STATE • OF • CALIFORNIA | DEPARTMENT • OF • GENERAL • SERVICES

# 2003 Advisory Actions

STATE • ALLOCATION • BOARD
OFFICE • OF • PUBLIC • SCHOOL • CONSTRUCTION

**Issue Number 08:** Information from the State Allocation Board meeting held on August 27, 2003

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# *2002 State Bonds… A Success Story*

***from the desk of the executive officer***

Without a doubt, the 2002 State Bonds are a success. It is with appreciation for everyone's hard work—your district, its representatives and the State agencies—that I summarize for you the unprecedented amount of funds that have been apportioned by the State Allocation Board (SAB) in the brief nine months since the voters passed the historic amount of $11.4 billion in K–12 State Bonds in November 2002… an astonishing $9.3 billion.

On page 6 of this issue, you can locate the apportionment details of the $9.3 billion. On the back page, the Status of Funds reflects the remaining bond funds after nearly $2 billion was apportioned at the August 2003 SAB meeting. Approximately $1.7 billion is attributed to the apportionments made for the new Critically Overcrowded Schools (COS) Program. More details about the COS program can also be located in this issue on page 7.

The $9.3 billion reflects only the State's share. These apportioned funds represent approximately $15 billion in school facility projects. Of the total funds apportioned, over half are already released to California's school districts. Funds are released after at least 50 percent of the project is under construction contract and the Notice to Proceed has been issued. This means those released funds are already being put to work in the economy helping to Build California; in effect providing a regeneration of these public funds back to all the local communities of California!

Despite these unprecedented accomplishments, our eyes are on the future. As we plan ahead and forecast our workload, we observe that new construction and energy funding opportunities exist. Further when reviewing past bond elections and the December 2002 apportionments, the importance of showing continued funding need for the modernization of your existing facilities can be reflected. We encourage you to move ahead and file your new construction and modernization SFP applications. We are committed to helping you be prepared for March 2004.

Last month in the OPSC Advisory Actions 2003 you read how our OPSC Project Managers make it a point to schedule appointments with their districts each month. I encourage you to please feel free to just pick up the phone, call your OPSC Project Manager, and request us to come out to your district. Our OPSC Auditors also travel to districts to hold pre-closeout meetings. Our staff takes pride in being available for you, and we encourage you to take us up on our offer to provide you with assistance. We want you to be able to access funding opportunities and get ready for the future.

An important part of getting ready for your future projects is project budgeting. Many districts have requested assistance in this area. We were listening. Be on the look out for the recently mailed Fall Issue of *Breaking Ground*, the OPSC/DSA Connection to California School Districts. In this issue of *Breaking Ground*, we are pleased to share with you several in-depth articles on developing project budgets under the State program. School facility planners are encouraged to obtain a copy of these articles to use in developing and understanding their own project needs and budgets. Valuable information is contained that will assist you and your design professional to structure your budget to make the most of State program opportunities and stretch your project dollars.

Congratulations to everyone! *Let's all keep our positive momentum rolling to build and modernize more schools! Our children are counting on us.*

Luisa M. Park

Luisa M. Park, Executive Officer

## OPSC Reminders…

- **State Allocation Board Meetings***
  Wednesday, October 22, 2003
  November 2003—No meeting scheduled
  December 2003—Date to be determined

- **Implementation Committee Meetings***
  Friday, October 3, 2003
  Friday, November 7, 2003
  Friday, December 5, 2003

- **Regional Occupational Center Facilities Report (Form SAB 406R)**
  Due triennially (September 1, 2003), districts must report on the facilities utilized for the operation of a regional occupational center or program per Education Code Section 17285(d).

- **SFP Joint Use Funding Cycle**
  The filing dates for the SFP Joint Use Program are June 1, 2003 through May 31, 2004 to be apportioned July 2004 or July 2005.

- **LPP Joint Use Funding Cycle**
  The filing dates for the LPP Joint Use Program (SB 1795) have been extended for another year and are June 1, 2003 through May 31, 2004 to be apportioned July 2004.

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

- **Federal Renovation Program**
  - September 30, 2003 is the last day to sign contracts for services or work. No extensions are permitted by Federal law.
  - The final fund release must be requested within six months from the first fund release.
  - Districts granted a waiver of either the first or final fund release must request release of 100 percent of the grant by November 16, 2003 (contracts must be signed on or prior to September 30, 2003).

*For the latest meeting dates, times and locations, check the OPSC Web site at www.opsc.dgs.ca.gov.

What's New in the…

# State Relocatable Classroom Program?

By Jim Casebolt, OPSC Project Manager

### Buildings No Longer Needed

SRCP classrooms which are no longer needed should be returned for use in other districts with housing needs. To return your SRCP classrooms, the district must send a letter to the OPSC to the attention of Liz Cheyne, including the following:

- Current site name where the buildings are located
- Site address
- OPSC building numbers
- The date the district wishes to return the SRCP classrooms

The State will pay for the removal of the SRCP classrooms; however, the district is responsible for costs associated with any preparation for the removal of the classroom, such as the removal of fences or other structures that permit ingress and egress to school sites, the trimming or removal of trees and shrubs and the cut-off of electrical services. The district is also responsible for any costs incurred for site restoration. The district is required to restore the SRCP classrooms to a "renewed" condition and must assure that the SRCP classrooms are accessible to the moving contractor. This is important because if the moving contractor arrives at the site and the SRCP classrooms are not accessible, the district will be responsible for any additional costs attributable to the move.

### Lease Renewal

Lease renewals were sent out for the SRCP and Childcare relocatables in September 2002. The next renewal period for SRCP leases is in September 2005; the Childcare leases are not due for renewal until September 2007.

### Relocation to Another Site Within the District

If the district has a greater need for a SRCP classroom at another school site, it may relocate the SRCP classrooms at its own expense. Please be sure to do the following:

- Notify the OPSC in writing prior to relocating the SRCP classrooms
- Obtain the DSA approval for the new site
- Submit to OPSC a copy of the architect and inspector's final 100 percent complete, Verified Report, Form DSA-6 for the new site.

### Applications for Additional Buildings

The SRCP provides standard classroom facilities for Kindergarten through 12th grade pupil housing needs. The State Allocation Board grants qualifying districts approval to lease standard relocatable classrooms for $4,000 per year. For assistance and further details on how to apply, please contact us.

### Questions?

If you have any questions or need assistance, please contact Liz Cheyne, Project Manager, at liz.cheyne@dgs.ca.gov or 916.323.2636; or Richard Sheffield, SRCP Supervisor, at richard.sheffield@dgs.ca.gov or 916.322.0329.

# Opportunity to Test Online Eligibility Application

By Rashid Mir, Information Systems Team Supervisor

The OPSC is looking for school districts that would like the opportunity to test the new Online Eligibility Application that will be activated soon. The Online Eligibility Application will allow school districts to input SAB 50-01, 50-02, and 50-03 data, calculate eligibility, and print the form with ease. The data input by the district will be transmitted to OPSC's database and will help OPSC process the application.

If you will be requesting new construction eligibility (SAB 50-01, 50-02, and 50-03) or modernization eligibility (SAB 50-03) and are interested in helping the OPSC test the new Online Eligibility Application, please e-mail rashid.mir@dgs.ca.gov for instructions on accessing the application.

# Amendments to the Automatic Fire Detection/Alarm and Automatic Sprinkler Grant Amounts

By Liz Yokoyama, OPSC Project Manager

## What Brought About These Amendments?

In June 2002, the State Allocation Board (SAB) adopted increases to the pupil grants on an emergency basis to cover the costs for the purchase and installation of automated fire detection, alarm and sprinkler systems as mandated by Senate Bill 575 (Chapter 725, Statutes of 2001). The law required the SAB to review the adequacy of the per pupil grant adjustments, which the Office of Public School Construction accomplished by surveying those districts which received these type grants.

## Survey Results and Regulation Amendments

The survey found that the pupil grants provided for automatic sprinkler costs were inadequate, whereas the alarm/detection grants were found to be excessive. The regulations were amended to reflect the actual per pupil costs, as shown below with 2003 cost adjustments. These amounts also include consideration for soft costs. The Special Day Classrooms grants were adjusted proportionately in alignment with these revisions. The following are the new grant amounts:

**New Construction (Additions to an Existing Site)**

| DESCRIPTION | | CURRENT GRANT @ 50% STATE SHARE |
|---|---|---|
| Elementary | Alarm/Detection | $ 8 |
| Middle | Alarm/Detection | $11 |
| High | Alarm/Detection | $18 |

**New Construction (New School/New Campus)**

| DESCRIPTION | | GRANT AMOUNT | COMBINED CURRENT GRANT @ 50% STATE SHARE |
|---|---|---|---|
| Elementary | Alarm/Detection<br>Sprinkler | $ 8<br>$111 | $119 |
| Middle | Alarm/Detection<br>Sprinkler | $ 11<br>$132 | $143 |
| High | Alarm/Detection<br>Sprinkler | $ 18<br>$137 | $155 |

**Modernization**

| DESCRIPTION | | PER PUPIL GRANT @ 80% STATE SHARE |
|---|---|---|
| Elementary | Alarm/Detection | $81 |
| Middle | Alarm/Detection | $81 |
| High | Alarm/Detection | $81 |

## Who Do I Call If I Have Questions?

As always, questions regarding SFP projects may be referred to your OPSC Project Manager. More details are also available on the OPSC Web site at www.opsc.dgs.ca.gov.

# No District Left Behind

By Jan Moss, OPSC Project Manager

Do you happen to be a school district feeling overwhelmed at the thought of planning your project and completing School Facility Program (SFP) eligibility or funding applications in light of all your district responsibilities? The Office of Public School Construction (OPSC) is committed to "no district being left behind" and has a special program designed to address this very commitment; School District Outreach.

The OPSC realizes that districts often wear many hats, such as the Superintendent, Principal, and Facility Planner, simultaneously. The OPSC is in the process of enhancing our already successful School District Outreach Program, by developing internal processes that will provide the district with a better way to assess needs as well as continuing to enhance our services.

There is approximately $1.9 billion in new construction funds available. The OPSC is here to assist you in accessing the funding you need. It is equally important for districts to show continued need for modernization funding. We can take you through a step-by-step process to see if you have eligibility in the SFP, assist in enhancing your facility plans, and provide one-on-one customer service.

Please contact your OPSC Project Manager to schedule an appointment. For those of you that are new to our programs or office, please visit the OPSC Web site at www.opsc.dgs.ca.gov to view the OPSC Project Manager listing to get dialed-in to your personal OPSC representative. We would be pleased to hear from you and to give you all the help you would like.

Submitting a New Construction Funding Application… You'll Want to Know This

# Newsflash! Revised "180-Day" Regulations… Your Ineligible Project Could Receive Funding

By Elizabeth Dearstyne, OPSC Project Manager

## A Little History

At a previous meeting, the State Allocation Board (SAB) requested the Office of Public School Construction (OPSC) to review the current regulation for including district funded facilities that have been provided in a district's existing classroom capacity. Regulation amendments have been approved that change the definition of when a classroom is provided with local funds, often referred to as the "180-day rule". Previously, a district's new construction baseline would be reduced by any classrooms provided that were not included in a funding application submitted to the OPSC within 180-days of signing the project's construction contract.

The OPSC developed the following amendments with the assistance of the SAB Implementation Committee, and the SAB adopted the revisions its August 2003 meeting. It is anticipated that the regulations will be in effect in January 2004. The regulations also included "grandfathering" provisions for projects that were deemed to be ineligible based on the current regulation.

## What's New

The regulations now permit a district to submit a complete funding application to the OPSC up until the point that the classrooms included in the construction contract are occupied, as opposed to up to 180-days of signing a construction contract under current regulation. After the date of occupancy of any classrooms in the construction contract:

- The district will be ineligible to seek new construction funding; and,
- The pupil capacity of the classrooms will be reduced from the district's available new construction eligibility.

## Grandfathering Provisions

The SAB adopted regulations that provide "grandfathering" provisions for projects that were previously affected by the "180-day rule". These provisions contemplate two different scenarios that a district could request either an eligibility adjustment or funding due to the existing regulations, as follows:

**Eligibility Adjustments:**

The regulations provide for the following adjustments:

| If… | Then… |
|---|---|
| the project exceeded the 180-day rule but the district took a second reduction in their eligibility to receive State funding… | the district may request an increase to the new construction baseline eligibility by the number of pupils received in the second reduction. |
| the project has not received State funding and the district will be requesting funding under the provisions listed below and the pupils in the construction contract were previously reduced from the district's eligibility… | the district new construction baseline eligibility will be increased by the number of pupils previously reduced. |

**Funding Provisions:**

A district may request new construction funding for a project that was previously ineligible for State funding because the construction contract was signed more than 180 days prior to submitting a funding request to the OPSC, if all the following conditions are met:

- The Approved Application meets all requirements of Chapter 12.5; and,
- The contract for the lease, lease-purchase, purchase or construction has been signed on or after January 1, 2000; and,
- The district has new construction eligibility for the project. If the capacity of the project is included in the district's baseline, the district may exclude the capacity from its existing school building capacity for purposes of determining eligibility for this project; and,
- All project approvals required for a new construction funding application were obtained prior to the construction contract date.

If the application meets all criteria except the last one listed above, the district may request a case-by-case approval from the SAB.

- The grants will be limited to actual eligible expenditures and the funding provided will be calculated based on the grant amounts at the time the construction contract was signed. The project will not be eligible to receive project savings.

To take advantage of these provisions, it is important that you submit either a request for an eligibility adjustment in writing to the OPSC or a funding application *within 120 days of the regulation changes becoming effective.* Watch for information from OPSC on when this occurs.

## Who Do I Call If I Have Questions?

As always, questions regarding SFP New Construction projects may be referred to your OPSC Project Manager. More details are also available in the SFP Regulations located on the OPSC Web site at www.opsc.dgs.ca.gov.

Get To Know…

# OPSC's Information Systems Team

By Gretchen Winczner, Project Manager Assistant

***The OPSC Information Systems Team*** *(left to right): Chuchu Chen, Valerie Stanfield, Jeff Youell, Goldie DeWitt, Todd Hoig, Fiona Duong, Rashid Mir (Supervisor), and Alicia Johnson.*

When you walk into an office, what is the first thing that you see?—A smiling receptionist, the staff hard at work, and the office humming with computers that enable everyone to perform their duties as efficiently as possible for the Office of Public School Construction (OPSC). Have you ever thought about who it is that actually creates the computer programs that support all of us in our daily work? It is the OPSC Information Systems Team (IST), of course! We flip on the switch to our computer and dive into our work rarely giving pause to what the IST accomplishes for us and our customers. The IST maintains the OPSC database, automates services to make our business processes fast and efficient, and maintains the office's web applications including the project tracking system and project number generator (just to name a few).

The benefit of their hard work and the automation supported by the IST is most notably apparent when considering the OPSC processed over $9 billion to the State Allocation Board (SAB) within nine months of the voters passing the historic amount of $11.4 billion in K–12 State Bonds in November 2002. This is a colossal accomplishment by any standard but even more impressive considering the Bond legislation included several brand new programs, such as Charter School Facilities, Critically Overcrowded Schools and SFP Joint Use. The OPSC staff created the program regulations and processing details making complex issues manageable, working hand-in-hand with IST to ready ourselves for immediate filing timelines and approvals to the SAB. You are directly impacted by these benefits in countless ways; from accessing your eligibility and project tracking information on line to the ultimate goal of receiving fund releases to build and modernize your schools. So the question is… who are these amazing, behind-the-scene workers?

**Rashid Mir (Supervisor)**—holds a masters degree in Mechanical Engineering from University of California Davis. He has been working for the State for nine years, seven of which have been with the OPSC. He enjoys the job opportunities, the challenges, solving problems and in general making things easier for the users. He has been married for 14 years and has three children who keep him very busy!

**Chuchu Chen**—originally from China, she holds a degree in Mechanical Engineering. She was been working for the State and OPSC for over two years. She loves her job and what she does. She has been married for 19 years and has a teenage daughter; she enjoys reading, being indoors and taking care of her husband and daughter. An interesting fact is that she plays a musical instrument called the Yang.

**Goldie DeWitt**—an ardent Elvis fan, she has an extensive State service background beginning 23 years ago and gained her extensive computer skills through working her way up the ranks. She currently works for both Office of Technology Resource (OTR) and OPSC. She enjoys working for OPSC because of the friendly staff and mentioned that "the young people in the office keep her young". She has three daughters, one grandson and was recently engaged. Goldie and her new husband- to-be will be taking a cruise to Alaska next year.

**Fiona Duong**—holds a MIS degree from California State University Sacramento. This is her first State job and she has worked for OPSC for over two years. She enjoys the people here in the office and loves to learn new and challenging things. This is her first job out of college and has found it to be a great experience. She is a family-oriented woman who has been married for three years and has one daughter.

**Todd Hoig**—holds a degree in Physics from California State University Sacramento, and has worked for the State at OPSC for three years. He enjoys the fact that OPSC is large enough for work on large projects yet small enough for variety. He enjoys working in the IST and the entire office as a whole. Todd is recently engaged. He also enjoys playing softball, basketball and soccer. On his last vacation, he visited Italy and will be traveling to the Island of Kauai in the near future.

**Alicia Johnson**—with computer and programming background, she has been with OPSC for four years and with the State for over five years. She loves how this office is fast-paced and productive. She has been married for two years and has two Labrador Retrievers and a cat. Alicia and her husband have recently purchased a home and all her extra time is spent on renovating it.

**Valerie Stanfield**—holds a degree in Business and Public Administration from University of the Pacific. She has been with the State for five years, which three of those years have been with the OPSC. She was attracted to OPSC because of the advanced technology she found here. She came into her computer career quite unconventionally, her husband of nine years works at Intel—"if you can't beat them join them" is her motto. She lives in the country where she can enjoy her love of animals; Valerie's family includes dogs, cats and horses. She also enjoys playing the oboe, a classical orchestral instrument, and training animals in her spare time.

**Jeff Youell**—he is a gadget man, with an electronics and communications background. He has been with the OPSC for 19 years. He is credited with bringing in the first computer to OPSC in 1984. He works both for OTR and OPSC's IST in administration and networking. On his off time, he raises Egyptian Pharaoh Hounds, rides Harley's and is married with two kids.

# You and the OPSC—Jointly Improving Joint Use!

By Aneida Ramirez, OPSC Project Manager

The good news is that 18 School Facility Program (SFP) Joint Use applications totaling just over $16 million were funded by the State Allocation Board (SAB) at its July 23rd meeting. We had hoped more districts would file for the $50 million available for this program. The great news is that the SAB requested staff to look into some of the constraints that may have impacted districts and into ways to increase district opportunities for the next funding cycle. We solicited input from a wide variety of sources, including consulting with legislators and school advisors. At the August SAB meeting, staff reported on the prominent concerns and our recommended solutions. These items are anticipated to be addressed through current proposed legislation, Senate Bill (SB) 15 (Alpert).

## Joint Use Partner Contribution

In many instances, districts stated they were unable to locate a joint use partner willing or able to provide 50 percent of the eligible project costs. SB 15 proposes to modify the joint use partner's contribution to a minimum of 25 percent of the eligible project costs.

## Type I and Type II Projects as Part of a New Construction Project

Type I and Type II joint use projects must be a part of a new construction application, which means building classroom space. This is a concern for districts that need a new or enhanced facility, but do not need additional classroom space. It has been suggested to the OPSC to allow the Type I or Type II project to be part of a new construction *or modernization* application in order to address this concern.

## Existing Buildings to Participate in the Program

In some cases, districts would like to participate in the SFP Joint Use Program, but a building already exists where the joint use project would be located. SB 15 proposes the ability to reconfigure existing school buildings as a joint use project. It has been suggested to the OPSC to permit the district to then request like-for-like replacement modernization approval to rebuild the original, converted building to another portion of the campus.

## No Type I Applications Received

No Type I applications were received for the first funding cycle. Out of the 18 applications received, four were Type II and 14 were Type III. The OPSC received feedback to combine a Type I and Type II into category Type I only. SB 15 proposes program revisions that would address this concern.

## Stay Tuned!

Once signed into law, further discussions will occur at the SAB Implementation Committee meetings to develop the regulations to implement SB 15. We encourage your attendance and valuable input at these Committee meetings.

For more information regarding the SFP Joint Use Program, please visit the OPSC Web site at www.opsc.dgs.ca.gov. As always, please feel free to call your OPSC Project Manager, or contact Aneida Ramirez at 916.324.5703 or via e-mail aneida.ramirez@dgs.ca.gov.

# Proposition 47… Funds Put to Work

| PROGRAM | BOND ALLOCATION | FUNDS APPORTIONED | FUNDS RELEASED/CONTRACTED | FUNDS TO BE RELEASED |
|---|---|---|---|---|
| New Construction | $ 6,235,800,000 | $ 4,248,941,516 | $ 3,105,693,524 | $ 1,143,247,992 |
| Modernization | 3,294,200,000 | 3,275,664,339 | 1,627,463,252 | 1,648,201,087 |
| Charter School | 100,000,000 | 97,034,156 | 0 | 97,034,156 |
| Energy | 20,000,000 | 2,094,824 | 956,332 | 1,138,492 |
| Critically Overcrowded Schools | 1,700,000,000 | 1,697,872,847 | 0 | 1,697,872,847 |
| Joint Use | 50,000,000 | 16,186,513 | 0 | 16,186,513 |
| **TOTAL** | $11,400,000,000 | $ 9,337,794,195 | $ 4,734,113,108 | $ 4,603,681,087 |

# What's Happening with the Critically Overcrowded Schools Program?

By Jessica Parr, OPSC Project Manager

### Red Letter Day!!

The August 27, 2003 State Allocation Board (SAB) meeting was an important one for the Critically Overcrowded Schools (COS) Program. Fifteen school districts from around the State received preliminary apportionments for a total of 303 projects and over $1.69 billion! There was great interest in this new program. The Office of Public School Construction initially received 438 applications by the end of the 2003 filing period for an estimated State share amount of $2.1 billion. The applications received exceeded the $1.7 billion available from the November 2002 State Bond.

The COS Program provides for a preliminary apportionment or "reservation of funds" for anticipated future construction grant funding for qualifying school projects prior to submitting a complete School Facility Program (SFP) funding application.

### What's Coming in 2004?

There will be another opportunity for school districts to take advantage of the COS Program due to the potential school bond in March 2004! The second filing period for the COS Program will begin in January 2004. Please keep watch for additional information as it becomes available. With a successful bond election, the amount set aside for the COS program in 2004 will be $2.44 billion; even greater than the first round!

Districts with SFP new construction eligibility and school sites included on the California Department of Education's (CDE) Source School List may apply. To qualify for the CDE Source Schools List, school sites must have pupil densities of at least 115 pupils per acre for grades K–6 and 90 pupils per acre for grades 7–12, based upon 2001/2002 CBEDS enrollment data. To ensure inclusion on CDE Source School List, districts must certify their school site information by completing and submitting SFPD Form 4.16 to the CDE. Please keep in mind that districts must verify that they are on the Source School List before January 2004.

### What are Those Important Dates?

Now that you have a preliminary apportionment, be aware of the following dates:

- **Annually**—Progress reports due, based on the date of the preliminary apportionment.
- **August 27, 2004**—The CDE must verify at least one approvable site and must verify that the general location of the proposed school will serve the qualifying pupils assigned to the preliminary application (one year from the preliminary apportionment).
- **August 27, 2007**—Conversion to final apportionment (four years from the preliminary apportionment).
- **August 27, 2008**—Conversion to final apportionment (five years from the preliminary apportionment), if the district requested an extension pursuant to SFP Regulations Section 1859.148.1.

### Who Do I Contact for Questions?

For information regarding the CDE Source School List, contact Fred Yeager at 916.327.7148 or visit the CDE Web site at www.cde.ca.gov.

For assistance or additional information regarding the COS Program, please contact your OPSC Project Manager, or you may contact Jessica Parr at 916.327.1448 or by e-mail at jessica.parr@dgs.ca.gov, or T.J. Rapozo at 916.324.2557 or by e-mail at t.j.rapozo@dgs.ca.gov.

**Deferred Maintenance Regulation Changes…**

# New Project Category and Clarifications for Extreme Hardships

By Elizabeth Dearstyne, OPSC Project Manager

As a result of a new law, the Deferred Maintenance Program (DMP) regulations have been amended to incorporate an additional project category. The identification, sampling and analysis of building materials to determine the presence of lead containing materials is now an allowable expenditure. In order to accommodate this change, the *Five Year Plan*, Form SAB 40-20 has been revised to include the new project category and will be available for use by districts once the regulation becomes effective. It is anticipated that the regulations will be effective January 2004.

In addition, clarifying language was added to the extreme hardship section of the regulation to address the various types of replacement work may be performed. Specifically, the regulations establish guidelines for districts when it is appropriate to use a non like-kind material/system in replacement of a school facility component. As an example, the regulations allow for the replacement of a boiler system with HVAC units because the existing system is a no longer available. The intent of this change is to provide flexibility in the program and at the same time to encourage districts to use extreme hardship funds in the most cost effective manner.

For additional information, you may view the proposed regulatory changes on the OPSC's Web site at www.opsc.dgs.ca.gov. Please feel free to direct program questions to any of the following DMP staff:

- Rich Sheffield, Program Supervisor, 916.322.0329, rich.sheffield@dgs.ca.gov
- Rachel Wong, Project Manager, 916.445.7880, rachel.wong@dgs.ca.gov
- Erin Moore, Project Manger, 916.445.2704, erin.moore@dgs.ca.gov

# Congratulations on Your New School Openings!

By Dawn Barnhisel, OPSC Project Manager

Thank you for the great response to our recent queries about your new school opening information! It sounds trite, but it's true. Seeing the fruits of our labors is one of life's primary joys. It's no surprise, then, that one of the major highlights of working for the Office of Public School Construction (OPSC) is the opening of a new school. Nothing illustrates the singular expression of all of our hard work coming together better than the increased safety, efficiency, and aesthetics of a new facility.

Of course, all Californians have an interest and play some part in the development and expansion of our educational facilities. However, most new schools would not be built were it not for the hard work and collective efforts of several key entities, including the OPSC, the Division of the State Architect, the California Department of Education, and, of course, the school districts themselves! And we employees at OPSC are especially excited when we hear about new schools built in part through the efforts of our office.

We would be delighted to highlight your school opening, dedication, or groundbreaking in our Advisory Actions. However, to do so in a timely manner, we need your help—since we often do not know of the applicable details until we receive your project's expenditure report. Please reference the table below for the data necessary, and submit it along with your project's School Facility Program application number to:

Office of Public School Construction
ATTN: New School Openings/Dedications
1130 K Street, Suite 400
Sacramento, CA 95814

To offer more detailed information, please contact your OPSC Project Manager or Dawn Barnhisel at 916.323.4936; dawn.barnhisel@dgs.ca.gov. Please feel free to e-mail electronic photos with a brief project summary. Thank you for taking the time to enable us to share this invaluable information.

Heartfelt congratulations go out to the following districts on their newly opened schools:

| SCHOOL DISTRICT | COUNTY | SCHOOL NAME | OPENING DATE |
|---|---|---|---|
| Antioch Unified | Contra Costa | Meadow Creek Elementary | August 2003 |
| Capistrano Unified | Orange | Tesoro High | March 2003 |
| Compton Unified | Los Angeles | William Jefferson Clinton Elementary | March 2003 |
| Hemet Unified | Riverside | Diamond Valley Middle | May 2003 |
| Lake Elsinore Unified | Riverside | Lake Elsinore USD New High | May 2003 |
| Lodi Unified | San Joaquin | Ronald E. McNair High | August 2003 |
| Los Angeles Unified | Los Angeles | Hobart Elementary | October 2003 |
| Los Angeles Unified | Los Angeles | Huntington Park Elementary #3 | February 2003 |
| Los Angeles Unified | Los Angeles | Jefferson Primary Center #6 | August 2003 |
| Los Angeles Unified | Los Angeles | Lankershim Elementary (Addition) | October 2003 |
| Los Angeles Unified | Los Angeles | Ramona New Elementary | September 2003 |
| Los Angeles Unified | Los Angeles | South Gate Elementary #6 | September 2003 |
| Los Angeles Unified | Los Angeles | Stanford New Primary Center | July 2003 |
| Rocklin Unified | Placer | Rock Creek Elementary | August 2003 |
| San Diego Unified | San Diego | Stone Ranch Elementary | August 2003 |
| Tulare City Elementary | Tulare | New Heritage Elementary | August 2003 |
| Ukiah Unified | Mendocino | Grace Hudson Elementary | September 2003 |
| Val Verde Unified | Riverside | Lakeside Middle | October 2003 |
| Val Verde Unified | Riverside | Sierra Vista Elementary | October 2003 |
| Vista Unified | San Diego | Foothill-Oak Elementary | August 2003 |

## New Construction Application Activity

By Liz Yokoyama, OPSC Project Manager

Looking ahead to ensure we meet the districts' needs for new construction, staff reported on the School Facility Program (SFP) new construction application activity at the August 2003 State Allocation Board meeting. The report addressed a recent decline in applications and included findings for plausible explanations.

The report concluded that based on a survey and from information gathered from other sources, the decline in new construction applications appears to be cyclical and temporary, and does not represent a significant trend when viewed historically. Research indicates that the OPSC expects to receive $1 billion in new construction apportionments applications over the next six to nine months. This would result in less than $800 million remaining by March of 2004 in the new construction category. It appears likely that all Proposition 47 funding for all programs will be apportioned by summer of 2004.

The OPSC encourages districts to take action now to file your new construction and modernization SFP applications. There is much to accomplish for all of us to be ready for March 2004. Need assistance? Please feel free to pick up the phone and contact your OPSC Project Manager!

## Districts Continue to Show Need!

By Eric Bakke, OPSC Project Manager

We knew when Proposition 47 passed in November 2002, that the Bond provided a total of $3.3 billion for modernization projects ($1.9 billion for backlog projects and $1.4 billion for future projects). Immediately following the first apportionments in December 2002, our workload projections indicated that the modernization funds would likely be depleted by September 2003, and here we are. At the September 2003 State Allocation Board (SAB) meeting, the Board apportioned the last of the modernization funding from Proposition 47. The Office of Public School Construction (OPSC) has processed $3.3 billion in Proposition 47 modernization funding in 9 months!

This speaks volumes for the California school districts' needs to improve and modernize their schools. Beyond the $3.3 billion already apportioned, our records show that the districts have currently SAB approved modernization eligibility, for which funding applications have not yet been filed, for over 1.04 million pupils. These pupils represent an additional estimated $3.2 billion in potential modernization funding applications. This does not take into account those districts that have not filed for modernization eligibility for some or all of their campuses.

We want to help you be in good position for potential future funding. It is anticipated that in March of 2004, another bond measure will be presented totaling $10 billion for K–12, of which $2.25 billion is designated for modernization projects. Even though the current modernization funds have been exhausted, we are hopeful that the next bond measure will pass and provide desperately needed additional funding. As the SAB has done in the past, a modernization unfunded list will be prepared for all projects received and approved by the SAB.

Remember, by continuing to plan for and submit modernization funding applications to the OPSC, we are letting the California voters know that there is still a great need to be met to improve our school facilities, which will enable a better education for our children.

Reimbursement Guidelines…

## SFP Modernization Construction Contracts

By Leslie M. Barroga, OPSC Auditor

If your district requested School Facility Program (SFP) funding for modernization projects with construction contracts entered prior to the inception of Senate Bill 50, your project may not be eligible for reimbursement.

The law provides for SFP modernization if the construction contract signature and expenditures occur on or after August 27, 1998.

It is also important to us that you are aware of the following guidelines:

- Prior Lease-Purchase Program (LPP) Modernization Projects[1]—Transitional Project: LPP Phase C and P projects approved prior to November 4, 1998 with construction contracts signed prior to August 27, 1998 may only be submitted for reimbursement if the project received Division of the State Architect (DSA) approval of the plans prior to November 4, 1998.
- If your modernization project has multiple sets of DSA approved plans that will be submitted as one project to our office be sure that the construction contract is signed after August 27, 1998 and all of the DSA approvals are after November 4, 1998, unless the project meets the transition requirements listed above. Non-transitional projects submitted with a mixture of DSA plan approval dates, some prior to November 4, 1998, will result in the project not being eligible for State reimbursement. The district has the option to re-submit the project for the work in the plans approved by DSA after November 4, 1998 and for the construction contract signed after August 27, 1998.
- We are also encountering projects with DSA plan approvals after the inception of the SFP law, but some construction expenditures reported were incurred prior to the inception of the SFP law. The entire project would not be eligible for State reimbursement but the district may re-submit the application as stated above.

Please use the above guidelines when submitting applications for modernization reimbursement to meet the requirements for reimbursement. If you have any questions regarding this issue, please contact Noé Valadez, Audit Supervisor at 916.322.7628 or Lien Hoang, Audit Supervisor at 916.322.0315.

[1] Regulation Section 1859.14, 1859.15 and 1859.79.1.

# Status of Funds

| PROGRAM | BALANCE AVAILABLE AS OF AUGUST 27, 2003 |
|---|---|
| **PROPOSITION 47** | |
| **New Construction** | |
| New Construction | $ 1,974.6 |
| Charter School | 0.5 |
| Energy | 13.5 |
| **Modernization** | |
| Modernization | 18.4 |
| Energy | 4.5 |
| **Critically Overcrowded Schools** | 2.1 |
| **Joint Use** | 33.8 |
| **TOTAL PROPOSITION 47** | $ 2,047.4 |
| **PRIOR BOND FUNDS** | |
| **Contingency Reserve** | 24.5 |
| **AB 191** | 0.2 |
| **Prior Bond Funds Subtotal** | $ 24.7 |
| **TOTAL PROPOSITION 47 AND PRIOR BOND FUNDS** | $ 2,072.1 |

**Notes:** Amounts shown above are in millions of dollars.
The SAB funded $146,874.34 for the Deferred Maintenance Program.

August 27, 2003

# LPP Projects—Construction Cost Indices

| INDEX | RATE |
|---|---|
| **Class "B" Buildings** | **1.47** |
| **Class "D" Buildings** | **1.47** |
| **Furniture and Equipment** | **1.42** |
| **Historical Savings Index** | **8.25** |

## Index Definitions

**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 http://www.opsc.dgs.ca.gov. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.

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