

**Seismic Safety Commission Meeting  
July 20, 2023**

**California Governor's Office of Emergency Services  
Seismic Safety Commission  
AB 100 Annual Reporting Requirement**

**Office of Public School Construction Report  
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## **OFFICE OF PUBLIC SCHOOL CONSTRUCTION**

### **SEISMIC MITIGATION PROGRAM REPORT JULY 20, 2023**

#### **Purpose of Report**

As part of the Office of Emergency Services, the Alfred E. Alquist Seismic Safety Commission (SSC) provides annual reporting, in alignment with Assembly Bill 100 (Committee on Budget) enacted as Chapter 20 of the Statutes of 2020. As part of its annual reporting requirement, SSC has requested that the Office of Public School Construction (OPSC) provide a report that outlines OPSC's role within the state's overall earthquake risk reduction and post-disaster recovery, and also to discuss some of the highlights Seismic Mitigation Program (SMP) funding provides.

#### **Executive Summary**

The SMP was created in 2007 and through May 31, 2023, has provided \$335.0 million in funding for 107 projects in 61 school districts. With those funds, 124 buildings have been rehabilitated and 57 buildings have been replaced. Of the 107 projects funded, eight of them (7.5%) were approved for financial hardship assistance, with state funds covering all or part of the applicant matching share on the project. Proposition 1D in 2006 provided an initial \$199.5 million for SMP projects. When funding requests exceeded the Proposition 1D funding, the State Allocation Board (SAB) adopted regulations that enabled SMP projects to be funded from any available School Facility Program (SFP) new construction program authority. This effectively extended the SAB's ability to fund SMP projects as long as there was available new construction program authority. While the SMP is in place specifically to address mitigation of potential seismic deficiencies, SFP modernization program funds may also be used to address seismic concerns. However, there is no tracking mechanism to determine the extent to which modernization funding is used for those purposes.

## Program Background

The Office of Public School Construction (OPSC) administers the School Facilities Program (SFP) on behalf of the State Allocation Board (SAB). We manage the \$42 billion voter-approved School Facilities Program and the State Preschool, Transitional Kindergarten, and Full-Day Kindergarten Facilities Program, as well as \$1.4 billion in General Fund proceeds.

The SFP has provided K-12 public school districts and charter schools with **over \$41 billion** in state funds for school construction projects throughout California.

Some of the outcomes for the SFP include:

- New Construction (\$21.04 billion) – 4,397 projects, housing the equivalent of 1,442,179 students
- Modernization (\$14.6 billion) – 8,139 projects, modernizing facilities for 3,496,091 students
- Career Technical Education (\$964 million) – 862 projects
- Charter School Facilities (\$1.02 billion) – 104 projects

Since 1998, California voters have supported five bond initiatives:

K-12 Education Facilities Bond Breakdowns (\$42.4 billion) – Approved by Voters Since 1998

PROGRAM	PROPOSITION 1A (1998)	PROPOSITION 47 (2002)	PROPOSITION 55 (2004)	PROPOSITION 1D (2006)	PROPOSITION 51 (2016)
New Construction	\$2,900,000,000	\$3,350,000,000 <sup>1</sup>	\$4,960,000,000	\$1,900,000,000 <sup>4,5</sup>	\$3,000,000,000
Modernization	2,100,000,000	1,400,000,000 <sup>2</sup>	2,250,000,000	3,300,000,000 <sup>1</sup>	\$3,000,000,000
Charter	--	100,000,000	300,000,000	500,000,000	\$500,000,000
Career Technical Education	--	--	--	500,000,000	\$500,000,000
Overcrowding Relief	--	--	--	1,000,000,000	
High Performance	--	--	--	100,000,000	
New Construction Backlog	--	2,900,000,000	--	--	--
Modernization Backlog	--	1,900,000,000	--	--	--
Critically Overcrowded	--	1,700,000,000	2,440,000,000	--	--
Joint-Use	--	50,000,000	50,000,000	29,000,000	--
Hardship	1,000,000,000	--	--	--	--
Class Size Reduction	700,000,000	--	--	--	--
<b>Total K-12</b>	<b>\$6,700,000,000</b>	<b>\$11,400,000,000</b>	<b>\$10,000,000,000<sup>3</sup></b>	<b>\$7,329,000,000</b>	<b>\$7,000,000,000</b>

<sup>1</sup> \$14.2 million – energy efficiency

<sup>2</sup> \$5.8 million – energy efficiency

<sup>3</sup> \$20 million total – energy efficiency set aside for new construction and modernization

<sup>4</sup> No more than \$200,000,000 of the sum of the appropriations for new construction and modernization shall be used to fund the smaller learning communities and small high schools

<sup>5</sup> Up to 10 1/2 percent (\$199.5 million) shall be available for purposes of seismic repair, construction, or replacement, pursuant to Education Code Section 17075.10

Three agencies are involved with the planning, design, and approval process associated with the SMP: OPSC, the California Department of Education (CDE) and the Division of the State Architect (DSA). Each agency has a unique role in the process. CDE is charged with plan approval and ensuring that the project specifications and design adhere to Title 5 requirements. DSA reviews the plans and provides approval for compliance with Field Act provisions. For the SMP, DSA provides confirmation that the buildings in the project are eligible for the program and determine if the project is eligible for either rehabilitation or replacement work. Both CDE and DSA approvals must be in place prior to submittal of the funding request to OPSC. Once OPSC receives a complete application, the application is evaluated and then the project is provided funding in alignment with the program regulations. SMP rehabilitation projects are funded based on cost estimates for the minimum mitigation work; replacement buildings are funded based on per-square-foot

grants; and replacement school sites are funded based on the site's enrollment and a per-pupil grant amount.

The SMP is a voluntary program that enables a district to apply for mitigation funds on the basis it meets the eligibility requirements of the program. Prior to the passage of Proposition 1D, a district could incorporate seismic retrofits as part of an SFP modernization program grant as long as the facility met the criteria of being aged at least 25 years. If districts pursued this option, OPSC did not track the seismic retrofits as part of modernization grant funds being apportioned.

The Kindergarten-University Public Education Facilities Bond Act of 2006 (Proposition 1D), approved by California voters in 2006, provided up to \$199.5 million in bond authority "for seismic repair, reconstruction or replacement, pursuant to Section 17075.10." Education Code Section 17075.10 further defined the criteria for the SMP to include "the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317 and determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event." This was the first voter-approved bond initiative with specific funds to provide school districts the ability to address their most seismically vulnerable school facilities.

In 2018, funding requests exceeded the original \$199.5 million allocated for SMP projects and at that time the SAB adopted regulations that would provide SMP funding from SFP new construction program authority. This effectively extended funding to address additional projects that meet the criteria for seismic retrofits, as part of the Facility Hardship Program (which contains the SMP) under the SFP's funding authority. Additionally, the existing funds made available to the program are not limited to just voter-approved bond funds and can also include General Fund proceeds.

With the approval of the state budgets of 2022-23 and 2023-24, there have been General Fund appropriations of \$1.3 billion, and \$2 billion respectively, that allows OPSC to process SFP grant requests that also include SMP applications.

## **History of Program Improvements**

After the initial program regulations were approved in 2007, staff conducted several program implementation meetings as well as extensive outreach for the program. This included individual instructional meetings directly with school districts, sometimes even at project school sites. The outreach also included centrally located meetings all throughout California to educate larger groups. For the first few years of the program, participation was modest. Districts cited challenges meeting the initial criteria, and concern with the perceived stigma created by acknowledging that their facilities had seismic deficiencies. Due to these concerns, there was interest in exploring program changes to stimulate participation in the SMP.

Between August 2009 and May 2020, the SAB approved a series of program and regulatory amendments to increase participation in the program. The following table summarizes the major regulatory amendments adopted by the SAB that streamlined the entire review and approval process, and resulted in an increase in program activity:

Timing of Regulation Changes / Program Enhancements

<i>Seismic Mitigation Program Enhancement</i>	<i>September 2007 Regulations</i>	<i>August 2009 Regulations</i>	<i>June 2011 Regulations</i>	<i>February 2015 Program Enhancements</i>	<i>January 2018 Regulations</i>	<i>May 2020 Regulations</i>
*Reduction of Ground Shaking Intensity Requirement	X	X				
**Number of Category 2 Building Types	X	X	X	X	X	X
Removal of Ground Shaking Intensity			X	X	X	X
Additional Geological Threats Added			X	X	X	X
Streamlined Application and Approval Process				X	X	X
Publish Additional Resources / Guides / Videos				X	X	X
Approval of Additional Funds Outside of Prop 1D					X	X
Higher Levels of Funding for Rehabilitation Projects						X
Added Supplemental Grants for Projects w/ Unique Aspects						X
Ability to Use Replacement Grants for Rehab and Vice-Versa						X
Standardization of Cost Estimates						X
Separate Regulation Sections for Facility Hardship & SMP						X

\*At program onset, ground Shaking Intensity was required to be > 1.70 to qualify for funding. In August 2009 that was lowered to >1.68, and finally in June 2011 the Ground Shaking Intensity requirement was removed completely from SMP eligibility criteria.

\*\*At program onset, the number of Category 2 Building Types that qualified for funding was 4 of 14. In August 2009 that was increased to 8 of 14 types, and in June 2011 all 14 types of Category 2 Building Types were eligible for SMP funding.

While many changes and improvements have taken place over the last 16 years, OPSC, DSA, and the SAB are always looking for new opportunities to enhance district participation in the SMP.

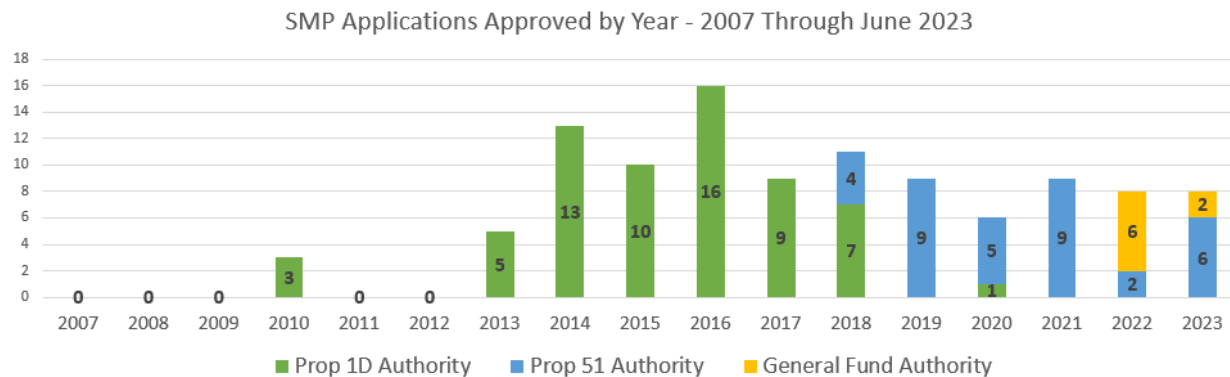
## Historical Funding

From program inception through May 31, 2023, there have been \$335.0 million in SMP approvals, funding 107 unique projects in 61 school districts. This also translates to the program providing funding for 124 individual buildings to be rehabilitated and 57 buildings to be replaced. Of the 107 projects funded, eight of them (7.5%) were approved for financial hardship assistance, with state funds covering all or part of the applicant matching share on those projects.

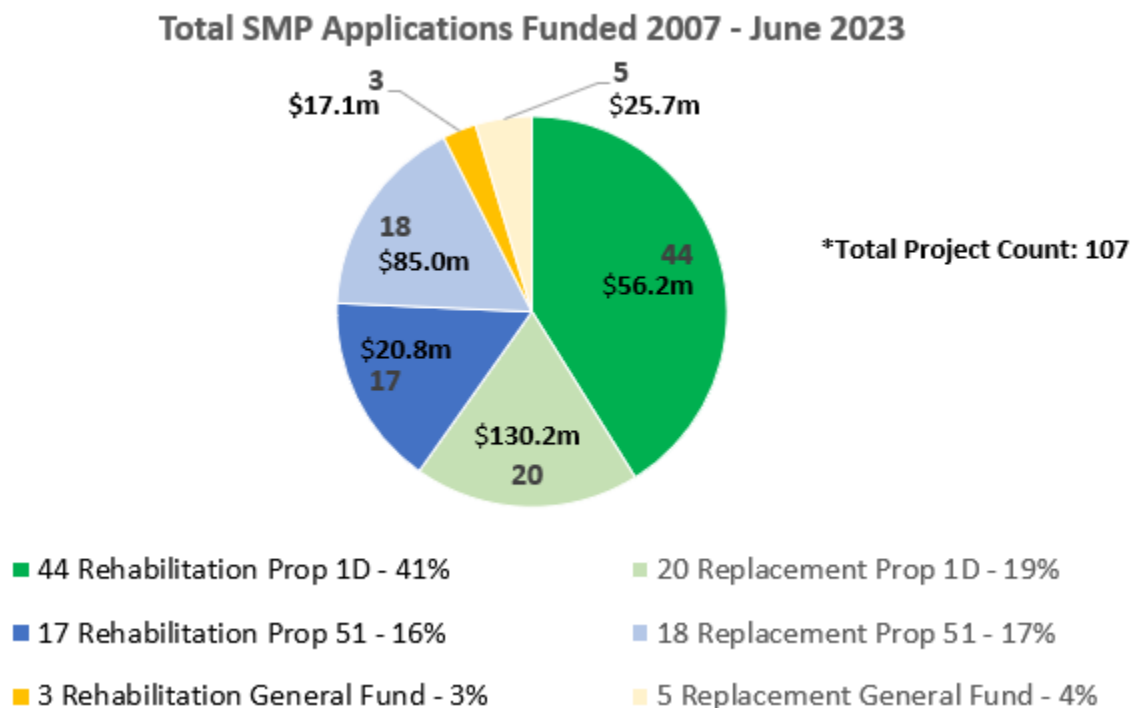
There is a direct correlation between program improvements - especially with the removal of ground shaking as a qualifying factor in 2011 - and an increase in funding requests for the SMP. The increase in funding requests was not solely due to program and process improvements, but also program awareness and outreach. By the mid-2010's, school districts had ample time to plan and integrate the updated and

eased-back program requirements and began to incorporate SMP projects into their overall master plans and long-term facility plans.

The chart below shows year-by-year total approvals for the SMP for the entirety of the program. Note that while OPSC received requests in excess of the available Proposition 1D authority prior to January 2018, some of those apportionments were awarded after January 1, 2018. Additionally, in 2020, enough Proposition 1D program authority was returned to the program to fund one additional project.

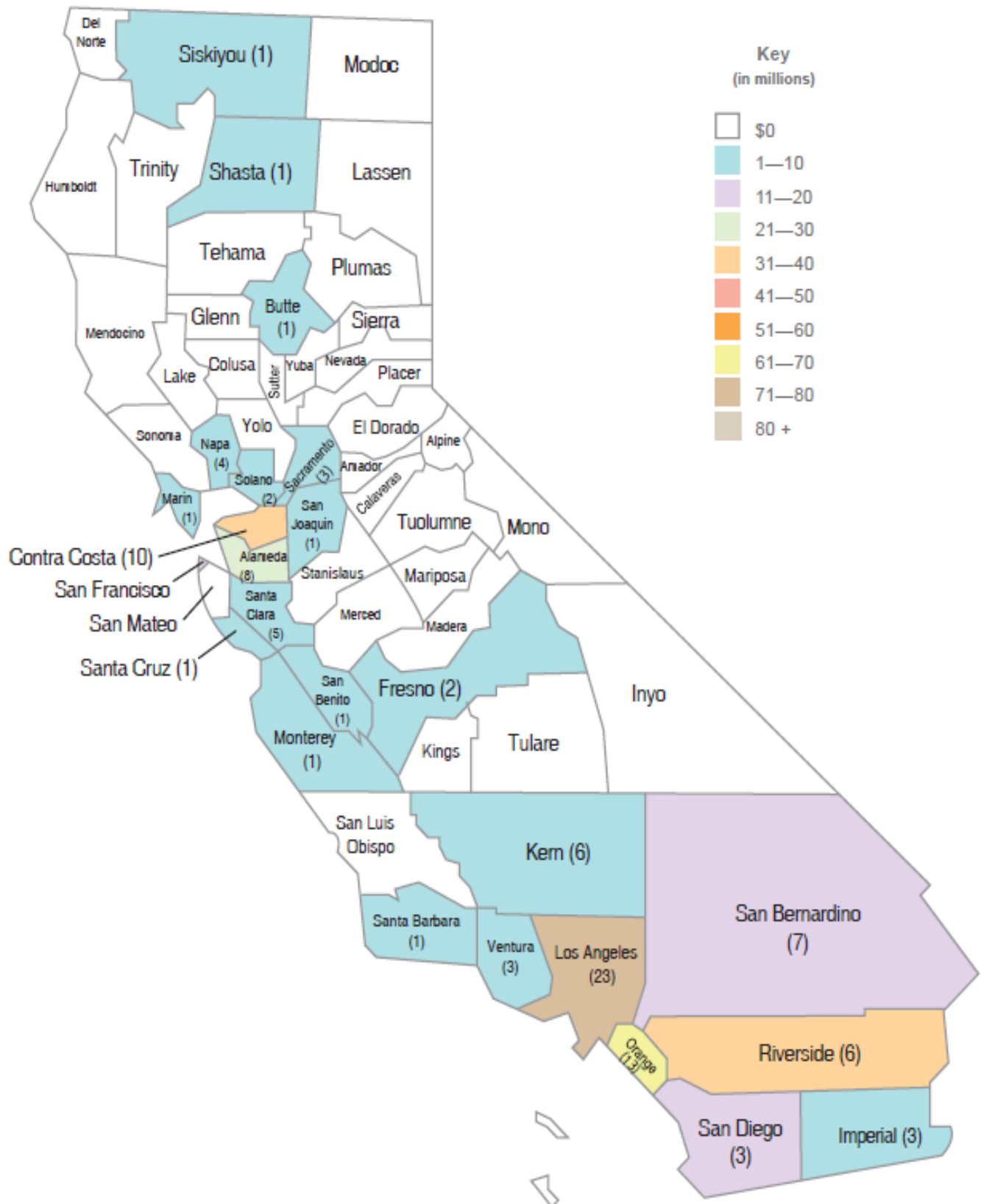


The illustration below depicts the separation between SMP rehabilitation and replacement, proposition, and dollar amounts, for all projects approved in the SMP:



\*Of the 107 total projects approved, eight of them (7.5%) received financial hardship assistance to cover all or part of the district's matching share of the funding.

The graphic below displays the amount apportioned (\$335.0 million) for 107 Seismic Mitigation Program projects from 61 school districts, by county, as of May 31, 2023.





## Program Value

In 2006, California voters approved Proposition 1D, which provided funding to create the SMP. The primary directive of the SMP was to assist school districts with a source of funds to address seismically vulnerable buildings that was outside of SFP modernization program funds. In addition, the program criteria was modified to increase participation and allow school districts to retrofit seismically vulnerable facilities that align with the bond covenants. It is evident in the program funding statistics that the SMP has been successful for many districts and, to date, 181 buildings have been rehabilitated or replaced through the SMP.

Seismic mitigation funding provides a critical resource for school districts with seismic issues, but the reaches of the SMP go well beyond just the school district level and the buildings being rehabilitated or replaced. If disasters do occur, SMP funds can be used in conjunction with emergency funding or insurance proceeds to provide disaster recovery. If the buildings that were damaged are SMP-eligible buildings and program authority is available, the SMP can cover gaps in eligible mitigation costs beyond what emergency or insurance proceeds can provide. The state also provides funds via priority processing for SMP projects that alleviate health and safety concerns in some of the state's most vulnerable buildings.

Even districts without financial resources can apply and potentially qualify for funding under the program. All SMP applicants may also file for financial hardship consideration and OPSC will process the financial hardship request concurrently with the SMP funding request. While the SMP is normally a 50/50 matching program, eligible districts that qualify for financial hardship status can receive up to 100% funding. This program truly is for all districts with vulnerable buildings that qualify under SMP criteria.

While the SMP is an elective program, the opportunity for funding specific to seismic mitigation is available for all districts when they decide to move forward with an application. The components of a complete application are:

- A report by a structural engineer that outlines the seismic threat and the minimum work needed to mitigate the threat.
- Phase I eligibility approval from DSA.
- Phase II or III approval from DSA for either replacement or rehabilitation work.
- Plan approvals from CDE and DSA.
- Cost estimate for the minimum work to mitigate the seismic threat, and for site development, if applicable.
- A signed funding request - *Application for Funding* (Form SAB 50-04).

SMP projects also go immediately to the top of OPSC's workload list when they are submitted, as long as there is available SFP authority, and are processed immediately to the SAB for approval within 90-120 days of receipt.

## Future Program Goals

The primary goal of the SMP has always been to provide funding to mitigate seismic issues in school buildings on public TK-12 campuses in an efficient and transparent manner. Providing an easily accessible program and information related to encouraging applications for the SMP have also remained among OPSC's goals.

Some of OPSC's future goals for the SMP include:

- Continuing to highlight the program through regular correspondence with stakeholders and to continuing to look for ways to make program enhancements where needed.
- OPSC looking for opportunities for targeted outreach to assist districts that are interested in obtaining funds through the program or may lack the resources to apply to the program without technical assistance.
- Expansion and update to the existing SMP application guide to include information on OPSC's new online database system. This ensures a more efficient way to process SMP grant requests in an efficient manner and eliminates paper-based submittals to OPSC.
- Continuing to promote and offer presubmittal and even predesign meetings that have proven to be highly productive. These meetings have been successful in giving districts a clear understanding of what to expect in the planning, design and approval processes. Meeting with OPSC staff ahead of project submittal enables OPSC to communicate the approach that will be taken when the application is processed. This knowledge better equips the district's design team to create the project with a better understanding of the program and application process. This streamlines the planning and design process for the district's team and enables the district to submit a complete application with all of the components needed to secure funding.

Since 2014, OPSC has funded an average of 10 SMP applications per year. OPSC's processing of each funding request includes a review of the requested costs and a careful review of compliance with program criteria to ensure that the SMP funds are being awarded in a manner that adheres to statutory and regulatory requirements. In addition, OPSC has oversight responsibilities for the accounting of program authority and funding, as well as oversight for tracking fund releases and expenditures to ensure they are compliant with program reporting requirements. OPSC's future goals also include self-assessment and improvement in these areas as needed.

## Resources, Information and Contacts

The OPSC website has an entire Services section for the SMP that can be found at this link:

<https://www.dgs.ca.gov/OPSC/Services/Page-Content/Office-of-Public-School-Construction-Services-List-Folder/Access-Seismic-Mitigation-Funding>

At the website above you will find basic program information, as well as the items listed and linked below.

*Seismic Mitigation Program Guidebook* – a useful resource for anyone new to the program, or even someone who is well-versed in the program and wants a refresher:

[https://www.dgs.ca.gov/-/media/Divisions/OPSC/Services/Guides-and-Resources/SMP\\_Handbook\\_ADA.pdf?la=en&hash=FAF4CB6D38EF882DA8876567F5FC8FDF79BAD7A8](https://www.dgs.ca.gov/-/media/Divisions/OPSC/Services/Guides-and-Resources/SMP_Handbook_ADA.pdf?la=en&hash=FAF4CB6D38EF882DA8876567F5FC8FDF79BAD7A8)

*Architect's Submittal Guidelines* – this resource is designed with the architect in mind and walks the reader through best practices in creating the plans and cost estimates for the SMP (and other programs):

[https://www.dgs.ca.gov/-/media/Divisions/OPSC/Services/Guides-and-Resources/Arch-SUB-Guide\\_ADA.pdf?la=en&hash=420D281914A226C2EF753540CE828EC85A8B4E7C](https://www.dgs.ca.gov/-/media/Divisions/OPSC/Services/Guides-and-Resources/Arch-SUB-Guide_ADA.pdf?la=en&hash=420D281914A226C2EF753540CE828EC85A8B4E7C)

*Facility Hardship Request* – this can also be used for SMP projects and is an elective form that identifies typical documents required for submittal. This resource can also serve as a checklist for new applications:

<https://www.dgs.ca.gov/-/media/Divisions/OPSC/Services/Guides-and-Resources/FacHSWS122020-v2-ADA.pdf?la=en&hash=1391AF65B10AC1E06E845D54053E38AC97D5F255>

*Frequently Asked Questions:*

[https://www.dgs.ca.gov/-/media/Divisions/OPSC/Services/Guides-and-Resources/FAQ\\_Seismic\\_ADA.pdf?la=en&hash=3489A1BBDA9F23903EC74D6BABF3D718DD8D1EDB](https://www.dgs.ca.gov/-/media/Divisions/OPSC/Services/Guides-and-Resources/FAQ_Seismic_ADA.pdf?la=en&hash=3489A1BBDA9F23903EC74D6BABF3D718DD8D1EDB)

At the SMP Services website, you will also find links to videos that detail the SMP application process and submittal guidelines. There is also a link to a Virtual Training that OPSC conducted, also aimed at educating stakeholders on the application and funding process.

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