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## ABSTRACT

This guidebook was developed by California's Office of Public School Construction (OPSC) to assist school districts in applying for and obtaining "grant" funds for the new construction and modernization of schools under the provisions of the Leroy F. Greene School Facilities Act of 1998 (Senate Bill 50). It is intended to be an overview of the program for use by school districts, parents, architects, the legislature, and other interested parties on how a district or county superintendent of schools becomes eligible and applies for state funding. The guidebook provides direction on accessing the processes leading to project approvals, insight to the various features of the School Facility Program (SFP), and includes suggestions on how to make the funding system as efficient as possible. Following a preface and overview, the guide's chapters address the involved agencies, project development activities, application for eligibility, new construction funding, charter school facilities, critically overcrowded school facilities, joint use projects, modernization funding, financial hardship, facility hardship grants, program accountability, and additional requirements and features. (Appendices provide contact information, forms, and a construction services matrix.) (EV)

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# School Facility Program Guidebook

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# Preface

In this preface...

- ▶ Introduction
- ▶ Things to Know
- ▶ Where to Begin

## INTRODUCTION

This guidebook was developed by the Office of Public School Construction (OPSC) to assist school districts in applying for and obtaining “grant” funds for the new construction and modernization of schools under the provisions of the Leroy F. Greene School Facilities Act of 1998 (Senate Bill 50). It is intended to be an overview of the program for use by school districts, parents, architects, the Legislature, and other interested parties on how a district or county superintendent of schools becomes eligible and applies for State funding. This guidebook provides direction on accessing the processes leading to project approvals, insight to the various features of the School Facility Program (SFP), and includes suggestions on how to make the funding system as efficient as possible. However, it is not meant to be a step-by-step discussion of every conceivable application process or project type. For complete project specific information be sure to review the SFP Regulations located on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov) and, most importantly, contact your OPSC project manager. The OPSC project managers are assigned by county, and a complete listing of project manager assignments, including telephone numbers and E-mail addresses, are also included on our Web site.

## THINGS TO KNOW

Included in this edition are the changes to the SFP as a result of Assembly Bill (AB) 14 (Goldberg), AB 1506 (Wesson), AB 401 (Cardenas), the AB 16 (Hertzberg) change that was not included in the December 2002 edition (urban adjustment factor) and the clarification of types of parking structures that are eligible for additional grants for site development costs.

AB 14 included a pilot program to fund charter school facilities construction (Chapter 6), changed how students enrolled in charter schools are reported for eligibility in the SFP, increased the cap on site acquisition and response action costs, and allows the California Schools for the Deaf and Blind to apply for SFP modernization funding. AB 1506 requires that the State Allocation Board (SAB) receive a written finding from the local school board that a labor compliance program (LCP) has been initiated and enforced prior to the release of funds for SFP a project. AB 401 allows a district, under certain circumstances, to receive funding representing one half the appraised value of a district-owned site when that site will be used for school construction. The last change to the SFP as a result of AB 16 impacts a project's eligibility for increased costs that may be uniquely associated with “urban construction”.

Some program changes are in the regulation process and not yet effective. These changes include modifying the three year SFP new construction eligibility lock-in for small school districts to allow for the capture of increases to the district's enrollment while preserving their protection against a loss of eligibility due to enrollment decreases (AB 16); and, the substantial progress measures for separate site apportionments has been expanded to include other evidence satisfactory to the SAB.

As this edition of the School Facility Program Guidebook is being written, the OPSC and the SAB Implementation Committee are proposing amendments to the regulations regarding requests for pupil grants that exceed the capacity of the project and to use grant eligibility at a grade level other than the proposed project (Use of Grants). At the January 22, 2003, SAB meeting emergency regulations were approved that modify the existing regulations.

Existing regulations with the listed modifications will apply for applications with plans submitted to the Division of the State Architect on or before January 22, 2003. Applications are restricted to pupil grant requests that do not exceed 135 percent of the project capacity and do not include a multi-track year round enrollment (MTYRE) housing plan. For more information contact the district's OPSC project manager.

### **WHERE TO BEGIN**

Chapter 1, School Facility Program Overview and Chapter 2, The State Allocation Board, the Office of Public School Construction, and Other Involved Agencies will provide general information. After reviewing these chapters, the reader may want to review Chapter 4, Application for Eligibility, because establishing eligibility is the first step in filing an application for either new construction or modernization funding. The remaining chapters can be reviewed as the topics arise.



## Chapter 1

## School Facility Program Overview

In this chapter...

- ▶ Introduction
- ▶ Funding for the School Facility Program
- ▶ Implementation of the School Facility Program

**INTRODUCTION**

The School Facility Program (SFP) began in late 1998 and is a significant change over previous State facilities programs. The State funding is provided in the form of per pupil grants, with supplemental grants for site development, site acquisition, and other project specific costs when warranted. This process makes the calculation of the State participation quicker and less complicated. In most cases, the application can be reviewed, the appropriate grants calculated, and SAB approval received in 60–90 days regardless of project size.

In addition to a less complicated application process, the SFP provides greater independence and flexibility to the school district to determine the scope of the new construction or modernization project. There is considerably less project oversight by State agencies than in previous State programs. In return, the program requires the school district to accept more responsibility for the outcome of the project, while allowing the district to receive the rewards of a well managed project. All State grants are considered to be the full and final apportionment by the SAB. Cost overruns, legal disputes, and other unanticipated costs are the responsibility of the district. On the other hand, all savings resulting from the district's efficient management of the project accrue to the district alone. Interest earned on the funds, both State and local, also belongs to the district. Savings and interest may be used by the district for any other capital outlay project in the district. See Chapter 13, *Additional SFP Requirements and Features* for more information on project savings.

The SFP provides a funding source in the form of grants for school districts to acquire school sites, construct new school facilities, or modernize existing school facilities. The two major funding types available are “new construction” and “modernization”.<sup>1</sup> The new construction grant provides funding on a 50/50 State and local match basis. The modernization grant provides funding on a 60/40 basis. Districts that are unable to provide some or all of the local match requirement and are able to meet the financial hardship provisions may be eligible for additional State funding (see Chapter 10, *Financial Hardship*).

**IMPLEMENTATION AND EVOLUTION OF THE SCHOOL FACILITY PROGRAM**

Senate Bill 50 (Greene) was chaptered into law on August 27, 1998, establishing the SFP. The legislation required that regulations be approved and in place for accepting and processing applications as soon as Proposition 1A was approved by the voters the following November. The School Facility Program continues to evolve through legislative changes. Assembly Bill (AB) 16 and AB 14 provided for significant changes requiring regulations be approved and in place for accepting and processing applications as soon as Proposition 47 was approved by the voters in November 2002. These changes included funding for Charter school facilities, Critically Overcrowded Schools, Joint Use Projects. Some of the changes that impacted new construction funding include the suspension of Priority Points, an additional grant for energy efficiency, and several changes that impact the determination of eligibility. Some of the changes that impacted modernization funding include the change of the funding ratio between the State and the school district from 80 percent State and 20 percent District to 60 percent State and 40 school district, and additional grants for energy efficiency and the modernization of buildings 50 years old or older.

<sup>1</sup> Education Code Sections 17072.10 and 17074.10 establishes the new construction grant and modernization grant respectively.

Information on each category of funding can be found in the following chapters:

▶ SFP Component	Chapter	Page
New Construction	5	19
Modernization	9	49
Financial Hardship	10	57

**Helpful Hint:**

*A listing of school districts who have received SFP funding is available on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).*

**FUNDING FOR THE SCHOOL FACILITY PROGRAM**

Funding for projects approved in the SFP comes exclusively from statewide general obligation bonds approved by the voters of California. The first funding for the program was from Proposition 1A, approved in November 1998. That bond for \$ 9.2 billion contained \$6.7 billion for K–12 public school facilities. The second funding for the program is from Proposition 47, approved in November 2002. It is a \$13.2 billion bond, the largest school bond in the history of the State. It contains \$11.4 billion for K–12 public school facilities.

A future bond is currently proposed for March 2004.

## Chapter 2

# The State Allocation Board, the Office of Public School Construction, and Other Involved Agencies

In this chapter . . .

- ▶ State Allocation Board
- ▶ Office of Public School Construction
- ▶ Other Agencies Involved

## STATE ALLOCATION BOARD

Created in 1947 by the State Legislature, the State Allocation Board (SAB) is responsible for determining the allocation of State resources including proceeds from General Obligation Bond Issues and other designated State funds used for the new construction and modernization of public school facilities. The SAB is also charged with the responsibility for the administration of the State Relocatable Classroom Program, the Deferred Maintenance Program, and many other facilities related programs. Handbooks on these programs may be found on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). Printed copies may be obtained by contacting the OPSC directly.

The SAB meets monthly typically at the State Capitol. At each meeting the SAB reviews and approves applications for eligibility and funding, acts on appeals, and adopts policies and regulations as they pertain to the programs that the SAB administers.

## Members

The SAB is comprised of ten members:

- ▶ The Director of the Department of Finance or designee (Traditional SAB Chair)
- ▶ The Director of the Department of General Services or designee
- ▶ The Superintendent of Public Instruction or designee
- ▶ One person appointed by the Governor
- ▶ Three State Senators; appointed by the Senate Rules Committee (two from the majority party and one from the minority party)
- ▶ Three State Assembly Members; appointed by the Speaker of the Assembly (two from the majority party and one from the minority party)

The current SAB members are:

- ▶ Steve Peace, Director, Department of Finance
- ▶ Clothilde Hewlett, Interim Director, Department of General Services
- ▶ Jack O'Connell, Superintendent of Public Instruction
- ▶ David Sickler, Governor Appointee
- ▶ Dede Alpert, Senator
- ▶ Bob Margett, Senator
- ▶ Tom Torlakson, Senator
- ▶ John Dutra, Assembly Member
- ▶ Marco Firebaugh, Assembly Member
- ▶ Tony Strickland, Assembly Member

**OPSC Mission:**

*"As Staff to the State Allocation Board, the Office of Public School Construction facilitates the processing of school applications and makes funding available to qualifying school districts. These actions enable school districts to build safe and adequate school facilities for their children in an expeditious and cost-effective manner."*

**Helpful Hint:**

*The Directory of Services provides information regarding project manager county assignments, including telephone numbers, and other contact information.*

The current SAB officers are:

- ▶ Luisa M. Park, Executive Officer
- ▶ Bruce B. Hancock, Assistant Executive Officer
- ▶ Karen McGagin, Deputy Executive Officer

**SAB Implementation Committee**

The SAB Implementation Committee is an informal advisory body established by the SAB to assist the SAB and the OPSC with policy and legislation implementation. The committee membership is comprised of organizations representing the school facilities community which meets approximately once a month depending upon the workload. The SAB Assistant Executive Officer is the chair of the committee. Committee membership as well as the time and location of future meetings can be found on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).

**OFFICE OF PUBLIC SCHOOL CONSTRUCTION**

The OPSC serves the 1,000 plus K–12 public school districts in California. As staff to the SAB, the OPSC is responsible for allocating State funding for eligible new construction and modernization projects to provide safe and adequate facilities for California public school children. The OPSC is also responsible for the management of these funds and the expenditures made with them. It is also incumbent on the OPSC to prepare regulations, policies, and procedures for approval by the SAB that carry out the mandates of the law.

**OPSC Responsibilities**

The OPSC is charged with the responsibility of verifying that all applicant school districts meet specific criteria based on the type of eligibility or funding which is being requested and to work with school districts to assist them throughout the application process. The OPSC ensures that funds are allocated properly and in accordance with the law and decisions made by the SAB. Since November of 1988, the OPSC has processed over \$26.2 billion dollars in State apportionments to the SAB. The programs, funding, and approvals over that period are shown in Appendix 5, Summary of Bond and Deferred Maintenance Allocations.

The OPSC prepares agendas for the SAB meetings. These agendas keep the SAB members, districts, staff, and other interested parties apprised of all actions taken by the SAB. The agenda serves as the underlying source document used by the State Controller's Office for the appropriate release of funds. The agenda further provides a historical record of all SAB decisions, and is used by school districts, facilities planners, architects, consultants, and others wishing to track the progress of specific projects, the availability of funds, and SAB regulations.

**Management of the Office of Public School Construction**

The OPSC is directed by an Executive Officer who is appointed by the Governor. The appointee also serves as the Executive Officer to the SAB. A Deputy Executive Officer is selected by the Executive Officer subject to the approval of the Director of General Services. The Deputy oversees the daily operation of the office. An Assistant Executive Officer is appointed by the SAB. Although not technically a member of the OPSC management, the Assistant Executive Officer works directly with the OPSC management team and acts as liaison between the SAB and the OPSC.

## OTHER AGENCIES INVOLVED

School districts planning to construct or modernize existing schools require the assistance of several local, State, and federal agencies. It is essential that those dealing with the school construction process have an understanding of the role each agency plays. The three primary State agencies that will be referred to in this guidebook, in addition to the SAB and the OPSC, are the Division of the State Architect (DSA), the California Department of Education (CDE) School Facilities Planning Division (SFPD), and the Department of Toxic Substances Control (DTSC). District representatives may also come into contact with many other agencies. A listing of some of the agencies that might be involved in a school project and their role is provided in Appendix 2, Potential State Agency Involvement.

The agency information provided in this chapter is meant as a tool for school district representatives to become familiar with the primary State agencies involved in the school construction process. The OPSC encourages district representatives to contact each agency to obtain more information about their procedures and processes. To contact the agencies listed below, please see Appendix 1, State Agency Contact Information.

### Department of General Services, Division of the State Architect

The primary role of the DSA in the school construction process is to review plans and specifications to ensure that they comply with California's building codes with an emphasis on structural and seismic safety. The review commences when the school district's architect submits working drawings to the DSA. The DSA reviews the working drawings to assure that the proposed structures meet codes and requirements for structure (seismic), fire and life safety, and universal design compliance.

### California Department of Education, School Facilities Planning Division

The role of the SFPD is to review and approve school district sites and construction plans. The SFPD review begins when a school district plans to acquire a new school construction site. Prior to approving a site for school purposes, the SFPD reviews many factors, including, but not limited to, environmental hazards, proximity to airports, freeways, and power transmission lines. The review of construction plans by the SFPD focuses mainly on the educational adequacy of the proposed facility and whether the needs of students and faculty will be met. See Chapter 3, Project Development Activities.

### Department of Toxic Substances Control

The role of the DTSC in the school construction process begins with the SFPD's site approval process. The DTSC will assist the district with an assessment of any possible contamination, and, if necessary, with the development and implementation of a mitigation plan.

### Department of Industrial Relations

The Department of Industrial Relations (DIR) was established to improve working conditions for California's wage earners, and to advance opportunities for profitable employment in California. The role of DIR in the school construction process is to enforce labor laws relating to contractors and employers.

The Labor Code<sup>1</sup> now requires, prior to receiving a SFP fund release, a district to make a certification that a labor compliance program (LCP), that has been approved by the DIR, for the project apportioned under the SFP has been initiated and enforced if both of the following conditions exist:

- ▶ The district has a project which received an apportionment from the funding provided in Proposition 47<sup>2</sup> or from the potential 2004 State bonds<sup>3</sup>; and,
- ▶ The construction phase of the project commences on or after April 1, 2003, as signified by the date of the Notice to Proceed.

<sup>1</sup> Refer to the Labor Code Section 1771.7

<sup>2</sup> Kindergarten–University Public Education Facilities Bond Act of 2002

<sup>3</sup> Kindergarten–University Public Education Facilities Bond Act of 2004

The DIR provides a guidebook to assist districts in developing a LCP and has model LCP's available for view on its Web site at [www.dir.ca.gov](http://www.dir.ca.gov). The DIR also provides public works contract information regarding:

- ▶ LCP's and the Labor Code
- ▶ Classification and Scope of Work
- ▶ Prevailing Wage Determination and Special Determination for a Specific Project
- ▶ Verification of the Status of an Individual Apprentice or an Apprenticeship Program

Questions regarding these matters and LCP approval may be directed to DIR at 415.703.4810.

## Chapter 3

# Project Development Activities

In this chapter. . .

- ▶ Introduction
- ▶ Establishing Eligibility
- ▶ Selecting Professional Services
- ▶ Project Responsibilities
- ▶ Cost Reduction
- ▶ Joint Use Projects
- ▶ Reusable Plans
- ▶ Project Financing
- ▶ Site Selection

### INTRODUCTION

The School Facility Program (SFP) provides funding to projects that are essentially through the design phase and are ready to begin construction. With the exception of certain advanced planning and site applications for financial or environmental hardship situations, applications for funding require plans approved by the Division of the State Architect (DSA) and by the California Department of Education (CDE). Applications for new construction funding may also require CDE approval of the project site. In most cases, a great deal of time, money, and effort has already been expended before the project ever reaches the Office of Public School Construction (OPSC). Most of the tasks involved in this chapter are not a part of the SFP and are not under the jurisdiction of the State Allocation Board (SAB). However, it is important that the district representative is aware of the options and requirements that may affect the district's project.

### ESTABLISHING ELIGIBILITY

One of the first steps a district should consider in the school construction process is establishing eligibility for SFP funding on either a district-wide or high school attendance area basis. This will provide the district with the information needed to determine the possibility and scope of State funding assistance, the types of facilities needed, and the appropriate project site size. See Chapter 4, Application for Eligibility for more information about establishing eligibility.

### SELECTING PROFESSIONAL SERVICES

The SFP grants include funding for many professional services related to the development of the school project. Some of the most obvious and commonly used services are provided by architects, civil and structural engineers, and construction managers. Under law, these professional services are different than the services provided by general contractors, painters, site grading subcontractors, and similar construction related work. Unlike construction contracts, professional service contracts are obtained through a qualifications based selection process rather than a competitive bid process.

Because the design professional or other service provider will be engaged long before the application for project funding is submitted to the OPSC, it is critical district representatives are aware that professional services used on projects funded through the SFP must be obtained by a competitive selection process. Failure to do so can jeopardize the project funding.

### The Competitive Selection Process

The SFP requires that applicant districts certify that contracts for the services of any architect, structural engineer, or other design professional that were entered into, on or after November 4, 1998 for work on the project were obtained through a competitive process. The term competitive does not mean that the selection has been bid, but rather that a formal qualifications based selection process has occurred that lead to the professional services contract<sup>1</sup>.

<sup>1</sup> Chapter 11, commencing with Section 4525 of Division 5 of Title 1 of the Government Code.

Neither the SAB nor the OPSC is qualified to interpret the Government Code requirements pertaining to the selection of professional services. The district is advised to seek legal counsel assistance to ensure that the process used fully complies with this requirement as well as other legal requirements<sup>2</sup> such as Disabled Veterans Business Enterprise requirements, and the Public Contract Codes.

Eventually, the district will be required to certify that professional design services on the project were selected using a competitive process. This certification is made on the Application for Funding (Form SAB 50-04).

### Compliance

The competitive selection requirement applies to a new construction or modernization project if:

- ▶ it is funded under the SFP, and
- ▶ professional services of an architect, structural engineer, or other design professional were used to complete the work in the project, and
- ▶ contracts for those services were signed on or after November 4, 1998.

Compliance with this requirement is very important. The law specifically mandates that the SAB shall not apportion funds to a district unless the competitive process for professional services has been used. If, during an audit at the project completion, it is determined that the competitive process was not used, the entire project grant could be found to have been made illegally.

Districts who are unfamiliar with the process of hiring an architect should be aware that the American Institute of Architects (AIA) California Council has sample contracts available to assist districts. For more information, please contact the AIA at 916.448.9082.

### PROJECT RESPONSIBILITIES

During the planning, design, and construction of a school facilities project, many individuals and firms come together to contribute to the project in specific ways. Unless responsibility is assigned by law, the decision about who should perform a given task generally rests with the district as owner. Frequently, however, the district may not be aware of the difference between the types of responsibilities, or even of the need to assign responsibilities and tasks related to the project. This lack of clarity may lead to a situation where a task is assigned to more than one individual or firm, creating a duplication of effort which can be wasteful and counterproductive.

As a result of this situation, a small working group was formed by the Joint Committee on School Facilities to address the issue. The Services Matrix is the result of the group's discussions (see Appendix 4, Services Matrix). District representatives may wish to consult the matrix to determine the responsibilities assigned to a project and to avoid duplication of effort.

### COST REDUCTION

The SAB has developed cost reduction guidelines to assist school districts in reducing project construction costs. In April 2000, the SAB made available the Cost Reduction Guidelines. The guidelines are a compilation of hundreds of ideas introduced and discussed at a series of statewide meetings. The input into these guidelines comes from various sources, such as school district representatives, State agencies, architects, building industry representatives, construction managers, and consultants. The guidelines provide districts with ideas and new methods to contain and reduce costs and to maximize the return on expenditures. Along with cost reduction guidelines, other incentives within the program, such as the retention of savings, exist to promote efficiency in design and construction of school facility projects. (See Chapter 13, Additional SFP Requirements and Features for more information on project savings.)

#### Helpful Hint:

The SAB publication on cost reduction is available on the OPSC Web site.

<sup>2</sup>CEQA and Planning per Public Resources Code Section 21151.2.



## JOINT USE PROJECTS

The language in the law which creates the SFP requires that the applicant school district consider the joint use of core facilities. The SAB's Cost Reduction Guidelines contains a number of suggestions as to how a district might investigate such joint use possibilities. Grants received under the new construction program may be used to fund school facilities related joint use projects. Typical joint use projects include multipurpose rooms, libraries, gymnasium, or any other type of facility that can be used by both the district and the community.

Proposition 47 provides funding for Joint Use projects, specific criteria to access this funding was included in AB16 (Hertzberg) (see Chapter 8, Joint Use Projects for more information).

## REUSABLE PLANS

The SFP requires the SAB to develop recommendations regarding the use of cost-effective, efficient, and reusable facility plans. Many districts have found that reusing some part or all of a school plan previously constructed in the district or in another district can lead to efficiencies in both the time required to prepare construction plans and the cost of constructing the facility. Such plan reuse is not always feasible, and, even when possible, may require considerable redesign work for the new site; however, in many circumstances the advantages can be significant.

To assist districts with exploring the feasibility of plan reuse for their new construction project, the SAB and the OPSC have developed an Internet-based "catalog" of plans that can be searched and browsed by anyone. The link on the OPSC Web site "Prototype School," contains floor plans, renderings, and vital statistics for a number of projects ranging from complete schools to single classrooms and support buildings. Districts are encouraged to download information on any of the projects on the OPSC Web site without charge. Districts may then contact the architects responsible for the original projects to pursue adaptation of the facilities to their individual needs. Arrangements for use of the plans are made by the district with the design professional. Of course, all plans on the OPSC Web site are copyrighted by the designers or firms that submitted them. The SAB and OPSC do not participate in anyway except as a clearinghouse for plans of school facilities.

## PROJECT FINANCING

A district has several different options available to meet its 50 percent funding requirement for new construction and 40 percent funding requirement for modernization projects. Some financing mechanisms the district may consider are:

- ▶ General obligation bond funds
- ▶ Mello-Roos
- ▶ Developer fees
- ▶ Proceeds from the sale of surplus property
- ▶ Federal grants

Once a district has received a SFP apportionment and is ready for funds to be released on a project, they will need to certify on the Fund Release Authorization (Form SAB 50-05) that their contribution to the project has already been expended, is on deposit, or will be expended prior to the notice of completion for the project. (See Chapter 13, Additional SFP Requirements and Features for more information on the fund release process.)

## **SITE SELECTION**

The SFP provides that in addition to the basic grant for a new construction project, the district may also receive up to 50 percent of the cost of site acquisition (see Chapter 5, *New Construction Funding* or Chapter 10, *Financial Hardship*). In most cases, the district must have completed the process of identifying the site and must have approval of the site by the CDE prior to applying for site acquisition funding. Some separate site applications for financial or environmental hardships do not need this approval at the time of application. See further discussion under those topics in Chapter 5, *New Construction Funding*. The identification and approval process falls under the jurisdiction and responsibility of agencies other than the SAB and the OPSC, and is therefore outside the scope of this guidebook. However, because the processes required can be a major factor in a timely application submittal for project funding, district representatives should be aware of some of the basic requirements for site selection as follows:

### **Identifying a Site**

Selecting a site for a new construction project to be funded under the SFP is primarily a local process. The SAB has guidelines and regulations relating only to the funding limits related to site acquisition<sup>3</sup>. The CDE is given the authority in law to develop standards for school site acquisition related to the educational merit and the health and safety issues of the site. The CDE uses these standards to review a site and to determine if the site is an appropriate location for a school facility. The CDE approval is a requirement before the application for funding can be submitted to the OPSC and subsequently to the SAB for funding.

### **Site Approval**

There are many components that make up the review and approval of a proposed school site. The CDE publication, *School Site Selection and Approval Guide*, addresses these components more completely than this guidebook can. Therefore, the district representative considering an application for a site under the SFP should consult the CDE or their publications. Contact information can be found in *Appendix 1, State Agency Contact Information*.

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<sup>3</sup> SFP Regulations Sections 1859.74 through 1859.76.

## Chapter 4

# Application for Eligibility

In this chapter. . .

- ▶ Introduction
- ▶ New Construction Eligibility
- ▶ Modernization Eligibility

**Helpful Hint:**

*Applications for eligibility may be filed in advance of applications for funding.*

### INTRODUCTION

The School Facility Program (SFP) provides State funding assistance for two major types of facilities construction projects: new construction and modernization. The process for accessing the State assistance for this funding is divided into two steps: an application for eligibility and an application for funding. Applications for eligibility are approved by the State Allocation Board (SAB) and this approval establishes that a school district or county office of education meets the criteria under law to receive assistance for new construction or modernization. Eligibility applications do not result in State funding. In order to receive the funding for an eligible project, the district representative must file a funding application with the Office of Public School Construction (OPSC) for approval by the SAB. See Chapter 5, *New Construction Funding* and Chapter 9, *Modernization Funding* for information on submitting applications for funding.

Applications for eligibility may be filed in advance of an application for funding, or the eligibility and funding requests may be filed concurrently at the preference of the district. In either case, an application for eligibility is the first step toward funding assistance through the SFP. The process must be done only once. Thereafter, the district need only update the eligibility information if additional new construction and modernization funding applications are submitted.

After the application for eligibility is reviewed by the OPSC, it is presented to the SAB for approval. The SAB's action establishes that the district has met the criteria set forth in law and regulation to receive State funding assistance for the construction of new facilities or the modernization of existing facilities. Throughout this chapter, references to the district also include a county office of education unless otherwise noted.

The discussions in this chapter are intended to describe the basic processes a district will encounter and use for establishing eligibility. Every possible situation cannot be dealt with in this overview. When preparing an application, the district representative should always contact the OPSC project manager to be sure that the district's approach is correct and will result in the most eligibility possible for State assistance. To learn more about the SFP program, visit the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).

### NEW CONSTRUCTION ELIGIBILITY

The underlying concept behind eligibility for new construction is straightforward. A district must demonstrate that existing seating capacity is insufficient to house the pupils existing and anticipated in the district using a five-year projection of enrollment. Once the new construction eligibility is determined, a "baseline" is created that remains in place as the basis of all future applications. The baseline is adjusted for changes in enrollment and for facilities added, and may be adjusted for other factors such as errors and omissions or amendments to the Regulations. For a complete list of adjustments, refer to SFP Regulation Section 1859.51. Except for these updates, the establishment of the eligibility baseline is a one-time process.

#### Establishing Eligibility on a District-Wide or High School Attendance Area

Districts generally establish eligibility for new construction funding on a district-wide basis. For most districts this is the most beneficial method, and the vast majority of applications are filed in this manner. However, under certain circumstances, the district may have more eligibility if the applications are made on a High School Attendance Area

(HSAA) basis using one or several attendance areas. This circumstance occurs when the building capacity in one HSAA prevents another from receiving maximum eligibility. For example, one attendance area may have surplus classroom capacity while another does not have the needed seats to meet the current and projected student enrollment. If the district were to file on a district-wide basis, there might be little or no overall eligibility, even though the students in one attendance are “unhoused” by the definitions established in the SFP. In this case, by filing on a HSAA, the eligibility would increase to allow construction of adequate facilities for the unhoused students.

The district may file using one high school attendance area, or at the district’s option, it may combine two or more adjacent HSAA’s, commonly called a “Super Attendance Area.” In either case, the attendance areas must serve an existing, operating high school, and the district must demonstrate that at least one HSAA has negative eligibility at any grade level. Continuation or proposed high schools may not be used for this purpose. Once a district receives funding using a high school attendance area as the basis of its eligibility, it must continue to file future new construction applications on that basis for five years.

**Eligibility Process**

The SAB has adopted three forms to assist districts in collecting the information needed to establish eligibility. The following outlines the three-step process a district uses to establish new construction eligibility:

► Process for Establishing New Construction Eligibility		
Step	Documentation	Purpose
1	Enrollment Certification/Projection (Form SAB 50-01)	Used to collect information about the district’s current and historical enrollment and to project that data five years into the future.
2	Existing School Building Capacity (Form SAB 50-02)	Used to record all the teaching stations in the district that are adequate to house students.
3	Eligibility Determination (Form SAB 50-03)	Used to compare the information from the first two forms and to determine if the district is eligible for new construction or modernization grants.

The forms referred to in the table can be downloaded from the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov) in a format that allows them to be printed as blank forms or completed on the computer and printed for submission to the OPSC. A replica of the forms can be viewed in Appendix 3, SFP Required Forms. An Excel spreadsheet titled SAB 50-01, 02, 30 Excel Combined Worksheets is also available on the OPSC Web site that will perform all the required calculations.

**Step One – Enrollment Projections**

It may take several years to take a new construction project from the initial determination of need to final completion of construction and occupancy. Because of this, the SFP provides a projection of enrollment five years into the future to determine eligibility for funding. The Enrollment Certification/Projection (Form SAB 50-01) is used to make this projection. This form assists the district with determining future needs, planning, arranging State and local funding, and constructing the project before the children to be served arrive. The method of projecting enrollment into the future involves using current and historical California Basic Educational Data System (CBEDS) enrollment data for the district. The data collected is then projected into the future for five years using a method known as a Cohort Survival Projection. A district can obtain CBEDS data from the California Department of Education (CDE).

A district may file on a HSAA basis utilizing one or more HSAA. If the district chooses to file an application on this basis the current and three previous years enrollment data in the HSAA or HSAA’s (see section on High School Attendance Areas in this chapter) will be needed to be included on the Form SAB 50-01.

Once the district enters the required current and historical enrollment figures, the projection is done automatically on the Excel version of this form. In addition to the five-year projection used in the SFP, the form will also produce a one-year projection for the State Relocatable Classroom Program.

**Supplemental Enrollment Figures.** A district may supplement the current and historical enrollment figures by the pupils that will occupy dwelling units included in approved subdivision maps or valid tentative subdivision maps for developments to be located in the district or HSAA. The enrollment projection form factors these additional students into the enrollment projection. If the district requests this supplement, the district representative will need the following:

- ▶ Approval dates of the maps by the city or county planning commission.
- ▶ The number of units to be built in the subdivision.
- ▶ A yield factor from the various types of housing in the subdivision. As an alternative, the district may accept a state-wide average yield factor for calculation purposes. This factor is specified in the instructions on the Form SAB 50-01.

A supplement to the enrollment projection for proposed housing units is not available for county superintendent applications.

Small districts with current enrollment of less than 300 should be aware that they have an option for reporting their enrollment differently if it has decreased by more than 50 percent from the previous year enrollment. (For more information on using this option please refer to the Form SAB 50-01, Part A.)

### Step Two – Existing School Building Capacity

The second part in determining the district's eligibility for new construction assistance is to document the capacity of the school district at the time the first application for eligibility is filed under the SFP. This capacity calculation is done only once. Districts may file capacity information on a district-wide basis or using a HSAA.

**The Calculation of Capacity.** The Existing School Building Capacity (Form SAB 50-02) is used to capture the information needed for the calculations, and the accompanying instructions give a detailed guide of how to complete the form. The Form SAB 50-02 is essentially a record of all the district's facilities. The SFP Regulations provide instructions on what spaces are to be included or excluded in the calculation of the district capacity<sup>1</sup>. It is important to understand that any project funded with local sources must be counted as existing capacity if the contract for construction of the project is signed before the original application for eligibility determination is made. There is an exception provided for projects if the contracts were signed between August 27, 1998 and November 18, 1998, and if the project did not have eligibility under the Lease-Purchase Program (LPP).

The process of calculating the districts' existing school building capacity is as follows:

1. The district completes a gross inventory of all spaces constructed or reconstructed to serve as an area to provide pupil instruction. The grade level of each classroom is also identified.
2. The gross inventory is adjusted by excluding certain spaces that are not considered available teaching stations under law or regulation. The classrooms remaining in the inventory are multiplied by a loading factor of 25 for elementary and 27 for middle and high school classrooms to determine the pupil capacity.
3. A final calculation is done to increase the capacity by a specified amount if the district does not have a substantial number of students enrolled in year round education. High school districts are not subject to this adjustment. The district may request a waiver from this adjustment from the CDE, School Facilities Planning Division.
4. A last adjustment occurs for those districts that receive Multi-Track Year Round Education Operational Grants from the CDE. This increases the district capacity and reduces the final eligibility for the district in a number equivalent to the operational grants the district has most recently received from the CDE.

<sup>1</sup> SFP Regulations, Section 1859.30, "Gross Classroom Inventory".

**Helpful Hint:**

All of the OPSC worksheets are available on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).

**On-Site Reviews.** The district must submit records of the teaching stations existing in the district or HSAA as part of the inventory process. These records generally consist of the following:

- ▶ Diagrams of the facilities at each site in the district. These diagrams need not be highly detailed, but must include all permanent and relocatable classrooms at the site. Many districts use simple “fire-drill” maps for this purpose. The diagrams must be submitted with the application.
- ▶ Documentation supporting any exclusion claimed from the gross inventory. For instance, if the district claims that a portable is excluded because it has been leased for less than five years, a copy of the lease must be in the district’s possession as supporting documentation.

The district may wish to use an OPSC Site Analysis Worksheet to assist with recording all the classrooms in the gross inventory as well as recording the reasons for exclusions, if any. This document is not mandatory but may make the inventory process easier. It also streamlines the OPSC review of the eligibility application.

**Step Three – Determining Eligibility**

The last part in the new construction eligibility determination process is done on the Eligibility Determination (Form SAB 50-03). The existing school building capacity calculated in part two is subtracted from the enrollment projection in the first part. The number of pupils left, if any, are considered “unhoused” for the purposes of the SFP. They represent the district’s eligibility for new construction grant entitlement.

**Eligibility Application Approval.** Once the district has completed steps one through three, they are ready to submit the eligibility application package. The OPSC will conduct a preliminary review of the package to ensure that it is complete prior to adding the application to the workload list. A more detailed review will be completed prior to presentation to the SAB that may include an on-site visit to review the information included in the site diagrams. When the review is complete and the OPSC has validated the eligibility calculations, an item is presented to the SAB for consideration of approval.

In some cases, the OPSC may find that an application lacks required information. If this is the case, the district is asked to provide the needed information within a specified time. If the district is unable to comply, the application may be returned unprocessed. If this occurs, the district may resubmit the application at any time after the needed information is available.

Districts should review the SFP Application Submittal Requirements worksheet, located on the OPSC Web site, to ensure all required information is included with their application.

**MODERNIZATION ELIGIBILITY**

Establishing eligibility for modernization in the SFP is more simplified than new construction. Applications are submitted on a site by site basis, rather than district-wide or HSAA, as is the case for new construction. To be eligible, a permanent building must be at least 25 years old and a relocatable building must be at least 20 years old. In either case, the facility must not have been previously modernized with State funding. The district must also show that there are pupils assigned to the site who will use the facilities to be modernized. If the facility is currently unused, such as a closed school, it may also be eligible for modernization funding if the district intends to reopen it and assign students immediately.

**Application Process**

The SAB has adopted a single form to calculate modernization eligibility, the Form SAB 50-03. This is the same form used for new construction applications. It may be downloaded from the OPSC Web site in a format that allows it to be printed as a blank form or completed on a computer and printed for submission to the OPSC. A replica of the form can be viewed in Appendix 3, SFP Required Forms.

In order to complete the Form SAB 50-03, the district representative will need a completed site diagram for the applicable school which contains the following information:

- ▶ The number of permanent classrooms.
- ▶ The number of portable classrooms.
- ▶ The ages of all permanent and portable classrooms.

The instructions on the Form SAB 50-03 will guide the district through the process of calculating the eligibility at that site for modernization. If all the buildings are over 25/20 years old for permanent/relocatable buildings respectively and eligible for modernization, the grant eligibility is simply the number of children that are or can be housed at a site, whichever is less. However, for cases where there is a mixture of classrooms that are under and over the modernization age limits, two optional calculation methods are provided. One option is to count those facilities that are over the age requirement and the children that can be housed in them. The second option is to develop a ratio based on either the square footage or the number of classrooms by comparing the square footage of overage to underage buildings or the number of overage to underage classrooms on the site. The ratio is then applied to the number of children enrolled at the site. If the district selects the option using a ratio of square footage, it will be necessary to provide the square footage information on the site diagrams as well.

#### **Eligibility Application Approval**

Once the district has completed part three of the Form SAB 50-03, they are ready to submit the modernization eligibility application package. The OPSC will conduct a preliminary review of the package to ensure that it is complete before adding it to the workload list. A more detailed review will then be completed that may include an on-site visit to review the information included on the site diagrams. When the review is complete and the OPSC has validated the eligibility calculations, an item is presented to the SAB for consideration of approval.

In some cases, the OPSC may find that an application lacks required information. If this is the case, the district is asked to provide the needed information within a specified time. If the district is unable to comply, the application may be returned unprocessed. If this occurs, the district may resubmit the application at any time after the needed information is available. When the application is resubmitted it will be added to the workload list with the new receipt date.

Districts should review the SFP Application Submittal Requirements worksheet, located on the OPSC Web site, to ensure all required information is included with their application.

#### **Helpful Hint:**

*Did you know that the OPSC provides the current workload list on its Web site?*

**BEST COPY AVAILABLE**

## Chapter 5

## New Construction Funding

In this chapter. . .

- ▶ Introduction
- ▶ Available New Construction Funding
- ▶ Funding Process
- ▶ Preparing an Application
- ▶ New Construction Grant Amounts
- ▶ New Construction Grant
- ▶ Supplemental Grants
- ▶ District Project Contribution
- ▶ SAB Approval Process
- ▶ Fund Release

### INTRODUCTION

After a district has established eligibility for a project as described in Chapter 4, the district may request funding for the design and construction of the facility. In most circumstances, the funding is approved after the district has acquired or identified a site for the project and after the plans for construction are approved by the Division of the State Architect (DSA) and the California Department of Education (CDE).

The funding for new construction projects is provided in the form of grants. The grants are made up of a new construction grant (pupil grant) and a number of supplemental grants. A brief description follows:

**New Construction Grant** — intended to fund design, construction, testing, inspection, furniture and equipment, and other costs closely related to the actual construction of the school buildings. This amount is specified in law based on the grade level of the pupils served.

**Supplemental Grants** — special grants are intended to recognize unique types of projects, geographic locations and special project needs. These grants are based on formulas set forth in the School Facility Program (SFP) Regulations. There are many possible supplemental grants. All of them are discussed later in this chapter. Two of the most common are:

- ▶ **Site Acquisition Grant** – Funding for site purchase, relocation, escrow, and certain other site acquisition related costs.
- ▶ **Site Development Grant** – The cost related to preparing a site for construction, including grading and drainage. This grant also includes funding for certain off-site development items such as sidewalks, curbs and gutters, streets, and related improvements.

Each new construction project is reviewed and appropriate grants are applied by the Office of Public School Construction (OPSC). All new construction grants are matched equally by the district with local funding sources. In some cases, districts unable to contribute some or all of the local match may be eligible for financial hardship. A district that intends to request financial hardship assistance, must obtain financial hardship status prior to submitting an application for funding. See Chapter 10, **Financial Hardship** for more information on this subject. Once the grants are determined for a project, a request is sent to the State Allocation Board (SAB) for a funding apportionment. After the apportionment is approved, the district may enter into a contract for the construction of the facility, if it has not already done so, and receive a release of the funds.

In some cases, when a district has been approved for financial hardship assistance, the district may request a separate site or design apportionment. In this situation, the request may be made before plans are completed and approved by the DSA. Site and design funding is discussed later in this chapter. In addition, see Chapter 10, **Financial Hardship** for more information.

This chapter explains the funding application process, typical requirements, and how to determine the new construction grant amount. It is important to understand that the discussion in this chapter focuses on the most common situations. There are many variations that may apply to specific projects that can not be covered in this brief overview. As always, the district representative should meet with the OPSC project manager and discuss the district's plan in detail.



## AVAILABLE NEW CONSTRUCTION FUNDING

There are several types of funding requests that can be made under the new construction program. The district may request site and design apportionment separately when they meet Financial Hardship requirement or as a combined application when appropriate.

### New Construction Adjusted Grant

A new construction adjusted grant is intended to provide the State's full share for all necessary project costs including the New Construction Grant (pupil grants), site acquisition, site utilities, off-site, and service site development. The new construction adjusted grant also includes applicable supplemental grants and adjustments as described later in this chapter. This grant is approved only after the site has been approved and the plans are also complete and fully approved.

### Separate Design

Districts that qualify for financial hardship status may receive a separate apportionment for design costs. Design funding is intended to allow a district to hire an architect and prepare project plans for DSA approval. When the plans are complete and approved, the district may request the remaining new construction funding. The new construction adjusted grant will be reduced by the design apportionment previously made for the project.

### Separate Site

Districts that qualify for financial hardship status may receive a separate apportionment for site acquisition. The site funding is intended to allow a district to acquire a site for the project. When the district is ready to request the remaining new construction funding, the new construction adjusted grant will be reduced by the site apportionment previously made for the project.

### Separate Site – Environmental Hardship

If the Department of Toxic Substances Control (DTSC) certifies by letter that the time necessary to complete the remediation or removal of hazardous waste on the site to be acquired will exceed 180 days, the district may qualify as an environmental hardship. This means that the district is eligible for a separate apportionment for site acquisition, even though the district does not qualify as a financial hardship. More information is available in the SAB regulations and through the OPSC project manager.

## FUNDING PROCESS

After the district submits an eligibility application (see Chapter 4, Application for Eligibility) the process of applying for funding is as follows:

- ▶ the district submits a funding application package;
- ▶ the OPSC reviews the package;
- ▶ the SAB approves the apportionment;
- ▶ the district requests a fund release and makes expenditures;
- ▶ the district submits reports on expenditures;
- ▶ the OPSC audits.

The application for new construction funding is made on a single form, the Application for Funding (Form SAB 50-04). The form serves as a vehicle to collect the information necessary to calculate the amount of grants applicable to the project, and also is a certification from the district regarding compliance with requirements of the law and the SFP regulations. The district may submit the Form SAB 50-04 after the district has received approval by the CDE and the DSA of the proposed new construction project and the project site when applicable. In most cases, the

district has determined its eligibility for new construction grants on the Eligibility Determination (Form SAB 50-03) before applying for funding. However, if the district has not established eligibility for the project previously, it may submit the eligibility package with the funding package.

The funding application is reviewed by the OPSC for completeness and placed on a statewide workload list in date received order. District representatives can view the workload list on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). The applications for funding are then processed in date order for presentation to the SAB for consideration of an apportionment.

In some cases, the OPSC may find that an application lacks required information. The district is asked to provide the needed information within a specified time. If the district is unable to comply, the application may be returned unprocessed, and the district may resubmit the application at any time once the needed information is available.

When the SAB has no funds to apportion, the SAB will continue to accept and process applications based on the date the application is ready for apportionment. The applications will be placed on an unfunded list. An application for funding that is placed on an unfunded list is eligible for apportionment pending the availability of future funding. If the application is approved for a separate site apportionment for Environmental Hardship, the project will receive a date on the unfunded list based on the date the environmental hardship site apportionment was made for the project.

## PREPARING AN APPLICATION

A complete application package is an essential element of the process of receiving funding for the district's projects. The information provided is the basis for determining the grant amounts that the district will receive. The following discussion outlines the major elements of a complete application for a new construction adjusted grant. Note that the same information is not necessary for all application types.

New Construction and Modernization funding applications require the Form SAB 50-04 and must be based on a previous eligibility approval or must have the eligibility application as a part of the package (see Chapter 4, Application for Eligibility). Also, please note that districts requiring financial hardship assistance must receive that status before filing a funding application (see Chapter 10, Financial Hardship for further information). The table below delineates the supporting documents necessary for each type of new construction funding request.

### ► New Construction Funding Required Documents

Document	Type of Funding			
	Design Only	Site Only	Site and Design	Construction
Appraisal of property to be acquired when appropriate*		⊙	⊙	⊙
Final escrow closing statement or court order (estimated escrow if financial hardship)		⊙	⊙	⊙
California Department of Education approval of site*		⊙	⊙	⊙
Final Division of the State Architect plan approval				⊙
California Department of Education approval of plans				⊙
Cost estimate for site development†				⊙
Plan‡ and cost estimate for off-site development, when funding is requested				⊙

\* If this document has been submitted previously, it need not be resubmitted.

† SFP Regulation Section 1859.76, "Additional Grant for Site Development Costs".

‡ Plan must be approved by the local entity, see *Architectural Submittal Guidelines* for further information.

**Helpful Hint:**

*When a district seeks SFP funding, the law stipulates that a district must hold title or an acceptable lease to all property acquired, constructed, or improved.*

**Application for Funding (Form SAB 50-04)**

The Form SAB 50-04 serves as a vehicle for districts to request funding for design, site and/or construction for all new construction projects. The form provides the OPSC with specific project information to determine the new construction adjusted grant including, but not limited to the type of application; the grade level of the project; the number of pupils the project will house; whether or not a site is being acquired; and if any additional or supplemental grants are being requested. To complete the Form SAB 50-04 and to make the required certifications, the district representative will need at least the following supporting information:

**Appraisal, Escrow Closing Statement, CDE Site Approval**

An appraisal, escrow closing statement or court order, and CDE site approval letter are required if the application includes site purchase. If not, only the CDE approval letter may be required. The documents are described in detail under the heading "Site Acquisition" in the section titled "Supplemental Grants".

**DSA-Approved Plans and Specifications**

All new construction plans and specifications must be approved by the DSA.

**Cost Estimate for Site Development**

A detailed cost estimate is required if the district is requesting additional grants for site development in its new construction funding application. For more information, please refer to the heading "Site Development" in the section titled "Supplemental Grants", discussed later in this chapter.

**District Certifications**

As previously mentioned, the Form SAB 50-04 is also an official certification to a number of SFP requirements. The form and the instructions to the form provide specific detail about the certifications; however, some of the issues to which the district representative will have to certify are as follows:

- ▶ The district has established a "Restricted Maintenance Account" (see Chapter 13, Additional SFP Requirements and Features for more information).
- ▶ Contracts for the services of an architect, structural engineer, or other design professional which were signed after November 4, 1998 were obtained pursuant to a qualifications based competitive process (see Chapter 3, Project Development Activities).
- ▶ The district will fund their share of the project.
- ▶ If this request is for a large new construction or a large modernization project, the district has consulted with the career technical advisory committee established pursuant to Education Code Section 8070 and it has considered the need for vocational and career technical facilities to adequately meet its program needs in accordance with Education Code Sections 51224, 51225.3(b) and 52336.1.
- ▶ If the district is requesting an Additional Grant for Energy Efficiency pursuant to SFP Regulation Sections 1859.71.3 or 1859.78.5, the increased costs for the energy efficiency components in the project exceeds the amount of funding otherwise available to the district.
- ▶ The district has or will initiate and enforce a Labor Compliance Program that has been approved by the Department of Industrial Relations, pursuant to Labor Code Section 1771.7, if the project is funded from Proposition 47 and the Notice to Proceed for the construction phase of the project will be issued on or after April 1, 2003.

Finally, to reduce the need to submit extensive supporting documentation, the OPSC will ask that the architect of record or other design professional certify to the following:

- ▶ The date that the DSA approved the plans and specifications.
- ▶ That the cost estimate as submitted to the DSA for the work in the plans and specifications is at least 60 percent of the total grant provided by the total State and district matching share.

### **CDE Approval of Final Plans**

The plans submitted to the OPSC must have the approval of the CDE. The final plan approval letter from CDE must accompany the funding application.

### **NEW CONSTRUCTION GRANT AMOUNTS**

The SFP was designed as a per-pupil grant program where each pupil, depending on the grade level, would receive a specific dollar amount. The new construction adjusted grant, at minimum, will consist of the new construction grant, which is prescribed in law relative to the grade level of the pupils. The grant can be increased by certain supplemental grants for which the district may be eligible. The following are the types of grants:

- ▶ New Construction Grant (pupil grants)
- ▶ Supplemental Grants

### **NEW CONSTRUCTION GRANT**

The new construction grant is intended to provide the State's share for necessary project costs including, but not limited to, funding for design, costs related to the approval of the plans and specifications by all required agencies, the construction of the buildings, general site development, educational technology, unconventional energy, change orders, tests, inspections, and furniture and equipment. The new construction grant does not provide for site acquisition, site utilities, off-site, and service site development as these costs vary due to location, size, topography, etc. The OPSC will review and determine these costs on a case-by-case basis, as discussed later in this chapter.

The new construction grant is based on the number of pupils in the project. There are a number of ways that the district can determine how many pupils will be assigned to a project, and therefore what the new construction grant will be. The most obvious way is by first determining the grade level of the project and then the number of classrooms to be included. Under the SFP, K–6 classrooms are loaded with 25 pupils, 7–12 classrooms are loaded with 27 pupils, severe classrooms are loaded with 9 pupils, and non-severe classrooms are loaded with 13 pupils. Assuming that the district has enough eligibility, it might decide to construct a ten classroom addition along with bathrooms and other support facilities at an existing elementary school. The ten classrooms will house 250 children using the loading standards specified in the program. If the district has already established eligibility for at least that number of elementary students using the Form SAB 50-03, the district could request 250 grants for the project.

There may be a situation where the district may wish to ask for less grants than the classroom capacity of the project. For instance, the project described in the previous paragraph may be of relocatable construction and may be estimated to cost less than the amount of grants that would be generated by 250 students. The district may elect either of the following strategies:

- ▶ The district may reduce the grant request to fewer grants, yet still enough to completely fund the State share of the project. The advantage is that the district will retain the unused grants for a future project, perhaps at another site.
- ▶ The district may ask for all 250 grants, and use the grant amount not only to construct classrooms at the site, but also to construct other facility needs of the district at the site, such as administration, multi-purpose rooms, gymnasium, etc.
- ▶ The district may ask for all 250 grants, and use the savings from the project for other capital facilities projects in the district, provided the project is not receiving financial hardship assistance. The advantage to the district is that the project is built as planned, while other facilities needs are also met within the State funding for the original project. In this case, the district must ensure that the amount spent on the work in the plans and specifications for the original project equals at least 60 percent of the total State and local share of the project grants. With this condition met, the district may use the savings on other district projects.

There are many variations on these approaches to determining grant amounts for a particular project. It is important that the district consult with the OPSC project manager to be sure that a specific approach is possible and within the guidelines of the law and regulations.

### New Construction Grant Calculation

The new construction grant is determined by multiplying the pupils assigned to the project by the pupil grant established in law. The new construction grant is adjusted by the SAB annually (each January) based on the change in the Marshall Swift Class B Construction Cost Index. The current amounts are as follows:

▶ New Construction Basic Grant Amount		
Classification	Basic Grant Amount	Comments
Elementary Pupil	\$ 5,840	
Middle School Pupil	\$ 6,177	(Include grade six pupils if part of a 6–8 grade school.)
High School Pupil	\$ 8,086	
Special Day Class – Non-Severe	\$12,449	
Special Day Class – Severe	\$18,614	

The Special Day Class grant allowances are established at a level higher than basic new construction grant allowances as a means to cover building cost items such as enhanced or added electrical and plumbing fixtures, more accessible doors and grab bars, extra sinks, casework, restrooms, changing areas, living skills space and other facilities for students with exceptional needs.

### SUPPLEMENTAL GRANTS

Supplemental grants are intended to recognize unique types of projects, geographic locations and special project needs. These grants are based on formulas set forth in the School Facility Program (SFP) Regulations. There are many possible supplemental grants as follows:

- ▶ Fire Code Requirements
- ▶ Energy Efficiency
- ▶ Special Education – Therapy
- ▶ Multilevel Construction
- ▶ Project Assistance
- ▶ Replacement with Multi-Story Construction
- ▶ Site Acquisition
- ▶ Site Development
- ▶ Geographic Location
- ▶ Small Size Projects
- ▶ New School Projects
- ▶ Urban Locations, Impacted Sites, Security Requirements

The following is a brief explanation of the supplemental grants:

### Fire Code Requirements

The New Construction grant will be increased for each pupil in a project that includes an automatic fire detection and alarm system. The current increase is as follows:

▶ New Construction Grant Increase	
Classification	Grant Increase
Elementary Pupil	\$30
Middle School Pupil	\$39
High School Pupil	\$29
Special Day Class—Non-Severe	\$60
Special Day Class--Severe	\$90

The New Construction grant will be increased for each pupil in a project that includes an automatic sprinkler system. The current increase is as follows:

▶ New Construction Grant Increase	
Classification	Grant Increase
Elementary Pupil	\$ 94
Middle School Pupil	\$112
High School Pupil	\$127
Special Day Class—Non-Severe	\$206
Special Day Class--Severe	\$307

The amounts shown above are the 50 percent State share and are adjusted annually in the same manner as the New Construction Grant.

### Energy Efficiency

A supplemental grant is available to districts with projects that have increased costs associated with plan design and other project components for school facility energy efficiency. The facilities in the proposed new construction project must exceed the nonresidential building energy efficiency standards as specified in Title 24, Part 6 of the California Code of Regulations by 15 percent.

### Special Education – Therapy

The New Construction grant will be increased for the area of therapy rooms, not to exceed 3,000 square feet, plus 750 square feet per additional Special Day Class classroom needed for severely disabled individuals with exceptional needs. The current unit cost per square foot of therapy area is as follows:

- ▶ \$195 per square foot for toilet facilities
- ▶ \$107 per square foot for other facilities

The amounts shown above are the 50 percent State share and are adjusted annually in the same manner as the new construction grant.

### Multilevel Construction

The SFP recognizes that districts face additional costs to construct multilevel school facilities on small sites. A supplemental grant is available for projects in densely populated areas, where site acquisition costs are high and land is scarce, to provide funds to alleviate and mitigate the impact of these small sites. If the useable site acreage for the project is less than 75 percent of the site size recommended by the CDE for the master planned project capacity, the new construction grant can be increased by 12 percent for each pupil housed in a multilevel building that will house pupils in all levels of the building.

### Project Assistance

The SAB may provide additional project grants for project assistance to small school districts with enrollment of 2,500 pupils or less. The current additional grant of \$3,997 may be used for costs associated with the preparation and submission of the SFP eligibility and funding applications, including costs related to support documentation such as site diagrams. The grant amount will be adjusted each year using the Class B index.

### Replacement with Multistory Construction

As part of a SFP new construction project, a school district may demolish a single story facility and replace it with a multistory facility on the same site. In addition to the new construction grant allowance, the SAB will provide a supplemental grant to fund 50 percent of the replacement cost of the single story facility(s) to be replaced provided that the school is on a multitrack year-round education schedule, the site size is less than 75 percent of the recommended CDE site size, the pupil capacity at the site will be increased, the cost of the demolition and replacement is less than the cost of providing a new facility at a new site to house the increased pupil capacity, and the project has CDE approval.

### Site Acquisition

The site acquisition grant can be used to acquire and develop new school sites or, under some circumstances, to reimburse or credit the district for a portion of the site acquisition costs originally borne by the district or in specific circumstances the current appraised value. Eligible costs for site acquisition are:

- ▶ Fifty percent of the lesser of the actual cost or the appraised value of the site.
- ▶ Fifty percent of the relocation cost.
- ▶ Two percent of the value of the site determined above, with a minimum of \$25,000.
- ▶ Fifty percent of certain costs related to the DTSC review and oversight.
- ▶ Hazardous waste removal (within one and one half times the appraised value).

Note that if the district intends to use a site that was acquired in a priority one project under the Lease-Purchase Program (LPP), the OPSC will use the appraised value of the site as established under the LPP for the appraised value of the site under the SFP. The SFP apportionment will be offset by the LPP apportionment. A project that received site acquisition funds under the LPP as a priority two project is not eligible for site acquisition funds under the SFP.

**Independent Appraisal Requirement.** The district is required to submit one site appraisal with the Form SAB 50-04. A California licensed and duly-qualified appraiser must issue a current appraisal report for the proposed site using the Uniform Standards of Professional Appraisal Practice. The appraisal must be impartial and prepared for the district or its legal counsel.

The site must be appraised as if it were a clean site, safe from all contaminants in accordance with SFP Regulation Section 1859.74.1, CDE guidelines, and Title 5, California Code of Regulations. The appraisal report must evaluate both the gross and net usable acreage and any severance damages.

Site improvements associated with grading the site to a mass graded or construction-ready condition without foundation or paving and proposed utilities stubbed to the site may be included in the appraisal. Other site improvements must be finished before close of escrow or 100 percent covered by a performance bond.

The appraisal date of valuation, or an update, may not predate by more than six months of the district's funding application to the OPSC. An SFP project which had the site funded as a LPP project shall use the value funded under the LPP.

**DTSC Costs.** Site acquisition costs may include up to 50 percent of the cost for the review, approval and oversight of the Phase One Environmental Site Assessment (POESA) and the Preliminary Endangerment Assessment (PEA). Note that these costs are prior to the actual clean-up costs, if any. Those costs may be included under some circumstances. See the paragraph entitled "Hazardous Waste Removal" below.

**Hazardous Waste Removal.** Site acquisition costs may be increased by up to one-half of the costs associated with the removal or remediation of hazardous waste on the site to be acquired. These costs may include the actual implementation of the response action required in the PEA, the cost of the preparation of the Response Action, and the cost for the DTSC review and oversight of the preparation and implementation of the Response Action. The increase in site acquisition may not exceed the difference between one and one half times the appraised value of the site as if no contamination existed and the actual cost of the contaminated site.

**Relocation Expenses.** Reasonable and necessary costs to relocate residential occupants and businesses from the proposed new school site, including purchasing fixtures and equipment, personal property, new machinery and equipment, and the installation of any improvements at the replacement residences or business locations are permitted as site acquisition costs.

**Incidental Site and Hazardous Waste Removal for Leased Sites.** If the application for funding includes a vacant leased site that was never used for school purposes, the site acquisition costs may be increased by up to one-half of the costs associated with the removal or remediation of hazardous waste on the site to be leased. These costs may include approved relocation expenses, the actual implementation of the Response Action required in the PEA, the cost of the preparation of the Response Action, and the cost for the DTSC review and oversight of the preparation and implementation of the Response Action. The increase in site acquisition may not exceed one and one half times the appraised value of the site determined by an appraisal made or updated no more than six months prior to the date the application was submitted to the OPSC.

**Acquiring Title.** Title to all property acquired, constructed, or improved with funds made available under the SFP must be held by the school district to which the SAB grants the funds. The title to the site need not be actually held by the district before funding; however, one of the following must be demonstrated:

- ▶ Purchase will be made from one or more private parties, companies, developers, or other entities, as evidenced by an escrow showing the pending transfer of ownership to the district.
- ▶ Court orders, especially orders of condemnation through the county court where the proposed new site lies, which include a Final Judgment, Stipulated Judgment and Order of Immediate Possession to allow occupancy, or Prejudgment Possession.
- ▶ An escrow for the transfer of property in lieu of other legally required payments or fees due to the district. (Example: Districts sometimes obtain proposed new school site parcels from developers, with all or part of the "purchase" price comprised of the district forbearing from collecting school mitigation fees from the developers.)

**Funding on Leased Land.** The district may utilize leased sites with governmental agencies for certain specified periods of time. To receive new construction grants for facilities that are or will be located on real property leased by the district, the property must be leased from the federal government for a period of 25 years or another governmental agency for a period of 40 years. If the lease is with a governmental agency other than the federal government, a 30-year lease may be considered if there are no other educationally adequate sites available under a 40-year lease, the cost per year for a 30-year lease is not greater than a 40-year lease, or the district can provide satisfactory evidence to the SAB that a shorter term lease is necessary.



### Site Development

In addition to the new construction grant, the SFP provides a supplemental grant for the purpose of developing the site where the project is to be located. Fifty percent of the site development costs are available for both new sites and for existing sites where additional facilities are being constructed. These development costs fall under three categories:

- ▶ Service site development improvements are performed within school property lines and may include eligible site clearance, rough grading, soil compaction, drainage, erosion control and multilevel, single level subterranean or under building parking structures. This portion of the site preparation is accomplished prior to the general site development and construction of buildings.
- ▶ Off-site improvements are located along the perimeter of two sides of the site including street grading and paving, storm drainage lines, curbs, gutters, sidewalks, and street lighting. These improvements are commonly dedicated for public use. If a district is requesting off-site improvements, the local entities having jurisdiction of areas where the off-site development is proposed must approve the related plans and specifications. These approved plans and specifications must be submitted to the OPSC at the time the application for funding is submitted.
- ▶ Utility service developments include improvements of water, sewer, gas, electric, and telephone from the closest existing utility connection.

It is important to understand that site development costs have restrictions on their use. The district representative should consult the SFP regulations and the OPSC project manager if he or she is unsure if a particular item is an allowable cost before including the work in the project.

If a district is requesting a supplemental grant associated with site development on the Form SAB 50-04, verification must be submitted to support the request. To assist in gathering the supporting detail, the OPSC has developed a Site Development Worksheet for Additional Grants that is located on the OPSC Web site. The district may use this worksheet or similar method to submit this information to the OPSC.

### Geographic Location

A supplemental grant is available to districts with projects that are located in areas of California that are remote, difficult to access, or lack a pool of contractors. A district may qualify and request an augmentation to the new construction grant due to their geographic location<sup>1</sup>.

### Small Size Projects

A supplemental grant is available to districts with projects that house no more than 200 pupils. The grant is intended to provide additional funds for core facilities and to make up for the lack of economies of scale when districts build small projects. The new construction grant can be increased by 12 percent for a project that will house less than 101 pupils, or by four percent if the project will house over 100, but no more than 200 pupils.

### New School Projects

Districts that will construct an entirely new school on a site without existing facilities may qualify for a supplemental grant. This grant is intended to provide funds to construct core facilities such as multipurpose rooms, gymnasiums, libraries, kitchens, etc., for projects that have a minimal amount of classrooms, but not enough to generate a sufficient new construction grant to build these essential facilities. Please refer to the OPSC Web site for the current grant amounts.

<sup>1</sup> SFP Regulation Section 1859.83, "Excessive Cost Hardship Grant".

**Urban Locations, Security Requirements and Impacted Sites**

Districts with projects in urban locations on impacted sites may request a supplemental grant if all of the following conditions are met:

- ▶ The useable site acreage for the project is 60 percent or less of the site size recommended by the CDE for the net school building capacity for the project plus any existing enrollment at the site, if any.
- ▶ At least 60 percent of the classrooms in the project construction plans are in multistory facilities.
- ▶ For new construction of a new school site, the value of the site being acquired is at least \$750,000 per useable acre. This condition does not apply to new construction additions to existing school sites.

Urban locations on impacted sites are generally in areas of high property values or high population density, creating an environment difficult for districts to acquire ample real property, which causes increased project costs uniquely associated with urban construction. Districts with projects on these impacted sites are also faced with extra security requirements. The supplemental grant provides funds for security fences, watchpersons, increased premiums for insurance for contractors, and storage or daily delivery of construction materials to prevent theft and vandalism. If a district requests grants due to these circumstances, the OPSC will verify the district's eligibility pursuant to the CDE Final Plan Approval letter and by OPSC's review of the project construction plans and site appraisal.

If the above criteria are met, the urban supplemental grant is calculated on a sliding scale as follows:

**▶ New Construction Urban Grant Adjustment**

**If...**

the useable acres are 60 percent of the CDE recommended site size, as described above...

**Then...**

the urban grant adjustment is 15 percent of the New Construction Grant and of the funding for additional grants for replaced facilities\*, small size projects† and new school projects‡, and

a 1.166 percent increase to the urban grant adjustment for each percentage decrease in the CDE recommended site size below 60 percent.

For new construction of a new school site, the adjustment shall not exceed 50 percent of the cost avoided with the purchase of site smaller than the CDE recommended site size for the number of the pupil grants requested in the application.§ This limit does not apply to new construction additions to existing school sites.

\* SFP Regulation Section 1859.73.2, "New Construction Additional Grant for Replaced Facilities"

† SFP Regulation Section 1859.83(b), "Excessive Cost for Projects that House No More than 200 Pupils (Small Size Project)"

‡ SFP Regulation Section 1859.83(c), "Excessive Cost to Construct a New School Project"

§ SFP Regulation Section 1859.83(d)(2)(A), "Excessive Cost Due to Urban Location, Security Requirements and Impacted Site"

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### **DISTRICT PROJECT CONTRIBUTION**

Every new construction application is a joint funding effort between the local school district and the State through the SFP. The State grant is discussed in the section entitled "New Construction Grant Amounts", earlier in this chapter. The total State grant represents 50 percent of the total project cost, with the district contributing the remaining 50 percent of the total project cost. The district contribution may come from virtually any source. The sole exception is that when savings from another SFP project is used as a match, the savings must be from a new construction project only. This restriction exists due to legal requirements pertaining to the bond funds, which the State uses as a program-funding source.

The district need not have the entire 50 percent local contribution on deposit at the time that the project apportionment is made. However, when the project fund release is requested, the district must certify that the district's matching share has been deposited in the County School Facility Fund; has been expended by the district for the project; or will be expended by the district prior to the Notice of Completion for the project. Thus the district has considerable flexibility in how the local share is arranged and contributed. The district representative should be aware, however, that regardless of when the share is contributed to the project, at closeout the district must be able to show that 50 percent of the expenditures on the project were from local sources. If the district is unable to demonstrate the 50 percent expenditure requirement has been met, the apportionment will be reduced.

### **Unable to Meet the Contribution**

Districts that are unable to contribute the 50 percent local share of a project can pursue financial assistance through the financial hardship provisions of the SFP. Districts must submit financial data to the OPSC for pre-approval of financial hardship status (see Chapter 10, Financial Hardship) before submitting a funding application. In addition, this pre-approval enables districts to request a separate apportionment for site acquisition and/or design costs, if necessary, any time after the application for eligibility determination has been filed and before its financial hardship status expires.

### **Effects of Reorganization**

Districts who are affected by a reorganization election on or after November 4, 1998, may not file a funding application for new construction until after the notification of the reorganization election. If the district had established new construction eligibility prior to reorganization, it must adjust the baseline eligibility on the Eligibility Determination (Form SAB 50-03) prior to filing new applications. Alternatively, the district can choose to certify that the reorganization does not result in a loss of eligibility for the project requesting funding. Districts that are newly created by the result of a reorganization can submit a funding application after approval of the election by the CDE.

**SAB APPROVAL PROCESS**

The applications for funding are presented to the SAB for approval in the order of their OPSC receipt date. The SAB approval (action) can either be an apportionment or “unfunded” approval, depending on the availability of funds for new construction.

**FUND RELEASE**

After the funding application is apportioned by the SAB, the next step in the process is the actual fund release to the County School Facilities Fund for use by the district.

The SFP grant is processed for release when the district submits a Fund Release Authorization (Form SAB 50-05). The Form SAB 50-05 submitted by the district is an important document that cannot be altered or modified by the OPSC. Therefore, an improperly completed Form SAB 50-05 will be returned with a letter of explanation to the school district for correction.

When a properly executed form is received, the OPSC sends a School Facilities Fund Release notification to the district representative and county office of education. The notification indicates the type of grant released, amount, school district, application number, school name, and date processed.

It is important to understand that a Form SAB 50-05 must be submitted within 18 months of the SFP grant apportionment by the SAB, or the entire new construction or modernization grant will be rescinded without further SAB action. If this should happen, the pupils housed in the project will be added back to the district’s eligibility and the district may re-file the application at any future time.

The Form SAB 50-05 can be downloaded from the OPSC Web site. A replica of the form can be found in Appendix 3, SFP Required Forms. The properly executed Form SAB 50-05 should be submitted to:

Office of Public School Construction  
Accounting  
1130 K Street, Suite 400  
Sacramento, CA 95814

**References:**

- Code of Regulation Section 6000, et seq.
- SFP Regulation Section 1859.74, “Additional Grant for Site Acquisition” and 1859.74.1, “Site Acquisition Guidelines”.
- SFP Regulation Section 1859.83, “Excessive Cost Hardship Grant”.

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## Chapter 6

## Charter School Facilities

In this chapter. . .

- ▶ Introduction
- ▶ Eligibility
- ▶ Application Process
- ▶ Preparing An Application
- ▶ Funding Criteria
- ▶ Preliminary Apportionment Components
- ▶ Apportionment Conversion
- ▶ Project Reductions/Increases
- ▶ Fund Release
- ▶ Closeout

### INTRODUCTION

Article 12 in Assembly Bill (AB) 14, establishes a pilot program to provide charter schools with funding to construct new facilities, to be known as the “Charter School Facilities Program” (CSFP). With the successful passage of Proposition 47, this program received \$100 million in bond funding. 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 new construction projects. 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 a new construction adjusted grant apportionment meeting all the School Facilities Program (SFP) New Construction program criteria required for such an apportionment, unless a single one-year extension is granted.

### ELIGIBILITY

A charter school or school district on behalf of a charter school must have SFP new construction eligibility as described in Chapter 4 from the school district in which the charter is physically located. A charter school applying on its own behalf may apply once it has notified the superintendent and governing board of the district, where it is physically located, of its intent to apply in writing 30 days prior to submitting the preliminary application to OPSC. The notice to the district shall include the number of pupils the charter intends to request on the preliminary application.

An Application for Charter School Preliminary Apportionment (Form SAB 50-09) may be submitted to the OPSC through Monday, March 31, 2003 for projects to be funded from the November 5, 2002 bond or 60 calendar prior to and 120 calendar after the 2004 election authorizing the funding. If funds remain after the initial submittal period or funds become available through over reservation of preliminary apportionment or lease payments, the SAB may establish additional application periods.

### APPLICATION PROCESS

The applicant will need to submit an Application for Charter School Preliminary Apportionment, Form SAB 50-09, and an Enrollment Certification/Projection, Form SAB 50-01, for the school district and all other supporting documents (i.e., supporting historical documents for allowances requested on application). A Existing School Building Capacity, Form SAB 50-02 and Eligibility Determination, Form SAB 50-03 will not need to be submitted unless the school district has not established New Construction eligibility under the SFP. If the eligibility has not been established, the eligibility will need to be calculated prior to acceptance of the preliminary application.

Once the OPSC receives the preliminary application, an initial review will ensure that the school district has eligibility and that the eligibility requested is commensurate with the project being built. In addition the allowance requested on the application will be subject to review. In conjunction, the CSFA will be determining the financial soundness of the applicant. For further information regarding the criteria for financial soundness please contact CSFA at [www.treasurer.ca.gov/csfa](http://www.treasurer.ca.gov/csfa).

For additional detail, please review the General and Specific Instructions on the Form SAB 50-09 and the Application Submittal Requirements available on the OPSC Web Site.

### **PREPARING AN APPLICATION**

A complete application is an essential element in the process of receiving a preliminary apportionment for the charter school or district's project. The information provided is the basis for determining the apportionment amounts that the charter school or district on behalf of the charter school will receive. All applications must be based on a previous SFP new construction eligibility approval or must have the eligibility application as a part of the package (see Chapter 4, Application for Eligibility). The Application for Charter School Preliminary Apportionment (Form SAB 50-09) serves as a vehicle for charter schools or districts on behalf of charter schools to request a preliminary apportionment for a new construction project. The form provides the OPSC with the general project information to determine the future new construction 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.

Once the OPSC receives the preliminary application, an initial review will ensure that the school district has eligibility and that the eligibility requested is commensurate with the project being built. In conjunction, the CSFA will be determining the financial soundness of the applicant. For further information regarding the criteria for financial soundness please contact CSFA at [www.treasurer.ca.gov/csfa](http://www.treasurer.ca.gov/csfa).

For additional detail, please review the General and Specific Instructions on the Form SAB 50-08 and the Application Submittal Requirements available on the OPSC Web Site.

### **FUNDING CRITERIA**

The State Allocation Board shall provide preliminary apportionments to the financially sound applicants approved by CSFA using the following criteria:

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

Within each category above, preference is to be given to charters in overcrowded school districts, charters in low-income areas, and not-for-profit charters. A preference points calculation system, based on the criteria set above, will be used in determining the projects that will be funded from each category. If more than one application is received that has the same criteria within a category, the SAB will fund based on which project has the highest preference points.

### **PRELIMINARY APPORTIONMENT COMPONENTS**

The methodology for determining the CSFP preliminary apportionment State share amount will be based primarily upon the criteria established for Critically Overcrowded School Facilities (Chapter 7). The grants provided at the preliminary apportionment shall consist of the following:

- ▶ Pupil base grant amount
- ▶ Multilevel Construction Grant Amount
- ▶ Site Acquisition
- ▶ Site Development
- ▶ Project Increase
- ▶ Inflation Factor

This amount shall then be the recommended preliminary apportionment for the proposed CSFP project presented to the SAB for a reservation of funds.

The CSFP Pupil Grant will be calculated by multiplying the SFP pupils assigned to the project by the pupil grants established in law and the increase for Fire Code requirements. The CSFP pupil grants will be adjusted by the SAB annually (each January) based on the change in the Marshall Swift Class B Construction Index. The current CSFP grant amounts are as follows:

► **CSFP Grant Amounts**

<b>Classification</b>	<b>CSFP Pupil Grants</b>
Elementary	\$ 5,870
Middle School	\$ 6,214
High School	\$ 8,116
Special Day Class—Non-Severe	\$12,509
Special Day Class--Severe	\$18,703

If a district requests a preliminary apportionment include a reservation for multilevel classroom construction, the CSFP pupil base grant will be increased by 12 percent to reserve the maximum allowance.

The preliminary apportionment for the estimated site acquisition shall be determined by the submittal of an appraisal or preliminary appraisal, when available. In addition, a separate allowance is available for toxic sites. The appraisal or preliminary appraisal should be made or updated no more than six months prior to the application submittal to the OPSC. In cases where a specific site has not been identified for the project; the median cost of the consummated sales transactions within the general location multiplied by the proposed net useable acreage to be acquired shall determine the property value reservation. The proposed acquisition acreage amount must be compatible with CDE standards and before determining the median cost, the information for recorded sale transactions should be expressed in a per acre amount. Additionally the property value will be increased by four percent for title, escrow and survey fees. An allowance for estimated relocation and DTSC costs may be included. The reservation will be based on either the State's default allowance of twenty-one percent of the property value or actual or historical cost information.

If the request for a preliminary apportionment includes estimated site development costs the allowance shall be determined based upon either the State default amount of \$70,000 per proposed net useable acre, actual, or historical cost. The estimate site development cost shall be the amount for anticipated service-site, off-site and/or utilities for the project.

A district may request estimated excessive hardship costs for Geographic Location, New Small School Project or Urban Location, Security Requirements and Impacted Site

The preliminary apportionment consisting of all applicable estimated allowances shall be increased by 12 percent in anticipation of cost increase in future years. The inflator factor is based upon the average per year Marshall Swift Class B Construction Cost Index.

**APPORTIONMENT CONVERSION**

Within a four-year period, a charter school must convert the preliminary apportionment to a final apportionment. A final apportionment request includes an Application for Funding (Form SAB 50-04) and all other documentation required for a complete new construction adjusted grant application under the SFP provisions. At the time the project is converted, the pupil request cannot exceed the number of pupils requested at the time of preliminary apportionment.

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

**PROJECT REDUCTIONS/INCREASES**

Once an application is submitted for a final apportionment, the project costs may be adjusted per the following:

**► Project Cost Adjustments**

If...	Then...
Preliminary apportionment sufficient to do project...	project cost remain the same and final apportionment Board item will reflect preliminary apportionment amounts.
Preliminary apportionment was more than needed...	the overpayment shall be adjusted to reflect actual project costs on the final apportionment SAB item and the difference shall be returned to the unrestricted account to be used for other charter school facility purposes.
Preliminary apportionment was insufficient...	and unrestricted funds remain in the account, a district may receive a project increase for eligible costs. Should funds not be available at the point of project conversion the preliminary apportionment amount will be the full and final apportionment. A district may elect to monitor the funds and wait until funds become available to convert the apportionment, provided it is before the four-year deadline.

**FUND RELEASE**

The CSFP provisions for a preliminary apportionment do not authorize any fund releases prior to submitting an application for final apportionment. Therefore, once a preliminary apportionment is received, all charter schools or districts on behalf of charter schools will need to ensure they can cover any costs incurred prior to filing an application for final apportionment.

To learn more about the CSFP program visit the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).

**CLOSEOUT**

When a COS project converts to a final apportionment, it will be subject to all SFP progress and auditing standards. A substantial progress report will be required at 18 months from the date the final apportionment was made. Annual expenditure reports will be required beginning one year from the date of the first fund release until the project is complete. The project is considered complete when 3 years elapse from the date of the final fund release for an elementary project, or 4 years for a high school project, or when the school district declares the project complete, at which time final expenditure reports must be submitted.

To learn more about the COS program, contact your OPSC project manager or visit the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).



## Chapter 7

## Critically Overcrowded School Facilities

In this chapter...

- ▶ Introduction
- ▶ Project Eligibility
- ▶ Source Schools
- ▶ Preparing an Application
- ▶ Preliminary Apportionment Components
- ▶ Apportionment Conversion
- ▶ Project Increases
- ▶ SAB Approval Process
- ▶ Substantial Progress
- ▶ Fund Release
- ▶ Closeout

### INTRODUCTION

The Critically Overcrowded School Facilities (COS) program was created by AB 16 (Hertzberg) in 2002 and is a significant addition to the School Facilities Program (SFP). The COS program permits school districts with critically overcrowded school sites, as determined by the California Department of Education (CDE), to apply for a preliminary apportionment (reservation of funds) for new construction projects to relieve overcrowding. The COS program's preliminary apportionment serves only as a reservation of funds for future State assistance in the form of grants. The preliminary apportionment for a COS project must be converted within a four-year period to a new construction adjusted grant apportionment meeting all the SFP New Construction program criteria required for such an apportionment, unless a single one-year extension is granted.

### PROJECT ELIGIBILITY

A district with SFP new construction eligibility established as described in Chapter 4 and critically overcrowded school sites included on a list of source schools as determined by the CDE may apply for a preliminary apportionment for projects to relieve overcrowding. For information regarding the CDE Source School List contact Mr. Fred Yeager at 916.327.7148 or visit the CDE Web site at [www.cde.ca.gov](http://www.cde.ca.gov).

An Application for Preliminary Apportionment (Form SAB 50-08) may be submitted to the OPSC between November 5, 2002 and May 1, 2003 for projects to be funded with the proceeds of the November 5, 2002 bond or 60 days prior to and 120 days after the 2004 direct primary election or the 2004 statewide general election as appropriate for projects to be funded with those bond proceeds. A Critically Overcrowded School Facilities project must:

- ▶ Relieve overcrowding by increasing the pupil capacity of the district and may be either a stand alone new school project or an addition to an existing school site.
- ▶ Identify at least 75% of the proposed pupil occupancy of the project as coming from a source school(s).
- ▶ Be located within either the attendance area or a one-mile radius of an elementary source school; or, for a secondary source school, within the attendance area or a three-mile radius. The CDE may grant a variance from the distance maximums if the district can demonstrate that the variance is necessary to adequately provide facilities for the identified source school pupils.

### SOURCE SCHOOLS

To qualify as a source school a school site utilizing the 2001/2002 California Basic Educational Data System (CBEDS) enrollment must have pupil density greater than 115 pupil per acre for grades Kindergarten to six and 90 pupils per acre for grades seven to twelve. The CDE is responsible for determining and maintaining the list of source schools. A district may report their school site information to the CDE by submitting SFPD Form 4.16 (Certification of School Site Net Useable Acres). For a copy of the SFPD Form 4.16 and additional information regarding the CDE source school list, please visit the School Facilities section of the CDE Web site at [www.cde.ca.gov](http://www.cde.ca.gov).

Once included on the CDE source school list, determine a source school's pupil eligibility or Qualifying Pupils, by subtracting the school's site density at 150 percent of the CDE recommended pupils per acre from its latest CBEDS enrollment. The remainder is the number of Qualifying Pupils at the source school site, which may be used to meet the project eligibility requirements above. The source school Qualifying Pupils eligibility amounts will be tracked separately and adjusted for changes in future enrollment, site density, preliminary apportionments and rescinded apportionments.

### **PREPARING AN APPLICATION**

A complete application is an essential element in the process of receiving a preliminary apportionment for the district's project. The information provided is the basis for determining the apportionment amounts that the district will receive. All applications must be based on a previous SFP new construction eligibility approval or must have the eligibility application as a part of the package (see Chapter 4, Application for Eligibility). Please note district's requesting financial hardship assistance must receive that status prior to filing an application (see Chapter 10, Financial Hardship). The Form SAB 50-08 serves as a vehicle for districts to request a preliminary apportionment for a new construction project. The form provides the OPSC with the general project information to determine the future new construction adjusted grant; the grade level of the project, the number of SFP and source school Qualifying Pupils the project will serve, whether or not a site is to be acquired, and if any supplemental grants are requested. To complete the Form SAB 50-08 the district representative will need some of the following information.

- ▶ Appraisal, Preliminary Appraisal, or Median Cost valuation of the property to be acquired.
- ▶ Relocation and Department of Toxic Substance Control cost documents.
- ▶ Cost Estimate for site development and approved site development and off-site plans (to substantiate actual or historical cost submittals).
- ▶ A copy of the certified CDE Source School List pages or CDE Source School certification letter.
- ▶ Copy of the latest information for the Source School(s) submitted approximately October 15th of each year to the California Department of Education to complete the California Basic Education Data System (CBEDS).

For additional detail, please review the General and Specific instructions on the Form SAB 50-08 and the Application Submittal Requirements available on the OPSC Web site.

### **PRELIMINARY APPORTIONMENT COMPONENTS**

A COS preliminary apportionment is intended to provide the estimated future State's share for all necessary project costs including site acquisition, site development and supplemental allowances. A district may request a preliminary apportionment for the following:

- ▶ COS Pupil Grants (New Construction Grant (per pupil) plus the increase for Fire Code requirements)
- ▶ Multilevel Classroom Construction
- ▶ Site Acquisition
- ▶ Site Development
- ▶ Project Increases
- ▶ Financial Hardship
- ▶ Inflation Factor

The COS Pupil Grant is calculated by multiplying the SFP pupils assigned to the project by the per-pupil grants established in law and the increase for Fire Code requirements. The COS Pupil Grants are adjusted by the SAB annually (each January) based on the change in the Marshall Swift Class B Construction Index. The current COS grant amounts are as follows:

► **Current Grant Amounts**

<b>Classification</b>	<b>COS Pupil Grant</b>
Elementary	\$ 5,870
Middle School	\$ 6,214
High School	\$ 8,116
Special Day Class – Non-Severe	\$12,509
Special Day Class – Severe	\$18,703

If a district requests a preliminary apportionment that includes multilevel classroom construction, the New Construction Grant will be increased by 12 percent to reserve the maximum allowance.

The preliminary apportionment for the estimated site acquisition shall be determined by the submittal of an appraisal or preliminary appraisal, when available. The appraisal or preliminary appraisal should be made or updated no more than six months prior to the application submittal to the OPSC. In cases where a specific site has not been identified for the project; the median cost of the consummated sales transactions within the general location area multiplied by the proposed net useable acreage to be acquired shall determine the property value reservation. The proposed acquisition acreage amount must be compatible with CDE standards; and, before determining the median cost, the information for recorded sale transactions should be expressed in a per acre amount. In addition the property value will be increase by four percent for title, escrow and survey fees by one-half for hazardous material/waste removal and remediation cost. An allowance for estimated relocation and DTSC costs may be requested, this will be based on either the State's default allowance of twenty-one percent of the property value, actual, or historical cost information.

If the request for a preliminary apportionment includes estimated site development costs, the allowance shall be determined based upon either the State's default amount of \$70,000 per proposed net useable acre, actual, or historical cost. The estimated site development cost shall be the amount for anticipated service-site, off-site and/or utilities for the project.

A district may request estimated excessive hardship costs for Geographic Location, New Small School Project or Urban Location, Security Requirements and Impacted Site.

If the district has a valid financial hardship status for the COS project, the estimated State share amount shall be doubled to provide a reservation for the estimated district's matching share assistance. When the financial hardship review has determined that the district has contribution amounts, the preliminary apportionment amount will be reduced by that amount. However, before the preliminary apportionment is converted to a final apportionment, the district must re-qualify financial hardship status to determine its eligibility and contribution amount.

The preliminary apportionment consisting of all applicable estimated allowances shall be increased by 12 percent in anticipation of cost increase in future years. The inflator factor is based upon the average per year increase to the Marshall Swift Class B Construction Cost Index.

**APPORTIONMENT CONVERSION**

Converting a preliminary apportionment to a final apportionment request includes an Application for Funding (Form SAB 50-04) and all other documentation required for a complete new construction adjusted grant application under the SFP provisions (See Chapter 5, New Construction Funding). In addition, the pupils requested on the Form SAB 50-04 must be no less than 75 percent of and cannot exceed the number of pupils requested on the Form SAB 50-08. When a district converts the preliminary apportionment to a final apportionment the project must still be supported by SFP new construction eligibility; however, the Source School(s) Qualifying Pupil eligibility will not be re-evaluated. A school district requesting financial hardship status must qualify for that status and have all Capital Project Fund monies analyzed to determine if the school district is able to contribute toward its project.

### **PROJECT INCREASES**

When an application for final apportionment is made, that preliminary apportionment may be adjusted for increases only if there are sufficient reserve funds available in the COS facilities account to fund the increases. If reserve funds are not available, the increase amount will be placed on a "Final Apportionment unfunded list" until such time that funds may become available within the COS facilities account to apportion the increases. However, if funds do not become available and the maximum timeframe of five years has expired, the original preliminary apportionment becomes a full and final apportionment.

### **SAB APPROVAL PROCESS**

If funds are insufficient to fully fund all of the preliminary applications received during an application filing period, the SAB shall first apportion to those projects that would house pupils from source schools with the highest density levels relative to the CDE standard.

### **SUBSTANTIAL PROGRESS**

Prior to converting a preliminary apportionment to a final apportionment the district must report annually to the SAB on the progress of the COS project. The local governing school board must hold a public hearing annually discussing the progress toward completing the project. Included in the first annual report to the SAB, the district shall certify that the CDE has determined there is at least one approvable and adequate site for the COS project within the identified general location area. If the school district cannot certify to the approvable site, then the preliminary apportionment will be rescinded.

At the end of the fourth year, if a school district is unable to submit its application for final apportionment, it may apply for a single one-year extension provided that the COS project has a CDE contingent or final site approval and the final construction plans have been submitted to DSA for review and approval; or other evidence satisfactory to the SAB that substantial progress has been made towards completing the requirements for filing an application for final apportionment.

### **FUND RELEASE**

The COS provisions for a preliminary apportionment do not authorize any fund releases prior to submitting an application for final apportionment. Therefore, once a preliminary apportionment is received, all districts, including financial hardship districts, will need to ensure they can cover any costs incurred prior to filing an application for final apportionment.

### **CLOSEOUT**

When a COS project converts to a final apportionment, it will be subject to all SFP progress and auditing standards. A substantial progress report will be required at 18 months from the date the final apportionment was made. Annual expenditure reports will be required beginning one year from the date of the first fund release until the project is complete. The project is considered complete when 3 years elapse from the date of the final fund release for an elementary project, or 4 years for a high school project, or when the school district declares the project complete, at which time final expenditure reports must be submitted.

To learn more about the COS program, contact your OPSC project manager or visit the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).

## Chapter 8 Joint Use Projects

In this chapter...

- ▶ Introduction
- ▶ Project Eligibility
- ▶ Funding Process
- ▶ Preparing an Application
- ▶ Joint Use Grant Amounts
- ▶ Joint Use Partner Project Contribution
- ▶ Fund Release

### INTRODUCTION

Assembly Bill (AB) 16 created a Joint Use Program under the School Facility Program (SFP). AB 16 provides \$50 million dollars for Joint Use projects from the 2002 Bond and another \$50 million dollars from the 2004 bond if approved by the voters. Under AB 16, there are three types of Joint Use projects, which are referred to as a Type I, a Type II, and a Type III Joint Use project.

A Type I Joint Use project is part of a SFP new construction project in which the applicant district and a higher education partner have agreed to construct facilities to:

- ▶ Improve pupil academic achievement
- ▶ Provide teacher education
- ▶ Provide childcare facilities

A Type II Joint Use project is part of a SFP new construction project that will increase the size, create extra cost, or does both beyond that necessary for school use, of the:

- ▶ Multipurpose room
- ▶ Gymnasium
- ▶ Library
- ▶ Childcare Facility

A Type III Joint Use project combines elements of both other types. It differs in that the project is not a part of a SFP new construction application as is required for Type I and II Joint Use projects. The Type III application may only be for a project on an existing school site that does not have the type of facility requested or the existing facility is found to be inadequate. Like a Type I application, if the Joint Use partner is an institution of higher education, the project may be for:

- ▶ Improve pupil academic achievement
- ▶ Provide teacher education

In addition, the Type III application may be for the construction of one of the following stand-alone projects:

- ▶ Multipurpose room
- ▶ Gymnasium
- ▶ Library
- ▶ Childcare Facility

The funding for Joint Use projects is provided in the form of grants. With the exception of a Type II (Extra Cost), the grants are made up of a base grant and a number of supplemental grants. For a Type II (Extra Cost) project, the grant is a straight dollar amount based upon the cost estimate. The State share for a Joint Use project is 50 percent of the eligible project costs, with the Joint Use Partner matching 50 percent of the eligible project costs.

The District must have Joint Use eligibility and square footage eligibility (except for a Type II, Extra Cost) for the type of project they are applying for, before they can request Joint Use funding. This chapter explains the eligibility requirements for each type of Joint Use project, the funding application process, and how to determine the Joint Use grant. This chapter focuses on the most common situations. Individual projects may have variations that are not covered in this chapter. The district representative is encouraged to contact the OPSC project manager to discuss specific project details.

### **PROJECT ELIGIBILITY**

Before a District can submit an application for funding, the project must have project eligibility. Project eligibility is different for all three types of Joint Use projects.

#### **Type I Project Eligibility**

To qualify as a Type I Joint Use project, the district must meet the following criteria:

- ▶ The construction contract was executed after April 29, 2002
- ▶ The project is part of a new construction application
- ▶ The district has entered into an approvable Joint Use Agreement that meets the criteria of Education Code 17077.42
- ▶ The Joint Use Partner is an institution of Higher Education
- ▶ The Project has Square Footage Eligibility
- ▶ The facility will be located at the site of the new construction application
- ▶ The project does one of three things:
  - Improves Pupil Academic Achievement
  - Provides Teacher Education
  - Provides Childcare Facilities
- ▶ The project has DSA approval of the plans
- ▶ The project has CDE approval of the plans

#### **Type II Project Eligibility**

To qualify as a Type II Joint Use project, the district must meet the following criteria:

- ▶ The construction contract was executed after April 29, 2002
- ▶ The project is part of a new construction application
- ▶ The district has entered into an approvable Joint Use Agreement that meets the criteria of Education Code 17077.42
- ▶ The Joint Use Partner is a governmental agency, an institution of Higher Education, or a nonprofit organization
- ▶ The Project has Square Footage Eligibility (except a Type II, Extra Cost)
- ▶ The facility will be located at the site of the new construction application
- ▶ The project increases the size, creates extra cost, or does both for the:
  - Multipurpose room
  - Library
  - Gymnasium
  - Childcare facility
- ▶ The project has DSA approval of the plans
- ▶ The project has CDE approval of the plans

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### Type III Project Eligibility

To qualify as a Type III Joint Use project, the district must meet the following criteria:

- ▶ The construction contract was executed after April 29, 2002
- ▶ The district has entered into an approvable Joint Use Agreement that meets the criteria of Education Code 17077.42
- ▶ The Project has Square Footage Eligibility
- ▶ The facility will be located at an existing public K–12 school site
- ▶ The project is one of the following:
  - Facility that Improves Academic Achievement
  - Facility that Provides Teacher Education
  - Multipurpose room
  - Library
  - Gymnasium
  - Childcare facility
- ▶ The Joint Use Partner is a governmental agency, an institution of Higher Education, or a nonprofit organization if the facility is a multipurpose room, library, gymnasium, or childcare facility
- ▶ The Joint Use Partner is an institution of Higher Education if the facility improves academic achievement or provides teacher education
- ▶ The school does not have the type of facility or the existing facility is inadequate
- ▶ The project has preliminary plans
- ▶ The project has CDE approval of the preliminary plans

### FUNDING PROCESS

Applications will be accepted for the first funding cycle from November 5, 2002 through May 31, 2003. Applications will be accepted for the second funding cycle from June 1, 2003 through May 31, 2004 subject to approval of a statewide bond slated for Spring 2004. If funds remain after this funding cycle, subsequent filing periods will be from June 1 through May 31st each subsequent year.

Type I Joint Use projects shall be funded first, Type II Joint Use projects shall be funded second, and Type III Joint Use projects shall be funded last. The district may submit more than one application for each type. The district's first application within each type of Joint Use project shall be ranked and funded with other district's first applications in date-received order. The district's second application will then be ranked and funded with other district's second applications in date-received order, and so on within each type of Joint Use project, until funds are exhausted.

The following demonstrates the necessary steps for Joint Use Funding:

- ▶ The district submits an application for funding package
- ▶ The OPSC reviews the package
- ▶ The SAB approves and apportions the project in July
- ▶ The district submits DSA approved plans within one year from the date of apportionment (Type III only)
- ▶ The district requests a fund release and makes expenditures
- ▶ The district submits reports on expenditures
- ▶ The OPSC audits

The district must apply for Joint Use funding on the Application for Joint-Use Funding, Form SAB 50-07. The Form SAB 50-07 not only provides the OPSC with the specific Joint Use information such as type of Joint Use project and square footage eligibility, but it also serves as a certification by the district that they meet specific criteria of the law and regulations.

The funding package will be reviewed by the OPSC for completeness and placed on a statewide workload list. District representatives can view the workload list on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). If during the initial review, it is determined that information is missing, the district will be notified and given a timeframe to respond to the OPSC's request. In the event the OPSC does not receive the requested information within the given timeframe, the application will be returned to the district. The district may resubmit the application at anytime within the filing period, when they have all the components of a complete application.

Applications will be approved until there are no funds available. In this instance, all applications that do not receive funding will be returned to the district, and the district may resubmit the application in subsequent filing periods.

### PREPARING AN APPLICATION

The following chart lists the supporting documents for each type of Joint Use project that must be submitted with the Application for Joint-Use Funding, Form SAB 50-07:

Document	Type of Funding		
	Type I	Type II	Type III
Joint Use Agreement	⊙	⊙	⊙
DSA Approved Plans	⊙	⊙	
Preliminary Plans			⊙
California Department of Education preliminary plan approval			⊙
California Department of Education plan approval	⊙	⊙	⊙
Cost estimate for site development	⊙	⊙	⊙
Cost estimate for facility being built*		⊙	

\*If the project is for a Type II, Extra Cost

### JOINT USE GRANT AMOUNTS

With the exception of a Type II project for Extra Cost, the Joint Use grant will consist of a base grant for toilet and non-toilet facilities, which can be increased by certain supplemental grants. As of the date of this guidebook, the base grant is \$ 195 per square for toilet area and \$107 per square foot for non-toilet area. The grant amounts will be adjusted each year using the Class B index. Each project has a maximum state contribution of \$1 million for an elementary school, \$1.5 million for a middle school, and \$2 million for a high school.

### Supplemental Grants

The district can increase the Joint Use grant with certain supplemental grants. The following is a brief explanation of the supplemental grants under the Joint Use Program:

**Site Development.** A supplemental grant is provided for the purpose of developing the site where the project is located. If the Joint Use project is linked to a new construction project and site development costs are not covered under the new construction application because the site development is specific to the Joint Use project, the district may apply for the site development under the Joint Use project. If the Joint Use project is a stand-alone project, the district may apply for applicable site development costs that pertain to the Joint Use facility. Fifty percent of the following site development costs may be available for Joint Use projects:



- ▶ Service site development improvements are performed within school property lines and may include site clearance, rough grading, soil compaction, drainage, and eligible erosion control. This portion of the site preparation is accomplished prior to the general site development and construction of buildings.
- ▶ Utility service development includes improvements of water, sewer, gas electric, and telephone from the closest existing utility connection to the project site meter or major building lateral location.

Off-site development is not an allowable expenditure under the Joint Use Program.

**Geographic Location.** A supplemental grant is available to projects located in areas of California that are remote, difficult to access, or lack a pool of contractors. The augmentation to the Joint Use grant due to their geographic location can be found in Regulation Section 1859.83 (a).

**Small Size Projects.** A supplemental grant is available to districts with projects that house no more than 200 pupils. The grant is intended to provide additional funds for core facilities and to make up for the lack of economies of scale when districts build small projects. The Joint Use grant can be increased by 12 percent if the new construction project it is linked to houses less than 101 pupils, or four percent if the new construction project it is linked to will house over 100, but no more than 200 pupils. If the project is a Type III Joint Use project, the district is entitled to an eight percent increase to the grant.

**Urban Locations, Impacted Sites, Security Requirements.** Districts with projects in urban locations, on impacted sites, or in areas with security issues, may request a supplemental grant. Contact your project manager for qualifying information.

**Project Assistance.** For a Type III Joint Use project, the SAB may provide additional project grants for project assistance to small school districts with enrollment of 2,500 pupils or less. The additional grant of \$3,997 (as of the date of this guidebook) may be used for costs associated with the preparation and submission of the funding application. The grant will be adjusted each year using the Class B index.

**Type I Joint Use Grant.** A Type I Joint Use project must have square footage eligibility. The first step in determining the grant is to determine the square footage eligibility. The square footage eligibility for a Type I Joint Use project is based upon the number of pupils that will receive services in the facility, multiplied by the square footage that is allocated for that type of facility in the Chart of Square Footages, located in Regulation Section 1859.124.1.

Once the square footage eligibility for a Type I is established, the grant can be determined. The base grant is calculated by adding the following:

- ▶ \$195 for Toilet Square footage in the facility
- ▶ \$107 for Non-toilet Square footage in the facility
- ▶ 50% of applicable supplemental grants

If the district is building area beyond their square footage eligibility, the OPSC will prorate the grant by determining the percentage of the whole facility that represents the joint use project, and the grant will be determined using that percentage.

**Type II Joint Use Grant (Increased Size).** A Type II Joint Use project that increases size must have square footage eligibility. The first step in determining the grant is to determine the square footage eligibility. The square footage eligibility for a Type II Joint Use project that increases the size of the project is calculated by first determining what size facility the district is entitled to based upon the CBEDS and the Chart of Square Footages, located in Regulation Section 1859.124.1. Then simply subtract this amount from the actual square footage being built, and the difference is the square footage eligibility.

Once the square footage eligibility for a Type II is established, the grant can be determined. The first step in determining the grant is to take the square footage eligibility and divide it by the total square footage of the facility

being built. This will determine the percentage of the whole Joint Use facility that the increased size represents. The base grant then is calculated by multiplying this amount by:

- ▶ \$195 for Toilet Square footage in the facility
- ▶ \$107 for Non-toilet Square footage in the facility

In addition to the above, the project may be eligible for 50 percent of applicable supplemental grants.

**Type II Joint Use Grant (Extra Cost).** There is no square footage eligibility for a Type II that contains Extra Cost of the facility. The grant for a Type II Extra Cost can be determined by taking 50 percent of the construction cost of the whole Joint Use facility and any applicable service site development costs, and subtracting the base grant amounts of \$195 for toilet area in the project and \$107 for non-toilet area in the project. The difference is the extra cost.

**Type II Joint Use Grant (Increased Size and Extra Cost).** In some instances, a Type II project may be for both increased size and extra cost. The grant for a Type II project that increases the size and contains extra cost shall be calculated in the following manner:

- ▶ Start with the architect's cost estimate to construct the facility.
- ▶ Subtract the cost to build the standard size facility that the district would be entitled to based upon the Chart of Square Footages. Since this project is built beyond the standard size facility, first divide the square footage determined from the Chart of Square Footage, by the total Joint Use facility. This amount will determine the percentage of the whole facility that represents the standard size facility the district would otherwise be eligible for. Once this amount is determined, multiply this amount by the toilet facility area and by \$195 and by the non-toilet facility area and by \$107. This amount then becomes the amount to build the standard size facility.
- ▶ The difference is the grant amount for increased size and extra cost.
- ▶ Add any applicable service site costs.

**Type III Joint Use Grant.** A Type III Joint Use project cannot have an existing facility or the existing facility must be inadequate. A facility is considered inadequate when the square footage of the existing facility is less than 60 percent of the square footage entitlement shown in the Chart of Square Footages in Regulation Section 1859.124.1. A Type III Joint Use project must have square footage eligibility. If the existing facility meets the test of being inadequate, or there is not an existing facility, then the square footage eligibility for a Type III Joint Use project is the amount determined using the Chart of Square Footages.

Once the square footage eligibility for a Type III is established, the grant can be determined. The base grant is calculated by adding the following:

- ▶ \$195 for Toilet Square footage in the facility
- ▶ \$107 for Non-toilet Square footage in the facility
- ▶ 50% of applicable supplemental grants

If the district is building area beyond their square footage eligibility, the OPSC will prorate the grant by determining the percentage of the whole facility that represents the Joint Use project, and the grant will be determined using that percentage.

### **JOINT USE PARTNER PROJECT CONTRIBUTION**

The total State grant represents 50 percent of the total project cost, with the Joint Use partner providing the remaining 50 percent of the total project cost. By law, the district may not contribute the Joint Use partner share. The district need not have the entire 50 percent Joint Use partner contribution on deposit at the time that the project approval is made. However, when the project fund release is requested, the district must certify that the Joint Use partner's matching share has been deposited in the County School Facility Fund; has been expended by the district for the project; or will be expended by the district prior to the Notice of Completion for the project. The district representative should be aware that regardless of when the share is contributed to the project, at closeout the district must be able to show that 50 percent of the expenditures on the project were from funds provided by the Joint Use partner. If the district is unable to demonstrate the 50 percent expenditure requirement has been met, the apportionment will be reduced.

If there are project costs beyond the eligible project costs, those cost can be paid by the district, Joint Use partner, or any other local source.

### **FUND RELEASE**

After the funding application is approved and apportioned by the SAB, the next step in the process is the fund release to the County School Facilities Fund for use by the district.

The Joint Use grant is processed for release when the district submits a Fund Release Authorization (Form SAB 50-05). The Form SAB 50-05 submitted by the district is an important document that cannot be altered or modified by the OPSC. Therefore, an improperly completed Form SAB 50-05 will be returned with a letter of explanation to the school district for correction.

When a properly executed form is received, the OPSC sends a School Facilities Fund Release notification to the district representative and county office of education. The notification indicates the type of grant released, amount, school district, application number, school name, and date processed.

It is important to understand that a Form SAB 50-05 must be submitted within 18 months of the Joint Use grant apportionment by the SAB, or the grant will be rescinded without further SAB action. The only exception to this is if the Joint Use project is a Type III. If it is a Type III Joint Use project, the district has one year from the apportionment date to submit final DSA approved plans. Once the DSA approved plans are received by the OPSC, the district will have 18 months from that date to submit the Form SAB 50-05, or the grant will be rescinded without further SAB action.

The Form SAB 50-05 can be downloaded from the OPSC Web site. The properly executed Form SAB 50-05 should be submitted to:

Office of Public School Construction  
Accounting  
1130 K Street, Suite 400  
Sacramento, CA 95814

### **References:**

Education Code 17077.42  
SFP Regulation Section 1859.124.1, Square Footage Facility Chart  
SFP Regulation Section 1859.83 (a), Excessive Cost Hardship Grant, Excessive Cost due to Geographic Location

## Chapter 9

## Modernization Funding

In this chapter. . .

- ▶ Introduction
- ▶ Available Modernization Funding
- ▶ Funding Process
- ▶ Preparing an Application
- ▶ Modernization Grant Amounts
- ▶ Modernization Grant
- ▶ Supplemental Grants
- ▶ District Project Contribution
- ▶ SAB Approval Process
- ▶ Fund Release

### INTRODUCTION

The School Facility Program (SFP) provides funding assistance to school districts for the modernization of school facilities. The assistance is in the form of grants approved by the State Allocation Board (SAB), and requires a 40 percent local contribution. A district is eligible for grants when students are housed in permanent buildings 25 years old or older and relocatable classrooms 20 years old or older and the buildings have not been previously modernized with State funds. The grant amount is increased and funding for specific utility upgrades is allowed if permanent buildings to be modernized are 50 years old or over. See Chapter 4, Application for Eligibility.

The modernization grant (pupil grant) amount is set in law and is based on the number of students housed in the over-age facilities. In addition to the basic grant amount, a district may be eligible for supplemental grants depending on the type and location of the project. In some cases, districts unable to contribute some or all of the local match may be eligible for financial hardship. See Chapter 10, Financial Hardship for more information on this subject. Once the grants are determined for a project, a request is sent to the SAB for a modernization adjusted grant apportionment.

The modernization grant can be used to fund a large variety of work at an eligible school site. Air conditioning, insulation, roof replacement, as well as the purchase of new furniture and equipment are just a few of the eligible expenditures of modernization grants. A district may even use the grants to demolish and replace existing facilities of like kind. However, modernization funding may not be spent for construction of a new facility, except in very limited cases generally related to universal design compliance issues, or for site development.

This chapter explains the funding application process, typical requirements, and how to determine the modernization adjusted grant amount. It is important to understand that the discussion in this chapter focuses on the most common situations. There are many variations that may apply to specific projects that can not be covered in this brief overview. As always, the district representative should meet with the Office of Public School Construction (OPSC) project manager and discuss the district plan in detail.

### AVAILABLE MODERNIZATION FUNDING

There are two types of funding applications which may be made under the modernization program:

#### Modernization Adjusted Grant

A modernization adjusted grant is intended to provide the State's full share for all necessary project costs. In a typical project, a modernization adjusted grant includes the modernization grant (pupil grant) and any applicable supplemental grants as described in this chapter under "Supplemental Grants".

#### Separate Design

A separate design apportionment is available for districts that qualify for financial hardship. This apportionment represents 25 percent of the modernization grant<sup>1</sup>. Separate design funding is intended to allow a district to hire an architect to prepare the project plans for Division of the State Architect (DSA) approval. When the plans are complete

<sup>1</sup> SFP Regulation Section 1859.81.1, Separate Apportionment for Site Acquisition and Design Costs.

and approved, and the district is ready to request the remaining modernization adjusted grant, it will be reduced by the design apportionment previously made.

### FUNDING PROCESS

After applying for and receiving approval of modernization eligibility, the process of applying for funding is as follows:

- ▶ the district submits a funding application package;
- ▶ the OPSC reviews the package;
- ▶ the SAB approves the apportionment;
- ▶ the district requests a fund release and makes expenditures;
- ▶ the district submits reports on expenditures to the OPSC;
- ▶ the OPSC audits.

The application for modernization funding is made on a single form, the Application for Funding (Form SAB 50-04). The form serves as a vehicle to collect the information necessary to calculate the amount of grants applicable to the project, and also is a certification from the district regarding compliance with requirements of law and the SFP Regulations. The district is ready to submit the application for funding after receiving approval by the California Department of Education (CDE) and the DSA of the plans for the proposed modernization project. In most cases, the district has determined its eligibility for modernization grants on the Eligibility Determination (Form SAB 50-03) before applying for funding. However, if the district has not established eligibility for the project previously, it may submit the eligibility application with the funding application (see Chapter 4, Application for Eligibility).

The funding application is reviewed by the OPSC for completeness and placed on a workload list by date order received. District representatives can view the status of projects from the workload list that can be found on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). The funding applications are then processed in date order for presentation to the SAB for consideration of apportionment. Note that at this time, the OPSC will reduce the funding request by the amount of previous apportionments to the project made under the SFP or Lease-Purchase Program (LPP).

In some cases, the OPSC may find that an application lacks required information. If this is the case, the district is asked to provide the needed information within a specified time. If the district is unable to comply, the application may be returned unprocessed. If this occurs, the district may resubmit the application at any time after the needed information is available. When the application is resubmitted it will be added to the workload list with the new receipt date.

When the SAB has no funds to apportion the OPSC will continue to accept and process applications based on the date the application is received. The SAB will approve the application for placement on an unfunded list. An application for funding that is placed on an unfunded list is eligible for reimbursement pending the possible availability of future funding.

### PREPARING AN APPLICATION

A complete application package is an essential element of the process of receiving funding for the district's project. The information provided is the basis for determining the grant amounts that the district will receive. The following discussion outlines the major elements of a complete application. This information is not necessary for a separate design funding request, unless noted.

All applications require a complete Form SAB 50-04 and must be based on a previous eligibility approved or must have the eligibility approved as part of the package (see Chapter 3, Project Development Activities). Eligibility for 50 year old buildings is not separate from the other eligibility at the site. If the district is requesting increased funding for pupils housed in 50-year old buildings, site diagrams with the ages and square footages of those buildings must be provided with the application package. Also, please note that districts requiring financial hardship assistance must receive that status before filing a funding application (see Chapter 10, Financial Hardship). To complete the Form SAB 50-04 and to make the required certifications, the district representative will need at least the following supporting information.

### Final DSA Approved Plans and Specifications

A complete set of DSA approved plans and specifications is required for the modernization project. The submittal may be on CD-ROM or "Zip Drive" readable by AutoCAD® or a hard copy of the plans may be submitted. It is acceptable to submit the specifications on a diskette that is IBM compatible.

### Cost Estimate

A complete construction cost estimate signed by the architect or design professional is required for the modernization project. The construction cost as submitted to the DSA must equal at least 60 percent of the total project cost (district and State share).

### CDE Plan Approval Letter

The CDE must approve plans for modernization projects before they can be considered for funding under the SFP. The district should contact the School Facilities Planning Division (SFPD) of the CDE as early as possible in the planning process.

### District Certifications

As previously mentioned, the Form SAB 50-04 is also an official certification to a number of SFP requirements. The form and the instructions to the form provide specific detail about the certifications; however, some of the issues to which the district representative will have to certify are as follows:

- ▶ The district has established a "Restricted Maintenance Account" (see Chapter 13, Additional SFP Requirements and Features for more information).
- ▶ The facilities to be modernized were not previously modernized under the LPP.
- ▶ Contracts for the services of an architect, structural engineer, or other design professional which were signed after November 4, 1998 were obtained pursuant to a qualifications based competitive process (see Chapter 3, Project Development Activities for more information).
- ▶ The property to be modernized using SFP funds is either owned by the district or county superintendent or it is leased from another governmental entity. If the property is leased, the lease is for at least 40 years from a non-federal governmental agency or 25 years from a federal governmental agency. The cost of the lease is not an eligible cost under the SFP.
- ▶ If this request is for a large new construction or a large modernization project, the district has consulted with the career technical advisory committee established pursuant to Education Code Section 8070 and it has considered the need for vocational and career technical facilities to adequately meet its program needs in accordance with Education Code Sections 51224, 51225.3(b) and 52336.1.
- ▶ If the district is requesting an Additional Grant for Energy Efficiency pursuant to SFP Regulation Sections 1859.71.3 or 1859.78.5, the increased costs for the energy efficiency components in the project exceeds the amount of funding otherwise available to the district.
- ▶ The district has or will initiate and enforce a Labor Compliance Program that has been approved by the Department of Industrial Relations, pursuant to Labor Code Section 1771.7, if the project is funded from Proposition 47 and the Notice to Proceed for the construction phase of the project will be issued on or after April 1, 2003.

Finally, to reduce the need to submit extensive supporting documentation, the OPSC will ask that the architect of record or other design professional certify to the following:

- ▶ The date that the DSA approved the plans and specifications.
- ▶ The number of classrooms demolished and not replaced and the number of classrooms constructed. (This is necessary to verify that no new construction, except the replacement of demolished facilities, is done with modernization funds.)
- ▶ That the cost estimate for the work in the plans and specifications as submitted to the DSA is at least 60 percent of the total grant provided by the State's and district's matching share.

### MODERNIZATION GRANT AMOUNTS

The modernization grant is based on the number of pupils assigned to the project. This number may simply be the number of students enrolled at the site where the modernization will occur. This is usually true when all of the buildings at the site are 25 years or older for permanent buildings and 20 years or older for relocatable structures. In cases where only some of the buildings at the site are over age, and therefore eligible for modernization, the number of pupils assigned to the modernization project will probably be less than the total pupils on the site. The Form SAB 50-04 will assist the district in determining the proper number of pupils to be included in the application. When this number is determined, it is then possible to calculate the modernization grant amount as described in the next section. The following are the types of grants:

- ▶ Modernization Grant
  - Modernization Grant for 50-Year-Old Buildings
- ▶ Supplemental Grants

### MODERNIZATION GRANT

The pupil grant amount is intended to provide the State's share for all essential project costs, which include but are not limited to funding for design, the modernization of the building, education technology, unconventional energy, tests, inspections, and furniture and equipment. To calculate the district's modernization share, multiply the modernization grant by 0.6667.

#### Modernization Grant Calculation

The modernization grant for each pupil housed in buildings to be modernized is established by law<sup>2</sup>. The grant amount is adjusted every year in January, based on changes to the Class B construction cost index, by action of the SAB. As of January 2003, the modernization grants, which represent the State's 60 percent share of the project, are as follows:

#### ▶ Modernization Grant Amount

Classification	Modernization Grant Amount	Comments
Elementary Pupil	\$2,523	
Middle School Pupil	\$2,669	(Include grade six pupils if part of a 6–8 grade school.)
High School Pupil	\$3,494	
Special Day Class – Non-Severe	\$5,378	
Special Day Class – Severe	\$8,038	

#### ▶ Modernization Grant for 50-Year-Old Buildings

Classification	Basic Grant Amount
Elementary	\$ 3,504
Middle School	\$ 3,706
High School	\$ 4,852
Special Day Class – Non-Severe	\$ 7,469
Special Day Class – Severe	\$11,169

<sup>2</sup>Education Code Section 17074.10.

A modernization grant request must be for at least 101 pupil grants, or the remaining modernization eligibility at that school site if less than 101 grants are available.

### SUPPLEMENTAL GRANTS

The supplements are intended to recognize special costs associated with projects of a certain type or located in certain areas. The district also uses the Form SAB 50-04 to supply information related to the supplemental grants. There are many possible supplemental grants as follows:

- ▶ Project Assistance
- ▶ Fire Code Requirements
- ▶ Energy Efficiency
- ▶ Site Development for 50-Year-Old Buildings
- ▶ Geographic Location
- ▶ Small Size Projects
- ▶ Urban Locations, Impacted Sites, Security Requirements
- ▶ Rehabilitation
- ▶ Handicap Access and Fire Code Compliance
- ▶ Elevators

The following is a brief explanation of the supplemental grants:

#### Project Assistance

The SAB may provide additional project grants for project assistance to small school districts with enrollment of 2,500 pupils or less. The current additional grant of \$2,131 may be used for costs associated with the preparation and submission of the SFP eligibility and funding applications, including costs related to support documentation such as site diagrams. The grant amount will be adjusted each year using the Class B index. The district can find the current amount on the OPSC Web site.

#### Fire Code Requirements

The Modernization grant will be increased for each pupil in a project that includes an automatic fire detection and alarm system. The current increase is as follows:

#### ▶ Modernization Grant Increase

Classification	Grant Increase
Elementary Pupil	\$118
Middle School Pupil	\$146
High School Pupil	\$143
Special Day Class—Non-Severe	\$251
Special Day Class—Severe	\$376

The amounts shown above are the 80 percent State share and are adjusted annually in the same manner as the Modernization Grant.



### Energy Efficiency

A supplemental grant is available to districts with projects that have increased costs associated with plan design and other project components for school facility energy efficiency. The facilities in the proposed project must exceed the nonresidential building energy efficiency standards as specified in Title 24, Part 6 of the California Code of Regulations by 10 percent.

### Site Development for 50-Year-Old Buildings

A supplement grant is provided for the purpose of upgrading existing utilities as necessary for the modernization of 50 year or older permanent buildings. Sixty percent of the estimated utility costs, up to a maximum of twenty percent of the Modernization Grants (pupil grant), are available. Allowable utility cost fall under five categories<sup>3</sup>:

- ▶ Water
- ▶ Sewage
- ▶ Gas
- ▶ Electric
- ▶ Communication systems

It is important to understand that site development costs have restrictions on their use. The district representative should consult the SFP regulations and the OPSC project manager if he or she is unsure if a particular item is an allowable cost before including the work in the project.

If a district is requesting a supplemental grant associated with site development on the Form SAB 50-04, verification must be submitted to support the request. To assist in gathering the supporting detail, the OPSC has developed a Site Development Worksheet for Additional Grants that is located on the OPSC Web site. The district may use this worksheet or similar method to submit this information to the OPSC.

### Geographic Location

A supplemental grant is available to districts with projects that are located in areas of California that are remote, difficult to access, or lack a pool of contractors. A district may qualify and request an augmentation to the modernization grant because of their geographic location.

### Small Size Projects

A supplemental grant is available to districts with projects that house no more than 200 pupils. The grant is intended to provide additional funds to modernize core facilities and to make up for the lack of economies of scale for small projects. The modernization grant can be increased by 12 percent for a project that will house less than 101 pupils, or by four percent if the project will house over 100, but no more than 200 pupils.

### Urban Locations, Security Requirements and Impacted Sites

Districts with projects in urban locations on impacted sites may request a supplemental grant if:

- ▶ The useable site acreage for the project is 60 percent or less of the site size recommended by the CDE based on current CBEDS Report at the site at the time of the CDE final plan approval for the modernization project.

Urban locations on impacted sites are generally in areas of high population density. Districts with projects on these impacted sites are also faced with extra security requirements. The supplemental grant provides funds for security fences, watchpersons, increased premiums for insurance for contractors, and storage or daily delivery of

<sup>3</sup>SFP Regulation Section 1859.78.7, "Modernization Additional Grant for Site Development Necessary for 50 Years or Older Permanent Buildings".

construction materials to prevent theft and vandalism. If a district requests grants due to these circumstances, the OPSC will verify the district's eligibility pursuant to the CDE Final Plan Approval letter.

If the above criterion is met, the urban supplemental grant is calculated on a sliding scale as follows:

**► Modernization Urban Grant Adjustment**

**If...**

the useable acres are 60 percent of the CDE recommended site size, as described above...

**Then...**

the urban grant adjustment is 15 percent of the Modernization Grant and of the funding for small size projects\*, and

a 0.333 percent increase to the urban grant adjustment for each percentage decrease in the CDE recommended site size below 60 percent.

\* SFP Regulation Section 1859.83(b), "Excessive Cost for Projects that House No More than 200 Pupils (Small Size Project)"

**Rehabilitation**

A district may apply for the rehabilitation of facilities that the SAB has determined are an imminent health and safety risk to the pupils, if the cost/benefit analysis to mitigate the problem and remain in the building is less than 50 percent of the current replacement cost. If the district qualifies, the district is eligible for funding of rehabilitation costs as a modernization project.

**Handicap Access and Fire Code Compliance**

A district may receive an additional three percent increase in the modernization grant for handicap access and fire code requirements. The OPSC must be able to verify this request from the plans and specifications.<sup>4</sup>

**Elevators**

If the DSA requires 2-stop elevators in the modernization project, the modernization grant will be increased by \$67,387 for each two stop elevator. The district must attach the DSA letter that requires the elevators be included in the project for handicap access compliance. The modernization grant will be increased by \$12,128 for each additional stop required.<sup>5</sup> The grant amount will be adjusted annually using the Class B index.

**DISTRICT PROJECT CONTRIBUTION**

Every modernization application is a joint funding effort between the local school district and the State through the SFP. The State grant is discussed in the section entitled "Modernization Grant", earlier in this chapter. The total State grant represents 60 percent of the total project cost, with the district contributing the remaining 40 percent of the necessary funding.

The district contribution may come from virtually any source. The sole exception is that when savings from another SFP project are used as match, it must be from a modernization project only. This restriction exists due to legal requirements pertaining to the bond funds, which the State uses as a program-funding source.

The district need not have the entire 40 percent local contribution on deposit at the time that the project approval is made. However, at the time of the project fund release, the district must certify that the district's match-

<sup>4</sup> SFP Regulation Section 1859.83(f), "Excessive Cost Hardship Grant".

<sup>5</sup> SFP Regulation Section 1859.83(f), (1) and (3), "Excessive Cost Hardship Grant".

ing share has been deposited in the County School Facility Fund; has been expended by the district for the project; or will be expended by the district prior to the Notice of Completion for the project. Thus the district has considerable flexibility in how the local share is arranged and contributed. The district representative should be aware, however, that regardless of when the share is contributed to the project, the district must be able to show at closeout that 40 percent of the expenditures on the project were from local sources. If the district is unable to demonstrate the 40 percent expenditure requirement has been met, the apportionment will be reduced.

### **Unable to Meet the Contribution**

Districts that are unable to contribute all of the 40 percent local share of a project, can pursue financial assistance through the financial hardship provisions of the SFP. Districts must submit financial data to the OPSC for “pre-approval” of financial hardship status (see Chapter 10, Financial Hardship) before submitting a funding application. In addition, this “pre-approval” enables districts to request a separate apportionment for design costs, if necessary.

### **SAB APPROVAL PROCESS**

The SAB approval can either be an apportionment or “unfunded” approval, depending on the availability of funds for modernization. If there are no funds available, the project will be placed on a list of unfunded projects to await possible future funding.

### **FUND RELEASE**

After the funding application is apportioned by the SAB, the next step in the process is the actual fund release to the County School Facilities Fund for use by the district.

The SFP grant is processed for release when the district submits a Fund Release Authorization (Form SAB 50-05). The Form SAB 50-05 submitted by the district is an important document that cannot be altered or modified by the OPSC. Therefore, an improperly completed Form SAB 50-05 will be returned with a letter of explanation to the school district for correction.

When a properly executed form is received, the OPSC sends a School Facilities Fund Release notification to the district representative and county office of education. The notification indicates the type of grant released, amount, school district, application number, school name, and date processed.

It is important to understand that a Form SAB 50-05 must be submitted within 18 months of the SFP grant apportionment by the SAB, or the entire new construction or modernization adjusted grant will be rescinded without further SAB action. If this should happen, the pupils housed in the project will be added back to the district's eligibility and the district may re-file the application at any future time.

The Form SAB 50-05 can be downloaded from the OPSC Web site. A replica of the form can be found in Appendix 3, SFP Required Forms. The properly executed Form SAB 50-05 should be submitted to:

Office of Public School Construction  
Accounting  
1130 K Street, Suite 400  
Sacramento, CA 95814

# Chapter 10 Financial Hardship

In this chapter . . .

- ▶ Introduction
- ▶ Qualifying for Financial Hardship Assistance
- ▶ Financial Hardship Assistance Request
- ▶ Approval of Financial Hardship Assistance
- ▶ Renewal of Financial Hardship Assistance

## INTRODUCTION

Financial hardship assistance is available for those districts that cannot provide all or part of their funding share of a School Facility Program (SFP) project. In order to receive financial hardship assistance, a district must have made all reasonable efforts to raise local funding and must also demonstrate that it is unable to contribute all or a portion of the matching share requirement.

If the district meets the financial hardship criteria, it is eligible for financial assistance for new construction or modernization projects. It may also be eligible for a separate apportionment for the following:

- ▶ For new construction or modernization projects, an early apportionment for design costs.
- ▶ For new construction projects, an early apportionment for site acquisition.

A district seeking financial assistance must have an approved financial hardship status prior to submitting an Application for Funding (Form SAB 50-04) for either a new construction or modernization grant request. In order to obtain this approval the district must provide verification that a reasonable effort was made to meet the district's matching share requirement, and must have confirmation from the Office of Public School Construction (OPSC) that the district is unable to contribute the entire matching share requirement. When this is accomplished, the OPSC will recommend that the district be approved as a financial hardship and will send a 'pre-approval' letter to the district.

## QUALIFYING FOR FINANCIAL HARDSHIP ASSISTANCE

To apply for financial hardship, send a letter to the OPSC Financial Hardship Audit Unit stating why the district is requesting financial hardship. Along with the letter, the district must submit the documents listed below:

### ▶ Documentation for Financial Hardship Application

Legal Requirement	Financial Documentation Required
Levy maximum developer fee allowed	School Board Resolution regarding developer fees
Demonstrate local effort to raise revenues	Evidence of least one of the following: <ul style="list-style-type: none"> <li>• Debt level at 60 percent of bonding capacity</li> <li>• Total district bonding capacity less than \$5 million</li> <li>• The district had a successful registered voter bond election for at least the maximum allowed under Proposition 39 within the previous 2 years.</li> <li>• Other evidence which demonstrates that all reasonable local efforts have been made as approved by the SAB</li> </ul>

*continued on following page . . .*

► **Documentation for Financial Hardship Application**

**Legal Requirement**

Financial inability to contribute the match

**Financial Documentation Required**

- Evidence that facility funds are not available:
- Financial Hardship Project Worksheet
  - Financial Hardship Worksheet
  - Latest independent audit reports
  - Encumbrances
  - Expenditure reports
  - Listing of the district’s unused sites
  - Forms SAB 50-01 and SAB 50-02 for “interim housing” allowance calculation for new construction projects only

If the financial hardship package is incomplete, a letter will be sent to the district requesting the necessary documentation to make the request complete. If the requested information is not submitted in a timely manner, the request will be returned unprocessed. The district may re-file the request whenever the missing documents become available.

County offices of education do not need to provide documentation regarding developer fees or evidence of reasonable effort to raise local funds.

**FINANCIAL HARDSHIP ASSISTANCE REQUEST**

In order to qualify for financial hardship assistance, the school district must demonstrate that it has made all reasonable efforts at the local level. The district must also provide evidence that it is unable to pay all or a portion of the district’s share of the project. The process of providing the required evidence is discussed in this section.

**Evidence of Reasonable Effort to Fund Matching Share**

As previously mentioned, the law requires that a district seeking financial hardship assistance must demonstrate that all reasonable efforts have been made to raise local revenues for the SFP match requirement. The State Allocation Board (SAB) has adopted regulations that set criteria to determine that this requirement is met. The district must be levying developer fees at the maximum rate justified by law and must verify it meets at least one of the following:

**Bonding Capacity and Indebtedness Threshold.** The current outstanding indebtedness of the district, at time of financial hardship request, is at least 60 percent of the district’s total bonding capacity. A district with a total bonding capacity of less than \$5 million meets this requirement regardless of the level of indebtedness. Outstanding indebtedness includes General Obligation Bonds, Mello-Roos Bonds, School Facility Improvement District Bonds and Certificates of Participation (COPs) that was issued for capital outlay school facility purposes, on which the district is paying a debt service.

The required documentation needed is a certification from the county auditor controller stating the district’s assessed valuation, outstanding indebtedness, and remaining bonding capacity.

**Voter Bond Election.** The district had a successful registered voter bond election for at least the maximum amount allowed under Proposition 39 within the previous two years from the date of request for financial hardship status. The proceeds from the bond election that represent the maximum amount allowed under the provisions of Proposition 39 must be used to fund the district’s matching share requirement for SFP project(s).

The required documentation needed:

- Copy of ballot issue.
- Original bond election estimates that support the amount of bond for which the district sought election.
- Date of election; amount of bond; purpose of bond; percent of “Yes” vote on bond.
- Copy from County Auditor-Controller certifying the district’s current bonding capacity and outstanding indebtedness.

**County Superintendent of Schools.** A county superintendent of schools automatically meets the reasonable effort. The County Superintendent must then complete a financial review to determine the level of financial assistance needed.

**Other Evidence of Reasonable Effort.** If the district does not meet the reasonable effort requirements outlined above, it may present to the SAB other evidence of reasonable efforts to fund its matching share. This can be done using a School District Appeal Request (Form SAB 189). This form and instructions for completing the form are available on the OPSC Web site. In addition to the completed Form SAB 189, the district must also submit updated Financial Hardship Worksheets for each fund within the Capital Project Funds and the latest independent audit report. If the hardship justification is approved by the SAB, the district may then file its request for financial hardship using the approved SAB item as evidence of having met the reasonable effort test to fund its matching share for its projects. The district must then submit all of the requested financial documents necessary for a final financial hardship review, as described in the table "Documentation for Financial Hardship Application" on page 55.

### Financial Review

The OPSC will conduct an analysis of the district's financial information to verify that the district is unable to provide all or a portion of the necessary matching funds for an eligible project. The analysis will include the applicant's financial records including those maintained by the California Department of Education (CDE) and the county office of education. The review will determine whether available non-operational funds and savings from other SFP projects are sufficient to fund all or a portion of the matching share requirements on a project. See Regulation Section 1859.81 for more information on the financial review.

**Financial Hardship Project Worksheet.** This is used by the OPSC to estimate the district's share of the project. The district must submit a separate Financial Hardship Project Worksheet for each project for which it is requesting financial assistance. The worksheet can be found on the OPSC Web site.

**Financial Hardship Worksheet.** This worksheet is used by the OPSC to determine the amount of the cash contribution to be provided by the district. These worksheets are based on the latest independent audit report and then brought current to application date with subsequent transactions that have occurred in the funds. Detail of the expenditures made for the subsequent events must accompany this worksheet. If this is not submitted, all of the expenditures shown will be disallowed and deemed as "funds available".

On the worksheet, the district will identify restricted funds such as class size reduction, as well as the purpose for any restrictions on funds, and will identify all bonds and COPs authorized and sold to date of financial hardship request. If the district has unsold bonds or COPs, possible restrictions on the use of these funds should be noted.

**Latest Independent Audit Report.** The district's latest independent audit report is used by the OPSC to verify the financial condition of the district. The district must submit the entire audit report.

### Developer Fee Information

The district must be levying developer fees at the maximum rate justified under law or have an alternative revenue source equal to or greater than the developer fee otherwise justified.<sup>1</sup> As evidence, please include a copy of the resolution from the district's school board authorizing the levying of the fee. If the district is not levying the maximum fee allowed by law in accordance with current statute, include a copy of the district's recent Implementation Study and/or the Needs Analysis to support the amount being levied or justification for an alternative revenue source.

If the district entered into an agreement with a city, county, or other government entity regarding developer fees, please submit a copy of that agreement. In addition, please submit documents showing the amount of fees that could have been collected during the time frame of the agreement versus the amount that was actually collected and shown as revenue for the district.

<sup>1</sup> Education Code Section 17075.10.

If the district received any benefit, building, land, etc., in lieu of developer fees please submit documentation regarding the “in lieu” received and the value of the developer fees that were negated due to the “in lieu” agreement(s). If the district did not enter into agreements regarding developer fees, please submit a statement to that effect.

The current developer fees can be found on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). Developer fee amounts are adjusted every even numbered year at the January State Allocation Board (SAB) meeting based on an index specified in law. In order to maintain financial hardship eligibility, districts must implement the new developer fee within six months after an index change.

**Encumbrances.** The district must provide contracts and all other documentation supporting any encumbrances or obligations the district is claiming. All funds identified that have not been expended or encumbered by a contractual agreement for a specific capital outlay purpose prior to the initial request for financial hardship status shall be deemed available as a matching contribution.

**Interim Housing Deduction from Available District Funding.** From the funds available as a matching housing contribution, the district may retain \$19,776 per classroom in each enrollment reporting period for the cost to provide interim housing for the currently unhoused pupils of the district. In addition, from the fund available as a matching contribution, the district may also retain \$19,776 per approvable portable toilet unit in each reporting period for the cost to provide interim toilet facilities for the currently unhoused pupils of the district. This amount is adjusted annually. The current amount can be found on the OPSC Web site.

**Expenditure Reports.** The district must submit expenditure reports, Summary of Expenditures and Construction Progress (Form SAB 184) and Detailed Listing of Warrants Issued by the District (Form SAB 184A), for each project for which the district is requesting financial hardship. If no funds have been spent on a project, the district must submit a statement to that effect. The OPSC will review any prior apportionment and the expenditures reported. All expenditures above and beyond a prior apportionment will be considered as a matching contribution. The SAB will not reimburse the district for expenditures made prior to the financial hardship approval.

**Listing of the District’s Unused Sites.** The district must submit a listing of the district’s unused sites and intended use. If the district has no unused sites, submit a statement to that effect.

## **APPROVAL OF FINANCIAL HARDSHIP ASSISTANCE**

Once the financial hardship review is complete, the OPSC will send a letter to the district stating the available funds and expenditures that will be considered available for match purposes. If the district disagrees with the OPSC’s findings, the district may submit additional information for consideration. Once the district has been approved for financial hardship (has a pre-approval letter), the district may submit its Form SAB 50-04, for the projects and specific phases listed in the financial hardship approval letter.

When a district is approved for financial hardship, the approval is valid for six months. If, within the six months, the district wishes to submit additional applications or phases of a previously approved project, it must have a pre-approval letter for those additional specific projects or subsequent phases prior to filing the Form SAB 50-04. To obtain pre-approval within the six months, the district must submit a Financial Hardship Project Worksheet for the project along with expenditure reports. The district does not need to update other financial information unless the six month period is past.

If the district’s request for financial hardship status is denied by the Board, the district may be eligible for rental payments of \$2,000 per year per classroom under the Emergency School Classroom Law of 1979 for a two year period when relocatable classroom buildings are available and the district provides financial documentation satisfactory to the Board that it is unable to afford the full rental amount.

**Subsequent Financial Hardship Request**

Once a district receives funding as a financial hardship, the district should be aware that for a period of three years, all capital facilities funding received by the district from any source will be considered available for the matching share on a future financial hardship request. The exceptions are:

- ▶ Approved interim housing expenditures;
- ▶ Funding to pay for multiyear encumbrances approved at the initial financial hardship approval;
- ▶ Funding that is transferred into a Special Reserve Fund and is used for the purpose of the Federal Renovation Program;

**RENEWAL OF FINANCIAL HARDSHIP ASSISTANCE**

If the district does not submit an Application for Funding (Form SAB 50-04) within six months of the OPSC notification of approval of financial hardship status, the district must re-qualify for financial hardship status by submitting a new request for financial hardship status.

The district will need to update its financial information by providing all required documentation as listed in the table "Documentation for Financial Hardship Application" on page 55 .

**Financial Hardship Review for Financial Hardship Projects on Unfunded List**

If a district's project(s) has been included on an unfunded list for more than 180 calendar days, a review of the district's funds will be made to determine if additional district funds are available to fund the district's matching share of the project(s).



## Chapter 11

## Facility Hardship Grant

In this chapter . . .

- ▶ Introduction
- ▶ Eligibility for Facility Hardship Grants
- ▶ Application and Approval Process
- ▶ Interim Housing

**INTRODUCTION**

Under very limited circumstances, a need to replace or construct new facilities may exist for reasons other than enrollment growth. For instance, a classroom or support facility may no longer be safe to occupy due to a structural failure or other severe health threat. To address these unusual situations, the State Allocation Board (SAB) has developed a facility hardship grant. The purpose of the grant is to assist districts with funding where it has been determined that the district has a critical need for pupil housing because the condition of the facilities, or the lack of facilities, presents an imminent threat to the health and safety of the pupils.

By definition a facility hardship is an unusual, often unique situation. It is difficult to describe a “normal” process since each request must be reviewed and analyzed on a case-by-case basis. This chapter outlines the process but by no means addresses all possible facility hardship situations. When a significant and serious threat exists to the health and safety of students or staff in any public school environment or if an existing facility has been destroyed by natural disaster, the district should contact the Office of Public School Construction (OPSC) project manager for guidance.

**ELIGIBILITY FOR FACILITY HARDSHIP GRANTS**

To be eligible for a facility hardship grant the district must demonstrate that one of two conditions exists: facilities must be replaced due to an imminent health and safety threat, or existing facilities have been lost to fire, flood, earthquake or other disaster. If the district is able to qualify for a facility hardship grant under one of these two conditions, there must also be an unmet need to repair or replace the facility to accommodate projected enrollment. In other words, the facility to be replaced must be needed to house students under the standards of the School Facility Program.

**Replacement Due to Imminent Health or Safety Hazard**

In this case, existing facilities must be replaced to ensure the health and safety of the pupils because of circumstances such as the following:

- ▶ An imminent hazard exists because the existing facilities are in close proximity to a major freeway, airport, electrical facility, high power transmission lines, dam, pipeline, industrial facility, adverse air quality emission source; or
- ▶ The existing facilities have serious structural deficiencies, which must be repaired or corrected as specified by the Division of the State Architect (DSA); or
- ▶ There are existing traffic safety problems; or
- ▶ The pupils live in a remote area and transportation to existing facilities is not possible or poses a serious threat to the health and safety of the pupils; or
- ▶ Other situations exist which pose a threat to the health and safety of the pupils.

A facility hardship approval to replace facilities is limited to the most severe instances of need. Clear demonstration that the health and safety of the children is in jeopardy is needed.

**Documentation.** Typical supporting documentation should be in the form of written statements reports by a qualified expert or specialist appropriate for the specific area of concern. This documentation must be then reviewed and written concurrence provided by the appropriate experts representing local or State agencies that have jurisdiction relating to the problem area. For example, air quality threats might involve a medical doctor or other certified professional on staff at the county or State Department of Health; traffic problems might be supported by the California Highway Patrol, and so forth. If structural deficiencies are the basis of safety concerns, a licensed structural engineer's report illustrating that the structure is out of compliance with codes in place at the time of original construction with DSA's concurrence will be required. In any case, the statement provided to the OPSC must indicate how the problem poses an immediate threat to the health and safety of the children. Refer to Appendix 2, Potential State Agency Involvement for possible contact information.

**Cost/Benefit Analysis.** If the district has substantiated a health and safety issue and wishes to replace existing facilities, a cost/benefit analysis must be prepared and submitted to the OPSC. The analysis should include only the minimum work necessary to mitigate the identified health or safety problems and compare these with the cost to replace the facility. The cost/benefit analysis may include applicable site development costs.

If the request is for replacement facilities that are needed as a result of structural deficiencies, the cost/benefit analysis must also include a report from a licensed design professional identifying the minimum work necessary to obtain the DSA's approval. The cost/benefit analysis must include a narrative of the structural deficiencies and a description of the repair approach required to perform the minimum work necessary to obtain DSA's approval to mitigate the facility's threat to the health and safety of the students and staff. The analysis must also include a detailed cost estimate for the minimum work necessary described in the narrative. "Soft costs" such as architect fees, testing and inspection may be included in the cost estimate as a separate line item but should not be included in the cost/benefit analysis. The analysis and detailed cost estimate must be signed by the authoring licensed design professional. The OPSC requires the district to submit the DSA's concurrence with the report.

If the total cost to mitigate the health or safety problem and remain in the facility exceeds 50 percent of the Current Replacement Cost of the facility, it can be considered for abandonment and replacement. However, if the cost to remain in the facility is less than 50 percent of the Current Replacement Cost, the district may qualify for Rehabilitation. A qualifying Replacement project will receive 50 percent of the eligible cost. A Rehabilitation project will receive 60 percent of eligible costs. For more information, refer to Chapter 9, Modernization Funding.

### Facilities Lost or Destroyed as a Result of a Disaster

A district may apply for the replacement of school facilities that were lost or destroyed as a result of a disaster, such as fire, flood or earthquake, for the following facility types:

- ▶ Classroom or related facility
- ▶ Library/media center
- ▶ Multipurpose room
- ▶ School administration
- ▶ Gymnasium
- ▶ Toilet

Qualifying facilities must be required to ensure the health and safety of the pupils and must no longer be useable for school purposes as recommended by the California Department of Education and approved by the SAB. The district is also required to demonstrate satisfactorily to the State Allocation Board (SAB) that the facility was uninsurable or the cost of insurance was prohibitive.

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**Documentation.** Supporting documentation for facility hardship requests for the replacement of lost or destroyed facilities would include the following:

- ▶ Photos and written verification from the appropriate expert that documents the loss or the extent of damage to the school facility.
- ▶ Copy of the district's insurance policy that documents the level and type of coverage provided.
- ▶ Written verification from the district's insurance carrier that documents the amount of funds that the district has and/or will recover as a result of the disaster.
- ▶ If the facility is damaged, as opposed to entirely destroyed, the district must submit a licensed structural engineer's report, as outlined in this chapter, illustrating the extent of the damage and that the facility poses an immediate threat to the health and safety of the students and staff. The district would also be required to submit a cost/benefit analysis, as outlined in this chapter, signed by the authoring licensed design professional. The OPSC requires the district submit the DSA's concurrence with the report.

### **APPLICATION AND APPROVAL PROCESS**

In addition to the documentation supporting the health and safety issue and the cost/benefit analysis, as applicable, all facility hardship requests must also include the following:

- ▶ An Application for Funding (Form SAB 50-04) completed as applicable to make the initial request for conceptual approval by the State Allocation Board for the specific facility hardship type.
- ▶ A School District Appeal Request (Form SAB 189) that summarizes the district's request for a facility hardship including how the condition presents an imminent threat to the health and safety of the students and staff.
- ▶ A plot diagram that indicates the overall site layout, the facilities designation of the buildings and square footage. The diagram should indicate the specific structures at the school site for which the facility hardship request is being submitted.

After the analysis of the report(s) and review of the cost by the OPSC, an item will be prepared for presentation to the SAB for consideration of conceptual approval. If the SAB approves the district's request for new or replacement facilities, the district is eligible for funding as a new construction project. The district can then proceed with hiring an architect in order to complete plans, obtain DSA approval, and apply for funding grants. A district that receives a conceptual approval has 18 months, or 24 months if a new replacement school site is required, to submit a complete funding application (including DSA plan approvals, cost estimates, etc.). Funding for a Facility Hardship is subject to the availability of funds.

### **INTERIM HOUSING**

To remove students from unsafe situations as soon as possible, districts eligible for facility hardship are encouraged to apply for relocatable classrooms under the OPSC's State Relocatable Classroom Program. In some instances, the SAB may consider reduced rental payments during the life of the emergency situation. For additional information regarding this program, please access the OPSC Web site at [www.dgs.opsc.ca.gov](http://www.dgs.opsc.ca.gov) for the State Relocatable Handbook and to obtain names of contacts that can assist you.

### **References:**

- Regulation Section 1859.76, "Additional Grant for Site Development Costs."
- Regulation section 1859.82, "Facility Hardship Grant."
- Regulation Section 1859.83, "Excessive Cost Hardship Grant."

# Chapter 12 Program Accountability

In this chapter. . .

- ▶ Introduction
- ▶ Progress Report
- ▶ Expenditure Report
- ▶ Expenditure Audit

## INTRODUCTION

The School Facility Program (SFP) has significantly increased program flexibility and responsibility at the local level, while reducing the State’s oversight role. In general, the State’s fiscal concerns are limited to verifying that the expenditures and certifications of program requirements made by the district for the project comply with the law, that the district followed applicable State requirements pertaining to construction and to verify that the project progresses in a timely manner as specified in statute. To assist with this oversight, a district is required to submit expenditure reports and evidence of progress during the construction of the project. On a project that requires less than a year to complete, only an expenditure report is required.

## PROGRESS REPORT

The SFP requires that an approved project be constructed within certain time frames. To ensure that this happens, evidence of progress is generally due after funds are released to the district for the project<sup>1</sup>. The specific evidence required and the timeframe for submitting such evidence depends on the type of funding received. The possible types of funding include Separate Design (Financial Hardship), Separate Site (Financial Hardship), Separate Site (Environmental Hardship), and/or Adjusted Grant. The table below defines the specific criteria for meeting the substantial progress requirement and indicates the filing time requirements based on the type of funding received.

### ▶ Substantial Progress Reports

Funding Received	Due Date for Submitting Evidence of Progress	Evidence of Progress Required
Separate Design (Financial Hardship project only)	18 months from Fund Release	<p><i>One of the following:</i></p> <ul style="list-style-type: none"> <li>• Submittal of a complete Adjusted Grant funding application package to the OPSC.</li> <li>• Submittal of a district certification that complete plans and specifications have been submitted to the Division of the State Architect (DSA).</li> <li>• Submittal of a complete Separate Site funding application package to the OPSC.</li> </ul> <p><i>Or:</i></p> <ul style="list-style-type: none"> <li>• Submittal of a narrative of evidence, satisfactory to the SAB, detailing why complete plans have not been submitted to the DSA.</li> </ul>

*continued on following page. . .*

<sup>1</sup> In cases where separate site environmental hardship funds are involved, the due date is based on the apportionment date instead of the fund release date.

► Substantial Progress Reports...

Funding Received	Due Date for Submitting Evidence of Progress	Evidence of Progress Required
Separate Site (Financial Hardship)	18 months from Fund Release*	<p><i>Submittal of a progress report certifying that all of the following have been achieved:</i></p> <ul style="list-style-type: none"> <li>• Obtain the final site appraisal.</li> <li>• Complete all California Environmental Quality Act (CEQA) requirements.</li> <li>• Obtain final California Department of Education (CDE) site approval.</li> <li>• Obtain final escrow instructions or evidence the district has filed condemnation proceedings and intends to request an order of possession of the site.</li> </ul> <p><i>Or:</i></p> <ul style="list-style-type: none"> <li>• Submittal of a narrative of evidence, satisfactory to the SAB, detailing the circumstances (beyond district control) which precluded progress from being achieved.</li> </ul>
Separate Site (Environmental Hardship)	12 months from the apportionment date or anniversary of conversion from Separate Site Financial Hardship, and on each subsequent anniversary if necessary.	<p><i>Submittal of one of the following:</i></p> <ul style="list-style-type: none"> <li>• A progress report satisfying the same criteria set forth for Separate Site (Financial Hardship) funding.</li> <li>• A request for an extension (which is supported by written letters of concurrence from the DTSC and the CDE).</li> <li>• Other reasonable evidence of effort the district has made.</li> </ul>
Adjusted Grant	18 months from Fund Release†	<p><i>Submittal of a progress report certifying one of the following:</i></p> <ul style="list-style-type: none"> <li>• 75 percent of site development work necessary prior to construction is complete.</li> <li>• 90 percent of construction activities have been contracted for.</li> <li>• 50 percent of construction activities are complete.</li> </ul> <p><i>Or:</i></p> <ul style="list-style-type: none"> <li>• Submittal of a narrative of evidence, satisfactory to the SAB, detailing the circumstances (beyond district control) which precluded progress from being achieved.</li> </ul>

\* If toxic substance issues are delaying site progress, the district may convert the site apportionment to an Environmental Hardship apportionment. Environmental hardship projects may request annual extensions with appropriate substantiation.

† The progress-reporting requirement for Adjusted Grant funding can be suspended if one of the following occur before the reporting deadline:

- The district submits a Notice of Completion for the project. If more than one construction contractor is involved in the project, a Notice of Completion is required for each construction contract.
- The district submits an Expenditure Report (Form SAB 50-06), which shows that the project is substantially close to 100 percent completion.

**Substantial Progress Audit**

Upon receipt of the substantial progress report, the OPSC will analyze the information and will notify the district within 60 days if it intends to recommend to the SAB that the evidence submitted does not demonstrate substantial progress. If the OPSC does not respond to the district within 60 days of submittal, the OPSC concurs with the district that substantial progress has been made.



### EXPENDITURE REPORT

Throughout the construction period of a project, the district will file one or more expenditure reports. The first expenditure report is due one year after the first fund release or upon completion of the project, whichever occurs first. Additional expenditure reports are due annually from the date the first report is due until the project is complete. A project is considered complete when either of the following occur:

- ▶ The notice of completion for the project has been filed.
- ▶ Three years from the date of the final fund release for an elementary school project or four years from the date of the final fund release for a middle or high school project.

### Preparing the Expenditure Report

A district submits a record of project expenditures by using the Expenditure Report (Form SAB 50-06). This form allows the district to report all expenditures from district and State funds in summary form. To support the Expenditure Report, the Office of Public School Construction (OPSC) has developed an Expenditure Worksheet which is available on the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). The district is encouraged to use this worksheet to gather and record the expenditure detail and to accompany the Form SAB 50-06.

### EXPENDITURE AUDIT

Within two years of receipt of the final expenditure report from the district, the OPSC must initiate an audit of the expenditures. The purpose of the expenditure audit is to assure that project expenditures have been made in accordance with the laws and regulations that govern the SFP. If the district is not notified by the OPSC within that time frame that an audit will be made, the expenditures submitted by the district and certifications made on the Forms SAB 50-04 and SAB 50-05 will be accepted. If the OPSC has notified the district that an audit will be made, the OPSC must complete the audit within six months, unless additional documentation requested from the district has not been received.

### Eligible Expenditures

The following table lists those expenditures that are typically eligible costs under the SFP:

▶ Eligible Expenditures		
Expenditure	New Construction	Modernization
Acquisition and installation of portable classrooms	⊙	
Acquisition and conversion of an existing government or privately-owned building, or privately-financed school building	⊙	
Construction	⊙	⊙
Construction management	⊙	⊙
Demolition	⊙	⊙
Design	⊙	⊙
Engineering	⊙	⊙
Fire safety improvement		⊙
Furniture and Equipment (including telecommunication equipment to increase school security)	⊙	⊙

*continued on following page...*

► Eligible Expenditures. . .

Expenditure	New Construction	Modernization
Identification, assessment, or abatement of hazardous asbestos		⊙
Inspection	⊙	⊙
Landscaping	⊙	
Necessary utility costs	⊙	⊙
Plan checking	⊙	⊙
Playground safety improvements		⊙
Purchase and installation of air-conditioning equipment and insulation materials and related costs		⊙
Replacement of portable classrooms		⊙
Seismic safety improvements		⊙
Site acquisition	⊙	
Site development	⊙	⊙ *
Testing	⊙	⊙
Upgrading of electrical systems or the wiring or cabling of classrooms in order to accommodate educational technology		⊙
Utility connection and other fees	⊙	⊙

\* For 50 years or older modernization projects utilities work only, for permanent facilities, per Regulation Section 1859.78.7.

**Site Closeout Reviews**

Based on recent changes in the law, districts that receive funding for “clean sites” will be audited based on Regulation Section 1859.74, in which the district may be entitled to 50 percent of the lesser of the appraised or actual purchase price of property. Districts that purchase sites that require hazardous waste removal substantiated by a Response Action, will be eligible to receive 50 percent of one and one-half times the value of the site to monitor and clean the site. Additional costs beyond this new cap will be subject to provisions contained in section 1879.74.2 and following.

**Ineligible Expenditures**

District representative should be aware that some expenditures are not permitted under the SFP. If the district representative is uncertain about a specific expenditure, the OPSC audit staff can assist the district accordingly.

The following is a list of the expenditures that may potentially be disallowed during an SFP final expenditure audit:

- Administrative and overhead costs.
- District force account labor that does not comply with the Public Contract Code.
- Modernization expenditures for:
  - New building area that does not replace building area of “like kind.”
  - New site development that is not for replacement, repair or additions to existing site development work.
  - Removal of hazardous waste from a modernization project that exceeds ten percent of the total modernization apportionment.
  - Costs on leased facilities unless owned by another district or county superintendent.
  - Acquisition and development of real estate.
  - Demolition costs not attributable to replacement of “like kind” building area.

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- ▶ Any expenditure that cannot be reasonably attributed to a project.
- ▶ Relocation costs that do not conform to Title 25, California Code of Regulations, Section 6000, et. seq. (see Regulation Section 1859.74(a)(1)).
- ▶ Expenditures associated with a "use of grant" (see Regulations Section 1859.77.2) State Allocation Board (SAB) approval that were not constructed as specified in the original approval.
- ▶ Campus supervision that goes beyond construction site security.
- ▶ Expenditures on a financial hardship project that exceed the district's grant amount plus interest for the project.
- ▶ Interim housing expenditures associated with a new construction project.
- ▶ Relocation costs such as goodwill that is not court ordered, and the difference between the salvage value and new value of furniture and equipment costs when the business vendor retains the furniture and equipment.
- ▶ Legal costs not directly attributable to the project.
- ▶ Expenditures associated with facility hardship SAB approvals that were not constructed as originally approved (see Regulation Section 1859.82).

**References:**

Section 17074.25 and Section 1859.79.2 for modernization projects (Expenditures).  
As provided in Sections 1859.74, 1859.74.1 and 1859.75 (Site Acquisition).

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## Chapter 13

# Additional SFP Requirements and Features

In this chapter . . .

- ▶ Introduction
- ▶ General Information
- ▶ Project Savings
- ▶ Restricted Maintenance Account

## INTRODUCTION

There are a number of topics related to the School Facility Program (SFP) that do not fit neatly into one of the other program chapters. These topics are gathered here for easy reference. They may apply to new construction, critically overcrowded school facilities, joint use, and modernization or only to one program, as noted in the discussion.

## GENERAL INFORMATION

### Class B Index

The grant amounts in the SFP are adjusted each January based on the change in the Class B Index. This index is developed using cost data published by the Marshall Swift Company relating to buildings of primarily steel and concrete construction.

### SAB Appeal Process

In some cases a school district's application may appear to be outside the standards of the SFP and the Office of Public School Construction (OPSC) is unable to recommend approval. When this occurs, a district can appeal directly to the State Allocation Board (SAB) using a School District Appeal Request (Form SAB 189). On this form, the district states why the SAB should grant the district's appeal based on law, regulation, or SAB policy.

Prior to the item being scheduled for SAB consideration, the OPSC will review and analyze the appeal as to legal issues, program impact, funding ramifications, and public policy considerations. Based on the evidence submitted by the district, the OPSC may support the district's request, deny the request, or provide alternative recommendations to the SAB. In any case, all of the recommendations made by OPSC to the SAB will be based on supporting laws, regulations, or legal opinions. Districts generally have a representative available at the SAB meeting to provide testimony, if needed. This process applies to all applications.

## PROJECT SAVINGS

Districts that do not receive financial hardship assistance may retain project savings achieved by utilizing cost saving measures and efficient project management. A district may utilize these project "savings" for other high priority facility capital outlay purposes in the district.

### Savings for Non-Financial Hardship Districts

Districts may expend the savings for any of its high priority capital facility needs. A district may also use the savings as a part of the match for other SFP projects, with the only requirement being that the district's share of the savings must be used towards a project of like kind. For example, the State's share of the savings on a new construc-

tion project may only be used to match another new construction project, and the State's share of the savings from a modernization project may only be used to match another modernization project.

### **Savings for Financial Hardship Districts**

Any savings from a project that received financial hardship assistance must be used to reduce the financial hardship grant of that project or any other financial hardship project within the district. If the district has no other financial hardship project, the savings must be remitted to the State.

### **RESTRICTED MAINTENANCE ACCOUNT**

The SFP requires participating school districts to assure that a State funded project is kept in good repair. To meet this requirement, school districts must establish and maintain a restricted account within the district's general fund for ongoing and major maintenance of school buildings. The district must deposit no less than 3 percent of the district's general fund budget each fiscal year for a period of 20 years after receiving funds through the SFP.

Unified districts with an average daily attendance (ADA) of 1,200 or less, elementary districts with ADA of 900 or less and high school districts with an ADA of 300 or less may be permitted to deposit less than the maximum 3 percent by certifying that the district can reasonably maintain its facilities with a lesser dollar level maintenance account.

The school district must annually certify that it has publicly approved an ongoing and major maintenance plan that outlines the use of the funds deposited into the restricted account.

### **References:**

- Education Code Section 17070.75(a)
- Regulation 1859.91, "Implementation of Priority Points Due to Insufficient State Funds."
- Regulation 1859.92, "Priority Points for New Construction Projects."

# Appendix 1 State Agency Contact Information

## Department of General Services – Office of Public School Construction (OPSC)

Ms. Luisa M. Park, Executive Officer  
 1130 K Street, Suite 400  
 Sacramento, CA 95814  
 916.445.3377 Tel 916.324.0623 Fax  
[www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov)

In addition to its main headquarters in Sacramento, the OPSC has four satellite offices to allow districts easier access to staff.

**Colton**  
 San Bernardino County Superintendent of Schools  
 North 1040 East Cooley Drive  
 Colton, CA 92324  
 909.433.4861 Tel 909.433.4862 Fax

**Redding**  
 Shasta County Office of Education  
 1644 Magnolia Avenue  
 Redding, CA 96001  
 530.225.0212 Tel 530.225.0243 Fax

**Fresno**  
 Fresno County Office of Education  
 2030 Fresno Street, Room 210T  
 Fresno, CA 93721  
 559.497.3916 Tel 559.497.3917 Fax

**San Diego**  
 San Diego County Office of Education  
 6401 Linda Vista Road, Room 406  
 San Diego, CA 92111  
 858.292.3598 Tel 858.614.0365 Fax

## Department of General Services – Division of the State Architect (DSA)

Mr. Stephan Castellanos, FAIA, State Architect  
 1130 K Street, Suite 101  
 Sacramento, CA 95814  
 916.445.8100 Tel 916.445.3521 Fax  
[www.dsa.dgs.ca.gov](http://www.dsa.dgs.ca.gov)

**DSA Regional Office – San Francisco Bay Area**  
 1515 Clay Street, Suite 1201  
 Oakland, CA 94612  
 510.622.3101 Tel

**DSA Regional Office – Los Angeles Basin**  
 311 South Spring Street, Suite 1301  
 Los Angeles, CA 90013  
 213.987.3995 Tel

**DSA Regional Office – Sacramento**  
 1225 R Street  
 Sacramento, CA 95814  
 916.445.8730 Tel

**DSA Regional Office – San Diego**  
 16680 West Bernardo Street  
 San Diego, CA 92127  
 858.674.5400 Tel

**California Department of Education – School Facility Planning Division**

Mr. Duwayne Brooks, Director  
660 J Street, 3rd Floor, Suite 350  
Sacramento, CA 95814  
916.322.2470 Tel 916.322.3954 Fax  
[www.cde.ca.gov/facilities/](http://www.cde.ca.gov/facilities/)

**Department of Toxic Substances Control**

Mr. Edwin F. Lowry, Director  
1001 I Street  
Sacramento, CA 95814  
916.324.1826 Tel  
[www.dtsc.ca.gov](http://www.dtsc.ca.gov)

**Department of Industrial Relations**

Mr. Chuck Cake, Director  
770 L Street, Suite 1160  
Sacramento, CA 95814  
415.703.4810 Tel  
[www.dir.ca.gov](http://www.dir.ca.gov)

## Appendix 2 Potential State Agency Involvement

### INTRODUCTION

This listing is only a sample of potential State agency involvement. There are many other agencies throughout the state that may become involved in the school construction process.

#### ► Potential State Agency Involvement List

Agency Name/Contact Information	Role
California Energy Commission <a href="http://www.energy.ca.gov">www.energy.ca.gov</a> ► Bright School Program 916.654.4053	Helps schools identify ways to reduce energy use in school facilities.
Department of General Services Office of Small Business Certification and Resources <a href="http://www.pd.dgs.ca.gov/smbus">www.pd.dgs.ca.gov/smbus</a> ► Disabled Veteran Business Enterprise Participation Program 916.375.4940	Provides a listing of certified DVBE firms.  Note: The DVBE Program administered by the Department of General Services does not apply to school district's contracts.
Department of Health Services <a href="http://www.dhs.ca.gov">www.dhs.ca.gov</a> ► California Indoor Air Quality Program 510.540.2476	Provides assistance and training to school districts that have air quality problems.
Department of Transportation <a href="http://www.dot.ca.gov">www.dot.ca.gov</a> ► District Transportation Planning Division 916.327.3859	Determines whether a school is likely to have an impact on the state transportation system or any of its facilities.
Office of Emergency Services Hazard Mitigation <a href="http://www.oes.ca.gov">www.oes.ca.gov</a> ► Public Assistance 916.845.8200	Provides funds for school construction projects that reduce or eliminate future damage from disasters (seismic retrofit, modernization, flood control). Administer both federal and state funding for repair and replacement of eligible facilities damaged by a disaster event.
Office of Planning and Research <a href="http://www.opr.ca.gov">www.opr.ca.gov</a> ► State Clearinghouse 916.322.2318 <a href="mailto:state.clearinghouse@opr.ca.gov">state.clearinghouse@opr.ca.gov</a>	Distributes state required environmental documentation to various governmental agencies for review and comment as part of the CEQA process.

## Appendix 3 School Facility Program Required Forms

The following forms are used in conjunction with the School Facility Program. It is the user's responsibility to check the OPSC's Web site (SAB Forms) for the most current version of the form as older versions of the form may not be accepted.

- ▶ Enrollment Certification/Projection (Form SAB 50-01)
- ▶ Existing School Building Capacity (Form SAB 50-02)
- ▶ Eligibility Determination (Form SAB 50-03)
- ▶ Application for Funding (Form SAB 50-04)
- ▶ Fund Release Authorization (Form SAB 50-05)
- ▶ Expenditure Report (Form SAB 50-06)
- ▶ Application for Joint-Use Funding (Form SAB 50-07)
- ▶ Application for Preliminary Apportionment (Form SAB 50-08)

# Appendix 4 Services Matrix

## INTRODUCTION

During the planning, design, and construction of a school facilities project, many individuals and firms come together to contribute to the project in specific ways. Unless responsibility is assigned by law, the decision about who should perform a given task generally rests with the school district as owner. A lack of clarity regarding responsibilities may lead to a situation where a task is assigned to more than one individual or firm, creating a duplication of effort which can be wasteful and counterproductive.

The Services Matrix is the work of a small group formed by the Joint Committee on School Facilities. District representatives may wish to consult the matrix to determine all of the responsibilities to be assigned on a project and to avoid duplication of effort.

The Services Matrix attempts to accomplish four principle objectives:

- ▶ Identify those tasks in a typical school construction or renovation project which must be performed by specific team members.
- ▶ Identify the tasks which cannot be performed by certain team members.
- ▶ Identify tasks which may be assigned to any of several team members at the owner's discretion.
- ▶ Provide the owner with a tool for use in making decisions about task assignments and preparing contracts for services.

The Services Matrix addresses a project which has a construction manager as one team member. In projects where this is not the case, the tasks assigned to the construction manager could typically be performed by either the architect, Inspector of Record, or the owner.

### ▶ Services Matrix: Pre-Design Phase

Task	Responsible Party					
	Owner	Architect/ Engineer	Construction Management/ Multi-Prime	Inspector of Record	Division of the State Architect	Contractor
Design professional selection	●	✘	▶	✘	✘	✘
Master project schedule (concept thru occupancy) and schedule monitoring	●	▶	▶	✘	✘	✘
Complete district specifications and standards	●	▶	▶	✘	✘	✘
Existing record drawings	●	▶	▶	✘	✘	✘
Site surveys	●	▶	▶	✘	✘	✘
Soils investigation	●	▶	▶	✘	✘	✘
Hazard materials data, EIR's, etc.	●	▶	▶	✘	✘	✘
Appraisals	●	▶	▶	✘	✘	✘
Detailed written program	●	▶	▶	✘	✘	✘

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#### Matrix Key

- ✘ Party cannot be responsible
- ▶ Party may be assigned responsibility (Owner's choice)
- Party is typically responsible
- Party must be responsible, task not assignable to others

► Services Matrix: Pre-Design Phase...

Task	Responsible Party					
	Owner	Architect/ Engineer	Construction Management/ Multi-Prime	Inspector of Record	Division of the State Architect	Contractor
Base sheets for "As built" (existing buildings only)	▶	●	▶	✕	✕	✕
Site investigations to gather data on existing conditions	▶	●	▶	✕	✕	✕
Data collection/meetings with facilities staff	▶	●	▶	✕	✕	✕
Data collection/meetings with design committee	▶	●	▶	✕	✕	✕
Priorities for any additional funding	●	▶	▶	✕	✕	✕
Project budgets/cost analysis	●	▶	▶	✕	✕	✕
Preparation of OPSC applications	●	▶	▶	✕	✕	✕
Investigation of DSA requirements/status	▶	●	▶	✕	✕	✕
Investigation of SFM requirements/status	▶	●	▶	✕	✕	✕
Investigation of California Department of Education requirements	▶	●	▶	✕	✕	✕
Investigation of applicable requirements of local agencies having jurisdiction (i.e., health, fire, public works, utilities, etc.)	▶	●	▶	✕	✕	✕
Develop Information Management Plan	●	▶	▶	✕	✕	✕
Develop Cost Management Plan	●	▶	▶	✕	✕	✕

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**Matrix Key**

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► Services Matrix: Design Phase

Task	Responsible Party					
	Owner	Architect/ Engineer	Construction Management/ Multi-Prime	Inspector of Record	Division of the State Architect	Contractor
Schematic Design Drawings	✗	■	✗	✗	✗	✗
Design Development Drawings	✗	■	✗	✗	✗	✗
Cost Estimating and Budget Tracking	▷	▷	●	✗	✗	✗
Value Engineering	▷	▷	●	✗	✗	✗
Preparation of Construction Document production schedule	▷	●	▷	✗	✗	✗
Master Project Schedule monitoring/reporting	▷	▷	●	✗	✗	✗
Preparation of final Construction Documents (drawings and technical specifications)	✗	■	✗	✗	✗	✗
Preparation of "boiler plate" Specifications (invitation to Bid, Proposals, General Conditions, Supplemental Special Conditions)	▷	●	▷	✗	✗	✗
Preparation of Alternate (Cost Adjustments)	✗	■	✗	✗	✗	✗
Quality Control and coordination of Construction Documents	✗	■	✗	✗	✗	✗
Preparation of OPSC application documents	●	▷	▷	✗	✗	✗
DSA Plan Review submittals and approvals	✗	■	✗	✗	✗	✗
Local Agency Plan Review submittal and approvals	✗	■	✗	✗	✗	✗
Independent Coordination and Constructibility Plan Review	▷	▷	●	▷	✗	✗
Maintenance and Operations Staff Plan Review	■	✗	✗	✗	✗	✗
Facilities Staff Plan Review	■	✗	✗	✗	✗	✗
Design Committee Plan Review	■	✗	✗	✗	✗	✗
Packaging of Documents for bidding	✗	✗	■	✗	✗	✗
OPSC Plan Review submittals and approvals	▷	●	▷	▷	✗	✗
California Department of Education Plan Review and approvals	▷	●	▷	▷	✗	✗

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► Services Matrix: Design Phase...

Task	Responsible Party					
	Owner	Architect/ Engineer	Construction Management/ Multi-Prime	Inspector of Record	Division of the State Architect	Contractor
Coordinate results of various reviews, resolve conflicting comments	✗	■	✗	✗	✗	✗
Verify that all plan review issues are resolved	✗	■	✗	✗	✗	✗
Cash Flow projection reports	▷	▷	●	✗	✗	✗
Tracking OPSC funding status	●	▷	▷	✗	✗	✗
Construction Market Study	▷	▷	●	✗	✗	✗
Develop Contractor Work Scopes (multi-prime only)	✗	✗	■	✗	✗	✗
Prepare Cost Estimates by Work Scope (multi-prime only)	✗	✗	■	✗	✗	✗

**Matrix Key**

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► Services Matrix: Bid and Award Phase

Task	Responsible Party					
	Owner	Architect/ Engineer	Construction Management/ Multi-Prime	Inspector of Record	Division of the State Architect	Contractor
Reproduction and distribution of Bid Documents	►	●	►	×	×	×
Advertising and Legal notices	●	►	►	×	×	×
Contractor marketing/bidder's interest campaign	×	►	●	×	×	×
Contractor pre-qualification	●	►	►	×	×	×
Pre-Bid meeting (Single Contact)	×	●	►	×	×	×
Pre-Bid meeting (Multi-Prime CM Contract)	×	►	●	×	×	×
Answer bidder's questions/interpret bid documents	×	■	×	×	×	×
Addenda	×	■	×	×	×	×
Bid opening	●	►	►	×	×	×
Recommendation for award to Owner	×	●	►	×	×	×
Preparation of OPSC post-bid documents	►	●	×	×	×	×
Draft and issue contract	●	►	►	×	×	×
Review Contractor insurance and bonds	●	►	►	×	×	×
Issue Notice to Proceed	●	►	►	×	×	×
Prepare reports to District Bond Committee	●	►	►	×	×	×
Public Relations activities/presentations	●	►	►	×	×	×
Pre-construction meeting	►	►	●	►	×	×
Contract Administration and coordination of multiple trade contractors (Multi-Prime CM only)	×	×	■	×	×	×
Continuous On-Site Supervision for Owner	×	×	■	×	×	×
Continuous On-Site Supervision for Contractor	×	×	×	×	×	■
Construction Schedule	×	×	×	×	×	■
Monitor On-Site Safety Program	×	×	●	×	×	►
Off-site construction permit acquisition	×	×	×	×	×	■
Evaluations and approval of substitution requests	×	■	×	×	×	×
Cash Flow projection reports	×	►	●	×	×	×

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**Matrix Key**

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► Services Matrix: Bid and Award Phase...

Task	Responsible Party					
	Owner	Architect/ Engineer	Construction Management/ Multi-Prime	Inspector of Record	Division of the State Architect	Contractor
Submittal/Shop Drawing Schedule	✗	▷	●	✗	✗	▷
Review and approval of Submittals/Shop Drawings	✗	■	✗	✗	✗	✗
Answering Requests for Information (RFI's)	✗	■	✗	✗	✗	✗
Tracking of RFI's	✗	▷	●	▷	✗	▷
Evaluation of Change Order requests – costs and/or time extensions	▷	▷	●	▷	✗	✗
Approval of Change Orders	✗	■	✗	✗	✗	✗
Tracking status of all Change Order requests	✗	▷	●	▷	✗	✗
Review/Observation of overall quality of Construction work	✗	●	▷	▷	▷	✗
Review/Observation of technical aspects of compliance with construction documents	✗	●	✗	▷	▷	✗
Review and Approve Contractor's solutions/ recommendations for correction of observed non-conforming work	✗	●	✗	▷	▷	✗
Review of Contractor's Schedule of Values and Pay Requests	▷	▷	●	▷	✗	✗
Approval of progress payment requests	▷	●	✗	▷	✗	✗
Site/staff interface and coordination (at existing facilities)	▷	▷	●	▷	✗	▷
Coordinate interim housing (at existing facilities)	▷	▷	●	▷	✗	▷
Hazardous material inspection (at existing facilities)	■	✗	✗	✗	✗	✗
Means, methods and materials of construction	✗	✗	✗	✗	✗	■
Construction progress/site meetings	▷	▷	●	▷	✗	▷
Coordination of technical inspections and testing	✗	✗	✗	●	▷	▷
DSA required progress reports	▷	●	✗	▷	✗	▷
Coordination with DSA and SFM inspectors	✗	✗	✗	●	▷	✗
Resolution of Owner/Contractor disputes	●	▷	▷	▷	✗	✗

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► Services Matrix: Bid and Award Phase...

Task	Responsible Party					
	Owner	Architect/ Engineer	Construction Management/ Multi-Prime	Inspector of Record	Division of the State Architect	Contractor
Scheduling of start-up, testing, adjusting and balancing of equipment	✗	✗	●	▷	✗	✗
Cleanup	✗	✗	✗	✗	✗	■
Preparation of Punchlist	▷	●	▷	▷	✗	✗
Punchlist work completion	✗	✗	✗	✗	✗	■
Punchlist of completed work	▷	●	▷	▷	▷	✗
DSA close-out documents	▷	●	▷	▷	▷	▷
OPSC close-out documents	●	▷	▷	✗	✗	✗
Documentation of "as built" changes to drawings	✗	▷	▷	●	✗	▷
Preparation on final "as built" drawings	✗	▷	▷	▷	✗	●
Occupancy/Fire Marshal	▷	▷	▷	●	✗	▷
Warranty, operation and maintenance certificates, documentations and materials	▷	●	▷	✗	✗	✗
Schedule training sessions for District Maintenance staff	▷	▷	●	✗	✗	✗
Warranty inspection and report (prior to 12 month expiration)	●	▷	▷	✗	✗	✗

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## Appendix 5 Summary of Bond and Deferred Maintenance Allocations

The programs, funding, and approvals over the period since 1988 are shown in the following table:

▶ Summary of Bond Allocations (Amounts are in Millions of Dollars)										
	Jun 1988	Nov 1988	Jun 1990	Nov 1990	Jun 1992	Nov 1992	Mar 1996	Nov 1998	Nov 2002	Total
New Construction	\$ 585.0	\$ 682.0	\$ 630.0	\$ 631.0	\$1,403.0	\$ 678.0	\$1,127.8	\$2,900.0	\$ 6,350.0*	\$14,986.8
Modernization	\$ 136.0	\$ 93.0	\$ 123.0	\$ 105.0	\$ 446.0	\$ 192.0	\$ 705.0	\$2,100.0	\$ 3,300.0	\$ 7,200.0
Hardship	—	—	—	—	—	—	—	\$1,000.0	—	\$ 1,000.0
Class-size Reduction	—	—	—	—	—	—	—	\$ 700.0	—	\$ 700.0
Critically Overcrowded Schools	—	—	—	—	—	—	—	—	\$ 1,700.0	\$ 1,700.0
Joint Use	—	—	—	—	—	—	—	—	\$ 50.0	\$ 50.0
Ed-Tech Counties	—	—	—	—	—	—	\$ 45.0	—	—	\$ 45.0
Air-Conditioning	\$ 26.0	—	\$ 33.0	\$ 44.0	\$ 49.0	\$ 12.0	\$ 26.8	—	—	\$ 190.8
State Relocatables	\$ 53.0	—	\$ 14.0	\$ 20.0	—	—	\$ 28.0	—	—	\$ 115.0
Asbestos	—	\$ 25.0	—	—	\$ 2.0	\$ 7.0	—	—	—	\$ 34.0
Northridge Earthquake	—	—	—	—	—	\$ 11.0	\$ 13.4	—	—	\$ 24.4
60/40	—	—	—	—	—	—	\$ 40.0	—	—	\$ 40.0
Roofs	—	—	—	—	—	—	\$ 30.0	—	—	\$ 30.0
Joint Use (EC Section 17052)	—	—	—	—	—	—	\$ 25.0	—	—	\$ 25.0
Child Care	—	—	—	—	—	—	\$ 5.0	—	—	\$ 5.0
Contingency Reserve	—	—	—	—	—	—	\$ 19.0	—	—	\$ 19.0
<b>Total Bond Funds</b>	<b>\$ 800.0</b>	<b>\$ 800.0</b>	<b>\$ 800.0</b>	<b>\$ 800.0</b>	<b>\$1,900.0</b>	<b>\$900.0</b>	<b>\$2,065.0</b>	<b>\$6,700.0</b>	<b>\$11,400.0</b>	<b>\$26,165.0</b>

\* \$100 million for charter schools

▶ Summary of Deferred Maintenance Allocations (Amounts are in Millions of Dollars)												
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	Total
Excess Repayments	\$ 53.6	\$ 47.5	\$ 44.6	\$ 40.5	\$ 40.7	\$ 35.0	\$ 29.3	\$ 25.7	\$ 20.7	\$ 18.1	\$ 15.6	\$ 371.3
Other Legislation	—	—	\$ 24.7	\$ 50.0	—	\$ 100.0	\$ 137.6	\$ 143.7	\$ 176.1	\$ 176.3	\$ 208.0	\$1,016.4
<b>Total</b>	<b>\$ 53.6</b>	<b>\$ 47.5</b>	<b>\$ 69.3</b>	<b>\$ 90.5</b>	<b>\$ 40.7</b>	<b>\$ 135.0</b>	<b>\$ 166.9</b>	<b>\$ 169.4</b>	<b>\$ 196.8</b>	<b>\$ 194.4</b>	<b>\$ 223.6</b>	<b>\$1,387.7</b>

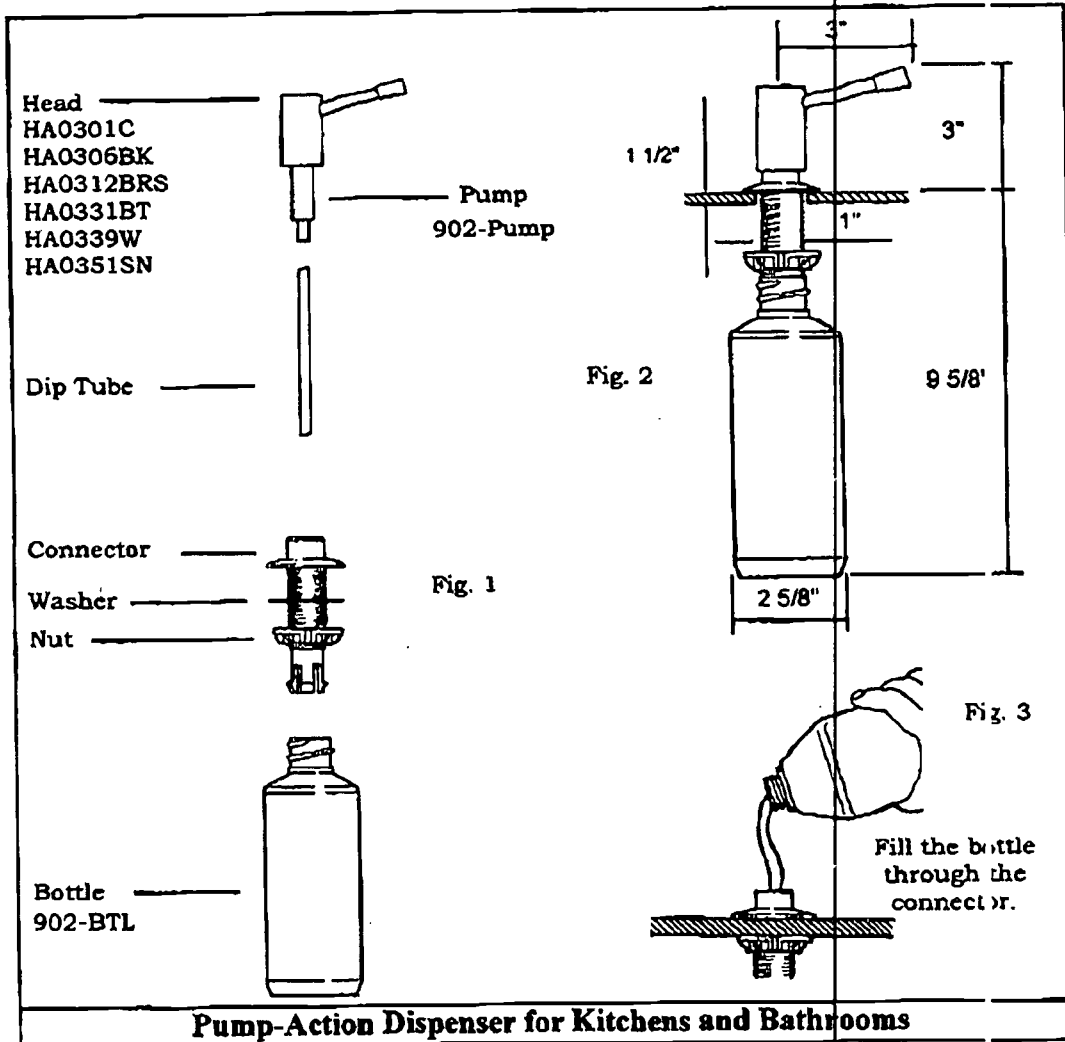
Franke Consumer Products, Inc. Tel. (215) 822-6590  
 Kitchen Systems Division Telefax (215) 822-5873  
 Suite 500  
 3050 Campus Drive  
 Hatfield, PA 19440



Kitchen Sinks  
 Faucets  
 Accessories  
 Hot Water Dispenser

# LOTION DISPENSER

## Installation, Operation and Maintenance Instructions



**Pump-Action Dispenser for Kitchens and Bathrooms**

### A. INSTALLATION

1. Prepare a 1"-1 3/8" diameter hole in the sink or countertop. The center of the hole should not be more than 4 3/4" from the bowl edge.
2. Pass the connector down through the hole from above with the washer immediately above the work surface. Screw the nut onto the connector beneath the work surface and tighten - hand pressure should be sufficient.
3. Push the bottle onto the lower end of the connector firmly until the bottle clicks into position on the four (4) plastic lugs.
4. The pump unit will already be assembled within the head. Push the dip-tube into the lower end of the pump unit as far as it will go.
5. Fill the bottle through the connector as shown in Fig.3 (the bottle holds 17 ounces and should not be overfilled), then place the assembled head, pump unit and dip-tube into the connector.

### B. OPERATION

1. A single full downward movement will expel liquid at a 45° angle to the work surface. (Several strokes may be needed when first using to prime the pump assembly)
2. Drip free operation is ensured if a brisk downward movement is applied and then immediately released. The automatic reverse action of the pump will draw back into the spout any liquid not fully ejected.

### C. MAINTENANCE

If the dispenser is not used for a period of time, especially in cold conditions, the liquid in the pump may solidify. Remove the head and pump unit and then operate while hot water is allowed to run down the tube. After the mechanism is clear, replace.

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