

## 6350 School Facilities Aid Program

The School Facilities Aid Program provides financing to local educational agencies 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 of the Statutes of 1998 (SB 50), created the School Facility Program (SFP) to streamline school construction funding. Proposition 1D, approved in November 2006, provided State General Obligation Bonds of \$5.2 billion to local educational agencies for new construction and modernization projects. Further, Proposition 1D provided \$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 provided \$100 million for 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 of the Statutes of 1979 (AB 8), traditionally provides state matching funds, on a dollar-for-dollar basis, to assist local educational agencies 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. Chapter 12 of the Statutes of 2009 of the third extraordinary session (X3 SB 4) requires the Office of Public School Construction to distribute program funds for the 2008-09 fiscal year through the 2012-13 fiscal year proportionate to the amount of program funds a local educational agency received for the 2008-09 fiscal year. X3 SB 4 also provides local educational agencies with the flexibility to use program funds for any educational purpose through 2012-13. The program traditionally provides funds for critical hardship projects where the work must be completed within one year. However, Chapter 2 of the Statutes of 2009 of the fourth extraordinary session (X4 SB 2) suspended the extreme hardship project provisions until July 1, 2013. X4 AB 2 also suspended the requirement for local educational agencies to match state funds on a dollar-for-dollar basis from 2008-09 through 2012-13.

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. 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. To date the state has provided over \$338 million for the ERP.

### 3-YR EXPENDITURES AND PERSONNEL YEARS

|  | Personnel Years |          |          | Expenditures       |                    |                    |
|--|-----------------|----------|----------|--------------------|--------------------|--------------------|
|  | 2009-10         | 2010-11  | 2011-12  | 2009-10*           | 2010-11*           | 2011-12*           |
| 10 School Facilities Aid Program                         | -               | -        | -        | \$1,277,887        | \$3,345,296        | \$1,377,771        |
| <b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b> | <b>-</b>        | <b>-</b> | <b>-</b> | <b>\$1,277,887</b> | <b>\$3,345,296</b> | <b>\$1,377,771</b> |
| <b>FUNDING</b>   |                 |          |          | <b>2009-10*</b>    | <b>2010-11*</b>    | <b>2011-12*</b>    |
| 0001 General Fund  |                 |          |          | -\$1,190           | -\$874             | -\$599             |
| 0001 General Fund, Proposition 98                        |                 |          |          | 1,190              | 874                | 599                |
| 0119 1998 State School Facilities Fund                   |                 |          |          | -4,161             | 36,646             | -                  |
| 0739 State School Building Aid Fund                      |                 |          |          | 950                | 380                | -                  |
| 0961 State School Deferred Maintenance Fund              |                 |          |          | 2,415              | 2,410              | 2,404              |
| 6036 2002 State School Facilities Fund                   |                 |          |          | 297,127            | 768,612            | -                  |
| 6044 2004 State School Facilities Fund                   |                 |          |          | 362,668            | 1,725,437          | 350,414            |
| 6057 2006 State School Facilities Fund                   |                 |          |          | 618,888            | 811,811            | 1,024,953          |
| <b>TOTALS, EXPENDITURES, ALL FUNDS</b>                   |                 |          |          | <b>\$1,277,887</b> | <b>\$3,345,296</b> | <b>\$1,377,771</b> |

### DETAILED BUDGET ADJUSTMENTS

|  | 2010-11*     |             |                 | 2011-12*     |             |                 |
|--|--------------|-------------|-----------------|--------------|-------------|-----------------|
|  | General Fund | Other Funds | Personnel Years | General Fund | Other Funds | Personnel Years |
| <b>Workload Budget Adjustments</b>                               |              |             |                 |              |             |                 |
| <b>Other Workload Budget Adjustments</b>                         |              |             |                 |              |             |                 |
| • Adjustment to 2006 State School Facilities Program             | \$-          | \$376,672   | -               | \$-          | \$608,618   | -               |
| • Adjustment to 2004 State School Facilities Program             | -            | 1,462,403   | -               | -            | 87,380      | -               |
| • Adjust Funding Levels for the Deferred Maintenance Program     | -            | -146        | -               | -            | 61,648      | -               |
| • Adjust Abatement to General Fund from School Building Aid Fund | -            | 60          | -               | -            | 329         | -               |

\* Dollars in thousands, except in Salary Range.

**6350 School Facilities Aid Program - Continued**

|  | 2010-11*     |                    |                 | 2011-12*     |                  |                 |
|--|--------------|--------------------|-----------------|--------------|------------------|-----------------|
|  | General Fund | Other Funds        | Personnel Years | General Fund | Other Funds      | Personnel Years |
| • Adjust Loan Repayments to the General Fund from the School Building Aid Fund | -            | 60                 | -               | -            | 329              | -               |
| • Change in State Operations Costs for the Deferred Maintenance Program        | -            | 160                | -               | -            | 77               | -               |
| • Adjustment to 1998 and 2000 State School Facilities Program                  | -            | 36,646             | -               | -            | -                | -               |
| • Adjustment to 2002 State School Facilities Program                           | -            | 768,612            | -               | -            | -                | -               |
| • Reflect Funding Provided for the Emergency Repair Program                    | -            | -51,000            | -               | -            | -                | -               |
| • Reflect Funding Provided for the Emergency Repair Program                    | -            | 51,000             | -               | -            | -                | -               |
| • Adjust State Operations Costs for State Relocatable Classroom Program        | -            | 300                | -               | -            | -2               | -               |
| • Adjustment for State Operations for SDE, SCO, and CSFA                       | -            | 4,190              | -               | -            | -34              | -               |
| • Adjustment for State Operations for DGS                                      | -            | 14,538             | -               | -            | -42              | -               |
| • Adjustment to tie to State Operations Adjustments for Deferred Maintenance   | -            | -83                | -               | -            | -77              | -               |
| • Adjust Excess Loan repayments from General Fund for Deferred Maintenance     | -            | 23                 | -               | -            | -252             | -               |
| • Adjust abatement to General Fund from School Building Aid Fund               | -            | -60                | -               | -            | -329             | -               |
| • Adjustment for State Relocatable Classroom Program                           | -            | -977               | -               | -            | -1,055           | -               |
| • Adjustment in Funding Levels for the Deferred Maintenance Program            | -            | -36                | -               | -            | -61,753          | -               |
| <b>Totals, Other Workload Budget Adjustments</b>                               | <b>\$-</b>   | <b>\$2,662,362</b> | <b>-</b>        | <b>\$-</b>   | <b>\$694,837</b> | <b>-</b>        |
| <b>Totals, Workload Budget Adjustments</b>                                     | <b>\$-</b>   | <b>\$2,662,362</b> | <b>-</b>        | <b>\$-</b>   | <b>\$694,837</b> | <b>-</b>        |
| <b>Totals, Budget Adjustments</b>  | <b>\$-</b>   | <b>\$2,662,362</b> | <b>-</b>        | <b>\$-</b>   | <b>\$694,837</b> | <b>-</b>        |

**DETAIL OF APPROPRIATIONS AND ADJUSTMENTS**

| 2 LOCAL ASSISTANCE  | 2009-10*        | 2010-11*        | 2011-12*      |
|---|-----------------|-----------------|---------------|
| <b>0001 General Fund, Proposition 98</b>  |                 |                 |               |
| APPROPRIATIONS  |                 |                 |               |
| Education Code Section 17080 (transfer to State School Deferred Maintenance Fund) | \$1,190         | \$874           | \$599         |
| <b>TOTALS, EXPENDITURES</b>   | <b>\$1,190</b>  | <b>\$874</b>    | <b>\$599</b>  |
| <b>0001 General Fund</b>  |                 |                 |               |
| APPROPRIATIONS  |                 |                 |               |
| Education Code Sections 16096 and 16504   | -\$1,263        | -\$951          | -\$682        |
| Education Code Section 17080 (transfer to State School Deferred Maintenance Fund) | 73              | 77              | 83            |
| <b>TOTALS, EXPENDITURES</b>   | <b>-\$1,190</b> | <b>-\$874</b>   | <b>-\$599</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    | \$32,485        | \$36,646        | -             |
| <b>Totals Available</b>   | <b>\$32,485</b> | <b>\$36,646</b> | <b>\$-</b>    |
| Balance available in subsequent years   | -36,646         | -               | -             |
| <b>TOTALS, EXPENDITURES</b>   | <b>-\$4,161</b> | <b>\$36,646</b> | <b>\$-</b>    |
| <b>0739 State School Building Aid Fund</b>  |                 |                 |               |

\* Dollars in thousands, except in Salary Range.

## 6350 School Facilities Aid Program - Continued

| 2 LOCAL ASSISTANCE   | 2009-10*           | 2010-11*           | 2011-12*           |
|--|--------------------|--------------------|--------------------|
| APPROPRIATIONS   |                    |                    |                    |
| Education Code Section 17088(f)  | 0                  | \$380              | \$302              |
| Transfer to Department of General Services for State Operations        | -                  | -                  | -302               |
| Education Code Sections 16096 and 16504 (Abatement to General Fund)    | <u>\$1,263</u>     | <u>951</u>         | <u>682</u>         |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$1,263</b>     | <b>\$1,331</b>     | <b>\$682</b>       |
| Loan Repayments from School Districts per Education Code Section 16080 | <u>-313</u>        | <u>-951</u>        | <u>-682</u>        |
| <b>NET TOTALS, EXPENDITURES</b>  | <b>\$950</b>       | <b>\$380</b>       | <b>\$-</b>         |
| <b>0961 State School Deferred Maintenance Fund</b>                     |                    |                    |                    |
| APPROPRIATIONS   |                    |                    |                    |
| Prior year balances available:   |                    |                    |                    |
| Education Code Section 17080   | \$254,557          | \$254,340          | \$316,057          |
| Transfer to Department of General Services for State Operations        | -73                | -77                | -                  |
| Transfer to Department of General Services for State Operations        | <u>-</u>           | <u>-</u>           | <u>-83</u>         |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$254,484</b>   | <b>\$254,263</b>   | <b>\$315,974</b>   |
| Less funding provided by the General Fund                              | <u>-252,069</u>    | <u>-251,853</u>    | <u>-313,570</u>    |
| <b>NET TOTALS, EXPENDITURES</b>  | <b>\$2,415</b>     | <b>\$2,410</b>     | <b>\$2,404</b>     |
| <b>3082 School Facilities Emergency Repair Account</b>                 |                    |                    |                    |
| APPROPRIATIONS   |                    |                    |                    |
| Education Code Section 17592.71  | <u>-</u>           | <u>-</u>           | <u>\$51,000</u>    |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$-</b>         | <b>\$-</b>         | <b>\$51,000</b>    |
| Less funding provided by the General Fund                              | <u>-</u>           | <u>-</u>           | <u>-51,000</u>     |
| <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)                    | <u>\$1,065,739</u> | <u>\$768,612</u>   | <u>-</u>           |
| <b>Totals Available</b>  | <b>\$1,065,739</b> | <b>\$768,612</b>   | <b>\$-</b>         |
| Balance available in subsequent years                                  | <u>-768,612</u>    | <u>-</u>           | <u>-</u>           |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$297,127</b>   | <b>\$768,612</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)                    | \$2,089,125        | \$1,726,011        | \$350,414          |
| Transfer to CA School Authority for State Operations                   | <u>-446</u>        | <u>-574</u>        | <u>-</u>           |
| <b>Totals Available</b>  | <b>\$2,088,679</b> | <b>\$1,725,437</b> | <b>\$350,414</b>   |
| Balance available in subsequent years                                  | <u>-1,726,011</u>  | <u>-</u>           | <u>-</u>           |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$362,668</b>   | <b>\$1,725,437</b> | <b>\$350,414</b>   |
| <b>6057 2006 State School Facilities Fund</b>                          |                    |                    |                    |
| APPROPRIATIONS   |                    |                    |                    |
| Transfer to Department of General Services for State Operations        | -                  | -                  | -\$14,580          |
| Prior year balances available:   |                    |                    |                    |
| Education Code Sections 101010 and 101012                              | \$5,064,173        | \$4,429,520        | 3,600,139          |
| Transfer to Department of General Services for State Operations        | -11,856            | -13,660            | -                  |
| Transfer to Department of Education State Operations                   | -2,310             | -2,353             | -                  |
| Transfer to CA School Authority for State Operations                   | -185               | -429               | -                  |
| Transfer to Department of Finance for State Operations                 | -593               | -174               | -                  |
| Transfer to State Controllers for State Operations                     | -821               | -954               | -                  |
| Transfer to Various Departments for State Operations                   | <u>-</u>           | <u>-</u>           | <u>-4,224</u>      |
| <b>Totals Available</b>  | <b>\$5,048,408</b> | <b>\$4,411,950</b> | <b>\$3,581,335</b> |
| Balance available in subsequent years                                  | <u>-4,429,520</u>  | <u>-3,600,139</u>  | <u>-2,556,382</u>  |

\* Dollars in thousands, except in Salary Range.

## 6350 School Facilities Aid Program - Continued

| 2 LOCAL ASSISTANCE  | <u>2009-10*</u>    | <u>2010-11*</u>    | <u>2011-12*</u>    |
|---|--------------------|--------------------|--------------------|
| <b>TOTALS, EXPENDITURES</b>                               | <u>\$618,888</u>   | <u>\$811,811</u>   | <u>\$1,024,953</u> |
| <b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b> | <b>\$1,277,887</b> | <b>\$3,345,296</b> | <b>\$1,377,771</b> |

### FUND CONDITION STATEMENTS

|  | 2009-10* | 2010-11*  | 2011-12*  |
|--|----------|-----------|-----------|
| <b>0739 State School Building Aid Fund <sup>N</sup></b>  |          |           |           |
| BEGINNING BALANCE  | \$51,625 | \$39,487  | \$17,086  |
| Prior year adjustments   | -20,650  | -         | -         |
| Adjusted Beginning Balance   | \$30,975 | \$39,487  | \$17,086  |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS   |          |           |           |
| Revenues:  |          |           |           |
| 213000 Property and Natural Resources (Rental of State Property, Education Code Section 17094) |          |           |           |
| Lease  | 964      | -         | -         |
| Sale   | 12,858   | 1,664     | -         |
| Transfers and Other Adjustments:   |          |           |           |
| TO0001 To General Fund transfer per Control Section 24.30, Budget Acts                         | -4,096   | -23,398   | -12,000   |
| Total Revenues, Transfers, and Other Adjustments   | \$9,726  | -\$21,734 | -\$12,000 |
| Total Resources  | \$40,701 | \$17,753  | \$5,086   |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS   |          |           |           |
| Expenditures:  |          |           |           |
| 1760 Department of General Services (State Operations)   | 264      | 287       | 302       |
| 6350 School Facilities Aid Program (Local Assistance)  | 1,263    | 1,331     | 682       |
| 8880 Financial Information System for California (State Operations)                            | -        | -         | 1         |
| Expenditure Adjustments:   |          |           |           |
| 6350 School Facilities Aid Program   |          |           |           |
| Loan Repayments from School Districts per Education Code Section 16080 (Local Assistance)      | -313     | -951      | -682      |
| Total Expenditures and Expenditure Adjustments   | \$1,214  | \$667     | \$303     |
| FUND BALANCE   | \$39,487 | \$17,086  | \$4,783   |
| <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                      | \$2,488  | \$2,487   | \$2,488   |
| Total Revenues, Transfers, and Other Adjustments   | \$2,488  | \$2,487   | \$2,488   |
| Total Resources  | \$2,488  | \$2,487   | \$2,488   |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS   |          |           |           |
| Expenditures:  |          |           |           |
| 1760 Department of General Services (State Operations)   | 73       | 77        | 83        |
| 6350 School Facilities Aid Program (Local Assistance)  | 254,484  | 254,263   | 315,974   |
| 8880 Financial Information System for California (State Operations)                            | -        | -         | 1         |
| Expenditure Adjustments:   |          |           |           |
| 6350 School Facilities Aid Program   |          |           |           |
| Less funding provided by the General Fund (Local Assistance)                                   | -252,069 | -251,853  | -313,570  |
| Total Expenditures and Expenditure Adjustments   | \$2,488  | \$2,487   | \$2,488   |
| FUND BALANCE   | -        | -         | -         |
| <b>3082 School Facilities Emergency Repair Account <sup>S</sup></b>                            |          |           |           |
| BEGINNING BALANCE  | -        | -         | -         |

\* Dollars in thousands, except in Salary Range.

**6350 School Facilities Aid Program - Continued**

|  | 2009-10* | 2010-11* | 2011-12* |
|--|----------|----------|----------|
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS                     |          |          |          |
| Expenditures:  |          |          |          |
| 6350 School Facilities Aid Program (Local Assistance)        | -        | -        | \$51,000 |
| Expenditure Adjustments:                                     |          |          |          |
| 6350 School Facilities Aid Program                           |          |          |          |
| Less funding provided by the General Fund (Local Assistance) | -        | -        | -51,000  |
| Total Expenditures and Expenditure Adjustments               | -        | -        | -        |
| FUND BALANCE   | -        | -        | -        |

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