REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, December 6, 2017

SCHOOL DISTRICT DATA	
School District: .....KLAMATH-TRINITY JOINT UNIFIED	County:.....HUMBOLDT
Application Numbers:…….....51/62901-00-006,-010, 012, -013, -014	School Names:…Orleans Elementary, Weitchpec Elementary, Hoopa Valley Elementary, Hoopa Valley High, Trinity Valley Elementary
Total District Enrollment:.....999	Grade Levels:……..……..……K-12

Financial Hardship:.....YES

Last Approved Local Bond Measure:……..…2016

Qualifying Financial Hardship Criteria:……..……SFP Regulation Section 1859.81(c)(1)

PURPOSE OF REPORT

To present five Facility Hardship applications from the District for State Allocation Board (Board) action related to funding.

DESCRIPTION

Beginning in 2015, the District discovered extensive water intrusion issues at various sites that included dry rot and mold damage plus the presence of mold spores. The District immediately closed the affected facilities and began the repair process. Since then, the District has been working to repair the schools and in the process has discovered more facilities that are impacted by mold. Located in a remote region of Northern California, the District states it must use specialized design elements to contend with its humid micro-climate which results in escalated construction costs because of its location. In 2016, the Board approved funding for ten Facility Hardship projects related to these same issues.

To continue addressing these health and safety threats, the District submitted four additional Facility Hardship funding applications to the Office of Public School Construction (OPSC) for the following sites: Weitchpec Elementary School, Hoopa Valley Elementary, Hoopa Valley High, and Trinity Valley Elementary. The District has included all four sites in its appeal to request replacement level funding for rehabilitation work and to receive expedited apportionments outside of Priority Funding.

The District also submitted a separate appeal for Orleans Elementary to request Site Development costs that were not included as part of an application funded in 2016.

AUTHORITY

See Attachment A.

BACKGROUND

Klamath-Trinity Joint Unified is a small district serving the Salyer, Willow Creek, Hoopa, Weitchpec, Orleans and Pecwan communities, as well as the Hoopa and Yurok Indian Reservations and Karuk Tribal lands, in Humboldt and Trinity Counties. The remote location of the school sites presents a variety of logistical and economic challenges for construction, including, but not limited to, the lack of multiple qualified bids, transportation to and housing of workers near the project sites, transportation of materials to the project sites, and escalated project costs for specialized design.

STAFF ANALYSIS/STATEMENTS

There are three topics for Board consideration. The first two topics pertain to Weitchpec Elementary, Hoopa Valley Elementary, Hoopa Valley High, and Trinity Valley Elementary School applications that were submitted by the District and are included as a part of this item. Topic four relates to a request for an adjustment for Orleans Elementary application number 51/62901-00-006, which was originally funded in October 2016.

The following actions apply only to Weitchpec Elementary, Hoopa Valley Elementary, Hoopa Valley High and Trinity Valley Elementary:

I. Request to provide replacement funding to perform rehabilitation work.

II. Request to provide Apportionments outside of the priority funding process.

The following action applies only to Orleans Elementary:

III. Request for increased site development costs for application number 51/62901-00-006 for Orleans Elementary that were not previously provided as part of its October 2016 apportionment.

Each consideration is presented separately below. A summary of the five projects is provided in the following chart and full descriptions of each new application are included as Attachments C, D, E, and F:

Attachment	SFP Application & Site	Scope of Project	State Share	Financial Hardship	District Share
C	51/62901-00-010 Weitchpec ES	Mitigation of all mold and dry rot in entire school. Add drainage as needed to entire site.	$2,933,143	$2,933,143	$0
D	51/62901-00-012 Hoopa Valley ES	Mitigation of all mold and dry rot and new roofing and HVAC for 10 classrooms.	$3,557,495	$3,557,495	$0
E	51/62901-00-013 Hoopa Valley High	Mitigation of all mold and dry rot and new roofing and HVAC for classrooms.	$3,231,264	$3,231,264	$0
F	51/62901-00-014 Trinity Valley ES	Mitigation of all mold and dry rot and new roofing and HVAC for 2 classrooms and the Library.	$1,362,216	$1,362,216	$0
G	51/62901-00-006 Orleans ES	Addition of additional eligible site development costs.	$761,585	$761,585	$0
		TOTALS:	**$11,845,703**	**$11,845,703**	**$0**

STAFF ANALYSIS/STATEMENTS (cont.)

I. Replacement Funding to Perform Rehabilitation Work

District Position

In its appeal, the District is requesting to use Facility Hardship replacement funding to rehabilitate multiple buildings on four separate sites within the District. It believes that 'rehabilitating the buildings is the most prudent use of local and State funds' due to "the unique circumstances regarding the District's geographic location, current construction climate, and community significance."

The District contends that the Current Replacement Cost used by OPSC to determine if a project is eligible for rehabilitation or replacement is not reflective of the costs for its location. The District provided a chart showing that rehabilitation costs for the projects were greater than 50 percent of the replacement costs, based on bids received and calculations provided by construction managers and their architect. The Form SAB 189 states that "it would not be economically feasible for the District to replace these buildings as the true replacements costs far exceed the replacement funding from the State and the District's available funds." According to the District, these higher construction costs are attributed to persistent humidity, increasing design and construction costs, and the remote location, which has created an insufficient construction pool and low supply of construction materials.

Additionally, the District states that schools are 'an important focal point for the community', as many of the buildings are used during after school hours by various community groups and maintains that if the buildings were replaced, cost restraints would require them to be built significantly smaller, and the buildings would lose their significance and usefulness within the community. The District has further indicated that many students spend up to 12 hours a day at the school sites, in before or after school programs, making these sites a significant and safe place for the students.

The full text of the District's appeal request is included as Attachment B1.

Staff Position

The District is requesting to use replacement funding for rehabilitation work on qualifying buildings at four sites under the Facility Hardship Program. Pursuant to School Facility Program (SFP) Regulation Section 1859.82, the District qualifies for replacement funding because the cost to rehabilitate their facilities exceeds 50 percent of the Current Replacement Cost. Additionally, OPSC cannot administratively approve replacement funding as the District is actually rehabilitating the buildings. The District believes rehabilitation is the most prudent and economically feasible way to address the health and safety issues. SFP Regulations that implement the Education Code (EC) have been interpreted previously by the Board to allow replacement funding for rehabilitation projects that exceeded 50 percent of the replacement cost of the facility for both Seismic Mitigation Program (SMP) and Facility Hardship projects that have demonstrated unusual circumstances.

Staff has reviewed the four new applications for funding under the Facility Hardship program and confirmed that the District submitted cost estimates for the rehabilitation work in all four projects exceeds 50 percent of the Current Replacement Cost. Staff agrees that while the SFP Regulations allow staff to provide increased costs due to geographic location and for a high level of complexity in rehabilitation work, these costs may not equate to the cost the District would need to incur while mitigating the health and safety concerns at the sites. Further, statute does not specify that buildings *must* be replaced if they qualify for replacement if replacement funding is provided. Staff is unable to administratively approve the District's request; however based on prior Board actions and the circumstances surrounding these projects, Staff recommends providing replacement funding, while allowing the District to perform rehabilitation work, and adjusting the District's modernization baseline eligibility accordingly.

STAFF ANALYSIS/STATEMENTS (cont.)

II. Immediate Apportionments Outside of Priorities in Funding Round

District Position

The District is requesting immediate Apportionments for all the projects included in the table on Page Two.

The full text of the District's appeal request is included as Attachments B1 and B2.

Staff Position

Due to the urgency of the situation described in the District's appeal request, Staff recommends that the District receive immediate Apportionments for the projects. Apportionments outside of the priority funding process will result in the District having immediate access to cash once a *Fund Release Authorization* is submitted. While the District would have 18 months to submit a fund release request versus the 90 day requirement under priority funding, the District has indicated they would submit the *Fund Release Authorization* immediately upon Board approval and execution of Grant Agreements.

Since the District has exhausted its available funding and qualifies for full funding under the Financial Hardship program, access to cash quickly will allow them to continue mitigating the mold and dry rot issues.

In addition, during the review of the applications listed on Attachments C, D, E, and F, the District indicated to Staff that additional costs for site development work related to dewatering systems, sewers, and storm drains will be required to fully mitigate the health and safety issues at the site. The District has not yet designed the systems that have been recommended by its industry specialist. For this reason, currently the District is unable to provide an accurate cost estimate for the unknown level of work needed. Staff recommends that if the funding items are approved as part of this agenda, the Board allow the District one year from the date of this approval to submit documentation to OPSC, so that Staff can confirm eligible site development grant amounts and present an amended funding item for Board approval.

III. Approve Adjusted Grant Amount for Previously Approved Funding Application

District Position

In the appeal submitted by the District, it is requesting additional grants for eligible site development at the Orleans Elementary site that were previously not included in the original application for replacement funding.

The full text of the District's appeal is included as Attachment B2.

Staff Position

Upon review of the District's *Appeal Request*, OPSC has determined that the District would have been eligible for the requested site development costs had they been requested as part of the original application. Given the unique circumstances of the health and safety project, Staff believes it is reasonable for the Board to consider granting approval of the additional eligible site development costs previously omitted.

RECOMMENDATIONS

Staff recommends approval of the following three actions:

I. Replacement Funding to Perform Rehabilitation Work

Provide replacement funding at replacement amounts and allow rehabilitation work for:

Attachment	SFP Application	Site	Total Grant Amount
C	51/62901-00-010	Weitchpec ES	$5,866,286
D	51/62901-00-012	Hoopa Valley ES	$ 7,114,990
E	51/62901-00-013	Hoopa Valley High	$ 6,462,528
F	51/62901-00-014	Trinity Valley ES	$ 2,724,432

II. Immediate Apportionments Outside of Priorities in Funding

A. Provide immediate Apportionments to the following funding applications:

Attachment	SFP Application	Site	Total Grant Amount
C	51/62901-00-010	Weitchpec ES	$ 5,866,286
D	51/62901-00-012	Hoopa Valley ES	$ 7,114,990
E	51/62901-00-013	Hoopa Valley High	$ 6,462,528
F	51/62901-00-014	Trinity Valley ES	$ 2,724,432
G	51/62901-00-006	Orleans ES	$1,523,170

B. Allow the District up to one year from the date of this approval to submit documentation to finalize the eligible site development grants for the minimum work necessary for required dewatering systems, sewers, and storm drains to mitigate the identified health and safety threats for the projects in Attachments C, D, E, and F.

III. Approve Adjusted Grant Amount for Previously Approved Funding Application

Approve an adjusted grant amount for additional eligible site development costs and provide an immediate Apportionment for those costs for the funding application below:

Attachment	SFP Application	Site	Total Grant Amount
G	51/62901-00-006	Orleans ES	$ 1,523,170

BOARD ACTION

In considering this Item, the Board approved the District's request for: 1) replacement funding to perform rehabilitation work for Projects Number 51/62901-00-010, 12, 13 and 14, and 2) immediate Apportionments outside of Priorities in Funding for the five projects. The Board also included in its approval to allow the District up to one year from the date of this approval (December 6, 2017) to finalize the eligible site development grants for the minimum work necessary for required dewatering systems, sewers, and storm drains to mitigate the identified health and safety threats for the projects (51/62901-00-010, 12, 13 and 14) as shown on Attachments C, D, E and F.

ATTACHMENT A

AUTHORITY

Education Code (EC) Section 17075.10(b)(2) states that a school district applying for hardship state funding must:

> …demonstrate that due to unusual circumstances that are beyond the control of the district, excessive costs need to be incurred in the construction of school facilities. Funds for the purpose of seismic mitigation work or facility replacement pursuant to this section shall be allocated by the board on a 50-percent state share basis…..If the board determines that the seismic mitigation work of a school building would require funding that is greater than the 50 percent of the funds required to construct a new facility, the school district shall be eligible for funding to construct a new facility under this chapter.

EC Section 17070.35(a) states the following:

> (a) In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following:
> (1) Adopt rules and regulations, pursuant to the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, for the administration of this chapter. However, the board shall have no authority to set the level of the fees of any architect, structural engineer, or other design professional on any project. The initial regulations adopted pursuant to this chapter shall be adopted as emergency regulations, and the circumstances related to the initial adoption are hereby deemed to constitute an emergency for this purpose. The initial regulations adopted pursuant to this chapter shall be adopted by November 4, 1998. If the initial regulations are not adopted by that date, the board shall report to the Legislature by that date, explaining the reasons for the delay.

EC Section 17070.35(a)(2) states that the Board shall, "Establish and publish any procedures and policies in connection with the administration of…(*the SFP*) as it deems necessary."

SFP Regulation Section 1859.82 states the following: "A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils."

SFP Regulation Section 1859.82(a)(1)(A) states:

> If the request is for replacement facilities, a cost/benefit analysis must be prepared by the district and submitted to the OPSC that indicates the total costs to remain in the classroom or related facility and mitigate the problem is at least 50 percent of the Current Replacement Cost of the classroom or related facility…If the cost to remain in the classroom or related facility is less than 50 percent of the Current Replacement Cost, the district may qualify for a Modernization Excessive Cost Hardship Grant for rehabilitation costs pursuant to Section 1859.83(e) or a grant not to exceed 50 percent of the cost estimate that has been reviewed and approved by the OPSC and approved by the board for seismic rehabilitation.

SFP Regulation Section 1859.90 states that "a district must submit the Form SAB 50-05, within 18 months of the Apportionment of the SFP grant for the project or the entire…apportionment shall be rescinded without further Board action…"

STATE OF CALIFORNIA
SCHOOL DISTRICT APPEAL REQUEST

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

SAB 189 (REV 10/09)

SCHOOL DISTRICT Klamath-Trinity Joint Unified School District	APPLICATION NUMBER 51/62901-00-010, 12, 13 and 14
SCHOOL NAME Various Schools	COUNTY Humboldt
DISTRICT REPRESENTATIVE Jon Ray	E-MAIL ADDRESS jray@ktjusd.k12.ca.us

Purpose of Request:

Request replacement funding for rehabilitation Facility Hardship projects that exceed 50% of the Current Replacement Cost. The District also requests an immediate apportionment outside of the Priorities in Funding round.

Basis of Request:

☐ Law (Statute) _____

☒ Regulation 1859.82(a)(1)(A)

☒ Other (specify) Unique Circumstances

Description:

Please see attached letter.

SIGNATURE OF AUTHORIZED DISTRICT REPRESENTATIVE	DATE 11/16/2017

Klamath-Trinity Joint Unified School District

P. O. BOX 1308 + HOOPA, HUMBOLDT COUNTY, CALIFORNIA 95546

JON RAY
Superintendent

Telephone (530) 625-5600 FAX (530) 625-5611

Web address: http://www.ktjusd.k12.ca.us

November 16, 2017

Jennifer Maestretti
Office of Public School Construction
707 Third Street
West Sacramento, CA 95605

Subject: SAB 189 Attachment

Purpose of Request

The Klamath-Trinity Joint Unified School District respectfully requests Facility Hardship Replacement Funding to rehabilitate school facilities at the following site:

- Weitchpec Yurok Magnet Elementary School – 62901-61
- Hoopa Valley Elementary School – 62901-62
- Hoopa Valley High School – 62901-63
- Trinity Valley Elementary School – 62901-60

The cost to rehabilitate these school facilities exceeds 50% of the OPSC calculated Current Replacement Cost. However, based on the unique circumstances regarding the District's geographic location, current construction climate and community significance, rehabilitating the buildings is the most prudent use of local and State funds. This SAB 189 Appeal Form is being submitted as the OPSC cannot administratively approve the District's request.

Additionally, the District requests an immediate apportionment for this project outside the Priorities in Funding round so that the District can continue to rehabilitate the facilities as quickly as possible and return our students to safe and adequate facilities.

Background

In April 2014, the District began to investigate water intrusion issues at various school sites. After discovering the water damage and mold, the District closed affected facilities and immediately began the remediation process. The District filed Facility Hardship applications for those projects, and was approved for replacement funding to rehabilitate school facilities by the SAB in April 2016 and October 2016.

In December 2016, the District discovered water damage and mold in additional facilities. The District has continued to vacate any facilities affected by mold and house students in temporary housing while remediation work continues.

The mold and dry rot present at our school sites are an immediate threat to the health and safety of the pupils and staff at our District, as well as causing a detriment to our educational programs. Being unable to house pupils in the affected facilities has resulted in students taking classes outdoors and displacing art programs, music programs, physical education programs, library/media center facilities, computer classrooms and resource classrooms. This presents a direct disadvantage to our pupil's academic achievement goals.

The OPSC staff concurs that the issues noted above present a health and safety hazard to the District's pupils and staff.

Rehabilitation of Facilities is the Most Cost Effective Approach

Upon discovering the health and safety issues, the District reviewed the most cost effective approach to getting the students and staff back into appropriate facilities. Taking into consideration replacement costs and the District's available funds, rehabilitation work proved to be the most economical way to move forward.

The District has committed all available resources in the effort to mitigate the health and safety issues at our schools and cannot take on any additional debt. Replacing the facilities was not an available option provided the costs for replacement and the District's debt limits. It would not be economically feasible for the District to replace these buildings as the true replacement costs far exceed the replacement funding from the State and the District's available funds.

The following factors are key contributors to the increased construction costs for the District's geographic location:

Environment

The schools are located in a micro-climate that is very humid. The persistent humidity requires unique designs with regards to the building envelope to prevent water damage. This adds cost to design and construction of a replacement building and prevents the District from using prefabricated or portable structures.

Remote Location

Due to the District's remote location, the construction costs for all projects are considerably higher than other locations in the State. Contractors must bring in and house construction workers from outside the area since the local construction pool is insufficient for projects of the District's size. Low supply of construction materials in the immediate area also adds costs to the project.

Community Significance

These schools are an important focal point for the community. Due to its remote location of the District, there are no alternatives available for the students and the community if these facilities were no longer available. 90% of the District's students are Native American. 90% of the District's students qualify for free and reduced lunch. Much of the student population is at-risk and socio-economically disadvantaged, with a high rate of suicide among young males. Many students spend up to 12 hours a day at our schools sites for before and after school programs and the District provides three meals a day. The schools represent a safe and nurturing environment to help the student achieve academically and socially, and also provides interventions to address violence and substance abuse.

Conclusion

Based on the District's unique circumstances, we request the SAB to fund the rehabilitation of these facilities at the Replacement funding level.

Sincerely,

Jon Ray
Superintendent

STATE OF CALIFORNIA
SCHOOL DISTRICT APPEAL REQUEST

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

SAB 189 (REV 10/09)

SCHOOL DISTRICT Klamath-Trinity Joint Unified School District	APPLICATION NUMBER 51/62901-00-006
SCHOOL NAME Orleans Elementary	COUNTY Humboldt
DISTRICT REPRESENTATIVE Jon Ray	E-MAIL ADDRESS jray@ktjusd.k12.ca.us

Purpose of Request:

Request for additional site development funding that was not previously provided for the Orleans Elementary School Project. The District also requests an immediate apportionment outside of the Priorities in Funding round.

Basis of Request:

☐ Law (Statute) _____

☒ Regulation 1859.82(a)(1)(A)

☒ Other (specify) Unique Circumstances

Description:

Please see attached letter.

SIGNATURE OF AUTHORIZED DISTRICT REPRESENTATIVE Jon Ray	DATE 11/9/2017

Klamath-Trinity Joint Unified School District

P. O. BOX 1308 + HOOPA, HUMBOLDT COUNTY, CALIFORNIA 95546

JON RAY
Superintendent

Telephone (530) 625-5600 FAX (530) 625-5611

Web address: http://www.ktjusd.k12.ca.us

November 9, 2017

Jennifer Maestretti
Office of Public School Construction
707 Third Street
West Sacramento, CA 95605

Subject: SAB 189 Attachment

Purpose of Request

The Klamath-Trinity Joint Unified School District respectfully requests additional site development funding that was not previously provided for the following project:

- Orleans Elementary School – 51/62901-00-006

Additionally, the District requests an immediate apportionment for this project outside the Priorities in Funding round so that the District can continue to rehabilitate the facilities as quickly as possible and return our students to safe and adequate facilities.

Background

In April 2014, the District began to investigate water intrusion issues at various school sites. After discovering the water damage and mold, the District closed affected facilities and immediately began the remediation process. The District filed Facility Hardship applications for those projects, and was approved for replacement funding to rehabilitate school facilities by the SAB in April 2016 and October 2016. The Orleans Elementary School project mentioned above received funding on October 17, 2016.

The mold and dry rot present at our school sites are an immediate threat to the health and safety of the pupils and staff at our District, as well as causing a detriment to our educational programs. Being unable to house pupils in the affected facilities has resulted in students taking classes outdoors and displacing art programs, music programs, physical education programs, library/media center facilities, computer classrooms and resource classrooms. This presents a direct disadvantage to our pupil's academic achievement goals.

The OPSC staff concurs that the issues noted above present a health and safety hazard to the District's pupils and staff.

Request for Additional Site Development Funding

While the mitigation work was being performed at the Orleans Elementary School site, it was discovered that the mold presence and water damage to the classroom portion of the building was more extensive than initially anticipated. This additional mold and water damage has increased the work necessary to fully remediate the building. Based on that increased work, the funding previously received is not enough to complete the mold mitigation for the classroom portion of the building. For this reason the

Klamath-Trinity Joint Unified School District

P. O. BOX 1308 + HOOPA, HUMBOLDT COUNTY, CALIFORNIA 95546

JON RAY
Superintendent

Telephone (530) 625-5600 FAX (530) 625-5611

Web address: http://www.ktjusd.k12.ca.us

District is requesting additional site development funding that was not previously provided for the project.

The District did not previously request the site development work associated with replacing the classroom portion of the building as we believed the funding received for the project was adequate to complete the necessary mitigation.

Community Significance

These schools are an important focal point for the community. Due to its remote location of the District, there are no alternatives available for the students and the community if these facilities were no longer available. 90% of the District's students are Native American. 90% of the District's students qualify for free and reduced lunch. Much of the student population is at-risk and socio-economically disadvantaged, with a high rate of suicide among young males. Many students spend up to 12 hours a day at our schools sites for before and after school programs and the District provides three meals a day. The schools represent a safe and nurturing environment to help the student achieve academically and socially, and also provides interventions to address violence and substance abuse.

Conclusion

Based on the District's unique circumstances, we request the SAB to provide additional site development funding not previously provided for Orleans Elementary School project, application 51/62901-00-006.

Sincerely,

Jon Ray
Superintendent

ATTACHMENT C

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, December 6, 2017

SCHOOL DISTRICT DATA	
School District: ……..…KLAMATH-TRINITY JOINT UNIFIED	County:……..……..……HUMBOLDT
Application Number:……...……51/62901-00-010	School Name:.....WEITCHPEC ELEMENTARY
Total District Enrollment:……..…….…..…...…….....999	Project Grade Level:……...…...…..…K-8
Financial Hardship:……...……..…….……...…YES	

The District qualifies for financial hardship pursuant to School Facility Program Regulation Section 1859.81(c)(4). The District has demonstrated that it is financially unable to provide all of its matching funds and is levying the developer fees or equal alternative revenue source justified by law. The District's total bonding capacity as of October 26, 2017 is $5 million or less.

PURPOSE OF REPORT

Type of Request	State Allocation Board (Board) approval for an Apportionment for School Facility Program (SFP) Facility Hardship replacement funding for rehabilitation work.
Total Project Cost	$5,866,286.90
Cost to the State	$5,866,286.90

DESCRIPTION

Description of Health and Safety Threat	District officials began discovering mold throughout various schoolsites in the District in 2014. Weitchpec Elementary School in Hoopa, California has been closed since December 2016 due to mold contamination. Asbestos Science Technologies, Inc. determined that the mold constituted a health and safety issue, and the Humboldt County Department of Health and Human Services (HCDHHS) concurred.
Scope of Project	The District will use funding based on the replacement of its building to conduct rehabilitation work. Rehabilitation work consists of: The removal of all Insulation, HVAC, floor, wall, roof/ceiling, and electrical systems, contaminated with mold and/or dry rot. Based on sample results, all exposed hard contents (books, papers, classroom accessories, etc.) in the areas to be quarantined shall be wiped down and removed prior to abatement. Re-design of the surface and sub-surface drainage systems to mitigate the water intrusion to the underside of the structures including, at minimum, a French-drain at the entire perimeter, drain-inlets for roof draining, and a storm-drain system capable of removing any surface and sub-surface water away from the structures in order to achieve final clearances.
Status of School Site	Complete abatement and remodel of the school began in Fall 2017.

QUALIFYING CRITERIA

Government/State Level Concurrence	The District has obtained concurrence with the hazards reported and with the proposed minimum work for rehabilitation from the HCDHHS.
Staff Supports the District's Request	Yes
Site Visit Completed by Staff	Staff has accepted photographs and a report from Asbestos Science Technologies, Inc. and the letter of concurrence from the HCDHHS in lieu of a site visit.

AUTHORITY

See Attachment C1.

RECOMMENDATIONS

1. Approve the District's request for an Apportionment for Facility Hardship replacement funding for the entire Weitchpec Elementary pursuant to SFP Regulation Section 1859.82(a), as provided on Attachment C2.

2. Provide that for purposes of SFP modernization eligibility, the building age would be reset to 12 months from the date of DSA plan approval. The new date would be May 24, 2018.

3. Provide that the State portion of any and all project savings realized from the funding of this project must be returned to the State.

ATTACHMENT C1

AUTHORITY

Education Code (EC) Section 17075.10(a) states:

> A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

SFP Regulation Section 1859.81 states:

Except for Joint-Use Projects and Career Technical Education Facilities Projects, a district is eligible for financial hardship to fund all or a portion of its matching share requirement after demonstrating the requirements of (a), (c), and (d) below:

(a) The district is financially unable to provide all necessary matching funds for an eligible project. To determine this, an analysis shall be made of the district's financial records by the OPSC including data and records maintained by the CDE and the County Office of Education….

(b) From the funds deemed available as a matching 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.…

(c) The district has made all reasonable efforts to fund its matching share of the project by demonstrating it is levying the developer fee justified under law or an alternative revenue source equal to or greater than the developer fee otherwise justified under law at the time of request for hardship and the district meets at least one of the following:

(1) The current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity. Outstanding bonded indebtedness includes that part of general obligation bonds, Mello-Roos Bonds, School Facility Improvement District Bonds and certificates of participation which the district is paying a debt service that was issued for capital outlay school facility purposes.

(2) 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).

(3) It is a County Superintendent of Schools.

(4) The district's total bonding capacity at the time of the request for financial hardship status is $5 million or less.

(5) Other evidence of reasonable effort as approved by the SAB.

SFP Regulation Section 1859.82 states, "A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils."

SFP Regulation Section 1859.82(a)(1) provides for Facility Hardship grant funding when:

> The facilities are needed to ensure the health and safety of the pupils if the district can demonstrate to the satisfaction of the Board that the health and safety of the pupils is at risk. Factors to be considered by the Board shall include the close proximity to a major freeway, airport, electrical facility, high power transmission lines, dam, pipeline, industrial facility, adverse air quality emission or other health and safety risks, including structural deficiencies required by the DSA to be repaired, seismic mitigation of the Most Vulnerable Category 2 Buildings as verified by the DSA, traffic safety or because the pupils reside in remote areas of the district and transportation to existing facilities is not possible or poses a health and safety risk.

AUTHORITY (cont.)

SFP Regulation Section 1859.82(a)(1)(A)(2) states in part, “If the total cost to remain in the classroom or related facility is greater than 50 percent of the Current Replacement Cost and the Application is for replacement facilities, the district may qualify for a grant for a new or replacement school or replacement facilities as a new construction project.”

SFP Regulation Section 1859.82 states in part, “The modernization baseline eligibility provided in Section 1859.60 will be adjusted as a result of funding provided as a new construction project pursuant to (a) or (b) above.”

SAB Meeting: **December 6, 2017** **Replacement - Adjusted Grant Approval**

SCHOOL DISTRICT DATA

Application No: 51/62901-00-010
School District: Klamath-Trinity Joint Unified
County: Humboldt
School Name: Weitchpec Elementary

PROJECT DATA

Type of Project:	Elementary School
K-6:	
7-8:	
9-12:	
Non-Severe:	
Severe:	
Application Filing Basis:	Site Specific
Number of Classrooms:	2
Master Acres:	
Existing Acres:	4.37
Proposed Acres:	
Recommended Acres:	2.9
Facility Hardship (a):	Yes
Financial Hardship Requested:	Yes
Alternative Education School:	No
Addition to Existing Site:	No

ADJUSTED GRANT DATA

Project Assistance		$	6,791.00
Small Size Project			188,465.00
Service Site			1,010,140.00
Utilities			69,253.00
Fac. Hardship Other	8092 Sq. Ft.		1,472,744.00
Fac. Hardship Toilet	300 Sq. Ft.		97,800.00
Geographic Index Factor	5 %		87,950.45
Total State Share (50%)			2,933,143.45
District Share (50%)			2,933,143.45
Total Project Cost		$	5,866,286.90

PROJECT FINANCING

State Share		
This Project	**$**	2,933,143.45
District Share		
Cash Contribution		
Financial Hardship		2,933,143.45
Total Project Cost	**$**	**5,866,286.90**

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	State Apportionment This Action
State Share					
Replacment	**051-500**	**51**	**$**	**$** 2,933,143.45	**$** 2,933,143.45
District Share					
Cash Contribution					
Financial Hardship	**051-500**	**51**		2,933,143.45	2,933,143.45
Total			**$**	**$ 5,866,286.90**	**$ 5,866,286.90**

Funding Source: Proposition 51 Bonds/2016-Nov.

The District is required to submit a valid Fund Release Authorization (Form SAB 50-05) within 18 months of the date of the apportionment; otherwise, the apportionment will be rescinded without further board action.

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

Based on the Board's action on June 5, 2017, this project is subject to the Grant Agreement submittal pursuant to School Facility Program Regulation Section 1859.90.4.

The District is responsible for ensuring that the project is compliant with Prevailing Wage Monitoring and/or Labor Compliance Program requirements at the time construction contracts are executed and/or construction commenced.

The District qualifies for financial hardship pursuant to SFP Regulation Section 1859.81(c)(1). As of October 20, 2017, the current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity.

ATTACHMENT D

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, December 6, 2017

SCHOOL DISTRICT DATA	
School District: ……..…KLAMATH-TRINITY JOINT UNIFIED	County:……..……..……HUMBOLDT
Application Number:……...……51/62901-00-012	School Name:.....HOOPA VALLEY ELEMENTARY
Total District Enrollment:……..……..…...……....999	Project Grade Level:……...…...…..…K-8
Financial Hardship:……...……..…….……...…YES	

The District qualifies for financial hardship pursuant to School Facility Program Regulation Section 1859.81(c)(4). The District has demonstrated that it is financially unable to provide all of its matching funds and is levying the developer fees or equal alternative revenue source justified by law. The District's total bonding capacity as of October 26, 2017 is $5 million or less.

PURPOSE OF REPORT

Type of Request	State Allocation Board (Board) approval for an Apportionment for School Facility Program (SFP) Facility Hardship replacement funding for rehabilitation work.
Total Project Cost	$7,114,989.22
Cost to the State	$7,114,989.22

DESCRIPTION

Description of Health and Safety Threat	Hoopa Valley Elementary School is located in Hoopa, California which has a unique micro climate with abnormally high humidity levels due to the nearby Trinity River and annual rainfall levels approaching 72 inches. District officials began discovering mold and water damage throughout various school sites in the District in 2015. During this evaluation it was discovered that the original building designs and materials used along with the very humid micro-climate in the District greatly contributed to the presence of mold. Asbestos Science Technologies, Inc. determined that the mold constituted a health and safety issue, and the Humboldt County Department of Health and Human Services (HCDHHS) concurred. Ten classrooms are currently closed due to the presence of mold.
Scope of Project	To mitigate the issue, the District will perform mold abatement on all surfaces, which involves removing and replacing affected ceiling tiles, roof plywood, roofing insulation, drywall, siding, and wall plywood under a negative air containment area. The District will also be installing a new roofing system that will provide adequate ventilation appropriate for the humid environment in the area. The heating, ventilation, and air conditioning system will also be replaced pursuant to the industry specialist's recommendations.
Status of School Site	Complete abatement and remodel of the school has begun.

QUALIFYING CRITERIA

Government/State Level Concurrence	The District has obtained concurrence with the hazards reported and with the proposed minimum work for rehabilitation from the HCDHHS.

QUALIFYING CRITERIA cont.

Staff Supports the District's Request	Yes
Site Visit Completed by Staff	Staff has accepted photographs and a report from Asbestos Science Technologies, Inc. and the letter of concurrence from the HCDHHS in lieu of a site visit.

AUTHORITY

See Attachment D1.

RECOMMENDATIONS

1. Approve the District's request for an Apportionment for Facility Hardship replacement funding for the entire Hoopa Valley Elementary pursuant to SFP Regulation Section 1859.82(a), as provided on Attachment D2.

2. Provide that for purposes of SFP modernization eligibility, the building age would be reset to 12 months from the date of DSA plan approval. The new date would be June 13, 2018.

3. Provide that the State portion of any and all project savings realized from the funding of this project must be returned to the State.

ATTACHMENT D1

AUTHORITY

Education Code (EC) Section 17075.10(a) states:

> A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

SFP Regulation Section 1859.81 states:

Except for Joint-Use Projects and Career Technical Education Facilities Projects, a district is eligible for financial hardship to fund all or a portion of its matching share requirement after demonstrating the requirements of (a), (c), and (d) below:

(a) The district is financially unable to provide all necessary matching funds for an eligible project. To determine this, an analysis shall be made of the district's financial records by the OPSC including data and records maintained by the CDE and the County Office of Education….

(b) From the funds deemed available as a matching 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.…

(c) The district has made all reasonable efforts to fund its matching share of the project by demonstrating it is levying the developer fee justified under law or an alternative revenue source equal to or greater than the developer fee otherwise justified under law at the time of request for hardship and the district meets at least one of the following:

(1) The current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity. Outstanding bonded indebtedness includes that part of general obligation bonds, Mello-Roos Bonds, School Facility Improvement District Bonds and certificates of participation which the district is paying a debt service that was issued for capital outlay school facility purposes.

(2) 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).

(3) It is a County Superintendent of Schools.

(4) The district's total bonding capacity at the time of the request for financial hardship status is $5 million or less.

(5) Other evidence of reasonable effort as approved by the SAB.

SFP Regulation Section 1859.82 states, "A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils."

SFP Regulation Section 1859.82(a)(1) provides for Facility Hardship grant funding when:

> The facilities are needed to ensure the health and safety of the pupils if the district can demonstrate to the satisfaction of the Board that the health and safety of the pupils is at risk. Factors to be considered by the Board shall include the close proximity to a major freeway, airport, electrical facility, high power transmission lines, dam, pipeline, industrial facility, adverse air quality emission or other health and safety risks, including structural deficiencies required by the DSA to be repaired, seismic mitigation of the Most Vulnerable Category 2 Buildings as verified by the DSA, traffic safety or because the pupils reside in remote areas of the district and transportation to existing facilities is not possible or poses a health and safety risk.

AUTHORITY (cont.)

SFP Regulation Section 1859.82(a)(1)(A)(2) states in part, “If the total cost to remain in the classroom or related facility is greater than 50 percent of the Current Replacement Cost and the Application is for replacement facilities, the district may qualify for a grant for a new or replacement school or replacement facilities as a new construction project.”

SFP Regulation Section 1859.82 states in part, “The modernization baseline eligibility provided in Section 1859.60 will be adjusted as a result of funding provided as a new construction project pursuant to (a) or (b) above.”

SAB Meeting: **December 6, 2017** **Replacement - Adjusted Grant Approval**

SCHOOL DISTRICT DATA

Application No: 51/62901-00-012
School District: Klamath-Trinity Joint Unified
County: Humboldt
School Name: Hoopa Valley Elementary

PROJECT DATA

Type of Project:	Elementary School
K-6:	
7-8:	
9-12:	
Non-Severe:	
Severe:	
Application Filing Basis:	Site Specific
Number of Classrooms:	10
Master Acres:	
Existing Acres:	14.39
Proposed Acres:	
Recommended Acres:	11.4
Facility Hardship (a):	Yes
Financial Hardship Requested:	Yes
Alternative Education School:	No
Addition to Existing Site:	No

ADJUSTED GRANT DATA

Project Assistance		$	6,791.00
Service Site			965,721.21
Fac. Hardship Other	12,912 Sq. Ft.		2,349,984.00
Geographic Index Factor	10 %		234,998.40
Total State Share (50%)			3,557,494.61
District Share (50%)			3,557,494.61
Total Project Cost		$	7,114,989.22

PROJECT FINANCING

State Share		
This Project	**$**	3,557,494.61
District Share		
Cash Contribution		
Financial Hardship		3,557,494.61
Total Project Cost	**$**	**7,114,989.22**

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	State Apportionment This Action
State Share					
New Construction/Add. Grant	**051-500**	**51**	**$**	**$** 3,557,494.61	**$** 3,557,494.61
District Share					
Cash Contribution					
Financial Hardship	**051-500**	**51**		3,557,494.61	3,557,494.61
Total			**$**	**$ 7,114,989.22**	**$ 7,114,989.22**

Funding Source: Proposition 51 Bonds/2016-Nov.

The District is required to submit a valid Fund Release Authorization (Form SAB 50-05) within 18 months of the date of the apportionment; otherwise, the apportionment will be rescinded without further board action.

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

Based on the Board's action on June 5, 2017, this project is subject to the Grant Agreement submittal pursuant to School Facility Program Regulation Section 1859.90.4.

The District is responsible for ensuring that the project is compliant with Prevailing Wage Monitoring and/or Labor Compliance Program requirements at the time construction contracts are executed and/or construction commenced.

The District qualifies for financial hardship pursuant to SFP Regulation Section 1859.81(c)(1). As of October 20, 2017, the current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity.

ATTACHMENT E

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, December 6, 2017

SCHOOL DISTRICT DATA	
School District: ……..KLAMATH-TRINITY JOINT UNIFIED	County:……..……..……HUMBOLDT
Application Number:……...……51/62901-00-013	School Name:.....HOOPA VALLEY HIGH
Total District Enrollment:……..……..…..…...…….....999	Project Grade Level:…….....…..…9-12
Financial Hardship:……...……..…….……...…YES	

The District qualifies for financial hardship pursuant to School Facility Program Regulation Section 1859.81(c)(4). The District has demonstrated that it is financially unable to provide all of its matching funds and is levying the developer fees or equal alternative revenue source justified by law. The District's total bonding capacity as of October 26, 2017 is $5 million or less.

PURPOSE OF REPORT

Type of Request	State Allocation Board (Board) approval for an Apportionment for School Facility Program (SFP) Facility Hardship replacement funding for rehabilitation work.
Total Project Cost	$6,462,527.60
Cost to the State	$6,462,527.60

DESCRIPTION

Description of Health and Safety Threat	Hoopa Valley High School is located in Hoopa, California which has a unique micro climate with abnormally high humidity levels due to the nearby Trinity River and annual rainfall levels approaching 72 inches. District officials began discovering mold and water damage throughout various school sites in the District in 2015. During this evaluation it was discovered that the original building designs and materials used along with the very humid micro-climate in the District greatly contributed to the presence of mold. Asbestos Science Technologies, Inc. determined that the mold constituted a health and safety issue, and the Humboldt County Department of Health and Human Services (HCDHHS) concurred. The classroom buildings have been closed due to the presence of mold.
Scope of Project	To mitigate the issue, the District will perform mold abatement on all surfaces, which involves removing and replacing affected ceiling tiles, roof plywood, roofing insulation, drywall, siding, and wall plywood under a negative air containment area. The District will also be installing a new roofing system that will provide adequate ventilation appropriate for the humid environment in the area. The heating, ventilation, and air conditioning system will also be replaced pursuant to the industry specialist's recommendations.
Status of School Site	Complete abatement and remodel of the school has begun.

QUALIFYING CRITERIA

Government/State Level Concurrence	The District has obtained concurrence with the hazards reported and with the proposed minimum work for rehabilitation from the HCDHHS.

QUALIFYING CRITERIA cont.

Staff Supports the District's Request	Yes
Site Visit Completed by Staff	Staff has accepted photographs and a report from Asbestos Science Technologies, Inc. and the letter of concurrence from the HCDHHS in lieu of a site visit.

AUTHORITY

See Attachment E1.

RECOMMENDATIONS

1. Approve the District's request for an Apportionment for Facility Hardship replacement funding for the entire Hoopa Valley Elementary pursuant to SFP Regulation Section 1859.82(a), as provided on Attachment E2.

2. Provide that for purposes of SFP modernization eligibility, the building age would be reset to 12 months from the date of DSA plan approval. The new date would be July 19, 2018.

3. Provide that the State portion of any and all project savings realized from the funding of this project must be returned to the State.

ATTACHMENT E1

AUTHORITY

Education Code (EC) Section 17075.10(a) states:

> A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

SFP Regulation Section 1859.81 states:

Except for Joint-Use Projects and Career Technical Education Facilities Projects, a district is eligible for financial hardship to fund all or a portion of its matching share requirement after demonstrating the requirements of (a), (c), and (d) below:

(a) The district is financially unable to provide all necessary matching funds for an eligible project. To determine this, an analysis shall be made of the district's financial records by the OPSC including data and records maintained by the CDE and the County Office of Education….

(b) From the funds deemed available as a matching 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.…

(c) The district has made all reasonable efforts to fund its matching share of the project by demonstrating it is levying the developer fee justified under law or an alternative revenue source equal to or greater than the developer fee otherwise justified under law at the time of request for hardship and the district meets at least one of the following:

(1) The current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity. Outstanding bonded indebtedness includes that part of general obligation bonds, Mello-Roos Bonds, School Facility Improvement District Bonds and certificates of participation which the district is paying a debt service that was issued for capital outlay school facility purposes.

(2) 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).

(3) It is a County Superintendent of Schools.

(4) The district's total bonding capacity at the time of the request for financial hardship status is $5 million or less.

(5) Other evidence of reasonable effort as approved by the SAB.

SFP Regulation Section 1859.82 states, "A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils."

SFP Regulation Section 1859.82(a)(1) provides for Facility Hardship grant funding when:

> The facilities are needed to ensure the health and safety of the pupils if the district can demonstrate to the satisfaction of the Board that the health and safety of the pupils is at risk. Factors to be considered by the Board shall include the close proximity to a major freeway, airport, electrical facility, high power transmission lines, dam, pipeline, industrial facility, adverse air quality emission or other health and safety risks, including structural deficiencies required by the DSA to be repaired, seismic mitigation of the Most Vulnerable Category 2 Buildings as verified by the DSA, traffic safety or because the pupils reside in remote areas of the district and transportation to existing facilities is not possible or poses a health and safety risk.

AUTHORITY (cont.)

SFP Regulation Section 1859.82(a)(1)(A)(2) states in part, “If the total cost to remain in the classroom or related facility is greater than 50 percent of the Current Replacement Cost and the Application is for replacement facilities, the district may qualify for a grant for a new or replacement school or replacement facilities as a new construction project.”

SFP Regulation Section 1859.82 states in part, “The modernization baseline eligibility provided in Section 1859.60 will be adjusted as a result of funding provided as a new construction project pursuant to (a) or (b) above.”

SAB Meeting: **December 6, 2017** **Replacement - Adjusted Grant Approval**

SCHOOL DISTRICT DATA

Application No: 51/62901-00-013
School District: Klamath-Trinity Joint Unified
County: Humboldt
School Name: Hoopa Valley High

PROJECT DATA

Type of Project:	High School
K-6:	
7-8:	
9-12:	
Non-Severe:	
Severe:	
Application Filing Basis:	Site Specific
Number of Classrooms:	
Master Acres:	
Existing Acres:	21.2
Proposed Acres:	
Recommended Acres:	21.2
Facility Hardship (a):	Yes
Financial Hardship Requested:	Yes
Alternative Education School:	No
Addition to Existing Site:	No

ADJUSTED GRANT DATA

Project Assistance		$	6,791.00
Service Site			796,247.00
Fac. Hardship Other	12,129 Sq. Ft.		2,207,478.00
Geographic Index Factor	10 %		220,747.80
Total State Share (50%)			3,231,263.80
District Share (50%)			3,231,263.80
Total Project Cost		$	6,462,527.60

PROJECT FINANCING

State Share		
This Project	**$**	3,231,263.80
District Share		
Cash Contribution		
Financial Hardship		3,231,263.80
Total Project Cost	**$**	**6,462,527.60**

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	State Apportionment This Action
State Share					
Replacement	**051-500**	**51**	**$**	**$** 3,231,263.80	**$** 3,231,263.80
District Share					
Cash Contribution					
Financial Hardship	**051-500**	**51**		3,231,263.80	3,231,263.80
Total			**$**	**$ 6,462,527.60**	**$ 6,462,527.60**

Funding Source: Proposition 51 Bonds/2016-Nov.

The District is required to submit a valid Fund Release Authorization (Form SAB 50-05) within 18 months of the date of the apportionment; otherwise, the apportionment will be rescinded without further board action.

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

Based on the Board's action on June 5, 2017, this project is subject to the Grant Agreement submittal pursuant to School Facility Program Regulation Section 1859.90.4.

The District is responsible for ensuring that the project is compliant with Prevailing Wage Monitoring and/or Labor Compliance Program requirements at the time construction contracts are executed and/or construction commenced.

The District qualifies for financial hardship pursuant to SFP Regulation Section 1859.81(c)(1). As of October 20, 2017, the current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity.

STATE ALLOCATION BOARD
APPROVAL ❖ ❖ ❖ December 6, 2017

ATTACHMENT F

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, December 6, 2017

SCHOOL DISTRICT DATA	
School District: ……..KLAMATH-TRINITY JOINT UNIFIED	County:……..……..……HUMBOLDT
Application Number:……...……51/62901-00-014	School Name:.....TRINITY VALLEY ELEMENTARY
Total District Enrollment:……..……..…...……....999	Project Grade Level:…….....…...…K-8
Financial Hardship:……...……..……..……...…YES	

The District qualifies for financial hardship pursuant to School Facility Program Regulation Section 1859.81(c)(4). The District has demonstrated that it is financially unable to provide all of its matching funds and is levying the developer fees or equal alternative revenue source justified by law. The District's total bonding capacity as of October 26, 2017 is $5 million or less.

PURPOSE OF REPORT

Type of Request	State Allocation Board (Board) approval for an Apportionment for School Facility Program (SFP) Facility Hardship replacement funding for rehabilitation work.
Total Project Cost	$2,724,432.10
Cost to the State	$2,724,432.10

DESCRIPTION

Description of Health and Safety Threat	Trinity Valley Elementary was built in 1950 and is remotely located within the small-town limits of Willow Creek, California which has a unique micro climate with abnormally high humidity levels due to the nearby Trinity River and normal annual rainfall levels approaching 38 inches. District officials began discovering mold and water damage throughout various school sites in the District in 2015. During this evaluation it was discovered that the original building designs and materials used along with the very humid micro-climate in the District greatly contributed to the presence of mold. Asbestos Science Technologies, Inc. determined that the mold constituted a health and safety issue, and the Humboldt County Department of Health and Human Services (HCDHHS) concurred. The library and two classrooms have been closed due to mold.
Scope of Project	To mitigate the issue, the District will perform mold abatement on all surfaces, which involves removing and replacing affected ceiling tiles, roof plywood, roofing insulation, drywall, siding, and wall plywood under a negative air containment area. The District will also be installing a new roofing system that will provide adequate ventilation appropriate for the humid environment in the area. The heating, ventilation, and air conditioning system will also be replaced pursuant to the industry specialist's recommendations.
Status of School Site	Complete abatement and remodel of the school has begun.

QUALIFYING CRITERIA

Government/State Level Concurrence	The District has obtained concurrence with the hazards reported and with the proposed minimum work for rehabilitation from the HCDHHS.

QUALIFYING CRITERIA cont.

Staff Supports the District's Request	Yes
Site Visit Completed by Staff	Staff has accepted photographs and a report from Asbestos Science Technologies, Inc. and the letter of concurrence from the HCDHHS in lieu of a site visit.

AUTHORITY

See Attachment F1.

RECOMMENDATIONS

1. Approve the District's request for an Apportionment for Facility Hardship replacement funding for the entire Hoopa Valley Elementary pursuant to SFP Regulation Section 1859.82(a), as provided on Attachment F2.

2. Provide that for purposes of SFP modernization eligibility, the building age would be reset to 12 months from the date of DSA plan approval. The new date would be June 1, 2018.

3. Provide that the State portion of any and all project savings realized from the funding of this project must be returned to the State.

ATTACHMENT F1

AUTHORITY

Education Code (EC) Section 17075.10(a) states:

> A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

SFP Regulation Section 1859.81 states:

Except for Joint-Use Projects and Career Technical Education Facilities Projects, a district is eligible for financial hardship to fund all or a portion of its matching share requirement after demonstrating the requirements of (a), (c), and (d) below:

(a) The district is financially unable to provide all necessary matching funds for an eligible project. To determine this, an analysis shall be made of the district's financial records by the OPSC including data and records maintained by the CDE and the County Office of Education….

(b) From the funds deemed available as a matching 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.…

(c) The district has made all reasonable efforts to fund its matching share of the project by demonstrating it is levying the developer fee justified under law or an alternative revenue source equal to or greater than the developer fee otherwise justified under law at the time of request for hardship and the district meets at least one of the following:

(1) The current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity. Outstanding bonded indebtedness includes that part of general obligation bonds, Mello-Roos Bonds, School Facility Improvement District Bonds and certificates of participation which the district is paying a debt service that was issued for capital outlay school facility purposes.

(2) 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).

(3) It is a County Superintendent of Schools.

(4) The district's total bonding capacity at the time of the request for financial hardship status is $5 million or less.

(5) Other evidence of reasonable effort as approved by the SAB.

SFP Regulation Section 1859.82 states, "A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils."

SFP Regulation Section 1859.82(a)(1) provides for Facility Hardship grant funding when:

> The facilities are needed to ensure the health and safety of the pupils if the district can demonstrate to the satisfaction of the Board that the health and safety of the pupils is at risk. Factors to be considered by the Board shall include the close proximity to a major freeway, airport, electrical facility, high power transmission lines, dam, pipeline, industrial facility, adverse air quality emission or other health and safety risks, including structural deficiencies required by the DSA to be repaired, seismic mitigation of the Most Vulnerable Category 2 Buildings as verified by the DSA, traffic safety or because the pupils reside in remote areas of the district and transportation to existing facilities is not possible or poses a health and safety risk.

AUTHORITY (cont.)

SFP Regulation Section 1859.82(a)(1)(A)(2) states in part, “If the total cost to remain in the classroom or related facility is greater than 50 percent of the Current Replacement Cost and the Application is for replacement facilities, the district may qualify for a grant for a new or replacement school or replacement facilities as a new construction project.”

SFP Regulation Section 1859.82 states in part, “The modernization baseline eligibility provided in Section 1859.60 will be adjusted as a result of funding provided as a new construction project pursuant to (a) or (b) above.”

SAB Meeting: **December 6, 2017** **Replacement - Adjusted Grant Approval**

SCHOOL DISTRICT DATA

Application No: 51/62901-00-014
School District: Klamath-Trinity Joint Unified
County: Humboldt
School Name: Trinity Valley Elementary

PROJECT DATA

Type of Project:	Elementary School
K-6:	
7-8:	
9-12:	
Non-Severe:	
Severe:	
Application Filing Basis:	Site Specific
Number of Classrooms:	
Master Acres:	
Existing Acres:	11.95
Proposed Acres:	
Recommended Acres:	3.7
Facility Hardship (a):	Yes
Financial Hardship Requested:	Yes
Alternative Education School:	No
Addition to Existing Site:	No

ADJUSTED GRANT DATA

Project Assistance	$	6,791.00
Service Site		685,086.29
Fac. Hardship Other	3,019 Sq. Ft.	549,458.00
Small Size Project	12 %	65,934.96
Geographic Index Factor	10 %	54,945.80
Total State Share (50%)		1,362,216.05
District Share (50%)		1,362,216.05
Total Project Cost	$	2,724,432.10

PROJECT FINANCING

State Share		
This Project	**$**	1,362,216.05
District Share		
Cash Contribution		
Financial Hardship		1,362,216.05
Total Project Cost	**$**	**2,724,432.10**

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	State Apportionment This Action
State Share					
Replacement	**051-500**	**51**	**$**	**$** 1,362,216.05	**$** 1,362,216.05
District Share					
Cash Contribution					
Financial Hardship	**051-500**	**51**		1,362,216.05	1,362,216.05
Total			**$**	**$ 2,724,432.10**	**$ 2,724,432.10**

Funding Source: Proposition 51 Bonds/2016-Nov.

The District is required to submit a valid Fund Release Authorization (Form SAB 50-05) within 18 months of the date of the apportionment; otherwise, the apportionment will be rescinded without further board action.

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

Based on the Board's action on June 5, 2017, this project is subject to the Grant Agreement submittal pursuant to School Facility Program Regulation Section 1859.90.4.

The District is responsible for ensuring that the project is compliant with Prevailing Wage Monitoring and/or Labor Compliance Program requirements at the time construction contracts are executed and/or construction commenced.

The District qualifies for financial hardship pursuant to SFP Regulation Section 1859.81(c)(1). As of October 20, 2017, the current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity.

STATE ALLOCATION BOARD
APPROVAL ❖ ❖ ❖ December 6, 2017

SAB Meeting: **December 6, 2017** **Replacement - Amended Grant Approval**

SCHOOL DISTRICT DATA

Application No: 51/62901-00-006
School District: Klamath Trinity Joint Unified
County: Humboldt
School Name: Orleans Elementary

PROJECT DATA

Type of Project:	K-8
K-6:	
7-8:	
9-12:	
Non-Severe:	
Severe:	
Application Filing Basis:	Site Specific
Number of Classrooms:	0
Master Acres:	
Existing Acres:	9
Proposed Acres:	
Recommended Acres:	7
Facility Hardship (a):	Yes
Financial Hardship Requested:	Yes
Alternative Education School:	No
Addition to Existing Site:	No

ADJUSTED GRANT DATA

Project Assistance		$	6,791
Service Site			903,346
Off-Site			0
Utilities			221,027
Fac. Hardship Other	**10,649 Sq. Ft.**		1,852,926
Fac. Hardship Toilet	**168 Sq. Ft.**		52,416
Geographic Percent Factor (5%)			107,240
Fire Detection Alarm			10,817
Small Size Project (12%)			228,641
Total State Share (50%)			3,383,204
District Share (50%)			3,383,204
Total Project Cost		$	**6,766,408**

PROJECT FINANCING

State Share		
This Project	$	3,383,204
District Share		
Cash Contribution		
Financial Hardship		3,383,204
Total Project Cost	$	**6,766,408**

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	State Apportionment This Action
State Share					
Replacement	**047-500**	**47**	$ 2,621,619		
Replacement	**051-500**	**51**		$ 761,585	$ 761,585
District Share					
Financial Hardship	**047-500**	**47**	2,621,619		
Financial Hardship	**051-500**	**51**		761,585	761,585
Cash Contribution					
Total			$ **5,243,238**	$ **1,523,170**	$ **1,523,170**

Funding Source: Proposition 51 Bonds/2016-Nov.; Proposition 47 Bonds/2002-Nov.

The District is required to submit a valid Fund Release Authorization (Form SAB 50-05) within 18 months of the date of the apportionment; otherwise, the apportionment will be rescinded without further board action.

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

Based on the Board's action on June 5, 2017, this project is subject to the Grant Agreement submittal pursuant to School Facility Program Regulation Section 1859.90.4.

The District is responsible for ensuring that the project is compliant with Prevailing Wage Monitoring and/or Labor Compliance Program requirements at the time construction contracts are executed and/or construction commenced.

The District qualifies for financial hardship pursuant to SFP Regulation Section 1859.81(c)(1). As of October 20, 2017, the current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity.

Errors and Omissions - Staff is requesting approval of $1,523,160 in additional grants that were inadvertently omitted from the unfunded item at the April 20, 2016 SAB Meeting.

STATE ALLOCATION BOARD
APPROVAL ❖ ❖ ❖ December 6, 2017

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, December 6, 2017

SCHOOL DISTRICT DATA	
School District: .....MAPLE ELEMENTARY	County: .....KERN
Application Number:.....51/63610-00-002	School Name: .....MAPLE ELEMENTARY
Total District Enrollment:..... 292	Project Grade Level: K-8
Financial Hardship: .....YES	

The District qualifies for financial hardship pursuant to School Facility Program Regulation Section 1859.81(c)(4). The District has demonstrated that it is financially unable to provide all of its matching funds and is levying the developer fees or equal alternative revenue source justified by law. The District's total bonding capacity as of October 26, 2017 is $5 million or less.

PURPOSE OF REPORT

To present the District's request to change the scope of a Facility Hardship project that has previously received conceptual approval and design funding and is also presented as part of this item for unfunded approval

DESCRIPTION

The District is a one-school district that previously received conceptual approval and a design apportionment for *rehabilitation* funding under the Facility Hardship Program. During the review of the full funding application, Staff determined that all buildings on the site qualify for *replacement* funding under the Facility Hardship Program. Due to the extensive repairs required for each building, the District's approved plans include replacement of all buildings on the site with the exception of the multi-purpose room building.

The District is requesting the following actions for Board consideration:

1. Allow the Facility Hardship replacement project to be approved for placement on the Unfunded List (Lack of AB55 Loans).
2. Grant a change of scope request to redesign the multi-purpose room building from rehabilitation work to replacement.
3. Grant additional time for the District to provide a site development cost estimate and receive an adjustment to the unfunded approval amount for costs determined to be eligible as part of the replacement project.

AUTHORITY

See Attachment A.

BACKGROUND

In December 2015, the District received conceptual approval for a Facility Hardship rehabilitation project to address health and safety issues due to water intrusion. The scope of work included replacing damaged electrical and fire systems and the roof. The 2015 Board item is included as Attachment B.

Given the scale of rehabilitation work required to address the minimum work necessary to address the health and safety threats, the District chose to design for the replacement of all facilities on site with modular construction with the exception of the multipurpose room building. The design for the multipurpose room building included rehabilitation work instead of building replacement. The plans for the project were approved by the Division of the State Architect (DSA) on August 31, 2017.

BACKGROUND (cont.)

In September 2017, the District submitted its Approved Application for funding. During the course of the review, Staff determined that all buildings on the site, including the multipurpose room building, qualified for replacement funding through the Facility Hardship Program.

In order to continue to move forward with this critical project, the District submitted a *School District Appeal Request* (Form SAB 189) to request approval for placement on the Unfunded List (Lack of AB 55 Loans) and to allow the District to change the scope of project from rehabilitation of the multipurpose room building to replacement. The District submitted Form SAB 189 is included as Attachment C.

Previous Change of Project Scope Discussions
General guidelines for scope changes have been in place since 2005 (Attachment D). A change of scope in certain situations may be permitted if the following conditions are met:

- The California Department of Education (CDE) and DSA have approved the changes in the plans.
- The amended project meets the 60 percent commensurate requirement.
- The original intent/purpose of the project is maintained.

Prior Board Actions
Staff cannot administratively approve a change of scope that requires the approval of new DSA and CDE plans while allowing the District to retain the same Apportionment date. This requires Board approval. The Board has previously heard scope change requests for seven projects, as listed below:

APPEAL DATE	DISTRICT	REQUEST	FINANCIAL HARDSHIP	BOARD ACTION
8/22/07	Victor Valley Union High	Increase in gymnasium size by 10,000 square feet	Yes	Approved
4/23/08	Victor Valley Union High	Change from modular to permanent construction for 12 classrooms	Yes	Approved
9/24/08	Gerber Union Elementary	Change from roof repair to roof replacement due to unforeseen damage	Yes	Approved
6/22/11	Butte County Office of Education	Addition of a Library that was not in the original plans	Yes	Not Approved
8/24/11	Fresno County Office of Education	Addition of solar panels, and removal of a swimming pool, from original plans	Yes	Approved
6/27/12	Bass Lake Joint Union Elementary	Change from building modernization to like-for-like replacement	No	Approved
4/15/15	Pathways to College Charter (Hesperia USD)	Change from permanent to modular construction (classrooms and facilities)	No	Approved

STAFF ANALYSIS/STATEMENTS

District's Position

For the complete text of the District's request, please see Attachment C.

STAFF ANALYSIS/STATEMENTS (cont.)

Staff Position
Staff has reviewed the District's request, and recommends approval of the change of scope and additional time to submit documentation to request site development grants.

When reviewing change of scope requests, Staff reviews various issues to ensure that the project still meets the requirements of State funding, as described below.

Transition from Rehabilitation to Replacement Funding
Based on the information available at the time of the conceptual approval, the District's application was initially determined by Staff to qualify for rehabilitation funding for all buildings at the Maple Elementary School site. However, once the District fully designed the project and provided Staff with DSA approved drawings and current cost estimates for the scope of rehabilitation work, Staff determined that the total cost to mitigate the health and safety threats and remain in the facilities exceeds 50 percent of the Current Replacement Costs. This qualifies the District for replacement funding. Because the DSA approved plans for the project include rehabilitation work for the multi-purpose room building and the project no longer qualifies for this type of funding, Board action is necessary to allow the project to move forward for funding approval.

Staff also recognizes the need for the District to mitigate the health and safety issues as soon as possible. The District qualifies for financial hardship assistance and cannot move forward with construction until state funding is received. Allowing the change of scope while also approving the funding item for placement on the Unfunded List (Lack of AB 55 Loans) will enable the District to participate in the current Priority Funding filing period. Requiring the District to resubmit the application after the plans for the replacement of the multi-purpose room building have been designed and approved will delay the application approval and the District's ability to access cash from a future bond sale. It appears that the District acted in good faith to design the original scope of work to be consistent with the conceptual approval and did not foresee the change in funding methodology necessary pursuant to the School Facility Program regulations.

Site Development Grants
With replacement funding, the District also qualifies for site development grants, which require additional supporting documentation. As the OPSC and District just recently discovered that this will be a replacement project, the site development costs have not yet been determined. Staff supports the District's request that that if the funding item is approved today, any approval granted by the Board be allowed to be kept open for a future adjustment to allow for eligible site development costs to be added.

State Agency Approvals and Review Process
Prior scope change requests have focused on maintaining DSA and CDE plan approvals, which are required by regulation and law for SFP project funding. To address this concern, the Board has allowed scope changes contingent upon school districts obtaining updated State agency approvals as necessary. Staff recommends the same requirement for this request if the Board approves the District's request.

Conclusion
Staff recommends approval of the District's change of scope request, approval of the funding item shown on Attachment E for placement on the Unfunded List (Lack of AB 55 Loans), and approval of the request for additional time to request and receive an adjustment to the funding item to add site development grants. These actions will allow the District to participate in the current Priority Funding round in order to more quickly address the urgent health and safety needs at the school site. Staff supports the District's request because the original intent of the project to mitigate the health and safety threat is maintained and the change is due primarily to how the project qualifies for funding under the SFP regulations.

STAFF ANALYSIS/STATEMENTS (cont.)

Additional Requirements
Should the Board approve the District's request, Staff recommends including the following additional requirements in order to ensure compliance with statute and SFP Regulations. These requirements are consistent with previous Board actions for change of scope requests:

- The District must provide Staff with the final DSA-approved plans and specifications for the revisions, final plan approval from CDE, and an updated cost estimate for the project prior to release of funds.

- The District must provide progress updates to Staff regarding the change of scope every six months after the Board's approval, until the District submits the information identified in the preceding bullet.

- This approval does not extend any applicable project deadlines in the SFP Regulations, such as priority funding, substantial progress, expenditure reporting, or project completion.

BOARD OPTION

Pursuant to the Rules and Procedures of the State Allocation Board, "Staff is providing the following option for the Board's consideration. A positive vote by six members is required for the Board to take action that is an alternative to Staff's administrative action. Absent a positive vote by six members of the Board, Staff's administrative action will stand and the school district's appeal will be considered closed."

Grant the District's appeal.

BOARD ACTION

In considering this Item, the Board approved the following: 1) the District's change of scope request; 2) the project with an unfunded approval and placement on the Unfunded List (Lack of AB 55 Loans); and 3) the request for additional time to request and receive an adjustment to the unfunded approval to add site development grants. In addition to this approval, the Board added the following three additional stipulations:

- The District must provide staff with the final DSA –approved plans and specifications for the revisions, final plan approval from CDE, and an updated cost estimate for the project prior to release of funds.
- The District must provide progress updates to staff regarding the change of scope every six months after the Board's approval, until the District submits the information identified in the preceding bullet above.
- This approval does not extend any applicable project deadlines in the SFP Regulations, such as priority funding, substantial progress, expenditure reporting, or project completion.

ATTACHMENT A

AUTHORITY

Education Code (EC) Section 17075.10(a) states:

> A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

Education Code (EC) Section 17070.50 states:

> The board shall not apportion funds to any school district, unless the applicant school district has certified to the board that the services of any architect, structural engineer, or other design professional for any work under the project have been obtained pursuant to a competitive process that is consistent with the requirements of Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code and has obtained the written approval of the State Department of Education that the site selection, and the building plans and specifications, comply with the standards adopted by the department pursuant to subdivisions (b) and (c), respectively, of Section 17251.

,

ATTACHMENT B

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, December 9, 2015

SCHOOL DISTRICT DATA	
School District: ……MAPLE ELEMENTARY	County:……KERN
Application Number:……58/63610-00-001	School Name:.....MAPLE ELEMENTARY
Total District Enrollment:……282	Project Grade Level:……K-8
Financial Hardship:……YES	

The District qualifies for financial hardship pursuant to School Facility Program (SFP) Regulation Section 1859.81(c)(4). The District has demonstrated it is financially unable to provide all or part of the matching funds and is levying the developer fees or equal alternative revenue source justified by law. The District's total bonding capacity as of November 18, 2015, is $5 million or less.

PURPOSE OF REPORT

Type of Request	State Allocation Board (Board) conceptual approval for a SFP Facility Hardship rehabilitation project and for placement on the Unfunded List (Lack of AB 55 Loans) for design.
Total Project Cost	$1,691,752
Cost to the State	$1,015,051

DESCRIPTION

Description of Health and Safety Threat	Maple Elementary is a one-school school district in Shafter, California. The four buildings that comprise the school were originally constructed in 1961. In December of 2014, after episodes of severe water intrusion in walls and ceilings throughout the campus, JMPE Electrical Engineering inspected the electrical system at Maple Elementary and determined that the system was obsolete and unsafe, and recommended replacing the main switchboard and all of the wiring and underground conduit. The inspector also noted that the fire alarm system was not functional and should be immediately replaced, and that the subpanels were not functional, in part due to roof leaks. The Kern County Building Inspection Division also inspected the campus, and concurred with JMPE Electrical Engineering, stating, "many of the electrical systems and components are old, outdated, unsafe, and in need of immediate repair or replacement." The Kern County Fire Department also inspected the fire alarm system and concluded "it is the opinion of the Kern County Fire Department that the existing fire alarm system at Maple Elementary is obsolete, inoperable, and incapable of being serviced adequately."
Scope of Project	Rehabilitation work consists of replacing the electrical and fire alarm systems, and replacing the roof in order to protect the integrity of the new systems.
Status of School Site	The buildings are currently occupied and rehabilitation work has not yet begun.

(Continued on Page Two)

QUALIFYING CRITERIA

Government/State Level Concurrence	The District has obtained concurrence with the hazards reported and with the proposed minimum work for rehabilitation from the Kern County Building Inspection Division and the Kern County Fire Department.
Staff Supports the District's Request	Yes
Site Visit Completed by Staff	Yes

AUTHORITY

See Attachment A.

RECOMMENDATIONS

1. Approve the District's request for conceptual approval to replace the electric and fire alarm systems, and to repair the roof, pursuant to the SFP Regulation Section 1859.82(a) and 1859.83(e).

2. Provide that the District must file an Approved Application for funding within 18 months of this approval, pursuant to Regulation Section 1859.82(c).

3. Provide that this conceptual approval does not guarantee a commitment for funding by the Board. Any possible future funding will be subject to all governing laws and regulations, and the availability of funds.

4. Provide that the State portion of any and all savings which may be realized from the funding of this facility hardship project must be returned to the State.

5. Approve the District's request for an unfunded approval for a design apportionment in the amount of $253,763 as shown on Attachment B, pursuant to Regulation Section 1859.81.1(e)(2).

ATTACHMENT B

ATTACHMENT A

AUTHORITY

Education Code (EC) Section 17075.10(a) states:

> A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

SFP Regulation Section 1859.81 states:

Except for Joint-Use Projects and Career Technical Education Facilities Projects, a district is eligible for financial hardship to fund all or a portion of its matching share requirement after demonstrating the requirements of (a), (c), and (d) below:

(a) The district is financially unable to provide all necessary matching funds for an eligible project. To determine this, an analysis shall be made of the district's financial records by the OPSC including data and records maintained by the CDE and the County Office of Education….

(b) From the funds deemed available as a matching 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.…

(c) The district has made all reasonable efforts to fund its matching share of the project by demonstrating it is levying the developer fee justified under law or an alternative revenue source equal to or greater than the developer fee otherwise justified under law at the time of request for hardship and the district meets at least one of the following:

(1) The current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity. Outstanding bonded indebtedness includes that part of general obligation bonds, Mello-Roos Bonds, School Facility Improvement District Bonds and certificates of participation which the district is paying a debt service that was issued for capital outlay school facility purposes.

(2) 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).

(3) It is a County Superintendent of Schools.

(4) The district's total bonding capacity at the time of the request for financial hardship status is $5 million or less.

(5) Other evidence of reasonable effort as approved by the SAB….

SFP Regulation Section 1859.81(e)(2) permits design funding for a district that meets the financial hardship criteria in Section 1859.81 at, "25 percent of the modernization grant less any district funds available for the project pursuant to Section 1859.81(a)…."

SFP Regulation Section 1859.82 states, "A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils."

ATTACHMENT A

AUTHORITY (cont.)

SFP Regulation Section 1859.82(a)(1) provides for Facility Hardship grant funding when:

The facilities are needed to ensure the health and safety of the pupils if the district can demonstrate to the satisfaction of the Board that the health and safety of the pupils is at risk. Factors to be considered by the Board shall include the close proximity to a major freeway, airport, electrical facility, high power transmission lines, dam, pipeline, industrial facility, adverse air quality emission or other health and safety risks, including structural deficiencies required by the DSA to be repaired, seismic mitigation of the Most Vulnerable Category 2 Buildings as verified by the DSA, traffic safety or because the pupils reside in remote areas of the district and transportation to existing facilities is not possible or poses a health and safety risk.

SFP Regulation Section 1859.82(a)(1)(A) states:

If the request is for replacement facilities, a cost/benefit analysis must be prepared by the district and submitted to the OPSC that indicates the total costs to remain in the classroom or related facility and mitigate the problem is at least 50 percent of the Current Replacement Cost of the classroom or related facility. The cost/benefit analysis may include applicable site development costs as outlined in Section 1859.76. The cost/benefit analysis shall not include increased costs associated with high performance related costs or components, with the exception of those high performance components that were pre-existing in the classroom or related facility. If the cost to remain in the classroom or related facility is less than 50 percent of the Current Replacement Cost, the district may qualify for either grant below, as applicable:

1. Modernization Excessive Cost Hardship Grant for Rehabilitation Costs pursuant to Section 1859.83(e), or
2. A grant not to exceed 50 percent of the cost estimate that has been reviewed and approved by the OPSC and approved by the board for seismic rehabilitation.

SFP Regulation Section 1859.83(e) provides for:

Excessive Cost for rehabilitation of facilities the Board has determined are a health and safety risk to the pupils pursuant to Section 1859.82(a)(1) and the cost/benefit analysis to mitigate the problem and remain in the facility is less than 50 percent of the Current Replacement Cost of the facility. The cost/benefit analysis shall not include increased costs associated with high performance related costs or components, with the exception of those high performance components that were pre-existing in the classroom or related facility. If the district qualifies, the district is eligible for funding of Rehabilitation Costs as a modernization project. …. If the Approved Application is received after April 29, 2002, the grant amount provided is 60 percent of the amount of the cost estimate required in Section 1859.82(a)(1) that has been reviewed by the OPSC and approved by the Board. An additional grant may be provided for high performance incentive pursuant to Section 1859.77.4 provided that the high performance points attained are related to the scope of the Facility Hardship project. For any project funded in whole or in part from Proposition 47 or Proposition 55 for which the construction contract is awarded prior to January 1, 2012, the district may be eligible for the funding provided to initiate and enforce a LCP as prescribed in Section 1859.78.1(a). For any project for which the construction contract is awarded on or after January 1, 2012 the grant may be adjusted in the manner prescribed in Section 1859.78.1(b) and subject to the limitations established in Section 1859.78.1(c).

ATTACHMENT B

SAB Meeting: **December 9, 2015** **Rehabilitation - Adjusted Grant Approval**

SCHOOL DISTRICT DATA

Application No:	58/63610-00-001	**County:**	Kern
School District:	Maple Elementary	**School Name:**	Maple Elementary

PROJECT DATA

Type of Project:	K-8	**Application Filing Basis:**	Site Specific
Pupils Assigned Under 50 Yrs: K-6:			
7-8:			
9-12:			
Non-Severe:			
Severe:			
Financial Hardship Requested:	Yes	**Recommended Acres:**	N/A
Alternative Education School:	No	**Existing Acres:**	N/A

ADJUSTED GRANT DATA

Estimated Total Grant		Separate Design Grant	
Rehabilitation/Mitigation	$ 1,015,051.00	**Total Design (25% of Grant)**	$ 253,762.75
Total State Share (60%)	1,015,051.00	**Design State Share (60%)**	152,257.65
District Share (40%)	676,700.57	**Design District Share (40%)**	101,505.10
Total Project Cost	$ **1,691,751.57**	**District Cash Contribution**	0.00
		Financial Hardship	101,505.10
		Total Project Cost	$ **253,762.75**

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	Unfunded Approval This Action
State Share					
Modernization/Additional Grant	**957-570**	**1D**		$ 152,257.65	$ 152,257.65
District Share					
Cash Contribution					
Financial Hardship	**957-570**	**1D**		101,505.10	101,505.10
Total			$	$ **253,762.75**	$ **253,762.75**

Funding Source: Proposition 1D Bonds/2006-Nov.

Pursuant to the Board's action on March 11, 2009, this application has been approved and placed on the Unfunded List.
This approval does not constitute a guarantee or commitment of future State funding.

Please be advised that Labor Code (LC) Section 1773.3, as amended by Senate Bill 854, Chapter 28, Statutes of 2014, requires school districts that have School Facility Program SFP projects with an initial public works contract awarded on or after January 1, 2012, to notify the Department of Industrial Relations (DIR). The DIR must provide prevailing wage monitoring services for all such projects, except in the cases of: (1) the district operates a DIR-approved internal wage monitoring program; or (2) the district has entered into a collective bargaining agreement that includes the requirements specified in LC Section 1771.4(b)(2).

Amounts shown for financial hardship assistance are subject to adjustment as a result of a review of the district's financial records pursuant to Regulation Section 1859.81(a) at the time of the apportionment.

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

Provide that the State portion of any and all project savings realized from the funding of this Facility Hardship Program project must be returned to the State.

STATE OF CALIFORNIA
SCHOOL DISTRICT APPEAL REQUEST

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

SAB 189 (REV 10/09)

SCHOOL DISTRICT	APPLICATION NUMBER
Maple Elementary	51/63610-00-002
SCHOOL NAME	**COUNTY**
Maple Elementary	Kern
DISTRICT REPRESENTATIVE	**E-MAIL ADDRESS**
Julie Boesch Ed.D.	jboesch@mapleschool.org

Purpose of Request:

The Maple Elementary School District is requesting a change of scope from rehabilitation to replacement for the multi-purpose room building in project 51/63610-00-002 scheduled for an unfunded apportionment at the December 6, 2017 State Allocation Board meeting.

Basis of Request:

- ☐ Law (Statute) _____
- ☐ Regulation _____
- ■ Other (specify) Scope Change Policy

Description:

The Maple Elementary School District filed a Facility Hardship Application due to severe health and safety hazards imposed by water intrusion, failing electrical systems and a non-functional fire alarm system and received conceptual approval on December 9, 2015. This small one school School District is a financial hardship District completely dependent on State funding and cannot continue to move forward until State funds are received.

The District's conceptual approval was for rehabilitation of facilities, including the multi-purpose room building. As a financial hardship district, design funds were requested and the District moved forward with the design process and received DSA Approval on August 31, 2017. The Facility Hardship application was submitted to the OPSC for final approval and funding on September 25, 2017. During the final review of the plans and the cost benefit analysis, OPSC determined that the entire campus, including the multipurpose building is now eligible for replacement funding. Due to the change in funding, the District's financial hardship status and the nature of imminent health and safety hazards, the District respectfully requests a change of scope and time to allow for the design of a replacement multi-purpose building for project 51/63610-00-002 scheduled for unfunded approval at the December 6, 2017 State Allocation Board Meeting.

Because the project has recently been determined to be eligible for replacement funding, the Site Development Worksheet has not been developed. The District is requesting additional time to finalize the Site Development Worksheet and that this be left open to address at a future State Allocation Board Meeting.

SIGNATURE OF AUTHORIZED DISTRICT REPRESENTATIVE	DATE
Julie Boesch, Ed.D	12/1/17

ATTACHMENT D

Change of Project Scope

BY LINDSAY KEYES, OPSC PROJECT MANAGER

As many of you are aware, each application for funding of the full grant phase of a School Facility Program (SFP) modernization or new construction project is accompanied by a complete set of plans and specifications that have been approved by the Division of State Architect (DSA) and the California Department of Education (CDE). The State Allocation Board's (SAB) full and final grant approval is based on the accompanying plans. Therefore, it is imperative that the apportionment is used for the scope of work contained in that specific set of plans.

To ensure your project meets this requirement and is successful, it is important to structure your bid with flexibility by the use of additive and deductive alternates (see page 5 of this issue of the *Advisory Actions* for more information on this topic). This will allow the project to be modified according to fluctuations in the bid climate or costs of materials. For example, as a result of excellent planning or a good bid climate, the budget for the project may exceed the cost of the work in the plans and a district may consider using those excess funds for additional work that was not contemplated in the plans. Or, the cost of materials for construction may have significantly increased and a district may consider eliminating facilities from the project to stay within the budget. When it comes to classrooms and minimum essential facilities (MEF), meaning libraries, gymnasiums, multi-purpose rooms, and toilets which are necessary and support the traditional classroom environment, there are limited circumstances where a project may deviate from the scope of work outlined in the plans that were included with the application and approved by the SAB.

Additions

It is important to keep in mind that the project may not include the addition of area not proposed in the plans approved by the SAB. This applies to classrooms, MEF and non-classroom, non-MEF space. As stipulated in Regulation Section 1859.51(i)(5), the project may include the construction of more classrooms than needed to house the pupils requested in the application as specified, but these classrooms must have been in the plans submitted with the application. The flexible structuring of the bid documents will accommodate the districts' need to make decisions based on the bid results.

If the project is non-financial hardship, then any project savings may be retained and used for any high priority capital facilities needs or as part of the district's contribution to a future SFP project. This approach would provide an alternative method to later add facilities if the district had not included the additional desired facilities in the plans for the project approved by the SAB. However, the law stipulates that classrooms provided by State or local funding shall be adjusted from the districts' SFP new construction eligibility baseline.

Reductions, Deletions or Modifications

Some flexibility is a recognized part of SFP new construction projects. However, to continue with a project as approved by the Board, the original intent or project scope must be maintained. If modifications are considered by a district, it is critical that the affected State agencies be part of the process and that certain project requirements continue to be met. The State agencies are coordinating efforts in this area to assist districts when these situations arise. Some extenuating circumstances may be considered by the SAB, as outlined in the next column.

CHANGE PROPOSED	PROCEDURE
Deletion of Classrooms	Permitted if: • The capacity (based on the State loading standard) is sufficient to house the pupils requested in the application • CDE and DSA have approved the change • The project meets the 60 percent commensurate requirement
Reduction of MEF Area (Facility remains but the square footage is reduced.)	Permitted if: • The remaining area proposed meets minimum MEF square footage requirements • DSA and CDE have approved the change • The project meets the 60 percent commensurate requirement • Original intent/purpose of project is maintained
Deletion of MEF Area* *New School Allowance may be reduced or eliminated	Permitted if: • Case-by-case review and approval by CDE • DSA has approved the change • Case-by-case consideration and approval by the Office of Public School Construction (OPSC)/SAB • The project meets the 60 percent commensurate requirement
Deletion of Non-Classroom, Non-MEF Area	Permitted if: • DSA and CDE have approved the change • The project meets the 60 percent commensurate requirement
Permanent to Modular Construction	Permitted if: • DSA and CDE have approved the changes • The project meets the 60 percent commensurate requirement • Original intent/purpose of project is maintained
Modular to Permanent Construction	Not permitted as part of the original project, because the project would receive an inequitable funding advantage due to the timing of the DSA plan approval. Districts may consider reapplication, so the desired type of construction can be built.
Changing the Placement of a Building (i.e., Site conditions discovered in the footprint of construction warrant building placement alteration; however, the building size and function does not change.)	Permitted if: • DSA and CDE have approved the change • Original intent/purpose of project is maintained

If you have any questions or you have a situation that is not addressed in this article, please contact your OPSC Project Manager for more information.

ATTACHMENT E1

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, December 6, 2017

SCHOOL DISTRICT DATA	
School District: ……MAPLE ELEMENTARY	County:……KERN
Application Number:……51/63610-00-002	School Name:.....MAPLE ELEMENTARY
Total District Enrollment:……292	Project Grade Level:……K-8
Financial Hardship:……YES	

The District qualifies for financial hardship pursuant to School Facility Program (SFP) Regulation Section 1859.81(c)(4). The District has demonstrated it is financially unable to provide all or part of the matching funds and is levying the developer fees or equal alternative revenue source justified by law. The District's total bonding capacity as of November 18, 2015, is $5 million or less.

PURPOSE OF REPORT

Type of Request	State Allocation Board (Board) approval for placement on the Unfunded List (Lack of AB 55 Loans) for a School Facility Program (SFP) Facility Hardship replacement project.
Total Project Cost	$7,745,062.84
Cost to the State	$7,745,062.84

DESCRIPTION

Description of Health and Safety Threat	Maple Elementary is a one-school school district in Shafter, California. The four buildings that comprise the school were originally constructed in 1961. In December of 2014, after episodes of severe water intrusion in walls and ceilings throughout the campus, JMPE Electrical Engineering inspected the electrical system at Maple Elementary and determined that the system was obsolete and unsafe, and recommended replacing the main switchboard and all of the wiring and underground conduit. The inspector also noted that the fire alarm system was not functional and should be immediately replaced, and that the subpanels were not functional, in part due to roof leaks. The Kern County Building Inspection Division also inspected the campus, and concurred with JMPE Electrical Engineering, stating, "many of the electrical systems and components are old, outdated, unsafe, and in need of immediate repair or replacement." The Kern County Fire Department also inspected the fire alarm system and concluded "it is the opinion of the Kern County Fire Department that the existing fire alarm system at Maple Elementary is obsolete, inoperable, and incapable of being serviced adequately."
Scope of Project	The District will be replacing all buildings onsite.
Status of School Site	The buildings are currently occupied and replacement work will be completed in phases since the District is unable to fund interim housing to complete the project at once.

QUALIFYING CRITERIA

Government/State Level Concurrence	The District has obtained concurrence with the hazards reported and with the proposed minimum work for rehabilitation from the Kern County Building Inspection Division and the Kern County Fire Department.
Staff Supports the District's Request	Yes
Site Visit Completed by Staff	Yes

AUTHORITY

Education Code (EC) Section 17075.10(a) states:

> A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

SFP Regulation Section 1859.82 states, "A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils."

SFP Regulation Section 1859.82(a)(1) provides for Facility Hardship grant funding when:

> The facilities are needed to ensure the health and safety of the pupils if the district can demonstrate to the satisfaction of the Board that the health and safety of the pupils is at risk. Factors to be considered by the Board shall include the close proximity to a major freeway, airport, electrical facility, high power transmission lines, dam, pipeline, industrial facility, adverse air quality emission or other health and safety risks, including structural deficiencies required by the DSA to be repaired, seismic mitigation of the Most Vulnerable Category 2 Buildings as verified by the DSA, traffic safety or because the pupils reside in remote areas of the district and transportation to existing facilities is not possible or poses a health and safety risk.

SFP Regulation Section 1859.82(a)(1)(A)(2) states in part, "If the total cost to remain in the classroom or related facility is greater than 50 percent of the Current Replacement Cost and the Application is for replacement facilities, the district may qualify for a grant for a new or replacement school or replacement facilities as a new construction project."

SFP Regulation Section 1859.82 states in part, "The modernization baseline eligibility provided n Section 1859.60 will be adjusted as a result of funding provided as a new construction project pursuant to (a) or (b) above."

RECOMMENDATIONS

1. Approve the District's request for an unfunded approval to replace the buildings at Maple Elementary School, pursuant to the SFP Regulation Section 1859.82 as shown on Attachment E2.

2. Provide that the State portion of any and all savings which may be realized from the funding of this Facility Hardship project must be returned to the State.

(Rev. 1)

SAB Meeting: **December 6, 2017** **Replacement - Adjusted Grant Approval**

SCHOOL DISTRICT DATA

Application No: 51/63610-00-002
County: Kern
School District: Maple Elementary
School Name: Maple Elementary

PROJECT DATA

Type of Project:	Elementary School
K-6:	
7-8:	
9-12:	
Non-Severe:	
Severe:	
Application Filing Basis:	Site Specific
Number of Classrooms:	9
Master Acres:	
Existing Acres:	8.18
Proposed Acres:	
Recommended Acres:	8.6
Facility Hardship (a):	Yes
Financial Hardship Requested:	Yes
Alternative Education School:	No
Addition to Existing Site:	No

ADJUSTED GRANT DATA

Project Assistance		$	6,791.00
Fac. Hardship Toilet	1739.24 Sq. Ft.		566,992.24
Fac. Hardship Other	18,124.99 Sq. Ft.		3,298,748.18
Total State Share (50%)			3,872,531.42
District Share (50%)			3,872,531.42
Total Project Cost		$	7,745,062.84

PROJECT FINANCING

State Share		
This Project	**$**	3,872,531.42
District Share		
Cash Contribution		
Financial Hardship		3,872,531.42
Total Project Cost	**$**	**7,745,062.84**

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	Unfunded Approval This Action
State Share					
Modernization/Add. Grant	**057-570**	**1D**	**$** 152,257.65	**$** (152,257.65)	
New Construction/Add. Grant	**057-500**	**1D**		152,257.65	
New Construction/Add. Grant	**951-500**	**51**		3,720,273.77	**$** 3,720,273.77
District Share					
Cash Contribution					
Financial Hardship	**057-570**	**1D**	101,505.10	(101,505.10)	
Financial Hardship	**057-500**	**1D**		101,505.10	
Financial Hardship	**951-500**	**51**		3,771,026.32	3,771,026.32
Total			**$ 253,762.75**	**$ 7,491,300.09**	**$ 7,491,300.09**

Funding Source: Proposition 51 Bonds/2016-Nov.; Proposition 1D Bonds/2006-Nov.

Pursuant to the Board's action on March 11, 2009, this application has been approved and placed on the Unfunded List. This approval does not constitute a guarantee or commitment of future State funding.

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

Based on the Board's action on June 5, 2017, this project is subject to the Grant Agreement submittal pursuant to School Facility Program Regulation Section 1859.90.4.

The District is responsible for ensuring that the project is compliant with Prevailing Wage Monitoring and/or Labor Compliance Program requirements at the time construction contracts are executed and/or construction commenced.

The District qualifies for financial hardship pursuant to SFP Regulation Section 1859.81(c)(1). As of October 20, 2017, the current outstanding bonded indebtedness of the district issued for the purpose of constructing school facilities in accordance with Education Code Section 17072.35 or 17074.25 as appropriate, at the time of request for financial hardship status, is at least 60 percent of the district's total bonding capacity.

This project was previously funded for design as a rehabilitation project, application number 58/63610-00-001. The design funding already received in the amount of $253,762.75 will be transferred to this replacement project.