

## 6350 School Facilities Aid Program

The School Facilities Aid Program provides financing to school districts for K-12 school facility-related activities such as school construction, deferred maintenance, and emergency repairs.

The Leroy F. Greene School Facilities Act of 1998, Chapter 407, Statutes of 1998 (SB 50), created the School Facility Program (SFP) to streamline school construction funding. The SFP provides grants from State General Obligation Bonds to school districts for new construction and modernization projects. Proposition 1D, approved in November 2006, provides \$500 million for the Career Technical Education Facilities Program, to create and equip facilities so that students can acquire high-demand skills necessary for the technical careers of today and tomorrow; and the High Performance Incentive Grant Program which promotes the use of high performance attributes in new construction and modernization projects. High performance attributes include using designs and materials that promote energy and water efficiency, maximize the use of natural lights, improve indoor air quality, and utilize recycled materials. The SFP also contains provisions for Charter Schools, Overcrowding Relief, Critically Overcrowded Schools, Joint-Use, Seismic Mitigation, and Small High Schools.

The State School Deferred Maintenance Program, established by Chapter 282, Statutes of 1979 (AB 8), provides state matching funds, on a dollar-for-dollar basis, to assist school districts with expenditures for major repair or replacement of school building components, such as roofing, plumbing, heating, air conditioning, electrical systems, interior/exterior painting, and floor systems. The program also provides funds for critical hardship projects where the work must be completed within one year.

As a part of the Williams vs. State of California settlement, Chapter 899, Statutes of 2004 (SB 6) established the Emergency Repair Program (ERP). In order to help meet emergency repair costs, the School Facilities Emergency Repair Account is funded from the Proposition 98 Reversion Account until a total of \$800 million has been disbursed for the purpose of addressing emergency facilities needs at school sites in deciles 1 through 3 based on the 2006 Academic Performance Index. Chapter 12, Statutes of 2009 of the Third Extraordinary Session (SB3X 4), appropriated up to \$101 million for fiscal year 2008-09, bringing the state's total contribution for the ERP to more than \$338 million. As a continuation of the provisions of the settlement, Chapter 704, Statutes of 2006 (AB 607) adopts and encourages participation in the ERP by providing grant funding as well as funding to reimburse applicants for emergency repairs, and provides for a permanent state standard of good repair.

### 3-YR EXPENDITURES AND PERSONNEL YEARS (Summary of Program Requirements)

	Personnel Years			Expenditures		
	2008-09	2009-10	2010-11	2008-09*	2009-10*	2010-11*
10 School Facilities Aid Program	-	-	-	\$3,979,459	\$1,631,818	\$682,572
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	-	-	-	<b>\$3,979,459</b>	<b>\$1,631,818</b>	<b>\$682,572</b>
<b>FUNDING</b>				<b>2008-09*</b>	<b>2009-10*</b>	<b>2010-11*</b>
0001 General Fund				-\$1,625	-\$1,121	-\$851
0001 General Fund, Proposition 98				1,625	1,121	851
0119 1998 State School Facilities Fund				-1,251	32,485	-
0739 State School Building Aid Fund				3,118	1,136	1,057
0961 State School Deferred Maintenance Fund				2,495	2,450	2,432
6036 2002 State School Facilities Fund				417,642	1,065,739	-
6044 2004 State School Facilities Fund				1,901,435	219,195	263,034
6057 2006 State School Facilities Fund				1,656,020	310,813	416,049
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$3,979,459</b>	<b>\$1,631,818</b>	<b>\$682,572</b>

### MAJOR PROGRAM CHANGES

- The 2010-11 Governor's Budget projects major changes in proposed expenditures for all three major current bond funds. For 2008-09, the Governor's Budget reflects substantially reduced 2008-09 expenditures of approximately \$417.7 million from the 2002 State School Facilities Fund, and substantially increased expenditures of approximately \$1.7 billion from the 2006 State School Facilities Fund. Due to the State's inability to issue interim financing for bond-funded projects from the Pooled Money Investment Account, the Governor's Budget projects 2009-10 expenditures of approximately \$1.1 billion from the 2002 State School Facilities Fund, which will fully exhaust this fund, and substantially reduced expenditures of approximately \$219.2 million from the 2004 State School Facilities Fund and \$310.8 million from the 2006 State School Facilities Fund. Additionally, the Governor's Budget projects modest increases in 2010-11 expenditures of \$263 million from the 2004 State School Facilities Fund and \$417 million from the 2006 State School Facilities Fund.

### DETAILED BUDGET ADJUSTMENTS

	2009-10*			2010-11*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
<b>Workload Budget Adjustments</b>						
Other Workload Budget Adjustments						

\* Dollars in thousands, except in Salary Range.

## 6350 School Facilities Aid Program - Continued

	2009-10*			2010-11*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
• Adjustment to 2006 State School Facilities Program	\$-	-\$207,209	-	\$-	-\$82,883	-
• Adjustment to 2004 State School Facilities Program	-	219,195	-	-	263,034	-
• Adjustment to 2002 State School Facilities Program	-	1,065,739	-	-	-	-
• Adjustment to 1998 and 2000 State School Facilities Program	-	32,485	-	-	-	-
• Adjustment in Funding Levels for the Deferred Maintenance Program	-	-61,997	-	-	-62,107	-
• Changes in Funding provided by the General Fund for Deferred Maintenance	-	61,855	-	-	62,107	-
• Adjust Excess Loan Repayments from General Fund for Deferred Maintenance	245	-	-	-25	-	-
• Adjust Loan Repayments to the General Fund from the School Building Aid Fund	-	-87	-	-	165	-
• Adjust Abatement to General Fund from School Building Aid Fund	-227	-	-	25	-	-
• Adjust Abatement to General Fund from School Building Aid Fund	-	227	-	-	-25	-
• Adjustment for State Operations for DGS	-	14,525	-	-	-375	-
• Adjustment for State Operations for SDE, SCO and DOF	-	4,116	-	-	-74	-
• Change in State Operations Costs for Deferred Maintenance Program	-	160	-	-	-	-
• Adjustment to tie to State Operations Adjustments for Deferred Maintenance	-18	-	-	-	-	-
• Adjustment for the State Relocatable Classroom Program Administration	-	-221	-	-	-	-
• Adjustment for State Operations for DGS - State Relocatable Classroom	-	300	-	-	-	-
<b>Totals, Other Workload Budget Adjustments</b>	<b>\$-</b>	<b>\$1,129,088</b>	<b>-</b>	<b>\$-</b>	<b>\$179,842</b>	<b>-</b>
<b>Totals, Workload Budget Adjustments</b>	<b>\$-</b>	<b>\$1,129,088</b>	<b>-</b>	<b>\$-</b>	<b>\$179,842</b>	<b>-</b>
<b>Totals, Budget Adjustments</b>	<b>\$-</b>	<b>\$1,129,088</b>	<b>-</b>	<b>\$-</b>	<b>\$179,842</b>	<b>-</b>

## DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

2 LOCAL ASSISTANCE	2008-09*	2009-10*	2010-11*
<b>0001 General Fund, Proposition 98</b>			
APPROPRIATIONS			
Education Code Section 17080 (transfer to State School Deferred Maintenance Fund)	\$1,625	\$1,121	\$851
<b>TOTALS, EXPENDITURES</b>	<b>\$1,625</b>	<b>\$1,121</b>	<b>\$851</b>
<b>0001 General Fund</b>			
APPROPRIATIONS			
Education Code Sections 16096 and 16504	-\$1,727	-\$1,263	-\$1,011
Education Code Section 17080 (transfer to State School Deferred Maintenance Fund)	102	142	160
<b>TOTALS, EXPENDITURES</b>	<b>-\$1,625</b>	<b>-\$1,121</b>	<b>-\$851</b>
<b>0119 1998 State School Facilities Fund</b>			
APPROPRIATIONS			
Prior year balances available:			
Education Code Section 100420 (a)(b) as added by Chapter 407, Statutes of 1998	\$31,234	\$32,485	-
<b>Totals Available</b>	<b>\$31,234</b>	<b>\$32,485</b>	<b>\$-</b>
Balance available in subsequent years	-32,485	-	-

\* Dollars in thousands, except in Salary Range.

## 6350 School Facilities Aid Program - Continued

	2008-09*	2009-10*	2010-11*
<b>2 LOCAL ASSISTANCE</b>			
<b>TOTALS, EXPENDITURES</b>	<b>-\$1,251</b>	<b>\$32,485</b>	<b>\$-</b>
<b>0739 State School Building Aid Fund</b>			
APPROPRIATIONS			
Education Code Section 17088(f)	\$2,479	\$1,136	\$1,357
Transfer to Department of General Services for State Operations	-	-	-300
Education Code Sections 16096 and 16504 (Abatement to General Fund)	1,727	1,263	1,011
<b>TOTALS, EXPENDITURES</b>	<b>\$4,206</b>	<b>\$2,399</b>	<b>\$2,068</b>
Loan Repayments from School Districts per Education Code Section 16080	-1,088	-1,263	-1,011
<b>NET TOTALS, EXPENDITURES</b>	<b>\$3,118</b>	<b>\$1,136</b>	<b>\$1,057</b>
<b>0961 State School Deferred Maintenance Fund</b>			
APPROPRIATIONS			
Prior year balances available:			
Education Code Section 17080	\$239,046	\$254,661	\$254,409
Transfer to Department of General Services for State Operations	-102	-142	-
Transfer to Department of General Services for State Operations	-	-	-160
<b>TOTALS, EXPENDITURES</b>	<b>\$238,944</b>	<b>\$254,519</b>	<b>\$254,249</b>
Less funding provided by the General Fund	-236,449	-252,069	-251,817
<b>NET TOTALS, EXPENDITURES</b>	<b>\$2,495</b>	<b>\$2,450</b>	<b>\$2,432</b>
<b>3082 School Facilities Emergency Repair Account</b>			
APPROPRIATIONS			
Education Code Section 17592.71	\$50,000	-	\$51,000
<b>TOTALS, EXPENDITURES</b>	<b>\$50,000</b>	<b>\$-</b>	<b>\$51,000</b>
Less funding provided by the General Fund	-50,000	-	-51,000
<b>NET TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>6036 2002 State School Facilities Fund</b>			
APPROPRIATIONS			
Prior year balances available:			
Education Code Sections 100620 (a)(f) and 100625(a)	\$1,483,381	\$1,065,739	-
<b>Totals Available</b>	<b>\$1,483,381</b>	<b>\$1,065,739</b>	<b>\$-</b>
Balance available in subsequent years	-1,065,739	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$417,642</b>	<b>\$1,065,739</b>	<b>\$-</b>
<b>6044 2004 State School Facilities Fund</b>			
APPROPRIATIONS			
Prior year balances available:			
Education Code Sections 100820 (a)(f) and 100825(a)	\$3,990,560	\$2,088,690	\$1,868,331
Transfer to CA School Authority for State Operations	-435	-549	-
<b>Totals Available</b>	<b>\$3,990,125</b>	<b>\$2,088,141</b>	<b>\$1,868,331</b>
Balance available in subsequent years	-2,088,690	-1,868,946	-1,605,297
<b>TOTALS, EXPENDITURES</b>	<b>\$1,901,435</b>	<b>\$219,195</b>	<b>\$263,034</b>
<b>6057 2006 State School Facilities Fund</b>			
APPROPRIATIONS			
Transfer to Department of General Services for State Operations	-	-	-\$14,900
Prior year balances available:			
Education Code Sections 101010 and 101012	\$6,712,598	\$5,039,959	4,711,795
Transfer to Department of General Services for State Operations	-13,273	-12,963	-
Transfer to Department of Education State Operations	-2,341	-2,507	-
Transfer to CA School Authority for State Operations	-96	-429	-
Transfer to Department of Finance for State Operations	-	-593	-
Transfer to State Controllers for State Operations	-909	-859	-
Transfer to Various Departments for State Operations	-	-	-4,190

\* Dollars in thousands, except in Salary Range.

## 6350 School Facilities Aid Program - Continued

2 LOCAL ASSISTANCE	2008-09*	2009-10*	2010-11*
<b>Totals Available</b>	<b>\$6,695,979</b>	<b>\$5,022,608</b>	<b>\$4,692,705</b>
Balance available in subsequent years	-5,039,959	-4,711,795	-4,276,656
<b>TOTALS, EXPENDITURES</b>	<b>\$1,656,020</b>	<b>\$310,813</b>	<b>\$416,049</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$3,979,459</b>	<b>\$1,631,818</b>	<b>\$682,572</b>

### FUND CONDITION STATEMENTS

	2008-09*	2009-10*	2010-11*
<b>0739 State School Building Aid Fund <sup>N</sup></b>			
BEGINNING BALANCE	\$63,279	\$51,625	\$59,951
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
213000 Property and Natural Resources (Rental of State Property, Education Code Section 17094)			
Lease	1,098	964	161
Sale	7,210	12,858	2,253
Transfers and Other Adjustments:			
TO0001 To General Fund transfer per Control Section 24.30, Budget Acts	-16,559	-4,096	-1,398
Total Revenues, Transfers, and Other Adjustments	-8,251	9,726	1,016
Total Resources	\$55,028	\$61,351	\$60,967
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1760 Department of General Services (State Operations)	285	264	300
6350 School Facilities Aid Program (Local Assistance)	4,206	2,399	2,068
Expenditure Adjustments:			
6350 School Facilities Aid Program			
Loan Repayments from School Districts per Education Code Section 16080 (Local Assistance)	-1,088	-1,263	-1,011
Total Expenditures and Expenditure Adjustments	\$3,403	\$1,400	\$1,357
FUND BALANCE	\$51,625	\$59,951	\$59,610
<b>0961 State School Deferred Maintenance Fund <sup>N</sup></b>			
BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Transfers and Other Adjustments:			
FO0956 From School Site Utilization Fund per Education Code Section 17224	\$2,597	\$2,592	\$2,592
Total Revenues, Transfers, and Other Adjustments	\$2,597	\$2,592	\$2,592
Total Resources	\$2,597	\$2,592	\$2,592
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1760 Department of General Services (State Operations)	102	142	160
6350 School Facilities Aid Program (Local Assistance)	238,944	254,519	254,249
Expenditure Adjustments:			
6350 School Facilities Aid Program			
Less funding provided by the General Fund (Local Assistance)	-236,449	-252,069	-251,817
Total Expenditures and Expenditure Adjustments	\$2,597	\$2,592	\$2,592
FUND BALANCE	-	-	-
<b>3082 School Facilities Emergency Repair Account <sup>S</sup></b>			
BEGINNING BALANCE	\$88,158	-	-
Prior year adjustments	-88,158	-	-
Adjusted Beginning Balance	-	-	-

\* Dollars in thousands, except in Salary Range.

**6350 School Facilities Aid Program - Continued**

	2008-09*	2009-10*	2010-11*
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
6350 School Facilities Aid Program (Local Assistance)	50,000	-	\$51,000
Expenditure Adjustments:			
6350 School Facilities Aid Program			
Less funding provided by the General Fund (Local Assistance)	<u>-50,000</u>	<u>-</u>	<u>-51,000</u>
Total Expenditures and Expenditure Adjustments	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE	-	-	-

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