

STATE ALLOCATION BOARD

1130 K Street, Suite 400

Sacramento, CA 95814

<http://www.dgs.ca.gov/opsc>

January 17, 2003

Honorable Members of the Legislature

Please find enclosed the biennial report entitled "School Facility Program Costs Avoided Per Pupil by Use of Year-Round Education." Education Code Section 42263(d) (3) directs the State Allocation Board to calculate and report to the Legislature no later than December 1, 2002 on the Statewide average costs avoided per pupil due to the use of year-round multi-track school systems. These figures were calculated by analyzing elementary, middle and high school construction costs separately using data from the 2000/2001 and 2001/2002 Fiscal Years. Factors utilized included the useful life of facility, the average construction and land costs per pupil and the total interest cost to fully amortize bonds at 4.6835 percent.

If you should have any questions or require any clarifications, please contact me at (916) 445-3377, or Suzanne Reese, Program Services Manager, at (916) 323-4461.

Sincerely,

LUISA M. PARK
Executive Officer
Office of Public School Construction
State Allocation Board

LMP:JC:rm

Attachments

cc: The Honorable Wesley Chesbor, Chair
Joint Legislative Budget Committee
State Capitol, Room 3060
Sacramento, CA 95814

The Honorable Wesley Chesbor, Chair
Senate Budget & Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Jenny Oropeza, Chair
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Darrell Steinberg, Chair
Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

Mr. Gregory Schmidt
Secretary of the Senate
State Capitol, Room 3044
Sacramento, CA 95814

Mr. Steve Peace, Chair
State Allocation Board
Director of Finance
State Capitol, Room 1145
Sacramento, CA 95814

Mr. E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, CA 95814

Mr. Jack O'Connell, Member
State Allocation Board
Superintendent of Public Instruction
660 J Street, Suite 350
Sacramento, CA 95814

Mr. Michael Gotch,
Legislative Secretary
Governor's Office
State Capitol, First Floor
Sacramento, CA 95814

Ms. Clothilde Hewlett, Member
State Allocation Board
Interim Director of General Services
707 3rd Street, 8th Floor
West Sacramento, CA 95605

Ms. Linda Adams, Chief Deputy
Legislative Secretary
Governor's Office
State Capitol, First Floor
Sacramento, CA 95814

Senator Dede Alpert, Member
State Allocation Board
State Capitol, Room 5050
Sacramento, CA 95814

Ms. Jacqueline Wilson, Deputy Director
Department of General Services
707 3rd Street, 8th Floor
West Sacramento, CA 95605

Senator Bob Margett, Member
State Allocation Board
State Capitol, Room 3082
Sacramento, CA 95814

Ms. Karen L. Neuwald, Assistant Director
Office of Legislation
Department of General Services
707 3rd Street, 8th Floor
West Sacramento, CA 95605

Senator John Burton, Member
State Allocation Board
State Capitol, Room 205
Sacramento, CA 95814

Ms. Aileen Adams, Secretary
State and Consumer Services Agency
915 Capitol Mall, Room 200
Sacramento, CA 95814

Assembly Member Tony Strickland, Member
State Allocation Board
State Capitol, Room 4098
Sacramento, CA 95814

Ms. Debbie Weber
California State Library
Government Publications Section
Library and Courts Building
914 Capitol Mall
Sacramento, CA 95814

Assembly Member Marco Firebaugh, Member
State Allocation Board
State Capitol, Room 319
Sacramento, CA 95814

Ms. Elizabeth G. Hill
Legislative Analyst
925 L Street, Suite 1000
Sacramento, CA 95814

Assembly Member John Dutra, Member
State Allocation Board
State Capitol, Room 3091
Sacramento, CA 95814

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, December 18, 2002

SCHOOL FACILITY PROGRAM COSTS AVOIDED
PER PUPIL BY USE OF YEAR-ROUND EDUCATION

PURPOSE OF REPORT

To present per pupil savings in construction costs typically found by using year-round school programs and approve this report for presentation to the Legislature.

DISCUSSION

Education Code Section 42263(d) requires the State Allocation Board (SAB) to report to the Legislature, no later than December 1 on even years, the statewide savings per pupil in school construction costs. The average savings per pupil is the amount the state would have had to spend to house a pupil if that pupil had not been attending a year-round school.

To provide the cost savings per pupil figure, the Office of Public School Construction (OPSC) used construction cost data collected only from the School Facility Program (SFP) during 2000/2001 and 2001/2002 Fiscal Years as provided by law. By factoring in the useful life of a facility and amortizing bond costs over 30 years at an interest rate of 4.6835 percent, the OPSC is reporting the following cost savings per pupil from the SFP.

USEFUL LIFE OF A FACILITY	2000/2001 & 2001/2002 COST SAVINGS PER PUPIL
20 Years	\$1,649
30 Years	\$1,099
40 Years	\$ 824

STAFF COMMENTS

The methodology used to determine the new cost savings figures are identical to that used in the reports presented to the SAB biennially since 1992. On these occasions, the SAB requested that the cost savings per pupil be presented to the Legislature reflecting the 20 year, 30 year and 40 year useful life of facility savings. The Legislature would make the determination of how to utilize this information.

RECOMMENDATION

Direct the OPSC to present this report to the Legislature on the average cost savings using the 20 year (\$1,649/pupil), 30 year (\$1,099/pupil) and 40 year (\$824/pupil) useful life figures.

This Item was approved by the State Allocation Board on December 18, 2002.