

# **STATE ALLOCATION BOARD AGENDA**

**Meeting Date: November 25, 2014**

**State Capitol  
Room 447  
10:00 a.m.**

**Revision date: 11/21/2014**

**Consent – Replace pp. 25 and 53**

**Action Items – Replace p. 139**

**Reports – Replace pp. 164 and 167**

Thank you,

Ron Koepl  
Office of Public School Construction  
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(916) 375-2032

<b>SCHOOL DISTRICT DATA</b>
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Application Number:.....50/61549-00-003	School District:.....Thermalito Union
County:.....Butte	School Name:.....Heritage Community Day
Financial Hardship.....Yes	Date of Financial Hardship Status:.....December 31, 2002
Qualifying Financial Hardship Criteria: SFP Regulation 1859.81(c)(4).	

<b>PURPOSE OF REPORT</b>
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To recommend accounting revisions to close out a completed project.

<b>DESCRIPTION</b>
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A review of expenditures reported by the District has been made and the revisions indicated are necessary to close out this completed project. **The District was over-apportioned for the site acquisition grant in the amount of \$1,589.** This is a Financial Hardship project and has savings in the amount of **\$27,788.** School Facility Program Regulation Section 1859.103 states that "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 ... 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." The District has concurred and agrees to return State funds in the amount of **\$29,377.**

**Detail of Final Cost & Financing**

Budget Item	Currently Approved	Required Change	Revised Approval
SFP New Construction	\$ 153,828	\$ (13,894)	\$ 139,934
SFP Site Acquisition	9,426	(794)	8,632
SFP Site other	2,168	0	2,168
SFP General Site	47,393	0	47,393
SFP Project Assistance	5,168	0	5,168
SFP Service Site	54,151	0	54,151
SFP Small School	18,459	0	18,459
SFP New School	477,371	0	477,371
SFP Offsite	46,721	0	46,721
SFP Utilities	11,352	0	11,352
SFP Financial Hardship	434,151	(14,689)	419,462
SFP Fire Detection/Alarm	252	0	252
SFP Fire Sprinklers	3,096	0	3,096
SFP Labor Compliance Program	13,085	0	13,085
<b>Total State Apportionment</b>	<u>\$ 1,276,621</u>	<u>\$ (29,377)</u>	<u>\$ 1,247,244</u>
<b>Financing</b>			
State (SFP)	\$ 842,470	\$ (14,688)	\$ 827,782
Financial Hardship (SFP)	434,151	(14,689)	419,462
District Contribution	408,319	0	408,319
<b>Total Project Costs</b>	<u>\$ 1,684,940</u>	<u>\$ (29,377)</u>	<u>\$ 1,655,563</u>

<b>RECOMMENDATIONS</b>
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1. Approve a decrease of **\$29,377** in the total project cost from **\$1,684,940 to \$1,655,563.**
2. Approve a decrease of **\$14,688** in the State Apportionment [Bonds/2004-Mar.; 055-500] from **\$842,470 to \$827,782.**
3. Approve a decrease of **\$14,689** in the Financial Hardship Contribution [Bonds/2004-Mar.; 055-500] from **\$434,151 to \$419,462**
4. Require the District to return State funds in the amount of **\$29,377.**

STAFF ANALYSIS/STATEMENTS (cont.)

Waivers of Assessment of Fees for Unused School Sites

Attachment C lists school districts that have submitted self-certified documents requesting a waiver of the unused school site assessment due to the State. The school districts must meet any one of the following conditions to be eligible for a waiver:

- a. The school district has resolved to use the site for the purpose for which it was intended within a specified period of time (Will be used within 1, 2 or 3 years);
- b. The site has a value less than the exemption amount of \$45,977 for the current Fiscal Year (Below Minimum);
- c. The school district has advertised the school site for sale and received no bids that, in the judgment of the Board, reflect the fair market value of the property (Attempted to sell);
- d. The site was used for at least one-half of the year for purposes as specified in law (Community Use, Child Care Program);
- e. The site was leased for at least one-half of the year to a tenant that is paying possessory taxes on the site (Leased to Tenant); or,
- f. Nonuse payments would cause the school district to receive less than \$120 per pupil in average daily attendance in the school district during the preceding school year (Basic Aid).

Reduction of Fees for Unused School Sites

The school districts listed on Attachment D are requesting a reduction of unused school site fees for either of the following reasons as self-certified by the school district:

- a. The payment of bond debt service costs that are directly related to the actual construction of school facilities; or,
- b. A modification of the adjusted value of the site.

If the debt service amount is less than the unused school site fee assessment, the specific percentage of reduction will be reflected on Attachment D.

Added Unused School Sites

The school districts on Attachment E have reported newly acquired school sites or closed school sites, as required by law. Newly acquired school sites will not be subject to an unused school site fee for a period of five years from the date of acquisition for elementary school districts with any grade combination of Kindergarten (K) through eight and for all unified school districts with sites designated for K through six. Any high school districts or unified school districts with sites designated for grades seven through twelve will not be assessed an unused school site fee for a period of seven years. Any unused school site that has previously been utilized as a school but is no longer in use for school purposes, will not be subject to an unused school site fee for a period of five years.

Deleted Unused School Sites

Attachment F lists the unused school sites that have been sold, have begun or completed construction, opened or reopened for school purposes, based on self-certification by the school districts. These school sites will no longer be assessed an unused school site fee.

(Continued on Page Three)

SAB Meeting: November 25, 2014

Charter School Facilities Program  
Preliminary Apportionment

**SCHOOL DISTRICT DATA**

<b>Application No</b>	54/76869-00-001	<b>County</b>	Los Angeles
<b>School District</b>	Wiseburn Unified	<b>Charter School</b>	Da Vinci Design
		<b>School Name</b>	Da Vinci Design

**PROJECT DATA**

**Type of Project:** High School

**Pupils Assigned**

<b>K-6:</b>	
<b>7-8:</b>	
<b>9-12:</b>	1296

**Non-Severe:**

**Severe:**

**Application Filing Basis:** Charter

**Number of Classrooms:** 48

**Master Plan Acres:**

**Existing Acres:**

**Proposed Acres:** 13.52

**Recommended Acres:** 36.4

**PRELIMINARY GRANT DATA**

<b>Charter School Base Grant</b>	\$	17,865,360.00
<b>Multi-Level Constr.</b>		2,143,843.00
<b>Site Acquisition</b>		19,278,000.00
<b>Site Development</b>		946,400.00
<b>General Site</b>		968,315.00
<b>Urban/Security/Impacted Site</b>		7,450,105.00
<b>Subtotal</b>		48,652,023.00
<b>Inflator Factor</b>		4,112,363.00
<b>Total State Project Share (50%)</b>		52,764,386.00
<b>CSFA Lease-Payment Amount</b>		0.00
<b>Charter School Cash Contribution</b>		52,764,386.00
<b>Total Project Cost</b>	\$	<u>105,528,772.00</u>

**PROJECT FINANCING**

State Share

**This Project** \$ 52,764,386.00

Charter School Share

**CSFA Lease Amount**

**Cash Contribution** 52,764,386.00

**Total Project Cost** \$ 105,528,772.00

**HISTORY OF PROJECT COST AND APPORTIONMENT**

	<b>Fund Code</b>	<b>Proposition</b>	<b>Authorized This Action</b>	<b>Unfunded Preliminary Apportionment</b>
<u>State Share</u>				
<b>Charter School Grant</b>	955-540	55	\$ 52,764,386.00	\$ 52,764,386.00
<u>Charter School Share</u>				
<b>CSFA Lease Amount</b>				
<b>Cash Contribution</b>			52,764,386.00	
<b>Total Project Cost</b>			\$ <u>105,528,772.00</u>	\$ <u>52,764,386.00</u>

**Funding Source: Proposition 55 Bonds/2004-March**

The above Charter School Grant is a maximum reservation of funding for each of the construction and site acquisition amounts (50 percent State share amount) and is not intended to reflect the actual project costs at the time the project is converted to a Final Charter School Apportionment (FCSA). The FCSA shall be based on SAB regulation allowances established at the time the project is converted and shall not exceed the maximum amounts in each category.

Senate Bill 854, Chapter 28, Statutes of 2014, repealed Labor Code (LC) Section 1771.3 which required school districts to provide payment to Department of Industrial Relations (DIR) for prevailing wage monitoring. As a result, school districts awarding a construction contract on or after June 20, 2014 are not mandated to provide payment for DIR monitoring and enforcement of prevailing wage requirements. Projects with an initial public works project awarded on or after June 20, 2014 are not eligible to receive an additional grant for prevailing wage monitoring; however, school districts are still required to notify DIR within five days of initial contract award pursuant to LC Section 1773.3(a)(1).

The Applicant shall ensure that it is in compliance with all applicable laws, regulations and certifications it made on the program forms.

*Final Report on the  
Use of Surplus Site Sale Proceeds*

Report to the Legislature and State Allocation Board  
November 2014

**State of California**

Edmund G. Brown, Governor

**Government Operations Agency**

Marybel Batjer, Secretary

**Department of General Services**

Fred Klass, Director

**Office of Public School Construction**

Lisa Silverman, Executive Officer

*Prepared by the*

**Office of Public School Construction**

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## OVERVIEW

Due to the past fiscal environment, school districts were faced with limited funding sources for their General Fund obligations. Chapter 2, Statutes of 2009 (Assembly Bill X4 2 – Evans) added Section 17463.7 to the Education Code (EC) to permit school districts to transfer surplus site sale proceeds into their general fund accounts from July 28, 2009 through January 1, 2012. Chapter 48, Statutes of 2013 (Assembly Bill 86 - Committee on Budget) amended Section 17463.7 to extend the transfer of surplus site sale proceeds into the districts' general fund accounts through January 1, 2016. Districts must meet certain conditions prior to transferring the funds. In addition, the surplus property must have been purchased entirely with local funds, and the proceeds must be used for a one-time general fund purpose. Pursuant to Section 1700 of Title 2 of the California Code of Regulations, "one-time expenditures" are defined as costs paid by the general fund of a school district that are nonrecurring in nature, do not commit the school district to incur costs in the future, and are exclusive of ongoing expenditures.

EC Section 17463.7 requires the Office of Public School Construction (OPSC) to submit a final report to the State Allocation Board (SAB) and the Budget, Education Policy, and Fiscal Committees of the Legislature by January 1, 2015, to identify school districts that have exercised the authority granted by this section, the amount of proceeds involved, and the purpose for which those proceeds were used.

Fourteen school districts utilized the authority granted by EC Section 17463.7 between July 28, 2009 and October 16, 2014. The total amount of proceeds requested for transfer by the districts is approximately \$84 million.

This report has been prepared by the OPSC in compliance with EC Section 17463.7 to report the proceeds and how they were used.