

# ADVISORY ACTIONS

## ISSUE NO. 05

from the State Allocation Board meetings held on October 26 and December 15, 2005

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### State Allocation Board Implementation Committee

## OPSC Reminders

### STATE ALLOCATION BOARD MEETINGS\*

- January 25, 2006
- February 22, 2006
- March 22, 2006

### IMPLEMENTATION COMMITTEE MEETINGS\*

- January 5, 2006 (Thursday)
- February 3, 2006
- March 3, 2006

### PROGRAM FILING PERIODS

- Joint-Use Program Applications – May 31, 2006

### 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.

### DEFERRED MAINTENANCE REPORTING

- February 13, 2006 – County Office of Education Certification of District Match
- March 1, 2006 – School districts report to Legislature due if less than required match made or certification not made.

### 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.

\* For the latest meeting dates, times and locations, check the OPSC Web site.



from the desk of Luisa Park, Executive Officer

I appreciate the warmth and support extended to me since my reappointment in February 2005 as the Executive Officer of the State Allocation Board (SAB) and Office of Public School Construction (OPSC). It has been yet another extremely busy year yielding incredible results. Reflecting on the past year's accomplishments, application requests for new construction funding have averaged \$154 million a month and \$134 million a month for modernization funding, which brings the total amounts provided from the School Facility Program since its inception to the following:

SCHOOL FACILITY PROGRAM	APPORTIONMENTS	FUNDS RELEASED	NUMBER OF PUPILS HOUSED	NUMBER OF PROJECTS
New Construction	\$14,478,511,045	\$ 8,948,516,904	963,418	3,150
Modernization	7,575,087,686	6,775,933,689	2,274,557	4,438
<b>Totals</b>	<b>\$22,053,598,731</b>	<b>\$15,724,450,593</b>	<b>3,237,975</b>	<b>7,588</b>

This data represents far more than dollars and numbers; it represents smiles on faces on our California children as they learn in new or renovated school facilities... the real evidence of our labors. The smiles are not as result of individual feats, but rather a collaborative effort among school districts, architects, consultants, the community, and State and local agencies in providing much needed classrooms and improvements.

I am equally pleased to announce that the SAB provided 100 percent matching funds to the basic apportionment for the Deferred Maintenance Program at its December 2005 meeting. This is a significant achievement to aid in the continued maintenance of our existing school facilities, which is important to all of California's student population, school districts and the State.

In addition, new legislation has changed some of our programs. Discussions on the 2005 legislative changes are wrapping up at the SAB Implementation Committee meetings and the regulatory changes will be addressed by the SAB in the near future. Included with this edition of the advisory is a summary of the pertinent legislation on school facility construction.

We look forward to working with you on the challenges for 2006 as there is much more to accomplish. You can count on hearing from us and we welcome your calls in order to help you access the remaining program funds. The SAB has \$4.5 billion in new construction, \$592 million in modernization, and \$201 million in Emergency Repair Program funds. To learn more about your district's eligibility for these programs, please feel free to call your OPSC Project Manager, as well as access the OPSC Web site.

As we continue our work together, it is critical that districts and their school boards be aware of the importance of program certifications made when applying for State funds. There are many legal requirements that have to be met prior to requesting an apportionment for a project or met after an apportionment is made that can impact the district's apportionment. If the district is unable to substantiate the certifications, it may jeopardize the State funding. Take time to familiarize yourself with the certifications you are making as a condition of receiving State funding. Taking proactive steps at the onset of your project is the best way to avoid problems later.

Congratulations and Happy New Year!

*Luisa M. Park*

## Stop... Don't Sign That Contract!!!

BY DARLENE J. NEWMAN, OPSC PROJECT MANAGER

It is critical that school districts be aware of a law which may impact their ability to obtain State funding, or technically impact the expenditure of any public funds. The law requires school districts to obtain Division of the State Architect (DSA) approval of any project's final plans and specifications prior to signing construction contracts for the construction or alteration of any school building. This law ensures that the facilities meet the legal requirements and codes for structural safety, fire and life safety, and accessibility. This practice upholds each of our goals in providing safe and adequate housing for California's students.

Construction contract signature dates occurring prior to the final approval date of the DSA, as signified by the date of the approval letter issued by the DSA, could jeopardize the districts' ability to receive State funding. Our goal at the OPSC is to provide districts clarity with this process in order to maintain the viability of your project applications. If you have any questions regarding your funding applications, please contact your Project Manager.

# Deferred Maintenance Annual Apportionment

BY BILL JOHNSTONE, OPSC PROJECT MANAGER

On December 15, 2005, the State Allocation Board (SAB) approved the 2004/2005 Fiscal Year funding for the Deferred Maintenance Program (DMP).

Over one thousand school districts shared approximately \$285 million in State DMP funding provided primarily by the Governor's Budget and other funding sources, to perform major maintenance work on school facilities. Of the approximately \$285 million available for the DMP, the SAB set aside over \$20 million for Extreme Hardship projects. This funding year, districts received 100 percent of the Maximum Basic apportionment allowed. There were fifty-five school districts that received Extreme Hardship apportionments.

The following chart provides a summary of available State funding:

DEFERRED MAINTENANCE PROGRAM FUNDS	STATE FUNDS AVAILABLE	FUNDING REQUESTS	BALANCE
Basic	\$263,195,897	\$263,195,897	\$ 0
Extreme Hardship	21,206,540	20,798,093	408,447
<b>TOTAL</b>	<b>\$284,402,437</b>	<b>\$283,993,990</b>	<b>\$ 408,447</b>

## How does the district receive their Basic Apportionment funds?

The district's county office of education (COE) must certify to the Office of Public School Construction (OPSC) by February 13, 2006, that school districts within their county and the COE have deposited the required matching funds into their District Deferred Maintenance Fund (DDMF). The Certification of Deposits, Form SAB 40-21, should also be mailed to the following address:

**Office of Public School Construction**  
**Attention: Accounting Unit**  
 1130 K Street, Suite 400  
 Sacramento, CA 95814

## What happens if our district does not deposit the required amount?

If a district does not have sufficient matching funds in the DDMF, or if the Certification of Deposits is not received within the timeline, the Basic grant or a portion of the Basic grant not deposited will be rescinded at the next available SAB meeting after February 13, 2006. If a district's deposit is less than the required amount, the State will match that deposited amount on a dollar-for-dollar basis. Under both of these circumstances, the district will need to submit a report to the Legislature by March 1, 2006. Please refer to Education Code Section 17584.1 for the requirements of the report.

Please be advised that it is important for school districts with deciles 1-3 schools (based on the 2003 Academic Performance Index) to deposit their required matching funds in order to be eligible for potential Emergency Repair Program projects.

## Our district received an Extreme Hardship apportionment, what's next?

The district is encouraged to proceed with the project immediately in order to ensure the health and safety of students and staff, and to prevent further damage to the facilities. Please keep in mind that the project must comply with all applicable laws and all work must be bid in accordance with the Public Contract Code. Additionally, all contracts must comply with the related Education Codes, Government Codes, California Code of Regulations (Title 24), and any local legal requirements.

## How does a district receive Extreme Hardship funds?

A district has up to one year from the date of the apportionment to complete their extreme hardship project and to request a fund release. However, if the district has not requested a fund release within six months of the date of apportionment, the district is required to submit a progress report to the OPSC. To request a fund release, complete a Fund Release Authorization, Form SAB 40-23, attach the supporting documentation listed on the form, and submit to the OPSC. All DMP forms are available from OPSC's Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).

For additional information about the DMP, please contact Bill Johnstone, Project Manager, at 916.323.8176 or Jeremy McCarroll, Project Manager, at 916.445.1346. Should you have questions regarding fiscal requirements, please contact Darlene Ramos, Fiscal Services, at 916.445.8041.

# 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 revised regulations were approved by the Office of Administrative Law on October 27, 2005 and are now in effect.

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 with a one year extension, to submit a complete adjusted grant funding application under the provisions of the SFP.

Now, besides the traditional five-year enrollment projection process utilizing the Cohort Survival Enrollment Projection, the alternative methods for project justification set forth in Assembly Bill 2950, when compared to the district's school building capacity, are as follows:

- Using current year enrollment.
- Using current or projected pupil residence information, for districts reporting on a High School Attendance Area (HSAA) basis only.

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. For more information on justifying eligibility for a COS conversion project or how using AB 2950 may affect your district, please contact your OPSC Project Manager.

# Are You In Need Of A Relocatable Classroom?

BY ERIC BAKKE, OPSC PROJECT MANAGER

As you are aware, at the August 24, 2005 State Allocation Board (SAB) meeting, the Office of Public School Construction (OPSC) presented a report that called for the phase-out of the State Relocatable Classroom Program (Program). The report was brought forth for the SAB's consideration due to the increasing size of the Program and the general condition of an aging fleet. After careful review and consideration, the SAB decided that it would be in the best interest of the State of California and school districts alike if the Program was phased-out.

The OPSC subsequently presented the SAB with a detailed Phase-Out Plan (Plan) at the October 26, 2005 Board meeting. The Plan details the systematic approach that will be used to dispose of the State Relocatable Classrooms. One of the main components of the Plan included a proposal that would allow school districts to purchase a relocatable classroom without a reduction to its new construction eligibility baseline. However, the proposal was not consistent with current statute requirements and therefore, it was not presented for approval. The OPSC is developing an alternative that will allow districts to purchase relocatable classrooms with minimal impact to their new construction baseline eligibility. A follow up article to address this important issue will be provided in the near future. Absent addressing this issue, the Plan was approved by the SAB.

As a result of this Plan, some may ask...

**Q. What if I am currently leasing one or more relocatable classrooms?**  
If you are currently leasing a relocatable classroom, you may continue to do so without any changes in service to your current relocatable classroom(s) during the phase-out process or lease term.

**Q. What if I want to continue to lease my relocatable classroom after the conclusion of my current lease?**  
If a school district elects to continue leasing their relocatable classroom, they may continue to do so under the provisions of the current lease agreement. At the conclusion of the current lease agreement, a school district will have the option to:

1. Sign a final two-year lease extension,
2. Purchase the relocatable classroom, or
3. Return the Relocatable back to the State.

Please note: The Board will no longer offer any further lease extensions beyond the two-year lease extension as the Program is being phased out. If at the conclusion of the two-year lease extension a school district elects to return a relocatable classroom to the State, all provisions of the lease agreement will be enforced.

**Q. What if I submitted an application for a relocatable and have yet to receive one, or I would like to lease a relocatable classroom in the future?**  
Any requests for additional relocatable classrooms or new requests from school districts not currently participating in the Program will be subject to the provisions of the Plan. Since the Program is being phased out, districts should be aware of the following new Program changes:

Applications received prior to October 26, 2005 will be processed under the original provisions of the Program. Under these provisions, the State will be responsible for costs associated with such items as moving and set-up expenses.

Applications received between October 27, 2005 and November 30, 2005 will be accepted and processed. However, school districts will be responsible for all moving and set-up expenses.

Effective December 1, 2005, the Board will no longer accept applications to lease a relocatable classroom.

**Q. How are the relocatable classrooms being phased out?**  
It is anticipated that most school districts will be inclined to purchase their currently leased relocatable classroom as the expected cost savings from doing so will benefit the school district. Due to the expected high demand, a systematic plan has been developed that will help manage the sale and disposition of these classrooms. The relocatable classrooms will be addressed in three cycles based on the age of the relocatable classroom and offered for sale through a priority order system. Staff will process all applications to purchase a relocatable classroom from the first cycle, followed by the second cycle, and then the last cycle.

The sale of relocatable classrooms will occur in the following three cycles:

1. Buildings built between 1978 and 1991
2. Buildings built between 1992 and 1998
3. Buildings built between 1999 and 2003

**Q. As a school district currently leasing a relocatable classroom, what are my options with this Plan on the relocatable classrooms I am leasing now, and how will I be notified of those options?**

The OPSC will send letters to school districts currently participating in the Program informing them that their relocatable classroom is eligible for purchase based on its age. When the notification letter is received, a school district will have the option to:

1. Purchase the currently leased relocatable classroom,
2. Maintain the current lease, or
3. Return the relocatable classroom to the State

If a school district elects to return a relocatable classroom to the State, all provisions of the lease agreement will be enforced. The returned relocatable classroom will be offered for sale based on a priority system.

**Q. What is the priority system for the disposition of the relocatable classrooms?**  
Within each cycle, a priority system has been established as part of the plan. Relocatable classrooms will be offered for sale to the four entities below in the following order:

1. School districts currently leasing a relocatable classroom
2. Other school districts and charter schools
3. Public Entities
4. Private Entities

Other school districts and charter schools, public entities, and private entities will be permitted to submit an Application to Purchase at anytime during the phase out process. These applications will be placed on a waiting list and processed in date-received order after school districts in the first priority group have been processed.

**Q. What if I have several relocatable classrooms that span all three age cycles?**  
To ensure an equitable process, the OPSC will notify school districts that are leasing eligible relocatable classrooms one cycle at a time. If a school district is interested in purchasing the remaining relocatable classrooms in other age cycles, the school district may submit an Application to Purchase. However, an Application to Purchase received for a relocatable classroom not deemed eligible for purchase will be held until the next cycle is ready for processing.

*continues on page 4*

**IMPORTANT!**

## Keeping Your District Representative Information Up-To-Date

BY DAWN BARNHISEL, OPSC PROJECT MANAGER

Time is money, and information can be priceless. Keeping your projects moving and your district informed can only happen if we work together. And sometimes, it's the little things that can make a difference. Does your district receive correspondence addressed to an individual who no longer works in the capacity of your District Representative? If so, this is an indication that the Office of Public School Construction (OPSC) has not received the information from your district necessary to update its database.

### Why does this matter?

The importance of keeping your District Representative information up-to-date is threefold:

- If information is not updated with regard to your district personnel, then there may be delays in moving your projects forward as we wait for important responses from your district regarding your projects.
- The district, its school board, and the OPSC need to be assured that the District Representative of record is the party authorized to act on behalf of your district.
- Your district may miss out on important information that can save your district time, money, or difficulties on current and future projects.

### How can a district make sure OPSC has the current District Representative information in its database?

If you are not sure whether the District Representative information that the OPSC has in its database is correct, finding out is easy. You can either contact your OPSC Project Manager, or visit our Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). If you visit our Web site, select any of your district's projects using the Project Tracking System. Your District Representative's name is listed near the top left hand of the Project Summary page, just under the site information.

### What is the process to update my District Representative information?

If you find that you need to update your District Representative information, locate Form SAB 50-03, Eligibility Determination, on the OPSC Web site. Complete the form with the following information:

- In the form header, identify the school district's name, address, 5-digit district code, and the high school attendance area number (if applicable).
- In Part I, identify the names, telephone number and e-mail address of your District Representative(s). Please pay special attention to the exact e-mail address for the representative.
- In the Certification section at the bottom of the form, fill in the school board resolution date on which the new representative was appointed.
- Finally, the newly authorized District Representative signs and dates the form.

Submit the completed Form SAB 50-03 to the OPSC, directed to your Project Manager, at:

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

Upon receipt, we will take care of updating our database, and future correspondence will be addressed to the correct person. If a new Superintendent joins your district, but is not an authorized District Representative, it is not necessary to submit a Form SAB 50-03 to make the change. Simply write a letter notifying the OPSC of the change, and we will update our database accordingly.

## Relocatable Classrooms... from page 3

**Q.** If I want to purchase a relocatable classroom, how much will it cost? The sale price for a relocatable classroom will be calculated using several factors such as the original purchase price paid by the State, reimbursement expenses, moving costs, contract services, and rent revenue received. Any relocatable classroom over ten years of age will be sold for \$4,000. Relocatable classrooms less than ten years of age will be sold on a sliding scale based on the above mentioned factors. The pricing scale for these classrooms can be found on the OPSC web site, as the purchase price will be updated annually.

If you have specific questions regarding the Program, please contact Liz Cheyne at 916.323.2636 or at [liz.cheyne@dgs.ca.gov](mailto:liz.cheyne@dgs.ca.gov), Freda Stathopoulos at 916.322.5766 or at [freda.stathop@dgs.ca.gov](mailto:freda.stathop@dgs.ca.gov), or your OPSC Project Manager.

## Williams Reminders

BY MASHA LUTSUK, OPSC PROJECT MANAGER

As hard as it is to believe, the year 2005 is quickly coming to an end and the year 2006 is just around the corner. For school districts with schoolsites eligible for the School Facilities Needs Assessment Grant Program, this brings an important deadline for submittal of the Needs Assessment Report for each eligible schoolsite. All assessments must be submitted electronically via the on-line program developed by the OPSC and available at <http://www.applications.opsc.dgs.ca.gov/fna/login.asp>. Following the electronic submittal, the designated district representative must print, sign, and submit a certification page for each assessment along with a current site diagram of each eligible school site. If a school district has funds remaining after the completion of the assessments, it may use these funds for any repairs identified in the assessments at any of the district's eligible sites. These expenditures may be made throughout the next year until the district submits the Expenditure Report (Form SAB 61-03) which is due on January 1, 2007.

The OPSC is accepting applications on an ongoing basis for the Emergency Repair Program, which currently has over \$200 million in funds available. Eligible school districts are those that have schoolsites identified as being in deciles 1-3 on the 2003 Academic Performance Index which were newly constructed prior to January 1, 2000. This program is intended to provide additional funding to supplement existing maintenance funds for prompt and efficient handling of emergency facilities needs by school districts. Although conceptual approval by the SAB is not available, your OPSC Project Manager can help you determine if your district's project may qualify for funding under this program.

Lastly, the OPSC would like to remind all school districts and county offices of education of the School Facilities Inspection System, which is required for all participants in the School Facility Program and the Deferred Maintenance Program. The system must be designed at the local level to ensure that each school of the district or county is maintained in good repair in accordance with the State standard of good repair which is currently defined by the Interim Evaluation Instrument. This tool is available on the OPSC's Web site and contains a checklist of items that are essential for clean, safe, and functional school facilities.

The provisions of the Williams settlement are aimed at ensuring that California has school facilities and educational environments that are clean, safe, functional, and conducive to learning. These provisions may impact individual school districts and county offices of education in many ways. If you have any questions regarding compliance with the requirements of the Williams legislation, please contact your OPSC Project Manager.

# 2005 Legislation Update

BY MASHA LUTSUK, OPSC PROJECT MANAGER

The 2005 legislative cycle brought us several bills related to school facilities.

The following table summarizes pertinent sections of the most significant chaptered bills that impact the programs administered by the State Allocation Board (SAB) and State program participants. It is by no means a comprehensive study of their ramifications and program implications. Deeper scrutiny and program-specific evaluation is underway. As information develops, we will communicate the various ways in which the following legislation may affect your school district with regard to the SAB and Office of Public School Construction's (OPSC) programs.

## 2005 Legislative Overview

BILL	SUMMARY
<b>AB 414 (Klehs)</b> Chapter 606	<b>LCP: Construction Manager</b> Specifies that a third party which contracts with an awarding body to initiate and enforce a labor compliance program may not review the payroll records of its own employees or the employees of its subcontractors, and the awarding body or an independent third party must review these payroll records for purposes of the labor compliance program.
<b>AB 491 (Goldberg)</b> Chapter 710	<b>Public Schools</b> <ol style="list-style-type: none"> <li>1. Authorizes additional eligibility by way of an alternative enrollment projection and allows up to \$500 million from Proposition 55 for funding projects that will relieve overcrowded conditions, as specified, within school districts that have two or more overcrowded school sites.</li> <li>2. Assembly Bill 2950, Chapter 898, Statutes of 2004 (Goldberg), provided an option for districts that received preliminary apportionments for Critically Overcrowded Schools from the 2002 Bond to use current enrollment or residency data in the high school attendance area when converting the applications to a final apportionment. This bill extends that eligibility to projects that received a preliminary apportionment from the 2004 Bond (the Kindergarten-University Public Education Facilities Fund of 2004).</li> <li>3. Adds requirements regarding lease financing notification.</li> <li>4. Provides additional funding for county offices of education that have incurred extraordinary costs with conducting annual visits pursuant to provisions of Williams settlement legislation.</li> </ol>
<b>AB 831 (Assembly Education Committee)</b> Chapter 118	<b>Education</b> Among other items, amends the criteria used by the California Department of Education (CDE) for estimating an Academic Performance Index (API) score for schools without a valid 2003 API score for purposes of determining eligibility for the School Facilities Needs Assessment Grant Program and the Emergency Repair Program.

BILL	SUMMARY
<b>AB 1358 (Mullin)</b> Chapter 228	<b>Acquisition of Proposed Schoolsites: Notice</b> Extends the provisions of existing law (Education Code Section 17215, "Site near airport"), which currently applies to acquisition of property by a school district, to school districts proposing to lease property and to charter schools proposing acquisition or lease of school property. Existing law requires the governing board of each school district to give CDE written notice of the proposed acquisition, along with any information required by CDE if the proposed site is within two miles, measured by air line, of that point on an airport runway or potential airport runway included in an airport master plan that is nearest to the site.
<b>SB 512 (Senate Education Committee)</b> Chapter 677	<b>Education Omnibus</b> <ol style="list-style-type: none"> <li>1. Among other items, makes additional modifications to the list of schools eligible for the Williams Programs by providing clarifying language that county-operated special education programs are to be excluded from the list of deciles 1-3 schools and, therefore, are not required to perform a needs assessment of school facilities.</li> <li>2. Allows Oakland Unified School District to sell surplus property until July 1, 2007, to pay off existing emergency loan debts.</li> </ol>

Please stay tuned! We would like to encourage you to take an active role in the changes being made to the various programs administered by our office. The most effective way would be to attend the SAB Implementation Committee meetings that are held monthly in Sacramento and are open to the public. Visit our Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov) for information on upcoming agenda items, meeting dates, and locations.

## 'Tis the Season for Joint-Use Funding!

BY KATRINA BENNY, OPSC PROJECT MANAGER

The Office of Public School Construction (OPSC) is currently accepting applications for the School Facility Program (SFP) Joint-Use Program for the 2006 funding cycle. Applications for the SFP Joint-Use Program can be submitted until May 31, 2006, for presentation and funding consideration by the State Allocation Board (SAB) at the July 2006 SAB meeting. Joint-Use funding can be used for a multipurpose room, gymnasium, library, childcare facility or teacher education facility.

For more information regarding the SFP Joint-Use Program, please visit the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). As always, please feel free to contact Rachel Wong at 916.445.7880 or [rachel.wong@dgs.ca.gov](mailto:rachel.wong@dgs.ca.gov), or Brian LaPask at 916.327.0298 or [brian.lapask@dgs.ca.gov](mailto:brian.lapask@dgs.ca.gov), for questions or concerns. The OPSC looks forward to your participation and processing your SFP Joint-Use applications.

# Fund Release Authorization—Form SAB 50-05

BY MICHAEL WATANABE, OPSC AUDITOR

School districts are reminded to exercise caution when completing the Fund Release Authorization (Form SAB 50-05) for fund release purposes and to be attentive to the information that they are certifying.

Once the State Allocation Board (SAB) approves a School Facility Program (SFP) grant for a new construction or modernization project, the district has 18 months to submit a Form SAB 50-05 to initiate a fund release of the State apportionment (reference SFP Regulation Section 1859.90). In order to receive the State fund release for construction, a district must certify the following items on the Form SAB 50-05:

1. The district’s applicable matching share has either:
  - been deposited in the County School Facility Fund, or
  - has already been expended by the district for the project, or
  - will be expended prior to the filing of the Notice of Completion.
2. The district has entered into a binding contract(s) for at least 50 percent of the construction as shown in the plans previously approved for the project, and has issued the Notice to Proceed for that contract.

During expenditure audits, the OPSC has discovered that some districts have submitted the Form SAB 50-05 prematurely. In other words, the construction contracts were executed after, instead of before, the Form SAB 50-05 submittal date. This could lead to a finding by the SAB of a potential material inaccuracy. As a result, the district potentially could be required to repay the State funding it received including any interest earned from the premature fund release. In addition, the district may be subject to penalty provisions as specified in the SFP Regulation Section 1859.104.1.

As a reminder, only contracts for construction may be included in the 50 percent calculation. For example, architect, engineering, construction management, and inspection contracts may not be included in the 50 percent calculation. In the case of “at risk” construction management contracts, the contract values may be included in the 50 percent calculation.

For specific questions regarding the fund release process and the Form SAB 50-05, please feel free to contact Wan Wong, Accounting Supervisor, at 916.323.3454. You may refer your SFP audit process questions to Noé Valadez, Audit Supervisor, at 916.322.7628.

# New School Openings

BY DARLENE J. NEWMAN, OPSC PROJECT MANAGER

The Office of Public School Construction (OPSC) would like to congratulate the following districts for their new school dedication and groundbreaking ceremonies:

SCHOOL DISTRICT	COUNTY	PROJECT	DEDICATION
Rocklin Unified	Placer	Whitney High School	September 2005
Antelope Valley Union High	Los Angeles	William J. “Pete” Knight High School	October 2005
Placerville Union Elementary	El Dorado	Markham School Gymnasium	October 2005
Val Verde Unified	Riverside	Avalon Elementary School	October 2005
Val Verde Unified	Riverside	Citrus Hill High School	October 2005
Val Verde Unified	Riverside	Lasselle Elementary School	October 2005
Capistrano Unified	Orange	Oso Grande Elementary	November 2005
Davis Joint Unified	Yolo	Fred T. Korematsu Elementary	November 2005
Capistrano Unified	Orange	Oso Grande Elementary	November 2005
Dixon Unified	Solano	Dixon High	December 2005
Desert Sands Unified	Riverside	Carrillo Ranch Elementary	December 2005

SCHOOL DISTRICT	COUNTY	PROJECT	GROUND BREAKING
Dixon Unified	Solano	Dixon High	December 2005

Did you know that you can highlight your district’s new school dedications and groundbreaking ceremonies in the *Advisory Actions* newsletter? To have your event highlighted, please notify the Office of Public School Construction, include all information as referenced in the table above, and please include the related School Facility Program application number. Submit this information to the OPSC, *Attention: New School Dedications and Groundbreakings.*

EXCLUSIVE OF THE DECEMBER 15, 2005 SAB AGENDA

## Proposition Funds Put to Work

PROGRAM	BOND ALLOCATION	APPORTIONED	RELEASED/CONTRACTED
<b>PROPOSITION 55</b>			
New Construction	\$ 4,960,000,000	\$ 687,143,940	\$ 491,951,174
Modernization	2,250,000,000	1,523,026,029	1,125,679,466
Charter School	300,000,000	276,810,763	3,011,715
Critically Overcrowded Schools	2,440,000,000	1,887,970,777	0
Joint Use	50,000,000	17,849,502	1,074,737
<b>Total Proposition 55</b>	<b>\$ 10,000,000,000</b>	<b>\$ 4,392,801,011</b>	<b>\$ 1,621,717,092</b>
<b>PROPOSITION 47</b>			
New Construction	\$ 6,250,000,000	\$ 6,154,224,836	\$ 5,990,024,803
Modernization	3,300,000,000	3,288,406,318	3,260,675,761
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	49,917,000	27,328,759
<b>Total Proposition 47</b>	<b>\$ 11,400,000,000</b>	<b>\$ 11,270,986,710</b>	<b>\$ 9,294,353,505</b>
<b>Grand Total</b>	<b>\$ 21,400,000,000</b>	<b>\$ 15,663,787,721</b>	<b>\$ 10,916,070,597</b>

AS OF DECEMBER 15, 2005

## Status of Funds

PROGRAM	BALANCE AVAILABLE
<b>PROPOSITION 55</b>	
<b>New Construction</b>	\$ 4,177.7
Energy	13.7
Small High School	20.0
<b>Modernization</b>	581.6
Energy	5.8
Small High School	5.0
<b>Critically Overcrowded Schools</b>	
15% COS Unrestricted Fund Available	283.0
	269.0
<b>Charter School</b>	
DTSC/Relocation	13.1
Hazardous Material	2.6
<b>Joint Use</b>	32.1
<b>Total Proposition 55</b>	<b>\$ 5,403.6</b>
<b>PROPOSITION 47</b>	
<b>New Construction</b>	\$ 11.6
Charter School	0.6
Energy	0.0
<b>Modernization</b>	7.6
Energy	1.1
<b>Critically Overcrowded Schools</b>	
Reserved	18.6
<b>Joint Use</b>	0.0
<b>Total Proposition 47</b>	<b>\$ 39.4</b>
<b>Grand Total</b>	<b>\$ 5,443.0</b>

The SAB approved \$284,239,995.71 for the Deferred Maintenance Program.

Note: Amount shown above are in millions of dollars.

Office of Public School Construction  
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STATE ALLOCATION BOARD'S

# Implementation Committee

MAVONNE GARRITY, ASSISTANT EXECUTIVE OFFICER, STATE ALLOCATION BOARD

## At the previous meeting...

The following topic was discussed at the State Allocation Board (SAB) Implementation Committee meeting on December 2, 2005.

### IMPLEMENTATION OF ASSEMBLY BILL 491

Assembly Bill 491, Chapter 710, Statutes of 2005 (Goldberg), authorizes additional School Facility Program eligibility, beyond the cohort enrollment projection methodology, to be garnered through an alternate enrollment project methodology and provides up to \$500 million of Proposition 55 dollars for a school district that has 2 or more schoolsites with a specific pupil population density for funding for projects that will relieve overcrowded conditions.

The first item of discussion was regarding the eligibility for the alternative enrollment projection methodology. The California Department of Education (CDE) will certify that a school district meets the eligibility criteria by having at least two sites that meet the density requirements specified in law. CDE will review the certification and issue a letter confirming district's eligibility.

Staff explained the process and timelines proposed for review of applications for the alternative enrollment projection methods. The Committee Chair introduced Ms. Mary Heim, Chief Demographer of the Demographic Research Unit (DRU), California Department of Finance, who answered some of the questions from the audience and Committee members. The audience expressed concern over the proposed 120-day processing period and requested for an expedited review process by State agencies. Staff clarified that the processing period can be as short as 30 days for complete applications but will be longer when information provided is incorrect or insufficient.

In discussing the requirements for the applications of the alternative enrollment projections, the audience and Committee members questioned the need for 10 years worth of historical data and whether or not the requirement is necessary for all enrollment projection methods. During the discussion, Staff agreed to consider revising the 10-year requirement down to three years for historical data.

School district representatives requested the OPSC to provide a checklist for applications for alternative enrollment projections to ensure that districts have clear guidelines on the documents to be submitted. Staff plans to spell out the guidelines for submittal in regulations and can incorporate the guidelines in checklist form as well.

Audience members requested the OPSC to consider implementing the program with a grandfathering provision to allow school districts to use the alternative enrollment projection method to

justify projects that may be occupied prior to the regulations being approved by the Office of Administrative Law. OPSC announced that the applications for alternative enrollment projections may be submitted for review upon approval of proposed regulations by the State Allocation Board (SAB) and prior to the regulations becoming effective in order to expedite the process. However, new construction funding applications using the eligibility generated by the alternative enrollment projection can only be submitted once the regulations become effective and the SAB has approved the Alternate Enrollment Projection. Staff will look into the possibility of seeking approval of regulations on an emergency basis.

Staff stated that requests to utilize alternative enrollment projection methodologies will be accepted on an ongoing basis with subsequent applications for funding based on OPSC received date, and discussed the availability of funds for applications that utilize pupil grants generated by the alternative projection method. OPSC plans to track the expenditure of \$500 million available for these projects and audience members stated that it would be helpful if the OPSC provided this information to the public.

Staff presented examples of calculations of additional available eligibility in relation to cohort survival method projection and baseline eligibility. Audience members asked staff to consider a provision for applications that utilized pupil grants from both the additional eligibility generated by alternative enrollment projection and regular School Facility Program eligibility. Staff agreed and stated that in order to determine how much bond dollars should be deducted from the \$500 million, a proration would be applied.

AB 491 directs OPSC to make a determination on whether or not individual projects relieve overcrowding and the OPSC plans to request a letter from applicant school districts to accompany each funding application that explains how each particular project relieves overcrowding including consideration of projects that received preliminary apportionments under the Critically Overcrowded School Facilities Program.

Staff discussed a provision of AB 491, which directs districts to calculate the alternative enrollment projection method in the same manner used to calculate enrollment projections under the cohort survival method, i.e. district wide or High School Attendance Area (HSAA) reporting. Staff also pointed out that once an alternative enrollment projection method has been approved, an applicant district should utilize the same method for all applications that relieve overcrowding. In addition, if a district reports enrollment on a high school attendance area basis, the same alternative enrollment projection method should be used for all high school attendance areas in the district. Furthermore,

if, initially, a district calculates the alternative eligibility on a district-wide basis and wants to later switch enrollment reporting from district-wide to HSAA, it can do so under the SFP Regulations, however, the alternative enrollment methodology cannot be changed and therefore must be able to work on a district-wide and HSAA-basis.

Staff announced that it plans to bring forward draft regulations for the implementation of AB 491 to the January Implementation Committee meeting.

### The next meeting...

The next SAB Implementation Committee meeting is scheduled for Thursday, January 5, 2006 at 9:30 a.m. and will be held at the Legislative Office Building, 1120 N Street, Room 100, in Sacramento.