

OFFICE OF PUBLIC SCHOOL CONSTRUCTION  
STAKEHOLDER MEETING  
May 8, 2025

IMPLEMENTATION OF PROPOSITION 2 FOR THE SCHOOL FACILITY PROGRAM,  
SECOND ROUND MODERNIZATION, AND  
GLOBAL SCHOOL FACILITY PROGRAM REGULATORY AMENDMENTS

PURPOSE

The purpose of this meeting is to continue discussion with stakeholders on the implementation of the Kindergarten through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 (Proposition 2). Separate from Proposition 2 implementation, this meeting will also continue discussion of the topics of Second Round Modernization and Global School Facility Program (SFP) Regulation Updates, including their respective proposed SFP regulatory amendments and stakeholder feedback.

*Proposition 2 Implementation*

- 75-Year Old Modernization Supplemental Grant (Attachment A5) – previously presented at the January 30 and April 3, 2025 stakeholder meetings.
- Career Technical Education Supplemental Grant (Attachment A12) – previously presented at the March 13, 2025 stakeholder meeting.

*Non-Proposition 2 Topics*

- Global SFP Regulation Updates (Attachment B1) – previously presented at the March 13, 2025 stakeholder meeting.
- Second Round Modernization (Attachment C1) – previously presented at the February 20, 2025 stakeholder meeting.

BACKGROUND

*Proposition 2, Second Round Modernization, and Global SFP Regulation Updates*  
Proposition 2 was approved by a majority of California’s voters on November 5, 2024. To implement its provisions, existing SFP Regulations must be updated to align with the new statutory provisions. Additionally, the Office of Public School Construction (OPSC) seeks continued input on proposed regulatory amendments unrelated to Proposition 2 implementation.

OPSC requests stakeholder feedback regarding these changes. Each of the topics listed above is broken out into its own attachments for stakeholder reference.

AUTHORITY

See Attachments A5a, A12a, Attachment B1a, and Attachment C1a.

## SUMMARY AND NEXT STEPS

For the 75-Year Old Modernization Supplemental Grant and Career Technical Education Supplemental Grant, stakeholder feedback received from the last meeting for each topic may be found on Attachment D.

For Global SFP Regulation Updates and Second Round Modernization, stakeholder feedback received from the last meeting on each topic may be found on Attachment E.

Staff will review any feedback on these four topics obtained in today's meeting and anything received through close of business on Friday, May 23, 2025 and will address those suggestions in the next public meeting on the corresponding topic.

To submit written feedback after today's meeting, specific to proposed regulatory changes for the SFP, please email your suggestions to the OPSC Communications Team at [OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov).

## ATTACHMENT A5

### OFFICE OF PUBLIC SCHOOL CONSTRUCTION STAKEHOLDER MEETING May 8, 2025

#### PROPOSED REGULATIONS TO IMPLEMENT A MODERNIZATION GRANT FOR 75 YEARS OR OLDER BUILDINGS

##### PURPOSE

To continue discussion regarding proposed School Facility Program (SFP) Regulation changes resulting from California's voter-approved Kindergarten through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety, and Safety Bond Act of 2024 (Proposition 2).

##### AUTHORITY

See Attachment A5a.

##### BACKGROUND

The Office of Public School Construction (OPSC) held a public meeting on April 3, 2025, to discuss proposed criteria for determining the eligibility and funding for a modernization grant for buildings at least 75 years old, and to receive stakeholder input.

The full text of the previous stakeholder meeting item may be found here: [April 3, 2025 OPSC Proposition 2 Stakeholder Meeting #2- Item](#)

The recording of the April 3, 2025 Stakeholder Meeting is available at the link below. It includes feedback that OPSC was able to respond to at the time of the meeting that did not impact the proposed regulations: [April 3, 2025 OPSC Proposition 2 Stakeholder Meeting #2 - Recording](#)

##### STAFF ANALYSIS/DISCUSSION

OPSC would like to thank the stakeholders who were able to view, attend, or participate in this meeting and those who provided feedback at either the meeting or through written correspondence to OPSC. This meeting presented proposed changes which included both additions and amendments to the SFP Regulations regarding the 75-years-or-older supplemental grant. This follow up meeting is being presented as there are important changes to the proposed regulations from what was previously presented. Attachment A5b addresses the new proposed regulations that have been discussed since the April 3, 2025 meeting and OPSC seeks stakeholder feedback regarding the changes.

In addition, staff has consolidated all questions asked after the previous stakeholder meeting on this topic and provides the following responses to them.

STAFF ANALYSIS/DISCUSSION (cont.)

<b>Stakeholder Feedback</b>	<b>OPSC Response</b>
1. The District requests further clarification on how funding for Title 5-required increases in classroom square footage will be calculated after it is separated from the calculation of like-kind square footage.	1. OPSC will allow for an increase in square footage for the reconstruction of 75-years-or-older buildings to comply with Title 5 requirements, with the additional square footage qualifying as an eligible expenditure. Additional funding is not being provided for any extra square footage beyond this requirement.
2. The District recommends that the Division of the State Architect (DSA) approval date of a portable building's first campus placement be considered the start of a building's aging, rather than the current campus placement date.	2. OPSC has clarified that the effective start date for determining the age of a portable will be 12 months after the plans for the construction or first placement of the building on a school site were approved by DSA. If a portable building is moved from one site to another, the District would need to submit evidence to indicate the date that the portable was initially placed on the first site.
3. The District continues to recommend that the F3 level be used for the cost benefit analysis, as Level F1 would not adequately account for the challenges associated with buildings over 75 years old. These challenges include the presence of asbestos, lead, and other unknown conditions commonly found in older facilities, all of which can significantly impact scope and cost.	3. OPSC maintains the position of providing the F1 level for 75-years-or-older projects. The F3 level is specifically designed for Facility Hardship projects addressing imminent health and safety threats to students and/or staff where repair work is more difficult to perform, and productivity levels are diminished.
4. The District recommends SP1As, in addition to "as-use plans," be allowed in cases where original DSA plans are unavailable.	4. OPSC acknowledges that, in some cases, original DSA plans may be unavailable and therefore SP1A diagrams along with "as-use plans" will be acceptable documentation for the building age start date. Other acceptable documentation may be determined to be appropriate on a case-by-case basis.

STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback	OPSC Response
<p><b>5.</b> The District requests clarification on OPSC’s conclusion regarding viewing buildings per their current use, rather than what is on the snapshot, and by what reasoning.</p>	<p><b>5.</b> OPSC has taken into consideration the similar approach that is used in the Seismic Mitigation Program, which views the building per its current usage, rather than what was captured in the snapshot. Because the 75-years-or-older building will be demolished and replaced in like-kind (with any additional square footage due to Title 5), OPSC acknowledges that it must be assessed based on its current usage rather than its appearance in the snapshot, ensuring accurate funding for the replacement of either the existing classroom count or square footage.</p>
<p><b>6.</b> It is the District’s understanding that the base grant would be calculated from the new construction per pupil grant whereas the 75-years-or-older supplemental grant will be processed under the modernization program. The District would like to know how the modernization baseline eligibility will be adjusted, whether the pupil grants will be adjusted or whether a building will receive a new aging date.</p>	<p><b>6.</b> As stated in the previous item, the funding for 75-years-or-older buildings will be similar to the funding provided for 50-years-or-older buildings in that the total grants requested to replace the 75-years-or-older building cannot exceed the cumulative grant request in Section 2.a of the Specific Instructions for the <i>Application for Funding</i> (Form SAB 50-04). However, although the 50-years-or-older eligibility is provided on a separate bank, the 75-years-or-older eligibility will be derived from the site’s total eligibility and will not be separated. Rather, the pupil grants requested will be determined as they are in the new construction program, by the number of grade-level classrooms and/or the square footage being replaced. Section 2.d. of the Form SAB 50-04 will be used to verify, and to distinguish the number of classrooms and/or square footage of the 75-years-or-older portion of the project from the rest of the project scope for funding purposes. Because the grant is provided as a supplemental grant like the 50-years-or-older grant, there will be no separate adjustments or redating of the facilities and the new building will still be eligible</p>

STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback	OPSC Response
6.	<b>6. (cont.)</b> for an additional apportionment every 20/25 years from the apportionment per Education Code (EC)Section 17073.15.
7. OPSC’s proposed revision to 2 CCR Section 1859.78.7 (pp. 32-33 of the April 3, 2025 stakeholder item) indicates that site development funding will be either (a) the lesser of 60 percent of the costs needed to upgrade utility service or (b) 20 percent of the funding authorized by SFP Regulation Section 1859.78.6. The funding authorized by Regulation Section 1859.78.6 is based on 50-year pupil grants. The District requests clarification on OPSC’s rationale for basing the 75-year-old site-development utilities grant on 50-year rather than 75-year pupil grants when a 75-year building is being replaced.	7. OPSC’s proposal would only allow the site development funding for utilities for 75-years-or-older buildings if the district did not already receive site development funding at the building’s 50-year mark. The intent of permitting 50-year utility work on buildings that are 75 years or older is to ensure it is provided at the 75-year mark, but only if the work was not completed at the 50-year mark.
8. Proposed Form SAB 50-04 Updates (p.37 of the April 3, 2025 stakeholder item) – “General Information” language reads as follows: “This apportionment is available for projects that only demolished existing 75 years old facilities and construct <u>in eligible</u> like kind replacement.” The District believes this may be a drafting error and requests clarification or a correction to the proposed change.	8. OPSC proposed modifications to this statement for clarification. OPSC has specified “eligible” to distinguish like-kind replacement project scopes that include an increase in square footage exceeding Title 5 requirements and projects with a scope that includes an increase in square footage that is not due to Title 5 requirements, which are ineligible. Eligible like-kind replacement of square footage may be included as an eligible expenditure and any ineligible like-kind replacement of square footage will need to be locally funded by the district.
9. The District requests clarification on Section 2.d of the Specific Instructions for the Form SAB 50-04, in which the first and second bullet points state, “the total number of eligible classrooms or the total eligible non-classroom square footage.” The District would like clarification on	9. OPSC agrees with the District’s assessment and has adjusted this section to read “and/or” to recognize buildings that have both classroom space and non-classroom space.

STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback	OPSC Response
<p><b>9. (cont.)</b> whether these bullet points should read “the total number of eligible classrooms and/or the total eligible non-classroom square footage.”</p>	<p><b>9.</b></p>
<p><b>10.</b> SFP Reg. Section 1859.61 (m) – We propose that the language be modified to read, “<i>Adjusted as a result of the 75 years or older buildings receiving replacement funding, pursuant to Education Code Section 17074.265.</i>” Will the “m” adjustment also cause the building age to be reset to the date of the Apportionment for the corresponding project, similar to adjustment (i)(1)? If so, can this be noted as well?</p>	<p><b>10.</b> This proposed regulatory addition has been removed. Because the 75-years-or-older funding is now proposed to be provided as a supplemental grant, there will be no adjustment to the modernization baseline eligibility. Rather, the established snapshot would remain untouched, and grants requested for the 75-years-or-older supplemental grant will be a subset of the site’s total eligibility; therefore, there would be no duplication of the grant request.</p>
<p><b>11.</b> Section 1859.78.65 – Please clarify the intended calculation of 75-year eligibility as currently outlined in (a)(1). The proposed regulatory language currently references new construction capacity for a district, High School Attendance Area (HSAA), or super HSAA and references the adjustments to districtwide or HSAA classroom inventory based upon SFP Regulation Section 1859.32, and Substantial Enrollment Requirement adjustments, neither of which are currently contemplated in modernization eligibility calculations. Please also clarify the restrictions on reimbursement in section (b)(5) using only “local funds.”</p>	<p><b>11.</b> Per EC Section 17074.265(b), the funding for the 75-years-or-older supplemental grant will be provided in an amount equal to the grant provided under Education Code 17072.10 multiplied by the capacity of the building/s pursuant to EC Section 17071.25. Therefore, the new construction per pupil grant will be multiplied by the capacity determined by the modernization calculation of the building, and not the capacity as determined by the new construction calculations.</p> <p>OPSC has revised the proposed regulation that previously referenced restrictions on reimbursement for projects that used “local funds” (please see proposed Section 1859.78.65(b)(5)).</p>
<p><b>12.</b> Section 1859.78.7 – Is the site development for 75-years-old buildings also intended to be limited to the lesser of (a) or (b)? 1859.78.7 (b) equates to 20 percent of the 50-year grant funding outlined in Regulation Section 1859.78.6.,</p>	<p><b>12.</b> Staff has taken stakeholder feedback into consideration and added to the new proposed regulatory Section 1859.78.7.1, which would allow site development utilities for 75-years-or-older buildings. This Section will allow for the costs</p>

STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback	OPSC Response
<p><b>12. (cont.)</b> which does not contemplate replacement of facilities, only upgrades to 50-year facilities. This limitation seems overly restrictive if a district needs to update or completely replace the existing 75-year utilities infrastructure associated with the new building.</p>	<p><b>12. (cont.)</b> associated with the demolition of the 75-years-or-older building. The utilities request is proposed to be calculated at 35 percent of the new construction grant multiplied by the original capacity of the qualifying 75-years-or-older building.</p>
<p><b>13.</b> Is the site development for water sewer and gas connections for the replaced building required to be limited to “five feet of the 50-years-or-older building, or the 75-years-or-older building?” The 50-year site development grant was intended to upgrade an existing building and did not contemplate the ability to replace an existing building and possibly relocate it elsewhere on the school site. It may be more appropriate to build the replacement building elsewhere on the existing school site, and the associated site development should be allowed to tie into existing utilities infrastructure similar to a new construction addition project.</p>	<p><b>13.</b> For projects that are demolishing the building and constructing at a new location on the site, any site development costs associated with the move would need to be locally funded by the district and cannot be included in the 75-years-or-older utilities request.</p>
<p><b>14.</b> Section 1859.79.2(a)(2) is being revised to incorporate provisions for increased square footage within a modernization project to replace 75-year-old facilities, to account for Title 5 requirements for specific minimum dimensions for classrooms, ancillary spaces, etc. We believe that this use of modernization grants should be allowed for <i>any</i> modernization project replacing undersized classrooms with Title 5-compliant classrooms, not only if the classrooms being replaced are over 75-years old.</p>	<p><b>14.</b> Staff has taken stakeholder feedback into consideration and has proposed regulation amendments to address additional square footage requirements due to Title 5 requirements as part of the stakeholder item for Proposed Regulatory Amendments for General Updates to SFP Regulations.</p>



STAFF ANALYSIS/DISCUSSION (cont.)

<b>Stakeholder Feedback</b>	<b>OPSC Response</b>
<b>15.</b> Form SAB 50-04: Under General Information (7.), please clarify whether the application can be for future or proposed demolition of existing 75-year-old buildings that are being replaced.	<b>15.</b> Staff has taken stakeholder feedback into consideration and made adjustments to the proposed Form SAB 50-04 amendments to include “proposed.”
<b>16.</b> Form SAB 50-04: Under General Information (7.), Please clarify that the replacement does not need to be "like kind" (i.e., a portable building can be replaced with a permanent building).	<b>16.</b> Staff has taken stakeholder feedback into consideration and made adjustments to the proposed Form SAB 50-04 to indicate like-kind “square footage” to ensure that any 75-years-or-older building will be eligible.
<b>17.</b> Form SAB 50-04: Under General Information (7.), Please confirm that the anticipated cost estimate for the modernization/rehabilitation of the 75-year-old building can be embedded in the required cost-benefit analysis and does not need to be a separate document.	<b>17.</b> Staff has taken stakeholder feedback into consideration and has proposed a new form, the <i>75 Years or Older Building Cost Estimate and Cost/Benefit Analysis</i> (Form SAB 57-75).
<b>18.</b> Form SAB 50-04: Under General Information (7.), - For the hybrid projects, please clarify what is meant by "locally funded work." Does this include the anticipated district contribution?	<b>18.</b> Staff clarified that the demolition and replacement had to be in a project not previously funded through SFP.
<b>19.</b> Form SAB 50-04: Under Specific Instructions under Sections 2. (c) and (d), it appears that pupil grants in each section and/or in total should not exceed the pupil grants being requested in Section 2. (a).	<b>19.</b> Staff has taken stakeholder feedback into consideration and made adjustments to the proposed Form SAB 50-04.
<b>20.</b> Form SAB 50-04: Please also clarify whether proposed section 2 (d.) is intended to be limited by available 50-year eligibility or whether it is intended to be limited by the associated calculation of 75-year pupil grants.	<b>20.</b> Staff has taken stakeholder feedback into consideration and made adjustments to the proposed Form SAB 50-04 to classify this supplemental grant as a subset of the site’s total eligibility.

STAFF ANALYSIS/DISCUSSION (cont.)

**Proposed New Regulations and Regulatory Amendments**

The new and updated proposed regulatory amendments as a result of discussions and stakeholder feedback after the April 3, 2025 meeting are on Attachment A5b.

After reviewing the feedback, staff determined that more detailed regulations are necessary to ensure that future applicants have clear guidance on how to qualify for these grants. In particular, staff expanded the list of qualifying criteria, added requirements for the cost-benefit analysis, and listed the allowable site development costs that may be requested.

A new proposed regulation section for the 75-years-or-older grants, titled SFP Regulation Section 1859.78.7.1: Modernization Grant for 75 Years or Older Buildings, is included as Attachment A5b. The proposed regulations establish eligibility criteria to replace buildings that are at least 75 years old. The proposed regulations also include a new Form SAB 57-75, which will serve as the cost estimate form for preparing the cost-benefit analysis required by the statute. In addition, the option to submit a cost estimate for allowable on-site and utilities site development costs is added that caps these funding at 35 percent of the total 75-year old funding amount. The proposed Form SAB 57-75 may be found on Attachment A5d.

Staff proposes the following changes to the new regulation section for the 75-years-or-older grants:

SFP Regulation Section 1859.2 includes a new definition for the proposed Form SAB 57-75, which will be incorporated by reference.

SFP Regulation Section 1859.78.7.1 Modernization Grant for 75 Years or Older Buildings. This regulation section has been adjusted to consider the increased funding pursuant to EC Section 17074.265(b) that is provided for the replacement of 75-years-or-older facilities. The following Sections have also been modified:

- Section (a)(1-4) defines the eligibility criteria for buildings
- Section (a)(5) defines the requirements for developing a cost-benefit analysis to determine if the cost to modernize the building exceeds the 50 percent threshold stated in EC Section 17074.265.
- Section (b) provides the calculation method to determine the corresponding pupil grant amount for the replacement of qualifying classrooms.
- Section (c) provides the calculation method to determine the corresponding grant amount for the replacement of qualifying non-classroom square footage.

STAFF ANALYSIS/DISCUSSION (cont.)

- Section (d) provides the option to request allowable site development costs or 35 percent of the replacement grant determined in (b) or (c).
- Section (e) specifies that portable buildings replaced under these provisions shall be replaced with permanent square footage.
- Section (f) provides the timeline requirement for demolition of the qualifying building(s).

Staff updated the following proposed amendments to the SFP Regulations and the Form SAB 50-04 that are impacted by the new statute:

Staff has removed the new adjustment type (m) from SFP Regulation Section 1859.61 to align the process of 75-years-or-older funding with 50-years-or-older funding. Because the pupil grants for 75-years-or-older supplemental funding are already being claimed in Section 2.a. of the Form SAB 50-04, there will be no adjustment to the modernization baseline to avoid duplication of the grant request.

- The General Information Section of the Form SAB 50-04 under #7 has been modified to include the following changes:
  - The first bullet point pertaining to 75-years-or-older buildings will allow for “proposed” projects and not only reimbursement projects for the demolished and constructed 75-years-or-older buildings.
  - The second and third bullet points pertaining to 75-years-or-older buildings have been replaced to require submittal of the proposed new form, the *75 Years or Older Building Cost Estimate and Cost/Benefit Analysis* (Form SAB 57-75).
- The Specific Instructions on the proposed Form SAB 50-04 for Section 2.d. have been modified to include the following:
  - Staff has adjusted the language to indicate “and/or” in bullet points one and two to account for buildings that include both classroom and non-classroom square footage.
  - The third bullet point now clarifies that the 75-years-or-older pupil grant request will be a subset of the cumulative number of pupil grants requested in Section 2.a. and may not exceed that request.

STAFF ANALYSIS/DISCUSSION (cont.)

- The Specific Instructions on the proposed Form SAB 50-04 for Section 6.d. have been modified to specify that up to 35 percent of allowable eligible costs will be provided for site development costs necessary for the replacement of a 75-years-or-older building.

Proposed amendments to the Form SAB 50-04 are reflected on Attachment A5c.

AUTHORITY**Education Code (EC) Section 17071.25. Existing School Building Capacity**

(a) The existing school building capacity in the applicant school district or, where appropriate, in the attendance area, at the time of initial application shall be calculated pursuant to the following formula:

(1) Identify by grade level all permanent teaching stations existing in the school district or, where appropriate, the attendance area. For the purposes of this section, "teaching station" means any space that was constructed or reconstructed to serve as an area in which to provide pupil instruction, but shall not include portable buildings, except as provided in Section 17071.30.

(2) (A) The assumed capacity of each calculated teaching station pursuant to paragraph (1) shall be 25 pupils for each teaching station used for kindergarten or for grades 1 to 6, inclusive, and 27 pupils for each teaching station used for grades 7 to 12, inclusive.

(B) On or after January 1, 2000, the board may adopt or amend regulations adjusting the assumed capacity set forth in this subparagraph as appropriate for each teaching station used for nonsevere or severe special day class purposes after considering the recommendations of the Legislative Analyst pursuant to Section 17072.15. These special day class capacity adjustments and any adjustment of existing school capacity related to changes in the assumed capacity of special day class teaching stations shall be approved by the Director of Finance prior to implementation.

(C) On or after January 1, 2001, the board may adopt regulations establishing assumed capacity standards after consideration of the recommendations developed by the Director of General Services for continuation high school, community day school, county community school, and county community day school, teaching stations pursuant to Section 17072.17. Teaching station assumed capacity adjustments pursuant to these regulations and any other adjustments of existing school capacity related to changes in the assumed capacity of continuation high school, community day school, county community school, and county community day school, teaching stations shall be approved by the Director of Finance prior to implementation.

(3) Multiply the assumed capacity of each teaching station as specified in paragraph (2) by the number of teaching stations calculated under paragraph (1).

(4) The result of this computation shall be the number of pupils housed by grade level in the existing school building capacity of the applicant school district.

(b) The existing school building capacity of the applicant school district calculated under this section shall not include, in any school operated on a year-round schedule, any teaching station that has been in continuous use

AUTHORITY (cont.)

during the preceding five-year period primarily for the operation of a preschool program or programs.

**EC Section 17074.265. Modernization Apportionment**

(a) Notwithstanding Article 6 (commencing with Section 17073.10), a school district shall be eligible to receive a modernization apportionment to demolish and construct a building or buildings on an existing schoolsite if both of the following conditions are met:

(1) The building or buildings to be replaced are at least 75 years old.

(2) The school district provides a cost-benefit analysis that indicates the total cost to modernize the building or buildings is at least 50 percent of the current replacement cost, as defined by the board, of the building or buildings. The cost-benefit analysis may include applicable site development costs.

(b) A project that meets the requirements of subdivision (a) shall be eligible for a grant equal to the grant provided under Section 17072.10 multiplied by the capacity of the building or buildings calculated pursuant to Section 17071.25.

(c) The board may adopt regulations to implement this section.

## PROPOSED REGULATIONS

## 1859.2 Definitions

....

'Form SAB 57-75' means the 75 Year Old Building Cost/Benefit Analysis, Form SAB 57-75, (Revised xx/25), which is incorporated by reference.

....

Section 1859.78.7.1 Modernization Additional Grant for 75 Years or Older Buildings

In lieu of the funding provided by subdivision (a) of Education Code Section 17074.10 and Section 1859.78.3, the Board shall provide funding to Approved Applications received on or after October 31, 2024 for projects that include the demolition and replacement of 75 years or older permanent or portable school building(s) if a contract for the work was awarded on or after July 3, 2024.

- (a) To receive 75 years or older funding pursuant to Education Code Section 17074.265, all of the following must be met:
- (1) The existing permanent or portable building must be at least 75 years or older. For purposes of determining the age of the building, the 75 years or older period shall begin 12 months after the original plans for the construction of the building were approved by the Department or DSA as applicable.
  - (2) Each building on the site that is 75 years or older must qualify on an individual basis.
  - (3) If the school building was demolished prior to OPSC's receipt of an Approved Application, the school building must have been 75 years old prior to the demolition.
  - (4) The existing permanent or portable building must be replaced at the same site.
  - (5) The School District must complete and submit to OPSC a 75 Year Old Building Cost/Benefit Analysis (Form SAB 57-75) that demonstrates the total cost to modernize the school building(s) and comply with current Title 24 Building Code are at least 50 percent of the Current Replacement Cost for the applicable building type; permanent or portable. The cost/benefit analysis must meet the following criteria:
    - (A) The Form SAB 57-75 must demonstrate the minimum work required to modernize and remain in the School Building is at least 50 percent of the Current Replacement Cost of the existing Square Footage of the school building.
    - (B) The modernization work required may only include work directly related to the demolition and replacement of the 75 year old school building(s), which may include improvements to extend the useful life of, or to enhance the physical environment of the qualifying 75 year old building. The Form SAB 57-75 may only include:
      1. The cost of design, engineering, testing, inspection, plan checking, construction management, demolition, construction, the replacement of portable classrooms, necessary utility costs, utility connection and other fees, the purchase and installation of air-conditioning equipment and insulation materials and related costs, costs to limit pupil exposure to harmful air pollutants by updating air filtration systems, furniture and equipment, including telecommunication equipment to increase school security, fire safety improvements, and the upgrading of electrical systems or wiring or cabling of classrooms in order to accommodate educational technology.
      2. The cost of designs and materials that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and other characteristics of high-performance schools.
    - (C) The Form SAB 57-75 may not include costs associated with the acquisition of real property or costs for routine maintenance and repair.

- (D) The Form SAB 57-75 must use the most current edition of the Current Construction Remodeling and Repair Cost publication by Sierra West Publishing. For all materials or items listed in the most current edition of the Current Construction Remodeling and Repair Cost publication, the amounts entered on the Form SAB 57-75 must use the provided unit costs. For individual materials or items that are not contained in the most current edition of the Current Construction Remodeling and Repair publication, the School District must provide supporting documentation to demonstrate that the costs for the unique work are reasonable and appropriate.
- (E) All requested line items shall include Construction Specifications Institute reference number (CSI #), description, F2 total unit cost amount, and quantity. Any line items that include amounts in lump-sum formats will not be reviewed or approved.

(b) For each 75 years old or older classroom replaced, funding shall be provided on a per pupil grant basis for the number of pupils to be housed as follows: 25 for each K-6 Classroom, 27 for each 7-12 Classroom, 13 for each Special Day Class Non-Severe Classroom, and 9 for each Special Day Class Severe Classroom. The grant amounts shown below 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.

- (1) \$19,016 for each elementary pupil.
- (2) \$20,113 for each middle school pupil.
- (3) \$25,592 for each high school pupil.
- (4) \$53,437 for each Special Day Class Severe pupil.
- (5) \$35,738 for each Special Day Class Non-Severe pupil.

(c) For 75 years old or older non-classroom Square Footage replaced, the eligible Square Footage shall be the lesser of the delta between the Square Footage of the existing non-classroom Square Footage determined by Section 1859.60 and actual Square Footage constructed or the delta between the Square Footage of the existing non-classroom Square Footage per the snapshot and the Square Footage justified by enrollment pursuant to the chart in Section 1859.82.1(b)(4)(B)2. Excess square footage required as part of Title 5 requirements needed to obtain plan approval are permissible per Regulation Section 1859.79.2 and considered an eligible expenditure, not to exceed square footage provided in Regulation Section 1859.82.1. Any excess Square Footage not due to Title 5 requirements will not be eligible and must be locally funded by the School District. The funding provided will be calculated as follows:

- (1) Multiply the resulting Square Footage of the qualifying building by \$312.
- (2) Divide the product by the per pupil allowance in subsection (b) to determine the total allowable pupil grants for the square footage being constructed.

(d) An additional grant for site development for the minimum work required to replace the qualifying building. Any site development provided will be reduced, on a prorated basis, by the percentage of excess square footage constructed. The School District may request the lesser of either (1) or (2):

(1) 60 percent of the following approved site development and applicable design costs:

- (A) Service site development cost, within school property lines, attributable only to the replacement 75 year old building for:
  - 1. Site clearance including the removal of trees, brush, and debris within footprint of the replacement 75 year old building.
  - 2. Demolition and removal of the qualifying 75 year old building and existing buildings and site improvements which lie in the footprint of a proposed replacement 75 year old building.
  - 3. Removal and rerouting of existing utility service which lie in the footprint of a proposed replacement 75 year old building.
  - 4. Rough grading including cut and fill and leveling and terracing operations required in the design.
  - 5. Soil compaction adhering to common engineering practices and engineered fill that is required by a soils report that is available for review by the OPSC.



6. On-site drainage facilities including inlets below grade drainage facilities and retention basins.
7. Erosion control improvements such as plant material, temporary sprinkler systems, jute mesh and straw, due to embankments having a slope of at least two to one and a vertical height greater than six feet.
8. Outside stairways, handicap ramps and retaining walls due to embankments having a slope of at least two to one and a vertical height greater than six feet.
9. Fire code requirements on site that are not a part of the building.
- (B) Utility service costs that are necessary to serve replacement 75 years or older building:
  1. Water: Replacement or repair of main water service line(s) between the utility company connection and to five feet of the 50 years or older building(s) on the site, connection fees if applicable, meter (if not provided by the serving utility), and replacement or repair of a domestic water appurtenances (i.e., well, pump, tank) as needed for the proper operation of the system.
  2. Sewage: Replacement or repair of main sewer line between the utility company connection and to five feet of the 50 years or older building(s) on the site and connection fees, if applicable. Replacement or repair of sewage appurtenances (i.e., treatment/disposal system) as needed for the proper operation of the system and a main disposal line from the treatment system to five feet of the 50 years or older building(s) on the site.
  3. Gas: Replacement or repair of main gas service line between the utility company connection and to five feet of the 50 years or older building(s) on the site, connection fee (if applicable), meter (if not provided by serving utility) or replacement or repair of gas service appurtenances (i.e., liquefied petroleum system and tank) as needed for proper operation of the system and a new main supply line from the tank to five feet of the 50 years or older building(s) on the site.
  4. Electric: Replacement or repair of electrical service between the utility company connection and the building's main switchboard. Primary electric service runs between the utility company's point of connection and the transformer. Secondary electric service runs between the transformer and the main switchboard. Connection fee, transformer pads and protective devices (i.e., bollards) as required by the utility company.
  5. Communication systems: Replacement or repair of service between the utility company connection and the nearest distribution center.

(2) Site development and design costs equal to 35 percent of the funding provided in (b) or (c).

(e) Portable buildings replaced pursuant to this section shall be replaced with a permanent Square Footage.

(f) The qualifying permanent or portable 75 year old or older building must be demolished before the Notice of Completion of the project.

Note: Authority cited: Section 17070.35, Education Code.  
Reference: Section 17074.265, Education Code.

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**ATTACHMENT A5c****GENERAL INFORMATION**

If this application is submitted when there is Insufficient Bond Authority, as defined in Regulation Section 1859.2, the School District must adopt and submit a school board resolution, pursuant to Regulation Section 1859.95.1. For information regarding remaining bond authority, contact the Office of Public School Construction (OPSC) prior to submittal of this application.

If not previously submitted, a district may file an application for modernization funding by use of this form concurrently with a determination of or an adjustment to the district's modernization eligibility. The district must submit a determination of or an adjustment to the district's new construction baseline eligibility upon request, as described in Regulation Sections 1859.51 or 1859.70, as applicable. The Board will only provide new construction funding if this form is submitted prior to the date of occupancy of any classrooms included in the construction contract. If the district has a pending reorganization election that will result in the loss of eligibility for the proposed project, the district must submit an adjustment to the district's new construction baseline eligibility as required in Section 1859.51 upon request. This may be accomplished by completion and submittal of Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 for the current enrollment year. Failure to submit the requested Forms may result in OPSC returning the funding application to the district unprocessed.

For purposes of Education Code Section 17073.25, the California Department of Education (CDE) is permitted to file modernization applications on behalf of the California Schools for the Deaf and Blind.

Requests for funding may be made as follows:

1. A separate apportionment for site acquisition for a new construction project for environmental hardship pursuant to Section 1859.75.1. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
  - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
  - Contingent site approval letter from the CDE.
  - Preliminary appraisal of property.
  - Approval letter from the Department of Toxic Substances Control.
2. A separate apportionment for site acquisition and/or design costs for a new construction project pursuant to Section 1859.81.1. This apportionment is available only to districts that meet the financial hardship criteria in Section 1859.81. Districts may apply for a separate apportionment for the design and for site acquisition on the same project. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
  - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
  - Contingent site approval letter from the CDE (site apportionment only).
  - Preliminary appraisal of property (site apportionment only).
3. A separate apportionment for district-owned site acquisition cost pursuant to Section 1859.81.2. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
  - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
  - Site approval letter from the CDE.
  - Appraisal of district-owned site.
  - Cost benefit analysis as prescribed in Section 1859.74.6 or a copy of the Board finding that the non-school function on the district-owned site must be relocated.
4. A separate apportionment for design cost for a modernization project pursuant to Section 1859.81.1. This apportionment is available only to districts that meet the financial hardship criteria in Section 1859.81. For purposes of this apportionment, the following documents must be submitted with this form (if not previously submitted):
  - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03.
  - Site/plan approval letter from the CDE.
  - Appraisal of property if requesting site acquisition funds.
  - Plans and specifications (P&S) for the project that were approved by the DSA. Submittal of plans may be on CD-ROM or "Zip Drive" readable in AutoCAD 14. The specifications may be provided on a diskette that is IBM compatible.
  - Cost estimate of proposed site development, if requesting site development funding.
  - If this request is pursuant to Section 1859.77.2 and the district's housing plan is other than those listed in the certification section of this form, a copy of the school board resolution and the approved housing plan.
  - If the site apportionment is requested pursuant to Regulation Section 1859.74.5, a cost benefit analysis as prescribed in Regulation Section 1859.74.6 or a copy of the Board finding that the non-school function on the district-owned site must be relocated.
  - If this request is fully or partially based on eligibility derived from an Alternative Enrollment Projection, a justification of how the project relieves overcrowding, including but not limited to, the elimination of the use of Concept 6 calendars, four track year-round calendars, or bussing in excess of 40 minutes.
  - Written confirmation from the district's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.
5. A New Construction Adjusted Grant pursuant to Section 1859.70 or 1859.180. If the funding request includes site acquisition, the proposed site must either be owned by the district, in escrow, or the 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 (as appropriate):
  - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03.
  - Site/plan approval letter from the CDE.
  - Appraisal of property if requesting site acquisition funds.
  - Plans and specifications (P&S) for the project that were approved by the DSA. Submittal of plans may be on CD-ROM or "Zip Drive" readable in AutoCAD 14. The specifications may be provided on a diskette that is IBM compatible.
  - Cost estimate of proposed site development, if requesting site development funding.
  - If this request is pursuant to Section 1859.77.2 and the district's housing plan is other than those listed in the certification section of this form, a copy of the school board resolution and the approved housing plan.
  - If the site apportionment is requested pursuant to Regulation Section 1859.74.5, a cost benefit analysis as prescribed in Regulation Section 1859.74.6 or a copy of the Board finding that the non-school function on the district-owned site must be relocated.
  - If this request is fully or partially based on eligibility derived from an Alternative Enrollment Projection, a justification of how the project relieves overcrowding, including but not limited to, the elimination of the use of Concept 6 calendars, four track year-round calendars, or bussing in excess of 40 minutes.
  - Written confirmation from the district's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.
6. For purposes of the Overcrowding Relief Grant (ORG), districts must submit the Overcrowding Relief Grant District-Wide Eligibility Determination (Form SAB 50-11) prior to the submittal of this funding application. In addition, districts must have had the CDE deem the site eligible for the ORG (pursuant to Section 1859.181) prior to the submittal of this application. For purposes of this apportionment, the following documents must be submitted with this form as well as the documents listed in section 5 above:
  - Overcrowding Relief Grant Eligibility Determination Form approved by the CDE.
  - Copies of the supporting documentation provided to the CDE when determining the density of the site, including the site diagram.
7. Modernization Adjusted Grant pursuant to Section 1859.70. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
  - Form SAB 50-03 (if not previously submitted).
  - P&S for the project that were approved by the DSA.
  - If the request includes funding for accessibility and fire code requirement pursuant to Section 1859.83(f), the DSA approved list of the minimum accessibility work required and a detailed cost estimate for the work in the plans.

The district is not required to submit its current CBEDS enrollment data.

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**ATTACHMENT A5c**

- DSA approval letter for elevator to meet handicapped compliance, if funding is requested.
  - Cost estimate of the proposed site development necessary for the Reconfiguration of an existing high school.
  - Plan approval letter from the CDE.
  - Districtwide enrollment data on Form SAB 50-01 when requesting project assistance (if not previously submitted).
  - If the request includes funding for 50 year old permanent buildings pursuant to Section 1859.78.6, a site diagram identifying all buildings to be modernized in the project. The diagram must specify those buildings that are at least 50 years old.
  - Written confirmation from the district's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.
  - For 75 years old Apportionments per Section 1859.78.7.1. This apportionment is available for proposed projects that only demolish existing 75 years old facilities and construct replacement square footage. In addition to submitting the same required paperwork as outlined above for a modernization adjustment grant, the following will need to be submitted:
  - A 75 Year Old Building Cost Estimate and Cost/Benefit Analysis (Form SAB 57-75).
  - A copy of the demolition plans that indicate which 75 year old facilities are being demolished.
  - For hybrid projects that include a 75 years old apportionment and regular and/or 50 years old apportionment. In addition to submitting required paperwork as outlined above for a modernization adjustment grant and required paperwork for 75 year old apportionment, the following will need to be submitted:
  - A cost estimate clearly delineating between the work associated with the 75 years old demolition and replacement in a project not previously funded through SFP.
8. Final Charter School Apportionment for Charter School Facilities Rehabilitation pursuant to Section 1859.167.1. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
- P&S for the project that were approved by DSA.
  - If the request includes funding for accessibility and fire code requirement pursuant to Section 1859.167.3(d), the DSA approved list of the minimum accessibility required and a detailed cost estimate for the work in the plans.
  - DSA approval letter for elevator to meet handicapped compliance, if funding is requested.
  - High performance incentive (HPI) scorecard from DSA.
  - Plan approval letter from the CDE.
  - Construction cost estimate signed by the architect of record or design professional.
  - Determination of financial soundness from the California School Finance Authority (CSFA).
  - Written confirmation from the applicant's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.
9. If the application includes a request for Financial Hardship, the district must comply with the requirements of Section 1859.81.

- If the application is submitted when there is Insufficient Bond Authority, as defined in Section 1859.2, the district must adopt a school board resolution pursuant to Section 1859.95.1(b).

If the district is requesting New Construction funding after the initial baseline eligibility was approved by the Board and the district's current CBEDS enrollment reporting year is later than the enrollment reporting year used to determine the district's baseline eligibility or adjusted eligibility, the district must complete a new Form SAB 50-01 based on the current year CBEDS enrollment data, and submit it to the OPSC with this form. In addition, if the district's request is fully or partially based on eligibility derived from an Alternative Enrollment Projection, the district must update the Alternative Enrollment Projection to correspond with the CBEDS enrollment data for the current year. A small district with 2,500 or less enrollment as defined in Section 1859.2 will not have its eligibility reduced for a period of three years from the date the district's baseline eligibility was approved by the Board as a result of reduction in projected enrollment.

For a list of the documents that must be submitted in order for the OPSC to deem a funding request for new construction or modernization complete and ready for OPSC processing, consult the SFP handbook and other information located on the OPSC Web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc).

For purposes of completing this form for a Final Charter School Apportionment, a charter school shall be treated as a school district.

**SPECIFIC INSTRUCTIONS**

The district must assign a Project Tracking Number (PTN) to this project. The same PTN is used by the OPSC, the DSA and the CDE for all project applications submitted to those agencies to track a particular project through the entire state application review process. If the district has already assigned a PTN to this project by prior submittal of the P&S to either the DSA or the 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 the OPSC Web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc) "PT Number Generator."

**1. Type of Application**

Check the appropriate box that indicates the type of School Facility Program (SFP) grant the district is requesting for purposes of new construction, modernization, a separate design and/or site apportionment, site apportionment as an environmental hardship or New Construction (Final Apportionment). If the application is for the modernization of school facilities and includes facilities that are eligible for an additional apportionment pursuant to Section 1859.78.8, include a site diagram with this application that specifies the age of each facility eligible for modernization. The diagram should also indicate the date of its original DSA plan approval and the date the facility received its prior modernization apportionment. If known include the project modernization number on the diagram. If the application is for modernization of a California School for the Deaf or Blind, the CDE shall check the box identified as Modernization of California Schools for the Deaf/Blind. If the request is for a separate design apportionment, the CDE shall check the appropriate box. If the eligibility for this project was established as a result of a health and safety threat pursuant to Section 1859.82.1, or a seismic replacement or seismic rehabilitation for the Most Vulnerable Category 2 Buildings pursuant to Section 1859.82.2, and/or the request is for a conceptual approval for a Facility Hardship application pursuant to Section 1859.82.3(a) or a Seismic Mitigation Program application pursuant to Section 1859.82.3(b), check the appropriate box(es).

If this request is for an addition to an existing site and advance funding for the evaluation and RA costs, check the appropriate box and refer to Section 1859.74.4.

If this request is for an Overcrowding Relief Grant, check the New Construction

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(Overcrowding Relief Grant) box.

If this request is to convert a Preliminary Apportionment or a Preliminary Charter School Apportionment to a Final Apportionment, check the New Construction Final Apportionment, New Construction Final Charter School Apportionment or the Rehabilitation Final Charter School Apportionment box, as appropriate.

If the district is requesting a separate site and/or design apportionment, complete boxes 2a, 3, 4, the site acquisition data in box 5 (d and e), and boxes 13, 14, 15, 16, and 24 only.

**2. Type of Project**

- a. Select the type of project that best represents this application request and enter the total number of pupils assigned to the project for each grade group. Include pupils to be housed in a new or replacement school authorized by Section 1859.82 (a). The amount entered cannot exceed the district's baseline eligibility determined on Form SAB 50-03 and will be the basis for the amount of the new construction or modernization grants provided for the project.

If this request is for a Final Apportionment, the pupils assigned to the project must be at least 75 percent, but not more than 100 percent, of the pupils that received the Preliminary Apportionment. Refer to Section 1859.147.

For ORG projects, the amount entered cannot exceed the Overcrowding Relief Pupil Eligibility (pursuant to Section 1859.182 and 1859.183) as reflected in the total number of eligible pupils determined by the Form SAB 50-11 or the CDE Overcrowding Relief Grant Eligibility Determination form.

For Charter School Facilities Program Rehabilitation, leave the number of pupils blank.

- b. Check the box if the project is eligible for funding for 50 year or older permanent buildings and report, at the option of the district:
- The total number of eligible classrooms or the total eligible square footage building area at the site. Refer to Section 1859.78.6(b)(1)(A) or (b)(2)(A).
  - The total number of permanent classrooms or the total permanent square footage building area that is at least 50 years old and not been previously modernized with state funds. Refer to Section 1859.78.6(b)(1)(B) or (b)(2)(B).
  - Enter the greater percentage as calculated under Regulation Section 1859.78.6(b)(1)(C) or Regulation Section 1859.78.6(b)(2)(C).
  - If this project includes eligible 50 year or older pupil grants, enter the appropriate number assigned to the project for each grade group. The number of pupils entered cannot exceed the cumulative number of 50 year or older permanent buildings pupil grants requested for all modernization funding applications for the site as determined by using the percentage factor above.
- c. If this request includes pupil grants generated by an Alternative Enrollment Projection Method, enter the number of pupils by grade level.
- d. Check the box if the project is eligible for funding for 75 year or older buildings and report the following, if applicable:
- The total number of eligible classrooms and/or the total eligible square footage building area being demolished. Refer to Section 1859.78.7.1.
  - The total number of eligible classrooms and/or the total eligible square footage building area being constructed. Refer to Section 1859.78.7.1.
  - Enter the appropriate number assigned to the project for each grade group. The number of pupils entered cannot exceed the cumulative number of pupil grants requested in Section 2a. and determined by using the percentage factor above.

e.d. Indicate if this request is for funding of a 6–8 school and/or an Alternative Education School.

f.e. Check the applicable box if the district is requesting additional pupil grants assigned to the project that exceed the capacity of the project or if the pupils assigned represent eligibility determined at another grade level and check the appropriate box to indicate under which regulation the district is applying. The pupil capacity of the project may be determined by multiplying the classrooms reported in box 3 by 25 for K–6; 27 for 7–8, 9–12 grades; 13 for non-severe and 9 for severe.

g.f. Enter the square footage of the non-toilet area and toilet area contained in the Charter School Facilities Program Rehabilitation project.

h.-g. Indicate the site scenario that best represents the project request.

i.-h. For ORG projects, the district must provide the following information in the space provided:

- Name of the eligible school site(s) where portables will be replaced in this project
- Number of portables being replaced at each school site
- Number of site specific eligible pupils being requested for this project for each school site. The total number of site specific eligible pupils assigned to this project must equal the total number of pupils in Section 2a.

**3. Number of Classrooms**

Enter the:

- Number of classrooms as shown on the plans and specifications (P&S). If there was demolition at the site, report the net increase in the number of classrooms showing in the P&S.
- Master plan site size, as recommended by the California Department of Education.
- Recommended site size, as determined by the California Department of Education.
- Existing Useable Acres already owned at that location (if any).
- Proposed Useable Acres that was/will be purchased as part of the application (if any).

**4. Financial Hardship Request**

Check the appropriate box(es) if the district is requesting financial hardship assistance because it is unable to meet its matching share requirement.

- If the application includes a request for Financial Hardship, the district must comply with the requirements of Section 1859.81.
- If there is Insufficient Bond Authority for the type of application, check the second box and attach a school board resolution pursuant to Section 1859.95.1(b).

**5. New Construction Additional Grant Request**

Check the appropriate box(es) if the district requests an augmentation to the new construction grant for "additional" grants for the items listed. Refer to Sections 1859.72 through 1859.76 for eligibility criteria. Enter the:

- a. Therapy area in square feet as provided in Section 1859.72.
- b. Multilevel classrooms in the P&S pursuant to Section 1859.73.
- c. Check the box if the district is requesting project assistance pursuant to Section 1859.73.1. If the district has not submitted a request for new construction baseline eligibility on a district-wide basis, it must submit a current Form SAB 50-01 based on district-wide enrollment data with this form.
- d. If the project the district is requesting SFP funding for does not require an RA, refer to Section 1859.74. If a RA is required on a site that is not leased or an addition to an existing site, refer to Section 1859.74.2. If RAs are required on a leased site or an addition to an existing site, refer to Sections 1859.74.3 or 1859.74.4, respectively. The limitation of 50 percent may be exceeded when unforeseen circumstances exist, the CDE determines that the site is the best



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available site, and substantiation that the costs are the minimum required to complete the evaluation and RA.

**Enter 50 percent of the actual cost.**

- 1) Enter 50 percent of the appraised value of the site. If the request is made pursuant to Regulation Section 1859.74.5, enter 50 percent of the appraised value.
- 2) Enter 50 percent of the allowable relocation cost.
- 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 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 1859.74, 1859.74.1, 1859.74.5, 1859.75, 1859.75.1 and 1859.81.1.

A project that received site acquisition funds under the Lease-Purchase Program (LPP) as a priority two project is not eligible for site acquisition funds under the SFP. A district-owned site acquired with LPP, SFP or Proposition 1A funds is not eligible for funding under Regulation Section 1859.74.5.

- e. Enter 50 percent of the amount allowable for hazardous materials/waste removal and/or remediation for the site acquired pursuant to Sections 1859.74.2, 1859.74.3, 1859.74.4, 1859.75.1 or 1859.81.1. If an RA is required, check the box.
- f. Enter 50 percent of eligible service-site development, off-site development including pedestrian safety paths and utilities costs allowed pursuant to Section 1859.76. Attach cost estimates of the proposed site development work which shall be supported and justified in the P&S. All cost estimates shall reflect 100 percent of the proposed work.

Check the box if the district is requesting an Additional Grant for General Site Development pursuant to Section 1859.76

- g. If the district is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.71.3, enter the percentage of energy efficiency that exceeds Title 24 requirements as prescribed in Section 1859.71.3(a)(3).
- h. Check the box(es) if the district requests and the project qualifies for additional funding for fire code requirements authorized in Section 1859.71.2.
- i. If the district is requesting an Additional Grant for High Performance Incentive pursuant to Section 1859.70.4, enter the number of high performance points as prescribed in Section 1859.71.6 or 1859.77.4, as appropriate, subject to Education Code Section 17070.965.

**6. Modernization Additional Grant Request**

- a. Check the box if the district is requesting project assistance allowance pursuant to Section 1859.78.2. If the district has not submitted a request for new construction baseline eligibility on a district-wide basis, it must submit a current Form SAB 50-01 based on district-wide enrollment data with this form.
- b. If the district is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.78.5, enter the percentage of energy efficiency that exceeds Title 24 requirements as prescribed in Section 1859.78.5(a)(3).
- c. Check the box if the district requests an additional grant for site development utility cost necessary for the modernization of 50 years or older permanent building(s). Enter 60 percent of the eligible costs allowable pursuant to Section 1859.78.7(a).
- d. Check the box if the district requests an additional grant for site development utility cost necessary for the replacement of a 75 years or older building, if not already provided under the provisions pursuant to Section 1859.78.7(a). Enter

60 percent of the eligible costs allowable or 35 percent of the 75 years old pupil grant.

e.d. Check the box(es) if the district requests and the project qualifies for additional funding for fire code requirements authorized in Section 1859.78.4.

f.e. If the district is requesting an Additional Grant for High Performance Incentive pursuant to Section 1859.70.4, enter the number of high performance points as prescribed in Section 1859.77.4, subject to Education Code Section 17070.965.

**7. Excessive Cost Hardship Request**

Check the appropriate box to request an augmentation to the New Construction or Modernization Grants for an excessive cost hardship for the items listed. Refer to Section 1859.83 for eligibility criteria. Requests for excessive cost grants for accessibility requirements are allowed only if required by the Division of the State Architect (DSA). At the district's option, the district may request three percent of the modernization base grant or enter the amount calculated pursuant to Regulation Section 1859.83(f). Attach a copy of the DSA approved list that shows the minimum work necessary for accessibility requirements.

If the request is for the excessive cost grant for a new Alternative Education school pursuant to Section 1859.83(c)(2) and the district wishes to request less than the maximum allowance, please submit a letter along with application indicating the desired amount.

**8. Charter School Facilities Program Rehabilitation – Additional Grant and Excessive Cost Hardship Request****Additional Grant Request**

- a. If the applicant is requesting an Additional Grant for High Performance Incentive pursuant to Section 1859.77.4, enter the number of high performance points as prescribed in Section 1859.77.4.

**Excessive Cost Hardship Request**

Check the appropriate box to request an augmentation to the Charter School Facilities Program Rehabilitation grants for an excessive cost hardship for the items listed. Refer to Section 1859.167.4 for eligibility criteria.

- b. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant due to Geographic Location pursuant to Section 1859.167.3(a).
- c. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant for a small size project pursuant to Section 1859.167.3(b).
- d. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant due to Urban Location, Security Requirements, and Impacted Site pursuant to Section 1859.167.3(c).
- e. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant due to accessibility and fire code requirements pursuant to Section 1859.167.3(d). Requests for excessive cost grants for accessibility requirements are allowed only if required by the Division of the State Architect (DSA). At the applicant's option, the applicant may request three percent of the Charter School Facilities Program Rehabilitation Grant or enter 50 percent of the amount calculated pursuant to Regulation Section 1859.167.3(d)(2). Attach a copy of the DSA approved list that shows the minimum work necessary for accessibility requirements.

**9. Project Priority Funding Order**

Enter the priority order of this project in relation to other new construction applications submitted by the district on the same date. If applications are not received on the same date, the OPSC will assign a higher district priority to the application received first. Check the box(es) if the project meets the criteria outlined in Section 1859.92(c)(3),(4) and (6), as appropriate. This information is needed for purposes of priority points.

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**10. Prior Approval Under the LPP**

If the project the district is requesting SFP grants for received a Phase P, S, or C approval under the LPP, report the application number of that project, regardless if the project actually received funding or was included on an "unfunded" list. Failure to report this information may delay the processing of the application by the OPSC.

**11. Prior Apportionment Under the SFP**

If the project received a separate apportionment under the SFP for either site and/ or design, or site environmental hardship, enter the application number of the project. Failure to report this information may delay the processing of the application by the OPSC.

**12. Preliminary Apportionment to a Final Apportionment**

If this request is to convert a Preliminary Apportionment to a Final Apportionment, enter the application number of the Preliminary Apportionment. Failure to report this information may delay the processing of the application by the OPSC.

**13. Alternative Developer Fee**

The district must report certain alternative fees collected pursuant to Government Code Section 65995.7, as of the date of application submittal to the OPSC. Refer to Section 1859.77 for details. Districts are advised that the OPSC may perform an audit of the developer fees collected prior to application approval by the Board.

**14. Adjustment to New Construction Baseline Eligibility**

Pursuant to Section 1859.51 certain adjustments to the district's new construction baseline eligibility must be made each time a district submits Form SAB 50-04, to the OPSC for SFP new construction or modernization grants. These adjustments are made by the OPSC based on information reported by the district on this form.

- a. Report all classroom(s) provided after the district submitted its request for determination of its new construction baseline eligibility for the grades shown, or indicate N/A if there are none. Refer to Section 1859.51(i).

In the additional classroom column, indicate the number of additional net classrooms provided if not previously reported.

In the replacement classroom column, indicate the number of classrooms that were included in the determination of the district's new construction eligibility pursuant to Education Code Section 17071.75 but replaced in a locally funded project.

Enter the date the initial construction contract was signed for additional or replacement classrooms.

**15. Pending Reorganization Election**

Complete only for new construction projects. Indicate if there is a pending reorganization election that will result in a loss of eligibility for this project. If the answer is "yes", the district must complete Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03, to adjust the district's new construction baseline eligibility as a result of the reorganization and submit them with this form.

**16. Joint-Use Facility/Leased Property**

Check the box if:

- a. The facilities to be constructed/modernized as part of this project will be for

joint use by other governmental agencies.

- b. The new construction or modernization grants will be used for facilities located or to be located on leased property.

**17. Project Progress Dates**

- a. 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.)
- b. Enter the issue date(s) for the Notice to Proceed for the construction phase of the project, or enter N/A if a Notice to Proceed has not been issued.
- c. If a construction contract was awarded prior to January 1, 2012, check the appropriate box to indicate whether or not the district has initiated and enforced a Labor Compliance Program (LCP) approved by the Department of Industrial Relations (DIR) pursuant to Labor Code Section 1771.7 for this project.

**18. Prevailing Wage Monitoring and Enforcement Costs**

If the construction contract(s) for this project was awarded on January 1, 2012 through June 19, 2014, check the appropriate box to indicate which of the following methods was or is being used to meet the requirement for prevailing wage monitoring and enforcement pursuant to Labor Code Section 1771.3 in effect on January 1, 2012 through June 19, 2014:

- DIR Public Works administration and enforcement
- A DIR-approved internal LCP
- A collective bargaining agreement that meets the criteria set forth in Labor Code Section 1771.3(b)(3) in effect on January 1, 2012 through June 19, 2014.

**19. Construction Delivery Method**

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

**20. Career Technical Education Funds Request**

Indicate if Career Technical Education (CTE) funds will be requested for classroom(s) included in the plans and specifications for this project pursuant to Section 1859.193. If "Yes", enter the number of CTE classroom(s) shown on the P&S.

**21. Overcrowding Relief Grant Narrative**

The district must either provide an explanation in the space provided or attach a letter signed by the district representative detailing how this project will relieve overcrowding.

**22. Architect of Record or Licensed Architect Certification**

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

**23. Architect of Record or Design Professional Certification**

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

**24. Certification**

The district representative must complete this section. For additional information regarding district certifications, refer to the SFP handbook located on the OPSC web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc).



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**3. Number of Classrooms:**

Master Plan Acreage Site Size (Useable): \_\_\_\_\_

Recommended Site Size (Useable): \_\_\_\_\_

Existing Acres (Useable): \_\_\_\_\_

Proposed Acres (Useable): \_\_\_\_\_

**4. Type of Financial Hardship Request**

- ☐ Submittal pending OPSC approval pursuant to Section 1859.81(h)
- ☐ Submittal with school board resolution, pursuant to Section 1859.95.1  
(Insufficient Bond Authority)

**5. New Construction Additional Grant Request—New Construction Only**

- a. Therapy: Toilets (sq. ft.) \_\_\_\_\_  
Other (sq. ft.) \_\_\_\_\_
- b. Multilevel Construction (CRS): \_\_\_\_\_
- c. ☐ Project Assistance
- d. Site Acquisition:
- (1) 50 percent Actual Cost: \$ \_\_\_\_\_
- (2) 50 percent Appraised Value: \$ \_\_\_\_\_
- (3) 50 percent Relocation Cost: \$ \_\_\_\_\_
- (4) 2 percent (min. \$25,000): \$ \_\_\_\_\_
- (5) 50 percent DTSC Fee: \$ \_\_\_\_\_
- e. 50 percent hazardous waste removal: \$ \_\_\_\_\_
- ☐ Response Action (RA)
- f. Site Development
- ☐ 50 percent Service-Site: \$ \_\_\_\_\_
- ☐ 50 percent Off-Site: \$ \_\_\_\_\_
- ☐ 50 percent Utilities: \$ \_\_\_\_\_
- ☐ General Site
- g. ☐ Energy Efficiency: \_\_\_\_\_ %
- h. ☐ Automatic Fire Detection/Alarm System
- ☐ Automatic Sprinkler System
- i. ☐ High Performance Incentive (Indicate Points): \_\_\_\_\_

**6. Modernization Additional Grant Request**

- a. ☐ Project Assistance
- b. ☐ Energy Efficiency: \_\_\_\_\_ %
- c. ☐ Site Development—60 percent utilities: \$ \_\_\_\_\_
- d. ☐ Site Development—75 years-or-older \$ \_\_\_\_\_
- e. ☐ Automatic Fire Detection/Alarm System
- f. ☐ High Performance Incentive (Indicate Points): \_\_\_\_\_

**7. Excessive Cost Hardship Request****New Construction Only**

- ☐ Geographic Percent Factor: \_\_\_\_\_ %
- ☐ New School Project [Section 1859.83(c)(1)]
- ☐ New School Project [Section 1859.83(c)(2)]
- ☐ Small Size Project
- ☐ Urban/Security/Impacted Site;
- If a new site, \$ \_\_\_\_\_ per Useable Acre [Section 1859.83(d)(2)(C)]

**Modernization Only**

- ☐ Geographic Percent Factor: \_\_\_\_\_ %
- ☐ Small Size Project
- ☐ Urban/Security/Impacted site
- ☐ Accessibility/Fire Code
- ☐ 3 percent of base grant; or,
- ☐ 60 percent of minimum work \$ \_\_\_\_\_
- ☐ Number of 2-Stop Elevators: \_\_\_\_\_
- ☐ Number of Additional Stops: \_\_\_\_\_

**8. Charter School Facilities Program Rehabilitation Additional Grant and Excessive Cost Hardship Request****Additional Grant Request**

- a. ☐ High Performance Incentive (Indicate Points): \_\_\_\_\_

**Excessive Cost Hardship Request**

- b. ☐ Geographic Percent Factor: \_\_\_\_\_ %
- c. ☐ Small Size Project
- d. ☐ Urban/Security/Impacted site
- e. ☐ Accessibility/Fire Code
- ☐ 3 percent of base grant; or,
- ☐ 50 percent of minimum work \$ \_\_\_\_\_
- ☐ Number of 2-Stop Elevators: \_\_\_\_\_
- ☐ Number of Additional Stops: \_\_\_\_\_

**9. Project Priority Funding Order—New Construction Only**

Priority order of this application in relation to other new construction applications submitted by the district at the same time: # \_\_\_\_\_

Project meets:

- ☐ Density requirement pursuant to Section 1859.92(c)(3).
- ☐ Stock plans requirement pursuant to Section 1859.92(c)(4).
- ☐ Energy efficiency requirement pursuant to Section 1859.92(c)(6).

**10. Prior Approval Under the LPP**

New Construction: 22/ \_\_\_\_\_

Modernization: 77/ \_\_\_\_\_

**11. Prior Apportionment Under the SFP**

Site/Design—New Construction: 50/ \_\_\_\_\_

Design—Modernization: 57/ \_\_\_\_\_

**12. Preliminary Apportionment to Final Apportionment**

Preliminary Apportionment Application Number: # \_\_\_\_\_

**13. Alternative Developer Fee—New Construction Only**

Alternative developer fee collected and reportable pursuant to Regulation Section 1859.77: \$ \_\_\_\_\_



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**14. Adjustment to New Construction Baseline Eligibility****a. Classroom(s) provided:**

Additional	Replacement
K-6: _____	K-6 _____
7-8: _____	7-8 _____
9-12: _____	9-12 _____
Non-Severe: _____	Non-Severe _____
Severe: _____	Severe _____

Construction Contract(s) for the project signed on: \_\_\_\_\_

**15. Pending Reorganization Election—New Construction Only** ☐ Yes ☐ No**16. Joint-Use Facility/Leased Property**

- a. ☐ Joint-Use Facility
- b. ☐ Leased Property

**17. Project Progress Dates**

- a. 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.)
- b. Notice(s) to Proceed issued on: \_\_\_\_\_
- c. If the Construction Contract(s) was awarded prior to January 1, 2012, have you initiated and enforced an LCP approved by the DIR pursuant to Labor Code Section 1771.7 for this project? ☐ Yes ☐ No

**18. Prevailing Wage Monitoring and Enforcement Costs**

If the Construction Contract(s) was awarded on January 1, 2012 through June 19, 2014, please indicate which monitoring requirement was or is being used, pursuant to Labor Code Section 1771.3 in effect on January 1, 2012 through June 19, 2014:

- ☐ DIR Public Works administration and enforcement
- ☐ DIR approved District LCP
- ☐ Collective bargaining agreement, pursuant to Labor Code Section 1771.3(b)(3) in effect on January 1, 2012 through June 19, 2014

**19. Construction Delivery Method**

- ☐ Design-Bid-Build
- ☐ Design-Build
- ☐ Developer Built
- ☐ Lease Lease-Back
- ☐ Energy Performance Contract
- ☐ This project includes or will include piggyback contract(s) as defined in Section 1859.2
- ☐ Other: \_\_\_\_\_

**20. Career Technical Education Funds Request**

Will CTE Funds be requested for classroom(s) included in the plans and specifications for this project? ☐ Yes ☐ No

Number of CTE classroom(s): \_\_\_\_\_

**21. Overcrowding Relief Grant Narrative**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**22. Architect of Record or Licensed Architect Certification**

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

- The P&S for this project were submitted to the OPSC by electronic medium (i.e., CD-ROM, zip disk or diskette) or as an alternative, if the request is for a modernization Grant, the P&S were submitted in hard copy to the OPSC.
- Any portion of the P&S requiring review and approval by the Division of the State Architect (DSA) were approved by the DSA on \_\_\_\_\_ (enter DSA approval date).
- Any portion of the P&S not requiring review and approval by the DSA meets the requirements of the California Code of Regulations, Title 24, including any handicapped access and fire code requirements.
- If the request is for a Modernization or Charter School Facilities Program Rehabilitation Grant, the P&S include the demolition of more classrooms than those to be constructed in the project, the difference is \_\_\_\_\_ classroom(s). (Indicate N/A if there are none.)
- If the request is for a Modernization or Charter School Facilities Program Rehabilitation Grant, the P&S include the construction of more classrooms than those to be demolished in the project, the difference is \_\_\_\_\_ classroom(s). (Indicate N/A if there are none.)

ARCHITECT OF RECORD OR LICENSED ARCHITECT (PRINT NAME)

SIGNATURE

DATE

**23. 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 New Construction Grant, not including the ORG, 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 district's matching share, less site acquisition costs and the High Performance Base Incentive Grant. This cost estimate does not include site acquisition, planning, tests, inspection, or furniture and equipment and is available at the district for review by the OPSC.
- If the request is for a Modernization or Charter School Facilities Program Rehabilitation Grant, 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 district's matching share, less the High Performance Base Incentive Grant. This cost estimate does not include planning, tests, inspection or furniture and equipment and is available at the district for review by the OPSC.

ARCHITECT OF RECORD OR DESIGN PROFESSIONAL (PRINT NAME)

SIGNATURE

DATE

# APPLICATION FOR FUNDING SCHOOL FACILITY PROGRAM

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## ATTACHMENT A5c

### 24. Certification

I certify, as the District Representative, that the information reported on this form, with the exception of items 22 and 23, is true and correct and that:

- I am an authorized representative of the district as authorized by the governing board of the district; and,
- A resolution or other appropriate documentation supporting this application under Chapter 12.5, Part 10, Division 1, commencing with Section 17070.10, 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 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 Education Code Section 17070.75 and 17070.77 (refer to Sections 1859.100 through 1859.102); and,
- The district has considered the feasibility of the joint use of land and facilities with other governmental agencies in order to minimize school facility costs; and,
- If this funding request is for the modernization of portable classrooms eligible for an additional apportionment pursuant to Education Code Section 17073.15, the district certifies that (check the applicable box below):
  - ☐ 1. The state modernization funds will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,
  - ☐ 2. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional apportionment is better use of public resources than the replacement of these facilities.
- Facilities to be rehabilitated under the Charter School Facilities Program previously funded with School Facility Program State funds meet the requirements of Section 1859.163.6; and,
- All contracts entered on or after November 4, 1998 for the service of any architect structural engineer or other design professional for any work under the project have been obtained pursuant to a competitive process that is consistent with the requirements of Chapter 10 (commencing with Section 4525) of Division 5, of Title 1, of the Government Code; and,
- If this request is for new construction funding, the district has received approval of the site and the plans from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- If this request is for modernization or Charter School Facilities Program Rehabilitation funding, the district has received approval of the plans for the project from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- The district has or will comply with the Public Contract Code regarding all laws governing the use of force account labor; and,
- This district has or will comply with Education Code Section 17076.11 regarding at least a 3 percent expenditure goal for disabled veteran business enterprises; and,
- The district matching funds required pursuant to Sections 1859.77.1 or 1859.79 has either been expended by the district, deposited in the County School Facility Fund or will be expended by the district prior to the notice of completion for the project; and,
- The district has received the necessary approval of the plans and specifications from the Division of the State Architect unless the request is for a separate site and/or design apportionment; and,
- If the district is requesting site acquisition funds as part of this application, the district has complied with Sections 1859.74 through 1859.75.1 as appropriate; and,
- With the exception of an apportionment made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing the pupil capacity or renovation of its facilities within 18 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105); and,
- If the apportionment for this project was made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing the pupil capacity or renovation of its facilities within 12 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105.1); and,
- The district understands that funds not released within 18 months of apportionment shall be rescinded and the application shall be denied (refer to Section 1859.90); and,
- The statements set forth in this application and supporting documents are true and correct to the best of my knowledge and belief; and,
- All school facilities purchased or newly constructed under the project for use by pupils who are individuals with exceptional needs, as defined in Education Code Section 56026, shall be designed and located on the school site so as to maximize interaction between those individuals with exceptional needs and other pupils as appropriate to the needs of both; and,
- This form is an exact duplicate (verbatim) of the form provided by the OPSC. In the event a conflict should exist, the language in the OPSC form will prevail; and,
- The 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 1859.105, 1859.105.1, 1859.106; and,
- The district has complied with the provisions of Sections 1859.76 and 1859.79.2 and that the portion of the project funded by the State does not contain work specifically prohibited in those Sections; and,
- If the SFP grants will be used for the construction or modernization of school facilities on leased land, the district has entered into a lease agreement for the leased property that meets the requirements of Section 1859.22; and,
- If the application contains a "Use of New Construction Grant" request, the district has adopted a school board resolution and housing plan at a public hearing at a regularly scheduled meeting of the governing board on \_\_\_\_\_
- as specified in Sections 1859.77.2, or 1859.77.3, as appropriate. The district's approved housing plan is as indicated (check all that apply):
  - ☐ 1. The district will construct or acquire facilities for housing the pupils with funding not otherwise available to the SFP as a district match within five years of project approval by the SAB and the district must identify the source of the funds. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
  - ☐ 2. The district will utilize higher district loading standards providing the loading standards are within the approved district's teacher contract and do not exceed 33:1 per classroom. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
  - ☐ 3. The pupils requested from a different grade level will be housed in classrooms at an existing school in the district which will have its grade level changed, to the grade level requested, at the completion of the proposed SFP project. [Applicable for Sections 1859.77.2(b) and 1859.77.3(b)]

**APPLICATION FOR FUNDING  
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- If the district requested additional funding for fire code requirements pursuant to Sections 1859.71.2 or 1859.78.4, the district will include the automatic fire detection/alarm system and/or automatic sprinkler system in the project prior to completion of the project; and,
- The district has consulted with the career technical advisory committee established pursuant to Education Code Section 8070 and the need for vocational and career technical facilities is being adequately met in accordance with Education Code Sections 51224, 51225.3(b), and 51228(b), and 52336.1; and,
- If the district is requesting an Additional Grant for Energy Efficiency pursuant to Sections 1859.71.3 or 1859.78.5, the increased costs for the energy efficiency components in the project exceeds the amount of funding otherwise available to the district; and,
- If this application is submitted after January 1, 2004 for modernization funding, the district has considered the potential for the presence of lead-containing materials in the modernization project and will follow all relevant federal, state, and local standards for the management of any identified lead; and,
- The district has initiated and enforced an LCP that has been approved by the DIR, pursuant to Labor Code Section 1771.7, if the project is funded from Propositions 47 or 55 and the Notice to Proceed for the construction phase of the project is issued on or after April 1, 2003 and before January 1, 2012; and,
- The district has contracted with the DIR for prevailing wage monitoring and enforcement pursuant to Labor Code Section 1771.3(a) in effect on January 1, 2012 through June 19, 2014, if the construction contract was awarded on January 1, 2012 through June 19, 2014 and the district has not obtained a waiver for the requirement, pursuant to Labor Code Section 1771.3(b) in effect on January 1, 2012 through June 19, 2014. The district understands that if it fails to meet this requirement, it will be required to repay all state bond funds received including interest; and,
- Beginning with the 2005/2006 fiscal year, the district has complied with Education Code Section 17070.75(e) by establishing a facilities inspection system to ensure that each of its schools is maintained in good repair; and,
- If this application is submitted pursuant to Section 1859.180, the district certifies that within six months of occupancy of the permanent classrooms, it will remove the replaced portables from the eligible school site and K–12 grade classroom use with the exception of schools described in Education Code Section 17079.30(c); and,
- The district has considered the feasibility of using designs and materials for the new construction or modernization project that promote the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and the other characteristics of high performance schools; and,
- If the district is requesting an additional grant for high performance incentive funding, the school district governing board must have a resolution on file that demonstrates support for the high performance incentive grant request and the intent to incorporate high performance features in future facilities projects; and,
- If this application is submitted when there is Insufficient Bond Authority, the district has adopted a school board resolution pursuant to Section 1859.95.1; and,
- The district will comply with all laws pertaining to the construction or modernization of its school building.

NAME OF DISTRICT REPRESENTATIVE (PRINT)

PHONE NUMBER

SIGNATURE OF DISTRICT REPRESENTATIVE

DATE

**INSTRUCTIONS**

The *75 Years or Older Building Cost Estimate and Cost/Benefit Analysis (Form SAB 57-75)* is to be used for the purposes of generating and submitting the cost estimate required for eligible **75 Years or Older Facilities** projects pursuant to SFP Regulation Section **1859.78.7.1**.

Refer to the most current published edition of the *Current Construction Remodeling Costs* publication by Sierra West Publishing, **F1** unit costs, for data needed to complete this form. Throughout these instructions, all references to "Sierra West" indicate this publication.

All lines in Part I must be broken out to individual items or materials. Do not enter line item requests in a lump sum format. Line item requests in lump sum format may not be eligible for funding.

**PART I - Line Item Requests**

For each line item request, complete the following:

1. **CSI #** - Enter the Construction Specifications Institute number (CSI #) corresponding to the item or material included in the project as it appears in Sierra West.
2. **Description** - Enter the description corresponding to the item or material as it appears in Sierra West.
3. **Quantity** - Enter the numeric quantity of the item or material used as indicated in the project plans approved by the Division of the State Architect (DSA). For projects that do not require DSA plan approval, enter the quantity as indicated in the supporting documentation submitted with the application.
4. **Unit** - Enter the unit of measure for the specified material or item as it appears in Sierra West.
5. **Cost/Unit** - Enter the total unit cost, or cost per unit, as it is listed in the F1 column in Sierra West. Do not add installation cost as this has been included in the total unit cost amount.
6. **District's Request** - Enter the product of the Quantity and Cost/Unit column.
7. **OPSC's Allowance** - Leave blank. This section will be completed by OPSC upon review of the application.
8. **District Comments** - The district may optionally indicate any relevant plan page numbers or reference information to assist the plan reviewer in the comments column.
9. **OPSC Review Comments** - Leave blank. This section will be completed by OPSC upon review of the application.
10. **Title 24 Max Requirement** - In lieu of requesting individual line items for Access Compliance, the district may request a 20% allowance to cover the costs of the maximum Access Compliance work required by the Division of the State Architect. This allowance is reflective of the maximum requirements in Title 24, Section 11B-202.4, Exemptions, 8.

**PART II - Contractor Burden**

For the purposes of Part II of this form, refer to the table below to determine the applicable construction classification to use when referencing the most current published edition of Sierra West.

<b>OPSC Project Type</b>	<b>Sierra West Construction Classification</b>
<b>Modernization</b> rehabilitation of historical structures	"Unique Structures"

**Contractor Burden:**

**General Conditions** - Using the total project cost as reported to DSA and the applicable OPSC project type listed above, enter the percentage as indicated in the General Conditions table in Sierra West (CSI# 01.1000 000).

## ATTACHMENT A5d

**Overhead, Profit & Bonds** - Using the total project cost as reported to DSA, enter the applicable percentage as indicated in the "Bonds" section in Sierra West (CSI# 01.2000 000).

**Escalation** - If the project has not been completed at the time of application submittal, enter the percentage listed for the current year, as indicated in the "Escalation" section of Sierra West (CSI# 01.3000 000).

**Contingencies** - Based on OPSC's Allowance Subtotal and based upon CSI# 01.4000 000 Schematic Plans in Sierra West. Sierra West provides an allowance of "0%" when funding is based on work with full DSA approved plans.

### **Part III - Design Costs & Fees**

**DSA Inspection Fee** - For projects that require DSA plan approval, enter 1%. For projects that do not require DSA plan approval, enter 0%.

**Construction Testing Allowance** - For rehabilitation projects that require specialized testing and inspection of materials during construction such as soil tests, foundation tests, exploratory borings, and similar testing prior to construction, enter 1%. The District must submit written verification of the specialized testing required for the scope of work. For all other projects, enter 0%.

**Design Specialist Cost Allowance** - Based on the Construction Subtotal (Part II), the allowance for the Design Specialist will be automatically calculated using the Design Specialist Cost Allowance sliding scale at the end of the estimate. Alternatively, the District may manually enter the cost allowance based on this scale.

**CDE Plan Review Fee** - Allowance is for the proportionate amount of fees charged by the California Department of Education, as required by law, for the hardship portion of the project. The allowance provided will be 0.07% of the OPSC Allowed Construction Subtotal as published on CDE's website:

<https://www.cde.ca.gov/ls/fa/sf/forms.asp>

**DSA Plan Review Fee** - Allowance is for the proportionate amount of fees charged by the Department of the State Architect, as required by law, for the hardship portion of the project. Based on the product of the OPSC Allowed Construction Subtotal applied to the DSA Project Fee Calculator:

<https://www.apps2.dgs.ca.gov/dsa/tracker/FeeCalculator.aspx>

### **Part IV - Cost Benefit Analysis Calculation for the Existing Building**

**Square Footage of Qualifying 75 Year Old Building** - Insert the square footage of the existing building into the applicable cell depending on its type. The categories are either Permanent or Portable and Toilet or Other.

**Current Replacement Cost Per SQFT as of 1/2025** - The amount entered is based on the Annual Adjustment to SFP Grants as adopted by the SAB for the current year.

Total Current Replacement Cost is the product of the qualifying square footage multiplied by the Current Replacement Cost. The sum of each category is the Total for the building.

To determine whether the Cost to Modernize exceeds the Cost to Replace the Building by more than 50 percent, divide the OPSC Verified Total Project Cost from Part III by the Total Replacement Cost. Then multiply by 100 to calculate the percentage. If the percentage is equal to or greater than 50 percent, the building qualifies for the 75 year old grant.

ATTACHMENT A5d

STATE OF CALIFORNIA  
75 YEARS OR OLDER BUILDING COST ESTIMATE AND COST/BENEFIT ANALYSIS (CBA)  
SCHOOL FACILITY PROGRAM  
SAB 57-75 (XX/25)

STATE ALLOCATION BOARD  
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

<u>School District:</u>	<u>Application Number:</u>
<u>School Name:</u>	<u>DSA Number:</u>
<u>County:</u>	

**PART I - Line Item Request**

[illegible]

ATTACHMENT A5d

STATE OF CALIFORNIA  
75 YEARS OR OLDER BUILDING COST ESTIMATE AND COST/BENEFIT ANALYSIS (CBA)  
SCHOOL FACILITY PROGRAM  
SAB 57-75 (XX/25)

STATE ALLOCATION BOARD  
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

School District:	Application Number:
School Name:	DSA Number:
County:	

PART II - Contractor Burden

1. CSI #	2. Description	Multiplier	Allowance	Calculation Detail
1.100 000	<b>General Conditions (insert percentage)</b> Broad categories covered by General Conditions include: • Mobilization. • Non-distributable labor and supervision. • Permits, licenses & fees. • Temporary utilities, structures, and fencing • Material handling equipment, trucks, safety, fuel, scaffolding. • Non-manual labor, benefits, payroll tax, workers compensation insurance • Insurances, comprehensive, builders risk.	0.00%	\$ -	The multiplier is the percentage allowed based on the total project cost reported to DSA and the chart in the Current Construction Remodeling Costs Publication, in Section 01.1000 000. That percentage is representative of the economies of scale for the overall scope of the project, and is then applied to the OPSC Allowance Subtotal to arrive at the allowance.  The following application types should use the corresponding Sierra West allowance category: • <b>Modernization</b> (historical structures) – “Unique Structures”
1.200 000	<b>Overhead, Profit, and Bonds (insert percentage)</b> Broad categories covered by overhead include: rent, utilities, legal, accounting, estimating, travel, general insurance, taxes, marketing, advertising, computers, etc. and are distinctly not related to the physical construction of the project.	0.00%	\$ -	The multiplier is the percentage allowed based on the <b>project's Construction Subtotal</b> and the chart in the Current Construction Remodeling Costs Publication, Section 01.2000 000. That percentage is representative of the economies of scale of the overall scope of the project which is then applied to the sum of the OPSC Allowance Subtotal plus the General Conditions allowance, to arrive at the allowance. - include language to reflect line 54 Construction Subtotal)
1.300 000	<b>Escalation (insert current year percentage)</b> This allowance provides for the general adjustment in construction costs over the duration of an estimating year.	0.00%	\$ -	If the project has not been completed at the time of application submittal, the multiplier is the percentage listed for the current year, as indicated in the "Escalation" section of Sierra West (CSI# 01.3000 000). That percentage is then applied to the sum of the OPSC Allowance subtotal, plus the General Conditions Allowance, and the Overhead Profit & Bond Allowance. If the project is already complete, enter "0%".
1.400 000	<b>Contingencies (insert percentage or "0")</b> Contingencies are provided for projects when the work in this form is represented in schematic drawings rather than DSA approved plans. Typically, this only applies to Cost Benefit Analysis completed for <b>Modernization for 75 or Older Facilities</b> replacement applications or requests for Conceptual Approval. <b>Note:</b> Sierra West Current Construction Cost publication provides an allowance of "0%" when funding is based on work with full DSA approved plans.	0.00%	\$ -	The multiplier is the percentage based on the Construction Classification and the Stage of Design outlined in the chart in the Current Construction Remodeling Costs Publication, in Section 1.4000 000. That percentage is then applied to the sum of the OPSC Allowance subtotal plus the allowance for General Conditions, Overhead Profit & Bond, and Escalation. Note: Applications with funding based on plans with final DSA approval are ineligible for contingencies.
Part II- Construction Subtotal			\$ -	Sum of Part I and Part II.

PART III- Design Costs & Fees

Design Costs	Multiplier	Allowance	Calculation Detail
<b>Project Inspection Allowance</b>	1.00%	-	Allowance provided for the services of a DSA certified inspector for the duration of the project. The allowance provided is 1.00%, based on Construction Subtotal. Only allowed if project required DSA approval.
<b>Construction Testing Allowance</b>	1.00%	-	For rehabilitation projects that require specialized testing and inspection of materials during construction such as soil tests, foundation tests, exploratory borings, and similar testing prior to construction, enter 1%. The District must submit written verification of the specialized testing required for the scope of work. For all other projects, enter 0%. The allowance is the applicable percentage multiplied by the Construction Subtotal.
<b>Design Specialist Cost Allowance</b> *See Sliding Scale, below.	Sliding Scale	-	Based on Construction Subtotal, using the Design Cost Allowance chart below.
<b>CDE Plan Review Fee</b>	0.07%	-	Allowance is for the proportionate amount of fees charged by the California Department of Education, as required by law, for the hardship portion of the project. The allowance provided will be CDE's fee calculation applied to the Construction Subtotal.
<b>DSA Plan Review Fee</b>	DSA Project Fee Calculator	-	Allowance is for the proportionate amount of fees charged by the DSA, as required by law, for the hardship portion of the project. Based on the product of the Construction Subtotal applied to the DSA Project Fee Calculator: <a href="https://www.apps2.dgs.ca.gov/dsa/tracker/FeeCalculator.aspx">https://www.apps2.dgs.ca.gov/dsa/tracker/FeeCalculator.aspx</a> .
Part III- OPSC Approved Total Project Cost:			- Sum of Part II and Part III

ATTACHMENT A5d

STATE OF CALIFORNIA  
75 YEARS OR OLDER BUILDING COST ESTIMATE AND COST/BENEFIT ANALYSIS (CBA)  
SCHOOL FACILITY PROGRAM  
SAB 57-75 (XX/25)

STATE ALLOCATION BOARD  
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

School District:	Application Number:
School Name:	DSA Number:
County:	

For Reference:

Design Specialist Cost Allowance Sliding Scale	Multiplier	Allowance
Construction Subtotal (from above):		\$ -
First \$500,000	12.00%	\$ -
next \$500,000	11.50%	\$ -
next \$1 million	11.00%	\$ -
next \$4 million	10.00%	\$ -
next \$4 million	9.00%	\$ -
Beyond	8.00%	\$ -
Design Cost Allowance:		\$ -

PART IV- Cost Benefit Analysis Calculation

Existing Building Determination of Qualification			
Square Footage of Qualifying 75 Year Old Building		Current Replacement Cost Per SQFT as of 1/2025	Total Current Replacement Cost
Permanent Toilet	0.00	\$ 932.00	\$ -
Permanent Other	0.00	\$ 517.00	\$ -
Portable Toilet	0.00	\$ 302.00	\$ -
Portable Other	0.00	\$ 118.00	\$ -
Total	0.00		\$ -

Total Project Cost to Modernize the Building (from Part III)	\$ -
Comparison of Cost to Modernize verses Cost to Current Replacement Cost (Divide Total Current Replacement Cost by Total Project Cost to Modernize)	#DIV/0!
Percentage above Exceeds 50% - If 'Yes', Building qualifies	\$ -

\*If the cost to repair the building is above 50 percent of the Current Replacement Cost then the building qualifies for Replacement funding. If the cost of repair is below 50 percent, it does not qualify for 75 Year Old replacement grant funding.



ATTACHMENT A5d

STATE OF CALIFORNIA  
75 YEARS OR OLDER BUILDING COST ESTIMATE AND COST/BENEFIT ANALYSIS (CBA)  
SCHOOL FACILITY PROGRAM  
SAB 57-75 (XX/25)

STATE ALLOCATION BOARD  
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

School District:	Application Number:
School Name:	DSA Number:
County:	

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

- I am designated as an authorized district representative by the governing board of the district; and,
- under penalty of perjury, under the laws of the State of California, the foregoing statements 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 Office of Public School Construction. No variations of this form may be used.

Name of District Representative (Print):	Phone Number:
Signature of District Representative:	Date:

## ATTACHMENT A12

### OFFICE OF PUBLIC SCHOOL CONSTRUCTION STAKEHOLDER MEETING May 8, 2025

#### PROPOSED AMENDMENTS TO THE SCHOOL FACILITY PROGRAM FOR A CAREER TECHNICAL EDUCATION FACILITIES MODERNIZATION SUPPLEMENTAL GRANT

##### PURPOSE

To continue to discuss and receive stakeholder feedback resulting from the Kindergarten through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 (Proposition 2), which was approved by a majority of California's voters on November 5, 2024, to implement the Modernization supplemental grant for Career Technical Education (CTE) Facilities. This item proposes the addition of School Facility Program (SFP) Regulation Section 1859.78.10 to implement the supplemental grant for CTE Facilities as an increase not to exceed five percent of the state share of the Modernization base grant.

##### AUTHORITY

See Attachment A12a.

##### DESCRIPTION

This report continues discussion of the new Modernization supplemental grant for CTE Facilities presented to stakeholders on March 13, 2025. This report addresses comments OPSC staff received from one school district and one interested party and includes proposed regulatory additions.

There are two additional attachments to this report:

1. Attachment A12b is the proposed SFP Regulation Section 1859.78.10.
2. Attachment A12c is the proposed amendments to the Form SAB 50-04

##### BACKGROUND

###### *Stakeholder Feedback*

On March 13, 2025, OPSC presented two options to provide an increase of up to five percent of the state share of the Modernization base grant for the new Modernization supplemental grant for CTE Facilities.

The full text of the stakeholder meeting item may be found here: [March 13, 2025 OPSC Proposition 2 Stakeholder Meeting #5 - Item](#)

## BACKGROUND (cont.)

The recording of the March 13, 2025 Stakeholder Meeting is available here: [March 13, 2025 OPSC Proposition 2 Stakeholder Meeting #5 - Recording](#)

Attachment D includes the full text of stakeholder feedback received from the March 13, 2025 meeting.

## STAFF ANALYSIS/DISCUSSION

### **Summary of Stakeholder Feedback**

Staff would like to thank stakeholders who were able to view, attend, or participate in this meeting and those who provided valuable feedback either at the meeting or through written correspondence to OPSC.

Below is a summary of the stakeholder feedback and OPSC's responses as a result of the meeting held on March 13, 2025:

<b>Stakeholder Feedback</b>	<b>OPSC response</b>
<b>1.</b> If an applicant applies for this Modernization supplemental grant for CTE Facilities, does the applicant need to submit a new Grant Application to the California Department of Education (CDE) to review, or can the applicant use the same plan score from CDE?	<b>1.</b> If an applicant participates in the upcoming CTE Facilities Program (CTEFP) funding cycle and ultimately does not receive funding through OPSC, the applicant can use the same plan score to apply for the five percent supplemental grant, as long as the plan score was received on or after December 1, 2025, when applications are due to CDE for the first funding cycle under Proposition 2.  However, if the applicant does not apply for the upcoming CTEFP funding cycle, the applicant will need to submit a Grant Application to CDE to review. These Grant applications will be reviewed on a flow basis for the Modernization supplement grant for CTE Facilities. Please note, CDE intends to simplify the application and review process for plan scores for this supplemental grant, which is not competitively based.
<b>2.</b> Adopting Option 1 is recommended because typical cost estimates for CTE upgrades far exceed five percent of the Modernization scope of work they are typically tied to.	<b>2.</b> OPSC acknowledges the recommendation to adopt Option 1 and agrees that Option 1 appears to more accurately account for the increased cost of including CTE components in the project.

STAFF ANALYSIS/DISCUSSION (cont.)

**Summary of Proposed Addition of SFP Regulation Section 1859.78.10.**

Add SFP Regulation Section 1859.78.10, indicating the following:

- Approved Applications for Modernization Grants may request additional grants for the costs associated with the enhancement of CTE opportunities in existing middle and high schools, provided the following are met:
  - The project includes at least one CTE component that conforms to Education Code 17078.74(c).
  - Certification that CTE costs exceed available modernization funding and are necessary to maintain industry standards.
  - The applicant is a local educational agency operating a comprehensive high school, has an active career technical advisory committee, and has met all the requirements in Education Code Section 17078.72(i) and received a minimum plan score of 105 points from CDE on or after July 3, 2024.
- The grant amount shall be the lesser of a five-percent increase to the Modernization Grant or the costs for the CTE component(s) of the qualifying modernization project. Equipment costs are only eligible if the equipment has an average useful life expectancy of at least 10 years.
- Approved Applications received on or after October 31, 2024 for Modernization Grants may request the additional grant if a CTE component that conforms to Education Code Section 17078.74(c) is included, with submission requirements depending on whether changes to the Division of the State Architect (DSA)-approved plans are necessary.
- An applicant is not eligible to receive the additional grant for any CTE component(s) funded as part of a CTE Facility Program project received on or after October 31, 2024, unless the components included in the application are distinct from, and not previously funded as part of the CTE Facility Program project.
- If multiple Approved Applications for Modernization Grants are submitted, using the same DSA-approved plans, only one application may receive the additional grant.

Attachment A12b includes the proposed addition of SFP Regulation Section 1859.78.10 for stakeholder consideration.

**Summary of Proposed Amendments to the *Application for Funding* (Form SAB 50-04)**

OPSC presents changes to the Form SAB 50-04, which include adding subsection (f) to Section 6 that includes an editable entry for costs associated with CTE, and a corresponding addition of subsection (f) to Section 6 of the Specific Instructions.

STAFF ANALYSIS/DISCUSSION (cont.)

OPSC proposes additional certification language within Section 24 of the Form SAB 50-04 to clarify the supporting documents that need to be submitted when requesting the additional grant. This certification further specifies that the district will include a copy of the costs associated with the CTE component(s) and will include the plan score of a minimum of 105 points issued by the CDE, dated on or after July 3, 2024.

Attachment A12c includes the proposed updates to the Form SAB 50-04 for stakeholder consideration.

AUTHORITY**Education Code (EC) 17078.74 – Career Technical Education Modernization Supplemental Grant**

- (a) Except as otherwise provided in this section, a modernization grant adjustment provided pursuant to this section is not subject to the requirements of Section 17078.72.
- (b) An applicant school district may include plan design and other project components that promote career technical education to enhance the educational opportunities for pupils in existing middle and high schools, and may seek a modernization grant adjustment for the state's share of the increased costs associated with those components.
- (c) Career technical education components that enable school facilities to provide pupils with the skills and knowledge necessary for high-demand technical careers are eligible for inclusion into a project pursuant to this section, including, but not limited to, all of the following:
  - (1) Modernization of facilities to support career technical education programs.
  - (2) Reconfiguring a structure of any age that will enhance the educational opportunities for pupils in existing middle and high schools in order to provide them with the skills and knowledge necessary for high-demand technical careers.
  - (3) Purchasing equipment with an average useful life expectancy of at least 10 years.
- (d)
  - (1) In order to be eligible for the modernization grant adjustment pursuant to this section, the applicant shall certify that the cost for the project exceeds the amount of funding otherwise available to the applicant under this chapter and that the career technical education components are necessary to maintain industry standards.
  - (2) The applicant shall submit necessary plans and specifications for career technical education components to the State Department of Education for approval, ensuring compliance with eligibility criteria as stipulated, for modernization projects only, in Section 1859.192 of Title 2 of the California Code of Regulations, with the exception of paragraph (2) of subdivision (b) of Section 1859.192 of Title 2 of the California Code of Regulations.
- (e) The board shall provide an applicant for a modernization project with a grant adjustment to provide an increase not to exceed 5 percent of its state grants authorized by Section 17074.10 for the state's share of costs associated with the design, purchase, and installation related to career technical education components as set forth in this section.
- (f) An applicant career technical education program shall meet the criteria developed under subdivision (b) of Section 17078.72 and shall demonstrate all of the following:

AUTHORITY (cont.)

- (1) A clear and comprehensive career technical education plan for each course of study applicable to the instructional space.
- (2) Projections of pupil enrollment.
- (3) Identification of feeder schools, industry partners, and community colleges or institutions of higher education participating in the development, articulation, and review of the educational program.
- (4) Evidence of approval of the plan described in paragraph (1) by the entities listed in paragraph (3) and the State Department of Education, including a determination by the State Department of Education that the application has scored at least 105 points as required under subdivision (c) of Section 1859.192 of Title 2 of the California Code of Regulations.
- (5) The method by which accountability for pupil enrollments and outcomes will be maintained. Outcomes shall include, but are not limited to, certificate completion, successful entry of pupils to employment in the applicable industry, and successful transition to institutions of higher education for work in the applicable industry or other areas of study.
- (6) Evidence of coordination with all feeder schools, middle schools, and high schools within the area to ensure that the project and programs complement career technical education offerings in the area.
- (7) Evidence that upon completion of the project, the local educational agency will meet all of its obligations under Section 51228 relating to career technical education.
- (g) The Office of Public School Construction shall develop regulations, subject to board approval, to implement this section. The regulations shall include procedures for the submission of State Department of Education-approved plans and specifications as a condition for the modernization grant adjustment, in alignment with subdivision (b) of Section 1859.197 of Title 2 of the California Code of Regulations.
- (h) Projects shall be subject to a program accountability expenditure audit, consistent with State Department of Education guidelines, to ensure compliance with the funding regulations. Any repayments due back to the state as a result of these audits shall be subject to the repayment provisions in Section 1859.106.1 of Title 2 of the California Code of Regulations.

## PROPOSED REGULATIONS

Section 1859.78.10 Modernization Additional Grant for Career Technical Education Facilities.

This Section shall apply to Approved Applications received on or after October 31, 2024, for Modernization Grants.

(a) In addition to any other funding authorized by these Regulations, the Board shall provide the grant amount identified in (b) for the costs associated with the design, purchase, and installation of components, and/or modernization or reconfiguration of facilities and structures that promote career technical educational opportunities for pupils in existing middle and high schools if all the following are met:

(1) The project includes at least one career technical education component that conforms to Education Code Section 17078.74(c).

(2) The School District certifies that the cost for the career technical education portion of the project exceeds the amount of funding otherwise available to the School District for the qualifying modernization scope of work, and that the career technical education components are necessary to maintain industry standards.

(3) The School District:

(A) Is a local educational agency operating a comprehensive high school pursuant to Education Code Sections 51224, 51225.3 and 51228.

(B) Has an active career technical advisory committee pursuant to Education Code Section 8070.

(C) The School District's application has met all the requirements in Education Code Section 17078.72(i) and received a plan score from CDE with a minimum score of 105 points on or after July 3, 2024.

(4) The project meets the criteria in Education Code Section 17078.72(b) and Education Code Section 17078.74(f), as verified by CDE.

(b) The grant amount shall be the lesser of (b)(1) or (b)(2):

(1) Five percent of the Modernization Grant.

(2) The costs for the career technical education scope of work, inclusive of equipment, included in an Approved Application for Modernization Grants. The School District must provide an itemized list of equipment and detailed cost estimate for the career technical education scope of work. Costs associated with new construction must be provided in conformance with the Current Construction Costs publication by Sierra West Publishing. Costs associated with reconfiguration or modernization of a school building must conform to the Current Construction Remodeling and Repair Cost publication by Sierra West Publishing, at the F1 total unit cost amounts. Equipment costs are only eligible if the equipment has an average useful life expectancy of at least 10 years.

Approved Applications received on or after October 31, 2024, for Modernization Grants, that are on the OPSC workload list or the Applications Received Beyond Bond Authority List, may request this additional grant, provided there is a career technical education component that conforms to Education Code Section 17078.74(c). If the Approved Application includes career technical education component(s) that do not require changes to the DSA approved plans, the School District must submit the plan score pursuant to 1859.78.10(a)(3)(C). If the Approved Application includes career technical education component(s) that require changes to the DSA approved plans, the School District must withdraw the existing Approved Application and resubmit it with the updated DSA approved plans or the School District shall not be eligible to receive this additional grant for the career technical education component(s).

A School District shall not be eligible to receive this additional grant for any career technical education component(s) on a school site that were funded as part of a Career Technical Education Facility Project received on or after October 31, 2024, unless the components included in the Approved Application are distinct from, and not previously funded as part of the recent Career Technical Education Facility Project.

A School District electing to submit more than one Approved Application for Modernization Grants using the same DSA approved plans may receive this additional grant for only one of the Approved Applications.



Note: Authority cited: Section 17078.74, Education Code.  
Reference: Section 17070.35, Education Code.

**APPLICATION FOR FUNDING  
SCHOOL FACILITY PROGRAM**

SAB 50-04 (REV 05/20)

**GENERAL INFORMATION**

If this application is submitted when there is Insufficient Bond Authority, as defined in Regulation Section 1859.2, the School District must adopt and submit a school board resolution, pursuant to Regulation Section 1859.95.1. For information regarding remaining bond authority, contact the Office of Public School Construction (OPSC) prior to submittal of this application.

If not previously submitted, a district may file an application for modernization funding by use of this form concurrently with a determination of or an adjustment to the district's modernization eligibility. The district must submit a determination of or an adjustment to the district's new construction baseline eligibility upon request, as described in Regulation Sections 1859.51 or 1859.70, as applicable. The Board will only provide new construction funding if this form is submitted prior to the date of occupancy of any classrooms included in the construction contract. If the district has a pending reorganization election that will result in the loss of eligibility for the proposed project, the district must submit an adjustment to the district's new construction baseline eligibility as required in Section 1859.51 upon request. This may be accomplished by completion and submittal of Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 for the current enrollment year. Failure to submit the requested Forms may result in OPSC returning the funding application to the district unprocessed.

For purposes of Education Code Section 17073.25, the California Department of Education (CDE) is permitted to file modernization applications on behalf of the California Schools for the Deaf and Blind.

Requests for funding may be made as follows:

1. A separate apportionment for site acquisition for a new construction project for environmental hardship pursuant to Section 1859.75.1. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
  - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
  - Contingent site approval letter from the CDE.
  - Preliminary appraisal of property.
  - Approval letter from the Department of Toxic Substances Control.
2. A separate apportionment for site acquisition and/or design costs for a new construction project pursuant to Section 1859.81.1. This apportionment is available only to districts that meet the financial hardship criteria in Section 1859.81. Districts may apply for a separate apportionment for the design and for site acquisition on the same project. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
  - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
  - Contingent site approval letter from the CDE (site apportionment only).
  - Preliminary appraisal of property (site apportionment only).
3. A separate apportionment for district-owned site acquisition cost pursuant to Section 1859.81.2. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
  - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
  - Site approval letter from the CDE.
  - Appraisal of district-owned site.
  - Cost benefit analysis as prescribed in Section 1859.74.6 or a copy of the Board finding that the non-school function on the district-owned site must be relocated.
4. A separate apportionment for design cost for a modernization project pursuant to Section 1859.81.1. This apportionment is available only to districts that meet the financial hardship criteria in Section 1859.81. For purposes of this apportionment, the Form SAB 50-03 must accompany this form (if not previously submitted).
5. A New Construction Adjusted Grant pursuant to Section 1859.70 or 1859.180. If the funding request includes site acquisition, the proposed site must either be owned by the district, in escrow, or the 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 (as appropriate):
  - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03.
  - Site/plan approval letter from the CDE.
  - Appraisal of property if requesting site acquisition funds.
  - Plans and specifications (P&S) for the project that were approved by the DSA. Submittal of plans may be on CD-ROM or "Zip Drive" readable in AutoCAD 14. The specifications may be provided on a diskette that is IBM compatible.
  - Cost estimate of proposed site development, if requesting site development funding.
  - If this request is pursuant to Section 1859.77.2 and the district's housing plan is other than those listed in the certification section of this form, a copy of the school board resolution and the approved housing plan.
  - If the site apportionment is requested pursuant to Regulation Section 1859.74.5, a cost benefit analysis as prescribed in Regulation Section 1859.74.6 or a copy of the Board finding that the non-school function on the district-owned site must be relocated.
  - If this request is fully or partially based on eligibility derived from an Alternative Enrollment Projection, a justification of how the project relieves overcrowding, including but not limited to, the elimination of the use of Concept 6 calendars, four track year-round calendars, or bussing in excess of 40 minutes.
  - Written confirmation from the district's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.
6. For purposes of the Overcrowding Relief Grant (ORG), districts must submit the Overcrowding Relief Grant District-Wide Eligibility Determination (Form SAB 50-11) prior to the submittal of this funding application. In addition, districts must have had the CDE deem the site eligible for the ORG (pursuant to Section 1859.181) prior to the submittal of this application. For purposes of this apportionment, the following documents must be submitted with this form as well as the documents listed in section 5 above:
  - Overcrowding Relief Grant Eligibility Determination Form approved by the CDE.
  - Copies of the supporting documentation provided to the CDE when determining the density of the site, including the site diagram.

The district is not required to submit its current CBEDS enrollment data.

7. Modernization Adjusted Grant pursuant to Section 1859.70. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
  - Form SAB 50-03 (if not previously submitted).
  - P&S for the project that were approved by the DSA.
  - If the request includes funding for accessibility and fire code requirement pursuant to Section 1859.83(f), the DSA approved list of the minimum accessibility work required and a detailed cost estimate for the work in the plans.

**APPLICATION FOR FUNDING  
SCHOOL FACILITY PROGRAM**

SAB 50-04 (REV 05/20)

- DSA approval letter for elevator to meet handicapped compliance, if funding is requested.
  - Cost estimate of the proposed site development necessary for the Reconfiguration of an existing high school.
  - Plan approval letter from the CDE.
  - Districtwide enrollment data on Form SAB 50-01 when requesting project assistance (if not previously submitted).
  - If the request includes funding for 50 year old permanent buildings pursuant to Section 1859.78.6, a site diagram identifying all buildings to be modernized in the project. The diagram must specify those buildings that are at least 50 years old.
  - Written confirmation from the district's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.
8. Final Charter School Apportionment for Charter School Facilities Rehabilitation pursuant to Section 1859.167.1. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
- P&S for the project that were approved by DSA.
  - If the request includes funding for accessibility and fire code requirement pursuant to Section 1859.167.3(d), the DSA approved list of the minimum accessibility work required and a detailed cost estimate for the work in the plans.
  - DSA approval letter for elevator to meet handicapped compliance, if funding is requested.
  - High performance incentive (HPI) scorecard from DSA.
  - Plan approval letter from the CDE.
  - Construction cost estimate signed by the architect of record or design professional.
  - Determination of financial soundness from the California School Finance Authority (CSFA).
  - Written confirmation from the applicant's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.
9. If the application includes a request for Financial Hardship, the district must comply with the requirements of Section 1859.81.
- If the application is submitted when there is Insufficient Bond Authority, as defined in Section 1859.2, the district must adopt a school board resolution pursuant to Section 1859.95.1(b).

If the district is requesting New Construction funding after the initial baseline eligibility was approved by the Board and the district's current CBEDS enrollment reporting year is later than the enrollment reporting year used to determine the district's baseline eligibility or adjusted eligibility, the district must complete a new Form SAB 50-01 based on the current year CBEDS enrollment data, and submit it to the OPSC with this form. In addition, if the district's request is fully or partially based on eligibility derived from an Alternative Enrollment Projection, the district must update the Alternative Enrollment Projection to correspond with the CBEDS enrollment data for the current year. A small district with 2,500 or less enrollment as defined in Section 1859.2 will not have its eligibility reduced for a period of three years from the date the district's baseline eligibility was approved by the Board as a result of reduction in projected enrollment.

For a list of the documents that must be submitted in order for the OPSC to deem a funding request for new construction or modernization complete and ready for OPSC

processing, consult the SFP handbook and other information located on the OPSC Web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc).

For purposes of completing this form for a Final Charter School Apportionment, a charter school shall be treated as a school district.

**SPECIFIC INSTRUCTIONS**

The district must assign a Project Tracking Number (PTN) to this project. The same PTN is used by the OPSC, the DSA and the CDE for all project applications submitted to those agencies to track a particular project through the entire state application review process. If the district has already assigned a PTN to this project by prior submittal of the P&S to either the DSA or the 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 the OPSC Web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc) "PT Number Generator."

**1. Type of Application**

Check the appropriate box that indicates the type of School Facility Program (SFP) grant the district is requesting for purposes of new construction, modernization, a separate design and/or site apportionment, site apportionment as an environmental hardship or New Construction (Final Apportionment). If the application is for the modernization of school facilities and includes facilities that are eligible for an additional apportionment pursuant to Section 1859.78.8, include a site diagram with this application that specifies the age of each facility eligible for modernization. The diagram should also indicate the date of its original DSA plan approval and the date the facility received its prior modernization apportionment. If known include the project modernization number on the diagram. If the application is for modernization of a California School for the Deaf or Blind, the CDE shall check the box identified as Modernization of California Schools for the Deaf/Blind. If the request is for a separate design apportionment, the CDE shall check the appropriate box. If the eligibility for this project was established as a result of a health and safety threat pursuant to Section 1859.82.1, or a seismic replacement or seismic rehabilitation for the Most Vulnerable Category 2 Buildings pursuant to Section 1859.82.2, and/or the request is for a conceptual approval for a Facility Hardship application pursuant to Section 1859.82.3(a) or a Seismic Mitigation Program application pursuant to Section 1859.82.3(b), check the appropriate box(es).

If this request is for an addition to an existing site and advance funding for the evaluation and RA costs, check the appropriate box and refer to Section 1859.74.4.

If this request is for an Overcrowding Relief Grant, check the New Construction (Overcrowding Relief Grant) box.

If this request is to convert a Preliminary Apportionment or a Preliminary Charter School Apportionment to a Final Apportionment, check the New Construction Final Apportionment, New Construction Final Charter School Apportionment or the Rehabilitation Final Charter School Apportionment box, as appropriate.

If the district is requesting a separate site and/or design apportionment, complete boxes 2a, 3, 4, the site acquisition data in box 5 (d and e), and boxes 13, 14, 15, 16, and 24 only.

**2. Type of Project**

- a. Select the type of project that best represents this application request and enter the total number of pupils assigned to the project for each grade group. Include pupils to be housed in a new or replacement school authorized by

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Section 1859.82 (a). The amount entered cannot exceed the district's baseline eligibility determined on Form SAB 50-03 and will be the basis for the amount of the new construction or modernization grants provided for the project.

If this request is for a Final Apportionment, the pupils assigned to the project must be at least 75 percent, but not more than 100 percent, of the pupils that received the Preliminary Apportionment. Refer to Section 1859.147.

For ORG projects, the amount entered cannot exceed the Overcrowding Relief Pupil Eligibility (pursuant to Section 1859.182 and 1859.183) as reflected in the total number of eligible pupils determined by the Form SAB 50-11 or the CDE Overcrowding Relief Grant Eligibility Determination form.

For Charter School Facilities Program Rehabilitation, leave the number of pupils blank.

- b. Check the box if the project is eligible for funding for 50 year or older permanent buildings and report, at the option of the district:
  - The total number of eligible classrooms or the total eligible square footage building area at the site. Refer to Section 1859.78.6(b)(1)(A) or (b)(2)(A).
  - The total number of permanent classrooms or the total permanent square footage building area that is at least 50 years old and not been previously modernized with state funds. Refer to Section 1859.78.6(b)(1)(B) or (b)(2)(B).
  - Enter the greater percentage as calculated under Regulation Section 1859.78.6(b)(1)(C) or Regulation Section 1859.78.6(b)(2)(C).
  - If this project includes eligible 50 year or older pupil grants, enter the appropriate number assigned to the project for each grade group. The number of pupils entered cannot exceed the cumulative number of 50 year or older permanent buildings pupil grants requested for all modernization funding applications for the site as determined by using the percentage factor above.
- c. If this request includes pupil grants generated by an Alternative Enrollment Projection Method, enter the number of pupils by grade level.
- d. Indicate if this request is for funding of a 6–8 school and/or an Alternative Education School.
- e. Check the applicable box if the district is requesting additional pupil grants assigned to the project that exceed the capacity of the project or if the pupils assigned represent eligibility determined at another grade level and check the appropriate box to indicate under which regulation the district is applying. The pupil capacity of the project may be determined by multiplying the classrooms reported in box 3 by 25 for K–6; 27 for 7–8, 9–12 grades; 13 for non-severe and 9 for severe.
- f. Enter the square footage of the non-toilet area and toilet area contained in the Charter School Facilities Program Rehabilitation project.
- g. Indicate the site scenario that best represents the project request.
- h. For ORG projects, the district must provide the following information in the space provided:
  - Name of the eligible school site(s) where portables will be replaced in this project
  - Number of portables being replaced at each school site
  - Number of site specific eligible pupils being requested for this project for each school site. The total number of site specific eligible pupils assigned to this project must equal the total number of pupils in Section 2a.

**3. Number of Classrooms**

Enter the:

- Number of classrooms as shown on the plans and specifications (P&S). If there was demolition at the site, report the net increase in the number of classrooms showing in the P&S.
- Master plan site size, as recommended by the California Department of Education.
- Recommended site size, as determined by the California Department of Education.
- Existing Useable Acres already owned at that location (if any).
- Proposed Useable Acres that was/will be purchased as part of the application (if any).

**4. Financial Hardship Request**

Check the appropriate box(es) if the district is requesting financial hardship assistance because it is unable to meet its matching share requirement.

- If the application includes a request for Financial Hardship, the district must comply with the requirements of Section 1859.81.
- If there is Insufficient Bond Authority for the type of application, check the second box and attach a school board resolution pursuant to Section 1859.95.1(b).

**5. New Construction Additional Grant Request**

Check the appropriate box(es) if the district requests an augmentation to the new construction grant for "additional" grants for the items listed. Refer to Sections 1859.72 through 1859.76 for eligibility criteria. Enter the:

- a. Therapy area in square feet as provided in Section 1859.72.
- b. Multilevel classrooms in the P&S pursuant to Section 1859.73.
- c. Check the box if the district is requesting project assistance pursuant to Section 1859.73.1. If the district has not submitted a request for new construction baseline eligibility on a district-wide basis, it must submit a current Form SAB 50-01 based on district-wide enrollment data with this form.
- d. If the project the district is requesting SFP funding for does not require an RA, refer to Section 1859.74. If a RA is required on a site that is not leased or an addition to an existing site, refer to Section 1859.74.2. If RAs are required on a leased site or an addition to an existing site, refer to Sections 1859.74.3 or 1859.74.4, respectively. The limitation of 50 percent may be exceeded when unforeseen circumstances exist, the CDE determines that the site is the best available site, and substantiation that the costs are the minimum required to complete the evaluation and RA.
  - 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 1859.74.5, enter 50 percent of the appraised value.
  - 3) Enter 50 percent of the allowable relocation cost.
  - 4) Enter two percent of the lesser of the actual cost or appraised value of the site (minimum \$25,000).
  - 5) Enter 50 percent of 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 1859.74, 1859.74.1, 1859.74.5, 1859.75, 1859.75.1 and 1859.81.1.

A project that received site acquisition funds under the Lease-Purchase Program (LPP) as a priority two project is not eligible for site acquisition funds under the SFP. A district-owned site acquired with LPP, SFP or Proposition 1A funds is not eligible for funding under Regulation Section 1859.74.5.

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- e. Enter 50 percent of the amount allowable for hazardous materials/waste removal and/or remediation for the site acquired pursuant to Sections 1859.74.2, 1859.74.3, 1859.74.4, 1859.75.1 or 1859.81.1. If an RA is required, check the box.
- f. Enter 50 percent of eligible service-site development, off-site development including pedestrian safety paths and utilities costs allowed pursuant to Section 1859.76. Attach cost estimates of the proposed site development work which shall be supported and justified in the P&S. All cost estimates shall reflect 100 percent of the proposed work.

Check the box if the district is requesting an Additional Grant for General Site Development pursuant to Section 1859.76

- g. If the district is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.71.3, enter the percentage of energy efficiency that exceeds Title 24 requirements as prescribed in Section 1859.71.3(a)(3).
- h. Check the box(es) if the district requests and the project qualifies for additional funding for fire code requirements authorized in Section 1859.71.2.
- i. If the district is requesting an Additional Grant for High Performance Incentive pursuant to Section 1859.70.4, enter the number of high performance points as prescribed in Section 1859.71.6 or 1859.77.4, as appropriate, subject to Education Code Section 17070.965.

**6. Modernization Additional Grant Request**

- a. Check the box if the district is requesting project assistance allowance pursuant to Section 1859.78.2. If the district has not submitted a request for new construction baseline eligibility on a district-wide basis, it must submit a current Form SAB 50-01 based on district-wide enrollment data with this form.
- b. If the district is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.78.5, enter the percentage of energy efficiency that exceeds Title 24 requirements as prescribed in Section 1859.78.5(a)(3).
- c. Check the box if the district requests an additional grant for site development utility cost necessary for the modernization of 50 years or older permanent building(s). Enter 60 percent of the eligible costs allowable pursuant to Section 1859.78.7(a).
- d. Check the box(es) if the district requests and the project qualifies for additional funding for fire code requirements authorized in Section 1859.78.4.
- e. If the district is requesting an Additional Grant for High Performance Incentive pursuant to Section 1859.70.4, enter the number of high performance points as prescribed in Section 1859.77.4, subject to Education Code Section 17070.965.
- f. If the district is requesting an Additional Grant for Career Technical Education (CTE) Facilities pursuant to Section 1859.78.10, enter the costs for the eligible CTE component(s) of the entire modernization application.

**7. Excessive Cost Hardship Request**

Check the appropriate box to request an augmentation to the New Construction or Modernization Grants for an excessive cost hardship for the items listed. Refer to Section 1859.83 for eligibility criteria. Requests for excessive cost grants for accessibility requirements are allowed only if required by the Division of the State Architect (DSA). At the district's option, the district may request three percent of the modernization base grant or enter the amount calculated pursuant to Regulation Section 1859.83(f). Attach a copy of the DSA approved list that shows the minimum work necessary for accessibility requirements.

If the request is for the excessive cost grant for a new Alternative Education school pursuant to Section 1859.83(c)(2) and the district wishes to request less than the maximum allowance, please submit a letter along with application indicating the desired amount.

**8. Charter School Facilities Program Rehabilitation – Additional Grant and Excessive Cost Hardship Request****Additional Grant Request**

- a. If the applicant is requesting an Additional Grant for High Performance Incentive pursuant to Section 1859.77.4, enter the number of high performance points as prescribed in Section 1859.77.4.

**Excessive Cost Hardship Request**

Check the appropriate box to request an augmentation to the Charter School Facilities Program Rehabilitation grants for an excessive cost hardship for the items listed. Refer to Section 1859.167.4 for eligibility criteria.

- b. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant due to Geographic Location pursuant to Section 1859.167.3(a).
- c. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant for a small size project pursuant to Section 1859.167.3(b).
- d. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant due to Urban Location, Security Requirements, and Impacted Site pursuant to Section 1859.167.3(c).
- e. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant due to accessibility and fire code requirements pursuant to Section 1859.167.3(d). Requests for excessive cost grants for accessibility requirements are allowed only if required by the Division of the State Architect (DSA). At the applicant's option, the applicant may request three percent of the Charter School Facilities Program Rehabilitation Grant or enter 50 percent of the amount calculated pursuant to Regulation Section 1859.167.3(d)(2). Attach a copy of the DSA approved list that shows the minimum work necessary for accessibility requirements.

**9. Project Priority Funding Order**

Enter the priority order of this project in relation to other new construction applications submitted by the district on the same date. If applications are not received on the same date, the OPSC will assign a higher district priority to the application received first. Check the box(es) if the project meets the criteria outlined in Section 1859.92(c)(3),(4) and (6), as appropriate. This information is needed for purposes of priority points.

**10. Prior Approval Under the LPP**

If the project the district is requesting SFP grants for received a Phase P, S, or C approval under the LPP, report the application number of that project, regardless if the project actually received funding or was included on an "unfunded" list. Failure to report this information may delay the processing of the application by the OPSC.

**11. Prior Apportionment Under the SFP**

If the project received a separate apportionment under the SFP for either site and/or design, or site environmental hardship, enter the application number of the project. Failure to report this information may delay the processing of the application by the OPSC.

**12. Preliminary Apportionment to a Final Apportionment**

If this request is to convert a Preliminary Apportionment to a Final Apportionment, enter the application number of the Preliminary Apportionment. Failure to report this information may delay the processing of the application by the OPSC.



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**13. Alternative Developer Fee**

The district must report certain alternative fees collected pursuant to Government Code Section 65995.7, as of the date of application submittal to the OPSC. Refer to Section 1859.77 for details. Districts are advised that the OPSC may perform an audit of the developer fees collected prior to application approval by the Board.

**14. Adjustment to New Construction Baseline Eligibility**

Pursuant to Section 1859.51 certain adjustments to the district's new construction baseline eligibility must be made each time a district submits Form SAB 50-04, to the OPSC for SFP new construction or modernization grants. These adjustments are made by the OPSC based on information reported by the district on this form.

- a. Report all classroom(s) provided after the district submitted its request for determination of its new construction baseline eligibility for the grades shown, or indicate N/A if there are none. Refer to Section 1859.51(i).

In the additional classroom column, indicate the number of additional net classrooms provided if not previously reported.

In the replacement classroom column, indicate the number of classrooms that were included in the determination of the district's new construction eligibility pursuant to Education Code Section 17071.75 but replaced in a locally funded project.

Enter the date the initial construction contract was signed for additional or replacement classrooms.

**15. Pending Reorganization Election**

Complete only for new construction projects. Indicate if there is a pending reorganization election that will result in a loss of eligibility for this project. If the answer is "yes", the district must complete Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03, to adjust the district's new construction baseline eligibility as a result of the reorganization and submit them with this form.

**16. Joint-Use Facility/Leased Property**

Check the box if:

- The facilities to be constructed/modernized as part of this project will be for joint use by other governmental agencies.
- The new construction or modernization grants will be used for facilities located or to be located on leased property.

**17. Project Progress Dates**

- 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.)
- Enter the issue date(s) for the Notice to Proceed for the construction phase of the project, or enter N/A if a Notice to Proceed has not been issued.
- If a construction contract was awarded prior to January 1, 2012, check the appropriate box to indicate whether or not the district has initiated and enforced a Labor Compliance Program (LCP) approved by the Department of Industrial Relations (DIR) pursuant to Labor Code Section 1771.7 for this project.

**18. Prevailing Wage Monitoring and Enforcement Costs**

If the construction contract(s) for this project was awarded on January 1, 2012 through June 19, 2014, check the appropriate box to indicate which of the following methods was or is being used to meet the requirement for prevailing wage

monitoring and enforcement pursuant to Labor Code Section 1771.3 in effect on January 1, 2012 through June 19, 2014:

- DIR Public Works administration and enforcement
- A DIR-approved internal LCP
- A collective bargaining agreement that meets the criteria set forth in Labor Code Section 1771.3(b)(3) in effect on January 1, 2012 through June 19, 2014.

**19. Construction Delivery Method**

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

**20. Career Technical Education Funds Request**

Indicate if Career Technical Education (CTE) funds will be requested for classroom(s) included in the plans and specifications for this project pursuant to Section 1859.193. If "Yes", enter the number of CTE classroom(s) shown on the P&S.

**21. Overcrowding Relief Grant Narrative**

The district must either provide an explanation in the space provided or attach a letter signed by the district representative detailing how this project will relieve overcrowding.

**22. Architect of Record or Licensed Architect Certification**

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

**23. Architect of Record or Design Professional Certification**

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

**24. Certification**

The district representative must complete this section. For additional information regarding district certifications, refer to the SFP handbook located on the OPSC web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc).



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**3. Number of Classrooms:**

Master Plan Acreage Site Size (Useable): \_\_\_\_\_

Recommended Site Size (Useable): \_\_\_\_\_

Existing Acres (Useable): \_\_\_\_\_

Proposed Acres (Useable): \_\_\_\_\_

**4. Type of Financial Hardship Request**

- ☐ Submittal pending OPSC approval pursuant to Section 1859.81(h)
- ☐ Submittal with school board resolution, pursuant to Section 1859.95.1  
(Insufficient Bond Authority)

**5. New Construction Additional Grant Request—New Construction Only**

- a. Therapy: Toilets (sq. ft.) \_\_\_\_\_  
Other (sq. ft.) \_\_\_\_\_
- b. Multilevel Construction (CRS): \_\_\_\_\_
- c. ☐ Project Assistance
- d. Site Acquisition:
- (1) 50 percent Actual Cost: \$ \_\_\_\_\_
- (2) 50 percent Appraised Value: \$ \_\_\_\_\_
- (3) 50 percent Relocation Cost: \$ \_\_\_\_\_
- (4) 2 percent (min. \$25,000): \$ \_\_\_\_\_
- (5) 50 percent DTSC Fee: \$ \_\_\_\_\_
- e. 50 percent hazardous waste removal: \$ \_\_\_\_\_
- ☐ Response Action (RA)
- f. Site Development
- ☐ 50 percent Service-Site: \$ \_\_\_\_\_
- ☐ 50 percent Off-Site: \$ \_\_\_\_\_
- ☐ 50 percent Utilities: \$ \_\_\_\_\_
- ☐ General Site
- g. ☐ Energy Efficiency: \_\_\_\_\_ %
- h. ☐ Automatic Fire Detection/Alarm System
- ☐ Automatic Sprinkler System
- i. ☐ High Performance Incentive (Indicate Points): \_\_\_\_\_

**6. Modernization Additional Grant Request**

- a. ☐ Project Assistance
- b. ☐ Energy Efficiency: \_\_\_\_\_ %
- c. ☐ Site Development—60 percent utilities: \$ \_\_\_\_\_
- d. ☐ Automatic Fire Detection/Alarm System
- e. ☐ High Performance Incentive (Indicate Points): \_\_\_\_\_
- f. ☐ Career Technical Education Facilities: \$ \_\_\_\_\_

**7. Excessive Cost Hardship Request****New Construction Only**

- ☐ Geographic Percent Factor: \_\_\_\_\_ %
- ☐ New School Project [Section 1859.83(c)(1)]
- ☐ New School Project [Section 1859.83(c)(2)]
- ☐ Small Size Project
- ☐ Urban/Security/Impacted Site;
- If a new site, \$ \_\_\_\_\_ per Useable Acre [Section 1859.83(d)(2)(C)]

**Modernization Only**

- ☐ Geographic Percent Factor: \_\_\_\_\_ %
- ☐ Small Size Project
- ☐ Urban/Security/Impacted site
- ☐ Accessibility/Fire Code
- ☐ 3 percent of base grant; or,
- ☐ 60 percent of minimum work \$ \_\_\_\_\_
- ☐ Number of 2-Stop Elevators: \_\_\_\_\_
- ☐ Number of Additional Stops: \_\_\_\_\_

**8. Charter School Facilities Program Rehabilitation Additional Grant and Excessive Cost Hardship Request****Additional Grant Request**

- a. ☐ High Performance Incentive (Indicate Points): \_\_\_\_\_

**Excessive Cost Hardship Request**

- b. ☐ Geographic Percent Factor: \_\_\_\_\_ %
- c. ☐ Small Size Project
- d. ☐ Urban/Security/Impacted site
- e. ☐ Accessibility/Fire Code
- ☐ 3 percent of base grant; or,
- ☐ 50 percent of minimum work \$ \_\_\_\_\_
- ☐ Number of 2-Stop Elevators: \_\_\_\_\_
- ☐ Number of Additional Stops: \_\_\_\_\_

**9. Project Priority Funding Order—New Construction Only**

Priority order of this application in relation to other new construction applications submitted by the district at the same time: # \_\_\_\_\_

Project meets:

- ☐ Density requirement pursuant to Section 1859.92(c)(3).
- ☐ Stock plans requirement pursuant to Section 1859.92(c)(4).
- ☐ Energy efficiency requirement pursuant to Section 1859.92(c)(6).

**10. Prior Approval Under the LPP**

New Construction: 22/ \_\_\_\_\_

Modernization: 77/ \_\_\_\_\_

**11. Prior Apportionment Under the SFP**

Site/Design—New Construction: 50/ \_\_\_\_\_

Design—Modernization: 57/ \_\_\_\_\_

**12. Preliminary Apportionment to Final Apportionment**

Preliminary Apportionment Application Number: # \_\_\_\_\_

**13. Alternative Developer Fee—New Construction Only**

Alternative developer fee collected and reportable pursuant to Regulation Section 1859.77: \$ \_\_\_\_\_



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**14. Adjustment to New Construction Baseline Eligibility**

## a. Classroom(s) provided:

Additional	Replacement
K-6: _____	K-6 _____
7-8: _____	7-8 _____
9-12: _____	9-12 _____
Non-Severe: _____	Non-Severe _____
Severe: _____	Severe _____

Construction Contract(s) for the project signed on: \_\_\_\_\_

**15. Pending Reorganization Election—New Construction Only** ☐ Yes ☐ No**16. Joint-Use Facility/Leased Property**

- a. ☐ Joint-Use Facility
- b. ☐ Leased Property

**17. Project Progress Dates**

- a. 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.)
- b. Notice(s) to Proceed issued on: \_\_\_\_\_
- c. If the Construction Contract(s) was awarded prior to January 1, 2012, have you initiated and enforced an LCP approved by the DIR pursuant to Labor Code Section 1771.7 for this project? ☐ Yes ☐ No

**18. Prevailing Wage Monitoring and Enforcement Costs**

If the Construction Contract(s) was awarded on January 1, 2012 through June 19, 2014, please indicate which monitoring requirement was or is being used, pursuant to Labor Code Section 1771.3 in effect on January 1, 2012 through June 19, 2014:

- ☐ DIR Public Works administration and enforcement
- ☐ DIR approved District LCP
- ☐ Collective bargaining agreement, pursuant to Labor Code Section 1771.3(b)(3) in effect on January 1, 2012 through June 19, 2014

**19. Construction Delivery Method**

- ☐ Design-Bid-Build
- ☐ Design-Build
- ☐ Developer Built
- ☐ Lease Lease-Back
- ☐ Energy Performance Contract
- ☐ This project includes or will include piggyback contract(s) as defined in Section 1859.2
- ☐ Other: \_\_\_\_\_

**20. Career Technical Education Funds Request**

Will CTE Funds be requested for classroom(s) included in the plans and specifications for this project? ☐ Yes ☐ No

Number of CTE classroom(s): \_\_\_\_\_

**21. Overcrowding Relief Grant Narrative**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**22. Architect of Record or Licensed Architect Certification**

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

- The P&S for this project were submitted to the OPSC by electronic medium (i.e., CD-ROM, zip disk or diskette) or as an alternative, if the request is for a modernization Grant, the P&S were submitted in hard copy to the OPSC.
- Any portion of the P&S requiring review and approval by the Division of the State Architect (DSA) were approved by the DSA on \_\_\_\_\_ (enter DSA approval date).
- Any portion of the P&S not requiring review and approval by the DSA meets the requirements of the California Code of Regulations, Title 24, including any hand-capped access and fire code requirements.
- If the request is for a Modernization or Charter School Facilities Program Rehabilitation Grant, the P&S include the demolition of more classrooms than those to be constructed in the project, the difference is \_\_\_\_\_ classroom(s). (Indicate N/A if there are none.)
- If the request is for a Modernization or Charter School Facilities Program Rehabilitation Grant, the P&S include the construction of more classrooms than those to be demolished in the project, the difference is \_\_\_\_\_ classroom(s). (Indicate N/A if there are none.)

ARCHITECT OF RECORD OR LICENSED ARCHITECT (PRINT NAME)

SIGNATURE

DATE

**23. 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 New Construction Grant, not including the ORG, 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 district's matching share, less site acquisition costs and the High Performance Base Incentive Grant. This cost estimate does not include site acquisition, planning, tests, inspection, or furniture and equipment and is available at the district for review by the OPSC.
- If the request is for a Modernization or Charter School Facilities Program Rehabilitation Grant, 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 district's matching share, less the High Performance Base Incentive Grant. This cost estimate does not include planning, tests, inspection or furniture and equipment and is available at the district for review by the OPSC.

ARCHITECT OF RECORD OR DESIGN PROFESSIONAL (PRINT NAME)

SIGNATURE

DATE

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**24. Certification**

I certify, as the District Representative, that the information reported on this form, with the exception of items 22 and 23, is true and correct and that:

- I am an authorized representative of the district as authorized by the governing board of the district; and,
- A resolution or other appropriate documentation supporting this application under Chapter 12.5, Part 10, Division 1, commencing with Section 17070.10, 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 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 Education Code Section 17070.75 and 17070.77 (refer to Sections 1859.100 through 1859.102); and,
- The district has considered the feasibility of the joint use of land and facilities with other governmental agencies in order to minimize school facility costs; and,
- If this funding request is for the modernization of portable classrooms eligible for an additional apportionment pursuant to Education Code Section 17073.15, the district certifies that (check the applicable box below):
  - ☐ 1. The state modernization funds will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,
  - ☐ 2. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional apportionment is better use of public resources than the replacement of these facilities.
- Facilities to be rehabilitated under the Charter School Facilities Program previously funded with School Facility Program State funds meet the requirements of Section 1859.163.6; and,
- All contracts entered on or after November 4, 1998 for the service of any architect structural engineer or other design professional for any work under the project have been obtained pursuant to a competitive process that is consistent with the requirements of Chapter 10 (commencing with Section 4525) of Division 5, of Title 1, of the Government Code; and,
- If this request is for new construction funding, the district has received approval of the site and the plans from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- If this request is for modernization or Charter School Facilities Program Rehabilitation funding, the district has received approval of the plans for the project from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- The district has or will comply with the Public Contract Code regarding all laws governing the use of force account labor; and,
- This district has or will comply with Education Code Section 17076.11 regarding at least a 3 percent expenditure goal for disabled veteran business enterprises; and,
- The district matching funds required pursuant to Sections 1859.77.1 or 1859.79 has either been expended by the district, deposited in the County School Facility Fund or will be expended by the district prior to the notice of completion for the project; and,
- The district has received the necessary approval of the plans and specifications from the Division of the State Architect unless the request is for a separate site and/or design apportionment; and,
- If the district is requesting site acquisition funds as part of this application, the district has complied with Sections 1859.74 through 1859.75.1 as appropriate; and,
- With the exception of an apportionment made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing the pupil capacity or renovation of its facilities within 18 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105); and,
- If the apportionment for this project was made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing the pupil capacity or renovation of its facilities within 12 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105.1); and,
- The district understands that funds not released within 18 months of apportionment shall be rescinded and the application shall be denied (refer to Section 1859.90); and,
- The statements set forth in this application and supporting documents are true and correct to the best of my knowledge and belief; and,
- All school facilities purchased or newly constructed under the project for use by pupils who are individuals with exceptional needs, as defined in Education Code Section 56026, shall be designed and located on the school site so as to maximize interaction between those individuals with exceptional needs and other pupils as appropriate to the needs of both; and,
- This form is an exact duplicate (verbatim) of the form provided by the OPSC. In the event a conflict should exist, the language in the OPSC form will prevail; and,
- The 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 1859.105, 1859.105.1, 1859.106; and,
- The district has complied with the provisions of Sections 1859.76 and 1859.79.2 and that the portion of the project funded by the State does not contain work specifically prohibited in those Sections; and,
- If the SFP grants will be used for the construction or modernization of school facilities on leased land, the district has entered into a lease agreement for the leased property that meets the requirements of Section 1859.22; and,
- If the application contains a "Use of New Construction Grant" request, the district has adopted a school board resolution and housing plan at a public hearing at a regularly scheduled meeting of the governing board on \_\_\_\_\_
- as specified in Sections 1859.77.2, or 1859.77.3, as appropriate. The district's approved housing plan is as indicated (check all that apply):
  - ☐ 1. The district will construct or acquire facilities for housing the pupils with funding not otherwise available to the SFP as a district match within five years of project approval by the SAB and the district must identify the source of the funds. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
  - ☐ 2. The district will utilize higher district loading standards providing the loading standards are within the approved district's teacher contract and do not exceed 33:1 per classroom. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
  - ☐ 3. The pupils requested from a different grade level will be housed in classrooms at an existing school in the district which will have its grade level changed, to the grade level requested, at the completion of the proposed SFP project. [Applicable for Sections 1859.77.2(b) and 1859.77.3(b)]

**APPLICATION FOR FUNDING  
SCHOOL FACILITY PROGRAM**

SAB 50-04 (REV 05/20)

- If the district requested additional funding for fire code requirements pursuant to Sections 1859.71.2 or 1859.78.4, the district will include the automatic fire detection/alarm system and/or automatic sprinkler system in the project prior to completion of the project; and,
  - The district has consulted with the career technical advisory committee established pursuant to Education Code Section 8070 and the need for vocational and career technical facilities is being adequately met in accordance with Education Code Sections 51224, 51225.3(b), and 51228(b), and 52336.1; and,
  - If the district is requesting an Additional Grant for Energy Efficiency pursuant to Sections 1859.71.3 or 1859.78.5, the increased costs for the energy efficiency components in the project exceeds the amount of funding otherwise available to the district; and,
  - If this application is submitted after January 1, 2004 for modernization funding, the district has considered the potential for the presence of lead-containing materials in the modernization project and will follow all relevant federal, state, and local standards for the management of any identified lead; and,
  - The district has initiated and enforced an LCP that has been approved by the DIR, pursuant to Labor Code Section 1771.7, if the project is funded from Propositions 47 or 55 and the Notice to Proceed for the construction phase of the project is issued on or after April 1, 2003 and before January 1, 2012; and,
  - The district has contracted with the DIR for prevailing wage monitoring and enforcement pursuant to Labor Code Section 1771.3(a) in effect on January 1, 2012 through June 19, 2014, if the construction contract was awarded on January 1, 2012 through June 19, 2014 and the district has not obtained a waiver for the requirement, pursuant to Labor Code Section 1771.3(b) in effect on January 1, 2012 through June 19, 2014. The district understands that if it fails to meet this requirement, it will be required to repay all state bond funds received including interest; and,
  - Beginning with the 2005/2006 fiscal year, the district has complied with Education Code Section 17070.75(e) by establishing a facilities inspection system to ensure that each of its schools is maintained in good repair; and,
  - If this application is submitted pursuant to Section 1859.180, the district certifies that within six months of occupancy of the permanent classrooms, it will remove the replaced portables from the eligible school site and K–12 grade classroom use with the exception of schools described in Education Code Section 17079.30(c); and,
  - The district has considered the feasibility of using designs and materials for the new construction or modernization project that promote the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and the other characteristics of high performance schools; and,
  - If the district is requesting an additional grant for high performance incentive funding, the school district governing board must have a resolution on file that demonstrates support for the high performance incentive grant request and the intent to incorporate high performance features in future facilities projects; and,
  - If this application is submitted when there is Insufficient Bond Authority, the district has adopted a school board resolution pursuant to Section 1859.95.1;
- and,
- The district will comply with all laws pertaining to the construction or modernization of its school building.
  - If the district is requesting an Additional Grant for CTE Facilities pursuant to Section 1859.78.10, the district will include the costs associated with the CTE component(s) as outlined in Section 1859.78.10(b)(2). Additionally, the district will include a copy of the plan score issued by the CDE, dated on or after July 3, 2024, verifying a minimum score of 105 points.

NAME OF DISTRICT REPRESENTATIVE (PRINT)

PHONE NUMBER

SIGNATURE OF DISTRICT REPRESENTATIVE

DATE

## ATTACHMENT B1

### OFFICE OF PUBLIC SCHOOL CONSTRUCTION STAKEHOLDER MEETING May 8, 2025

#### PROPOSED REGULATORY AMENDMENTS FOR GENERAL UPDATES TO SCHOOL FACILITY PROGRAM REGULATIONS, CALIFORNIA PRESCHOOL, TRANSITIONAL KINDERGARTEN AND FULL-DAY KINDERGARTEN FACILITIES GRANT PROGRAM REGULATIONS, AND STATE ALLOCATION BOARD FORMS

#### PURPOSE

To continue to discuss, receive and respond to stakeholder input regarding the proposed regulatory amendments presented at the March 13, 2025, stakeholder meeting and to present additional proposed general amendments to the School Facility Program (SFP) Regulations, California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (FDK Program) Regulations, and SFP Forms that:

- Add clarity to regulations
- Correct inaccuracies from regulations
- Remove outdated requirements

#### AUTHORITY

See Attachment B1a.

#### BACKGROUND

Concurrent with implementation of Proposition 2, Office of Public School Construction (OPSC) staff would like to take the opportunity to update the SFP and FDK Program Regulations. Over time, staff has identified numerous areas that merit additional clarity or require updating.

Please note that this item does not reflect proposed regulations that were presented at the March 13, 2025 stakeholder meeting that OPSC has not proposed to modify at this time. The full text of the March 13, 2025 item may be found here:

<https://www.dgs.ca.gov/-/media/Divisions/OPSC/Agenda-Items/2025/03-March/FINAL-03132025-Prop-2--Grouping-3-Stakeholder-Item-ADA.pdf>

#### STAFF ANALYSIS/DISCUSSION

##### **Summary of Stakeholder Feedback**

OPSC would like to thank the stakeholders who were able to view, attend, or participate in this meeting and those who provided valuable feedback either at the

**STAFF ANALYSIS/DISCUSSION** (cont.)

meeting or through written correspondence to OPSC. Below is a summary of the stakeholder feedback and OPSC's responses as a result of the meeting held on March 13, 2025:

<b>Stakeholder Feedback</b>	<b>OPSC Response</b>
<p><b>1.</b> The amendments to SFP Regulation Sections 1859.60 and 1859.78.6 to utilize 12 months following the approval of the plans for the placement of the building on the school site as the date to begin the 20/25/50 year determination do not consider that a portable's current campus may not have been the first campus it was placed and occupied on, in effect restarting the clock simply because a portable was relocated to another campus.</p>	<p><b>1.</b> OPSC has revised the proposed amendments to clarify that the 20/25 year period for portable buildings shall begin 12 months after the plans for the construction or first placement of the building on a school site were approved by the Division of the State Architect (DSA).</p>
<p><b>2.</b> Guidance was requested on what aging start date should be used, in place of the DSA approval date, to establish a building's age when a building pre-dates DSA's existence.</p>	<p><b>2.</b> Facilities that have not been approved by DSA will not be included in the snapshot used to determine modernization eligibility. Any facilities not approved by DSA are not considered to be school buildings and therefore cannot be determined to be at least 25 or 20 years old.</p>
<p><b>3.</b> It was requested that the proposed methodology for calculating a building's age be applied prospectively only to establish new modernization eligibility baselines moving forward, and not applied retroactively to baselines that have already been established.</p>	<p><b>3.</b> If OPSC notices a stockpile date was used for the purposes of establishing a modernization eligibility baseline during the course of processing, OPSC will request a Form SAB 50-03 be submitted for an Errors and Omissions adjustment to correct the age of the facility, as using the stockpile date would have been done in error and would not represent the date that the facility began housing pupils and being used for school purposes that would create deterioration, eventually resulting in necessary modernization work to extend the useful life of the building. Without the building being</p>

STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback	OPSC Response
	<p><b>3. (cont.)</b> used for instruction, there would be no deterioration to the building and thus no need to modernize the building.</p>
<p><b>4.</b> It was stated that OPSC currently permits, and the SAB has approved, Form SAB 50-03 submissions using stockpile dates to determine the age of portable classrooms. The proposed methodology directly conflicts with this long-standing practice and the correction of this information would impose an unnecessary administrative burden on staff. Applying the methodology retroactively would place districts that have relied on previously accepted stockpile dates into inadvertent non-compliance. It was requested that previously approved stockpile data be allowed to be used for modernization eligibility purposes.</p>	<p><b>4.</b> SFP Regulations do not allow for the use of stockpile dates to determine the age of a facility for the purpose of determining modernization eligibility. Any current approvals of Forms SAB 50-03 using a stockpile date would have been done in error and would require correction. If stockpile dates were used, SFP Modernization funding would be used for facilities that were purchased in advance of need and would therefore be aging prematurely, as they were not in use prior to being placed on a school site and would not deteriorate as quickly in a stockpile as compared to being used for school purposes on a school site.</p>
<p><b>5.</b> The proposed amendment to clarify that a building's age will be reset to the date of its previous apportionment does not clarify how districts are to reset a building's age when the current modernization program practices do not track apportionments by building.</p>	<p><b>5.</b> As indicated in the stakeholder comment, the modernization program under the SFP does not track apportionments by building. The resetting of the facility's age is accounted for in the deduction of pupil grants from the site's modernization eligibility baseline per SFP Regulation Section 1859.61(a), which are then returned when the facility becomes eligible for modernization again via the mechanism outlined in Regulation Section 1859.78.8. The usage of pupil grants generated by a facility effectively resets the facility's age for purposes of modernization eligibility, even if those grants are not used on the facility that generated the grants. When the pupil grants are returned via</p>

**STAFF ANALYSIS/DISCUSSION** (cont.)

Stakeholder Feedback	OPSC Response
	<p><b>5. (cont.)</b> the mechanism outlined in Regulation Section 1859.78.8 in 20 or 25 years, that facility is considered to have come of age for a second time. The previous Lease Purchase Program (LPP) did account for modernization apportionments by building, and for facilities previously modernized with state funds under the LPP, the Phase C apportionment date will be used to begin the 20/25/50 year period. School districts that modernized facilities under the LPP should use the Phase C apportionment date to calculate the age of a facility for SFP modernization eligibility purposes.</p>

In addition to the proposed amendments to the SFP Regulations that were presented at the March 13, 2025 stakeholder meeting, OPSC is presenting additional proposed amendments as summarized below.

**Summary of Changes to SFP Regulation Sections**

*Section 1859.32 Adjustments to Gross Classroom Inventory, Section 1859.51 Adjustments to the New Construction Baseline Eligibility, and 1859.60 Calculation to Determine Modernization Baseline Eligibility*

The proposed amendments to these Sections add an exclusion for classrooms that are built under the FDK Program.

Education Code (EC) Section 17375(a)(5) states that “New school facilities built pursuant to this section shall not be included in the eligibility determination used for purposes of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10).” The FDK Program provides one-time grants for qualifying projects to either construct new classrooms or retrofit existing classrooms to house preschool, transitional kindergarten, or full-day kindergarten classrooms.

Therefore, in order to align with FDK Program statute, SFP Regulation Section 1859.32 is amended to clarify that classrooms built under the FDK Program will be

STAFF ANALYSIS/DISCUSSION (cont.)

excluded from the Gross Classroom Inventory determined in 1859.31 and not counted for the purposes of determining a district's new construction eligibility establishment.

Regulation section 1859.51(i) is amended to specify that the district's new construction eligibility will not be adjusted for classrooms added to a school site with FDK Program funding after the new construction baseline eligibility was determined by the State Allocation Board (Board).

Regulation section 1859.60 is amended to clarify that classrooms and square footage constructed with FDK Program funding will not be included in the calculation to determine modernization baseline eligibility and will be excluded from the baseline snapshot.

*Section 1859.60 Calculation to Determine Modernization Baseline Eligibility and Section 1859.78.6 Modernization Grant for 50 Year or Older Permanent Buildings*

The proposed amendment specifies that the 20/25/50 year period shall begin 12 months after the plans for the construction or placement of the building were approved by the DSA, or in the case of portable buildings that have been relocated from another school site, 12 months after the plans for the placement of the portable building on the original school site were approved by the DSA.

In the case of portable buildings that have been relocated from another school site, OPSC has determined that it is appropriate to utilize 12 months after the DSA approval date of the plans for the placement of that portable building on the original school site as the date to start the 20-year period. The facility begins deteriorating when it is used as a school building. Therefore, it would not be appropriate to reset the date each time the facility moved from one school site to another. Doing so would not accurately reflect the amount of school use on the building and its need for modernization.

Additionally, the stockpile date would not be appropriate to use, as it would not truly represent the need for the facility's modernization as it is not used for school purposes when it is in stockpile and therefore would not deteriorate as quickly as if it were being used for school purposes.

*Section 1859.70 General*

The proposed amendment clarifies that increases to the pupil grant request in the Form SAB 50-04 shall, in most cases, require the withdrawal and resubmittal of the funding application. Increasing the initial pupil grant request, except in the cases



STAFF ANALYSIS/DISCUSSION (cont.)

outlined below, is considered “line jumping” and can provide an unfair advantage over other school districts. For example, a school district could submit an application for funding for the current pupils on its eligibility baseline for an intended project. However, during the interim years until OPSC processes the application, new work may be identified by the school district. By adding more pupils to the originally submitted project, the school district has added work that was not certified to on the original funding application. Had the school district waited until all work was California Department of Education (CDE) and DSA approved, the project would have been processed later in time, assuming funding authority for the project was available. School districts are allowed to add work to the project, but must stay within the original funding request; additionally, the CDE and DSA approval must be obtained prior to the original submittal date of the application. Lastly, adding more pupils to the original funding request results in more funding for the application, which in turn pushes additional applications further down, or even off the workload list.

Increases to the initial pupil grant request for a modernization application will only be allowed in order for an application to comply with the requirements in Section 1859.79.3, which requires a modernization application request at least 52 Non-Severe grants, or 36 Severe grants, or 101 K-12 grants. School districts with less than the required minimum available must request all remaining eligibility at the site. Should an application request less than the required minimum, OPSC will require the request in the application be increased to the minimum amount necessary to satisfy the requirements of Section 1859.79.3.

Increases to the initial pupil grant request for a new construction application will only be allowed in instances of classroom redesignation. For instance, an application initially requests 100 K-6 grants to fund the new construction of four K-6 classrooms, which are loaded at 25 pupils per classroom in the SFP. During processing, one of the classrooms is redesignated to a 7-8 classroom, which is loaded at 27 pupils per classroom. The application will be allowed to increase its pupil grant request to 102 total pupil grants (75 K-6 pupil grants and 27 7-8 pupil grants), which is commensurate with loading standards for four classrooms.

*Section 1859.79.2 Use of Modernization Grant Funds*

The proposed amendment specifies that new building area necessary to meet the higher of the recommended classroom sizes in the chart in Section 1859.82.1(b) or CDE’s minimum size requirements is an allowable use of modernization funding.

Currently, modernization funds may not be used on new building area with the exception of replacement building area of like kind square footage, not to exceed

STAFF ANALYSIS/DISCUSSION (cont.)

the original square footage, and building area required by the federal Americans with Disabilities Act (ADA) or by the DSA's access compliance requirements.

EC Section 17074.25 states, in part, that the "modernization apportionment may be used for an improvement to extend the useful life of, or to enhance the physical environment of, the school." As stakeholders modernize aging facilities that may have been constructed decades ago to a different design and educational standard, it is often necessary for classrooms that were originally smaller than the chart in Section 1859.82.1(b) and CDE's recommended size to be expanded, either by demolishing and replacing them with something larger or by expanding the original footprint of the space.

As the regulation currently reads, those expansions are considered ineligible expenditures of modernization funds, unless those expansions are strictly required by the federal ADA or DSA's access compliance requirements, and must be prorated out of the funding application to ensure that modernization funds are not spent on ineligible work. Program regulations require that the school district certify that 60 percent of the total approved project funding is for construction activities as part of its funding request. If the project is not 60 percent commensurate, the funding request must be decreased accordingly.

This proration of project expenditures can pose an obstacle to stakeholders by potentially reducing the amount of state funding that can be requested in an application or by rendering the application unable to move forward if the project no longer has sufficient cost to meet the 60 percent commensurate requirement.

The proposed amendment specifies that new building area constructed to bring a classroom that is smaller than the recommended size to the minimum recommended size will be an allowable expenditure of modernization funds. Any additional area constructed beyond what is required to meet the minimum recommended size will not be considered an eligible expenditure of modernization funds. For example, if a 700 square foot 1<sup>st</sup> grade classroom is expanded to a 1,000 square foot 1<sup>st</sup> grade classroom, the new building area up to 960 square feet (the recommended size of a grade 1-6 classroom) will be considered eligible expenditures under modernization. The additional 40 square feet, provided it is not required by the federal ADA or DSA's access compliance requirements, will be considered ineligible and must be prorated out of the project costs.

This proposed amendment aligns regulation with statute by allowing districts to better use the modernization apportionment to extend the useful life of the school.

STAFF ANALYSIS/DISCUSSION (cont.)

*Section 1859.81 Financial Hardship.*

The proposed amendment to Regulation Section 1859.81(a) adds language to clarify that the Independent Audit required by EC Section 41020 for the fiscal year immediately preceding the request for Financial Hardship must be submitted with the submittal package. This clarifies that it is not just the latest audit submitted by the district that is required to be provided.

The proposed amendment ensures that the district's most up-to-date financial records are reviewed as part of a Financial Hardship determination. This will streamline the process for identifying any funds that have not been spent or committed to a specific project before the initial request for Financial Hardship status, which may be considered available as a matching contribution.

*Section 1859.106 Program Accountability Expenditure Audit, and Grant Agreement Form*

EC Section 41024 requires that expenditures be identified on a project-by-project basis. Therefore, OPSC proposes to reiterate in Regulation Section 1859.106 that a separate audit report is required for every audited project and that multiple projects cannot be combined in one audit report. This proposal aligns SFP Regulations with EC Section 41024.

EC Section 41024(c)(5) requires that in the event of an audit finding, OPSC shall ensure that the local educational agency has corrected the audit finding by implementing a required penalty repayment of funds equal to the amount of funds disallowed in an audit finding. Therefore, an additional amendment is proposed to align with statutory requirements to clarify that if there is an ineligible expenditure found as part of an audit finding, the district will be required to reimburse the full amount of the item found ineligible.

To align with the above two proposed amendments, OPSC proposes amendments to the Grant Agreement. Specifically, OPSC proposes amendments to Section F, Item 4(i) to clarify that a separate audit report shall be submitted for each audited project pursuant to EC Section 41024. Additionally, in Section F, Item 4(iv), OPSC proposes amendments to remove language stating that the amount to be remitted in the event the audit determines grants were spent on ineligible expenditures will be limited to the proportionate percentage of grants and Financial Hardship grants, to clarify that the district will need to reimburse the full amount of the item found ineligible to align with EC Section 41024(c)(5). Similarly, OPSC proposes amendments to Section F, Item 5(iv) to remove language stating that the amount to

STAFF ANALYSIS/DISCUSSION (cont.)

be remitted in the event the audit determines savings were spent on ineligible expenditures will be limited to the savings.

Section 1859.171 Use of Facility

The proposed amendment adds clarity to the process of identifying a qualifying successor charter school in the event the charter school occupying a facility funded with Charter School Facility Program (CSFP) funds ceases to utilize the facility for charter school purposes. Specifically, the proposed amendment emphasizes the requirement that the school district where the facility is physically located and that serves the same grade level as the pupils housed in the CSFP project that funded the facility may elect to take possession and title of the facility only after demonstrating due diligence in soliciting alternative charter schools in the local area to identify a successor charter school.

The CSFP provides funding to qualifying entities for the purpose of establishing school facilities for charter school pupils. EC Section 17078.62 details a priority list for the use of facilities funded through the CSFP. EC Section 17078.62(a) mandates that as a first priority, the existing charter school shall be permitted to use the CSFP facility until it is no longer needed by the charter school for charter school purposes. Should a charter school cease using a charter school facility funded by the CSFP for charter school purposes, EC 17078.62(b)(2) mandates that as a second priority, a process to identify a qualifying successor charter school to occupy the vacated facilities shall be initiated. The third priority specified in EC Section 17078.62(b)(3) is that the school district in which the facility is located may elect to take possession of the facility should no qualifying successor charter be identified. Therefore, EC Section 17078.62(b) makes it a priority that a qualifying successor charter school be permitted to meet its facility needs by occupying the facility before the eligible school district may take possession of the facility.

The proposed amendment aligns SFP Regulations with the intent of EC Section 17078.62 by emphasizing the school district must demonstrate due diligence in soliciting alternative charter schools to identify a successor charter school in the local area prior to determining a successor charter school cannot be found and taking ownership of the site. The proposed amendment is also consistent with regulatory requirements of the California School Finance Authority, which jointly administers the CSFP with OPSC, pursuant to Section 10157 of Title 4 of the California Code of Regulations.

STAFF ANALYSIS/DISCUSSION (cont.)

*Section 1859.193 Career Technical Education Facilities Grant Determination*

The proposed amendment adds language to clarify that changes to approved equipment items for similar models of previously approved equipment (for example, if the originally approved model is now out of date or no longer available) would not be considered a change of scope.

Currently, the Career Technical Education Facilities Program (CTEFP) provides funding to eligible CTEFP applications in three categories: construction, site development, and/or equipment. Equipment-only applications are allowed.

As part of a complete *Application for Career Technical Education Facilities Funding* (Form SAB 50-10) submittal that requests equipment funding, an itemized equipment list including the description of the item, model, quantity and cost of the equipment must be submitted. The equipment must, among other requirements, have an average useful life expectancy of at least ten years pursuant to EC Section 17078.72(a). The equipment list is used to determine the equipment funding apportioned to a CTEFP application.

CTEFP applications do not require CDE and DSA approved plans to receive an Unfunded Approval and/or an Apportionment. CTEFP applications without approved plans may receive an Apportionment as a reservation of funds. This mechanism reserves bond authority for what is essentially a conceptual application. Applicants then have 12 months from the date of the Apportionment to submit CDE and DSA approval letters for the project.

During previous CTEFP processing rounds, applicants who had received an Apportionment as a reservation of funds requested to amend approved equipment lists. These requests have been to swap a certain model of equipment out for a newer model or swap a certain model of equipment out for a different but equivalent model to either ensure that the equipment would have an average useful life expectancy of at least ten years or for cost-saving purposes. These requests were previously considered changes of scope to an approved application and required a School District Appeal Request (Form SAB 189) to be submitted and presented to the Board for approval of the requested change in equipment models.

As a year or more may pass between the initial determination and submittal of the equipment list and the approval of the application, including the equipment list, by the Board, it is common for previously approved equipment models to be replaced by newer models, no longer available, or no longer cost-effective.

STAFF ANALYSIS/DISCUSSION (cont.)

The proposed amendment allows for applicants to be able to purchase up-to-date equipment that will have an average useful life expectancy of at least ten years at the time of purchase and allows for applicants to have greater flexibility in delivering cost-effective projects, without requiring an appeal to be submitted for Board approval and while still meeting the original intent of the project.

**Summary of Changes to the FDK Program Regulations**

1860.20. Program Accountability Expenditure Audit

The proposed amendment changes the reference in this section from CDE to OPSC to align with statute. EC Section 41024(c)(5) requires that in the event of an audit finding, OPSC shall ensure that the local educational agency has corrected the audit finding by implementing a required penalty repayment of funds equal to the amount of funds disallowed in an audit finding. Therefore, an amendment is proposed to specify that in the cases of audit findings that determine funds were spent on ineligible expenditures, OPSC, instead of CDE, will implement the required penalty payment of funds equal to the amount of funds disallowed in the audit exception. Currently, SFP Regulation Section 1859.20(c) specifies that CDE will implement the payment penalty.

AUTHORITY**Education Code (EC) Section 17070.35 – General Provisions**

(a) In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following:

(1) Adopt rules and regulations, pursuant to the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, for the administration of this chapter. However, the board shall have no authority to set the level of the fees of any architect, structural engineer, or other design professional on any project. The initial regulations adopted pursuant to this chapter shall be adopted as emergency regulations, and the circumstances related to the initial adoption are hereby deemed to constitute an emergency for this purpose. The initial regulations adopted pursuant to this chapter shall be adopted by November 4, 1998. If the initial regulations are not adopted by that date, the board shall report to the Legislature by that date, explaining the reasons for the delay.

(2) Establish and publish any procedures and policies in connection with the administration of this chapter as it deems necessary.

(3) Determine the eligibility of school districts to receive apportionments under this chapter.

(4) Apportion funds to eligible school districts under this chapter.

(b) The board shall review and amend its regulations as necessary to adjust its administration of this chapter to conform with the act that amended this section to add this subdivision. Regulations adopted pursuant to this subdivision shall be adopted by November 5, 2002, and shall be adopted as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of any emergency regulation pursuant to this subdivision filed with the Office of Administrative Law shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding subdivision (e) of Section 11346.1 of the Government Code, any emergency regulation adopted pursuant to this section shall remain in effect for no more than 365 days unless the board has complied with Sections

11346.2 to 11348, inclusive, of the Government Code.

**EC Section 17070.50 – General Provisions**

The board shall not apportion funds to any school district, unless the applicant school district has certified to the board that the services of any architect, structural engineer, or other design professional for any work under the project have been obtained pursuant to a competitive process that is consistent with the requirements of Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code and has obtained the written approval of the State Department of Education that the site selection, and the building plans and

AUTHORITY (cont.)

specifications, comply with the standards adopted by the department pursuant to subdivisions (b) and (c), respectively, of Section 17251.

**EC Section 17070.51 – General Provisions**

(a) If any certified eligibility or funding application related information is found to have been falsely certified by school districts, architects, or design professionals, hereinafter referred to as a material inaccuracy, the Office of Public School Construction shall notify the board.

(b) The board shall impose the following penalties if an apportionment and fund release has been made based upon information in the project application or related materials that constitutes a material inaccuracy.

(1) Pursuant to a repayment schedule that is approved by the board of no more than five years, the school district shall repay to the board, for deposit into the 1998 State School Facilities Fund, the 2002 State School Facilities Fund, the 2004 State School Facilities Fund, or the 2024 State School Facilities Fund, as the case may be, an amount proportionate to the additional funding received as a result of the material inaccuracy including interest at the rate paid on moneys in the Pooled Money Investment Account or at the highest rate of interest for the most recent issue of state general obligation bonds as established pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, whichever is greater.

(2) The board shall prohibit the school district from self-certifying certain project information for any subsequent applications for project funding for a period of up to five years following the date of the finding of a material inaccuracy or until the district's repayment of the entire amount owed under paragraph (1).

Although a school district that is subject to this paragraph may not self-certify, the school district shall not be prohibited from applying for state funding under this chapter. The board shall establish an alternative method for state or independent certification of compliance that shall be applicable in these cases. The process shall include, but shall not be limited to, procedures for payment by the school district of any increased costs associated with the alternative certification process.

(c) For school districts found to have provided material inaccuracies when a funding apportionment has occurred, but no fund release has been made, the board shall direct its staff to reduce the apportionment as necessary to reflect the actual nature of the project and to disregard the inaccurate information or material, and paragraph (2) of subdivision (b) shall apply.

(d) For those school districts found to have provided material inaccuracies when no funding apportionment or fund release has been made, the inaccurate information or materials shall not be considered, and paragraph (2) of subdivision (b) applies. The project may continue if the application, minus the inaccurate materials, is still complete.



AUTHORITY (cont.)**EC Section 17071.10 – Existing School Building Capacity**

(a) The calculation determined by this article shall be made on a one-time basis, and will be used as the baseline for eligibility determinations pursuant to this chapter.

(b) (1) Each school district that elects to participate in the new construction program pursuant to this chapter shall submit to the board a one-time report of existing school building capacity.

(2) The information reflected in the report described in paragraph (1) shall be included in a school facilities master plan submitted pursuant to Section 17070.54.

(c) Notwithstanding subdivisions (a) and (b), a school district newly formed, reorganized, or affected by reorganization, pursuant to an election that occurred on or after November 4, 1998, shall calculate or recalculate its existing school building capacity pursuant to regulations adopted by the board.

(d) Notwithstanding subdivisions (a), (b), and (c), a school district that elects to participate in the new construction program or modernization program pursuant to this chapter after November 5, 2024, shall submit an updated report of the school district's existing school building capacity to the board.

**EC Section 17071.25 – Existing School Building Capacity**

(a) The existing school building capacity in the applicant school district or, where appropriate, in the attendance area, at the time of initial application shall be calculated pursuant to the following formula:

(1) Identify by grade level all permanent teaching stations existing in the school district or, where appropriate, the attendance area. For the purposes of this section, "teaching station" means any space that was constructed or reconstructed to serve as an area in which to provide pupil instruction, but shall not include portable buildings, except as provided in Section 17071.30.

(2) (A) The assumed capacity of each calculated teaching station pursuant to paragraph (1) shall be 25 pupils for each teaching station used for kindergarten or for grades 1 to 6, inclusive, and 27 pupils for each teaching station used for grades 7 to 12, inclusive.

(B) On or after January 1, 2000, the board may adopt or amend regulations adjusting the assumed capacity set forth in this subparagraph as appropriate for each teaching station used for nonsevere or severe special day class purposes after considering the recommendations of the Legislative Analyst pursuant to Section 17072.15. These special day class capacity adjustments and any adjustment of existing school capacity related to changes in the assumed capacity of special day class teaching stations shall be approved by the Director of Finance prior to implementation.

(C) On or after January 1, 2001, the board may adopt regulations establishing assumed capacity standards after consideration of the recommendations developed by the Director of General Services for continuation high school,

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community day school, county community school, and county community day school, teaching stations pursuant to Section 17072.17. Teaching station assumed capacity adjustments pursuant to these regulations and any other adjustments of existing school capacity related to changes in the assumed capacity of continuation high school, community day school, county community school, and county community day school, teaching stations shall be approved by the Director of Finance prior to implementation.

(3) Multiply the assumed capacity of each teaching station as specified in paragraph (2) by the number of teaching stations calculated under paragraph (1).

(4) The result of this computation shall be the number of pupils housed by grade level in the existing school building capacity of the applicant school district.

(b) The existing school building capacity of the applicant school district calculated under this section shall not include, in any school operated on a year-round schedule, any teaching station that has been in continuous use during the preceding five-year period primarily for the operation of a preschool program or programs.

**EC Section 17071.33 – Existing School Building Capacity**

(a) For the purposes of determining existing school building capacity, the calculation shall be adjusted as required for first priority status pursuant to Section 17017.7 as that calculation would have been made under the policies of the board in effect immediately preceding September 1, 1998.

(b) Notwithstanding subdivision (a), with respect to a high school district, the existing school building capacity shall be calculated without regard to multitrack year-round school considerations.

**EC Section 17072.12 – New Construction Grant Eligibility Determination**

(a) In addition to the amount provided in Section 17072.10, the board may provide funding for assistance in site development and acquisition if all of the following are met:

(1) The amount of the site acquisition and development assistance does not exceed 50 percent of the cost of site development to the school district, plus the lesser of the following:

(A) 50 percent of the site cost to the school district.

(B) 50 percent of the appraised value of the site within six months of the time the complete application is submitted.

(2) The school district certifies that there is no alternative available site, or that the district plans to sell an available site in order to use the proceeds of the sale for the purchase of the new site.

(b) Notwithstanding subdivision (a), the board may provide funding for assistance in site development and acquisition to a school district that uses land previously acquired by the school district in an amount equal to 50 percent of the cost of site development to the school district, plus 50 percent of the site's

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appraised value at the time the application for site acquisition and development is submitted, provided all of the following are met:

- (1) The site was acquired no less than five years prior to the date the application is submitted.
- (2) The site had been productively used by the school district as other than a schoolsite for the five years immediately preceding the date the application is submitted.
- (3) The board determines that the nonschool function currently taking place on the site must be discontinued or relocated in order to utilize the site as a schoolsite.
- (c) A school district that receives assistance pursuant to subdivision (b) shall, within one year after the completion of the project, certify in writing to the board that the nonschool function was in fact relocated as set forth in paragraph (4) of subdivision (b).
- (d) Pursuant to subdivision (b), an applicant school district shall include in its application to the board a cost-benefit analysis performed by the school district demonstrating how utilizing existing nonschoolsite district property pursuant to this section would be a more effective method of solving the school district's pupil housing problems than any other method of funding under this chapter. The board shall review and approve the analysis if the board agrees with the findings and shall consider the analysis and findings in approving the project pursuant to this section.

**EC Section 17072.20 – New Construction Funding Process**

- (a) An applicant school district that has been determined by the board to meet the eligibility requirements for new construction funding set forth in Article 2 (commencing with Section 17071.10) or Article 3 (commencing with Section 17071.75) may submit at any time a request to the board for a project apportionment for all or a portion of the funding for which the school district is eligible.
- (b) The application shall include, but shall not be limited to, the school district's determination of the amount of state funding that the district is otherwise eligible for relating to site acquisition, site development, new construction, and hardship funding provided pursuant to Article 8 (commencing with Section 17075.10), if any. The amount shall be reduced by the amount of the alternative fee collected pursuant to subdivision (a) of Section 65995.7 of the Government Code if a reimbursement election or agreement pursuant to Section 65995.7 of the Government Code is not in effect.
- (c) The board shall verify and adjust, as necessary, and approve the district's application.

AUTHORITY (cont.)**EC Section 17075.10 – Hardship Application**

(a) (1) For health and safety projects for school facilities that are determined by the department to pose an unacceptable risk of injury to occupants in the event of a seismic event, a school district shall demonstrate both of the following to the satisfaction of the board:

(A) That due to unusual circumstances that are beyond the control of the school district, excessive costs need to be incurred in the construction of school facilities.

(B) That the facilities are needed to ensure the health and safety of pupils if the health and safety of pupils is at risk.

(2) For purposes of paragraph (1), health and safety projects include projects to replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317.

(b) (1) A school district is eligible for health and safety funding to replace, reconstruct, or construct new classrooms and related facilities if the school district demonstrates there is a threat to the health and safety of pupils. To determine the applicable grant amounts, the district shall prepare and submit to the department a cost-benefit analysis that compares the minimum cost to remain in the classroom or related facility and mitigate the health and safety problem with the current replacement cost.

(2) The project qualifies for modernization funding if the minimum cost is less than 50 percent of the current replacement cost of the classroom or related facility.

(3) The project qualifies for replacement facilities if the cost-benefit analysis prepared pursuant to paragraph (1) demonstrates that the cost to remain in the classroom or related facility and mitigate the problem is at least 50 percent of the replacement value.

(c) The department shall develop regulations to define eligible health and safety projects that meet the requirements of subdivisions (a) and (b) for purposes of project approval by the board.

**EC Section 17075.15 – Hardship Application**

(a) From funds available from any bond act for the purpose of funding facilities for school districts with a financial hardship, the board may provide other construction, modernization, or relocation assistance as set forth in this chapter or Chapter 14 (commencing with Section 17085) to the extent that severe circumstances may require, and may adjust or defer the local financial participation, as pupil health and safety considerations require to the extent that bond act funds are provided for this purpose.

(b) The board shall adopt regulations for determining the amount of funding that may be provided to a district, and the eligibility and prioritization of funding, under this article.

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(c) The regulations shall define the amount, and sources, of financing that the school district could reasonably provide for school facilities as follows:

(1) Unencumbered funds available in all facility accounts in the school district, including, but not limited to, fees on development, redevelopment funds, sale proceeds from surplus property, funds generated by certificates of participation for facility purposes, bond funds, federal grants, and other funds available for school facilities, as the board may determine.

(2) The board may exclude from consideration all funds encumbered for a specific capital outlay purpose, a reasonable amount for interim housing, and other funds that the board may find are not reasonably available for the project.

(d) The regulations shall also specify a method for determining required levels of local effort to obtain matching funds. The regulations shall include consideration of at least all of the following factors:

(1) Whether the school district has passed a bond measure within the two-year period immediately preceding the application for funding under this article, the proceeds of which are substantially available for use in the project to be funded under this chapter, but remains unable to provide the necessary matching share requirement.

(2) Whether the principal amount of the current outstanding bonded indebtedness issued for the purpose of constructing school facilities for the school district and secured by property within the school district or by revenues of, or available to, the school district, which shall include general obligation bonds, Mello-Roos bonds, school facility improvement district bonds, certificates of participation, and other debt instruments issued for the purpose of constructing school facilities for the school district and for which owners of property within the school district or the school district are paying debt service is at least 60 percent of the school district's total bonding capacity, as determined by the board.

(3) (A) Whether the total bonding capacity, as defined in Section 15102 or 15106, as applicable, is fifteen million dollars (\$15,000,000) or less, in which case, the school district shall be deemed eligible for financial hardship.

(B) Commencing with the 2026–27 fiscal year, the amount described in subparagraph (A) shall be adjusted each fiscal year by the inflation adjustment computed pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

(4) Whether the application for funding under this article is from a county superintendent of schools.

(5) Whether the school district submits other evidence of substantial local effort acceptable to the board.

(6) The value of any unused local general obligation debt capacity, and developer fees added to the needs analysis to reflect the district's financial hardship, available for the purposes of school facilities financing.

AUTHORITY (cont.)**EC Section 17076.10 - Program Accountability**

(a) A school district that receives any funds pursuant to this chapter shall submit a summary report of expenditure of state funds and of school district matching funds annually until all state funds and school district matching funds are expended, and shall then submit a final report to the board. The board may require an audit of these reports or other school district records to ensure that all funds received pursuant to this chapter are expended in accordance with program requirements.

(b) If the board finds that a participating school district has not made substantial progress towards increasing its pupil capacity or modernizing its facilities within 18 months of receiving any funding pursuant to this chapter, the board shall rescind the apportionment in an amount equal to the unexpended funds.

(c) (1) If the board, after the review of expenditures or audit has been conducted pursuant to subdivision (a), determines that a school district failed to expend funds in accordance with this chapter, the department shall notify the school district of the amount that must be repaid to the 1998 State School Facilities Fund, the 2002 State School Facilities Fund, the 2004 State School Facilities Fund, the 2006 State School Facilities Fund, or the 2016 State School Facilities Fund, as the case may be, within 60 days. If the school district fails to make the required payment within 60 days, the department shall notify the Controller and the school district in writing, and the Controller shall deduct an amount equal to the amount to be repaid by the school district under this subdivision, from the school district's next principal apportionment or apportionments of state funds to the school district, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution. Any amounts obtained by the Controller shall be deposited into the 1998 State School Facilities Fund, the 2002 State School Facilities Fund, the 2004 State School Facilities Fund, the 2006 State School Facilities Fund, or the 2016 State School Facilities Fund, as appropriate.

(2) Notwithstanding paragraph (1), if the board determines that repayment of the full liability within 60 days after the board action would constitute a severe financial hardship, as defined by the board, for the school district, the board shall approve a plan of equal annual payments over a period of up to 20 years. The plan shall include interest on each year's outstanding balance at the rate earned on the state's Pooled Money Investment Account during that year. The Controller shall withhold amounts, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution, pursuant to the plan.

(d) If a school district receives an apportionment, but has not met the criteria to have funds released pursuant to Section 17072.32 or 17074.15 within a period established by the board, but not to exceed 18 months, the board shall rescind the apportionment and deny the district's application.

AUTHORITY (cont.)**EC Section 17078.62 - Charter Schools**

(a) As a first priority, the existing charter school shall be permitted to continue to use the facility until it is no longer needed by the charter school for charter school purposes.

(b) If the charter school occupying a facility funded pursuant to this article ceases to utilize the facility for a charter school purpose, all of the following apply:

(1) If the charter school is no longer using the facility because the school district in which the charter school is located has revoked or declined to renew the charter, the school district, as a necessary component of the first priority established in subdivision (a), may not immediately occupy the facility, but shall allow a reasonable time, not to exceed six months, for completion of the review process contemplated in Section 47607 or 47607.5.

(2) As a second priority, any qualifying successor charter school shall be permitted to meet its facility needs by occupying the facility on equal terms as the prior charter school occupant, including, but not limited to, assumption of fee simple title to the facility, as described in paragraph (3) of subdivision (a) of Section 17078.63.

(3) As a third priority, the school district in which the charter school is physically located may notify the authority and take possession and take title to the facility, if the title is not already held by the district, and make the facility available for continued use as a public school facility.

(4) If the school district in which the charter school is physically located elects to take possession of a facility pursuant to paragraph (3), it shall pay the balance of the unpaid local matching share or demonstrate that it is willing and able to continue to make the lease payments in lieu of the local matching share on the same terms. However, the payments shall be reduced or eliminated, as appropriate, if the school district complies with all of the following:

(A) It demonstrates that it would have been eligible for hardship funding under Article 8 (commencing with Section 17075.10) at the time that the application for funding the facility under this article was originally submitted.

(B) It certifies to the board that it will utilize the facilities for public school purposes for a period of at least five years from the date that it occupies the facility.

(5) (A) If the school district declines to take possession pursuant to paragraph (3), or if the facility is subsequently no longer needed for public school purposes, the school district shall dispose of the facilities in a manner otherwise applicable to the disposal of surplus public schoolsites. Any unpaid local matching share shall be paid from the net proceeds, if any, of the disposition and shall be deposited into the respective 2002, 2004, or 2006 Charter School Facilities Account. To the extent that funds remain from the proceeds of the disposition after repayment of the local matching share, any security interest granted to a person or entity pursuant to subparagraph (B) of paragraph (3) of

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subdivision (a) of Section 17078.57 shall be satisfied. Funds remaining from the proceeds after any security interest has been satisfied shall be paid to the school district in which the facility is located to be used for capital improvements in the school district.

(B) If title to the facility is held by a charter school or a local governmental entity other than the school district, and the school district declines to dispose of the facility, the board shall dispose of the facility in accordance with the provisions that would otherwise apply to the disposal of surplus school property by the school district, including, but not limited to, Chapter 4 (commencing with Section 17385) of Part 10.5. The proceeds of the disposition shall be distributed in accordance with subparagraph (A).

(6) If the lease payments in lieu of the local matching share are fully paid, the school district shall continue to hold title to the facility, in trust, for the benefit of the state public school system. The school district shall permit continued use of the facility for charter school purposes as long as the facility is needed for those purposes.

**EC Section 17078.72 - Career Technical Education Facilities Program**

(a) The Career Technical Education Facilities Program is hereby established to provide funding to qualifying local educational agencies for the purpose of constructing new facilities or reconfiguring existing facilities, including, but not limited to, purchasing equipment with an average useful life expectancy of at least 10 years, to enhance educational opportunities for pupils in existing high schools in order to provide them with the skills and knowledge necessary for the high-demand technical careers of today and tomorrow.

(b) The State Department of Education, in cooperation with the Chancellor's Office of the California Community Colleges, the Labor and Workforce Development Agency, and industry groups, shall develop criteria and pupil outcome measures to evaluate the program. The criteria shall ensure equity, program relevance to industry needs, and articulation with more advanced coursework at the partnering community colleges or private institutions.

(c) The program shall be based on grant applications administered by the board.

(d) Grants shall be allocated on a per-square-foot basis for the applicable type of construction proposed or deemed necessary by the board consistent with the approved application for the project.

(e) New construction grants shall not exceed three million dollars (\$3,000,000) per project per schoolsite, inclusive of equipment, and shall only be allocated to comprehensive high schools that have an active Career Technical Advisory Committee pursuant to Section 8070, in either of the following methods:

(1) For a stand-alone project on a per-square-foot basis for the applicable type of construction proposed, based on the criteria established pursuant to subdivision (b), consistent with the approved application for the project.



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(2) For new school projects, as a supplement to the per pupil allocation pursuant to Section 17072.10. The supplement is intended to cover excess costs uniquely related to the facilities required to provide the career technical education program or programs.

(f) Modernization grants shall not exceed one million five hundred thousand dollars (\$1,500,000) per project per schoolsite, inclusive of equipment and may be awarded to comprehensive high schools or joint power authorities currently operating career technical education programs that have an active Career Technical Advisory Committee pursuant to Section 8070 for the purpose of reconfiguration. For comprehensive high schools, the grant shall be supplemental to the per pupil allocation pursuant to Section 17074.10. The supplement is intended to cover excess costs uniquely related to the facilities required to provide the career technical education program or programs.

(g) (1) A school district shall contribute from local resources a dollar amount that is equal to the amount of the grant of state funds awarded under subdivisions (d), (e), and (f). The required local contribution may be provided by private industry groups, the school district, or a joint powers authority.

(2) A school district shall not be required to demonstrate that it has unhoused pupils or that a permanent school building is more than 25 years old in order to receive a grant under the program.

(h) The program shall allow the required local contribution to be paid over time if sufficient local funds are not immediately available. The board may provide for a repayment schedule consistent with subparagraphs (C) and (D) of paragraph (1) of subdivision (a) of Section 17078.57. The board shall not waive the required local contribution on the basis of financial hardship or on any other basis.

(i) Applications shall meet the criteria developed under subdivision (b) and shall require all of the following:

(1) A clear and comprehensive career technical education plan for each course of study applicable to the instructional space.

(2) Projections of pupil enrollment.

(3) Identification of feeder schools, industry partners, and community colleges or other postsecondary schools participating in the development, articulation, and review of the educational program.

(4) Evidence of approval of the plan by the entities listed in paragraph (3).

(5) The method by which accountability for pupil enrollments and outcomes will be maintained. Outcomes shall include, but are not limited to, certificate completion, the successful entry of pupil to employment in the applicable industry, and successful transition to post-secondary institutions for work in the applicable industry or other areas of study.

(6) Evidence of coordination with all feeder schools, middle schools, and high schools within the area to ensure that the project and programs complement career technical education offerings in the area.

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(7) Evidence that upon completion of the project the local educational agency will meet all of its obligations under Section 51228 relating to career technical education.

(j) Applications shall give weight to the number of pupils expected to attend, the cost per pupil, financial participation by industry partners in the construction and equipping of the facility, commitment to accountability for outcomes and participation, the strength and relevance of the educational plans to the needs of industry for qualified technical employees applicable to the economic development needs of the region in which the project will be located, and coordination and articulation with feeder schools, other high schools, and community colleges.

(k) The Office of Public School Construction shall develop and the board shall approve regulations to implement this article on or before April 19, 2007, and the board may promulgate those regulations first on an emergency basis, which shall be effective for no more than 12 months, after which any permanent regulations shall be promulgated in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(l) Notwithstanding paragraphs (e) and (f), a project approved pursuant to this section is also eligible for an incentive grant from the funds specified in paragraph (8) of subdivision (a) of Section 101012 if the project meets the criteria prescribed in that section.

**EC Section 17078.74 Career Technical Education Facilities Program**

(a) Except as otherwise provided in this section, a modernization grant adjustment provided pursuant to this section is not subject to the requirements of Section 17078.72.

(b) An applicant school district may include plan design and other project components that promote career technical education to enhance the educational opportunities for pupils in existing middle and high schools, and may seek a modernization grant adjustment for the state's share of the increased costs associated with those components.

(c) Career technical education components that enable school facilities to provide pupils with the skills and knowledge necessary for high-demand technical careers are eligible for inclusion into a project pursuant to this section, including, but not limited to, all of the following:

(1) Modernization of facilities to support career technical education programs.

(2) Reconfiguring a structure of any age that will enhance the educational opportunities for pupils in existing middle and high schools in order to provide them with the skills and knowledge necessary for high-demand technical careers.

(3) Purchasing equipment with an average useful life expectancy of at least 10 years.

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(d) (1) In order to be eligible for the modernization grant adjustment pursuant to this section, the applicant shall certify that the cost for the project exceeds the amount of funding otherwise available to the applicant under this chapter and that the career technical education components are necessary to maintain industry standards.

(2) The applicant shall submit necessary plans and specifications for career technical education components to the State Department of Education for approval, ensuring compliance with eligibility criteria as stipulated, for modernization projects only, in Section 1859.192 of Title 2 of the California Code of Regulations, with the exception of paragraph (2) of subdivision (b) of Section 1859.192 of Title 2 of the California Code of Regulations.

(e) The board shall provide an applicant for a modernization project with a grant adjustment to provide an increase not to exceed 5 percent of its state grants authorized by Section 17074.10 for the state's share of costs associated with the design, purchase, and installation related to career technical education components as set forth in this section.

(f) An applicant career technical education program shall meet the criteria developed under subdivision (b) of Section 17078.72 and shall demonstrate all of the following:

(1) A clear and comprehensive career technical education plan for each course of study applicable to the instructional space.

(2) Projections of pupil enrollment.

(3) Identification of feeder schools, industry partners, and community colleges or institutions of higher education participating in the development, articulation, and review of the educational program.

(4) Evidence of approval of the plan described in paragraph (1) by the entities listed in paragraph (3) and the State Department of Education, including a determination by the State Department of Education that the application has scored at least 105 points as required under subdivision (c) of Section 1859.192 of Title 2 of the California Code of Regulations.

(5) The method by which accountability for pupil enrollments and outcomes will be maintained. Outcomes shall include, but are not limited to, certificate completion, successful entry of pupils to employment in the applicable industry, and successful transition to institutions of higher education for work in the applicable industry or other areas of study.

(6) Evidence of coordination with all feeder schools, middle schools, and high schools within the area to ensure that the project and programs complement career technical education offerings in the area.

(7) Evidence that upon completion of the project, the local educational agency will meet all of its obligations under Section 51228 relating to career technical education.

(g) The Office of Public School Construction shall develop regulations, subject to board approval, to implement this section. The regulations shall include

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procedures for the submission of State Department of Education-approved plans and specifications as a condition for the modernization grant adjustment, in alignment with subdivision (b) of Section 1859.197 of Title 2 of the California Code of Regulations.

(h) Projects shall be subject to a program accountability expenditure audit, consistent with State Department of Education guidelines, to ensure compliance with the funding regulations. Any repayments due back to the state as a result of these audits shall be subject to the repayment provisions in Section 1859.106.1 of Title 2 of the California Code of Regulations.

**EC Section 17251 - State Department of Education: Powers and Duties**

The department shall:

(a) Upon the request of the governing board of a school district, advise the governing board of the school district on the acquisition of new schoolsites and, after a review of available plots, give the governing board of the school district in writing a list of the recommended locations in the order of their merit, considering especially the matters of educational merit, safety, reduction of traffic hazards, and conformity to the land use element in the general plan of the city, county, or city and county having jurisdiction. The governing board of the school district may purchase a site deemed unsuitable for school purposes by the department only after reviewing the report of the department on proposed sites at a public hearing. The department shall charge the school district a reasonable fee for each schoolsite reviewed not to exceed the actual administrative costs incurred for that purpose.

(b) Develop standards for use by a school district in the selection of schoolsites, in accordance with the objectives set forth in subdivision (a). The department shall investigate complaints of noncompliance with site selection standards, and shall notify the governing board of the school district of the results of the investigation. If that notification is received before the acquisition of the site, the governing board of the school district shall discuss the findings of the investigation in a public hearing.

(c) Establish standards for use by school districts to ensure that the design and construction of school facilities are educationally appropriate, promote school safety, and provide school districts with flexibility in designing instructional facilities.

(d) Upon the request of the governing board of a school district, review plans and specifications for school buildings in the school district. The department shall charge the governing board of a school district, for the review of plans and specifications, a reasonable fee not to exceed the actual administrative costs incurred for that purpose.

(e) Upon the request of the governing board of a school district, make a survey of the building needs of the school district, advise the governing board of the school district concerning the building needs, and suggest plans for financing a building

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program to meet the needs. The department shall charge the school district, for the cost of the survey, a reasonable fee not to exceed the actual administrative costs incurred for that purpose.

(f) Provide information relating to the impact or potential impact upon a schoolsite of hazardous substances, solid waste, safety, hazardous air emissions, and other information as the department may deem appropriate.

(g) (1) Develop strategies to assist small school districts with technical assistance relating to school construction and the funding of school facilities. The strategies may include informing the districts of how to receive the approval required for school construction, including the requirements of the Division of the State Architect, and how to secure state funding, including from the state bond funds made available pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10).

(2) For purposes of this subdivision, "small school district" means a school district with fewer than 2,501 units of average daily attendance.

**EC Section 17592.73 - School Assessments of Buildings and Emergency Repairs Grant Program**

The State Allocation Board shall do all of the following:

(a) Adopt regulations and review and amend its regulations, as necessary, pursuant to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), for the administration of this article, including those regulations necessary to specify the qualifications of the personnel performing the needs assessment and a method to ensure their independence. The initial regulations adopted pursuant to this article shall be adopted as emergency regulations, and the circumstances related to the initial adoption are hereby deemed to constitute an emergency for this purpose. The initial regulations adopted pursuant to this article shall be adopted by January 31, 2005.

(b) Establish and publish any procedures and policies in connection with the administration of this article as it deems necessary.

(c) Apportion funds to eligible school districts under this article.

(d) Provide technical assistance to school districts to implement this article.

(e) Submit an interim status report to the Legislature and the Governor by June 30, 2005, by compiling the reports submitted pursuant to paragraph (6) of subdivision (d) of Section 17592.70.

(f) By June 30, 2008, report to the Legislature and the Governor on expenditures pursuant to Section 17592.72 and projections of future expenditures pursuant to Section 17592.72.

**EC Section 41024 - Accounting Regulations, Budget Controls and Audits**

(a) (1) Commencing April 1, 2017, a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter

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12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) shall annually report a detailed list of all expenditures of state funds, including interest, and of the local educational agency's matching funds for completed projects until all state funds, including interest, all of the local educational agency's matching funds, and savings achieved, including interest, pursuant to Section 17070.63, are expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998, associated regulations, and any accompanying grant agreement signed by a local educational agency. A local educational agency's detailed list of expenditures shall identify expenditures on a project-by-project basis, reflect completed projects that were reimbursed within that fiscal year, and shall clearly indicate the list of projects that have been completed.

(2) For purposes of this section, the determination that a project is complete shall be in accordance with the regulations adopted pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1).

(3) The total amount of interest earned on the state funds shall be reported on the final expenditure report upon completion of a project. For the purposes of determining the total amount of interest earned on the state funds, interest shall be considered to accrue from the time state funds are deposited in the local educational agency's account until the time the local educational agency submits the final expenditure report to the Office of Public School Construction.

(4) Commencing April 1, 2017, a local educational agency participating in the school facilities program shall ensure that it retains all financial accounts, documents, and records necessary for an audit of completed projects pursuant to Section 16026 of Title 5 of the California Code of Regulations. For purposes of this paragraph and in compliance with any applicable state and federal standards, a local educational agency may maintain records electronically.

(5) Any project identified on a local educational agency's detailed list of expenditures pursuant to paragraph (1) that is reported complete during the 2017–18 fiscal year shall be audited in accordance with the audit guide required by Section 14502.1 for the 2018–19 fiscal year. All other completed projects shall be audited in accordance with the audit guide required by Section 14502.1 for the fiscal year in which the project is reported complete.

(6) The audit described in this section shall be completed within one year of project completion as determined by Section 1859.104 of Title 2 of the California Code of Regulations.

(b) (1) Commencing with audits of the 2018–19 fiscal year, the Controller shall include instructions in the audit guide required by Section 14502.1 that include, but are not necessarily limited to, procedures for determining all of the following:

(A) Whether funds identified by a local educational agency on its detailed list of expenditures pursuant to paragraph (1) of subdivision (a) have been expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1

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of Title 1), associated regulations, and any accompanying grant agreement signed by a local educational agency. Any funds not expended in accordance with these requirements shall be disallowed and considered an audit finding.

(B) That savings achieved, including interest, pursuant to Section 17070.63, are used for other high priority capital outlay purposes identified by the local educational agency or returned to the Office of Public School Construction, and are used in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1), associated regulations, and as specified in any accompanying grant agreement.

(C) Adjustments to the grant amounts received by a local educational agency for site acquisition costs based upon the local educational agency's final approved expenditures as required pursuant to Sections 1859.105 and 1859.106 of Title 2 of the California Code of Regulations.

(D) Adjustments to the grant amounts received by a local educational agency associated with the substantial progress requirements reflected in the program reporting requirements pursuant to Section 1859.104 of Title 2 of the California Code of Regulations.

(2) Any amounts or adjustments identified pursuant to subparagraphs (C) and (D) of paragraph (1) shall be identified within a local educational agency's audit, but shall not be considered an audit finding for purposes of this section.

(c) (1) The auditor conducting the audit pursuant to this section shall file the audit with the Controller within 60 days of the completion of the audit. The Controller shall be allowed access to audit working papers. Adjustments pursuant to paragraph (2) of subdivision (b) shall not be appealable to the Education Audit Appeals Panel pursuant to this section.

(2) Within 60 days of the receipt of the certified audit, and after determining that the audit conforms with the reporting standards contained in the audit guide, the Controller shall do both of the following:

(A) Provide the department a copy of the certified audit.

(B) Notify the Office of Public School Construction of any audit findings pursuant to this section and any amounts or adjustments identified pursuant to clause (iii) and provide the Office of Public School Construction with a copy of the certified audit identifying the amounts to be adjusted if, as a result of the audit conducted in accordance with the requirements of subdivisions (a) and (b), the auditor determines any of the following:

(i) A local educational agency has unspent funds for the project not identified as savings pursuant to Section 17070.63 that shall be returned pursuant to subparagraphs (C) and (D) of paragraph (1) of subdivision (b), and any accompanying grant agreement signed by a local educational agency.

(ii) A local educational agency is subject to an increase or decrease in funds provided pursuant to subparagraphs (C) and (D) of paragraph (1) of subdivision

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(b), and any accompanying grant agreement signed by a local educational agency.

(iii) A local educational agency did not expend funds in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) and any accompanying grant agreement signed by a local educational agency.

(3) Upon receipt of the certified audit, the Office of Public School Construction shall present any grant adjustments required pursuant to clauses (i) and (ii) of subparagraph (B) of paragraph (2) for a specified project to the State Allocation Board for an adjustment to the project apportionment. Funds identified for purposes of clauses (i) and (ii) of subparagraph (B) of paragraph (2) shall be apportioned from, or returned to, the appropriate funds, as established in the State Treasury pursuant to Section 17070.40 or 17070.41, as applicable. If a school district is required to return unspent funds, the fund source for returned funds shall be the county school facilities fund established pursuant to subdivision (a) of Section 17070.43.

(4) A local educational agency may appeal the audit finding pursuant to the timelines and process established in subdivision (d) of Section 41344. The procedures set out in subdivision (d) of Section 41344.1 do not apply to the audit required by this section.

(5) The Office of Public School Construction shall ensure that the local educational agency has corrected the audit finding by implementing a required penalty payment of funds equal to the amount of funds disallowed in the audit finding pursuant to the process specified in subdivision (d).

(d) (1) If, as the result of the audit, a local educational agency is required to pay funds pursuant to clause (iii) of subparagraph (B) of paragraph (2) of subdivision (c), the Office of Public School Construction shall recover the funds from the local educational agency.

(2) If the local educational agency has submitted an appeal to the Education Audit Appeals Panel pursuant to subdivision (d) of Section 41344, the Office of Public School Construction shall not recover funds until following the determination of the appeal.

(3) A local educational agency may use any local fund source to pay the disallowed amount pursuant to clause (iii) of subparagraph (B) of paragraph (2) of subdivision (c) so long as there is no legal prohibition regarding the use of those funds for this purpose.

(4) A local educational agency may request from the Office of Public School Construction a repayment plan within 90 days of receiving the final audit report, or within 30 days of withdrawing or receiving a final determination regarding an appeal pursuant to subdivision (d) of Section 41344 and subdivision (b) of Section 41344.1, as applicable. The Office of Public School Construction and the Director of Finance, or their designees, jointly shall establish a plan for payment. The payment plan shall be established in accordance with the following:



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(A) If the executive officer of the Office of Public School Construction and the Director of Finance, in consultation with the department, concur that repayment of the disallowed amount in the current fiscal year would constitute a severe financial hardship for the local educational agency, they may jointly approve a plan of equal annual payments over a period of up to eight years. The plan may include interest on each year's outstanding balance at the rate earned on the state's Pooled Money Investment Account during that year. The executive officer of the Office of Public School Construction and the Director of Finance jointly shall establish this plan. At the time the local educational agency is notified, the Controller also shall be notified of the plan by the executive officer of the Office of Public School Construction. The Controller shall withhold the annual amount established pursuant to the plan from the local educational agency's principal apportionment or Education Protection Account payments.

(B) Notwithstanding subparagraph (A), if the executive officer of the Office of Public School Construction and the Director of Finance, in consultation with the department, concur that repayment of the disallowed amount over an eight-year period would require the local educational agency to request an emergency apportionment pursuant to Article 2 (commencing with Section 41320) of, and Article 2.5 (commencing with Section 41325) of, Chapter 3, they may approve a plan of equal annual payments over a period of up to 20 years. The plan shall include interest on each year's outstanding balance at the rate earned on the state's Pooled Money Investment Account during that year. The Controller shall withhold the annual amount established pursuant to the plan from the local educational agency's principal apportionment or Education Protection Account payments.

(C) If a payment plan submitted pursuant to this section is not approved by the executive officer of the Office of Public School Construction and the Director of Finance, in consultation with the department, or is not requested by the local educational agency, the executive officer of the Office of Public School Construction shall invoice the local educational agency for the entire disallowed amount. If the local educational agency does not remit payment for the invoice within 120 days of issuance, the executive officer of the Office of Public School Construction shall request that the Controller withhold the entire disallowed amount from the local educational agency's principal apportionment or Education Protection Account payments.

(D) (i) Funds recovered by the executive officer of the Office of Public School Construction or withheld by the Controller pursuant to this section shall be deposited into the appropriate state school facilities fund, as established in the State Treasury pursuant to Section 17070.40 or 17070.41, as applicable.

(ii) Funds remitted to the Office of Public School Construction by a local educational agency from local fund sources, as authorized by paragraph (3), shall be deposited into the appropriate state school facilities fund, as established in the State Treasury pursuant to Section 17070.40 or 17070.41, as applicable.

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(e) As used in this section, “audit or review” and “local educational agency” shall have the same meaning as the terms are defined in paragraphs (1) and (2) of subdivision (e) of Section 41344.

(f) The State Allocation Board shall not waive all or any part of this section, any grant agreement or provisions of a grant agreement signed by a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1), or any regulation adopted that implements a provision of this section.

(g) In any appeal filed pursuant to Section 41344 and this section, the Office of Public School Construction, the Department of Finance, and the department may timely move to intervene as a party.

(h) If the Office of Public School Construction chooses not to intervene in an appeal, the administrative law judge conducting the hearing, or the Education Audit Appeals Panel, may request that the Office of Public School Construction issue and file in the appeal an objective interpretation of any applicable law, regulation, or term of the grant agreement within 30 days of the request or such longer period as the administrative law judge or the Education Audit Appeals Panel deems reasonable. The Office of Public School Construction’s filing shall not argue or seek to resolve issues of fact, but may state how a particular law, regulation, or grant agreement term applies to competing factual contentions. The agent of the Office of Public School Construction shall be precluded from acting as a party once a request pursuant to this subdivision is made.

(i) Notwithstanding subdivision (a), this section shall not apply to any school facilities project that was apportioned before July 1, 2017.

## PROPOSED REGULATIONS

## SFP Regulation Section 1859.32. Adjustments to Gross Classroom Inventory.

After the gross classroom inventory has been prepared pursuant to Section 1859.31, it will be reduced by the following. Any classrooms:

- (a) abandoned and approved for replacement as a hardship under the provisions of the LPP;
- (b) at a school operated on a year-round schedule that has been used continuously for at least 50 percent of the time for preschool programs in the five years preceding the receipt of the application for determination of eligibility;
- (c) included in any new construction LPP project that has not received a Phase C apportionment;
- (d) that is portable and owned or leased by the district for 20 years or more that was approved for abandonment in a LPP project and the plans for the project had DSA approval prior to November 4, 1998;
- (e) that is a trailer and is transported/towed on its own wheels and axles;
- (f) used exclusively for regional occupational centers, regional occupational programs, child care, preschool and/or Adult Education Programs, and was built or acquired with funds specifically available for those purposes;
- (g) of less than 700 interior square feet;
- (h) originally built for instructional use, but converted to one of the following:
  - (1) used continuously for school administration for at least five years prior to the submittal of the application to the OPSC for determination of eligibility.
  - (2) used continuously for central or main district administration for at least five years prior to the submittal of the application to the OPSC for determination of eligibility.
  - (3) used for school library purposes during the previous school year.
- (i) owned but leased to another district.
- (j) any portable classroom excluded by Education Code Section 17071.30.
- (k) that is permanent space and leased for less than five years.
- (l) any permanent classroom contained in a project for which the construction contract was signed between August 27, 1998 and November 18, 1998 and for which the district did not have full project eligibility under the LPP.
- (m) that was acquired with joint-use funds specifically available for that purpose.
- (n) that was acquired with California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program funds, pursuant to Education Code Section 17375.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17052, 17071.25, 17071.30, ~~and~~ 17077.40, and 17375 Education Code.

## SFP Regulation Section 1859.51. Adjustments to the New Construction Baseline Eligibility.

The baseline eligibility for new construction determined on the Form SAB 50-03 will be adjusted as follows:

....

(i) Reduced by the number of pupils housed, based on loading standards pursuant to Education Code Section 17071.25(a)(2)(A), in any Classroom Provided after the baseline eligibility was determined by the Board with the exception of those pupils housed or to be housed in a classroom:

- (1) That is a trailer and transportable/towed on its own wheels and axles.
- (2) Of less than 700 interior square feet.
- (3) That is a portable classroom, leased pursuant to Chapter 14 (commencing with Section 17085) of the Education Code.
- (4) That is a portable classroom leased for a period of less than five years, whether in a single lease or cumulative total of several leases.
- (5) That is a portable classroom that needs to be leased beyond five years to provide interim housing in a modernization or new construction project provided the cumulative lease term does not exceed a specified time period as determined by the SAB not to exceed three years on each qualifying project. For this purpose, a project means all work contained in a single set of construction plans.
- (6) Where the contract for the lease, lease-purchase, purchase, or construction of the classroom was made prior to January 1, 2000.
- (7) That is included in a SFP project where the School ~~d~~District has funded a portion of the project beyond its required School ~~d~~District contribution and the pupil capacity of the classroom does not exceed 150 percent of the number of pupils receiving a new construction grant (rounded up) for the SFP project.
- (8) That was acquired with joint-use funds specifically available for that purpose.
- (9) That was acquired with career technical education funds specifically available pursuant to Education Code Section 17078.72.
- (10) That was built or acquired exclusively for regional occupational centers, regional occupational programs, child care, preschool and/or Adult Education Programs, and with funds specifically available for those purposes.
- (11) That replaces a classroom, previously included in the determination of the district's new construction eligibility pursuant to Education Code Section 17071.75, in a project funded by the district without participation from the State and the district permanently removes the replaced facility from classroom use immediately after the replacement classroom is occupied.
- (12) That was constructed with Overcrowding Relief Grant funds specifically available for that purpose.
- (13) That was acquired with California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program funds pursuant to Education Code Section 17375.

....

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17052, 17070.51, 17071.25, 17071.75, 17071.76, 17072.20, 17077.40, 17078.72, 17079.20, 17375, 42268, and 42270, Education Code.

SFP Regulation Section 1859.60. Calculation to Determine Modernization Baseline Eligibility.

The School ~~D~~istrict shall calculate its modernization eligibility for each school site with the completion of the Form SAB 50-03. The eligibility determination may be made by either identifying all classrooms on the site pursuant to (a) or by the identification of all square footage on the site pursuant to (b), as follows:

(a) Identify all classrooms at the school site that would have been included in the Gross Classroom Inventory pursuant to Section 1859.31, with the exception of classrooms acquired with funds pursuant to Education Code Section 17375, that are:

- (1) Permanent and at least 25 years old.
- (2) Portable and at least 20 years old.
- (3) The remaining classrooms not reported in (1) or (2) above.

(b) Identify all square footage at the school site, with the exception of classrooms acquired with funds pursuant to Education Code Section 17375, that is:

- (1) Permanent area and at least 25 years old.
- (2) Portable classroom area and at least 20 years old.
- (3) The remaining square footage on the site not reported in (1) or (2) above.

The age of the classroom or square footage shall begin 12 months after the plans for the placement or construction of the building were approved by the DSA; or in the case of permanent or portable classrooms that were previously modernized with State funds or rehabilitated under the Charter School Facilities Program, the 25/20 year period shall begin on the date of ~~it's~~ the classrooms' previous apportionment. If a portable building has been relocated from another school site, the age of the classroom or square footage shall begin 12 months after the plans for the placement of the portable building at its original site were approved by the DSA. For purposes of identifying square footage at a school site, include the total enclosed exterior square footage of the school buildings. For multilevel buildings, include the square footage at each level.

Enrollment at the school shall be the latest CBEDS report for K-6, 7-8 and 9-12 pupils. If the school is closed at the time of application for eligibility determination for modernization, and the School District intends to reopen it and use it as a school for at least the next five years, the enrollment may be estimated based on district demographic data.

The calculated eligibility determined on the Form SAB 50-03, shall be referred to as the modernization baseline eligibility for the specific school site.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17073.15, 17073.20, ~~and~~ 17074.10, and 17375 Education Code.

SFP Regulation Section 1859.70. General.

(a) A School District seeking New Construction or Modernization funding shall complete and file Form SAB 50-04, concurrently or after completing the applicable requirements in Sections 1859.20 and 1859.40. The Board shall only provide New Construction funding if the Approved Application was received by the OPSC prior to the date of Occupancy for any classrooms included in the construction contract. After the date of Occupancy of any classroom in the construction contract, a School District will be ineligible to seek New Construction funding and the classrooms will be reduced from the baseline eligibility pursuant to Section 1859.51(i) if not previously reduced.

(b) A School District affected by a reorganization election on or after November 4, 1998 may file an application for New Construction funding after the notification of the reorganization election. The School District must submit a new calculation of the district's baseline eligibility as determined on the Form SAB 50-03 upon written notification, or certify that the reorganization election will not result in a loss of eligibility for the project for which the School District is requesting new construction grants. For all requests for funding received by the OPSC on or after June 6, 2017, the OPSC will notify the School District in writing that OPSC is scheduled to begin processing the School District's Form SAB 50-04. The School District must submit a completed Form SAB 50-03 within 90 calendar days of OPSC's notification. OPSC may return the Form SAB 50-04 to the School District for failure to submit the Form SAB 50-03 within 90 calendar days of OPSC's notification.

A School District that is newly created as a result of a reorganization election may file an application for funding after approval of the election has been made by the State Board of Education.

(c) With the exception of the circumstances in paragraphs (1) and (2), below, if a School District wishes to amend its Approved Application to increase the pupil grants requested in the application after the submittal to the OPSC, the School District must request in writing that the Approved Application be withdrawn and removed from the OPSC workload list and/or Applications Received Beyond Bond Authority List. The resubmitted Approved Application will receive a new processing date by the OPSC.

(1) The requirements in (c) do not apply to an increase in pupil grants requested that is required for a modernization application to comply with Section 1859.79.3.

(2) The requirements in (c) do not apply to an increase in pupil grants requested for a new construction application that results from a change in the classroom loading standards for the project due to the redesignation of classroom grade levels in the project.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17071.10, 17071.75, 17072.10, ~~and~~ 17074.10, and 17070.63 Education Code.

SFP Regulation Section 1859.78.6. Modernization Grant for 50 Year or Older Permanent Buildings.

(a) In lieu of the funding provided by Subdivision (a) of Education Code Section 17074.10 and Section 1859.78.3, the Board shall provide the amounts shown below for each pupil housed in permanent school buildings that are 50 years or older as follows:

...

For purposes of determining the age of the building, the 20 year, 25 year, and the 50 year period shall begin 12 months after the ~~original~~ plans for the placement or construction of the building were approved by the DSA or in the case of permanent or portable classrooms previously modernized with State funds, the 50/25/20 year period shall begin on the date of ~~it's~~ the classrooms' previous modernization apportionment. If a portable building has been relocated from another school site, the age of the classroom or square footage shall begin 12 months after the plans for the placement at its original site were approved by the DSA.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Section 17074.26, Education Code.

SFP Regulation Section 1859.79.2. Use of Modernization Grant Funds.

The Modernization Grant plus any other funds provided by these Regulations shall be expended as set forth in Education Code Sections 17074.25, 17074.10(f) and 17070.15(i) and may also be utilized for other purposes as set forth in Education Code Section 100420(c), and Labor Code Section 1771.3(a) in effect on January 1, 2012 through June 19, 2014. Modernization funding may also be used for the costs incurred by the School District directly or through a contract with a third party provider for the initiation and enforcement of a LCP. Modernization funding, with the exception of savings, is limited to expenditure on the specific site where the modernization grant eligibility was generated. The grant may not be used for the following:

(a) New building area with the exception of the following:

(1) Replacement building area of like kind. Additional classrooms constructed within the replacement area will reduce the new construction baseline eligibility for the district.

(2) Building area required by the federal Americans with Disabilities Act (ADA) or by the Division of the State Architect's (DSA) ~~handicapped~~ access compliance requirements.

(3) Classroom building area necessary to meet the higher of the recommended minimum size of the classroom type in the chart in Section 1859.82.1(b) or the minimum size needed to gain CDE approval.

(b) New site development items with the exception of:

(1) Replacement, repair or additions to existing site development.

(2) Site development items required by the federal ADA Act or by the DSA's handicapped access requirements.

(c) the evaluation and removal of hazardous or solid waste and/or hazardous substances when the Department of Toxic Substance Control has determined that the site contains dangerous levels of a hazardous substance, hazardous waste, or both that exceed ten percent of the combined adjusted grant and the district matching share for the project.

(d) Leased facilities not owned by another School District or a county superintendent.

Modernization Grant funds may be used on any school facilities on the site, with the exception of portable classroom facilities eligible for an additional apportionment pursuant to Education Code Sections 17073.15 and 17074.10(f) and as defined in Section 1859.78.8. If the classroom facilities on the site include areas that are currently ineligible for modernization, it will not disqualify those facilities from future modernization funding.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.15, 17074.25 and 100420(c), Education Code, and Section 1771.3 in effect on January 1, 2012 through June 19, 2014, Labor Code.

## SFP Regulation Section 1859.81. Financial Hardship.

Except for Joint-Use Projects and Career Technical Education Facilities Projects, a School District is eligible for financial hardship to fund all or a portion of its matching share requirement after demonstrating the requirements of (a), (c), and (d) below:

(a) The School District is financially unable to provide all necessary matching funds for an eligible project. To determine this, at the time OPSC processes the School District's request for Financial Hardship, an analysis shall be made of the School District's financial records by the 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 annual Independent Audit required by Education Code Section 41020. The audit report must be for the fiscal year immediately preceding OPSC's processing of the request for Financial Hardship. The review of the audit report will be 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, sale proceeds from surplus property, the appraised value of facilities approved for replacement pursuant to Section 1859.82, bond funds either encumbered, unencumbered or authorized but unsold, and savings from other SFP projects. 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.

...

## SFP Regulation Section 1859.106. Program Accountability Expenditure Audit.

For any project that was apportioned on or after July 1, 2017, an audit shall be conducted pursuant to Education Code Section 41024, all otherThe projects will be audited by OPSC. The audits will assure that the expenditures incurred by the local educational agency district were made in accordance with the provisions of Education Code Section 17072.35 for new construction projects, Section 1859.120 for Joint-Use Projects, Section 1859.140 for Critically Overcrowded School projects, Section 1859.160 for Charter School projects, and Education Code Section 17074.25 and Section 1859.79.2 for modernization projects. The audits will also assure that the local educational agency district complied with all site acquisition guidelines as provided in Education Code Sections 17072.13 and 17072.14 and Sections 1859.74, 1859.74.1, 1859.74.2, 1859.74.3, 1859.74.4, 1859.75 and 1859.75.1.

Per Education Code Section 41024, a separate audit report shall be submitted for each audited project. Multiple projects cannot be combined in one audit report.

Pursuant to Education Code Section 41024(c)(5), should an audit of the local educational agency certifications or the expenditures for the project include a finding that some or all of the expenditures were not made in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998, associated regulations, and any accompanying grant agreement signed by the School District, the Office of Public School Construction shall ensure that the School District has corrected the audit finding by



implementing a required penalty payment of funds equal to the amount of funds disallowed in the audit finding.

....

Note: Authority cited: Sections 41024 and 17070.35, Education Code.

Reference: Sections 17070.35, 17070.50, 17071.75, 17072.13, 17072.14, 17072.18, 17072.35, 17074.25, 17076.10, 17077.40, 17078.52 and 17251, Education Code, and Section 1771.3, Labor Code.

SFP Regulation Section 1859.171. Use of Facility.

If an applicant that has received funding pursuant to Section 1859.164.2(b) and has not met the timelines established in Section 1859.166 on a Preliminary Charter School Apportionment, or is no longer occupying the Facility constructed with funds derived through a Final Charter School Apportionment, and the review process outlined in Education Code Section 17078.62(b)(1) has been completed (if applicable), then the following events shall occur:

(a) Any qualifying successor Charter School shall be permitted to occupy the Facility pursuant to Education Code Section 17078.62(b)(2). A qualifying successor Charter School will be selected in the following manner:

(1) The School District in which the project is physically located that serves the same grade level as the pupils housed in the project shall publicly notify all eligible Charter Schools authorized to operate in the School District's boundaries. An eligible Charter School is at minimum a Charter School with an approved petition that provides classroom-based instruction as defined by Education Code Section 47612.5(e)(1). A qualifying successor Charter School must be able to assume payment of any funds owed pursuant to Section 1859.168, enter into the Charter School Agreements, and be found Financially Sound by CSFA, in addition to any School District requirements approved by both OPSC and CSFA. Examples of possible School District requirements may include:

(A) Requirements to avoid a health and/or safety concern, such as grade levels of Charter Schools that are co-located on other school sites, and

(B) If local funds were provided to construct the Facility, requirements or restrictions related to local fund sources that do not conflict with CSFP requirements.

(2) If more than one eligible Charter School responds to the School District's notification, the School District must use a fair and competitive process, such as a request for proposal, to identify and rank eligible Charter Schools. When ranking eligible Charter Schools, preference shall be provided to Charter Schools that serve Low-Income students, as well as Charter Schools that meet the definition of a Non-Profit Entity. School Districts may add additional preference point categories approved by OPSC and CSFA. The combined total eligible points and/or weighing provided by the additional School District categories shall not exceed the combined total eligible points and/or weighing for Low-Income and Non-Profit Entity categories. Examples of possible School District preference points categories include:

(A) Charter Schools that will relocate from a School District property that is not a school,

(B) Charter Schools serving students in the same grade level as the constructed classrooms in the Facility,

(C) Charter Schools whose use of the Facility will resolve a current health and/or safety issue at its current location on School District property, and

(D) Charter Schools that serve a certain threshold of in-district students or will serve School District unhoused students.

(3) The School District, with approval from the OPSC and CSFA, must identify, in ranking order if applicable, a successor Charter School.

(4) If multiple Charter Schools apply jointly to be a successor Charter School, they will be treated as one applicant for purposes of assigning preference points and ranking. Preference points will be assigned based on the school with the enrollment majority as documented in the approved charter petition(s) for the grade levels that will use the Facility.

(b) If after the steps in subsection (a) are complete, no qualifying successor Charter School is identified or chooses to occupy the Facility, and the School District has demonstrated due diligence in soliciting alternative Charter Schools within the local area to identify a successor Charter School to take possession of the Facility, as required by California School Finance Authority Regulation Section 10157, the School District in which the project is physically located that serves that same grade level as the pupils housed in the project, may elect to take possession of the Facility and pay the balance of the local matching share. It is a priority that a qualifying successor Charter School be permitted to meet its facility needs by occupying the Facility before the eligible School District may take possession of the Facility. The School District may be required to make additional attempts to solicit alternative Charter Schools to ensure this priority is met and demonstrate due diligence. The School District may qualify for a waiver of repayment if it can meet all the following:

(1) Demonstrate that at the time the Form SAB 50-04 was submitted for Final Charter School Apportionment, the School District would have qualified for Financial Hardship, pursuant to Section 1859.81; and,

(2) Certify to the Board that it will comply with the requirements of Education Code Section 17078.62(b)(4)(B).

(c) If the School District chooses not to take possession of the Facility, it shall dispose of the Facilities in the manner applicable to the disposal of surplus school sites pursuant to Education Code Sections 17455 through 17484. The proceeds from the sale shall be used to pay off the remaining loan balance, if any.

(d) Pursuant to Education Code Section 17078.62(b)(5)(B), if the School District declines to dispose of the Facility, it shall provide written notice of its rejection to the Board in the form of written action taken by the governing board of the School District and the Board shall dispose of the property.

Note: Authority cited: Sections 17070.35 and 17078.64, Education Code.

Reference: Section 17078.62, Education Code.

SFP Regulation Section 1859.193. Career Technical Education Facilities Grant Determination.

A Career Technical Education Facilities Project may construct a new facility or modernize or Reconfigure an existing school building. The Application for Career Technical Education Facility funding may

accompany an Application for new construction funding pursuant to Section 1859.70 or may be submitted independently.

The applicant must identify square footage of the Career Technical Education Facility being constructed, modernized, reconfigured or equipped, on the funding Application. Equipment purchased under the Career Technical Education Facilities Program must have an average useful life expectancy of at least ten years pursuant to Education Code 17078.72(a). An Application for a Career Technical Education Facilities Project may consist entirely of equipment.

All equipment must be purchased on or after May 20, 2006, unless the Career Technical Education Facilities Project is combined with a qualifying SFP new construction project pursuant to Section 1859.193.1.

An approved equipment item may be replaced with an equipment item of a newer or similar model as the originally approved item.

....

SFP Regulation Section 1860.20. Program Accountability Expenditure Audit.

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

(b) School 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. The School dDistrict shall also provide a copy of the California Department of Social Services approved Child Care License, or proof of license-exempt status, if requested by the local auditor.

(c) 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~~ the Office of Public School Construction 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(i), Education Code.

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

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Office of Public School Construction Application Number: \_\_\_\_\_

**GENERAL INFORMATION**

Grantee Name: \_\_\_\_\_

School Name: \_\_\_\_\_

Grant Amount: \_\_\_\_\_ of which \_\_\_\_\_ is Financial Hardship Assistance.

Authority: \_\_\_\_\_ [relevant Bond Act(s)]

SFP Program Funding Source: \_\_\_\_\_  
 (e.g., New Construction, Modernization, Charter Schools Facilities Program, or Career Technical Education Facilities Program)

Future Priority Funding Rounds: \_\_\_\_\_ (first priority funding window, second priority funding window)

**PROJECT DESCRIPTION**

Type of Work: \_\_\_\_\_ (e.g., New Construction, Modernization, Career Technical Education Facilities Program New Construction, Facility Hardship rehabilitation work funded with New Construction grants, Facility Hardship replacement work funded with Modernization grants, etc.)

New School or Addition to an Existing Site: \_\_\_\_\_

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)

Other Facilities being newly constructed, modernized, replaced, or rehabilitated: \_\_\_\_\_

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Office of Public School Construction Application Number: \_\_\_\_\_

Square Footage being replaced: \_\_\_\_\_ Toilet Area sq. ft.  
 \_\_\_\_\_ Other Area sq. ft. (all non-toilet area)  
 (include for Facility Hardship replacement or Seismic Mitigation Program replacement projects)  
 For purposes of Facility Hardship and Seismic Mitigation Program projects, shower/locker area  
 is considered "toilet area."

Approved rehabilitation cost estimate: \_\_\_\_\_  
 (include for Facility Hardship rehabilitation or Seismic Mitigation Program rehabilitation projects)

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

- The Funding Application (Form SAB 50-04), executed by the District Representative on XXXXX
- The Application for Charter School Preliminary Apportionment (Form SAB 50-09), executed by the District Representative on XXXXX
- The Application for Career Technical Education Facilities Funding (Form SAB 50-10), executed by the District Representative on XXXXX
- Site Approval letter from the California Department of Education dated XXXXX
- 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
- The industry specialist report prepared by (insert name of specialist or firm), dated XXXXX that details the minimum work necessary to mitigate the (health and safety or seismic) threat in this (rehabilitation or replacement) application
- Written concurrence dated XXXX from (enter name of governmental agency) agreeing with the (health and safety or seismic) threat and the minimum work to mitigate the threat in the industry specialist report

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 Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 2, Division 1, Part 10, Chapter 12.5, commencing with Section 17070.10) 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 SFP Regulation Section 1859.2.

"Act" means the Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 1, Division 1, Part 10, Chapter 12.5, commencing with Section 17070.10).

"Agreement" means a contract to do or not to do a certain thing and refers to this Grant Agreement.

"Application" means a request pursuant to the Act to receive funding for a school project.

"Apportionment" shall have the meaning set forth in Education Code Section 17070.15(a).

"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.

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

"Capital Outlay," for the purposes of the Grantee using Savings, pursuant to School Facility Program Regulation Section 1859.103, 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 but not limited to classrooms, multipurpose rooms, gymnasiums, administration buildings, restrooms, and libraries/media centers, 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.

"Charter School Agreements" mean a memorandum of understanding, a funding agreement, and a use agreement as established by the California School Finance Authority.

"Classroom" means a teaching station that has the same meaning as the term used in Education Code Section 17071.25(a)(1).

"Expenditure Report" means the Form SAB 50-06 *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 California Code of Regulations, Title 2, Regulation Section 1859.104.

"Financial Hardship" means State funding for all or a portion of the Grantee's matching share required by School Facility Program Regulation Section 1859.77.1 or 1859.79.

"Funding Application" means the Form SAB 50-04, *Application for Funding*, or the Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, or the Form SAB 50-10, *Application for Career Technical Education Facilities Funding*, and all required supplementary documentation pursuant to the Act and California Code of Regulations, Title 2, Regulation Sections 1859.70, 1859.161 or 1859.191, as applicable.

"Fund Release Application" means the Form SAB 50-05, *Fund Release Authorization*, and all required supplementary documentation, which includes but is not limited to this Agreement, pursuant to the Act and the Regulations.

Office of Public School Construction Application Number: \_\_\_\_\_

“Grants” means all eligible program grants provided by the Board to the Grantee in this Agreement.

“Grantee” means the school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, whose representative has signed this Agreement for Grants.

“Grantee Representative” means the authorized representative of a school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, who signed this Agreement for Grants.

“Hazardous Material/Waste Removal Fund” shall mean the fund established pursuant to California Code of Regulations, Title 2, Regulation Section 1859.163.3(b).

“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 Grantee’s receipt of funding from the Board.

“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 Grantee’s receipt of funding from the Board.

“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.

“Material Inaccuracy” means a finding of falsely certified eligibility or Funding Application related information submitted by Grantees, architects, or other design professionals that allowed the Grantee an advantage in the funding process. For penalties associated with Material Inaccuracy findings, see Education Code Section 17070.51.

“Modernization” means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 6 (commencing with Section 17073.10) and 7 (commencing with Section 17074.10).

“Most Vulnerable Category 2 Buildings” means the building meets the criteria outlined in Section 1859.82.2 and is one of the following building types:

C1 – Concrete Moment Frame

C1B – Reinforced Concrete Cantilever Columns with Flexible Diaphragms

C2A - Concrete Shear Wall with Flexible Diaphragms

C3A – Concrete Frame with Infill Masonry Shear Walls and Flexible Diaphragms

PC1 – Precast/Tilt-up Concrete Shear Wall with Flexible Diaphragms

PC1A – Precast/Tilt-up Concrete Shear Wall with Rigid Diaphragms

PC2 – Precast Concrete Frame without Concrete Shear Walls and with Rigid Diaphragms

URM – Unreinforced Masonry Bearing Wall with Flexible Diaphragms

RM1 – Reinforced Masonry Bearing Wall with Flexible Diaphragms

URMA – Unreinforced Masonry Bearing Wall with Rigid Diaphragms

S1B – Steel Cantilever Columns with Flexible Diaphragms

S3 – Steel Light Frame Metal Siding and/or Rod Bracing, or

M – Mixed construction containing at least one of the above structure types.

Office of Public School Construction Application Number: \_\_\_\_\_

“New Construction” means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 3 (commencing with Section 17071.75), 4 (commencing with Section 17072.10), and 5 (commencing with Section 17072.20).

“Occupancy” means the point at which pupils occupy a classroom as evident by district documents such as the school board’s adopted calendar, classroom attendance rosters, fire marshal approval of the classroom, etc.

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

“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.

“Preliminary Funding Application” means the Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, and all required supplementary documentation pursuant to the Act and the Regulations.

“Project” means the purposes for which the Grantee has applied for the Grants detailed in this Agreement.

“Regulations” means the School Facility Program regulations (California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 4, Group 1, Subgroup 5.5, commencing with Regulation Section 1859).

“Relocation/DTSC Fee Fund” shall mean the fund established pursuant to Regulation Section 1859.163.3, in order to set aside funding at the time Preliminary Charter School Apportionments are approved by the Board for relocation expenses and/or DTSC fees that will be provided at the Final Charter School Apportionment upon submission of actual costs.

“Savings” means Grants not used by the Grantee for the Project, pursuant to Regulation Section 1859.103, achieved by the Grantee’s efficient and prudent expenditure of Grants.

“School District” shall have the meaning set forth in Education Code Sections 17070.15(m) and 17073.25.

“School Facility Program (SFP)” means the programs implemented under the Act.

“State” means the state of California.

“Unfunded List (Lack of AB 55 Loans)” means an information list of unfunded projects that was created due to the state’s inability to provide interim financing from the Pooled Money Investment Account (AB 55 loans) to fund school construction project as declared in the Department of Finance Budget Letter #33 issued on December 18, 2008.

(Authority: SFP Regulation 1859.2)

## **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 either an Apportionment or placement on the Unfunded List (Lack of AB 55 Loans). 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 unfunded approval or apportionment, or (3) if the Grantee withdraws its Funding Application.



Office of Public School Construction Application Number: \_\_\_\_\_

### 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 SFP Regulation Section 1859.90.4.

*(Authority: New Construction: Education Code Sections 17072.20 and 17070.63; New Construction and Modernization: SFP Regulations Article 8 commencing with Section 1859.70; Charter School Facilities Program: Article 14 commencing with Section 1859.160; Career Technical Education Facilities Program: Article 16 commencing with Section 1859.190)*

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 Funding Application 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 Funding Application for compliance with School Facility 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.
- 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 Funding Application, the Office of Public School Construction staff and the Grantee agreed that the Project was ready for presentation to the Board for either an Apportionment or placement on the Unfunded List (Lack of AB 55 Loans).

*(Authority: SFP Regulation Sections 1859.2, 1859.70, 1859.90, 1859.93, 1859.93.1; 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 50-04 certifications)*

Office of Public School Construction Application Number: \_\_\_\_\_

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. 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 the SFP or 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 854, Chapter 28, Statutes of 2014, which requires school districts that have School Facility Program projects with an initial public works contract awarded on or after January 1, 2012, to notify the Department of Industrial Relations (DIR). The DIR must provide prevailing wage monitoring services for all such projects, except in the cases of: (1) the district operates a DIR-approved internal wage monitoring program; or (2) the district has entered into a collective bargaining agreement that includes the requirements specified in Labor Code section 1771.4(b)(2).
  - iii. Chapter 378, Statutes of 2011 (Assembly Bill 436), which required the Department of Industrial Relations to monitor and enforce prevailing wage requirements for every State bond funded project, including School Facility Program projects, pursuant to Labor Code Section 1771.7 for projects in which the initial public works construction contract was awarded before January 1, 2012. The Project must have also been apportioned from either Proposition 47 or 55 and the construction phase of the Project commenced on or after April 1, 2003.
  - iv. Chapter 868 Statutes of 2002 (Assembly Bill 1506), which made projects funded from either Proposition 47 (2002) or Proposition 55 (2004) with a notice to proceed date on or after April 1, 2003 subject to Labor Compliance Program requirements as outlined in Labor Code Section 1771.5.

Project Execution Signature

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

X \_\_\_\_\_ Date \_\_\_\_\_

(Authority: Form SAB 50-04 certifications)

Office of Public School Construction Application Number: \_\_\_\_\_

#### **D. Receiving Board Approval**

1. Grantee must have (1) title, (2) leasehold, or (3) 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 17070.70; SFP Regulation Sections 1859.74 and 1859.74.1)*

2. Grantee understands and agrees that the Grants, combined with local funds, shall be sufficient to complete the Project.

*(Authority: Education Code Section 17070.63(a))*

3. The Grantee has established a "Restricted Maintenance Account" for the 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 Education Code Section 17070.75 and 17070.77 (refer to Regulation Sections 1859.100 through 1859.102).

*(Authority: SFP Regulation Section 1859.100 and Form SAB 50-04 certifications)*

4. The Grantee has or will comply with Education Code Section 17076.11 regarding at least a three (3) percent expenditure goal for disabled veteran business enterprises.

*(Authority: Form SAB 50-04 certifications)*

5. The Grantee understands and agrees that (1) Grants required to be adjusted for site acquisition for both New Construction and Charter School Facilities Program projects, and (2) Grants not used by the Grantee that failed to meet substantial progress and (3) unspent Financial Hardship Grants, (4) unspent Charter School Facilities Program Grants, or (5) unspent Career Technical Education Facilities Program 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 17076.10 and Education Code Section 41024, as applicable.

6. 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 Office of Public School Construction, 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.

7. If the Grants will be used for the construction or modernization of school facilities on leased land, the Grantee has entered into a lease agreement for the leased property that meets the requirements of School Facility Program Regulation Section 1859.22.

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8. The Grantee has established a facilities inspection system to ensure that each of its schools is maintained in good repair.

*[Authority: Education Code Section 17070.75(f)]*

9. 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 17072.30, 17074.16, 17078.72(g)(1), 17078.54(d), and 17075.10(b)(2); Form SAB 50-04 certifications)*

10. The Grantee has considered the feasibility of using designs and materials for the new construction or modernization project that promote the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and the other characteristics of high performance schools.

*(Authority: Education Code Section 17070.96)*

11. 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 (Financial Hardship approvals are valid for 180 days) on the date the Approved Funding Application was received by the Office of Public School Construction.

*[Authority: SFP Regulation Section 1859.81(e)]*

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 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.

- iii. If the Project remained on the Unfunded List (Lack of AB 55 Loans) for more than 180 days, the Grantee understands and agrees that the Office of Public School Construction shall conduct a review to determine if the Grantee has additional funds available to contribute to the Grantee's matching funds.

*[Authority: SFP Regulation Section 1859.81(e) and (f)]*

- iv. If the additional Office of Public School Construction review, pursuant to Section (iii) above, determined that the amount of the Financial Hardship Grant required an adjustment, pursuant to Financial Hardship rules detailed in SFP Regulation Section 1859.81, the amount of the Grants detailed in this Agreement will be amended.

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*[Authority: SFP Regulation Section 1859.81(a)]*

12. [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 site and the plans from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment.

*(Authority: SFP Regulation Section 1859.81.1)*

- ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

*Seismic Mitigation Program Replacement or Facility Hardship Replacement:*

The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the

\_\_\_\_\_  
 (health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the \_\_\_\_\_

\_\_\_\_\_  
 (health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat.

The Project must have concurrence by an appropriate governmental agency agreeing with the \_\_\_\_\_

\_\_\_\_\_  
 (health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the "Most Vulnerable Category 2 Buildings".

*Site Acquisition:* The Grantee has complied with Sections 1859.74 through 1859.75.1, 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) to the Grant amount based on the final approved expenditures related to site acquisition separate and apart from all other Grants.

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*Modernization of Portable Classrooms:* If this Agreement includes the modernization of portable classrooms eligible for an additional Apportionment pursuant to Education Code Section 17073.15, the Grantee certifies that either:

- i. The Grants will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,
- ii. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional Apportionment is better use of public resources than the replacement of these facilities.

(Authority: SFP Regulation Section 1859.78.8)

*Modernization or Charter School Facilities Program Rehabilitation:* If this Agreement includes the modernization or Charter School Facilities Program Rehabilitation funding, the Grantee has received approval of the plans for the project from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment or advance release of funds for design from a Preliminary Charter School Apportionment.

(Authority: Modernization: SFP Regulation Section 1859.81.1; Charter: SFP Regulation Section 1859.163)

*Seismic Mitigation Program Rehabilitation or Facility Hardship Rehabilitation:*

The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the

\_\_\_\_\_  
 (health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the \_\_\_\_\_

\_\_\_\_\_  
 (health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat.

The Project must have concurrence by an appropriate governmental agency agreeing with the \_\_\_\_\_

\_\_\_\_\_  
 (health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the "Most Vulnerable Category 2 Buildings".

The Project must have the approval letter from DSA indicating that the work in the project plans is the minimum work required to mitigate the \_\_\_\_\_

\_\_\_\_\_  
 (health and safety or seismic) threat, which includes any other work triggered by the

Office of Public School Construction Application Number: \_\_\_\_\_

(health and safety or seismic) mitigation work and that is required in order to obtain DSA approval.

*Charter:*

- i. Facilities to be rehabilitated under the Charter School Facilities Program previously funded with School Facility Program funds meet the requirements of Regulation Section 1859.163.
- ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

*Charter-Preliminary Charter School Apportionment:*

- i. The Grantee agrees that failure to submit a Final Charter School Apportionment within the timelines prescribed for a Preliminary Charter School Apportionment (four years with a possible one year extension subject to Board approval) shall be cause for rescission of the Preliminary Charter School Apportionment; and,

*(Authority: SFP Regulation Section 1859.166)*

- ii. The Grantee agrees that when the Preliminary Charter School Apportionment is converted to a Final Charter School Apportionment, the funding available for the Final Charter School Apportionment is subject to the provisions of Section 1859.167; and,

*(Authority: SFP Regulation Section 1859.167)*

- iii. The Grantee agrees that the California School Finance Authority must determine that the Grantee is financially sound at the time of the Preliminary Charter School Apportionment, advance release of design and/or site funds, and at the time of conversion to a Final Charter School Apportionment or the Preliminary Charter School Apportionment will be rescinded; and,

*(Authority: SFP Regulation Section 1859.163)*

- iv. The Grantee agrees that in addition to this grant agreement, the Grantee must also enter into the Charter School Agreements.

*(Authority: SFP Regulation Section 1859.90.2)*

*Career Technical Education Facilities Program:*

The Grantee has complied with the Career Technical Education Facilities Program (CTEFP) eligibility criteria as outlined in Section 1859.192; and,

For Projects that received an Apportionment pursuant to SFP Regulation Section 1859.193(d) (CTEFP reservation of funds):

- i. The Grantee understands and agrees that by reserving funds in advance of obtaining the necessary approvals from California Department of Education and the Division of the State Architect, the Grantee must submit the necessary

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approvals and/or plans and specifications within one year of Apportionment; otherwise the Apportionment will be rescinded without further Board action.

ii. Upon approval for placement on the Unfunded List (Lack of AB 55 Loans), the Grantee will receive a template of the Project Grant Agreement. OPSC will provide the Grantee the final Grant Agreement for the Project upon receipt of the necessary approvals from the Division of the State Architect and California Department of Education

iii. The Grantee understands and agrees that the executed the Grant Agreement must be submitted prior to fund release.

*(Authority: SFP Regulation Section 1859.197)*



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### **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: proposed SFP Regulation Sections 1859.90 and 1859.90.2)*

Additionally:

1. If the project is awarded an Unfunded Approval, the Grantee understands and agrees that, pursuant to School Facility Program Regulation Sections 1859.90.2 and 1859.90.3:
  - i. The Grantee shall participate in the priority funding process by submitting a valid priority funding request during a 30-day filing period after being placed on the Unfunded List (Lack of AB 55 Loans) in order to receive an Apportionment in accordance with Regulation Section 1859.90.3.
  - ii. Failure to submit a valid request within the filing period or failure to submit a valid *Fund Release Authorization* (Form SAB 50-05) after the Board approves an Apportionment shall result in an occurrence of non-participation.
  - iii. The Grantee understands and agrees that Grants may not be available for this Project after the Grantee has submitted a valid priority funding request. When the Grantee submits a valid priority funding request and Grants are not available, the Grantee shall not be charged with an occurrence of non-participation.
  - iv. After the second occurrence of non-participation, the funding for the Project shall be rescinded without further action by the Board.
2. Once an Apportionment is awarded, any Grants provided to Grantee under this Agreement will be disbursed upon receipt of a valid Fund Release Authorization, and shall not exceed \$\_\_\_\_\_ except for

\_\_\_\_\_  
 (site-related exceptions)

*(Authority: Education Code Sections 17072.13, 17072.14, and 17072.18)*

3. Supplementary documentation submitted with, or prior to, a Fund Release Authorization must include this Agreement as well as documentation that proves the following:
  - i. The Grantee has entered into a binding contract(s) for at least 50 percent of the construction included in the plans and specification applicable to this Project.
  - ii. Notice to Proceed dates.
  - iii. For Career Tech projects where the Grantee received an Apportionment without needing Division of State Architect approval, evidence of Division of the State Architect approval date.
4. 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

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invalid and the request will be returned to the Grantee. The Grantee will retain the opportunity to submit a valid Fund Release Authorization within 90 days of Apportionment. However, if the Grantee does not submit a valid Fund Release Authorization within 90 days of the Apportionment the Grantee will receive a non-participation occurrence as described in (1.)(ii) above. The Grantee will not receive Grants at that time. Furthermore, any penalties imposed on the Grantee by a contractor, or other consequence, because of delays in payment will be paid by the Grantee and is not reimbursable under this Agreement.

*(Authority: proposed amendment to School Facility Program Regulations)*

5. If the project received an Apportionment and 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 calendar days of Apportionment for non-Financial Hardship districts or 365 calendar days for districts with Financial Hardship approval. However, if the Grantee does not submit a valid Fund Release Authorization within 180 or 365 calendar days the Apportionment will be rescinded without further Board action.

*(Authority: SFP Regulation Section 1859.90)*

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## **F. Accounting for Spent Funds**

1. For purposes of completing the Expenditure Reports required pursuant to Education Code Section 17076.10, over the course 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 17076.10)

2. Annual Expenditure Reports

Pursuant to Education Code 17076.10, beginning 12 months from the first fund release, and continuing annually for a period of up to \_\_\_\_\_ years after the final fund release, as described in SFP Regulation Section 1859.104, the Grantee shall submit an Expenditure Report to the Office of Public School Construction.

3. Substantial Progress Compliance Reviews

- i. Pursuant to Education Code Section 17076.10, the Grantee shall be subject to a substantial progress review by the Office of Public School Construction under this Agreement with respect to all matters connected with this Agreement. The Grantee shall provide substantial progress documentation 18 months from the latest fund release. The Office of Public School Construction will consider the requirements of substantial progress met if the Grantee submits its Expenditure Report for a completed project up to 18 months from the latest fund release. The Office of Public School Construction must notify the Grantee within 60 days of receiving the documentation if a review and analysis of the information will be conducted.

(Authority: SFP Regulation Section 1859.105)

- ii. For Grantees That Have Received Grants for Construction:

The substantial progress documentation required shall include evidence that either 75 percent of the site development work is complete, or 90 percent of the building work is under contract, or 50 percent of all construction activities are complete.

(Authority: School Facility Program Regulation Section 1859.105)

The documentation that the Grantee shall provide shall include, but is not limited to:

- a) The fund source indicated, for each project cost,
- b) Assessor's parcel number, for site acquisition costs,
- c) Qualification Appraisal(s) for Architect/Engineer/Construction Manager,
- d) Architect/Engineer/Construction Management Agreement(s),
- e) Evidence the Grantee has met Disabled Veteran Business Enterprise contractual requirements,
- f) Construction Contract Agreements to date,
- g) Construction Bid Summaries,
- h) Construction Delivery Method,

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- i) Project expenditures, to date, submitted on Detailed Listing of Project Expenditures (DLOPE) worksheet or in an equivalent format [the Office of Public School Construction will review expenditure totals for purposes of determining compliance with substantial progress requirements but will not review expenditures to determine eligibility under the program (this will be done by the local auditor)],
- j) General ledger report that details project expenditures to date
- k) Submittal of written policy and procedures that documents processes for accounting of School Facility Program project activities.
- l) Construction schedule of values or Continuation Sheet
- m) Project cost estimate

*(Authority: Education Code Section 17071.10 and SFP Regulation Section 1859.105)*

iii. For Grantees That Have Received Advanced Financial Hardship Site Grants or Environmental Hardship Grants:

The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:

- a) The final site appraisal,
- b) The California Department of Education final approval letter, evidence of the completion of any and all California Environmental Quality Act requirements
- c) Final escrow instructions or evidence the Grantee has filed condemnation proceedings including intent to request an order of possession of the site, as applicable.

*(Authority: SFP Regulation Section 1859.105 or 1859.105.1, as applicable)*

iv. For Grantees That Have Received Advanced Financial Hardship Grants for Design: The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:

- a) An Approved New Construction or Modernization Adjusted Grant Application; or,
- b) A certification that the final building plans have been submitted to and accepted by the Division of the State Architect for review and approval.

*(Authority: SFP Regulation Section 1859.105)*

v.

- a) Should the Office of Public School Construction determine that the Grantee has not made substantial progress as described in (F)(3)(i), (ii), (iii), and (iv), it will inform the Grantee of its findings and require the Grantee to submit a final expenditure report within 60 days of notification, pursuant to SFP Regulation Section 1859.105. If no Grants have been expended by the Grantee, then the Office of Public School Construction will recommend to the Board that the project be rescinded.
- b) If Grants have been expended by the Grantee, then
  - I. The Project shall be subject to an audit pursuant to Section 41024 of the Education Code and the applicable provisions outlined in Section (F)(4) of this Agreement. The audit shall identify Grants expended in accordance

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with program requirements and the amount of any unspent Grants and the amount of any Ineligible Expenditures.

- II. Once the amount of unspent Grants has been determined in the audit report described in (i) to be repaid and the Grantee repays the Grants, the Office of Public School Construction shall take an item to the State Allocation Board make a corresponding baseline eligibility adjustment, when applicable.

*(Authority: SFP Regulation Section 1859.105)*

#### 4. Final Project Audit

The Grantee understands and agrees to the following:

- i. Upon Project completion pursuant to SFP Regulation Section 1859.104, 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. **A separate audit report shall be submitted for each audited project. Multiple projects cannot be combined in one audit report.** 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: **Education Code Section 41024 and proposed amendment to School Facility Program Regulation Section 1859.104(a)**]*

- 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 50-04
  - d) Copy of SAB Board item(s) (Approval of project Apportionment)
  - e) DSA Approval Letter
  - f) Final CDE Approval Letter
  - g) Architect Final Billing
  - h) Proof of Routine Restricted Maintenance Account Deposit or documentation demonstrating district's facilities are maintained in good repair
  - 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 of date of Occupancy
  - 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

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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 SFP Regulation Section 1859.104. 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 17076.10 and SFP Regulation Section 1859.106)*

- 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 Office of Public School Construction 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 Office of Public School Construction 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 Office of Public School Construction 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 Office of Public School Construction 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 17070.63(c), 17076.10, and 41024; SFP Regulation Section 1859.106)*

- v. The Grantee shall provide its Expenditure Report for a Project deemed complete pursuant to SFP Regulation Section 1859.104, and any, and all audit reports, including the audits of Savings, to the Office of Public School Construction.

*(Authority: Education Code Section 17076.10)*

- 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 SFP Regulation Section 1859.104.

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*(Authority: Education Code Section 17076.10)*

#### 5. Savings Audit(s)

Grantees may retain Savings for expenditure for other high priority Capital Outlay  
*(Authority: Education Code Section 17070.63 and SFP Regulation Section 1859.103)*

The Grantee understands and agrees to the following:

- i. Upon the Grantee declaring Savings pursuant to SFP Regulation Section 1859.103, 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: proposed amendment to School Facility Program Regulation Section 1859.104(a)]*

- 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 final expenditure report 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 17076.10 and SFP Regulation Section 1859.106)*

- 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 Office of Public School Construction 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 Office of Public School Construction 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 Office of Public School Construction related to the recovery of Grants described in (c).

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(e) In order to recover funds as part of a repayment plan described in (d), the Office of Public School Construction 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 17070.63(c), 17076.10, and 41024; SFP Regulation Section 1859.106)*

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 17076.10.

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 Section 17076.10)*

6. 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).



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**G. Advisory Listing Detailing Common Eligible Project Expenditures**

Project expenditures not listed in this document will not be considered eligible for funding under the School Facility 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 SFP Regulation Section 1859.104  
(Authority: Education Code Section 17076.10)

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 work pursuant to SFP Regulation Section 1859.76.

(Authority: SFP Regulation Section 1859.76)

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**1. New Construction - Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Charter Schools Facilities Program - Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35
g.	Energy Analysis Fee	Ed. Code Section 17072.35*
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35
j.	Preliminary Site Tests	
k.	Engineering Fees	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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**2. New Construction - Separate Apportionment for Site Acquisition Costs  
 Charter Schools Facilities Program - Separate Apportionment for Site Acquisition Costs  
 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 50-04) or actual site cost.	Ed. Code Sections 17072.12, 17072.35 & SFP Reg. Section 1859.74
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Reg. Sections 1859.74, 1859.74(2) or 1859.74(3), as appropriate
c.	Escrow Fees	
d.	Legal Fees associated with: <ul style="list-style-type: none"><li>• The review of site acquisition documents</li><li>• Site condemnation or relocation proceedings.</li><li>• The review of the SFP project-related lease agreements.</li></ul>	
e.	Litigation costs not to exceed the total SFP project funding Apportionment.	
f.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
g.	Survey Costs	
DTSC Fees		

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	Type of Expenditure	Authority
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 Sections 17072.13 & 17072.35
Hazardous Waste Removal		
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35
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: <ul style="list-style-type: none"><li>• Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon.</li><li>• Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon.</li><li>• Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan</li><li>• Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement</li></ul>	
Relocation Assistance		
k.	Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following: <ul style="list-style-type: none"><li>• Residential Tenant Occupant Moving expenses</li><li>• Rental Assistance – payment not to exceed \$5,250</li><li>• Last Resort Housing</li></ul>	Ed. Code Sections 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed \$25,500</li> <li>Business</li> <li>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 lesser of replacement cost or estimated cost of moving by professional mover.</li> <li>Losses of Tangible Personal Property</li> <li>Searching for a Replacement Site</li> <li>Re-establishment Expenses</li> <li>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.</li> </ul>	

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**3. New Construction - Adjusted Grant  
 Charter Schools Facilities Program - Adjusted Grant  
 Common Eligible Project Expenditures**

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> <li>• Shade Structures</li> <li>• Solar or Alternative Energy Source Components</li> </ul>	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35*
d.	Construction Tests	Ed. Code Section 17072.35
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) & SFP Reg. Section 1859.79.2
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"> <li>• 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</li> <li>• For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not</li> </ul>	PCC Section 20114

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<p>exceed 750 hours or when the cost of material does not exceed \$21,000.</p> <ul style="list-style-type: none"> <li>• Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	
g.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> <li>• Finish Grading</li> <li>• Roads and Driveways</li> <li>• Sidewalks, stairs, &amp; Ramps</li> <li>• Parking Area</li> <li>• Curbs and Gutters</li> <li>• Turfed/Paved Play Area</li> <li>• Playground Equipment</li> <li>• Surface Drains &amp; Play Area</li> <li>• V-Gutters at Parking Lot</li> <li>• Landscaping &amp; Irrigation System</li> <li>• Site Lighting</li> <li>• Fencing &amp; Outdoor Walls</li> </ul>	SFP Reg. Section 1859.76(d)
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35
i.**	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Curbs &amp; Gutters</li> <li>• Sidewalks</li> <li>• Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances</li> <li>• Special District Fees</li> <li>• Storm Drains to Point of Connection</li> <li>• Safety Paths</li> </ul>	SFP Reg. Section 1859.76(b)

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
j.**	<p>Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Site Clearance</li> <li>• Demolition</li> <li>• Rerouting Utility Lines</li> <li>• Rough Grading</li> <li>• Soil Compaction</li> <li>• Storm Drains</li> <li>• Erosion Control</li> <li>• Outside Stairs &amp; Retaining Walls</li> <li>• Relocation of Existing Portables</li> <li>• Fire Code Requirements</li> <li>• Multi-Level Parking</li> </ul>	SFP Reg. Section 1859.76(a)
k.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> <li>• Water</li> <li>• Sewage</li> <li>• Gas</li> <li>• Electric</li> <li>• Communication systems</li> </ul>	SFP Reg. Section 1859.76(c)
l.	<p>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:</p> <ul style="list-style-type: none"> <li>• Lasts more than two years.</li> <li>• It is typically repaired rather than replaced.</li> <li>• It is an independent unit (rather than being incorporated into another unit item).</li> <li>• The cost of tagging and inventory is a small percentage of the item cost.</li> <li>• Not operational or administrative costs.</li> </ul>	Ed. Code Section 17072.35 & CSAM Procedure 770



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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<p>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:</p> <ul style="list-style-type: none"> <li>• Projectors</li> <li>• Smart Boards</li> <li>• Freezers</li> <li>• Refrigerators</li> <li>• Stoves</li> <li>• Exercise equipment – Only if available for use by all students</li> </ul>	
m.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> <li>• Desks</li> <li>• Chairs</li> <li>• Built-in Storage</li> <li>• Cabinets</li> <li>• Window Coverings</li> <li>• White/Chalk Boards</li> <li>• Library Books</li> </ul>	Ed. Code Section 17072.35
n.	Demolition Costs	Ed. Code Section 17072.35
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 17072.35*

\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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

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**4. Modernization - Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25
g.	Energy Analysis Fee	Ed Code Section 17074.25*
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25
j.	Preliminary Site Tests	
k.	Engineering Fees	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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**5. Modernization - Adjusted Grant  
 Common Eligible Project Expenditures**

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> <li>• Shade Structures</li> <li>• Solar or Alternative Energy Source Components</li> </ul>	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25*
d.	Construction Tests	Ed Code Section 17074.25
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) & SFP Reg. Section 1859.79.2
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"> <li>• 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</li> <li>• 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.</li> <li>• Must be work that involves a skilled trade.</li> </ul>	PCC Section 20114

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	To be eligible must be supported by time cards or time logs.	
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25
h. **	Utility Services – Only if approved for fifty years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Section 1859.78.7
i.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> <li>• Lasts more than one year.</li> <li>• It is typically repaired rather than replaced.</li> <li>• It is an independent unit (rather than being incorporated into another unit item).</li> <li>• The cost of tagging and inventory is a small percentage of the item cost.</li> <li>• Not operational or administrative costs.</li> </ul> <p>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:</p> <ul style="list-style-type: none"> <li>• Projectors</li> <li>• Smart Boards</li> <li>• Freezers</li> <li>• Refrigerators</li> <li>• Stoves</li> <li>• Exercise equipment – Only if available for use by all students</li> </ul>	Ed Code Section 17074.25 & CSAM Procedure 770
j.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> <li>• Desks</li> </ul>	Ed Code Section 17074.25

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>Chairs</li> <li>Built-in Storage</li> <li>Cabinets</li> <li>White/Chalk Boards</li> <li>Library Books</li> </ul>	
k.	Demolition Costs – the cost must be attributable to replacement of “like kind” building area (see SFP Regulation Section 1859.79.2(a)).	Ed Code Section 17074.25
l.	Interim Housing	Ed Code Section 17074.25*
m.	Removal of hazardous waste from a modernization project the DTSC has declared unsafe which does not exceed ten percent of the total modernization Apportionment.	SFP Reg. Section 1859.74.2(c)

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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

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**6. Career Technical Education Facilities Program - New Construction  
 Common Eligible Project Expenditures**

To be considered eligible, a cost must be part of the detailed project cost estimate approved by Office of Public School Construction.

PLANNING COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
j.	Preliminary Site Tests	

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ENGINEERING COSTS		
Type of Expenditure		Authority
k.	Engineering Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
l.	Construction Management Fees	Ed Code Section 17078.72 & SFP Reg. Section 1859.193(a)&(b)
m.	Building Construction Costs	
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	
o.	Construction Tests	
p.	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) & SFP Reg. Section 1859.193(a)(4) & (b)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a)
r.	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"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul>	PCC Section 20114

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	To be eligible must be supported by time cards or time logs.	
s.**	<p>General Site Development (<i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i>) within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> <li>• Finish Grading</li> <li>• Roads and Driveways</li> <li>• Sidewalks, stairs, &amp; Ramps</li> <li>• Parking Area</li> <li>• Curbs and Gutters</li> <li>• Turfed/Paved Play Area</li> <li>• Playground Equipment</li> <li>• Surface Drains &amp; Play Area</li> <li>• V-Gutters at Parking Lot</li> <li>• Landscaping &amp; Irrigation System</li> <li>• Site Lighting</li> <li>• Fencing &amp; Outdoor Walls</li> </ul>	<p>Ed Code Section          17078.72 &amp; SFP          Reg. Section          1859.193(a)&amp;(b)</p>
t.	Inspections	
u.**	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (<i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i>) (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Curbs &amp; Gutters</li> <li>• Sidewalks</li> <li>• Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances</li> <li>• Special District Fees</li> <li>• Storm Drains to Point of Connection</li> <li>• Safety Paths</li> </ul>	
v.**	<p>Service Site Development (<i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i>) costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Site Clearance</li> <li>• Demolition</li> <li>• Rerouting Utility Lines</li> </ul>	<p>SFP Reg. Section          1859.193(a)&amp;(b)(3)</p>



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	<ul style="list-style-type: none"> <li>• Rough Grading</li> <li>• Soil Compaction</li> <li>• Storm Drains</li> <li>• Erosion Control</li> <li>• Outside Stairs &amp; Retaining Walls</li> <li>• Relocation of Existing Portables</li> <li>• Fire Code Requirements</li> <li>• Multi-Level Parking</li> </ul>	
w.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by a Career Technical Education Facilities Program project <i>(Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant)</i> (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> <li>• Water</li> <li>• Sewage</li> <li>• Gas</li> <li>• Electric</li> <li>• Communication systems</li> </ul>	SFP Reg. Section 1859.193(a)&(b)(4)
x.	<p>Equipment expenditures for Career Technical Education Facilities Program projects – as approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.</p>	Approved by CDE & Ed Code Section 17078.72(a)

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

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**7. Career Technical Education Facilities Program - Modernization  
 Common Eligible Project Expenditures**

To be considered eligible, a cost must be part of the detailed project cost estimate approved by the Office of Public School Construction.

	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
j.	Preliminary Site Tests	
k.	Engineering Fees	
l.	Construction Management Fees	
m.	Building Construction Costs	
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	Ed Code Section 17078.72(a) &

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	Type of Expenditure	Authority
		SFP Reg. Section 1859.193(c)
o.	Construction Tests	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
p.	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) & SFP Reg. Section 1859.193(c)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
r.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114
s.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> <li>Finish Grading</li> <li>Roads and Driveways</li> <li>Sidewalks, stairs, &amp; Ramps</li> <li>Parking Area</li> <li>Curbs and Gutters</li> </ul>	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Turfed/Paved Play Area</li> <li>• Playground Equipment</li> <li>• Surface Drains &amp; Play Area</li> <li>• V-Gutters at Parking Lot</li> <li>• Landscaping &amp; Irrigation System</li> <li>• Site Lighting</li> <li>• Fencing &amp; Outdoor Walls</li> </ul>	
t.	Inspections	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
u.**	Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: <ul style="list-style-type: none"> <li>• Curbs &amp; Gutters</li> <li>• Sidewalks</li> <li>• Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances</li> <li>• Special District Fees</li> <li>• Storm Drains to Point of Connection</li> <li>• Safety Paths</li> </ul>	
v.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: <ul style="list-style-type: none"> <li>• Site Clearance</li> <li>• Demolition</li> <li>• Rerouting Utility Lines</li> <li>• Rough Grading</li> <li>• Soil Compaction</li> <li>• Storm Drains</li> <li>• Erosion Control</li> <li>• Outside Stairs &amp; Retaining Walls</li> <li>• Relocation of Existing Portables</li> <li>• Fire Code Requirements</li> <li>• Multi-Level Parking</li> </ul>	
w.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by	SFP Reg. Section 1859.193(c)(4)

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	Type of Expenditure	Authority
	Career Technical Education Facilities Program project (see SFP Regulation Section 1859.76(c) for more information) as follows: <ul style="list-style-type: none"> <li>• Water</li> <li>• Sewage</li> <li>• Gas</li> <li>• Electric</li> <li>• Communication systems</li> </ul>	
x.	Equipment expenditures for Career Technical Education Facilities Program projects – Equipment must have been approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.	Approved by CDE & Ed Code Section 17078.72(a)

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

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**8. Facility Hardship (Non-Seismic) - Replacement  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> </ul>	

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DESIGN COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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**9. Facility Hardship (Non-Seismic) – Replacement  
 Separate Apportionment for Site Acquisition Costs  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	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 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	CDE Site Review Costs	
e.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of site acquisition documents.</li> <li>Site condemnation or relocation proceedings.</li> <li>The review of the SFP project-related lease agreements.</li> </ul>	
f.	Litigation costs not to exceed the total SFP project funding apportionment.	



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	Type of Expenditure	Authority
g.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
h.	Survey Costs	
DTSC Fees		
i.	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 Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
Hazardous Waste Removal		
j.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
k.	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: <ul style="list-style-type: none"><li>Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon.</li><li>Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon.</li><li>Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan</li><li>Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement</li></ul>	

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	Type of Expenditure	Authority
Relocation Assistance		
I.	<p>Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following:</p> <ul style="list-style-type: none"> <li>Residential Tenant Occupant               <p>Moving expenses</p> <p>Rental Assistance – payment not to exceed \$5,250</p> <p>Last Resort Housing</p> </li> <li>Residential Owner Occupant               <p>Moving expenses</p> <p>Replacement Housing – Not to exceed \$25,500</p> </li> <li>Business               <p>Moving expenses – In addition, a displaced business owner may file a claim for the following:</p> <p>The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site.</p> <p>The cost of any license, permit, or certification to reestablish a business at a new location</p> <p>The reasonable cost of any professional services necessary for planning the move, moving the</p> </li> </ul>	<p>Ed. Code            Section(s)            17072.13,            17072.35 &amp; CA            Code of Reg., Title            25, Section 6000 &amp;            SFP Reg. Section            1859.82</p>

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	Type of Expenditure	Authority
	<p>property, or installation of property at the replacement site</p> <p>When an item is not moved but replaced with a comparable item, reimbursement shall be the lesser of replacement cost or estimated cost of moving by professional mover.</p> <ul style="list-style-type: none"> <li>• Losses of Tangible Personal Property</li> <li>• Searching for a Replacement Site</li> <li>• Re-establishment Expenses</li> <li>• 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.</li> </ul>	

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**10. Facility Hardship (Non-Seismic) - Replacement  
 Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> </ul>	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
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) & SFP Reg. Section 1859.79.2 & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114 & SFP Reg. Section 1859.82
g.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> <li>Finish Grading</li> <li>Roads and Driveways</li> <li>Sidewalks, stairs, &amp; Ramps</li> <li>Parking Area</li> <li>Curbs and Gutters</li> <li>Turfed/Paved Play Area</li> <li>Playground Equipment</li> <li>Surface Drains &amp; Play Area</li> <li>V-Gutters at Parking Lot</li> <li>Landscaping &amp; Irrigation System</li> <li>Site Lighting</li> <li>Fencing &amp; Outdoor Walls</li> </ul>	SFP Reg. Section 1859.76(d) & 1859.82
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
i.**	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Curbs &amp; Gutters</li> <li>• Sidewalks</li> <li>• Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances</li> <li>• Special District Fees</li> <li>• Storm Drains to Point of Connection</li> <li>• Safety Paths</li> </ul>	SFP Reg. Section 1859.76(b) & 1859.82
j.**	<p>Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Site Clearance</li> <li>• Demolition</li> <li>• Rerouting Utility Lines</li> <li>• Rough Grading</li> <li>• Soil Compaction</li> <li>• Storm Drains</li> <li>• Erosion Control</li> <li>• Outside Stairs &amp; Retaining Walls</li> <li>• Relocation of Existing Portables</li> <li>• Fire Code Requirements</li> <li>• Multi-Level Parking</li> </ul>	SFP Reg. Section 1859.76(a) & 1859.82
k.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> <li>• Water</li> <li>• Sewage</li> <li>• Gas</li> </ul>	SFP Reg. Section 1859.76(c) & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Electric</li> <li>• Communication systems</li> </ul>	
l.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> <li>• Lasts more than one year.</li> <li>• It is typically repaired rather than replaced.</li> <li>• It is an independent unit (rather than being incorporated into another unit item).</li> <li>• The cost of tagging and inventory is a small percentage of the item cost.</li> <li>• 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:</li> <li>• Projectors</li> <li>• Smart Boards</li> <li>• Freezers</li> <li>• Refrigerators</li> <li>• Stoves</li> <li>• Exercise equipment – Only if available for use by all students</li> </ul>	Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82
m.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> <li>• Desks</li> <li>• Chairs</li> <li>• Built-in Storage</li> <li>• Cabinets</li> <li>• Window Coverings</li> <li>• White/Chalk Boards</li> <li>• Library Books</li> </ul>	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
n.	Demolition Costs	Ed. Code Section 17072.35 & SFP

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
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 17072.35* & SFP Reg. Section 1859.82

\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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



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**11. Facility Hardship (Non-Seismic) - Rehabilitation  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Regulation Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors,</li> </ul>	

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DESIGN COSTS		
	Type of Expenditure	Authority
	architects, construction managers or engineers. <ul style="list-style-type: none"> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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**12. Facility Hardship (Non-Seismic) - Rehabilitation  
 Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> </ul>	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
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) & SFP Reg. Section 1859.79.2 & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114 & SFP Reg. Section 1859.82
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.**	Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82
i.	Demolition Costs	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Interim Housing	Ed Code Section 17074.25* & SFP Reg. Section 1859.82

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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

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**13. Facility Hardship (Seismic) – Replacement  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors,</li> </ul>	

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DESIGN COSTS		
	Type of Expenditure	Authority
	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 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

Office of Public School Construction Application Number: \_\_\_\_\_

**14. Facility Hardship (Seismic) – Replacement  
 Separate Apportionment for Site Acquisition Costs  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006

	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 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of site acquisition documents.</li> <li>Site condemnation or relocation proceedings.</li> <li>The review of the SFP project-related lease agreements.</li> </ul>	
e.	Litigation costs not to exceed the total SFP project funding apportionment.	



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	Type of Expenditure	Authority
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 Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
Hazardous Waste Removal		
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
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: <ul style="list-style-type: none"><li>• Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon.</li><li>• Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon.</li><li>• Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan</li><li>• Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement</li></ul>	

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	Type of Expenditure	Authority
Relocation Assistance		
k.	<p>Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000 . This includes expenditures for the following:</p> <ul style="list-style-type: none"> <li>Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed \$5,250 Last Resort Housing</li> <li>Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed \$25,500</li> <li>Business Moving expenses – In addition, a displaced business owner may file a claim for the following:</li> </ul> <p>The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site.</p> <p>The cost of any license, permit, or certification to reestablish a business at a new location</p> <p>The reasonable cost of any professional services necessary for planning the move, moving the property, or installation of property at the replacement site</p> <p>When an item is not moved but replaced with a comparable item, reimbursement shall be the lesser of replacement cost or estimated cost of moving by professional mover.</p>	<p>Ed. Code Section(s) 17072.13, 17072.35 &amp; CA Code of Reg., Title 25, Section 6000 &amp; SFP Reg. Section 1859.82</p>

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"><li>• Losses of Tangible Personal Property</li><li>• Searching for a Replacement Site</li><li>• Re-establishment Expenses</li><li>• 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.</li></ul>	

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**15. Facility Hardship (Seismic) – Replacement  
 Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> </ul>	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
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); SFP Reg. Sections

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		1859.79.2 & 1859.82
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114 & SFP Reg. Section 1859.82
g.**	<p>General Site Development within school property lines (including, but not limited to):</p> <ul style="list-style-type: none"> <li>Finish Grading</li> <li>Roads and Driveways</li> <li>Sidewalks, stairs, &amp; Ramps</li> <li>Parking Area</li> <li>Curbs and Gutters</li> <li>Turfed/Paved Play Area</li> <li>Playground Equipment</li> <li>Surface Drains &amp; Play Area</li> <li>V-Gutters at Parking Lot</li> <li>Landscaping &amp; Irrigation System</li> <li>Site Lighting</li> <li>Fencing &amp; Outdoor Walls</li> </ul>	SFP Reg. Sections 1859.76(d) & 1859.82
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35 & SFP

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
i.	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Curbs &amp; Gutters</li> <li>• Sidewalks</li> <li>• Street Light, Planting Areas, Street Signs,</li> <li>• Traffic Signals, Etc., Mandated by Local Ordinances</li> <li>• Special District Fees</li> <li>• Storm Drains to Point of Connection</li> <li>• Safety Paths</li> </ul>	SFP Reg. Sections 1859.76(b) & 1859.82
j.**	<p>Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Site Clearance</li> <li>• Demolition</li> <li>• Rerouting Utility Lines</li> <li>• Rough Grading</li> <li>• Soil Compaction</li> <li>• Storm Drains</li> <li>• Erosion Control</li> <li>• Outside Stairs &amp; Retaining Walls</li> <li>• Relocation of Existing Portables</li> <li>• Fire Code Requirements</li> <li>• Multi-Level Parking</li> </ul>	SFP Reg. Sections 1859.76(a) & 1859.82
k.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> <li>• Water</li> <li>• Sewage</li> </ul>	SFP Reg. Sections 1859.76(c) & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Gas</li> <li>• Electric</li> <li>• Communication systems</li> </ul>	
l.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> <li>• Lasts more than one year.</li> <li>• It is typically repaired rather than replaced.</li> <li>• It is an independent unit (rather than being incorporated into another unit item).</li> <li>• The cost of tagging and inventory is a small percentage of the item cost.</li> <li>• 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:               <ul style="list-style-type: none"> <li>• Projectors</li> <li>• Smart Boards</li> <li>• Freezers</li> <li>• Refrigerators</li> <li>• Stoves</li> <li>• Exercise equipment – Only if available for use by all students</li> </ul> </li> </ul>	Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82
m.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> <li>• Desks</li> <li>• Chairs</li> <li>• Built-in Storage</li> <li>• Cabinets</li> <li>• Window Coverings</li> <li>• White/Chalk Boards</li> <li>• Library Books</li> </ul>	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
n.	Demolition Costs	Ed. Code Section 17072.35 & SFP

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
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 17072.35* & SFP Reg. Section 1859.82

\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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



Office of Public School Construction Application Number: \_\_\_\_\_

**16. Facility Hardship (Seismic) – Rehabilitation  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82

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DESIGN COSTS		
	Type of Expenditure	Authority
g.	Energy Analysis Fee	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

Office of Public School Construction Application Number: \_\_\_\_\_

**17. Facility Hardship (Seismic) – Rehabilitation  
 Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> </ul>	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
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) & SFP Reg. Section 1859.79.2 & 1859.82

Office of Public School Construction Application Number: \_\_\_\_\_

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114 & SFP Reg. Section 1859.82
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.**	Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82
i.	Demolition Costs	Ed Code Sections 17074.25 & 1859.82
j.	Interim Housing	Ed Code Sections 17074.25* & 1859.82

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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

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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 – Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Charter Schools Facilities Program – Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

- 2. New Construction – Separate Apportionment for Site Acquisition Costs  
 Charter Schools Facilities Program – Separate Apportionment for Site Acquisition Costs  
 Common Ineligible Project Expenditures**

CONSTRUCTION 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 17072.35
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 – Adjusted Grant  
 Charter Schools Facilities Program – Adjusted Grant  
 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 17072.35
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	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
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 17072.35 & CSAM Procedure 770
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> <li>• Landscape equipment</li> </ul>	

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Office of Public School Construction Application Number: \_\_\_\_\_

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	Mowers, etc. <ul style="list-style-type: none"><li>• School maintenance equipment</li><li>• Floor polisher/scrubber, etc.</li><li>• Cleaning &amp; janitorial supplies</li><li>• Band equipment/Uniforms</li><li>• Mascot Uniforms</li></ul>	



Office of Public School Construction Application Number: \_\_\_\_\_

**4. Modernization – Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25
b.	For projects that received Design funds only any construction related expenditures are not eligible	

**5. Modernization – Adjusted Grant  
 Common Ineligible Project Expenditures**

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25
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	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
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 17074.25
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> </ul>	

Office of Public School Construction Application Number: \_\_\_\_\_

	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> <li>• Landscape equipment Mowers, etc.</li> <li>• School maintenance equipment Floor polisher/scrubber, etc.</li> <li>• Cleaning &amp; janitorial supplies</li> <li>• Band equipment/Uniforms</li> <li>• Mascot Uniforms</li> </ul>	

Office of Public School Construction Application Number: \_\_\_\_\_

**6. Career Technical Education Facilities Program – New Construction  
 Common Ineligible Project Expenditures**

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(a)&(b) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> </ul>	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(a)&(b) & 1859.199

Office of Public School Construction Application Number: \_\_\_\_\_

	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Landscape equipment Mowers, etc.</li> <li>• School maintenance equipment Floor polisher/scrubber, etc.</li> <li>• Cleaning &amp; janitorial supplies</li> <li>• Band equipment/Uniforms</li> <li>• Mascot Uniforms</li> </ul>	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17078.72(a) & SFP Reg. Sections 1859.193(a)&(b) & 1859.199

Office of Public School Construction Application Number: \_\_\_\_\_

**7. Career Technical Education Facilities Program – Modernization  
 Common Ineligible Project Expenditures**

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(c) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> </ul>	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(c) & 1859.199

Office of Public School Construction Application Number: \_\_\_\_\_

	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Landscape equipment Mowers, etc.</li> <li>• School maintenance equipment Floor polisher/scrubber, etc.</li> <li>• Cleaning &amp; janitorial supplies</li> <li>• Band equipment/Uniforms</li> <li>• Mascot Uniforms</li> </ul>	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17078.72(a) & SFP Reg. Sections 1859.193(c) & 1859.199

Office of Public School Construction Application Number: \_\_\_\_\_

**8. Facility Hardship (Non-Seismic) – Replacement  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

Office of Public School Construction Application Number: \_\_\_\_\_

**9. Facility Hardship (Non-Seismic) – Replacement  
 Separate Apportionment for Site Acquisition Costs  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION 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 17072.35
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: \_\_\_\_\_

**10. Facility Hardship (Non-Seismic) – Replacement  
 Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
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	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
h.	Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not eligible, including: <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> </ul>	

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> <li>• Landscape equipment Mowers, etc.</li> <li>• School maintenance equipment Floor polisher/scrubber, etc.</li> <li>• Cleaning &amp; janitorial supplies</li> <li>• Band equipment/Uniforms</li> <li>• Mascot Uniforms</li> </ul>	

Office of Public School Construction Application Number: \_\_\_\_\_

**11. Facility Hardship (Non-Seismic) – Rehabilitation  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any construction related expenditures are not eligible	

Office of Public School Construction Application Number: \_\_\_\_\_

**12. Facility Hardship (Non-Seismic) – Rehabilitation  
 Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not an eligible cost for a facility hardship rehabilitation project unless specifically approved by DSA.	

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**13. Facility Hardship (Seismic) – Replacement  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

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**14. Facility Hardship (Seismic) – Replacement  
 Separate Apportionment for Site Acquisition Costs  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION 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 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

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**15. Facility Hardship (Seismic) – Replacement  
 Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
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	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & SFP

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
h.	<p>Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not eligible, including:</p> <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> <li>• Landscape equipment Mowers, etc.</li> <li>• School maintenance equipment Floor polisher/scrubber, etc.</li> <li>• Cleaning &amp; janitorial supplies</li> <li>• Band equipment/Uniforms</li> <li>• Mascot Uniforms</li> </ul>	Reg. Section 1859.82



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**16. Facility Hardship (Seismic) – Rehabilitation  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any construction related expenditures are not eligible	

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**17. Facility Hardship (Seismic) – Rehabilitation  
 Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not eligible for a facility hardship rehabilitation project unless specifically approves by DSA.	

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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)

## **J. Material Inaccuracy**

If a failure by the Grantee to comply with the terms of this Agreement, or an audit report determination that the Grantee has violated applicable state or federal law as it relates to this Project, stems from falsely certified information on the Funding Application or Fund Release Application (including certifications made by architects or other design professionals), then Material Inaccuracy findings and penalties, as described in Education Code 17070.51 and SFP Regulation Section 1859.104.1, may apply.

## **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.

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Office of Public School Construction Application Number: \_\_\_\_\_

### **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 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.

### **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.

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Office of Public School Construction Application Number: \_\_\_\_\_

## **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

STATE OF CALIFORNIA  
**GRANT AGREEMENT**  
**[Proposition 2]**  
 SCHOOL FACILITY PROGRAM  
 (New 3/25 Rev. XX/25)

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Office of Public School Construction Application Number: \_\_\_\_\_

**GENERAL INFORMATION**

Grantee Name: \_\_\_\_\_

School Name: \_\_\_\_\_

Grant Amount: \_\_\_\_\_ of which \_\_\_\_\_ is Financial Hardship Assistance.

Authority: \_\_\_\_\_ [relevant Bond Act(s)]

SFP Program Funding Source: \_\_\_\_\_  
 (e.g., New Construction, Modernization, Charter Schools Facilities Program, or Career Technical Education Facilities Program)

Future Priority Funding Rounds: \_\_\_\_\_ (first priority funding window, second priority funding window)

**PROJECT DESCRIPTION**

Type of Work: \_\_\_\_\_ (e.g., New Construction, Modernization, Career Technical Education Facilities Program New Construction, Facility Hardship rehabilitation work funded with New Construction grants, Facility Hardship replacement work funded with Modernization grants, etc.)

New School or Addition to an Existing Site: \_\_\_\_\_

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)

Other Facilities being newly constructed, modernized, replaced, or rehabilitated: \_\_\_\_\_

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STATE OF CALIFORNIA  
**GRANT AGREEMENT**  
**[Proposition 2]**  
 SCHOOL FACILITY PROGRAM  
 (New 3/25 Rev. XX/25)

STATE ALLOCATION BOARD  
 OFFICE OF PUBLIC SCHOOL CONSTRUCTION  
 Page 2 of 103

Office of Public School Construction Application Number: \_\_\_\_\_

Square Footage being replaced: \_\_\_\_\_ Toilet Area sq. ft.  
 \_\_\_\_\_ Other Area sq. ft. (all non-toilet area)  
 (include for Facility Hardship replacement or Seismic Mitigation Program replacement projects)  
 For purposes of Facility Hardship and Seismic Mitigation Program projects, shower/locker area  
 is considered "toilet area."

Approved rehabilitation cost estimate: \_\_\_\_\_  
 (include for Facility Hardship rehabilitation or Seismic Mitigation Program rehabilitation projects)

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

- The Funding Application (Form SAB 50-04), executed by the District Representative on XXXXX
- The Application for Charter School Preliminary Apportionment (Form SAB 50-09), executed by the District Representative on XXXXX
- The Application for Career Technical Education Facilities Funding (Form SAB 50-10), executed by the District Representative on XXXXX
- Site Approval letter from the California Department of Education dated XXXXX
- 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
- The industry specialist report prepared by (insert name of specialist or firm), dated XXXXX that details the minimum work necessary to mitigate the (health and safety or seismic) threat in this (rehabilitation or replacement) application
- Written concurrence dated XXXX from (enter name of governmental agency) agreeing with the (health and safety or seismic) threat and the minimum work to mitigate the threat in the industry specialist report

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 Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 2, Division 1, Part 10, Chapter 12.5, commencing with Section 17070.10) 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 SFP Regulation Section 1859.2.

"Act" means the Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 1, Division 1, Part 10, Chapter 12.5, commencing with Section 17070.10).

"Agreement" means a contract to do or not to do a certain thing and refers to this Grant Agreement.

"Application" means a request pursuant to the Act to receive funding for a school project.

"Apportionment" shall have the meaning set forth in Education Code Section 17070.15(a).

"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.

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

"Capital Outlay," for the purposes of the Grantee using Savings, pursuant to School Facility Program Regulation Section 1859.103, 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 but not limited to classrooms, multipurpose rooms, gymnasiums, administration buildings, restrooms, and libraries/media centers, 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.

"Charter School Agreements" mean a memorandum of understanding, a funding agreement, and a use agreement as established by the California School Finance Authority.

"Classroom" means a teaching station that has the same meaning as the term used in Education Code Section 17071.25(a)(1).

"Expenditure Report" means the Form SAB 50-06 *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 California Code of Regulations, Title 2, Regulation Section 1859.104.

"Financial Hardship" means State funding for all or a portion of the Grantee's matching share required by School Facility Program Regulation Section 1859.77.1 or 1859.79.

"Funding Application" means the Form SAB 50-04, *Application for Funding*, or the Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, or the Form SAB 50-10, *Application for Career Technical Education Facilities Funding*, and all required supplementary documentation pursuant to the Act and California Code of Regulations, Title 2, Regulation Sections 1859.70, 1859.161 or 1859.191, as applicable.

"Fund Release Application" means the Form SAB 50-05, *Fund Release Authorization*, and all required supplementary documentation, which includes but is not limited to this Agreement, pursuant to the Act and the Regulations.



Office of Public School Construction Application Number: \_\_\_\_\_

"Grants" means all eligible program grants provided by the Board to the Grantee in this Agreement.

"Grantee" means the school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, whose representative has signed this Agreement for Grants.

"Grantee Representative" means the authorized representative of a school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, who signed this Agreement for Grants.

"Hazardous Material/Waste Removal Fund" shall mean the fund established pursuant to California Code of Regulations, Title 2, Regulation Section 1859.163.3(b).

"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 Grantee's receipt of funding from the Board.

"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 Grantee's receipt of funding from the Board.

"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.

"Material Inaccuracy" means a finding of falsely certified eligibility or Funding Application related information submitted by Grantees, architects, or other design professionals that allowed the Grantee an advantage in the funding process. For penalties associated with Material Inaccuracy findings, see Education Code Section 17070.51.

"Modernization" means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 6 (commencing with Section 17073.10) and 7 (commencing with Section 17074.10).

"Most Vulnerable Category 2 Buildings" means the building meets the criteria outlined in Section 1859.82.2 and is one of the following building types:

C1 – Concrete Moment Frame

C1B – Reinforced Concrete Cantilever Columns with Flexible Diaphragms

C2A - Concrete Shear Wall with Flexible Diaphragms

C3A – Concrete Frame with Infill Masonry Shear Walls and Flexible Diaphragms

PC1 – Precast/Tilt-up Concrete Shear Wall with Flexible Diaphragms

PC1A – Precast/Tilt-up Concrete Shear Wall with Rigid Diaphragms

PC2 – Precast Concrete Frame without Concrete Shear Walls and with Rigid Diaphragms

URM – Unreinforced Masonry Bearing Wall with Flexible Diaphragms

RM1 – Reinforced Masonry Bearing Wall with Flexible Diaphragms

URMA – Unreinforced Masonry Bearing Wall with Rigid Diaphragms

S1B – Steel Cantilever Columns with Flexible Diaphragms

S3 – Steel Light Frame Metal Siding and/or Rod Bracing, or

M – Mixed construction containing at least one of the above structure types.

Office of Public School Construction Application Number: \_\_\_\_\_

“New Construction” means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 3 (commencing with Section 17071.75), 4 (commencing with Section 17072.10), and 5 (commencing with Section 17072.20).

“Occupancy” means the point at which pupils occupy a classroom as evident by district documents such as the school board’s adopted calendar, classroom attendance rosters, fire marshal approval of the classroom, etc.

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

“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.

“Preliminary Funding Application” means the Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, and all required supplementary documentation pursuant to the Act and the Regulations.

“Project” means the purposes for which the Grantee has applied for the Grants detailed in this Agreement.

“Regulations” means the School Facility Program regulations (California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 4, Group 1, Subgroup 5.5, commencing with Regulation Section 1859).

“Relocation/DTSC Fee Fund” shall mean the fund established pursuant to Regulation Section 1859.163.3, in order to set aside funding at the time Preliminary Charter School Apportionments are approved by the Board for relocation expenses and/or DTSC fees that will be provided at the Final Charter School Apportionment upon submission of actual costs.

“Savings” means Grants not used by the Grantee for the Project, pursuant to Regulation Section 1859.103, achieved by the Grantee’s efficient and prudent expenditure of Grants.

“School District” shall have the meaning set forth in Education Code Sections 17070.15(m) and 17073.25.

“School Facility Program (SFP)” means the programs implemented under the Act.

“State” means the state of California.

“Unfunded List (Lack of AB 55 Loans)” means an information list of unfunded projects that was created due to the state’s inability to provide interim financing from the Pooled Money Investment Account (AB 55 loans) to fund school construction project as declared in the Department of Finance Budget Letter #33 issued on December 18, 2008.

(Authority: SFP Regulation 1859.2)

## **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 either an Apportionment or placement on the Unfunded List (Lack of AB 55 Loans). 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 unfunded approval or apportionment, or (3) if the Grantee withdraws its Funding Application.

Office of Public School Construction Application Number: \_\_\_\_\_

### 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 SFP Regulation Section 1859.90.4.

*(Authority: New Construction: Education Code Sections 17072.20 and 17070.63; New Construction and Modernization: SFP Regulations Article 8 commencing with Section 1859.70; Charter School Facilities Program: Article 14 commencing with Section 1859.160; Career Technical Education Facilities Program: Article 16 commencing with Section 1859.190)*

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 Funding Application 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 Funding Application for compliance with School Facility 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.
  - 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 Funding Application, the Office of Public School Construction staff and the Grantee agreed that the Project was ready for presentation to the Board for either an Apportionment or placement on the Unfunded List (Lack of AB 55 Loans).

*(Authority: SFP Regulation Sections 1859.2, 1859.70, 1859.90, 1859.93, 1859.93.1; 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 50-04 certifications)*

Office of Public School Construction Application Number: \_\_\_\_\_

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. 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 the SFP or 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 854, Chapter 28, Statutes of 2014, which requires school districts that have School Facility Program projects with an initial public works contract awarded on or after January 1, 2012, to notify the Department of Industrial Relations (DIR). The DIR must provide prevailing wage monitoring services for all such projects, except in the cases of: (1) the district operates a DIR-approved internal wage monitoring program; or (2) the district has entered into a collective bargaining agreement that includes the requirements specified in Labor Code section 1771.4(b)(2).
  - iii. Chapter 378, Statutes of 2011 (Assembly Bill 436), which required the Department of Industrial Relations to monitor and enforce prevailing wage requirements for every State bond funded project, including School Facility Program projects, pursuant to Labor Code Section 1771.7 for projects in which the initial public works construction contract was awarded before January 1, 2012. The Project must have also been apportioned from either Proposition 47 or 55 and the construction phase of the Project commenced on or after April 1, 2003.
  - iv. Chapter 868 Statutes of 2002 (Assembly Bill 1506), which made projects funded from either Proposition 47 (2002) or Proposition 55 (2004) with a notice to proceed date on or after April 1, 2003 subject to Labor Compliance Program requirements as outlined in Labor Code Section 1771.5.

Project Execution Signature

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

X \_\_\_\_\_ Date \_\_\_\_\_

(Authority: Form SAB 50-04 certifications)

Office of Public School Construction Application Number: \_\_\_\_\_

#### **D. Receiving Board Approval**

1. Grantee must have (1) title, (2) leasehold, or (3) 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 17070.70; SFP Regulation Sections 1859.74 and 1859.74.1)*

2. Grantee understands and agrees that the Grants, combined with local funds, shall be sufficient to complete the Project.

*(Authority: Education Code Section 17070.63(a))*

3. The Grantee has established a "Restricted Maintenance Account" for the 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 Education Code Section 17070.75 and 17070.77 (refer to Regulation Sections 1859.100 through 1859.102).

*(Authority: SFP Regulation Section 1859.100 and Form SAB 50-04 certifications)*

4. The Grantee has or will comply with Education Code Section 17076.11 regarding at least a three (3) percent expenditure goal for disabled veteran business enterprises.

*(Authority: Form SAB 50-04 certifications)*

5. The Grantee understands and agrees that (1) Grants required to be adjusted for site acquisition for both New Construction and Charter School Facilities Program projects, and (2) Grants not used by the Grantee that failed to meet substantial progress and (3) unspent Financial Hardship Grants, (4) unspent Charter School Facilities Program Grants, or (5) unspent Career Technical Education Facilities Program 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 17076.10 and Education Code Section 41024, as applicable.

6. 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 Office of Public School Construction, 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.

7. If the Grants will be used for the construction or modernization of school facilities on leased land, the Grantee has entered into a lease agreement for the leased property that meets the requirements of School Facility Program Regulation Section 1859.22.

Office of Public School Construction Application Number: \_\_\_\_\_

8. The Grantee has established a facilities inspection system to ensure that each of its schools is maintained in good repair.

*[Authority: Education Code Section 17070.75(f)]*

9. 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 17072.30, 17074.16, 17078.72(g)(1), 17078.54(d), and 17075.10(b)(2); Form SAB 50-04 certifications)*

10. The Grantee has considered the feasibility of using designs and materials for the new construction or modernization project that promote the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and the other characteristics of high performance schools.

*(Authority: Education Code Section 17070.96)*

11. 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 (Financial Hardship approvals are valid for 180 days) on the date the Approved Funding Application was received by the Office of Public School Construction.

*[Authority: SFP Regulation Section 1859.81(e)]*

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 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.

- iii. If the Project remained on the Unfunded List (Lack of AB 55 Loans) for more than 180 days, the Grantee understands and agrees that the Office of Public School Construction shall conduct a review to determine if the Grantee has additional funds available to contribute to the Grantee's matching funds.

*[Authority: SFP Regulation Section 1859.81(e) and (f)]*

- iv. If the additional Office of Public School Construction review, pursuant to Section (iii) above, determined that the amount of the Financial Hardship Grant required an adjustment, pursuant to Financial Hardship rules detailed in SFP Regulation Section 1859.81, the amount of the Grants detailed in this Agreement will be amended.

Office of Public School Construction Application Number: \_\_\_\_\_

*[Authority: SFP Regulation Section 1859.81(a)]*

12. [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 site and the plans from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment.

*(Authority: SFP Regulation Section 1859.81.1)*

- ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

*Seismic Mitigation Program Replacement or Facility Hardship Replacement:*

The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the

\_\_\_\_\_  
 (health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the \_\_\_\_\_

\_\_\_\_\_  
 (health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat.

The Project must have concurrence by an appropriate governmental agency agreeing with the \_\_\_\_\_

\_\_\_\_\_  
 (health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the "Most Vulnerable Category 2 Buildings".

*Site Acquisition:* The Grantee has complied with Sections 1859.74 through 1859.75.1, 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) 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: \_\_\_\_\_

*Modernization of Portable Classrooms:* If this Agreement includes the modernization of portable classrooms eligible for an additional Apportionment pursuant to Education Code Section 17073.15(a), the Grantee certifies that either:

- i. The Grants will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,
- ii. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional Apportionment is better use of public resources than the replacement of these facilities.

*Modernization of Portable Classrooms on Military Installations:* If this Agreement includes the modernization of portable classrooms eligible for an Apportionment pursuant to Education Code Section 17073.15(b), the Grantee certifies that the Grants will be used to replace the portable classrooms located on a military installation that is a recipient of a federal grant for facilities modernization that requires a local matching share with a permanent structure.

(Authority: SFP Regulation Section 1859.78.8)

*Modernization or Charter School Facilities Program Rehabilitation:* If this Agreement includes the modernization or Charter School Facilities Program Rehabilitation funding, the Grantee has received approval of the plans for the project from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment or advance release of funds for design from a Preliminary Charter School Apportionment.

(Authority: Modernization: SFP Regulation Section 1859.81.1; Charter: SFP Regulation Section 1859.163)

*Seismic Mitigation Program Rehabilitation or Facility Hardship Rehabilitation:*

The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the

\_\_\_\_\_  
 (health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the \_\_\_\_\_

\_\_\_\_\_  
 (health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat.

The Project must have concurrence by an appropriate governmental agency agreeing with the \_\_\_\_\_

\_\_\_\_\_  
 (health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the "Most Vulnerable Category 2 Buildings".

The Project must have the approval letter from DSA indicating that the work in the 200



Office of Public School Construction Application Number: \_\_\_\_\_

project plans is the minimum work required to mitigate the \_\_\_\_\_

(health and safety or seismic) threat, which includes any other work triggered by the \_\_\_\_\_

(health and safety or seismic) mitigation work and that is required in order to obtain DSA approval.

*Charter:*

- i. Facilities to be rehabilitated under the Charter School Facilities Program previously funded with School Facility Program funds meet the requirements of Regulation Section 1859.163.
- ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

*Charter-Preliminary Charter School Apportionment:*

- i. The Grantee agrees that failure to submit a Final Charter School Apportionment within the timelines prescribed for a Preliminary Charter School Apportionment (four years with a possible one year extension subject to Board approval) shall be cause for rescission of the Preliminary Charter School Apportionment; and,

*(Authority: SFP Regulation Section 1859.166)*

- ii. The Grantee agrees that when the Preliminary Charter School Apportionment is converted to a Final Charter School Apportionment, the funding available for the Final Charter School Apportionment is subject to the provisions of Section 1859.167; and,

*(Authority: SFP Regulation Section 1859.167)*

- iii. The Grantee agrees that the California School Finance Authority must determine that the Grantee is financially sound at the time of the Preliminary Charter School Apportionment, advance release of design and/or site funds, and at the time of conversion to a Final Charter School Apportionment or the Preliminary Charter School Apportionment will be rescinded; and,

*(Authority: SFP Regulation Section 1859.163)*

- iv. The Grantee agrees that in addition to this grant agreement, the Grantee must also enter into the Charter School Agreements.

*(Authority: SFP Regulation Section 1859.90.2)*

*Career Technical Education Facilities Program:*

The Grantee has complied with the Career Technical Education Facilities Program (CTEFP) eligibility criteria as outlined in Section 1859.192; and,

For Projects that received an Apportionment pursuant to SFP Regulation Section 1859.193(d) (CTEFP reservation of funds):

- i. The Grantee understands and agrees that by reserving funds in advance of obtaining the necessary approvals from California Department of Education and the Division of the State Architect, the Grantee must submit the necessary

Office of Public School Construction Application Number: \_\_\_\_\_

approvals and/or plans and specifications within one year of Apportionment; otherwise the Apportionment will be rescinded without further Board action.

ii. Upon approval for placement on the Unfunded List (Lack of AB 55 Loans), the Grantee will receive a template of the Project Grant Agreement. OPSC will provide the Grantee the final Grant Agreement for the Project upon receipt of the necessary approvals from the Division of the State Architect and California Department of Education

iii. The Grantee understands and agrees that the executed the Grant Agreement must be submitted prior to fund release.

*(Authority: SFP Regulation Section 1859.197)*

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: proposed SFP Regulation Sections 1859.90 and 1859.90.2)*

Additionally:

1. If the project is awarded an Unfunded Approval, the Grantee understands and agrees that, pursuant to School Facility Program Regulation Sections 1859.90.2 and 1859.90.3:
  - i. The Grantee shall participate in the priority funding process by submitting a valid priority funding request during a 30-day filing period after being placed on the Unfunded List (Lack of AB 55 Loans) in order to receive an Apportionment in accordance with Regulation Section 1859.90.3.
  - ii. Failure to submit a valid request within the filing period or failure to submit a valid *Fund Release Authorization* (Form SAB 50-05) after the Board approves an Apportionment shall result in an occurrence of non-participation.
  - iii. The Grantee understands and agrees that Grants may not be available for this Project after the Grantee has submitted a valid priority funding request. When the Grantee submits a valid priority funding request and Grants are not available, the Grantee shall not be charged with an occurrence of non-participation.
  - iv. After the second occurrence of non-participation, the funding for the Project shall be rescinded without further action by the Board.
2. Once an Apportionment is awarded, any Grants provided to Grantee under this Agreement will be disbursed upon receipt of a valid Fund Release Authorization, and shall not exceed \$\_\_\_\_\_ except for

\_\_\_\_\_  
 (site-related exceptions)

*(Authority: Education Code Sections 17072.13, 17072.14, and 17072.18)*

3. Supplementary documentation submitted with, or prior to, a Fund Release Authorization must include this Agreement as well as documentation that proves the following:
  - i. The Grantee has entered into a binding contract(s) for at least 50 percent of the construction included in the plans and specification applicable to this Project.
  - ii. Notice to Proceed dates.
  - iii. For Career Tech projects where the Grantee received an Apportionment without needing Division of State Architect approval, evidence of Division of the State Architect approval date.
4. 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

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invalid and the request will be returned to the Grantee. The Grantee will retain the opportunity to submit a valid Fund Release Authorization within 90 days of Apportionment. However, if the Grantee does not submit a valid Fund Release Authorization within 90 days of the Apportionment the Grantee will receive a non-participation occurrence as described in (1.)(ii) above. The Grantee will not receive Grants at that time. Furthermore, any penalties imposed on the Grantee by a contractor, or other consequence, because of delays in payment will be paid by the Grantee and is not reimbursable under this Agreement.

*(Authority: proposed amendment to School Facility Program Regulations)*

5. If the project received an Apportionment and 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 calendar days of Apportionment for non-Financial Hardship districts or 365 calendar days for districts with Financial Hardship approval. However, if the Grantee does not submit a valid Fund Release Authorization within 180 or 365 calendar days the Apportionment will be rescinded without further Board action.

*(Authority: SFP Regulation Section 1859.90)*

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## **F. Accounting for Spent Funds**

1. For purposes of completing the Expenditure Reports required pursuant to Education Code Section 17076.10, over the course 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 17076.10)

2. Annual Expenditure Reports

Pursuant to Education Code 17076.10, beginning 12 months from the first fund release, and continuing annually for a period of up to \_\_\_\_\_ years after the final fund release, as described in SFP Regulation Section 1859.104, the Grantee shall submit an Expenditure Report to the Office of Public School Construction.

3. Substantial Progress Compliance Reviews

- i. Pursuant to Education Code Section 17076.10, the Grantee shall be subject to a substantial progress review by the Office of Public School Construction under this Agreement with respect to all matters connected with this Agreement. The Grantee shall provide substantial progress documentation 18 months from the latest fund release. The Office of Public School Construction will consider the requirements of substantial progress met if the Grantee submits its Expenditure Report for a completed project up to 18 months from the latest fund release. The Office of Public School Construction must notify the Grantee within 60 days of receiving the documentation if a review and analysis of the information will be conducted.

(Authority: SFP Regulation Section 1859.105)

- ii. For Grantees That Have Received Grants for Construction:

The substantial progress documentation required shall include evidence that either 75 percent of the site development work is complete, or 90 percent of the building work is under contract, or 50 percent of all construction activities are complete.

(Authority: School Facility Program Regulation Section 1859.105)

The documentation that the Grantee shall provide shall include, but is not limited to:

- a) The fund source indicated, for each project cost,
- b) Assessor's parcel number, for site acquisition costs,
- c) Qualification Appraisal(s) for Architect/Engineer/Construction Manager,
- d) Architect/Engineer/Construction Management Agreement(s),
- e) Evidence the Grantee has met Disabled Veteran Business Enterprise contractual requirements,
- f) Construction Contract Agreements to date,
- g) Construction Bid Summaries,
- h) Construction Delivery Method,

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- i) Project expenditures, to date, submitted on Detailed Listing of Project Expenditures (DLOPE) worksheet or in an equivalent format [the Office of Public School Construction will review expenditure totals for purposes of determining compliance with substantial progress requirements but will not review expenditures to determine eligibility under the program (this will be done by the local auditor)],
- j) General ledger report that details project expenditures to date
- k) Submittal of written policy and procedures that documents processes for accounting of School Facility Program project activities.
- l) Construction schedule of values or Continuation Sheet
- m) Project cost estimate

*(Authority: Education Code Section 17071.10 and SFP Regulation Section 1859.105)*

iii. For Grantees That Have Received Advanced Financial Hardship Site Grants or Environmental Hardship Grants:

The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:

- a) The final site appraisal,
- b) The California Department of Education final approval letter, evidence of the completion of any and all California Environmental Quality Act requirements
- c) Final escrow instructions or evidence the Grantee has filed condemnation proceedings including intent to request an order of possession of the site, as applicable.

*(Authority: SFP Regulation Section 1859.105 or 1859.105.1, as applicable)*

iv. For Grantees That Have Received Advanced Financial Hardship Grants for Design: The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:

- a) An Approved New Construction or Modernization Adjusted Grant Application; or,
- b) A certification that the final building plans have been submitted to and accepted by the Division of the State Architect for review and approval.

*(Authority: SFP Regulation Section 1859.105)*

v.

- a) Should the Office of Public School Construction determine that the Grantee has not made substantial progress as described in (F)(3)(i), (ii), (iii), and (iv), it will inform the Grantee of its findings and require the Grantee to submit a final expenditure report within 60 days of notification, pursuant to SFP Regulation Section 1859.105. If no Grants have been expended by the Grantee, then the Office of Public School Construction will recommend to the Board that the project be rescinded.
- b) If Grants have been expended by the Grantee, then
  - I. The Project shall be subject to an audit pursuant to Section 41024 of the Education Code and the applicable provisions outlined in Section (F)(4) of this Agreement. The audit shall identify Grants expended in accordance

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with program requirements and the amount of any unspent Grants and the amount of any Ineligible Expenditures.

- II. Once the amount of unspent Grants has been determined in the audit report described in (i) to be repaid and the Grantee repays the Grants, the Office of Public School Construction shall take an item to the State Allocation Board make a corresponding baseline eligibility adjustment, when applicable.

*(Authority: SFP Regulation Section 1859.105)*

#### 4. Final Project Audit

The Grantee understands and agrees to the following:

- i. Upon Project completion pursuant to SFP Regulation Section 1859.104, 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. A separate audit report shall be submitted for each audited project. Multiple projects cannot be combined in one audit report. 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: Education Code Section 41024 and proposed amendment to School Facility Program Regulation Section 1859.104(a)]*

- 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 50-04
  - d) Copy of SAB Board item(s) (Approval of project Apportionment)
  - e) DSA Approval Letter
  - f) Final CDE Approval Letter
  - g) Architect Final Billing
  - h) Proof of Routine Restricted Maintenance Account Deposit or documentation demonstrating district's facilities are maintained in good repair
  - 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 of date of Occupancy
  - 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

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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 SFP Regulation Section 1859.104. 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 17076.10 and SFP Regulation Section 1859.106)*

- 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 Office of Public School Construction 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 Office of Public School Construction 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 Office of Public School Construction 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 Office of Public School Construction 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 17070.63(c), 17076.10, and 41024; SFP Regulation Section 1859.106)*

- v. The Grantee shall provide its Expenditure Report for a Project deemed complete pursuant to SFP Regulation Section 1859.104, and any and all audit reports, including the audits of Savings, to the Office of Public School Construction.
- (Authority: Education Code Section 17076.10)*

- 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 SFP Regulation Section 1859.104.



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*(Authority: Education Code Section 17076.10)*

#### 5. Savings Audit(s)

Grantees may retain Savings for expenditure for other high priority Capital Outlay  
*(Authority: Education Code Section 17070.63 and SFP Regulation Section 1859.103)*

The Grantee understands and agrees to the following:

- i. Upon the Grantee declaring Savings pursuant to SFP Regulation Section 1859.103, 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: proposed amendment to School Facility Program Regulation Section 1859.104(a)]*

- 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 final expenditure report 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 17076.10 and SFP Regulation Section 1859.106)*

- 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 Office of Public School Construction 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 Office of Public School Construction 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 Office of Public School Construction related to the recovery of Grants described in (c).

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(e) In order to recover funds as part of a repayment plan described in (d), the Office of Public School Construction 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 17070.63(c), 17076.10, and 41024; SFP Regulation Section 1859.106)*

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 17076.10.

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 Section 17076.10)*

6. 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).

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**G. Advisory Listing Detailing Common Eligible Project Expenditures**

Project expenditures not listed in this document will not be considered eligible for funding under the School Facility 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 SFP Regulation Section 1859.104  
(Authority: Education Code Section 17076.10)

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 work pursuant to SFP Regulation Section 1859.76.

(Authority: SFP Regulation Section 1859.76)

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**1. New Construction - Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Charter Schools Facilities Program - Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35
g.	Energy Analysis Fee	Ed. Code Section 17072.35*
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35
j.	Preliminary Site Tests	
k.	Engineering Fees	
l.	Costs for design of a project that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction, which may include: <ul style="list-style-type: none"> <li>Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating.</li> <li>The use of ground source temperatures for heating and cooling.</li> <li>Energy and water conservation, load</li> </ul>	Ed. Code Section 17077.35

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	<p>reduction, peak-load shifting, and building energy efficiency measures</p> <ul style="list-style-type: none"><li>• Solar water heating technologies.</li><li>• Onsite renewable energy and storage, such as photovoltaics and battery storage, microgrid controllers, and service panel upgrades.</li><li>• Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces.</li></ul>	
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\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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**2. New Construction - Separate Apportionment for Site Acquisition Costs**  
**Charter Schools Facilities Program - Separate Apportionment for Site Acquisition Costs**  
**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 50-04) or actual site cost.	Ed. Code Sections 17072.12, 17072.35 & SFP Reg. Section 1859.74
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Reg. Sections 1859.74, 1859.74(2) or 1859.74(3), as appropriate
c.	Escrow Fees	
d.	Legal Fees associated with: <ul style="list-style-type: none"><li>• The review of site acquisition documents</li><li>• Site condemnation or relocation proceedings.</li><li>• The review of the SFP project-related lease agreements.</li></ul>	
e.	Litigation costs not to exceed the total SFP project funding Apportionment.	
f.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
g.	Survey Costs	
DTSC Fees		

**GRANT AGREEMENT****[Proposition 2]**

SCHOOL FACILITY PROGRAM

(New 3/25 Rev. XX/25)

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	Type of Expenditure	Authority
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 Sections 17072.13 & 17072.35
Hazardous Waste Removal		
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35
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: <ul style="list-style-type: none"><li>Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon.</li><li>Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon.</li><li>Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan</li><li>Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement</li></ul>	
Relocation Assistance		
k.	Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following: <ul style="list-style-type: none"><li>Residential Tenant Occupant Moving expenses</li><li>Rental Assistance – payment not to exceed \$5,250</li><li>Last Resort Housing</li></ul>	Ed. Code Sections 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000

**GRANT AGREEMENT****[Proposition 2]**

SCHOOL FACILITY PROGRAM

(New 3/25 Rev. XX/25)

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed \$25,500</li> <li>Business</li> <li>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 lesser of replacement cost or estimated cost of moving by professional mover.</li> </ul> <ul style="list-style-type: none"> <li>Losses of Tangible Personal Property</li> <li>Searching for a Replacement Site</li> <li>Re-establishment Expenses</li> <li>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.</li> </ul>	



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**3. New Construction - Adjusted Grant  
 Charter Schools Facilities Program - Adjusted Grant  
 Common Eligible Project Expenditures**

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> <li>• Shade Structures</li> <li>• Solar or Alternative Energy Source Components</li> </ul>	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35*
d.	Construction Tests	Ed. Code Section 17072.35
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) & SFP Reg. Section 1859.79.2
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"> <li>• 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</li> <li>• For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not</li> </ul>	PCC Section 20114

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<p>exceed 750 hours or when the cost of material does not exceed \$21,000.</p> <ul style="list-style-type: none"> <li>• Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	
g.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> <li>• Finish Grading</li> <li>• Roads and Driveways</li> <li>• Sidewalks, stairs, &amp; Ramps</li> <li>• Parking Area</li> <li>• Curbs and Gutters</li> <li>• Turfed/Paved Play Area</li> <li>• Playground Equipment</li> <li>• Surface Drains &amp; Play Area</li> <li>• V-Gutters at Parking Lot</li> <li>• Landscaping &amp; Irrigation System</li> <li>• Site Lighting</li> <li>• Fencing &amp; Outdoor Walls</li> </ul>	SFP Reg. Section 1859.76(d)
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35
i.**	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Curbs &amp; Gutters</li> <li>• Sidewalks</li> <li>• Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances</li> <li>• Special District Fees</li> <li>• Storm Drains to Point of Connection</li> <li>• Safety Paths</li> </ul>	SFP Reg. Section 1859.76(b)

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
j.**	<p>Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Site Clearance</li> <li>• Demolition</li> <li>• Rerouting Utility Lines</li> <li>• Rough Grading</li> <li>• Soil Compaction</li> <li>• Storm Drains</li> <li>• Erosion Control</li> <li>• Outside Stairs &amp; Retaining Walls</li> <li>• Relocation of Existing Portables</li> <li>• Fire Code Requirements</li> <li>• Multi-Level Parking</li> </ul>	SFP Reg. Section 1859.76(a)
k.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> <li>• Water</li> <li>• Sewage</li> <li>• Gas</li> <li>• Electric</li> <li>• Communication systems</li> </ul>	SFP Reg. Section 1859.76(c)
l.	<p>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:</p> <ul style="list-style-type: none"> <li>• Lasts more than two years.</li> <li>• It is typically repaired rather than replaced.</li> <li>• It is an independent unit (rather than being incorporated into another unit item).</li> <li>• The cost of tagging and inventory is a small percentage of the item cost.</li> <li>• Not operational or administrative costs.</li> </ul>	Ed. Code Section 17072.35 & CSAM Procedure 770

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<p>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:</p> <ul style="list-style-type: none"> <li>• Projectors</li> <li>• Smart Boards</li> <li>• Freezers</li> <li>• Refrigerators</li> <li>• Stoves</li> <li>• Exercise equipment – Only if available for use by all students</li> </ul>	
m.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> <li>• Desks</li> <li>• Chairs</li> <li>• Built-in Storage</li> <li>• Cabinets</li> <li>• Window Coverings</li> <li>• White/Chalk Boards</li> <li>• Library Books</li> </ul>	Ed. Code Section 17072.35
n.	Demolition Costs	Ed. Code Section 17072.35
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 17072.35*
p.	Costs attributable to school-site based infrastructure to provide access to broadband internet within the schoolsite.	Ed. Code Section 17072.35*
q.	Costs of design, materials, and construction to advance state energy goals pursuant to state law, support outdoor learning environments or to directly shade and protect pupils from higher average temperatures, which may include incorporating nature and nature materials.	Ed. Code Section 17072.35*

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
r.	Seismic Mitigation Costs – the cost must be attributable to design, study, and testing.	Ed. Code Section 17072.35*
s.	Support for constructing the construction of a school kitchen, a transitional kindergarten classroom, a facility to support a local education agency-administered preschool program that is operated by a school district and located on a schoolsite operated by the district, or a facility to support school nurses and counselors to increase access to health care and mental health services.	Ed. Code Section 17072.35*
t.	<p>Costs for plan design and inclusion of project components that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction. Components may include:</p> <ul style="list-style-type: none"> <li>• Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating.</li> <li>• The use of ground source temperatures for heating and cooling.</li> <li>• Energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures.</li> <li>• Solar water heating technologies.</li> <li>• Onsite renewable energy and storage, such as photovoltaics and battery storage, microgrid controllers, and service panel upgrades.</li> <li>• Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces..</li> </ul>	Ed. Code Section 17077.35

\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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

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**4. Modernization - Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25
g.	Energy Analysis Fee	Ed Code Section 17074.25*
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25
j.	Preliminary Site Tests	
k.	Engineering Fees	
l.	Costs for design of a project that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction, including: Costs for design of a project that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction, which may include: <ul style="list-style-type: none"> <li>Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating.</li> </ul>	Ed Code Section 17077.35

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DESIGN COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• The use of ground source temperatures for heating and cooling.</li> <li>• Energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures.</li> <li>• Solar water heating technologies.</li> <li>• Onsite renewable energy and storage, such as photovoltaics and battery storage, microgrid controllers, and service panel upgrades.</li> <li>• Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces.</li> </ul>	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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**5. Modernization - Adjusted Grant  
 Common Eligible Project Expenditures**

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> <li>• Shade Structures</li> <li>• Solar or Alternative Energy Source Components</li> </ul>	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25*
d.	Construction Tests	Ed Code Section 17074.25
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) & SFP Reg. Section 1859.79.2
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"> <li>• 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</li> <li>• 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.</li> <li>• Must be work that involves a skilled trade.</li> </ul>	PCC Section 20114



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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	To be eligible must be supported by time cards or time logs.	
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25
h. **	Utility Services – Only if approved for fifty years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Section 1859.78.7
i.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> <li>• Lasts more than one year.</li> <li>• It is typically repaired rather than replaced.</li> <li>• It is an independent unit (rather than being incorporated into another unit item).</li> <li>• The cost of tagging and inventory is a small percentage of the item cost.</li> <li>• Not operational or administrative costs.</li> </ul> <p>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:</p> <ul style="list-style-type: none"> <li>• Projectors</li> <li>• Smart Boards</li> <li>• Freezers</li> <li>• Refrigerators</li> <li>• Stoves</li> <li>• Exercise equipment – Only if available for use by all students</li> </ul>	Ed Code Section 17074.25 & CSAM Procedure 770
j.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> <li>• Desks</li> </ul>	Ed Code Section 17074.25

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>Chairs</li> <li>Built-in Storage</li> <li>Cabinets</li> <li>White/Chalk Boards</li> <li>Library Books</li> </ul>	
k.	Demolition Costs – the cost must be attributable to replacement of “like kind” building area (see SFP Regulation Section 1859.79.2(a)).	Ed Code Section 17074.25
l.	Interim Housing	Ed Code Section 17074.25*
m.	Removal of hazardous waste from a modernization project the DTSC has declared unsafe which does not exceed ten percent of the total modernization Apportionment.	SFP Reg. Section 1859.74.2(c)
n.	Expenditures for schoolsite-based infrastructure necessary to provide access to broadband internet within the schoolsite as an eligible expenditure for modernization grants.	Ed Code Section 17074.25*
o.	Costs of design, materials, and construction to advance state energy goals pursuant to state law, support outdoor learning environments or to directly shade and protect pupils from higher average temperatures, which may include incorporating nature and nature materials.	Ed Code Section 17074.25*
p.	Seismic Mitigation Costs – the cost must be attributable to design, study, and testing.	Ed Code Section 17074.25*
q.	Remediation of lead in any water outlet used for drinking or preparing food with lead levels in excess of 15 parts per billion.	Ed Code Section 17074.25*
r.	The control, management, or abatement of lead, including but not limited to lead based paint and/or soil contamination.	Ed Code Section 17074.25*

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
s.	Support for expanding an existing, or constructing a new, gymnasium, multipurpose room, library, or school kitchen.	Ed Code Section 17074.25*
t.	Costs associated with the modernization of a school kitchen, a transitional kindergarten classroom, a facility to support a local education agency-administered preschool program, including but not limited to, a California state preschool program that is operated by a school district and located on a schoolsite operated by the district, or a facility to support school nurses and counselors to increase access to health care and mental health services.	Ed Code Section 17074.25*
u.	Districts apportioned funds pursuant to Section 17073.16(a) shall use the supplemental grant for expanding an existing, or constructing a new gymnasium, multipurpose room, library, or school kitchen.	Ed Code Section 17073.16(a)
v.	Districts apportioned funds pursuant to Section 17073.16(b) shall use the supplemental grant for retrofitting an existing facility or constructing new classrooms to house transitional kindergarten pupils.	Ed Code Section 17073.16(b)
w.	<p>Costs for plan design and inclusion of project components that promote energy efficiency approaching the ultimate goal of school facility energy self-sufficiency and pollution reduction. Components may include:</p> <ul style="list-style-type: none"> <li>• Electric heating, ventilation, and air condition (HVAC), school kitchen equipment, and water heating.</li> <li>• The use of ground source temperatures for heating and cooling.</li> <li>• Energy and water conservation, load reduction, peak-load shifting, and building energy efficiency measures.</li> <li>• Solar water heating technologies.</li> <li>• Onsite renewable energy and storage, such as</li> </ul>	Ed. Code Section 17077.35

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	photovoltaics and battery storage, microgrid controllers, and service panel upgrades. <ul style="list-style-type: none"> <li>Shade structures and the conversion of ground and rooftop surfaces to materials with low absorption and reflection of heat, which may include, but are not limited to, natural surfaces.</li> </ul>	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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

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**6. Career Technical Education Facilities Program - New Construction**  
**Common Eligible Project Expenditures**

To be considered eligible, a cost must be part of the detailed project cost estimate approved by Office of Public School Construction.

PLANNING COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
j.	Preliminary Site Tests	

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ENGINEERING COSTS		
Type of Expenditure		Authority
k.	Engineering Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
l.	Construction Management Fees	Ed Code Section 17078.72 & SFP Reg. Section 1859.193(a)&(b)
m.	Building Construction Costs	
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	
o.	Construction Tests	
p.	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) & SFP Reg. Section 1859.193(a)(4) & (b)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a)
r.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114

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s.**	General Site Development ( <i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i> ) within school property lines (Including but not limited to): <ul style="list-style-type: none"> <li>• Finish Grading</li> <li>• Roads and Driveways</li> <li>• Sidewalks, stairs, &amp; Ramps</li> <li>• Parking Area</li> <li>• Curbs and Gutters</li> <li>• Turfed/Paved Play Area</li> <li>• Playground Equipment</li> <li>• Surface Drains &amp; Play Area</li> <li>• V-Gutters at Parking Lot</li> <li>• Landscaping &amp; Irrigation System</li> <li>• Site Lighting</li> <li>• Fencing &amp; Outdoor Walls</li> </ul>	Ed Code Section 17078.72 & SFP Reg. Section 1859.193(a)&(b)
t.	Inspections	
u.**	Off-Site Development costs on up to two immediately adjacent sides of the site ( <i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i> ) (see SFP Regulation Section 1859.76(b) for detail). Including: <ul style="list-style-type: none"> <li>• Curbs &amp; Gutters</li> <li>• Sidewalks</li> <li>• Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances</li> <li>• Special District Fees</li> <li>• Storm Drains to Point of Connection</li> <li>• Safety Paths</li> </ul>	
v.**	Service Site Development ( <i>Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant</i> ) costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: <ul style="list-style-type: none"> <li>• Site Clearance</li> <li>• Demolition</li> <li>• Rerouting Utility Lines</li> </ul>	SFP Reg. Section 1859.193(a)&(b)(3)

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	<ul style="list-style-type: none"> <li>• Rough Grading</li> <li>• Soil Compaction</li> <li>• Storm Drains</li> <li>• Erosion Control</li> <li>• Outside Stairs &amp; Retaining Walls</li> <li>• Relocation of Existing Portables</li> <li>• Fire Code Requirements</li> <li>• Multi-Level Parking</li> </ul>	
w.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by a Career Technical Education Facilities Program project <i>(Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant)</i> (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> <li>• Water</li> <li>• Sewage</li> <li>• Gas</li> <li>• Electric</li> <li>• Communication systems</li> </ul>	SFP Reg. Section 1859.193(a)&(b)(4)
x.	<p>Equipment expenditures for Career Technical Education Facilities Program projects – as approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.</p>	Approved by CDE & Ed Code Section 17078.72(a)

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



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**7. Career Technical Education Facilities Program - Modernization  
 Common Eligible Project Expenditures**

To be considered eligible, a cost must be part of the detailed project cost estimate approved by the Office of Public School Construction.

	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
j.	Preliminary Site Tests	
k.	Engineering Fees	
l.	Construction Management Fees	
m.	Building Construction Costs	
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	Ed Code Section 17078.72(a) &

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	Type of Expenditure	Authority
		SFP Reg. Section 1859.193(c)
o.	Construction Tests	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
p.	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) & SFP Reg. Section 1859.193(c)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
r.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114
s.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> <li>Finish Grading</li> <li>Roads and Driveways</li> <li>Sidewalks, stairs, &amp; Ramps</li> <li>Parking Area</li> <li>Curbs and Gutters</li> </ul>	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Turfed/Paved Play Area</li> <li>• Playground Equipment</li> <li>• Surface Drains &amp; Play Area</li> <li>• V-Gutters at Parking Lot</li> <li>• Landscaping &amp; Irrigation System</li> <li>• Site Lighting</li> <li>• Fencing &amp; Outdoor Walls</li> </ul>	
t.	Inspections	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
u.**	Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: <ul style="list-style-type: none"> <li>• Curbs &amp; Gutters</li> <li>• Sidewalks</li> <li>• Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances</li> <li>• Special District Fees</li> <li>• Storm Drains to Point of Connection</li> <li>• Safety Paths</li> </ul>	
v.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: <ul style="list-style-type: none"> <li>• Site Clearance</li> <li>• Demolition</li> <li>• Rerouting Utility Lines</li> <li>• Rough Grading</li> <li>• Soil Compaction</li> <li>• Storm Drains</li> <li>• Erosion Control</li> <li>• Outside Stairs &amp; Retaining Walls</li> <li>• Relocation of Existing Portables</li> <li>• Fire Code Requirements</li> <li>• Multi-Level Parking</li> </ul>	
w.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by	

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	Type of Expenditure	Authority
	<p>Career Technical Education Facilities Program project (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> <li>• Water</li> <li>• Sewage</li> <li>• Gas</li> <li>• Electric</li> <li>• Communication systems</li> </ul>	
x.	<p>Equipment expenditures for Career Technical Education Facilities Program projects – Equipment must have been approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.</p>	<p>Approved by CDE &amp; Ed Code Section 17078.72(a)</p>

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

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**8. Facility Hardship (Non-Seismic) - Replacement  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> </ul>	

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DESIGN COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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**9. Facility Hardship (Non-Seismic) – Replacement  
 Separate Apportionment for Site Acquisition Costs  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	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 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	CDE Site Review Costs	
e.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of site acquisition documents.</li> <li>Site condemnation or relocation proceedings.</li> <li>The review of the SFP project-related lease agreements.</li> </ul>	
f.	Litigation costs not to exceed the total SFP project funding apportionment.	

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	Type of Expenditure	Authority
g.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
h.	Survey Costs	
DTSC Fees		
i.	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 Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
Hazardous Waste Removal		
j.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
k.	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: <ul style="list-style-type: none"><li>Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon.</li><li>Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon.</li><li>Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan</li><li>Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement</li></ul>	



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	Type of Expenditure	Authority
Relocation Assistance		
I.	<p>Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following:</p> <ul style="list-style-type: none"> <li>Residential Tenant Occupant               <p>Moving expenses</p> <p>Rental Assistance – payment not to exceed \$5,250</p> <p>Last Resort Housing</p> </li> <li>Residential Owner Occupant               <p>Moving expenses</p> <p>Replacement Housing – Not to exceed \$25,500</p> </li> <li>Business               <p>Moving expenses – In addition, a displaced business owner may file a claim for the following:</p> <p>The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site.</p> <p>The cost of any license, permit, or certification to reestablish a business at a new location</p> <p>The reasonable cost of any professional services necessary for planning the move, moving the</p> </li> </ul>	<p>Ed. Code            Section(s)            17072.13,            17072.35 &amp; CA            Code of Reg., Title            25, Section 6000 &amp;            SFP Reg. Section            1859.82</p>

**GRANT AGREEMENT****[Proposition 2]**

SCHOOL FACILITY PROGRAM

(New 3/25 Rev. XX/25)

Office of Public School Construction Application Number: \_\_\_\_\_

	Type of Expenditure	Authority
	<p>property, or installation of property at the replacement site</p> <p>When an item is not moved but replaced with a comparable item, reimbursement shall be the lesser of replacement cost or estimated cost of moving by professional mover.</p> <ul style="list-style-type: none"> <li>• Losses of Tangible Personal Property</li> <li>• Searching for a Replacement Site</li> <li>• Re-establishment Expenses</li> <li>• 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.</li> </ul>	

Office of Public School Construction Application Number: \_\_\_\_\_

**10. Facility Hardship (Non-Seismic) - Replacement  
 Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> </ul>	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
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) & SFP Reg. Section 1859.79.2 & 1859.82

Office of Public School Construction Application Number: \_\_\_\_\_

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114 & SFP Reg. Section 1859.82
g.**	<p>General Site Development within school property lines (Including but not limited to):</p> <ul style="list-style-type: none"> <li>Finish Grading</li> <li>Roads and Driveways</li> <li>Sidewalks, stairs, &amp; Ramps</li> <li>Parking Area</li> <li>Curbs and Gutters</li> <li>Turfed/Paved Play Area</li> <li>Playground Equipment</li> <li>Surface Drains &amp; Play Area</li> <li>V-Gutters at Parking Lot</li> <li>Landscaping &amp; Irrigation System</li> <li>Site Lighting</li> <li>Fencing &amp; Outdoor Walls</li> </ul>	SFP Reg. Section 1859.76(d) & 1859.82
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
i.**	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Curbs &amp; Gutters</li> <li>• Sidewalks</li> <li>• Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances</li> <li>• Special District Fees</li> <li>• Storm Drains to Point of Connection</li> <li>• Safety Paths</li> </ul>	SFP Reg. Section 1859.76(b) & 1859.82
j.**	<p>Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Site Clearance</li> <li>• Demolition</li> <li>• Rerouting Utility Lines</li> <li>• Rough Grading</li> <li>• Soil Compaction</li> <li>• Storm Drains</li> <li>• Erosion Control</li> <li>• Outside Stairs &amp; Retaining Walls</li> <li>• Relocation of Existing Portables</li> <li>• Fire Code Requirements</li> <li>• Multi-Level Parking</li> </ul>	SFP Reg. Section 1859.76(a) & 1859.82
k.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> <li>• Water</li> <li>• Sewage</li> <li>• Gas</li> </ul>	SFP Reg. Section 1859.76(c) & 1859.82

Office of Public School Construction Application Number: \_\_\_\_\_

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Electric</li> <li>• Communication systems</li> </ul>	
l.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> <li>• Lasts more than one year.</li> <li>• It is typically repaired rather than replaced.</li> <li>• It is an independent unit (rather than being incorporated into another unit item).</li> <li>• The cost of tagging and inventory is a small percentage of the item cost.</li> <li>• 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:               <ul style="list-style-type: none"> <li>• Projectors</li> <li>• Smart Boards</li> <li>• Freezers</li> <li>• Refrigerators</li> <li>• Stoves</li> <li>• Exercise equipment – Only if available for use by all students</li> </ul> </li> </ul>	Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82
m.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> <li>• Desks</li> <li>• Chairs</li> <li>• Built-in Storage</li> <li>• Cabinets</li> <li>• Window Coverings</li> <li>• White/Chalk Boards</li> <li>• Library Books</li> </ul>	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
n.	Demolition Costs	Ed. Code Section 17072.35 & SFP

Office of Public School Construction Application Number: \_\_\_\_\_

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
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 17072.35* & SFP Reg. Section 1859.82

\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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

Office of Public School Construction Application Number: \_\_\_\_\_

**11. Facility Hardship (Non-Seismic) - Rehabilitation  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Regulation Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors,</li> </ul>	



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DESIGN COSTS		
	Type of Expenditure	Authority
	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 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

Office of Public School Construction Application Number: \_\_\_\_\_

**12. Facility Hardship (Non-Seismic) - Rehabilitation  
 Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> </ul>	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
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) & SFP Reg. Section 1859.79.2 & 1859.82

Office of Public School Construction Application Number: \_\_\_\_\_

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114 & SFP Reg. Section 1859.82
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.**	Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82
i.	Demolition Costs	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Interim Housing	Ed Code Section 17074.25* & SFP Reg. Section 1859.82

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

Office of Public School Construction Application Number: \_\_\_\_\_

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

Office of Public School Construction Application Number: \_\_\_\_\_

**13. Facility Hardship (Seismic) – Replacement  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors,</li> </ul>	

Office of Public School Construction Application Number: \_\_\_\_\_

DESIGN COSTS		
	Type of Expenditure	Authority
	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 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

Office of Public School Construction Application Number: \_\_\_\_\_

**14. Facility Hardship (Seismic) – Replacement  
 Separate Apportionment for Site Acquisition Costs  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006

	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 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
Site (Other) (4 % Allowance)		
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of site acquisition documents.</li> <li>Site condemnation or relocation proceedings.</li> <li>The review of the SFP project-related lease agreements.</li> </ul>	
e.	Litigation costs not to exceed the total SFP project funding apportionment.	

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	Type of Expenditure	Authority
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 Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
Hazardous Waste Removal		
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
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: <ul style="list-style-type: none"><li>• Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon.</li><li>• Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon.</li><li>• Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan</li><li>• Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement</li></ul>	



**GRANT AGREEMENT****[Proposition 2]**

SCHOOL FACILITY PROGRAM

(New 3/25 Rev. XX/25)

Office of Public School Construction Application Number: \_\_\_\_\_

	Type of Expenditure	Authority
Relocation Assistance		
k.	<p>Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000 . This includes expenditures for the following:</p> <ul style="list-style-type: none"> <li>Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed \$5,250 Last Resort Housing</li> <li>Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed \$25,500</li> <li>Business Moving expenses – In addition, a displaced business owner may file a claim for the following:</li> </ul> <p>The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site.</p> <p>The cost of any license, permit, or certification to reestablish a business at a new location</p> <p>The reasonable cost of any professional services necessary for planning the move, moving the property, or installation of property at the replacement site</p> <p>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.</p>	<p>Ed. Code Section(s) 17072.13, 17072.35 &amp; CA Code of Reg., Title 25, Section 6000 &amp; SFP Reg. Section 1859.82</p>

**GRANT AGREEMENT****[Proposition 2]**

SCHOOL FACILITY PROGRAM

(New 3/25 Rev. XX/25)

Office of Public School Construction Application Number: \_\_\_\_\_

	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Losses of Tangible Personal Property</li> <li>• Searching for a Replacement Site</li> <li>• Re-establishment Expenses</li> <li>• 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.</li> </ul>	

Office of Public School Construction Application Number: \_\_\_\_\_

**15. Facility Hardship (Seismic) – Replacement  
 Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> </ul>	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
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); SFP Reg. Sections

Office of Public School Construction Application Number: \_\_\_\_\_

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		1859.79.2 & 1859.82
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114 & SFP Reg. Section 1859.82
g.**	<p>General Site Development within school property lines (including, but not limited to):</p> <ul style="list-style-type: none"> <li>Finish Grading</li> <li>Roads and Driveways</li> <li>Sidewalks, stairs, &amp; Ramps</li> <li>Parking Area</li> <li>Curbs and Gutters</li> <li>Turfed/Paved Play Area</li> <li>Playground Equipment</li> <li>Surface Drains &amp; Play Area</li> <li>V-Gutters at Parking Lot</li> <li>Landscaping &amp; Irrigation System</li> <li>Site Lighting</li> <li>Fencing &amp; Outdoor Walls</li> </ul>	SFP Reg. Sections 1859.76(d) & 1859.82
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35 & SFP

Office of Public School Construction Application Number: \_\_\_\_\_

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
i.	<p>Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Curbs &amp; Gutters</li> <li>• Sidewalks</li> <li>• Street Light, Planting Areas, Street Signs,</li> <li>• Traffic Signals, Etc., Mandated by Local Ordinances</li> <li>• Special District Fees</li> <li>• Storm Drains to Point of Connection</li> <li>• Safety Paths</li> </ul>	SFP Reg. Sections 1859.76(b) & 1859.82
j.**	<p>Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including:</p> <ul style="list-style-type: none"> <li>• Site Clearance</li> <li>• Demolition</li> <li>• Rerouting Utility Lines</li> <li>• Rough Grading</li> <li>• Soil Compaction</li> <li>• Storm Drains</li> <li>• Erosion Control</li> <li>• Outside Stairs &amp; Retaining Walls</li> <li>• Relocation of Existing Portables</li> <li>• Fire Code Requirements</li> <li>• Multi-Level Parking</li> </ul>	SFP Reg. Sections 1859.76(a) & 1859.82
k.**	<p>Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows:</p> <ul style="list-style-type: none"> <li>• Water</li> <li>• Sewage</li> </ul>	SFP Reg. Sections 1859.76(c) & 1859.82

Office of Public School Construction Application Number: \_\_\_\_\_

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Gas</li> <li>• Electric</li> <li>• Communication systems</li> </ul>	
l.	<p>Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows:</p> <ul style="list-style-type: none"> <li>• Lasts more than one year.</li> <li>• It is typically repaired rather than replaced.</li> <li>• It is an independent unit (rather than being incorporated into another unit item).</li> <li>• The cost of tagging and inventory is a small percentage of the item cost.</li> <li>• 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:</li> <li>• Projectors</li> <li>• Smart Boards</li> <li>• Freezers</li> <li>• Refrigerators</li> <li>• Stoves</li> <li>• Exercise equipment – Only if available for use by all students</li> </ul>	Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82
m.	<p>Furniture and Equipment:</p> <ul style="list-style-type: none"> <li>• Desks</li> <li>• Chairs</li> <li>• Built-in Storage</li> <li>• Cabinets</li> <li>• Window Coverings</li> <li>• White/Chalk Boards</li> <li>• Library Books</li> </ul>	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
n.	Demolition Costs	Ed. Code Section 17072.35 & SFP

Office of Public School Construction Application Number: \_\_\_\_\_

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		Reg. Section 1859.82
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 17072.35* & SFP Reg. Section 1859.82

\*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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

Office of Public School Construction Application Number: \_\_\_\_\_

**16. Facility Hardship (Seismic) – Rehabilitation  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82



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DESIGN COSTS		
	Type of Expenditure	Authority
g.	Energy Analysis Fee	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: <ul style="list-style-type: none"> <li>The review of the SFP project-related lease agreements.</li> <li>The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.</li> <li>The review of the SFP project-related bid documents and bid responses.</li> </ul>	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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**17. Facility Hardship (Seismic) – Rehabilitation  
 Adjusted Grant  
 Common Eligible Project Expenditures**

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: <ul style="list-style-type: none"> <li>• Foundations</li> <li>• Structures</li> <li>• Exterior &amp; Interior Finishes</li> <li>• Fittings &amp; Fixtures</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Mechanical</li> </ul>	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
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) & SFP Reg. Section 1859.79.2 & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	<p>Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>Must be work that involves a skilled trade.</li> </ul> <p>To be eligible must be supported by time cards or time logs.</p>	PCC Section 20114 & SFP Reg. Section 1859.82
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.**	Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82
i.	Demolition Costs	Ed Code Sections 17074.25 & 1859.82
j.	Interim Housing	Ed Code Sections 17074.25* & 1859.82

\*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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

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## **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.

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- 1. New Construction – Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Charter Schools Facilities Program – Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

- 2. New Construction – Separate Apportionment for Site Acquisition Costs  
 Charter Schools Facilities Program – Separate Apportionment for Site Acquisition Costs  
 Common Ineligible Project Expenditures**

CONSTRUCTION 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 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

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**3. New Construction – Adjusted Grant  
 Charter Schools Facilities Program – Adjusted Grant  
 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 17072.35
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	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
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 17072.35 & CSAM Procedure 770
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> <li>• Landscape equipment</li> </ul>	

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	Mowers, etc. <ul style="list-style-type: none"> <li>School maintenance equipment</li> <li>Floor polisher/scrubber, etc.</li> <li>Cleaning &amp; janitorial supplies</li> <li>Band equipment/Uniforms</li> <li>Mascot Uniforms</li> </ul>	

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**4. Modernization – Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25
b.	For projects that received Design funds only any construction related expenditures are not eligible	

**5. Modernization – Adjusted Grant  
 Common Ineligible Project Expenditures**

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25
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	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
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 17074.25
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> </ul>	



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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> <li>• Landscape equipment Mowers, etc.</li> <li>• School maintenance equipment Floor polisher/scrubber, etc.</li> <li>• Cleaning &amp; janitorial supplies</li> <li>• Band equipment/Uniforms</li> <li>• Mascot Uniforms</li> </ul>	

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**6. Career Technical Education Facilities Program – New Construction  
Common Ineligible Project Expenditures**

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(a)&(b) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> </ul>	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(a)&(b) & 1859.199

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Landscape equipment Mowers, etc.</li> <li>• School maintenance equipment Floor polisher/scrubber, etc.</li> <li>• Cleaning &amp; janitorial supplies</li> <li>• Band equipment/Uniforms</li> <li>• Mascot Uniforms</li> </ul>	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17078.72(a) & SFP Reg. Sections 1859.193(a)&(b) & 1859.199

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**7. Career Technical Education Facilities Program – Modernization  
 Common Ineligible Project Expenditures**

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(c) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> </ul>	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(c) & 1859.199

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	Type of Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Landscape equipment Mowers, etc.</li> <li>• School maintenance equipment Floor polisher/scrubber, etc.</li> <li>• Cleaning &amp; janitorial supplies</li> <li>• Band equipment/Uniforms</li> <li>• Mascot Uniforms</li> </ul>	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17078.72(a) & SFP Reg. Sections 1859.193(c) & 1859.199

Office of Public School Construction Application Number: \_\_\_\_\_

**8. Facility Hardship (Non-Seismic) – Replacement  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

Office of Public School Construction Application Number: \_\_\_\_\_

**9. Facility Hardship (Non-Seismic) – Replacement  
 Separate Apportionment for Site Acquisition Costs  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION 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 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

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**10. Facility Hardship (Non-Seismic) – Replacement  
 Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
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	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
h.	Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not eligible, including: <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> </ul>	



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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	<ul style="list-style-type: none"> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> <li>• Landscape equipment Mowers, etc.</li> <li>• School maintenance equipment Floor polisher/scrubber, etc.</li> <li>• Cleaning &amp; janitorial supplies</li> <li>• Band equipment/Uniforms</li> <li>• Mascot Uniforms</li> </ul>	

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**11. Facility Hardship (Non-Seismic) – Rehabilitation  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any construction related expenditures are not eligible	

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**12. Facility Hardship (Non-Seismic) – Rehabilitation  
 Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not an eligible cost for a facility hardship rehabilitation project unless specifically approved by DSA.	

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**13. Facility Hardship (Seismic) – Replacement  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

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**14. Facility Hardship (Seismic) – Replacement  
 Separate Apportionment for Site Acquisition Costs  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION 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 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

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**15. Facility Hardship (Seismic) – Replacement  
 Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
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	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & SFP

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
h.	<p>Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not eligible, including:</p> <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> <li>• Computer Carts</li> <li>• Teacher and student text books.</li> <li>• Athletic Team supplies/training equipment/uniforms.</li> <li>• Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.</li> <li>• Golf Carts</li> <li>• Trailers</li> <li>• Trucks/Tractors and cars</li> <li>• Landscape equipment Mowers, etc.</li> <li>• School maintenance equipment Floor polisher/scrubber, etc.</li> <li>• Cleaning &amp; janitorial supplies</li> <li>• Band equipment/Uniforms</li> <li>• Mascot Uniforms</li> </ul>	Reg. Section 1859.82

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**16. Facility Hardship (Seismic) – Rehabilitation  
 Separate Apportionment for Design Costs  
 Or Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any construction related expenditures are not eligible	



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**17. Facility Hardship (Seismic) – Rehabilitation  
 Adjusted Grant  
 Common Ineligible Project Expenditures**

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not eligible for a facility hardship rehabilitation project unless specifically approves by DSA.	

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## **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)

## **J. Material Inaccuracy**

If a failure by the Grantee to comply with the terms of this Agreement, or an audit report determination that the Grantee has violated applicable state or federal law as it relates to this Project, stems from falsely certified information on the Funding Application or Fund Release Application (including certifications made by architects or other design professionals), then Material Inaccuracy findings and penalties, as described in Education Code 17070.51 and SFP Regulation Section 1859.104.1, may apply.

## **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.

Office of Public School Construction Application Number: \_\_\_\_\_

#### **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 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.

#### **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.

Office of Public School Construction Application Number: \_\_\_\_\_

## **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

## ATTACHMENT C1

### OFFICE OF PUBLIC SCHOOL CONSTRUCTION STAKEHOLDER MEETING MAY 8, 2025

#### Modernization Grant for Facilities Previously Modernized with State Funds

#### PURPOSE

To continue to discuss and receive stakeholder feedback on how school districts generate School Facility Program (SFP) modernization eligibility for the second time, and how funding utilizing that eligibility must be applied.

#### AUTHORITY

See Attachment C1a.

#### BACKGROUND

The Office of Public School Construction (OPSC) held a public meeting on February 20, 2025, to discuss the determination of eligibility and funding for a second round of modernization, and to receive stakeholder input. Questions that require further discussion or that were received after the meeting are addressed in this item.

The full text of the previous stakeholder meeting item may be found here: [February 20, 2025 OPSC Second Round Stakeholder Meeting #1 - Item](#)

The recording of the February 20, 2025 stakeholder meeting is available at the link below. It includes feedback that OPSC was able to respond to at the time of the meeting that did not impact the proposed regulations: [February 20, 2025 OPSC Second Round Stakeholder Meeting #1 - Recording](#)

#### STAFF ANALYSIS/DISCUSSION

The stakeholder meeting held on February 20, 2025 discussed staff's interpretation of Education Code Sections (EC) 17073.15 and 17074.10(f), which indicate the parameters for the processing of projects that include portable and permanent buildings that have reached an additional 20 or 25 years past the initial state apportionment. After considering the questions and feedback received both during the meeting and afterwards, staff has identified the following additional topics for stakeholder consideration.

##### **1. Reduced to Cost Incurred (RCI) Projects and Eligibility Adjustments**

There were several stakeholder comments regarding pupil grants used as a result of RCI projects and the need to identify available second round of modernization eligibility separate from the available regular modernization pupil grants. Staff has evaluated this subject and proposes the following:

### STAFF ANALYSIS/DISCUSSION (cont.)

In a project that has been RCI, if the district has expended a portion of the funds received, the portion of the pupil grants requested in the project that are associated with the unspent funds are returned back to the modernization eligibility baseline. For those pupil grants that are not returned back to the eligibility baseline, second round of modernization eligibility will be generated based on the apportionment date of the RCI project.

Staff proposes amending SFP Regulation Section 1859.61(i) for the creation of the following three modernization eligibility adjustments, that will more clearly identify the modernization eligibility adjustments to the district's baseline pertaining to second round of modernization eligibility:

- (i)(1) – This positive adjustment would be used when the second round of modernization funding is available and generated by portable facilities that are added to the modernization eligibility baseline. This will include any RCI grants for which the district is eligible.
- (i)(2) – This positive adjustment would be used when the second round of modernization funding is available and generated by permanent facilities that are added to the modernization eligibility baseline. This will include any RCI grants for which the district is eligible.
- (i)(3) – This negative adjustment would be used to indicate that portable classrooms were demolished and replaced in a previously state-funded project, and therefore will not generate second round of modernization eligibility. This adjustment may offset portable facilities added in (i)(1) that will not generate second round modernization eligibility because they were demolished and replaced in a previously state-funded project.

## **2. Increasing Pupil Grants**

For a modernization funding application already submitted and waiting for processing in which the scope of the work in the application meets the requirement to use second round of modernization funding, districts can modify the initial pupil grant request to include pupil grants generated from second round of modernization eligibility within the following parameters:

- For the second round of modernization eligibility, the 20/25 year threshold will be calculated based on the time between the date of the previous apportionment and the received date of the modernization funding request.
- If the initial grants requested are below the minimal pupil grant request per SFP Regulation Section 1859.79.3 and the district has second round pupil grants available, then the district has the option to increase to the minimal request.

### STAFF ANALYSIS/DISCUSSION (cont.)

- The project must still meet the 60 percent commensurate requirement with the increased pupil grants request. If not, the district must withdraw the application and resubmit with a new date in line showing the revised scope of work meets the 60 percent commensurate requirement.

### **3. Board Resolutions for a Better Use of Public Resources**

There were stakeholder comments seeking clarification on whether the school district governing board meeting to discuss better use of an existing portable building rather than replacing it must have occurred prior to the submission of the modernization funding application or whether more current board meeting minutes are acceptable. Based on a review of EC Section 17074.10(f) and the previous Implementation Committee meeting notes, there does not seem to be any restriction on when the local board meeting must have occurred. Therefore, minutes that meet the below requirement can be considered an acceptable option to indicate modernization of the facilities was a better use of public resources than demolition and replacement.

- A copy of the school board minutes that indicates that the board and community have discussed and agreed that modernization of portable classrooms eligible for an additional apportionment pursuant to Regulation Section 1859.78.8, rather than replacement, would be a better use of public resources.

### **4. Option B - Square Footage Usage**

If a district selected Option B utilizing square footage on the initial *Eligibility Determination* (Form SAB 50-03), portable non-classroom space will still be eligible to receive additional rounds of modernization funding every 20 years. However, to ensure compliance with the statutory requirement, any portable space that is a classroom will need to be demolished and replaced in like-kind or modernized through “better use of public resources” to be able to utilize second round pupil grants. Since portable non-classroom space is not subject to statutory limitations, the modernization eligibility generated by these non-classroom portables can be used for any eligible regular modernization project.

### **5. Building Redate Parameters**

Staff proposes that the second round of modernization eligibility be consistent with other SFP modernization projects involving the demolition and replacement of facility spaces using both regular and 50-years-or-older eligibility. For eligible portable classrooms that have been demolished and replaced in like-kind with a permanent building, the classrooms will maintain their original classification as indicated in the eligibility snapshot. As a result, they will generate modernization eligibility every 20 years instead of the standard 25 years for permanent buildings. Therefore, the replaced

STAFF ANALYSIS/DISCUSSION (cont.)

facilities in second round of modernization funding projects should not be re-dated for the purpose of determining modernization eligibility.

Staff has consolidated all questions asked during and after the previous stakeholder meeting on this topic and provides the following responses to them.

Stakeholder Feedback	OPSC Response
<p>1. Are you able to create a separate baseline or at least separate out the grants generated by second round portables? I think putting those restricted grants back on the regular baseline may be misleading and create confusion for districts and funding consultants alike.</p>	<p>1. Several stakeholders inquired about this topic and OPSC evaluated whether to have separate eligibility baselines. For the purposes of keeping track of the available base modernization eligibility being added and deducted, the regular modernization eligibility grants added and used will continue to be on one ledger. Staff understands the need for the ability to discern whether the eligibility that is added/deducted from the baseline is due to available second round of modernization eligibility being used or generated. Therefore, staff proposes three specific adjustment types that clearly denote that eligibility is being added as a result of available second round of modernization eligibility and deducted as a result of required usage, if applicable.</p>
<p>2. Does a district need to do anything to request the second round of modernization? Will there be a new form to request the eligibility, or will there be a check box on the <i>Application for Funding</i> (Form SAB 50-04) to request the second round modernization funding?</p>	<p>2. At the time of funding, the district will specify in the application submission or during the review process that a second round of modernization eligibility following a previously apportioned project is available and they would like to use it toward the project. OPSC proposes changes to the certification section on page 9 of the Form SAB 50-04 to indicate that the request is being made with grants derived from second round modernization eligibility. The 20/25 year threshold will be calculated based on the time between the date of the previous apportionment and the submission date of the modernization funding request. Depending on the specific project, increases to the initial pupil grants due to the additional second round of funding may be permissible. Today's stakeholder item includes specific</p>



STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback	OPSC Response
	<b>2. (cont.)</b> information about increasing pupil grants as a result of a second round of funding.
<b>3.</b> For modernization projects that went through the RCI process, we propose that they should get those few grants back after 25 years.	<b>3.</b> Second round of modernization funding for pupil grants that were retained following an RCI project will become available 20/25 years from the apportionment date of the modernization project(s) that included RCI.
<b>4.</b> If a school had a previous apportionment and it is now 25 years later, then the grants they used should be available for use again. However, the item didn't seem to match that and seemed to only apply to permanent buildings. If there were both portable and permanent buildings eligible at the time of the previous apportionment, but the scope of the work did not include the portables, then would the district only have access to the permanent grants for the second round of modernization funding? This is a specific (and simple) situation, but is that the way this is being implemented?	<b>4.</b> OPSC understood this scenario to be that a district received a previous apportionment that consisted of modernization funding generated by both permanent and portable buildings that were "of age," but the scope of work for the previous modernization project did not involve the portable buildings. In this scenario, both the permanent and portable buildings would still generate second round of modernization eligibility every 25 and 20 years, respectively, based on the date of the previous apportionment. The timeline is based on the date of the previous apportionment pursuant to EC Section 17073.15(a), regardless of whether the district's scope of work for the initial modernization apportionment included all of the facilities that generated the initial modernization eligibility.
<b>5.</b> We propose that OPSC convene an implementation committee to discuss the calculation and usage of second round modernization eligibility. The committee would discuss the impacts of limiting second round modernization funding to the portable(s) generating the eligibility, how to best calculate regenerated pupils, whether it should be based on a permanent-to-portable ratio or other method and identify what statutory and regulatory changes would be needed to support the outcome of these	<b>5.</b> The stakeholder meeting process is intended to maximize feedback and participation in regulatory development. Fewer than 15 individuals sat on the Implementation Committee previously, whereas the recent stakeholder meetings conducted typically have between 50 and 170 individuals participating. For transparency, all interested parties should have the ability to provide feedback and discuss topics. All stakeholders are welcome to provide written or oral feedback to OPSC before, during, and after these meetings, and OPSC remains committed to summarizing

STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback	OPSC Response
<p><b>5. (cont.)</b> discussions. This conversation is especially critical given that OPSC has already begun implementing the calculation method specified in the stakeholder materials in recent day letters without full discussion in stakeholder meetings.</p>	<p><b>5. (cont.)</b> and responding to feedback received for transparency. As discussed in the February 20, 2025 stakeholder meeting, limiting second round modernization funding to the portables is explicitly required in EC Section 17074.10(f), which specifies that for “a portable classroom that is eligible for a second modernization, the board shall require the school district to use the modernization funds to replace the portable classroom....” As described in the stakeholder comment, the complexities of tracking the expenditure of funding generated by a specific building is difficult due to the flexibility provided in the Modernization program for the initial round of modernization funding. For this reason, OPSC outlined a methodology to prorate based on building types. As portables are slowly removed from service through second round modernization funding, tracking and prorating would no longer be necessary in the future.</p> <p>OPSC welcomes additional thoughts on this interpretation as well as proposals on additional calculation methodologies.</p>
<p><b>6.</b> We seek clarification on which date will determine when the pupil grants become available for use—25 or 20 years from the apportionment date, or the date when the State Allocation Board approves their return.</p>	<p><b>6.</b> Second round of modernization eligibility will be generated 20/25 years from the date of the initial SFP apportionment.</p>
<p><b>7.</b> Since districts could have received a modernization apportionment as early as 1999, this discussion comes six years too late for portables that should have already regenerated eligibility and one year too late for permanent buildings that should have done so. Therefore, we request that OPSC allow districts to incorporate second-round pupils at the</p>	<p><b>7.</b> The modernization program uses a point-in-time milestone for determining the age of a building and the corresponding eligibility for a building. Therefore, to be consistent, the availability to use second round of modernization funding will be determined by when a modernization funding application was submitted. If applications that are currently in-house have a scope of work that</p>

STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback	OPSC Response
<p><b>7. (cont.)</b> time a current application is processed by permitting an increase in requested pupil grants, provided the application still meets the 60 percent commensurate test.</p>	<p><b>7. (cont.)</b> meets the requirements to receive funding, the district can modify their funding requests up to the minimum requirement pursuant to SFP Regulation Section 1859.79.3 to include pupil grants derived from second round modernization eligibility. Otherwise, the district may choose to withdraw the application and resubmit with a new submittal date to increase the pupil grant request and to add on the new scope of work. Alternatively, the district can reserve the second round modernization grants for a future application.</p>
<p><b>8.</b> If a building was modernized in 2000, but the apportionment date was not until 2005, can the start date for second round of modernization be as of the Division of the State Architect (DSA) approval date for that project instead?</p>	<p><b>8.</b> EC Section 17073.15 states the second round of funding becomes available from the previous apportionment date. Therefore, there is no basis or authority for the second round of modernization funding to be based on the DSA approval date for a modernization project.</p>
<p><b>9.</b> If a building was modernized in 2000, but the apportionment date was not until 2005, can the start date for second round of modernization be as of the DSA approval date for that project instead?</p>	<p><b>9.</b> EC Section 17073.15 states that additional rounds of modernization funding become available every 20/25 years from the previous apportionment date. Therefore, basing the second round of modernization funding on the DSA approval date of a previous modernization project would be inconsistent with statute.</p>
<p><b>10.</b> We have seen a number of instances of a district replacing a portable classroom eligible for second round modernization funding with a different usage, assuming classroom space is no longer needed. In these situations, we encourage the possibility of OPSC allowing replacement-in-kind to be considered “a better use of public resources,” as certified by the district. With statewide K-12 enrollment currently declining, many districts need to now re-evaluate their spaces and make the</p>	<p><b>10.</b> The language of EC Section 17074.10(f) states “for a portable classroom that is eligible for a second modernization, the board shall require the school district to use the modernization funds to replace the portable classroom and to certify that the existing eligible portable classroom will be removed from any classroom use...” Staff interprets this to mean that the replacement building must be for classroom use and that the district is required to replace the portable classroom space with classroom space (permanent or portable).</p>

STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback	OPSC Response
<p><b>10. (cont.)</b> decisions that are best for their student population – classroom space is often less needed now than it was in 2003 when this law came into effect. Enrollment has dropped by 6 percent just in the last 10 years schools that once needed 16 classrooms may now only need 15 classrooms.</p> <p>If the regulations are changed in the future to allow a replacement-in-kind in lieu of a replacement classroom, we would appreciate the ability to reinstate any funding application(s) previously returned to a district due to OPSC's current interpretation of the application not meeting the current statute and SFP regulations.</p>	
<p><b>11.</b> A flowchart or similar type of visual would be greatly appreciated when trying to evaluate if and when certain facilities are eligible to generate second round modernization eligibility, and if and when certain projects are then eligible to utilize the funding from second round modernization eligibility.</p>	<p><b>11.</b> Later in this stakeholder item, staff is presenting a simplified flowchart of when second round of modernization eligibility becomes available and when projects can access the eligibility.</p>
<p><b>12.</b> How is "like-kind" defined?</p>	<p><b>12.</b> Within the SFP, like-kind replacement refers to replacement of existing building(s) on the site with equivalent square footage. The square footage of the replacement building must not exceed that of the original building, except when additional space is required by DSA to meet Americans with Disabilities Act (ADA) compliance requirements. However, if the like-kind replacement pertains to second round modernization portable classrooms, then the classrooms must be replaced with classrooms only and not square footage.</p>

STAFF ANALYSIS/DISCUSSION (cont.)

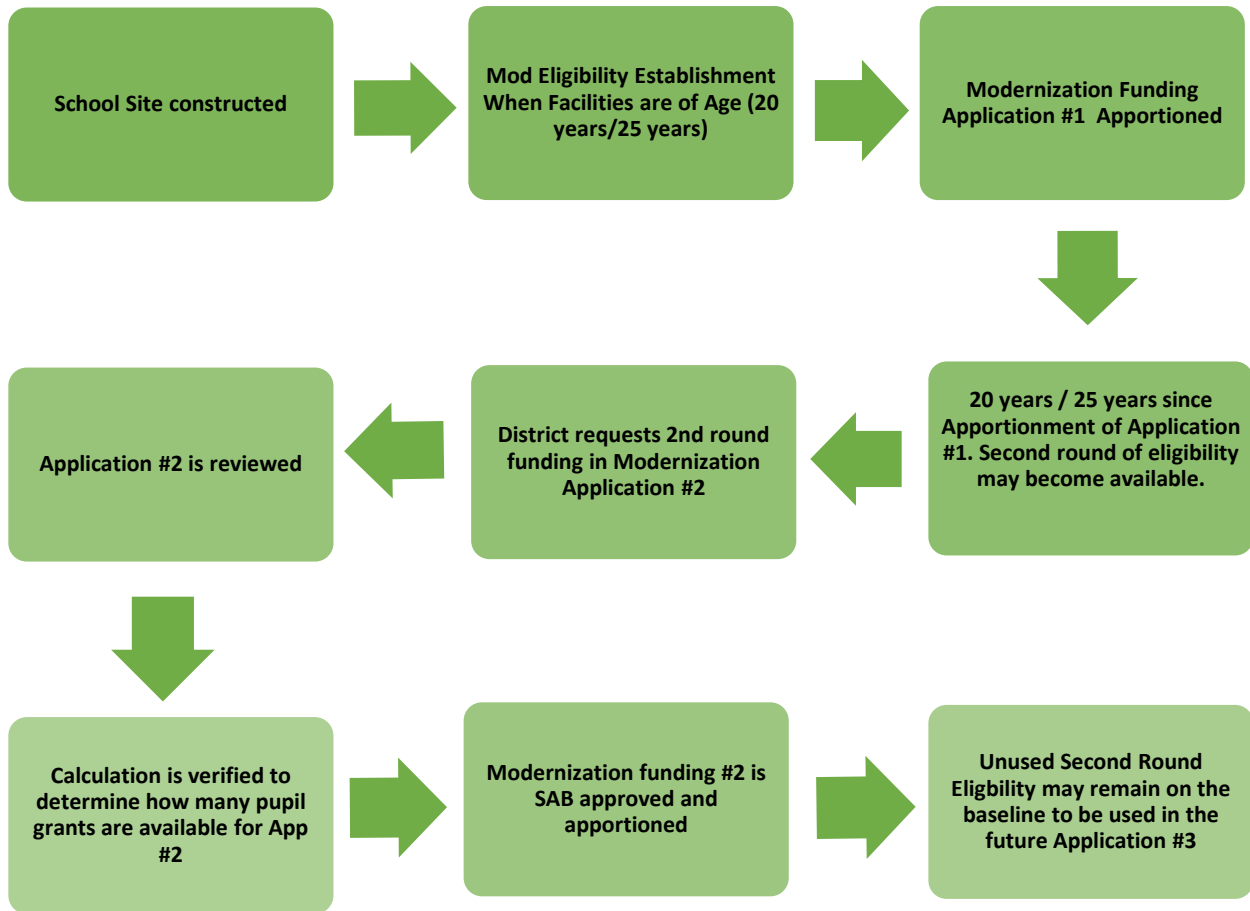
Stakeholder Feedback	OPSC Response
<p><b>13.</b> When you have a modernization eligibility request based on enrollment only and not additional buildings of age, and a district applies for modernization funding, does that change the timing for second round modernization eligibility? Or is it solely based off the physical age of the buildings on the baseline.</p>	<p><b>13.</b> Available second round modernization eligibility is tied to the apportionment date of the prior modernization project. However, the proration percentages as to the amount of pupil grants to be returned due to portable or permanent is dependent on the Form SAB 50-03 considered most current based on the apportionment date.</p>
<p><b>14.</b> If a portable was previously replaced with district funds prior to the eligibility date of those portables, then they are not eligible to get reimbursed for those, correct?</p>	<p><b>14.</b> If the district submits a funding application to OPSC that includes the scope of work completed on the portables, and the application is received on or after the date the portables become eligible for a second round of modernization funding, the district may request a reimbursement as it would meet the statutory requirements outlined in EC Section 17073.15 and 17074.10(f).</p>
<p><b>15.</b> If we are using the original eligibility of the 50-03 from 25 years ago, what if we did not break out the Special Day Class (SDC) enrollment on that form from 1999? What if we do not have information to update the form?</p>	<p><b>15.</b> Eligibility determined before the classification of SDC pupils into a separate category must be re-established to break out the SDC pupils prior to any modernization funding request or eligibility update. This process is necessary for modernization funding applications submitted after the year 2000 to accurately calculate pupil grants for the second round of funding. Please contact your OPSC Program Manager for assistance with this process.</p>
<p><b>16.</b> It was mentioned a few times that the replacement of the classroom has to be a permanent classroom and I do not see in the regulations or statute that the classroom must be replaced with a permanent classroom.</p>	<p><b>16.</b> Staff has reviewed and re-evaluated and has determined that a portable classroom can be replaced with either a permanent or portable classroom to comply with the requirements of EC Section 17074.10(f).</p>
<p><b>17.</b> In the case of increased enrollment at a site, should the district file a new Form SAB 50-03? Would that still be considered second round modernization?</p>	<p><b>17.</b> We encourage districts with increased enrollment to update their modernization eligibility to lock in any potential eligibility increases. However, eligibility must be used</p>

STAFF ANALYSIS/DISCUSSION (cont.)

Stakeholder Feedback	OPSC Response
	<b>17. (cont.)</b> in a state funded modernization project to generate future second round of modernization funding because second round of modernization eligibility is based on the date of the initial SFP apportionment.
<b>18.</b> A district has removed portables eligible for second round modernization but is in declining enrollment and chooses NOT to replace those portables at that time. Will that second round modernization eligibility live on the baseline and be inaccessible until the time when the district chooses to construct like-for-like replacement classrooms sometime in the future?	<b>18.</b> Statute specifies that second round of modernization eligibility generated from portable classroom(s) should be used towards demolishing those portable classrooms and replacing them in like kind unless they are modernized as a better use of public resources. If the portable classrooms were demolished and have not yet been replaced, the eligibility will remain on the baseline and can be used in the future towards a project that constructs the same number of classrooms. Plans for demolition of the previous portables must be submitted as part of the scope of the work for the like-kind replacement project.
<b>19.</b> If a district missed second round modernization funding for the year that generated eligibility in 2023, can the district apply for the second round modernization funding in 2025?	<b>19.</b> Yes, districts can request second round of modernization funding in any application submitted on or after the date that second round of modernization eligibility becomes available.

**Second Round of Modernization Flowchart**

As noted earlier in this item, staff is providing the following simplified flowchart outlining how districts can determine if and when a school site is eligible for a second round of modernization funding.



## NEXT STEPS

Staff is seeking stakeholder feedback on the proposed processing methods to ensure that funding is provided for a second round of modernization and that the pupil grants are returned and utilized according to statute.

Staff requests stakeholder feedback on the proposed changes and topics outlined in this item. Any stakeholder wishing to provide feedback should email the OPSC Communications Team by end of day on Friday, May 23, 2025 at [OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov).

AUTHORITY**Education Code (EC) 17073.15(a) – Modernization Eligibility Determination**

A school district is eligible to receive an apportionment for the modernization of a permanent school building that is more than 25 years old or a portable classroom that is at least 20 years old. A school district is eligible to receive an additional apportionment for the modernization of a permanent school building every 25 years after the date of the previous apportionment or a portable classroom every 20 years after the previous apportionment.

**EC Section 17074.10(f) – Modernization Apportionment**

For a portable classroom that is eligible for a second modernization, the board shall require the school district to use the modernization funds to replace the portable classroom and to certify that the existing eligible portable classroom will be removed from any classroom use, unless the school district is able to document that modernizing the portable classroom is a better use of public resources. The capacity and eligibility of the school district shall not be adjusted for replacing a portable classroom pursuant to this subdivision and Section 17073.15.

**School Facility Program (SFP) Regulation Section 1859.61. Adjustments to the Modernization Baseline Eligibility**

The baseline eligibility for modernization as provided in Section 1859.60 for a specific site will be adjusted as follows:

- (a) Reduced by the number of pupils provided grants in a modernization SFP project or a CSFP Rehabilitation project at the specific site.
- (b) Reduced by the number of pupils housed, based on the loading standards pursuant to Education Code Section 17071.25(a)(2), in a modernization LPP project funded under the LPP pursuant to Sections 1859.14 and 1859.15.
- (c) Increased by changes in projected enrollment in subsequent enrollment reporting years.
- (d) Increased for additional facilities not previously modernized with State funds, that become 25 years old, if permanent, or 20 years old, if portable or as a result of audit findings made pursuant to Sections 1859.90, 1859.90.3 and 1859.105.
- (e) Adjusted as a result of errors or omissions by the district or by the OPSC.
- (f) Adjusted as a result of amendments to these Subgroup 5.5 Regulations that affect the eligibility.
- (g) For classroom loading standards adopted by the Board for non-severely disabled individuals with exceptional needs and severely disabled individuals with exceptional needs.
- (h) As directed by the Board due to a finding of a Material Inaccuracy pursuant to Regulation Section 1859.104.1.
- (i) Increased for facilities previously modernized with State funds, which qualify for an additional modernization apportionment pursuant to Section 1859.78.8.



AUTHORITY (cont.)

(j) Decreased for facilities that were deemed eligible for modernization pursuant to Sections 1859.60 and 1859.61(d) and subsequently replaced, or will be replaced under a signed contract for construction or acquisition of facilities, in a project funded by the district without participation from the State.

(k) Adjusted as a result of replaced eligible portables funded with the Overcrowding Relief Grant, pursuant to Education Code Section 17079, et seq.

(l) Adjusted upon Board receipt of the local school board resolution acknowledging that the buildings have been removed from K-12 use, as follows:

(1) School Buildings and/or classrooms that receive replacement funding via the New Construction Grant or the Facility Hardship Square Footage Grant pursuant to Section 1859.82.1 or Section 1859.82.2

(2) School Buildings and/or classrooms that were originally included in the district's baseline eligibility and were later demolished or removed from classroom use due to health and/or safety concerns that meet the requirements of Regulation Section 1859.82.1 or 1859.82.2 as verified by OPSC, except the district did not have the current enrollment to support the replacement and funding of those School Buildings and/or classrooms. Buildings and/or classrooms removed from K-12 classroom use that remain on the school site will be identified on a list published on OPSC's website.

For (l)(1) the building age shall be reset to the date of the Apportionment for the corresponding project. For (l)(2) the building shall be removed from the classroom inventory used to establish modernization eligibility at the site.

### **SFP Regulation Section 1859.78.8. Modernization Grant for Facilities Previously Modernized with State Funds**

The Board shall provide an additional apportionment provided by Education Code 17074.10(a) and Section 1859.78.3, for facilities previously modernized with State funds as follows:

(a) An additional apportionment will be provided for the modernization of a permanent school building every 25 years following the date of its previous State modernization apportionment.

(b) In the case of portable classrooms, an additional apportionment will be permitted every 20 years after the date of its previous State modernization apportionment provided the modernization funds will be used to replace the portable classroom(s) and the school district must certify that the portable classrooms will be removed from any classroom use unless acceptable documentation is provided by the district indicating that the modernization of the portable classrooms is a better use of public resources.

If the previous SFP modernization apportionment includes both permanent and portable facilities, the number of pupil grants that will be added to the site's baseline eligibility shall be determined by the percentage of permanent or

AUTHORITY (cont.)

portable facilities identified on the Form SAB 50-03 that generated the initial eligibility.

The capacity and eligibility of the school district will not be adjusted for the replacement of the portable classroom pursuant to Education Code Sections 17074.10(f) and 17073.15.



**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
Facilities Services Division

April 18, 2025

Rebecca Kirk, Executive Director  
Office of Public School Construction  
707 3rd Street  
West Sacramento, CA 95605

**RE: PROPOSITION 2 IMPLEMENTATION STAKEHOLDER MEETING #7**

Dear Ms. Kirk,

On behalf of the Los Angeles Unified School District (Los Angeles Unified), we appreciate OPSC's Proposition 2 stakeholder engagement and welcome the opportunity to provide input on the proposed amendments to the Schol Facility Program in response to Proposition 2.

The comments provided below correspond to the topics raised and materials provided for the April 3, 2025, Implementation Stakeholder Meeting #7.

**75-Year-old Building Supplemental Grant**

Stakeholder Feedback #2 – OPSC's response addressed how proposed regulations affect the funding of ancillary spaces but comes short of answering the question posed by the stakeholder, which was how the increased area required by Title 5 for TK/K classrooms is to be funded. The example that OPSC references from the January 30, 2025 Stakeholder Meeting does not account for Title 5-required increases in square footage. Rather it states that classroom construction square footage should be removed from the calculation of like-kind square footage, meaning districts would not receive funding for the required increases. Los Angeles Unified requests further clarification on how funding for Title 5-required increases in classroom square footage will be calculated.

Stakeholder Feedback #3 – In its feedback letter to Stakeholder Meeting #5 dated March 27<sup>th</sup>, 2025, Los Angeles Unified requested OPSC provide guidance on what aging start date should be used to establish a building's age in cases where a building pre-dates DSA and the DSA approval date does not exist. In the same letter, Los Angeles Unified also recommended OPSC consider the DSA approval of a portable building's first campus placement, rather than the current campus placement, as the start of a building's aging. The response provided by OPSC warrants additional guidance for the situations posed by Los Angeles Unified in its previous feedback letter. Guidance on these situations will also affect the regulations changes proposed for 2 CCR Section 1859.78.65.

Stakeholder Feedback #8 – OPSC’s response did not clarify whether it was agreeable to the stakeholder suggestion to use Sierra West Construction Remodeling Cost Level F3 for the required 75 years or older funding cost benefit analysis. Additionally, Los Angeles Unified would like to clarify that the Sierra West book does not state that Level F3 is specifically designed for Facility Hardship projects, rather it states Level F3 is for situations that “are a less than common type of construction, involve very small quantities, are in a remote location or have difficult access.” Los Angeles Unified continues to recommend that the F3 level be used for the cost-benefit analysis, as Level F1 would not adequately account for the challenges associated with buildings over 75 years old. These challenges include the presence of asbestos, lead, and other unknown conditions commonly found in older facilities, all of which can significantly impact scope and cost.

Stakeholder Feedback #9 – Los Angeles Unified recommends SP1As, in addition to “as-use plans,” be allowed in cases where original DSA plans are unavailable.

Stakeholder Feedback #10 – OPSC’s response stated that it has taken the feedback regarding viewing buildings per their current use rather than the snapshot use but did not provide the outcome of their consideration. Los Angeles Unified requests clarification on what OPSC concluded regarding this situation, and by what reasoning.

OPSC stated in the Pupil Grant Funding Model section (pp. 22-23) that the base grant would be calculated from the new construction per pupil grant whereas the 75 years or older supplemental grant will be processed under the modernization program. The materials do not clarify how the modernization baseline eligibility will be adjusted, whether the pupil grants will be adjusted or whether a building will receive a new aging date. Los Angeles Unified requests clarification on how eligibility will be adjusted.

OPSC’s proposed revision to 2 CCR Section 1859.78.7 (pp. 32-33) indicates that site-development funding will be either (a) the lesser of 60% of the costs needed to upgrade utility service or (b) 20% of the funding authorized by SFP regulation 1859.78.6. The funding authorized by regulation 1859.78.6 is based on 50-year pupil grants. Los Angeles Unified requests clarification on OPSC’s rationale for basing the 75-year-old site-development utilities grant on 50-year rather than 75-year pupil grants when a 75-year building is being replaced.

Proposed Form SAB 50-04 Updates (p.37) – “General Information” language reads as follows: “This apportionment is available for projects that only demolished existing 75 years old facilities and construct in eligible like kind replacement.” Los Angeles Unified believes this may be a drafting error and requests clarification or a correction to the proposed change.

Proposed Form SAB 50-04 Updates (p.38) – Los Angeles Unified requests clarification on Section 2.d where the first and second bullet points state “the total number of eligible classrooms or the total eligible non-classroom square footage.” The District would like clarification on whether these bullet points should read “the total number of eligible classrooms and/or the total eligible non-classroom square footage.”

## Supplemental Grants for Minimum Essential Facilities (MEF)

Los Angeles Unified understands that OPSC intends to use the most current enrollment at the time an application is processed to determine funding under the Modernization Eligibility Fund (MEF). We also understand that OPSC advises that projects constructed in advance of receiving state funding approval are undertaken at the district's own risk. Given the extended processing times for applications and the potential impact on funding calculations, Los Angeles Unified suggests establishing a priority processing option for projects where current enrollment is a critical factor in the funding calculation. Implementing such an option would help mitigate the effects of delayed processing timelines, which are outside the control of applicant districts.

Los Angeles Unified thanks OPSC for the example calculations which help illustrate how the supplemental grant would be calculated. Regarding the example funding methods on pages 57-65, OPSC calculates Permanent "Other" square footage at \$312 per square foot and Permanent "Toilet" square footage at \$559 per square foot. These dollar amounts are also cited in the proposed 2 CCR Section 1859.77.5 language. However, these dollar amounts do not appear in the current School Facility Program Grant Amount tables. Clarification is requested as to whether new grant amounts for MEF will be added to the existing SFP Grant Amount Tables.

Regarding the Proposed Funding Methods (pp. 60–63), Los Angeles Unified notes that under Option 1, funding for toilet space is limited to the amount needed to serve current CBEDS enrollment. Based on typical site conditions, this limitation would likely result in reduced or no grant funding for additional toilet space. Under Option 2, the grant amount is applied uniformly across all square footage without differentiating between classroom, toilet, or other types of space. However, it is not clear whether toilet space will still be limited to the amount needed to serve current CBEDS enrollment. Clarification is requested regarding how toilet space need will be evaluated under Option 2.

In addition, Los Angeles Unified suggests allowing school districts the flexibility to choose between Option 1 and Option 2 based on what best meets the needs of each project. Providing this flexibility would better accommodate varying site conditions and ensure equitable access to available grant funding.

Proposed 2 CCR Section 1859.77.5 provides that if a School District submits documentation demonstrating that additional toilet space must be constructed to obtain plan approval from DSA, the eligible toilet square footage may be increased by the amount necessary to meet that requirement. We respectfully request clarification regarding the specific documentation that will be accepted to substantiate this need, as well as confirmation from DSA on the associated documentation and approval procedure.

Stakeholder Feedback #5 – Reference to 2 CCR Section 1859.50 does not seem directly connected to a requirement for certifying that the state has satisfied its obligation, as that section does not appear to address such an obligation. While we acknowledge the state's position that a site's modernization eligibility will be adjusted to account for the replacement of the classroom, we are unclear how the age of the replaced facility will be reset, particularly in cases where modifications are limited to only two spaces and constitute a reconfiguration rather than a modernization of the building and its systems. We respectfully request further clarification on these topics.

## **Transitional Kindergarten Supplemental Grant**

Los Angeles Unified appreciates the work that went into developing and presenting the three options outlined in the February 13, 2025, stakeholder materials. To support a clear and shared understanding of the option evaluation process, we respectfully request a summary of the stakeholder feedback received for each option, along with example calculations for all three scenarios. Providing this additional information will help ensure that all stakeholders are able to fully understand and engage in the decision-making process.

Regarding the Pupil Grant Funding Model (pp. 82–84), clarification is requested as to whether the TK supplemental grant will be capped based on the number of modernization pupil grants requested, or if the full TK supplemental grant will be awarded regardless.

If you have any questions regarding these comments, please contact Amy Meenan at [amy.meenan@lausd.net](mailto:amy.meenan@lausd.net), (213) 973-2412, or Sasha Horwitz, Legislative Advocate at [sasha.horwitz@lausd.net](mailto:sasha.horwitz@lausd.net), (916) 443-4405.

Sincerely,

Amy Meenan, Deputy Director  
Facilities Legislation, Grants & Funding  
Los Angeles Unified School District



**Alberto M. Carvalho**  
Superintendent

**Los Angeles Unified School District**  
Legislative Affairs & Government Relations

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**Board of Education**

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March 28, 2025

Rebecca Kirk, Executive Director  
Office of Public School Construction  
Department of General Services  
707 Third St  
West Sacramento, CA 95605

**Re: Proposition 2 Implementation Stakeholder Meeting #5**

Dear Ms. Kirk,

On behalf of the Los Angeles Unified School District (Los Angeles Unified), we appreciate OPSC's Proposition 2 stakeholder engagement and welcome the opportunity to provide input on the proposed amendments to the Schol Facility Program in response to Proposition 2.

The comments and recommendations provided below correspond to the topics raised and materials provided for the March 13, 2025, Implementation Stakeholder Meeting #5.

**SFP Matching Share**

In the initial materials provided for the January 30<sup>th</sup> stakeholder meeting, OPSC appeared to indicate that the additional percentage points provided through the sliding scale were to be directly applied to the State and Local Shares (Jan 30<sup>th</sup> Stakeholder Materials - Attachment A4 Page 7). It was this example in the materials that led to the recommendations and comments surrounding the timing of the matching share determination and whether pupil changes would be necessary and allowed.

However, in the materials provided for the March 13<sup>th</sup> stakeholder meeting, OPSC labeled the additional matching share percentages as a "Local Funding Adjustment Grant" which is to be applied and accounted for separately from the 60 percent State Share. Los Angeles Unified would like to

confirm that the methodology provided in the March 13<sup>th</sup> materials, treating the additional matching share percentages as a separate line item, is the methodology OPSC will be proceeding with for the matching share changes.

Los Angeles Unified currently receives assessed valuation from a third party—not the Los Angeles County Assessor—which is then used as part of the District’s bond sales and disclosures. Los Angeles Unified is in conversation with the County Assessor to confirm whether it will provide the necessary information required for us to meet Education Code Section 17074.54(c)(6) or certify the accuracy of the information received from the third party. Should the assessor prefer to certify the third party information, Los Angeles Unified requests that this be deemed compliant within the requirements of the Ed Code.

### **Career Technical Education Facilities Modernization Supplemental Grant**

Based on experience with the Career Technical Education Facilities Program (CTEFP), Los Angeles Unified recommends adopting Option 1, because typical cost estimates for Career Technical Education upgrades far exceed five percent of the modernization scope of work they are typically tied to.

### **Global SFP Regulation Clean-up**

*Section 1859.60 Calculation to Determine Modernization Baseline Eligibility*

*Section 1859.78.6 Modernization Grant for 50 year or Older Permanent Buildings*

Los Angeles Unified has concerns related to the proposed amendment detailing when the 20/25/50 year period for a building’s aging should begin. While the proposed amendment appears to provide guidance for the aging of stockpile buildings, it prompts the need for additional guidance around the nuances of stockpile building placement, and how this impacts the aging for other types of buildings.

The proposed amendment indicates it is the placement on the current campus that begins the aging of a building. However, the amendment does not consider that a portable’s current campus may not have been the first campus it was placed and occupied on, in effect restarting the clock simply because a portable was relocated to another campus. Los Angeles Unified recommends OSPC consider the DSA approval of a portable building’s first campus placement, rather than the current campus placement, as the start of a building’s aging.

Next, by specifying the DSA approval date will be the start of a building’s aging, the amendment warrants additional guidance for buildings constructed or placed on a site before DSA came into existence. Los Angeles Unified requests OSPC provide guidance on what aging start date should be used, in place of the DSA approval date, to establish a building’s age in cases where a building pre-dates DSA.

Los Angeles Unified recommends that the proposed methodology outlined in Regulation Sections 1859.60 and 1859.76.6 for calculating a building’s age be applied prospectively—used *only* for establishing new modernization baselines moving forward—and not applied retroactively to baselines that have already been established.



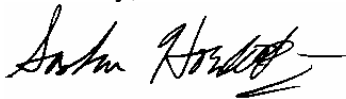
## ATTACHMENT D

Currently, OPSC permits, and SAB has approved, Form SAB 50-03 submissions, using stockpile dates to determine the age of portable classrooms. The proposed methodology directly conflicts with this long-standing practice and the correction of this information would impose an unnecessary administrative burden on staff. Moreover, applying the methodology retroactively would place districts that have relied on previously accepted stockpile dates into inadvertent non-compliance. Therefore, Los Angeles Unified further recommends that OPSC continue to honor and allow the use of previously approved stockpile data for modernization eligibility purposes.

OPSC's statement that the proposed amendment in EC Section 17074.25(a)(1) will align with Regulation Sections 1859.60 and 1859.78.6 by clarifying that a building's age will be reset to the date of its previous apportionment, does not clarify how districts are to reset a building's age when the current modernization program practices do not track apportionments by building. As previously mentioned in its response letter to Stakeholder Meeting #3 dated March 7, 2025, Los Angeles Unified recommends a broader discussion be held to evaluate the current practices and methodology for calculating and using second round eligibility.

If you have any questions regarding these comments, please contact Sasha Horwitz, Legislative Advocate: [Sasha.Horwitz@lausd.net](mailto:Sasha.Horwitz@lausd.net) or (916) 443-4405.

Sincerely,

A handwritten signature in black ink, appearing to read "Sasha Horwitz", with a stylized flourish at the end.

Sasha Horwitz  
Legislative Advocate  
Los Angeles Unified School District



April 21, 2025

Communications Team  
Office of Public School Construction (OPSC)  
707 Third St, 4<sup>th</sup> Floor  
West Sacramento, CA 95605

**RE: FEEDBACK ON TOPICS PRESENTED DURING APRIL 3, 2025 STAKEHOLDER MEETING FOR IMPLEMENTATION OF PROPOSITION 2 FOR THE SCHOOL FACILITY PROGRAM**

To Whom it May Concern:

Hancock Park & DeLong, Inc. appreciates the opportunity to continue providing feedback regarding the topics presented during the seventh Proposition 2 Stakeholder meeting held on April 3, 2025. Below is a summary of our comments and concerns:

- **Proposed Regulations to Implement a Modernization Grant for 75 Years or Older Buildings**
  - SFP Reg. Section 1859.61. (m) – we propose that the language be “*Adjusted as a result of the 75 years or older buildings receiving replacement funding, pursuant to Education Code Section 17074.265.*”
    - Will the “m” adjustment also cause the building age to be reset to the date of the Apportionment for the corresponding project, similar to adjustment (l)(1)? If so, can this be noted as well?
  - Section 1859.78.65. – please clarify the intended calculation of 75-year eligibility as currently outlined in (a)(1). The proposed regulatory language currently references new construction capacity for a district, High School Attendance Area (HSAA), or Super HSAA and references the adjustments to districtwide or HSAA classroom inventory based upon SFP Regulation Section 1859.32, and Substantial Enrollment Requirement adjustments, neither of which are currently contemplated in modernization eligibility calculations.
    - Please clarify the restrictions on reimbursement in section (b)(5) using only “local funds.”
  - Section 1859.78.7 – is the site development for 75-year-old buildings also intended to be limited to the lessor of (a) or (b)? 1859.78.7.(b) equates to 20% of the 50-Year grant funding outlined in Regulation Section 1859.78.6., which does not contemplate replacement of facilities, only upgrades to 50-year facilities. This limitation seems overly restrictive if a district needs to update or completely replace the existing 75-year utilities infrastructure associated with a new building.

## ATTACHMENT D

- Similarly, is the site development for water, sewer and gas connections for the replaced building required to be limited to “five feet of the 50 years or older building, or 75 years or older building”? The 50-year site development grant was intended to upgrade an existing building, and did not contemplate the ability to replace an existing building and possibly relocating it elsewhere on the school site. It may be more appropriate to build the replacement building elsewhere on the existing school site, and the associated site development should be allowed to tie into existing utilities infrastructure similar to a new construction addition project.
  - Section 1859.79.2(a)(2) is being revised to incorporate provisions for increased square footage within a modernization project to replace 75-year-old facilities, to account for Title 5 requirements for specific minimum dimensions for classrooms, ancillary spaces, etc. We believe that this use of modernization grants should be allowed for *any* modernization project replacing undersized classrooms with Title 5-compliant classrooms, not only if the classrooms being replaced are over 75-years old.
  - Form SAB 50-04: Under General Information (7.), please clarify whether the application can be for future or proposed demolition of existing 75 year old buildings that are being replaced.
    - Please also clarify that the replacement does not need to be “like kind” (i.e., a portable building can be replaced with a permanent building).
    - Please confirm that the anticipated cost estimate for the modernization/rehabilitation of the 75-year-old building can be embedded in the required cost-benefit analysis, and does not need to be a separate document.
    - For the hybrid projects, please clarify what is meant by “locally funded work”. Does this include the anticipated district contribution?
  - Under Specific Instructions under sections 2. (c) and (d); it appears that pupil grants in each section and/or in total should not exceed the pupil grants being requested in section 2. (a). Please also clarify whether proposed section 2 (d.) is intended to be limited by available 50-year eligibility or whether it is intended to be limited by the associated calculation of 75-year pupil grants.
- **Proposed Regulatory Amendments for Minimum Essential Facilities Modernization Supplemental Grant**
    - Regarding 1859.79.2(a)(3), “A Minimum Essential Facility receiving funding pursuant to Section 1859.77.5. Only the funding provided by Section 1859.77.5 may be used on the Minimum Essential Facility.” By amending this regulation section, will the additional square footage costs need to be broken out and compared to the actual, exact cost of the newly built MEF? We note that it will be cumbersome and difficult to break out costs of just the new MEF square footage if included as part of a larger project in the same set of plans.
    - OPSC notes that this is not a stand-alone grant, there must be additional modernization work beyond the construction of a new MEF or expansion of an existing MEF, and that modernization work must have sufficient cost to justify a minimum grant request pursuant to SFP Regulation

## ATTACHMENT D

Section 1859.79.3. Will there be a separate 60% commensurate requirement for each component of the application, as if it were a 'hybrid' project with multiple funding sources?

- We encourage OPSC to reconsider allowing the option of looking at enrollment at the time of submittal verses at the time of processing, in order to determine if an existing MEF is adequately sized. Additionally, please clarify whether it will be an option to use a 3-year average instead of current enrollment at the time of processing- the OPSC response to stakeholder feedback #8 was that current enrollment must be used, yet proposed reg section 1859.77.5(1)(A) states, "For the purposes of this Section, to determine if an existing Minimum Essential Facility is inadequate, the existing square footage is 60 percent or less than the square footage necessary for the current CBEDS at the site as calculated pursuant to Section 1859.82.1(b)(4)(B)2." This referenced section allows the option of current enrollment and a 3-year average:

1. The enrollment at the project site, is determined by the higher of a. or b. below, or c.:
  - a. The CBEDS Report of the current enrollment reporting year at the existing project site.
  - b. The average CBEDS Report of the current enrollment reporting year and two immediately preceding enrollment reporting years at the existing project site.
  - c. If the site is closed, use the CBEDS Report of the last enrollment reporting year in which the site was open.

**2. Using the enrollment determined in 1. any permanent replacement Square Footage provided will be calculated in accordance to a., b., c., below and the chart below.**

- Regarding the process to determine the fundable toilet square footage by looking at the total site-wide toilet square footage, we suggest that only student restroom area be included in the calculations (for both the MEF supplemental grant as well as the facility hardship grant calculations). The need for *student plus staff* toilet area does not correlate to the calculated, allowed area needed for *just students*, and it just doesn't make logical sense.
- We appreciate the option of the two funding methods presented and concur with OPSC's staff recommendation of Option #1.

- **Proposed Regulatory Amendments for School Facility Program Supplemental Grant for Transitional Kindergarten (TK) Classrooms**

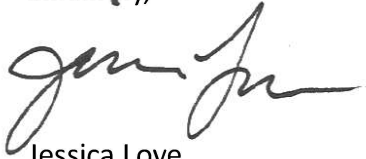
- We note that grant amounts for the supplemental grant for new TK classrooms are not nearly adequate to help a district to construct a modular or stick-built classroom, as has been shown in multiple applications under the Full-Day Kindergarten (FDK) program which were rescinded or needed to reduce the scope of the project due to costs. We however, also recognize that the requirement to construct a *non-portable* classroom with this grant is statutory and not able to be changed by OPSC or the SAB.
- We agree with the funding model that OPSC is supporting, following the same model as the FDK funding model.

## ATTACHMENT D

- Please clarify the proposed adjustment under Section 1859.51, (t). Transitional kindergarten pupils are not currently recognized in existing School Facility Program regulations, nor are they currently recognized under New Construction Eligibility calculations.

Please let us know if you have any questions or would like additional information regarding these topics. We look forward to continuing conversations as these topics progress with development.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jessica Love', written in a cursive style.

Jessica Love

Hancock Park & DeLong, Inc.

## ATTACHMENT E



March 7, 2025

Communications Team  
Office of Public School Construction (OPSC)  
707 Third St, 4<sup>th</sup> Floor  
West Sacramento, CA 95605

**RE: FEEDBACK ON TOPICS PRESENTED DURING FEBRUARY 20, 2025 STAKEHOLDER MEETING  
FOR THE SCHOOL FACILITY PROGRAM**

To Whom it May Concern:

Hancock Park & DeLong, Inc. appreciates the opportunity to continue providing feedback regarding the topics presented during the third Implementation meeting of the year, held on February 20, 2025. Below is a summary of our comments and concerns:

- **Modernization Grants for Facilities Previously Modernized with State Funds**
  - We appreciate OPSC clarifying that the replacement *does not* need be a permanent facility, as noted was the requirement a few times in the stakeholder meeting item.
  - We have seen a number of instances of a district replacing a portable classroom eligible for second round funding with a different usage, assuming classroom space is no longer needed. In these situations we encourage the possibility of OPSC allowing that replacement-in-kind to be considered “a better use of public resources”, as certified to by the district. With statewide K-12 enrollment currently declining, many districts are needing to now re-evaluate their spaces and make the decisions that are best for their student population – classroom space is often less needed now than it was in 2003 when this law came into effect. Enrollment has dropped by 6% just in the last 10 years; schools that once needed 16 classrooms may now only need 15 classrooms.
  - If the regulations are changed in the future to allow a replacement-in-kind in lieu of a replacement classroom, we would appreciate the ability to re-instate any funding application(s) which was previously returned to a district due to OPSC’s current interpretation of the application not meeting the current statute and SFP regulations.
  - A flowchart or similar type of visual would be greatly appreciated when trying to evaluate if and when certain facilities are eligible to generate second round eligibility, and if and when certain *projects* are then eligible to utilize the funding from second round eligibility.

## ATTACHMENT E

### • Evaluation of Transitional Kindergarten (TK) Pupils in SFP Enrollment Projections

- We understand that OPSC used actual enrollment data from 2019/20 to 2021/22 in order to test various versions of the 50-01 form projection calculations. We believe it would be really beneficial to see more current data used in these various calculations, including from 2022/23 and forward, when the Universal TK (AB 130) program was being phased in, and TK enrollment was starting to increase.
  - If allowed, HPD staff would love have access to the spreadsheets OPSC used for testing, in order to “play around with the numbers” further.
  - Below are the six calculation options tested by OPSC, with our comments and concerns:
- 1) TK & Kinder Linear Weighted Average + 1<sup>st</sup>-12<sup>th</sup> Cohort Survival method, with actual TK Enrollment (new row on 50-01 form)
    - 2 districts increased, 4 districts decreased; 0% average change; isolates & minimizes TK change/impacts.
    - HPD is in favor of this option.
  - 2) TK Linear Weighted Ave + K-12<sup>th</sup> Cohort Survival method, with actual TK Enrollment (new row on 50-01 form)
    - Drastic average 171% increase to projections; creates false inflation with data used, but with more current, higher enrollment, the changes would likely be less drastic.
    - HPD is in favor of this option, with more analysis.
  - 3) TK & Kinder Linear Weighted Ave + 1<sup>st</sup>-12<sup>th</sup> Cohort Survival, TK Enrollment calculated similar to FDK with a 3-year average (new row on 50-01 form).
    - Average +10.5% increase to 6 districts; doesn't use actual enrollment; minimizes fluctuations in TK.
    - HPD does not support this option due to actual enrollment not being used.
  - 4) TK Linear Weighted Ave + K-12<sup>th</sup> Cohort Survival method, TK Enrollment similar to FDK with a 3-year average (new row on 50-01 form)
    - Average -8.5% decrease in projections; likely inaccurate representation of actual need.
    - HPD does not support this option due to actual enrollment not being used.
  - 5) Separate TK Projection From Existing K-12 Projection, apply SDC projection methodology to Actual TK Enrollment (NO new row on 50-01 form)
    - 2 districts increased, 4 districts decreased; -0.2% average change; SDC & TK both variable groups; seems to be a less accurate projection method, doesn't account for year-over-year trends.
    - HPD does not support this option.
  - 6) TK/K Linear Weighted Ave + 1<sup>st</sup>-12<sup>th</sup> Cohort Survival method (NO new row on 50-01 form, no change to calculation)
    - Results n/a; shows false dip between K & 1<sup>st</sup> grade, which seems unfair and inaccurate.
    - HPD does not support this option.

Please let us know if you have any questions or would like additional information regarding these topics. We look forward to continuing conversations as these topics progress with development.

Sincerely,

Jessica Love  
Hancock Park & DeLong

## ATTACHMENT E

### Stakeholder Feedback – Second Round Modernization Eligibility

For portables that Received 2nd Round modernization eligibility and are part of a current funding application, what is the timing of the board minutes for better use of public resources for portables that were modernized and not replaced as well as if the Cost Benefit Analysis needed, would this have had to been done previously or could it be when the application is being processed.





**Alberto M. Carvalho**  
Superintendent

**Los Angeles Unified School District**  
Legislative Affairs & Government Relations

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Karla Griego  
Kelly Gonez  
Tanya Ortiz Franklin

March 7, 2025

Rebecca Kirk, Executive Director  
Office of Public School Construction  
Department of General Services  
707 Third St  
West Sacramento, CA 95605

**Re: Proposition 2 Implementation Stakeholder Meeting #3**

Dear Ms. Kirk,

On behalf of the Los Angeles Unified School District (Los Angeles Unified), we appreciate OPSC's Proposition 2 stakeholder engagement and welcome the opportunity to provide input on the proposed amendments to the Schol Facility Program in response to Proposition 2.

The comments and recommendations provided below correspond to the topics raised and materials provided for the February 20, 2025, Implementation Stakeholder Meeting #3.

**Modernization Grant for Facilities Previously Modernized with State Funds**

*Proposal for Further Discussion*

Los Angeles Unified would like to thank OPSC for the thoughtfully proposed methodology to handle the implementation of the modernization grants for facilities that were previously modernized with state funds. However, review of the documentation provided indicates there continues to be a need for further discussion and clarification around this topic.

At the time of the 2004 implementation committee meetings, school districts were dealing with increasing enrollment, aging facilities and navigating a new state funding program. The decisions

made by the committee were reflective of the needs of school districts at the time. Twenty years later, school districts continue to deal with aging facilities, but this is now paired with declining enrollment which impacts their ability to allocate funds for needed site and facility improvements.

While the implementation committee recognized the need to provide age parameters around regeneration of modernization pupil grants (Education Code Section 17073.15), it did not define the method for calculating eligibility regeneration. The text of EC 17074.10(f) infers that modernization pupil usage (apportionment) and work funded, would be linked to a building, like the Lease Purchase Program (LPP) and Seismic Mitigation Program (SMP). In the case of LPP and SMP, an apportionment was provided for the rehabilitation or replacement of a specific building, and the age and eligibility of that building is reset to the SAB-approved apportionment date, thus restarting that building's ability to generate eligibility.

This contrasts with how the modernization program has been implemented over the last 25 years, where modernization apportionments can be used for a site's needs. Whether it be system, site, building, or other improvement, a district could utilize modernization funds without eligibility being tied to a particular building. It would be very difficult to now try and attach pupils to specific buildings, especially in cases where previous apportionments were for site-wide improvements. The difficulty of this task is evidenced even by OPSC's own proposed calculations that use a ratio of eligible permanent and portable buildings rather than try to allocate pupils to a specific building based on a previously apportioned project's scope of work.

Los Angeles Unified proposes that OPSC convene an implementation committee to discuss the calculation and usage of second round eligibility. The committee would discuss the impacts of limiting second round funding to the portable(s) generating the eligibility, how to best calculate regenerated pupils, whether it should be based on a permanent-to-portable ratio or other method, and identify what Education Code and 2 CCR changes would be needed to support the outcome of these discussions. This conversation is especially critical given that OPSC has already begun implementing the calculation method specified in the stakeholder materials in recent day letters without full discussion in stakeholder meetings.

### *Tracking Second Round Modernization Eligibility*

OPSC has indicated that second round eligibility will be added to a site's eligibility. Los Angeles Unified requests clarification on how OPSC will track the differences between first and second round portable and permanent eligibility since OPSC has proposed that second round portable eligibility has restricted use. Los Angeles Unified requests clear examples of tracking in future stakeholder materials.

### *Use of Second Round Modernization Eligibility for Submitted Applications*

OPSC has stated in stakeholder materials and meetings that it will track the return of pupil grants and reinstate them into the eligibility baseline once they reach the appropriate age determined by the apportionment date of previous funding applications. However, in recent day letters received, OPSC indicated that the return of pupil grants for second round modernization of portable classrooms is

subject to SAB approval. Los Angeles Unified seeks clarification on which date will determine when the pupil grants become available for use—25 or 20 years from the apportionment date, or the date when the SAB approves their return.

Lastly, since districts could have received a modernization apportionment as early as 1999, this discussion comes six years too late for portables that should have already regenerated eligibility and one year too late for permanent buildings that should have done so. Therefore, Los Angeles Unified requests that OPSC allow districts to incorporate second-round pupils at the time a current application is processed by permitting an increase in requested pupil grants, provided the application still meets the 60% commensurate test.

We further request that this provision be applied retroactively to any unprocessed application that had second-round pupils available for use at the time of submittal. Allowing districts to modify their pupil grant requests upward to include second-round funding pupils is a fair solution to the lack of timely information, methodology, and regulation. Additionally, because existing regulations prohibit upward modifications to an application's pupil grant request, Los Angeles Unified requests regulatory changes to allow this adjustment.

### **Evaluation of Transitional Kindergarten Pupils in School Facility Program Enrollment Projection**

The full implementation of transitional kindergarten is expected in the 2025-26 school year, when all 4-year-olds will be eligible, and all districts—except charter schools—will be required to offer it. Since the phased implementation is still ongoing, selecting a methodology now would be premature, as its impact on a district's ability to request funding remains uncertain. Los Angeles Unified recommends continuing discussions on this topic and providing additional analysis on how different enrollment projection methods align with actual enrollment trends and needs.

If you have any questions regarding these comments, please contact Sasha Horwitz, Legislative Advocate: [Sasha.Horwitz@lausd.net](mailto:Sasha.Horwitz@lausd.net) or (916) 443-4405.

Sincerely,



Sasha Horwitz  
Legislative Advocate  
Los Angeles Unified School District

## ATTACHMENT E

**From:** Ken Reynolds <[ken@schoolworksgis.com](mailto:ken@schoolworksgis.com)>

**Sent:** Thursday, February 20, 2025 10:41 AM

**To:** DGS OPSC-Communications <[OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov)>; Watanabe, Michael@DGS <[Michael.Watanabe@dgs.ca.gov](mailto:Michael.Watanabe@dgs.ca.gov)>

**Cc:** LaPask, Brian@DGS <[Brian.LaPask@dgs.ca.gov](mailto:Brian.LaPask@dgs.ca.gov)>; Ly, Candace@DGS <[Candace.Ly@dgs.ca.gov](mailto:Candace.Ly@dgs.ca.gov)>; Faust, Maria@DGS <[Maria.Faust@dgs.ca.gov](mailto:Maria.Faust@dgs.ca.gov)>; Potter, Joshua@DGS <[Joshua.Potter@dgs.ca.gov](mailto:Joshua.Potter@dgs.ca.gov)>

**Subject:** Re: Prop 2 stakeholder meeting #3

**CAUTION:** This email originated from a NON-State email address. Do not click links or open attachments unless you are certain of the sender's authenticity.

Good morning.

Thanks for the information shared today.

### **Second Round of Modernization**

For the first topic, does a district need to do anything to request the second round of modernization? Will there be a new form to request the eligibility or will there be a check box on the 50-04 to request the second round funding increase?

I would also ask that for the modernization projects that went through the RCI process, that they should get those few grants back after 25 years.

I am not sure if I fully understand the true impacts of how this is being implemented. Here is my concern: If a school did a previous modernization project that used 500 grants and it is now 25 years later, they should be able to use the 500 grants again. However, I am not sure that is exactly true based on the item you presented. If the school had only permanent building, this that statement would be accurate. However, if 4 of the classrooms were portables then 100 of those 500 grants are only available if the district plans to replace those with new classrooms. That is how I am understanding the item. But what if the current project does not touch those portables, then they will only have access to the 400 grants? I know this is a specific (and simple) situation, but is that the way this is being implemented?

### **TK Enrollment & Projections**

I do have some comments on the second item regarding the TK enrolment projections. As you may know I do demographic studies for school districts so they can have accurate enrolment projections for their planning purposes. I appreciate all the methods that were considered and acknowledge how challenging it is as this time when the TK program is still in the process of expanding to all 4 year olds. The projections I do for schools are typically within 1% or less of the actual enrolments. I spent a lot of time trying our best to predict the impact of TK enrollments and as you have seen, the number vary from one district to the other. Of the options you have shared, I think Option 1 will be the most accurate projection once the TK program is finished with the transition process. So, for the long term this would be best understanding that there may be some variances in the short term.

The other option that looks like it would be very accurate is option 6 where you project TK numbers the same way as SDC. We would see an increase in TK if the district is growing and a drop if the district is declining. Since this new method would not go into effect until we have the enrollment data for the fall of 2025, TK will already be open to all 4 year olds.

## ATTACHMENT E

So, if you are looking for an accurate method, which I would think you are, then those two options are best.

As you saw during the meeting, these options will probably not be the ones that generate the most new construction eligibility, but that should not be the goal.

Thanks again for all the work you put into these items.

Ken Reynolds  
SchoolWorks

## ATTACHMENT E

**From:** Jamie King-Iseman <[jamie@kinginc.com](mailto:jamie@kinginc.com)>

**Sent:** Friday, March 7, 2025 12:46 PM

**To:** DGS OPSC-Communications <[OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov)>

**Subject:** Small School District Set Aside and 2nd Round Mod Eligibility for Portables

**CAUTION:** This email originated from a NON-State email address. Do not click links or open attachments unless you are certain of the sender's authenticity.

Hi,

I have a couple thoughts about 2nd Round Mod eligibility for portables. Are you able to create a separate baseline or at least separate out the grants generated by 2nd Round portables? I think putting those restricted grants back on their regular baseline may be misleading and create confusion for District's and funding consultants alike.

Also, did I hear incorrectly that some small school district's applications on the workload may be "grandfathered" over to the Prop 2 set aside for small school districts? This should only apply to applications submitted 10/31 or after correct? Also, I assume that even if a separate workload is created for these applications, it is likely that based on the applications submitted to date by small school district's since 10/31 that these set aside funds may already be spoken for?

Thank you!

Jamie



**Jamie King-Iseman**

**President**

2901 35th St Sacramento, CA 95817

**o:** (916) 706-3538 • **c:** (916) 505-6149

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**Alberto M. Carvalho**  
Superintendent

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Tanya Ortiz Franklin

March 28, 2025

Rebecca Kirk, Executive Director  
Office of Public School Construction  
Department of General Services  
707 Third St  
West Sacramento, CA 95605

**Re: Proposition 2 Implementation Stakeholder Meeting #5**

Dear Ms. Kirk,

On behalf of the Los Angeles Unified School District (Los Angeles Unified), we appreciate OPSC's Proposition 2 stakeholder engagement and welcome the opportunity to provide input on the proposed amendments to the Schol Facility Program in response to Proposition 2.

The comments and recommendations provided below correspond to the topics raised and materials provided for the March 13, 2025, Implementation Stakeholder Meeting #5.

**SFP Matching Share**

In the initial materials provided for the January 30<sup>th</sup> stakeholder meeting, OPSC appeared to indicate that the additional percentage points provided through the sliding scale were to be directly applied to the State and Local Shares (Jan 30<sup>th</sup> Stakeholder Materials - Attachment A4 Page 7). It was this example in the materials that led to the recommendations and comments surrounding the timing of the matching share determination and whether pupil changes would be necessary and allowed.

However, in the materials provided for the March 13<sup>th</sup> stakeholder meeting, OPSC labeled the additional matching share percentages as a "Local Funding Adjustment Grant" which is to be applied and accounted for separately from the 60 percent State Share. Los Angeles Unified would like to

confirm that the methodology provided in the March 13<sup>th</sup> materials, treating the additional matching share percentages as a separate line item, is the methodology OPSC will be proceeding with for the matching share changes.

Los Angeles Unified currently receives assessed valuation from a third party—not the Los Angeles County Assessor—which is then used as part of the District’s bond sales and disclosures. Los Angeles Unified is in conversation with the County Assessor to confirm whether it will provide the necessary information required for us to meet Education Code Section 17074.54(c)(6) or certify the accuracy of the information received from the third party. Should the assessor prefer to certify the third party information, Los Angeles Unified requests that this be deemed compliant within the requirements of the Ed Code.

### **Career Technical Education Facilities Modernization Supplemental Grant**

Based on experience with the Career Technical Education Facilities Program (CTEFP), Los Angeles Unified recommends adopting Option 1, because typical cost estimates for Career Technical Education upgrades far exceed five percent of the modernization scope of work they are typically tied to.

### **Global SFP Regulation Clean-up**

*Section 1859.60 Calculation to Determine Modernization Baseline Eligibility*

*Section 1859.78.6 Modernization Grant for 50 year or Older Permanent Buildings*

Los Angeles Unified has concerns related to the proposed amendment detailing when the 20/25/50 year period for a building’s aging should begin. While the proposed amendment appears to provide guidance for the aging of stockpile buildings, it prompts the need for additional guidance around the nuances of stockpile building placement, and how this impacts the aging for other types of buildings.

The proposed amendment indicates it is the placement on the current campus that begins the aging of a building. However, the amendment does not consider that a portable’s current campus may not have been the first campus it was placed and occupied on, in effect restarting the clock simply because a portable was relocated to another campus. Los Angeles Unified recommends OSPC consider the DSA approval of a portable building’s first campus placement, rather than the current campus placement, as the start of a building’s aging.

Next, by specifying the DSA approval date will be the start of a building’s aging, the amendment warrants additional guidance for buildings constructed or placed on a site before DSA came into existence. Los Angeles Unified requests OSPC provide guidance on what aging start date should be used, in place of the DSA approval date, to establish a building’s age in cases where a building pre-dates DSA.

Los Angeles Unified recommends that the proposed methodology outlined in Regulation Sections 1859.60 and 1859.76.6 for calculating a building’s age be applied prospectively—used *only* for establishing new modernization baselines moving forward—and not applied retroactively to baselines that have already been established.



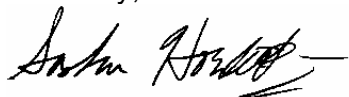
## ATTACHMENT E

Currently, OPSC permits, and SAB has approved, Form SAB 50-03 submissions, using stockpile dates to determine the age of portable classrooms. The proposed methodology directly conflicts with this long-standing practice and the correction of this information would impose an unnecessary administrative burden on staff. Moreover, applying the methodology retroactively would place districts that have relied on previously accepted stockpile dates into inadvertent non-compliance. Therefore, Los Angeles Unified further recommends that OPSC continue to honor and allow the use of previously approved stockpile data for modernization eligibility purposes.

OPSC's statement that the proposed amendment in EC Section 17074.25(a)(1) will align with Regulation Sections 1859.60 and 1859.78.6 by clarifying that a building's age will be reset to the date of its previous apportionment, does not clarify how districts are to reset a building's age when the current modernization program practices do not track apportionments by building. As previously mentioned in its response letter to Stakeholder Meeting #3 dated March 7, 2025, Los Angeles Unified recommends a broader discussion be held to evaluate the current practices and methodology for calculating and using second round eligibility.

If you have any questions regarding these comments, please contact Sasha Horwitz, Legislative Advocate: [Sasha.Horwitz@lausd.net](mailto:Sasha.Horwitz@lausd.net) or (916) 443-4405.

Sincerely,

A handwritten signature in black ink, appearing to read "Sasha Horwitz", with a stylized flourish at the end.

Sasha Horwitz  
Legislative Advocate  
Los Angeles Unified School District