

# Frequently Asked Questions

## Full-Day Kindergarten Facilities Grant Program

### GENERAL QUESTIONS

**Q.** What is the Full-Day Kindergarten Facilities Grant Program (FDKFGP)?

In a recent survey performed by the California Department of Education (CDE), school districts cited lack of facilities as the main reason for not offering full-day kindergarten instruction. This new program was allocated \$100,000,000 from the General Fund to provide one-time grants to districts that would like to construct new school facilities or retrofit existing school facilities in order to provide full-day kindergarten instruction.

**Q.** What entities may apply to the program?

School districts currently serving kindergarten pupils may apply to FDKFGP. County Offices of Education (COEs), charter schools, joint powers of authority, and the State Department of Education may not apply.

**Q.** What other criteria do school districts have to meet to be eligible for FDKFGP funding?

A school district may apply for FDKFGP funding if it meets all of the following requirements:

1. The school district currently has or will have by project completion a school board resolution allowing the district to provide full-day kindergarten instruction.
2. The school district currently lacks the facilities to adequately provide full-day kindergarten instruction to currently enrolled Kindergarten pupils at the project school site, based on the current enrollment at the time of application submittal.

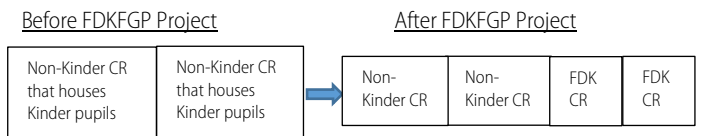
Additionally, school districts may apply for FDKFGP funding for projects that have awarded construction contracts on or after the inception of FDKFGP on June 27, 2018, if all other eligibility criteria are met.

**Q.** What are examples of projects eligible for FDKFGP funding?

Here is an example of a project involving the retrofit of an existing facility in order to provide a classroom (CR) needed for full-day kindergarten (FDK) instruction:



Here is an example of a project involving the construction of new facilities in order to provide classrooms needed for FDK instruction:



**Q.** My school district is already operating full-day kindergarten classes, but they are held in classrooms that do not meet kindergarten design requirements. Is the school district still able to apply for FDKFGP funding?

As long as all other program eligibility criteria are met, school districts that already offer full-day kindergarten instruction are eligible to apply for FDKFGP funds to either retrofit the classroom(s) they currently house those students in to meet kindergarten design requirements or to build a new kindergarten compliant classroom(s).

Please note that if applying for retrofit funding, school districts must certify that the classroom(s) in question did not meet kindergarten design standards when it was built or that it was not previously retrofitted in order to meet kindergarten design standards.

**Q.** Can FDKFGP funds be used on leased land?

No. Since Education Code (EC) 17375 does not expressly allow the use of leased land for FDKFGP projects, school districts may not use funds on leased land. As defined in FDKFGP Regulation Section 1860.8, school districts must hold the title to the real property where the project facilities will be located.

**Q.** Does a school district have to pay for a portion of a FDKFGP project?

Yes. School districts are required to provide 50 percent of the eligible cost of a new construction project and 40 percent of the eligible cost of a retrofit project. School districts that qualify for financial hardship under EC Section 17375(b)(2)(A) for their FDKFGP application(s) may request funding for all or a portion of their match, depending on how much local funding the district has available to contribute to the project.

**Q.** If a school district is funded and the actual project expenses are less than originally proposed in the application, is the school district allowed to retain any remaining unspent funds from a project?

With the exception of school districts that receive Financial Hardship funding, a school district may retain the savings and expend them on other high priority needs of the school district. Per FDKFGP regulations, any savings remaining after one year from project completion must be returned to the State. Pursuant to FDKFGP Regulation Section 1860.19, a project that received Financial Hardship funding not used for eligible project expenditures prior to project completion must return the unspent funds to the State. When returning either unexpended funds or savings, the school district must complete an *Expenditure Report* (Form SAB 70-03).

## APPLICATION PROCESS

**Q.** When does my school district need to turn in the application for FDKFGP funding?

The Office of Public School Construction (OPSC) will hold two funding rounds for new application requests. Applications for the first funding round must be received by OPSC on or after January 2, 2019 and on or before January 31, 2019.

Applications for the second funding round must be received by OPSC on or after May 1, 2019 and on or before May 30, 2019. Please note, applications that do not receive funding during the first funding round and/or the second funding round will be returned to the district.

**Q.** What documents are needed to apply for FDKFGP funding?

When applying for funding through FDKFGP, all school districts must provide OPSC, at a minimum, a completed *Application for Funding* (Form SAB 70-01), site map, documents substantiating current enrollment of kindergarten pupils, and a written description of the proposed project.

School districts applying for full funding must provide all required supporting documents, including the Division of the State Architect (DSA) plan approval and CDE plan approval. Districts that have none or only a portion of the required supporting documents may request advance funding for design and/or site costs. For a detailed description of the different types of funding a district may request, please visit our website at <http://www.dgs.ca.gov/opsc/Home.aspx>.

**Q.** Where do I find the Regulations and Forms?

Online resources include the complete text of the FDKFGP Regulations. The following forms and other resource documents are available online:

- FDKFGP Regulations (PDF)
- *Application for Funding* (Form SAB 70-01) (PDF)
- *Fund Release Authorization* (Form SAB 70-02) (PDF)
- *Expenditure Report* (Form SAB 70-03) (PDF)

**Q.** May a school district submit multiple applications for FDKFGP funding?

Yes, a school district may apply for funds for one or more projects, but each project must be a separate application. OPSC will need to evaluate each project application on a case-by-case basis to determine if the proposed project(s) is eligible.

**Q.** Does the program provide funding for transitional kindergarten (TK) facilities?

Yes. TK pupils are considered kindergarten pupils. TK classrooms are counted as available space unless they were not considered kindergarten compliant classrooms at the time they were constructed. Provided the district meets other application criteria, funding may be provided for full-day TK classrooms if there is still a need for the classrooms. Please note, the funding must be based on capacity needs for kindergarten/TK enrollment in totality. Funding cannot be provided solely to separate TK and kindergarten students into different classrooms.

**Q.** Can Special Day Class (SDC) designated pupils be included in kindergarten enrollment when applying for FDKFGP funding?

SDC pupils housed in Kindergarten classrooms may be included in the total kindergarten enrollment count for the purposes of applying for FDKFGP funding.

Please note that funding is based on full-day kindergarten classroom needs with a K-6, 25 pupil loading standard. Pupil grant amounts are provided as New Construction and Retrofit pupil grants and will not be differentiated between SDC and non-SDC pupils.

**Q.** Can an FDKFGP project be combined with a School Facilities Program (SFP) modernization and/or new construction project at the same site?

Statute does not prevent an FDKFGP project from being combined with an SFP modernization and/or new construction project at the same site. However, EC Section 17375(k) does state that FDKFGP funds may only supplement, not supplant, existing funds available for school facilities construction. The district would need to clearly delineate what is part of the FDKFGP project and what is part of the SFP project on the approved project plans, and keep the scope and expenditures for the project separated to ensure no aspect of the projects were double-funded.

**Q.** What is the timeline of the process once a request for funding has been deemed eligible by OPSC and received the approval of the State Allocation Board?

If the district submitted a request for a new construction or retrofit grant without advance funding, it must then submit a valid *Fund Release Authorization* (Form SAB 70-02) with all required approvals within 180 days of apportionment. If the district submitted a request for a new construction or retrofit grant with advance funding, it must then submit a valid *Fund Release Authorization* (Form SAB 70-02) with all required approvals within 12 months of apportionment. For a list for all approvals required for each grant type, refer to the "Special Instructions" section of the *Application for Funding* (Form SAB 70-01).

## FUNDING

**Q.** How are the FDKFGP base grant amounts for either new construction or a retrofit project being determined?

Calculating the FDKFGP grant will be similar to existing SFP criteria for new construction and modernization projects, as applicable. Per EC Section 17375(d), the SFP grade level K-6 new construction pupil grant will be used to calculate the new construction base grant and the SFP modernization grade level K-6 pupil grant will be used to calculate the retrofit base grant. The SFP loading standard of 25 pupil grants per K-6 classroom will be applied to all classrooms funded, even if they will not be fully loaded with TK or Kindergarten pupils.

*Example #1: 2 Classroom new construction project using 2019 pupil grant amounts*

2 CRs X 25 pupil grants		50
(K-6) new construction pupil grant	X	\$12,197
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New construction base grant (state share)		\$609,850

*Example #2: 2 Classroom retrofit project using 2019 pupil grant amounts*

2 CRs X 25 pupil grants		50
(K-6) modernization pupil grant	X	\$4,644
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Retrofit base grant (state share)		\$232,200

**Q.** What are the different types of funding that can be requested through FDKFGP?

Districts may apply for funding for new construction projects with or without an advance release of funds. Districts may also apply for funding a retrofit project with or without an advance. The base grant may be increased by the following additional grants:

New Construction	Retrofit
Site Acquisition	Automatic fire detection/ alarm system
Hazardous waste removal	Site Development
Automatic fire detection/alarm system	50-year old utilities
Automatic sprinkler system	Project Assistance
Site Development	
Multi-level classroom construction	
Project Assistance	

**Q.** When is a school district eligible for Financial Hardship funding?

To be considered eligible for Financial Hardship funding, a district must be financially unable to provide a portion or all of necessary matching funds for an eligible FDKFGP project, be currently levying the maximum allowable developer fee, AND meet at least one of the following conditions:

- Have a current bonded debt that is 60% or more of district debt capacity, or
- Have had a successful registered voter bond election for at least the maximum amount allowed under Proposition 39 within the previous two years from the date of request for financial hardship status, or
- Have a debt capacity of \$5 million or less at the time of the request for financial hardship status.

If the district is determined to not meet any of the criteria above by a Phase I review by OPSC, the district may submit an appeal to the State Allocation Board (SAB) under other evidence of reasonable effort.

**Q.** My school district qualifies for financial hardship assistance. When the project is completed, what should we do with our unexpended funds?

Pursuant to FDKFGP Regulations Section 1860.20, any funding not expended on eligible project expenditures prior to project completion, must be returned to the State.

**Q.** Will my school district's SFP eligibility be affected by using FDKFGP funding?

If the school district uses FDKFGP funds to retrofit existing facilities, its SFP eligibility will not be affected. If the district uses FDKFGP funds to construct new facilities, its SFP new construction eligibility will be reduced by 25 pupils in the K-6 grade level for each classroom provided in the FDKFGP project. Pursuant to Education Code 17071.75(b)(1), an adjustment shall be made to the SFP new construction baseline eligibility for the new facilities built with FDKFGP funding.

## FUNDING ORDER

**Q.** How will the funding order for approved FDKFGP projects be determined?

If a funding round is oversubscribed, funding order for approved projects will be determined by preference points. Preference points are determined by the district's financial hardship eligibility and the amount of pupils in the district that are eligible for Free and Reduced-Price School Meals (FRPM), up to 80 points, as follows:

School district meets financial hardship requirements.	40 points
Percentage of school district's pupil population that is eligible for FRPM.	Up to 40 points, based on the sliding scale in Regulation Section 1860.15.

If school districts submit multiple applications in the same funding round, OPSC will use the priority order assigned to each application by the school districts on Section 3 of the *Application for Funding* (Form SAB 70-01).

**Q.** Will I receive 40 preference points for Financial Hardship if I am able to contribute my applicable matching share?

No. EC Section 17375(b)(2)(A) states that preference is given to school districts that cannot provide a portion of, or all of, the local matching share required for FDKFGP. Therefore, a school district that is able to provide the required local match is not be eligible for the 40 preference points for Financial Hardship.

Please note that a school district still can receive up to 40 preference points based on the percentage of the district's pupils that are eligible for FRPM.

**Q.** What will happen if two or more school districts have the same score, or the filing round is oversubscribed?

Here is an example that illustrates what will happen if either multiple school districts have the same score, or the filing round is oversubscribed.

The following school districts have had all their FDKFGP applications approved for funding. School districts B, C, and D all have the same total preference points, so they were placed into a lottery system to determine their order within the funding round. School district B was picked first. School District C was picked second. School district D was picked third. This same order was picked for the funding order of the first priority projects, pursuant to FDKFGP Regulation Section 1860.15(c)(1), and for the subsequent funding order lottery, pursuant to FDKFGP Regulation Section 1860.15(c)(2).

School District Name	Total Preference Points	Number of Approved Applications	Position in Lottery
School District A	75	3	N/A
School District B	70	3	1
School District C	70	2	2
School District D	70	4	3
School District E	68	3	N/A

Assuming there is enough funding for all approved applications, the approved applications will be funded in the following order:

1. District A's 1 <sup>st</sup> Priority	6. District A's 2 <sup>nd</sup> Priority	11. District B's 3 <sup>rd</sup> Priority
2. District B's 1 <sup>st</sup> Priority	7. District A's 3 <sup>rd</sup> Priority	12. District D's 3 <sup>rd</sup> Priority
3. District C's 1 <sup>st</sup> Priority	8. District B's 2 <sup>nd</sup> Priority	13. District D's 4 <sup>th</sup> Priority
4. District D's 1 <sup>st</sup> Priority	9. District C's 2 <sup>nd</sup> Priority	14. District E's 2 <sup>nd</sup> Priority
5. District E's 1 <sup>st</sup> Priority	10. District D's 2 <sup>nd</sup> Priority	15. District E's 3 <sup>rd</sup> Priority

## REPORTING AND AUDITS

**Q.** Do school districts have to report project expenditures to OPSC? If so, how long will school districts have to report project expenditures?

Yes. School districts are required to report project expenditures through the submittal of an *Expenditure Report* (Form SAB 70-03). Pursuant to FDKFGP Regulation Section 1860.18, school districts must submit a Form SAB 70-03 at the completion of the project. A project will be deemed complete when either the notice of completion for the project has been filed or one year from the date of the final fund release.

**Q.** Do school districts have to report the expenditure of project savings? If so, how does a school district report these expenditures?

Excluding school districts that received Financial Hardship funding, school districts must submit a Final Savings Report for the expenditure of project savings within one year from the completion of the project, pursuant to FDKFGP Regulation Section 1860.18. Districts will use Section 3 in the Form SAB 70-03 for the purposes of this Final Savings Report.

**Q.** Why does my school district need to submit two *Expenditure Report Forms SAB 70-03*?

Districts will report all costs the district expended on the project through the submittal of a Final Expenditure Report (Form SAB 70-03). This is to ensure that the FDKFGP grant was used in accordance with the Education Code and FDKFGP Regulations. Districts will submit a Final Savings Report on a second Form SAB 70-03 in order to ensure that savings expenditures were in compliance with Education Code and Regulations. Savings must be spent within one year from the submittal of the Final Expenditure Report.

**Q.** Are FDKFGP projects subject to audits?

Yes. Projects will be subject to audit conducted pursuant to Education Code Section 41024 in order to assure that the expenditures incurred by the district were made in accordance with the Education Code and FDKFGP Regulations. To be prepared for an audit, districts must retain all financial accounts, documents, and records necessary for an audit of completed projects pursuant to EC Section 41024(a)(4) and provide project documentation if requested by the local auditor.

**Q.** What happens if, during an audit, ineligible expenditures are discovered in the project?

If ineligible expenditures are discovered, CDE will ensure that the school district has corrected the audit exception by implementing a required penalty payment of funds equal to the amount of funds disallowed in the audit exception.

**Q.** Where can I find more information about K-12 local audits?

For more detailed information about local audits, please refer to EAAP's website at <http://eaap.ca.gov/>. The "Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting" published by the Education Audit Appel Panel (EAAP) will be updated for specific guidance to local auditors in the future.