



## Office of Public School Construction

STAFF TO THE STATE ALLOCATION BOARD

June 2023 Update

### Buzzworthy

#### **UPDATES TO DISTRICT REPRESENTATIVE CONTACT INFORMATION**

The Office of Public School Construction (OPSC) routinely receives requests to change District Representatives for the purposes of authorizing who may sign and submit official State Allocation Board (SAB) forms. OPSC wanted to emphasize the need that the submitted requests are based on Board of Education resolutions that clearly acknowledge that the designee can act on all aspects of our programs including applying for grants, certification of program compliance, etc. It's important that the local Board of Education and school district representatives understand that being an authorized representative commits the school district to many program requirements long after the project is completed (one example being Routine Restricted Maintenance Account deposits for 20 years.) These requirements vary from program to program, and are articulated on each program's forms. It also means that the school district must follow all statutes and regulations outside of the rules that govern the OPSC/SAB programs, such a Public Contract Code or Government Code.

Authorization of a new District Representative requires an *Eligibility Determination* (Form SAB 50-03): [https://www.dgs.ca.gov/-/media/Divisions/OPSC/Forms/SAB-50-03\\_ADA.pdf](https://www.dgs.ca.gov/-/media/Divisions/OPSC/Forms/SAB-50-03_ADA.pdf) to be submitted with Part I filled out, listing the new District Representatives and their contact information. This information is then input in to the OPSC Online database. In addition to the Form SAB 50-03, a district must enter the date and submit a copy of the school board resolution where the district's local Board of Education authorized the individuals listed on the Form SAB 50-03 to be official District Representatives.

OPSC has developed a sample school board resolution template to assist districts when authorizing new District Representatives, and also to ensure that the resolution contains all of the necessary information in order to successfully update the district's Authorized District Representatives. The sample resolution has language related only to naming of District Representative, any specifics related to application submittals, or anything else, would need to be amended in this template as applicable, or passed on a separate resolution. For more information and a link to the sample school board resolution, please visit OPSC's website [here](#).

Beginning July 1, 2023, all newly submitted school board resolutions must be specific to SAB-administered programs.

#### **90-DAY NOTIFICATION OF APPLICATION PROCESSING**

When OPSC is preparing to process funding applications, staff send out notifications to the applicants via email approximately 90 days prior to the anticipated start of processing. From the time of notification, projects are typically ready for Apportionment in about 180 days. Since applications are now receiving an apportionment, and not an Unfunded Approval, the plan approvals from the California Department of Education (CDE) and the Division of the State Architect (DSA) *must be valid* to receive an apportionment per Education Code.

The DSA plan approval expires after four years unless the construction of the project has commenced. OPSC staff verify the status of the DSA plan approval during processing of funding applications. If the project's DSA

plan approval is expired, the District must obtain updated approvals prior to presentation to the SAB or the application will be revoked.

If the DSA plan approval will expire after the projected Apportionment date but before fund release, the District will be eligible to receive an apportionment. However, the District must be able to demonstrate that it has entered into construction contracts upon submittal of a *Fund Release Authorization* (Form SAB 50-05). Non-financial hardship school districts have only 180 days from Apportionment and district with financial hardship projects have 365 days to submit a Form SAB 50-05.

If plans will expire during that time, the District may need to seek updated approvals now, as these deadlines cannot be extended. OPSC Staff encourages districts to verify the status of the project's DSA plan approval upon receipt of the 90-day notification. Please discuss any change to the scope of the original project, excluding required code updates, with your OPSC project manager. Changes of project scope may affect project eligibility and funding.

### **PRIORITY FUNDING APPORTIONMENTS**

The State Allocation Board (SAB) approved \$156.4 million in priority funding apportionments for 33 projects, representing 23 school districts and qualifying applicants at the April 26, 2023 meeting. The school districts and qualifying applicants that are required to submit a Fund Release Authorization (Form SAB 50-05) from an Authorized District Representative must do so by the end of day on July 25, 2023 to the Office of Public School Construction (OPSC). The Form SAB 50-05 and supporting documentation may be emailed to [OPSCApplicationReviewTeam@dgs.ca.gov](mailto:OPSCApplicationReviewTeam@dgs.ca.gov).

All projects must submit a Grant Agreement prior to, or concurrently with the *Fund Release Authorization* (Form SAB 50-05). Further information on the Grant Agreement is provided under the Resources section.

For most projects, the Form SAB 50-05 may now be submitted electronically via OPSC Online. Please visit our website for 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>.

### **OPSC ONLINE PROJECT TRACKING SYSTEM**

On Wednesday, February 8, OPSC released a "beta" version of the new Project Tracking System in the OPSC Online environment. The updated Project Tracking System provides a simpler "fuzzy logic" search functionality than the original system created over 20 years ago.

For maximum transparency of state funding allocations, the system may be accessed from the OPSC Online login screen; however, users are not required to have an OPSC Online login. Users may click on Project Reporting in the application header to access the database.

The new Project Reporting functionality includes the following features:

- "Fuzzy Logic" search functionality – Allows users to enter partial and/or combined search criteria to locate applications for school district projects.
- Includes information on Lease-Purchase Program, School Facility Program, and California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program projects.
- Project specific funding application information, including key application details used to determine the project funding eligibility.
- Project fund release information, including State Controller's Office's warrant release information.
- Project Budget Summary – Provides an itemized summary of all grants provided for a project, including funding sources.
- Transaction History – Lists every State Allocation Board approval for a project, all OPSC accounting activities such as fund release approvals, and State Controller's Office's warrant release dates.

- Claim Schedule/Voucher ID Search Functionality – Used by local county treasurers to deposit released funds into the correct school district’s accounts.
- View New Construction and Modernization established and remaining eligibility baselines, including all State Allocation Board approved adjustments.

The “beta” version is currently in a near final development stage. Feedback may be provided to [OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov).

### Reminders

#### **SCHOOL DISTRICTS IMPACTED BY STORMS AND/OR OTHER NATURAL DISASTERS**

The Office of Public School Construction (OPSC) and the California Department of Education (CDE) have been actively meeting with numerous school districts that experienced damages to their school site(s) as a result of storms and severe flooding that may be beyond the costs covered by insurance, the Governor’s Office of Emergency Services (CalOES), and the Federal Emergency Management Agency (FEMA). OPSC encourages school districts impacted by the winter storms to reach out to OPSC’s Facility Hardship Program Team to discuss potential funding options. More information about the Facility Hardship Program may be found on OPSC’s website.

#### **SCHOOL FACILITY PROGRAM (SFP) REGULATIONS FOR DIRECT APPORTIONMENTS**

As of November 7, 2022, regulatory amendments went into affect to allow Direct Apportionments, thus allowing funds to be distributed more efficiently. Moving forward, all new approvals of New Construction and Modernization funding applications by the SAB will be provided as Direct Apportionments as staff continues to process applications from the Workload List.

The 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. These new timelines apply only to applications that receive Direct Apportionments without first having an unfunded approval.

#### **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 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.ca.gov](mailto:hung.bang@dgs.ca.gov) or at (279) 946-8444.

### **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.

### **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).

## **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>

### **[Upcoming State Allocation Board Meeting](#)**

### **STATE ALLOCATION BOARD**

As a result of Senate Bill 189 (Chapter 48, Statutes of 2022), the Board continues to meet remotely via Zoom and teleconference through June 30, 2023. The next meeting is scheduled for Wednesday, June 28, 2023, at 4:00 p.m. by way of Zoom meeting and teleconference.

**Status of Funds**

**Remaining Bond Authority (as of May 31, 2023) (includes Unfunded Approvals) (in \$ millions)**

Assembly Bill 181	General Fund FY 22/23		General Fund FY 23/24		General Fund FY 24/25	
	515.5		2,060.5		875.0	
Total	515.5		2,060.5		875.0	

  

Proposition	New Construction	Modernization	Career Tech	Charter School	Overcrowding Relief	Seismic Repair
51	0.8*	390.0	4.7	30.9	N/A	N/A
1D	0.1	0.5	0.0	1.6*	6.6	1.2*
55	0.4	0.0	N/A	2.5*	N/A	N/A
47	0.0	0.0	N/A	1.5*	N/A	N/A
1A	0.0	0.0	N/A	N/A	N/A	N/A
Total	1.3	390.5	4.7	36.5	6.6	1.2

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

**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 May 31, 2023, OPSC received the following for the Applications Received Beyond Bond Authority List:

- New Construction – 241 applications. Total requested - \$1,653,324,405
- Modernization – 745 applications. Total requested - \$2,281,627,753

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 Notification Responses – Cost Estimates	OPSC Cost Estimates	<a href="mailto:OPSCCostEstimates@dgs.ca.gov">OPSCCostEstimates@dgs.ca.gov</a>
90 Day Notification Responses – Eligibility Updates	Isael Silva	<a href="mailto:Isael.Silva@dgs.ca.gov">Isael.Silva@dgs.ca.gov</a>
<i>Fund Release Authorization</i> (Form SAB 50-05) (SFP)	OPSC Fund Release Department	<a href="mailto:OPSCFundRelease@dgs.ca.gov">OPSCFundRelease@dgs.ca.gov</a>
<u>Full-Day Kindergarten Facilities Grant Program</u> <i>Application for Funding</i> (Form SAB 70-01) <i>Fund Release</i> (Form SAB 70-02) <i>Expenditure Report</i> (Form SAB 70-03)	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](#).