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Loading and Counting Classrooms

Purpose of Report

The goal of this item is to discuss what qualifies as a classroom and how a classroom is counted and loaded in the School Facility Program (SFP) for purposes of both the Gross Classroom Inventory (GCI) and new construction funding applications.

Problem Statement/Area of Concern

Members of the Program Review Subcommittee have expressed a desire to consider alternatives to the existing SFP definition of a classroom and how classrooms are counted and loaded in the SFP.

- California Code of Regulations, Title 5 (Title 5) and the SFP's definitions of a classroom sometimes differ. Should they be aligned?
- Is it more appropriate to count capacity and provide funding on a different basis than 25 or 27 pupils into a "traditional" teaching station (one with four walls and a door, larger than 700 square feet in size)?
- Is it more appropriate to base the model on a square foot amount per pupil?

Current New Construction Program

How is new construction eligibility calculated?

Education Code (EC) Section 17071.75 outlines the method of determining whether a district is eligible for new construction funding. New construction eligibility is determined by comparing a projection of a district's future enrollment to its existing school building capacity. When the projected enrollment exceeds the school building capacity, the district has eligibility for new construction funding. This process is further defined in SFP Regulation Sections 1859.30-33, 1859.35, and 1859.40-43.

How is the existing school building capacity determined?

The SFP Regulations definition states that a "'Classroom' means a teaching station that has the same meaning as the term defined in EC Section 17071.25(a)(1)." EC Section 17071.25(a)(1) states that, "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 those used in determining the existing school building capacity]."

EC Sections 17071.25 and 17071.30 outline the requirements for determining the district's existing capacity by counting all the classrooms in the district. SFP Regulation Section 1859.31 provides direction on how to prepare the GCI in the district. It further clarifies what kind of classrooms to count, including, but not limited

to, classrooms that: were constructed with funds from the Lease Purchase Program, used for Special Day Class or Resource Specialist Programs, used for preschool programs, and included in a closed school. Section 1859.32 further refines the determination by providing specific exclusions. For example, a classroom that is less than 700 square feet will be excluded from the total capacity. Multiplying the GCI by the state loading standard determines the district's existing capacity.

How are classrooms loaded under the SFP?

EC Section 17071.25(a)(2)(A) states that "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."

When applying for new construction funding, how many pupil grants can a district request?

When applying for new construction funding, a district can request pupil grants equivalent to the capacity of their project as defined in EC Section 17071.25(a)(2)(A) above. For example, if the project contains four high school classrooms (with a loading standard of 27 pupils per classroom), the district may only request 108 pupil grants, regardless of whether they are four 960 square foot classrooms or four 1,920 square foot classrooms.

How are classrooms counted for the purpose of requesting funding under the SFP?

Under the SFP, any classroom that, pursuant to EC Section 17071.25(a)(1), was constructed or reconstructed to serve as an area in which to provide pupil instruction (with a few exceptions) and is at least 700 square feet is considered a classroom. This includes standard classrooms, shops, science laboratories and computer laboratories/classrooms.

This standard for identifying classrooms is applied when determining the GCI as well as the number of classrooms in a new construction application for which pupil grants may be requested.

Options for Change (counting classrooms – size of area, physical boundaries)

In all of the options below, it is assumed that the method of counting classrooms will be consistent for both determining the GCI and for determining how many classrooms receive funding on a new construction application.

Option 1: Look at Teaching Stations, Not Walls

The following tables show an example of how classrooms are currently counted and loaded under the SFP.

3,840 square feet

960 sq. ft. 25 pupils	960 sq. ft. 25 pupils
960 sq. ft. 25 pupils	960 sq. ft. 25 pupils

4 classrooms, 100 pupil capacity

3,840 square feet

1,920 sq. ft. 25 pupils	1,920 sq. ft. 25 pupils

2 classrooms, 50 pupil capacity

In this option, the SFP would provide eligibility and funding based on the EC definition of a teaching station, regardless of separation by physical boundaries (such as walls or movable partitions).To maintain consistency with the current requirement that each teaching station be at least 700 square feet, divide the total area by the number of teaching stations claimed.

EC Section 17071.25 (a) outlines how to calculate capacity based on "teaching stations" loaded pursuant to the state loading standards. The SFP Regulations' definition of a classroom is what the EC defines as a teaching station. In neither of these authorities does it state how to count spaces that are larger than a typical 960 square foot classroom. It would be a shift in practice and policy, more so than regulation, to count classroom areas that are part of a larger instructional space.

The following charts show how classrooms would be counted under this option:

3,840 square feet

1 teaching station 25 pupils	1 teaching station 25 pupils
1 teaching station 25 pupils	1 teaching station 25 pupils

4 teaching stations, 100 pupil capacity

3,840 square feet

2 teaching stations 50 pupils	1 teaching stations 25 pupils

3 teaching stations, 75 pupil capacity

Program Changes Necessary

Education Code ☐ Regulations ☒

This change can be made through clarifying regulations, unless there is a desire to change the loading of a teaching station. Loading standards are set in statute.

Considerations:

- Allows funding for different types of classroom spaces.
- California Department of Education (CDE) input would be needed to provide guidelines on how to determine the number of teaching stations within a given area.
- May require that CDE review Division of the State Architect (DSA)-approved plans to ensure consistency/uniformity with plans submitted for Office of Public School Construction (OPSC) review.
- Would require reestablishing eligibility to account for the capacity of teaching stations rather than number of classrooms counted based on four walls as the boundary.
- In large open areas it may be difficult to match square footage with teaching stations for purposes of recognizing only spaces with a minimum of 700 square feet per classroom/teaching station.

Option 2: Use Student Capacity of the Project

This option would allow the capacity of the project to determine the number of pupils housed and the pupil grant request allowed for funding. This option would allow for flexible teaching spaces when requesting pupil grant funding. This option would not attempt to count "classrooms" or teaching stations to determine the number of students housed.

The basic structure for determining pupil capacity would be:

- Title 5 guides the CDE review of the project.
- The CDE review would indicate the student capacity of the project.
- The student capacity would equal the number of pupils housed (no review of number of "classrooms").
- The number of pupils housed (student capacity) would equal the amount of eligibility available for a funding request.

Considerations

- Allows funding for alternative types of classroom spaces
- Would require reestablishing eligibility to account for the student capacity of instructional space rather than the loading standards per classroom.
- When re-establishing the baseline eligibility, it will be difficult to determine the originally intended student capacity.
    - An option to address this would be to use the existing loading standards and method of counting classrooms for purposes of the baseline, and use the capacity stated on the CDE plan approval for projects moving forward. However, this would be an inconsistency in determining students housed for purposes of eligibility and funding.
- May require that CDE review DSA-approved plans to ensure consistency/uniformity with the plans submitted for OPSC review.

Program Changes Necessary

Education Code ☒ Regulations ☒

EC Section 17071.25(a)(2)(A) provides the capacity for teaching stations at 25 pupils for grades K-6, and 27 pupils for grades 9-12. This section would need to be modified.

Option 3: Square Footage Based Eligibility/Funding

Provide eligibility and funding based on square footage of the classrooms/teaching stations.

For this option, it would be necessary to determine the appropriate square-footage-to-pupil ratio. As an example, if 35 square feet per pupil were the appropriate number, a district would divide the total square footage of a classroom by 35 to calculate the classroom's capacity. A 960 square foot classroom would have a capacity of 27 pupils and a 1,500 square foot classroom would have the capacity of 43 pupils.

Another way to calculate eligibility would be to get the total square footage of classrooms in the district and then divide by 35. So a district with 50,000 square feet of classrooms would have a capacity of 1,429 pupils.

Conversely, when applying for funding, a district's request would be based on the total square footage of classrooms in the project. If the district was constructing 3,000 square feet of classroom/instructional space in one project, the funding application could include a request for 86 pupil grants, regardless of how many actual classrooms there are.

Exceptions may need to be determined for certain classroom spaces, like Special Day Classrooms and kindergarten classrooms. Currently, Special Day classes have lower loading standards due to the needs of the educational program. The standard kindergarten classroom is typically built to 1,350 square feet to meet the Title 5 educational standards. This is usually larger in size than most classrooms for grades 1-12. It may be necessary to adjust the square footage ratio for these populations.

Program Changes Necessary

Education Code ☒ Regulations ☒

EC Sections 17071.25 through 17071.30, regarding existing school building capacity, would have to be changed to square footage based capacity instead of teaching station based capacity.

Considerations

- Allows for funding that is based on the actual area being constructed.
    - Allow districts the most flexibility when designing classrooms.
- Would require a defined "square footage per pupil" amount.
- Minimum and maximum individual classroom size would become an issue of local control.
- Because the designs of classrooms could become more varied, plans could require more scrutiny by CDE for educational adequacy.
- Would require reestablishing eligibility to account for the square footage of a classroom.

Option 4: No Changes to the Definition of a Classroom

Do not make any changes to the current SFP definition of a classroom and continue to fund classrooms based on the current implementation of the Education Code and SFP Regulations.

With this option, the SFP would continue to provide funding based on the current SFP definition of a classroom using the loading standards, count classrooms based on the concept of a typical or standard classroom, and provide the maximum number of requested pupil grants for each classroom based on the grade level.

ATTACHMENT A

AUTHORITY

Education Code (EC) Section 17070.15 Definitions
(l)"School building capacity" means the capacity of a school building to house pupils.

EC Section 17071.25 Existing School Building Capacity
17071.25(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.

EC Section 17072.10
(a) The board shall determine the maximum total new construction grant eligibility of an applicant by multiplying the number of unhoused pupils calculated pursuant to Article 3 (commencing with Section 17071.75) in each school district with an approved application for new construction by the per-unhoused-pupil grant as follows:….

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California Department of Education

School Facilities and Transportation Services Division

The California Department of Education (CDE) plan review is focused on educational adequacy as presented in the *California Code of Regulations*, Title 5. Title 5 requires flexibility and adaptability to allow a building to respond to changing program needs that will occur over the life of the building. The definition of a teaching station used in the CDE review is attached.

One of the approaches districts are taking in adopting Common Core is to increase the use of project based learning. This has facility implications including:

Technology/Connectivity:

- Infrastructure to meet future needs, such as sufficient LAN and wireless capabilities to allow enough bandwidth for the entire school to be online at the same time for daily personalized learning and computer-based testing.
- Secure storage for various technologies such as hand held devices, iPads, smart boards, video conferencing.
- Ability to expand and adapt technology as needed.
- Ubiquitous and universal connectivity with less focus on computer labs and more on technology in all learning spaces.

Learning Spaces:

- Flexible, adaptable learning spaces that are able to accommodate both small and large group instruction and allow learners to alternate quickly between teacher lectures, working in teams, and working independently.
- Moveable furniture, breakout rooms, outdoor seating areas, flexible and operable walls, windows, partitions, and comfortable spaces for students to work in small groups while still allowing for supervision.
- Spaces designed with building systems that allow the ability for the reconfiguration of space with minimal cost.

Resources:

- Movable casework.
- Convenient access, availability, and storage, including various forms of technology, art supplies, lab supplies, and research materials.

Supporting Staff/Professional Development:

- Teacher meeting and collaboration spaces outside of classrooms and teacher training spaces.

ATTACHMENT B

The diagrams attached show example design responses to the learning spaces needs.

Diagram 1 shows buildings with similar square footage but different interior designs. The design on the left is a more traditional setting that aligns well with the School Facility Program (SFP) regulations that determine funding based on an historical understanding of a classroom. The design on the right can accommodate the same number of pupils, allows greater flexibility in educational delivery while maintaining the ability to change the interior of the building to accommodate changing programmatic needs.

Diagram 2 presents another approach to providing greater flexibility and combines traditional spaces with flexible spaces.

Diagram 3 is a design an independent study program that was not able to be funded by the SFP due to there not being any classrooms that met the definitions established by the State Allocation Board (SAB).

As districts adapt to changing program needs, flexibility to allow such designs are essential. A district may not choose to use such design features, but a facility funding program should not constrain educational program needs, and the SAB may want to consider a framework to allow districts such flexibility.

A framework for such a policy should include the following:

1. A board-adopted educational specification that defines the use and curriculum of the space.

2. A minimum number of square feet of learning space per student. For example, in Diagram 1, both spaces are the same size and provide 35 square feet of instructional space per student.

3. The ability to be adaptable for future needs. The building will last several decades and the interior walls should be able to be modified without having to reevaluate the structural features of the building.

4. The CDE review pursuant to Title 5 and the framework would define the student capacity of a project.

This framework is consistent with the parameters established by the Legislature for the Career Technical Education Facilities Program, where program needs were reviewed and approved by the CDE resulting in a wide range of design solutions.

ATTACHMENT B

California Department of Education

School Facility Planning Division

CLASSROOM DEFINITION POLICY—March 19, 2009

(Amended April 13, 2009)

A space requested by a local educational agency (LEA) as a classroom will be counted as a classroom and creating capacity for purposes of the California Department of Education's (CDE) approval letter for School Facility Program projects if the space:

1) Is consistent with minimum Title 5 classroom square footage standards or have adequate justification consistent with the LEA's educational program; or request an exemption demonstrating educational appropriateness and safety is not compromised (Title 5 14030 (g) (h) (i)) and (r).

2) Is consistent with documentation of intended use as a classroom via the LEA's board adopted Educational Specifications or equivalent document.

3) Is situated appropriately on campus and with consideration of access from a common circulation area. Title 5 14030 (a), (c), (d), (e), (f), (h), (j), and 14036).

4) Is of a shape and length to width ratio that provides clear and comfortable lines of sight in instructional areas.

5) Has casework and built-in furniture/equipment (lab stations, shop tables, marking boards, etc.) appropriate for the offered programs (Title 5 14030 (h) and (i)).

6) Has adequate lighting (Title 5 14030 (l)).

7) Has functioning heating and ventilation.

8) Is designed to be acoustically comfortable to permit instructional activities and minimize acoustical interference from adjacent areas (Title 5 14030 (f) and (m)).

9) Has a phone as required by Education Code 17077 and be connected to the school communications system.

10) Is not a space used for a pull-out program only.

The CDE will not count the following spaces as creating capacity:

Elementary School:

- Stages (Title 5 14040(k)(1)(C)
- Outdoor physical education spaces
- Spaces identified by the LEA in its educational specification to be used as a pull-out program (Resource, computer, etc.)

Secondary Schools, including K-8:

- Outdoor physical education
- Gymnasium
- Spaces identified by the LEA in its educational specification to be used as a pull-out program (Resource, computer, etc.)

Please contact your assigned School Facilities and Transportation Service Division Field Representative if you have any questions.

ATTACHMENT B

Diagram 1

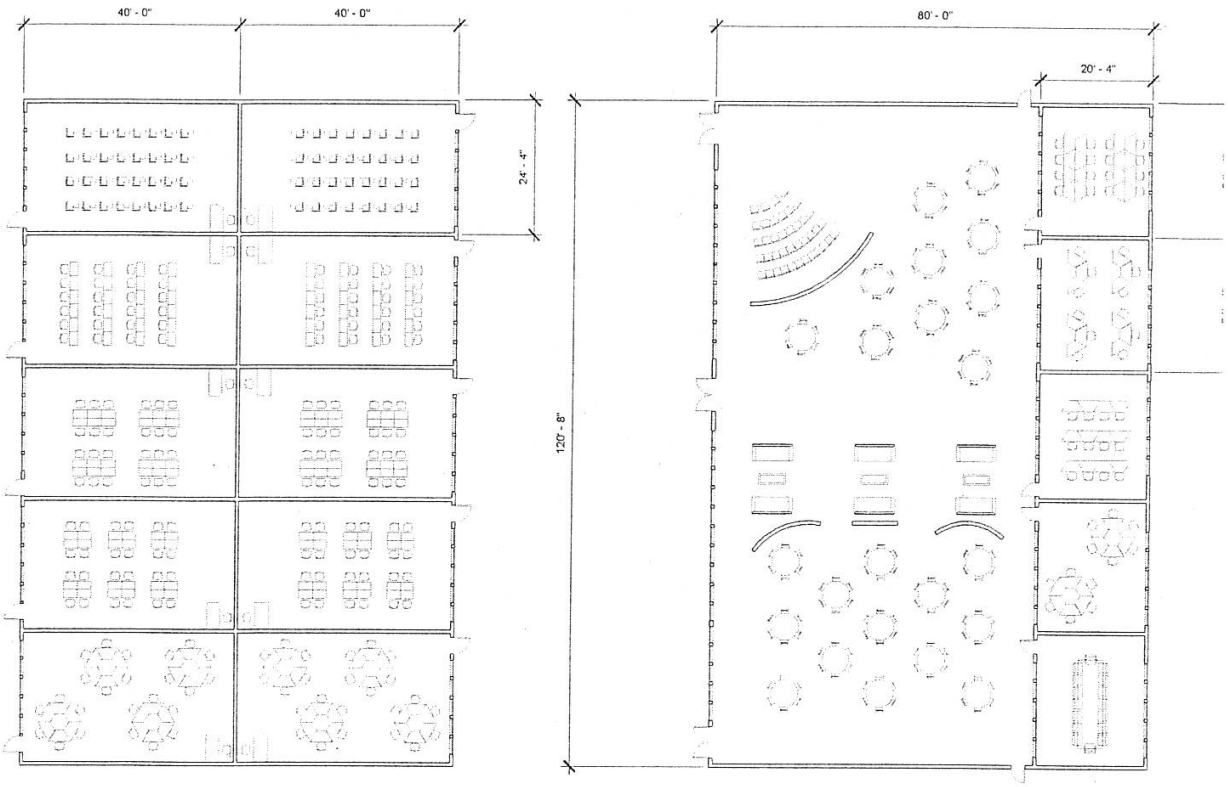
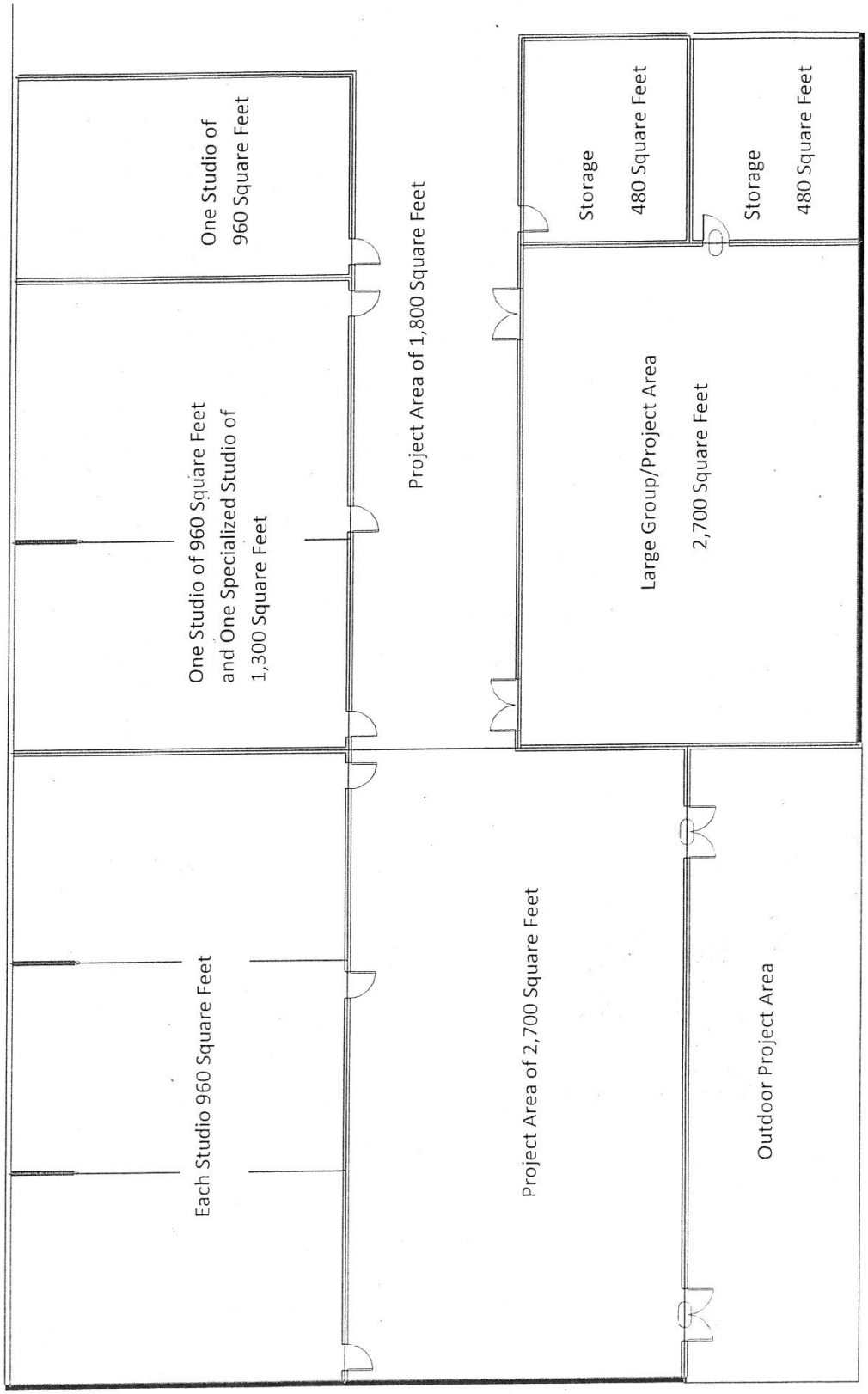
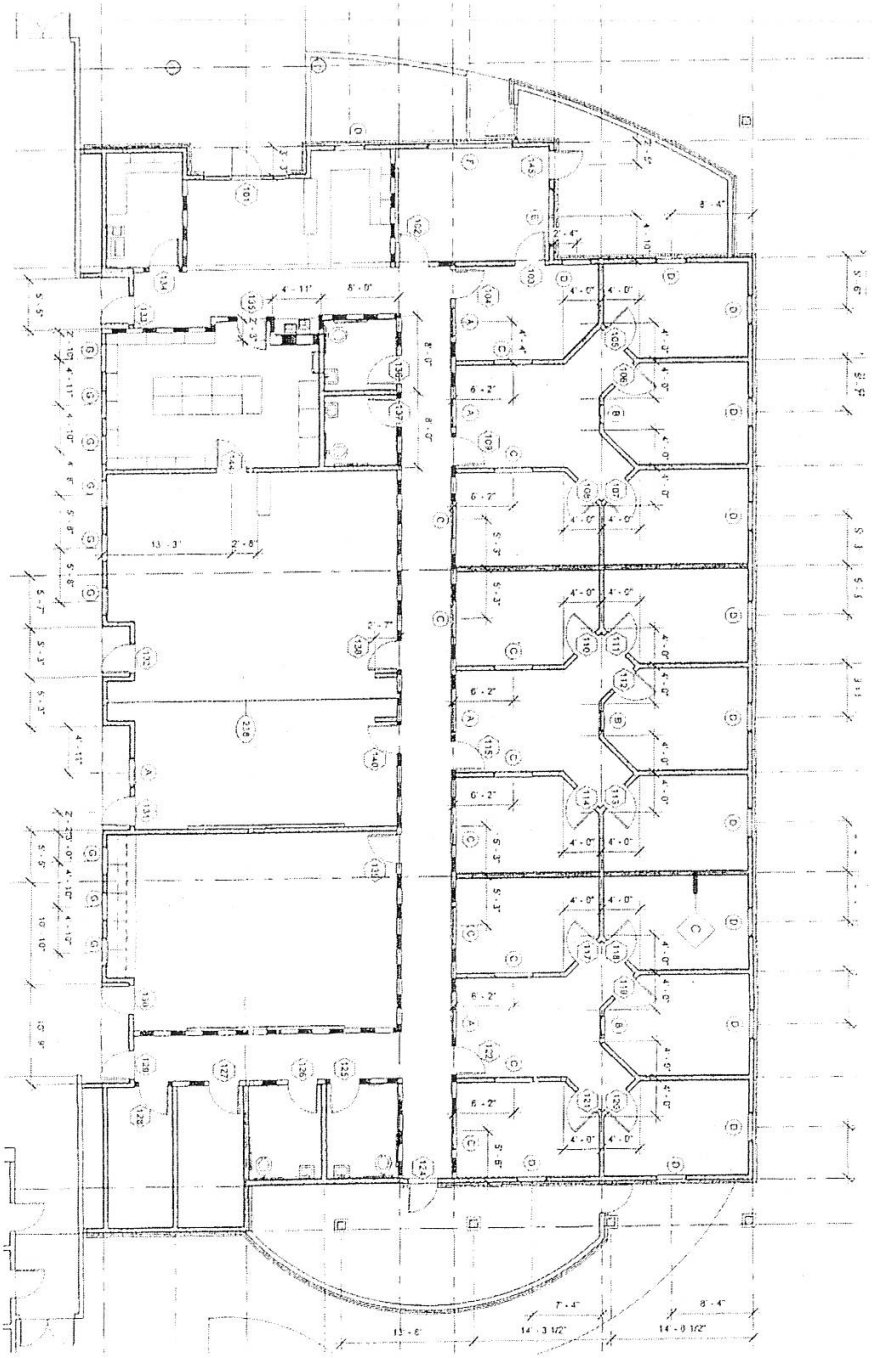


Diagram 2


One Studio of
960 Square Feet
One Studio of 960 Square Feet
and One Specialized Studio of
1,300 Square Feet
Project Area of 1,800 Square Feet
Storage
480 Square Feet
Storage
480 Square Feet
Large Group/Project Area
2,700 Square Feet
Each Studio 960 Square Feet
Project Area of 2,700 Square Feet
Outdoor Project Area

ATTACHMENT B

Diagram 3



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Modernization Program

Purpose of Report

The goal of this item is to discuss options for potential changes to the methods of providing eligibility and funding for the School Facility Program (SFP) modernization program. This item will provide options to address two main topics:

1. How should modernization eligibility be determined?
2. How should modernization funding be provided?

Problem Statement/Area of Concern

Subcommittee members have expressed the following concerns with the current funding model for the modernization program:

- The current system does not make a distinction as to the condition of the facilities. For example, a 40 year old building may be in excellent condition, whereas a 10 year old building may need significant work.
- If a campus has facilities of varying ages, it is difficult to plan for a modernization project for the entire site.
- The current system may not provide sufficient funding to provide for educational modernization as well as modernization of the facilities themselves.

Current SFP Modernization Eligibility and Funding

SFP modernization eligibility is determined on a site specific basis. Currently, SFP modernization eligibility is based upon the number of pupils being housed in classroom buildings that exceed a certain age threshold (25 years old for permanent buildings and 20 years old for portable buildings).

SFP funding is provided on a per pupil basis when the district submits a qualified modernization project. Education Code (EC) 17074.25 states the following regarding the eligible use of modernization funding:

> *A modernization apportionment may be used for an improvement to extend the useful life of, or to enhance the physical environment of the school. The improvement may only include the cost of design, engineering, testing, inspection, plan checking, construction management, demolition, construction, the replacement of portable classrooms, necessary utility costs, utility connections and other fees, the purchase and installation of air-conditioning equipment and insulation materials and related costs, furniture and equipment, including telecommunications equipment to increase school security, fire safety improvements, playground safety improvements, the identification, assessment, or abatement of hazardous asbestos, seismic safety improvements, and the upgrading of electrical systems or the wiring or cabling of classrooms in order to accommodate educational technology.*

Individual Options for Modernization Eligibility and Funding

Staff has developed two options for determining eligibility: eligibility based upon the condition of the facilities and eligibility determined by the age of the facilities. Staff has also developed three options for different funding models. Funding models explored include cost estimate based, square footage based and per-pupil based.

Eligibility Models

1. Condition Based
2. Age Based

Funding Models

1. Cost estimate based funding
2. Square footage based funding
3. Per pupil based funding (Current model)

A. MODERNIZATION ELIGIBILITY MODELS

Model 1: Determine eligibility based on the condition of the facilities.

Under this model, the condition of the buildings and eligibility at the site would be determined based on a "condition assessment." A condition assessment would be performed at each site, rating the condition of the buildings, while also identifying the necessary work consistent with modernization work as allowable by the EC. The assessment could be a standardized form with standardized rating criteria, as established by the Board. Certain building conditions could determine funding limits. Buildings could be rated or ranked based upon a numerical index such as the Facilities Condition Index, or it could be based on simple ranking of poor, fair, good, or excellent, as found in the Facility Inspection Tool. The District could then identify and prioritize needs at the site, knowing the potential maximum eligibility available for the site.

There are also several other ratings criteria that may be considered. Other States have established guidelines that weigh scores based on physical condition, educational suitability, technology readiness, etc. Districts within California have established their own ratings criteria for their buildings. A systems components based criteria could be considered, as well. For instance, a building could be deemed eligible for such things as heating, ventilation, and air condition (HVAC) upgrades, window replacement, electrical systems, etc. These are just a few of the concepts that could be considered to create a new type of eligibility method.

For greater distribution of potentially limited bond amounts, a cap (maximum eligibility/grant amount) may be necessary. There are several ways the maximum eligibility amount may be determined for buildings. Different ratings or different system components could generate specific maximum grant allowance. Alternatively, the cap could be determined by pupils housed at the site (similar to the current modernization program). The Board could also implement an eligibility model similar to the current model where the district can choose to generate eligibility on a classroom count basis or a square footage basis.

Another consideration is whether or not to completely eliminate or alter the existing age requirement under such a program. Currently, buildings are eligible for modernization funding if they are 20 years old (portables) or 25 years old (permanent). The condition of a building is not necessarily related to its age; however, the Board may wish to consider establishing minimum thresholds for all buildings and/or buildings that were built with SFP funds.

PROGRAM CHANGES NECESSARY

Education Code ☒ Regulations ☒

- EC Sections 17074.10 through 17074.30 contains the statute that defines how modernization apportionments are determined for the SFP. It would have to be amended to accommodate any changes.
- EC Sections 17073.15 and 17073.20 set the age limits for modernization purposes. They would have to be amended.

CONSIDERATIONS

- Standard rating criteria would have to be established.
- Age requirements may still be necessary to ensure the State doesn't provide modernization funds for a classroom for which it recently provided new construction funding.
- Parameters would have to be established as to how and when a district could update its eligibility (through an updated condition assessment).

Model 2: Continue to determine eligibility based on the age of the facilities.

This option would keep the age-based eligibility method, but address other areas of site eligibility. Potential areas of change include the concept of partial site eligibility and removing the pupil grant cap.

Partial Site Eligibility

Sometimes, only a portion of a site is eligible for modernization, due to varying building ages. This situation may not be conducive to a district creating a master modernization plan for a site, where upgrades or other work may be needed throughout the site. The Board may wish to consider establishing a threshold for when an entire site would be eligible for modernization. For instance, a District would be eligible to receive funding to modernize an entire site if, for example, 60 percent (or any percentage deemed appropriate) of the buildings on the site were at a minimum age.

EXAMPLE: 14 of 20 buildings of age at a site

Current Method: 14 buildings generate eligibility
Alternative Method: 20 buildings generate eligibility

Remove the Pupil Grant Cap

While the current model is based on eligibility, it is capped by the enrollment at the site. The Subcommittee may wish to consider whether an "of age" building should be eligible to receive funding regardless of whether the enrollment justifies it. For example, if the maximum capacity at a given school site is 500 pupils based on the current State loading standard, allow the district to request up to 500 pupil grants. Under the current program, if the enrollment were only 350 pupils, the district would be limited to 350 pupil grants. This means that the district could only receive funding for about 70 percent of the maximum grant value of the building on the site (350/500 = 70%). But if all of the eligible buildings are "of age," they may all need to be modernized regardless of enrollment. Removing the pupil grant cap would allow a district to access full funding for eligible buildings that are not operating at capacity.

EXAMPLE: 20 Elementary Classrooms of Age (500 capacity), 350 pupils

Current Method: 350 pupil grants of eligibility
Alternative Method: 500 pupil grants of eligibility

PROGRAM CHANGES NECESSARY

Education Code ☒ Regulations ☒

- EC Sections 17073.10 through 17073.25 contains the statute that defines how modernization eligibility is determined for the SFP. It would have to be amended to accommodate any changes to the eligibility process.
- EC Sections 17074.10 through 17074.30 contains the statute that defines how modernization apportionments are determined for the SFP. It would have to be amended to accommodate any changes.

CONSIDERATIONS

- Does not make a distinction as to the condition of the facilities.
- Making the discussed changes could result in district receiving more funding than it would under the current program.
- Could increase the demand for modernization bond authority.

B. MODERNIZATION FUNDING MODELS

Model 1: Fund projects based on a cost estimate.

Under this model, modernization projects would be funded based on a cost estimate of the actual eligible work performed on the project. This would be a departure from the current method of funding based on a per pupil amount. Funding based on cost estimates has been used in other programs, including SFP Facility Hardship Rehabilitation, the Career Technical Education Facilities Program, and the Emergency Repair Program.

Cost estimate funding under a condition based eligibility approach
This option would combine the condition assessment approach to eligibility with funding based on a cost estimate. The condition assessment would be used to rate buildings on the site and establish the maximum funding a site could receive (limits would be established by either the condition and size of the building or the pupils at the site, as discussed in Section A of this item). Projects would be given grant amounts based on the cost estimate of a qualifying SFP project. Districts would receive funding for each project they submit up to the total funding limit for the site.

Cost estimate funding under an aged based eligibility approach
This option would leave the fundamental process of determining eligibility based on the age of the buildings on a site (with potential minor tweaks) and provide funding for estimated costs in a qualified SFP modernization project. The age of the buildings would establish the maximum grant value available to the site. Funding would be provided based on a cost estimate for work performed in a qualifying SFP modernization project. A district could perform multiple projects until the combined cost estimates equal the eligibility at the site.

PROGRAM CHANGES NECESSARY

Education Code ☒ Regulations ☒

- EC Sections 17074.10 through 17074.30 contains the statute that defines how modernization apportionments are determined for the SFP. It would have to be amended to accommodate any changes.

CONSIDERATIONS

- Districts would still be able to request smaller projects; since they are based on actual costs, a district could have multiple projects funded until they meet the grant maximum at the site.
- Potentially requires more staff processing time and plan verification for review of cost estimates on every project.
- Current programs using a cost estimate to determine funding either only fund the minimum work required to mitigate a health and safety threat or have a total project dollar cap and very specific costs allowable under their respective program. Modernization work is less defined and stricter parameters on what constitutes an eligible modernization cost may have to be established to ensure appropriate allocation of State funding.
- Could increase the demand for modernization bond authority.

Model 2: Fund projects based on a per square foot grant.

Under this option, projects would be given a modernization dollar amount based on eligible square footage on the site. The Board could establish a per square foot grant amount for modernization projects. The square footage amount would replace the current system of using pupil grants; however, the system could be set up in a similar fashion to the current pupil grant model, in that districts could have the flexibility to request only to modernize a portion of the square footage on a site at a given time and retain eligibility elsewhere on the site. This would be the closest method to replicating the pupil grant model on the funding side if pupil grants and site enrollment considerations were to be removed from a future eligibility model.

Square footage based funding under a condition based eligibility approach
This option would combine the condition assessment approach to eligibility with funding based on a per square foot grant amount for the buildings on the site. The condition assessment would be used to rate buildings. In this proposal, the rating would have a corresponding per square foot grant amount that would serve as a basis for calculating a cap for the amount of funding that an eligible building could receive.

Districts would then submit qualified modernization projects requesting funding for a certain number of square feet. The acceptance of these "per square foot" grants as part of an application would mean that the building is considered modernized for purposes of generating modernization eligibility at the site, regardless of the work performed at the site. The District draws down on a total amount of eligible square footage.

Square footage based funding under an age based eligibility approach
Under this option, buildings that reached a minimum age would generate modernization eligibility. However, the eligibility would not be linked to a per pupil amount, it would instead be a per square foot amount based on the size of the building and the amount of toilet and non-toilet space. The square footage amount would be the same for all school sites, regardless of the condition of the facility.

PROGRAM CHANGES NECESSARY

Education Code ☒ Regulations ☒

- EC Sections 17074.10 through 17074.30 defines how modernization apportionments are determined for the SFP. It would have to be amended to accommodate any of the above changes.

CONSIDERATIONS

- While the SFP has replacement square footage grant amounts for toilet and non-toilet space, appropriate modernization square footage amounts for modernization would have to be determined.
- Funding for modernization and/or replacement of existing portable facilities is dependent on other policy decisions.

Model 3: Continue funding on a per pupil basis.

In this option, funding for modernization projects would still be provided on a per pupil basis. The Subcommittee could consider keeping this main funding model concept and still review other areas of the model to determine if improvements or changes are necessary.

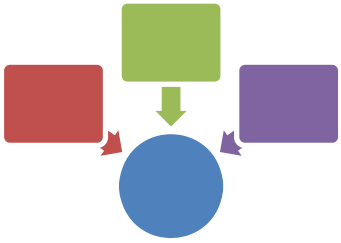
Consolidating Special Programs

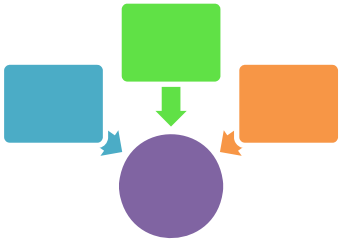
Purpose of Report

The purpose of this item is to explore the possibility of consolidating special programs in order to streamline the School Facility Program (SFP).

Problem Statement/Area of Concern

Members of the Program Review Subcommittee (Subcommittee) have expressed a desire to simplify the SFP grant process. It has been asked if any of the special programs can be combined to simplify the program.





Overview of Special Programs in the SFP

Currently, aside from new construction and modernization, there are eight special programs within the SFP, many of which have either separate or carved out amounts of bond authority dedicated to them. This item will take a look at the following programs within the SFP. All of the individual programs in the SFP are briefly described below:

New Construction
Modernization
Charter School Facilities
Career Technical Education Facilities
Joint-Use
Facility Hardship
Seismic Mitigation
High Performance Incentive Grant
Overcrowding Relief Grant
Critically Overcrowded Schools

New Construction

- Provides school districts with funding to add classroom capacity to meet future student housing needs.
- The program provides funding for costs associated with new school construction, or classroom additions to existing schools. In addition to funding added classroom capacity, the program funds libraries, multipurpose rooms, gymnasiums, administration, and other school facilities.
- Separate funding was provided in the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 (Proposition 1A), Kindergarten-University Public Education Facilities Bond Act of 2002 (Proposition 47), Kindergarten -University Public Education Facilities Bond Act of 2004 (Proposition 55), and Kindergarten-University Public Education Facilities Bond Act of 2006 (Proposition 1D).

Modernization

- Provides funding to school districts to extend the useful life of existing facilities, or to enhance the physical environment of a school.
- Modernization funding can also be used to demolish and replace existing facilities of like kind.
- Separate funding was provided in Propositions 1A, 47, 55, and 1D.

Charter School Facilities Program (CSFP)

- Provides funding to charter schools or districts to construct new charter school facilities and/or rehabilitate existing school district-owned facilities that are at least 15 years old for charter school use.
- Separate funding was provided in Propositions 47 (2002), 55 (2004), and 1D (2006).

Career Technical Education Facilities Program (CTEFP)

- Provides funding to school districts and joint powers authorities (JPA) for the construction of new Career Technical Education (CTE) facilities, modernization of existing CTE facilities, and/or purchase of equipment for the approved CTE program.
- Separate funding for CTEFP was provided in Proposition 1D.

Joint-Use

- Allows districts to partner with another governmental entity, non-profit organization, or institution of higher education to construct or renovate facilities to be used jointly by both parties.
- Separate funding for was provided in Propositions 47, 55, and 1D.

Facility Hardship

- Provides for the repair, reconstruction or replacement of school facilities when there is either an unmet need for pupil housing due to the facilities being lost or destroyed or if there is a health and safety threat to students and staff related to existing facilities.
- Proposition 1A provided separate funding for hardship projects, which includes Facility Hardship and Financial Hardship,
- No separate funding for Facility Hardship projects (except Seismic Mitigation Program projects) under Propositions 47, 55, and 1D. Replacement projects are funded from new construction. Rehabilitation projects are funded from modernization.

Seismic Mitigation Program (SMP)

- The SMP is a sub-component of the Facility Hardship program.
- Provides funding for seismic mitigation projects for buildings determined to have “Most Vulnerable Category 2 Buildings” status.
- Funding is a subset of new construction funds. Up to $199.5 million of the $1.9 billion in in new construction funds authorized by Proposition 1D can be provided for SMP projects.

High Performance Incentive (HPI) Grant

- Provides an additional grant to projects from various programs as an incentive to include high performance attributes in the project.
- High performance attributes include project design that promotes energy and water efficiency, maximizes the use of natural lighting, improves indoor air quality, utilizes recycled materials, and materials that emit a minimum of toxic substances, and employs acoustics that are conducive to teaching and learning.
- Separate funding was provided in Proposition 1D.

Overcrowding Relief Grant (ORG)

- Provides funding for the creation of additional open space for play areas, green space, or outdoor lunch areas through the reduction of portable classrooms on overcrowded school sites.
- Separate funding was provided in Proposition 1D.

Critically Overcrowded Schools (COS)

- Provides funding to construct additional pupil capacity to relieve overcrowded school sites. Per-pupil grant funding was provided for the number of pupils that exceed 150 percent of the California Department of Education (CDE) recommended pupil density.
- Separate funding was provided in Propositions 47 and 55. No additional funding was provided in Proposition 1D.

Potential Methods of Consolidation

Method 1: Consolidate Funding Sources; Retain Individual Programs.

This method consolidates the various funding sources into fewer "pots" of bond authority, one for programs that could be broadly categorized as new construction, and another for programs broadly categorized as modernization. The individual program requirements would remain in place.

Currently, for the most part, the different programs are tied to a specific "pot" of funding that is exclusively for that program. This method would eliminate the separate "pots" and create two shared pools of funding that the different programs could draw from. This would allow funding to flow to different programs as needed. It would also prevent small amounts of funding from being tied up in many different programs. This method is not intended to significantly alter the individual program requirements. However, the concept still works if there is a desire to update specific requirements as well.

The two potential groups of programs are listed below. The programs are grouped according to whether the program provides funding to construct new or replacement facilities, or to modernize existing facilities. The groupings are not intended to conform to the narrower program-specific definitions of the SFP new construction and modernization programs.

New Construction	Modernization
Career Technical Education Facilities - New Construction	Career Technical Education Facilities - Modernization
Charter School Facilities - New Construction	Charter School Facilities - Rehabilitation
Critically Overcrowded Schools	Facility Hardship - Rehabilitation (Excessive Cost Hardship Grant)
Facility Hardship - Replacement	Seismic Mitigation - Rehabilitation
Seismic Mitigation - Replacement	High Performance Incentive Grant
Joint-Use	
Overcrowding Relief Grant	
High Performance Incentive Grant	

The two groupings of programs are also shown in the comparison matrix shown in the Attachment, with additional details on each program. Facility Hardship replacement, Seismic Mitigation Program replacement, and the ORG programs have been grouped with new construction because the funding calculation for these programs is modeled after new construction.

Alternatively, the Subcommittee could consider consolidating funds for some of the programs and leaving others separate.

Program Changes Necessary

Education Code ☒ Regulations ☒

The Education Code (EC) would need to be modified to allow the various "pots" of money authorized in the bonds to be used on other programs.
EC and SFP Regulations would need to be modified for certain programs (such as CTE, ORG, and Joint-Use) that are currently funded on a cyclical basis rather than a flow basis.

Considerations

- Creates greater competition for funding by allowing more programs to access the same pool of bond authority.
- Specific programs would no longer have a set amount of bond authority, reducing or eliminating the issue of having small amounts of remaining program-specific funding.
- Programs many need to be modified to align certain requirements to avoid disadvantaging a program. For example, different programs allow funding approval at different stages in the design process. New construction and modernization allow design funding before a design has started, while a complete project design is required to apply for ORG. These differences may provide certain advantages and disadvantages if the requirements remain the same and if the various programs are accessing the same pool of funding.
- Certain programs could remain separate, such as the Charter School Facilities Program, which is designated for a specific type of school.
- Would not necessarily change the review criteria for each program. The application process would remain largely the same, but the funding would be different. Funding would come from a shared pool that is accessed by other programs.

Special programs that are not recommended for consolidation are listed at the end of this section, following Method 3.

Method 2: Consolidate Funding Sources and Programs

This method would consolidate the funding sources and the program requirements into fewer broad programs: one for programs broadly categorized as new construction, and another for programs broadly categorized as modernization. This method would significantly expand the definitions of new construction and modernization funding. For example, Career Technical Education rehabilitation projects could be consolidated with modernization by allowing modernization funds to be used on such projects, and allowing joint powers authorities to apply for modernization funding.

One way to group the existing programs is shown in the matrix in the Attachment. For example, to consolidate the ORG program with new construction, the allowable uses of new construction funding could be expanded to allow for the replacement of portable classroom facilities on overcrowded sites.

Alternatively, the Subcommittee could consider consolidating some of the programs and leaving others separate.

Program Changes Necessary

Education Code ☒ Regulations ☒

EC would need to be modified to allow the various "pots" of money authorized in the bonds to be used on other programs.

EC and SFP Regulations would need to be significantly modified to consolidate the various program requirements.

Considerations

- Could simplify the application process by reducing the number of programs. Currently, hybrid projects that are funded from multiple programs have become more common.
- Would increase competition for funding by allowing a wider range of projects to access the same pool of bond authority.
- Would need to consider how to consolidate the different eligibility requirements of various programs. For example, the new construction program requires districts to demonstrate future unhoused pupils; however, CTEFP does not require new construction eligibility.
- Specific programs would no longer have a set amount of bond authority, reducing or eliminating the issue of having small amounts of remaining program-specific funding.
- Certain programs could remain separate, if desired.
- Could also consider eliminating certain programs to reduce complexity.

Special Programs That Are Not Recommended for Consolidation

Each special program was analyzed to determine whether or not it could be consolidated. The following programs are not recommended for consolidation:

Charter School Facilities

The CSFP is not recommended for consolidation because it serves a specific group of constituents that face different issues than typical school districts. For example, the need for charter school facilities is not necessarily directly related to the number of projected unhoused pupils; therefore, the CSFP does not require new construction eligibility.

Charter schools often have limited options for raising funding for facilities-related improvements. To address this issue, the CSFP allows a loan component, which is not offered in the new construction and modernization programs. The main programs' first-in, first-out system of funding is difficult for charter schools to compete in. Often, charter schools need a guarantee funding before they can commit to a construction project; therefore, the CSFP provides preliminary apportionments and advance fund releases for site and design funding.

Critically Overcrowded Schools

The COS program is not recommended for consolidation because the last bond measure, Proposition 1D, did not authorize additional funds for the program. In addition, another program, ORG also addresses relief of overcrowded sites, albeit through the replacement of existing portable classrooms rather than the construction of additional pupil capacity.

ATTACHMENT
School Facility Program
Program Comparison Matrix

New Construction, Additions, and Replacement Facilities

Program	Purpose of Program	NC Eligibility Used?	Financial Hardship Available	Loan Available	Funding Share
New Construction	Increase pupil capacity by constructing new facilities.	Yes	Yes	No	50/50
Career Technical Education Facilities - New Construction	Construct a new facility or expand an existing facility/facilities.	No	No	Yes	50/50
Charter School Facilities - New Construction	Construct new facilities.	Maybe[1]	No	Yes	50/50
Critically Overcrowded Schools	Increase pupil capacity by constructing new facilities.	Yes	Yes	No	50/50
Facility Hardship Replacement	Replace a school site to mitigate a health and safety hazard(s).	No[2]	Yes	No	50/50
Seismic Mitigation - Replacement	Replace a school site to mitigate a health and safety hazard(s) posed by potential seismic activity.	No[2]	Yes	No	50/50
Joint-Use	Funding for increased costs of Joint-Use facilities and/or increased area of certain types of existing facilities; or reconfigure existing facilities and/or constructs new facilities.	No	No	No	50/50
Overcrowding Relief Grant	Replace existing portable classrooms.	No	Yes	No	50/50
High Performance Incentive Grant	Additional grant for high performance attributes.	No	Depends on program	Depends on program	50/50

[1]In certain cases, the CSFP project will cause a reduction to the new construction eligibility of the school district where the charter school is located.

[2]In some cases, the district's modernization eligibility is reduced for facilities replaced under Facility Hardship (including Seismic Mitigation).

ATTACHMENT
School Facility Program
Program Comparison Matrix

Modernization or Rehabilitation of Existing Facilities

Program	Purpose of Program	Mod. Eligibility Used?	Financial Hardship Available	Loan Available	Funding Share
Modernization	Modernize existing facilities	Yes	Yes	No	60/40
Career Technical Education Facilities - Modernization	Modernize or reconfigure an existing facility/facilities.	No	No	Yes	50/50
Charter School Facilities - Rehabilitation	Rehabilitate/modernize an existing facility.	No	No	Yes	50/50
Facility Hardship Rehabilitation (Excessive Cost Hardship Grant)	Rehabilitate an existing facility to mitigate a health and safety hazard(s).	No	Yes	No	60/40
Seismic Mitigation - Rehabilitation	Rehabilitate an existing facility to mitigate a health and safety hazard(s) posed by potential seismic activity.	No	Yes	No	50/50
High Performance Incentive Grant	Additional grant for high performance attributes.	No	Depends on program	Depends on program	50/50 or 60/40

Career Technical Facilities Program

Overview

The Career Technical Facilities Program (CTEFP) provides a program of study that involves a multi-year sequence of courses that integrates core academic knowledge with technical and occupational knowledge to provide students with a pathway to postsecondary education and careers. The CTEFP provides funding to qualifying school districts for the equipment and construction of new facilities or reconfiguration of existing facilities to integrate Career Technical Education (CTE) programs into comprehensive high schools. Joint Power Authorities (JPA) may also participate. Funding may be used for the modernization of existing facilities, the construction of new facilities, and the purchase of equipment. CTE projects can be stand-alone projects, or they may be combined with School Facilities Program (SFP) new construction or modernization projects.

The applicant must provide a matching contribution at least equal to the state grant for both Modernization and New Construction projects. Applicant's matching share may come from any source. Private industry groups, County Offices of Education, and Joint Powers Authorities are all acceptable funding partners. There is no Financial Hardship for CTEFP and local contribution cannot be waived. State assistance is available in the form of loans when the district does not have the local contribution available. The loan is repaid over a term of 10 years.

Program History

Assembly Bill 127 (Chapter 35, Statutes of 2006-Nunez and Perata) established the CTEFP within the SFP. Proposition 1D: *Kindergarten-University Public Education Facilities Bond Act of 2006*; provided $500 million dollars to qualifying applicants to construct or modernize facilities and to purchase equipment for career technical education programs at comprehensive high schools. The statute allows a maximum new construction grant of $3.0 million and a maximum modernization grant of $1.5 million. The California Department of Education (CDE) recognizes 15 industry sectors with multiple pathways a project curriculum may adhere to. The State Allocation Board (Board) approved School Facility Program (SFP) regulations for the CTEFP on January 24, 2007. These regulations went into effect on August 17, 2007.

Program Eligibility

Qualifying for the CTEFP funding takes place in two steps:

1. The applicant must submit a description of the project to CDE for review and scoring. The Education Code outlines the criteria by which an application shall be reviewed. They shall be weighted based on the following: 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. The project must receive a minimum score of 105 points from CDE to be eligible for funding.

2. When the minimum is achieved, the second step is to submit a completed *Application for Career Technical Education Facilities Funding* (Form SAB 50-10) to the OPSC. SFP eligibility is not required in the CTEFP; though a CTEFP project may be combined with a SFP new construction or modernization project.

CAREER TECHNICAL EDUCATION FACILITY PROGRAM REQUIREMENTS

- The Applicant must be an educational agency operating a comprehensive High school (as defined by Education Code Sections 51224, 51225.3, and 51228.) with an active career technical advisory committee in place.
- The plans must be approved by the CDE, contain all mandatory elements required by the CDE, and have received a score of at least 105 points to be eligible for funding.
- The applicant must provide a 50-50 matching contribution at least equal to the state grant for both Modernization and New Construction projects.
- New construction funding applications must be filed before pupil occupancy and all equipment must be purchased on or after May 20, 2006.
- A CTEFP project can include CTE equipment or consist solely of equipment with an average useful life expectancy of 10 years.

Funding Cycles

CTEFP funding is set up on a cycle basis with the goal of ensuring broad geographic distribution of the funds and rewards those that best meet the criteria outlined in the statute. Within each funding cycle, the funding priority will be based on the numerical score for the applicant's CTE grant application, as determined by the CDE, and the locale of each project. The locale for each project shall be Urban, Suburban or Rural, as determined by the National Center for Education Statistics (NCES). Applicants are also grouped into one of the 11 Service Regions which are geographically-based groupings of counties established by the California County Superintendents Educational Service Regions.

The first and second funding cycle were funded by Service Region. During these cycles, a percentage of funding was allocated to each Service Region based on 9-12 CBEDS enrollment from the prior year. For the third and any subsequent cycles, funds are apportioned regardless of Service Region to the highest ranked project in each locale and alternated. Funds are apportioned to the project with the highest score in each locale. If there are no applications in a given locale, projects will be apportioned in the remaining locales. The process will continue as described until funds or applications are exhausted. SFP Regulation Section 1859.195 establishes the funding cycles and the distribution of funds within each cycle.

The chart below details the three CTEFP funding cycles with information on how the funding order is determined, funding amounts, and projects approved by the Board:

Cycle	Funding Order			Amount Allocated (in millions)	SAB Date
	Region	Score	Locale		
1	Yes	Yes	Yes	$350	March 26,2008
					April 23, 2008
2	Yes	Yes	Yes	$150 + Remainder from Cycle 1	December 10, 2008
3	No	Yes	Yes	All Remaining	October 6, 2010
					October 26, 2011

Funding

To determine the amount of the CTEFP grant, a detailed construction cost estimate and an itemized equipment list must be submitted for approval to the OPSC for verification and approval. This must represent all construction and site development work as indicated on the Division of the State Architect (DSA) approved plans. Costs will be compared to industry standards. The grant is capped, therefore, any amount above the cap will be 100 percent funded by the Applicant. New construction projects may receive up to $3 million, modernization projects may receive up to $1.5 million. The Applicant cannot retain project savings. All project savings must be returned to the State.

Districts may qualify for supplemental grants depending on the characteristics of the project. The supplemental grants are intended to recognize special costs associated with projects of a certain type or located in certain areas. A supplemental grant is available for Project Assistance in the amount of $3,750 to Small School Districts with enrollment of 2,500 or less and may be used for costs associated with the preparation and submission of the SFP eligibility and funding applications, including costs related to support documentation such as site diagrams. The Prevailing Wage Monitoring grant is available to assist with the costs of prevailing wage monitoring through the Department of Industrial Relations in the amount of 0.25% of the total State share. The addition of these grants cannot exceed the grant caps. On April 25, 2012 the Board approved the High Performance Incentive (HPI) Grant for CTE projects that exhibit efficient use of energy, water, natural lighting, recycled materials and other resources conducive to teaching and learning, and exhibit characteristics of high performance schools. An additional base grant of $150,000 for new construction projects, and $250,000 for modernization projects that may be increased based on project-specific scoring as determined by the DSA. The HPI grant comes from a separate bond source; therefore it is not counted in the cap.

The Applicant has the option to apply for a reservation of funds on the Form SAB 50-10. In this case, the Board can reserve the requested amount of funds for a period of up to 12 months while the Applicant attains the necessary approvals from DSA and CDE.

CTEFP Funding Required Documents

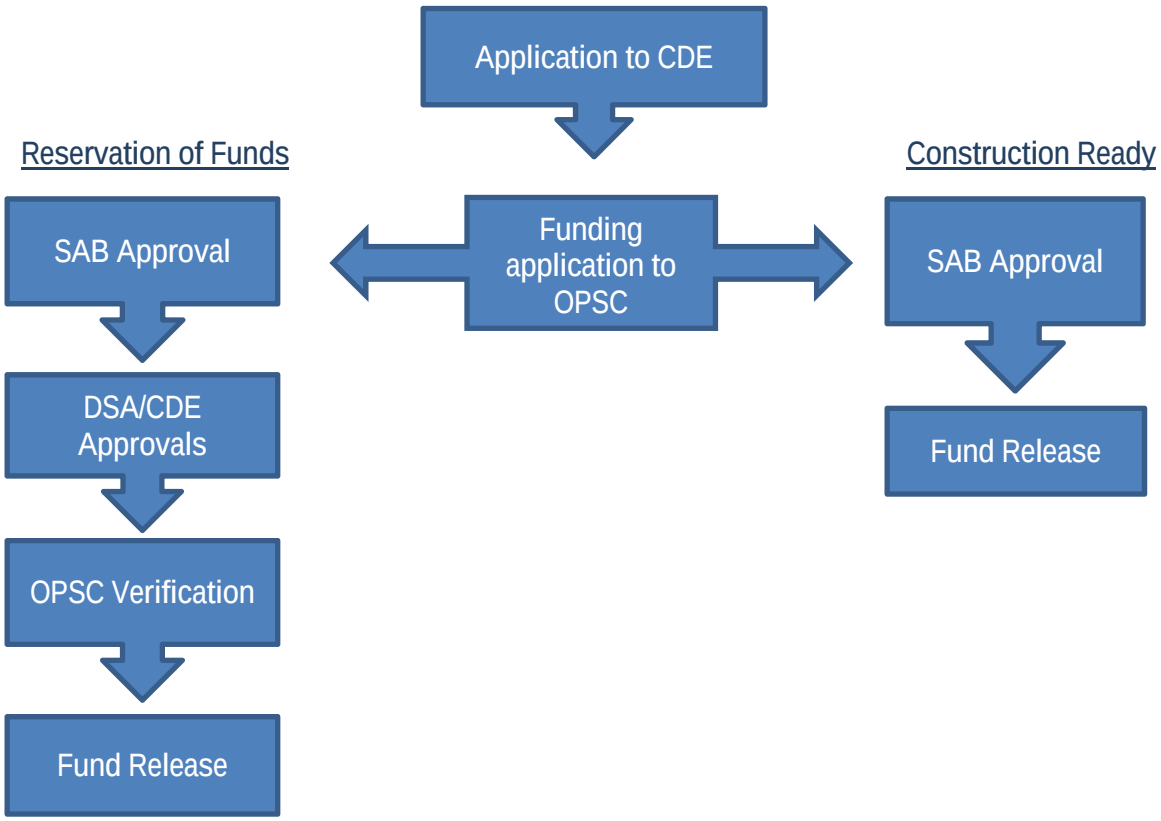
DOCUMENT	RESERVATION OF FUNDS	FULL FUNDING
Application for Career Technical Education Facilities Funding (Form SAB 50-10)	X	X
CDE Career Technical Education score letter	X	X
Copy of the submitted CDE grant application	X	X
Facility Plan Approval letter from CDE School Facilities Planning Division		X
Final Division of the State Architect (DSA) plan approval and DSA-approved plans and specifications*		X
Detailed construction cost estimate*	X	X
Itemized list of equipment	X	X
CTEFP Funding Availability Worksheet†	X	X
Detailed cost estimate for site development‡		X
HPI-1 (DSA-402)**		X
DIR-PWC 100***	X	X

* These documents are not required for equipment only projects.
** This document is required only if requesting the High Performance Incentive grant.
***This document is required when requesting the Prevailing Wage Monitoring grant.
† This document is required only if the Applicant is requesting a loan for the matching share.
‡ This document may be updated based on DSA-approved plans.

Funding Application Review Process

All CTEFP Applicants must submit a project grant application to CDE to be reviewed and scored. The CDE project abstract and score letter, along with the Form SAB 50-10, is then submitted to OPSC for review and verification. For project reimbursements or construction ready projects, DSA and CDE approvals, DSA-approved plans and specifications, detailed construction cost estimate, and itemized equipment list must be submitted to the OPSC for review and verification. Approved applications receive apportionments by the Board. The Applicant is then eligible to submit a *Fund Release Authorization* (Form SAB 50-05) for a release of funds

For Applicants seeking a reservation of funds, the Applicant must submit the CDE project abstract and score letter along with the Form SAB 50-10 to the OPSC for review. An itemized equipment list must also be included if equipment is to be purchased. Approved applications receive apportionments by the Board. These funds may be reserved for a period of 12 months. During this time, the Applicant must submit the DSA and CDE approval documents, DSA-approved plans and specifications, along with a detailed construction cost estimate. Upon review and approval of these documents, the OPSC will issue an acceptance letter to the Applicant allowing the submittal of the Form SAB 50-05.



Funding Formula

The basic formula for calculating the modernization grant is as follows:

1) 50% Construction + 50% Equipment + 50% Site Development = Base Grant

2) Base Grant + Supplemental Grants = Total State Share

3) State Share 50% + Local Match 50% = Total Project Cost 100%

When an Applicant pairs a new construction SFP project with a CTE project, the grant is calculated as follows:

1) 50% Construction + 50% Equipment + 50% Site Development = Base Grant

2) (960 sq ft. x number of CTE classrooms) * 50% Current Replacement Cost = SFP Deduction

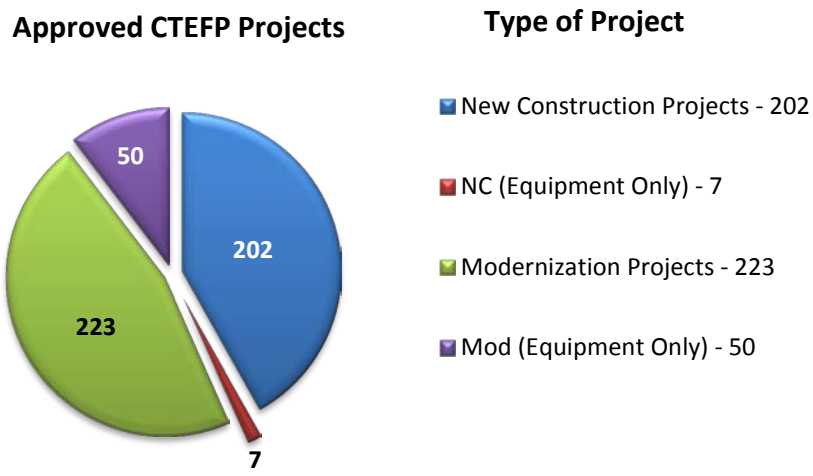
3) Base Grant + Supplemental Grants – SFP Deduction = Total State Share

4) State Share 50% + Local Match 50% = Total Project Cost 100%

CTEFP Funding Data

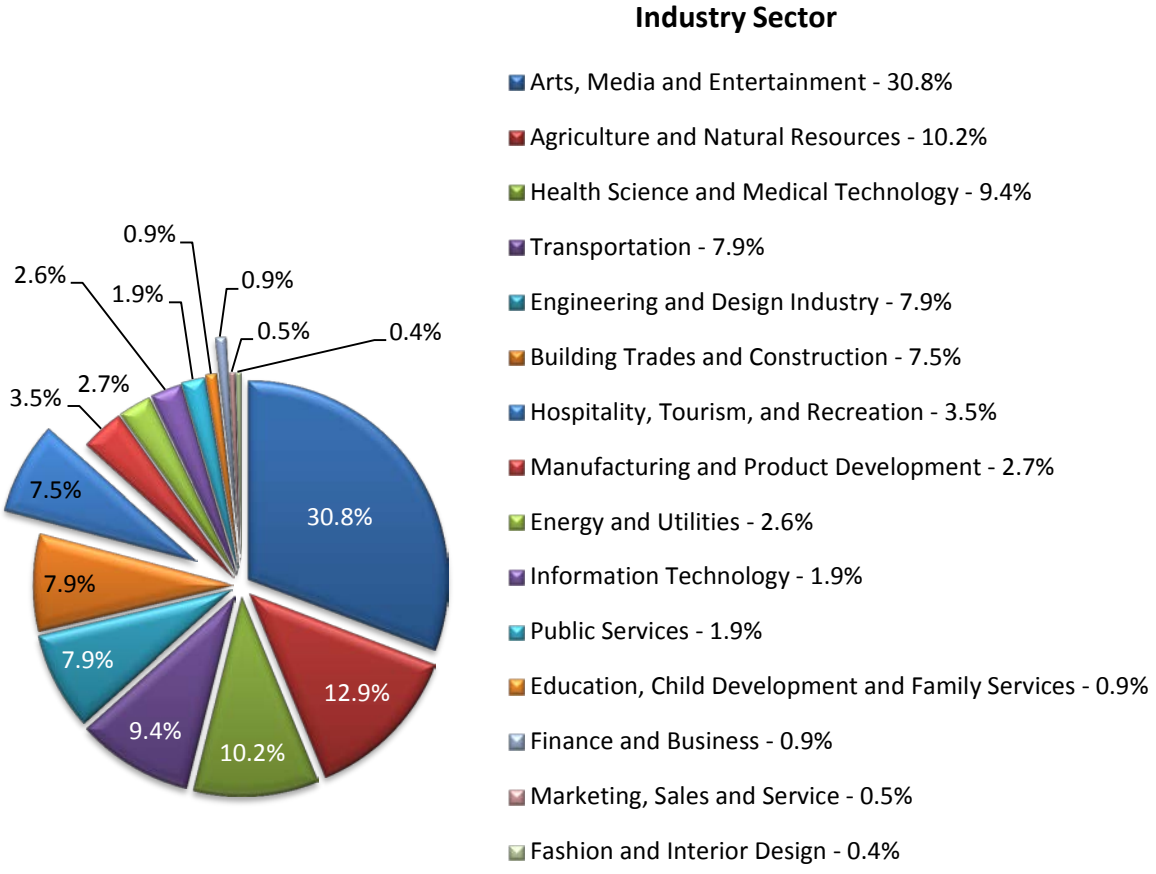
In the three funding cycles, the Board has approved a total of 482 CTEFP projects with 404 applications requesting a reservation of funds. The average new construction grant amount is $1,629,903 and the average modernization grant amount is $559,206. All data presented is as of May 22, 2013.

The chart below shows the number of CTEFP projects broken out by type of project:



The 15 Industry Sectors

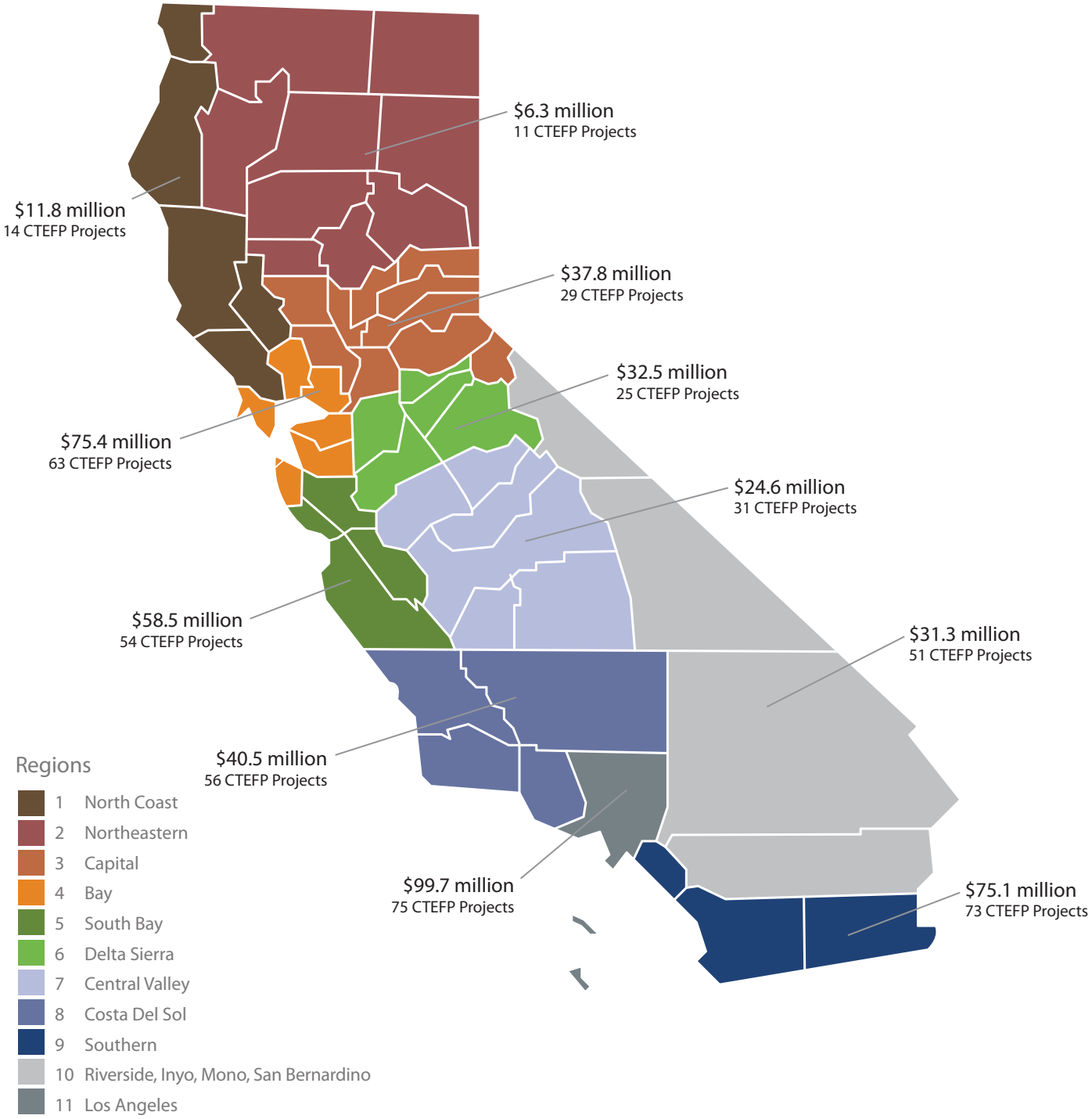
The following chart shows the breakout of Board-approved CTEFP projects from the three funding cycles according to Industry Sector:



INDUSTRY SECTORS	PROJECTS	AUTHORITY	PERCENTAGE
Arts, Media and Entertainment	97	$152.0	30.8%
Agriculture and Natural Resources	73	$63.8	10.2%
Health Science and Medical Technology	51	$50.1	9.4%
Transportation	50	$46.5	7.9%
Engineering and Design Industry	40	$39.2	7.9%
Building Trades and Construction	48	$38.8	7.5%
Hospitality, Tourism, and Recreation	44	$37.1	3.5%
Manufacturing and Product Development	27	$17.3	2.7%
Energy and Utilities	8	$13.3	2.6%
Information Technology	13	$12.6	1.9%
Public Services	10	$9.5	1.9%
Education, Child Development and Family Services	7	$4.5	0.9%
Finance and Business	5	$4.3	0.9%
Marketing, Sales and Service	3	$2.3	0.5%
Fashion and Interior Design	6	$2.0	0.4%

Career Technical Education Facilites Program

The below map illustrates the regional distribution of $493.5 million in Career Technical Education Facilites Program (CTEFP) school facility funding awarded by the State Allocation Board from 1998 to August 31, 2013. The map also shows the regional distribution of projects.



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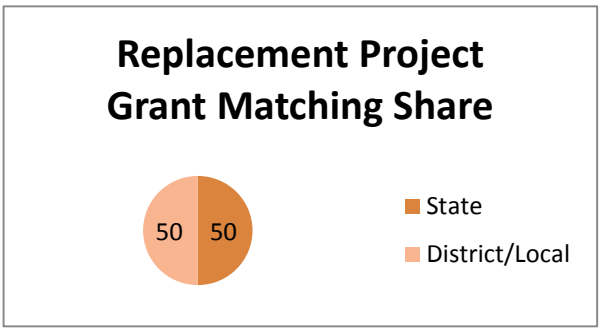
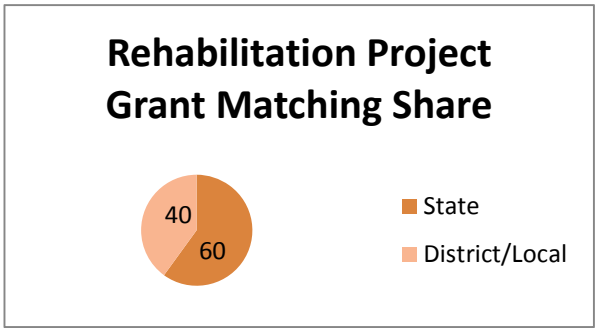
Facility Hardship Program- Part I

Overview

The Facility Hardship program (FHP) provides for the repair, reconstruction or replacement of school facilities when there is either an unmet need for pupil housing due to the facilities being lost or destroyed or if there is a health and safety threat to students and staff related to existing facilities.





Program History

On August 27, 1998, the Governor signed into law the Leroy F. Greene School Facilities Act of 1998, Chapter 407, Statutes of 1998. California voters approved the first School Facilities Program Statewide Bond for $9.2 billion on November 3, 1998. Both the Facility Hardship Program which provides funding for the replacement of facilities and the Excessive Cost Hardship Program, which provides funding for rehabilitation, were part of the original School Facility Program Regulations that were approved and filed with the Secretary of State on December 3, 1998.

Program Eligibility

Districts are eligible to apply for hardship assistance in cases or extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as Category 2 buildings, as defined in the report submitted pursuant to Education Code Section 17317 (Assembly Bill 300 List) and in the School Facility Program (SFP) Regulation Section 1859.2 Definitions. Please see Attachment A for SFP Regulation definition.

Facility hardship funding is provided to replace or construct new classrooms and related facilities if the district demonstrates there in an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils.

The school district must demonstrate to the State Allocation Board (Board) that the health and safety of the pupils are at risk. Factors to be considered include but are not limited to:

- Close proximity to a major freeway, airport, electrical facility, high power transmission lines, dam, pipeline, industrial facility, adverse air quality emission,
- Buildings with structural deficiencies required by the Division of the State Architect (DSA) to be repaired,
- Seismic Mitigation of the Most Vulnerable Category 2 Buildings as verified by the DSA,
- Traffic safety or because the pupils reside in remote areas of the district and transportation to existing facilities is not possible or poses a health and safety risk
- Other health and safety risks

In addition to any other funding authorized by the SFP Regulations, a district is eligible for funding for Rehabilitation Costs as a result of unusual circumstances that created excessive project costs beyond the control of the district.

Application Submittal

To apply for the Facility Hardship Program the District submits the following documentation to have a complete application:

REQUIRED DOCUMENTS	TYPE OF APPLICATION	
	FUNDING	CONCEPTUAL
Facility Hardship Request.	✖	✖
Industry Specialist Report	✖	✖
Governmental concurrence letter	✖	✖
Mitigation Measures	✖	✖
Detailed Cost Estimate	✖	✖
Cost/Benefit Analysis	✖	✖
Site Diagram	✖	✖
Photos (recommended)	✖	✖
Application for Funding (Form SAB 50-04)	✖	
Career Technical Education Advisory Committee certification	✖	
Financial hardship approval (if applicable)	✖	
If Site Acquisition is requested, the following documents: • Appraisal of property • Escrow closing statement or court order • CDE site approval letter	✖	
Final DSA plan approval and DSA-approved plans and specifications (if applicable)	✖	
CDE approval of final plans (if applicable)	✖	
Cost estimate for site development† (if applicable)	✖	
Form HPI-1 (DSA-402) (if requesting the High Performance Incentive grant) (if applicable)	✖	

Conceptual Approval

A district may elect to apply for eligibility determination in advance of project funding. These applications are referred to as "conceptual" applications. *No bond authority is reserved for conceptually approved applications.* By requesting conceptual approval of a project, the District discovers if they are eligible for the Facility Hardship program and the approximate amount of a potential grant for the project.

Application Review

In order to be eligible for the Facility Hardship program a district must demonstrate there is an imminent health and safety threat to the pupils which has resulted in an unmet need for pupil housing.

To determine whether a district has a facility issue that qualifies for Facility Hardship, one of the following items must apply:

1. The facility or lack of facility is creating an imminent health and safety risk to students, or

2. The classroom(s) or related facility lost or destroyed as a result of a disaster such as fire, flood, or earthquake, and the district had demonstrated that the classroom(s) or related facility was uninsurable or that the cost for insurance was prohibitive.

If circumstance 1 or 2 above applies, the district may qualify for Facility Hardship funding. However, other factors must also be taken into consideration and may impact funding, as indicated below:

1. Space is available in the District, High School Attendance Area or Super High School Attendance Area that could for housing some or all of the displaced pupils. Any such space must first be accounted for, which may reduce or eliminate the possibility of Facility Hardship funding. If the district has negative New Construction eligibility, it may have existing available classroom space.

2. The health and safety threat must be supported by documentation from an appropriate governmental agency. For example: Traffic safety hazards must be documented and supported by a letter from a law enforcement agency such as the California Highway Patrol. Structural deficiencies must be supported by a letter from the DSA. This is a requirement in the program and funding can only be provided for the minimum work to mitigate the issue, as verified by the Governmental agency.

3. The cost to rehabilitate and remain in the facility must be greater than 50 percent of the Current Replacement Cost of the facility based on the current square footage of the facility. If it is not, the district may qualify for Rehabilitation Costs.

4. If the district realizes any insurance proceeds, lawsuit litigation proceeds, net sale proceeds or any other proceeds available from the disposition of a qualifying Facility Hardship building(s), any such amount collected by the district will cause its Facility Hardship grant to be reduced by 50 percent of that amount.

Funding

To determine whether a project qualifies for replacement or rehabilitation funding, districts must submit a cost-benefit analysis. The cost benefit analysis compares the Current Replacement Cost to the cost of the minimum work necessary to mitigate the threat and remain in the facility. Based on the cost-benefit analysis, if the cost to remain in the facilities and mitigate the threat is less than fifty percent of the Current Replacement Cost, then the district may qualify for an Excessive Cost Hardship grant for the cost to rehabilitate their facility. If the cost-benefit analysis shows that the cost to remain in the facilities and mitigate the threat exceeds fifty percent of the Current Replacement Cost, then the district may qualify for a grant to replace the facility.

Cost Benefit Analysis examples:

Example using a 5,000 square foot building with no toilet area:

- Minimum mitigation Cost: $500,000
- Current Replacement Cost: 5,000 square feet * $317 = $1,585,000

$500,000 (minimum mitigation cost) / $1,585,000 (Current Replacement Cost) = 32 percent

The project is ineligible for the costs to replace the facility. The project may qualify for Rehabilitation Costs.

Example using a 5,000 square foot building with no toilet area:

- Minimum mitigation Cost: $1,000,000
- Current Replacement Cost: 5,000 square feet * $317 = $1,585,000

$1,000,000 (minimum mitigation cost) / $1,585,000 (Current Replacement Cost) = 63 percent

The project is eligible for the costs to replace the facility. The project is ineligible for Rehabilitation Costs.

Replacement of the Entire School

When a district qualifies for FH replacement of an entire school, SFP Regulation Section 1859.82 states that the district receives per-pupil grants based on either the latest enrollment or current capacity at the site. Therefore, the project is funded as a new construction project and the district may request all additional and Excessive Cost Hardship grants that are available to new construction projects, which may include HPI grants.

Replacement of Facilities on the Same Site

When a district qualifies for replacement of specific facilities on the same site, the district receives a grant on a per-square foot basis outlined in regulation, as a new construction project.

Rehabilitation

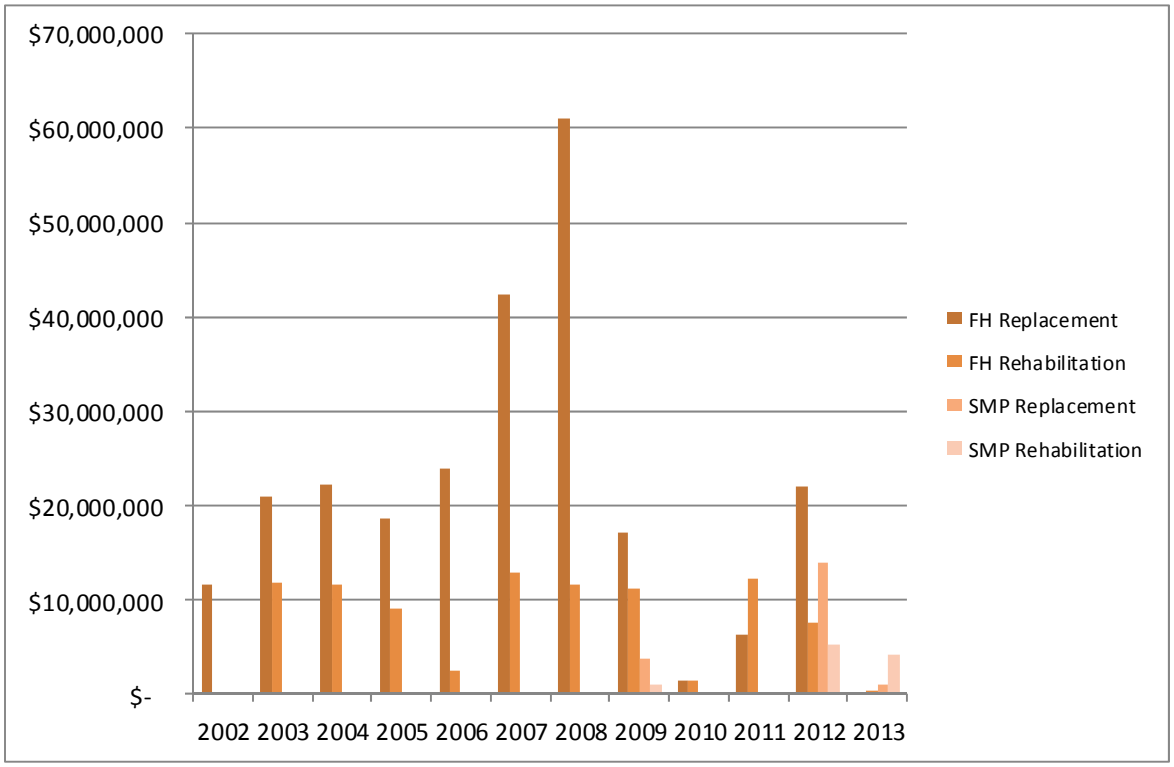
Based on the cost-benefit analysis, if the cost to remain in the facilities and mitigate the threat is less than fifty percent of the Current Replacement Cost, then the district may qualify for an Excessive Cost Hardship grant for the cost to rehabilitate their facility. When a district qualifies for rehabilitation of school buildings, the project is funded based on a cost estimate for the minimum work to gain DSA approval. The grant for rehabilitation projects are based on 60 percent of the cost estimate that is reviewed and approved by OPSC and approved by the Board.

Please see Attachment B for a complete list of additional grants that Facility Hardship projects (including applications for the Seismic Mitigation Program) are eligible to apply for.

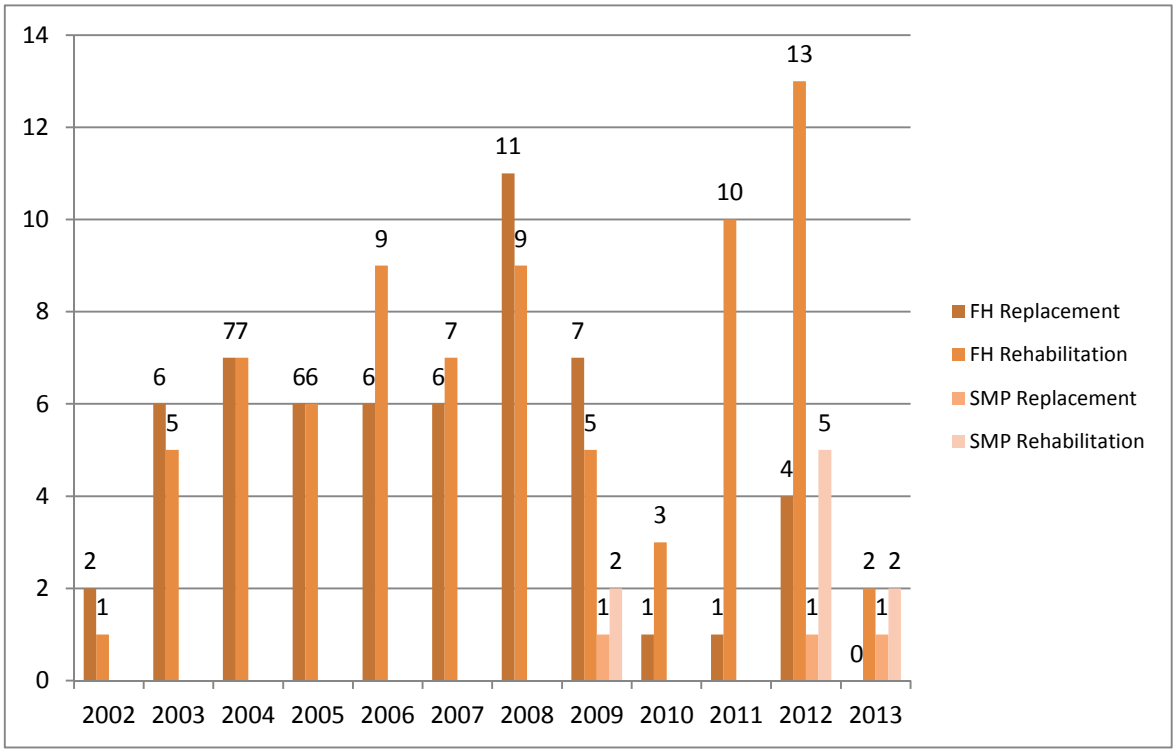
Program Funding Data

To date, the OPSC has provided funding for 60 Facility Hardship replacement projects, including Seismic Mitigation Program replacement projects, with a total State share of $265,828,582. The OPSC has also provided funding for 109 Facility Hardship rehabilitation projects through the Excessive Cost Hardship Grant and Seismic Mitigation Program rehabilitation projects, with a total State share of $102,704,665.

Facility Hardship Funding data:



Project Count:



ATTACHMENT A

School Facility Program Regulations 1859.2 Definitions state in part,

"Most Vulnerable Category 2 Buildings" means the building meets the criteria outlined in Section 1859.82(a)(1)(C)
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,
PC2A – Precast Concrete Frame without Concrete Shear Walls and with Rigid Diaphragms,
PC2 – Precast Concrete Frame and Roofs with Concrete Shear Walls,
URM – Unreinforced Masonry Bearing Wall Buildings,
RM1 – Reinforced Masonry Bearing Wall with Flexible Diaphragms,
URMA - Unreinforced Masonry Bearing Wall with Rigid Diaphragms,
S1B – Steel Cantilever Columns with Flexible Diaphragm,
S3 – Steel Light Frame Metal Siding and/or Rod Bracing, or
M – Mixed construction containing at least one of the above structures types.

School Facility Program Regulations 1859.82(a)(1)(C) state,

(C) The seismic mitigation projects must meet all of the following requirements:
1. The construction contract was executed on or after May 20, 2006;
2. The project funding provided shall be for the minimum work necessary to obtain DSA approval;
3. The building is designed for occupancy by students and staff; and
4. The DSA concurs with a report by a structural engineer, which identifies structural deficiencies that pose an unacceptable risk of injury to its occupants in a seismic event. If the unacceptable risk of injury is due to the presence of faulting, liquefaction or landslide, these hazards must be documented by a geologic hazards report prepared by an engineering geologist in accordance with California Building Code, Part 2, Chapter 18, section 1803A and with the concurrence of the California Geological Survey.
The structural engineer's report shall conform to the guidelines prepared by the DSA, in accordance with Education Code Section 17310.

ATTACHMENT B

Facility Hardship projects (including projects for the Seismic Mitigation Program) are eligible to apply for the following grants in addition to their project grant:

Type of Grant	Facility Hardship Replacement School	Facility Hardship Replacement Facilities	Facility Hardship-Rehabilitation
Energy Efficiency	x	x	
Fire Detection Alarm System	x	x	
Fire Sprinkler System	x	x	
General Site	x	x	
Geographic % factor	x	x	*
High Performance Incentive (HPI)	x	**	**
Labor Compliance Program	x	x	x
Prevailing Wage Monitoring	x	x	x
Multilevel Construction	x	x	
New School Project	x		
Project Assistance	x	x	x
Replacement with Multi-Story	x	x	
Site Acquisition -Actual or Appraised -Real Estate Fees (2%) -DTSC -Haz. Materials -Relocation Costs	x	x	
Site Development -Off-Site -Service Site -Utilities	x	x	
Small Size Project	x	x	
Special Ed. Therapy/Other Area	x	x	
Special Ed. Toilet Area	x	x	
Two-Stop Elevator			x
Urban Security	x	x	

*Only projects eligible for funding for rehabilitation costs through the Seismic Mitigation Program pursuant to Regulation Section 1859.82 are eligible to apply for the additional grant due to Geographic % Factor .Facility Hardship rehabilitation projects eligible for funding of Rehabilitation Costs pursuant to Regulation Section 1859.83(e) are not eligible to apply for the additional grant due to Geographic % Factor.

**These project types will be eligible to apply for the High Performance Incentive Grant once pending regulations are approved.

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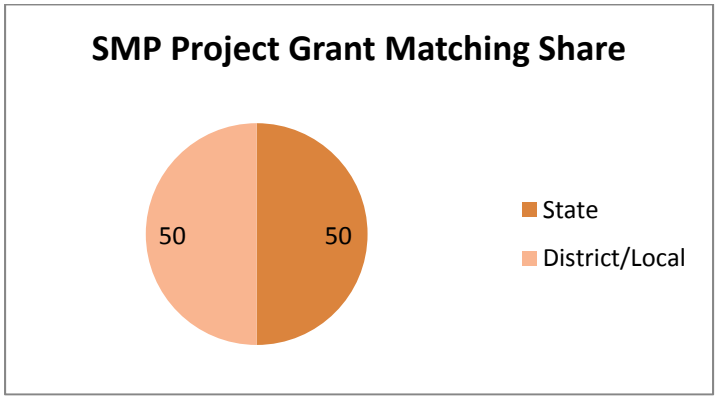
Facility Hardship Part II - Seismic Mitigation Program

Overview

The Seismic Mitigation Program (SMP) is a subset of the Facility Hardship program which provides for the seismic repair, reconstruction, or replacement of the "Most Vulnerable Category 2 Buildings", as defined in the School Facility Program Regulations (see attachment). The SMP grant provides State funds on a 50/50 State and local sharing basis for all eligible projects.



Program History

Proposition 1D, approved by California voters in 2006, provided up to $199.5 million in bond authority for seismic construction projects determined to have "most vulnerable California school facilities" status. As a result, the Board approved amendments to the School Facility Program (SFP) Facility Hardship regulations to create the Seismic Mitigation Program (SMP). The SMP provides grant funds to rehabilitate or replace the "most vulnerable" school facilities, as determined by the Division of the State Architect (DSA). The eligibility criterion for the SMP was amended by the Board in June 2011 to be less restrictive and increase participation in the program.

Program Eligibility

SMP project must meet all of the following criteria:

1. The construction contract was executed on or after May 20, 2006;

2. The project funding provided shall be for the minimum work necessary to obtain DSA approval;

3. The building is designed for occupancy by students and staff; and,

4. The DSA concurs with a report by a structural engineer, which identifies structural deficiencies that pose an unacceptable risk of injury to its occupants in a seismic event. If the unacceptable risk of injury is due to the presence of faulting, liquefaction or landslide, these hazards must be documented by a geologic hazards report prepared by an engineering geologist in accordance with California Building Code, Part 2, Chapter 18, section 1803A and with the concurrence of the California Geological Survey.

Eligibility to participate in the program is determined by the DSA before an application is received by the OPSC. The DSA approval is broken up into four phases;

Phase 1: Eligibility Evaluation
Phase 2: Replacement Option Analysis
Phase 3: Seismic Rehabilitation Pre-Application
Phase 4: Project Application (final plan approval)

Application Review

Once a District submits an application to the OPSC, staff verifies that the project has obtained all the necessary DSA approvals and then proceeds to review the District's application documentation to determine if the application is eligible for program funding. Applications for the SMP are required to submit the following documentation in addition to all the required documentation for a non-SMP Facility Hardship application:

REQUIRED DOCUMENTS for SMP	TYPE OF APPLICATION	
	FUNDING	CONCEPTUAL
Licensed Design Professional Report	✖	✖
DSA Phase 1 Approval Letter	✖	✖
DSA Phase 2 Approval Letter (only applicable for Districts requesting replacement funding)	✖	✖
DSA Phase 3 Approval Letter (only applicable for Districts requesting rehabilitation funding)	✖	✖
DSA Phase 4 Approval Letter (only applicable for Districts who received Phase 3 approval and are requesting rehabilitation funding)	✖	
Geological Report with California Geological Survey concurrence letter (if requesting funding based on a Site hazard like faulting, liquefaction or landslide)	✖	✖

Once the project is determined to meet the eligibility criteria for the SMP the OPSC will review additional criteria to determine if the project is eligible for funding and determine a potential grant amount. The factors that must be taken into consideration and may impact funding include:

1. Space available in the District, High School Attendance Area or Super High School Attendance Area that could for housing some or all of the displaced pupils. Any such space must first be accounted for, which may reduce or eliminate the possibility of Facility Hardship funding. If the district has negative New Construction eligibility, it likely has existing available classroom space.

2. The cost to rehabilitate and remain in the facility must be greater than 50 percent of the Current Replacement Cost of the facility based on the current square footage of the facility. If not, the district does not qualify for replacement funding; instead the project would be eligible for the minimum costs for seismic rehabilitation and any ancillary work required by the DSA as a result of the seismic work.

Conceptual Approval

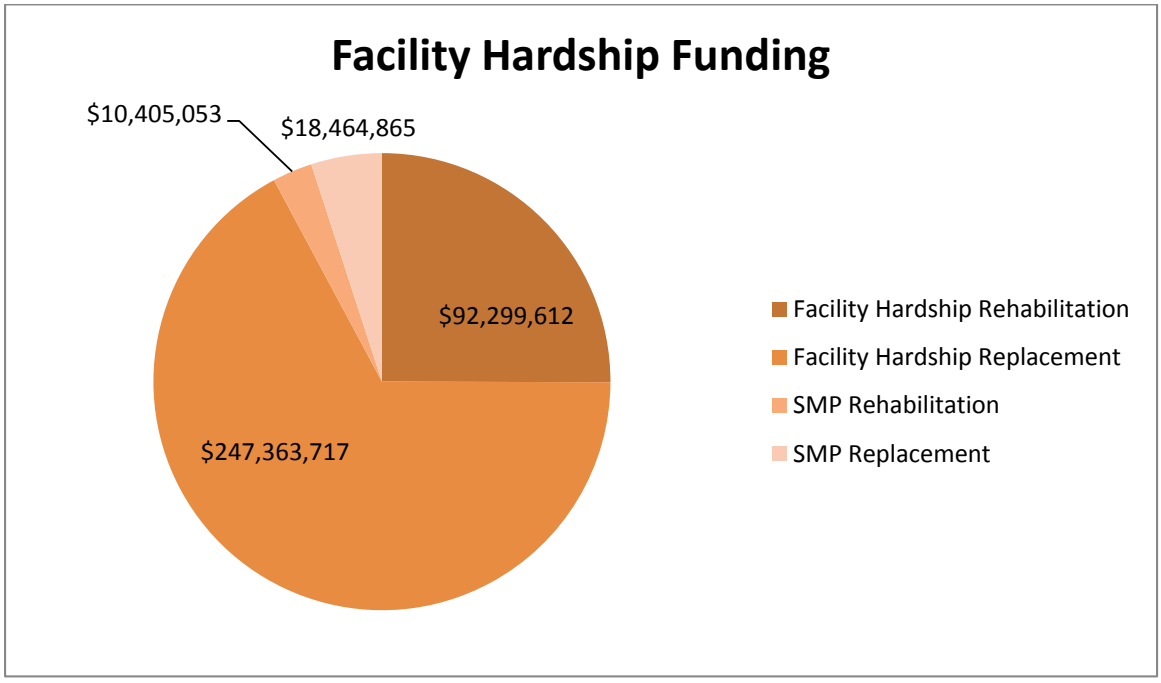
A district may elect to apply for eligibility determination in advance of project funding. These applications are referred to as "conceptual" applications. *No bond authority is reserved for conceptually approved applications.* By requesting conceptual approval of a project, the district discovers if they are eligible for the SMP and the approximate amount of a potential grant for the project.

Funding

To determine whether a project qualifies for replacement or rehabilitation funding, districts must submit a cost-benefit analysis, which follows the same procedure as all other Facility Hardship projects described in Part I.

Program Funding Data

To date, the OPSC has provided funding for 169 Facility Hardship projects. Total funding provided through the Facility Hardship Program is $368,533,247.



ATTACHMENT

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PC2 – Precast Concrete Frame and Roofs with Concrete Shear Walls,
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S1B – Steel Cantilever Columns with Flexible Diaphragm,
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M – Mixed construction containing at least one of the above structures types.

School Facility Program Regulations 1859.82(a)(1)(C) state,

(C) The seismic mitigation projects must meet all of the following requirements:
1. The construction contract was executed on or after May 20, 2006;
2. The project funding provided shall be for the minimum work necessary to obtain DSA approval;
3. The building is designed for occupancy by students and staff; and
4. The DSA concurs with a report by a structural engineer, which identifies structural deficiencies that pose an unacceptable risk of injury to its occupants in a seismic event. If the unacceptable risk of injury is due to the presence of faulting, liquefaction or landslide, these hazards must be documented by a geologic hazards report prepared by an engineering geologist in accordance with California Building Code, Part 2, Chapter 18, section 1803A and with the concurrence of the California Geological Survey.
The structural engineer's report shall conform to the guidelines prepared by the DSA, in accordance with Education Code Section 17310.

High Performance Incentive Grant

Overview

The High Performance Incentive (HPI) grant is a supplemental grant that is awarded as part of a larger School Facility Program (SFP) project. The purpose of the grant is to provide additional funds to New Construction, Modernization, Overcrowding Relief Grant, Critically Overcrowded Schools, Charter, Career Technical Education Facilities Program (CTEFP), and Facility Hardship projects. Projects that have design elements that promote energy and water efficiency, maximize the use of natural lighting, improve indoor air quality, utilize recycled materials, and materials that emit a minimum of toxic substances, and employ acoustics that are conducive to teaching and learning may be eligible to receive an HPI grant.

Program History

The HPI grant was initially established by Kindergarten-University School Facilities Act of 2006 (Assembly Bill 127). Proposition 1D provided $100 million for "incentive grants to promote the use of designs and materials in new construction and modernization projects that include the attributes of high-performance schools." SFP Regulations were developed to implement this law and award grants based on how many high performance attributes a project contains.

Changes to the SFP Regulations were made in 2011 to provide further incentive for districts to request HPI funding. Among the changes was the addition of a base incentive grant for individual school sites, as well as adding credits and updates to the existing point system.

As of the June 26, 2013 State Allocation Board (Board) meeting, $60.1 million in HPI funding has been approved by the Board, with an additional $1.5 million being set aside for administrative costs through the 2014/2015 fiscal year, leaving $38.4 million remaining to fund future SFP projects with high performance attributes.

Program Eligibility

The HPI grant is structured in regulations as a supplemental grant to a qualifying SFP project. The High Performance Rating Criteria (HPRC) was established to determine the high performance attributes in a project, and assign each application a score that will be used to determine the amount of additional funding a project receives.

The HPRC was modeled after the rating criteria as identified in the 2002, 2006 and 2009 California Collaborative of High Performance Schools criteria. However, the criteria were modified to assure that funds allocated from this program focus on facility components that enhance high performance. In order to be eligible for the HPI grant, a project must include components from each of the following five pre-requisite HPRC categories:

- Sustainable Site Selection
- Reduced Water Usage
- Energy Efficiency
- Use of Sustainable, Renewable, and/or Recycled Materials
- Indoor Environmental Quality

The Division of the State Architect (DSA) reviews the plans using the HPRC to determine the number of High Performance Credits attained in the project design. In order to qualify for the additional grant, new school/new construction projects must meet all prerequisites in all HPRC categories; then, the district may select the credits it wishes to pursue. The minimum point threshold to qualify for the HPI grant is 27 points and the maximum possible is 88 points, with a minimum of four points being obtained in the superior energy performance and/or alternate energy sources categories.

New Construction additions to a site and modernization projects must meet all the prerequisites in the HPRC categories that are within the scope of the project; then, the district may select the credits it wishes to pursue. The minimum point threshold to qualify is 20 points and a maximum of 84 points can be attained.

New School Projects
- 27 point minimum threshold
- 88 points maximum

Additions to Existing Site/Modernization Projects
- 20 point minimum threshold
- 84 point maximum

Funding

All projects meeting the 2009 HPRC requirements are now eligible to receive the High Performance Base Incentive (HPBIG) grant, to encourage participation in acquiring HPI grants and also to offset some of the differential costs that come along with the installation of high performance building components. The HPBIG grant is $150,000 for a new school and $250,000 for a modernization project or a new construction project at an existing site. Projects are then awarded additional funds on a sliding scale basis for the number of HPI points awarded for the project.* The following chart shows the approximate base grant percentage increase for the number of HPI points in a project meeting the 2009 HPRC requirements:

New Schools

HPI Points	Base Grant Increase Percentage Range
24 -29	2% - 2.9%
30 - 33	3% - 3.9%
34 - 36	4% - 4.9%
37 - 39	5% - 5.9%
40 - 42	6% - 6.9%
43 - 45	7% - 7.9%
46 - 47	8% - 8.9%
48 - 63	9% - 9.9%
64 - 80	10% - 10.9%
81 - 88	11% - 11.45%

Modernization or New Construction Addition to Existing Site

HPI Points	Base Grant Increase Percentage Range
20 -29	2% - 2.9%
30 - 33	3% - 3.9%
34 - 36	4% - 4.9%
37 - 39	5% - 5.9%
40 - 42	6% - 6.9%
43 - 45	7% - 7.9%
46 - 47	8% - 8.9%
48 - 63	9% - 9.9%
64 - 80	10% - 10.9%
81 - 84	11% - 11.21%

* CTEFP projects that attain the 27 point minimum receive the HPBIG, but are not eligible for the percentage increase to the base grant.

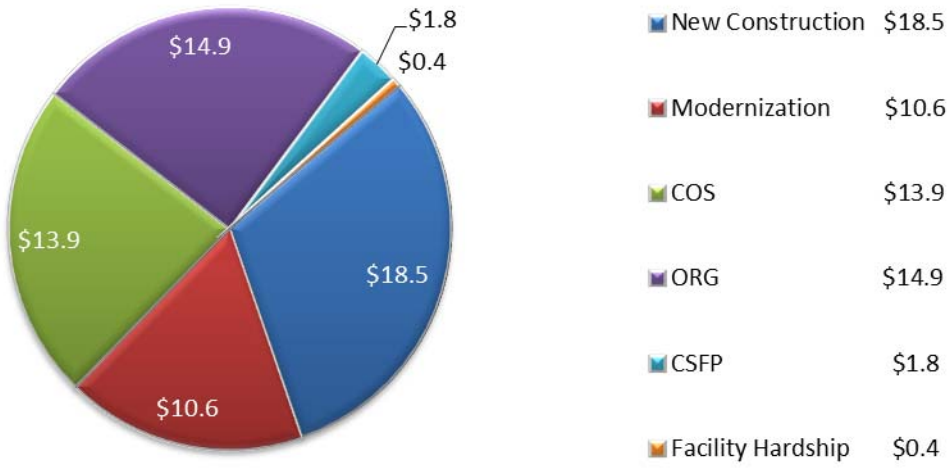
Example 1: Modernization Project with 46 HPI Points
Project Base Grant = $500,000

HPBIG = $250,000
Project Base Grant Increase = $500,000 x 8.32%* = $41,600
Total HPI Grant = $250,000 + $41,600 = $291,600

*8.32 % is calculated by combining 4% of the base grant received for attaining 34 points with an additional 0.36 % for each point from 35 to 46. (0.36% X 12) + 4% = 8.32%.

Program Funding Data

The chart below shows the total amount of HPI funding provided for the different SFP programs (amounts in millions):



Joint-Use Program

Overview

The Joint-Use Program allows districts to partner with another entity to construct or renovate facilities to be used jointly by both parties. A district can utilize funds from a joint-use partner to build specific core facilities that the district would not otherwise be able to build due to lack of financial resources. A joint-use partner must be a government agency, higher education entity, or a non-profit organization. The types of buildings that can be built include multipurpose rooms, gymnasiums, childcare facilities, libraries, and teacher education facilities.

Joint-Use Partners

- Government Agency
- Higher Education Entity
- Non-Profit Organization

Types of Buildings

- Multipurpose Room
- Gymnasiums
- Childcare Facilities
- Libraries
- Teacher Education Facilities

The joint-use grant provides State funds on a 50/50 State and local sharing basis. The joint-use partner must match a minimum of 25 percent of the eligible project costs. If the district has passed a bond which specifies that the funds are to be used specifically for the purposes of the joint-use project, then the district can opt to pay up to the full 50 percent local share of eligible costs. Anything beyond the eligible project cost is the responsibility of the joint-use partner and/or the district. Financial hardship is not available in the Joint-Use program.

Projects are funded on a square footage basis, based on the total toilet and non-toilet square footage in the project. The per-square foot grant amount is adjusted annually to reflect increases to the Class B Construction Cost Index (CCI). Each project has a maximum State contribution of $1 million for an elementary school, $1.5 million for a middle school, and $2 million for a high school. Projects are funded through annual funding rounds. Applications are accepted during the annual filing periods that begin on March 2 and close on March 1 of the following year, when bond authority is available. At this time, bond authority is exhausted; therefore, applications are not being accepted.

Program History

The Joint-Use Program was first established by Kindergarten-University Public Education Facilities Bond Act of 2002 (Assembly Bill 16). Bond authority has been provided in subsequent statewide bond measures as follows:

	FUNDS BECAME AVAILABLE	AMOUNT
Proposition 47	November 2002	$50 million
Proposition 55	March 2004	$50 million
Proposition 1D	November 2006	$29 million
SAB Fund Transfer	November 2006	$21 million

These funds have all been apportioned through a total of nine annual funding cycles from July 2003 through July 2012 (there was no funding cycle in 2011).

Program Eligibility

There are two types of joint-use projects, each with different eligibility requirements. A Type I project is part of a qualifying School Facility Program (SFP) new construction project, while a Type II project is either part of a qualifying SFP modernization project or a stand-alone new construction project. The full requirements are listed below:

TYPE I JOINT-USE REQUIREMENTS

- Project increases the size and/or creates extra cost that exceeds the listed SFP amount for the Multipurpose room, Gymnasium, Childcare facility, Library, or Teacher Education facility
- District and partner have executed an approvable Joint-Use Agreement
- Project has Square Footage Eligibility as specified in SFP Regulations, Section 1859.124 (except a Type I Extra Cost project)
- Joint-Use facility and SFP project are located on the same school site
- Construction contract was executed after April 29, 2002
- Project plans are approved by the DSA and CDE

TYPE II JOINT-USE REQUIREMENTS

- Project reconfigures existing school buildings and/or constructs new buildings that exceeds the listed SFP amount for the Multipurpose room, Gymnasium, Childcare facility, Library, or Teacher Education facility
- District and partner have executed an approvable Joint-Use Agreement
- Project to reconfigure an existing building is part of a qualifying SFP modernization application located at the school site of the SFP project, or
- Project to reconfigure or construct a new school building is a stand-alone project located on the public K–12 school site
- Project meets the square footage eligibility requirements specified in SFP Regulation Section 1859.124
- School site does not have the type of facility or the existing facility is inadequate
- Construction contract was executed after April 29, 2002
- If the project is part of an SFP modernization application, project has DSA and CDE final plan approval; or
- If the project is a stand-alone project, project has preliminary plans and CDE approval of the preliminary plans

Under the requirements for a Type II Joint-Use project, an existing facility is considered inadequate when the square footage of the existing facility is less than 60 percent of the square footage allowance shown in the Chart of Square Footages in Regulation Section 1859.124.1:

Facility Type	Elementary School (K-6 or K-8)	Middle School (7-8 or 6-8)	High School (7-12 or 9-12)
Multipurpose Room (includes food service)	5.3 per pupil Minimum 4,000	5.3 per pupil Minimum 5,000	6.3 per pupil Minimum 8,200
Gymnasium (includes shower/locker)	12.9 per pupil* Minimum 6,828* Maximum 16,000*	12.9 per pupil Minimum 6,828 Maximum 16,000	15.3 per pupil Minimum 8,380 Maximum 18,000
Library	2.3 per pupil plus 600	3.3 per pupil plus 600	4.3 per pupil plus 600
Teacher Education**	39 per pupil or as approved by CDE		
Pupil Academic Achievement***	39 per pupil or as approved by CDE		
Childcare	60 per child - Minimum 1,440		

*Available only to K-6 schools if there is no multipurpose room or the existing multipurpose room is inadequate on the campus and the Joint-Use Agreement includes gymnasium space rather than a multipurpose room.
** Subject to the CDE approval.
***Subject to the CDE approval. Plans and specifications must be accepted by the DSA for review and approval prior to 1/1/04.

A district is eligible to receive funding up to the maximum square footage listed in the chart. No adjustment is made for the existing square footage if it is determined to be inadequate.

Funding

Since its inception, there have been nine Joint-Use Program funding cycles. Applications for each cycle were originally accepted between June 1 and May 31 of each year, with SAB approval in July of each year. Changes to the SFP Regulations in 2008 led to the funding cycles eventually changing to March 2 through March 1 of each year, with projects presented to the SAB once all reviews have been completed. Districts may submit more than one application, and applications are ranked based on date order received.

Type I projects are funded first, ranked in order of received date, and then Type II projects are funded, ranked in order of received date. A district's first application for each type is ranked and funded with other district's first applications. The district's second application is then ranked and funded with other districts' second applications, and so on until the funds are exhausted or all applications are funded. This ranking takes place regardless of project type. For example, even though one District A may have submitted two Type I projects and District B submitted one Type II project, District B's project would still be funded ahead of District A's second application, even though Type I projects are generally funded first. This ensures that one district does not receive multiple approvals while another district receives none.

Below is an example of a funding order in which two districts submitted two Type I projects and one Type II project each, while a third District submitted only a Type II project. In this example, District A's projects were ranked highest (received earlier) for both Type I and Type II, followed by District B's, leading to the funding order:

Funding Order	District	Project	Received Date
1	District A	Type I Project #1	1/1/12
2	District B	Type I Project #1	1/2/12
3	District C	Type II Project	10/1/11
4	District A	Type I Project #2	1/1/12
5	District B	Type I Project #2	1/2/12
6	District A	Type II Project	9/25/11
7	District B	Type II Project	9/26/11

With the exception of a Type I project for Extra Cost, the joint-use grant will consist of a base grant for toilet and non-toilet facilities, which can be increased by qualifying supplemental grants. The 2013 base grant is $287 per square foot for toilet area and $159 per square foot for non-toilet area, amounts which may be adjusted annually using the Class B construction cost index. Each project has a maximum state contribution cap of $1 million for an elementary school, $1.5 million for a middle school, and $2 million for a high school.

Joint-Use Program Allowances

Toilet Area Allowance	$287 per square foot
Non-Toilet Area Allowance	$159 per square foot
Project Cap (Elementary School)	$1 million
Project Cap (Middle School)	$1.5 million
Project Cap (High School)	$2 million

The following is a brief explanation all of the base and supplemental grants available under the Joint-Use Program:

Name of Grant	How to qualify	Purpose	State Share Calculation
Joint-Use Base grant	Based on per square foot amount for toilet and non-toilet space in the project (not for Extra Cost projects)	To fund building construction above and beyond that provided by the SFP base pupil grant	$287 per s.f. (Toilet) $159 per s.f. (Non-Toilet); subject to annual adjustment
Site Development Grants	Project has specific service site development or utilities costs specific to the Joint-Use project	To fund specific itemized site development such as site clearance, rough grading, soil compaction, drainage, and eligible erosion control; and utilities such as water, sewer, gas electric, and telephone.	Specific costs
Project Assistance	Type II Stand Alone projects where the district enrollment is 2,500 pupils or less	To fund costs associated with the preparation and submission of the funding application	$5,884 (subject to annual adjustment)
Geographic Percent Factor	The project will be in a specific geographic region identified in SFP Regulations	Supplemental grant for increased costs associated with remote/difficult to access locations, or areas lacking a large pool of contractors	From 5% to 50% of the Base Grant, depending on location
Small Size Project	The proposed project is will house no more than 200 pupils	To provide additional funds for core facilities and to make up for the lack of economies of scale for small projects.	12% of Base Grant if less than 100 pupils; 4% if between 101-200 pupils; 8% for Type II Stand Alone Projects
Urban Allowance	The proposed site size is less than 60% of the CDE recommended site size (and for new construction, multilevel must be requested and the value of the property must be at least $750,000 per acre)	To fund costs related to building on impacted and/or urban sites; including security on such sites	Percentage of Base Grant based on the size of the site related to the CDE Recommended Site Size
Prevailing Wage Monitoring Grant	Projects with construction contracts awarded on or after 1/1/12.	To fund the implementation and enforcement of a Labor Compliance Program	One quarter of one percent of the total State share of the project

Type I Funding and Eligibility Considerations

There are two types of Type I projects. A Type I project must either qualify by incurring extra costs or by building an increased size facility, or both. Each must exceed the normal allowable size or cost for the building type, as the standard building is provided for in the Base Pupil Grant of an SFP project.

Type I Joint-Use Grant (Increased Size)
The majority of Type I Joint-Use Projects are for an increased sized facility. A project is eligible for a Type I Joint-Use Grant (Increased Size) if it is building an eligible facility that exceeds the size that is normally provided for in the base pupil grant and the site has square footage eligibility. The square footage eligibility for a Type I Joint-Use project that increases the size of the project is calculated by first determining what size facility the district is entitled to based upon the enrollment and the Chart of Square Footages, SFP Regulation Section 1859.124.1. Then simply subtract this amount from the actual square footage being built, and the difference is the square footage eligibility.

The following is an example of determining square footage eligibility for a 5,000 square foot multipurpose room (all non-toilet space) at an elementary school serving 400 pupils:

Standard Size = 4,000 s.f. (5.3 s.f. X 400 pupils = 2,120, minimum size is 4,000 s.f.)

Actual Size (5,000 s.f) – Standard Size (4,000 s.f.) = Eligible Square Footage (1,000 s.f.)

Once the square footage eligibility is established, the grant can be determined. The first step in determining the grant is to take the square footage eligibility and divide it by the total square footage of the facility being built. This will determine the percentage of the whole joint-use facility that the increased size represents. The base grant then is calculated by multiplying this amount by:

$287 for Toilet Square footage in the facility
$159 for Non-Toilet Square footage in the facility

1,000 (Eligible s.f.) / 5,000 s.f. (Actual Size) = 20%

$159 (Non-Toilet Grant) X 5,000 (Actual Size) X 20% = $159,000 (Grant Amount)

In addition to the above, the project may be eligible for 50 percent of applicable supplemental grants.

Type I Joint-Use Grant (Extra Cost)
A project is eligible for a Type I (Extra Cost) when the cost estimate for the Joint-Use facility, when compared to the total size of the facility, exceeds what is covered in the new construction base pupil grant. This is the case if the actual cost exceeds the per square foot amounts set in SFP Regulation Section 1859.124.1. Type I (Extra Cost) projects do not need to establish square footage eligibility. The grant for a Type I Extra Cost is determined by taking 50 percent of the construction cost of the whole joint-use facility and any applicable service site development costs for the Joint-Use building (using the district's cost estimate), and subtracting the base grant amounts of $287 (toilet area) in the project and $159 (non-toilet area) in the project. The difference is the extra cost that is eligible for funding.

The following is an example of an extra cost grant for a 4,000 square foot multipurpose room (3,000 s.f. non-toilet space, 1,000 s.f. toilet space) with a cost estimate of $1.5 million:

$159 X 3,000 = $477,000 (Standard Non-Toilet Amount)

$287 X 1,000 = $287,000 (Standard Toilet Amount)

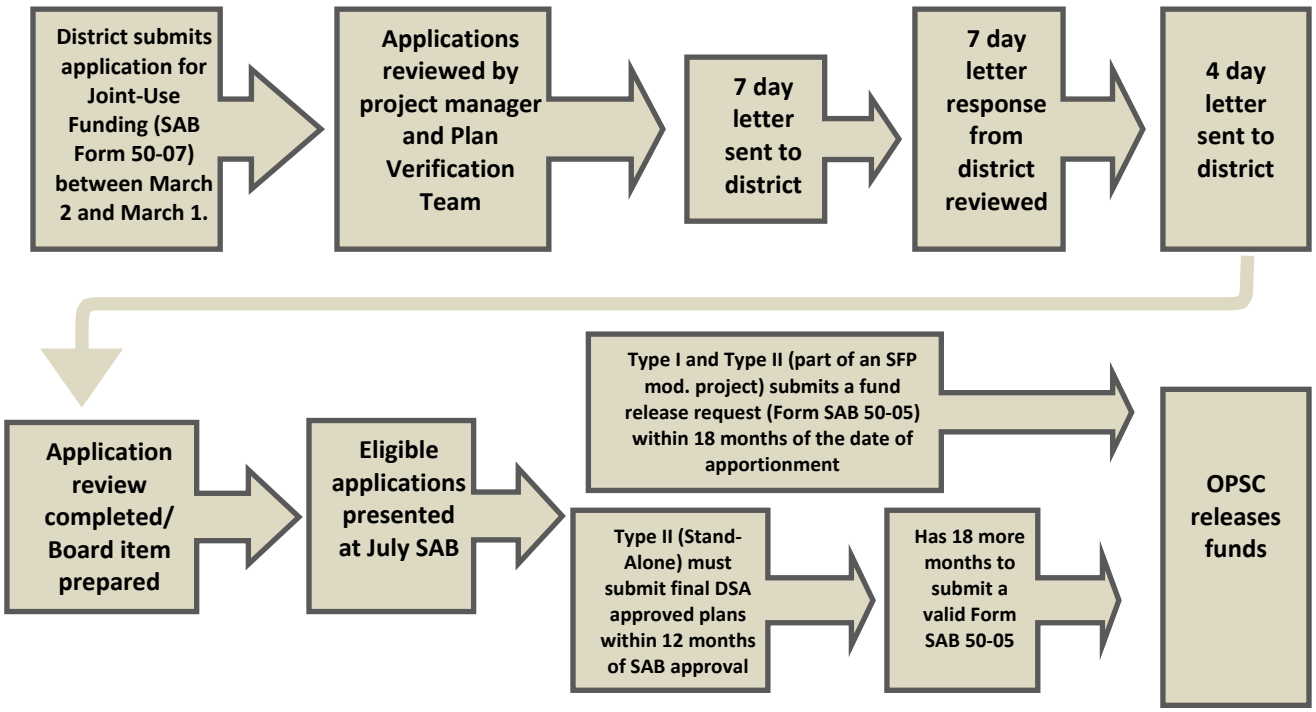
$477,000 + $287,000 = $764,000 (Amount to be deducted)

$1,500,000 (Cost Estimate) - $764,000 = $736,000 Extra Cost Grant Amount

In some instances, a Type I project may be for both increased size and extra cost. The calculations are combined in order to determine the total Joint-Use grant amount.

Application Processing

Applications for each filing round are reviewed and ranked by the Office of Public School Construction (OPSC) to determine a funding order. CDE and DSA approvals are required, with the exception of Type II Stand-Alone projects, which can obtain CDE and DSA approvals up to 12 months after apportionment. Application issues are resolved in a similar manner to the 15-day and 4-day letter process of SFP new construction and modernization. However, the Joint-Use Program uses 7-day and 4-day letters to resolve outstanding issues. Once all applications reviews have been completed and all issues addressed, all projects for a round are presented at that year's July SAB for apportionment by the Board.



Fund Release Process

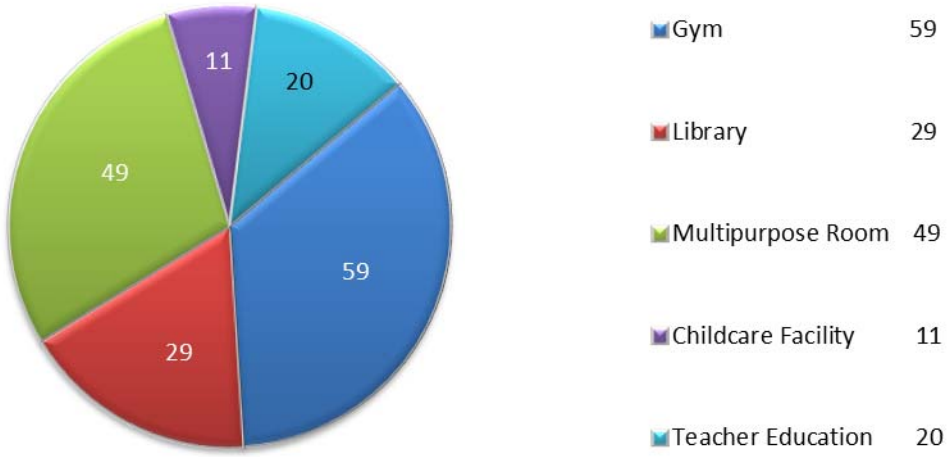
The requirements for submitting a valid *Fund Release Authorization* (Form SAB 50-05) are the same as most other SFP programs. The District must be under contract for 50 percent of the work in the approved plans and the Notice to Proceed must have been issued.

Most Joint-Use Program fund releases are handled in the traditional 18 month Time Limit on Fund Release model, where a District has 18 months from the time of SAB apportionment to submit a valid Form SAB 50-05. However, Type II Stand-Alone projects are the exception to this as they are not required to have DSA and CDE approved plans in order to receive an apportionment. Type II Stand-Alone projects have 12 months from apportionment to gain DSA and CDE final plan approval. Once this approval is submitted, a Type II Stand-Alone project would *then* have 18 months from that point to submit a valid Form SAB 50-05. Projects that do not submit a valid Form SAB 50-05 within their Time Limit on Fund Release are rescinded and the funds are reallocated in a future Joint-Use funding cycle.

The Joint-Use Program has always had separate bond authority and there has always been cash proceeds to back this authority, so the Joint-Use Program funding cycles have always been given direct apportionments and have not been subject to receiving an unfunded approval or participating in the Priorities in Funding process.

Program Funding Data

The chart below shows the types of facilities built within the Joint-Use Program:



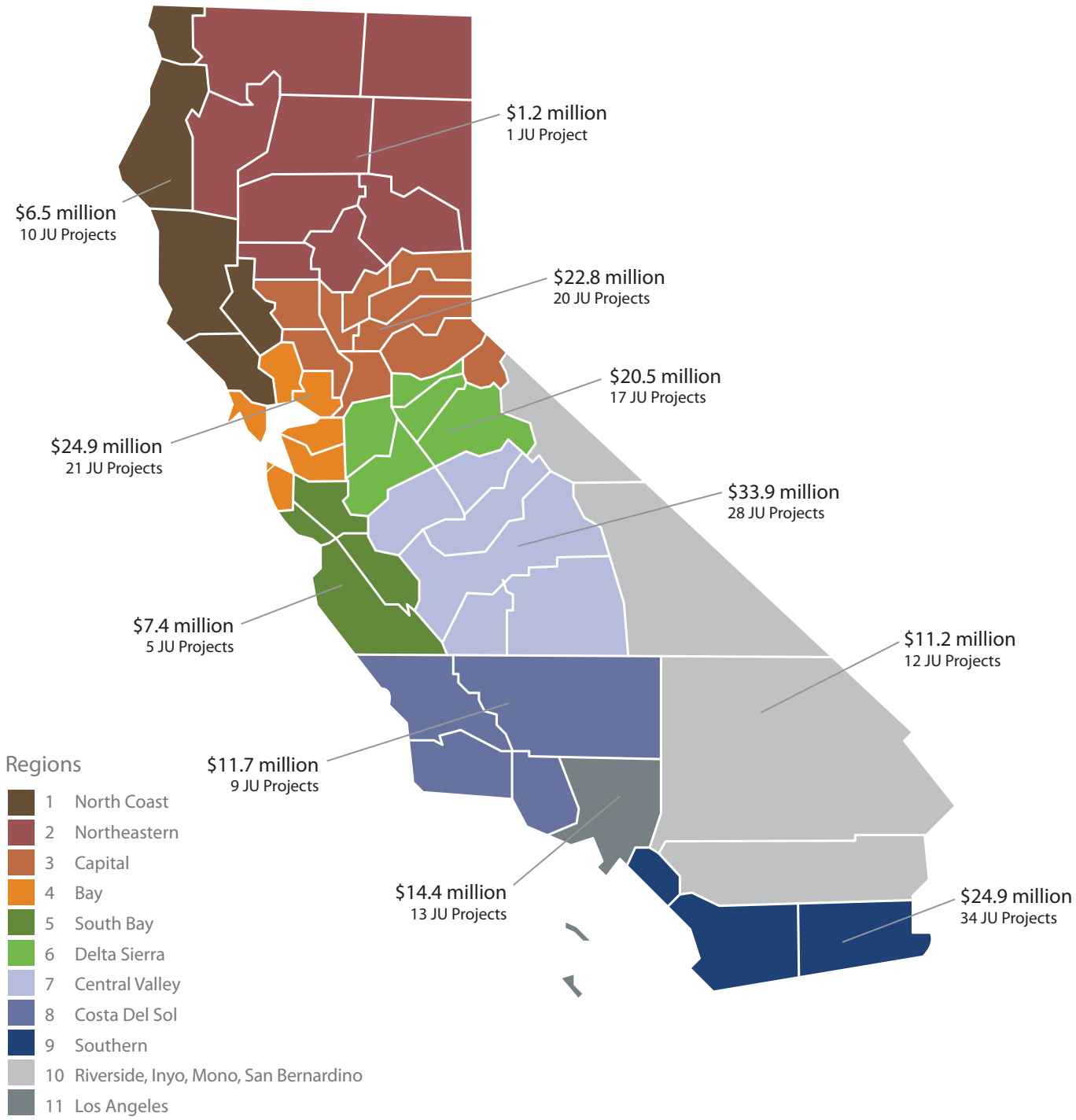
This table shows the different types of Joint-Use partners that have participated in the 170 Joint-Use projects:

Government Agency	Higher Education Entity	Non-Profit Organization
98 projects*	21 projects*	53 projects

*There are two Joint-Use projects that have both a Government Agency and a Higher Education Entity as partners

Joint–Use Program

The below map illustrates the regional distribution of $179.4 million in Joint–Use (JU) school facility funding awarded by the State Allocation Board from 1998 to August 31, 2013. The map also shows the regional distribution of projects.



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Overcrowding Relief Grant Program

Overview

The Overcrowding Relief Grant Program (ORG) provides funding for the creation of additional open space for play areas, green space, or outdoor lunch areas through the reduction of portable classrooms on overcrowded school sites. Districts may replace portable classrooms with permanent classrooms at the same school site, or they may consolidate the replacement by removing portables from multiple sites and constructing permanent classrooms at a new site or an existing site that will not become overcrowded as a result of the project. Unlike the new construction program, the ORG funding does not provide additional pupil capacity for unhoused pupils.

ORG Site: J. O. Ford Elementary, West Contra Costa Unified School District

Before

After

Photo Credit: Misha Bruk

Districts do not need to demonstrate School Facility Program (SFP) new construction or modernization eligibility to request ORG funding. Instead, districts must demonstrate ORG eligibility. Eligible ORG school sites must have a pupil density equal to or greater than 175 percent of the California Department of Education's (CDE) recommended pupil density (pupils per acre). Pupil density is based on the 2005/2006 academic year enrollment.

ORG projects receive the same per-pupil "base" grant funding and supplemental grants that are available to new construction projects. The base grant is intended to fund design, construction, testing, inspection, furniture and equipment, and other costs closely related to the actual construction of the school buildings. Supplemental grants include site development, site acquisition, hazardous waste removal, automatic fire detection/alarm and sprinkler, High Performance Incentive, Prevailing Wage Monitoring and more. As required by statute, the State Allocation

Board (Board) adjusts the per-pupil grant amounts annually to reflect changes in the Class B Construction Cost Index[1]. There is no cap on project funding.

State and District Match For Eligible Grants

The ORG program provides funds on a 50/50 State and local sharing basis. Financial hardship assistance is available for qualifying districts that are unable to provide all or a portion of their local match.

The ORG program has up to two funding cycles per year, subject to the availability of bond authority. Within each cycle, the law requires the Board to fund projects with the highest source school pupil density first. Portable classrooms that are replaced with ORG funds must be removed from the eligible school site and from K-12 grade use within six months after the date of initial occupancy of the permanent classrooms. The ORG grant cannot be used to transport replaced portable classrooms to another site.

Eligibility

Eligibility for the ORG program is determined first by identifying overcrowded sites and then by calculating the maximum number of eligible pupils in the district.

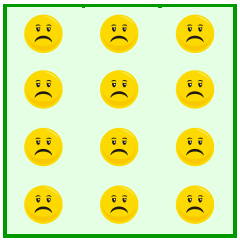
Overcrowded Sites

To participate in the ORG program, districts must have overcrowded school sites based on population density, as verified by the CDE, using the 2005/2006 California Basic Educational Data Systems enrollment. For the purposes of the program, a school site is overcrowded when it has pupil population density equal to or greater than 175 percent of CDE's recommended population density. Additionally, population density is reduced to account for multistory construction, approved new construction projects, and approved apportionments for the Critically Overcrowded Schools program. In order to determine their ORG-eligible schools, districts must submit the *Overcrowding Relief Grant Eligibility Determination* form for each school site to the CDE for verification.

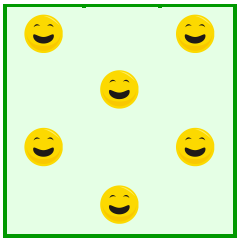
The resulting site-specific ORG eligibility is the lesser of the following:

1. The number of pupils in excess of 150% of the CDE recommended pupils for the site, or
2. The pupil capacity of the portable classrooms at the school site, less the number of pupils who are housed in Class Size Reduction (CSR) portable classrooms. Pursuant to Education Code (EC) Section 17079.10(a), each elementary school ORG eligibility application is reduced by the pupil capacity of the average number of districtwide CSR portables per elementary school in the district.

Eligible Overcrowded Site
Exceeds 175% CDE Recommended Pupil Density



Site Overcrowding Relieved
Pupil Density Reduced to 150% CDE Recommended



or = *25% CDE Recommended Pupil Density*

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

Maximum Eligible Pupils

Each district's total ORG per-pupil grant funding for all applications is capped at the capacity of portable classrooms that were counted toward its SFP new construction classroom capacity. Therefore, in addition to establishing site-specific eligibility, districts must establish a districtwide (or High School Attendance Area/Super High School Attendance Area) ORG eligibility cap by using the *Overcrowding Relief Grant District-wide Eligibility Determination* (Form SAB 50-11). Districts may establish the eligibility cap prior to or concurrently with the submittal of a funding application.

ORG Funding

ORG funding applications are accepted and presented to the Board on a cyclical basis. Statute allows up to two funding cycles per year, subject to the availability of bond authority. To date, twelve funding cycles have been established. The Board has approved funding for eleven cycles, and the twelfth cycle is under way.

The law gives funding priority to projects that relieve sites with the highest pupil density. If there is insufficient funding for all applications in a funding cycle, then projects with the highest density source school sites are funded first. To apply for ORG funding, districts must submit a complete funding application with the plans and specifications and necessary State agency approvals. Because of the funding cycles and the requirement to fund the highest density projects first, ORG funding approval is not guaranteed when the district submits a full grant application. Therefore, the ORG program only provides unfunded approvals or apportionments for projects with completed designs. As a result, design and site apportionments are not available to financial hardship districts. However, the ORG makes certain accommodations for Financial Hardship districts, which are detailed in the next section's descriptions of documents required for ORG funding applications.

Documents Required with Application for Funding

A district can file a funding application once it has obtained the required State agency approvals and has established site specific and districtwide ORG eligibility. The Form SAB 50-11 can also be submitted concurrently with the funding application. The documents required for ORG applications are substantially similar to those required for new construction adjusted grant applications. The following documents must be submitted to request new ORG funding:

ORG Funding Required Documents

Overcrowding Relief Grant District-wide Eligibility Determination (Form SAB 50-11), and CDE-approved *Overcrowding Relief Grant Eligibility Determination* forms for ORG eligible sites.
Application for Funding (Form SAB 50-04)
Financial hardship approval (if applicable)
ORG project narrative
Final Division of the State Architect (DSA) plan approval and DSA-approved plans and specifications
CDE approval of final plans
Career Technical Education Advisory Committee certification
Appraisal of property to be acquired (if applicable)
Escrow closing statement or court order* (if applicable)
CDE approval of site (if applicable)
Copy of the Resolution of Necessity for the initiation of condemnation proceedings (only for Financial Hardship applications, if applicable)
Cost estimate for site development†
Plan‡ and cost estimate for off-site development funding requests
Form HPI-1 (DSA-402) (if requesting the High Performance Incentive grant)

* For Financial Hardship districts, the court order(s) for property being acquired by condemnation is not required to be submitted with the funding application. Escrow documents, title, or lease documents meeting the requirement s of SFP Regulation Section 1859.22 are required for all other property in the application that is not being acquired by condemnation. Once the ORG application is approved, the district may request a fund release of the site acquisition project costs. However, the district must produce the court order for prejudgment possession verifying the initial amount to be paid through condemnation proceedings in order to receive a fund release for the non-site acquisition project costs.

† SFP Regulations, Section 1859.76, "Additional Grant for Site Development Costs."

‡ Plan must be approved by the local entity, see *Architectural Submittal Guidelines* for further information.

Required Documents Specific to ORG Applications

The following documents are specifically required for ORG funding applications. In addition, ORG applications also require the same documentation that is required for new construction funding applications. A full description of the documents required for ORG funding applications is provided in Attachment A.

ORG Eligibility Documents
Before submitting an ORG funding application, the district must establish site-specific ORG eligibility with CDE. If the district has not previously established districtwide ORG eligibility, the district must submit the Form SAB 50-11 along with the funding application.

ORG Project Narrative
District must submit a narrative that demonstrates that the project will relieve overcrowding at the eligible school(s) by increasing useable outdoor space for uses such as play areas, green space, or outdoor lunch areas.

Financial Hardship Approval (if applicable)
A Financial Hardship approval letter from the OPSC is required for districts requesting financial hardship assistance. Because of the filing periods and requirement to fund the highest density projects first, ORG funding approval is not guaranteed when the district submits a full grant application. Therefore, unlike new construction and modernization, the ORG program does not provide design and site apportionments to financial hardship districts.

However, districts have the option of acquiring bridge financing to fund the design and planning of their projects. Districts can also set aside funds for site acquisition and design for an ORG project. Site acquisition and design funds that are set aside in a special reserve fund for the ORG project pursuant to SFP Regulation Section 1859.81(a)(6) will not be counted toward funds deemed available as a matching contribution for other projects. The total amount of reserve set aside shall not exceed the total amount of site acquisition and design costs. If it is determined that the district qualifies for financial hardship assistance, the State will pay up to the district's full matching share at the full grant apportionment.

Escrow Closing Statement or Order of Prejudgment Possession
Because the ORG program does not offer separate design and site apportionments, a Financial Hardship district that is obtaining property through the condemnation process can request ORG funding without the court order of prejudgment possession. Normally, the order of prejudgment possession, escrow documents or title to the property is required to request site acquisition funding. All other required documents must be submitted with the funding application. In such cases, after Board approval of the project, the district can initially request a fund release for only the site acquisition project costs. To request a fund release for the remaining non-site acquisition costs, the district must submit a court order of prejudgment possession. If the district is not purchasing property for the project, only the CDE plan approval letter may be required.

Copy of the Resolution of Necessity for the initiation of condemnation proceedings (only for Financial Hardship applications with requests for property being acquired by condemnation)
The copy of the Resolution of Necessity is required when a Financial Hardship district is acquiring property via condemnation, but has not yet obtained a court order for prejudgment possession. This document demonstrates that the district has initiated the condemnation process for property in the ORG application.

Application Review Process

After establishing eligibility and obtaining certain State agency approvals, a district can submit a funding application. Unlike new construction applications, ORG funding applications can be filed after the classrooms in the project have been occupied, as long as the construction contract was signed after the Board approved the ORG regulations on February 28, 2007. Also in contrast to the new construction program, the estimated hard construction costs of the ORG project are not required to be commensurate with 60 percent of the State plus district share of the grant, less the site acquisition and Prevailing Wage Monitoring grants.

The application package includes the Form SAB 50-04 and all relevant supporting documents. Staff reviews the ORG application package to ensure that all of the required documentation has been submitted, that the Form SAB 50-04 is complete and correct, and that the district receives all eligible grants. Staff also conducts concurrent reviews if the district is requesting site development grants or site acquisition and hazardous waste removal grants.

Staff addresses any issues with the application in 15- and 4-day letters. Staff first sends a 15-day letter to address issues found in the application (such as being ineligible for a particular grant being requested, being eligible for a grant not requested, boxes unchecked, site development review findings, etc.). The district has 15 calendar days to address the issues and submit a revised Form SAB 50-04 or provide any other requested information. After reviewing the district's revised application, Staff may send a 4-day letter if any issues remain. The district has four business days to submit requested changes. Once the district submits the response to the 4-day letter, Staff can complete the review of the application.

Staff ranks the applications in each ORG cycle in order of highest pupil density of the ORG-eligible schools. Projects with the highest pupil density have higher priority and are funded first.

Example Funding Order by Pupil Density of ORG-Eligible Schools

School District	Pupil Density of Source School Site (% of CDE Recommended Density)	Funding Order
Needs Playfields High	228%	1
Too Many Bungalows Unified	211%	2
Overcrowded Unified	190%	3

Funding Formula

The ORG projects receive a new construction adjusted grant, meaning that the grant calculation method and available supplemental grants for ORG projects are identical to that of new construction projects. Each ORG project receives the new construction per-unhoused pupil grant amount, also called the "base grant." The "base grant" is determined by multiplying the pupils assigned to the project by the pupil grant amount established in law. The new construction grant is adjusted by the SAB annually (each January) based on the change in the Class B Construction Cost Index. The 2013 grant amounts are as follows:

Grade Level	2013 Grant Amount
K - 6	$9,751
7 - 8	$10,312
9 - 12	$13,119
Non – Severe	$18,321
Severe	$27,396

Supplemental Grants

ORG projects may qualify for any of the supplemental grants that are available to new construction projects, depending on the size, type, location or other characteristics of the project. The supplemental grants are intended to recognize special costs associated with projects of a certain type or located in certain areas. The district uses the Form SAB 50-04 to request the supplemental grants.

- Special Education—Therapy
- Multilevel Construction
- Project Assistance
- Site Acquisition
- Site Development
- Replacement with Multi-Story Construction
- Energy Efficiency (funds now exhausted)
- Fire Code Requirements
- High Performance Incentive
- Geographic Location
- New School Projects
- Small Size Projects
- Urban Locations, Impacted Sites, Security Requirements
- Prevailing Wage Monitoring

Unlike new construction, districts cannot retain savings on ORG projects.

Funding Formula

A sample grant calculation are provided in Attachment B. The ORG uses the new construction grant formula, as follows:

1) Pupil Grants Requested x Per Pupil Grant Amount = Base Grant
2) Base Grant + Supplemental Grants = Total State Share
3) State Share 50% + Local Match 50% = Total Project Cost 100%

ORG Funding Data

The ORG program was established by Assembly Bill (AB) 127 (Chapter 35, Statutes of 2006 - Nuñez and Perata) and the subsequent passage of the Kindergarten-University Public Education Facilities Act of 2006 (Proposition 1D). Proposition 1D provided $1 billion to the program.

From June 25, 2008 through July 10, 2013, the Board has approved 143 ORG projects, five of which have been rescinded. The Board has approved $872.6 million (excluding High Performance Incentive grants) for a net 138 projects from 44 districts. These projects have replaced or will replace 1,797 portable classrooms. In addition, $88.2 million in ORG bond authority has been provided or set aside for program administrative costs through Fiscal Year 2014/2015. As of July 10, 2013, there is $39.2 million in remaining bond authority for the 12th funding cycle, which is under way.

Overcrowding Relief Grant Fast Facts
(as of July 10, 2013)

Projects (excludes rescissions)	138
Districts	44
Portable Classrooms Replaced	1,797

	(in millions)
Original Bond Allocation	$ 1,000.0
Approved Projects (excludes rescissions)	872.6
Administrative Costs	88.2
Remaining Bond Authority	$ 39.2

In addition to the $872.6 million provided from ORG bond authority, the Board has approved $14.9 million in High Performance Incentive (HPI) grants to 53 ORG projects from 16 districts. HPI funding is provided from its own allocation that is separate from the $1 billion ORG bond allocation.

High Performance Incentive (HPI) Grant Fast Facts (as of July 10, 2013)

Total HPI Grants for ORG (in millions)	$ 14.9
Projects (excludes rescissions)	53
Districts	16

ATTACHMENT A

Overcrowding Relief Grant Program: Documents Required with Application for Funding

Overcrowding Relief Grant (ORG) Eligibility Documents
Before submitting an ORG funding application, the district must establish site-specific ORG eligibility with the California Department of Education (CDE) using the *Overcrowding Relief Grant Eligibility Determination* form. If the district has not previously established districtwide ORG eligibility, the district must submit the *Overcrowding Relief Grant District-wide Eligibility Determination* (Form SAB 50-11) along with the funding application.

Application for Funding (Form SAB 50-04)
The Form SAB 50-04 is used by districts to request funding for ORG projects. The form provides project information needed to determine the ORG grant including, but not limited to, the type of application; the grade level of the project; the number of pupils the project will house; whether or not a site is being acquired; and if any additional or supplemental grants are being requested.

Financial Hardship Approval Letter (if applicable)
Districts that are requesting financial hardship assistance must obtain financial hardship approval from the Office of Public School Construction (OPSC) prior to submitting an ORG funding application. Financial hardship approvals are valid for six months, and the financial hardship approval letter must be submitted with the funding application before it expires.

ORG Project Narrative
District must submit a narrative that demonstrates that the project will relieve overcrowding at the eligible school(s) by increasing useable outdoor space for uses such as play areas, green space, or outdoor lunch areas.

Division of the State Architect (DSA) Final Plan Approval Letter and Approved Plans and Specifications
All ORG plans and specifications must be approved by the DSA. The DSA approval must be current and valid at the time of submittal of the application for funding to the OPSC. In addition, pursuant to the Field Act, all final plans and specifications for new construction, modernization, or alteration of any school building for which the district is seeking State funding requires DSA approval prior to signing a construction contract. If a district enters into a contract for construction prior to receiving DSA approval of the plans and specifications, the project may not be eligible for State funding. For more information, please refer to Education Code Section 17072.30.

- All funding applications must be accompanied by the DSA Final Plan Approval Letter.
- Plans should include all work eligible for funding through the School Facility Program and should be approved by DSA.
- Plans to be submitted include those for Site, Civil, City/County Street Development, Architectural (along with portable facilities), Structural, Electrical, Plumbing, Mechanical, and Landscape (as applicable).
- New plans will not be accepted during the review process after OPSC acknowledges the School District Project Application as a complete package.

CDE Final Plan Approval
The plans submitted to the OPSC must have the approval of the CDE. The final plan approval letter from CDE must accompany the funding application.

Career Technical Education Advisory Committee Certification
The district must submit 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.

ATTACHMENT A

Appraisal, Escrow Closing Statement, CDE Site Approval (if applicable)
An appraisal (dated within six months of application submittal), escrow closing statement or court order, and CDE site approval letter are required if the application includes site purchase. The court order of prejudgment possession is not required for Financial Hardship districts that are purchasing property through the condemnation process. However, the district must submit a court order of prejudgment possession to request a fund release for non-site acquisition costs. If the district is not purchasing property for the project, only the CDE plan approval letter may be required.

Copy of the Resolution of Necessity for the initiation of condemnation proceedings (only for Financial Hardship applications with requests for property being acquired by condemnation)
The copy of the Resolution of Necessity is required when a Financial Hardship district is acquiring property via condemnation, but has not yet obtained a court order for prejudgment possession. This document demonstrates that the district has initiated the condemnation process for property in the ORG application.

Cost Estimate for Site Development (if applicable)
A detailed cost estimate is required if the district is requesting additional grants for site development in its ORG funding application. Request for off-site work must be shown on off-site plans that are approved by the local entity. See the *Architect's Submittal Guidelines* for further information.

Form HPI-1 (DSA-402, if applicable)
If the district is requesting the High Performance Incentive (HPI) grant, it must submit the Form HPI-1 (DSA-402) showing the project's DSA-verified High Performance Rating Criteria point score. The OPSC uses the Form HPI-1 (DSA-402) to verify the project's eligibility for the HPI grant.

ATTACHMENT B

Sample Overcrowding Relief Grant Calculation

20 CLASSROOM (K-6) SCHOOL, 500 PUPILS (2013)

BASE GRANT	**$ 4,875,500**
($9,751 per pupil, 25 pupils per classroom, 20 classrooms)	
($9,751 X 500 = $4,875,500)	
MULTILEVEL CONSTRUCTION	**585,060**
(12% of base grant for each pupil housed in a multilevel building)	
(0.12 X $4,875,500 = $585,060)	
PROJECT ASSISTANCE	**5,884**
($5,884 flat rate for districts with less than 2,500 pupils)	
SITE ACQUISITION GRANT	**2,500,000**
(50% of lesser of appraised or actual cost of land)	
RELOCATION COSTS	**50,000**
(50% of actual costs for relocation of businesses)	
TWO PERCENT OF THE SITE ACQUISITION GRANT	**50,000**
(For costs associated with appraisal, escrow, survey, site testing, etc.)	
(0.02 X $2,500,000 = $50,000)	
DTSC FEES	**50,000**
(50% of actual costs for DTSC review, approval, and oversight)	
HAZARDOUS WASTE REMOVAL	**100,000**
(50% of actual costs as required by the DTSC)	
SERVICE SITE DEVELOPMENT	**500,000**
(50% of actual costs for clearance, grading, soil compaction, utility rerouting, demolition, drainage, etc. at site)	
OFF-SITE DEVELOPMENT	**100,000**
(50% of actual costs for curbs, gutters, paving, sidewalks, lighting, signage, trees, on two adjacent sides of site)	
UTILITIES	**200,000**
(50% of the actual costs for water, sewer, gas, electric, and communications systems at the site)	
GENERAL SITE DEVELOPMENT	**379,202**
(Formula based grant for driveways, walks, parking, curbs, gutters, sports fields, and landscaping)	
(The attached calculation page shows the calculation for the General Site Development grant)	
FIRE DETECTION/ALARM SYSTEM	**5,500**
($11 per pupil for installation of a fire alarm system)	
($11 X 500 = $5,500)	
AUTOMATIC SPRINKLER SYSTEM	**82,000**
($164 per pupil for installation of a sprinkler system)	
($164 X 500 = $82,000)	
HIGH PERFORMANCE INCENTIVE GRANT (34 points)	**345,020**
(Formula based grant for projects containing high performance components)	
(The attached calculation page shows the calculation for the High Performance Incentive grant)	
GEOGRAPHIC LOCATION (5%)	**243,775**
(5%-20% of base grant based on the geographic isolation of the site)	
(0.05 X 4,875,500 = $243,775)	
URBAN/SECURITY/IMPACTED SITE	**3,005,258**
(Formula based grant for projects in high cost/density areas where an appropriately sized site cannot be found)	
(The attached calculation page shows the calculation for the Urban/Security/Impacted Site grant)	
PREVAILING WAGE MONITORING GRANT	**32,693**
(One quarter of 1% of the total apportionment for DIR monitoring and enforcement)	
(0.0025 X $13,077,199 = $32,693)	
STATE SHARE 50%:	**$ 13,109,892**
DISTRICT SHARE 50%:	**13,109,892**
TOTAL 100%:	**$ 26,219,784**

ATTACHMENT B

Formula-Based Grant Calculations

General Site Development Grant

This is a three step calculation.

Step 1: Allow $15,365 per usable acre. Our sample project has 2 acres, therefore:
$15,846 x 2 = $3,692

Step 2: 6% of the base grant for an elementary school project (3.75% for middle and high school projects):
6% x $4,875,500 = $292,530

Step 3: 6% of the following grants: Multilevel Construction, Fire Detection/Alarm, Automatic Sprinkler System, Exceptional Needs grant, Replaced Facilities grant, Facility Hardship, Small Size Project grant, Geographic Location, New School grant, and Joint Use grant.
Therefore: $585,060 (Multilevel) + $5,500 (Fire Alarm) + $82,000 (Sprinkler) + $243,775 (Geographic) = $916,335 x 60% = $54,980

$31,692 + 292,530 + 54,980 = $379,202

High Performance Incentive Grant

There are separate calculations for projects accepted by DSA before and after 10/1/07. Our sample project will use the newer calculation. The new construction grant is calculated as follows.

Step 1: Allow $150,000 one time per school site (High Performance Base Incentive Grant)

Step 2 Allow a percentage of the base grant based on how many points (as determined by DSA) the project has attained. Our sample project has 34 points, so the SFP regulations stipulate an allowance of 4% of the base grant at 34 points:
4% x $4,875,500 = $195,020

Step 3: Allow 0.36% of the base grant for each CHPS point attained from 35 through 47. Our sample project has 34 points, so we do not need to perform this step for this project.

$150,000 + 195,020 + 0 = $345,020

Urban/Security/Impacted Site Grant

To qualify for this grant, a new construction project must include multilevel construction for at least 60% of the classrooms, the site size must be 60% or less than the CDE recommended site size, and if acquiring acreage, the value must be at least $750,000 per acre. The new construction grant is calculated as follows:

Step 1: Find the acre ratio. Proposed acres + existing acres divided by CDE recommended acres. Our sample project has 2 proposed acres, 0 existing acres, and the CDE recommends a site size of 10 acres: 2 divided by 10 = 0.2. The acre ratio is 0.2.

Step 2: Multiplier. Multiply the acre ratio by 100, subtract from 60, then multiply by 1.166. Finally, add 15: 0.2 x 100 = 20. 60 – 20 = 40. 40 x 1.166 = 46.64. 46.64 + 15 = 61.64.

Step 3: Divide multiplier by 100, and take the resulting percentage of the base grant, the small size grant, and the new school grant, if applicable:

61.64 ÷ 100 = 0.6164. 0.6164 x $4,875,500 (base grant) = $3,005,25