

ADVISORY ACTIONS

ISSUE NO. 02

from the State Allocation Board
meetings held on
March 30 and May 3, 2005

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State Allocation Board Implementation Committee

OPSC Reminders

STATE ALLOCATION BOARD MEETINGS*

- Wednesday, May 25, 2005
- Wednesday, June 22, 2005

IMPLEMENTATION COMMITTEE MEETINGS*

- Friday, June 3, 2005
- Friday, July 8, 2005

PROGRAM FILING PERIODS

School Facility Program (SFP) Joint Use:

- Application Submittal: June 1, 2004 – May 31, 2005
- Target SAB Date: July 27, 2005

Deferred Maintenance Program (DMP):

- Application Submittal: June 30, 2005
- Target SAB Date: December 2005

The following forms are due September 1, 2005:

- SAB 406C, Community Schools Facilities Report
- SAB 406E, Expelled Pupils Facilities Report

WILLIAMS SETTLEMENT LEGISLATION

School Facilities Needs Assessment Grant Program:

- Web-Based Needs Assessment Report (Form SAB 60-01) one for each eligible school due January 1, 2006.

School Facilities Inspection System:

- All LEAs must establish a school facilities inspection system in order to participate in the SFP and DMP by July 1, 2005, regardless of if the district or county has a decile 1–3 school.

ANNUAL UNUSED SITES REPORTING

- Certification of Unused Sites (Form SAB 423) due June 30, 2005.
- Modification of Unused Sites Status (Form SAB 424) for each site with a modification due June 30, 2005.

INTEREST EARNED REPORT (FORM SAB 180)

- Due quarterly (March 31, June 30, September 30 and December 31) from each county for all districts that earned interest from the Leroy F. Greene Lease-Purchase Program.



from the desk of Luisa Park, Executive Officer

State Allocation Board Appointments

AS OF THE MAY 3RD STATE ALLOCATION BOARD (SAB) MEETING, SAB appointments have been made which provide new Board membership and staff. I am pleased to announce that Governor Schwarzenegger appointed Rosario Girard to the SAB. Ms. Girard is President and founding CEO of Phoenix Construction Services, a general engineering company specializing in railroad bridge construction and construction maintenance.

It is also my pleasure to announce that the SAB, at its May 3rd meeting, appointed Mavonne Garrity as the Assistant Executive Officer of the Board. Mavonne has been serving as the Interim Assistant Executive Officer of the Board and brings a rich background in school facilities related issues, including her experience as a California State Assembly Education Committee Consultant.

The diverse and extensive credentials of each of the Board members and their appointees will be helpful as the Board addresses a multitude of challenging issues. For example, the Board requested the Office of Public School Construction (OPSC) to present information at the SAB Implementation Committee meetings to solicit stakeholder feedback related to two reports that were presented to the Board at its May 3, 2005 meeting. The issues, regarding the use of "residual" modernization grants on school sites other than the site that generated the modernization eligibility and financial hardship funding, will be discussed at the June 3rd Committee meeting in Sacramento. The meeting details can be located on the OPSC Web site.

The OPSC recently concluded its Statewide Williams Settlement legislation workshops and during the month of May, the OPSC will be conducting School Facility Program outreach workshops throughout California. I encourage you to take advantage of the opportunity to receive updated program information from our OPSC supervisory and management team. To learn more and to register, please view the OPSC Web site at www.opsc.dgs.ca.gov.

In closing, I wish to congratulate the recent appointees. *I look forward to the opportunity of working together!*

IMPORTANT REMINDER!

Annual Deferred Maintenance Submittals

BY BILL JOHNSTONE, OPSC PROJECT MANAGER

June 30, 2005 is the final filing date to submit a new or revised Deferred Maintenance Program Five-Year Plan (Form SAB 40-20) to the Office of Public School Construction (OPSC) for reimbursement of work completed in the 2004/2005 Fiscal Year. To assist you in completing your plan, please refer to the *Deferred Maintenance Handbook* and the instructions on Form SAB 40-20 available on the OPSC's Web site. It is important to note that school districts are required to use the most current version of the Five-Year Plan (Rev. 08/03).

Deferred Maintenance Extreme Hardship applications are also due no later than June 30, 2005, in order to be considered for available funds from the current fiscal year. It is anticipated that these funds will be allocated at the State Allocation Board meeting in December 2005. For application submittal requirements, please refer to the *Deferred Maintenance Handbook*.

Should you have any questions or need additional information, please contact Bill Johnstone, Project Manager, at 916.323.8176.

Prototype School Designs Web Site

BY TIM LANGE, OPSC PROJECT MANAGER

The Prototype School Designs Web Site was established by the State Allocation Board and Office of Public School Construction (OPSC), in May of 1999, as a comprehensive source of school planning and design information. The Prototype School Design database is a valuable resource of recently approved school plans; these include site plans, floor plans, construction data, school and architect contact information, and construction cost detail. Districts can search for plans by a variety of criteria, including location, size, cost, and grade level. Currently, the OPSC has posted design submittals from a variety of architectural firms, which include designs for elementary, middle, and high schools.



How Does This Service Benefit A District?

The database is an excellent source for districts to locate school facility planning ideas and designs for plans that have received Division of the State Architect and California Department of Education approvals within the last few years.

The potential benefits to districts are substantial:

- ▶ Assist districts in planning schools.
- ▶ Provides a catalogue of a wide range of projects and planning ideas in one place.
- ▶ Savings in design phase time (a reduction in design time up to one year is possible depending on the project scope).
- ▶ Savings in plan approval times.
- ▶ Advantage in obtaining competitive bids—savings in total costs to construct.

Architects and building manufacturers are invited to participate by submitting information about their projects. A submittal guide, that details the specific submittal requirements, can be found at the Web address below. The information posted for each school includes a site plan, floor plan, three or four photographs, and a summary of vital information about the school including the cost of construction, capacity and square footage. The OPSC looks forward to receiving submittals to continue developing this comprehensive Web site database and solicit district support in encouraging client architects to participate.

We encourage you to access and use this service. If you have an innovative design that you would like to share with other school districts, please contact your Architect and encourage them to submit it to the OPSC. Instructions for an architect submittal are included on the prototype database Web page at www.opsc.dgs.ca.gov/planupload/.

Questions may be directed to Tim Lange, Project Manager, on the Plan Verification Team at 916.445.0506.

JOINT-USE SCHOOL FACILITY PROGRAM

Time is Almost Up!

BY RACHEL WONG, OPSC PROJECT MANAGER

We are fast approaching the end of the filing period to apply for funding under the Joint-Use School Facility Program (SFP). There is an estimated \$60 million available for qualifying joint-use projects to be considered for funding at the July 2005 State Allocation Board (SAB) meeting. This program allows a school district to utilize funds from a joint-use partner to build a joint-use facility that the district would not otherwise be able to build due to lack of financial resources.

The following are important facts to remember:

- ▶ The final filing date is **May 31, 2005**. If you have already submitted your joint-use plans to DSA, it may be a good idea to advise the Division of the State Architect (DSA) that the plans are for a Joint-Use SFP project. For future projects, remember to include a cover letter informing the DSA that the plans are a Joint-Use SFP project.
- ▶ Districts must be able to demonstrate that the joint-use project will be located on a K–12 grade school site and must have clear ownership of the site (including annexations of property to existing sites) unless the district has an appropriate ground lease pursuant to SFP Regulation Section 1859.22. For Type II Joint-Use projects, the joint-use agreement must be signed prior to SAB approval of the companion SFP project.

For application submittal documents and other relevant information regarding the Joint-Use SFP, please view the *School Facility Program Handbook* at the OPSC Web site at www.documents.dgs.ca.gov/opsc/PDF.Handbook/SFP.Hdbk.pdf or contact Rachel Wong at rwong@dgs.ca.gov or 916.445.7880.

GOOD NEWS FOR SCHOOL DISTRICTS!

An Increase to the 2005 Annual Adjustment Grant

BY HEATHER DOHERTY, OPSC PROJECT MANAGER

The regulatory amendments to delete the reference to a specific Class B Construction Cost Index (CCI) were approved in February 2005 by the Office of Administrative Law. Deleting the reference to a specific Class B CCI allows the SAB to determine which index accurately reflects school construction costs.

At the March 2005 SAB meeting, the Board approved the Marshall & Swift, 8 California Cities Class B CCI for the 2005 Grant Adjustment Amount; the index was concurrently approved for two additional years and will be re-evaluated at the January 2007 SAB meeting. Until then, an annual adjustment item will be taken each January with the updated 8 California Cities Class B CCI.

The 8 California Cities Class B CCI best represents California construction industry costs. This means that projects approved for 2005 will receive a 0.81 percent increase over the January 2005 Grant Adjustment apportionments which equates to a total 12.07 percent increase from last year's 2004 grant amounts.

Staff presented an item at the April SAB meeting to adjust the January through March 2005 School Facility Program projects for an increase to the Grant Amount Adjustment, as appropriate.

If you have questions about your specific projects or if you need additional information, please contact your OPSC Project Manager.

Williams Update

BY ELIZABETH DEARSTYNE, OPSC PROJECT MANAGER

Workshops

The Office of Public School Construction (OPSC) along with the California Department of Education’s School Facility Planning Division recently concluded a series of eight workshops throughout the State to inform school districts, county offices of education, and other interested parties of the school facility requirements under the Williams settlement. The OPSC would like to thank the various county offices of education that provided facilities to host the event as well as the attendees. The following information was covered in the workshop:

- ▶ School Facilities Needs Assessment Grant Program and Emergency Repair Program regulations—*recently adopted by the State Allocation Board (SAB)*
- ▶ Components and uses of the Interim Evaluation Instrument
- ▶ On-line demonstration of the Web-based forms for the School Facilities Needs Assessment Grant Program
- ▶ Changes to the school facility section of the School Accountability Report Card
- ▶ Amendments to the Uniform Complaint Process

If you were not able to attend a workshop or need a refresher on those requirements, please refer to Issue No. 01-2005 of the OPSC Advisory Actions or you may view the PowerPoint presentation from the workshop on the OPSC Web site.

School Facility Needs Assessment Update

School districts with school sites that are required to complete a needs assessment by January 1, 2006 should have already selected or be in the process of hiring a qualified inspector(s) to complete the needs assessment. The OPSC is in the process of compiling the April 29, 2005 survey responses on the progress that has been made thus far in completing the assessments into a report to the Governor and Legislature. It is anticipated that the report will be presented to the SAB at the June 22, 2005 meeting.

Integrating the Interim Evaluation Instruction with the School Accountability Report Card and Facility Inspection System (IMPACTS ALL SCHOOL DISTRICTS AND COEs)

The Interim Evaluation Instrument (IEI) is the definition of “good repair” and measures if a school facility is maintained in a manner that assures it is clean, safe, and functional. Thirteen components of a school facility are evaluated as part of the IEI. Each school district or county office of education at some point should be using the IEI regardless if the district or county has a decile 1–3 school. The following chart provides guidance on the various uses of the IEI:

ENTITY	USE
School Districts	<ul style="list-style-type: none"> • Completing the school facility section of the School Accountability Report Card (SARC) for all district schools • Establishing a Facilities Inspection System (FIS) after July 1, 2005 for all schools, if participating in the School Facility Program (SFP) or Deferred Maintenance Program (DMP) to ensure each school is maintained in “good repair”
County Offices of Education	<ul style="list-style-type: none"> • Completing the school facility section of the SARC for all schools • Establishing a FIS after July 1, 2005 for all county operated schools, if participating in the SFP or DMP • Oversight responsibilities at deciles 1–3 schools

Senate Bill 550 modified Education Code (EC) Section 17070.75(e), which requires that school districts or county offices of education participating in the SFP or DMP after July 1, 2005 establish a FIS. The requirements of the FIS are not defined in law other than to say that the system should ensure that each school of the district or county is maintained in good repair. The design of the FIS should be determined at the local level. The one exception is for the school sites that will perform a needs assessment because the site was identified as being in deciles 1–3 on the 2003 Academic Performance Index and was newly constructed prior to January 1, 2000. The needs assessments conducted at these school sites are to be the baseline for the FIS (EC Section 17592.70(d)(3)).

For additional information regarding the changes to the SARC template, please visit the California Department of Education’s Web site at www.cde.ca.gov/ta/ac/sa/.

If you have any questions on any of the requirements for the Williams settlement, please contact your OPSC Project Manager for assistance.

IMPORTANT REMINDER

Timeline for Reimbursement of SFP New Construction Funding

BY LINDSAY KEYES, OPSC PROJECT MANAGER

As part of our ongoing district support, we would like to remind you that requests for School Facility Program (SFP) funding of new construction projects must be submitted to Office of Public School Construction (OPSC) within a very specific timeframe in order to be considered for an apportionment. Please remember that applications for new construction funding must be accepted by the OPSC *prior to occupancy* of any classroom in the project in order to be eligible for funding. As of July 2004, if a district enters into a construction contract before filing an application for new construction funding and occupies one or more of those classrooms, all classrooms constructed as part of that contract become ineligible for new construction funding.

Please contact your OPSC Project Manager for more information regarding this and other regulation changes that may affect your ability to seek SFP funding.

New Worksheet for Relocation Expenses

BY DON HARTIN, OPSC AUDITOR

Projects funded through the School Facility Program may be entitled to an additional grant for approved relocation expenses that conform to Title 25, of the California Code of Regulations, Section 6000, et seq (Regulation Section 1859.74(b)(1)). A page was added to the Expenditure Worksheet to capture the relocation costs reported by the district. The worksheet can be located on the Office of Public School Construction (OPSC) Web site.

How will using the worksheet benefit the districts?

- ▶ The new relocation worksheet makes it easier to track relocation expenditures.
- ▶ The audit will be more effective because the worksheet provides clearer identification of relocation costs for each displaced entity and/or vendor.

Should you require assistance finding the Expenditure Worksheet on the Web site or have any questions, please contact the OPSC Audit Team at 916.322.7014.

School Groundbreakings and Openings

BY CHRISTINE SANCHEZ, OPSC PROJECT MANAGER

The Office of Public School Construction is always pleased to share in the excitement of a groundbreaking or new school facility. These successes are the building blocks that symbolize all of the hard work of the school district and other key entities involved. Let's keep up the great work!!!

The Office of Public School Construction would like to congratulate the following districts for their new school groundbreakings and dedication ceremonies.

SCHOOL DISTRICT	COUNTY	PROJECT	GROUND BREAKING
Los Angeles Unified	Los Angeles	Central Los Angeles New High School #2	April 2005

SCHOOL DISTRICT	COUNTY	PROJECT	DEDICATION DATE
Coachella Valley USD	Riverside	Las Palmitas Elementary School (K-12 Educational Park)	April 2005
Coachella Valley USD	Riverside	Toro Canyon Middle School (K-12 Educational Park)	April 2005
Coachella Valley USD	Riverside	Desert Mirage High School (K-12 Educational Park)	April 2005
Hawthorne Unified	Los Angeles	Jefferson School	April 2005
William S. Hart Union High School	Los Angeles	Golden Valley School	April 2005

To help us highlight your celebrations, please reference the table above for the necessary data, and submit the information with your project's School Facility Program application number to the Office of Public School Construction, attention New School Dedications and Groundbreakings.

AS OF MAY 3, 2005

Proposition Funds Put to Work

PROGRAM	BOND ALLOCATION	APPORTIONED	RELEASED/CONTRACTED
PROPOSITION 55			
New Construction	\$ 4,960,000,000	\$ 0	\$ 0
Modernization	2,250,000,000	729,221,792	463,289,583
Charter School	300,000,000	276,810,763	1,919,303
Critically Overcrowded Schools	2,440,000,000	1,887,970,777	0
Joint Use	50,000,000	0	0
Total Proposition 55	\$ 10,000,000,000	\$ 2,894,003,332	\$ 465,208,886
PROPOSITION 47			
New Construction	\$ 6,250,000,000	\$ 5,884,462,508	\$ 5,567,825,573
Modernization	3,300,000,000	3,283,944,725	3,222,410,007
Charter School	100,000,000	97,034,156	0
Critically Overcrowded Schools	1,700,000,000	1,681,404,400	16,324,182
Joint Use	50,000,000	39,562,840	14,967,072
Total Proposition 47	\$ 11,400,000,000	\$ 10,986,408,629	\$ 8,821,526,834
Grand Total	\$ 21,400,000,000	\$ 13,880,411,961	\$ 9,286,735,720

AS OF MAY 3, 2005

Status of Funds

PROGRAM	BALANCE AVAILABLE
PROPOSITION 55	
New Construction	\$ 4,925.0
Charter School	
DTSC/Relocation	13.1
Hazardous Material	2.6
Energy	14.0
Small High School	20.0
Modernization	1,474.9
Energy	5.8
Small High School	5.0
Critically Overcrowded Schools	
15% COS Unrestricted Fund Available	283.0
Available	269.0
Joint Use	50.0
Total Proposition 55	\$ 7,062.4
PROPOSITION 47	
New Construction	\$ 155.2
Charter School	0.5
Energy	6.4
Modernization	0.0
Energy	3.9
Critically Overcrowded Schools	
Reserved	18.6
Joint Use	10.3
Total Proposition 47	\$ 194.9
Grand Total	\$ 7,257.3

Note: Amount shown are in millions of dollars.

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

REGULATIONS UPDATE

Typically, emergency regulatory tracts take approximately 30–45 days to become an effective emergency regulation after they are approved by the State Allocation Board (SAB) and prior to filing with the Office of Administrative Law. Non-emergency regulatory tracts take 120–180 days from the date the SAB approves the agenda item until the regulation(s) become effective.

The following regulation amendments were approved at the March 30, 2005 State Allocation Board meeting.

NON-EMERGENCY

Critically Overcrowded Schools Final Apportionment Eligibility

BY JESSICA LOVE, OPSC PROJECT MANAGER

On March 30, 2005, the State Allocation Board (SAB) approved changes to the School Facility Program (SFP) Regulations in order to implement Assembly Bill 2950, Chapter 898, Statutes of 2004 (Goldberg). These amendments added alternative methods for a district to justify project eligibility when converting a Preliminary Apportionment to a Final Apportionment under the Critically Overcrowded School (COS) Facilities Program.

The COS Program was created in 2002 to provide for a Preliminary Apportionment or “reservation of funds” for anticipated future construction grant funding for qualifying school projects to relieve overcrowding. Participant school districts then have up to four or five years to submit a complete, adjusted grant funding application under the provisions of the SFP.

In June 2004, the SAB was presented a report which indicated that due to declining enrollment in certain grade levels or when reporting enrollment of attendance, as required in the Cohort Survival Enrollment Projection (CSEP) system, certain districts may be unable to substantiate their project(s) at conversion to Final Apportionment. In response to the June report, the Governor signed into law Assembly Bill 2950 in September 2004 providing these alternative justification methods for projects that were funded out of

the Kindergarten-University Public Education Facilities Bond Act of 2002. In addition to the traditional five-year enrollment projection process utilizing the CSEP, the alternative methods set forth in Assembly Bill 2950, when compared to the district’s school building capacity, are as follows:

- ▶ Project justification may be generated using current year enrollment.
- ▶ Districts reporting on a High School Attendance Area (HSAA) basis also have the option of utilizing current or projected pupil residence information.

Under a residency method for project justification, pupil eligibility is recognized within a HSAA without being depicted in the traditional manner based on California Basic Educational Data System enrollment. However, these pupils may be influencing new construction eligibility elsewhere throughout the district; therefore, a method was implemented to sort the district’s total new construction eligibility. In order to avoid a potential duplication of pupil reporting, migrating pupils transferred to another HSAA and used to justify a Final Apportionment will be temporarily reduced at a pro-rated amount from each originating HSAA’s SFP new construction eligibility baseline.

To view additional information regarding this regulatory amendment, please view the OPSC Web site at www.opsc.dgs.ca.gov.

For any of your questions, please contact your OPSC Project Manager.



STATE ALLOCATION BOARD'S

Implementation Committee

MAVONNE GARRITY, ASSISTANT EXECUTIVE OFFICER, STATE ALLOCATION BOARD

At the previous meetings...

The following topic was discussed at the March 4th, April 8th and May 6th meetings of the State Allocation Board (SAB) Implementation Committee.

SMALL HIGH SCHOOL PILOT PROGRAM

The Implementation Committee wrapped up discussions on proposed regulations for Assembly Bill (AB) 1465, Chapter 894, Statutes of 2004 (Chan), at its May 6th meeting. The proposed AB 1465 regulations will be sent to a future SAB meeting for review and approval.

AB 1465 creates a pilot program that will, beginning on January 1, 2006, provide additional funding under the School Facility Program (SFP) for the purposes of constructing new Small High Schools. A "Small High School", for purposes of this bill, is defined as a high school with an enrollment of 500 pupils or less.

AB 1465 set aside a total of \$25 million for Small High School projects; \$20 million for new construction and \$5 million for modernization. The law requires State agency academic and cost studies after the program completion.

Through SFP Modernization, the bill provides for the reconfiguration of existing high schools into smaller schools of two or more that would foster higher academic performance and success in a small high school environment. Reconfiguration grants are proposed to be funded as part of a SFP modernization project and as a separate apportionment that does not require a district contribution.

The New Construction portion of the pilot program requires that the participating school district build a new, stand alone, small high school. The bill calls for a broad geographic representation of school districts taking part in the pilot program. The Implementation Committee developed an application ranking system to ensure geographic diversity. In addition, the Committee worked closely with the California Department of Education (CDE) in outlining requirements for an academic strategy plan that will be a component of the application for conceptual approval to the pilot program. Pilot program new construction applicants will include a CDE scored academic strategy plan in their application. The ranking system will utilize the scores in cases where there is more than one applicant meeting the same geographic/locale criteria.

The program will continue through December 31, 2007, unless a later statute is enacted that deletes or extends that date, or until all funds are exhausted.

For further details, you may refer to the Implementation Committee section of the OPSC Web site where the Committee discussion items and minutes are posted under Agenda History.

Watch for...

The following topics will be discussed at a future Implementation Committee meeting. You may log onto the OPSC Web Site at www.opsc.dgs.ca.gov/SAB/Imp_Calendar.htm to view the agenda for the next committee meeting and determine items of interest are scheduled.

RESIDUAL MODERNIZATION GRANTS

Discussion in response to the report presented to the State Allocation Board on May 3, 2005.

FINANCIAL HARDSHIP EQUITY ISSUES

Discussion in response to the report presented to the State Allocation Board on May 3, 2005.

180-DAY REGULATION FOLLOW-UP

Discussion will be conducted regarding District Funded Facilities Included in Existing School Building Capacity.

The next meetings...

The SAB Implementation Committee meetings will be held on Friday, June 3rd in Rooms 72.149B and 72.148C at 1500 Capitol Avenue in Sacramento; and Friday, July 8th at the Legislative Office Building, Room 100 at 1020 N Street in Sacramento.