

State School Facility Program and Proposition 13 (AB 48) Overview and Modernization Eligibility

January 25, 2020

Scheduled for the California ballot on March 3, 2020

State Funding Eligibility

- Modernization Eligibility
 - Eligibility and Funding is Site Specific
 - Calculation is Based upon Age of Facilities, Number of Classrooms, and Site Enrollment
 - Applications are Submitted after Plans are Approved by Division of State Architect (DSA) and California Department of Education (CDE)
 - Will Provide Funding to Variety of Modernization Projects
 - Technology Upgrades
 - Modernization Projects
 - Replacement Projects
 - Infrastructure Upgrades

State Funding Eligibility

- New Construction Eligibility
 - Eligibility is Determined Annually on District-wide Basis (October CBEDS)
 - Calculation is Based upon Comparison of Enrollment Projection Against Identified Student Capacity
 - Applications are Submitted after Plans are Approved by DSA and CDE
 - Eligibility Must be Re-Justified with Enrollment Current to the Date the Office of Public School Construction (OPSC) Processes the Funding Application
 - Will Provide Funding for Addition and New School Projects
 - Building New Classrooms on Existing Sites
 - Building New School Sites
 - Site Acquisition for New School Sites or Expansion of Existing Schools

Career Technical Education Facilities Program (CTEFP)

- CTEFP
 - Prop 51 has \$500 Million Allocated for the CTEFP
 - CTEFP Provides Funding for:
 - Up to \$3 Million for New Construction Applications
 - Up to \$1.5 Million for Renovation Applications
 - Projects must be located on Comprehensive High School sites
 - Does Not Require Eligibility
 - Does Not Require Approved Plans from the DSA to Apply
 - Funding for CTEFP is Competitive, Applications with Highest Scores in Each Region will be Funded
 - Current Prop 51 CTEFP Funding Round to Allocate \$250 Million
 - CDE Applications – to be submitted on or before December 2, 2019
 - Office of Public School Construction (OPSC) Applications – due to OPSC by April 6, 2020
 - Anticipated Funding Announcement – May/June 2020

Proposition 13 (AB 48)- Upcoming State Bond

- Proposition 13 is a \$9 billion K-12 School Facility Bond
- The Public Preschool, K-12, and College Health and Safety Bond Act of 2020
- \$15 billion bond for March 2020 primary election ballot
 - \$9 billion for K-12
 - \$2 billion for CCC
 - \$2 billion for UC
 - \$2 billion for CSU
- Proposition 13 keeps the core of the School Facility Program intact: an eligibility-based system
- Plus, opportunities for:
 - Additional project funding (grant amounts, supplemental grants)
 - Flexibility in the use of NC and mod grants

Proposition 13 (AB 48)- Funding Allocations

- \$5.2 billion for modernization
 - Includes \$150 million for clean drinking water
- \$2.8 billion for new construction
- \$500 million for Career Technical Education
- \$500 million for charter schools

Proposition 13 (AB 48)- Non-Bond Statutory Changes

- Increases bonding capacity (% of taxable property):
 - USDs & CCDs – 2.5% to 4%
 - ESDs & HSDs – 1.25% to 2%
- Changes to developer fees for multifamily housing projects and projects in transit-oriented developments

Proposition 13 (AB 48)- Priority Processing Overlay

- NEW to the SFP – prioritizes state funds for specific policy purposes
- Four annual processing cycles
 - OPSC shall process apps based on total funding requests – 35% NC, 65% mod
- Priorities:
 - Health and life safety hazards
 - Financial Hardship
 - Lead mitigation (*mod only*)
 - Projects submitted but not reviewed in the two immediately preceding quarters (*for NC – these move to the top of the list*)
 - Overcrowding relief
 - Low bonding capacity/high unduplicated count factor
- Tie-breakers:
 - Project labor agreement
 - High unduplicated count

Proposition 13 (AB 48)- Increased Grant Amounts

- Creates sliding scale for state match
 - Maintains minimum amount of 50% for new construction, 60% for modernization
 - Up to 55% for new construction and 65% for modernization
- Increased state match for districts with:
 - Lower bonding capacity per student
 - Higher percentage of unduplicated count pupils
 - ADA of 200 or less

Proposition 13 (AB 48)- New Assistance Provisions

- Financial Hardship
 - Expands bonding capacity qualifier from \$5 million to \$15 million
- Small School District Assistance
 - Preliminary apportionment/reservation of funds – up to 10% of available NC and mod pots
 - Construction management grant – 5%
- New assistance supplemental grants
 - Energy efficiency projects
 - Lead mitigation projects
- Disaster assistance – when Governor declares state of emergency
 - Interim housing program
 - Waiver from unused site fee non-use payments for up to three years

Proposition 13 (AB 48)- Miscellaneous Provisions

- Five-year master plan is required as condition of application
- Use of grants – Permits the use of NC grants for construction of a preschool, kitchen, TK classroom, school nurse/counselor facility
- Building replacement – over 50 years old
 - Funded at NC grant amounts if cost to modernize is at least 50% of current replacement cost
- Eligibility baseline (i.e. existing capacity) must be updated if application is submitted after June 30, 2020
 - Update when submitting a NC application

Proposition 13 (AB 48)- Miscellaneous Provisions

- Financial Hardship – New timeframes for determining local funds available – 12 months preceding request, 12 months following apportionment
- More specificity on eligible/ineligible expenditures
- Unused site fees – increases exemption for sites valued at \$40k (up from \$20k)
- Grandfathering – applications submitted before Aug. 30, 2019 will be processed under pre-AB 48 program rules

Eligibility Analysis

Paso Robles Joint Unified School District Modernization Eligibility Analysis



DRAFT 2018-19 Modernization Eligibility

| School Site | Eligibility | State Share | District Share | Total |
|------------------------------|--------------|---------------------|---------------------|---------------------|
| Bauer-Speck Elementary | 412 | \$1,913,328 | \$1,275,552 | \$3,188,880 |
| Kermit King Elementary | 0 | \$0 | \$0 | \$0 |
| Georgia Brown Elementary | 498 | \$2,312,712 | \$1,541,808 | \$3,854,520 |
| Pat Butler Elementary | 467 | \$2,168,748 | \$1,445,832 | \$3,614,580 |
| Virginia Peterson Elementary | 429 | \$1,992,276 | \$1,328,184 | \$3,320,460 |
| Winifred Pifer Elementary | 462 | \$2,203,377 | \$1,468,918 | \$3,672,295 |
| Daniel E. Lewis Middle | 567 | \$2,785,104 | \$1,856,736 | \$4,641,840 |
| George H. Flamson Middle | 672 | \$3,300,864 | \$2,200,576 | \$5,501,440 |
| Liberty / Independence High | 108 | \$694,548 | \$463,032 | \$1,157,580 |
| Paso Robles High | 342 | \$2,199,402 | \$1,466,268 | \$3,665,670 |
| TOTAL | 3,957 | \$19,570,359 | \$13,046,906 | \$32,617,265 |

Updated to be based on grant amounts approved at the January 23, 2019 SAB meeting

Next Steps and Questions

- Next Steps
 - Continue to Review Modernization and New Construction Eligibility
 - Continue to Submit Projects and Get in Line for Funding
- Is Prop 13 oversubscribed?
 - When reviewing the projects on the Acknowledge List (these are projects submitted after OPSC gave notice that Prop 51 has run out of authority based on submittals), **Prop 13 is not oversubscribed**
 - \$660 million in modernization applications
 - \$531 million in new construction projects on the Acknowledged List as of the December list
 - This leaves today about \$4.5 billion in Modernization and \$2.2 billion in Prop 13 (assuming those projects would be covered by Prop 13 and reviewing them at current funding levels)
- When will these funds be available?
 - There is no timeline for fund distribution