

June 2, 2015

Ms. Caprice Young  
Chief Executive Officer/Superintendent  
Magnolia Public Schools  
13950 Milton Avenue, Suite 200B  
Westminster, CA 92683

Dear Ms. Young:

Congratulations! The Magnolia Science Academy Santa Ana, Office of Public School Construction (OPSC) Application Number 54/66670-00-003, received an Unfunded Approval by the State Allocation Board (SAB) on May 27, 2015. The approved SAB Agenda can be found on the OPSC website at the following address:

**<http://www.dgs.ca.gov/opsc/aboutus/sab/archives.aspx>**

To be eligible to receive a Funded Approval, the Charter School must participate in a Priority Funding certification round. A certification round is currently open from Wednesday, May 13, 2015, to Thursday June 11, 2015. Information on this process, including certification requirements, can be found on the OPSC website at the following address:

**<http://www.dgs.ca.gov/opsc/Home/PriorityFunding.aspx>**

Please make note of the following items:

**Prevailing Wage Monitoring**

Senate Bill 854, Chapter 28, Statutes of 2014 repealed Labor Code (LC) Section 1771.3 which required school districts and charter schools to provide payment to Department of Industrial Relations (DIR) for prevailing wage monitoring. As a result, school districts and charter schools awarding a construction contract on or after June 20, 2014 are not mandated to provide payment for DIR monitoring and enforcement of prevailing wage requirements. Projects with an initial public works contract awarded on or after June 20, 2014 are not eligible to receive an additional grant for prevailing wage monitoring; however, school districts and charter schools are still required to notify DIR within five days of initial contract award pursuant to LC section 1773.3(a)(1). If the Charter School does not notify DIR within the five day period, the project will be ineligible for funding.

**Lease Lease-Back Construction Delivery Method**

In order for a project to be eligible to receive funding under the School Facility Program and/or the Charter School Facilities Program, it must conform to the provisions of the Public Contract Code, which includes requirements related to the proper advertisement and bidding of a project. Only a school district has the authority to enter into a lease lease-back contract as authorized under Education Code (EC) 17406. Although Statute allows for charter schools to be considered school districts for some purposes, there is no such exception for EC 17406. Please be aware that if the Charter School enters into a lease lease-back contract, the project will be ineligible for funding.

Ms. Young

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**Occupancy Date**

It is the responsibility of the Charter School to notify the OPSC and the California School Finance Authority when the project has been occupied. Repayment of the Charter School's loan will begin one year from the date of occupancy.

Should you have any questions, or would like to discuss the next steps for your project, please feel free to contact Erin Cunneen at (916) 375-4741, or [erin.cunneen@dgs.ca.gov](mailto:erin.cunneen@dgs.ca.gov), or Karen Mandell at (916) 376-8959, or [karen.mandell@dgs.ca.gov](mailto:karen.mandell@dgs.ca.gov).

Sincerely,



ERIN CUNNEEN

Project Manager, Charter School Facilities Program  
Office of Public School Construction