



## Office of Public School Construction

STAFF TO THE STATE ALLOCATION BOARD

### February 2023 Update

#### Buzzworthy

#### **ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS**

At the January 25, 2023 State Allocation Board (SAB) Meeting, Staff presented the annual adjustment to the School Facility Program (SFP) grants based on the statewide cost index for Class B construction. The SAB adopted an increase of 9.3 percent.

As a result of this adjustment, the SFP grant amounts have been updated to reflect the increase. The current grant amounts as well as a list of historical adjustments can be found [here](#).

#### **SCHOOL FACILITY PROGRAM (SFP) APPORTIONMENTS – November SAB Meetings**

At its November meeting, the State Allocation Board (SAB) approved apportionments for \$321.8 million for 119 funding applications. These apportionments are a result of the Priority Funding process and the new regulations for Direct Apportionments. Below is a breakdown of the apportionments by type and includes specific information about the due dates for applicants to submit fund releases.

##### **November SAB Meeting – Priority Funding Apportionments**

At the November 28, 2022, the SAB approved apportionments for \$109.9 million for 50 projects from 37 school districts. These approvals were included as an Action item in the meeting agenda. The Forms SAB 50-05 for these projects are due by the end of the day, Sunday, February 26, 2023 to the OPSC.

##### **November SAB Meeting – NEW Direct Apportionments**

At the November 28, 2022, the SAB also approved Direct Apportionments for \$211.9 million for 69 projects from 40 school districts. These approvals were listed in the Consent portion of the meeting agenda. Direct Apportionment have different timelines for fund release than Priority Funding. For these Direct Apportionments, a Form SAB 50-05 is due 180 days after the apportionment by the SAB and 365 days for projects that include Financial Hardship assistance.

#### ***Fund Release Authorization (Form SAB 50-05) Submittals***

For most projects, the Form SAB 50-05 may be submitted electronically via OPSC Online. More information on accessing and using OPSC Online at the following link: <https://www.dgs.ca.gov/OPSC/Resources/Page-Content/Office-of-Public-School-Construction-Resources-List-Folder/Online-Application-Links>. Alternatively, the Form SAB 50-05 and supporting documentation may be emailed to [OPSCApplicationReviewTeam@dgs.ca.gov](mailto:OPSCApplicationReviewTeam@dgs.ca.gov).

All projects must also submit a Grant Agreement prior to, or concurrently with the Form SAB 50-05.

#### **FILING ROUND FOR THE CALIFORNIA PRESCHOOL, TRANSITIONAL KINDERGARTEN AND FULL-DAY KINDERGARTEN FACILITIES GRANT PROGRAM**

The second filing round for the expanded California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program has opened as of February 1, 2023 and will close on March 2, 2023. OPSC Online will be available for all applicants to complete the Application for Funding (Form SAB 70-01) and to submit the entire application package, including Financial Hardship Program documentation, electronically.

## **JOINT AGENCY VIRTUAL OFFICE HOURS**

OPSC and the California Department of Education (CDE) hosted our first monthly virtual office hours session on Friday, February 3, 2023 from 11:00 a.m. to 12:00 p.m.

Staff from both agencies were available for all school districts and interested stakeholders on a drop-in basis to provide assistance in all areas of the plan review and approval process, funding application and approval process, and construction and funding closeout process that is required for state-funded programs.

12 participants attended this inaugural session and shared positive feedback on the event! Future dates will be announced in the coming weeks.

## **SFP REGULATIONS FOR DIRECT APPORTIONMENTS – Additional Information**

At the September 21, 2022 meeting, the SAB approved the proposed regulations for direct apportionments on an emergency basis. The new regulations streamline the process of making apportionments for purposes of providing expedited fund releases and more efficiently distributing and General Fund proceeds, or any other available proceeds, to those projects that would be able to quickly use the funds. These regulatory amendments are now in effect as of November 7, 2022.

Moving forward, all new approvals of New Construction and Modernization funding applications by the SAB will be provided as Direct Apportionments. The new timelines for submittal of a Form SAB 50-05 are now 180 days after an apportionment by the SAB and 365 days for projects that include Financial Hardship assistance.

The new 180-day and 365-day timelines for submittal of a Form SAB 50-05 apply only to applications that receive direct apportionments without first having an unfunded approval. Projects that received unfunded approvals and are still in the Priority Funding process will still have 90 days to submit a Form SAB 50-05 from the time they are apportioned. Career Technical Education Facilities Program and Charter School Facilities Program applications will continue to be funded and apportioned through the Priority Funding process.

## **PROPOSED REGULATORY AMENDMENTS TO THE SCHOOL FACILITY PROGRAM**

Due to the case of *San Bernardino City Unified School District v. State Allocation Board*, California Court of Appeal, this item was presented to the Board for purposes of communicating to school districts that financial hardship savings from financial hardship projects are no longer required to be repaid to the School Facility Program.

The Court ruled in favor of the San Bernardino City Unified School District thereby invalidating parts of the Board's SFP Regulation Section 1859.103 resulting in parts of that regulation section along with any reference to the return of financial hardship savings pursuant to that section throughout the SFP Regulations, forms, and Grant Agreement master templates needing to be repealed.

The SAB approved the proposed regulatory amendments to align the regulations with the court's interpretation of statute. Savings is no longer required to be repaid under any programs under the School Facility Program. School districts are reminded that the following now applies to projects receiving with savings under the SFP.

- Savings achieved by the school district's efficient and prudent expenditure of project funding must be spent on high priority capital outlay pursuant to Education Code (EC) Section 17070.63(c).
- The expenditure of project savings must be reported annually until all state and required matching funds have been expended pursuant to EC Section 17076.10(a).
- A school district that received any funds from the SFP on or after April 1, 2017 and were apportioned on or after July 1, 2017 will have their project savings audited pursuant to EC Section 41024.

If there are questions please contact your OPSC project manager or OPSC's K-12 Audit Team Supervisor, Hung Bang at [hung.bang@dgs.a.gov](mailto:hung.bang@dgs.a.gov) or at (279) 946-8444.

## Reminders

### **WEBINAR – FINANCIAL HARDSHIP AND THE CALIFORNIA PRESCHOOL, TRANSITIONAL KINDERGARTEN AND FULL-DAY KINDERGARTEN FACILITIES GRANT PROGRAM**

In anticipation of the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program filing round that opened on February 1, 2023, OPSC conducted a free webinar via Zoom on January 18, 2023. The webinar provided information on accessing, completing, and submitting applications for this Program and the Financial Hardship Program, with a focus on completing applications in OPSC Online.

248 external participants attended this workshop, and the feedback from school districts and stakeholders has been overwhelmingly positive. A recording of the workshop is available on OPSC's YouTube Channel: <https://www.youtube.com/user/OPSCYou>

### **SCHOOL DISTRICT EXTENSION REQUESTS**

School districts requiring extensions to due dates resulting from an emergency can reach out to our office. OPSC will accept and review extension requests for an ongoing states of emergency, such as wildfires, for school districts directly impacted. School districts that are requesting an extension as a result of a state of emergency shall continue to submit the [School District Extension Request Form](#).

### **EXECUTIVE ORDER – CONTRACTOR AND GRANTEE COMPLIANCE WITH ECONOMIC SANCTIONS**

On March 4<sup>th</sup>, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (EO) regarding sanctions in response to Russian aggression in Ukraine. The EO is located at the following link <http://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>

In accordance with the EO, OPSC sent a notification to all District Superintendents, County Superintendents, and Authorized Representatives that have participated in the School Facility Program and other State Allocation Board administered programs that, as a contractor or grantee, compliance with the economic sanctions imposed in response to Russia's actions in Ukraine is required.

Failure to comply may result in the termination of contracts or grants, as applicable. Should you have any questions or concerns related to OPSC please contact Michael Watanabe at [Michael.Watanabe@dgs.ca.gov](mailto:Michael.Watanabe@dgs.ca.gov) or (279) 946-8463. For any questions or concerns on Department of General Services contracts, please contact the Office of Public Affairs at [DGSPublicAffairs@dgs.ca.gov](mailto:DGSPublicAffairs@dgs.ca.gov).

### **PIGGYBACK CONTRACTS FOR MODULAR FACILITIES ON PERMANENT FOUNDATIONS ARE INELIGIBLE FOR STATE FUNDING FROM STATE ALLOCATION BOARD ADMINISTERED PROGRAMS**

At the June 22, 2022, SAB meeting, staff presented an item regarding piggyback contracts and Public Contract Code (PCC) compliance relative to modular school facilities. After staff's presentation, discussion from the SAB members, and public comment, the SAB took the following action:

Provide a grace period for SAB-administered programs for projects with construction contracts signed on or within sixty calendar days (through August 21, 2022) of SAB action. Create a new process to begin after this grace period where Staff evaluates the contracts during the time of application processing and prior to fund release to ensure no piggyback contracts have been used to obtain modular facilities that are placed on permanent foundations.

Since this action,

- OPSC has notified all District Superintendents and District Representatives on file with OPSC, as well as all stakeholders on OPSC's master email subscription list, that consistent with the PCC and the AG Opinion, modular school facilities must be competitively bid.
- OPSC has create a [webpage](#) to advise school districts of the Public Contract Code requirements and its applicability to state funding.

- OPSC has established a specific process during application processing and/or in advance of fund release for thoroughly reviewing contracts to ensure that funds are not released for projects that use piggyback contracts for modular school facilities. This process is outlined on the new [webpage](#).
- For any contracts entered into after fund release (after OPSC's review), staff will work with the State Controller's Office to amend the K-12 Audit Guide for Appendices B and C, to ensure that as part of the project audit, and the K-12 local auditor would review the contracts for compliance.
- Staff will continue to process and present applications that signed piggyback contracts on or prior to August 21, 2022.

## **KINDERGARTEN – 12<sup>TH</sup> GRADE SCHOOL CONSTRUCTION PICTURES WANTED**

The Office of Public School Construction (OPSC) is seeking photos of state-funded school construction and modernization projects to feature in OPSC/DGS publications and on our websites. The photos will be used to showcase recent accomplishments in partnership with the state.

- Photos should be submitted in a resolution high enough to support both web viewing and in-print material.
- Children should not be identifiable or should be absent from photos.
- Photos should not be branded with corporate logos and/or business information.

To submit pictures, please email them as attachments to [OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov). Please provide the school district name, school site name, OPSC application number, photo credit (if attribution is required), contact information, and authorization to use the photo without royalties or restrictions.

For questions, contact OPSC's Communications Team at [OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov).

## **FACILITY INSPECTION TOOL – APPROVED!**

The Governor signed Senate Bill 129 on July 12, 2021, which requires OPSC to update the Facility Inspection Tool (FIT) for use beginning July 1, 2022. The FIT is used to determine the condition of a school facility. Three stakeholder meetings were held by staff on November 30, 2021, January 20, 2022 and March 3, 2022 inviting members of the public to participate in the development of updates to the tool. On April 27, 2022, the SAB approved a revised Facility Inspection Tool.

The new form can be accessed on OPSC's website under the Form's tab and at the following link:  
<https://www.dgs.ca.gov/-/media/Divisions/OPSC/Forms/Facility-Inspection-Tool---SAB-Approved-04-27-2022.pdf>

OPSC is pleased to announce that availability of the [Facility Inspection Tool](#) in Microsoft Excel format.

The FIT is now available in a web-based form which can be located at the following link:  
<https://forms.dgs.ca.gov/content/forms/af/dgs/opsc/opsc-4/public/opsc-4.html?wcmode=disabled>

The Facility Inspection Tool (FIT), or a locally developed instrument that meets the same legal requirements specified in Education Code Sections 33126 and 33126.1, must be included in the school district's School Accountability Report Card to determine if a school facility is in "good repair" and to rate the facility accordingly. The completed form is not submitted to OPSC. The State Allocation Board (SAB) approved the revision to the current form at the April 27, 2022 SAB meeting.

The new Excel version has the following features included:

- Ability to automatically insert rows for additional Building Areas/Names.
- Automatic calculation of ratings for the Cleanliness category on the new Cleanliness Detail worksheet.
- Automatic transfer of Cleanliness ratings to the Evaluation Detail.
- Automatic transfer of Evaluation Detail ratings to the Totals and Rankings Summary page.
- Automatic calculation of the Category Rank and Overall School Rating.

The new web-based form has the following features included:

- The fully accessible version is compatible with multiple web browsers and tablet devices.
- The user has the ability to start/stop/save completion of the FIT.
- An email link to the saved form can be shared with other contributors, who may edit the rating and add comments until the form is locked.
- Ability to insert rows for additional Building Areas/Names.
- Automatic calculation of ratings for the Cleanliness category on the new Cleanliness Detail worksheet.
- Automatic transfer of Cleanliness ratings to the Evaluation Detail.
- Automatic transfer of Evaluation Detail ratings to the Totals and Rankings Summary page.
- Automatic calculation of the Category Rank and Overall School Rating.

If there are questions, please contact OPSC's Communication Team at [OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov)

### **VIRTUAL SCHOOL FACILITY PROGRAM (SFP) TRAINING SERIES**

Last year, OPSC launched its FREE Virtual School Facility Program (SFP) Training Series. Fifteen sessions took place throughout the year. The topics were:

- *Tips for a Successful K-12 Closeout Audit*
- *Basics of State School Facility Program Funding*
- *The Three "Lists" and What it Means for Your Project*
- *Facility Hardship and Seismic Mitigation Programs*
- *Overview of OPSC Online*
- *Eligibility Applications in OPSC Online*
- *Funding Applications in OPSC Online*
- *Converting Your Charter School Facility Program Preliminary Apportionment*
- *Priority Funding Process,*
- *Career Technical Education Facility Program Reservation of Funds*
- *How to Submit a Fund Release Authorization (Form SAB 50-05) in OPSC Online*
- *Financial Hardship*
- *Site Development Worksheet for Additional Grants & The Facility Hardship Cost Estimate*
- *Grant Agreements in OPSC Online*
- *Substantial Progress Checklists and Expenditure Reports in OPSC Online*

If you have suggestion for other topics, they can be submitted to [OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov). All online trainings are archived to OPSC's YouTube channel for future use. Our YouTube channel can be found at: <https://www.youtube.com/user/OPSCYou/>.

### **OPSC ONLINE HANDS-ON ASSISTANCE**

OPSC Staff are available to provide hands-on assistance to all school districts and interested parties in the use of OPSC Online. Staff can connect to you via variety of video conferencing software applications including Microsoft Teams, Zoom, Cisco WebEx, and Google Meet. You can screenshare your computer and staff will assist you in navigating OPSC Online as well as guide you through the application submittal process.

To request assistance, please reach out to OPSC's Project Manager assigned to your County, found under "Contact" on OPSC's website: <https://www.dgs.ca.gov/OPSC/Contact>.

### **DGS/OPSC EMAIL BLASTS**

The Department of General Services (DGS) and OPSC uses email distribution service through GovDelivery.com. Using one email address, subscribers can subscribe to any email list under DGS.

All school district superintendents and authorized school district representatives are encouraged to sign up. Signing up will give you immediate access to email notifications of upcoming meetings, key dates, and reminders. The sign up link can be found under "Contact" on OPSC's website:

<https://www.dgs.ca.gov/OPSC/Contact>.



**INTERNET EXPLORER AND OPSC’s SAB 50-01 ONLINE ENROLLMENT PROJECTION CALCULATOR**

OPSC’s SAB 50-01 Online Enrollment Projection Calculator is used to generate the *Enrollment Certification/Projection* (Form SAB 50-01) which is submitted by school districts and county offices of education to establish and update new construction eligibility annually, or as needed for funding requests. At this time, the online enrollment calculator can only generate the form using Microsoft’s Internet Explorer (IE) browser.

On June 15, 2022, Microsoft retired Internet Explorer. OPSC is working to reprogram the calculator to work natively in other web browsers; however, in the interim OPSC has created an instructional guide on how to turn on “IE mode” in Microsoft Edge to allow the generation of the form using Microsoft Edge.

The Microsoft Edge Guide can be found on our Online Application webpage section under Resources at <https://tinyurl.com/2d4z79rw>.

**LOCAL AUDITS**

Projects funded after April 1, 2017 in which the final expenditure report has been reported to OPSC require an independent audit to be performed within one year of the reporting date. Once the audit is completed, a copy of report must be submitted for review and certified by the State Controller’s Office who in turn will forward a copy to OPSC for record keeping purposes and data collection. A yearly analysis report of these certified independent audits is compiled and presented the SAB at the beginning of each year.

All acknowledged yearly reports are available on our Audit K-12 Resource webpage section under Resources at <https://tinyurl.com/1a7pk55e>

**UPDATES TO DISTRICT REPRESENTATIVE CONTACT INFORMATION**

Please let OPSC know if your district recently went through personnel changes and now have a new superintendent and/or authorized district representative. To replace the name of a district representative, an *Eligibility Determination* (Form SAB 50-03) (<https://www.dgs.ca.gov/OPSC/Forms>) must be submitted to OPSC either via US Mail or may be emailed to [OPSCApplicationReviewTeam@dgs.ca.gov](mailto:OPSCApplicationReviewTeam@dgs.ca.gov).

**Upcoming State Allocation Board Meeting**

**STATE ALLOCATION BOARD**

As a result of Senate Bill 189 (Chapter 48, Statutes of 2022), the Board is permitted to resume meetings remotely via Zoom and teleconference through June 30, 2023. The next meeting is scheduled for Wednesday, February 22 2023, at 4:00 p.m. by way of Zoom meeting and teleconference.

**Status of Funds**

**Remaining Bond Authority (as of January 25, 2023) (includes Unfunded Approvals) (in \$ millions)**

Assembly Bill 181	General Fund FY 22/23		General Fund FY 23/24		General Fund FY 24/25	
	844.2		2,060.5		875.0	
<b>Total</b>	<b>844.2</b>		<b>2,060.5</b>		<b>875.0</b>	
Proposition	New Construction	Modernization	Career Tech	Charter School	Overcrowding Relief	Seismic Repair
51	52.0	604.4*	4.3	34.6	N/A	N/A
1D	0.1*	0.9	0.0	0.6*	6.6	1.2
55	0.3*	0.0	N/A	0.8*	N/A	N/A
47	0.3	0.0	N/A	0.2	N/A	N/A
1A	0.2	0.0	N/A	N/A	N/A	N/A
<b>Total</b>	<b>52.9</b>	<b>605.3</b>	<b>4.3</b>	<b>36.2</b>	<b>6.6</b>	<b>1.2</b>

\*Total authority is not available at this time. There are outstanding accounts receivables.

## Past Announcements

### **APPLICATIONS RECEIVED BEYOND BOND AUTHORITY**

Received requests for new construction projects have exceeded the available bond authority. Any applications received on or after September 12, 2018 will be placed on the Applications Beyond Bond Authority List. SFP Regulations require that all new construction applications placed on this list must contain a school board resolution that includes several acknowledgements (per SFP Regulation Section 1859.95.1). Multiple applications from one district can be covered in one single school board resolution. All future new construction applications received by OPSC will undergo an intake review to ensure that required documents have been submitted with the application, but OPSC will not review to confirm program eligibility or process the application further unless bond authority becomes available for the project.

Received requests for modernization projects also have exceeded the available bond authority. Any accepted modernization applications received on or after March 1, 2019 will be placed on the Application Beyond Bond Authority List and will require the same type of school board resolution (per SFP Regulation Section 1859.95.1) as what is currently required for submitting new construction projects.

As of February 3, 2023, OPSC received the following for the Applications Received Beyond Bond Authority List:

- New Construction – 218 applications. Total requested - \$1,421,543,989
- Modernization – 614 applications. Total requested - \$1,835,835,868

It should be noted that health and safety projects, specifically Facility Hardship or Seismic Mitigation Program projects, are placed at the top of the SFP Workload List. Therefore, these projects will not be placed on the Applications Received Beyond Bond Authority List and do not require a Beyond Bond Authority school board resolution.

## Resources

### **ELECTRONIC FUND TRANSFERS (EFT) AVAILABLE FOR REMITTANCES DUE TO OPSC**

OPSC accepts electronic fund transfers of payments due to the State. If a remitter wishes to send the funds electronically through EFT or Wire Transfer, please reach out to [OPSCAccountsReceivable@dgs.ca.gov](mailto:OPSCAccountsReceivable@dgs.ca.gov) for instructions.

### **EMAILING DOCUMENTS AND RECEIVING CONFIRMATION**

In an effort to simplify the submissions of documents electronically to the OPSC, school districts can email all documents to OPSC Application Review Team (ART) at:

[OPSCApplicationReviewTeam@dgs.ca.gov](mailto:OPSCApplicationReviewTeam@dgs.ca.gov)

A Team member will email acknowledgement receipts for all submittals. The document types listed below should be emailed to [OPSCApplicationReviewTeam@dgs.ca.gov](mailto:OPSCApplicationReviewTeam@dgs.ca.gov). In addition, we encourage senders to carbon copy “cc” the intended program recipient listed in the table below; however, it is not required.

Document Type	CC NAME	CC EMAIL ADDRESS
NEW SUBMITTALS: <i>Enrollment Certification</i> (Form SAB 50-01) <i>Existing School Building Capacity</i> (Form SAB 50-02) <i>Eligibility Determination</i> (Form SAB 50-03) <i>Application for Funding</i> (Form SAB 50-04)		
90 Day Responses – Cost Estimates	OPSC Cost Estimates	<a href="mailto:OPSCCostEstimates@dgs.ca.gov"><u>OPSCCostEstimates@dgs.ca.gov</u></a>
90 Day Responses – Eligibility Updates	Hannah Konnoff	<a href="mailto:Hannah.Konnoff@dgs.ca.gov"><u>Hannah.Konnoff@dgs.ca.gov</u></a>

<b>Document Type</b>	<b>CC NAME</b>	<b>CC EMAIL ADDRESS</b>
<i>Fund Release Authorization (Form SAB 50-05) (SFP)</i>	OPSC Fund Release Department	<a href="mailto:OPSCFundRelease@dgs.ca.gov">OPSCFundRelease@dgs.ca.gov</a>
<i>Full-Day Kindergarten Facilities Grant Program Application for Funding (Form SAB 70-01) Fund Release (Form SAB 70-02) Expenditure Report (Form SAB 70-03)</i>	Lindsey Walden	<a href="mailto:Lindsey.Walden@dgs.ca.gov">Lindsey.Walden@dgs.ca.gov</a>
4/15/30-Day Letter Responses (Program/Audits)	Assigned Project Manager /Auditor Reviewing your project	Assigned PM/Auditor's email address.
Grant Agreements	OPSC Grant Agreement	<a href="mailto:DGSOPSCGrantAgreements@dgs.ca.gov">DGSOPSCGrantAgreements@dgs.ca.gov</a>
Priority Funding Requests	Kelsie Muramoto and OPSC Priority Funding	<a href="mailto:Kelsie.Muramoto@dgs.ca.gov">Kelsie.Muramoto@dgs.ca.gov</a> and <a href="mailto:OPSCPRIORITYFUNDING@dgs.ca.gov">OPSCPRIORITYFUNDING@dgs.ca.gov</a>
Substantial Progress Checklists / <i>Expenditure Reports</i> (Form SAB 50-06)	Sue Reese	<a href="mailto:Suzanne.Reese@dgs.ca.gov">Suzanne.Reese@dgs.ca.gov</a>
Financial Hardship	Jason Hernandez	<a href="mailto:Jason.Hernandez@dgs.ca.gov">Jason.Hernandez@dgs.ca.gov</a>
<i>Appeal Requests</i> (Form SAB 189)	Michael Watanabe	<a href="mailto:Michael.Watanabe@dgs.ca.gov">Michael.Watanabe@dgs.ca.gov</a>

For any questions or to obtain current OPSC contacts, please refer to OPSC's [Directory of Services](#).