



**COUNTY OFFICE FACILITY PLANNERS MEETING UPDATE  
FEBRUARY 2018**

**UPCOMING EVENTS**

**CASH Monthly Workshop**  
Significant Changes Affecting School Facility Projects  
2/1/18, Sonoma COE

**CASH 39<sup>th</sup> Annual Conference**  
February 26-28, 2018  
Hyatt Regency Hotel/Sacramento Convention Center

**UPDATE**

**CASH Annual Conference, February 26-28, 2018**

This month's 39<sup>th</sup> CASH Annual Conference on School Facilities will highlight the opportunities and challenges for school districts and their private sector partners presented by the implementation of Proposition 51. The Annual Conference will include presentations on when state bonds will be sold and when funding for projects will be available, as well as on changes to the Office of Public School Construction (OPSC) School Facility Program (SFP) project processing, including the Upfront Grant Agreement and new Local Audit Requirements, and much more.

Visit the CASH website ([www.cashnet.org](http://www.cashnet.org)) to view the Conference Brochure for more highlights and to register for this event.

**Proposition 51 Update**

*CASH Sell School Bonds Efforts and School Board Resolutions*

As of December 6, 2017, school districts and county offices of education had submitted School Facility Program applications to the Office of Public School Construction (OPSC) worth \$3.2 billion. The Governor's budget proposal is insufficient to meet the need of districts and make significant progress on funding this backlog. CASH is advocating for two specific items in the 2018-19 budget process:

- Sell \$3.0 billion in K-12 school bond funds in FY 2018-19.
- Require OPSC to process all applications received by September 30, 2018 no later than December 31, 2018, and require the State Allocation Board to apportion projects worth \$3.0 billion in FY 2018-19.

One tool we will use in our advocacy is showing legislators which projects could be funded with \$640 million, versus projects that could be funded with \$3.0 billion in 2018-19.

We are asking school districts and county offices of education to adopt school board resolutions to support our efforts to increase the speed and size of school bond sales and application processing. It is important for schools to tell the story about how delayed bond sales negatively impact their students, teachers, and communities. Please contact Aileen Dalen ([adalen@m-w-h.com](mailto:adalen@m-w-h.com)) in the CASH office for a sample resolution.

*State Allocation Board Meeting January 24, 2018*

On January 24, 2018, the State Allocation Board (Board) met to take action on a number of items. They approved an increase of 4.17 percent for the 2018 School Facility Program grants, and approved a 2018 maximum Level I developer fee increase of 8.78 percent. Additionally, the Board approved a package of regulations that will have significant effects on the School Facility Program (SFP).



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The changes include:

- Allowing Seismic Mitigation Program (SMP) projects to be funded out of Proposition 51 as standard new construction Facility Hardship projects, now that bond funds specifically reserved for SMP projects have been exhausted.
- Requiring new construction projects to submit eligibility updates for the enrollment year in which OPSC processes the application.
- Allowing Small School Districts to request a three-year lock using enrollment figures from the year in which the eligibility application is submitted, if the district makes the request prior to OPSC’s notification that it will soon begin to process the funding application.

CASH opposed the new construction eligibility justification requirement, believing it is contrary to the Proposition 51 statute approved by voters. There was a robust discussion by the Board regarding their prior policy action from June 5, 2017 (approval of “Option 1”), and whether that action was limited to projects on the Acknowledged List or if applied to future project submittals, per the proposed regulation. There was an unsuccessful attempt made to bifurcate the item and separate the SMP issue from the eligibility proposal. In addition to opposing the new construction justification eligibility policy, CASH questioned the staff recommendation to approve the regulations on an “emergency” basis. CASH did not oppose the Seismic Mitigation Program proposal. Ultimately, the entire package was approved with one motion, and CASH is evaluating its options to challenge the Board’s action on the new construction eligibility piece.

**2018-19 State Budget: Governor Proposes Minimum for School Facilities**

The proposed State Budget for 2018-19 was released on January 10 at 10:00 a.m. The following is the statement that relates to school facilities in the proposed 2018-19 State Budget (Page 30):

*“The recently approved Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51) authorizes \$7 billion in state general obligation bonds for K-12 schools to be allocated through the current School Facilities Program in place as of January 1, 2015. To ensure appropriate usage of all School Facilities Program bond funds and effective program accountability and oversight, the Administration worked with the State Allocation Board and the Office of Public School Construction to revise policies and regulations to implement front-end grant agreements that defined basic terms, conditions, and accountability measures for participants that request funding through the School Facilities Program. To complement this front-end accountability, legislation requiring facility bond expenditures to be included in the annual K-12 Audit Guide was approved.*”

*The Budget proposes approximately \$640 million in bond authority for 2018-19 to fund new construction, modernization, career technical education, and charter facility projects based upon the Office of Public School Construction’s processing of project applications and the State Allocation Board’s approval of these projects.”*



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This amount would only fund a fifth of the application backlog ALREADY submitted to the Office of Public School Construction (OPSC). Because the \$640 million dribbles out from the voter approved Proposition 51 bond over a decade long schedule, the backlog will grow every year while needed school projects remain unfunded.

CASH did what the Governor wanted with the audit language and upfront agreement. Even with these provisions, it appears the Governor does not want to honor the voters' will because the voters did not follow his opposition to Proposition 51.

CASH will continue to advocate for the sale of more Proposition 51 bonds.

**Legislative Update**

The legislative deadline for bill introductions is Friday, February 16, 2018, and CASH is in the process of reviewing bills as they are introduced. After the deadline, CASH will provide a report on legislation that CASH will be following in the March CASH Facility Planners Update. In addition, if you are interested in learning more about current legislation and you plan to attend the CASH Annual Conference at the Sacramento Convention Center on February 26, 27, and 28, you can attend the CASH Legislative Advisory Committee meeting (Tuesday, February 27, 8:30 a.m. - 11:30 a.m., Convention Center Room 306) or the CASH Legislative Update (Tuesday, February 27, 2:30 p.m. - 4:30 p.m., Convention Center Room 314).

**Water Board Storm Water Permit to Include Schools**

The State Water Resources Control Board (Water Board) is in the process of re-authorizing their Municipal General Permit (MS4), which will include new requirements for schools for the first time, and is expected to approve the new permit in late 2018. During the previous permit cycle, schools were "not-designated" and so not subject to the primary requirements of the permit.

Water Board staff is currently working on a draft revised MS4 permit, and when the draft is available, a hearing will be held where the Water Board will hear public testimony. CASH is assembling a group of school district and county office experts in storm water to begin discussions with Water Board staff on issues of concern to the education community, and will also provide testimony on behalf of the school facilities community.

We have also reached out to Water Board staff and they have agreed to present two Roundtable Discussions (content to be repeated) at the CASH Annual Conference to provide outreach to school districts and to raise awareness of this issue in the school facilities community. The Roundtables are scheduled for *Tuesday, February 27 from 3:15-4:00* and *Wednesday, February 28 from 9:00-9:45* at the Sacramento Convention Center.



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**Upcoming Networking Mixers**

Join your fellow school facility professionals at a CASH Networking Mixer! These mixers are open to all school facilities professionals, no RSVP required.

The Lodge, Parkwest Casino Cordova  
Tuesday, February 6, 2018 | 4:30 p.m. - 7:00 p.m.  
2801 Prospect Park  
Rancho Cordova, CA  
*Hosted bar appetizers sponsored by AstroTurf and AFE Sports.*

Questions about the CASH Networking Mixers? Please contact Mike Vail at (949) 498-8993 or [mgvailsanclemente@sbcglobal.net](mailto:mgvailsanclemente@sbcglobal.net).

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For the latest updates on important matters affecting school facilities, be sure to check the *CASH Register* news website, [www.cashfacilitiesnews.org](http://www.cashfacilitiesnews.org).

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You can also follow us on Twitter at @CASHFacilities.