

STATE ALLOCATION BOARD AGENDA

Meeting Date: October 24, 2018

State Capitol
Room 4202
2:00 p.m.

Revision date: October 19, 2018

Tab #7 – Action Items

- Replace pages 335 and 337 (Cover)
- Replace page 353 (Attachment B)
- Replace pages 362 and 363 (Attachment E)
- Replace pages 399 (Attachment G)

Thank you,

Lisa Jones
Office of Public School Construction
Lisa.jones@dgs.ca.gov
(916) 376-1753

STAFF ANALYSIS/STATEMENTS (cont.)

OPSC proposes that the \$97.5 million available for FDKFGP applications will be split between two rounds in the following manner:

Round	Available Funds
First Round: January 2, 2019 - January 31, 2019	\$37.5
Second Round: May 1, 2019 – May 30, 2019	\$60.0

The \$100 million allocated for the FDKFGP must be encumbered by the Board by June 30, 2021. A two-round system will allow the Board to promptly expend the FDKFGP funds within this given time frame. The two-round system will also provide more time for districts to plan and prepare a project submittal so as to encourage full participation in the program. Any funds that return to the program after the first round is awarded, and/or any funds that remain from the first round if the round is undersubscribed will be included in the amount available for the second round. Any program funds remaining by June 30, 2021 will be returned to the General Fund.

Types of Projects/Grant Calculations

Districts may apply for funding with or without an advance release of funds.

- New construction or retrofit grant requests *without* an advance release of funds are for school districts that have all of the required supporting documentation at the time the application is submitted to OPSC, including Division of State Architecture (DSA) plan approval and CDE final plan approval.
- New construction or retrofit grants requests *with* an advance fund release are for school districts that have none or only a portion of the required supporting documentation and approvals.

There are two FDKFGP project types, new construction and retrofit. Per EC Section 17375(d), the most current School Facility Program Grade K-6 new construction per pupil grant amount will be used to calculate the new construction base grant and the most current School Facility Program modernization grade K-6 per pupil grant amount will be used to calculate the retrofit base grant. The School Facility Program loading standard of 25 pupil grants per K-6 classroom will be applied to each classroom in the project. Program grants will be provided on a 50/50 state and local share basis for new construction projects and 60/40 state and local share basis for retrofit of existing facilities. Financial Hardship assistance is available for those districts that cannot make their local matching share contribution. Financial Hardship requirements mirror those of the School Facility Program.

The base grant may be increased by the following additional grants supported by the project.

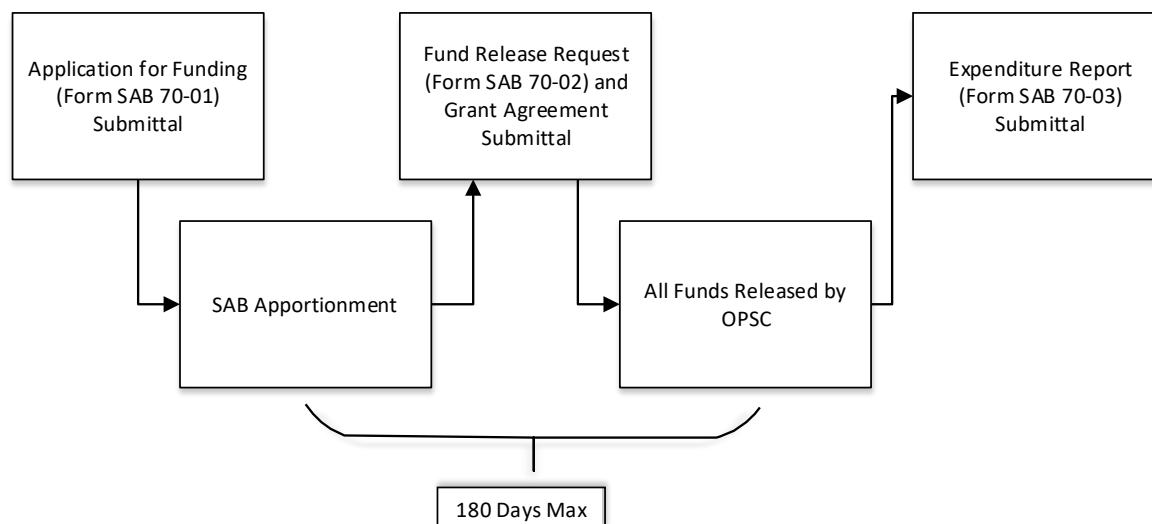
New Construction	Retrofit
Site Acquisition	Automatic fire detection/alarm system
Hazardous waste removal	Site Development*
Automatic fire detection/alarm system.	50-year old utilities**
Automatic sprinkler system	Project Assistance
Site Development*	
Multilevel classroom construction	
Project assistance	

* The new construction and retrofit base grants for all projects will be increased by 35 percent (the historic average of School Facility Program site development costs) if there is site development in the approved project plans.

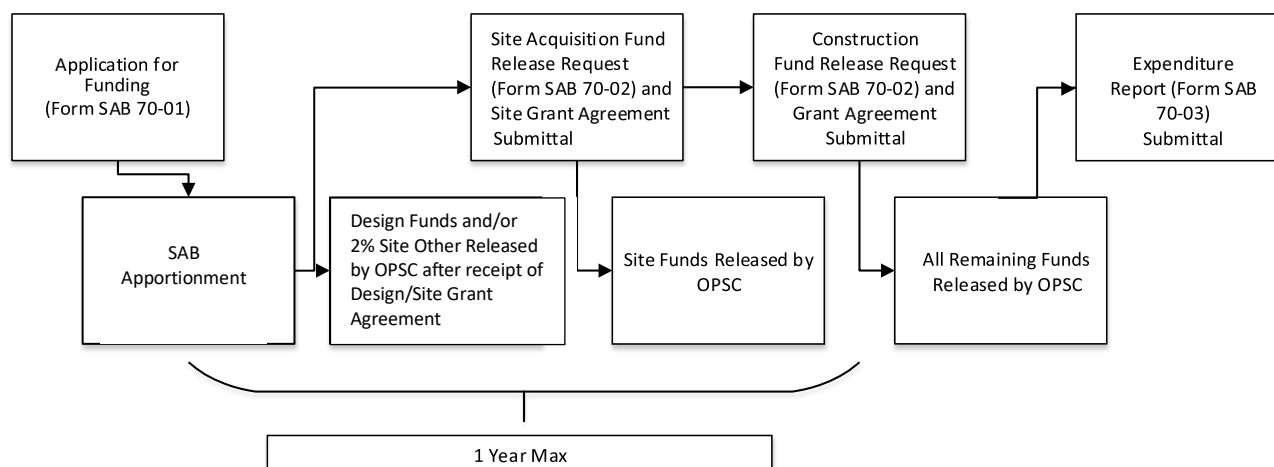
**50-year old utilities. The retrofit base grant will be increased by 15 percent for 50-year old utilities for projects that retrofit 50 years or older permanent buildings if there is utility work in the approved plans.

STAFF ANALYSIS/STATEMENTS (cont.)

School districts who receive new construction or retrofit grants *without* an advance release of funds must submit a valid Fund Release (Form SAB 70-02) with all required approvals within 180 days of apportionment.



School districts who receive new construction or retrofit grants *with* an advance release of funds must then submit a valid Fund Release (Form SAB 70-02) with all required approvals within 12 months of apportionment.

*Program Reporting/Audits*

A school district that receives FDKFGP funding must submit a valid Expenditure Report (Form SAB 70-03) at the completion of the project. Projects will be deemed complete either when the notice of completion for the project has been filed or one year from the date of the final fund release. Excluding school districts that received a financial hardship grant, school districts must report the expenditure of project savings **within one year of project completion**. A project that received a financial hardship grant must return any unexpended funds to the State upon completion of the project. Projects will be subject to a local audit conducted pursuant to EC Section 41024 to assure that the expenditures incurred by the school district were made in accordance with the provisions of EC Section 17375.

(c) The Board shall apportion projects in the following order:

(1) School Districts will be funded based on the total preference points, determined by the sum of subdivisions (a) and (b) above. If School Districts submit multiple applications in the same funding round, OPSC will use the priority order assigned to each application by the School Districts on the Form SAB 70-01 and then fund Approved Applications in the following order:

(A) School Districts shall have their first priority projects funded in order based on total preference points until all School Districts have had their first priority project funded, or until all funds are exhausted for that funding round, whichever comes first.

(B) School Districts with the same total preference points with Approved Applications will be placed into a lottery system to determine School District funding order.

(2) If sufficient funding remains after funding first priority projects pursuant to 1860.15(c)(1)(A), School Districts with multiple Approved Applications will be funded in the following order:

(A) The School District with the highest total preference points shall have their remaining projects funded in priority order until all projects are funded, or until all funds are exhausted for that funding round, whichever comes first. Funding shall then be provided to the School District with the next highest total preference points.

(B) School Districts with the same total preference points with Approved Applications will be placed into a lottery system to determine School District funding order. The highest remaining priority project for each School District participating in the lottery will be funded until all projects from each School District participating in the same lottery round have been funded, or until all funds are exhausted for that funding round, whichever comes first.

(3) If the Board does not have sufficient funding to fully apportion a School District's Approved Application, that School District may elect to either:

(A) Accept partial funding for the project. If partial funding is accepted, the Apportionment shall become the full and final apportionment for the project.

(B) Decline to accept funding for the project. If partial funding is declined, the Board may offer partial funding to the next Approved Application, based on funding order determined in (c)(1) and (c)(2) above.

Note: Authority cited: Sections 17375(b)(2) and 17375(g), Education Code.

Reference: Sections 17075.10, 17075.15, 17375(b)(2), 17375(b)(2)(A), 17375(b)(2)(B), 17375(g), and 42238.01, Education Code

Section 1860.16. Fund Release Process.

OPSC will release State funds that have been Apportioned by the Board pursuant to Sections 1860.9, 1860.10, 1860.10.2, 1860.10.3 and 1860.12 when the following requirements have been satisfied:

- (a) For an advance fund release for design costs, 40 percent of the grant determined in 1860.9(a) or 25 percent of the grant determined in 1860.12(a) will be released once an executed design, or design and site, Grant Agreement, as required by Section 1860.17, has been received by OPSC.
- (b) For an advance fund release for two percent site other costs, funds will be released once an executed site, or design and site, Grant Agreement, as required by Section 1860.17, has been received by OPSC.
- (c) For an advance fund release for site acquisition costs, other than two percent site other, funds will be released once an executed site, or design and site, Grant Agreement, as required by Section 1860.17, has been received by OPSC and the following requirements have been met:
 - (1) The School District has entered escrow for the site.
 - (2) There has been a final appraisal of the site.
 - (3) The School District received either contingent or final site approval from the California Department of Education.
 - (4) A valid Form SAB 70-02 has been received by OPSC.
- (d) For New Construction Grant or Retrofit Grant funding, all unreleased funds will be released once an executed full grant agreement, as required by Section 1860.17, has been received by OPSC and the following requirements have been met:
 - (1) The School District's applicable matching share has already been deposited or expended by the School District for the project, unless the School District meets the requirements for Financial Hardship pursuant to Section 1860.14.
 - (2) The School District has entered into a binding contract(s) for the completion of the project.
 - (3) The plans and specifications applicable to the state funded project have been approved by DSA.
 - (4) If the project includes site acquisition, there has been a final appraisal of the site, the site received written final approval by CDE and the School District has entered escrow for the site.
- (e) A valid Form SAB 70-02 has been received by OPSC.

EXPENDITURE REPORT**Full-Day Kindergarten Facilities Grant Program**

SAB 70-03 (NEW 10/18)

INSTRUCTIONS (Refer to Title 2, California Code of Regulations Sections 1860.18 through 1860.20)

For purposes of completing this form enter the total amount spent for the project up to the total approved project cost authorized by the State Allocation Board, including interest.

1. Enter the date construction was completed as stated in the notice of completion on the last working contract.
2. Provide the following information regarding the Report Period:
 - A. School District contribution, enter the amount the School district contributed.
 - B. State Funds, enter the total FDKFGP Grant awarded to the School District by the State Allocation Board for this application.
 - C. Total Approved project amount. To determine the sum, please add the number from box A with box B ($A+B=C$).
 - D. Interest Earned, provide the total interest earned on the FDKFGP Grant, that was accrued from the warrant release date to the date of the signature on the Form SAB 70-03.
 - E. Total Grant with Interest, enter the sum of total approved project amount with the interest earned. ($C+D=E$)
 - F. Project Expenditures, enter the total amount of expenditures for the FDKFGP project
 - G. Reported Savings, if the Grand Total with Interest from Part E is more than the Project Expenditures from Part F, *subtract* the Grand Total Interest with Interest from Project Expenditures ($E-F=G$).
 - H. Reported Over Spent, if the Project Expenditures from Part F is more than the Grand Total with Interest from Part E, *subtract* the Project Expenditures from the Grand Total with Interest ($E-F=H$).
3. If applicable, list the amount of savings from this project that will be used for other high priority capital facility needs of the School District. Savings must be used within one year of completion of the project pursuant to Section 1860.19(a). If completing Final Savings Report, only complete this section.
 - A. Enter the savings expenditures reported at completion.
 - B. Enter the total savings expenditures submitted at Final Savings Report.
 - C. Enter the residual savings that shall be returned to the state.
4. Attach a copy of the approved School District board resolution approving a Full-Day Kindergarten Program pursuant to Education Code Section 8973, if not provided with the *Application for Funding* (Form SAB 70-01). Check appropriate box if the Board Resolution is attached.

The Final Expenditure Report and Final Savings Report must include a detailed listing of:

- Warrant, date of warrant, payee, warrant number, and description/purpose of the expenditure.
- The use of a transaction record, in lieu of warrant number, is acceptable for documenting actual force account labor expenditures.

Visit the Office of Public School Construction (OPSC) website at www.dgs.ca.gov/opsc for the Expenditure Worksheets (an Excel worksheet) which may be used to assist in reporting these expenditures.

Submit completed form to: **Department of General Services
Office of Public School Construction
Attn: FDKFGP Audit
707 Third Street, 6th floor
West Sacramento, CA 95605**

EXPENDITURE REPORT**Full-Day Kindergarten Facilities Grant Program**

SAB 70-03 (NEW 10/18)

SCHOOL DISTRICT		APPLICATION NUMBER	
SCHOOL NAME		SCHOOL ADDRESS	
COUNTY	CHECK APPROPRIATE BOX:		FINAL EXPENDITURE REPORT ☐ FINAL SAVINGS REPORT ☐
PREPARER'S NAME (TYPED)	PREPARER'S TITLE (TYPED)	TELEPHONE NUMBER/E-MAIL ADDRESS	
DISTRICT REPRESENTATIVE NAME (TYPED)	DISTRICT REPRESENTATIVE TITLE (TYPED)	TELEPHONE NUMBER/E-MAIL ADDRESS	

1. Notice of Completion Date: _____**2. Report Period**

A. School District Funds	
B. State Funds	
C. Total Approved Project Amount (A + B)	
D. Interest Earned	
E. Total Grant With Interest (Add parts C and D)	
F. Project Expenditures	

G. Reported Savings, subtract Part F from Part E.	
H. Reported Over Spent, subtract Part E from Part F	

3. If applicable, list the amount of savings from this project that will be used for other high priority capital facility needs of the School District.**Amount of Savings**

A. Savings Expenditures Reported at Completion	\$
B. Savings Expenditures Submitted at Final Savings Report.	\$
C. Residual Savings to be Returned to the State	\$

4. A copy of the approved School District board resolution pursuant to Education Code Section 8973 is attached, if applicable.
☐ Yes
 ☐ No

I certify, as the School District Representative, that the information reported on this form is true and correct and that:

- I am designated as an authorized School District representative by the governing board of the School District; and,
- Under penalty of perjury, under the laws of the State of California, the foregoing statements are true and correct, and that all laws pertaining to school construction were adhered to in the construction of this project; and,
- The School District has satisfied the supplement, not supplant requirement as specified in Education Code Section 17375(k); and,
- This form is an exact duplicate (verbatim) of OPSC. In the event a conflict should exist, then the language in OPSC's form will prevail.
- If the project did not receive Financial Hardship funding, any savings not spent on other high priority capital facility needs of the School District within one year of project completion or within one year of the Final Expenditure Report, must be returned to the state.

SIGNATURE OF DISTRICT REPRESENTATIVE	DATE
--------------------------------------	------

Application Funding Order Scenario

The Full-Day Kindergarten Facilities Grant Program (FDKFGP) Regulations Section 1860.15(c) explains the order in which participating School Districts and their approved applications will be funded.

REGULATION SECTION 1860.15(c)

(c) The Board shall apportion projects in the following order:

(1) School Districts will be funded based on the total preference points, determined by the sum of subdivisions (a) and (b) above. If School Districts submit multiple applications in the same funding round, OPSC will use the priority order assigned to each application by the School Districts on the Form SAB 70-01 and then fund Approved Applications in the following order:

(A) School Districts shall have their first priority projects funded in order based on total preference points until all School Districts have had their first priority project funded, or until all funds are exhausted for that funding round, whichever comes first.

(B) School Districts with the same total preference points with Approved Applications will be placed into a lottery system to determine School District funding order.

(2) If sufficient funding remains after funding first priority projects pursuant to 1860.15(c)(1)(A), School Districts with multiple Approved Applications will be funded in the following order:

(A) The School District with the highest total preference points shall have their remaining projects funded in priority order until all projects are funded, or until all funds are exhausted for that funding round, whichever comes first. Funding shall then be provided to the School District with the next highest total preference points.

(B) School Districts with the same total preference points with Approved Applications will be placed into a lottery system to determine School District funding order. The highest remaining priority project for each School District participating in the lottery will be funded until all projects from each School District participating in the same lottery round have been funded, or until all funds are exhausted for that funding round, whichever comes first.

(3) If the Board does not have sufficient funding to fully apportion a School District's Approved Application, that School District may elect to either:

(A) Accept partial funding for the project. If partial funding is accepted, the Apportionment shall become the full and final apportionment for the project.

(B) Decline to accept funding for the project. If partial funding is declined, the Board may offer partial funding to the next Approved Application, based on funding order determined in (c)(1) and (c)(2) above.

FUNDING SCENARIO

The following five school districts have applied to FDKFGP, and all applications from these school districts were approved for funding. School districts B, C, and D all have the same total preference points, so they were placed into a lottery system, to determine the order within the funding round. School district B was picked first. School district C was picked second. School district D was picked third. This same order was picked for the funding order of the first priority projects, pursuant to 1860.15(c)(1) and for the subsequent funding order lottery, pursuant to 1860.15(c)(2).

<i>School District Name</i>	<i>Total Preference Points</i>	<i>Number of Approved Applications</i>	<i>Position in Lottery</i>
School District A	75	3	N/A
School District B	70	3	1
School District C	70	2	2
School District D	70	4	3
School District E	68	3	N/A

Assuming there is enough funding for all approved applications, the approved applications will be funded in the following order, pursuant to Regulation Section 1860.15(c):

1. School District A's 1st Priority	6. School District A's 2nd Priority	11. School District B's 3rd Priority
2. School District B's 1st Priority	7. School District A's 3rd Priority	12. School District D's 3rd Priority
3. School District C's 1st Priority	8. School District B's 2nd Priority	13. School District D's 4th Priority
4. School District D's 1st Priority	9. School District C's 2nd Priority	14. School District E's 2nd Priority
5. School District E's 1st Priority	10. School District D's 2nd Priority	15. School District E's 3rd Priority