

State General Obligation Bond Measures for the School Facility Program

2015 Report to the Legislature and Department of Finance

State of California

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Executive Summary

This report contains a list of all school facility projects funded as of June 30, 2014, with state general obligation bonds approved after January 1, 2004, as required by Government Code Section 16724.4 (page 6).

Since January 1, 2004, two bonds have been approved by California voters for school facilities. The first, Proposition 55, was approved in March 2004 and authorized the state to issue \$12.3 billion in general obligation bonds for the construction and renovation of K–12 school facilities and higher education facilities. Of the \$12.3 billion, \$10 billion was earmarked for K–12 school districts to address overcrowding, accommodate future enrollment growth, build charter schools, renovate and modernize older school buildings, and allow participation from the community through joint-use partnerships.

The second bond, Proposition 1D, was approved in November 2006 and authorized the state to issue \$10.4 billion in general obligation bonds for the construction and renovation of K–12 school facilities and higher education facilities. Of the \$10.4 billion, \$7.3 billion was designated for K–12 school districts. As with the prior bond, these funds were provided to relieve overcrowding, accommodate future enrollment growth, build charter schools, renovate and modernize older school buildings, and allow participation from the community through joint-use partnerships. Proposition 1D also provided funding for career technical education projects, seismic mitigation projects, and for high-performance components.

The State Allocation Board (Board) is responsible for determining the allocation of proceeds from general obligation bond issues used for the various public school facilities funding programs. The Office of Public School Construction, within the Department of General Services, is staff to the Board and is responsible for the management of these funds.

Proposition 55, 1D, and 51 Summary

Program	Bond Authority	Board-Approved Funding ¹²
New Construction	\$8,075,489,127 ³	\$7,828,321,413
Modernization	\$5,550,000,000	\$5,446,374,350
Joint-Use	\$124,373,259 ⁴	\$124,361,754
Charter Schools	\$800,000,000	\$682,390,022
Critically Overcrowded Schools	\$1,230,344,097 ⁵	\$1,230,344,097
Career Technical Education Facilities	\$500,000,000	\$494,530,241

¹ “Board Approved Funding” includes apportionments and unfunded approvals, as defined on page 7.

² The following amounts have been allocated for the purposes of administration and other miscellaneous bond expenses: \$96.8 million from New Construction, \$103.5 million from Modernization, \$25.3 million from Charter, \$1.2 million from Career Technical Education Facilities, \$86.2 million from Overcrowding Relief Grant, and \$3.4 million from High Performance.

³ \$6.86 billion in original authority from the bond acts plus \$5.8 million in transfers from prior bonds and \$1.21 billion from Critically Overcrowded Schools.

⁴ \$79 million in original authority from the bond acts plus \$45.4 million in transfers from prior bonds and the State School Building Aid Fund.

⁵ \$2.44 billion in original authority from the bond acts minus \$1.21 billion in transfers to New Construction.

Program	Bond Authority	Board-Approved Funding¹²
Overcrowding Relief Grant	\$1,000,000,000	\$894,713,173
High Performance	\$100,000,000	\$63,239,095
TOTAL	\$17,380,206,483	\$16,764,274,145

This report includes a funding summary of Propositions 55 and 1D and brief descriptions of state school facility programs, the Board, and the Office of Public School Construction. The Project Detail by County section (starting on page 9) shows a listing of all school districts, county offices of education, charter schools, and joint powers authorities that have been appropriated bond funds from Propositions 55 and 1D. The Project Detail by County section includes each project's geographical location, school district, school/project name, total funds apportioned (including financial hardship), and the status of the project.

As of June 30, 2014, the Board has approved approximately \$7.8 billion for new construction projects and \$5.4 billion for modernization projects from Propositions 55 and 1D, representing 507,393⁶ new seats for California's schoolchildren, and safe, accessible, and updated school facilities for 1,253,042⁷ pupils.

The Pooled Money Investment Board, comprised of the State Treasurer, the State Controller, and the Department of Finance, designs a cash management and investment program for the state and designates the amount of money temporarily available for investment. Historically, the Pooled Money Investment Board provided short-term loans to fund the state's share of school construction projects until state bond sales provided sufficient funds for the apportioned project amounts. Due to the state's fiscal crisis, the Pooled Money Investment Board took action on December 17, 2008, to cease making these short-term loans for general obligation bond programs, including public school construction bonds. As a result, the Board has only been able to apportion projects as funds become available from bond sales or other sources, such as project rescissions or post-award audits. Since March 2009, the Board has regularly granted "unfunded approvals" for projects.

An unfunded approval is not an apportionment, but an indication that a project meets program requirements and is eligible for funding when funds become available. The Board converts unfunded approvals to apportionments as funds become available. In addition to listing the projects that have been appropriated bond funds, the Project Detail by County section also includes all projects that have received unfunded approvals.

⁶ Based on the number of pupil grants provided for New Construction projects.

⁷ Based on the number of pupil grants provided for Modernization projects.

Funding Summary

Proposition 55, the Kindergarten-University Public Education Facilities Bond Act of 2004, was approved by California voters in March 2004 and was the third measure authorizing the state to issue bonds for the School Facility Program since its inception in 1998.

The K–12 portion of the measure is summarized as follows:

Program	Bond Authority	Board-Approved Funding
New Construction ⁸	\$6,175,489,127	\$6,103,601,865
Modernization ⁹	\$2,250,000,000	\$2,189,733,332
Joint-Use	\$66,779,457	\$66,767,952
Charter Schools	\$300,000,000	\$208,074,435
Critically Overcrowded Schools	\$1,230,344,097	\$1,230,344,097
TOTAL	\$10,022,612,681	\$9,798,521,681

Proposition 1D, the Kindergarten-University Public Education Facilities Bond Act of 2006, was approved by California voters in November 2006.

The K–12 portion of the measure is summarized as follows:

Program	Bond Authority	Board-Approved Funding
New Construction ¹⁰	\$1,900,000,000	\$1,724,719,548
Modernization	\$3,300,000,000	\$3,256,641,017
Joint-Use	\$57,593,802	\$57,593,802
Charter Schools	\$500,000,000	\$474,315,587
Career Technical Education Facilities	\$500,000,000	\$494,530,241
Overcrowding Relief Grant	\$1,000,000,000	\$894,713,173
High Performance	\$100,000,000	\$63,239,095
TOTAL	\$7,357,593,802	\$6,665,752,463

⁸ Includes \$14.2 million that may be used for projects with qualifying energy efficiency provisions.

⁹ includes \$5.8 million that may be used for projects with qualifying energy efficiency provisions.

¹⁰ Up to 10.5 percent (i.e., \$199.5 million) must be made available for purposes of seismic repair, reconstruction, or replacement, pursuant to Education Code Section 17075.10.

Program Descriptions

New Construction funds are used to buy land and construct new school buildings. Districts are required to match state funding on a 50-50 basis, unless they qualify for state financial hardship funding, whereby the state can contribute up to 100 percent of the total project costs. Proposition 1D provided that up to \$199.5 million be available for repair, reconstruction, or replacement of school facilities that are the most vulnerable to seismic damage.

Modernization funds are used to reconstruct or modernize existing school facilities. Districts are required to match state funding on a 60 percent state/40 percent local share basis, unless they qualify for state financial hardship funding, whereby the state can contribute up to 100 percent of the total project costs.

Charter School Facilities funds are used to construct new school buildings and rehabilitate existing school buildings. Charter schools are public schools that operate independently of many of the requirements of regular public schools. Applicants are required to contribute 50 percent of the eligible costs from local resources unless local funds are not immediately available, in which case the applicant may request a state loan to cover the local share.

Joint-Use funds are used to construct facilities such as libraries, gymnasiums, multi-purpose rooms, childcare facilities, and teacher education facilities that school districts and local communities may share. Costs to build these facilities are shared by the state, the school district, and the joint-use partner.

Critically Overcrowded Schools funds are for districts to construct new classrooms to relieve overcrowded school sites. Districts are required to match state funding on a 50-50 basis, unless they qualify for state financial hardship funding, whereby the state can contribute up to 100 percent of the total project costs.

Career Technical Education Facilities funds are used to construct new facilities, modernize existing facilities, and purchase equipment. Applicants are required to contribute 50 percent of the eligible costs from local resources unless local funds are not immediately available, in which case the local educational agencies and joint powers authorities may request a state loan to cover the local share.

Overcrowding Relief Grant funds are used to reduce school site pupil population density by replacing portable classrooms with permanent classrooms. Districts are required to match state funding on a 50-50 basis, unless they qualify for state financial hardship funding, whereby the state can contribute up to 100 percent of the total project costs.

High Performance funds are used to incentivize districts to incorporate high-performance attributes in new construction and modernization projects. Such attributes include using designs and materials that promote energy and water efficiency; maximizing the use of natural lighting; improving indoor air quality; using recycled materials and materials that emit a minimum of toxic substances; and employing acoustics that are conducive to teaching and learning. Funds are provided as an additional grant to qualifying projects on a 50-50 basis for new construction projects and on a 60 percent state/40 percent local share basis for modernization projects.

Overview of the State Allocation Board and the Office of Public School Construction

State Allocation Board

Created in 1947 by the state Legislature, the Board is responsible for determining the allocation of state resources including proceeds from general obligation bond issues and other designated state funds used for the new construction and modernization of public school facilities. The Board is also charged with the responsibility for allocating funds for the Emergency Repair Program and several other facilities-related programs. Handbooks on these programs are located on the Office of Public School Construction website at www.dgs.ca.gov/opsc. The Board typically meets regularly at the state Capitol, where it reviews and approves funding applications, acts on appeals, and adopts policies and regulations.

Office of Public School Construction

The primary function of the Office of Public School Construction is to enrich the lives of California's schoolchildren as stewards of the taxpayers' commitment to education by administering the school facility funding programs and monetary resources available to the Board. As staff to the Board, the Office of Public School Construction is responsible for providing the assistance necessary to carry out the law, regulations, policies, and programs of the Board, and administer all programs that are under the purview of the Board with equity and integrity.

Government Code Section 16724.4

Any state bond measure approved by the voters on or after January 1, 2004, shall be subject to an annual reporting process, as follows:

(a) The head of the lead state agency administering the bond proceeds shall report to the Legislature and the Department of Finance no later than January 1, 2005, or January 1 of the second year following the enactment of the bond measure, whichever is later, and at least once a year thereafter. The annual report shall contain all of the following:

- (1) A list of all projects and their geographical location that have been funded or are required or authorized to receive funds.
- (2) The amount of funds allocated on each project.
- (3) The status of any project required or authorized to be funded.

(b) Costs of the report may be included in the cost of administering the bond measure unless the measure specifically prohibits those expenses.

Project Detail Summary

The Project Detail by County section (starting on page 9) lists all projects in the school districts, county offices of education, charter schools, and joint power authorities that have been allocated bond funds from Propositions 55 and 1D. The report includes each project's geographical location by county, project type, school district name, school name, project application number, amount of state funds allocated, and status.

Definitions

The following terms and abbreviations are used in the Project Detail by County section:

“Apportioned” – The project has been approved by the SAB, but available state funds have not been released yet.

“Closed” – A project is considered closed when the construction is complete and the project expenditures have been accepted by the Office of Public School Construction.

“Financial Hardship” – The state funding for all or a portion of a school district's matching share of a project. The state provides financial hardship funding to school districts that meet criteria described in Education Code Sections 17075.10, 17075.15 and School Facility Program regulations.

“Funds Released” – The state funds for the project have been released but the applicant has not yet submitted an expenditure report, which is required one year after the funds have been released and each year thereafter. Funds are released when an applicant has entered into a contract for at least 50 percent of the project. (Project design funds for financial hardship funding are automatically released within 30 days of apportionment.)

“High Performance” – The state's matching funds for the high-performance additional grant, has described on page 4.

“State Share” – The state's matching funds for the projects, excluding Financial Hardship and High Performance.

“Total State Funds” – The total amount of state funds from Propositions 55, 1D and 51 for a project; the sum of Financial Hardship, High Performance and State Share.

“Unfunded” – The project has been approved by the SAB, and enough bond authority exists to fully fund the state share, but state funds are not yet available for an apportionment.

“_% Complete” – The percentage of the project's completion as reported on the annual expenditure reports submitted by the applicant for each project.

Propositions 55, 1D and 51 – State Funds Allocated by County

COUNTY	TOTAL STATE FUNDS
ALAMEDA	\$414,554,625
ALPINE	\$0
AMADOR	\$5,953,322
BUTTE	\$41,544,016
CALAVERAS	\$26,295,063
COLUSA	\$7,570,040
CONTRA COSTA	\$739,210,697
DEL NORTE	\$0
EL DORADO	\$117,649,211
FRESNO	\$415,700,771
GLENN	\$6,782,438
HUMBOLDT	\$51,087,451
IMPERIAL	\$114,860,402
INYO	\$4,679,392
KERN	\$457,600,848
KINGS	\$36,306,582
LAKE	\$16,007,892
LASSEN	\$23,038,110
LOS ANGELES	\$4,888,049,712
MADERA	\$143,265,787
MARIN	\$48,212,085
MARIPOSA	\$0
MENDOCINO	\$37,010,745
MERCED	\$148,092,192
MODOC	\$686,146
MONO	\$5,086,226
MONTEREY	\$159,344,295
NAPA	\$25,019,464
NEVADA	\$20,222,042

COUNTY	TOTAL STATE FUNDS
ORANGE	\$1,293,881,028
PLACER	\$181,984,795
PLUMAS	\$8,537,067
RIVERSIDE	\$1,409,919,520
SACRAMENTO	\$435,038,932
SAN BENITO	\$7,850,119
SAN BERNARDINO	\$1,631,855,105
SAN DIEGO	\$1,285,093,126
SAN FRANCISCO	\$108,091,682
SAN JOAQUIN	\$353,033,889
SAN LUIS OBISPO	\$30,607,773
SAN MATEO	\$110,095,053
SANTA BARBARA	\$138,335,239
SANTA CLARA	\$374,752,880
SANTA CRUZ	\$33,311,296
SHASTA	\$34,923,623
SIERRA	\$1,015,825
SISKIYOU	\$11,565,825
SOLANO	\$120,890,864
SONOMA	\$103,953,038
STANISLAUS	\$364,390,383
SUTTER	\$51,519,323
TEHAMA	\$23,221,584
TRINITY	\$1,604,216
TULARE	\$356,262,658
TUOLUMNE	\$33,171,806
VENTURA	\$201,433,160
YOLO	\$68,546,345
YUBA	\$35,558,950
GRAND TOTAL	\$16,764,274,145*

* The sum of the county totals and the grand total vary due to rounding.