

Welcome to the County School Facilities Consortium 2014 Annual Summit



VOICES

Listening to the K-12 School Facilities Program
Discussion in Sacramento

County School Facilities Consortium
Annual Summit
September 26, 2014

William Savidge Assistant Executive Officer
State Allocation Board

Agenda

- Listening...
 - SAB Program Review Subcommittee
 - Governor's Budget message
 - 5-Year Infrastructure Plan
 - Legislative Analyst's Office
 - State Treasurer
 - AB 2235 2014 State Bond Bill
 - Senate amendments
 - Afterward
- What's next...
- County Offices?

SAB Program Review Subcommittee

- Proposed limited specific changes
 - Current program has worked well
- Simplified program structure
 - New, Mod, Charters
- Re-establish baseline eligibility
 - School facilities inventory
- Flexible definition of classroom
 - Align educational with funding definitions
- No New Construction funding for portables
 - When modernizing, replace
- Simplified grant structure
- Financial hardship
 - Higher bonding threshold
 - Ensure projects perfected
- County Offices
 - Require districts to contribute facilities funds
 - Coordination between districts and COE's
 - Adjust loading standards for Community Schools

Governor's Budget Message(s)

For the last two years a consistent message questioning what role "...if any..." the state should play in K-12 school facilities.

Overall concern with unsustainable debt burden and concerns about specific elements of the current school facilities program.

The Administration proposes that any future program be easy to understand and provide school districts appropriate local control and fiscal incentives. The following problems are inherent in the current program and must be addressed:

- The current program is overly complex and reflects an evolution of assigning over ten different specialized state agencies fragmented oversight responsibility. The result is a structure that is cumbersome and costly for the state and local school districts.
- The current program does not compel districts to consider facilities funding within the context of other educational costs and priorities. For example, districts can generate and retain state facility program eligibility based on outdated or inconsistent enrollment projections. This often results in financial incentives for districts to build new schools to accommodate what is actually modest and absorbable enrollment growth. These incentives are exacerbated by the fact that general obligation bond debt is funded outside of Proposition 98.
- The current program allocates funding on a first-come, first-served basis resulting in a substantial competitive advantage for large school districts with dedicated personnel to manage facilities programs.
- The current program does not provide adequate local control for districts designing school facilities plans. Program eligibility is largely based on standardized facility definitions and classroom loading standards. As a result, districts are discouraged from utilizing modern educational delivery methods.

Any future program should be designed to provide districts with the tools and resources to address their core facility gaps, but should also avoid an unsustainable reliance on state debt issuance that characterizes the current school facilities program.

5-Year Infrastructure Plan

- First plan released since 2008
- K-12 School Facilities not included under "Major State Infrastructure"
- "Continue the dialogue..."
- Can't determine the need...

Proposal: Although the Department of Finance's Demographic Research Unit projects slight increases in statewide school district enrollment during the next five years, the estimated need for school facilities funding by local school districts is unquantifiable because of varying facilities needs across local school districts. It is uncertain where future enrollment growth will occur in the state and whether enrollment growth will occur in districts that do not have capacity to house additional students within existing facilities.

Legislative Analyst's Office

- In response to Governor's budget message
 - And in response to 5-Year Infrastructure Plan
- K-12 School Facilities are "Local public infrastructure"
 - Not state infrastructure
- Echo the administration's concerns regarding state bond funding for infrastructure
- Ability of districts to pass local bonds is strong
- Consideration of a state Per-Pupil Allocation for K-12 School Facilities
 - 2001 LAO report had a similar recommendation

Several Major Issues for Legislature to Consider.

The Governor questions whether the state should continue its traditional role in funding school facilities but does not elaborate on what factors to consider in making this determination. Some factors to consider include the availability of funding at the local level for facilities and differences in local revenue-raising capacity among districts. If the Legislature were to decide to continue to fund school facilities, then it would need to consider whether to continue using state bonds or move to another financing mechanism, such as an annual per-student grant. If the Legislature were to authorize a new bond-funded program, it would need to determine the associated eligibility criteria, application process, and cost-sharing requirements between the state and districts. Alternatively, if the Legislature were to adopt a per-student grant, it would need to consider whether the grant should be weighted or uniform, as well as whether the grant could be integrated into the LCFF. In all these cases, the Legislature also would need to consider whether to make payments for facilities from within Proposition 98.

CALIFORNIA SCHOOL AND COMMUNITY COLLEGE DISTRICT VOTER APPROVED GO AUTHORITY VS. ISSUANCE, (REPORTED AS OF 11/19/2013)

ELECTION YEAR	NUMBER OF APPROVED ELECTIONS	VOTER APPROVED G.O. AUTHORITY (MILLIONS)	G.O. AUTHORITY ISSUED (MILLIONS)	UNISSUED G.O. AUTHORITY (MILLIONS)	PERCENT UNISSUED
2002 (a)	83	\$9,451	\$9,210	\$241	2.6%
2003	11	1,553	1,538	15	1.0
2004	112	11,561	10,792	769	6.7
2005	35	6,294	5,485	809	12.9
2006	94	10,319	7,861	2,458	23.8
2007	11	1,253	391	863	68.8
2008	142	28,001	10,844	17,157	61.3
2009	2	69	69	0	0.0
2010	62	5,055	2,648	2,407	47.6
2011	7	981	247	734	74.8
2012	116	15,286	3,496	11,790	77.1
2013	6	318	41	277	87.1
TOTAL	681	\$90,141	\$52,622	\$37,519	41.6%

PUBLIC FINANCE

Data provide more details on unused local school bonds – A bill to place on the November 2014 ballot a measure authorizing the sale of State bonds to build and modernize schools cleared its 2nd legislative committee last week.

But judging from press accounts, a significant issue has yet to surface in the debate: some \$30 billion of K-12 bonds approved by local voters that school districts have yet to sell. The sheer amount of unused local bonds raises questions about how much a State bond measure is needed.

State Treasurer

Not as an active voice, but through office's Weekly Briefings.

Questions need for state funding with adequate local funds.

CDIAC reports focus on authorized, but unissued local K-12 bonds.

CA Locally Approved K-12 Facility Bonds: 11/02 through 11/13 (\$ in billions)
Source: California Debt and Investment Advisory Commission



AB 2235

- Assembly member Buchanan
- State school facilities bond
 - Including Community Colleges, Higher Ed.
- Original bill contained limited program reforms
 - Tried to align with some of Governor's concerns
 - Core programs only—New, Mod., Charters
 - Re-establish base eligibility
 - Design flexibility
 - Some program cleanup language
- Originally no \$ amounts, then at Appropriations
 - \$6 billion total K-12
 - \$3.25 billion Mod
 - \$2.25 billion New
 - \$500 million Charters
- The bill passed out of the Assembly without any “No” votes

AB 2235

- Senate amendments—reflecting a new set of concerns
 - Reduced amount \$4.3 billion total K-12
 - Priority to projects with school community uses
 - Inventory of facilities required
 - All projects must meet high performance standards
 - Allow use of new & mod. for seismic upgrades
- Concerns expressed regarding “suburban-centric” program
 - Questioning whether needs of urban districts have been met
- Bill died in the Senate

AB 2235

- Strong opposition from the Administration killed the bill
 - Remember a consistent message over last 2 years
 - Unsustainable debt levels
 - Change the funding model, change the program
 - No more school bonds!
- The bond bill coalition was strong
 - Insisted on continuing the current program
- A disconnect...with the Governor in a strong position
- Afterward...
 - Attempt to sweep remaining funds (again)
 - Suspend Level III fees
 - Unsuccessful, but Board is unlikely to be unable to apportion projects in the near future

What's next...

- The Administration may propose a new school facilities program
 - As a part of 2015/16 budget process
- Not bond-funded
- Anticipate "pay-as-you-go"
- General fund appropriation
 - Under Prop. 98 guarantee...

What's next...

Some possible program elements of an Administration proposal

- Simplified funding model
 - ADA-based/per-pupil
 - Sq. Ft.-based
- Prioritized funding
 - Needs-based—health & safety
 - Needs-based—local wealth
 - AV per student as a basis for state grants
 - Financial Hardship loans
- Annual competitive grant process (?)
- Very limited program
 - New Construction & Charters
 - Modernization may be considered funded under LCFF (!) and Prop. 39
- Regulatory agency streamlining
 - Consolidation of existing agencies
 - Reduced scope of agency reviews
- Local flexibility in facilities design

What's next...

New program considerations, challenges, opportunities

- Any new program will need to get through the Legislature
 - With different sets of concerns in each house
- Significantly reduced available state funds anticipated
 - With annual general fund appropriations for facilities
 - Will these amounts be sufficient to build new schools?
 - Do local districts have the tools to fully fund school facilities?
- What about Modernization?
 - Is it really the case that LCFF funding is adequate to maintain & modernize our existing facilities?
- What is the best way to streamline the school facilities agency structure & reviews?
 - Opportunities for cost and time savings for districts
 - And for the state

County Offices

New program considerations, challenges, opportunities

- Unique issues for County Offices
 - Inability to raise local funds
 - Severely impacted by the current impasse
 - Providing facilities for at-risk student populations
- Facilities needs are not clearly identified
 - New Construction
 - Can Special Education students be accommodated within existing facilities?
 - What is the need for new Special Education facilities over next 10 years?
 - What about Community School students—growing, fully housed?
 - Modernization
 - Aging stock of portables



Office of Public School Construction
STAFF TO THE STATE ALLOCATION BOARD



School Facility Program Update

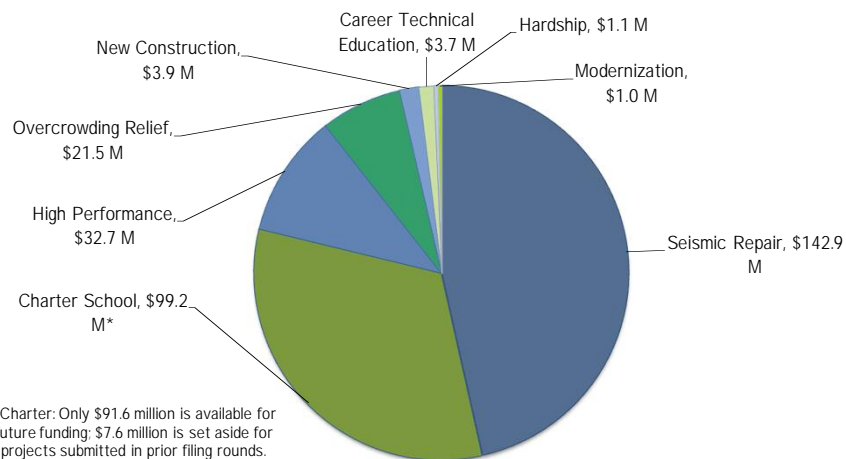
September 26, 2014

Topics

- Remaining Authority
- Unfunded Lists
- Active Programs
- Application Processing
- Priority Funding
- Apportionments
- Construction Information
- Financial Hardship
- State Allocation Board Information



Bond Authority – Remaining \$306.0 Million (as of September 3, 2014)



Bond Authority – Transfers



State Budget transfers remaining bond authority from specialized programs, effective January 1, 2015

Bond authority comes from...

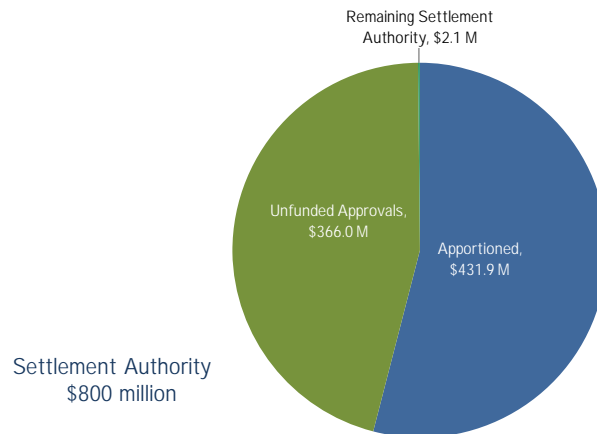
- Career Technical Education Program
- High Performance Incentive Grant

Bond authority goes to...

- Authority available on January 1, 2015 is split 50/50 between New Construction and Modernization
- For authority returning after January 1, 2015, SAB determines percentages split between New Construction and Modernization



Emergency Repair Program Authority (As of August 20, 2014)



Unfunded Lists

New Construction	Unfunded List (Lack of AB 55 Loans)	"True" Unfunded List*	"Acknowledged" List**
	Applications Received Prior to July 12, 2012	Applications Received July 13, 2012 to October 31, 2012	Applications Received on or after November 1, 2012
Modernization	Unfunded List (Lack of AB 55 Loans)	"True" Unfunded List	"Acknowledged" List
	Applications Received Prior to May 3, 2012	Applications Received May 4, 2012 to October 31, 2012	Applications Received on or after November 1, 2012
	<ul style="list-style-type: none"> Fully processed by OPSC SAB Approved - Bond Authority Waiting for an Apportionment through Priority Funding round - no guarantee of future funding. 	<ul style="list-style-type: none"> Fully processed by OPSC SAB Approved - no Bond Authority No guarantee of future funding or bond authority. Could be placed on "Lack of AB 55 Loans" List if bond authority becomes available under current program. 	<ul style="list-style-type: none"> School board resolution required with submittal of application. Accepted but not processed by OPSC. SAB acknowledges but does not approve. No guarantee of future funding or bond authority.

* Applications on this List have no Bond Authority or guarantee of future funding.

** If a school facilities program is approved in the future, it is unknown whether these projects will be processed or eligible for funding under the new criteria.



Unfunded Lists

LIST	APPLICATIONS SUBMITTED <i>All projects</i>	FUNDING REQUEST (in millions) <i>All projects</i>	APPLICATIONS SUBMITTED <i>COE projects only</i>	FUNDING REQUEST (in millions) <i>COE projects only</i>
Unfunded List (Lack of AB 55 Loans) (as of August 20, 2014)	62	\$148.2	3	\$2.4
Unfunded List (Lack of Authority) (as of August 20, 2014)	142	\$393.1	3	\$1.7
Acknowledged List: Applications Received Beyond Bond Authority (as of July 31, 2014)	268	\$600.0	30	\$39.8



Active Programs



Facility Hardship

	2013 PROJECTS	2013 FUNDING (in millions)	2014 PROJECTS (as of 8/20/14)	2014 FUNDING (in millions) (as of 8/20/14)
Facility Hardship	14	\$24.1	0	\$0
Seismic Mitigation	7	\$7.9	14	\$18.2

- OPSC is available to assist with the application process
 - Project managers actively reach out to districts located near recent natural disasters



Active Programs



Seismic Mitigation Program (SMP) - Facility Hardship

- Plans at DSA: 3 districts, 8 structures, likely 5 applications
- Funding applications approved at August SAB: 3 for \$5.5 million
 - Conceptual approval approved at August SAB: 1 for \$5.6 million
 - Conceptual approvals previously granted: 6 for \$52.1 million
- Estimated amount available: \$142.9 million
- Two funding applications currently in house
- OPSC is available to assist with the application process
- Implementation Committee, August 7, 2014
 - Discussion of options to advance more projects currently going through the three-step process administered by DSA with the goal of increasing SMP funding requests



Active Programs



Charter School Facilities Program (CSFP)

- In-house Conversions
 - August SAB: 3 projects
 - Funds Requested: \$16.4 million
- \$91.6 million in Bond Authority available
 - Filing round ended May 30, 2014
 - Funds Requested: Over \$600 million
 - Charters must be found financially sound by the California School Finance Authority to receive funding
 - SAB item expected later in 2014
- No COEs have received CSFP Funding



Active Programs



Overcrowding Relief Grant (ORG)

- \$21.5 million in bond authority available
- Last (12th) funding cycle was oversubscribed
 - Applications Received: 14 for \$84.9 million
- No additional funding rounds are scheduled
 - On August 20, 2014, the SAB decided that future funding be made available to 12th funding cycle applications currently in house
- Any return of authority remains with the program
- Nonparticipation process applies once regulations are approved by the Office of Administrative Law
 - ORG projects on Unfunded List: 14 (\$103.1 million)
- No COEs have received ORG funding



Active Programs



Emergency Repair Program (ERP)

- The next set of funds coming into the program will be allocated at the October 16, 2014 SAB meeting
- Funds will be distributed to districts with applications on the ERP Unfunded List by date received, until the money is exhausted
 - Funds disbursed automatically
 - After apportionment, districts have 15 months (21 months if DSA approval required) to submit ERP Expenditure Reports
- No COEs have received ERP funding



Application Processing



Applications received on or after November 1, 2012*:

- Not fully reviewed or processed by OPSC
- Not approved by the SAB
- Placed on the Acknowledged List

* With the exceptions of Facility Hardship, Charter, and Overcrowding Relief Grant



Application Processing



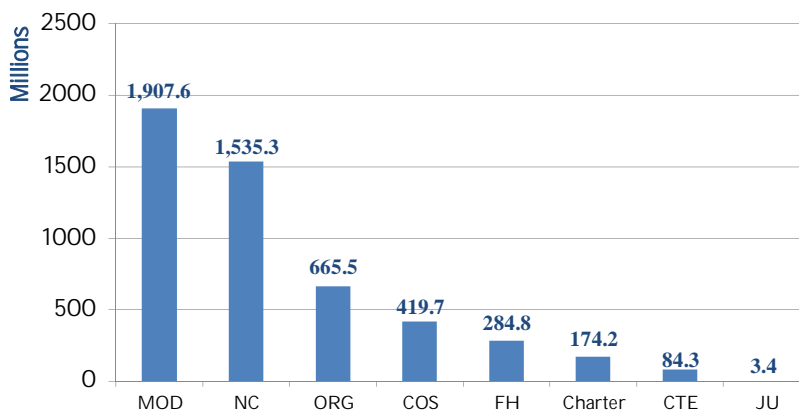
When projects are rescinded (Loss of Bond Authority)...

- Removed from the Unfunded List (Lack of AB 55 Loans)
- Bond Authority available for additional projects
- Facility Hardship projects on the Acknowledged List are processed before other types of projects on the Unfunded List (Lack of Authority)
- Projects can move from Unfunded List (Lack of Authority) to Unfunded List (Lack of AB 55 Loans)
 - All projects with same received date must move together
 - Program and bond source must also be considered



Application Processing

(as of 9/12/14)



Distribution of Successful Priority Funding Projects



Application Processing



What about projects on the Acknowledged List?

- Bond authority must be available
- All projects for a given program must be removed from the True Unfunded List



Priority Funding



Must be on Unfunded List (Lack of AB 55 Loans)



Submit request to convert unfunded approval to apportionment



As cash becomes available, the SAB makes apportionments



90 days to submit Form SAB 50-05



Priority Funding



Completed Funding Rounds (Six Rounds)

- Total Number of Apportionments: 1,842
- Total Number of Converted Apportionments (Includes Automatic Fund Releases): 1,808
- Success Rate Based on Converted Apportionments: 99 percent
- Total Apportioned: \$5.36 billion
- Total Funds Released: \$5.11 billion
- Success Rate Based on Funds Released: 95 percent



Priority Funding

COE Projects Only



Completed Funding Rounds (Six Rounds)

- Total Number of Apportionments: 93
- Total Number of Converted Apportionments (Includes Automatic Fund Releases): 86
- Success Rate Based on Converted Apportionments: 92 percent
- Total Apportioned: \$191.0 million
- Total Funds Released: \$158.3 million
- Success Rate Based on Funds Released: 83 percent



Priority Funding



Total Nonparticipation

- One Occurrence: 49 projects – \$203.9 million
- Two Occurrences: 26 projects – \$53.4 million

ROUND	TWO OCCURRENCES	AUTHORITY
Sixth	24 projects	\$51.9 million
Seventh	2 projects	\$1.5 million

COE Nonparticipation

- One Occurrence: 5 projects – \$4.8 million
- Two Occurrences: 8 projects – \$31.0 million



Priority Funding



Sixth Round Apportionments (as of August 28, 2014)

- Apportionment Dates:
 - March 26, 2014 (2 projects)
 - April 7, 2014 (104 projects)
- Total Apportionments: 106
- Total Apportioned: \$373.0 million
- Fund Release Requests Received: 102
- Fund Release Requests Total: \$358.6 million



Priority Funding

COE Projects Only



Sixth Round Apportionments (as of August 28, 2014)

- Apportionment Dates:
 - March 26, 2014 (0 projects)
 - April 7, 2014 (3 projects)
- Total Apportionments: 3
- Total Apportioned: \$3.1 million
- Fund Release Requests Received: 3
- Fund Release Requests Total: \$3.1 million



Priority Funding



Seventh Round Requests (Current)

- Filing period lasted from May 14 , 2014 through June 12, 2014
- Requests valid from July 1, 2014 to December 31, 2014
- All Certifications
 - Quantity Received: 47
 - Funding Requested: \$100.5 million
- COE Certifications
 - Quantity Received: 1
 - Funding Requested: \$13.5 million



Priority Funding

Next filing period

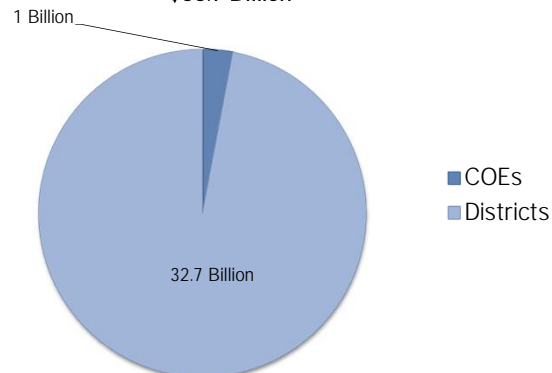
- November 12, 2014 through December 11, 2014
- Requests valid from January 1, 2015 to June 30, 2015

Requests must have original signatures and
be physically received by the OPSC
prior to COB on the last day of the filing period

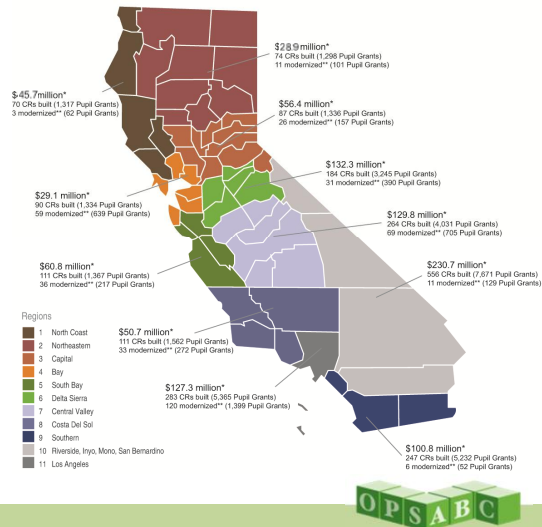


COE Apportionments

Total Amount Apportioned for the School Facility Program
\$33.7 Billion



COE Apportionments – By Region



* Dollar figures represent only new construction and modernization program totals.

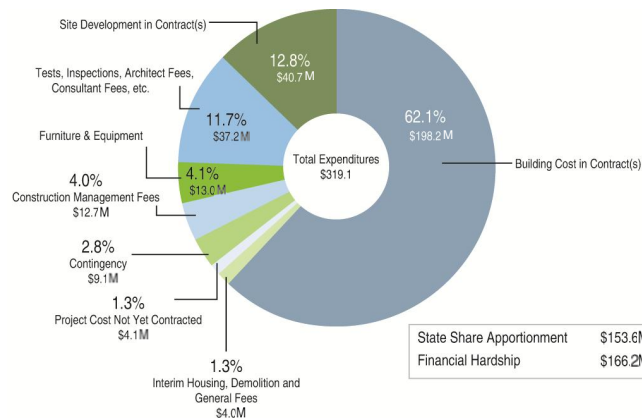
** Shows the number of classrooms that generated Modernization eligibility, not the number of classrooms modernized.

Totals
Funding
\$992.5 m
CRs built
2,077
CRs modernized
405
Financial Hardship Counties



Construction Information

COE State and Local Contributions

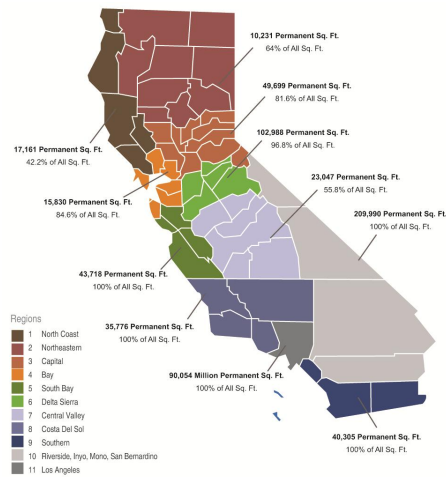


The chart indicates the gross expenditures for the 60 new construction projects apportioned from January 2008 through August 2014 that were required to submit a Project Information Worksheet (PIW) at the time this data was compiled. Of the 60 projects, 57 included Financial Hardship Apportionments at the final adjusted grant funding stage. The data includes the State apportionment, the required district match, and any additional local contribution.



Construction Information

COE Permanent Construction – By Region



The chart indicates the permanent square feet construction versus the total square feet construction (including modular and portable construction) for the 60 new construction projects apportioned from January 2008 through August 2013 that were required to submit a Project Information Worksheet (PIW) at the time this data was compiled.



Financial Hardship Review

(After November 1, 2012)

- OPSC will not accept Financial Hardship (FH) packages for programs lacking bond authority
- Districts can submit *Application for Funding* (Form SAB 50-04) to get on Acknowledged List without FH approval letter
- If authority becomes available, projects on unfunded list for 180 days or more will be reviewed to determine if additional funds are available



Financial Hardship Contact



John Leininger, Supervisor

916-375-4610

john.leininger@dgs.ca.gov



State Allocation Board Members



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Chief Deputy Director of Policy



Fred Klass
Director, Department of General Services
Designee: Esteban Almanza,
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Senator Carol Liu



Tom Torlakson
State Superintendent of Public Instruction,
Department of Education
Designee: Kathleen Moore,
Director of CDE School Facilities & Transportation Division



Cesar Diaz
Governor's Appointee



Assembly Member Joan Buchanan, Vice Chair



Assembly Member Curt Hagman



Assembly Member Adrin Nazarian



State Allocation Board Schedule



- October 16, 2014 at 2:00 p.m., State Capitol, Room 447
- December 2014 – (Date TBD)*

*Pending Workload



How Do Districts Meet the LCAP's Good Repair Standard?

Ian Padilla
Coalition for Adequate School Housing

September 26, 2014



What is the Status of M&O Funding Under the LCFF?

- DMP funding and RRMA contributions eliminated under LCFF
- The 3% RRMA contribution requirement returns in 2015-16



What is the Nexus Between the LCAP and the Good Repair Standard?

- LCAP includes the *Williams* standard which requires that, "...all schools must be maintained in Good Repair." (E.C. Section 1002(d))
- Included under the LCAP under "Conditions of Learning"



What is the Definition of Good Repair?

- Good Repair is not defined under the LCAP
- It is the responsibility of the district to establish a standard for Good Repair under the LCAP
- State Board of Education (SBE) updates the SARC template which includes guidance for achieving Good Repair



SBE Language on Good Repair

School Facility Conditions and Planned Improvements –
Most Recent Year

Narrative Provided by the LEA

Using the most recent Facility Inspection Tool (FIT) data (or equivalent), provide the following:

- *Description of the safety, cleanliness, and adequacy of the school facility*
- *Description of any planned or recently completed facility improvements*
- *Description of any needed maintenance to ensure good repair*



SBE Language on Good Repair (cont.)

School Facility Good Repair Status – Most Recent Year

Using the most recent FIT data (or equivalent), provide the following:

- *Determination of repair status for systems listed*
- *Description of any needed maintenance to ensure good repair*
- *The year and month in which the data were collected*
- *The overall rating*



System Inspected	Repair Needed and Action Taken or Planned			
	Good	Fair	Poor	
Systems: Gas Leaks, Mechanical/HVAC, Sewer	DPL	DPL	DPL	DPL
Interior: Interior Surfaces	DPL	DPL	DPL	DPL
Cleanliness: Overall Cleanliness, Pest/ Vemmin Infestation	DPL	DPL	DPL	DPL
Electrical: Electrical	DPL	DPL	DPL	DPL
Restrooms/Fountains: Restrooms, Sinks/ Fountains	DPL	DPL	DPL	DPL
Safety: Fire Safety, Hazardous Materials	DPL	DPL	DPL	DPL
Structural: Structural Damage, Roofs	DPL	DPL	DPL	DPL
External: Playground/School Grounds, Windows/ Doors/Gates/Fences	DPL	DPL	DPL	DPL

Overall Facility Rate – Most Recent Year

Overall Rating	Exemplary	Good	Fair	Poor
	DPL	DPL	DPL	DPL



What are the Limitations of the FIT?

- FIT a minimum standard
- FIT a snapshot in time
- Not sufficient to achieve Good Repair
- Facility assessments and inventory



Going Beyond the FIT

- Nexus between properly-maintained school facilities and academic performance
- High performance learning environments
- Industry standards that exceed FIT
- Local community priorities



Questions?

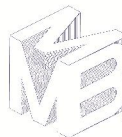
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MONITORING FOR STUDENT SUCCESS

Jema Estrella
Los Angeles County Office of Education

September 26, 2014



Documenting 'Good Repair' of Facilities through MFSS





FY 13-14 Funding Provision

LCFF



LCAP

(accountability)

Basic
Services

Student
Achievement

Other
Student
Outcomes

Common
Core

School
Climate

Student
Engagement

Course
Access

Parental
Involvement



Los Angeles County
Office of Education

Documenting 'Good Repair' of Facilities through MFSS

Standard of Good Repair:

CORE VALUES

Humanity All students have value	Integrity The organization is more successful when its purpose is a part of the organization's culture	Impact The best hope for our students is a great teaching/support workforce
Motivation Everyone serves an essential purpose and wants to contribute something meaningful to the organization	High Expectations We need to strive to provide only the best value adding opportunities for our students	Adaptability It is our job as adults to adjust our methods to find the best formula for student success
Accountability Research and data must drive our methods	Teamwork Collaborative serves our students better than isolation	Investment Our resources must support our best practices

Williams-like + ADA
Technology Readiness
Professional Development
Curriculum Development
Focus Areas



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Documenting 'Good Repair' of Facilities through MFSS

Partnerships:

1. Community
2. Teacher
3. Principal or Admin
4. Director
5. LACOE
6. District / Landlord

Re-negotiating
LEASES



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Documenting 'Good Repair' of Facilities through MFSS



Inspect and report

Address health & safety issues immediately

Follow up on "deficiencies"

Schedule repairs



Documenting 'Good Repair' of Facilities through MFSS

Case Studies:

1. Salk
2. Mujeres y Hombres Nobles CCS
3. Downey CCS
4. RtSA



Documenting 'Good Repair' of Facilities through MFSS









Work Order
System

=

*No double-entry
Easy tracking*



Los Angeles County
Office of Education

Documenting 'Good Repair' of Facilities through MFSS



Jema Estrella

Director, Division of Facilities and Construction

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(562) 922-8981

Los Angeles County Office of Education

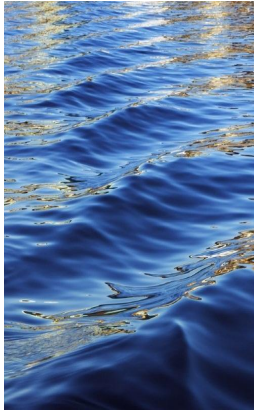
9300 Imperial Highway, Downey, CA 90242

www.lacoe.edu



Los Angeles County
Office of Education

Documenting 'Good Repair' of Facilities through MFSS



Prop 39 Update and SEC Survey Results

September 26, 2014

SCHOOL ENERGY COALITION

Who We Are

- The School Energy Coalition (SEC) is made up of school districts, county offices of education, community colleges and private sector associates who have made, or are planning to make, investments in school energy projects
- Relevant State agencies also actively participate in SEC forums to discuss the impacts of energy efficiency, conservation, and renewable measures on K-14 schools

Membership

- Membership in the School Energy Coalition gives you access to essential and timely updates on Proposition 39, Rates, Water, Public Utilities Commission, California Department of Education, California Energy Commission, Legislation, Legislative Analyst's Office, State Budget and more
- Participate in hearings and proceedings at these agencies in a timely way that will impact and effect statewide projects
- Discounts on SEC workshops and webinars



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Proposition 39 Update: Original State and District Goals

- Success for the State through *energy* savings
- Success for districts through *cost* savings
- Jobs
- Savings for the lifetime of the project especially in light of anticipated electricity rate increases
- Investing a portion of the savings back into facilities and maintenance
- Changing the way we look at our school facilities going forward - Adding Water to SEC Agenda



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Prop 39 Second Year Update: Where are We Now?

- Schools preparing and submitting Energy Expenditure Plans (EEP) – Start now
- Multi-agency involvement (CEC, CDE, and DSA, possibly CCC)
- Ensuring accountability and transparency in awarding funds (Non-Sole Source Process) and for future audits
- Leveraging and job creation
- Fiscal planning for reinvestment of savings in school facilities and more efficiencies - water?

79



Proposition 39: Eligibility

- Eligible Projects: Energy efficiency measures and/or clean energy installations
- Eligible Applicants: LEAs: County Offices of Education, School Districts, Charter Schools, State Special Schools and Community Colleges
- All Facilities Within the LEA: School site facilities include: classrooms, office facilities, auditoriums, multi-purpose rooms, gymnasiums, cafeterias, kitchens, pools, and special purposes areas

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Prop 39 Award Allocations

Tier Levels	Average Daily Attendance Prior Year	Minimum Funding Awards
Tier 1	100 or fewer	\$15,000 plus FRPM
Tier 2	101-1,000	Based on prior year ADA or \$50,000 (whichever amount is larger) plus FRPM
Tier 3	1,001 to 1,999	Based on prior year ADA or \$100,000 (whichever amount is larger) plus FRPM
Tier 4	2,000 or more	Based on prior year ADA plus FRPM

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Energy Planning Funding

Portion of 2013-14 yr funding only – Now Closed

Allowed Energy Planning Activities:

- Energy audits and energy surveys/assessments
- Proposition 39 program assistance
- Hiring or retaining energy manager – For years 2-5: LEAs may request up to 10% of their annual award for this purpose. LEAs may pool this funding and share a manager.
- Energy-related training for classified employees – For years 2-5: May use up to 2% of annual award for this purpose.

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Tier 4 Awards: Large Eligible Energy Project Award Requirements

- For LEAs that receive an award of more than \$1 million in any one fiscal year, not less than 50 percent of this funding must be used on large energy projects
 - A *large eligible energy project* is defined as a group of energy efficiency measures combined for a project cost totaling more than \$250,000
- *The intent of the law: LEAs to implement deep retrofits at large individual school sites



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CEC's Funding Approval Process

All LEA's have the same two options for EEPs:

- Annual Award
- Multiple-year (bundled) award Energy Expenditure Plan which can include a full five-year program award plan. CEC will review multi-year plans on an annual basis

EEP Plan Review and Approval Process at CEC

- CEC will notify CDE and LEAs of approved EEPs on an ongoing basis until and unless workload dictates otherwise – Over 100 approved at this time



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CEC's Funding Approval Process

Project Sequencing: LEAs Should Consider:

- First, maximize energy efficiency
- Next, clean on-site energy generation (e.g. solar panels)
- Finally, non-renewable projects (e.g. combined heat and power project systems)

Self Certification:

Eleven factors from the statute LEAs are required to consider (age, Title 1, recent mod, year-round operations, potential for energy demand reduction, number of jobs, etc.)

85



CEC's Funding Approval Process: EEP

12 Month Electric and Gas Usage/Billing Data

- Identify all electric, natural gas, propane, or fuel oil accounts for all its schools and facilities
- Provide a signed utility data release form allowing CEC to access past 12 month and future utility billing data through 2023

Benchmarking

- Building simulators, ASHRAE, or utility options are available and may be used
- Free tools like ENERGY STAR Portfolio Mgr or LBNL's Energy IQ are good options

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CEC's Funding Approval Process: Cost-Effectiveness Determination

Savings to Investment Ratio (SIR)

- SIR Formula includes inputs such as energy and maintenance savings over installation costs – minus funding sources and other rebates.
- Energy Commission online SIR calculator in Forms A and B must be used

*An eligible energy project must achieve a minimum SIR of 1.05 to be approved for Prop 39 award

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CEC Funding Approval Process: EEP

Energy Expenditure Plan: Essential Items

– EEP must be complete to submit to CEC:

- Expenditure Plan General Form A
- Expenditure Plan Project Summary Form B – One for each site (Audit and Benchmarking info – should do this form first)
- Consent for utility provider to release usage data
- Energy Calculators (if applicable)
- Description of energy planning funds expended from 2013-14 year funding only

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CEC's Funding Approval Process: EEP

Energy Expenditure Plan: Essential Items (Cont.)

- Energy training request (optional)
- Energy manager request (optional)
- Non-energy benefits project (adder/optional)
- Job creation benefits estimation
- Self-Certifications of compliance with various requirements
- Leased facility certification (if applicable)

89



CEC Tracking and District Reporting

After EEP is Approved

- LEA Submits Annual Status Reports – required until an approved EEP is completed
- Final Reports – After Project is Completed
To include 7 elements required by statute
(Final gross product cost, estimated amount of energy consumed and saved, number of FTEs or trainees created, time elapsed between award and project completion, energy intensity before and after project, etc.)

90



Audit Guide Language:

For Audit Guide 2013-14 (EAAP Approved on 2/10/14)

- Representative sample of CA Clean Energy Jobs Act expenditures and verify they were consistent with the approved plan and the Prop 39 Program Guidelines
- Determine that the total expenditure for planning funds did not exceed the planning fund award amount
- Determine if the LEA was in compliance with *Public Resources Code* Section 26235(c) by verifying that a sole source process was not used to award funds. An LEA *may* use the Best Value criteria
- If any expenditures are found to have been made for non-qualifying purposes or not in accordance with law, include a finding in the Findings and Recommendations section of the audit report stating the amount inappropriately expended

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Additional Proposition 39 State Resources

CEC's Energy Conservation Assistance Act – (ECAA-Ed) Program

- 0% interest rate loans for energy efficiency projects
- Technical assistance for planning, energy audits and project recommendations
- 2014-15 Budget Funding for Prop 39: \$28 million

California Workforce Investment Board (WIB) Grant Program

- Earn and learn job training and placement programs
- Targeting disadvantaged job seekers

California Conservation Corps' (CCC)

- Conduct Energy Surveys
- Implement basic energy efficiency measures

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CEC Announces Future Process for Substantive Guideline Changes

- CEC has informed stakeholders that they will be addressing "other substantive issues" that have been raised in a Proposition 39 comprehensive substantive changes cycle beginning in the Fall of 2014, with completion by the end of the year
- Draft changes to the CEC guidelines are expected in the next few weeks – Feedback to CEC before Business Meeting on December 10
- SEC completed a survey in July which was sent to school districts statewide asking whether and when they will be moving EEPs forward



93

Other Related School Energy Items

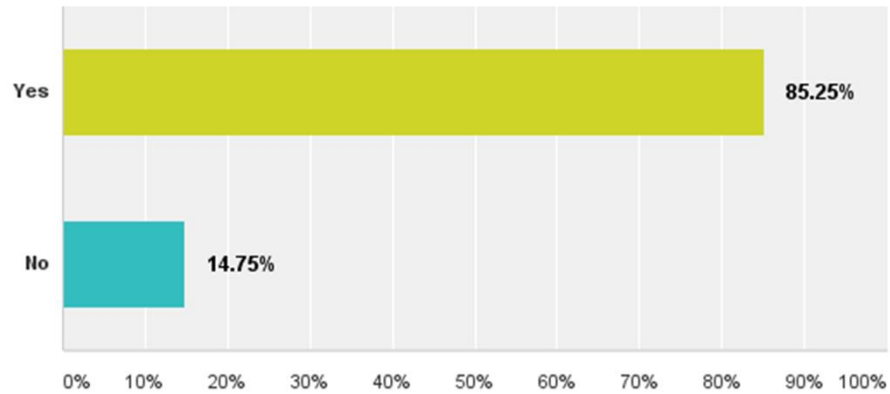
- Title 24 Changes to Code – Took Effect July 1, 2014 – State seeking "maximum energy savings" in existing buildings and new construction. Changes include building envelope, mechanical requirements, indoor and outdoor lighting and overall scope changes.
- Rates and CPUC Proceedings – Ongoing
- Water conservation issues as State seeks to address drought impacts – SEC/C.A.S.H. Workshop in November 2014 – Webinar on the DROPS Program on October 15 at 2:00 p.m.



94

Q1 Have you requested Proposition 39 planning funds?

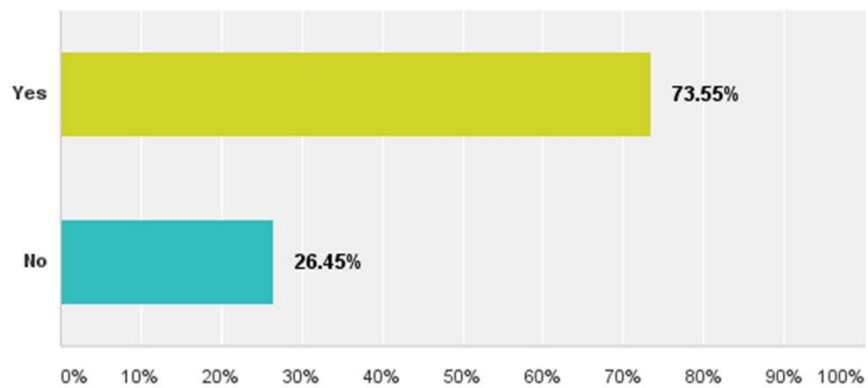
Answered: 122 Skipped: 0



95

Q2 Are you actively working on an Energy Expenditure Plan (EEP) for submission to the California Energy Commission (CEC)?

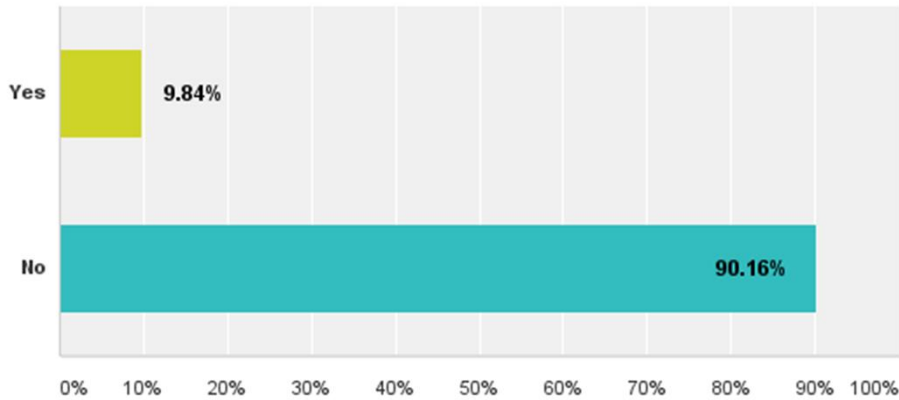
Answered: 121 Skipped: 1



96

Q3 Have you already submitted an annual or multi-year plan to the CEC?

Answered: 122 Skipped: 0

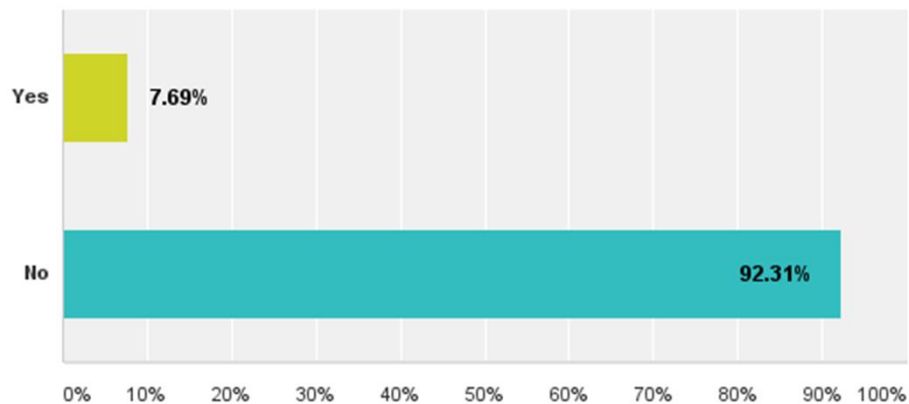


97

SCHOOL ENERGY COMMISSION

Q5 Have you received funding for an approved Energy Expenditure Plan?

Answered: 117 Skipped: 5

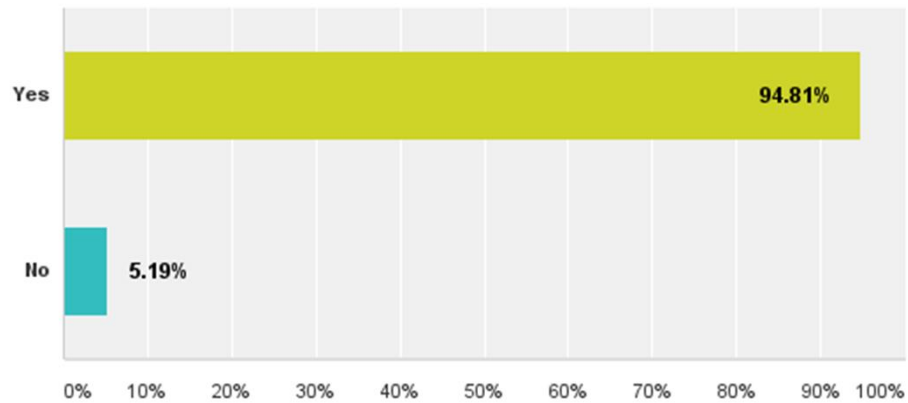


98

SCHOOL ENERGY COMMISSION

Q6 If you are not currently working on a plan, are you planning to do so in the future?

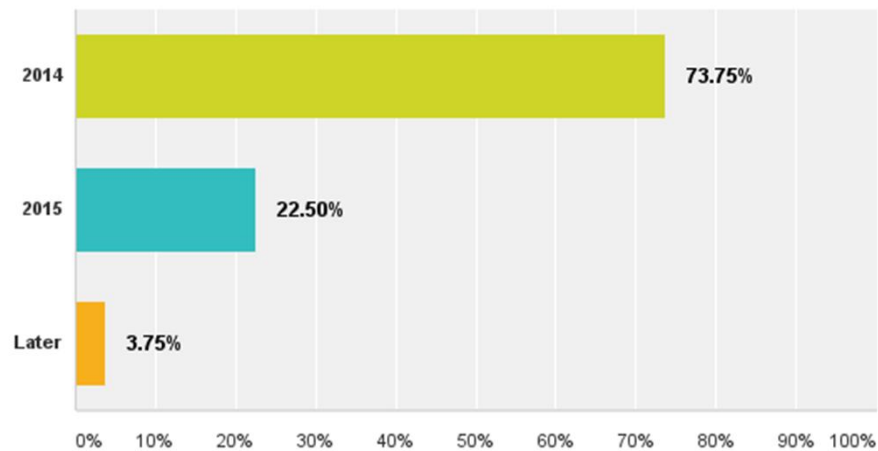
Answered: 77 Skipped: 45



99

Q7 If so when? Please choose one:

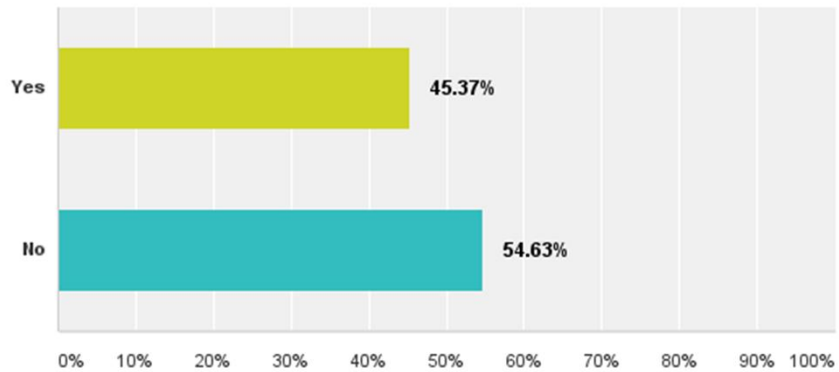
Answered: 80 Skipped: 42



10

Q8 If you are going forward with an Energy Expenditure Plan, will Proposition 39 funding cover your costs for your planned energy projects?

Answered: 108 Skipped: 14



10
1

Q9: Filling the Gap

- Primarily through local bonds
- Coupled with State Bond Funding
- General Fund
- Financing/Loan
- Deferred Maintenance
- ECAA, CCC, Rebates, & Other Programs (QZAB)
- Not Sure
- Prop 39 Will Cover the Project (or adjust so it will)

10
2

Q 10: Summary of Guideline Experiences

- Not Started Yet or In Beginning Stages
- Confusing/Complicated Guidelines and Process
- Difficulty Reaching Required SIR Number
- Using Outside Consultants
- Process is Slow and Bureaucratic
- Already Completed Efficiency or Solar Projects
- Waiting for ECAA, CCC, and Utilities
- Need to Find Staff Time to Do
- Need to Change Master Plan

10
3



Next Steps: Recommendations

CEC: Need to inform the change process now.

- Making the SIR formula work for schools –
Allowing More Projects to Qualify
- Beyond the “Low-Hanging Fruit”
- Solar projects under Proposition 39
- Clarify LEA Partnerships: Other Districts, COEs
and Charters

Get Started Locally – Each Step Takes Time

- CEC is now staffing up and getting projects out in
a steady flow
- 2014-15 per ADA info from CDE - Earlier than
November 30?

10
4





10
5

Contact Information

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*Executive Director of the
School Energy Coalition.*

*A former appointee and Senior
Advisor at the U.S.
Department of Energy and
former staff to the California
State Senate on energy issues.*



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6

Kern County Superintendent of Schools & Proposition 39

Planning
Preparation
Implementation



Kern County Superintendent of Schools & Proposition 39

Proposition 39 Basics:

- You Have Plenty of Time
- Funding Rolls Over Each Year if Not Used
- Apply For Planning Funds Even if You Do Not Plan To Use Them
- Your Phone Will Ring, There Are a Lot of Companies Wanting to "Help" You
- The Process and Forms Are Not as Scary as They Seem



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Proposition 39

Choosing A Path to Follow:

- Outside Contractors
 - Hiring a contractor is probably the quickest and easiest however; they will take a portion of your funding for their services.
 - Remember planning costs can not exceed 15% of your yearly funding or you will have to cover the difference
- Do it Yourself "DIY" In-House
 - It will take a bit more work to obtain the audits and complete the forms however, if you utilize available no and low cost resources, most if not all of your funding can go into implementing your plan.



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OUTSIDE CONTRACTORS

- Interview several different companies
- Ask for references and follow up
- Determine if you want them to do everything or just select parts
- Issue a RFP when you are ready to go
- Run everything through your legal counsel

DO IT YOURSELF

- Select one lead person to coordinate the projects
- Review at least one years worth of utility bills to determine the best place to start
- Talk to your utility companies as they often have no or low cost audits and planning available
- Visit the California Energy Commission web site

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DIY PLANNING BASICS

- Get to know your site needs and set goals
- Your Maintenance & Custodial staff are excellent sources of knowledge
- Take time to review your utility bills, they will point you towards your high use / high cost sites



DIY PLANNING RESOURCES

- Your Utility Company is a good source of No or Low cost planning / audit services
- California Conservation Corps. No or Low cost energy audits
- Various State programs, Bright Schools etc.
- California Energy Commission web site

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DIY PREPARATION / AUDITS

- Minimum one year of utility bills
- Audit should look at all building systems as well as building envelope
- Audit results will give you a map to follow.
- Check on possible rebates to stretch your funding

DIY CEC FORMS

- Take time to review the CEC provided calculators and forms.
 - They are not that difficult to fill out.
- Utilize the CEC help line number (855)-380-8722



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Implementation Basics

- Do not do lighting first on every site
- Lighting can help boost your SIR numbers for more expensive projects like HVAC etc.
- Bundle your projects by site



Implementation Resources

- California Conservation Corps.
- Various job training programs
- Some work can be done using in house labor
- Outside contractors

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Your 5 Year Plan:

- Prioritize your projects by year
- Plan ahead, if you are getting free audits ask for additional audits for future years
- Allow for DSA approval time if you are working on a DSA site.
- Talk to utility companies about current and future rebates, it might pay to wait a year on some projects
- Look into new technologies (T-8 vs LED)
- Talk to other districts to see what has worked well or not so well for them.



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Resources:



- California Energy Commission:
<http://www.energy.ca.gov/efficiency/proposition39/index.html>
- California Conservation Corps:
<http://www.ccc.ca.gov/Pages/default.aspx>
- Bright Schools Program:
<http://www.energy.ca.gov/efficiency/brightschoools/>
- California Department of Education:
<http://www.cde.ca.gov/fg/fo/r14/prop39cceja13rfa.asp>

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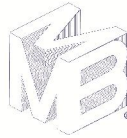
Questions?

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County School Facilities Consortia

Special Education Facility Planning
September 26, 2014

Kathleen Moore, Director
*School Facilities & Transportation
Services Division*

CALIFORNIA DEPARTMENT OF EDUCATION
Tom Torlakson, State Superintendent of Public Instruction



TOM TORLAKSON
State Superintendent
of Public Instruction

Agenda

- ❖ A Future Program
- ❖ Title 5
- ❖ Special Education Planning



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Future Program

- ❖ CDE's Perspective on a New School Facility Program
 - Flexibility and Adaptability
 - Planning
 - Sustainable



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Title 5

- ❖ CDE has prepared changes to the Title 5 standards for sites:
 - Changes way site acres determined
 - District/COE/SELPA consultation
- ❖ State Board of Education to open rule making process in 2015



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State Superintendent
of Public Instruction

Proposed Title 5 Site Standards

A LEA requesting state funding assistance for a site shall:

(f) Provide a narrative on LEA consultation with the local Special Education Local Plan Area regarding the need for additional school site facilities and acreage necessary to accommodate and support special education laws, including the Individuals with Disabilities Education Improvement Act of 2004 and Title 34, Code of Federal Regulations, Parts 300 and 301.



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Background

- ❖ COE educate special education students age 3-22
- ❖ Located on district school sites and county owned and operated sites
- ❖ Placement of students must be in the Least Restrictive Environment and with appropriate peers
- ❖ Enrollment projections for special education needs at a site are difficult



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Successful Construction Projects

- ❖ Allow time for planning and coordination
- ❖ Focus on needs of students
 - Needs identified
 - Anticipate the future
- ❖ Early and frequent discussions between
 - District
 - COE
 - SELPA
- ❖ Early consultation with CDE's Special Education Division and Facility Planning and Transportation Services Division



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State Superintendent
of Public Instruction

When Planning, Consider

- ❖ Location of classrooms—distributed and age appropriate
- ❖ The use of portables relative to all portables
- ❖ The suitability of spaces—noise, lighting, scents, space
- ❖ Confidentiality for conferences and student needs
- ❖ Drop-off areas—need to be in area as general population yet also consider any mobility needs
- ❖ Participation in school events



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Special Education Facility Law

Education Code 17070.80

(a) All SFP projects must be designed for use by students with
“...exceptional needs [and] shall be designed and located on the school site so as to maximize interaction between those individuals with exceptional needs and other pupils as appropriate to the needs of both”



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of Public Instruction

Special Education Facility Law

Education Code 17070.80

(b) "The governing board of each applicant school district and county office of education shall ensure that school facilities for pupils who are individuals with exceptional needs are integrated with other school facilities."



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Special Education Facility Law

Education Code 17070.80

(d) Superintendent of Public Instruction may waive subsection (a) if:

- 1) The applicant documents, and the CDE reviews, the reason for the applicant's "... inability to comply with the requirement."
- 2) The Advisory Committee on Special Education reviews and makes a recommendation to Superintendent of Public Instruction

The Superintendent of Public Instruction will then consider the recommendation of the Advisory Committee on Special Education and approve or reject the waiver request.



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State Superintendent
of Public Instruction

Special Education Facility Regulations

Title 5 Section 14036 Integrated Facilities

“...preferably the classrooms are under the same roof and adjacent to the classrooms of their non handicapped peers, specifically:

- (a) (1) Proximity to regular education
- (a) (2) Same ratio of portables used as used for general education
- (a) (3) Side by side schools are not considered integrated.



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Special Education Facility Regulations

Title 5 Section 14036 Integrated Facilities

“...classrooms for special education purposes...shall be no more physically separated from classrooms constructed for their non-handicapped...”



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Background--2006

- ❖ CDE noticed an increase in School Facility Program requests for what appeared to be non-integrated facilities.
- ❖ Working with districts, COE and SELPA clarified requirements and created structure for building a non-integrated facility.



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CDE Concerns

- ❖ Inappropriate peer group.
- ❖ Little or no discussion of need for facility in context of needs of students.
- ❖ No examination of placement at comprehensive sites.



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Special Education Facility Regulations

A waiver to construct a non-integrated facility is recommended (by CDE) to the Advisory Commission on Special education if the waiver contains

1. A plan to transition individuals with exceptional needs to a regular campus setting
2. A SELPA wide capacity study to verify that no classrooms are available to house the students for which a waiver is requested
3. A justification as to why a non-integrated facility is the only long-term option and the feasibility of short term leases as an option to construction.



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of Public Instruction

Special Education Working Group

The purpose and goals are:

- ❖ To clarify existing applicable laws and regulations regarding school facilities for the education of students with exceptional needs
- ❖ To assist the CDE with considerations towards, and development of, a procedure for the CDE to use in evaluating plans for buildings that house students with exceptional needs. This procedure will include: the proposed construction of new non-integrated sites; additions to, and the modernization of, existing non-integrated sites; and additions to existing integrated sites. Furthermore, effort will be made to identify best practices in providing special education facilities.



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Special Education Working Group

Procedure Overview:

1. Discussion of why facility is needed with consideration of:
 - Continuum of placement
 - Peer Group interaction and LRE
 - Transition plan for students to the general population
 - Placement on general education site
2. CDE Special Education and Facility staffs review and may request additional information from district/COE.
3. If CDE does not approve, District/COE may request hearing before Special Education Advisory Committee.
4. Approval of the Superintendent of Public Instruction.



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State Superintendent
of Public Instruction

Resources

California Code of Regulations, Title 5

<http://www.cde.ca.gov/ls/fa/sf/title5regs.asp>

Non-Integrated Procedures

<http://www.cde.ca.gov/ls/fa/sf/nonintegrated.asp>

CSFC Welcomes

Assembly Member
Joan Buchanan

*Bond Efforts and The Future
of a State School Facility
Program*

Thank You for Attending!!



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