



UPCOMING EVENTS

**CASH Complimentary
Webinar Series**
Communications: Parents,
Students, Employees and
Community
Thursday, June 4, 2020
10:00 a.m. – 12:15 p.m.
Zoom Webinar

Visit the CASH website
(www.cashnet.org) for
more information and to
register for these events!

UPDATE

May Revision Budget Update

The Governor's May Revision (MR), which was released on May 14th, anticipates a \$53.4 billion deficit through fiscal year 2020-21, due to a steep decline in revenue and a dramatic rise in unemployment. The MR does not make any changes to the schedule of Prop. 51 bond sales of \$1.5 billion per year. The Governor has indicated that discussions regarding the prioritization and sequencing of infrastructure and economic stimulus bonds would be taken up by his 80-member taskforce on recovery and reopening.

Budget Process

The Legislative Budget Committees and Subcommittees have been undertaking their review and discussion of the MR while learning to implement new public health protocols, such as receiving testimony remotely, and conducting business with minimal staff physically in the Capitol. The Assembly generally concurs with the Governor's approach of building a budget containing severe cuts in education and other areas, based on the resources the state controls instead of assuming the state will receive sufficient federal assistance to avert the cuts. The Senate generally supports a more optimistic approach that assumes sufficient federal aid, but would require a revision later in the Summer or early Fall if the aid does not materialize. The MR includes language that would reverse many of the cuts if the state receives federal aid by September 1st. This mechanism is similar to when local educational agencies adopt budgets with contingency language in response to the unpredictability of state funding.

Both the Governor and legislative leaders indicate they are committed to meeting the June 15th Constitutional deadline to pass the main State Budget bill. The Legislative budget committees are expected to complete their review of the MR by the end of May, to allow for negotiations to begin.

"Flexing" of Capitol and Maintenance Resources

Despite requests from others for "flexibility" or suspension of the Routine Restricted Maintenance Account (RRMA) requirement, the MR maintains this commitment. The Administration had also received requests from others for the ability to use the proceeds of surplus land sales for local general fund (GF) purposes. The MR compromised by allowing only the profit from such land sales to be used for GF purposes. CASH had advocated against any flexing of the RRMA or the conversion of capital resources to operational (GF) resources.

Full-Day Kindergarten Facilities Grant Program

The Governor's May Revision proposes to sweep \$300 million (non-Proposition 98 General Fund) from the Full-Day Kindergarten Facilities Grant Program (FDKFGP) for other budgetary purposes. These dollars were authorized in prior fiscal years for construction of new facilities or retrofit of existing facilities to incentivize conversion of part-day programs to full-day programs. In January, the Governor proposed to redirect \$150 million from the FDKFGP for preschool facilities; that proposal is no longer on the table. The Legislature appears poised to approve the sweep.

Use of Federal Relief Funds

California K-12 schools will receive \$1.6 billion in Federal Elementary and Secondary Schools Emergency Relief (ESSER) funds. Most of the funds are distributed on a formula basis, and the state has discretion over the use of \$164.7 million.



UPCOMING EVENTS

CASH Complimentary Webinar Series

Communications: Parents, Students, Employees and Community

Thursday, June 4, 2020
10:00 a.m. – 12:15 p.m.

Zoom Webinar

UPDATE

In his May Revision, the Governor proposed to allocate the discretionary funds as follows:

- \$100 million to county offices of education to create a network of community schools and to coordinate health, mental health, and supports for high needs students.
- \$63.2 million for training and professional development for teachers, administrators, and school personnel.
- \$1.5 million for California Department of Education state operations costs.

The Legislature is proposing to use the discretionary funds in a different manner. The Senate is proposing to use \$100 million for a new School Re-Opening Support Block Grant. Per the proposal, funds would be distributed to LEAs on a per-ADA basis for those who re-open physical school sites in FY 2020-21. Funds could be used to offset costs for:

- Cleaning supplies, equipment, and training for certificated and classified staff.
- Outreach and communication to families and students.
- Social emotional supports for students re-entering school.

Additionally, the Senate is proposing to use \$63.2 million of the discretionary funds for child nutrition reimbursement. The Assembly has also expressed interest in a school reopening block grant.

The Legislature and Governor are negotiating over the prospects of additional Federal relief, and how to incorporate those assumptions into the budget. The Governor’s May Revision includes \$14 billion in cuts that will trigger off if California receives sufficient Federal funds to backfill the cuts. This includes a 10% reduction to the Local Control Funding Formula. The Senate is proposing an alternate plan, which would assume that we receive enough Federal relief to avoid the cuts. If these funds don’t materialize by September 1, then spending would be scaled back.

State Allocation Board Update – May 27, 2020 Meeting

At its May meeting, the State Allocation Board (SAB) approved Priority Funding School Construction Apportionments for projects worth \$811.7 million.

Facility Hardship Regulations Adopted

The SAB approved an overhaul of the Facility Hardship regulations. The updates incorporate changes to the overall organization and structure of the regulation text, creating two different subsections for the Facility Hardship Program and the Seismic Mitigation Program.

Program funding changes include:

- Fund rehabilitation projects at the higher “F3 level of difficulty.”
- Add the Small Size project supplemental grant for replacement projects.
- Add the Excessive Cost Hardship due to Geographic Location supplemental grant for rehabilitation projects.
- Allow portable buildings to be eligible for Facility Hardship funding.
- Allow rehabilitation grants to be used for replacement projects.
- Allow replacement funding to rehabilitate non-historic buildings without an appeal.
- Outline design application requirements and grant calculations in the regulations.

Visit the CASH website (www.cashnet.org) for more information and to register for these events!



UPCOMING EVENTS

CASH Complimentary Webinar Series

Communications: Parents, Students, Employees and Community

Thursday, June 4, 2020

10:00 a.m. – 12:15 p.m.

Zoom Webinar

UPDATE

Program criteria changes include:

- Districts must submit applications within 12 months of DSA approval or 6 months of project completion if exempt from DSA review. In cases where districts demonstrate unusual circumstances prevented timely application submission, OPSC may grant up to a 6-month extension.
- Only projects caused by unusual circumstances beyond control of the district are eligible.
- Requires use of a new standardized cost estimate template.
- Applications that do not meet the application acceptance criteria will be returned to the district unprocessed.

These changes were originally planned to go before the SAB in February 2020, but they were delayed to await the outcome of Proposition 13, which included a significant health and safety component. Additions from February include a new provision for qualifying applications that don't receive funding due to a lack of enrollment. For schools that still proceed with the project absent state funding, their new construction eligibility baseline and modernization eligibility will be adjusted to remove classrooms that are demolished or no longer used for K-12 purposes.

CASH Maintenance Network Developing Guidelines on Cleaning, Disinfecting, and Healthy Indoor Air Quality

CASH and the CASH Maintenance Network (CMN) are developing guidelines and *Best Management Practices for Cleaning, Disinfecting, Indoor Air Quality, Distancing and Scheduling, and Managing the Fiscal Impact*, to assist schools as they contemplate re-opening and operating in an uncertain environment. The focus is on developing a practical guide that can assist schools in creating standardized policies and procedures to meet their local needs. It will include the recent information from key empirical organizations such as the CDC, as well as practical information developed by practitioners who are currently facing these challenges in real time. This document, along with the CASH Facility Inspection Tool (FIT) Guidebook, are intended as key references for school maintenance departments as they face the challenges presented by COVID-19, as well as natural and manmade disasters. Available mid-June, 2020.

CASH Legislative Advisory Committee Call for Nominations

The CASH Nominating Committee is now accepting nominations to fill three public sector seats and three private sector seats on the Legislative Advisory Committee (LAC). The LAC provides the Board with recommendations on action/positions to be considered by the organization on existing or pending legislation. Self-nominations are encouraged!

All LAC appointments are for two, two-year terms. Terms are September 1 through August 31. Each member may serve a maximum of two (2) two-year terms, for a total of four (4) years of service. Please visit www.cashnet.org/news, for the full list of qualifications, why you should apply/nominate a candidate, and instructions/requirements for submitting a nomination. **Submittal Deadline: Friday, June 12, 2020.**

CASH makes every effort to balance the members of the LAC among geographic locations, private and public sectors, and other related factors. If you have any questions, please do not hesitate to contact Greg Golik at ggolik@m-w-h.com.

Visit the CASH website (www.cashnet.org) for more information and to register for these events!



UPCOMING EVENTS

CASH Complimentary Webinar Series

Communications: Parents, Students, Employees and Community

Thursday, June 4, 2020

10:00 a.m. – 12:15 p.m.

Zoom Webinar

UPDATE

Thank You to Our Virtual Event Sponsors!

CASH has been holding free virtual events weekly to inform and educate our members on best practices on Coronavirus issues related to school facilities and maintenance. We will continue to do this for the duration of this moment and would like to thank the following associate members for their generous sponsorship of these events:



For more information on weekly events please visit the CASH website at www.cashnet.org. If you would like to become an event sponsor, please contact Greg Golik at ggolik@m-w-h.com or (916) 216-9390.

Networking Mixers

All CASH Networking Mixers have been postponed until further notice.

For the latest updates on important matters affecting school facilities, visit www.cashnet.org. Connect with CASH on Facebook or follow us on Twitter: @CASHFacilities.

Visit the CASH website (www.cashnet.org) for more information and to register for these events!