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OPSC Reminders

State Allocation Board Meetings*

- » April 23, 2008
- » May 28, 2008
- » June 25, 2008

Implementation Committee Meetings*

- » May 2, 2008
- » June 6, 2008
- » July 11, 2008

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

Critically Overcrowded Schools Program

- » Final Conversion Application for Projects Apportioned in August 2003 that received an extension September 2007 due by: September 26, 2008
- » Final Conversion Application for Projects Apportioned in October 2004 due by: October 27, 2008

Career Technical Education Facilities Program

- Second Funding Cycle
- » Application due to OPSC by:..... April 30, 2008

Deferred Maintenance Program

- » Five Year Plan (Form SAB 40-20) due June 30, 2008
- » Extreme Hardship Funding Application (Form SAB 40-22) due by:..... June 30, 2008
- » Targeted SAB dateDecember 2008
- » Fund Release Authorization (Form SAB 40-23) due by:.....December 12, 2008
- » Expenditure Report (Form SAB 40/20) due within two years from the date any funds were released.

Overcrowding Relief Grant

- » Final Filing Date for Second Cycle:..... June 30, 2008

Charter School Facilities

- » Final Conversion Application for Projects Apportioned on July 2, 2003 due by: July 2, 2008

Reports Due On June 30, 2008

- » Certification of Unused Sites (Form SAB 423)
- » Modification of Unused Site Status (Form SAB 424)

Reports Due On September 1, 2008

- » Community School Facilities Report (Form SAB 406C)
- » Expelled Pupils Facilities Report (Form SAB 406E)

* For the latest meeting dates, times and locations, check the OPSC Website

State of California
Department of General Services

State Allocation Board
Office of Public School Construction

www.opsc.dgs.ca.gov

ADVISORY ACTIONS

ISSUE NO. 01



from the desk of Rob Cook, Executive Officer

I am proud to announce that the State Allocation Board has awarded \$199 million in state grants and loans to build or modernize career technical education facilities at high schools throughout the state.

Funding was awarded across 15 different industry sectors for 174 projects at high schools or other local educational facilities statewide. A total of \$185 million in grants were awarded. The SAB allocated another \$14 million in loans for districts that were unable to provide the required matching funds.

Among the highlights of the funding: \$29.3 million will fund transportation education in all of the state's major population centers; more than \$28.5 million will go toward agriculture and natural resources education in 57 of the state's 58 counties; Los Angeles County schools will receive more than \$9.7 million of the \$28 million awarded for arts, media and entertainment programs; \$18 million in hospitality, tourism and recreation grants will land in the capital, San Francisco Bay Area and Southern California regions; while statewide, \$22.9 million will advance engineering and design education and nearly \$20 million will support building trades and construction.

This funding means career tech programs will grow, our teens will gain valuable experience, and our economy will benefit from skilled workers. Governor Schwarzenegger is a committed champion of career technical education – having benefited from similar programs as a youth in Austria. When voters passed Proposition 1D in 2006, they gave these programs a shot in the arm by approving \$500 million dollars to build facilities for new career tech programs and enhance existing ones.

This is an exciting new day for a program long-deserving of renewed attention.

In the News

THE FOLLOWING ARTICLE WAS PUBLISHED ON OCTOBER 9, 2007 IN THE SACRAMENTO BEE'S "SHADES OF GREEN" SERIES.

Shades of Green: School Energized for Future

Inderkum High's eco design seen as a way to help planet and reduce costs - and it may also improve learning. Just ask the students.

By Ngoc Nguyen - Bee Staff Writer

It's lunchtime at Inderkum High School in Sacramento's Natomas neighborhood, and most students are indoors.

Oval-shaped lunch tables are clumped together in a spacious room, known to students and staff as "the atrium," where daylight streams through big windows and a giant skylight cut out of the high ceiling.

Junior Katie Pool pointed to the skylight and noted its shape -- a tiger's eye, the school's mascot. The windows are her favorite feature.

"I sit here at lunch, and I can see the clouds," Pool said.

Students, teachers and Natomas Unified School District officials see the future in Inderkum's atrium and its other green features.

"There's solar paneling that provides electricity," said the 17-year-old Pool. "There are the round pillars in the atrium, which is our air conditioning and heating, and it's powered by geothermal energy."

There is momentum building worldwide for environmentally sound school designs. Increasingly, green schools are viewed as sound investments in the environment, student performance and the bottom line.

Now, schools looking to incorporate green design into new or revamped buildings can apply for state funding. The state Department of General Services' Office of Public School Construction (OPSC) said last week that schools can apply for \$100 million in High Performance Incentive Grants. High performance schools are defined as those that feature energy- and resource-efficient classrooms.

"Studies have shown that there's a 20 percent improvement in math and reading test scores for students in well lit classrooms," said Rob Cook, an executive officer with OPSC. "Maximizing natural light is a great element to integrate into schools."

Cook said schools with green plans can submit applications through the normal budget process. The state agency will award funds for specific green projects in early 2008.

The Natomas Unified School District has a head start. In 2005, the school district passed a resolution to build more green schools and has already put up or planned environmentally minded buildings.

Michael Cannon, Natomas Unified's assistant superintendent for facilities and planning, said the district will apply in the next few days to get funding for completion of the H. Allen Hight Learning Center.

That project uses green standards set by the Collaborative for High Performance Schools (CHPS) -- which certifies green schools -- that call for using recycled building materials and low-emission adhesives and paints for better indoor air quality. The project, about halfway finished, will be a combined elementary and middle school.

"It's another form of efficiency," Cannon said, "You'll have one building for administrative offices, instead of two, a shared combination multipurpose room, gym, food service building, and one set of athletic fields instead of two."

The state Department of General Services' Office of Public School Construction (OPSC) said last week that schools can apply for \$100 million in High Performance Incentive Grants.

A lighter carbon footprint is already on display at Inderkum High.

Tatiana Aguilar, 15, said she appreciates the abundance of natural light inside the school.

"It's not as gloomy. I feel more awake," she said.

On a tour of the school, students are quick to point to heating and cooling columns -- white and blue metal cylinders -- popping up from the ground like trees around the atrium.

"It comes from the bottom and depends on the weather," said Julian Scott, 17, explaining how the geothermal pillars work. "If it's cold (outside), heat is stored underneath, and the heat goes up through the vent. If it's hot (outside), the cold air from underground rises up through the vent."

Teacher Chris Castro said he uses the heating and cooling pillars in his chemistry and earth science classes to illustrate the unique properties of water.

The school taps the natural heating and cooling of the groundwater vent system in the atrium to trim its use of a central heating and cooling system.

From the rooftop, solar panels supply about 35 percent of the school's power need. According to Cannon, the panels have shaved about 15 percent to 20 percent from energy bills. The school is looking into upgrading the current panels with more efficient, next-generation solar panels.

Use of Proceeds from the Sale of Surplus Property

By Veronica Kaldani, Auditor

The Executive Officer's Statement at the August 22, 2007 State Allocation Board meeting announced that the Office of Administrative Law approved the regulations that implement Senate Bill 1415 (Chapter 810, Statutes of 2006 – Scott) on August 2, 2007. This law provides that site sale proceeds deposited into a school districts' general fund can only be used for one-time expenditures and not on-going obligations. School districts that deposit site sale proceeds into their general fund cannot participate in State school facility funding for 10 years.

Prior to the recent change to Education Code Section 17462, site sale proceeds could only be used for capital outlay or major building maintenance needs not recurring within a five-year period of time. The only exception to this restriction on the use of site sale proceeds would be in a case in which the State Allocation Board and the local school district's governing board agreed the school district had no capital outlay or major facility maintenance needs that could be paid with local funds for the next five years. In this case, the site sale proceeds could be deposited in the district's general fund. However, the law also states that, as a consequence, the district would be prohibited from participation in any State funded facility programs for a period of five years.

SB 1415 extends this lock-out period for a district to file applications for school funding following the sale or lease of surplus property from five years to ten years. It also limits the authority of a school district to use proceeds from the sale of surplus property for any general fund purpose. The site sale proceeds deposited in the general fund can be used only for "one-time expenditures". One-time expenditures are defined in regulation as costs paid by the general funds of a school district that are nonrecurring in nature, do not commit the school district to incur costs in the future, and are exclusive of ongoing expenditures. "Ongoing expenditures" are defined as costs paid by the school district out of general or special funds for employee salaries, benefits, and other costs that are associated with ongoing and sustained operations and services.

If you have any questions on the use of site sale proceeds, please contact Wan Wong, Audit Supervisor, at wan.wong@dgs.ca.gov or (916) 323-3454.

Shades of Green: School Energized for Future... *from page 2*

In his classroom, Castro tried to show his students that there is no perfect renewable energy.

"With solar energy, where do solar panels come from? What energy is involved in making solar panels and recycling them? ... Even solar panels need to be maintained, because they wear out. Do we recycle them or do they go into landfills?"

New Funding Application Requirements

By Josh Damoth, Project Manager

When applying for construction or modernization funding, school districts are now required to provide *written confirmation* that the need for vocational and career technical facilities is being adequately met within the district, pursuant to Education Code (EC) Section 17070.955. The law was enacted on September 29, 2006 by Assembly Bill 2419 (Chapter 778, Statutes of 2006-Wyland). It applies to all construction and modernization funding requests for all grade levels, including elementary schools. Prior to the passage of this bill, school districts were already required to consult with the local career technical education advisory committee (CTEAC) regarding the need for vocational and career technical facilities for large new construction and modernization projects at comprehensive high school sites, pursuant to EC Section 17070.95. In order to adhere to EC Section 17070.955 for all new construction and modernization projects, the OPSC is implementing the following process:

1. Applications for funding received between July 14, 2007 and October 31, 2007 must include proof of compliance with EC Section 17070.955 when submitting the Fund Release Authorization (Form SAB 50-05).
2. Applications for funding received between November 1, 2007 and April 30, 2008 must include proof of compliance with EC Section 17070.955 before the application can be processed to the State Allocation Board.
3. Applications for funding received on or after May 1, 2008 must include proof of compliance with EC Section 17070.955 to be considered a complete application.

The district must provide one of the following items as proof of compliance:

- » Minutes from a public meeting by the school district's governing board documenting the discussion with the local CTEAC regarding the local career technical education (CTE) facility needs assessment. The minutes must specify the recommendation by the CTEAC and document that the need for career technical facilities is being adequately met by the school district. The minutes must also reference the construction or modernization project for which the school district is requesting funding.
- » Minutes from the meeting with the local CTEAC regarding the local CTE facility needs assessment. The minutes must specify the recommendation by the CTEAC and document that the need for career technical facilities is being adequately met by the school district. The meeting notes must also reference the construction or modernization project for which the school district is requesting funding.

continued on page 4

The Overcrowding Relief Grant

By Carol Shellenberger, Program Services Operations Manager

Good news! The Overcrowding Relief Grant program regulations have been approved by the Office of Administrative Law, and the program is now available to interested districts.

For those who are not familiar with the program, the Overcrowding Relief Grant provides \$1 billion to relieve overcrowded school sites by replacing portable classrooms with permanent classrooms. Districts are not required to have School Facility Program new construction eligibility in order to qualify for grant funding. Sites are eligible if the pupil population density at the school site, as of January 1, 2006, is equal to or greater than 175 percent of the recommended site density determined by the California Department of Education (CDE).

If you are interested in applying for an Overcrowding Relief Grant, you should contact the CDE to determine if your school sites are eligible. The district must complete the Overcrowding Relief Grants Eligibility Determination Form and the Overcrowding Relief Grants Pupil Adjustment Form in order to determine eligibility. These forms are available on the CDE's Website at www.cde.ca.gov/ls/fa/co/overcrowdedschools.asp.

Interested school districts should also contact the OPSC concurrently to determine the inventory of portables in the district and the number of pupil grants they may request for their eligible sites. The amount of Class Size Reduction funding will reduce Overcrowding Relief Grant eligibility. To assist with the calculation for Overcrowding Relief Grant pupil eligibility, interested districts should complete the Overcrowding Relief Grant District-Wide Eligibility Determination, available on the OPSC Website.

Applications for the second funding cycle will be accepted through July 31, 2008.

To request Overcrowding Relief Grant project funding, districts must submit a complete application package to the OPSC for review. This package includes the following documents:

- » Application for Funding (Form SAB 50-04)
- » Plans and specifications approved by the CDE and the Division of the State Architect
- » Eligibility forms listed above

For a complete listing of the necessary documents, please refer to the instructions on the Form SAB 50-04. Districts are also encouraged to visit the OPSC's Website at www.opsc.ca.gov, or contact their project manager for additional information.

SFP Annual Adjustments

By Rod de Guzman, Plan Verification Team Supervisor

At the January 23, 2008 State Allocation Board (Board) meeting, the Board approved an adjustment to the School Facility Program (SFP) grants as provided by law based on the Class B Construction Cost index. The grant adjustment represents a 3.19 percent increase in the Construction Cost index (using Marshall & Swift 10 Western states index) from January 2007 to January 2008. All new construction and modernization applications presented for funding approval at the Board included this adjustment.

The Board also approved a bi-annual increase for developer fees of 12.79 percent as provided by law, based on the same Class B Construction Cost index, resulting in \$2.97 per square foot for Residential and \$.47 per square foot for Commercial.

For complete listing of the annual adjustments, please refer to the Office of Public School Construction (OPSC) Website at www.opsc.ca.gov and follow the link to previous agenda items listed on the home page.

Please feel free to contact your OPSC Project Manager if you have any questions regarding the annual adjustments for your SFP Projects.

	New Construction	Modernization
K-6	\$ 8,339	\$ 3,366
7-8	\$ 8,819	\$ 3,560
9-12	\$11,220	\$ 4,660
Non-Severe	\$16,608	\$ 7,175
Severe	\$24,834	\$10,722

New Funding Application Requirements...

from page 3

- » Letter from the local CTEAC to the school district that identifies the local CTE facility needs assessment and documents that the need for career technical facilities is being adequately met by the school district, relative to the project for which the school district is requesting funding.

Please note that all school districts must submit the documentation along with their funding applications. However, the provisions of EC Section 17070.955 may not be applicable to some school districts, such as elementary school districts. These districts must supply a written statement certifying that the district is not subject to EC Section 17070.955 in lieu of the above requirements.

If you have any questions regarding these new funding application requirements, please contact your OPSC project manager for more information.

Fund Release Authorization Form SAB 50-05

By Joel Ryan, Auditor

Do you know if you are certifying to the Fund Release Authorization (Form SAB 50-05) correctly? In an ongoing effort to clarify the fund release certification process, the Office of Public School Construction (OPSC) would like to assist all school districts to gain a better understanding of how to properly meet the following certification:

“The district certifies it has entered into a binding contract(s) for...at least 50 percent of the construction included in the plans and specifications applicable to the State-funded project.”

In order to determine whether the certification is met, please see the list below for all fees and expenditures that may be included in calculating whether your district has fulfilled the 50 percent requirement and, therefore, may correctly certify to the Form SAB 50-05.

- a. Utility Services [see Regulation Section 1859.76(c)]. Fifty-year-old Modernization projects are also eligible to receive funding for utility costs (see Regulation Section 1859.78.7).
- b. Off-Site Development [see Regulation Section 1859.76(b)].
- c. Service Site Development [see Regulation Section 1859.76(a)].
- d. General Site Development
- e. Building Construction
- f. Modernization Costs—Allowable expenditures including the following, but are subject to limitations [see School Facility Program Substantial Progress and Expenditure Audit Guide, Page 16, “Ineligible School Facility Program Expenditures”, items 3(c) through 3(f)]:
 1. Any new building area included in a modernization project which replaces “like kind” area.
 2. New site development expenditures for replacement, repair, or additions to existing site development work.
 3. Removal of hazardous waste that the Department of Toxic Substance Control has declared unsafe, not to exceed ten percent of the total modernization project cost.
- g. Construction Management Fees (if the Form SAB 50-05 certification was made by the district on or before December 31, 2003).
- h. “At risk” Construction Management Fees—reviewed on a case-by-case basis to determine whether the Construction Management firm is truly “at risk”.
- i. Demolition Costs—Allowable expenditure if the cost is attributable to replacement of “like kind” building area for modernization projects [(see Regulation Section 1859.79.2(a)), no cost limitations for new construction projects.
- j. Force Account Labor—Allowable if it complies with the Public Contract Code and is specific to the construction of the project.
- k. Interim Housing—Allowable expenditures with no cost limitations for modernization projects. Also eligible for new construc-

- tion projects that are additions to an existing site where classrooms are temporarily inaccessible or unsafe to house students.
- l. Unconventional Energy
- m. Construction Tests
- n. Inspections
- o. Furniture and Equipment—if included in a construction contract (such as built-in equipment for central kitchen, etc.)
- p. Construction Supervision/Security
- q. Energy Conservation Costs

Please note that the OPSC believes that some ambiguity may have existed in the past with regard to whether or not Construction Management fees may be used to meet the certification in question. Thus, the State Allocation Board approved a grace period based on recommendations made by the OPSC at the July 25, 2007 State Allocation Board meeting. For fund release certifications signed between January 1, 1999 and December 31, 2003, all Construction Management fees may be used in meeting the fund release certification. For fund release forms signed on or after January 1, 2004, school districts are limited to using only “at risk” Construction Management fees to meet their fund release certification.

Accurate certifications are essential to the integrity of the School Facility Program. Once you have determined that all of the fund release certifications are accurate, please mail the Form SAB 50-05 to the OPSC for processing, and you are ready to receive funding!

The Macias Report – Grant Adequacy

By Theodore J. Rapozo, Program Services Operations Manager

After much anticipation the Macias Consulting Group’s report on whether or not new construction allocations under the School Facilities Program (SFP) are adequate to build new schools in California was presented to the State Allocation Board (SAB) at the January 2008 meeting. To review the entire Macias Consulting Group (MCG) report please visit the “New Items” section on the Office of Public School Construction (OPSC) Website at www.opsc.dgs.ca.gov.

Although Assembly Bill 127, Chapter 35, Statutes of 2006 (Perata/Nunez) provides the SAB, beginning January 1, 2008, may annually adjust the new construction per-unhoused-pupil grant to correspond to costs of new school construction; no action, other than the annual Class B construction cost index adjustment, on the SFP pupil grant amounts was taken at the January meeting. The SAB upon receipt of the Macias report findings has referred the report to a work group for study; while leaving open the possibility of a per-unhoused-pupil grant adjustment for apportionments authorized in 2008.

Please visit the OPSC Website: www.opsc.dgs.ca.gov for future updates.

How to Ensure a Successful Dwelling Unit Review

By Virginia Sanchez, Application Review Analyst

Is your district about to prepare a Dwelling Unit Augmentation request? Ensuring a complete application package could make a big difference! It means that the Office of Public School Construction (OPSC) staff will be able to efficiently review districts' requests in a timely manner. When you begin to compile the necessary dwelling unit paperwork, start by remembering the requirements below. Education Code Section 17071.75 (a) allows the State Allocation Board to supplement the Cohort Survival Enrollment Projection by the number of un-housed pupils that are anticipated as a result of dwelling units proposed based on approved valid tentative subdivision maps. Districts must provide supporting documentation to validate the dwelling units they are reporting on the Enrollment Certification/Projection (Form SAB 50-01) as follows:

DISTRICTS MUST SUBMIT ONE OF THE FOLLOWING;

- » An approved and valid tentative or final subdivision map with the local planning commission or approval authority stamp located on the map,
- » An approved and valid tentative or final subdivision map with supporting documentation,
- » A spreadsheet or the OPSC Dwelling Unit Worksheet listing all of the subdivisions reported on the Form SAB 50-01 with supporting documentation. If the district wishes to utilize this option, please note that when the district representative signs the Form SAB 50-01, he/she is certifying that the tract maps are on file at the district office and available for OPSC review, if requested.

THE FOLLOWING INFORMATION IS REQUIRED WITH THE DISTRICT'S SUBMITTAL AS OUTLINED IN SCHOOL FACILITY PROGRAM REGULATIONS:

1. The dates the maps were approved by the local planning commission or approval authority. Local planning commission or approval authority meeting minutes detailing the approval of the map. Dwelling units contained in expired maps may not be reported on the Form SAB 50-01; and,
2. The number of dwelling units to be built within each subdivision, excluding all dwelling units that have either A) been occupied; or, B) had construction permits pulled that are twelve months or older from the date the permit was pulled.

Note: A district must select only one option in number 2 above—either the Date of Occupancy or permits pulled, plus twelve months—as the point in time to stop reporting dwelling units for all tracts being submitted. A district may select the other option the following submittal year, if desired.

The OPSC has created the OPSC Dwelling Unit Worksheet to assist districts in providing the above information. The worksheet also serves as a tool for tracking maps, dates, and the number of dwell-

ing units. Utilization of this worksheet will ensure that you submit the required information and receive a timely review. The worksheet is available on the OPSC Website at www.opsc.dgs.ca.gov.

SUPPORTING DOCUMENTATION IS DEFINED AS ONE OF THE FOLLOWING:

- » A letter from the local planning commission or approval authority indicating that the tract map is approved and valid as of the signature date of the Form SAB 50-01.
- » Any other reasonable documentation from the local planning commission or approval authority that indicates the tract map is approved, currently valid, and reports the determined number of dwelling units in Part F of Form SAB 50-01.

Note: If the tract map approval was extended, please provide the most current meeting minutes indicating the approval of the extension request.

If you need assistance with your Dwelling Unit Augmentation request or have any questions regarding your School Facility Program eligibility, please contact your OPSC project manager.

Emergency Repair Program: Application Filing Period

By Masha Lutsuk, Project Management Supervisor

Assembly Bill 607 implemented significant changes to the Emergency Repair Program. The bill revised eligibility for Emergency Repair Program funding from 2003 Decile 1-3 schools to 2006 Decile 1-3 schools, using the Academic Performance Index beginning with 2007/08 fiscal year. It also introduced a grant funding option under the Emergency Repair Program for eligible schools.

The State Allocation Board approved regulations with a grandfathering period to ensure that schools no longer eligible for funding (due to the change in their decile rating) could take advantage of the new grant funding option. The grandfathering period for filing applications for schools dropping off the eligible school list ended on October 1, 2007. The OPSC is continuing to accept applications for funding from school districts with schools in Deciles 1, 2 and 3 on the 2006 Academic Performance Index list. The current eligibility list can be found on the OPSC's Website at www.opsc.ca.gov, as well as the California Department of Education's Website at www.cde.ca.gov.

Deferred Maintenance Annual Apportionment

by Jan Moss, OPSC Project Manager

On December 12, 2007, the State Allocation Board (SAB) approved the 2006/2007 fiscal year funding for the Deferred Maintenance Program (DMP).

Over one thousand school districts shared approximately \$258.7 million in State DMP funding provided through the Governor's Budget and other funding sources, to perform major maintenance work on school facilities. This funding year, districts received 91.09 percent of the Maximum Basic apportionment allowed. In addition, there were 45 schools that received funds through Extreme Hardship apportionments.

The following provides a summary of available funding:

Type of Request	Value of Requests	State Funds Available	State Apportionment
Basic	\$283,771,785	\$258,708,589	\$258,704,522
Extreme Hardship	42,074,491	28,533,752	26,261,153
TOTAL	\$325,846,276	\$287,242,341	\$284,965,675

Due to Extreme Hardship projects exceeding the available funds provided by Statute, some projects were placed on an unfunded list. Should funds become available, the projects on the unfunded list will be considered for funding in the order of priority number status and the OPSC application received date.

HOW DOES THE DISTRICT RECEIVE THEIR BASIC APPORTIONMENT FUNDS?

The County Office of Education (COE) was required to certify to the OPSC by February 12, 2008, that school districts within their county and the COE have deposited the required matching funds into their District Deferred Maintenance Fund. If this certification has not yet been made for your county, please contact your DMP Program Manager immediately:

WHAT HAPPENS IF OUR DISTRICT DID NOT DEPOSIT THE REQUIRED AMOUNT?

If a district; 1) did not deposit their Maximum Basic grant or, 2) deposited only a portion of their Maximum Basic Grant or, 3) if the Certification of Deposits was not received by the deadline, the Basic grant or a portion of the Basic grant not deposited will be rescinded at the next available SAB meeting after February 2008. Under any of these circumstances, the district was required to

submit a report to the Legislature by March 1, 2008. Please refer to Education Code Section 17584.1 for the requirements of the report. Also, it is important to note that school districts with schools eligible to participate in the Emergency Repair Program must deposit an amount equal to the maximum basic grant to be eligible to receive funding from that program pursuant to the Emergency Repair Program Regulation Section 1859.328.

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 Website at www.dgs.ca.gov/opsc.

DEFERRED MAINTENANCE REGULATION AMENDMENTS

Amendments to the DMP Regulations were adopted at the September 26, 2007 SAB meeting. Clarifying language was added to Regulation Section 1866.4.3 allowing a district's cash contribution deposit to come from "any source not otherwise prohibited by law or regulation", providing for more flexibility in the deferred maintenance fund. Additionally, Section 1866.13 and Form SAB 40-22, Extreme Hardship Funding Application were amended to address Extreme Hardship projects containing additional work from another program, specifically the Charter School Facility Program.

For more detailed information on these subjects, please visit the OPSC Website at www.opsc.dgs.ca.gov/Programs/SABPrograms/DMP.htm or contact Bill Johnstone at (916) 323-8176 or Jan Moss at (916) 327-0569.

AS OF JANUARY 30, 2008

Proposition Funds Put to Work

PROGRAM	BOND ALLOCATION	APPORTIONED	RELEASED/CONTRACTED
PROPOSITION 1D			
New Construction	\$ 1,900,000,000	\$ 0	\$ 0
Modernization	3,300,000,000	590,699,168	331,503,963
Career Technical Education	500,000,000	0	0
High Performance Schools	100,000,000	0	0
Overcrowding Relief	1,000,000,000	0	0
Charter School	500,000,000	0	0
Joint-Use	29,000,000	45,533,873	12,973,363
Total Proposition 1D	\$ 7,329,000,000	\$ 636,233,041	\$ 344,477,326

PROGRAM	BOND ALLOCATION	APPORTIONED	RELEASED/CONTRACTED
PROPOSITION 55			
New Construction	\$ 4,960,000,000	\$ 4,548,788,201	\$ 4,148,196,701
Modernization	2,250,000,000	2,174,368,159	2,156,316,623
Charter School	300,000,000	217,156,393	21,775,845
Critically Overcrowded Schools	2,440,000,000	1,883,411,940	84,545,787
Joint-Use*	65,547,233	59,710,393	35,879,680
Total Proposition 55	\$ 10,015,547,233	\$ 8,614,010,827	\$ 6,446,714,637

*Includes \$15,547,233 transferred into this category.

PROGRAM	BOND ALLOCATION	APPORTIONED	RELEASED/CONTRACTED
PROPOSITION 47			
New Construction	\$ 6,250,000,000	\$ 6,151,300,290	\$ 6,128,288,145
Modernization	3,300,000,000	3,295,822,766	3,285,533,383
Charter School	100,000,000	39,737,506	9,517,018
Critically Overcrowded Schools	1,700,000,000	1,339,352,779	191,890,317
Joint-Use	50,000,000	49,837,865	45,657,261
Total Proposition 47	\$ 11,400,000,000	\$ 10,876,051,206	\$ 9,660,886,124

Grand Total \$ 28,744,547,233 \$ 20,395,719,333 \$ 16,452,078,086

Dedication & Groundbreaking Ceremonies

By Darlene J. Newman, Project Manager

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

SCHOOL DISTRICT	COUNTY	PROJECT	DEDICATION
Hemet Unified	Riverside	Tahquitz High	September 2007
Alvord Unified	Riverside	Lake Hills Elementary	October 2007
Jurupa Unified	Riverside	Patriot High	October 2007
Jurupa Unified	Riverside	Rubidoux High	October 2007
Los Angeles Unified	Los Angeles	John Liechty Middle	November 2007
Coachella Valley USD	Riverside	Bobby G. Duke Middle	December 2007
Los Angeles Unified	Los Angeles	Central Los Angeles LC	December 2007
Los Angeles Unified	Los Angeles	Washington High Physical Training Facility	December 2007
Los Angeles Unified	Los Angeles	Alta Loma Elementary	December 2007
SCHOOL DISTRICT	COUNTY	PROJECT	GROUNDBREAKING
Los Angeles Unified	Los Angeles	Central Valley ES #19	November 2007
Los Angeles Unified	Los Angeles	Valley Region Early Education Center #1	November 2007

AS OF JANUARY 30, 2008

Status of Funds

PROGRAM	BALANCE AVAILABLE MILLIONS OF DOLLARS
PROPOSITION 1D	
New Construction	\$ 1,894.0
Modernization	2,708.0
Career Technical Education	500.0
High Performance Schools	100.0
Overcrowding Relief	1,000.0
Charter School	500.0
Joint-Use	4.5
Total Proposition 1D	\$ 6,706.6

PROGRAM	BALANCE AVAILABLE MILLIONS OF DOLLARS
PROPOSITION 55	
New Construction	\$ 635.2
Energy	0.0
Small High School	18.9
Modernization	24.4
Energy	0.0
Small High School	5.0
Critically Overcrowded Schools	
15% COS Unrestricted Fund	287.6
Charter School	29.0
DTSC/Relocation	13.1
Hazardous Material	2.6
Conversion Increase Fund	29.0
Joint-Use	5.5
Total Proposition 55	\$ 1,052.0

PROGRAM	BALANCE AVAILABLE MILLIONS OF DOLLARS
PROPOSITION 47	
New Construction	\$ 12.8
Energy	0.6
Modernization	0.0
Energy	0.0
Critically Overcrowded Schools	
Reserved	360.6
Charter School	41.2
Conversion Increase Fund	16.6
Joint-Use	0.1
Total Proposition 47	\$ 431.9

Grand Total – Propositions 1D, 55 and 47 \$ 8,190.5

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 OPSC, include all information as referenced in the table above, and please include the related School Facility Program application number. Submit this information to the Office of Public School Construction, Attention: New School Dedications and Groundbreakings.

2007 LEGISLATIVE SUMMARY

Governor Schwarzenegger signed several bills related to school facility construction in 2007. The following table is an overview of the most significant chaptered bills that impact the programs administered by the State Allocation Board (SAB) and the participants in those programs. It is not intended to be a comprehensive study of the bills' ramifications on SAB programs. In-depth, program-specific evaluation is underway. We will communicate the ways the following legislation may impact your school district as implementing the legislation proceeds.

BILL	SUMMARY	PRELIMINARY COMMENTS
AB 123 (Nunez) Chapter 260	Parklands: Westside Park This bill, under certain conditions, authorizes the City of Huntington Park to transfer up to 3.8 acres of Westside Park land and its facilities to the Los Angeles Unified School District. One of the conditions requires that the transferred property be used only for a school facility.	This bill does not require any regulatory, or other, action from the State Allocation Board (SAB).
AB 373 (Wolk) Chapter 670	Local government: community facilities improvement This bill: 1) specifies that whenever the SAB shares in any part of the cost of school facilities, the ownership of those facilities and the real property that the facilities are located upon are held as provided in the Leroy F. Greene School Facilities Act of 1998, 2) would eliminate the requirement that the community facilities district make reductions in bonds or special taxes, and 3) provides that the resolution to incur bonded indebtedness may provide for cost sharing by the SAB and for appropriate adjustment of the principal amount of any bond issue or issues and of the rate and method of apportionment of any special tax.	This bill does not require any regulatory, or other, action from the SAB.
AB 641 (Torrico) Chapter 603	Developer fees This bill provides that the existing exemptions allowing local agencies to require early payment of public improvement or facility construction fees do not apply to low-income developments, but do still apply to fees levied for school construction purposes.	This bill does not require any regulatory, or other, action from the SAB.
AB 1014 (Bass) Chapter 691	School facilities This bill: 1) authorizes the SAB to supplement the cohort projection method with the following: modified weighting mechanisms developed and applied in consultation with the Demographic Research Unit of the Department of Finance, if the SAB determines that they best represent the enrollment trends of the district; and an adjustment to reflect the effects of changes in birth rates on kindergarten and first grade enrollment, 2) authorizes school districts to submit an enrollment projection for either a fifth year or tenth year beyond the fiscal year in which the application is made, and 3) allows a district that bases its enrollment projection on a high school attendance area to use pupil residence in that attendance area for enrollment calculations. The SAB is authorized to adopt regulations to specify the format and certification requirements for a district that submits residency data.	This bill requires the development and implementation of new regulations, calculations, and verification methods necessary to determine adjustments to the new construction baseline eligibility for districts. The Office of Public School Construction (OPSC) is developing a plan for the implementation of this bill.

2007 Legislative Summary...

BILL	SUMMARY	PRELIMINARY COMMENTS
SB 13 (Wyland) Chapter 519	School facilities funding process: career technical education facilities This bill: 1) requires the California Department of Education (CDE) to include in its application for new construction plan approval three questions regarding the needs of Career Technical Education being met through the project and how the vocational and career technical facilities, as required by Education Code Section 17070.955, are identified, and 2) requires the CDE to maintain the answers in a publicly accessible manner and to provide a summary of the responses to the OPSC on a quarterly basis for posting on the OPSC Web site.	This bill requires the OPSC to post the summaries of the answers to new questions on its Website after receiving the summaries from the CDE.
SB 132 (Senate Education Committee) Chapter 730	Education This bill makes various clarifying and technical changes to the Education Code and also deletes obsolete provisions from the Code. Among the changes is the repeal of the January 1, 2008 sunset date regarding the annual new construction grant increase of seven percent for elementary and middle school pupil grants, and four percent for high school pupils grants.	This bill extends the new construction per-pupil grant increases beyond January 1, 2008 to provide additional funding for new construction projects.
SB 614 (Simitian) Chapter 471	Public works: design-build contracts This bill: 1) lowers from \$10 million to \$2.5 million the contract amount for the design and construction of a school facility in order for a district to be eligible to enter into a design-build contract, 2) extends this authority from January 1, 2010 to January 1, 2014, and 3) prohibits retention proceeds withheld by the district from the design-build entity to exceed five percent if a performance and payment bond is required in the solicitation of bids.	This bill expands and extends opportunities for school districts to enter into design-build contracts. This bill does not require any regulatory, or other, action from the SAB.

Please stay tuned! We would like to encourage you to take an active role in the changes being made to the programs administered by our office by attending the SAB Implementation Committee meetings held monthly in Sacramento that are open to the public. The committee is an informal body comprised of various State agencies and school facility organizations that provide input on policy and legislative implementation.

Visit our Website at www.opsc.dgs.ca.gov to view upcoming Implementation Committee agendas.



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 and prior to filing with the Office of Administrative Law. Non-emergency regulatory tracts take 120–180 days from the date the State Allocation Board approves the agenda item until the regulation(s) become effective.

GENERAL SITE DEVELOPMENT GRANT EXTENSION

BY JUAN MIRELES, INTERIM POLICY MANAGER

Great news! At the December 2007 State Allocation Board (SAB) meeting, the Board approved regulations that will extend the sunset date for additional grants for general site development.

The extension will continue to provide eligible school districts the additional grant until January 1, 2009. This additional time will allow the Office of Public School Construction (OPSC) to obtain sufficient project data and, in combination with the grant adequacy study, will enable Staff to provide a recommendation on the continuation of the general site allowance.

For more information regarding this program, please visit the OPSC Website at www.opsc.dgs.ca.gov, or contact your OPSC Project Manager.

SEISMIC MITIGATION REGULATION UPDATE

BY DON LITTLEFIELD, PROJECT MANAGER

Proposition 1D authorized up to \$199.5 million for seismic mitigation of school facilities that are the most vulnerable of Category 2 buildings and pose an unacceptable risk of injury during a seismic event. In order to accommodate this funding, Assembly Bill 127 (Chapter 35, Statutes of 2006, Perata/Nunez) provided amendments to Education Code Section 17075.10 and the Facility Hardship Program.

At the September 2007 SAB meeting, the Board adopted regulations which provides that all costs, including the ancillary costs for seismic mitigation, be borne out of the \$199.5 million provided. It is anticipated that the Office of Administrative Law will approve the regulations before the end of April 2008. Once the regulations are in effect, the OPSC will post the regulations on the OPSC Website.

If you have any questions regarding seismic mitigation, you may contact Don Littlefield at (916) 324-5703, or Katrina Valentine at (916) 322-0331.

HIGH PERFORMANCE INCENTIVE GRANTS

BY TONI MARTINEZ, PROJECT MANAGER AND
KATRINA VALENTINE, PROJECT MANAGEMENT SUPERVISOR

HISTORY

Assembly Bill (AB) 127 provides \$100 million in incentive grants to promote the use of high performance attributes in new construction and modernization projects for K-12 schools. High performance attributes include using designs and materials that promote energy and water efficiency, maximize the use of natural lighting, improve indoor air quality, utilize recycled materials and materials that emit a minimum of toxic substances, and employ acoustics that are conducive to teaching and learning.

The School Facility Program regulations for the High Performance Incentive grant program became effective October 1, 2007, and the OPSC is now accepting applications. The regulations include a High Performance Rating Criteria that will be used to determine the high performance attributes in a project, and to assign each application a score that directly correlates to the amount of funding a project receives. For the purposes of this program, the High Performance Rating Criteria was modeled after the rating criteria as identified in the 2006 Collaborative of High Performance Schools Best Practices Manual. However, the criteria were modified to ensure that funds allocated from this program focus on facility components that enhance high performance.

NEW CONSTRUCTION

In order to qualify for the additional grant, new construction projects must meet all prerequisites in all High Performance Rating Criteria categories. Next, the district may select the credits it wishes to pursue. The minimum point threshold is 27 points and the maximum is 75 points, with a minimum of four points obtained in the superior energy performance and/or alternate energy sources categories.

ADDITIONS TO A SITE AND MODERNIZATION

Additions to a site and modernization projects must meet all the prerequisites in the High Performance Rating Criteria categories that are within the scope of the project; then, the district may select the credits it wishes to pursue. The mini-

mum point threshold is 20 points and a maximum of 77 points can be attained.

PROCESS

The final score, which will be verified by the Division of the State Architect, will determine the High Performance Incentive grant amount. The increase to the base grant will be determined by the number of credits the project receives multiplied by a percentage factor, resulting in an increase ranging from two to just over 10 percent.

Please continue to check the OPSC Website for updates regarding the High Performance Incentive grant program. If you have any questions, please contact your OPSC project manager.

CAREER TECHNICAL EDUCATION FACILITIES PROGRAM REMINDER!

BY TRACY SHARP, PROJECT MANAGEMENT SUPERVISOR

The second funding cycle for the Career Technical Education Facilities Program (CTEFP) is fast approaching! Applicants will soon receive their grant application scores from the California Department of Education. If you receive at least 105 points, you are eligible to apply for funding from the State Allocation Board. Your completed CTEFP Funding Application (Form SAB 50-10) must be received at the OPSC by 5:00 p.m. on April 30, 2008. Postmarks will not be accepted. The second funding cycle will have approximately \$300 million available, so all interested eligible applicants are welcome to participate.

Don't forget! There are amended regulations clarifying the CTEFP. For example, all Career Technical Education modernization projects that otherwise meet the program criteria are eligible if the project contracts were signed on or after May 20, 2006. These regulations will be in effect for the second funding cycle. Be sure to review these amendments on our Website under Proposed Regulations at www.opsc.dgs.ca.gov/Regulations/default.htm. Please use the revised Form SAB 50-10 to apply for funding in the second round.

For more information about the program and updated application forms, please visit our Website at www.opsc.dgs.ca.gov/Programs/SFProgams/ctefp.

AB 127 GRANT INCREASE - PROJECT INFORMATION WORKSHEET

BY TONI MARTINEZ, PROJECT MANAGER AND
MICHAEL WATANABE, AUDIT SUPERVISOR

The OPSC, after numerous Grant Adequacy Ad hoc, Implementation Committee and workgroup meetings, piloted a Project Information Worksheet (PIW) and its instructions with several school districts throughout the State. Feedback from these districts that participated in the pilot was incorporated to improve and streamline the PIW. At the January 2008 SAB meeting, the Board adopted the PIW, but requested OPSC monitor the initial usage and provide an update on the success of the form six months after it becomes effective.

Once the regulations submitted to the Office of Administrative Law are effective, districts will be required to submit the PIW to the OPSC along with the Fund Release Authorization (Form SAB 50-05) and the first and final annual Expenditure Report (Form SAB 50-06) for a new construction project. The PIW will be available on the OPSC Website, and it is anticipated school districts will be able to submit the worksheet electronically. Some of the project information being requested through the PIW will include, but is not limited to, actual and/or estimated costs, scope (including the number of classrooms and type of construction), building square footage, the cost per square foot, bid information, and alterations.

Staff would like to emphasize that reporting the total cost of construction to OPSC will assist in determining the appropriate recommendation to the Board for the annual adjustments to the School Facility Program grants. When a district submits an expenditure report, it is important to report all project expenditures as accurately as possible. Specifically, the report should reflect the total construction costs which include but are not limited to planning costs and architect fees, plan checks fees, construction testing, inspections, relocation assistance costs, building construction, site development, and interim housing costs that are applicable to each project.

If you have any questions regarding the PIW or whether a particular expenditure is eligible under any of the State programs, you may visit the OPSC Website at www.opsc.dgs.ca.gov or contact your OPSC Project Manager or Auditor.