REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, October 24, 2018

IMPLEMENTATION OF THE FULL-DAY KINDERGARTEN FACILITIES GRANT PROGRAM PROPOSED REGULATIONS

PURPOSE OF REPORT

To present and request adoption of proposed program Regulations, Forms, and a Grant Agreement for the Full-Day Kindergarten Facilities Grant Program (FDKFGP).

DESCRIPTION

Assembly Bill (AB) 1808, adds Article 1 (commencing with Education Code Section 17375) to Chapter 3 of Part 10.5 of Division 1 of Title 1 of the Education Code (EC) to create the Full-Day Kindergarten Facilities Grant Program. The FDKFGP allows school districts that lack the facilities to provide full-day kindergarten to apply for one-time grants to construct new school facilities or retrofit existing school facilities for the purpose of providing full-day kindergarten classrooms. AB 1808 requires the State Allocation Board (Board) to adopt regulations to administer the grant program and authorizes these regulations to be filed on an emergency basis.

This item seeks Board approval for the following:

- proposed program Regulations (included as Attachment B);
- Form SAB 70-01 “Application for Funding” (included as Attachment C);
- Form SAB 70-02 “Fund Release Authorization” (included as Attachment D);
- Form SAB 70-03 “Expenditure Report” (included as Attachment E); and,
- Grant Agreement (included as Attachment F).

This item also seeks Board approval for the amount of funding to be provided for each funding round for FDKFGP.

AUTHORITY

See Attachment A.

BACKGROUND

AB 1808, the Education Finance: Education Omnibus Trailer Bill, was approved by the Governor and Chaptered on June 27, 2018.This bill appropriated $100,000,000 out of the General Fund from the 2018/2019 fiscal year to the Board to provide one-time grants to school districts to construct new school facilities or retrofit existing school facilities for the purpose of providing full-day kindergarten classrooms to house existing kindergarten students. A “full-day kindergarten classroom,” for purposes of this bill, must satisfy the design requirements for new kindergarten classrooms as specified in paragraph (2) of subdivision (h) of Section 14030 of Title 5 of the California Code of Regulations (CCR).

STAFF ANALYSIS/STATEMENTS

Staff has analyzed the legislation establishing the FDKFGP and conducted three stakeholder meetings to develop and refine the criteria for providing grants to school districts under the FDKFGP. An overview of the proposed program criteria is included below. The corresponding proposed program Regulations are included as Attachment B. The proposed program forms are included as Attachments C, D, and E. The proposed program Grant Agreement template is included as Attachment F. An example explaining the program’s funding order is included as Attachment G.

STAFF ANALYSIS/STATEMENTS (cont.)

Summary of Proposed Program Criteria

Program Eligibility Criteria

School Districts currently serving kindergarten pupils may apply to the FDKFGP. Per FDKFGP statute, county offices of education, local educational agencies, charter schools, joint powers of authority, and the State Department of Education may not apply. Projects submitted by school districts are eligible for funding if they meet the following requirements:

(a) District Intends to Provide Full-Day Kindergarten
The school district currently has passed, or will pass by the completion of the project, a school board resolution providing approval to provide full-day kindergarten instruction.

(b) District Lacks Facilities to Provide Full-Day Kindergarten
The school district currently lacks the facilities to adequately and appropriately provide full-day kindergarten instruction for existing kindergarten pupils at the project school site. A project site will be considered lacking full-day kindergarten facilities if the kindergarten enrollment at the site exceeds the existing kindergarten classroom capacity using the School Facility Program (SFP) loading standard of 25 K-6 pupils per classroom.

Proposed FDKFGP projects must increase the number of kindergarten classrooms meeting current kindergarten design requirements at the site by either the addition of a classroom(s) to an existing school site or by retrofitting an existing facility that is not a currently designed as a kindergarten classroom. If requesting funding for a retrofit project, School Districts must certify that the existing classroom to be retrofitted did not meet kindergarten design requirements when it was built, or that it was not previously retrofitted to meet kindergarten design standards.

Projects may consist of the construction of a new facility or the acquisition and conversion of an existing building for public school use. Projects may not consist of purchasing a portable classroom building. Projects must be on or adjacent to existing sites; new school projects are not allowed. Projects should provide classrooms to house existing kindergarten students, not add capacity to the school site

Funding Availability/Funding Rounds

$100 million has been appropriated from the General Fund to the Board and deposited in the Full-Day Kindergarten Facilities Account. EC Section 17375(j) allows the Department of General Services (DGS) to charge its administrative costs against the Full-Day Kindergarten Facilities Account for an amount not to exceed 2.5 percent.

The following amount of funding will be available to applicants for the FDKFGP:

Funds Deposited into the Full-Day Kindergarten Facilities Account	$100.0 million
Less: DGS Administrative Costs	$ 2.5 million
Funding Available for FDKFGP Applications	$ 97.5 million

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.)

Preference Points and Funding Order

If funds are insufficient to fully fund all Approved Applications for FDKFGP funding, approved applications will receive preference points based on the total of (a) and (b) up to a maximum of 80 points, as follows:

(a) 40 points if a school district demonstrates it meets the requirements for a financial hardship grant.

(b) Up to 40 points based on the percentage of pupils who are eligible for Free and Reduced-Price School Meals. The percentage will be based on the most recent school district data on file with CDE at the close of the funding round. The percentage will be determined by school district data, not school site specific data.

The Board will fund projects in the following order. An example further explaining the program's funding order is included as Attachment G.

1. School districts will first be funded based on the total preference points. If school districts submit multiple Approved Applications in the same funding round, projects will be funded using the priority order assigned to each Approved Application by the school districts on the Form SAB 70-01.

(A) The Board shall fund Approved Applications based on the total preference points and priority order. 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 Approved Applications with the same total preference points 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 then funded in order of total preference points.

(A) The school district with the highest total preference points shall have their remaining Approved Applications 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 Approved Applications with the same total preference points will be placed into a lottery system to determine school district funding order. One Approved Application at a time (based on district assigned priority order) for each school district participating in the lottery will be funded until all Approved Applications 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.

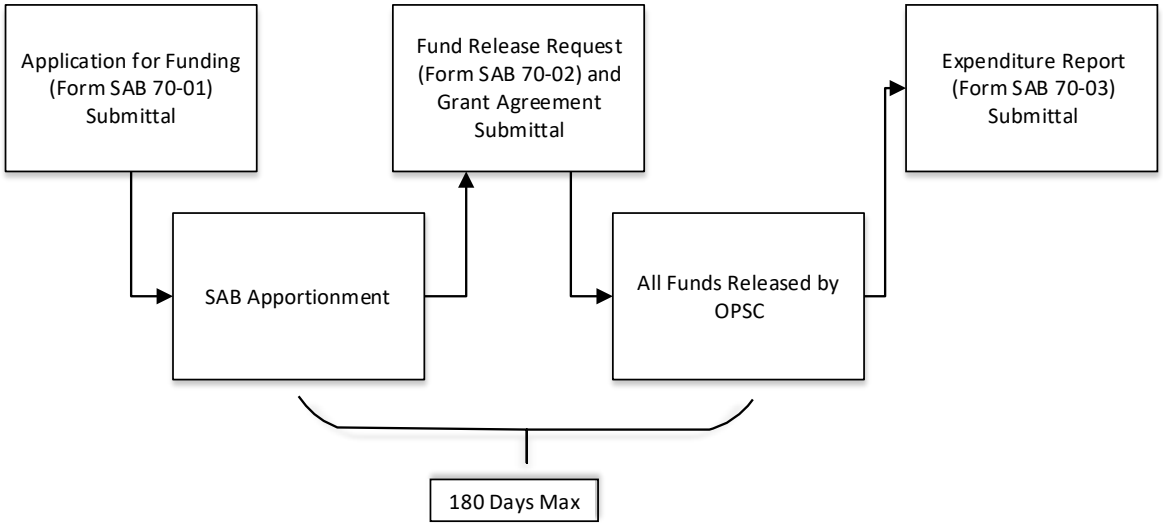
3. If the Board does not have sufficient funding to fully apportion a school district's Approved Application, that school district may elect to either accept or decline to accept partial funding for the project. If partial funding is declined, the Board may offer partial funding to the next Approved Application, based on the funding order determined above.

Fund Release Process

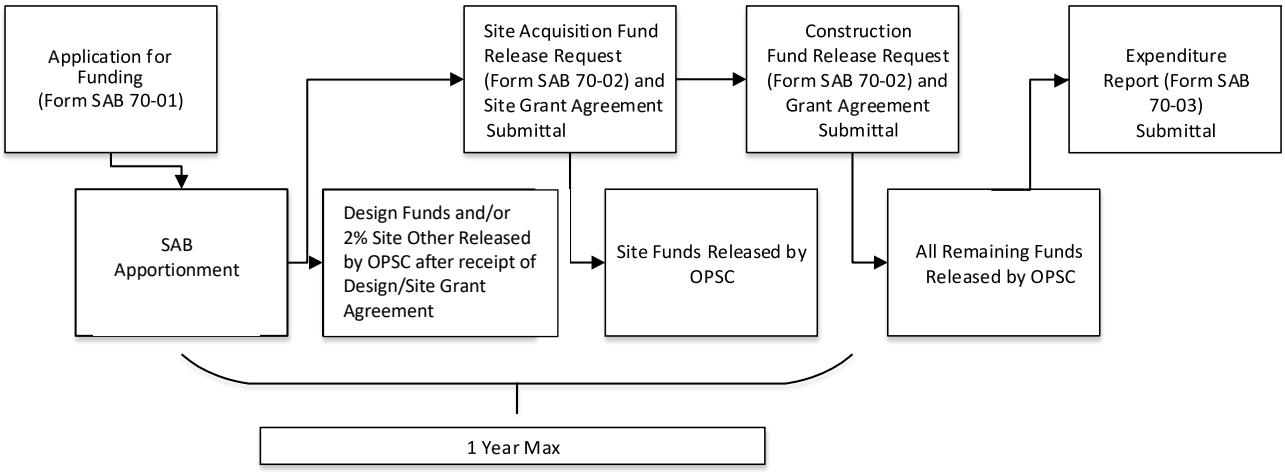
A grant agreement must be submitted prior to the release of any funds. Cash proceeds are immediately available upon project apportionment. Districts will not need to participate in the priority funding certification process that is used for the School Facility Program.

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.

STAFF ANALYSIS/STATEMENTS (cont.)

Summary of Stakeholder Feedback on the Program Criteria

On August 28, September 13, and October 4, 2018, Staff held meetings to obtain stakeholder feedback on proposed project criteria for the FDKFGP.

At the first meeting, Staff provided an overview of proposed criteria for determining the eligibility and funding of FDKFGP applications. At the second meeting, Staff reviewed questions and input received at and since the previous meeting regarding the proposed program criteria. At the third and final meeting, Staff presented proposed program Forms, Grant Agreement, and Regulations for the program. Nearly all of the feedback Staff received has been incorporated into the final proposed program Forms, Grant Agreement and Regulations.

Participating stakeholders were generally in favor of the proposed program criteria. Staff incorporated stakeholder feedback whenever possible. For example, several participating stakeholders expressed concern regarding the costs that would be incurred for FDKFGP retrofit projects that were outside of the classroom, such as drop-off areas and playgrounds. In consideration of this request, Staff added a site development additional grant to the retrofit grant to address these costs.

Summary of Changes Made Since October 4th Stakeholder Meeting

Since the proposed Regulations were posted online for the Stakeholder Meeting on October 4th, a few changes have been made to the proposed program Regulations that are included as a part of this item for Board approval:

- Regulations allowing construction of FDKFGP projects on leased sites were removed as statute does not permit funding on leased sites.
- Authority references have been corrected.
- The program funding order and how tied scores are funded have been clarified.
- Savings expenditure reporting requirements have been clarified.
- Regulations explaining the funding process in the event that the Board does not have sufficient funding to fully apportion a school district's application were added.

CONCLUSION

Staff is presenting the attached proposed FDKFGP Regulations, Forms, and Grant Agreement for approval on an emergency basis. Approving the Regulations, Forms, and Grant Agreement will enable the Board to administer the program.

RECOMMENDATIONS

1. Adopt the proposed Regulations, Forms, and Grant Agreement as shown in Attachments B through F.
2. Authorize the Executive Officer to file the proposed Regulations, Forms, and Grant Agreement with the Office of Administrative Law on an emergency basis and make the regulations permanent.
3. Authorize $37.5 million from the Full-Day Kindergarten Facilities Account to administer the first funding round.
4. Authorize $60 million, or all remaining funds, from the Full-Day Kindergarten Facilities Account to administer the second funding round.

This Item was approved by the State Allocation Board on October 24, 2018.

ATTACHMENT A

Education Code (EC) Section 17375.
(a) For the 2018–19 fiscal year, the sum of one hundred million dollars ($100,000,000) is hereby appropriated from the General Fund to the State Allocation Board to provide one-time grants to school districts to construct new school facilities or retrofit existing school facilities for the purpose of providing full-day kindergarten classrooms pursuant to Section 8973. Funds appropriated pursuant to this subdivision shall be deposited in the Full-Day Kindergarten Facilities Account, hereby created in the State Treasury, administered by the State Allocation Board. The grant program shall be administered by the State Allocation Board.

(b) (1) The State Allocation Board shall award grants to school districts that lack the facilities to provide full-day kindergarten as required for eligibility pursuant to Sections 17071.25 and 17072.10 or that lack facilities that satisfy the design requirements required for new kindergarten classrooms as specified in paragraph (2) of subdivision (h) of Section 14030 of Title 5 of the California Code of Regulations.

(2) Priority for grants shall be given to school districts that meet either of the following criteria:

(A) The school district is financially unable to contribute a portion of, or all of, the local matching share required pursuant to paragraph (3), and meets the requirements for financial hardship pursuant to Section 17075.10.

(B) The school district is located in an underserved community with a high population of pupils who are eligible for free or reduced-price meals pursuant to Section 42238.01.

(3) Except for school districts that meet the requirements for financial hardship pursuant to Section 17075.10, a school district that applies for a grant pursuant to this section for new construction shall provide 50 percent of the cost of the project, and a school district that applies for a grant pursuant to this section for a retrofit project shall provide 40 percent of the cost of the project.

(c) (1) The State Allocation Board shall release disbursements of grant funds to school districts with approved applications for new construction, to the extent funds are available for the state's 50 percent matching share, if the school district has provided its 50 percent local matching share, unless the school district meets the requirements for financial hardship pursuant to Section 17075.10, and upon certification by the school district that the school district has entered into a binding contract for completion of the approved project.

(2) The State Allocation Board shall release disbursements of grant funds to school districts with approved applications for retrofit projects, to the extent funds are available for the state's 60 percent matching share, if the school district has provided its 40 percent local matching share, unless the school district meets the requirements for financial hardship pursuant to Section 17075.10, and upon certification by the school district that the school district has entered into a binding contract for completion of the approved project.

(d) The State Allocation Board shall allocate funds to school districts using the same maximum grant eligibility amounts that are used for purposes of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10), as set forth in Sections 17072.10 and 17072.11 for new construction, and as set forth in Section 17074.10 for retrofit projects.

(e) As a condition of receiving grant funds pursuant to this section, and before the release of those funds, the school district shall execute and submit a grant agreement consistent with the applicable sections of the grant agreement specified in Section 1859.90.4 of Title 2 of the California Code of Regulations.

(f) (1) A school district may use grant funds awarded for new construction on costs necessary to adequately house kindergarten pupils in an approved project, which may include only the following:

(A) The costs of design, engineering, testing, inspections, 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, landscaping, necessary utility costs, utility connections and other related fees, equipment including telecommunication equipment to increase school security, furnishings, the upgrading of electrical systems, and the wiring or cabling of classrooms in order to accommodate educational technology.

(B) The costs of acquiring an existing government-owned or privately owned building, or a privately financed school building, and the necessary costs of converting the government-owned or privately owned building for public school use.

(2) (A) A school district may use grant funds awarded for a retrofit project to retrofit an existing school facility to adequately house kindergarten pupils, which may only include the costs of design, engineering, testing, inspection, plan checking, construction management, demolition, construction, necessary utility costs, utility connection and other related fees, the purchase and installation of air-conditioning equipment and insulation materials and related costs, furniture and equipment, including telecommunication equipment to increase school security, fire safety improvements, playground safety improvements, the identification, assessment, or abatement of hazardous asbestos, seismic safety improvements, the upgrading of electrical systems, and the wiring or cabling of classrooms in order to accommodate educational technology.

(B) Grant funds awarded for a retrofit project shall not be used for costs associated with acquisition and development of real property or for routine maintenance and repair.

(g) The State Allocation Board may adopt regulations to implement this section. Any regulations adopted pursuant to this section may be adopted as emergency regulations in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Title 2 of the Government Code). The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

(h) Notwithstanding any other law, a school district shall be subject, with regard to this section, to audit conducted pursuant to Section 41024.

(i) The Office of Public School Construction shall report to the Director of Finance, and shall post on its Internet Web site, information regarding the use of grant funds that have been made available to school districts during the fiscal year pursuant to this section.

(j) The Department of General Services may charge its administrative costs against the Full-Day Kindergarten Facilities Account, which shall be subject to the approval of the Department of Finance and which shall not exceed 2.5 percent of the account.

(k) Funds made available to school districts pursuant to this article shall supplement, not supplant, existing funds available for school facilities construction.

EC Section 8973.
Notwithstanding any other provision of law, the kindergarten schoolday in an early primary program conducted pursuant to Section 8972 may exceed four hours, exclusive of recesses, provided that both of the following conditions are met:
(a) The governing board of a school district declares that the extended-day kindergarten program does not exceed the length of the primary schoolday.
(b) The extended-day kindergarten program takes into account ample opportunity for both active and quiet activities within an integrated, experiential, and developmentally appropriate educational program.

CCR Section 14030
(h) Specialized Classrooms and Areas.
Specialized classrooms shall be designed to reflect the function planned for that portion of the educational program. If any of the following classrooms are needed, these standards apply:
(1) Small-Group Areas.
(A) Small-group instruction areas are not included in the computation of classroom size unless the area is an integral part of the classroom and can be visibly supervised by a teacher from the classroom.
(B) Small-group instruction areas are designed to allow for collaborative learning opportunities where appropriate to support the regular education program and are located in the vicinity of classrooms.
(2) Kindergarten Classrooms.
(A) Kindergarten classroom size for permanent structures is not less than 1350 square feet, including restrooms, storage, teacher preparation, wet and dry areas.
(B) Kindergarten classrooms are designed to allow supervision of play yards (unless prevented by site shape or size) and all areas of the classroom.
(C) Play yard design provides a variety of activities for development of large motor skills.
(D) Classrooms are located close to parent drop-off and bus loading areas.
(E) Storage, casework, and learning stations are functionally designed for use in free play and structured activities; e.g., shelves are deep and open for frequent use of manipulative materials.
(F) Windows, marking boards, sinks, drinking fountains, and furniture are appropriate heights for kindergarten-age students.
(G) Restrooms are self-contained within the classroom or within the kindergarten complex.

ATTACHMENT B

Title 2. Administration
Division 2. Financial Operations
Chapter 3. Department of General Services
Subchapter 4. Office of Public School Construction
Group 1. State Allocation Board
Subgroup 5.8. Regulations Relating to the Full-Day Kindergarten Facilities Grant Program

Article 1. Full-Day Kindergarten Facilities Grant Program

Section 1860. Purpose.

These regulations implement the Full-Day Kindergarten Facilities Grant Program (Program), which establishes a State program to provide one-time grant funding of one hundred million dollars ($100,000,000), to School Districts to construct new school facilities or retrofit existing school facilities, for the purpose of providing full-day kindergarten classrooms as specified in Education Code (EC) Section 8973.

Note: Authority cited: Section 17375, Education Code

Reference: Sections 8973 and 17375, Education Code.

Section 1860.1. General Services Director.

Pursuant to Government Code Section 15490(c), the Director of General Services shall provide assistance to the State Allocation Board (Board) as the Board requires.

The General Services Director, or his or her legal designee, shall perform all acts necessary to carry out the provisions of the Program except such functions as are reserved to the Board and to other agencies by applicable statute or by regulations.

Note: Authority cited: Section 17375(a), Education Code.

Reference: Sections 17375(a), Education Code; 14608 and 15490(c), Government Code.

Section 1860.2. Definitions.

For the purpose of these regulations, the terms set forth below shall have the following meanings, subject to the provisions of the Program:

"Application" means a request pursuant to the Program to apply for grant funding for a school project.

"Apportionment" means a reservation of funds by the Board for the purpose of funding Approved Applications for New Construction or Retrofit to an applicant school district.

"Approved Application" means a School District has submitted a Form SAB 70-01 and all documents to the Office of Public School Construction (OPSC) that are required to be submitted with the Form SAB 70-01 as identified in the Specific Instructions Section of Form SAB 70-01.

"Board" means the State Allocation Board as established by Section 15490 of the Government Code.

"CBEDS Report" means the enrollment information provided through the California Basic Educational Data System (CBEDS) by school districts to the California Department of Education.

"California Department of Education (CDE)" means the offices within that department that have responsibility for school facilities matters.

"Certification" means the act of affirmatively representing, asserting or verifying circumstances, data or information as required by the Program or this subgroup.

"Class B Construction Cost Index" is a construction factor index for structures made of reinforced concrete or steel frames, concrete floors, and roofs, and accepted and used by the Board.

"Classroom" means a teaching station that was constructed or reconstructed to serve as an area in which to provide pupil instruction but shall not include portable buildings unless it is an existing classroom that is being retrofitted but not replaced.

"Classroom Provided" means a classroom acquired by lease, lease-purchase, or purchase for which a contract has been signed for the construction or acquisition of the classroom.

"County Fund" means the fund established in the county treasury within each county for each school district in the county.

"District Representative" means a member of a school district staff or other agent authorized to serve as District Representative to execute and file an application with the Board on behalf of the district and/or act as a liaison between the Board and the district.

"Division of the State Architect (DSA)" means the State office within the Department of General Services that reviews school building plans and specifications for structural, fire safety and access compliance.

"Elementary School Pupil" means a student housed in a school serving Kindergarten through sixth grade, or any combination of Kindergarten through sixth grade.

"Encumbered for Specific Purposes" means a commitment of funds by the school district to meet a legally binding obligation.

"Executive Officer" means the individual appointed by the Governor to direct the Office of Public School Construction, and who concurrently serves as Executive Officer to the Board.

"Facility" means all or a portion of any real property, site improvements, utilities and/or buildings or other improvements contained in the project.

"Field Act Facility" means a school building meeting the requirements contained in Education Code Section 17280, et seq.

"Financial Hardship" means State funding for all or a portion of the district's matching share required by Section 1860.11 and 1860.13.

"Form SAB 70-01" means the *Application for Funding*, Form SAB 70-01 (New 10/18), which is incorporated by reference.

"Form SAB 70-02" means the *Fund Release Authorization*, Form SAB 70-02 (New 10/18), which is incorporated by reference.

"Form SAB 70-03" means the *Expenditure Report*, Form SAB 70-03 (New 10/18), which is incorporated by reference.

"Full-Day Kindergarten Classroom" means a teaching station that meets the design requirements required for new kindergarten classrooms as specified in paragraph (2) of subdivision (h) of Section 14030 of Title 5 of the California Code of Regulations.

"Fund" means the Full-Day Kindergarten Facilities Grant Program Account established pursuant to Education Code Section 17375(a).

"Governmental Agency" shall include but is not limited to a public entity as defined in Government Code Section 7260(a) including California federally recognized or historically established tribal governments.

“Grant Agreement” means *Grant Agreement* (New 10/18), which is incorporated by reference.

“In Escrow, Governmental Entities” means the approval and signature of instrument(s) that will convey a specified school parcel or site from the public/government entity including the federal government for a determinable sum, and for a determinable date of acquisition which may be based on the School District’s receipt of funding from the State.

“In Escrow, Non-Governmental Entities” means the deposit of signed instrument(s) and/or funds with instructions with a title company or escrow agent to carry out the provisions of an agreement or contract to acquire a specified school parcel or site for a determinable sum, and for a determinable date of acquisition which may be based on the School District’s receipt of funding from the State.

“Instrument” means a written, legally enforceable agreement, approved and signed by all parties to the escrow, for the conveyance to the district of real estate for a specified parcel or site, that includes a compensation clause and either a purchase option agreement, a purchase agreement, promissory note, lease agreement, installment sales contract, gift, or other real estate conveyance valid in the State of California for property conveyed from a public/government entity, including the federal government.

“Interim Housing” means the rental or lease of classrooms used to house pupils temporarily displaced as a result of the retrofit of classroom facilities.

“Low Income” shall be the percentage of pupils deemed eligible for Free and Reduced Price School Meals as identified in the most recent Free and Reduced Price School Meals data on file at the CDE. The data on file with CDE shall be determined to be the information collected for the month of October, and any errors and omissions amendments to that information for that time period that have been received and approved by the CDE.

“New Construction” means a construction project to adequately house kindergarten pupils in an approved project, which may include the costs of design, engineering, testing, inspections, 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, landscaping, necessary utility costs, utility connections and other related fees, equipment including telecommunication equipment to increase school security, furnishings, the upgrading of electrical systems, and the wiring or cabling of classrooms in order to accommodate educational technology.

“New Construction Grant” means the funding provided pursuant to EC Section 17375(f)(1) and Sections 1860.9 through 1860.10.3.

“Office of Public School Construction (OPSC)” means the State office within the Department of General Services that assists the Board as necessary and administers the Program on behalf of the Director.

“Phase One Environmental Site Assessment (POESA)” means a preliminary assessment of a property to determine whether there has been or may have been a release of a hazardous material, or whether a naturally occurring hazardous material is present, based on reasonably available information about the property and the area in its vicinity. A phase I environmental assessment shall meet the most current requirements adopted by the American Society for Testing and Materials (ASTM) for Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process or meet the requirements of Part 312 (commencing with Section 312.1) of Title 40 of the Code of Federal Regulations. That ASTM Standard Practice for Environmental Site Assessments or the requirements of Part 312 (commencing with Section 312.1) of Title 40 of the Code of Federal Regulations shall satisfy the requirements of this article for conducting a phase I environmental assessment unless and until the Department of Toxic Substances Control adopts final regulations that establish guidelines for a phase I environmental assessment for purposes of school sites that impose different requirements.

“Piggyback Contract” means a contract for acquisition of personal property, without advertising for bids, as authorized by Public Contract Code Section 20118.

“Portable Classroom” means a classroom building of one or more stories that is designed and constructed to be relocatable and transportable over public streets, and with respect to a single story portable classroom, is designed and constructed for

relocation without the separation of the roof or floor from the building and when measured at the most exterior walls, has a floor area not in excess of 2,000 square feet.

"Program" means the Full-Day Kindergarten Facilities Grant Program.

"Property" includes all property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of this chapter.

"Pupil" means a student enrolled in any grade Kindergarten through grade twelve.

"Ready for Apportionment" means a final review of an Approved Application has been completed by OPSC and it has been determined that it meets all requirements of law for an Apportionment and OPSC will recommend approval to the Board.

"Remedial Action Plan (RAP)" means a plan approved by the Department of Toxic Substances Control (DTSC) pursuant to Health and Safety Code Section 25356.1.

"Response Action (RA)" means the removal of hazardous materials and solid waste, the removal of hazardous substances, and other remedial actions in connection with hazardous substances at the site.

"Retrofit" means a construction project to retrofit an existing school facility to adequately house kindergarten pupils, which may only include the costs of design, engineering, testing, inspection, plan checking, construction management, demolition, construction, necessary utility costs, utility connection and other related fees, the purchase and installation of air-conditioning equipment and insulation materials and related costs, furniture and equipment, including telecommunication equipment to increase school security, fire safety improvements, playground safety improvements, the identification, assessment, or abatement of hazardous asbestos, seismic safety improvements, the upgrading of electrical systems, and the wiring or cabling of classrooms in order to accommodate educational technology.

"Retrofit Grant" means the funding provided pursuant to Education Code Section 17375(f)(2) and Section 1860.12.

"School District" means a school district exclusive of county offices of education, charter schools, joint powers of authority, Local Education Agencies, and the State Department of Education.

"Small School District" means a School District with current districtwide enrollment, including pupils enrolled in grades K-12, continuation high pupils and special day class pupils, that is 2,500 or less.

"Useable Acres" means the gross acreage of a school site less any portion of the site publicly dedicated for off-site street improvements and any portion of the site not available for school purposes as determined by the CDE because of topological impediments or because of other unique circumstances.

Note: Authority cited: Sections 17280 and 17375, Education Code.

Reference: Sections 17280 and 17375, Education Code; 1771.5, Labor Code.

Section 1860.3. General.

A School District seeking funding for a new construction or retrofit project pursuant to the provisions of Education Code Section 17375 shall complete and file with OPSC, the Form SAB 70-01 and all necessary documents, as defined by Approved Applications.

This Program takes effect June 27, 2018. New Construction Grant and Retrofit Grant funding may be provided for a project if the district entered into a construction contract for that project on or after June 27, 2018.

Note: Authority cited: Section 17375(g), Education Code.

Reference: Section 17375(g), Education Code.

Section 1860.4. Funding Guidelines

Funds available for the Full-Day Kindergarten Facilities Grant Program must be encumbered by the Board by June 30, 2021. Funds that are not completely encumbered or that return to the program through project rescissions may be applied as follows:

(a) Any funds that return on or before June 30, 2021, shall be returned to the Full-Day Kindergarten Facilities Grant Program Account and may be used to provide additional Apportionments.

(b) Any funds that return, or remain unencumbered by the Board, on or after June 30, 2021, shall be returned to the General Fund.

Note: Authority cited: Sections 17375, Education Code; 16304 and 16304.1, Government Code

Reference: Section 17375, Education Code.

Section 1860.5. Program Eligibility Criteria.

A School District may apply for funding made available pursuant to EC Section 17375 by submittal of a Form SAB 70-01, if all of the following requirements are met:

(a) The School District has a school board resolution providing approval to provide full-day kindergarten instruction at the project school site or will have approval to provide full-day kindergarten instruction at the completion of the project.

(b) The School District lacks the facilities to provide full-day kindergarten instruction at the project school site.

A project school site will be considered lacking full-day kindergarten facilities if the kindergarten enrollment, based on the most current CBEDS Report or School District documents such as registration for the school or classroom attendance rosters, exceeds the existing kindergarten classroom capacity prior to the construction of the project. For purposes of determining classroom capacity, a loading standard of 25 kindergarten pupils per classroom will be used and all kindergarten classrooms will be loaded for full-day instruction unless the School District indicates that an existing classroom(s) will continue to be used for non-full-day instruction at the completion of the project.

(c) The Approved Application shall include a description of the proposed project including, but not limited to, the following information:

(1) The total number of kindergarten classrooms on the site prior to the Program project.

(2) The kindergarten enrollment at the site, based on the CBEDS report or district documents such as registration for the school or classroom attendance rosters, as of the earlier of:

(A) The date the Approved Application is received by OPSC, or

(B) The date the contract for the project was awarded.

(3) The total number of kindergarten classrooms on the site after the completion of the Program project.

(4) The total number of kindergarten classrooms that will be used for full-day kindergarten instruction after the completion of the Program project.

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

Reference: Sections 17375(a), 17375(b), and 17375(g), Education Code.

Section 1860.6. Application Submittals.

The Board shall accept Approved Applications for Full-Day Kindergarten Facilities Grant Program funding during specified funding rounds:

(a) Approved Applications for Full-Day Kindergarten Facilities Grant Program funding for the first funding round must be received by OPSC on or after January 2, 2019, and on or before January 31, 2019. Applications that do not receive an Apportionment during this round will be returned to the School District.

(b) Approved Applications for Full-Day Kindergarten Facilities Grant Program funding for the second funding round

must be received by OPSC on or after May 1, 2019, and on or before May 30, 2019. Applications that do not receive an Apportionment during this round will be returned to the School District.

Note: Authority cited: Section 17375(g), Education Code.

Reference: Section 17375(g), Education Code.

Section 1860.7. Application Types.

The following Application types may be requested with the submittal of a Form SAB 70-01. To become an Approved Application, the School District must also submit all necessary documents, as defined by Approved Applications:
(a) A New Construction Grant may be requested if the following conditions exist:
(1) The School District has received final plan approval by DSA and CDE for the project.
(2) The School District has received final site approval by the CDE if the project includes site acquisition.
(3) The School District has a final appraisal, if the project includes site acquisition.
(4) The School District has entered into escrow, if the project includes site acquisition.
(b) A New Construction Grant with an advance fund release(s) for design and/or site acquisition may be requested with the submittal of the Form SAB 70-01, and preliminary appraisal if purchasing a site.
(c) A Retrofit Grant may be requested if the School District has received final plan approval by the DSA and CDE for the project.
(d) A Retrofit Grant with an advance fund release for design may be requested with the submittal of the Form SAB 70-01.

Note: Authority cited: Section 17375(g), Education Code.

Reference: Section 17375(g), Education Code

Section 1860.8. Application for Funding on School District-Owned Land.

Prior to the School District requesting Program funds for facilities, the School District must hold title to the real property where the facilities will be located.

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

Reference: Sections 17375(f) and 17375(g), Education Code.

Section 1860.9. New Construction Apportionment Determination.

The New Construction Apportionment shall be equal to the sum of (a) through (f) below:
(a) For applications funded with 2018 grant amounts, $11,567 for each elementary school pupil.
(b) For applications funded with 2018 grant amounts, $14 for each elementary school pupil if the project includes an automatic fire detection and alarm system and is requested by the School District on the Form SAB 70-01.
(c) For applications funded with 2018 grant amounts, $194 for each elementary school pupil if the project includes an automatic sprinkler system and is requested by the School District on the Form SAB 70-01.
(d) An amount equal to 35 percent of the amount determined in (a) for costs associated with site development, demolition, landscaping and other costs incurred when adding a kindergarten classroom(s) to a site, utility costs, utility connections and other related fees necessary for the Program project, if requested by the applicant on the Form SAB 70-01.
(e) An amount equal to 12 percent of the amount determined in (a) for each pupil housed in a multilevel building that will house pupils in all levels of the building if the usable site acreage is less than 75 percent of the site size recommended by CDE for the master-planned project capacity, if requested by the School District on the Form SAB 70-01.
(f) For applications funded with 2018 grant amounts, $7,074 for Small School Districts for the cost necessary for project assistance.

The grant amounts shown in (a), (b), (c) and (f) above shall be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board each January, pursuant to Education Code Section 17072.10.

Note: Authority cited: Section 17375, Education Code.

Reference: Sections 17072.10(b), 17072.10(d), 17072.10(e), and 17375(d), 17375(f) and 17375(g), Education Code.

Section 1860.10. New Construction Additional Grant for Site Acquisition Cost.

The Board shall provide funding, in addition to any other funding authorized by these Regulations, for the lesser of one half of the actual cost of the site or one-half of the appraised value of the site acquired adjacent to an existing Schoolsite as described in (a) and (b) of this Section.

(a) Actual Site Cost
The actual cost of the site shall be the purchase price as shown on the escrow documents or other appropriate documents such as court orders in condemnation or as specifically identified in agreements when the site is transferred in lieu of other legally required payments or fees due to the district. The actual cost shall be adjusted for the following:

(1) Increased by the approved relocation expenses that conform to Title 25, California Code of Regulations, Section 6000, et seq. The reasonable and necessary relocation costs for purchasing fixtures and equipment, personal property, new machinery/equipment and the installation of any improvements at the replacement residence or business location may be included as relocation assistance.

(2) Site Other - Increased by four percent of the actual amount determined in (a) above, but not less than $50,000. This amount shall provide an allowance for any appraisal, escrow, survey, site testing, CDE review/approvals and the preparation of the POESA and the PEA.

(3) Increased by DTSC costs for review, approval, and oversight of the POESA and the PEA.

(b) Appraised Value of the Site
The value determined by an appraisal made or updated no more than six months prior to application submittal to OPSC for funding. The appraisal may be reviewed by OPSC for conformance with Section 1860.10.1. The approved appraised value shall be adjusted for the following:

(1) Increased by the approved relocation expenses that conform to Title 25, California Code of Regulations, Section 6000, et seq. The reasonable and necessary relocation costs for purchasing fixtures and equipment, personal property, new machinery/equipment and the installation of any improvements at the replacement residence or business location may be included as relocation assistance.

(2) Increased by four percent of the appraised value determined in (b) above, but not less than $50,000. This amount shall provide an allowance for appraisals, escrow, survey, site testing, CDE review/approvals and the preparation of the POESA and the PEA.

(3) Increased by DTSC costs for review, approval, and oversight of the POESA and the PEA.

If actual DTSC, hazardous waste removal, and relocation costs are not available at the time of Apportionment, an amount equal to 15 percent of the amount determined in 1860.9(a) will be provided for DTSC and the School District may provide an estimated amount for Hazardous waste removal and relocation expenses. These costs will be reviewed by OPSC prior to the final fund release and an adjustment shall be made, if necessary.

The actual site cost or the appraised value of the site shall be reduced, on a prorated basis, by the percentage of the excess acreage of the site that exceeds the eligible acreage shown below for a kindergarten classroom project, or as approved by CDE, pursuant to Title 5, California Code of Regulations Section 14010(a):

1 Classroom	2 Classrooms	3 Classrooms	4 Classrooms
.3 acres	.5 acres	.9 acres	1.6 acres

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

Reference: Sections 17375(f), and 17375(g), Education Code.

Section 1860.10.1. Site Acquisition Guidelines.

To receive the funding authorized by Section 1860.10, the School District must certify on the Form SAB 70-01, that the appraisal of the property was made utilizing the following criteria:

(a) The land improvements and appurtenances, excluding fixtures, equipment, and personal property, were appraised in an as is condition with the following exceptions:
(1) The site shall be appraised as if it were a clean site, safe of all toxic contaminants in accordance with CDE guidelines and pursuant to Title 5, California Code of Regulations commencing with Section 14001.
(2) The site valuation included only proposed site improvements associated with grading the site to a mass graded or super pad condition, defined as a site graded to construction readiness without foundation or paving and proposed utilities stubbed to the site. Any proposed site improvements or utilities not covered by a performance bond equal to 100 percent of the estimated cost of the site improvements and utilities must be completed prior to the close of escrow and detailed separately in the report.
(b) Consideration in the appraisal was made for net useable acreage and severance damages.
(c) The School District or its legal counsel has contracted for appraisal services.
(d) The appraiser has certified to the School District that the appraisal complies with the Uniform Standards of Professional Appraisal Practices as promulgated by the Appraisal Standards Board of the Appraisal Foundation.
(e) The amount of a court award for a site acquired in condemnation may be used in lieu of the appraised value determined in (a) through (d) above, when specifically approved by the Board.

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

Reference: Sections 17375(f) and 17375(g), Education Code.

Section 1860.10.2. New Construction Additional Grant for Hazardous Waste Removal on an Acquired Site.

The Board shall provide funding, in addition to any other funding authorized by these Regulations for the allowable costs of hazardous materials/waste removal and/or remediation costs. The allowable site costs shall not exceed 50 percent of one and one half times the value of an appraisal that conforms to Section 1860.10.1 for the costs in subsections (a), (a)(1) and (a)(2) plus the additional costs included in (b) and (c). The costs in (b) and (c) are in addition to 50 percent of one and one half times the appraisal value cap:
(a) The costs associated with the site acquisition and to implement the RA as determined necessary in the PEA that has been approved by DTSC subject to the following:
(1) The costs for preparation of the RA.
(2) DTSC costs for review and oversight of the preparation and implementation of the RA. The costs may not include continuous operational and maintenance costs associated with the RA.
(b) Fifty percent of the approved relocation expenses that conform to Title 25, Division 1, Chapter 6, Subchapter 1, California Code of Regulations, (Section 6000, et seq.). The reasonable and necessary relocation costs for purchasing fixtures and equipment, personal property, new machinery/equipment and the installation of any improvements at the replacement residence or business location may be included as relocation assistance.
(c) Site Other - Not less than 50 percent of $50,000 or 50 percent of four percent of the appraised value. This amount shall provide an allowance for any appraisal, escrow, survey, site testing, CDE review/approvals and the preparation of the POESA and the PEA.
(d) The limitation of 50 percent of one and one half times the value of an appraisal for costs in subsections (a), (a)(1), and (a)(2) may be exceeded when the Board finds that unforeseen circumstances exist, and when both of the following exist:
(1) CDE determines that the site is adjacent to the existing Schoolsite and is the best available site for meeting the educational and safety needs of the School District.
(2) Substantiation that the costs are limited to the minimum required to complete the evaluation and RA approved by DTSC.

The actual site cost or the appraised value of the site shall be reduced, on a prorated basis, by the percentage of the excess acreage of the site that exceeds the eligible acreage shown below for a kindergarten classroom project, or as approved by CDE, pursuant to Title 5, California Code of Regulations Section 14010(a):

1 Classroom	2 Classrooms	3 Classrooms	4 Classrooms
.3 acres	.5 acres	.9 acres	1.6 acres

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

Reference: Sections 17375(f) and 17375(g), Education Code.

Section 1860.10.3. New Construction Additional Grant for Hazardous Waste Removal Required on an Existing School Site.

(a) The Board shall provide funding, in addition to any other funding authorized by these Regulations for the necessary hazardous waste materials/waste removal and/or remediation costs on an existing school site where the New Construction funding will be used if all the following are met:
(1) The New Construction funding request is for additional school facilities on an existing school site.
(2) The New Construction Grant request does not include a funding request for initial site acquisition costs allowed pursuant to Sections 1860.10.
(3) The existing school site where the New Construction Grant will be expended has a functioning school on the site or the site had a closed school that will again be used as a functioning school.
(4) The hazardous material cleanup costs are required by DTSC.
(b) If all the criteria in subsection (a) are met, the allowable hazardous waste removal cleanup costs shall be one half of all the following:
(1) The costs for preparation of the POESA, the PEA and the RA.
(2) The costs to implement the RA as determined necessary in the PEA that has been approved by DTSC subject to the following:
(A) The costs may include DTSC costs for review and oversight of the preparation and implementation of the RA.
(B) The costs may not include continuous operational and maintenance costs associated with the RA.
(c) In advance of the New Construction Adjusted Grant, districts performing a RA on additions to existing school sites shall be eligible for the costs associated with evaluation and RA required by DTSC.

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

Reference: Sections 17375(f) and 17375(g), Education Code.

Section 1860.11. New Construction School District Matching Share Requirement.

Any funding provided by these Regulations shall require a School District matching share contribution on a dollar-for-dollar basis with the exception of School Districts that qualify for Financial Hardship provided by Section 1860.14.

Note: Authority cited: Section 17375(b)(3), Education Code.

Reference: Section 17375(b)(3), Education Code.

Section 1860.12. Retrofit Apportionment Determination.

The Retrofit Apportionment shall be equal to the sum of (a) through (e) below:
(a) For applications funded with 2018 grant amounts, $4,404 for each elementary school pupil.
(b) For applications funded with 2018 grant amounts, $143 for each elementary school pupil if the project includes an automatic fire detection and alarm system and is requested by the School District on the Form SAB 70-01.
(c) An amount equal to 35 percent of the amount determined in (a) for costs associated with demolition, landscaping, playground safety improvements and other costs incurred when adding a kindergarten classroom(s) to a site, utility costs, utility connections and other related fees necessary for the project, if requested by the applicant on the Form SAB 70-01.
(d) An amount equal to 15 percent of the amount determined in (a) for upgrading existing site development (utilities) work as necessary for the retrofit of 50 years or older permanent buildings, if requested by the School District on the Form SAB 70-01.
(e) For applications funded with 2018 grant amounts, $3,772 for Small School Districts for the cost necessary for project assistance.

The grant amounts shown in (a), (b) and (e) above shall be adjusted annually based on the change in the

Class B Construction Cost Index as approved by the Board each January, pursuant to Education Code Section 17074.10(b).

Note: Authority cited: Section 17375(g), Education Code.

Reference: Sections 17074.10, 17375(d), 17375(f) and17375(g), Education Code.

Section 1860.13. Retrofit School District Matching Share Requirement.

With the exception of Financial Hardship funding provided by Section 1860.14, any funding provided by these Regulations shall require a School District matching share equal to 40 percent of those amounts which, combined with the State's Retrofit Grant, shall represent 100 percent of the total project cost.

Note: Authority cited: Section 17375(b)(3), Education Code.

Reference: Section 17375(b)(3), Education Code.

Section 1860.14. Hardship Assistance and Financial Hardship

A School District shall qualify for hardship assistance by demonstrating a Financial Hardship, as provided in this Section, which prevents the School District from funding all or a portion of the matching share requirement for a Program grant.

A School District is eligible for a financial hardship grant to fund all or a portion of its matching share requirement after demonstrating the requirements of (a), (b), and (c) below:

(a) The School District is financially unable to provide all necessary matching funds for an eligible project. To determine this, an analysis shall be made of the School District's financial records by OPSC including data and records maintained by the CDE and the County Office of Education. The analysis shall consist of a review of the School District's latest Independent Audit regarding funds available from all capital facility accounts, including, but not limited to, developer fees, funds generated from capital facility certificates of participation, federal grants, redevelopment funds and sale proceeds from surplus property, the appraised value of facilities approved for replacement, and bond funds either encumbered, unencumbered or authorized but unsold. All funds thus identified that have not been expended or encumbered by a contractual agreement for a specific capital outlay purpose prior to the initial request for financial hardship status shall be deemed available as a matching contribution.

After the initial request for financial hardship status is granted, no further encumbrances will be approved by OPSC and all prospective revenue made available to the School District's capital facility accounts shall be deemed available as matching contribution on the subsequent financial hardship review, with the exception of:

(1) Approved interim housing expenditures.

(2) Funding to pay for previously recognized multi-year encumbrances approved at the initial financial hardship approval.

The financial hardship analysis is subject to approval by the Board.

(b) The School 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 School District meets at least one of the following:

(1) The current outstanding bonded indebtedness of the School District issued for the purpose of constructing school facilities 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 School 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 School District's matching share requirement for the Program project(s).

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

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

(c) If the School District meets the financial hardship requirements in this Section, the amount of financial hardship is equal to the School District's matching share less funds deemed available in (a).

(1) Once a School District has been notified that OPSC is scheduled to begin processing the School District's Form SAB 70-01, the School District must submit documentation to support the Financial Hardship request within 30 calendar days.

(2) If the School District does not submit documentation within 30 calendar days, the School District will be ineligible to receive a Financial Hardship grant for their project(s) and preference points as provided in Section 1860.15.

Note: Authority cited: Section 17375(b)(2)(A), 17375(b), Education Code.

Reference: Sections 17075.10 and 17070.15, Education Code.

Section 1860.15. Application Funding Criteria.

If the estimated total Apportionments of all Approved Applications received within a funding round specified in Section 1860.6 exceed the funds available in that funding round, OPSC will calculate preference points for all Approved Applications. An Approved Application shall receive preference points based on the total of (a) and (b) up to a maximum of 80 points, as follows:

(a) Financial Hardship: 40 points if a School District demonstrates it meets the requirements under Section 1860.14(b).

(b) Low Income: Up to 40 points based on the percentage of pupils at the School District meeting the definition of Low Income. The following sliding scale shall be used to determine the number of preference points:

Percentage Eligible for Free and Reduced Price School Meals	Preference Points Assigned
60-65%	4
66-70%	8
71-75%	15
76%	16
77%	17
78%	18
79%	19
80%	20
81%	21
82%	22
83%	23
84%	24
85%	25
86%	26
87%	27
88%	28
89%	29
90%	30
91%	31
92%	32
93%	33
94%	34
95%	35
96%	36
97%	37
98%	38
99%	39
100%	40

(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 70-01and 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.
(5) A valid Form SAB 70-02 has been received by OPSC.

(e) For New Construction Grant or Retrofit Grant funding, without a request for an advance release of funds pursuant to Sections 1860.7(a) and 1860.7(c), a valid *Fund Release Request* (Form SAB 70-02) with all required approvals must be submitted within 180 days of Apportionment. If a valid Form SAB 70-02 is not received within 180 days of Apportionment, the Apportionment shall be rescinded.
(f) For an Apportionment received pursuant to Section 1860.7(b) and 1860.7(d), where submittal of the necessary CDE plan approval and/or DSA-approved plans and specifications were not required at the time the Board granted an Apportionment, then the School District has up to 12 months to submit the required approvals from the date of Apportionment. If the required submittals are not received within 12 months, the Apportionment shall be rescinded and the Full-Day Kindergarten Facilities Grant will return to the Program for reallocation.

Subject to available funds, site acquisition grants shall be adjusted based on actual costs prior to the release of funds.

Prior to fund release, OPSC will verify that the School District has included multilevel classrooms in the plans for the project, if multilevel funding was requested.

Financial hardship approval status by OPSC for a design and/or site advance will apply to any subsequent funding for the project(s) received by OPSC during the same application filing round, as established in Section 1860.6.

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

Reference: Section 17375(c), Education Code.

Section 1860.17. Grant Agreement Submittal.

A Grant Agreement for the project with an original signature by an authorized District Representative must be submitted prior to the release of any funds.

Note: Authority cited: Section 17375(e), Education Code.

Reference: Section 17375(e), Education Code.

Section 1860.18. Program Reporting Requirements.

A School District receiving funds in accordance with the Program shall submit an expenditure report from the district on the Form SAB 70-03 at the completion of the project. A project shall be deemed complete when either of the following occur:
(a) When the notice of completion for the project has been filed; all outstanding invoices, claims, and change orders have been satisfied and the facility is currently in use by the School District.
(b) One year from the date of the final fund release.
(c) A final expenditure report to report expenditures of savings pursuant to 1860.19 shall be due one year after the earlier subdivision (a) or (b).

Note: Authority cited: Section 17375(g), Education Code.

Reference: Sections 17375(b)(3) and 17375(g), Education Code.

Section 1860.19. Project Savings and Unexpended Funds.

(a) Project Savings - With the exception of School Districts that receive Financial Hardship funding, a School District may expend the savings, and interest earned on State funds not needed for a project on other high priority capital facility needs of the School District. Any savings remaining after one year from the completion of the project, as specified in Section 1860.18, must be returned to the State.
(b) Unexpended Funds - For a project that receives a Financial Hardship grant, any funding not expended on eligible project expenditures prior to completion of the project, as specified in Section 1860.18, must be returned to the State.
1. Any interest earned State funds on a project that received Financial Hardship grant funding, that is not expended on eligible project expenditures, must be returned to the state to reduce the Financial Hardship grant for that project.
2. A School District is only required to return unexpended funds up to the amount of Financial Hardship grant

funding provided by the Board.

Note: Authority cited: Section 17375(g), Education Code.

Reference: Sections 17375(b)(3) and 17375(g), Education Code.

Section 1860.20. Program Accountability Expenditure Audit.

Projects will be subject to audit conducted pursuant to Education Code Section 41024 to assure that the expenditures incurred by the district were made in accordance with the provisions of Education Code Section 17375. The audit will also assure that the district complied with all site acquisition guidelines as provided in Sections 1860.10, 1860.10.1, 1860.10.2, and 1860.10.3.

Districts shall retain all financial accounts, documents, and records necessary for an audit of completed projects pursuant to Education Code Section 41024(a)(4) and shall provide project documentation, if requested by the local auditor.

Pursuant to Education Code Section 41024(c)(5), should an audit of the School District certifications or the expenditures for the project make a finding that some or all of the expenditures were not made in accordance with the provisions of Education Code Section 17375 and Sections 1860.9 to 1860.13, CDE shall ensure that the School District has corrected the audit exception by implementing a required penalty payment of funds equal to the amount of funds disallowed in the audit exception. Subject to available funds, site acquisition grants shall be adjusted based on actual costs.

Note: Authority cited: Section 17375(h), Education Code.

Reference: Sections 17375(h) and 41024 Education Code; Section 1771.3, Labor Code.

Section 1860.21. On-going Routine Maintenance.

A School District, regardless of size, shall certify on the Form SAB 70-01 that a restricted account within the School District's general fund has been established for the exclusive purpose of providing on-going and major repair of its facilities.

Note: Authority cited: Section 17375(g), Education Code.

Reference: Section 17375(g), Education Code.

STATE OF CALIFORNIA

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

APPLICATION FOR FUNDING

FULL-DAY KINDERGARTEN FACILITIES GRANT PROGRAM

SAB 70-01 (NEW 10/18)

GENERAL INSTRUCTIONS

If not previously submitted, a School District may file an application for new construction or retrofit funding by use of this form for projects that have awarded construction contracts on or after the inception of the Full-Day Kindergarten Facilities Grant Program (FDKFGP) on June 27, 2018.

SPECIFIC INSTRUCTIONS

The School District must assign a Project Tracking Number (PTN) to this project. The same PTN is used by the Office of Public School Construction (OPSC), the Division of the State Architect (DSA) and the California Department of Education (CDE) for all project applications submitted to those agencies to track a particular project through the entire state application review process. If the School District has already assigned a PTN to this project by prior submittal of the Plans and Specifications (P&S) to either DSA or CDE for approval, use that PTN for this application submittal. If no PTN has been previously assigned for this project, a PTN may be obtained from OPSC's website.

1. **Type of Application**

   Check the appropriate box that indicates the type of FDKFGP funding the School District is requesting for purposes of new construction apportionment with or without an advance release of funds or retrofit apportionment with or without an advance release of funds. Requests for funding may be as follows:

   a. A **New Construction Grant** pursuant to Section 1860.7(a). If the funding request includes site acquisition, the proposed site must either be owned by the School District, in escrow, or the School District has filed condemnation proceedings and received an order of possession of the site. For purposes of this apportionment, the following documents must be submitted with this form:

   - Site map that includes labelling of all current kindergarten classrooms and any kindergarten facilities that will not provide full-day kindergarten.
   - Supporting documentation to substantiate the School District's kindergarten enrollment at the site.
   - Narrative that explains the current kindergarten classroom usage at the site, what the School District plans to do with the project, and the resulting kindergarten usage at the completion of the project.
   - DSA application number and plan approval letter date.
   - CDE final plan approval letter date.
   - P&S for the project that were approved by DSA. Submittal of plans may be on CD-ROM or flash drive readable in AutoCAD or Adobe Acrobat.
   - CDE final site approval letter (site acquisition only).
   - Appraisal of property, must be dated within 6 months prior to the received date of the Form SAB 70-01 (site acquisition only).

   b. A **New Construction Grant with Advance** pursuant to Section 1860.7(b). If requesting this grant, check the appropriate box to specify if the School District is requesting advance funding for design and/or advance funding for site acquisition. School Districts may apply for both on the same project. For purposes of this apportionment, the following documents must be submitted with this form:

   - Site map that includes labelling of all current kindergarten classrooms and any kindergarten facilities that will not provide full-day kindergarten.
   - Supporting documentation to substantiate the School District's kindergarten enrollment at the site.
   - Narrative that explains the current kindergarten classroom usage at the site, what the School District plans to do with the project, and the resulting kindergarten usage at the completion of the project.
   - Contingent site approval letter from CDE (site acquisition only).
   - Preliminary appraisal of property, must be dated within 6 months prior to the received date of the Form SAB 70-01 (site acquisition only).

   c. A **Retrofit Grant** pursuant to Section 1860.7(c). For purposes of this apportionment, the following documents must be submitted with this form:

   - Site map that includes labelling of all current kindergarten classrooms, labelling of any kindergarten facilities that will not provide full-day kindergarten, and identification of any facilities that will be retrofitted in the project. If a School District is requesting a 50-year old utilities grant, identify the age of the building(s).
   - Supporting documentation to substantiate the School District's kindergarten enrollment at the site.
   - Narrative that explains the current kindergarten classroom usage at the site, what the School District plans to do with the project, and the resulting kindergarten usage at the completion of the project.
   - DSA application number and plan approval letter date.
   - CDE final plan approval letter date.
   - P&S for the project that were approved by DSA. Submittal of plans may be on CD-ROM or flash drive readable in AutoCAD or Adobe Acrobat.

   d. A **Retrofit Grant with Advance** pursuant to Section 1860.7(d). For purposes of this apportionment, the following documents must be submitted with this form:

   - Site map that includes labelling of all current kindergarten classrooms, labelling of any kindergarten facilities that will not provide full-day kindergarten, and identification of any facilities that will be retrofitted in the project. If a district is requesting a 50-year old utilities grant, identify the age of the building(s).
   - Supporting documentation to substantiate the School District's kindergarten enrollment at the site.
   - Narrative that explains the current kindergarten classroom usage at the site, what the School District plans to do with the project, and the resulting kindergarten usage at the completion of the project.

2. **Pupil Grant Request and Project Information**

   a. Enter the total number of pupils assigned to the project using state loading standards of 25 pupils per classroom pursuant to Section 1860.5(b).

   b. Enter the number of new kindergarten classrooms for which the School District is requesting funding as shown on the P&S.

   c. Enter DSA's application number for this project, if applicable.

   d. Enter the date(s) of DSA's final plan approval, if applicable.

   e. Enter the date(s) of CDE 's final plan approval, if applicable. In addition, enter the:

      (1) Recommended site size, as determined by CDE.

      (2) Existing Useable Acres already owned at that location (if any).

      (3) Proposed Useable Acres that was/will be purchased as part of the application (if any).

   f. If the School District is requesting site acquisition, enter the date(s) of CDE final site approval.

   g. If the School District is requesting site acquisition, enter the date(s) of CDE contingent site approval.

3. **Project Priority Funding Order**

   Enter the priority order of this application in relation to other FDKFGP applications submitted by the School District during the same funding round.

4. **Preference Points**

   a. Check the box if the School District is requesting to receive priority because the School District qualifies for financial hardship and/or is requesting to receive priority for financial hardship because it is unable to meet its matching share requirement. To receive priority for financial hardship, a district must meet the criteria defined in Education Code Section 17373(b)(2)

and 17075.10. Projects that meet these criteria will receive 40 preference points.

b. Enter the School District's Free and Reduced Price School Meals (FRPM) percentage if the School District is requesting to receive priority for having a high population of pupils who are FRPM eligible for as defined by Education Code Section 42238.01. Because a high FRPM percentage is required to receive priority, districts must have at least 60 percent FRPM to receive priority points. Points will be provided on the sliding scale listed in Section 1860.15. The School District can earn up to 40 preference points based on the School District's FRPM percentage.

If the application includes a request for Financial Hardship, the School District must comply with the requirements of Section 1860.14.

5. New Construction Additional Grant Request

Check the appropriate box(es) if the School District requests an augmentation to the new construction grant for "additional" grants for the items listed. Refer to Sections 1860.9(b) through (f) for eligibility criteria. Enter the:

a. Check the box(es) if the School District requests and the project qualifies for additional funding for fire code requirements authorized in Section 1860.9(b) and (c).

b. Check the box if the School District is requesting additional funding for Site Development pursuant to Section 1860.9(d). The new construction base grant for all new construction projects will be increased by 35 percent.

c. List the number of multilevel classrooms in the P&S pursuant to Section 1860.9(e).

d. Check the box if the School District has an enrollment of 2,500 or less and is requesting project assistance pursuant to Section 1860.9(f).

6. New Construction Additional Grant Request—Site Acquisition

Complete the following sections if the School District requests an augmentation to the new construction grant for "additional" grants for the items listed below. Refer to Sections 1860.10 through 1860.10.3 for eligibility criteria. Enter the:

a. If the School District is requesting funding for eligible site acquisition costs pursuant to Section 1860.10, enter the following information:

1) Enter 50 percent of the actual cost.

2) Enter 50 percent of the appraised value of the site. If the request is made pursuant to Regulation Section 1860.7(b), enter 50 percent of the preliminary appraised value. Appraisals must be dated within 6 months prior to the received date of the Form SAB 70-01.

3) Enter two percent of the lesser of the actual cost or appraised value of the site (minimum $25,000).

4) Enter 50 percent of the actual relocation cost.

5) Enter 50 percent of the estimated relocation cost. (advance only)

6) Enter 50 percent of the actual the Department of Toxic Substances Control (DTSC) fee for review and approval of the phase one environmental site assessment and preliminary endangerment assessment reports. Refer to Sections 1860.10.2 and 1860.10.3.

7) Enter 15 percent of the appraised value for DTSC fees. (advance only)

b. Enter 50 percent of the actual amount allowable for hazardous materials/waste removal and/or remediation for the site acquired pursuant to Sections 1860.10.2 and 1860.10.3. Enter 50 percent of the estimated hazardous waste removal (advance only). If an RA is required, check the box.

7. Retrofit Additional Grant Request

Complete the following sections if the School District requests an augmentation to the retrofit grant for "additional" grants for the items listed below. Refer to Section 1860.12 for eligibility criteria. Enter the:

a. Check the box(es) if the School District requests and the project qualifies for additional funding for fire code requirements authorized in Section 1860.12(b)

b. Check the box if the School District is requesting additional funding for site development pursuant to Section 1860.12(c). The retrofit base grant will be increased by 35 percent.

c. Check the box if the School District is requesting additional funding for site development utility cost necessary for the retrofit of 50 years or older permanent building(s) pursuant to Section 1860.12(d). 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.

d. Check the box if the School District has an enrollment of 2,500 or less and is requesting project assistance allowance pursuant to Section 1860.12(e).

8. Construction Information

a. Check the box that best represents the construction delivery method that the School District has or will use for this project, if known.

b. Enter the date(s) the construction contract(s) was awarded for this project(s). If a construction contract has not been executed, enter N/A. (If the space provided is not sufficient for all applicable contract dates, please list all dates on a separate attachment to this form.)

9. Architect of Record or Licensed Architect Certification

The architect of record or the licensed architect must complete this section.

10. Architect of Record or Design Professional Certification

The architect of record or the appropriate design professional must complete this section.

11. Certification

The District Representative must complete this section.

APPLICATION FOR FUNDING

FULL-DAY KINDERGARTEN FACILITIES GRANT PROGRAM

SAB 70-01 (NEW 10/18)

The School District named below applies to the State Allocation Board via the Office of Public School Construction for a grant under the provisions of Chapter 3, Part 10.5, Division 1, commencing with Section 17375, et seq., of the Education Code and the Regulations thereto.

NAME OF DISTRICT REPRESENTATIVE (PRINT)	TITLE	EMAIL ADDRESS

SCHOOL DISTRICT	APPLICATION NUMBER

SCHOOL NAME	SCHOOL ADDRESS

COUNTY	PROJECT TRACKING NUMBER (PTN)

1. Type of Application—Check Only One

a. ☐ New Construction Grant [Section 1860.7(a)]

b. ☐ New Construction Grant with Advance [Section 1860.7(b)]

☐ Design ☐ Site

c. ☐ Retrofit Grant [Section 1860.7(c)]

d. ☐ Retrofit Grant with Advance [Section 1860.7(d)]

2. Pupil Grant Request and Project Information

a. Total Pupils Assigned: _____

b. Number of Classrooms: _____

c. DSA application number (if applicable): _____

d. DSA final plan approval letter date (if applicable): _____

e. CDE final plan approval letter date (if applicable): _____

(1) Recommended Site Size (Useable): _____

(2) Existing Acres (Useable): _____

(3) Proposed Acres (Useable): _____

f. CDE final site approval (if applicable) on: _____

g. CDE contingent site approval (if applicable) on: _____

3. Project Priority Funding Order

Priority order of this application in relation to other FDKFGP applications submitted by the School District in the same funding round: # _____

4. Preference Points

a. ☐ Financial Hardship

b. Free and Reduced Price School Meal (FRPM) Percentage of School District: _____

5. New Construction Additional Grant Request—New Construction Only

a. ☐ Automatic Fire Detection/Alarm System

☐ Automatic Sprinkler System

b. ☐ Site Development

c. Multilevel Classroom(s) Construction: _____

d. ☐ Project Assistance

6. New Construction Additional Grant Request—Site Acquisition

a. Site Acquisition:

(1) 50 percent Actual Cost: $_____

(2) 50 percent Appraised Value: $_____

(3) 2 percent (min. $25,000): $_____

(4) 50 percent actual Relocation Cost: $_____

(5) 50 percent estimated Relocation Cost: $_____

(6) 50 percent actual DTSC Fee: $_____

(7) DTSC Fee 15 percent appraised value: $_____

b. Hazardous Waste Removal

(1) 50 percent actual hazardous waste removal: $ _____

(2) 50 percent estimated hazardous waste removal: $_____

(3) ☐ Response Action (RA)

7. Retrofit Additional Grant Request

a. ☐ Automatic Fire Detection/Alarm System

b. ☐ Site Development

c. ☐ 50-year old utilities

d. ☐ Project Assistance

8. Construction Information

a. Construction Delivery Method

☐ Design-Bid-Build

☐ Design-Build

☐ Developer Built

☐ Lease Lease-Back

☐ This project includes or will include piggyback contract(s) as defined in Public Contract Code Section 20118.

☐ Other: _____

b. Construction Contract(s) awarded on: _____

_____

(If the space provided is not sufficient for all applicable contract dates, please list all dates on a separate attachment to this form.)

9. Architect of Record or Licensed Architect Certification

I certify as the architect of record for the project or as a licensed architect that:

- Any portion of the P&S requiring review and approval by DSA were approved by DSA on _____ (enter DSA approval date).
- Any portion of the P&S not requiring review and approval by DSA meets the requirements of the California Code of Regulations, Title 24, including any handicapped access and fire code requirements.

ARCHITECT OF RECORD OR LICENSED ARCHITECT (PRINT NAME)	
SIGNATURE	DATE

10. Architect of Record or Design Professional Certification

I certify as the architect of record for the project or the appropriate design professional, that:

- If the request is for a Full-Day Kindergarten Facilities Grant Program (FDKFGP) new construction project, I have developed a cost estimate of the proposed project which indicates that the estimated construction cost of the work in the P&S including deferred items (if any) relating to the proposed project, is at least 60 percent of the total grant amount provided by the State and the School District's matching share, less site acquisition costs. This cost estimate does not include site acquisition, planning, tests, inspection, or furniture and equipment and is available at the School District for review by OPSC.
- If the request is for a Full-Day Kindergarten Facilities Grant Program retrofit project, I have developed a cost estimate of the proposed project which indicates that the estimated construction cost of the work in the P&S, including deferred items and interim housing (if any) relating to the proposed project, is at least 60 percent of the total grant amount provided by the State and the School District's matching share. This cost estimate does not include planning, tests, inspection or furniture and equipment and is available at the School District for review by OPSC.

ARCHITECT OF RECORD OR DESIGN PROFESSIONAL (PRINT NAME)	
SIGNATURE	DATE

11. Certification

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

- I am an authorized representative of the School District as authorized by the governing board of the School District; and
- The School District will comply with all laws pertaining to the construction or retrofit of its school building; and,
- A resolution or other appropriate documentation supporting this application under Chapter 3, Part 10.5, Division 1, commencing with Section 17375, et. seq., of the Education Code was adopted by the school district's governing board or the designee of the Superintendent of Public Instruction on,_____ ; and,
- The School District has established a "Restricted Maintenance Account" for exclusive purpose of providing ongoing and major maintenance of school buildings and has developed an ongoing and major maintenance plan that complies with and is implemented under the provisions of Section 1860.21; and,
- If this request is for new construction funding, the School District has received approval of the site and the plans from CDE. Plan approval with this application submittal is not required if the request is for apportionment with advance; and,
- If this request is for retrofit funding, the School District has received approval of the plans for the project from CDE. Plan approval with this application submittal is not required if the request is for apportionment with advance; and
- The School District has or will comply with the Public Contract Code regarding all laws governing the use of force account labor; and,
- The School District matching funds required pursuant to Sections 1860.11 or 1860.13 has either been expended by the School District, deposited in the County School Facility Fund or will be expended by the School District prior to fund release; and,
- The School 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 School District has received the necessary approval of the plans and specifications from the Division of the State Architect unless the request is for an apportionment with advance. Plan approval is not required with this application submittal if the request is for apportionment with advance; and
- If the School District is submitting a request for an apportionment without advance, it will submit a fund release request for full funding with all required approvals within 180 days of apportionment. The School District understands that funds not requested within 180 days of apportionment shall be rescinded (refer to Section 1860.16); or,
- If the School District is requesting an apportionment with advance, it will submit a final fund release request with all required approvals within 12 months of apportionment. The School District understands that funds not requested within 12 months of apportionment shall be rescinded (refer to Section 1860.16); and,
- The School District understands that some or all of the State funding for the project must be returned to the State as a result of an audit pursuant to Sections 1860.20; and,
- If the School District requested additional funding for fire code requirements pursuant to Sections 1860.9(b) and (c) or 1860.12(b), the School District will include the automatic fire detection/alarm system and/or automatic sprinkler system in the project prior to completion of the project; and,
- If the School District requested additional funding for 50-year old utilities, the School District certifies that 50-year old utilities work required for the retrofit of 50-year old permanent buildings will be included in the project and done prior to completion of this project.
- If the School District requested additional funding for multi-level classroom construction, the School District certifies that multi-level classroom construction work will be included in the project and done prior to completion of this project.
- If this funding request is for the retrofit of kindergarten classrooms, the School District has considered the potential for the presence of lead-containing materials in the retrofit project and will follow all relevant federal, state, and local standards for the management of any identified lead; and,
- If this funding request is for the retrofit of kindergarten classrooms, the School District certifies that the classrooms did not meet design requirements for a kindergarten classroom at the time they were built or previously retrofitted to meet kindergarten standards; and,
- With regards to providing full-day kindergarten instruction, the School District certifies that:
  - ☐ A resolution or other appropriate documentation allowing the School District to provide full-day kindergarten at the project site was adopted by the school district's governing board (attached) on, _____; or,
  - ☐ Prior to the completion of the project, a resolution or other appropriate documentation allowing the School District to provide full-day kindergarten at the project site will be adopted by the school district's governing board and submitted with the Form SAB 70-03.
- The statements set forth in this application and supporting documents are true and correct to the best of my knowledge and belief; and,
- This form is an exact duplicate (verbatim) of the form provided by OPSC. In the event a conflict should exist, the language in OPSC's form will prevail.

SIGNATURE OF DISTRICT REPRESENTATIVE	DATE

STATE OF CALIFORNIA

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

Fund Release Authorization

Full-Day Kindergarten Facilities Grant Program

SAB 70-02 (NEW 10/18)

GENERAL INFORMATION

(Refer to Title 2, California Code of Regulations, Section 1860.16)

After a Full-Day Kindergarten Facilities Grant Program (FDKFGP) grant has been funded by the Board, the Office of Public School Construction (OPSC) will release the apportioned funds with the exception of design funds, to the appropriate county treasury once the School District has completed and submitted this form to OPSC. Design funds will automatically be released to the School District following, whichever occurs last: an Apportionment or submittal by the School District of a Grant Agreement pursuant to Section 1860.17, with the exception of advance funding Apportionments.

The following documents must be submitted with this form (as appropriate):

1. A copy of the construction contract pages that include project description, contract parties, date of contract, contract amount, and signature page.
2. A Grant Agreement for the project signed by an authorized District Representative.

SPECIFIC INSTRUCTIONS

Part 1. New Construction—Site Acquisition

Check the appropriate boxes if the School District is requesting a separate release of site acquisition funds as part of a new construction project.

Part 2. New Construction/Retrofit

Check the box(es) for release of new construction or retrofit funds and enter the following:

a. Date of written plan approval by the Division of the State Architect (DSA) and application number.

b. Date of written plan approval by the California Department of Education (CDE).

c. If applicable, check the box if the School District has entered into a binding contract(s) for the completion of the project.

d. Award date(s) of the construction contract(s) entered into by the School District for this project.
(If the space provided is not sufficient for all applicable contract dates, please list all dates on a separate attachment to this form.)

e. If requesting funding for site acquisition, enter the date of CDE final site approval.

Part 3. Identify School District's Construction Delivery Method

Check the appropriate box that identifies the construction delivery method that the School District utilized for this project.

Part 4. Submittal of Project Grant Agreement

Check the appropriate box that identifies the timing of the submittal of the signed Grant Agreement for the project as pursuant to Education Code 17375(e).

Fund Release Authorization

Full-Day Kindergarten Facilities Grant Program

SAB 70-02 (NEW 10/18)

NAME OF SCHOOL DISTRICT REPRESENTATIVE (PRINT)	TITLE	EMAIL ADDRESS

SCHOOL DISTRICT	APPLICATION NUMBER

SCHOOL NAME	SCHOOL ADDRESS

COUNTY	PROJECT TRACKING NUMBER (PTN)

Part 1. New Construction—Site Acquisition Only

☐ The School District certifies that it has entered escrow for the site (attach copy of escrow instructions)

☐ The School District certifies that there has been a final appraisal (attach copy of final appraisal)

☐ The School District certifies that they have received a CDE Contingent Site Approval Letter (attach CDE approval letter)

☐ The School District certifies that it has received CDE Final Site Approval Letter (attach Final Site Approval Letter)

Part 2. New Construction/Retrofit

School District must be able to check all boxes:

☐ The School District certifies that its 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 17375(b)(2)(A).

☐ The School District certifies it has entered into a binding contract(s) for the completion of the project.

☐ The School District certifies the plans and specifications applicable to the state funded project), received written DSA approval on_____, and DSA application number _____, and CDE approval on _____, and for the contract(s) awarded on_____.

(If the space provided is not sufficient for all applicable contract dates, please list all dates on a separate attachment to this form.)

☐ If the project includes site acquisition, the School District certifies the site received written CDE final approval on _____and that it has entered escrow for the site (attach copy of escrow instructions and updated appraisal).

- Subject to available funding, site acquisition funds shall be adjusted based on actual costs.
- OPSC will verify that the School District has included multilevel classrooms in the plans for the project

The amount of State funds released for new construction shall be 100 percent of the total FDKFGP Grant, less any design and/or site acquisition funds previously released.

The amount of State funds released for retrofit shall be 100 percent of the FDKFGP Grant, less any design funds previously released.

Part 3. Identify School District's Construction Delivery Method

☐ Design-Bid-Build

☐ Design-Build

☐ Developer Built

☐ Lease Lease-Back

☐ This project includes or will include piggyback contract(s) as defined in Public Contract Code Section 20118.

☐ Other: _____

Part 4. Signed Grant Agreement

☐ The School District has already submitted the signed Grant Agreement for this project

☐ The signed Grant Agreement for this project accompanies this Form.

☐ The signed Grant Agreement with amended costs (i.e. as automatic fire detection/alarm system, site acquisition, or multilevel classroom construction) for this project accompanies this Form.

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

- I am an authorized representative of the School District as authorized by the governing board of the School District; and
- The site where buildings will be retrofitted must comply with Education Code Sections 17212, 17212.5, and 17213; and,
- The grant amount provided by the State, combined with local matching funds, are sufficient to complete the school construction project; and,
- The School District has or will comply with the Public Contract Code regarding all laws governing the use of force account labor; and,
- The School District shall certify at the time of a fund release for the project that it complies with Section 1860.17; and,
- The School 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; and,
- This form is an exact duplicate (verbatim) of the form provided by OPSC. In the event a conflict should exist, then the language in OPSC's form will prevail.

SIGNATURE OF DISTRICT REPRESENTATIVE	DATE

STATE OF CALIFORNIA

EXPENDITURE REPORT

Full-Day Kindergarten Facilities Grant Program

SAB 70-03 (NEW 10/18)

(Rev. 1)
STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

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

STATE OF CALIFORNIA

EXPENDITURE REPORT

Full-Day Kindergarten Facilities Grant Program

SAB 70-03 (NEW 10/18)

(Rev. 1)
STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

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

STATE OF CALIFORNIA
GRANT AGREEMENT
FULL-DAY KINDERGARTEN FACILITIES
GRANT PROGRAM
NEW (10/18)

Office of Public School Construction Application Number: _____

GENERAL INFORMATION

Grantee Name: _____

School Name: _____

Grant Amount: _____ of which _____ is Financial Hardship Assistance.

Authority: Statutes of 2018, Chapter 32, Sec. 21. (AB 1808) Education Code section 17375.

Full-Day Kindergarten Facilities Grant Program (FDKFGP)

PROJECT DESCRIPTION

Type of Work: _____ (e.g., New Construction or Retrofit)

Number of Classrooms: _____

Financial Hardship Approval Date: _____

Financial Hardship Status is valid until: _____ (date)

Agreement includes Grants for: _____ (Site Acquisition; Department of Toxic Substances Control fees and hazardous waste removal; etc.)

Agreement includes Grants for: _____ (Site Development, if appropriate)

This project scope and resulting funding determination relied on the following documentation and state agency approvals:

- *Application for Funding* (Form SAB 70-01), executed by the District Representative on XXXXX
- Preliminary/Final Site Approval letter from the California Department of Education dated XXXXX
- Preliminary/Final Plan Approval letter from the California Department of Education dated XXXXX
- Division of the State Architect Approval letter(s) dated XXXXX for DSA Application Number(s) YYYY.
- Financial Hardship Approval Letter from the Office of Public School Construction dated XXXXX
- Bridge Financing Approval Letter from the Office of Public School Construction dated XXXXX

Office of Public School Construction Application Number: _____

A copy of the documentation listed here is available as part of the project file maintained by OPSC, and is also retained by the District for purposes of the project audit.

Grants are to be used in accordance with the provisions contained in the Full-Day Kindergarten Facility Grant Program (Education Code, Title 1, Division 1, Part 10.5, Chapter 3, commencing with Section 17375 and this Agreement.

The Grantee shall not make any change to the Project that would require a Change of Scope, without the State Allocation Board first approving the change to the Project.

Office of Public School Construction Application Number: _____

TERMS AND CONDITIONS OF GRANT

A. Definitions

Terms not defined below shall have the same meaning as set forth in FDKFGP Regulation (Regulation) Section 1860.2.

"Agreement" means a contract to do or not to do a certain thing and refers to this Grant Agreement.
"Audit report" means the annual compliance reviews and fiscal reviews of the Grantee's finances, in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.
"Capital Outlay," for the purposes of the Grantee using Savings, pursuant to Full-Day Kindergarten Facilities Grant Program Regulation Section 1860.19, means capital assets in accordance with Section G of this Agreement.
"Change of Scope" means the addition or deletion of any work that would change the approved Grant amount for the Project or require updated state agency approval(s). This includes, but is not limited to, changes to site acquisition acres, or buildings, including full-day kindergarten classrooms, and any changes to the size of those buildings, the type of building (e.g. portable, modular, or permanent), or the location on the school site of those buildings.
"Expenditure Report" means the Form SAB 70-03 *Expenditure Report* and all required supplementary documentation, including but not limited to a detailed listing of project expenditures organized by fund source and provided at an object-code-level of accounting detail, pursuant to the California School Accounting Manual, that shall include fields to identify information including, but not limited to dates, payees, warrant numbers, and the description and purpose of the expenditures as described in Regulation Section 1860.18.
"Application for Funding" means the Form SAB 70-01, *Application for Funding,* and all required supplementary documentation pursuant to the Program and Regulation Section 1860.7
"Fund Release Authorization" means the Form SAB 70-02, *Fund Release Authorization,* and all required supplementary documentation, which includes but is not limited to this Agreement, pursuant to the Program and the Regulations.
"Grants" means all eligible program grants provided by the Board to the Grantee in this Agreement.
"Grantee" means the School District (as defined in Regulation Section 1860.2 whose representative has signed this Agreement for Grants.
"Grantee Representative" means the authorized representative of a School District (as defined in Regulation Section 1860.2 who signed this Agreement for Grants.
"Ineligible Expenditure" means an expenditure of Grants not in accordance with this Agreement or the applicable laws and regulations governing the use of Grants.
"Local auditor" means an auditor hired at the Grantee's expense who conducts annual compliance reviews and fiscal reviews of the Grantee's finances, in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.
"Other Sources of Funds" means cash, the Grantee's matching funds, or in-kind contributions that are required or used to complete the project beyond the Grants provided by this Agreement.
"Project" means the purposes for which the Grantee has applied for the Grants detailed in this Agreement.

Office of Public School Construction Application Number: _____

"Regulations" means the Full-Day Kindergarten Facilities Grant Program regulations (California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 4, Group 1, Subgroup 5.8, commencing with Regulation Section 1860).
"Savings" means Grants not used by the Grantee for the Project, pursuant to Regulation Section 1860.19, achieved by the Grantee's efficient and prudent expenditure of Grants.
(Authority: Regulation Section 1860.2)

B. Term of Grant Agreement

The Grantee and the Executive Officer, or designee, of the Office of Public School Construction shall be the parties to this Agreement. This Agreement must be entered into by both parties prior to, and as a condition of, the release of any funding for the Project. This Agreement becomes effective on the date the Board approves the Project for Apportionment. This Agreement terminates once (1) all Grants and the Grantee's matching funds, including interest generated by the Grants, is expended, and when all of the Parties' obligations under this Grant Agreement are fully satisfied, or (2) if the Board rescinds the Apportionment, or (3) if the Grantee withdraws its Application for Funding.

C. Project Execution

1. The Board hereby awards to the Grantee a sum of money (Grants) $_____ in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of the Project in this Agreement and its attachments and under the Terms and Conditions set forth in this Agreement. Grants may also be expended for the purposes of a future high priority Capital Outlay project as the result of Savings, or for the purposes of reimbursement, pursuant to Regulation Section 1860.19.
   (Authority: Education Code Section 17375)

2. Prior to the release of any funding for the Project, Office of Public School Construction staff has completed the following steps to finalize the Project funding amount outlined in this Agreement, as necessary:

   i. The Application for Funding was accepted on _____ (date) and deemed to meet the definition of an Approved Application. The Grantee was provided written notification of any deficiencies and given 24 hours to remedy the identified deficiency(s) in order to retain the date upon which it was received.

   ii. Upon confirmation of an Approved Application, Office of Public School Construction staff reviewed the Application for Funding for compliance with Full-Day Kindergarten Facilities Grant Program Regulations and verified eligibility for all available program grants. The Grantee was provided written notification of all deficiencies and/or changes necessary and given 15 calendar days to respond and remedy the identified deficiencies and/or changes necessary.

Office of Public School Construction Application Number: _____

iii. Upon review of the submitted corrections, Office of Public School Construction staff provided the Grantee written notification of any final deficiencies and required a response within four business days.

iv. Upon receipt of the final amendments to the Application for Funding, the Office of Public School Construction staff and the Grantee agreed that the Project was ready for presentation to the Board for Apportionment.
(Authority: Regulation Sections 1860.7, 1860.16 and Office of Public School Construction process)

3. Grantee certifies that the Project complies with all laws and regulations applicable to the Project.
(Authority: Form SAB 70-01 certifications)

4. Grantee certifies that the Project complies with all labor and public contract laws, as applicable, including, but not limited to:

i. Public Contract Code Section 20111.6, as added by Chapter 808, Statutes of 2012 (Assembly Bill 1565), which became effective on September 30, 2012. This section was amended by Senate Bill 1171, Chapter 86, Statutes of 2016. Beginning January 1, 2014 through December 31, 2018, new contracting requirements are effective for School Districts with an average daily attendance of 2,500 or more for construction projects with estimated expenditures of at least $1,000,000 that will be funded through any future state school bonds. These new Public Contract Code requirements require a standardized prequalification questionnaire and financial statement to be verified under oath from all bidders.

ii. Labor Code Section 1773.3, as amended by Senate Bill 877, Chapter 455, Statutes of 2018, which requires school districts to provide notice to Department of Industrial Relations of any public works contract subject to the requirements of that chapter, within 30 days of the award, but in no event later than the first day in which a contractor has workers employed upon the public work.

Project Execution Signature

All laws and regulations noted in Sections (i), and (ii) above have been, and will be, followed, as applicable.

X _____ Date_____

(Authority: Form SAB 70-01 certifications)

Office of Public School Construction Application Number: _____

D. Receiving Board Approval

1. Grantee must have (1) title or (2) other interest to Project lands. Title may include an order for pre-judgement possession issued by a court in an eminent domain proceeding. *(Authority: Education Code Section 17375; Regulation Section 1860.8)*

2. Grantee understands and agrees that the Grants, combined with local funds, shall be sufficient to complete the Project. *(Authority: Education Code Section 17375)*

3. The Grantee understands and agrees that (1) Grants required to be adjusted for site acquisition for New Construction projects, and (2) unspent Financial Hardship Grants must be returned to the state school facilities fund from which the Grants were apportioned as a result of an audit, pursuant to Education Code Section 17375 and Education Code Section 41024, as applicable.

4. The Grantee understands and agrees that, if it does not remit the amount of Ineligible Expenditures identified in the audit report within 120 days of being invoiced by the California Department of Education, and if no repayment plan has been approved pursuant to paragraph (d) of Section 41024 of the Education Code, then the Controller shall deduct the total amount of any Ineligible Expenditures from apportionments pursuant to paragraph (d) of Section 41024 of the Education Code. The Grantee may request a payment plan pursuant to paragraph (d) of Section 41024 of the Education Code.

5. The statutorily-required Grantee matching funds have either been expended by the Grantee, have been deposited by the Grantee in the county fund, or will be expended by the Grantee prior to notice of completion of the project. *(Authority: Education Code Sections 17375(b)(3); Regulation Sections 1860.11 and 1860.13; and Form SAB 70-01 certifications)*

6. Financial Hardship Review Process
   i. If the Grantee has requested Financial Hardship Grants, the Financial Hardship approval from the Office of Public School Construction was valid. *[Authority: Regulation Section 1860.14]*

   ii.
      a) If the Grantee has requested Financial Hardship Grants and has a bridge financing debt instrument in place, or will have a bridge financing debt instrument in place in the future in order to move the Project forward until Grants become available, then the Grantee agrees that it has received, or will receive, bridge-financing approval from the Office of Public School Construction.
      b) The Grantee also agrees to retire all bridge financing debt within 60 calendar days of receiving Grants. Failure to retire all bridge financing debt within 60

Office of Public School Construction Application Number: _____

calendar days of receiving Grants will result in the amount of the Financial Hardship Grants in this Agreement being reduced by the amount of the bridge financing that was not retired.

7. [Instructions: The following sections only apply to the Program, or other circumstance, that is detailed in this Agreement.]

New Construction:
i. The Grantee has received approval of the plans from the California Department of Education and the Division of the State Architect, and approval of the site from the California Department of Education if the project included site acquisition. Plan approval is not required if request is for design or site advances. Site approval is not required if request is for design or site other two percent advances.
(Authority: Regulation Sections 1860.7, and 1860.10.1)

Site Acquisition: The Grantee has complied with Regulation Sections 1860.10 through 1860.10.3, as appropriate. The Grantee shall provide all applicable county assessor parcel numbers for the land being acquired for the Project. Grantee understands and agrees that Grants for site acquisition (i.e. site purchase, hazardous materials mitigation, relocation, etc.) as described in Section F (Accounting for Spent Funds) of this Agreement are limited to actual eligible expenditures. Therefore, the audit report may result in an adjustment (increase or decrease, if funds are available) to the Grant amount based on the final approved expenditures related to site acquisition separate and apart from all other Grants.

Office of Public School Construction Application Number: _____

E. Receiving an Apportionment and Receiving Funds

The Grantee and the Executive Officer, or designee, of the Office of Public School Construction shall enter into this Agreement prior to, and as a condition of, the release of any funding for the Project.
(Authority: Regulation Sections 1860.7 and 1860.16)

Additionally:

1. Any Grants provided to Grantee under this Agreement will be disbursed upon receipt of a complete Fund Release Authorization, unless for design or site other two percent advance funding, and shall not exceed $_____
   except for _____.
   (site-related exceptions)
   (Authority: Education Code Section 17375(c)(1) and (2), Regulation Sections 1860.16 and Form SAB 70-02)

2. Supplementary documentation submitted with, or prior to, a Fund Release Authorization must include this Agreement as well as documentation, including but not limited to, that proves the Grantee has entered into a binding contract(s) for the completion of the project included in the plans and specification applicable to this Project.
   (Authority: Education Code Section 17375(c)(1) and (2), Form SAB 70-02 certifications)

3. If the Office of Public School Construction finds that the Fund Release Authorization is incomplete, inadequate or inaccurate, it will notify the Grantee that the Grantee has ten (10) business days to address the issue(s). If the issue(s) has not been addressed after ten (10) business days, the Office of Public School Construction will consider the submittal to be invalid and the request will be returned to the Grantee. The Grantee will retain the opportunity to submit a valid Fund Release Authorization within 180 days of Apportionment if the Project had Division of the State Architect Approval at the time of Apportionment and 12 months from Apportionment if the Project did not have Division of the State Architect approval at the time of Apportionment. However, if the Grantee does not submit a valid Fund Release Authorization by the applicable deadline, the Apportionment shall be rescinded by the Board.
   (Authority: Education Code Section 17375(c)(1) and (2), Regulation Section 1860.16)

Office of Public School Construction Application Number: _____

F. Accounting for Spent Funds

1. For purposes of completing the Expenditure Report required pursuant to Education Code Section 17375, at the completion of the Project, the Grantee shall maintain a general ledger at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the *California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure*.
   (Authority: Education Code Section 17375(f), Regulation Sections 1860.18, Form SAB 70-03)

2. Project Audit

   The Grantee understands and agrees to the following:

   i. Upon Project completion pursuant to Regulation Section 1860.20, the Office of Public School Construction may notify the Grantee, the Grantee's County Office of Education, and the State Controller's Office that the Grantee is subject to an audit of the Project by a local auditor that is in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. The Grantee shall retain all financial accounts, documents, and records necessary for an audit pursuant to Education Code Section 41024(a)(4) and shall provide Project documentation, if requested by the local auditor.
   (Authority: Regulation Section 1860.20)

   ii. Project documentation that the Grantee shall provide when requested by the local auditor, for the purposes of the audits described in Education Code Section 41024, shall include, but is not limited to:
      a) Proof of acreage purchased
      b) Proof of site costs and adjusted site grants, where applicable
      c) Copy of Form SAB 70-01
      d) Copy of SAB Board item(s) (Approval of project Apportionment)
      e) DSA Approval Letter, if for New Construction Grant or Retrofit Grant Apportionment
      f) Preliminary or Final CDE Approval Letter, as applicable
      g) Architect Final Billing
      h) Proof of Routine Restricted Maintenance Account
      i) Project-specific accounting records, such as a general ledger, as described in Spending Funds (Section F, paragraph 1), for all sources of funding
      j) Final construction billing and invoices,
      k) Any and all change orders
      l) Proof the School District implemented full-day kindergarten
      m) If the Grantee's matching funds have already been expended for this Project or have been deposited in the County School Facility Fund, the Grantee shall provide accounting records, such as a general ledger, for all sources of funding,

verifying those previous expenditures or deposits. If the matching funds have been or will be spent from a Certificate of Participation (COP), then the Grantee shall indicate the fund that the proceeds from the COP were originally deposited into or will be deposited into. The Grantee shall also include a copy of the COP booklet. Providing the official notice of intent to sell bonds may be provided to prove that the Grantee will expend the Grants prior to the time the project is completed, as described complete pursuant to Regulation Section 1860.16. If the Grantee has funds from another source not listed here, the Grantee shall provide the accounting records, such as a general ledger verifying the expenditures and deposits.
(Authority: Education Code Section 17375 and Regulation Section 1860.16)

iii. During the local auditor's audit and/or upon completion of the audit report, the Grantee understands and agrees that its Expenditure Report is final and may not be subsequently adjusted or amended.

iv. The Grantee understands and agrees that:
(a) Should the audit report determine that the Grantee spent Grants on Ineligible Expenditures, the local auditor will inform the California Department of Education of the amount of the Ineligible Expenditure. The amount to be remitted will be limited to the proportionate percentage of Grants and Financial Hardship Grants. Grantees will not be required to provide the state with payments related to the amount of their matching funds. Ineligible Expenditures funded by Grants will not be considered Savings.
(b) The Grantee may appeal the finding of any Ineligible Expenditures, as described in Education Code Section 41024(d).
(c) The California Department of Education will recover Grants spent on Ineligible Expenditures, pursuant to Education Code Section 41024(d)(1).
(d) The Grantee may request a repayment plan from the California Department of Education related to the recovery of Grants described in (c).
(e) In order to recover funds as part of a repayment plan described in (d), the California Department of Education will notify the State Controller of the repayment plan and the State Controller will withhold funds from the Grantee's principal apportionment or Education Protection Account payments, pursuant to Education Code Section 41024(d).
(Authority: Education Code Sections 17375(f) and 41024; Regulation Section 1860.20)

v. The Grantee shall provide its Expenditure Report for a Project deemed complete pursuant to Regulation Section 1860.18, and any and all audit reports, including the audits of Savings, to the Office of Public School Construction.
(Authority: Education Code Section 17375(h))

Office of Public School Construction Application Number: _____

vi. The Grantee shall also provide site access to the local auditor to determine if the project work is in accordance with the Board-approved project scope, including a final inspection for a Project deemed complete pursuant to Regulation Section 1860.18.
(Authority: Education Code Section 17375(h),)

3. Savings Audit(s)

Grantees may retain Savings for expenditure for other high priority capital outlay with the exception of when unexpended funds remain on project that received Financial Hardship funding. Savings must be spent within one year of the completion of the project.
(Authority: Education Code Section 17375 and Regulation Section 1860.19)

The Grantee understands and agrees to the following:

i. Upon the Grantee declaring Savings pursuant to Regulation Section 1860.19, the Office of Public School Construction may notify the Grantee, the Grantee's County Office of Education, and the State Controller's Office, that the Grantee is subject to annual audits of the Savings by a local auditor that is in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting until the Grantee has expended all Savings. The Grantee shall retain all financial accounts, documents, and records necessary for an audit pursuant to Education Code Section 41024(a)(4) and shall provide documentation related to the use of Savings, when requested by the local auditor.
(Authority: Education Code Section 41024 and Regulation Section 1860.19)

ii. Savings documentation that the Grantee shall provide when requested by the local auditor, for the purposes of the audits described in Education Code Section 41024, shall include, but is not limited to:
a) The Grantee's expenditure report with actual savings submitted to the Office of Public School Construction, and
b) Project-specific accounting records, such as a general ledger, as described in Spending Funds (Section F, paragraph 1), and
c) General ledger report verifying that the Savings has been deposited to county school facilities fund and detail verifying the expenditure of the funds for high priority Capital Outlay, and
d) Construction billing and related invoices.
(Authority: Education Code Section 17375(h) and Regulation Section 1860.20)

iii. The Grantee understands and agrees that its Savings expenditure reports submitted to the local auditor are final and may not be subsequently adjusted or amended.

iv. The Grantee understands and agrees that:
(a) Should the audit report determine that the Grantee spent Savings on Ineligible Expenditures, the local auditor will inform the California Department of Education of the amount of the Ineligible Expenditure. The amount to be remitted will be limited to

the Savings. Grantees will not be required to provide the state with payments related to the amount of their matching funds.
(b) The Grantee may appeal the finding of any Ineligible Expenditures, as described in Education Code Section 41024(d).
(c) The California Department of Education will recover Grants spent on Ineligible Expenditures, pursuant to Education Code Section 41024(d)(1).
(d) The Grantee may request a repayment plan from the California Department of Education related to the recovery of Grants described in (c).
(e) In order to recover funds as part of a repayment plan described in (d), the California Department of Education will notify the State Controller of the repayment plan and the State Controller will withhold funds from the Grantee's principal apportionment or Education Protection Account payments, pursuant to Education Code Section 41024(d).
(Authority: Education Code Sections 41024 and 17375(h); Regulation Section 1860.20)

v. The Grantee shall provide its Savings expenditure reports, and any and all audit reports, to the Office of Public School Construction, pursuant to Education Code Section 17375(h).

vi. The Grantee shall also provide site access to the local auditor to determine if the project work is in accordance with eligible uses of Savings.
(Authority: Education Code Sections 41024 and 17375(h))

4. Site Adjustments
Should the audit report determine that the amount of Grants received for site acquisition requires adjustment, then, upon receipt of the audit, the Office of Public School Construction will present the Project to the State Allocation Board for an adjustment to the Apportionment, in accordance with Education Code Section 41024 (c)(2). Adjustments resulting in an increase to the amount of funding provided will only be made if funds are available.
(Authority: Education Code Sections 41024 and 17375(h))

5. Financial Hardship
Should the audit report determine that there are unspent Financial Hardship Grants, then the Grantee agrees to repay the unspent Financial Hardship Grants pursuant to Education Code Section 41024(c)(2)
(Authority: Education Code Sections 41024, and 17375(h), and Regulation Section 1860.14)

Office of Public School Construction Application Number: _____

G. Advisory Listing Detailing Common Eligible Project Expenditures

Project expenditures not listed in this document will not be considered eligible for funding under the Full-Day Kindergarten Facility Grant Program. *

Project expenditures will only be considered eligible if:

- The expenditures are within the Project scope that was approved by the State Allocation Board
- The expenditures are substantiated with contracts, invoices, final billings, and verification of payment
  (Authority: Education Code Section 41024)
- The expenditures are expended or encumbered prior to the time a project is deemed complete, pursuant to Regulation Section 1860.18
  (Authority: Education Code Section 17375(f))

The Grantee may seek written clarification from OPSC for items not included in the lists of eligible and ineligible project expenditures. The local auditor may use the written response from OPSC to guide the audit of the project expenditures.

*Project expenditures not listed in the following tables may be considered if those expenditures are reasonable and appropriate site development for the FDKFGP project.
(Authority: Regulation Sections 1860.9(d), 1860.12(c), and 1860.12(d))

Office of Public School Construction Application Number: _____

1. New Construction – Apportionment with Advance for Design Costs Or Apportionment Common Eligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17375(f)
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed. Code Section 17375(f)
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17375(f)*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17375(f)
g.	Energy Analysis Fee	Ed. Code Section 17375(f)*
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed. Code Section 17375(f)
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17375, and may be included as allowable expenditures under the Full-Day Kindergarten Facilities Grant Program.

Office of Public School Construction Application Number: _____

2. New Construction - Apportionment with Advance for Site Acquisition Costs or Apportionment
Common Eligible Project Expenditures

	Type of Expenditure	Authority
	Site Acquisition	
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 70-01) or actual site cost.	Ed. Code Section 17375(f)
	Site (Other) (4 % Allowance)	
b.	Appraisal Fees	Ed. Code Section 17375(f)
c.	Escrow Fees	
d.	Legal Fees associated with: • The review of site acquisition documents • Site condemnation or relocation proceedings.	
e.	Litigation costs not to exceed the total FDKFGP project funding Apportionment.	
f.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
g.	Survey Costs	
	DTSC Fees	
h.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Section 17375(f)

Office of Public School Construction Application Number: _____

	Type of Expenditure	Authority
	Hazardous Waste Removal	
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Section 17375(f)
j.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement	
	Relocation Assistance	
k.	Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following: • Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed $5,250 Last Resort Housing • Residential Owner Occupant Moving expenses	Ed. Code Section 17375(f)

Office of Public School Construction Application Number: _____

	Type of Expenditure	Authority
	Replacement Housing – Not to exceed $25,500 • Business • Moving expenses – In addition, a displaced business owner may file a claim for the following: The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site. The cost of any license, permit, or certification to reestablish a business at a new location The reasonable cost of any professional services necessary for planning the move, moving the property, or installation of property at the replacement site. When an item is not moved but replaced with a comparable item, reimbursement shall be the lessor of replacement cost or estimated cost of moving by professional mover. • Losses of Tangible Personal Property • Searching for a Replacement Site • Re-establishment Expenses • In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment :in lieu" of moving, losses of tangible property, searching, and reestablishment costs.	

Office of Public School Construction Application Number: _____

3. New Construction - Apportionment
Common Eligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17375(f)
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical • Shade Structures •	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17375(f)*
d.	Construction Tests	Ed. Code Section 17375(f)
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include School District "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b)
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For School Districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For School Districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not	PCC Section 201114

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	
g.**	General site development within school property lines necessary for the FDKFGP project (Including but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	Ed. Code Section 17375(f)
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17375(f)
i.**	Off-site development costs on up to two immediately adjacent sides of the site necessary for the FDKFGP project, including: • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths	Ed. Code Section 17375(f)

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
j.**	Service site development costs within school property lines necessary for the FDKFGP project, including: • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	Ed. Code Section 17375(f)
k.**	Utility service costs associated with the CDE approved site size that are necessary to serve the FDKFGP capacity of the site as follows: • Water • Sewage • Gas • Electric • Communication systems	Ed. Code Section 17375(f)
l.	Furniture and Equipment that meet all of the criteria as described in Government Code Section 16727 and the California School Accounting Manual (CSAM), Procedure 770 as follows: • Lasts more than two years. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • Not operational or administrative costs.	Ed. Code Section 17375(f) & CSAM Procedure 770

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	It exceeds the minimum dollar value of capitalization threshold established by the local educational agency, but in no case should the threshold be less than $5,000. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students	
m.	Furniture and Equipment: • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books	Ed. Code Section 17375(f)
n.	Demolition Costs	Ed. Code Section 17375(f)
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17375(f)*
p.	Acquiring an existing government-owned or privately owned building, or privately financed school building, and the necessary costs of converting the government-owned or privately-owned building for public school use.	Ed. Code Section 17375(f)

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
q.	Upgrading of electrical systems, and the wiring or cabling of classrooms in order to accommodate educational technology.	Ed. Code Section 17375(f)

*These costs are recognized as components of allowable costs pursuant to EC Section 17375, and may be included as allowable expenditures under the Full-Day Kindergarten Facilities Grant Program.

**Eligible expenditures in these sections may exceed the amounts requested on the Application for Funding.

Office of Public School Construction Application Number: _____

4. Retrofit - Apportionment with Advance for Design Costs Or Apportionment Common Eligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17375(f)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed. Code Section 17375(f)
e.	Consultant Fees – specific to FDKFGP project(s) (prorate if necessary)	Ed Code Section 17375(f)*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17375(f)
g.	Energy Analysis Fee	Ed Code Section 17375(f)*
h.	Legal Fees associated with: • The review of the FDKFGP project-related lease agreements. • The review of the FDKFGP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the FDKFGP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed Code Section 17375(f)
j.	Preliminary Site Tests	
k.	Engineering Fees	

*****These costs are recognized as components of allowable costs pursuant to EC Section 17375, and may be included as allowable expenditures under the Full-Day Kindergarten Facilities Grant Program.

Office of Public School Construction Application Number: _____

5. Retrofit- Apportionment
Common Eligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17375(f)
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical • Shade Structures •	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17375(f)
d.	Construction Tests	Ed Code Section 17375(f)
e.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For School Districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For School Districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade.	PCC Section 20114

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	To be eligible must be supported by time cards or time logs.	
f.	Inspections – For services provided during construction of the project.	Ed Code Section 17375(f)
g.*	Utility Services – Only if approved for fifty years or older permanent building Retrofit project	Ed Code Section 17375(f)
h.	Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows: • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • Not operational or administrative costs. It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students	Ed Code Section 17375(f) & CSAM Procedure 770
i.	Furniture and Equipment: • Desks	Ed Code Section 17375(f)

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	• Chairs • Built-in Storage • Cabinets • White/Chalk Boards • Library Books	
j.	Demolition Costs – the cost must be attributable to replacement of “like kind” building area .	Ed Code Section 17375(f)
k.	Interim Housing	Ed Code Section 17375(f)
l.	Removal of hazardous waste from a modernization project the DTSC has declared unsafe which does not exceed ten percent of the total modernization Apportionment.	Ed. Code Section 17375(f)
m.*	General site development within school property lines necessary for the FDKFGP project (Including but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	Ed Code Section 17375(f)
n.*	Service site development costs within school property lines necessary for the FDKFGP project. Including: • Site Clearance • Demolition • Rerouting Utility Lines	Ed Code Section 17375(f)

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	• Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	
o.	The purchase and installation of air-conditioning equipment and insulation materials and related costs	Ed Code Section 17375(f)
p.	Cost associated with fire, playground and seismic safety improvements	
q.	Upgrading of electrical systems, and the wiring or cabling of classrooms in order to accommodate educational technology	

*Eligible expenditures in these sections may exceed the amounts requested on the Application for Funding.

Office of Public School Construction Application Number: _____

H. Advisory Listing Detailing Common Ineligible Project Expenditures

The following tables are intended to provide advisory listings of common, but not exhaustive, ineligible Project expenditures.

In addition to the ineligible Project expenditures listed on the following tables, any costs associated with the Grantee's local debt issuance or interest on the Grantee's local bond(s) are also ineligible Project expenditures.

The Grantee may seek written clarification from OPSC for items not included in the lists of eligible and ineligible project expenditures. The local auditor may use the written response from OPSC to guide the audit of the project expenditures.

Office of Public School Construction Application Number: _____

1. New Construction – Apportionment with Advance for Design Costs Or Apportionment
Common Ineligible Project Expenditures

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17375(f)
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

2. New Construction – Apportionment with Advance for Site Acquisition Costs OR Apportionment
Common Ineligible Project Expenditures

SITE ACQUISITION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17375(f)
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

Office of Public School Construction Application Number: _____

3. New Construction – Apportionment
Common Ineligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17375(f)
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
e.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
f.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17375(f) & CSAM Procedure 770
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies	

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	• Band equipment/Uniforms • Mascot Uniforms	
h.	Costs associated with housing new kindergarten pupils	Ed Code Section 17375(f)
i.	Acquisition and installation of portables	

Office of Public School Construction Application Number: _____

4. Retrofit – Apportionment with Advance for Design Costs OR Apportionment
Common Ineligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17375(f)
b.	For projects that received Design funds only any construction related expenditures are not eligible	

5. Retrofit – Apportionment
Common Ineligible Project Expenditures

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17375(f)
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
e.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
f.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17375(f)
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables	

Office of Public School Construction Application Number: _____

	Type of Expenditure	Authority
	Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	
h.	Costs for an improvement to extend the useful life of, or to extend the physical environments of, the school	Ed Code Section 17375(f)
i.	The replacement of portable classrooms	
j.	Acquisition and development of real property	
k.	Cost associated with routine maintenance and repair	

Office of Public School Construction Application Number: _____

I. Record Retention

Grantee shall maintain satisfactory financial accounts, documents, and records for the Project, at a Project-specific level of detail. Grantee shall also retain such financial accounts, documents, and records necessary for an audit, pursuant to Education Code Section 41024(a)(4).

Financial accounts, documents, and records may be retained electronically.
(Authority: Government Code Section 12275(a) and (b), and Education Code Section 41024)

K. Conflict of Interest

All Grantees are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code, Section 1090 and Public Contract Code, Sections 10410 and 10411, for State conflict of interest requirements.

1. Employees of the Grantee: Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including, but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Cal. Gov't Code § 87100 et seq.

2. Employees and Consultants to the Grantee: Individuals working on behalf of the Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

L. Severability

If any provision of this Agreement or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

M. Disputes

1. Any claim that the Grantee may have regarding performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the Office of Public School Construction. The Office of Public

Office of Public School Construction Application Number: _____

School Construction and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

2. Any claim that the Grantee may have regarding the audit report's project expenditure determination shall be adjudicated by the Education Audit Appeals Panel, consistent with Education Code Section 41344.

N. Electronic Filing

Any communication under this Grant Agreement shall be in writing and may be transmitted by electronic means. Communication sent electronically will be effective on the date of transmission.

O. Supplement, Not Supplant

The terms and conditions of this Agreement are intended to supplement, not supplant, the laws and regulations that apply to this Project. The Grantee understands and agrees to adhere to all laws and regulations that apply to this Project, even if those laws and regulations are not specifically cited in this Agreement, consistent with Education Code Section 17375(k).

P. Exact Duplicate

This Agreement is an exact duplicate (verbatim) of the Agreement provided by the Office of Public School Construction. In the event a conflict should exist, the language in the Agreement provided by the Office of Public School Construction will prevail.

SIGNATURES

The statements set forth in this Agreement are true and correct to the best of my knowledge and belief. IN WITNESS WHEREOF, this Agreement has been executed by the parties.

NAME OF GRANTEE REPRESENTATIVE (PRINT)	PHONE NUMBER
SIGNATURE OF GRANTEE REPRESENTATIVE	DATE
SIGNATURE OF EXECUTIVE OFFICER OF THE OFFICE OF PUBLIC SCHOOL CONSTRUCTION, OR DESIGNEE	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 70-01and 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).

School District Name	*Total Preference Points*	*Number of Approved Applications*	*Position in Lottery*
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 Distict 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

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