



COUNTY OFFICE FACILITY PLANNERS MEETING UPDATE
SEPTEMBER 2017

UPCOMING EVENTS

**CASH September/
October Workshops**

The Challenge of
Navigating the Newly
Added Complexities to
the School Facility
Program

9/26/17, Sacramento

9/28/17, Ontario

10/3/17, Fresno

10/5/17, San Diego

CASH Fall Conference

10/18/17-10/20/17

The Duke Hotel,
Newport Beach
(formerly the Fairmont
Newport Beach)

Save the Date!

**CASH 39th Annual
Conference**

2/26/18-2/28/18

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Proposition 51 Update

CASH Leadership, Education Officials Urge the State to Increase Size, Accelerate Sale of School Facility Bonds

On Wednesday, August 23, 2017 the Coalition for Adequate School Housing (CASH) held a press conference at the State Capitol as part its broader effort to increase and accelerate the sale of Proposition 51 state school construction bonds. Don Ulrich, Deputy Superintendent of Clovis USD and CASH Chair was joined by former Assembly Member Joan Buchanan, education officials from the California School Boards Association (CSBA) and the Association of California School Administrators (ACSA) to urge the Legislature and the Administration to speed the sale and increase the size of state school construction bonds. Also in attendance to support this effort were representatives from the California Association of School Business Officials (CASBO), California School Employees Association (CSEA), Small School Districts' Association (SSDA), Riverside County Superintendent of Schools, Sheet Metal, Air and Rail and Transportation Workers, the California Association of Sheet Metal and Air Conditioning Contractors and individual school districts.

Representing the coalition of support, representatives from CASH, CSBA and ACSA made the following statements:

“California voters approved \$9 billion in bond funds last year with the expectation that their communities would quickly receive the needed funding to build and repair schools. With so many districts waiting for years, we are disappointed by the fraction of the funds that are scheduled for this Fall. In the coming year, we want to see lawmakers and the Administration work together to quickly sell bonds and deliver the funds that were promised to students, teachers and communities.”

--Don Ulrich, Coalition for Adequate School Housing

“With past bonds we saw an average of \$2-3 billion of authorized bond sales per year. In contrast, as was already mentioned, the end of 2017 the state will only have authorized \$400 million in school bond sales, and they have not sold those bonds yet. Just more than 4% of what voters approved. At this pace, it could take up to 10 years to fully commit Prop. 51 funds. With potential interest rates and construction costs rising, this would be an expensive and inefficient approach to matching the funds that our local districts have. It would also mean that almost a generation of students – think about that – almost a generation of students would pass through schools that are old and need repairs and updating. This is not what the voters intended when they passed Prop. 51.

--Joan Buchanan, Former Chair of the Assembly Education Committee and member of the State Allocation Board

“Today, students have a huge need for repaired and updated school buildings – approximately 70% of classrooms in the state are more than 25 years old, and 40% are between 50 and 70 years old. The longer the state waits to sell bonds, the more money taxpayers pay and the more



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purchasing value districts lose to fix and build schools. The current timeframe for bond sale is not accurately reflecting the critical need for state funds.”

--*Nancy Chaires Espinoza, School Board Member, Elk Grove USD and Legislative Advocate for CSBA*

“The longer we wait for school funds, the more expensive it will be for the taxpayer in the long run because construction costs do increase annually. Our members want to quickly move forward with school construction projects to serve our families and be good stewards of public dollars. To do that, we need the state to continue our successful partnership and help ensure that future authorized bond sales are sizable enough to enable districts to move forward efficiently.”

--*Lisa Gonzales, Ed.D, President of the Association of California School Administrators*

CASH will continue to lead the advocacy for the increased and accelerated sale of state school construction bonds.

State GO Bond Sale Yields Funds for School Construction Projects

On August 29, 2017, the state conducted a \$2.5 billion bond sale for various general obligation bonds, including \$510 million for school construction projects, per State Treasurer John Chiang. At the August 23, 2017 State Allocation Board (SAB) meeting, Executive Officer Lisa Silverman indicated that the Office of Public School Construction (OPSC) received requests for 139 projects from 73 districts worth a total of \$443.6 million in the recent priority funding filing period that closed on June 8, 2017. At that time, she reported that OPSC anticipated receiving bond proceeds from the August 29 sale to cover all of the projects that submitted a certification in the recent priority funding filing period. The SAB originally scheduled for September 23 has been moved up to September 6, 2017 to take action on those projects.

CASH Challenge to SAB’s Action on Processing New Construction Funding Applications

CASH challenged the action taken by the SAB on June 5, 2017, to require a new enrollment projection at the time a new construction application is processed by OPSC. The challenge was filed with the Office of Administrative Law (OAL) and asserts that the SAB’s action constituted an underground regulation. This is a process used to challenge policy changes believed to be made without using the appropriate rulemaking process governed by the Administrative Procedures Act. CASH also believes the SAB action violates the Proposition 51 bond language approved by voters. OAL has sixty days from the date a challenge is filed to either accept a petition for further review or to reject it. As of this writing on September 1, OAL had still not issued a determination on the status of CASH’s petition for review.

The SAB agenda for the August 23, 2017 SAB meeting originally included an item to consider regulatory amendments to codify part of the June 5 SAB action in regulation. This item appeared to be a response to CASH’s assertion that the SAB did not follow appropriate rulemaking procedures. The proposed regulatory amendments also included an update for small school districts and the processing of new construction applications within a three-year eligibility lock. There were concerns expressed by some stakeholders that the proposed



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regulation was not consistent with the intent to protect these small school district projects. Ultimately, the full amendments package was removed from the agenda and was not heard at the August 23 meeting.

CASH supports the processing and funding of all applications in a timely manner, which is why we are undertaking the public relations effort to educate policymakers and our local communities about the need to increase the size and speed of state school bond sales.

Legislative Update

The Legislature returned from summer recess on August 21 and is working toward their final deadline to pass bills by September 15. At that point, the Governor will have until October 15 to sign or veto bills passed in the last days of the 2017 legislative year. Friday, September 1 was a major deadline for the legislative process. This was the date by which bills had to pass out of Appropriations Committee in the second house in order to stay alive, and the day that both houses processed the “suspense file.” This is a mechanism whereby the Appropriations Committees collect bills with an anticipated fiscal impact to the state and act on them at the same time, to allow for broader prioritization. Below is an update on a selection of bills of interest for CASH.

AB 203 (O’Connell) – School Facility Program

AB 203 requires the California Department of Education (CDE) to ensure that its standards for designing and constructing school facilities provides school districts with flexibility in designing school facilities, and adoption of regulations that allow for the funding of flexible school facilities. The bill also requires the CDE to collaborate with the Office of Public School Construction (OPSC) on the development of the regulations, and the CDE to develop strategies to assist small school districts with their school facility projects. AB 203 passed off the suspense file in Senate Appropriations Committee on September 1 and is now headed to the Senate floor. CASH supports this bill. The Department of Finance (DOF) opposes the bill.

AB 746 (Gonzalez-Fletcher) – School Water Quality/Lead

This bill requires schools to annually test for lead in the potable water system at every school site in school buildings constructed before 1993, and every three years at every school site with a building constructed after 1993. If tests reveal that a school site’s lead level is greater than the USEPA standard for drinking water (15 parts per billion), the school is required to notify the parents and guardians within seven days of receiving test results of the elevated level and provide information on lead developed by an agency with expertise on lead (USEPA, State Department of Health, State Water Resources Control Board, etc.). The bill requires that the school make inoperable any part of the school site’s potable water system that has an elevated lead level. Finally, the bill requires every potable water system at the school site to be tested, that year, if a test reveals that a school site’s lead level is greater than 5 part per billion.

At the beginning of the 2017 Legislative Session, over ten bills were introduced in this policy area as a result of the increasing discussion of this issue at the national level (i.e. the Flint water crisis). AB 746 appears to be the most substantive bill left standing. CASH opposed many of



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these bills, not based on their legitimate intent but rather based on the increased cost (significant in the bills that proposed retrofit of plumbing when elevated lead levels are found) and complication associated with proposed new requirements. CASH believes utilization of existing voluntary USEPA resources and guidance is the best approach to ensuring that water at schools is safe, and we will continue to work with the author to improve the bill. For reference, on January 17, 2017 the State Water Resources Control Board (SWRCB) announced a new initiative to require all community water systems to test school drinking water upon request by school officials at no cost, and has developed a \$9.5 million grant program to assist districts defray other costs associated with mitigation. AB 746 passed off the Suspense file in Senate Appropriations Committee on September 1 and is now headed to the Senate floor.

SB 418 (Hernandez) – Skilled Workforce Provisions

SB 418 eases compliance with the skilled workforce provisions for projects using the Design-Build and Lease-Leaseback delivery methods. The bill exempts certain trades and crafts from the skilled workforce percentage increases, including but not limited to bricklayers, carpenters, cement masons, drywall installers, roofers, and tile layers. The listed occupations will still be required to maintain a 30% apprenticeship graduation requirement rather than increase the percentage gradually beginning January 1, 2018. CASH has a support position on this bill because it will help districts that may face difficulty in finding the appropriate skilled workforce contractors and subcontractors for all building trades. The bill was a “gut and amend,” introduced later in the legislative process. It passed out of the Senate and Assembly, and is awaiting a second review in the Senate.

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 needed.

Huntington Beach

Wednesday, September 20, 2017 | 5:00 p.m. – 7:00 p.m.

Old World German Restaurant

Receive a drink ticket for one large beer.

Sponsored by PFMG Solar and M Bar C Construction.

Questions about the CASH mixers? Please contact Mike Vail at (949) 498-8993 or mgvailsanclamente@sbcglobal.net.

For the latest updates on important matters affecting school facilities, be sure to check the CASH Register news website, www.cashfacilitiesnews.org.

CASH is on Facebook! Click the Facebook link on the CASH homepage to connect with us. You can also follow us on Twitter at @CASHFacilities.