

Office of Public School Construction Staffing and Workload for the School Facility Program

2020 Report to the Legislature and Legislative Analyst's Office

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Assembly Bill 7412

Executive Summary

Background

Pursuant to Assembly Bill 74 (Ting. Budget Act of 2019)(AB 74), this report contains (1) the total number of full-time staff in the Office of Public School Construction (OPSC) dedicated to application processing for the 2019-20 fiscal year; (2) the average number of hours spent processing each type of application; and (3) the total number and associated state grant amounts for each type of application processed each month between July 1, 2019 and June 30, 2020. It also contains (1) the total number of full-time equivalent staff dedicated to processing appeals for the 2019-20 fiscal year; (2) the total number of appeals processed each month between July 1, 2019, and June 15, 2020; and (3) the average number of hours spent processing an appeal.*

*Although AB 74 specified the report be based on July 1, 2019 through February 29, 2020, and to provide estimated workload for March 1, 2020 through June 30, 2020, OPSC was able to generate the actual data for the full fiscal year.

Since November 4, 1998, five school facility bonds have been approved by California voters. The State Allocation Board (SAB) 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, serves as staff to the SAB and is responsible for the management of these funds.

Funding Overview

As of November 2016, five bonds have passed providing \$42 billion to the program.
(Voter-Approved Bond Authority)

Program	Proposition 1A (1998)	Proposition 47 (2002)	Proposition 55 (2004)	Proposition 1D (2006)	Proposition 51 (2016)
New Construction	\$2,900,000,000	\$3,350,000,000	\$4,960,000,000	\$1,900,000,000	\$3,000,000,000
Modernization	2,100,000,000	1,400,000,000	2,250,000,000	3,300,000,000	3,000,000,000
Charter Schools	-----	100,000,000	300,000,000	500,000,000	500,000,000
Career Technical Education	-----	-----	-----	500,000,000	500,000,000
Overcrowding Relief	-----	-----	-----	1,000,000,000	-----
High Performance Schools	-----	-----	-----	100,000,000	-----
New Construction Backlog	-----	2,900,000,000	-----	-----	-----
Modernization Backlog	-----	1,900,000,000	-----	-----	-----
Critically Overcrowded Schools	-----	1,700,000,000	2,440,000,000	-----	-----
Joint Use	-----	50,000,000	50,000,000	29,000,000	-----
Hardship	1,000,000,000	-----	-----	-----	-----
Class Size Reduction	700,000,000	-----	-----	-----	-----
Total K-12	\$6,700,000,000	\$11,400,000,000	\$10,000,000,000	\$7,329,000,000	\$7,000,000,000

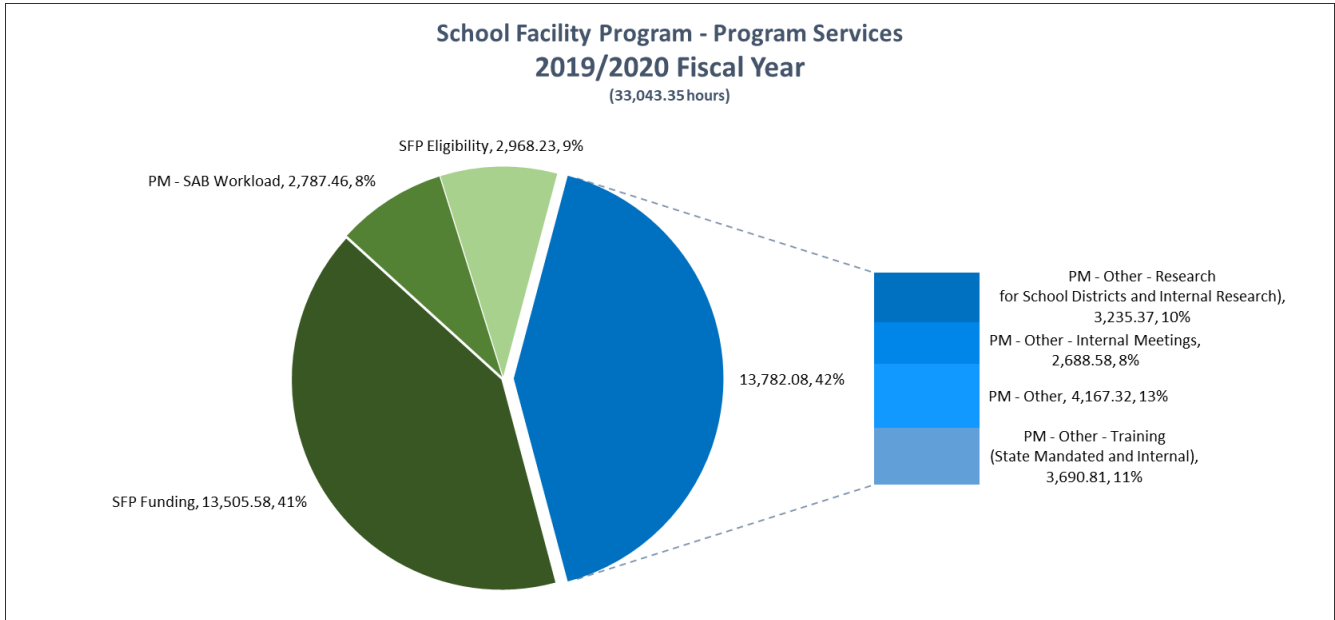
Staffing Summary

As with any organization, the Office of Public School Construction's (OPSC) staffing levels vary month-to-month. As a result, the number of Full-Time Equivalent (FTE) staff available and dedicated to New Construction and Modernization application processing varies. For the purpose of this report, application processing includes (1) determining application eligibility, (2) determining the state grant amount for an application, and (3) approving site acquisition, if applicable.

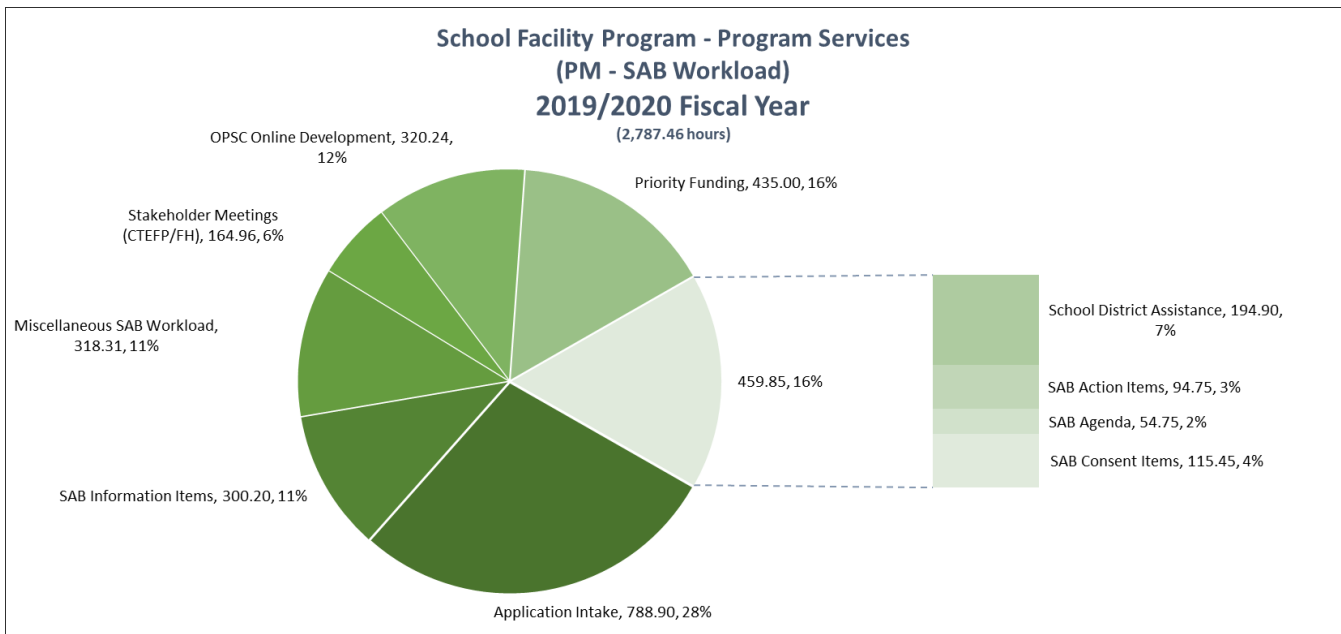
Month/Year	Number of FTEs*
July 2019	15.56
August 2019	15.59
September 2019	15.98
October 2019	17.22
November 2019	16.60
December 2019	17.05
January 2020	17.99
February 2020	17.72
March 2020	18.95
April 2020	20.26
May 2020	20.04
June 2020	20.16
Average:	17.76

* For the 2019/2020 Fiscal Year, the State Budget authorized 8.0 new analysts for processing SFP applications. These positions were filled between August 19 and September 24, 2019. The FTE in this chart has been reduced to account for vacancies, learning speed of new employees (approximately one year for full proficiency), and non-routine leaves of absences (such as military leave).

As shown in the charts below, processing eligibility and funding applications accounts for 50 percent of an analyst’s time while 50 percent of the time is spent on other workload. Analysts research laws and regulations, work on other State Allocation Board (SAB) policy items, and process school district appeals. Analysts also provide consultative services to stakeholders planning school construction projects and applying for state funding and research funding history for school districts.



As shown in these charts, as staff to the SAB, OPSC has other workload associated with administering the School Facility Program, such as conducting stakeholder meetings, preparing appeal, policy, and informational items to the SAB, and administering the Priority Funding process. A breakdown of SAB Workload is shown below.



Application Processing Summary

The Office of Public School Construction (OPSC) has tracked the processing of the following types of projects under the School Facility Program (SFP): New Construction, Modernization and Career Technical Education. The process for accessing state assistance for these programs is divided into two main steps: an eligibility application and a funding application. Each step requires approval by the State Allocation Board. Eligibility applications establish that a school district meets the criteria for funding a New Construction or Modernization project. Funding applications are approved after all application components are in place, including approved construction drawings. Funding application approval reserves bond authority for the project.

The eligibility and funding process are slightly different for each SFP program. For the purpose of this report, application processing includes (1) determining application eligibility, (2) determining the state grant amount for an application, and (3) approving site acquisition (i.e., new construction project), if applicable. Regardless of how eligibility for a program is determined, most programs follow a similar pattern, outlined below. The following processes are included in the “Average Number of Hours” column in Chart 1A and 1B.

1. An application for eligibility and/or funding and supporting documentation is submitted to OPSC.
2. OPSC reviews the application to ensure it contains all the components necessary to process (may include a site visit when establishing eligibility).
3. The application is reviewed to ensure it meets program criteria.
4. A “15-day” letter is sent to the applicant to request additional or clarifying information.
5. OPSC reviews the response to the “15-day” letter.
6. If necessary, a “4-day” letter is sent to request additional or clarifying information.
7. OPSC reviews the response to the “4-day” letter.
8. OPSC prepares a recommendation to the State Allocation Board.
9. OPSC prepares a Grant Agreement for signature by OPSC and the applicant.

Chart 1A and 1B reflect the average number of hours spent processing each type of application between July 1, 2019, and June 30, 2020. As this level of time tracking is a new process, the Average Number of Hours does not include time expended prior to July 1, 2019 or hours expended after June 30, 2020 for applications processed but not yet complete. In the future, processing hours will be available on a per project basis. The Average Numbers of Hours shown below was determined by summing the average of individual steps in the review process; therefore, simple multiplication will not tie to the hours shown on Page 5.

Chart # 1A – Eligibility Applications

Type of Application	Number of Applications	Average Number of Hours
New Construction - Establishment	6*	39.23
New Construction - Adjustment	145	19.47
Modernization - Establishment	43	7.57
Modernization - Adjustment	475	9.27

*Small sample size as most districts have already established eligibility

Chart # 1B – Funding Applications

Type of Application	Average Number of Hours
New Construction without Site Acquisition	61.63
New Construction with Site Acquisition	72.66
Modernization	29.68
Career Technical Education - New Construction	16.11
Career Technical Education - Modernization	10.50

Applications Processed

Chart 2 reflects the total number of applications and associated state grant amounts for each type of application processed each month between July 1, 2019, and June 30, 2020.

Chart # 2 – Processed Funding Applications

Type	Number of Applications	State Share (\$)	Financial Hardship (\$)
New Construction*	144	791,804,657	12,720,198
New Construction with Site Acquisition	30	518,524,127	5,898,364
New Construction without Site Acquisition	114	273,280,530	6,821,834
Career Technical Education	1	1,137,053	-----
Modernization*	275	547,007,181	4,654,932
TOTAL	420	1,339,948,891	17,375,130

*New Construction and Modernization totals include Facility Hardship and Seismic Mitigation Program applications.

Career Technical Education Facilities Grant Program Processing

In addition to New Construction and Modernization programs, OPSC administers the Career Technical Educational Facilities Program (CTEFP). The CTEFP is funded during filing rounds and processed by existing OPSC staff reassigned from New Construction and Modernization application processing temporarily during the filing rounds. For 2020, ~\$275 million is available for round six in the CTEFP. The CTEFP filing round opened August 28, 2019 and closed June 30, 2020* and the actual number of applications processed depends on applications received and the dollar value requested. OPSC has been processing the applications since August 2019 and processes them as they are received; however, the final reviews have not been completed. Therefore, the applications are omitted from Chart #2 until the applications are presented to the SAB for approval in Fall 2020.

* The original filing round closed April 6, 2020; however, as a result of the COVID-19 global pandemic and its impact on school districts, the deadline was extended to June 30, 2020 to provide school districts sufficient time to prepare and submit applications.

Appeals Summary

In the event that a school district and OPSC reach a disagreement related to funding or eligibility, or in the event that a project encounters circumstances not addressed in regulations, the school district may file a *School District Appeal Request* (Form SAB 189) to begin the formalized appeal process for consideration of the matter by the State Allocation Board (SAB). On the Form SAB 189, the school district states the basis or bases for the appeal and any relevant information applicable to the circumstance. The SAB has a stated timeline for processing an appeal of 90-120 days. The actual number of days is dependent on a variety of factors, as OPSC’s goal is to administratively resolve as many appeals as possible.

Chart 3A summarizes from July 1, 2019 through June 15, 2020, time allocated by one staff member dedicated to processing *School District Appeal Requests* in addition to application processing.

Chart # 3A – Full-Time Equivalent Staff for Appeals

	Number
Full-Time Staff	0.41 PY

Chart 3B reflects the average number of hours spent processing appeals for each type of appeal between July 1, 2019, and June 15, 2020.

Chart # 3B – School District Appeal Requests Processed

Type of Appeal	Number of Appeals	Average Number of Hours*
Eligibility	8	40
Funding	17	25
Other	0	0

*The Average Number of Hours is not inclusive of all time expended on an appeal. OPSC staff may have started working on the appeal request prior to July 1, 2019; this time is not included in the Average Number of Hours. Also, staff may have started working on an appeal prior to June 2020; however, the appeal may not yet be resolved. In addition to the appeals shown above, there are currently 7 appeals in process. To date OPSC has expended 212.5 hours processing them.

Conclusion

In conclusion, the Average Number of Hours to process an application is roughly equivalent to OPSC’s historically expected processing times. Given the number of new staff hired during the 2019/2020 fiscal year and the relatively low sample size for generating this report, OPSC expects the Average Number of Hours to decrease slightly as staff become fully trained.

Program Descriptions

New Construction funds are used to buy land and construct new school buildings. School districts are required to match state funding on a 50-50 state/local share basis, unless they qualify for state financial hardship funding, whereby the state can contribute up to 100 percent of the local matching share. Proposition 1D also provides for seismic mitigation by allowing up to \$199.5 million to be made available for repair, reconstruction, or replacement of school facilities that are the most vulnerable to damage in a seismic event. Seismic mitigation projects may now also be funded from either Proposition 1D or Proposition 51 New Construction bond authority, as needed.

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

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. School districts and charter schools are required to match state funding on a 50-50 state/local share basis, unless local funds are not immediately available, in which case the school districts and charter schools may request a state loan to cover the local share.

Joint-Use funds were 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. School districts and the joint-use partner are required to match state funding on a 50-50 state/local share basis with a minimum of half of the local share coming from the joint-use partner.

Critically Overcrowded Schools funds were used to construct new classrooms to relieve overcrowded school sites. School districts are required to match state funding on a 50-50 state/local share basis, unless they qualify for state financial hardship funding, whereby the state can contribute up to 100 percent of the local matching share.

Career Technical Education Facilities funds are used to construct new facilities, modernize existing facilities, and purchase equipment related to the career pathway in the project. School districts and joint powers authorities are required to match state funding on a 50-50 state/local share basis unless local funds are not immediately available, in which case, the school districts and joint powers authorities may request a state loan to cover the local share.

Overcrowding Relief Grant funds, like Critically Overcrowded School funds, are used to relieve overcrowded school sites. Unlike Critically Overcrowded School funds, Overcrowding Relief Grant funds are required to be used to replace portable classrooms with newly constructed permanent classrooms that are designed to free up additional green space on the site. School districts are required to match state funding on a 50-50 state/local share basis, unless they qualify for state financial hardship funding, whereby the state can contribute up to 100 percent of the local share.

High Performance funds were used to incentivize applicants to incorporate environmentally friendly 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 state/local share basis for New Construction projects and on a 60-40 state/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, the State Allocation Board (SAB) is responsible for determining the allocation of state resources including proceeds from general obligation bond issues and other designated state funds used for the New Construction and Modernization of public school facilities. The SAB is also charged with the responsibility of allocating funds for the Full-Day Kindergarten Facilities Grant Program and 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 SAB 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 mission 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 SAB. As staff to the SAB, the Office of Public School Construction is responsible for providing the assistance necessary to carry out the laws, regulations, policies, and programs of the SAB, and administering all programs that are under the purview of the SAB with equity, transparency and integrity.

Assembly Bill 74 (Ting. Budget Act of 2019)

Provisions:

The Office of Public School Construction (OPSC) shall report the following information to the committees in each house of the Legislature that consider the budget and the Legislative Analyst's Office by March 31, 2020:

- (a) For facility grant applications pertaining to new construction, new construction with site acquisition, modernization, career technical education, and financial hardship, respectively, all of the following: (1) the total number of full-time equivalent staff dedicated to application processing for the 2019-20 fiscal year; (2) the average number of hours spent processing each type of application; (3) the total number and associated state grant amounts for each type of application processed each month between July 1, 2019, and February 29, 2020; and (4) an estimate of the total number and associated state grant amounts of applications OPSC expects to complete processing between March 1, 2020, and June 30, 2020. An application shall include the following steps: (1) determining application eligibility, (2) determining the state grant amount for an application, and (3) approving site acquisition, if applicable. An application shall be counted as processed once those steps are complete.
- (b) For appeals associated with the initial determination of grant eligibility or funding, all of the following: (1) the total number of full-time equivalent staff dedicated to processing appeals for the 2019-20 fiscal year; (2) the total number of appeals processed each month between July 1, 2019, and February 29, 2020; and (3) the average number of hours spent processing an appeal.