

Full-Day Kindergarten Facilities Grant Program – 2020 Updates

**Presented by
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October 7, 2020



Overview

- Senate Bill 98 (SB 98), which became effective June 29, 2020, amended statute to clarify that future funding rounds and future availability of funding for this Program will be contingent upon appropriation of funding by the Legislature.
 - This begins with the commencing with the 2019–20 fiscal year.
- SB 98 rescinded the \$300 million in additional program funding previously appropriated by SB 75 for the 2019-20 fiscal year.
- The amended Program statute retains the previous changes made to eligibility criteria.
 - Should the Program receive future funding, funds will be limited to schoolsites converting a part-day kindergarten program to a full-day kindergarten program for the first two years after any funds have been appropriated.

Regulation Amendments

- Regulations have been amended to remove any reference to funding previously apportioned from the 2019-20 budget and to funding round dates established in relation to the previously apportioned moneys.
- Future funding rounds will occur only if the Legislature appropriates additional funds to the FDKFGP.
 - New filing rounds shall commence within 180 days from the date any funds are made available for the program.
- There were several minor changes made to the regulations in accordance with the new legislation.

Regulation Amendments (Continued)

- (4)(A) ~~For Commencing with the 2019–20 fiscal year, the sum of three hundred million dollars (\$300,000,000) is hereby appropriated from the General Fund to the State Allocation Board to provide one-time grants as specified in this section. These moneys shall be available for encumbrance or expenditure by the State Allocation Board until June 30, 2022.~~ this program is contingent upon appropriation by the Legislature.
- (4)(C) For ~~purposes of this section and for the 2019–20 and 2020–21 fiscal years, funds appropriated in this paragraph~~ the first two years after any funds have been appropriated in support of this paragraph, funds shall be limited to schoolsites that did not offer a full-day kindergarten program as of July 1, 2019, and will use the funding to convert a part-day kindergarten program to a full-day kindergarten program. ~~For any funds remaining after the 2020–21 fiscal year, this subparagraph shall not apply.~~

Regulation Amendments (Continued)

- Change in definitions to “New Construction” in Section 1860.2.

“New Construction” means a construction project to adequately house kindergarten pupils in an approved project, which shall ~~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.

Regulation Amendments (Continued)

- Change in definitions to “New Construction” and “Retrofit” in Section 1860.2.

“Retrofit” means a construction project to retrofit an existing school facility to adequately house kindergarten pupils, which shall ~~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.

Regulation Amendments (Continued)

- Subtle change in authority reference at the end of Section 1860.15 “Education Code Section 42238.01(a)”.

42238.01.

For purposes of Section 42238.02, the following definitions shall apply:

(a) “Eligible for free or reduced-price meals” means determined to meet federal income eligibility criteria, either through completing an application for the federal National School Lunch Program or through an alternative household income data collection form, or deemed to be categorically eligible for free or reduced-price meals under the federal National School Lunch Program, as described in Part 245 of Title 7 of the Code of Federal Regulations.

Regulation Amendments (Continued)

- Addition of the words “the first” in 1860.16(e) and (f).

Section 1860.16. Fund Release Process.

- (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 complete *Fund Release Request* (Form SAB 70-02) with all required approvals must be submitted within 180 days of the first Apportionment. If a complete 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, the School District has up to 12 months to submit the required approvals from the date of the first 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.

Questions?



* Full-Day Kindergarten Facilities Grant Program
(FDKFGP) Reporting and Audit Requirements
October 7, 2020
Office of Public School Construction (OPSC)

- * Form SAB 70-03 - Expenditure Report
- * Detailed Listing of Project Expenditures (DLOPE)
- * DLOPE report should Include:
 - * 100% of eligible FDKFGP project expenditures



* SAB 70-03 Expenditure Report & Detailed Listing of Project Expenditures

SCHOOL DISTRICT XYZ Unified		APPLICATION NUMBER 57/12345-00-001
SCHOOL NAME Kershaw Elementary		SCHOOL ADDRESS
COUNTY	CHECK APPROPRIATE BOX	FINAL EXPENDITURE REPORT <input type="checkbox"/>
		FINAL SAVINGS REPORT <input type="checkbox"/>
PREPARED BY NAME (TYPE)	TELEPHONE NUMBER-MAIL ADDRESS	
DISTRICT REPRESENTATIVE NAME (TYPE)	TELEPHONE NUMBER-MAIL ADDRESS	

School Name and Address

1. Notice of Completion Date: _____

2. Report Period

A. School District Funds	\$1,000,000.00
B. State Funds	\$1,000,000.00
C. Total Approved Project Amount (A + B)	\$2,000,000.00
D. Interest Earned	\$100,000.00
E. Total Grant With Interest (Add parts C and D)	\$2,100,000.00
F. Project Expenditures	\$2,050,000.00

G. Reported Savings, subtract Part F from Part E.	\$50,000.00
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 professional development or instructional materials to build capacity for the implementation of a full-day kindergarten program, or 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 the form provided by OPSC. In the event a conflict should exist, then the language in OPSC's form will prevail.
- Pursuant to Regulation Section 1860.19(a), 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.
- Pursuant to Regulation Section 1860.19(b), any savings not spent on professional development or instructional materials to build capacity for the implementation of the full-day kindergarten program, or 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
_____	_____

* Sample SAB Form 70-03 Expenditure Report



EXPENDITURE WORKSHEET

DETAILED LISTING OF PROJECT EXPENDITURES

PAGE 4 - CONSTRUCTION

SCHOOL DISTRICT: XYZ Unified

COUNTY: Hazzard

PROJECT NUMBER: 5712345-00-001

REPORT NUMBER: 2

DATE	PAYEE	WARRANT NUMBER	APN NUMBER	FUND CODE	OBJECT CODE	MAIN CONSTRUCTION	CONSTRUCTION MANAGEMENT	DEMOLITION	OTHER CONSTRUCTION	INTERIM HOUSING	LABOR COMPLIANCE PROGRAM	INSPECTIONS	CONSTRUCTION TESTS	FURNITURE & EQUIPMENT	DESCRIPTION/PURPOSE
10/25/18	Roberts Construction	987654		035	6250	\$153,458.00									Main Contractor - Payment # 10
12/15/18	Roberts Construction	987123		035	6250	325,000.00									Main Contractor - Payment # 11
01/10/19	The Peterson Group	456789		021	6290				135,000.00						Access Compliance Work
01/15/19	Kelly and Associates	253879		035	6410									4,200.00	Cost for Merchandise
02/15/19	Levitz Furniture	321654		021	6410									5,500.00	Furniture and Equipment

*** Sample Detailed Listing of
Project Expenditures
(DLOPE)**

- * Eligible Expenditures
 - * Education Code Sections and FDKFGP Regulations
 - * Grant Agreement (Section G)

- * Ineligible Expenditures

- * Grant Agreement (Section H)
- * Examples of Ineligible Expenditures:
 - * Computers/Printers/Computer Carts
 - * Golf Carts
 - * Trailers/Trucks/Tractors/Cars
 - * Landscape Equipment/Mowers
 - * School Maintenance equipment
 - * Band Equipment and Uniforms
 - * Athletic Team supplies
 - * Classroom supplies/consumables
 - * Interest from local bond charged to FDKFGP project



- * **Eligible/Ineligible Expenditures**

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	Ed. Code Section 17375(f)
c.	CDE Plan Check or Site Review Fee	Ed. Code Section 17375(f)
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: <ul style="list-style-type: none"> • 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. 	Ed. Code Section 17375(f)*
i.	Local Agency Plan Check Fees	Ed. Code Section 17375(f)
j.	Preliminary Site Tests	Ed. Code Section 17375(f)
k.	Engineering Fees	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 - Section G - Grant Agreement

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: <ul style="list-style-type: none"> • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical • Shade Structures 	Ed. Code Section 17375(f)
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: <ul style="list-style-type: none"> • 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. <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 201114

*** Ineligible Expenditures -
 Section H - Grant Agreement**

- * Site Expenditures:
 - * Hazard waste expenses after site cleared
 - * Miscatergorized site expenses
- * No description of expenditure reported
- * Expenditures outside one-year window
- * Interest costs from local bond charged to project
- * Loan initiation fees from Certificate of Participation charged to project



* Other Common Reporting Problem Areas

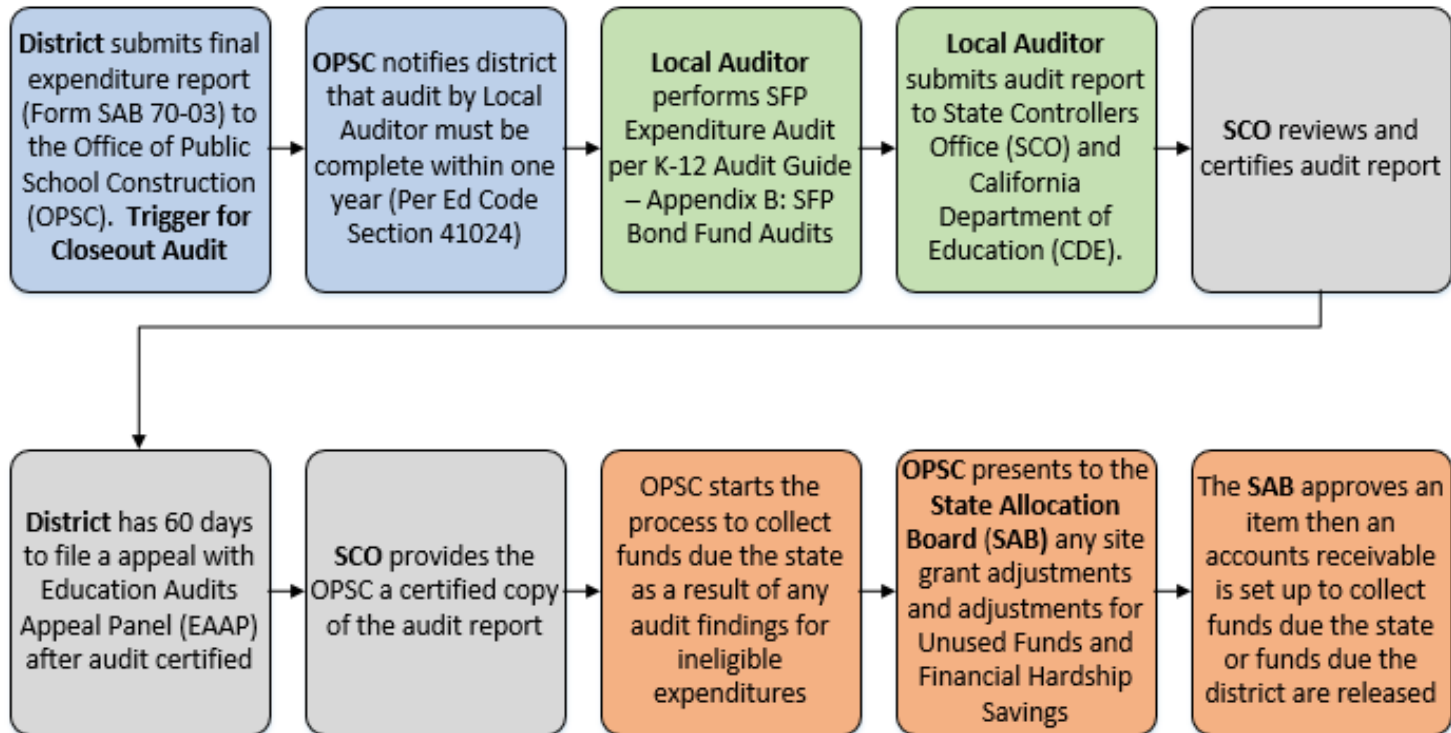
* What can you do when you aren't sure about the eligibility of your FDKFGP expenditures?

- * Contact OPSC for clarification
- * Request formal written response on questionable expenditures
- * Request Review of SAB 70-03 & DLOPE prior to submitting final expenditure report

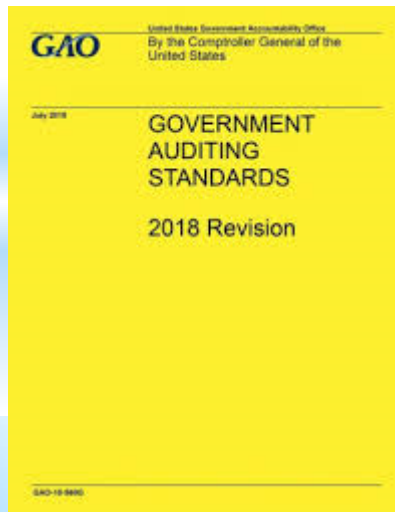


* Eligible/Ineligible Expenditures?

K-12 AUDIT LIFE CYCLE



- * FDKFGP audit requirements
 - * K-12 Audit Guide - Appendix C
 - * [Education Audit Appeals Panel \(EAAP\) California](#)
 - * All projects funded on or after May 22, 2019.
 - * FDKFGP projects have one year from the date of final fund release to expend funds and submit their final expenditure report.
 - * FDKFGP audit report is due one year from the final submission of the Final Form SAB 70-03 Expenditure Report to the Office of Public School Construction.
- * Yellow Book Standards for Performance Audits



* FDKFGP Audit Requirements

- * FDKFGP Specific Requirements:
 - * California School Accounting Manual (CSAM) Resource Code 7700 - Established to account for FDKFGP funds.
 - * FDKFGP Savings
 - * Savings for Non-Financial Hardship FDKFGP projects can be used for high priority capital facility needs of the district if spent within one year of project completion.
 - * Any Savings remaining after one year from the completion of the FDKFGP project must be returned to the State for projects funded on or prior to October 23, 2019
 - * Unspent funds for Financial Hardship FDKFGP projects funded on or prior to October 23, 2019, must be returned to the State.

* FDKFGP Audit Requirements

- * K-12 Audit Resources

- * <http://www.dgs.ca.gov/opsc/Resources/K-12AuditResource.aspx>

- * Refreshable Reports on OPSC Website

- * Reduction to Costs Incurred

- * Closeout Audit

- * Savings Audit



* Does LEA Have a Project Ready for a K-12 Audit?

* Screen shot of K-12 Audit Resource page from new OPSC website:

DGS Office of Public School Construction

For example, how to sell to the state? **SEARCH**

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1 - 13 OF 13 RESOURCES

Annual Adjustment to SFP Grants and Developer Fee History
View Annual Adjustments to SFP Grants.

Applications Received Beyond Bond Authority
Stakeholders can view information on the history of the Applications Received Beyond Bond Authority list, submittal requirements and other related resources.

Audit Compliance Reviews for the School Facility Program
Stakeholders can view closeout audit compliance reviews completed by the Office of Public School Construction.

California Public School Construction Process
Government agencies, schools, and individuals can find a helpful overview of the approval, funding process, and key contact information for schools constructed or modernized with state matching funds.

Grant Agreements for School Facility Program Projects
Stakeholders can view information on the history of the Grant Agreement templates for School Facility Program projects, as well as other related resources.

Handbooks Guides and Brochures
The publications include general program information and archives of previous programs. These documents are produced and maintained by the OPSC.

K-12 Audit Resource
To assist auditors conducting the local educational agency's audit, the Office of Public School Construction has set up this

* K-12 Audit Resource Page:

CONTACT

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Office of Public School Construction

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West Sacramento, CA 95605
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Email: jason.hernandez@dgs.ca.gov

Greene School Facilities Act of 1998 after April 1, 2017 will have their project audited as part of that local educational agency's audit for the fiscal year in which the project is reported complete. To assist auditors conducting the local educational agency's audit, the Office of Public School Construction has set up this resource page with crucial audit information on both a districtwide and project specific basis. For your use, below are links to documents that can be used with the goal of a successful and thorough audit.

K-12 AUDIT RESOURCES

K-12 AUDIT WORKSHOP



K-12 AUDIT RESOURCES



K-12 Workload Reports

- [SFP Expenditure Audit Workload](#)
- SFP Substantial Progress Audit Workload
- SFP Savings Audit Workload
- [K-12 Audit Guide -- Appendix B SFP Bond Fund Audit](#)

K-12 Audit Templates

- [Schedule of SFP - Determination of Project Savings](#)
- [Schedule of SFP - Unspent Funds](#) (Financial Hardship)
- [Schedule of SFP - Unspent Funds](#) (Non-Financial Hardship)
- [Schedule of SFP - Use of Savings](#)
- [Schedule of SFP - Summary of Audit Findings](#) (Excel)
- [Schedule of SFP - Site Grant Adjustments Summary](#)
- [Schedule of SFP - Summary of Final Project Funding](#)

Audit Tools

- [Relocation Assistance Presentation](#)
- [FAQ's](#)

- * Maintain good recordkeeping, adequate audit trail and source documentation, and accountability over FDKFGP funds.
- * Review and refer to your grant agreement often to assure the eligibility of reported expenditures.
- * When you have questions about recordkeeping, reporting expenditures, eligibility of expenditures, etc., contact OPSC.
- * Request a “soft review” of your final expenditure report from OPSC prior to submittal.
- * Make arrangements with a CPA firm to assure your FDKFGP audit is completed and your audit report is submitted to SCO within one year from the final submission of the Final Form SAB 70-03 Expenditure Report to OPSC.

* FDKFGP Reporting and Audit Requirements - “Ending Reminders”

Questions about the audit report review/certification process:

State Controller's Office (SCO)

Iryna Bush, Audit Manager

(916) 327-5005



California State
Controller's Office

Questions about the audit finding appeal process:

Education Audit Appeals Panel (EAAP)

Mary Kelly, Executive Officer

(916) 445-7745



Questions about payment back to the State for audit findings for ineligible expenditures:

Office of Public School Construction

Paula Felseghi, Accounting Administrator

(916) 376-1765



* Questions to State Departments - Contact Info



- * Jason Hernandez
 - * (916) 376-5369
 - * jahernan@dgs.ca.gov
 - * Audit Supervisor, Fiscal Services

- * Suzanne Reese
 - * (916) 376-1612
 - * suzanne.reese@dgs.ca.gov
 - * Operations Manager, Fiscal Services

- * Hung Bang
 - * (916) 375-4618
 - * hung.bang@dgs.ca.gov
 - * Audit Supervisor, Fiscal Services

- * Keith Jung
 - * (916) 376-3865
 - * keith.jung@dgs.ca.gov
 - * Audit Staff, Fiscal Services



* OPSC Fiscal Services Contact Information



QUESTIONS AND ANSWERS