



FACILITY PLANNERS MEETING UPDATE
MAY 2017

UPCOMING EVENTS

NextGen Spring Symposium

Reshaping the Physical School Environment to Accelerate Student Learning and Engagement,
5/16/17, Washington
Elementary, Sacramento
5/17/17, Sacramento
Sheraton Grand Hotel

CASH Fall Conference

10/18/17-10/20/17
The Duke Hotel, Newport Beach (formerly the Fairmont Newport Beach)

Visit the CASH website to register for these events.
www.cashnet.org

UPDATE

State Allocation Board Defers Action on School Facility Program Upfront Grant Agreement

On Monday April 24, the State Allocation Board (SAB) met to review the proposed upfront agreement for identifying the current law provisions schools districts must meet for an apportionment from Proposition 51. The companion K-12 School Facilities Audit language is included this year's Education Omnibus Trailer Bill (Section 19 ECS 41024), which is currently making its way through the State Budget process. These are the Administration's proposals that must be developed and approved before Proposition 51 funds become available to fund school facility projects; the two proposals are effectively linked.

After a robust discussion and testimony from CASH and other key stakeholders, many concerns with the upfront agreement were raised. Regarding the critical issue of funding the "Approved but Unfunded" and "Acknowledged" project lists, Don Ulrich (CASH Chair) testified that, "Both lists should be processed to the Board in date order on a month-to-month basis," and recommended that the Board defer adoption of the upfront agreement until May, and that the Board should convene a small stakeholders working group to address the outstanding issues of concern that have not been addressed.

Eraina Ortega (SAB Chair/Department of Finance) stated that she understood that there were not enough votes for approval of the upfront grant agreement, but that if the approval was deferred to the May SAB meeting, she would not be able to vote for the School Facility Program Unfunded List ("Approved but Unfunded" list) and the School Facility Program Applications Received Beyond Bond Authority ("Acknowledged" list), which were also on the SAB agenda.

The SAB voted unanimously to defer action on the upfront agreement until the May SAB meeting. The Office of Public School Construction (OPSC) has scheduled a stakeholder meeting for Monday, May 8, 2107 in West Sacramento for purposes of discussing and receiving feedback related to the specific language and wording in the proposed draft grant agreement for the School Facility Program. The meeting will also be webcast. The full meeting notice can be found at www.dgs.ca.gov/opsc under *Meeting Information*.

Legislative Update

The Legislature hit a major deadline the last week of April. Bills with a potential state fiscal impact were required to pass out of their policy committees by April 28. This is the first test to identifying which policy proposals are gaining traction in the Legislature. CASH advocates have been representing our organization in numerous committee hearings over the past month, providing our feedback and encouraging members of the Legislature to understand the impact their proposals will have on school districts and county offices of education.

Below is an update on some of the significant legislative themes on which we are engaged:



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Water Quality Legislation

Drinking water quality in schools is a popular issue in the Legislature this year, with a significant amount of bills introduced in this subject area. The objective of these bills, which CASH supports, is to ensure access to high quality, lead free drinking and cooking water in schools. CASH is concerned not about this worthy goal, but rather about the potential increase in cost and administrative burden for schools. The following are the most significant water quality bills:

- **AB 885 (Rubio)** – Requires all schools to retrofit and maintain water filters on all drinking and kitchen plumbing, test water for lead, create an inventory of plumbing, and replace plumbing that is found to be the source of exceeding the lead threshold (15 ppm/USEPA standard). CASH currently opposes the bill, but is working with the author and other stakeholders to find a more practical approach that still protects students from lead. The bill was approved by the Assembly Education Committee and the Assembly Environmental Safety and Toxic Materials Committee. In testimony, CASH pointed out the significant potential cost for school districts if lead testing demonstrates a need to replace plumbing, in addition to the cost and complication of maintaining filters. AB 885 now heads to the Assembly Appropriations Committee.
- **AB 746 (Gonzalez-Fletcher)** – This bill is very similar to AB 885. It is our understanding that the two bills will be merged into a single bill going forward. CASH's concerns are the same as with AB 885.
- **AB 210 (Leyva)** – Requires that schools that do not meet the USEPA standard for lead close to drinking water sources provide alternative drinking water sources, prohibits water that does not meet USEPA standards from being provided at a school facility, and provides a priority for projects that have been tested and not do not meet the USEPA standard submitted to the California Safe Drinking Water Act (\$9.5 million Water Board grant program). CASH views the approach taken in AB 210 as a more workable approach and has not yet taken a position on this bill.

Accountability and Local Bonds

There continues to be great interest in addressing the issues of accountability, transparency, and local school bonds.

- **SB 7 (Moorlach)** is sponsored by the California County Treasurers and Tax Collectors Association. The bill would require greater specifics for the Proposition 39 (2000) project list, plus a master plan with cost estimates prior to placing a local bond on the ballot. CASH adopted an oppose position and raised significant concerns with this proposal, which unnecessarily limits the ability of school districts to respond to changing needs and priorities in their local communities. We were ultimately successful in blocking the bill from its first hearing in Senate Education Committee. Because it failed to meet legislative deadlines, the bill is now a “two-year bill” and will not move forward in 2017.



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- Two bills sought to require additional information about anticipated tax rate increases to the ballot label for local school bond measures. **AB 1194 (Dababneh)** required the ballot label for a local bond measure to include a statement about the average assessed valuation of residential property in the jurisdiction and the possible tax rate increase if the bond is approved. **AB 776 (Harper)** required the ballot label to include statements about the total cost of the proposed bond to taxpayers and the increase to taxpayers' annual property taxes. CASH opposed both of these bills, which could provide misleading or inaccurate information to voters. Additionally, placing this information in the ballot label would use up a significant number of the available 75 words to communicate information that voters already receive in their voter guide. Both authors took amendments in the Assembly Elections and Redistricting Committee to reduce or remove the ballot label requirement, in favor of placing additional information in the voter guide. CASH will review the updated language to see if our concerns have been adequately addressed. Both bills will now be heard in Assembly Appropriations Committee.

Indemnity

Senator Cannella, who is a civil engineer, introduced two bills related to indemnity and the duty to defend for design professionals, sponsored by the American Council of Engineering Companies. The first was **SB 423 (Cannella)**, which was a spot bill, intended to continue discussions that have occurred on this issue of the past few years. This issue was leveraged as part of the transportation tax deal negotiated by the Governor and adopted by the Legislature in early April, and Senator Cannella was the lone Republican to support the gas tax. A new indemnity bill was introduced, **SB 496 (Cannella)**, which was tethered to other components of the gas tax package. SB 496 was passed by both the Senate and the Assembly without a policy committee hearing. The bill limits the cost of defense to a design professional's percentage of fault, which essentially establishes a reimbursement process and shifts risk to public owners and other project partners. It also specifies that this provision does not apply to contracts with a project-specific general liability policy that insures all parties. CASH opposed the bill as part of a large coalition of other public agencies, contractors, and other entities, with the belief that all parties on a project should participate in the defense of claims against their work. As of this writing, the gas tax package and SB 496 were still awaiting the Governor's action.

CASH Welcomes New Members

CASH would like to welcome the following new members to our organization:

School Districts
Linden USD
Reef-Sunset USD

Associates
ForeFront Power, LLC
Northern California Fire
Protection Compliance Group
Venstar, Inc.

Maintenance Network
Northern California Fire
Protection Compliance Group



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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 needed.

Thursday, May 18, 2015 | 5:00 p.m. – 7:00 p.m.

Draughtsman

1501 North Palm Canyon Drive

Palm Springs, CA 92262

Open bar, reserved back patio, food, games, and misters to keep cool

Sponsored by: Balfour Beatty, PBK, Project Frog Tandus and TheKYA Group

Thursday, June 8, 2017 | 5:30 p.m. – 7:00 p.m.

Bagby Beer Company

601 S Coast Highway

Oceanside, CA 92054

Appetizers sponsored by: Ruhnau Ruhanu Clarke

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