



UPCOMING EVENTS

CASH Outreach Workshop
 Capital Funding Issues, 2019-20
 6/20/19, *Ventura USD*

June Workshops
 DSA Summer Workshop – Changes and Goals for 2019
 6/25/19, *Sacramento*
 6/28/19, *Ontario*

Save the Date!
Fall Conference and Pre-Conference Workshop
 October 14-16, 2019
Hyatt Regency Newport Beach

41st Annual Conference on School Facilities
 February 19-21, 2020
Long Beach Convention Center

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UPDATE

Budget Update: Proposition 51 Bond Sales and Full-Day Kindergarten Facilities Grant Program

On May 9, the Governor released his May Revision update to the 2019-20 budget proposed in January. The May Revision incorporates the latest economic forecasts and updated revenue figures based on April tax receipts. The May Revision expects \$3.2 billion in additional short-term revenues over the January proposal, but it also anticipates slower economic growth and mounting uncertainty, necessitating a prudent approach to the budget. At the end of May, the Assembly and Senate completed their subcommittee work reviewing the Governor’s proposals. Conference Committee gaveled in on May 30 and will work through the next week to reconcile differences between the Assembly and Senate versions of the budget.

Proposition 51 Bond Sales

In January, the Governor proposed \$1.5 billion in Proposition 51 bond sales for School Facility Program apportionments in FY 2019-20. The Governor also proposed \$1.2 million for 10 positions at the Office of Public School Construction (OPSC), to support the increased processing of applications and program workload. The May Revision did not make any change to this proposal. Both the Senate and Assembly adopted the Governor’s proposal for \$1.5 billion in bond sales and \$1.2 million for 10 OPSC positions, and therefore the item will likely not be heard by Conference Committee. The Senate also approved provisional budget language to require reporting on applications processed during the 2019-20 year.

CASH has been advocating that this is an improvement over prior years but still not enough, given a backlog of almost \$5 billion in projects awaiting funds. The Administration proposes to allocate \$1.5 billion each year until Proposition 51 funds are exhausted, which would place the final apportionments in FY 2022-23.

Full-Day Kindergarten Facilities Grant Program

In the May Revision, the Governor reduced his January proposal from \$750 million to \$600 million, and specified that funding would be available over three years, with eligibility limited during the first two years to schools converting from part-day to full-day programs. The Governor also proposed to increase the state share from 50% to 75% for those districts converting to full-day programs.

This item will be debated in Conference Committee due to different actions between the two houses. The Senate approved \$150 million for the program, and the Assembly approved \$200 million. Additionally, the Assembly approved expanding the program to also fund facilities for State Preschool programs, as well as revisions to fix the hit to baseline School Facility Program eligibility for any classrooms added through the program. The Assembly rejected the Governor’s proposal on increasing the State Share to 75%.

On May 22, 2019, the State Allocation Board approved apportionments for the first funding cycle of the Full-Day Kindergarten Facilities Grant Program, providing \$37.5 million to 12 projects. 11 of the 12 applications requested new construction funding, and one requested retrofit funding. Nine applicants previously offered full-day kindergarten instruction but lacked kindergarten facilities; three will offer full-day kindergarten instruction upon completion of the project.



JUNE 2019

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Legislative Update: State School Bond Bill and Affordable Housing

AB 48 (O'Donnell): Kindergarten-Community Colleges Public Education Facilities Bond Acts of 2020/2022

AB 48 would place a \$13 billion school facilities bond on ballot for the March 2020 Statewide Primary Election, and another bond in an unspecified amount in November 2020. Under AB 48, the state School Facilities Program would maintain its needs-based eligibility, and the existing proportions of state matching. Enhancements to improve access to the program include:

- Additional assistance to small and rural LEAs at earlier stages of the application process.
- Modified eligibility for financial hardship by increasing the total bond capacity from below \$5 million to below \$10 million.
- Establishment of a modernization project supplemental grant for gyms, MPR and libraries.
- Establishment of a program to allow school districts to receive New Construction grant levels to demolish buildings that are at least 75 years old, and construct a new building on an existing schoolsite.
- Testing and remediation of lead levels of water at school sites.

The bill was approved by the Assembly and is pending its first hearing in the Senate. Typically, bond bills are heard in the Senate Committee on Education first, then in the Senate Committee on Governance and Finance. These hearings will take place in late June or during the first two weeks of July. If approved, the bill will move on to the Senate Appropriations Committee where it will qualify for the Suspense Calendar, for action shortly before the August 30th fiscal deadline. The bill must be approved by the full Senate and returned to the Assembly for concurrence in Senate amendments by September 13th. In order to be placed on the March 2020 statewide ballot, the bill must be signed by the Governor by September 15th. CASH and a diverse coalition of stakeholders will continue to advocate for support throughout this process.

Affordable Housing

SB 50 (Wiener) Equitable Communities Incentive

The most significant housing bill of the year was held in the Senate Committee on Appropriations. The bill could have spurred development of infill housing by waiving local requirements for zoning, density, parking, height restrictions, and floor area ratios, in areas deemed “jobs-rich” or “transit-rich.”

SB 5 (Beall) Affordable Housing and Community Development Investment Program

CASH continues to monitor SB 5 (Beall) which would establish the Affordable Housing and Community Development Investment Program to allow cities and counties to shift Educational Revenue Augmentation Fund (ERAF) funding towards housing, under the premise that the state General Fund would backfill ERAF. CASH engaged with the author early in the legislative session to ensure that the bill protects education funding. SB 5 has been approved by the Assembly and is pending its first hearing in the Senate.

Local Governments Planning Grants Program

The Governor’s Budget as proposed in January 2019 included a multi-pronged plan intended to spur development of affordable housing. The aspect most directly related to schools is the \$250 million in planning grants, because local educational agencies (LEAs) engaged in housing



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development typically must use their general funds in the planning phase. In the May Revision, the Governor proposed to allow local educational agencies to access some of these funds.

The \$250 million allocation is divided in half, with \$125 million being available to six regions defined in the bill, with the remaining rural areas able to apply directly to the Department of Housing and Community Development (HCD). Funds would be distributed on a per-capita basis and each region may determine the use of funds to meet its unique housing and planning priorities. LEAs would be eligible to apply to these six large, regional housing entities for funding.

The Legislative Analyst expressed skepticism about the ability of LEAs to develop workforce housing. CASH is advocating for the Legislature to support the Governor's proposal to include LEAs in the Local Governments Planning Grants Program, and clarification of the trailer bill language to eliminate obstacles to LEA participation.

CASH Environmental Committee Convenes

In an effort to address a number of legislative and regulatory environmental requirements affecting school facilities, and under the leadership of CASH Board Member Dwayne Mears, the CASH Environmental Committee met on May 22.

The meeting began with an overview of environmental state budget issues, legislation and regulations that would have an impact on school construction, modernization and maintenance. Issues included the impact of CEQA/AB 743 on school siting, drinking water quality and lead testing, storm water quality and the MS4 permit, water conservation and groundwater recharge, use of herbicides (Round Up) and pesticides, agricultural pesticide use near schools, and CalGreen Building Code requirements such as commissioning, placement of shade trees and EV infrastructure. The Committee agreed to survey CASH members on the top three environmental issues that they are concerned about to ensure the Committee's time is well spent.

The next Committee meeting is scheduled for Wednesday, August 28 in Sacramento. Environmental Committee meetings are open to all CASH members, but if you would like to participate as a formal member of the Committee, please contact Ian Padilla at the CASH office at ipadilla@m-w-h.com or (916) 448-8577.

Legislative Advisory Committee – Call for Nominations

The CASH Nominating Committee is now accepting nominations to fill three (3) public sector seats and three (3) private sector seats on the Legislative Advisory Committee (LAC).

Nominees must possess the following qualifications:

- Active CASH member in good standing;
- Involved in school facility planning and/or management; and
- Regularly attend CASH meetings, conferences and workshops.

Visit www.cashnet.org/news to view the full call for nominations notice. Please email all letters of nomination to Greg Golik, ggolik@m-w-h.com, or mail to the CASH office. If you have any questions, please do not hesitate to contact Greg at (916) 448-8577.



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Networking Mixers

Join your fellow school facility professionals at a CASH Networking Mixer! These mixers are open to all school facilities professionals, no RSVP required.

Inland Empire 66ers of San Bernardino*

Thursday, June 27

6:00-7:30 p.m.

280 South E. Street

San Bernardino, CA 92401

Sponsored by: Pro-Craft Construction, Inc. | Caston, Inc. | K.A.R. Construction, Inc. | Rancho Pacific Electric

*Attendees will need to enter through the third baseline entrance; from there, they will confirm with a business card that they are with CASH and K-12.

Bagby Beer Co., Oceanside

Thursday, July 18

5:30-7:30 p.m.

601 South Coast Highway

Oceanside, CA 92054

Sponsored by: Lusardi Construction

Ballast Point Brewing, Miramar

Thursday, August 15

5:30-7:30 p.m.

9045 Carroll Way

San Diego, CA 92121

Sponsored by: Mowhawk Group | BakerNowicki Design Studio

Questions about the CASH Networking Mixers? Please contact Mike Vail at (949) 498-8993 or mgvailsancllemente@sbcglobal.net.

For the latest updates on important matters affecting school facilities, be sure to check out the CASH website: www.cashnet.org.

Connect with CASH on Facebook or follow us on Twitter at @CASHFacilities.