REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 22, 2014

SCHOOL DISTRICT DATA

School District: ..... GLENN COUNTY OFFICE OF EDUCATION
County: ..... GLENN
Application Number(s): ..... VARIOUS
School Name: ..... VARIOUS
Total District Enrollment: 372
Project Grade Level: K-12
Financial Hardship: ..... YES
Date of Financial Hardship Status ..... June 4, 2003
Last Approved Local Bond Measure ..... NONE
Qualifying Financial Hardship Criteria: SFP Regulation Section 1859.81(c)(3)

PURPOSE OF REPORT

To present Glenn County Office of Education's (COE) appeal to allow Financial Hardship (FH) project savings to be used for the installation of two communication towers at the COE's administration buildings in Willows and Orland.

DESCRIPTION

The COE is requesting to use $479,066 of FH savings (generated from six previously funded FH projects) to fund the installation of two communication towers with an estimated cost of $450,000 to $500,000. One tower will be located at the COE's administration office in Willows and the other will be at the COE's administration office in Orland. The communication towers will provide broadband internet to all school districts within Glenn County.

AUTHORITY

See Attachment A.

BACKGROUND

The OPSC completed reviews on six COE FH projects and determined savings totaling $479,066 from the following:

Application Number	Savings	Deadline to Apply FH Savings to Another Project	3 or 4 Year Completion Deadline
50/10116-00-002	$33,149	April 23, 2013	June 16, 2009
50/10116-00-003	$40,801	April 23, 2013	September 13, 2008
50/10116-00-004	$2,763	April 23, 2013	March 23, 2008
50/10116-00-007	$9,401	April 23, 2013	March 23, 2008
50/10116-00-001	$44,492	October 19, 2013	June 23, 2009
50/10116-00-008	$348,460	November 12, 2013	September 16, 2008
Total	**$479,066**		

The original scope of work of the six projects includes:

- Willows High (50/10116-00-002) – 1 non-severe special education classroom, 1 severe special education classroom, administration, and storage
- Princeton Elementary (50/10116-00-003) – 1 non-severe special education classroom, 1 severe special education classroom, administration, and storage

(Continued on Page Two)

BACKGROUND (cont.)

- Plaza Elementary (50/10116-00-004) – 1 non-severe special education classroom, 1 severe special education classroom, administration, and storage
- Willows Community High (50/10116-00-007) – 5 classrooms, 1 computer room, administration, kitchen, janitor/storage, toilets, open/closed corridor, and common area
- Willows Intermediate (50/10116-00-001) – 1 non-severe special education classroom, 1 severe special education classroom, administration, storage/mechanical, toilets
- Orland Community High (50/10116-00-008) – 5 classrooms, 1 computer room, administration, kitchen, storage/mechanical, toilets, open/closed corridor, 1 common area

Pursuant to School Facility Program (SFP) Regulation Section 1859.103, FH savings must be used in one of the following ways:

- Option 1 - Reduce the FH grant of the project that generated the savings.

OR

- Option 2 - Reduce the FH apportionment of a future FH project within the next three years. If, after three years, the FH savings have not been used, the savings plus interest must be returned to the State.

The COE agreed to Option 2, and retained the savings accrued on the six FH projects to reduce the State's contribution on future FH projects within three years (see Attachment B, B-1, B-2). Subsequently, on March 9, 2012, the COE met with Staff to inquire about using FH savings to install the two communication towers.

Since the communication towers are not part of a SFP FH project, the COE is not eligible to use the savings for these purposes. On August 9, 2012, Staff notified the COE that the FH savings cannot be used for the installation of the communication towers project, and informed the COE that its FH savings must be used to reduce the FH apportionment of a future SFP FH project within the next three years.

Receipt of Appeal

On February 28, 2013, Staff sent a letter to the COE stating that the $86,114 in FH savings must be used to reduce the FH apportionment on a future project, or be returned by April 23, 2013. However, after receiving the letter, the COE stated that it had submitted an appeal in September 2012. Staff searched its mail records for the month of September, but found no record of receiving the appeal, and the COE had no receipt or tracking number. The COE re-sent the appeal, and it was received by OPSC on April 26, 2013.

Staff expanded its search to the month of October 2012, and tracked the original appeal from the COE, which was received on October 16, 2012. Unfortunately, the appeal was misplaced and not processed at that time. Therefore, the received date for this appeal should be considered October 16, 2012.

STAFF ANALYSIS / STATEMENTS

COE Position

The COE stated in a meeting with Staff that it is responsible for technology and internet support for 8 school districts serving approximately 5,600 students. Glenn County is mostly rural, thus internet access is limited in most areas. The need for high speed internet access to all districts within the county is needed because the California Department of Education (CDE) is moving towards new state standards referred to as the Common Core standards. These standards will require districts to have high speed internet to administer on-line testing.

(Continued on Page Three)

STAFF ANALYSIS / STATEMENTS (cont.)

The COE is proposing to use FH savings to re-design its internet network "from traditional copper/fiber/wired Internet connections to carrier-grade wireless point-to-point connections" by installing two large 100 foot communication towers in Orland and Willows. The Orland tower would connect all of the school districts in the northern part of Glenn County, and the Willows tower would connect all the school districts to the south. The two communication towers will be linked to each other, unifying the entire network.

The COE estimates the cost for the two communication towers at approximately $450,000 to $500,000 with ongoing annual costs thereafter at approximately $40,000 per year. The COE believes it will save "approximately $122,000 a year" by upgrading from their current wired internet provider. The COE states the operational savings will stay with the school districts to be spent in other educational areas of need for students.

The COE also believes the communication towers project will have a significant impact on the education of the students, health and safety, telephone connectivity, the way it does business, and potentially save taxpayers hundreds of thousands of dollars.

See Attachment C for the full text of the District's position.

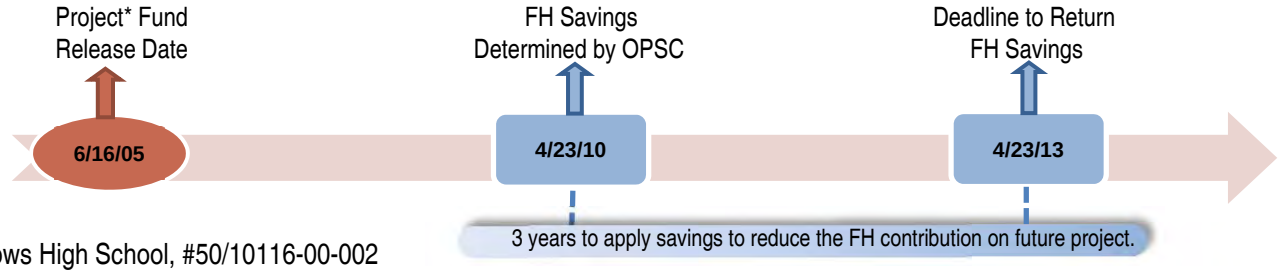
Staff Position

Pursuant to SFP Regulation Section 1859.103 (see Attachment A), the State's portion of any savings determined by the OPSC must be used to reduce the SFP financial hardship grant of that project or other financial hardship projects within the district for a period of three years from the date the savings were determined by the OPSC. The use of these FH funds for other capital outlay projects is not permitted. FH savings must be applied to another qualified SFP FH project before the three-year deadline. The COE did not have a qualified SFP FH project within the three-year deadline to apply the savings; therefore, these funds must be returned to the State.

No classrooms will be built in a project to install communication towers. Pursuant to Education Code Section 17072.35 (see Attachment A), new construction funds are to be used to adequately house new pupils in any approved project. Since communication towers do not house pupils, a project consisting of only communication towers does not meet the requirements for new construction funding. Therefore, installation of the COE's communication towers does not qualify as a SFP new construction project.

Additionally, the communication towers were not included in the original project scopes of any of the six projects being appealed; therefore, including them now would be considered a change of scope. Since the communication towers could not be located on school sites funded by the six projects, they would have to be part of a new project on a different site.

Although Staff recognizes the communication towers may bring benefits to the COE, and all other school districts in Glenn County, Education Code Section 17072.35 requires new classrooms as part of any new construction project. The COE does not have a qualified FH project to apply the savings, and the projects' three-year time limit for the savings plus interest to be returned to the State has passed. Therefore, Staff does not support the District's request.



*Willows High School, #50/10116-00-002

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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 Glenn County Office of Education's appeal.

BOARD ACTION

In considering this item, the State Allocation Board did not grant the Glenn County Office of Education's (COE) appeal; therefore, the COE must return the savings to the State.

ATTACHMENT A
AUTHORITY

Education Code 17072.35.

A grant for new construction may be used for any and all costs necessary to adequately house new pupils in any approved project, and those costs may only include the cost of design, engineering, testing, inspection, plan checking, construction management, site acquisition and development, evaluation and response action costs relating to hazardous substances at a new or existing schoolsite, demolition, construction, acquisition and installation of portable classrooms, landscaping, necessary utility costs, utility connections and other fees, equipment including telecommunication equipment to increase school security, furnishings, and the upgrading of electrical systems or the wiring or cabling of classrooms in order to accommodate educational technology. A grant for new construction may also be used to acquire an existing government or privately owned building, or a privately financed school building, and for the necessary costs of converting the government or privately owned building for public school use. A grant for new construction may also be used for the costs of designs and materials that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and other characteristics of high performance schools.

SFP Regulation Section 1859.103. Savings.

A district may expend the savings not needed for a project on other high priority capital facility needs of the district including the relocation of district facilities necessary as a result of Subdivision (b) of Education Code Section 17072.12. The grants for the projects funded pursuant to Section 1859.70.2 or Section 1859.180 shall be limited to eligible expenditures, up to the State Apportionment for the project except as specified in Section 1859.184.1(d). Savings may be declared by the district in writing to the OPSC any time after the release of all funds for the project.

With the exception of savings attributable to a site apportionment made pursuant to Sections 1859.74.5 or 1859.81.2, the State's portion of any savings declared by the district or determined by the OPSC by audit must be used to reduce the SFP financial hardship grant of that project or other financial hardship projects within the district for a period of three years from the date the savings were declared by the district or determined by the OPSC audit. The State's portion of any savings from a new construction project or a Joint-Use Project may be used as a district matching share requirement, only on another new construction project, and the State's share of any savings from a modernization project may be used as a district matching share requirement, only on another modernization project.

Any interest earned on a financial hardship project not expended on eligible project expenditures will be treated as savings and will be used to reduce the SFP financial hardship grant for that project.

ATTACHMENT B

Glenn County Office of Education

Office of the Superintendent

Tracey Quarne, Superintendent
311 South Villa Avenue • Willows, California 95988
(530) 934-6575 Ext. 3061 FAX (530) 934-6111

GLENN COUNTY OFFICE OF EDUCATION

Randy Jones
Assistant Superintendent of
Business Services
530-934-6575 x3050
FAX 530-934-6654
rjones@glenncoe.org

Board of Education

Janice Cannon
Elk Creek Area

Judith Holzapfel
Orland Area

Eugene Massa
Willows Area

Kathy Perez
Princeton Area

Gail Zimmerman
Hamilton Area

March 1, 2011

Jason Hernandez
Auditor Supervisor
Office of Public School Construction
707 3rd Street
West Sacramento, CA 95605

Dear Mr. Hernandez:

This letter is in response to your letter to Glenn County Office of Education dated February 25, 2011, which provided notification of closeout on the following projects:

50/10116-00-002	Willows High
50/10116-00-003	Princeton Elementary
50/10116-00-004	Plaza Elementary
50/10116-00-007	Willows Community High

The Superintendent of Glenn County Office of Education has elected to retain the project savings for a future project.

Thank you for your assistance with this matter. Please call me at (530) 934-6575 ext. 3050 if you have any questions.

Sincerely,

Randy Jones

Randy Jones
Assistant Superintendent, Business Services

Cc: Chrissy Millen

"An Equal Opportunity Provider"

GCOE
GLENN COUNTY
Office of Education

ARTURO BARRERA
SUPERINTENDENT

Randy Jones
Assistant Superintendent of
Business Services
530-934-6575 x3050
FAX 530-934-6654
rjones@glenncoe.org

Board of
Education

Judith Holzapfel
Catherine Hanes
Eugene Massa
Kathy Perez
Gail Zimmerman

Business Services
311 S. Villa Ave
Willows, CA 95988
(530) 934-6575
FAX: (530) 934-6654
An Equal Opportunity
Employer

October 19, 2010

Sukhraj Kaur
Office of Public School Construction
707 3rd Street
West Sacramento, CA 95605

Dear Ms. Kaur:

This letter is in response to your notification of closeout on project #50-10116-00-001. The County Superintendent has elected to retain the project savings for a future project.

Thank you for your assistance with this matter. Please contact me if you have any additional questions or concerns.

Sincerely,

Randy Jones

Randy Jones

Cc: Chrissy Millen

GCOE
GLENN COUNTY
Office of Education

Arturo Barrera
Superintendent

Board of Education
Catherine Hanes
Elk Creek Area

Gail Zimmerman
Hamilton Area

Judith Holzapfel
Orland Area

Kathy Perez
Princeton Area

Eugene Massa
Willows Area

Programs
Administrative Services
Adult Education
Business Services
Child & Family Services
Curriculum & Instruction
Facilities
Human Resources
MAA
Regional Occupational Programs
Senior Nutrition
Student Services
Technology
William Finch Charter School

Glenn County Office of Education
Willows Office
311 S. Villa Avenue
Willows, CA 95988
530-934-6575
Fax 530-934-6576

Glenn County Learning Center-North
P.O. Box 428
607 E. Tehama St.
Orland, CA 95963
530-865-1683
Fax 530-865-1688

Glenn County Learning Center-South
451 S. Villa Avenue
Willows, CA 95988
530-934-6320
Fax 530-934-6325

Glenn County Office of Education
Orland Office
P.O. Box 817
676 E. Walker Street
Orland, CA 95963
530-865-1267
Fax 530-865-1276

November 12, 2010

Sukhraj Kaur
Office of Public School Construction
707 3rd Street
West Sacramento, CA 95605

Dear Ms. Kaur:

This letter is in response to your notification of closeout on project #50-10116-00-008. The Glenn County Superintendent has elected to retain the project savings for a future project.

Thank you for your assistance with this matter. Please contact me if you have any questions or concerns.

Sincerely,

Randy Jones

Randy Jones

Cc: Chrissy Millen

"GCOE is an equal opportunity provider"

SCHOOL DISTRICT	APPLICATION NUMBER
Glenn County Office of Education	PTN 10116-20
SCHOOL NAME	COUNTY
	Glenn
DISTRICT REPRESENTATIVE	E-MAIL ADDRESS
Tracey Quarne	traceyquarne@glenncoe.org

Purpose of Request:

The Glenn County Office of Education (GCOE) requests approval to utilize School Facility Program (SFP) Financial Hardship (FH) project savings for a new SFP FH project. The new project will construct two communication towers to provide both data and voice connectivity to all LEA sites in Glenn County.

Basis of Request:

- ☐ Law (Statute) _____
- ☒ Regulation Section 1859.103
- ☐ Other (specify) _____

Description:

The Glenn County Office of Education is proposing to do a complete network re-design by moving away from traditional copper/fiber/wired internet connections to carrier-grade wireless point-to-point connections. The construction project would require erecting two large 100' communication towers, one located in Orland, the other in Willows. The Orland communication tower would connect all of the sites in the northern part of Glenn County, and the Willows communication tower would connect all of the sites in the southern part of Glenn County. The two communication towers will also be linked to each other, unifying the entire network. The type of wireless technology sought is to be FCC licensed, point-to-point wireless. The links will be highly secured and all traffic will be encrypted. By obtaining the FCC license, it will allow us our own private frequency band without interference from other wireless signals, and will be hid from others outside of our network.

This construction project gives GCOE the opportunity to become owners of our own network and allows us the freedom to circumvent the obstacles and challenges placed on us by private businesses. There have been several broadband initiatives, and federal grant dollars allocated to bring broadband high speed internet to rural areas like Glenn County; unfortunately, we have not seen any tangible evidence of any available opportunities or plans for any new developments where our schools are physically located.

The estimated cost for this construction project is approximately $450,000 to $500,000, and the ongoing annual costs after the construction project are approximately $40,000 per year, reflecting an approximate savings of $122,000 a year. Rather than these funds going to a Telco Provider, they will stay with educational institutions to be spent in other educational areas of need for students.

This construction project gives us the opportunity to make some very real changes that will have a significant impact on the way we educate our students, health/safety telephone connectivity, the way we do business, and will help to potentially save tax payers hundreds of thousands of dollars.

SIGNATURE OF AUTHORIZED DISTRICT REPRESENTATIVE	DATE
Tracey Quarne	9/17/12
Tracey Quarne	8/24/13

THE MERCED COE ITEM HAS BEEN WITHDRAWN