

# C.A.S.H. 28<sup>TH</sup> ANNUAL CONFERENCE ON SCHOOL FACILITIES

## IN TUNE, INFORMED & INVOLVED: INSIDE CALIFORNIA SCHOOL FACILITIES

Tuesday, February 27, 2007  
2:15 p.m. - 3:15 p.m.  
Sacramento Convention Center  
Room # 319

### Workshop # 7a

## **Small School District Facility Issues**

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# 2007 C.A.S.H. Annual Conference

## Small School District School Facility Issues

### Multitrack Year-Round Education (MTYRE)

- Current Law
  - All school districts not operating with at least 30% of their K-6 enrollment in MTYRE are subject to a reduction in new construction eligibility. This reduction is 6% of the K-6 Average Daily Attendance (ADA).
- Small School District Provision
  - For small school districts, those with four or fewer classes in a grade level, those schools are exempt from the MTYRE requirement and, therefore, exempt from the 6% hit loss of eligibility.
  - School districts with only one school and 650 or fewer ADA are usually eligible for this waiver.

*Education Code Section 17017.7 (e)*

### Application Allowance

- Current Law
  - The School Facility Program assumes that school districts will be able to make application for funding and meet that cost within existing district resources.
- Small School District Provision
  - School districts with 2,500 ADA or fewer are recognized to not have the administrative staff to prepare their own application. Consequently, the school districts are eligible for \$5,168 for new construction and \$2,755 for modernization for each project.
  - For hardship districts, the amount is doubled:  
New Construction: \$10,336  
Modernization: \$5,510

*Education Code Section 17072.10*

*Education Code Section 17074.10*

### Financial Hardship

- Current Law
  - All school districts are presumed to be able to provide 50% of the cost of new construction projects or 40% of the cost of modernization projects. Small school districts, however, frequently do not have the financial capability to meet these requirements. Financial hardship provisions recognize that many districts, and particularly small districts, are not capable of acquiring sufficient funds to make the project match.
- Small School District Provision
  - Districts can be eligible for financial hardship if they have less than \$5 million in bond capacity; otherwise they are subject to the same financial hardship conditions as all other districts.
  - Currently, approximately 150 small school districts are eligible for this financial hardship exemption.

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## Small School District School Facility Issues

### Small School District Eligibility Exemption

- Current Law
  - Current law requires a school district to reestablish eligibility whenever they are applying for new construction or modernization funds.
- Small School District Provision
  - School districts with 2,500 or fewer ADA can use a three-year eligibility lock where they do not need to refile within a three-year period for a new construction or modernization project. This recognizes that small districts can have significant fluctuations in eligibility due to very small changes in pupil population.
  - The eligibility provision assists school districts to know that if they make a commitment toward a project, they will not lose state funding simply because of a temporary dip in enrollment.

*Regulation Section 1859.51 (2)(1)(2)*

### Deferred Maintenance Critical Hardship

- Current Law
  - Current law requires all school districts to maintain their school facilities and complete deferred maintenance with their local and state match for deferred maintenance.
- Small School District Provision
  - Small school districts have very small budgets; consequently, they are unable to acquire sufficient deferred maintenance funds to complete larger projects (such as roofs, septic systems, heating/air conditioning, wells, and water systems).
  - The deferred maintenance critical hardship provision specifically sets aside money from the deferred maintenance appropriation for small school districts and allows up to 10% (approximately \$28 million annually) of the total appropriation for critical hardship projects. The state will fund 100% of the cost of a critical hardship project if it is an approved emergency and the district has submitted its half percent of general fund revenues as its contribution toward deferred maintenance.

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## Small School District School Facility Issues

### Site Acquisition Minimums

- Current Law
  - Current law presumes that site development costs are equal to a proportion of the new construction project and that the general site allowance costs are related to such a project.
- Small School District Provision
  - The School Facility Program includes a minimum amount per acre for general site improvements recognizing that, in rural California, even though the project may be small, the general site cost can still be a significant percentage of the overall project. The minimum amount per acre generally benefits those districts with small projects or who have small land costs.

### Labor Compliance Programs

- Current Law
  - Current law presumes the cost of Labor Compliance Programs mandated for new construction projects, funded by Proposition 47 or 55, is a percentage of the total construction project cost.
- Small School District Provision
  - There is a minimum Labor Compliance Program allowance for very small projects recognizing that many small districts will only add four classrooms to an existing site, but the cost of Labor Compliance will be a much greater percentage of that project because of the basic overhead cost for such programs.

### Major Maintenance Contributions

- Current Law
  - Current law requires any school district or county office of education that receives funds from Proposition 1A, 47, 55 or the current Proposition 1D to set aside at least 3% of their general fund expenditures into a major maintenance account. The 3% may include the half percent deferred maintenance match, leaving 2.5% for the purpose of major maintenance and repair.
- Small School District Provision
  - Elementary school districts with 900 or fewer ADA, high school districts with 300 or fewer ADA, and unified districts with 1200 or fewer ADA are exempted from this 3% mandatory contribution. These school districts, however, must establish a multi-year plan for meeting their maintenance needs and contribute into the fund the amount necessary in order to meet those major maintenance needs. If that amount is less than 3%, then the district may contribute less than 3%. In some years, if there are no scheduled or expected major maintenance needs, the district may be able to contribute only the half percent necessary for deferred maintenance.

*Regulation Section 1859.101*

*Education Code Section 17070.75*

# 2007 C.A.S.H. Annual Conference

## Small School District School Facility Issues

### Geographic Adjustment

- Current Law
  - Current law presumes that all schools will be able to fund their new construction projects within the state and local grant amounts allowed.
- Small School District Provision
  - The School Facility Program provides for geographic adjustments, recognizing that the cost of construction can be greater in high snow or in high rain areas and the cost of labor and materials and delivery of labor and materials can be greater in rural and isolated areas. Consequently, there is a geographic adjustment for these projects which allows the grants to be greater than would otherwise be provided.

- A district may request a determination of eligibility for facility hardship funding in advance of project funding.
- (c) A district seeking replaced facilities as a result of either (a) or (b) above must submit Form SAB 50-04 for the replaced facilities:
- (1) Within 18 months if the replacement facilities will be located on the same site.
  - (2) Within 24 months if the replacement facilities will be located on a replacement site.

If an Approved Application for the replaced facility is not accepted within the time periods identified in (c)(1) or (c)(2) above, the Board shall re-review the criteria submitted by the district for replacement of the facility prior to apportionment of the replaced facility.

Note: Authority cited: Sections 17070.35 and 17075.15, Education Code.

Reference: Sections 17074.56, 17075.10 and 17075.15, Education Code.

**Section 1859.83. Excessive Cost Hardship Grant.**

In addition to any other funding authorized by these Regulations, a district is eligible for funding as a result of unusual circumstances that created excessive project costs beyond the control of the district. The Excessive Cost Hardship Grant shall be based on any of the following:

- (a) Excessive Cost due to Geographic Location.
- A district with a project that is located in a geographic area designated in the Geographic Percentage Chart below is eligible for the sum of the Excessive Cost Hardship Grant(s) determined by multiplying the indicated percentage factor shown in the Geographic Percentage Chart below by each of the following amounts:
- (1) The New Construction Grant and the Modernization Grant.
  - (2) The funding provided by Sections 1859.71.2, 1859.71.3, 1859.72, 1859.73, 1859.73.2, 1859.76(d)(1) and (2), 1859.78.4, 1859.78.5, 1859.82(a) and (b), 1859.83(b), (c), (d) and (f) and 1859.125(a).

**GEOGRAPHIC PERCENTAGE CHART**

COUNTY	% FACTOR	DESCRIPTION
Alpine	5	The entire county.
Amador, Eastern Part	5	All of Amador County except the portion lying west of a line drawn five miles east of, and paralleling State Highway 49.
Butte, Eastern Part	5	All of Butte County except that portion lying west of a line drawn ten miles east of, and paralleling State Highway 99.
Calaveras, Eastern Part	5	All of Calaveras County except that portion lying west of State Highway 49.
Del Norte	5	The entire county.
El Dorado, Eastern Part	15	That portion lying east of a north-south line drawn 25 miles west of the Nevada State Line and north to the county line and south to State Highway 88.
El Dorado	5	El Dorado County except the eastern part and the following areas: <ul style="list-style-type: none"> <li>• West of a line drawn six miles east of and paralleling State Highway 49.</li> <li>• Within five miles of either side of U.S. highway 50 from the western county line to a point on the eastern limit of the community of Pollock Pines.</li> <li>• West of a line drawn three miles easterly from and paralleling a certain county road described as the Pleasant Valley Road which connects the community of Aukum with Diamond Springs and with the city of Plymouth.</li> </ul>
Fresno, Eastern Part	5	All of Fresno County lying east of a line drawn ten miles east of, and paralleling the west boundary of the Sierra National Forest.
Glenn, Western Part	5	All of Glenn County except that portion lying east of a line drawn ten miles west of, and paralleling Interstate Highway 5.

COUNTY	% FACTOR	DESCRIPTION
Humboldt, Redwood Highway	5	That portion of Humboldt County situated within five miles of the Redwood Highway (U.S. 101) except for that portion situated within ten miles of the Redwood Highway from the northern boundary of the community of Trinidad to the southern boundary of the community of Rio Dell.
Humboldt, State Highway 299 and Vicinity	5	That portion of Humboldt County situated within five miles of State Highway 299 and State route 96, except for those portions situated within ten miles of the Redwood Highway (U.S. 101) from the northern boundary of the community of Trinidad to the southern boundary of the community of Rio Dell.
Humboldt, Southeastern Part	15	That portion of Humboldt county adjacent to or east of, the road between Harris to Blocksburg to a point ten miles north of Blocksburg.
Humboldt, Residual Area	10	All areas of Humboldt County not classified in other cost groups except for that portion situated within ten miles of the Redwood Highway from the northern boundary of the community of Trinidad to the southern boundary of the community of Rio Dell.
Imperial	5	The entire county.
Inyo, Southeastern Part	20	That portion of Inyo County situated east of the western boundary of the Death Valley National Monument from the northern boundary of said national monument to the southern boundary of the county.
Inyo, Residual Area	5	All of Inyo County except the southeastern part described above.
Kern, Eastern Part	5	That portion of Kern County lying east of a north-south line drawn through the eastern boundary of the town of Tehachapi.
Lake	5	The entire county.
Lassen, Southern Part	10	That portion of Lassen County lying south of an east-west line drawn through a point ten miles north of Susanville.
Lassen, Northern Part	15	All of Lassen County except the southern part described above.
Los Angeles, Santa Catalina Island only	*	The entire Santa Catalina Island.
Madera, Central Part	5	That portion of Madera County lying between a line drawn ten miles west of, and paralleling the western boundary of the Sierra National Forest and a line drawn ten miles east of and paralleling the western boundary of the Sierra National Forest.
Madera, Eastern Part	5	All of Madera County except the western part and the central part described above.
Mariposa, Eastern Part	5	All of Mariposa County except that portion lying west of: <ul style="list-style-type: none"> <li>• A line drawn five miles east of, and paralleling State Highway 49 from the northern county line to Mormon's Bar; and</li> <li>• A line drawn ten miles west of, and paralleling the western boundary of the Sierra National Forest from a point due east of Mormon's Bar to the southern county line.</li> </ul>
Mendocino, Fort Bragg Area	10	Those portions of Mendocino County lying west of the Southern Redwood Highway Area, and south of the Ten Mile River.
Mendocino, Northern Redwood Highway Area	5	That portion of Mendocino County situated within five airline miles of the Redwood Highway (U.S. 101) from a point ten miles north of the Willits City Hall to the northern boundary of the county.

COUNTY	% FACTOR	DESCRIPTION
Mendocino, Residual Area	10	Those portions of Mendocino County not otherwise classified except that portion situated within ten airline miles of the Redwood Highway (U.S. 101) from a point ten miles north of the Willits City Hall to the southern boundary of the county. (Comprises the Northeastern part of the county and the coastal strip in the northwestern part).
Modoc	15	The entire county.
Mono	20	The entire county.
Monterey, Southern Part	5	All Monterey County except that portion lying north of an east-west line beginning on the coast two miles south of the City of Carmel and extending due east to the eastern boundary of the county.
Nevada	5	That portion of Nevada County not included in the Eastern Part.
Nevada, Eastern Part	15	That portion lying east of a north-south line drawn 25 miles west of the Nevada State Line and north to the county line and south to the county line.
Placer, Eastern Part	15	That portion lying east of a north-south line drawn 25 miles west of the Nevada State Line and north to the county line and south to the county line.
Placer, Northeastern Part	5	All of Placer County except the Eastern Part and the following: <ul style="list-style-type: none"> <li>• Within five miles of either side of State Highway 65 from the southern boundary of the county and the northern limit of the community of Lincoln.</li> <li>• Five miles either side of Interstate 80 from the southern boundary of the county and the northern limit of the community of Penryn.</li> <li>• West of a line drawn five miles east of, and paralleling State Highway 49.</li> <li>• Within five miles of either side of Interstate 80 between the northern limit of the community of Penryn and the northern limit of the community of Colfax.</li> </ul>
Plumas	5	The entire county.
Riverside, Eastern Part	20	That portion lying east of a north-south line drawn 50 miles west of the Arizona State Line and north to the county line and south to the county line.
Riverside, Central Part	5	That portion of Riverside County lying east of a north-south line drawn through the intersection of Interstate 10 and Fields Road extending from the southern county line of Riverside County, north to the southern county line of San Bernardino County to the Eastern Part of the County.
San Benito, Southern Part	5	All of San Benito County except that portion lying north of an east-west line drawn across the county from a point two miles south of the community of Paicines.
San Bernardino, Northeastern Part	5	That portion of San Bernardino County lying north and east of an east-west line drawn two miles north of Oro Grande, extending from the western boundary of the county to its intersection with the northerly extension of, and thence along a line drawn through the following points: A point five miles east of Victorville, the eastern edge of the communities of Running Springs and Camp Angelus then due south to the San Bernardino County line.
San Bernardino, Eastern Part	20	That portion lying east of a north-south line drawn 150 miles west of the Arizona State Line and north to the county line and south to the county line.
San Diego, Northeastern Part	10	That portion of San Diego County lying east of a north-south line drawn ten miles east of the community of Julian, said line extending from the northern boundary of the county to its intersection with an east-west line extending from the eastern boundary of the county to its intersection with the aforesaid north-south line, said east-west line being at its closest point, three miles due north of the community of Mount Laguna.
San Mateo, Southwestern Part	5	That portion of San Mateo County lying more than two miles westerly from the nearest point on Skyline Boulevard and south of an east-west line drawn through a point two miles north of the community of Montara.

COUNTY	% FACTOR	DESCRIPTION
Santa Cruz, Northwestern Part	5	That portion of the Santa Cruz County lying northerly and westerly from a line drawn from a point one mile north of Swanton on the coast through a point one mile north of Brookdale and situated more than two miles from the nearest point on the eastern boundary of the county.
Shasta, except Valley Area	5	All of Shasta County except that portion lying south of Shasta Lake and situated within ten miles of Interstate Highway 5.
Sierra	5	The entire county.
Siskiyou, Central Part	15	That portion of Siskiyou County situated within ten miles of U.S. Highway 97 from Grass Lake to the Oregon State Line.
Siskiyou, Salmon River	25	All of the drainage area of the Salmon River (including the North and South Forks) except that portion situated within the Somes Bar Area described below.
Siskiyou, Somes Bar Area	20	Those portions of the drainage areas of the Salmon and Klamath Rivers located within the boundaries of the Junction Elementary School District.
Siskiyou, Western Part	15	That portion of Siskiyou County lying westerly from a line drawn ten miles west of and parallel to Interstate 5, except the Somes Bar and Salmon River areas described above.
Siskiyou, Yreka and Residual Area	5	All of Siskiyou County except the Salmon River, Somes Bar and Western areas described above.
Sonoma, Northwestern Part	5	That portion of Sonoma County enclosed by a line following the northern boundary of the county from the Pacific Ocean to a point 15 miles inland, thence southerly to a point two miles west of the community of Los Lomas, thence southerly to a point on the coast two miles south of the community of Fort Ross, thence northerly along the coast line to the northern boundary of the county.
Tehama, Residual Area	5	All of Tehama County except those portions situated within ten miles west of Interstate Highway 5 from the north county line to the southern county line; within ten miles east of Interstate Highway 5 from the north county line southward to a point east of Red Bluff, thence within ten miles east of and paralleling State Highway 99 southward to the county line.
Trinity, Residual Area	15	All of Trinity County except the State Highway 299 area described below.
Trinity, State Highway 299	10	That portion of Trinity County situated within five miles of State Highway 299.
Tulare, Eastern Part	5	That portion of Tulare County lying east of a north-south line drawn through the western limits of the community of Silver City.
Tuolumne, Eastern Part	5	All of Tuolumne County except that portion lying west of State Highway 49.
Yuba, Northeastern Part	5	All of Yuba County except that portion lying west of a line drawn ten miles east of, and paralleling State Highway 65 and that portion lying south of a line drawn three miles north of, and paralleling State Highway 20.

\*As specifically approved by the Board.

- (b) Excessive Cost for Projects that House No More than 200 Pupils (Small Size Projects).
  - (1) Excluding Joint-Use Projects, if the project will house less than 101 pupils, the district is eligible for an Excessive Cost Hardship Grant equal to 12 percent of the funding provided by the New Construction Grant or 12 percent of the funding provided by the Modernization Grant.
  - (2) Excluding Joint-Use Projects, if the project will house between 101 and 200 pupils, the district is eligible for an Excessive Cost Hardship Grant equal to four percent of the funding provided by the New Construction Grant or four percent of the funding provided by the Modernization Grant.

# 2007 C.A.S.H. Annual Conference

## Small School District School Facility Issues

### Small Project Adjustment

- Current Law
  - Current law presumes that all projects would be able to be funded within the state and local grant amounts for new construction and modernization.
- Small School District Provision
  - The cost of construction and overhead soft costs for small projects tend to be greater per pupil than large projects. Consequently, there is a small project adjustment within the School Facility Program to assist those districts that are not building large schools and instead are adding on to a school or building a small school.

## ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

New School Adjustments (Regulation Section 1859.83)

Class-rooms in Project	Elementary School Previous Grant Effective 1-1-06	Elementary School Adjusted Grant Effective 1-1-07	Middle School Previous Grant Effective 1-1-06	Middle School Adjusted Grant Effective 1-1-07	High School Previous Grant Effective 1-1-06	High School Adjusted Grant Effective 1-1-07	Alternative Education New School Effective 1-1-06	Alternative Education New School Effective 1-1-07
1	\$217,900	\$232,325	\$917,906	\$978,671	\$1,996,509	\$2,128,678	\$592,008	\$631,199
2	\$513,428	\$547,417	\$1,029,578	\$1,097,736	\$2,076,863	\$2,214,351	\$718,253	\$765,801
3	\$770,821	\$821,849	\$1,143,976	\$1,219,707	\$2,567,138	\$2,737,083	\$1,255,596	\$1,338,716
4	\$976,466	\$1,041,108	\$1,269,268	\$1,353,294	\$3,002,937	\$3,201,731	\$1,412,606	\$1,506,121
5	\$1,146,699	\$1,222,610	\$1,400,008	\$1,492,689	\$3,306,636	\$3,525,535	\$1,569,618	\$1,673,527
6	\$1,390,477	\$1,482,527	\$1,532,111	\$1,633,537	\$3,610,334	\$3,849,338	\$1,726,629	\$1,840,932
7	\$1,636,976	\$1,745,344	\$1,664,213	\$1,774,384	\$3,914,032	\$4,173,141	\$1,883,638	\$2,008,335
8	\$1,826,277	\$1,947,177	\$1,808,573	\$1,928,301	\$4,148,275	\$4,422,891	\$2,048,493	\$2,184,103
9	\$1,826,277	\$1,947,177	\$1,961,102	\$2,090,927	\$4,336,213	\$4,623,270	\$2,218,741	\$2,365,622
10	\$2,147,679	\$2,289,855	\$2,114,994	\$2,255,007	\$4,522,792	\$4,822,201	\$2,388,989	\$2,547,140
11	\$2,147,679	\$2,289,855	\$2,268,886	\$2,419,086	\$4,710,729	\$5,022,579	\$3,049,636	\$3,251,522
12	\$2,260,714	\$2,410,373			\$4,882,327	\$5,205,537	\$3,219,883	\$3,433,039
13					\$5,051,198	\$5,385,587	\$3,390,132	\$3,614,559
14					\$5,220,071	\$5,565,640	\$3,560,381	\$3,796,078
15					\$5,390,308	\$5,747,146	\$3,730,628	\$3,977,596
16					\$5,559,177	\$5,927,195	\$3,900,877	\$4,159,115
17					\$5,729,414	\$6,108,701	\$4,071,125	\$4,340,633
18					\$5,898,286	\$6,288,753	\$4,241,373	\$4,522,152
19					\$6,067,159	\$6,468,805	\$4,411,621	\$4,703,670
20					\$6,237,392	\$6,650,307	\$4,581,868	\$4,885,188
21					\$6,406,267	\$6,830,362	\$4,752,240	\$5,066,838
22					\$6,575,139	\$7,010,413	\$4,922,488	\$5,248,357
23							\$5,092,737	\$5,429,876
24							\$5,262,984	\$5,611,394
25							\$5,433,230	\$5,792,910
26							\$5,603,482	\$5,974,433
27							\$5,773,729	\$6,155,950