



## Office of Public School Construction

STAFF TO THE STATE ALLOCATION BOARD

March 2024 Update

### Buzzworthy

#### **RESOLUTION OF THE STATE ALLOCATION BOARD**

Rebecca Kirk has been appointed as the Executive Officer of the Office of Public School Construction and State Allocation Board, effective January 31, 2024.

#### **GOVERNOR'S PROPOSED 2024/2025 STATE BUDGET**

On January 10, 2024, Governor Newsom released his first budget proposal for the 2024/2025 fiscal year for \$375 million in one-time General Funds and delays the \$550 million planned for 2024/2025 to 2025/2026 for the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program. This amount and timing are subject to change in the enacted Budget. Additionally, the Governor stated that this spring the Administration expects to enter negotiations with the Legislature on their education facilities bond proposals to reach agreement on a bond proposal to be considered in the November 2024 election.

Currently, there are two education facilities bond bills pending in the Legislature. Staff is monitoring these bills and will provide further updates over the coming months. Please reference the Executive Officer Statement in the "SAB Agenda with Supporting Documentation" for these updates.

Assembly Bill 247 – Education finance: school facilities: Transitional Kindergarten Through Community College Public Education Facilities Bond Act of 2024 (Muratsuchi, Fong, Wilson, et al.)

Senate Bill 28 – Education finance: school facilities: Public Preschool, K-12, and College Health and Safety Bond Act of 2024 (Glazer)

#### **ANNUAL ADJUSTMENT TO THE SCHOOL FACILITY PROGRAM GRANTS AND INDEX ADJUSTMENT ON THE ASSESSMENT FOR DEVELOPMENT**

At the January 24, 2024, State Allocation Board (SAB) meeting, Staff presented the annual adjustment to the SFP grants based on the statewide cost index for Class B construction using the RS Means index as approved by the Board in 2016 as the permanent index used for the annual grant adjustments. The SAB adopted a decrease of 1.33 percent and directed Staff to research alternative indices to use for the construction cost adjustment. Staff is to provide the SAB with monthly status updates. The SAB also requested a legal opinion from its counsel to determine if the SAB can adopt an additional adjustment to SFP grants later in the year and retroactively apply a future adjustment to projects that were approved with the adjusted amount adopted by the SAB at its January 24, 2024, meeting.

Additionally, at the January 24, 2024, SAB meeting, Staff presented the biennial index adjustment on the maximum Level I assessment for development and the SAB adopted an increase of 7.84 percent. For more information on the Developer Fees, please reference the February 28, 2024, SAB meeting agenda.

At the February 28, 2024, SAB meeting, staff presented a report containing the requested legal opinion from the Board's legal counsel. Following the Board's directive to research alternative construction cost indices, staff have met with stakeholders and are currently conducting research to evaluate and compare several indices. An item presenting the results of staff's research will be presented at a future Board meeting.

## **OFFICE OF PUBLIC SCHOOL CONSTRUCTION'S DIRECTORY OF SERVICES – OPSC ONLINE LOCATION**

In order to minimize risk to the Department of General Services (DGS) and the Office of Public School Construction (OPSC) from phishing, vishing, and malware, the direct contact information for all OPSC staff was removed from our external website. The Directory of Services can now be accessed under the Resources section of [OPSC Online](#), available after logging in. We will continue to maintain our Directory of Services and update it monthly with all our teams' direct contact information.

If you have questions or are not already working with a team member, please contact OPSC's Communications Team at [OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov) or at (916) 376-1771. Your correspondence will then be forwarded to the appropriate team member for a timely response.

## **PRIORITY FUNDING SCHOOL CONSTRUCTION APPORTIONMENTS**

At the December 4, 2023 meeting, the State Allocation Board (SAB) approved the Priority Funding Apportionments of approximately \$167.2 million for projects that submitted a valid certification.

## **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 are the current due dates for the 90-Day Notification Responses:

- Notifications sent on 1/2/2024 for applications received from 12/20/2021-1/31/2022 have a due date of 4/1/2024.
- Notifications sent on 2/1/2024 for applications received from 2/2/2022-3/11/2022 and have a due date of 5/1/2024.
- Notifications (MOD) sent on 3/1/2024 for applications received from 3/15/2022-4/27/2022 have a due date of 5/30/2024.
- Notifications (NC) sent on 3/4/2024 for applications received from 3/15/2022-4/27/2022 have a due date of 6/2/2024.

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

From the time of notification, projects are typically ready for Apportionment in about 180 days. Per Education Code, to receive an apportionment, the plan approvals from the California Department of Education (CDE) and the Division of the State Architect (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 presentation to the SAB, 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). Non-financial hardship districts have 180 days from Apportionment and districts with financial hardship have 365 days to submit a 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.

## **Project Information Worksheet – Location Change to OPSC Online Upcoming**

Currently the interface for filling out a Project Information Worksheet (PIW) is an online portal linked through the OPSC website. That access point will be switching over to become a part of OPSC Online starting on April 1, 2024. The functionality and form remain the same, but you will now access the PIW creation wizard through

OPSC Online, by following a link that will be in the District's profile when you login. You can also view any ongoing PIW activity by visiting the new PIW Dashboard link in the "Dashboard" Tab listing.

### Reminders

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

OPSC and 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 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](#).

#### **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 (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. 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. Additionally, 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.

As of July 1, 2023, all newly submitted school board resolutions must be specific to SAB-administered programs. OPSC has published an amended school board resolution template in October 2023. 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](#).

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

On February 8, 2023, 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 "beta" version is currently in a near final development stage. Feedback may be provided to [OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@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. The SAB provided a grace period for Board-administered programs for projects with construction contracts signed on or within sixty calendar days (through August 21, 2022) of SAB action. Additionally, the SAB tasked Staff to create a new process 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 created a [webpage](#) to advise school districts of the Public Contract Code requirements and its applicability to state funding. Additionally, 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 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.

## **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 [OPSC Virtual Training Series](#) webpage or on [OPSC's YouTube channel](#). If you have suggestion for other topics, they can be submitted to [OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov).

## **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 with you via video conferencing software applications including Microsoft Teams, Zoom, Cisco WebEx, and Google Meet. You can screenshare your computer screen 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 the Resources section of [OPSC Online](#), available after logging in.

## **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 to receive email notifications of upcoming meetings, key dates, and reminders. The signup 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) 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. Because 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 turning on "IE mode" in Microsoft Edge to allow the generation of the form. 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>

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

OPSC seeks photos of state-funded school construction and modernization projects to feature in OPSC/DGS publications and websites to showcase recent accomplishments in partnership with the state.

- Photos should be high-resolution to support 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.

Please email pictures as attachments, 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 to [OPSCCommunications@dgs.ca.gov](mailto:OPSCCommunications@dgs.ca.gov).

**Upcoming State Allocation Board Meeting**

**UPCOMING STATE ALLOCATION BOARD MEETING**

The meeting originally planned for March 27, 2024, is being rescheduled to Wednesday, April 3, 2024. The time and location of the meeting will be determined and announced on the OPSC webpage. OPSC intends to allow members to participate via Zoom. Otherwise, it will also be viewable by webcast from a link found on OPSC's webpage under meetings; [Meetings \(ca.gov\)](#). Public comment may be submitted in writing prior to the meeting, or it may be made in person at the end of the meeting's agenda. Additionally, there will be no meeting on Wednesday, April 24, 2024.

**Status of Funds**

**Remaining Bond Authority (as of February 28, 2024) (includes Unfunded Approvals) (in \$ millions)**

| Assembly Bill 181 | General Fund FY 22/23 |               | General Fund FY 23/24 |                | General Fund FY 24/25 |                |
|-------------------|-----------------------|---------------|-----------------------|----------------|-----------------------|----------------|
|                   | 2.6                   |               | 1,324.3               |                | 375.0**               |                |
| <b>Total</b>      | <b>2.6</b>            |               | <b>1,324.3</b>        |                | <b>375.0</b>          |                |
| Proposition       | New Construction      | Modernization | Career Tech           | Charter School | Overcrowding Relief   | Seismic Repair |
| 51                | 0.0                   | 0.0           | 7.4                   | 0.2            | N/A                   | N/A            |
| 1D                | 0.0*                  | 0.0           | 0.1                   | 1.0*           | 6.3                   | 0.0            |
| 55                | 1.7*                  | 0.0           | N/A                   | 1.5*           | N/A                   | N/A            |
| 47                | 0.2                   | 0.0           | N/A                   | 0.7            | N/A                   | N/A            |
| 1A                | 0.0                   | 0.0           | N/A                   | N/A            | N/A                   | N/A            |
| <b>Total</b>      | <b>1.9</b>            | <b>0.0</b>    | <b>8.5</b>            | <b>3.4</b>     | <b>6.3</b>            | <b>0.0</b>     |

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

\*\* The January 2024 Governor's Budget proposes \$375 million in one-time General Funds for FY 2024-25. This amount and timing are subject to change in the enacted Budget.

## **APPLICATIONS RECEIVED BEYOND BOND AUTHORITY**

Received requests for new construction and modernization projects have exceeded the available bond authority. New construction applications received on or after September 12, 2018 and modernization applications received on or after March 1, 2019 will be placed on the Applications Received Beyond Bond Authority (ARBBA) List. SFP Regulations require that all new construction and modernization 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 February 29, 2024, OPSC received the following for the ARBBA List:

- New Construction – 132 applications. Total requested - \$1,101,400,422
- Modernization – 630 applications. Total requested - \$1,976,965,090

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 ARBBA List and do not require a Beyond Bond Authority school board resolution.

### **Resources**

#### **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) in response to Russian aggression in Ukraine, accessible at <http://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>. OPSC notified participants in the SFP and other SAB programs that compliance with the economic is required, and failure to comply may result in the termination of contracts or grants. For OPSC inquires please contact Michael Watanabe at [Michael.Watanabe@dgs.ca.gov](mailto:Michael.Watanabe@dgs.ca.gov) or (279) 946-8463, and for concerns on DGS contracts, please contact the Office of Public Affairs at [DGSPublicAffairs@dgs.ca.gov](mailto:DGSPublicAffairs@dgs.ca.gov).

#### **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:<br><i>Enrollment Certification</i> (Form SAB 50-01)<br><i>Existing School Building Capacity</i> (Form SAB 50-02)<br><i>Eligibility Determination</i> (Form SAB 50-03)<br><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><br><i>Application for Funding</i> (Form SAB 70-01)<br><i>Fund Release</i> (Form SAB 70-02)<br><i>Expenditure Report</i> (Form SAB 70-03)                                           | OPSC Full-Day Kindergarten                                  | <a href="mailto:DGSOPSCFullDayKindergarten@dgs.ca.gov">DGSOPSCFullDayKindergarten@dgs.ca.gov</a>                                                                        |
| 4/15/30-Day Letter Responses (Program/Audits)                                                                                                                                                                                            | Assigned Project Manager /Auditor<br>Reviewing your project | Assigned PM/Auditor’s email address.                                                                                                                                    |
| Grant Agreements                                                                                                                                                                                                                         | OPSC Grant Agreements                                       | <a href="mailto:OPSCGrantAgreements@dgs.ca.gov">OPSCGrantAgreements@dgs.ca.gov</a>                                                                                      |
| Priority Funding Requests                                                                                                                                                                                                                | Kelsie Muramoto and<br>OPSC Priority Funding                | <a href="mailto:Kelsie.Muramoto@dgs.ca.gov">Kelsie.Muramoto@dgs.ca.gov</a><br>and<br><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](#).