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**C.A.S.H. WORKSHOP:
State Budget and Federal Funding
Update for K-12 School Facilities**

Friday, January 29, 2010

1:00 p.m. to 3:30 p.m.

Ontario Airport Marriott

2200 E. Holt Blvd.

Ontario, California

**Federal Funding Update
for K-12 School Facilities**

KATHLEEN MOORE, DIRECTOR

California Department of Education

School Facilities Planning Division

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Handout materials are available online after the workshop. To download the materials, visit www.cashnet.org/meetings and click on the link labeled "Workshop and Conference Handouts."



Federal Funding Update for K-12 School Facilities

Coalition for Adequate School Housing
Workshop

Kathleen Moore, Director
School Facilities Planning Division
January 26 and 29, 2010

CALIFORNIA DEPARTMENT OF EDUCATION
Jack O'Connell, State Superintendent of Public Instruction



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Agenda

- State Fiscal Stabilization Funds
- 1511 Certification
- Part B, IDEA
- Qualified School Construction Bond
- Race to the Top (RTTT)



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State Fiscal Stabilization Funds

- Total National Allocation \$48.6 billion based on population
- California—\$3.165 billion for K-12 LEAs
- Funds provided in two phases:
 - First Phase \$2.6 billion spring of 2009 and \$355 million fall of 2009
 - Second Phase \$213 million will be distributed upon US Department of Education's approval – application was submitted January 11, 2010



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State Fiscal Stabilization Funds

- Funds for education were allocated to LEAs to restore reduced state funding
- Goals are to save jobs and drive education reform



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State Fiscal Stabilization Funds

- Focused on four areas:
 1. Increase teacher effectiveness and address inequities in the distribution of highly qualified teachers
 2. Establish and use a pre-K-through-college-and-career data system to track progress and improvement
 3. Make progress towards rigorous college- and career-ready standards and high-quality assessments
 4. Turn around schools identified for corrective action and restructuring



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State Fiscal Stabilization Funds

- Use of funds
 1. Any activity authorized by the ESEA (including Impact Aid), IDEA, Adult Family and Literacy Act, or Perkins Act
 2. Modernization, renovation, or repair of public school facilities, including modernization, renovation, or repair consistent with a recognized green building rating system



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State Fiscal Stabilization Funds

- SFSF funds may not be used for:
 - Payment of maintenance costs
 - Stadiums or other facilities primarily used for athletic contests
 - Purchase or upgrade of vehicles
 - Improvement of stand alone facilities whose purpose is not the education of children
 - Swimming pools
 - Modernization that is inconsistent with state law



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Section 1511 Certifications

- All investments using ARRA funds for infrastructure require a certification by recipient Governor or other appropriate chief executive that the project has received the full review and vetting required by law
- The investment is an appropriate use of taxpayer dollars
- LEAs must report, to the CDE, the purpose, total costs, and rationale for funding the infrastructure investment with ARRA funds



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Section 1511 Certifications

- American Recovery and Reinvestment Act of 2009 Section 1511 Infrastructure Certification Requirements may be found at <http://www.cde.ca.gov/ar/sf/sec1511reporting.asp>



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Section 1511 Certifications

- Questions about the approval process should be directed to:
 - Oluwole Olukoya at oolukoya@cde.ca.gov or 916-319-0490



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Section 1511 Certifications

- To date 38 LEAs and one sub-recipient used SFSF funds for infrastructure projects

Projects consisted of:

1. Electrical wiring
2. Technology
3. HVAC
4. Upgrade and remodeling of existing facilities – ADA
5. Purchase of DSA approved buildings
6. New construction
7. Replace dishwasher
8. Repair self-contained water system delivery waterline
9. Purchase of land to provide a site for a new kindergarten facility
10. Renovate and repair child care facility
11. Irrigation systems



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Section 1511 Certifications

- Total SFSF funds used for infrastructure – \$13,395,868



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Part B, IDEA Facilities

- Section 605 of the Individuals with Disabilities Education Act (IDEA) authorizes the Secretary to allow the use of IDEA funds, including IDEA Part B ARRA Funds, for construction or alternation of facilities
- States need to obtain prior approval from the U.S. Department of Education to use IDEA funds for facilities costs
- LEAs need to obtain prior approval from CDE to use IDEA funds for facilities costs



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Part B, IDEA Facilities

- Construction project proposals will be reviewed by CDE following submission of the application
- The construction project must be used primarily for the benefit of children with disabilities who receive services under Part B of IDEA



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Part B, IDEA Facilities

- Request to Use IDEA Part B Funds and/or IDEA Part B American Recovery and Reinvestment Act Funds for Construction or Alteration of Facilities may be found at <http://www.cde.ca.gov/sp/se/as/documents/constrectapp.doc>



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Part B, IDEA Facilities

- Questions about the approval process should be directed to:
 - Chris Essman at cessman@cde.ca.gov
916-327-3507 or
 - Chris Drouin at cdrouin@cde.ca.gov
916-327-3547



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Qualified School Construction Bonds

- Nationally \$11 billion for 2009
- Nationally \$11 billion for 2010
- \$1,355,491,000 California allocation for 2009
- The bonds provide federal tax credits for bondholders in lieu of interest in order to significantly reduce an issuer's cost of borrowing
- No new funding – simply tax credits for bonds issued



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Qualified School Construction Bonds

- Use of proceeds
 - 100 percent of issuance proceeds will be used for construction of public school facilities, rehabilitation, or repair of public school facilities, acquisition of land on which public school facilities will be constructed with proceeds of issuance, or for equipment related to the project constructed or rehabilitated with proceeds of issuance.



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Qualified School Construction Bonds

- \$581,966,000 (40%) allocated directly by Federal Treasury to eleven large districts
 1. Bakersfield City Elementary School District
 2. Compton Unified School District
 3. Fresno Unified School District*
 4. Long Beach Unified School District
 5. Los Angeles Unified School District*
 6. Oakland Unified School District*
 7. Sacramento City Unified School District
 8. San Bernardino City Unified School District
 9. San Diego City Unified School District*
 10. Santa Ana Unified School District*
 11. Stockton City Unified School District*

*Districts that have issued QSCBs



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Qualified School Construction Bonds

- Legislation has been introduced at the Federal level to allow large districts to carryover their unused allocation (11th Congress, 1st Session, H.R. 4169)



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Qualified School Construction Bonds

- \$773,525,000 (60%) for state allocation for 2009
- California Department of Education, the Governor's Office, and the State Treasurer's Office, met with stakeholders and determined a process for allocation



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Qualified School Construction Bonds

- \$700,000,000 for state to allocate to districts and county offices of education
- \$73,525,000 was allotted to the California State Treasurer's Office, California School Finance Authority to assist charter schools in obtaining QSCB issuance



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Qualified School Construction Bonds

- \$700 million state allocation
 - 231 districts and county offices of education applied
 - \$3,657,783,544 in total applications received
 - Lottery held on August 25, 2009
 - 43 districts were successful in the lottery
- <http://www.cde.ca.gov/ls/fa/qs/qscb09results.asp>



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Qualified School Construction Bonds

- CDE received a designation letter from the Governor granting and clarifying authority
- Legislation to ratify the 2009 tax credit allocation is SB 205



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Qualified School Construction Bonds

- Extensions of time to issue were considered on a case-by-case basis and 39 extensions were granted
- Four districts returned their allocations to the state



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Qualified School Construction Bonds

- 2010 allocation yet to be determined by the US Treasury Department
- 2010 allocation yet to be determined by the State



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Race to the Top

- Nationally \$4.35 billion to be awarded by US Secretary of Education
- Potential \$700 million for California



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Race to the Top

- Competitive grants to states that most aggressively pursue higher academic standards, quality assessments, robust data systems, teacher quality initiatives, and efforts to raise achievement levels and close achievement gaps
- The program is designed to encourage and reward states and LEAs that are creating the conditions for education innovation and reform



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Race to the Top

- Application signed on January 15, 2010 by:
 - State Superintendent of Public Instruction Jack O'Connell,
 - Governor Arnold Schwarzenegger, and
 - State Board of Education President Ted Mitchell
- Final date for submittal of the RTTT application was January 19, 2010



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Race to the Top

- Application spells out how the state and participating LEAs will collaborate to make changes in four key focus areas:
 1. Standards and assessments
 2. Data systems to support instruction
 3. Great teachers and leaders
 4. Turning around struggling schools



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Race to the Top

- 804 LEAs have voluntarily submitted a signed Memorandum of Understanding (MOU) to partner with the state (complete list may be found at <http://www.caracetothetop.org/cs/rttt/print/htdo cs/intent.htm>)
 - 457 school districts or county offices of education
 - 345 charter schools
 - Two Regional Occupational Programs



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Race to the Top Facilities Implications

- Area 4: Dramatically improving the system's lowest performing schools
 - Turnaround model
 - Restart model (charter, non-profit)
 - School closure model
 - Transformation model



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Contact

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