(Rev. 1)

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, December 11, 2018

SCHOOL FACILITY PROGRAM

PURPOSE OF REPORT

To present the Paradise Unified School District's application for a health and safety project for expedited Apportionment outside of the priority funding process.

DESCRIPTION

This item requests the State Allocation Board (Board) to approve one Facility Hardship project totaling $157,484 in State funds for immediate Apportionment as shown on the Attachment.

AUTHORITY

SFP Regulation Section 1859.90. states in part:

> With the exception of an apportionment made pursuant to Sections 1859.81.1(e) or 1859.81.2, or of an Inactive Apportionment subject to Section 1859.96, the OPSC will release State funds that the Board has apportioned to the district after submittal, by the district, of the Form SAB 50-05 and a Grant Agreement, pursuant to Section 1859.90.4, subject to the availability of financing provided by the Pooled Money Investment Board for bond-funded projects. With the exception of an apportionment made for a Type II Joint-Use Project, not part of a qualifying SFP Modernization project, pursuant to Article 12 of these Regulations, a district must submit the Form SAB 50-05 and Grant Agreement, within 18 months of the Apportionment of the SFP grant for the project or the entire New Construction Adjusted Grant, Modernization Adjusted Grant or Type I or II, part of a qualifying SFP Modernization project, Joint-Use Project apportionment shall be rescinded without further Board action, and the pupils housed in the project, if applicable, will be added back to the district's baseline eligibility.

STAFF ANALYSIS/STATEMENTS

Staff is recommending that the District receive an immediate Apportionment for the attached Paradise Senior High School project, application number 58/61531-00-001, due to the Camp Fire that occurred recently.

The District has completed the project and State funds will be reimbursement. An Apportionment outside of the priority funding process will result in the District having immediate access to cash upon submittal of a *Fund Release Authorization* (Form SAB 50-05) and *Grant Agreement* for work that was already completed. This will allow the District the option to access cash immediately, or wait up to 18 months to submit a fund release. If the District were to participate in the normal Priority Funding process, the earliest it would be able to receive cash would be from a spring bond sale. The District has indicated it would immediately submit a Form SAB 50-05.

Staff recommends that the Board provide an immediate Apportionment for the project due to the extraordinary circumstances surrounding the District due to the Camp Fire in Paradise (Butte County) that has destroyed this community, including multiple school facilities.

RECOMMENDATION

Approve OPSC application number 58/61531-00-001 in the amount of $157,484 as shown in the Attachment.

This Item was approved by the Board on December 11, 2018.

REPORT OF THE EXECUTIVE OFFICER
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SCHOOL DISTRICT DATA	
School District:……..….PARADISE UNIFIED	County:…….……....BUTTE
Application Number:……...….. 58/61531-00-001	School Name:…..……....PARADISE HIGH
Total District Enrollment:……..…….….4,211	Project Grade Level:…….……...…9-12
Financial Hardship:…….……..…...….NO	

PURPOSE OF REPORT

Type of Request	State Allocation Board (Board) approval of an Apportionment for a School Facility Program (SFP) Facility Hardship rehabilitation project.
Total Project Cost	$ 262,473.00
Cost to the State	$ 157,484.00

DESCRIPTION

Description of Health and Safety Threat	The gas lines at Paradise High School in Paradise failed resulting in multiple gas leaks in classrooms and throughout the grounds of the school site. This resulted in the gas being turned off and no heat supplied to the classrooms or staff areas. A site visit was conducted by Frontier Consulting Engineers, Inc. on October 11, 2017, and the subsequent report identified the existence of various leaks in the existing underground gas distribution system. The piping was found to be in a deteriorated condition and in some cases it was in direct contact with large rocks. According to industry's standards, gas lines need to be buried with six inches of sand bedding in all directions. This presents an imminent hazard to the health and safety of the students and teachers. Per the mechanical engineer's recommendations, the campus gas piping system needs to be replaced on an emergency basis to mitigate leaking and provide heating to the high school campus.
Scope of Project	The scope of this project consists of replacing the entire campus gas piping system, including all new underground piping, new pressure regulators, and new seismic shutoff valves.
Status of School Site	The project was completed on February 22, 2018.

QUALIFYING CRITERIA

Government/State Level Concurrence	The Town of Paradise's Development Services provided written concurrence that supports the industry specialists' findings and recommended work to mitigate the health and safety threat.
Staff Supports the District's Request	Yes

Site Visit Completed by Staff	Staff accepted detailed reports from qualified firms and photographs in lieu of a site visit.

AUTHORITY

See Attachment A.

RECOMMENDATION

Approve the District's request for funding to rehabilitate the Paradise High School site by replacing the gas line throughout the school site, pursuant to the SFP Regulation Section 1859.83(e) as shown on Attachment B.

AUTHORITY

Education Code Section 17075.10(a) states:

> A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

SFP Regulation Section 1859.82 states, "A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils."

SFP Regulation Section 1859.82(a)(1) provides for Facility Hardship grant funding when:

> The facilities are needed to ensure the health and safety of the pupils if the district can demonstrate to the satisfaction of the Board that the health and safety of the pupils is at risk. Factors to be considered by the Board shall include the close proximity to a major freeway, airport, electrical facility, high power transmission lines, dam, pipeline, industrial facility, adverse air quality emission or other health and safety risks, including structural deficiencies required by the DSA to be repaired, seismic mitigation of the Most Vulnerable Category 2 Buildings as verified by the DSA, traffic safety or because the pupils reside in remote areas of the district and transportation to existing facilities is not possible or poses a health and safety risk.

SFP Regulation Section 1859.82(a)(1)(A)(1) states:

> If the total cost to remain in the classroom or related facility is 50 percent or less than the Current Replacement Cost, the district may qualify for either grant below, as applicable:
>
> > a. Modernization Excessive Cost Hardship Grant for Rehabilitation Costs pursuant to Section 1859.83(e), or
> >
> > b. A grant not to exceed 50 percent of the cost estimate that has been reviewed and approved by the OPSC and approved by the Board for seismic repair.

SFP Regulation Section 1859.83(e) states:

> Excessive Cost for rehabilitation of facilities the Board has determined are a health and safety risk to the pupils pursuant to Section 1859.82(a)(1) and the cost/benefit analysis to mitigate the problem and remain in the facility is less than 50 percent of the Current Replacement Cost of the facility. The cost/benefit analysis shall not include increased costs associated with high performance related costs or components, with the exception of those high performance components that were pre-existing in the classroom or related facility. If the district qualifies, the district is eligible for funding of Rehabilitation Costs as a modernization project. If the Approved Application is received on or before April 29, 2002, the grant amount provided is 80 percent of the amount of the cost estimate required in Section 1859.82(a)(1) that has been reviewed by the OPSC and approved by the Board. If the Approved Application is received after April 29, 2002, the grant amount provided is 60 percent of the amount of the cost estimate required in Section 1859.82(a)(1) that has been reviewed by the OPSC and approved by the Board. An additional grant may be provided for high performance incentive pursuant to Section 1859.77.4 provided that the high performance points attained are related to the scope of the Facility Hardship project. For any project funded in whole or in part from Proposition 47 or Proposition 55 for which the construction contract is awarded prior to January 1, 2012, the district may be eligible for the funding provided to initiate and enforce a LCP as prescribed in Section 1859.78.1(a). For any project for which the construction contract is awarded on January 1, 2012 through June 19, 2014, the grant may be adjusted in the manner prescribed in Section 1859.78.1(b) and subject to the limitations established in Section 1859.78.1(c).

SAB Meeting: **December 11, 2018** **Modernization - Adjusted Grant Approval**

SCHOOL DISTRICT DATA

Application No:	58/61531-00-001	**County:**	Butte
School District:	Paradise Unified	**School Name:**	Paradise Senior High

PROJECT DATA

Type of Project:	High School	**Application Filing Basis:**	Site Specific
Pupils Assigned Under 50 Yrs: K-6:			
7-8:			
9-12:			
Non-Severe:			
Severe:			
Financial Hardship Requested:	No	**Recommended Acres:**	35.5
Alternative Education School:	No	**Existing Acres:**	24.4

ADJUSTED GRANT DATA		
Rehabilitation	$	157,484.00
Total State Share (60%)		157,484.00
District Share (40%)		104,989.00
Total Project Cost	$	**262,473.00**

PROJECT FINANCING		
State Share		
This Project	$	157,484.00
District Share		
Cash Contribution		104,989.00
Financial Hardship		
Total Project Cost	$	**262,473.00**

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	State Apportionment This Action
State Share					
Modernization/Additional Grant	**057-570**	**1D**	$	$ $157,484.00	$ 157,484.00
District Share					
Cash Contribution				104,989.00	
Total			$	$ **262,473.00**	$ **157,484.00**

Funding Source: Proposition 1D Bonds/2006-Nov.

The District is required to submit a valid *Fund Release Authorization* (Form SAB 50-05) within 18 months of the date of the apportionment; otherwise, the apportionment will be rescinded without further board action.

The District shall ensure that it is in compliance with all applicable laws, regulations and certifications it made on the program forms.

Based on the Board's action on June 5, 2017, this project is subject to the Grant Agreement submittal pursuant to School Facility Program Regulation Section 1859.90.4.

The 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.