatives considered.

If not applicable, please explain: _____

 Detailed Cost Estimate

The cost estimate must not include lump sums, and it must address only the minimum work necessary to mitigate the problem. A cost/benefit analysis must also be included to compare cost of mitigation work to the Current Replacement Cost as defined in SFP Regulation Section 1859.82.2.

If not applicable, please explain: _____

 Site Diagram

Indicate affected areas of the site. For buildings, include their ages and square footages. For "Toilet" or "Other" building areas that are affected, indicate those areas and their square footages separately. Covered corridors should be excluded from square footage.

If not applicable, please explain: _____

 Photos

Include photos showing hazardous conditions, affected facilities, and other relevant areas of concern.

If not applicable, please explain: _____

 Seismic Mitigation Certification

In addition to the above, if this is a request for Seismic Mitigation funding, include a letter from the district certifying that the affected buildings are used for school purposes.

ADDITIONAL INFORMATION

Check boxes and complete fields below as applicable.

Indicate the type of school affected:

- Elementary
- Middle
- High
- Other (specify): _____

Have affected facilities been vacated? Yes No

If Yes, describe how students are currently being housed: _____

Has the district been approved for Financial Hardship assistance? Yes No

If Yes, current approval must be verified prior to being approved for funding.

If No, does the district anticipate filing for Financial Hardship? Yes No

Is the district eligible for insurance compensation related to the hazardous conditions at the site? Yes No

If Yes, indicate estimated amount the district may receive: \$ _____

Is the district pursuing litigation related to the hazardous conditions at the site? Yes No

If Yes, indicate the amount being sought: \$ _____

Indicate the type(s) of facilities affected and included in the project:

- Classrooms
- Core Facilities
- Playground/fields
- Other: _____

If Classrooms are included in the project, indicate the number and types of classrooms:

| | Permanent | Portable | Total |
|-----------------------------|-----------|----------|-------|
| Classrooms in this project: | | | |
| Classrooms on entire site: | | | |

If Core Facilities are included in the project, list the building types and their square footages

This should correspond to the site diagram included with the district's request:

SECTION II

This section must be completed for conceptual requests only.

For funding requests, Section II does not need to be completed, but a Form SAB 50-04 must be submitted.

Estimated project cost (100%): \$ _____

Project will be located on:

- New Site
- Existing Site
- Existing Site w/Additional Site Acquisition
- Existing School Site, Leased
- Leased Site with No Existing School Facilities

If the project requires a new site or land acquisition for an existing site, indicate the following:

Proposed Total New Acreage: _____

Useable Master Planned Acreage (per California Department of Education): _____

Recommended Site Size (per California Department of Education): _____

Site Acquisition Cost (if actual cost is unknown, indicate estimated cost): \$ _____

| | |
|--------------------------------------|------|
| SIGNATURE OF DISTRICT REPRESENTATIVE | DATE |
|--------------------------------------|------|

GENERAL INSTRUCTIONS

School districts are required to use this form to initiate an appeal **item or other special request** for consideration by the State Allocation Board (SAB). **The district must state s**pecifically **state and succinctly** the purpose and description of the district's request. **The district must submit a**ll supporting documentation **pertaining to the district's request must be submitted with this form** to the Office of Public School Construction (OPSC). **Requests for SAB consideration Appeals** are processed to the **State Allocation Board upon receipt by the OPSC of all required once all supporting documentation and upon completion of is submitted to the OPSC and a thorough analysis by the OPSC is complete.**

SPECIFIC INSTRUCTIONS**Fiscal Information**

For purposes of determining the information below, please refer to the district's bonding capacity and other requirements for local general obligation bonds and Mello-Roos bonds as outlined in Education Code Section 15100 through 15425.

On-line:

1. ~~Indicate the dollar amount of the district's bonding capacity (at 100 percent) as of the date of this request.~~
2. ~~Indicate the dollar amount of the bonds authorized by the district's electorate.~~
3. ~~Indicate the dollar amount of the district's current bond indebtedness (i.e. bonds issued) as of the date of this request.~~
4. ~~Indicate the developer fee rate charged per square foot by the district for commercial/industrial and residential development.~~

Purpose of Request

Provide a **concise brief** statement of the district's **appeal** request and number the components of the request if it has multiple parts.

Basis of Request

Site the applicable references in law, regulation, or other basis.

Description

Include the following in the description:

1. ~~Provide t~~he background and circumstances which prompted the district's ~~appeal request~~.
2. ~~Include i~~nformation relevant to the issues of the request.
3. ~~Identify t~~he sequence of events and participants pertinent to the issues.
4. ~~Provide a~~ statement explaining why the SAB should grant the district's ~~appeal request~~ based on law, regulation, or ~~SAB policy other basis, as cited in above.~~
5. ~~Cite the laws, regulations or SAB policies that relate to the district's request.~~
6. ~~Attach substantiating documentation as necessary to support the request. Note: All supporting documentation must be received by the OPSC prior to the item being considered for SAB presentation.~~

Attachments

Attach substantiating documentation as necessary to support the district's request. Note that all supporting documentation must be received by the OPSC prior to presentation to the SAB.

STATE OF CALIFORNIA
SCHOOL DISTRICT APPEAL REQUEST

SAB 189 (REV 02/0410/09)

| | |
|--------------------------------|---------------------------|
| SCHOOL DISTRICT | COUNTY APPLICATION NUMBER |
| APPLICATION NUMBER SCHOOL NAME | SCHOOL NAME COUNTY |
| DISTRICT REPRESENTATIVE | E-MAIL ADDRESS |

Fiscal Information:

1. District Bonding Capacity (100 Percent): \$ _____
2. Amount of Bonds Authorized: \$ _____
3. District's Current Bonded Indebtedness: \$ _____
4. District's Current Developer Fee Rate:
 - Commercial/Industrial (Per Square Foot): \$ _____
 - Residential (Per Square Foot): \$ _____

Purpose of Request:

Basis of Request:

- Law (Statute) _____
- Regulation _____
- Other (specify) _____

Description:

| | |
|---|------|
| SIGNATURE OF AUTHORIZED DISTRICT REPRESENTATIVE | DATE |
|---|------|