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CASH Recommendations:
Streamlining the School Facility Program

Proposed Modifications – Detailed Information

Since the passage of SB 50 in 1998, the School Facility Program (SFP) has grown more complex and multi-faceted. Opportunities exist to eliminate redundancy
es and streamline the state oversight and approval process, thereby reducing complexity and making it easier for school districts to access state support for school facilities. It is important to preserve the core state functions, which are rooted in ensuring student safety and equitable access to educationally appropriate facilities.

CASH recommends shifting where possible to a reliance on local authority and responsibility, while preserving the core state functions. Within this context, CASH proposes the following recommendations to reduce complexity and achieve a more streamlined process.

Centralized Project Document System & Project Initiation
"Box"
Establish a centralized electronic document repository and certification system, to consolidate project submittals in one place (i.e. a "single point of entry") and create a single Project Tracking Number. This could be a centralized system that would allow for submittal of project documents to an electronic "Box" system, identical to the system used by DSA for inspection and certification purposes.

All project forms, plans, and application documents would be submitted and reviewed electronically, with validated electronic signatures for initial submittal and review, addenda, and construction change documents (CCDs). These documents would be accessible by staff across all involved agencies and would allow for cross-agency coordination. This system would allow for continual monitoring and verification of compliance by state agencies, eliminating the need for an audit upon project completion (see below for more information).

Agency Assistance
Upon initiation of a new project in Box, a district could elect to receive additional assistance and guidance from state agencies during the project planning, review, and approval processes.

Ombudsman
Create a project ombudsman or agency liaison position, to ensure the efficient processing of projects through all agencies. This person would serve as a public advocate and point of contact for applicants, helping to shepherd projects through the process.

Budgeting/Funding

Eligibility
The first step in the approval process is for OPSC to review a project's eligibility and identify the anticipated State match. These numbers would help inform the planning and design process.

Reservation of Funds
The State Allocation Board would provide a corresponding reservation of funds, similar to a preliminary apportionment, to secure availability of funds prior to the final funding approval. This will provide districts with a sense of security when planning their projects.

Planning

Self-Certification of Site Selection
Selection of a site is a primarily local responsibility. We recommend converting site selection to a robust self-certification process, with optional state resources for districts seeking greater support or guidance. CDE would check statutory compliance at this stage rather than post-project. This approach will defer to local authority and eliminate an overly complex and redundant oversight function that is only performed for state-funded projects.

- *Department of Toxic Substances Control* – Allow school districts to self-certify that they have followed established protocols and standards after a public review of technical studies stamped by registered environmental professionals (engineer or geologist). This is the process that was in place prior to 1998.
- *California Department of Education* – Instead of reviewing three potential sites, CDE could provide a set of best practices to serve as guidance in site selection. A robust self-certification for Title 5 environmental siting criteria should be added for site approval.
- *Resource Agencies* – Other currently mandated reports and studies based on the unique characteristics of each site would be conducted at the local level and self-certified by school districts, without submittal and approval by various state agencies. Districts could engage agencies such as DTSC, CDE, the Caltrans Division of Aeronautics, and the Office of Environmental Health Hazard Assessment (OEHHA) as resources on site issues related to railroads, airports, pipelines, storage tanks, transmission lines, hazardous substances, and more as needed.

Design

We concur with the Governor's assertion that the SFP could provide school districts with greater local discretion in the design of their facilities. The program should provide a more flexible definition of a classroom to accommodate 21st Century learning environments.

Plan Review

Electronic Plan Review
Consistent with the intent of Box, as described above, DSA and CDE plan review would be performed electronically, using validated electronic signatures and communications.

DSA Plan Review
Allow districts to select DSA or an approved outside plan checker to perform the initial plan review and to review addenda and CCDs. This option would ensure a smoother process and allow for more efficient management of workload during high volume submittal periods.

DSA Technical Reforms
See below for additional technical reforms proposed to streamline and simplify the plan review process (Appendix A).

Eliminate Duplicative OPSC Reviews
In a number of cases, the role of OPSC is duplicative of the work and authority of other agencies. Reducing these redundancies will help make the SFP less complex and more efficient. OPSC should defer to the reviews performed by the other agencies, rather than perform its own separate review. Examples include:
- *Site Development* – OPSC's Plan Verification Team (PVT) reviews and approves cost estimates for site development, including service site, utility service, off-site, and general site work, entering into what can be a lengthy and inefficient dialogue over allowable costs. DSA already reviews and approves the scope of site development work and associated budgets, therefore we recommend shifting all PVT review functions to DSA.
- *Teaching Station/Project Capacity* – CDE reviews plans for educational adequacy and identifies the number of teaching stations (classrooms) and pupils served by the project. Projects are funded based on these numbers, which are verified by OPSC. OPSC should accept CDE's findings.

Funding Apportionment
Where possible, we recommend simplifying the pupil grant funding process to make the entire program less complex.

Use Self-Certification to Fund Site Development Costs
As discussed above, we recommend eliminating OPCS's role of verifying site development cost estimates. We recommend that site development costs be funded based on the estimates developed and certified by the design professional and/or school district. These costs would be submitted to the new project document repository, thereby making the estimate methodologies transparent. DSA would continue to review site development work during plan review for appropriateness of scope, and a regional overlay could be developed to reflect geographic cost differentials.

Adding Replacement to the New Construction Program
The option to reconstruct or replace facilities should be incorporated into the core new construction program. This option would be available for both permanent and portable facilities, and it would collapse the function of the Overcrowded Relief Grant program into the core programs. This will have the dual effect of increasing district flexibility and reducing program complexity.

AB 55 Loan Process
We recommend reinstating the AB 55 loan process, to provide a source of funds for continual apportionment, rather than the current process of timing apportionments to the sale of GO bonds, which usually occurs twice each year.

Construction
Department of Industrial Relations/Prevailing Wage Monitoring
Pending the outcome of 2014-15 budget negotiations, use the new contractor registration and fee requirements proposed by the Governor to meet and simplify some of the pre-qualification requirements established by AB 1565 (Fuentes), with the goal of screening contractors into the public works arena. We recommend that contractors on public works projects register directly with the Contractors State Licensing Board (CSLB), in lieu of requiring districts to register contractors. CSLB would establish a public works registered contractor list for use by school districts and DIR for monitoring prevailing wage compliance. This approach would capitalize on existing state roles and help reduce duplication of effort within the program.

Close-Out
Eliminate Project Audits
Under the current system, the bulk of audit and verification work is performed by OPSC after project completion. This can be a cumbersome process that is duplicative of work already being performed at the local level by Bond Oversight Committees, Proposition 39 audits and K-12 annual audits, which verify that funds were spent appropriately. Under the new Box centralized certification system, districts would demonstrate compliance over the life of the project. Project documents to demonstrate compliance would be submitted to a central repository and available for review by all agencies. By the time the project is complete, OPSC will be able to certify the project, verifying that the district built it as funded and provided the appropriate match, eliminating the need for a lengthy audit process on the back-end.

Self-Certification of Legacy Projects
Create a mechanism for districts to self-certify the remaining 12,000+ uncertified legacy projects. That mechanism should include a licensed architect or structural engineer's report adopted by the local district governing board which is filed with DSA to certify the project.

Additional Program Reforms

In response to the Governor's concerns about first-come, first-serve, we believe that simplifying and streamlining the current SFP will create a more equitable and accessible program. Regarding concerns about inappropriate use of state eligibility, we are open to discussing and addressing the specific critiques.

Appendix A: DSA Technical Plan Review Reforms

Below are additional technical recommendations regarding DSA's plan approval role. These recommendations will help streamline, shift from state to local control, and improve transparency.

- Eliminate the concept of bin time as it applies to DSA plan review from the code and in practice. Require an intake assessment of all plans within 48 hours to determine completeness of the submittal; for submittals deemed complete, commence plan review within 72 hours.
- Develop and implement an expedited DSA review process for small projects.
- Develop and implement a district-directed prioritization process when they are submitting multiple projects simultaneously.
- Create a process for self-certification of interim housing.
- Allow for the training of DSA leadership and staff on emerging construction delivery methods and other developing industry practices.
- Simplify the current CCD process by eliminating the need to create cover sheets for type A CCDs and eliminating type B CCDs; require only type A CCDs to be submitted.
- Develop and implement a transparent DSA workload list analogous to OPSC. Apply and publish metrics related to all DSA process areas. Establish a review process which allows for public visibility, input, and comment.

CASH Recommendations:
Streamlining the SFP
June 18, 2014
Chart of Proposed Modifications

For additional detail on these proposed process modifications, please see "Proposed Modifications – Detailed Information."

Centralized Project Document System & Project Initiation
- Create a centralized electronic document repository and certification system – a single point of entry.
  - All project documents will be submitted electronically to Box and accessible by all agencies.
  - Projects will have one common tracking number for use across all agencies.
- Initiate projects in Box – all three of the main agencies receive notification.
- District can opt for agency assistance and guidance at onset of project.
- Appoint project ombudsman or agency liaison. CDE to manage.

Budgeting/Funding
This is a new step that will calculate and identify the anticipated State match to inform the planning and design process.
- OPSC to verify eligibility.
- Provide a reservation of funds, similar to a preliminary apportionment.

Planning
Existing
- CDE reviews potential sites
- DTSC assesses site for potential contamination.

Proposed
- DTSC to advise on site assessment.
  - Districts self-certify they have followed protocols and standards.
- CDE to review and advise on review of site selection upon request.
  - CDE to establish best practices to serve as guidance.
  - Districts self-certify for Title 5 environmental siting criteria.
- Conduct and self-certify all other mandated reports and studies for site selection at the local level.
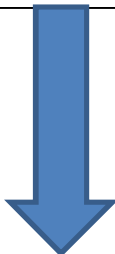

Design
Existing
- DSA and CDE provide optional design review services.

Proposed
- Provide districts greater local discretion in facilities design.

Plan Review

Existing

- DSA reviews plans and specs for compliance with CA Building Code.
- CDE reviews plans for compliance with Title 5.

Proposed

- Plan review to be performed electronically, with validated electronic signatures.
- Shift OPSC Plan Verification Team (PVT) review functions to DSA.
- CDE determines teaching station count/project capacity.
- Allow districts to select DSA or approved outside plan checker for plan review.
- Additional technical plan review reforms to streamline the DSA process and reflect local responsibility.

Funding Apportionment

Existing

- OPSC processes funding application.
- CDE, DSA, and DTSC approvals are completed and verified by OPSC.
- SAB approves funding.

Proposed

- OPSC should defer to reviews performed by other agencies.
  - Accept DSA's review and approval of site development scope.
  - Accept CDE's findings for teaching station count/project capacity.
- Fund site development costs based on self-certified district/design professional cost estimates.
- Incorporate reconstruction/replacement into the core new construction program.
- SAB approves final apportionment, making adjustments from the reservation of funds to reflect approved project scope.
- Re-instate AB 55 loan process to provide continuous apportionments.

Construction

Existing

- DIR provides prevailing wage monitoring
- DSA oversees construction
- OPSC reviews annual substantial progress reports

Proposed

- Use the new contractor registration and fee requirements to meet and simplify pre-qualification requirements.
  - Contractors to register with and pay fee to the Contractors State License Board (CSLB), who will establish a list of registered contractors for DIR's use in monitoring prevailing wage compliance.

Close-Out

Existing

- DSA issues certification letter
- OPSC performs compliance review

Proposed

- OPSC certifies project upon completion.
  - Eliminate the back-end audit process by reviewing documents for compliance throughout the life of the project, as verified by submissions to Box.