

Office of Public School Construction

STAFF TO THE STATE ALLOCATION BOARD

May 2025 Update

Buzzworthy

KINDERGARTEN THROUGH GRADE 12 SCHOOLS AND LOCAL COMMUNITY COLLEGE PUBLIC EDUCATION FACILITIES MODERNIZATION, REPAIR, AND SAFETY BOND ACT OF 2024 (PROPOSITION 2)

Stakeholder Meetings Outcome and Future Planning

The Office of Public School Construction (OPSC) has conducted six stakeholder meetings on behalf of the State Allocation Board (Board) to propose regulatory amendments to implement Proposition 2, and to discuss and collect feedback on proposed amendments to the School Facility Program (SFP) Regulations for the following topics:

- Stakeholder Meeting #1 (January 30, 2025): Financial Hardship, Modernization Eligibility for Schools Located on Military Installations and New Construction Eligibility for Small School Districts, Eligible Expenditures, SFP Matching Share, and 75-Year-Old Building Supplemental Grant.
- Stakeholder Meeting # 2 (February 13, 2025): Interim Housing and Natural Disaster Assistance, Five-Year Master Plan, Small Size School District Program, Energy Efficiency Supplemental Grant, Minimum Essential Facilities (MEF) Supplemental Grants, and Transitional Kindergarten (TK) Supplemental Grant.
- Stakeholder Meeting #3 (topics unrelated to Proposition 2) (February 20, 2025): Modernization Grant Funding for Facilities Previously Modernized with State Funds and Inclusion of TK in New Construction Eligibility Projections.
- Stakeholder Meeting #4 (Cancelled)
- Stakeholder Meeting #5 (March 13, 2025): SFP Matching Share, Career Technical Education (CTE) Supplemental Grant for Modernization, and non-Proposition 2 SFP Global Amendments to regulations. OPSC will conduct an additional stakeholder meeting regarding the CTE Supplemental Grant for Modernization projects and the SFP Global Amendments topics. OPSC anticipates presenting proposed regulatory amendments on SFP Matching Shares at the June Board meeting.
- Stakeholder Meeting #6 (topics unrelated to Proposition 2) (March 20, 2025): Changes to the Facility Hardship and Seismic Mitigation Program regulations to ensure clarity and consistency.
- Stakeholder Meeting #7 (April 3, 2025): Continued discussion on MEF Supplemental Grants, TK Supplemental Grant, and 75-Year Old Buildings Supplemental Grant.
- **Stakeholder Meeting #8 (April 10, 2025):** Continued discussion on Interim Housing and Natural Disaster Assistance and Five-Year Master Plan.
- Stakeholder Meeting #9 (April 17, 2025): Continued discussion on Small Size School District Program and Energy Efficiency Supplemental Grant. Additionally, the California Department of Education (CDE) discussed implementation of the augmentation of the Federal Supporting America's School Infrastructure (SAS) Grant Program for Priority School Districts.

The agendas for these stakeholder meetings can be accessed on OPSC's website under the Resources tab, under Proposition 2 – Assembly Bill 247 <u>here</u>. The next stakeholder meeting is scheduled for May 8, 2025. After discussion with stakeholders, staff will present recommendations to the Board, followed by submitting emergency regulations to the Office of Administrative Law (OAL). If you have any questions, please contact the Project Manager for your county or <u>OPSCApplicationReviewTeam@dgs.ca.gov</u>.

Emergency Regulatory Amendments for the SFP

On March 26, 2025, the Board adopted the proposed emergency amendments to the SFP Regulations related to Financial Hardship, Modernization Eligibility for Schools Located on Military Installations and New Construction Eligibility for Small School Districts, and Eligible Expenditures. The Board also adopted the proposed amendments to the *Eligibility Determination* (Form SAB 50-03) for Modernization Eligibility for Schools Located on Military Installations and New Construction Eligibility Installations and New Construction Eligibility for Schools Located on Military Installations and New Construction Eligibility for Small School Districts and adopted the proposed Grant Agreement for Eligible Expenditures. The regulatory amendments are currently in the process of submission to the OAL. Once OAL posts the notice of the filing to their website, there will be an opportunity to provide public comment for a period of five calendar days.

Charter School Facilities Program (CSFP) Application Filing Round

A new filing round will open on July 3, 2025, and will close on October 30, 2025, at 11:59 p.m. Applications received after 11:59 p.m. on Oct. 30, 2025, will not be valid. Applicants must submit applications electronically via the OPSC Online Application. For your reference, OPSC conducted a free webinar for potential applicants on March 25, 2025 and can be accessed on both OPSC's webpage and <u>YouTube</u> page. For additional information, please refer to the <u>Charter School Facilities Program webpage</u>.

Career Technical Education Funding Program (CTEFP) Round 7

At its April 23, 2025, meeting, the Board approved the following staff recommendations for the seventh CTEFP funding cycle:

- 1. Applicants must obtain new CDE scores by submitting Grant Applications to CDE by December 1, 2025.
- The Application for Career Technical Education Facility Funding (Form SAB 50-10) must be submitted to OPSC by 11:59 p.m. on June 30, 2026. Applicants are encouraged to submit these applications through <u>OPSC Online</u>.
- 3. The maximum funding allocation for eligible projects will be \$300 million.
- 4. Applications submitted to OPSC by school districts and county offices of education for CTEFP project funding must include a governing board resolution acknowledging the following requirements:
 - a. If the application receives an apportionment, the applicant must submit a five-year school facilities master plan with the substantial progress certification for construction of the project or the 100% complete *Expenditure Report* (Form SAB 50-06), whichever occurs first; and
 - b. The apportionment may be rescinded for failure to submit a five-year school facilities master plan with the required components by the deadline specified above.

A sample school board resolution can be found <u>here</u>. Please note, Joint Powers Authority (JPA) applicants are not required to prepare and submit a five-year master plan.

5. Staff will bring back a future item for Board consideration to establish an eighth CTEFP funding cycle.

OPSC, CDE and the Division of the State Architect (DSA) will hold a joint agency webinar on Thursday, May 22, 2025, from 9 to 11 a.m. to assist all school districts with the application process. The meeting will be recorded and posted to <u>OPSC's website</u> and <u>YouTube</u> page following the webinar.

For more information, please visit the <u>Career Technical Education Facilities Funding webpage</u> or contact <u>OPSCCTEFP@dgs.ca.gov</u>.

PRIORITY FUNDING APPORTIONMENTS

At the April 23, 2025, meeting, the Board approved the Priority Funding (PF) Apportionments of approximately \$14.2 million for four projects that submitted a valid certification.

UPCOMING PRIORITY FUNDING FILING ROUND OPENS MAY 14, 2025

The 29th PF Filing Round will open on Wednesday, May 14, 2025, and will close on Thursday, June 12, 2025. Applicants are encouraged to submit Priority Funding requests electronically through OPSC Online. OPSC will continue to accept PF Requests that are emailed as a PDF attachment or mailed as a hard copy to the office. Reminder letters with instructions on how to submit the PF Requests will be sent out to applicants with eligible projects at the beginning of May. These requests will be valid from July 1, 2025, through December 31, 2025. For more information, please contact OPSCPriorityFunding@dgs.ca.gov.

90-DAY NOTIFICATION OF APPLICATION PROCESSING

Staff send out notifications to the District Representative and Superintendent via email approximately 90 days prior to the anticipated start of processing funding applications for applications received within a certain time frame. Below is the current due date for the 90-Day Notification Responses:

- Notifications sent on 3/3/2025 for applications received from 7/26/2022 8/9/2022 are due 6/1/2025.
- Notifications sent on 4/1/2025 for applications received from 8/10/2022 8/31/2022 are due 6/30/2025.
- Notifications sent on 5/1/2025 for application received from 9/1/2022 10/27/2022 are due 7/30/2025.

OPSC is continuing to process applications for funding and providing a 90-Day Notification, while monitoring the available SFP funding authority. Please note that receipt of this 90-Day Notification and/or the processing of the District's application after this 90-day period does not guarantee that there will be sufficient authority for these particular applications.

California Department of Education (CDE) and the Division of the State Architect (DSA) Approvals

Per Education Code, to receive an apportionment, the plan approvals from the CDE and the DSA *must be valid*. The DSA plan approvals expire after four years unless construction of the project has commenced. Projects with expired DSA plan approvals must obtain updated approvals prior to the presentation to the Board for an apportionment, or the application will be revoked. If the DSA plan approvals expire after the projected Apportionment date but before fund release, the District will be eligible to receive an apportionment but must be able to demonstrate that it has entered into construction contracts upon submittal of a *Fund Release Authorization* (Form SAB 50-05).

Deadlines cannot be extended, so if plans will expire during that time, the District may need to seek updated approvals now. 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.

Reminders

FACILITY INSPECTION TOOL

In 2022, OPSC created a web-based format for completing the Facility Inspection Tool (FIT). However, effective March 13, 2025, OPSC longer has access to the software platform that hosts this application, and is working on integrating the FIT into <u>OPSC Online</u>. In the interim, <u>Adobe PDF</u> and <u>Microsoft Excel</u> versions of the FIT are available on OPSC's website. If you previously used the web-based form, OPSC can extract the data to a .csv file for your convenience to transfer over to the other formats. To request a copy of your school district's data, the request must come from an Authorized District Representative on file with OPSC, the Superintendent, or the user who submitted the web-based form. For questions, please contact <u>OPSCCommunications@dgs.ca.gov</u>.

UPDATES TO DISTRICT REPRESENTATIVE CONTACT INFORMATION

The requests to change District Representatives for authorizing who may sign and submit official program forms must be based on Board of Education resolutions that clearly acknowledge the designee can act on all aspects of our programs, including applying for grants, certification of program compliance, etc. This commitment extends long after the project is completed. These requirements vary by program and are articulated on each program's forms. The school district must follow all statutes and regulations outside of the rules that govern the OPSC/SAB programs, such Public Contract Code (PCC) and Government Code. To authorize a new District Representative, an *Eligibility Determination* (Form SAB 50-03) must be submitted with Part I filled out, listing the new representatives and their contact information, alongside the school board resolution naming the authorized individuals.

All newly submitted school board resolutions must be specific to SAB-administered programs. OPSC published a school board resolution template that 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 <u>here</u>.

OPSC ONLINE HANDS-ON ASSISTANCE

OPSC Staff are available to provide hands-on assistance to school districts and interested parties using OPSC Online. Staff can connect with you via video conferencing software applications including Microsoft Teams, Zoom, Cisco WebEx, and Google Meet. To request assistance, please contact your County's assigned Project Manager in the Resources section of <u>OPSC Online</u>, after logging in.

VIRTUAL SCHOOL FACILITY PROGRAM (SFP) TRAINING SERIES

The OPSC conducted a series of free Virtual SFP Training Series in 2021 to further enhance the ability to access SAB programs. The presentations are available 24/7 and can be accessed on the <u>OPSC Virtual Training Series</u> webpage or on <u>OPSC's YouTube channel</u>. If you have suggestion for other topics, they can be submitted to <u>OPSCCommunications@dgs.ca.gov</u>.

DGS/OPSC EMAIL BLASTS

The DGS and OPSC use 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 to receive email notifications of upcoming meetings, key dates, and reminders. The signup link is under "Contact" on OPSC's website: <u>https://www.dgs.ca.gov/OPSC/Contact.</u>

Upcoming State Allocation Board Meeting

UPCOMING STATE ALLOCATION BOARD MEETING

The next meeting is scheduled for Wednesday, May 28, 2025. The time and location of the meeting will be determined and announced on the OPSC webpage. Stakeholders may attend in person or remotely (by viewing the webcast from a link on OPSC's <u>meetings webpage</u>). Public comment may be submitted in writing prior to the meetings or may be made in person at the end of the meetings' agenda.

Status of Funds

Remaining Bond Authority (as of April 23, 2025) (includes Unfunded Approvals) (\$ in millions)

Proposition 2	New Construction (NC)	NC Small School District	Modernization (Mod)		'n	Mod Small School District	Mod Lead in Water Remediation		Career Tech (CTE)		Charter School (Charter)
Total	2,861.2	330.0	3,123.4		.4	400.0	115.0		594.3		594.3
	y Bill 181 otal		General Fund FY 22/23 0.0*		G	eneral Fund F 182.1**					
Proposition	NC	Мо	d	I CTE		Charter	Overcro	wding	Relief	Seismic Repair	
51	1 1.	.4*	3.0*	9.9*		6.0	N/A		N/A		
10	0.	.0*	0.0	0.0 0.		5.9*	6.4			0.0	
55	5 1.	.8*	0.0	0.0 N/A		3.2*	N/A		N/A		
47	7 (0.0		N/A		3.1	N/A		N/A	N/A	
1 <i>A</i>	A (0.0		N/A		N/A	N//		N/A	N/A	
Tota	I 3.	3.2*		1	0*	18.2*	6.4			0.0	

* Total authority is not available at this time due to outstanding accounts receivable. General Fund FY 22/23 \$15,640, Proposition 51 \$1,376,573 for NC, \$113,722 for Mod and \$105 for CTE. Proposition 1D \$24,497 for NC and \$94,026 for Charter. Proposition 55 \$1,461,909 for NC and \$213,604 for Charter.

** Remaining General Fund proceeds are reserved at this time based on SAB actions on 2/26/2025.

APPLICATIONS RECEIVED BEYOND BOND AUTHORITY (ARBBA)

SFP bond authority for New Construction projects is currently sufficient for all New Construction funding applications received by OPSC to date. Therefore, when submitting New Construction funding applications, a school board resolution acknowledging that remaining SFP bond authority is currently exhausted is no longer required and these applications will not be placed on the ARBBA List.

However, requests for Modernization projects currently exceed the available bond authority and will be placed on the ARBBA List. SFP Regulations require that 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. 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.

As of April 23, 2025, OPSC received the following for the ARBBA List*:

• Modernization – 144 applications. Total requested - \$615,340,984

It should be noted that health and safety projects, specifically Facility Hardship and Seismic Mitigation Program projects, are placed at the top of the SFP Workload List.

*The number of projects and total requested excludes applications that have been identified as duplicate submittals to a previously received application that has not yet been processed.

<u>Resources</u>

EXECUTIVE ORDER – CONTRACTOR AND GRANTEE COMPLIANCE WITH ECONOMIC SANCTIONS

On March 4, 2022, Governor Gavin Newsom issued EO N-6-22 in response to Russian aggression in Ukraine, accessible <u>here</u>. OPSC notified participants in the SFP and other SAB programs that compliance with the economic sanctions is required, and failure to comply may result in the termination of contracts or grants. For OPSC inquires please contact Michael Watanabe at <u>Michael.Watanabe@dgs.ca.gov</u> or (279) 946-8463, and for concerns on DGS contracts, please contact the Office of Public Affairs at <u>DGSPublicAffairs@dgs.ca.gov</u>.

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 <u>OPSCAccountsReceivable@dgs.ca.gov</u> for instructions.

EMAILING DOCUMENTS AND RECEIVING CONFIRMATION

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

A Team member will email acknowledgement receipts for all submittals. The document types listed below should be emailed to <u>OPSCApplicationReviewTeam@dgs.ca.gov</u>. 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: Enrollment Certification (Form SAB 50-01) Existing School Building Capacity (Form SAB 50-02) Eligibility Determination (Form SAB 50-03) Application for Funding (Form SAB 50-04)						
90 Day Notification Responses – Cost Estimates	OPSC Cost Estimates	OPSCCostEstimates@dgs.ca.gov				
90 Day Notification Responses – Eligibility Updates	Kevin Fok	Kevin.Fok@dgs.ca.gov				
<i>Fund Release Authorization</i> (Form SAB 50-05) (SFP)	OPSC Fund Release Department	OPSCFundRelease@dgs.ca.gov				
<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)	OPSC Full-Day Kindergarten	DGSOPSCFullDayKindergarten@dgs.ca.gov				
4/15/30-Day Letter Responses (Program/Audits)	Assigned Project Manager /Auditor Reviewing your project	Assigned PM/Auditor's email address.				
Facility Hardship	Lindsey Walden	Lindsey.Walden@dgs.ca.gov				
Grant Agreements	OPSC Grant Agreements	OPSCGrantAgreements@dgs.ca.gov				
Priority Funding Requests	Kelsie Muramoto and OPSC Priority Funding	Kelsie.Muramoto@dgs.ca.gov and <u>OPSCPriorityFunding@dgs.ca.gov</u>				
Substantial Progress Checklists / <i>Expenditure</i> <i>Reports</i> (Form SAB 50-06)	Sue Reese	Suzanne.Reese@dgs.ca.gov				
Financial Hardship	Jason Hernandez	Jason.Hernandez@dgs.ca.gov				
Appeal Requests (Form SAB 189)	Michael Watanabe	Michael.Watanabe@dgs.ca.gov				

For any questions or to obtain current OPSC contacts, please refer to OPSC's <u>Directory of Services</u> located in OPSC Online.