REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 23, 2019

SCHOOL DISTRICT DATA	
School District: .....PARADISE UNIFIED	County:……..BUTTE
Application Numbers:.....57/61531-00-003	School Name:……...PARADISE HIGH
Total District Enrollment:.....4,211	Grade Levels:……..……..……..…….9-12
Financial Hardship:.....TBD	
Last Approved Local Bond Measure:.……..……..……..……..……..…11/06/2018	

PURPOSE OF REPORT

To present the District's request for expedited processing of a modernization project and an Apportionment outside the priority funding process with an increased pupil grant request.

DESCRIPTION

In January 2018, the District submitted an application for modernization funding for the Paradise High site requesting approximately $5.4 million in state funding. Given the extraordinary circumstances that have resulted from the Camp Fire in November 2018, the District is requesting the State Allocation Board's (Board) approval of an expedited Apportionment for this project ahead of projects with an earlier received date.

AUTHORITY

SFP Regulation Section 1859.90 states in part:

> […], the OPSC will release State funds that the Board has apportioned to the district after submittal, by the district, of the Form SAB 50-05 and a Grant Agreement, pursuant to Section 1859.90.4, subject to the availability of financing provided by the Pooled Money Investment Board for bond-funded projects. […], a district must submit the Form SAB 50-05 and Grant Agreement, within 18 months of the Apportionment of the SFP grant for the project or the entire New Construction Adjusted Grant, Modernization Adjusted Grant or Type I or II, part of a qualifying SFP Modernization project, Joint-Use Project apportionment shall be rescinded without further Board action, and the pupils housed in the project, if applicable, will be added back to the district's baseline eligibility.

BACKGROUND

On January 12, 2018, the District submitted a funding application for a modernization project to replace existing portable classroom square footage with a new 14,970 square foot gymnasium. This project was added to the Office of Public School Construction (OPSC) workload list to be processed in order of receipt date.

However, in November 2018, the District experienced devastating losses to its community and multiple school sites as a result of the Camp Fire in Butte County. To assist the District in accessing much needed funding, the Board approved a separate health and safety project for an expedited Apportionment at its December 11, 2018 meeting. Without the approval of an expedited Apportionment, the project would have been approved for placement on the Unfunded List (Lack of AB55 Loans) and would have been provided an Apportionment later this year instead.

BACKGROUND (cont.)

In order to further assist with the rebuilding process, the District submitted a *School District Appeal Request* (Form SAB 189) to request immediate processing and an expedited Apportionment outside of the priority funding process for its application for modernization funding at Paradise High, along with a request to increase the number of pupil grants associated with the application.

STAFF ANALYSIS/STATEMENTS

District's Position
In its *School District Appeal Request* (Form SAB 189) the District states in part:

> As the District works through the long process of building back everything that was so suddenly lost, it is appealing to the State Allocation Board (SAB) for assistance with its existing modernization project application at Paradise High School.
> …
> Construction costs are expected to increase significantly as the rebuilding of the Paradise community, and surrounding areas affected by the Camp Fire, commences due to the increased demand for architects, contractors, and materials. Moving the District's application to the front of the workload list and processing it for immediate apportionment would allow PUSD to begin construction sooner, thereby mitigating the total project cost to both the District and the State. Additionally, while there is much work to be done, the construction of the new gymnasium would greatly assist the District with bringing its student community back together.
>
> As such, the District respectfully requests this application be moved to the front of the workload list and processed for immediate apportionment. In addition, the District requests to increase the number of pupil grants associated with this application.
>
> The apportionment of State funds for the much needed gymnasium would demonstrate to the Paradise community that the State and District are taking swift action to care for the students in this devastated area.

The full text of the District's position can be found as Attachment B.

Staff's Position
The District is requesting immediate processing and an expedited Apportionment outside of the priority funding process for an application for modernization funding, as well as the ability to revise the application to increase the pupil grant request.

1. Expedited Apportionment
At the time the District originally submitted its application in January 2018, there were 470 modernization funding applications representing $1.007 billion that were in line to be processed ahead of the District's Paradise High application.

Should the Board approve the District's request, it would be processed and funded ahead of projects that were submitted prior to OPSC receiving the District's application. However, because sufficient modernization bond authority exists at this time, no school district with an application for modernization funding currently on OPSC's Workload List would lose the opportunity for bond authority as a result of expediting the approval of this application.

STAFF ANALYSIS/STATEMENTS (cont.)

An Apportionment outside the Priority Funding process would result in the District having immediate access to cash upon submittal of a *Fund Release Authorization* (Form SAB 50-05). This would allow the District 18 months to submit a Form SAB 50-05 versus the 90-day requirement under priority funding, adding flexibility to a construction schedule that will be dependent on a number of unknown factors due to the fire.

Without expediting the processing and funding of the District's Application, the District would not receive the funding needed to assist with construction of the new gymnasium until all projects that were submitted ahead of the District's project have been processed. Therefore, it could potentially be a number of years until the Paradise High project is funded.

Staff shares the District's concern that construction costs in Paradise may increase due to the unprecedented rebuilding efforts and agrees that beginning this project sooner will assist the District in being able to complete it within the funding allowances.

2. Increased Pupil Grant Request

On January 10, 2019, with this appeal, the District submitted an updated application that includes a request to increase the number of pupil grants. The only reason the District is requesting to increase the pupil grants as compared to its original request, is because of the anticipated cost increases that will result from the Camp Fire rebuilding efforts. The scope of the project remains unchanged.

Typically, Staff would have concern with increasing a pupil grant request on an application while maintaining its original date in line, as it may result in a funding advantage. However, if the appeal is granted to expedite the processing of this project, the original date in line becomes irrelevant. Thus any potential concern of a funding advantage associated with an increased pupil grant request for this project is resolved.

Conclusion

Staff supports the District's requests, but is unable to administratively approve them. Due to the unique circumstances the District is experiencing and the extent of damage caused by the Camp Fire, Staff supports the District's request. An accelerated processing and funding timeline would provide the District with much needed cash to start the process of rebuilding its facilities in support of the community in Butte County.

Staff is currently processing the funding application for this project and anticipates it being ready for approval at the next available Board meeting. If the Board approves the appeal requests, Staff will return to the next available Board meeting with the Apportionment item included as part of the consent calendar.

BOARD OPTION

Pursuant to the Rules and Procedures of the State Allocation Board, "Staff is providing the following options for the Board's consideration. A positive vote by six members is required for the Board to take action that is an alternative to Staff's administrative action. Absent a positive vote by six members of the Board, Staff's administrative action will stand and the school district's appeal will be considered closed."

Grant the District's appeal.

STATE OF CALIFORNIA
SCHOOL DISTRICT APPEAL REQUEST

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

SAB 189 (REV 10/09)

SCHOOL DISTRICT	APPLICATION NUMBER
Paradise Unified School District	57/61531-00-003
SCHOOL NAME	**COUNTY**
Paradise High School	Butte
DISTRICT REPRESENTATIVE	**E-MAIL ADDRESS**
David McCready	dmccready@pusdk12.org

Purpose of Request:

The Paradise Unified School District is respectfully requesting the State Allocation Board to immediately approve the District's application for funding, and to increase the pupil grant amounts requested, due to the Camp Fire.

Basis of Request:

- ☐ Law (Statute) _____
- ☐ Regulation _____
- ☒ Other (specify) _____

Description:

See attached.

RECEIVED
OFFICE OF PUBLIC
SCHOOL CONSTRUCTION
2019 JAN 10 PM 3:15
MAIL ROOM

SIGNATURE OF AUTHORIZED DISTRICT REPRESENTATIVE

DATE 1/2/19

PARADISE UNIFIED SCHOOL DISTRICT
ATTACHMENT TO APPEAL REQUEST
FORM SAB 189

On November 8, 2018, the most destructive wildfire ("Camp Fire") in State history swept through the Town of Paradise in Butte County. A large portion of Paradise was destroyed that day, including four entire school sites and portions of three other school sites administered by the Paradise Unified School District (PUSD, "the District"). Only one PUSD school was completely unaffected by the devastation. With thousands of homes destroyed and even more people displaced, the community of Paradise is fighting for its future.

As the District works through the long process of building back everything that was so suddenly lost, it is appealing to the State Allocation Board (SAB) for assistance with its existing modernization project application at Paradise High School. This application is currently on the workload list of the Office of Public School Construction (OPSC), with Application Number 57/61531-00-003. The project consists of the like-for-like replacement of 13 portable classroom buildings with a new 14,970 square foot gymnasium.

Construction costs are expected to increase significantly as the rebuilding of the Paradise community, and surrounding areas affected by the Camp Fire, commences due to the increased demand for architects, contractors, and materials. Moving the District's application to the front of the workload list and processing it for immediate apportionment would allow PUSD to begin construction sooner, thereby mitigating the total project cost to both the District and the State. Additionally, while there is much work to be done, the construction of the new gymnasium would greatly assist the District with bringing its student community back together.

As such, the District respectfully requests this application be moved to the front of the workload list and processed for immediate apportionment. In addition, the District requests to increase the number of pupil grants associated with this application.

The apportionment of State funds for the much needed gymnasium would demonstrate to the Paradise community that the State and District are taking swift action to care for the students in this devastated area.

BACKGROUND

On January 12, 2018, the District filed a request for $4,482,717 in modernization funds based on its eligibility at Paradise High School. The request reflected 585 pupil grants in the 9-12 category, 37 pupil grants for non-severe special education students, and 24 pupil grants for severe special education students.

The District's appeal includes a revised cost estimate and a revised application for funding requesting $5,243,174 in modernization funds, reflecting 735 pupil grants in the 9-12 category, 32 pupil grants for non-severe special education students, and 24 pupil grants for severe special education students.

CONCLUSION

For reasons described herein, the Paradise Unified School District respectfully requests the SAB approve the requested increase of pupil grants and provide immediate processing and apportionment for the Paradise High School modernization project, OPSC Application Number 57/61531-00-003.

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