

### 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 \$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, 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 at a minimum of \$100 million per year 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.

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

		Positions			Expenditures		
		2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
10	School Facilities Aid Program	-	-	-	\$2,106,162	\$3,076,578	\$4,484,967
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>\$2,106,162</b>	<b>\$3,076,578</b>	<b>\$4,484,967</b>
<b>FUNDING</b>					<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
0001	General Fund				-\$5,791	-\$1,821	-\$910
0001	General Fund, Proposition 98				5,791	1,821	910
0119	1998 State School Facilities Fund				266	-	19,434
0739	State School Building Aid Fund				2,830	3,265	2,355
0961	State School Deferred Maintenance Fund				2,018	2,012	2,011
3082	School Facilities Emergency Repair Account				-111,047	245,798	60,000
6036	2002 State School Facilities Fund				110,525	-601,741	643,859
6044	2004 State School Facilities Fund				1,904,209	1,086,243	609,308
6057	2006 State School Facilities Fund				197,361	2,341,001	3,148,000
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>					<b>\$2,106,162</b>	<b>\$3,076,578</b>	<b>\$4,484,967</b>

#### MAJOR PROGRAM CHANGES

- The 2006 State School Facilities Fund, authorized by the passage of the Kindergarten-University Public Education Facilities Bond Act of 2006, will provide \$7.3 billion for K-12 school facility needs. Of this amount, over \$197 million was allocated to school districts in 2006-07. For 2007-08 and 2008-09, the Governor's Budget projects expenditures of \$2.341 billion and \$3.148 billion respectively. These funds will be allocated to school districts for the construction and modernization of classrooms, including career technical education and charter school facilities, for the replacement of portable classrooms with permanent new classrooms to relieve overcrowded school sites, and to repair, reconstruct, or replace school facilities that are most vulnerable to a seismic event. In addition, funding is provided for high performance schools for design and materials costs that promote energy and water efficiency, maximize the use of natural lighting, enhance indoor air quality, and improve acoustics to enhance the K-12 learning environment.

#### DETAILED BUDGET ADJUSTMENTS

Baseline Adjustment Descriptions	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions

\* Dollars in thousands, except in Salary Range.

## 6350 School Facilities Aid Program - Continued

	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Adjust Repayments to the General Fund from the School Building Aid Fund	\$3,189	\$-	-	\$4,099	\$-	-
• Increase to tie to State Operations Adjustments for Deferred Maintenance	5	-	-	6	-	-
• Adjustment to 2006 State School Facilities Fund	-	199,014	-	-	1,023,384	-
• Adjustment to 2002 State School Facilities Fund	-	-601,741	-	-	643,859	-
• Technical Adjustment for Emergency Repair Account	-	-	-	-	100,000	-
• Adjustment in Funding Levels for the Deferred Maintenance Program	-	32,910	-	-	48,920	-
• Change in Estimated Expenditures for the Emergency Repair Program	-	75,000	-	-	35,000	-
• Adjustment to 1998 State School Facilities Fund	-	-	-	-	19,434	-
• Adjustment to Reflect State Operations Costs and a Shift in Funding for DGS Positions	-	-323	-	-	12,525	-
• Adjustment for State Operations for CDE and SCO	-	-122	-	-	3,558	-
• Adjust State Operations Funding for State Relocatable Classroom Program	-	6	-	-	8	-
• Increase to Emergency Repair Account per Ch. 899/Stats. 2004	-	-4,202	-	-	-	-
• Transfer to the P98 Reversion Account from the Emergency Repair Account	-	250,000	-	-	-	-
• Change in State Operations Costs for Deferred Maintenance Program	-	-5	-	-	-6	-
• Adjust State Operations Funding for State Relocatable Classroom Program	-	-6	-	-	-8	-
• Adjustment to Reflect State Operations Adjustments and a Shift in Funding for the CDE and SCO	-	-	-	-	-3,706	-
• Change in Abatement to General Fund from State School Building Aid Fund	-	-3,189	-	-	-4,099	-
• Adjustment to State Operations Costs for Transfer to DGS	-	-13	-	-	-13,678	-
• Changes in Funding Provided by the General Fund for Deferred Maintenance	-	-32,290	-	-	-48,300	-
• Adjustment to 2004 State School Facilities Fund	-	-753,969	-	-	-1,247,432	-
• Reduce Excess Loan Repayments from General Fund for Deferred Maintenance	-3,194	-	-	-4,105	-	-
<b>Totals, Baseline Adjustments</b>	<b>\$-</b>	<b>-\$838,930</b>	<b>-</b>	<b>\$-</b>	<b>\$569,459</b>	<b>-</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>\$-</b>	<b>-\$838,930</b>	<b>-</b>	<b>\$-</b>	<b>\$569,459</b>	<b>-</b>

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

2 LOCAL ASSISTANCE	2006-07*	2007-08*	2008-09*
0001 General Fund, Proposition 98			
APPROPRIATIONS			
Education Code Section 17080 (transfer to State School Deferred Maintenance Fund)	\$5,791	\$1,821	\$910
<b>TOTALS, EXPENDITURES</b>	<b>\$5,791</b>	<b>\$1,821</b>	<b>\$910</b>
0001 General Fund			
APPROPRIATIONS			
Education Code Sections 16096 and 16504	\$-5,943	\$-1,979	\$-1,069
Education Code Section 17080 (transfer to State School Deferred Maintenance Fund)	152	158	159

\* Dollars in thousands, except in Salary Range.

## 6350 School Facilities Aid Program - Continued

	2006-07*	2007-08*	2008-09*
<b>2 LOCAL ASSISTANCE</b>			
<b>TOTALS, EXPENDITURES</b>	<b>\$-5,791</b>	<b>\$-1,821</b>	<b>\$-910</b>
<b>TOTALS, GENERAL FUND EXPENDITURES</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</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	\$19,700	\$19,434	\$19,434
<b>Totals Available</b>	<b>\$19,700</b>	<b>\$19,434</b>	<b>\$19,434</b>
Balance available in subsequent years	-19,434	-19,434	-
<b>TOTALS, EXPENDITURES</b>	<b>\$266</b>	<b>\$-</b>	<b>\$19,434</b>
<b>0739 State School Building Aid Fund</b>			
APPROPRIATIONS			
Education Code Section 17088(f)	\$798	\$1,631	\$1,928
Transfer to Department of General Services for State Operations	-	-	-297
Education Code Sections 16096 and 16504 (Abatement to General Fund)	5,943	1,979	1,069
<b>TOTALS, EXPENDITURES</b>	<b>\$6,741</b>	<b>\$3,610</b>	<b>\$2,700</b>
Loan Repayments from School Districts per Education Code Section 16080	-3,911	-345	-345
<b>NET TOTALS, EXPENDITURES</b>	<b>\$2,830</b>	<b>\$3,265</b>	<b>\$2,355</b>
<b>0961 State School Deferred Maintenance Fund</b>			
APPROPRIATIONS			
Prior year balances available:			
Education Code Section 17080	\$278,013	\$281,531	\$297,541
Transfer to Department of General Services for State Operations	-152	-158	-
Transfer to Department of General Services for State Operations	-	-	-159
<b>TOTALS, EXPENDITURES</b>	<b>\$277,861</b>	<b>\$281,373</b>	<b>\$297,382</b>
Less funding provided by the General Fund	-275,843	-279,361	-295,371
<b>NET TOTALS, EXPENDITURES</b>	<b>\$2,018</b>	<b>\$2,012</b>	<b>\$2,011</b>
<b>3082 School Facilities Emergency Repair Account</b>			
APPROPRIATIONS			
Transfer to the Proposition 98 Reversion Account per Item 6110-485, Budget Act of 2007	\$-	\$250,000	\$-
Education Code Section 17592.71	25,932	100,000	60,000
<b>TOTALS, EXPENDITURES</b>	<b>\$25,932</b>	<b>\$350,000</b>	<b>\$60,000</b>
Less funding provided by the General Fund	-136,979	-100,000	-
Less funding Provided by the General Fund	-	-4,202	-
<b>NET TOTALS, EXPENDITURES</b>	<b>\$-111,047</b>	<b>\$245,798</b>	<b>\$60,000</b>
<b>6036 2002 State School Facilities Fund</b>			
APPROPRIATIONS			
Prior year balances available:			
Education Code Sections 100620 (a)(f) and 100625(a)	\$152,643	\$42,118	\$643,859
<b>Totals Available</b>	<b>\$152,643</b>	<b>\$42,118</b>	<b>\$643,859</b>
Balance available in subsequent years	-42,118	-643,859	-
<b>TOTALS, EXPENDITURES</b>	<b>\$110,525</b>	<b>\$-601,741</b>	<b>\$643,859</b>
<b>6044 2004 State School Facilities Fund</b>			
APPROPRIATIONS			
Prior year balances available:			
Education Code Sections 100820 (a)(f) and 100825(a)	\$3,631,875	\$1,712,079	\$609,308
Transfer to Department of Education for State Operations	-2,549	-3,680	-
Transfer to State Controller's Office for State Operations	-802	-	-
Transfer to Department of General Services for State Operations	-12,233	-12,848	-
Transfer to HRMS for State Operations	-3	-	-
<b>Totals Available</b>	<b>\$3,616,288</b>	<b>\$1,695,551</b>	<b>\$609,308</b>

\* Dollars in thousands, except in Salary Range.

## 6350 School Facilities Aid Program - Continued

2 LOCAL ASSISTANCE	2006-07*	2007-08*	2008-09*
Balance available in subsequent years	-1,712,079	-609,308	-
<b>TOTALS, EXPENDITURES</b>	<b>\$1,904,209</b>	<b>\$1,086,243</b>	<b>\$609,308</b>
<b>6057 2006 State School Facilities Fund</b>			
APPROPRIATIONS			
Transfer to Department of General Services for State Operations	\$-	\$-	\$-14,253
Prior year balances available:			
Education Code Sections 101010 and 101012	7,329,000	7,131,639	4,811,050
Chapter 35, Statutes of 2006-Section 20	-	21,000	-
Transfer to Department of General Services for State Operations	-	-588	-
Transfer to Various Departments for State Operations	-	-	-3,706
<b>Totals Available</b>	<b>\$7,329,000</b>	<b>\$7,152,051</b>	<b>\$4,793,091</b>
Balance available in subsequent years	-7,131,639	-4,811,050	-1,645,091
<b>TOTALS, EXPENDITURES</b>	<b>\$197,361</b>	<b>\$2,341,001</b>	<b>\$3,148,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$2,106,162</b>	<b>\$3,076,578</b>	<b>\$4,484,967</b>

### FUND CONDITION STATEMENTS

	2006-07*	2007-08*	2008-09*
<b>0739 State School Building Aid Fund <sup>N</sup></b>			
BEGINNING BALANCE	\$21,981	\$47,656	\$64,982
Prior year adjustments	-204	-	-
Adjusted Beginning Balance	\$21,777	\$47,656	\$64,982
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
213000 Property and Natural Resources (Rental of State Property, Education Code Section 17094)	28,434	19,252	14,700
Lease	(19,400)	(14,800)	(6,700)
Sale	(9,034)	(4,452)	(8,000)
214000 Interest Income Portion of Loan Repayments Received From School Districts	2,033	1,634	723
Total Revenues, Transfers, and Other Adjustments	\$30,467	\$20,886	\$15,423
Total Resources	\$52,244	\$68,542	\$80,405
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1760 Department of General Services (State Operations)	1,758	295	297
6350 School Facilities Aid Program (Local Assistance)	6,741	3,610	2,700
Expenditure Adjustments:			
6350 School Facilities Aid Program			
Loan Repayments from School Districts per Education Code Section 16080 (Local Assistance)	-3,911	-345	-345
Total Expenditures and Expenditure Adjustments	\$4,588	\$3,560	\$2,652
FUND BALANCE	\$47,656	\$64,982	\$77,753
<b>0743 Bond Proceeds Account, State School Building Lease-Purchase Fund <sup>B</sup></b>			
BEGINNING BALANCE	\$6,857	\$37,441	\$37,441
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
299000 Close Out Audits and Other Project Adjustments	30,584	21,000	-
Transfers and Other Adjustments:			
TO6057 2006 State School Facilities Fund per Chapter 35, Statutes of 2006, Section 20	-	-21,000	-
Total Revenues, Transfers, and Other Adjustments	\$30,584	-	-
Total Resources	\$37,441	\$37,441	\$37,441
FUND BALANCE	\$37,441	\$37,441	\$37,441

\* Dollars in thousands, except in Salary Range.

**6350 School Facilities Aid Program - Continued**

	2006-07*	2007-08*	2008-09*
<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	<u>\$2,170</u>	<u>\$2,170</u>	<u>\$2,170</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$2,170</u>	<u>\$2,170</u>	<u>\$2,170</u>
Total Resources	\$2,170	\$2,170	\$2,170
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1760 Department of General Services (State Operations)	152	158	159
6350 School Facilities Aid Program (Local Assistance)	277,861	281,373	297,382
Expenditure Adjustments:			
6350 School Facilities Aid Program			
Less funding provided by the General Fund (Local Assistance)	<u>-275,843</u>	<u>-279,361</u>	<u>-295,371</u>
Total Expenditures and Expenditure Adjustments	<u>\$2,170</u>	<u>\$2,170</u>	<u>\$2,170</u>
FUND BALANCE	-	-	-
<b>3082 School Facilities Emergency Repair Account <sup>S</sup></b>			
BEGINNING BALANCE	\$198,401	\$309,448	\$63,650
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
6350 School Facilities Aid Program (Local Assistance)	25,932	350,000	60,000
Expenditure Adjustments:			
6350 School Facilities Aid Program			
Less funding provided by the General Fund (Local Assistance)	-136,979	-100,000	-
Less funding Provided by the General Fund (Local Assistance)	<u>-</u>	<u>-4,202</u>	<u>-</u>
Total Expenditures and Expenditure Adjustments	<u>-\$111,047</u>	<u>\$245,798</u>	<u>\$60,000</u>
FUND BALANCE	\$309,448	\$63,650	\$3,650
Reserve for economic uncertainties	309,448	63,650	3,650

\* Dollars in thousands, except in Salary Range.