

OC FP Meeting

MINUTES

November 14, 2012

9:30 A.M. – 12:00 P.M.

D1002

TYPE OF MEETING	Facility Planner
FACILITATOR	Andrea Sullivan
WELCOME & INTRODUCTIONS	Attendees introduced themselves. Melissa Thomas from OPSC participated via conference call.

MURDOCH, WALRATH & HOLMES

Tom Duffy, C.A.S.H. Legislative Director
tduffy@m-w-h.com

DISCUSSION	Tom shared the following updates:
CONCLUSIONS	<p>C.A.S.H. Election Update Congratulations, Proposition 30 passed. This means the threat of state bond debt being placed in Proposition 98 has been avoided. That threat would have effectively eliminated the ability to pass state bonds through the State Legislature. We now have a greater probability of passing a 2014 State School Bond to the Legislature to be placed on the November 2014 ballot. The State Senate and Assembly appear to have a two-thirds Democratic majority. Because placing a school bond on the ballot is a two-thirds vote requirement, this change in relative power should help our efforts to have long-term adequate funding for the States' participation in matching local bond funds. It is too early to determine how the potential shift in each house will affect issues other than school bonds.</p> <p>Over Eighty Percent of Local School Bonds Approved by California Voters Of 138 local school bonds and parcel taxes on the November 6, 2012 ballot, 88 school bonds passed (82%) and 19 failed (18%), which is close to historic passage rates for local school bonds post Proposition 39. The school bonds that passed total approximately \$13.3 billion. The school bonds that failed total approximately \$1.7 billion. Concerning parcel taxes, 14 passed (56%) and 9 failed (44%). Go to the C.A.S.H. website for C.A.S.H.'s preliminary and unofficial list of local school bonds and parcel tax measures on the November 6, 2012 ballot.</p> <p>School Facilities Leadership Academy – Accepting Applications! Now that Proposition 30 has passed, and Local Education Agencies will not be taking additional cuts, we are hoping that school districts and county offices of education will continue to apply to the Academy. We currently have 21 applicants with a maximum class size of 30. The plan is to kick-off the Academy at the February 2013 Annual Conference, with the first class beginning in March and graduation at the February 2014 Annual Conference. To apply, please go to http://www.cashnet.org/documents/SFLA_MenteeApplication_web.pdf. If you have any questions about the Academy, please contact Greg Golik, Operations Director, at (916)448-8577 or ggolik@m-w-h.com.</p> <p>Regulations Approved – SFP Applications Beyond Bond Authority The Office of Administrative Law has approved the emergency regulations pertaining to accepting School Facility Program (SFP) applications once bond authority has been exhausted, effective November 1, 2012. All applications received on or after the effective date will be subject to the new regulations and processing procedures as approved by the State Allocation Board (SAB). The Office of Public School Construction (OPSC) will no longer be fully processing the New Construction or Modernization applications or present the applications to the SAB for approval. The applications will undergo an intake review to ensure all of the required documents have been submitted. A new submittal requirement is a school board resolution acknowledging that the remaining SFP bond authority is currently exhausted for the funds being requested and that the project may not be funded in the future. Once the OPSC has reviewed the required documentation it will be placed on a SAB-acknowledged list of new construction and modernization projects that are received by the OPSC. The new list will be</p>

called the “Applications Received Beyond Authority List.”

Change to Priorities in Funding (PIF) Funding Scheme

The SAB voted to change the procedure by which school districts access the twice a year State bond sale funds for Modernization and New Construction. The majority of the discussion was spent on the topic of non-participation by some districts and charter schools in the priority funding process. Staff provided a report showing that there were 165 projects that had failed to participate in the last two rounds, 112 projects that had failed to participate in the prior three rounds, 68 projects that failed to participate in the prior four rounds, and 16 projects that had never participated in any of the five Priority in Funding (PIF) rounds held to date. Currently, districts that have received an approval from the SAB are able to remain on the approved list without promising to enter into a construction contract and requesting a funding approval when a bond sale takes place giving the SAB the ability to fund projects. As the Bond authority diminishes with new projects seeking unfunded approvals, at some point these existing “non-participating” projects are seen as keeping cash from projects that are ready to construct. The SAB’s action is designed to force districts to either take the cash and build the project, or rescind the bond authority to allow a “construction ready” project to receive an actual funding approval by the Board. The reality is that the State has more projects than money. Mr. Bill Savidge, Assistant Executive Officer to the SAB, explained however that any funds that were rescinded from projects in the Charter School, Career Technical Education (CTE), and Overcrowded Relief Grant (ORG) programs would be returned to those programs and could not be used to fund oversubscriptions to other programs that had depleted the bond authorization. He also explained that those programs had different requirements for funding, and in the case of the Charter School and CTE programs, reservation of funding was sometimes made at the conceptual stage and additional time was allowed to bring a construction ready project forward. The remaining discussion of the Board centered on whether projects in the New Construction and Modernization categories should only be allowed to pass on the PIF process a fixed number of times before the funding would be rescinded for the project, possibly freeing up bond authorization for other projects. Without a change in regulation, such is not possible, and OPSC staff estimated that a new regulation would not be in place before next spring, thus giving districts ample notice that this change is taking place. The SAB also requested OPSC to contact districts that had not participated in the most recent PIF rounds to see if the projects on the unfunded list were still viable and if not, whether the districts would voluntarily request a rescission of their projects. Development of the new regulations to allow the SAB to rescind New Construction and Modernization projects that had not participated in the PIF rounds will be forthcoming.

State Allocation Board (SAB) Program Reform Subcommittee

The SAB Program Review Subcommittee met in the Capital on October 24th to review the current programs funded under Propositions 47, 55 and 1A and to discuss which programs to retain and possible changes to those programs for a potential 2014 statewide school facilities bond. The Subcommittee was chaired by Assembly Member Joan Buchanan, and included Assembly Member Curt Hagman, Esteban Almanza, Kathleen Moore, and Cesar Diaz. Pedro Reyes attended at the commencement of the meeting and left shortly thereafter. The OPSC staff had prepared a very comprehensive document explaining the various programs that had been funded under the last three bonds. The staff walked the Subcommittee through the document and answered questions regarding the various programs. OPSC received many compliments on the quality of the document and its potential usefulness as a reference document in the future. The Subcommittee asked a number of questions regarding the current program and provided comments on the potential direction of a future program. Assembly Member Hagman requested an explanation as to how the various grant amounts were derived historically. Kathleen Moore commented on the Department of Education’s desire to look at a needs based program for Modernization which would also allow districts to meet evolving educational programs in addition to maintenance needs and code requirements. Assembly Member Hagman and Assembly Member Buchanan also questioned whether the state should be providing funding for green initiatives designed to save school districts operating costs. Here is a list of other topics that were raised by Subcommittee members:

- Financial Hardship program requirements such as raising the 60% bonding capacity threshold
- Requiring districts to re-determine eligibility based on planned new dwelling units and through tract maps
- Adequacy of funding to provide facilities that meet educational goals
- Special Education and COE funding
- Reducing districts reliance on portable classrooms
- Whether or not to allow more flexible design of schools in the program
- The role, or lack thereof, of the state in energy efficiency funding
- Matching goals to resources

During public comment, three C.A.S.H. Board members addressed the Subcommittee. C.A.S.H. Chair Cathy Allen thanked the Subcommittee for the opportunity to review the program, and stated that at the C.A.S.H. Fall Conference the organization had conducted an exercise to elicit ideas from the membership on program direction and that more specific recommendations would be forthcoming from C.A.S.H. as the process develops. C.A.S.H. Board Member Jenny Hannah also spoke, providing a perspective from County Offices of Education (COE) and asked that the Board consider changing language and rules that impede COEs from fully participating in programs such as Career Technical Education (CTE) and Joint-Use. C.A.S.H. Board Member Janet Dixon also addressed the Subcommittee regarding the lack of adequacy of the current Modernization program, and the possibility of combining any additional funding for green initiatives into the base program as the green code becomes more integrated into all buildings.

OFFICE OF PUBLIC SCHOOL CONSTRUCTION (OPSC)

Melissa Thomas, Project Manager
melissa.thomas@dgs.ca.gov

DISCUSSION	Melissa Thomas gave us the latest information from OPSC.
CONCLUSIONS	http://www.ocde.us/Facilities/Documents/NovemberUpdate.pdf

CALIFORNIA DEPARTMENT OF EDUCATION (CDE)

Bedelia Honeycutt, Field Representative
bhoneycutt@cde.ca.gov

DISCUSSION	Bedelia gave the following updates:
CONCLUSIONS	<p>Lesley Taylor has recently joined the division as a field representative. Bedelia also reported on the Division's efforts to solicit input on the policy research report, California's K-12 Educational Infrastructure Investments: Leveraging the State's Role for Quality School Facilities in Sustainable Communities, prepared by U.C. Berkeley, Centers for Cities and Schools, including a symposium scheduled for December 6 co-sponsored by Strategic Growth Council, OPR and CDE to discuss the CCS report among other issues.</p> <p>The following plan review issues were discussed: providing complete information on site plans, for projects with multiple funding sources, and on projects involving complete demolition and reconstruction of a campus.</p> <p>Regarding SB1404, which revises the Civic Center Act to include capital replacement costs as part of the direct costs that may be charged by school districts, Bedelia stated that CDE is currently developing the timeline which provides for the adoption of regulations by December 2013.</p>

DIVISION OF THE STATE ARCHITECT (DSA)

Craig Rush, S.E., Regional Manager

craig.rush@dgs.ca.gov

DISCUSSION	Craig shared a Powerpoint Presentation on IR A-6 (CCD Process) and the Legacy Certification Program.
CONCLUSIONS	Please email Beth, bbrunskill@ocde.us for further information.

COALITION FOR ADEQUATE SCHOOL HOUSING

Tova Corman, Senior Facilities Planner, SAUSD

tova.corman@sausd.us

CONCLUSIONS	There was no C.A.S.H. update this month, as Tom Duffy covered the items in his talk.
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CONCLUSIONS	The next Orange County (District Only) FP meeting is scheduled for December 13, 2012, from 10:00 a.m.–12:00 p.m. in B-1107. Please RSVP to Beth Brunskill at (714) 966-4024, or bbrunskill@ocde.us
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ATTENDEES:SCHOOL DISTRICTSAnaheim City SD

Melinda Pure

Bob Perez

Brea-Olinda USD

Eric Calderon

Fullerton SD

Larry Lara

Fullerton Joint Union HSD

Jerry Skaff

Garden Grove USD

Stuart Moe

Laguna Beach USD

Ann Lombard

Newport-Mesa USD

Tim Marsh

Oceanview SD

Lance Bidnick

Orange USD

Angela Perez

STATE AGENCIESOffice of Public School Construction

Melissa Thomas (participated by conference call)

California Department of Education

Bedelia Honeycutt

Division of the State Architect

Craig Rush

OUTSIDE AGENCIES

Henry Woo, HWA

Bob Nelson, Architect

Margie Brown, Westgroup Designs

Justin Rich, Dolinka Group

Adela Ells, Silver Creek

Mark Rosson, CPM

Leslie Gould, Lungren Management

Mike Vail, NAC Architecture

Corinne Loskot, CLC

Mark Lovie, Enviroplex

Shazad Ghanbari, Westgroup Designs

Scott Bohrer, Mondo

Julie Strauss, School Advisors

Jason Dontje, Studio Plus

Leslie Brownstein, Lionakis

Alan Pierce, Segments, Inc.

Olga Tsiba, JCJ Associates

Kevin Emenaker
Steve Harlin

Santa Ana USD
Tova Corman
Jessica Mears
Jesse Barron

Tustin USD
David Miranda

OCDE
Andrea Sullivan
Tom Froehlich
Beth Brunskill