THE OPSC

Advisory Actions 2002

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: June 26,, 2002
Issue Number 05

Executive Corner

The Office of Public School Construction (OPSC) is committed to keeping you updated on items that affect your districts. The articles in the OPSC Advisory Actions Newsletter focus on issues that are presented at the SAB meetings.

In keeping with this goal, we have added a supplement regarding Assembly Bill 16 (AB 16). Changes in the regulations and procedures affected by AB 16 are brought to the SAB Implementation Committee for discussion before being presented to the SAB. The supplement contains the status of these discussion items.

We plan to present the complete regulation package at the September SAB Meeting for adoption. However, some of the provisions of AB 16 take affect immediately. One example is the new expanded membership of the SAB.

AB 16 expands the members of the State Allocation Board from seven members to ten members giving both the Senate and Assembly an additional member. The Govenor also has an additional appointment.

Another example is in the change in the Modernization Program match requirement. Please take a moment to read the Modernization 60/40 article in the supplement.

We hope that you find the information useful when planning projects for your district. In order to keep up with changes, review the AB 16 Supplement in this and future issues of the OPSC Advisory Actions.

Sincerely,

Luisa M. Park

Luisa M. Park, Executive Officer
Office of Public School Construction

Automatic Fire Protection Systems Required For Projects Funded Under School Facility Program

At its meeting on June 26, the State Allocation Board (SAB) adopted regulations to implement Senate Bill (SB) 575 (Education Code Sections 17074.50 through 17074.56) and directed the Office of Public School Construction (OPSC) to file these regulations on an emergency basis. SB 575 requires most new construction and modernization school district plans submitted to the Division of the State Architect (DSA) on or after July 1, 2002 to include an automatic fire detection and alarm system. In certain instances, new construction projects will also require an automatic sprinkler system.

A new construction project is required to include an automatic fire detection, alarm and sprinkler system and is defined as follows:

- New campus, consisting of one or more buildings, on a new site where plans are submitted to the DSA on or after July 1, 2002.
- An addition to a new campus and plans are submitted to the DSA on or after July 1, 2002.

A modernization project is required to include an automatic fire detection and alarm system and is defined as follows:

- Any modification of a permanent structure on an existing campus. Existing campus is defined as a campus plan submitted to the DSA prior to July 1, 2002.
- The estimated cost is more than $200,000 and plans are submitted to the DSA on or after July 1, 2002.
- Construction of a new building(s) on an existing campus and plans are submitted on or after July 1, 2002.

The law required the SAB to adjust the per pupil grant amounts provided under the School Facility Program to pay the State's share of the additional costs associated with these fire code requirements. This additional State funding is also available for new construction and modernization projects (commonly referred to as "grandfathered" projects) if the projects meet the following requirements:

- Final plans are submitted to the DSA on or after September 1, 2001, and
- The project includes or will include a qualifying fire alarm, fire alarm detection and/or sprinkler systems prior to completion, and
- The project has not been fully funded prior to July 1, 2002

Since the SAB will be apportioning new construction projects with the remaining Proposition 1A funds at its meeting on August 28, 2002, some "grandfathered" projects may be eligible for an apportionment on that date. Therefore, on June 19, 2002, the OPSC sent letters to all school districts that had new construction projects on either an "OPSC Unfunded" or "OPSC Workload" lists to advise them that they may meet the "grandfathering" provisions as set forth in the law, and how to apply for the additional grant.

Although the OPSC is addressing only new construction projects at this time, any modernization project that meets the "grandfathering" provisions will be able to request and receive this additional funding should additional modernization funding be made available to the State. The OPSC will be providing direction for those projects in the near future.

For more information on how to apply for this additional funding, please contact your OPSC Project Manager for assistance.

OPSC Reminders…

- **State Allocation Board (SAB) Meetings***
  Wednesday, July 24, 2002
  Wednesday, August 28, 2002
  Wednesday, September 25, 2002
  Wednesday, October 23, 2002
  November and December meeting to be announced (TBA)

- **SAB Implementation Committee Meetings***
  Thursday, August 1 - 10:00am to 4:00pm, Sacramento, TBA
  Friday, August 2 - 8:00am to 2:30pm, Sacramento, TBA
  Thursday, Sep 5 - 10:00am to 4:00pm, Ontario, TBA
  Friday, September 6 - 8:00am to 2:30pm, Ontario, TBA
  Friday, October 4 - Sacramento
  Friday, November 1 - Ontario
  Friday, December 4 - Sacramento

- **Interest Earned Report (Form SAB 180)**
  Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.

- **Project Tracking Number**
  Project Tracking Number (PTN) required on specified forms effective October 1, 2001.

* Meeting dates subject to change. Check the OPSC Web site at www.dgs.ca.gov/opsc for latest dates

Parking Garage Solution

Does your project design have a parking problem? Recent actions by the State Allocation Board (SAB) may provide assistance. At the June 26, 2002 SAB meeting, the Board adopted a proposed amendment to Regulation Section 1859.76 that further clarifies the definition of a qualifying parking structure. Existing language in Section 1859.76 (a)(11), specifically the term "multilevel," prevented the Office of Public School Construction (OPSC) from interpreting the regulation to allow certain design alternatives. The intent of multilevel parking structures was to allow projects on impacted sites the ability to conserve open space in order to accommodate building or playground area. With this proposed amendment, those school district projects located on unique sites have additional alternatives to build underground parking structures as well as above-ground parking structures that also have buildings or playgrounds on upper levels. The Board directed staff to accept this as operating policy while the regulation amendment is going through the approval process. If you have any questions you can contact your project manager.

Federal Renovation Program (FRP) Summary of Actions and Timelines for Fund Release

"What's next?... It's elementary

Congratulations to all the Local Educational Agencies (LEA) that were apportioned a Federal Renovation Program (FRP) grant! Grant recipients may now wonder, "What's next?" It's elementary.

First, Grant recipients must ensure that they receive public comment on the use of funds keeping in mind the permissible and non-permissible use of funds as detailed in Regulation Sections 1859.208 and 1859.209.

Second, after the school board determines the projects to be constructed, contract documents must be developed and approved by the Division of State Architect and California Department of Education, if required, as necessary to complete the projects.

Third, since the FRP is a reimbursement program, once the grant recipient has contracted the work and spent the equivalent of 50% of the FRP grant award, 50% of the FRP funds may be requested to be released. In order to release the funds, the Fund Release Authorization (Form SAB 60-02) must be completed and submitted to the OPSC. Grant recipients have until May 21, 2003 to request the initial fund release.

After the grant recipient has spent the equivalent of 100% of the FRP funds, the remaining 50% of the FRP funds can be released. Grant recipients have until September 30, 2003 to sign all contracts for services or work and until November 16, 2003 to request the final fund release.

Lastly, the grant recipient must report how the funds were spent within 270 calendar days after the first fund release. Expenditures should be reported on the Expenditure Report (Form SAB 60-03). The OPSC will then conduct an audit.

The forms and regulations are located on the OPSC Web site at: www.dgs.ca.gov/opsc.

Should you have any questions, please contact Tasha Adame at: tasha.adame@dgs.ca.gov / (916) 322-0334, or Chris DeLong: at chris.delong@dgs.ca.gov / (916) 322-5263.

AB 1402 - Design/Build

Assembly Bill (AB) 1402 became law on January 1, 2002. This law allows school districts to use the Design/Build as an alternative delivery method for new construction and modernization projects that exceed $10 million. As with other delivery methods, districts that choose to use the Design/Build delivery method and apply for State funding will still be subject to all the laws, regulations and policies of the School Facility Program. To help school districts with the Design/Build process and be compliant with laws and regulations the California Department of Education (CDE) has developed a guidebook. The guidebook is available on the CDE's website at www.cde.ca.gov/cdepress/downloads.html. While the suggestions provided in this guidebook are not mandatory, the guidebook should be considered required reading if the Design/Build delivery method is being contemplated.

Alert!

Shortened Review Period

Districts which filed new construction funding applications on or prior to June 26, 2002 for consideration of funding at the August 28, 2002 State Allocation Board (SAB) meeting will be subject to a shortened review period. As a result, the 15-day letter was revised to permit districts only 7 days to submit the required information. This reduced processing timeline was only for this final quarter. The OPSC will return to the 15-day letter process after this quarter's processing period. District Representatives need to be reachable in case all elements of an application are not present. You will need to respond promptly to the request to ensure your application is ready to compete for funding at the August SAB meeting.

State Relocatable Classroom Leases Must be Renewed

LEASE RENEWALS - The leases expire on August 31, 2002 for all State relocatable classrooms and infant/preschool and childcare relocatables. In July, 2002 there will be a notification to every school district, county superintendent, and child care agency currently leasing State relocatable classrooms, for the purpose of renewing the leases effective September 1, 2002.

The State Relocatable Classroom Program (SRCP) provides standard classroom facilities for kindergarten through 12th grade pupil housing needs, plus a smaller number of facilities for infant, preschool, and child care needs. The State Allocation Board (SAB) grants qualifying districts approval to lease standard classrooms for $4,000.00 per year. This summer is the time for Program participants to assess their relocatable housing needs and renew the leases for needed buildings. For relocatables which are no longer needed, written notice of return should be sent to the Office of Public School Construction (OPSC), attention Robert Young (916) 445-0083.

Building placement. A recent SRCP change calls for receiving districts and their architects to place arriving buildings at least four feet apart, rather than two feet apart as previously required This change provides additional space to meet access compliance on the ramp. This is a certification item on the latest SAB Form 25-3, revised March, 2002.

Form changes. The forms have been updated and are available in PDF format on the OPSC Web site. Applicants must use the latest forms:

- Eligibility Worksheet (Form SAB 25-1), revised 01/02.
- Application To Lease State Relocatable Classroom(s) For School District/ County/ Superintendents of Schools (Form SAB 25-2), revised 01/02.
- Site Readiness Notification (Form SAB 25-3), revised 03/02.
- Certification for Reimbursement (Form SAB 25-4), revised 03/02.
- Enrollment Certification/Projection (Form SAB 50-01). If the district is applying for Priority A, Standard Eligibility, attach the SAB 50-01 for the current year's pupil data.

Ongoing maintenance requirement. Districts leasing State relocatable classrooms are responsible for the upkeep, operation, maintenance, repair, renewal, replacement, and repainting of buildings. The district is responsible for the operation and maintenance of the heating, ventilation, and air conditioning system(s), and to keep liability and property damage insurance in effect per the lease agreement. Buildings are not to be altered or put to other uses such as administrative, weight training, storage, etc.

New relocatables to be manufactured. A recent contract award will provide for the manufacture of another 190 new relocatable classrooms in the late summer and fall of 2002, plus up to 10 relocatables to be built meeting sturdier "snowload" standards. The SAB authorized the purchase of 130 additional buildings at the June 26, 2002 meeting.

Use of New Construction Grants

Regulation Section 1859.77.2, Use of New Construction Grant Funds, allows districts greater flexibility in utilizing new construction grants that exceed a project's capacity. It also allows districts to use grants from another grade level to meet housing needs, provided that the district provides a plan that identifies how all pupils are adequately housed in the district.

The Office of Public School Construction (OPSC) has observed an increased frequency in the Use of Grants requests where the District's plan for adequately housing students is by means of a multi-track year round school schedule (MTYRE), specifically when districts create new MTYRE schedules to qualify for the use of grants provisions. The OPSC is concerned that this does not meet the Legislative intent and recommended to the State Allocation Board that the regulations be re-evaluated. This re-evaluation will include the development of a justification process that adequately informs School District Board's as well as the State Allocation Board when MTYRE is being used to qualify for use of grants.

Contingency Reserve Funds In Hot Demand

As the Lease-Purchase Program (LPP) draws to a close, so does a source of funding for key programs and continuing program costs. Multiple demands on an already limited and declining source of revenue made for difficult decisions at the June 26, 2002 State Allocation Board (SAB) meeting.

When Prop 1A sunset the Lease-Purchase Program, available LPP funds were set aside as Contingency Reserve Fund, which is the only source of funding available for:

- Gymnasium and Multipurpose Room Projects - AB191
- Joint Use Projects - SB1795
- Northridge Earthquake Program
- Administrative Expenses
- On-Going project costs for LPP projects still under construction or in the audit process

With demands well in excess of the $52 million currently available the SAB authorized $29.9 million for funding Joint Use applications through "Funding Priority Order D" at the July 2002 SAB meeting. OPSC Staff was also directed to present an item at the December 2002 SAB meeting to apportion the remaining Joint Use applications contingent upon AB 16 passing, and to address the administrative expenditures needed for November 2002 through June 2004.

Seventh Quarter Funding Summary

The new construction (NC) projects for the seventh quarter were added to the listing of NC projects on the "unfunded" list from the first six quarters to compete for funding. The Board apportioned $91 million of new construction funds at the June 26, 2002 SAB Meeting. There is a carryover of $24,546,959 that will be added to $450,000,000 to be apportioned in the final allotment.

Status of Funds

Per the June 26, 2002, State Allocation Board Meeting

PROGRAM	BALANCE AVAILABLE AS OF 06.26.02
Proposition 1A	
New Construction	474.4
Modernization	0.0
Hardship	0.0
Facility Hardship (Reserved)	18.2
Subtotal	**492.6**
Prior Bond Funds	
Contingency Reserves	51.9
AB 191	2.7
Subtotal	**54.6**
Grand Total	**547.2**

Amounts are in millions of dollars.

Funds Released from Prop. 203 and Prop. 1A exclusive of June 26, 2002 Agenda

	APPORTIONED	RELEASED/CONTRACTED	BALANCE
Total Prop. 203	$1,960,548,731	$1,921,170,143	$39,378,588
Total Prop. 1A	$6,097,285,747	$5,832,922,968	$264,362,779

Construction Cost Indices

Lease-Purchase Program – Construction Cost Indices for June 2002

Class "B" Buildings	1.43
Class "D" Buildings	1.43
Furniture and Equipment	1.40
Historical Savings Index	9.07

Class "B" Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings: Constructed primarily of wood.

Furniture and Equipment: An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.

Historical Savings Index: An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at **www.dgs.ca.gov/opsc**. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.

THE OPSC *Advisory Actions 2002*

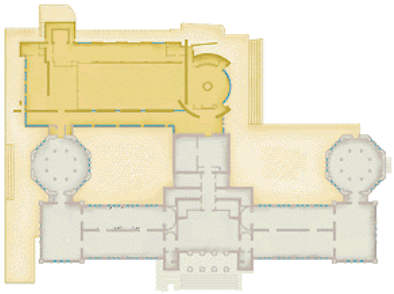
Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814

Office of Public School Construction

ASSEMBLY BILL 16 - 2002

Department of General Services

Advisory Actions 2002 - Supplemental Insert - June 26, 2002 - Issue Number 1



Assembly Bill (AB) 16

AB 16 adds several new provisions and modifications to the existing School Facility Program. The OPSC wants to keep school districts continuously updated with the progress of AB 16, review this insert in the upcoming "OPSC Advisory Actions" to keep informed on AB 16 information.

Assembly Bill (AB) 16 provides for the two largest school facility bonds in California's history. When Governor Davis signed AB 16 into law it contained an urgency clause. The OPSC has established an accelerated implementation plan to develop these emergency regulations and to present a complete package at the September SAB meeting for adoption.

The OPSC anticipates that the regulations to implement this program will be in place prior to the November 5, 2002 election. A series of two day meetings of the SAB's Implementation Committee have been scheduled to discuss the proposed regulations. A schedule of the Implementation Committee meetings can be found on page 4.

Education Facilities

Bond Proposals 2002–2004

Program	Bond 2002: $13,050,000,000		Bond 2004: $12,300,000,000	
New Construction	$ 3,450,000,000	($100 million: charter schools [1]) ($ 25 million: housing assistance [2]) ($ 14.2 million: energy incentive [3])	$ 5,260,000,000	($300 million: charter schools [1]) ($ 25 million: housing assistance [2])
Modernization	$ 1,400,000,000	($ 5.8 million: energy incentive [3])	$ 2,250,000,000	
New Construction Backlog	$ 2,900,000,000		—	
Modernization Backlog	$ 1,900,000,000		—	
Critically Overcrowded Schools (COS)	$ 1,700,000,000		$ 2,440,000,000	
Joint Use	$ 50,000,000		$ 50,000,000	
Total K–12	$ 11,400,000,000		$ 10,000,000,000	

1 An up to amount specified for charter school applications contingent on subsequent legislation.

2 Housing assistance funding only if 2002 housing bond fails. If approved, theses amounts will revert to the new construction category.

3 A total of up to $20 million from each bond may be used to increase the grants for projects with qualifying energy efficiency provisions. It is anticipated that the $20 million amount will be funded as follows: $14.2 from new construction and $5.8 from modernization.

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Modernization 60/40

One of the major components of AB 16 impacts the modernization program and shifts the district's matching share requirement from 80/20 to 60/40 for those applications received by the OPSC after March 15, 2002.

For example, the 80/20 matching share requirement for an elementary pupil resulted in a total state/district grant of $2,807 or $2,246 from the state and $561 from the district. Using the same example for the 60/40 matching share requirement, the state/district grant is $3,743 or $2,246 from the state and $1,497 from the district. Note that the dollar value of the state share is unchanged in either case, but the school district share increases.

If a district's Modernization funding application was submitted after March 15, 2002, and it is either on the "unfunded" list or currently being processed, the district may request, within 60 days of the approval of the regulations by the Office of Administrative Law (OAL), either of the following without loss of original submittal date:

- To agree to the additional district match by submitting a new Application for Funding, Form SAB 50-04. The fact that the district met the 60 percent commensurate test on the previous 80/20 application will be accepted as satisfying the requirement for the 60/40 application.

- To reduce the scope of the project to bring costs within the district match available for a 60/40 application by submitting a new Form SAB 50-04. The district may request fewer than the 101 grants minimum, or the remaining eligibility at the site if necessary. Regulation Section 1859.79.3 will be amended to accommodate these specific projects.

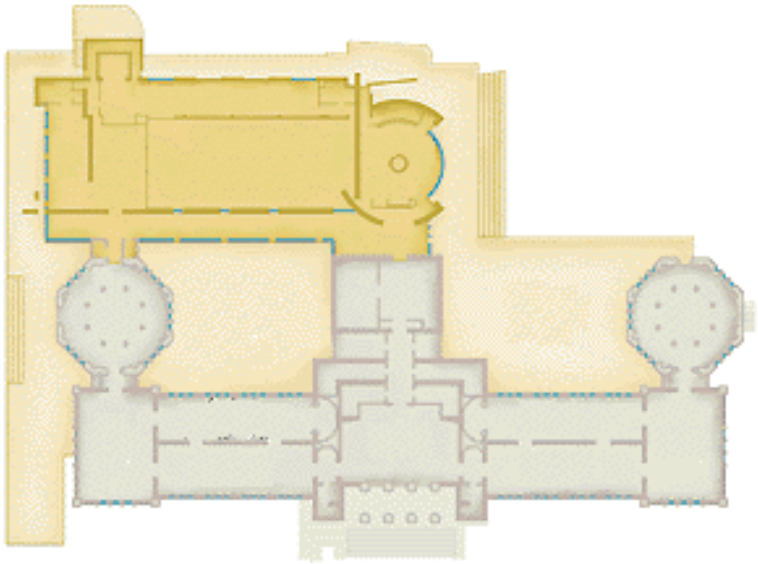
  If the district received an apportionment for design on or before March 15, 2002 and submits the subsequent adjusted grant application for that project after March 15, 2002, but before the OAL approves these regulations, the district may elect to receive fewer pupil grants than contained in the design application, the district minimum requirement of 80 percent (modernization) in Regulation Section 1859.81.1 will be waived.

Status: The proposed regulations regarding this change will be presented at the July 24, 2002 meeting of the State Allocation Board for adoption.

Modernization of 50 Year-Old Buildings

Renovating buildings over 50 years old usually involves extensive additional costs compared to buildings that are less than 50 years old. AB 16 provides for an additional per-pupil allowance for the increased costs of modernizing buildings over 50 years old that have never been modernized with state funding.

Status: The OPSC is recommending an increased grant as well as proposing additional grants for utility upgrades. To be discussed at the August Implementation Committee meeting.



Vocational and Technical Facilities Consideration

Districts must certify they have considered the need for vocational and career technical facilities in consultation with their career technical advisory committee prior to submitting a funding application for large construction and modernization projects. "Large" is not defined in relationship to pupil grants. In the absence of any criteria it is proposed that the following definition apply:

- "Large New Construction Project" shall mean the construction of a new comprehensive high school or an addition for more than 200 pupil grants. Community Day Schools and Continuation High Schools are exempt from this requirement if they are not comprehensive schools.
- "Large Modernization Project" shall mean a funding application for a comprehensive high school that serves any grades 7-12 requesting grants for at least 50 percent of the enrollment at the site.

Since the School Facilities Program was developed to expedite the state application process for school facility needs, give districts more control over local issues and minimize state regulatory oversight, it is recommended that the Application for Funding (Form SAB 50-04), Certifications, Section 17 be amended to include a self certification.

Status: The above recommendations will be presented at the September meeting of the State Allocation Board.

Energy Efficiency Additional Grant

Grant adjustment for the increased costs associated with plan design and other project components for school facility energy efficiency are provided in Education Code Section 17077.35. Those components that are eligible include conservation, load reduction technologies, peak-load shifting, and other technologies that meet emerging technology eligibility criteria.

The Division of the State Architect will review and validate the energy efficient project and determine the percentage that it exceeds the energy requirements of Title 24 Part 6 of the California Code of Regulations. The district will report that percentage on the Application for Funding, Form 50-04, which will be revised to conform with this provision.

AB-16 allows no more than $20 million of each bond to be allocated for the costs of energy efficiency. Based on the total funding available of $4.85 billion for both new construction ($3.45 billion) and modernization ($1.4 billion), it is being proposed that the allocation of the $20 million would be $14.2 million for New Construction and $5.8 million for Modernization.

Status: The above recommendations will be presented at the September meeting of the State Allocation Board.

Developer Fee Notification

Even though the funds from Proposition 1A will be depleted after August 28, 2002, AB 16 suspends the State's "lack of funding" declaration and the school district's ability to levy the Level III fees until such time as a prospective bond issue fails.

For clarification purposes, the "lack of funds" Board declaration will only be made when:

- A prospective bond issue is rejected by the voters; and
- The State Allocation Board is unable to make an apportionment for the next approvable new construction project in line for funding.

Status: OPSC will develop a process by which districts will be notified and Level III fees accounted for if it becomes necessary.

Attendance Area Definition

Districts that are planning to file and application on a High School Attendance Area (HSAA) basis should be aware that there must be an existing and operating high school in each attendance area. This amendment deletes "or proposed" in the definition of "Attendance Area".

Status: Additional criteria will be discussed at the August Implementation Committee meeting.

Priority Points Modification

The legal mechanism to rank new construction funding projects based on priority points is provided in Education Code 17072.25. This statute now added subsection (d) that states, "this section shall apply only to projects funded with the proceeds of state bonds approved by the voters prior to January 1, 2002."

Currently, the OPSC provides funding for new construction applications from Proposition 1A funds. Utilizing this mechanism, the remaining Proposition 1A funds will be apportioned at the August 28, 2002, meeting of the State Allocation Board. All projects that did not qualify for new construction funding on or before August 28, 2002, due to insufficient priority points, have, or will receive unfunded approval.

Regulation 1859.91 and 1859.92 will be amended to state "this regulation section shall apply to all projects funded with the proceeds from State bonds approved by the voters prior to January 1, 2002,"

It is recommended that new Regulation Section 1859.93.1 be added as follows:

"All New Construction applications not funded with the proceeds from state bonds approved by the voters prior to January 1, 2002 shall be funded in the order of receipt of an Approved Application for funding." This does not apply to the new Critically Overcrowded Schools (COS) provision of AB 16 which has specific language requiring first funding to those source schools with the highest pupil density.

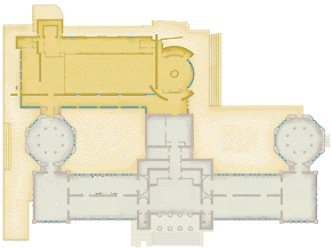
Status: These above proposed changes to the regulations will be presented at the September meeting of the State Allocation Board.

Financial Hardship - Bonding Requirement

Current School Facility Program (SFP) regulations require school districts to substantiate that they have insufficient funds to contribute to their projects and show reasonable efforts in generating local revenue for their project's funding share in order to qualify for financial hardship status and additional state funding. The current SFP financial hardship regulations provide that school districts with a total bonding capacity of three million dollars or less meet one of the tests for "reasonable effort".

Assembly Bill 16 amended and increased the reasonable effort from three million to five million total bonding capacity. This change will allow school districts that have bonding capacities that are over three million but less than five million to also potentially be eligible for SFP financial hardship status.

Status: This proposed change will be presented at the September meeting of the State Allocation Board.



Multitrack Year-Round Educations - High School Districts

This amendment eliminates the MTYRE adjustment for high school districts, so any increase to the existing school building capacity is limited to operational grants if applicable . For example:

If the operational grants are greater than the MTYRE adjustment, the eligibility remains the same; however, if the operational grants are less than the MTYRE adjustment, the eligibility would be increased accordingly.

High school districts that have:

- Funding applications either received by the OPSC or on the unfunded list can not amend the application to increase the pupil grants. A district may withdraw and resubmit an application if it wishes to capture the increase.
- Eligibility applications received on or after April 29, 2002, on the OPSC workload list will be administratively adjusted by the OPSC.
- A district establishing eligibility for the first time can do so without regard to the MTYRE adjustment using a revised Existing School Building Capacity, Form 50-02, which will be amended to conform to this new law.

Status: This amendment will be presented at the September meeting of the State Allocation Board.

Urban Adjustments

Education Code 17075.10 (c) directs the Board to review the increased costs that may be uniquely associated with "urban" construction and shall adjust the per-pupil grant for new construction, or modernization, hardship applications as necessary to accommodate those costs.

Status: The OPSC is in the process of identifying different methodologies that could be used to appropriately identify the added cost that may be associated with "urban" projects. Interested parties are welcome to submit any relevant information to assist in reviewing the allowances. Please contact Dennis Boydstun at OPSC at dboydst@dgs.ca.gov / 916.322-0327.

Project Assistance Three Year Sunset Deletion

Project assistance helps mitigate some of the initial costs of new construction and modernization projects. This amendment deletes the sunset clause for project assistance and will allow small school districts to continue to receive funding.

Status: This amendment to the regulations will be presented at the September meeting of the State Allocation Board.

Office of Public School Construction **Department of General Services**

Executive Officer, Office of Public School Construction / State Allocation Board, Luisa M. Park
Deputy Executive Officer, Office of Public School Construction, Karen McGagin
Assistant Executive Officer, State Allocation Board, Bruce Hancock
1130 K Street, Suite 400, Sacramento, CA 95814
(916) 445-3377 http://www.dgs.ca.gov/opsc

Title by Prejudgment Possession

Education Code 17070.70 has been amended to allow orders of prejudgment possession issued by a court in an eminent domain proceeding to qualify as title to property when submitting applications for new construction site funding.

Districts that include site acquisition as part of their new construction funding application must provide proof of the "purchase price as shown in escrow documents or other appropriate documents such as court orders of condemnation, or as specifically identified in specified agreements when the site is transferred in lieu of other legally required payment fees due to the district." Regulation Section 1859.74 further requires districts to submit an appraisal made no more than six months prior to the funding application submittal. Funding will be for the lesser of one-half of the site cost, as determined by the aforementioned documents, or the current appraised value. Current regulations allows ownership (title) to be established by court orders of condemnation. A prejudgment possession, as specified in Education Code 17070.70, is a court order in a condemnation case.

Status: This amendment supports OPSC's current practice.

Small School Lock on Eligibility

A lock on eligibility ensures that during the planning process, a small school district does not have to redesign the project because of a loss in enrollment for a three-year period. The language in Education Code Section 17071.75(f) does not appear to accomplish the author's intent. Further it conflicts with the existing Education Codes 17072.20(d).

Status: Clean up language will be developed to address this issue and included in the legislative process this year.

Implementation Committee Meetings

AB-16 Discussion Items Scheduled for August 1 and 2, 2002:

- Attendance Area, Change in Definition
- Modernization, 50-Year Old Buildings
- Draft Regulations for AB 16
- Critically Overcrowded Schools

Assembly Bill (AB) 16
State Allocation Board and Implementation Meeting Schedule

Implementation Meetings	SAB Meetings
Aug 1 - 2	Jul 24
Sep 5 - 6	Aug 28
Oct 4	Sep 25
Nov 1	Oct 23

Election Day Nov 5