

**A BRIEF OVERVIEW
OF THE
SCHOOL FACILITY PROGRAM**

Provided by the Office of Public School Construction

May 2016

History

The Leroy F. Greene School Facilities Act of 1998 (Senate Bill 50) was chaptered into law on August 27, 1998, establishing the SFP.

The SFP provides for a wide variety of state funding, including, but not limited to, new construction, modernization, charter school facilities, career technical education facilities, seismic mitigation, facility hardship, joint-use programs, high performance attributes and assisting in the relief of overcrowding.

To ensure that districts are providing adequate safe facilities to students, districts are required to receive project approvals from the Division of the State Architect (DSA) and California Department of Education (CDE) prior to submittal of a funding application.

Funding for the School Facility Program

Funding for projects approved in the SFP comes exclusively from statewide general obligation bonds approved by the voters of California. The chart below provides a breakdown of the funding made available to specific programs through each bond source:

K-12 Education Facilities Bond Breakdowns (\$35.4 billion) Approved by Voters Since 1998

Program	Proposition 1A (1998)	Proposition 47 (2002)	Proposition 55 (2004)	Proposition 1D (2006)
New Construction	\$ 2,900,000,000	\$ 3,350,000,000 ¹	\$ 4,960,000,000	\$ 1,900,000,000 ^{4,5}
Modernization	2,100,000,000	1,400,000,000 ²	2,250,000,000	3,300,000,000 ⁴
Charter Schools	—	100,000,000	300,000,000	500,000,000
Career Technical Education	—	—	—	500,000,000
Overcrowding Relief	—	—	—	1,000,000,000
High Performance Schools	—	—	—	100,000,000
New Construction Backlog	—	2,900,000,000	—	—
Modernization Backlog	—	1,900,000,000	—	—
Critically Overcrowded Schools	—	1,700,000,000	2,440,000,000	—
Joint Use	—	50,000,000	50,000,000	29,000,000
Hardship	1,000,000,000	—	—	—
Class Size Reduction	700,000,000	—	—	—
Total K-12	\$ 6,700,000,000	\$11,400,000,000	\$10,000,000,000³	\$ 7,329,000,000

¹ \$14.2 million – energy efficiency.

² \$5.8 million – energy efficiency.

³ \$20 million total – energy efficiency set aside for new construction and modernization.

⁴ No more than \$200,000,000 of the sum of the appropriations for new construction and modernization shall be used to fund the smaller learning communities and small high schools.

⁵ Up to 10½ percent (\$199.5 million) shall be available for purposes of seismic repair, construction, or replacement, pursuant to Education Code Section 17075.10.

New Construction Program

Funding Sources: Propositions 1A, 47, 55 & 1D

Overview

- The New Construction Program provides school districts with funding to add classroom capacity to meet future student housing needs.
- The program provides funding for costs associated with new school construction, or classroom additions to existing schools. In addition to funding added classroom capacity, the program funds libraries, multipurpose rooms, gymnasiums, administration, and other school facilities.

Eligibility

- A district's new construction eligibility is based on its projected need to house pupils. New construction eligibility is determined by comparing the district's projected enrollment and the district's current classroom capacity.
 - The formula used to project enrollment, known as the "cohort formula", projects what the enrollment will be in five or ten years. This projection allows districts to plan ahead and meet future needs.
 - The new construction eligibility formula is as follows:
 - Enrollment in 5 years – existing classroom capacity = # of unhoused pupils = eligibility
- New construction eligibility expires each year. If the new construction eligibility has expired, the school district must update its eligibility prior to, or concurrently with, a funding application.

Funding

- The New Construction Program provides funds on a 50/50 State and local sharing basis.
- Funding is provided based on a per pupil grant amount. The pupils requested in each separate grade level receive specific grant amounts prescribed in law.
- The per pupil amount may be adjusted annually based on the Class B Construction Cost Index as approved by the State Allocation Board.
- The base grant is intended to provide funding for design, construction, testing, inspection, furniture, equipment, and other costs related to the actual school facilities construction.
- In addition to the base grant, the district may request supplemental grants for increased costs associated with things such as geographic location, size of project, or multi-level construction.

Modernization Program

Funding Sources: Propositions 1A, 47, 55 & 1D

Overview

- Modernization funding is designed to extend the useful life of existing facilities, or to enhance the physical environment of a school.
- Typical projects include, but are not limited to, the following: structural upgrades, access compliance upgrades, air conditioning, plumbing, lighting, and electrical systems, roof replacement, fire safety improvements, and furniture and equipment.
- Modernization funding can be used to demolish and replace existing facilities of like kind.
- The per pupil grant amount and funding for specific utility upgrades is available if permanent buildings to be modernized are 50 years of age or older.

Eligibility

- Modernization eligibility is site-specific. Each school site has its own separate modernization eligibility.
- Districts establish an initial Gross Classroom Inventory for the site.
- To generate eligibility, Permanent Buildings must be at least 25 years old and Portable buildings must be at least 20 years old.

Funding

- The Modernization program provides funding on a 60/40 State and local match basis.
- Funding is provided based on a per pupil grant amount. The per pupil grant amount is multiplied by the number of pupils requested as part of a district's funding application. The pupils requested in each separate grade level receive specific grant amounts prescribed in law.
- The per pupil amount may be adjusted annually based on the Class B Construction Cost Index as approved by the State Allocation Board.

Charter School Facilities Program New Construction & Rehabilitation

Funding Sources: Propositions 47, 55 & 1D

Overview

The Charter School Facilities Program (CSFP) provides charter schools funding to construct new charter school facilities and/or rehabilitate existing school district-owned facilities that are at least 15 years old for charter school use. Applications may be submitted by charter school directly or through the school district where the projects will be physically located. Title to project facilities is generally held by the local school district; however, charter schools may submit a request to hold title.

Eligibility

- The school district in which the charter school is physically located must have established and updated SFP new construction eligibility.
- The school district must certify to the number of district unhoused students a charter school will house in a new construction project.
- The charter school must be deemed financially sound by the California School Finance Authority (CSFA).
- The buildings in a proposed Rehabilitation project must be at least 15 years old.

Funding

- Upon State Allocation Board approval, charter school projects receive a reservation of funds known as a "preliminary apportionment." Within four years, the reservation of funds must be converted into a final apportionment. A single one-year extension may be granted.
- The preliminary apportionment grant amounts are based on the grade level served by the CSFP project, and any additional site acquisition, site development, and/or supplemental allowances.
- Charter schools may receive an advanced fund release for site and design costs.
- Funding is provided based on a 50/50 State and local match.

- Final apportionment funding is provided based on a per pupil grant amount. The per pupil grant amount is multiplied by the number of pupils requested as part of a district's funding application. The pupils requested in each separate grade level receive specific grant amounts prescribed in law.
- The per pupil amount may be adjusted annually based on the Class B Construction Cost Index as approved by the State Allocation Board.
- Charter schools may borrow their matching share from the State through the CSFA.
- Charter schools must enter into the appropriate Charter School Agreements outlining property use, State loan repayments, and other project details prior to receipt of any State funds.
- CSFP new construction final apportionments are funded similarly to SFP new construction projects with the same base grant and most of the same supplemental grants.
- CSFP rehabilitation final apportionments are calculated based on the square footage rehabilitated. Some of the SFP supplemental modernization grants are also available for CSFP rehabilitation projects.

Career Technical Education Facilities Program

Funding Source: Proposition 1D

(SB) 869 Chapter 39, Statutes of 2014 prohibited the SAB from apportioning CTE funds on or after 1/1/2015.

Overview

- Provides funding to school districts and joint powers authorities (JPA) for the construction of new Career Technical Education (CTE) facilities, modernization of existing CTE facilities, and/or purchase of equipment for the CTE program.
- School districts have two options available when submitting a funding application.

Option 1: A district with Division of State Architect (DSA) and California Department of Education (CDE) approved plans may request full project funding.

Option 2: Prior to receiving DSA and CDE approvals, districts may request a reservation of funds. The district has up to 12 months from the date of apportionment to submit the necessary approvals.

- CTE projects can consist of facilities and equipment, or consist solely of equipment with at least a ten-year average useful life expectancy.
- Districts may choose to have a stand-alone CTE project, or they may combine a CTE project with a new construction or modernization project.
- The CDE currently recognizes 15 industry sectors for CTE programs.

Eligibility

- The district must have an active career technical advisory committee.
- The CTE program plans must be reviewed and scored by CDE. Scores are based on the overall CTE plan for each course of study within the approved industry sector, enrollment projections, identification of feeder schools and industry partners, approval of the plan by these entities, outcome accountability, coordination with other area schools, and evidence that the district will meet all statutory obligations relating to CTE.
- Plans receiving the minimum score or higher are eligible to submit an application for funding.

Funding

- Funding is a 50/50 State and local match. The total grant amount is based on the combined construction, site development and equipment costs, and any eligible supplemental grants.

- Districts may request a loan for all or part of their required 50 percent match. As districts repay their loans, the State re-deposits the loan repayments into the CTEFP fund.
- The maximum grant amount is \$3 million for new construction and \$1.5 million for modernization.
- Funding order is based on the project's locale and CDE score. A project's locale is Urban, Suburban or Rural, as determined by the National Center for Education Statistics (NCES).

Facility Hardship Program

Funding Sources: Propositions 1A, 47, 55 & 1D

Overview

The purpose of the grant is to assist districts with funding when it has been determined that the district has a critical need for pupil housing, because the condition of the facilities, or the lack of facilities, presents a health and safety threat to the pupils. The program provides funding for the minimum work necessary to mitigate the health and safety threat.

Eligibility

- In order for a project to be eligible under the Facility Hardship Program, one of the following two conditions must exist:
 - Facilities must be in need of repair or replacement due to a health and safety threat
 - Or
 - Facilities were lost or destroyed due to fire, flood, earthquake, or other disaster
- The District must provide a report from an industry specialist with governmental concurrence to identify the health and safety threat and the minimum work required to mitigate the threat.
- SFP New Construction or Modernization eligibility is not required to participate.
- Enrollment must justify a continuing need for the facilities
 - The maximum eligible replacement square footage is defined in SFP regulations.

Funding Determination

- Funding is provided in two categories: Replacement or Repair of facilities.
- Funding category is confirmed by a Cost Benefit Analysis (CBA) of cost to repair vs. cost to replace.
 - Replacement: if cost to repair is greater than 50 percent of the cost of replacement.
 - Repair: if the cost to repair is less than 50 percent of replacement.
- There are three types of Facility Hardship projects:
 1. Replacement of entire school, with or without site acquisition.
 2. Replacement of individual buildings and/or facilities on an existing site.
 3. Repair of individual buildings or facilities on an existing site.
- Replacement projects are considered a type of new construction project. Therefore, funds are provided on a 50/50 State and local sharing basis.
- Rehabilitation projects are considered a type of modernization project. Therefore funds are provided on a 60/40 State and local sharing basis.

- Districts can request a conceptual approval or submit a full funding application. The conceptual approval of a Facility Hardship project is an approval from the Board that indicates that the health and safety threat warrants an application under the program. This approval gives the district a comfort level that State funding may be provided if they move forward with the project.

Seismic Mitigation Program

Funding Source: Proposition 1D

Overview

The Seismic Mitigation Program is a sub-component of the Facility Hardship program that provides funding for seismic construction projects with buildings determined to have “most vulnerable California school facilities” status.

Eligibility

- Facility must be identified by the Division of the State Architect (DSA) as a qualifying Category 2 building.
- The building is designed for occupancy by students and staff
- The project funding provided shall be the minimum work necessary to obtain DSA approval
- The DSA concurs with a structural engineer’s report that identifies structural deficiencies in accordance with the requirements of DSA Procedure 08-03.
- If building eligibility is based on the presence of faulting, liquefaction, or landslide, the California Geological Survey must concur with a geologic analysis.
- The construction contract was executed on or after May 20, 2006

Funding Determination

- Funding is provided in two categories: Replacement or Repair of facilities, similar to the facility Hardship Program. However, all SMP projects are funded on a 50/50 State and local sharing basis per statute.
- Districts can request a conceptual approval or submit a full funding application.

Other Programs within the School Facility Program

The following programs are also currently active or have historically been part of the School Facility Program:

- Critically Overcrowded School Program**
- Overcrowding Relief Grant Program
- High Performance Incentive Grant*
- Energy Efficiency**
- Joint-Use Program**

*(SB) 869 Chapter 39, Statutes of 2014 prohibited the SAB from apportioning High Performance Incentive Grant funds on or after 1/1/2015

**Funds are exhausted and apportionments are no longer being made.

A more detailed look at these programs (and the main programs outlined in this document) can be found at http://www.documents.dgs.ca.gov/opsc/Publications/Handbooks/SFP_Guide.pdf .