

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 24, 2018

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

PURPOSE OF REPORT

To adopt the annual adjustment in the School Facility Program (SFP) grants based on the change in construction costs pursuant to the Education Code (EC) and SFP Regulations.

DESCRIPTION

This item presents the State Allocation Board (Board) with the annual adjustment to the SFP grants based on the statewide cost index for Class B construction. Each year the Board adjusts the SFP grants to reflect construction cost changes. In January 2016, the Board adopted the RS Means index for 2016 and future years. This item presents the 2018 annual adjustment to SFP grants based on the RS Means index.

AUTHORITY

See Attachment A.

STAFF ANALYSIS/STATEMENTS

At the January 2016 meeting, the Board adopted an increase to the SFP grants using the RS Means Construction Cost Index (CCI) as the statewide cost index for Class B construction.

The current rate of change between 2017 and 2018 for the RS Means Class B CCI is 4.17 percent. The chart below reflects the amounts previously adopted for 2017 compared to the potential amount for the new construction base grants.

			RS Means 4.17%
Grade Level	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-17	<i>Potential Grant Per Pupil Effective 1-1-18</i>
Elementary	1859.71	\$11,104	\$11,567
Middle	1859.71	\$11,744	\$12,234
High	1859.71	\$14,944	\$15,567
Special Day Class – Severe	1859.71.1	\$31,202	\$32,503
Special Day Class – Non-Severe	1859.71.1	\$20,867	\$21,737

STAFF ANALYSIS/STATEMENTS (cont.)

The following chart shows the amounts previously adopted compared to the potential amount for the modernization base grants.

			RS Means 4.17%
Grade Level	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-17	<i>Potential Grant Per Pupil Effective 1-1-18</i>
Elementary	1859.78	\$4,228	\$4,404
Middle	1859.78	\$4,472	\$4,658
High	1859.78	\$5,855	\$6,099
Special Day Class – Severe	1859.78.3	\$13,475	\$14,037
Special Day Class – Non-Severe	1859.78.3	\$9,015	\$9,391

In addition, the CCI adjustment would increase the threshold amount for Government Code Section 66452.6(a)(2) for the period of one year commencing March 1, 2018. The following chart shows the amount previously adopted for 2017 compared to the resulting threshold amount, upon approval of the proposed 2018 CCI adjustment:

	RS Means Effective 3-1-2017	RS Means Potential 3-1-2018
Resulting Amount	\$279,571	\$291,229

RECOMMENDATION

Adopt the increase of 4.17 percent for the 2018 SFP grants based on the RS Means Construction Cost Index as shown in Attachment B.

ATTACHMENT A - AUTHORITY

For the New Construction grant, EC Section 17072.10(b) states, "The board annually shall adjust the per-unhoused-pupil apportionment to reflect construction cost changes, as set forth in the statewide cost index for class B construction as determined by the board."

For Modernization funding, EC Section 17074.10(b) states, "The board shall annually adjust the factors set forth in subdivision (a) according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the board."

Government Code Section 66452.6 states:

(a)(1) An approved or conditionally approved tentative map shall expire 24 months after its approval or conditional approval, or after any additional period of time as may be prescribed by local ordinance, not to exceed an additional 12 months. However, if the subdivider is required to expend two hundred thirty-six thousand seven hundred ninety dollars (\$236,790) or more to construct, improve, or finance the construction or improvement of public improvements outside the property boundaries of the tentative map, excluding improvements of public rights-of-way which abut the boundary of the property to be subdivided and which are reasonably related to the development of that property, each filing of a final map authorized by Section 66456.1 shall extend the expiration of the approved or conditionally approved tentative map by 36 months from the date of its expiration, as provided in this section, or the date of the previously filed final map, whichever is later. The extensions shall not extend the tentative map more than 10 years from its approval or conditional approval. . . .

(2) Commencing January 1, 2012, and each calendar year thereafter, the amount of two hundred thirty-six thousand seven hundred ninety dollars (\$236,790) shall be annually increased by operation of law according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting. The effective date of each annual adjustment shall be March 1. The adjusted amount shall apply to tentative and vesting tentative maps whose applications were received after the effective date of the adjustment.

SFP Regulation Section 1859.71 states,

The new construction per-unhoused-pupil grant amount, as provided by Education Code Section 17072.10(a), will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board each January. The base Class B Construction Cost Index shall be 1.30 and the first adjustment shall be January, 1999.

The new construction per-unhoused-pupil grant amount, as provided by Education Code Section 17072.10(a), may be increased by an additional amount not to exceed six percent in a fiscal year, or decreased, based on the analysis of the current cost to build schools as reported on the Project Information Worksheet (Revised 05/10) which shall be submitted with the Forms SAB 50-05 and 50-06 and as approved by the Board.

SFP Regulation Section 1859.2 Definitions states, "Class B Construction Cost Index" is a construction factor index for structures made of reinforced concrete or steel frames, concrete floors, and roofs, and accepted and used by the Board.

SFP Regulation Section 1859.78 states, "The modernization per-unhoused-pupil grant amount, as provided by Education Code Section 17074.10(a), will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board each January."

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS
 State Allocation Board Meeting, January 24, 2018

Grant Amount Adjustments

		Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-17	Current Adjusted Grant Per Pupil Effective 1-1-18
New Construction	Elementary	1859.71	\$11,104	\$11,567
	Middle	1859.71	\$11,744	\$12,234
	High	1859.71	\$14,944	\$15,567
	Special Day Class – Severe	1859.71.1	\$31,202	\$32,503
	Special Day Class – Non-Severe	1859.71.1	\$20,867	\$21,737
	Automatic Fire Detection/Alarm System – Elementary	1859.71.2	\$13	\$14
	Automatic Fire Detection/Alarm System – Middle	1859.71.2	\$18	\$19
	Automatic Fire Detection/Alarm System – High	1859.71.2	\$30	\$31
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	\$56	\$58
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	\$39	\$41
	Automatic Sprinkler System – Elementary	1859.71.2	\$186	\$194
	Automatic Sprinkler System – Middle	1859.71.2	\$221	\$230
	Automatic Sprinkler System – High	1859.71.2	\$230	\$240
	Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	\$588	\$613
	Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	\$395	\$411
	Modernization	Elementary	1859.78	\$4,228
Middle		1859.78	\$4,472	\$4,658
High		1859.78	\$5,855	\$6,099
Special Day Class - Severe		1859.78.3	\$13,475	\$14,037
Special Day Class – Non-Severe		1859.78.3	\$9,015	\$9,391
State Special School – Severe		1859.78	\$22,460	\$23,397
Automatic Fire Detection/Alarm System – Elementary		1859.78.4	\$137	\$143
Automatic Fire Detection/Alarm System – Middle		1859.78.4	\$137	\$143
Automatic Fire Detection/Alarm System – High		1859.78.4	\$137	\$143
Automatic Fire Detection/Alarm System – Special Day Class – Severe		1859.78.4	\$378	\$394
Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe		1859.78.4	\$253	\$264
Over 50 Years Old – Elementary		1859.78.6	\$5,874	\$6,119
Over 50 Years Old – Middle		1859.78.6	\$6,212	\$6,471
Over 50 Years Old – High		1859.78.6	\$8,132	\$8,471
Over 50 Years Old – Special Day Class – Severe		1859.78.6	\$18,721	\$19,502
Over 50 Years Old – Special Day Class – Non-Severe		1859.78.6	\$12,519	\$13,041
Over 50 Years Old – State Special School – Severe		1859.78.6	\$31,201	\$32,502

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS
January 2018

Grant Amount Adjustments

New Construction / Modernization / Joint-Use	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-17	Current Adjusted Grant Per Pupil Effective 1-1-18
Therapy/Multipurpose Room/Other (per square foot)	1859.72 1859.73.2 1859.77.3 1859.82 1859.125 1859.125.1	\$182	\$190
Toilet Facilities (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	\$326	\$340
New Construction Only			
Parking Spaces	1859.76	\$14,120	\$14,709
General Site Grant (per acre for additional acreage being acquired)	1859.76	\$18,073	\$18,827
Project Assistance (for school district with less than 2,500 pupils)	1859.73.1	\$6,791	\$7,074
Modernization Only			
Two-stop Elevator	1859.83	\$112,957	\$117,667
Additional Stop	1859.83	\$20,333	\$21,181
Project Assistance (for school district with less than 2,500 pupils)	1859.78.2	\$3,621	\$3,772
Facility Hardship / Rehabilitation			
Current Replacement Cost - Other (per square foot)	1859.2	\$362	\$377
Current Replacement Cost - Toilets (per square foot)	1859.2	\$653	\$680
Interim Housing – Financial Hardship (per classroom)	1859.81	\$37,231	\$38,784
Charter School Facilities Program - Preliminary Apportionment Amounts			
Charter School Elementary	1859.163.1	\$11,161	\$11,626
Charter School Middle	1859.163.1	\$11,816	\$12,309
Charter School High	1859.163.1	\$14,997	\$15,622
Charter School Special Day Class - Severe	1859.163.1	\$31,351	\$32,658
Charter School Special Day Class - Non-Severe	1859.163.1	\$20,966	\$21,840
Charter School Two-stop Elevator	1859.163.5	\$94,131	\$98,056
Charter School Additional Stop	1859.163.5	\$16,943	\$17,650

ATTACHMENT B

January 24, 2018

New School Adjustments (Regulation Section 1859.83)

Classrooms in Project	Elementary School Adjusted Grant	Elementary School Adjusted Grant	Middle School Adjusted Grant	Middle School Adjusted Grant	High School Adjusted Grant	High School Adjusted Grant	Alternative Education New School	Alternative Education New School
	Effective 1-1-17	Effective 1-1-18	Effective 1-1-17	Effective 1-1-18	Effective 1-1-17	Effective 1-1-18	Effective 1-1-17	Effective 1-1-18
1	\$301,221	\$313,782	\$1,268,892	\$1,321,805	\$2,759,935	\$2,875,024	\$818,379	\$852,505
2	\$709,751	\$739,348	\$1,423,269	\$1,482,619	\$2,871,010	\$2,990,731	\$992,898	\$1,034,302
3	\$1,065,569	\$1,110,003	\$1,581,410	\$1,647,355	\$3,548,758	\$3,696,741	\$1,735,710	\$1,808,089
4	\$1,349,846	\$1,406,135	\$1,754,611	\$1,827,778	\$4,151,199	\$4,324,304	\$1,952,758	\$2,034,188
5	\$1,585,175	\$1,651,277	\$1,935,344	\$2,016,048	\$4,571,025	\$4,761,637	\$2,169,806	\$2,260,287
6	\$1,922,164	\$2,002,318	\$2,117,959	\$2,206,278	\$4,990,852	\$5,198,971	\$2,386,854	\$2,486,386
7	\$2,262,921	\$2,357,285	\$2,300,574	\$2,396,508	\$5,410,679	\$5,636,304	\$2,603,903	\$2,712,486
8	\$2,524,607	\$2,629,883	\$2,500,133	\$2,604,389	\$5,734,491	\$5,973,619	\$2,831,795	\$2,949,881
9	\$2,524,607	\$2,629,883	\$2,710,988	\$2,824,036	\$5,994,294	\$6,244,256	\$3,067,143	\$3,195,043
10	\$2,968,907	\$3,092,710	\$2,923,724	\$3,045,643	\$6,252,214	\$6,512,931	\$3,302,490	\$3,440,204
11	\$2,968,907	\$3,092,710	\$3,136,462	\$3,267,252	\$6,512,018	\$6,783,569	\$4,215,754	\$4,391,551
12	\$3,125,166	\$3,255,485			\$6,749,228	\$7,030,671	\$4,451,102	\$4,636,713
13					\$6,982,675	\$7,273,853	\$4,686,450	\$4,881,875
14					\$7,216,121	\$7,517,033	\$4,921,797	\$5,127,036
15					\$7,451,450	\$7,762,175	\$5,157,145	\$5,372,198
16					\$7,684,896	\$8,005,356	\$5,392,492	\$5,617,359
17					\$7,920,225	\$8,250,498	\$5,627,840	\$5,862,521
18					\$8,153,671	\$8,493,679	\$5,863,187	\$6,107,682
19					\$8,387,117	\$8,736,860	\$6,098,535	\$6,352,844
20					\$8,622,446	\$8,982,002	\$6,333,883	\$6,598,006
21					\$8,855,892	\$9,225,183	\$6,569,401	\$6,843,345
22					\$9,089,338	\$9,468,363	\$6,804,748	\$7,088,506
23							\$7,040,096	\$7,333,668
24							\$7,275,443	\$7,578,829
25							\$7,510,791	\$7,823,991
26							\$7,746,139	\$8,069,153
27							\$7,981,486	\$8,314,314