

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, January 27, 2010

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

PURPOSE OF REPORT

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

DESCRIPTION

Statute requires an annual adjustment to the per-unhoused-pupil grant amounts of the SFP based on the change in the Class B Construction Cost Index (CCI) each January. Prior to January 1, 2005, base grant amount adjustments were based on the Marshall & Swift (M&S) Ten Western States Index. At the March 2005 State Allocation Board (SAB) meeting, the Board adopted the M&S Eight California Cities Index as the index most closely reflecting the building climate in California. In December 2007, the Board used the M&S Ten Western States Index. The 2009 adjustment was made according to the Eight California Cities Index. During the period of January 1, 2009 through January 1, 2010, the M&S Eight California Cities Index and Ten Western States Index changed by -6.74 and -6.22 percent respectively, as shown in the Attachment C.

AUTHORITY

For New Construction grant, EC Section 17072.10(b) states, "The Board shall annually adjust the per-unhoused-pupil apportionment to reflect construction cost changes, as set forth in the statewide cost index for class B construction as determined by the Board." EC Section 17072.11(a)(3) states, "The Board shall conduct an analysis of the relationship between the per-unhoused-pupil grant eligibility determined under this article and the per-pupil cost of new school construction for elementary, middle, and high school pupils."

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

SFP Regulations Section 1859.71 states, "The new construction per-unhoused-pupil grant amount, as provided by Education Code Section 17072.10(a), will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board each January. The new construction per-unhoused-pupil grant amount, as provided by Education Code Section 17072.10(a), may be increased by an additional amount not to exceed six percent in a fiscal year, or decreased, based on the analysis of the current cost to build schools as reported on the Project Information Worksheet (New 09/07) which shall be submitted with the Forms SAB 50-05 and 50-06 and as approved by the Board."

For the assistance on Small School Districts' new construction projects, SFP Regulations Section 1859.73.1 and Section 1859.78.2 both states the amount will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board each January.

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

(Continued on Page Two)

## OPTIONS

Option 1 – Adjust the grant for SFP applications apportioned on or after January 1, 2010 using the M&S Eight California Cities Index, as shown in the Attachment A.

Pro: The M&S Eight California Cities Index fits more appropriately for the construction projects in California.

Con: Using the M&S Eight California Cities Index will provide less funding to school districts.

Option 2 – Adjust the grant for SFP applications apportioned on or after January 1, 2010 using the M&S Ten Western States Index, as shown in the Attachment B.

Pro: Using M&S Ten Western States Index will provide more funding to school districts.

Con: In comparison to the M&S Eight California Cities Index, the M&S Ten Western States Index fits less appropriately for the construction projects in California.

## RECOMMENDATION

Approve Option 1.

## BOARD ACTION

In considering this Item, the State Allocation Board approved the modification to staff's Option 1 to read as follows: "adjust the grant for SFP applications for unfunded approvals on or after January 1, 2010 using the M&S Eight California Cities Index, as shown on Attachment A."

**ATTACHMENT A**

**ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS  
State Allocation Board Meeting, January 27, 2010**

**Grant Amount Adjustments**

		Regulation Section	Current Grant Per Pupil Effective 1-1-09*	Adjusted Grant Per Pupil Effective 1-1-10
<b>New Construction</b>	Elementary	1859.71	\$9,369	\$8,738
	Middle	1859.71	\$9,909	\$9,241
	High	1859.71	\$12,607	\$11,757
	Special Day Class – Severe	1859.71.1	\$26,324	\$24,550
	Special Day Class – Non-Severe	1859.71.1	\$17,605	\$16,418
	Automatic Fire Detection/Alarm System – Elementary	1859.71.2	\$11	\$10
	Automatic Fire Detection/Alarm System – Middle	1859.71.2	\$15	\$14
	Automatic Fire Detection/Alarm System – High	1859.71.2	\$25	\$23
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	\$48	\$45
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	\$33	\$31
	Automatic Sprinkler System – Elementary	1859.71.2	\$158	\$147
	Automatic Sprinkler System – Middle	1859.71.2	\$188	\$175
	Automatic Sprinkler System – High	1859.71.2	\$194	\$181
	Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	\$497	\$464
	Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	\$334	\$311
<b>Modernization</b>	Elementary	1859.78	\$3,568	\$3,328
	Middle	1859.78	\$3,774	\$3,520
	High	1859.78	\$4,940	\$4,607
	Special Day Class - Severe	1859.78.3	\$11,366	\$10,600
	Special Day Class – Non-Severe	1859.78.3	\$7,605	\$7,092
	State Special School – Severe	1859.78	\$18,950	\$17,673
	Automatic Fire Detection/Alarm System – Elementary	1859.78.4	\$114	\$106
	Automatic Fire Detection/Alarm System – Middle	1859.78.4	\$114	\$106
	Automatic Fire Detection/Alarm System – High	1859.78.4	\$114	\$106
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.78.4	\$318	\$297
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.78.4	\$213	\$199
	Over 50 Years Old – Elementary	1859.78.6	\$4,955	\$4,621
	Over 50 Years Old – Middle	1859.78.6	\$5,242	\$4,889
	Over 50 Years Old – High	1859.78.6	\$6,863	\$6,400
	Over 50 Years Old – Special Day Class – Severe	1859.78.6	\$15,795	\$14,730
	Over 50 Years Old – Special Day Class – Non-Severe	1859.78.6	\$10,562	\$9,850
	Over 50 Years Old – State Special School – Severe	1859.78.6	\$26,324	\$24,550

\*New Construction Elementary, Middle, and High amounts shown are as of adjustment approved February 25, 2009

(Continued on Page Two)

## ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

Grant Amount Adjustments

New Construction / Modernization / Joint-Use	Regulation Section	Current Grant Per Pupil Effective 1-1-09	Adjusted Grant Per Pupil Effective 1-1-10
Therapy/Multipurpose Room/Other (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	\$152	\$142
Toilet Facilities (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	\$276	\$257
<b>New Construction Only</b>			
Parking Spaces	1859.76	\$11,913	\$11,110
General Site Grant (per acre for additional acreage being acquired)	1859.76	\$15,226	\$14,200
Project Assistance (for school district with less than 2,500 pupils)	1859.73.1	\$5,653	\$5,272
<b>Modernization Only</b>			
Two-stop Elevator	1859.83	\$95,294	\$88,871
Additional Stop	1859.83	\$17,151	\$15,995
Project Assistance (for school district with less than 2,500 pupils)	1859.78.2	\$3,013	\$2,810
<b>Facility Hardship / Rehabilitation</b>			
Current Replacement Cost - Other (per square foot)	1859.2	\$305	\$284
Current Replacement Cost - Toilets (per square foot)	1859.2	\$550	\$513
Interim Housing – Financial Hardship (per classroom)	1859.81	\$31,402	\$29,286
<b>Charter School Facilities Program - Preliminary Apportionment Amounts</b>			
Charter School Elementary	1859.163.1	\$8,882	\$8,283
Charter School Middle	1859.163.1	\$9,404	\$8,770
Charter School High	1859.163.1	\$12,282	\$11,454
Charter School Special Day Class - Severe	1859.163.1	\$28,301	\$26,394
Charter School Special Day Class - Non-Severe	1859.163.1	\$18,927	\$17,651

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ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

New School Adjustments (Regulation Section 1859.83)

Class-rooms in Project	Elementary School Adjusted Grant Effective 1-1-09	Elementary School Adjusted Grant Effective 1-1-10	Middle School Adjusted Grant Effective 1-1-09	Middle School Adjusted Grant Effective 1-1-10	High School Adjusted Grant Effective 1-1-09	High School Adjusted Grant Effective 1-1-10	Alternative Education New School Effective 1-1-09	Alternative Education New School Effective 1-1-10
1	\$254,120	\$236,992	\$1,070,484	\$998,333	\$2,328,378	\$2,171,445	\$690,414	\$643,880
2	\$598,772	\$558,415	\$1,200,719	\$1,119,791	\$2,422,088	\$2,258,839	\$837,644	\$781,187
3	\$898,950	\$838,361	\$1,334,133	\$1,244,212	\$2,993,860	\$2,792,074	\$1,464,306	\$1,365,612
4	\$1,138,779	\$1,062,025	\$1,480,252	\$1,380,483	\$3,502,098	\$3,266,057	\$1,647,416	\$1,536,380
5	\$1,337,308	\$1,247,173	\$1,632,724	\$1,522,678	\$3,856,280	\$3,596,367	\$1,830,527	\$1,707,149
6	\$1,621,609	\$1,512,313	\$1,786,786	\$1,666,357	\$4,210,460	\$3,926,675	\$2,013,637	\$1,877,918
7	\$1,909,082	\$1,780,410	\$1,940,846	\$1,810,033	\$4,564,640	\$4,256,983	\$2,196,745	\$2,048,684
8	\$2,129,849	\$1,986,297	\$2,109,203	\$1,967,043	\$4,837,820	\$4,511,751	\$2,389,002	\$2,227,983
9	\$2,129,849	\$1,986,297	\$2,287,085	\$2,132,935	\$5,056,997	\$4,716,155	\$2,587,550	\$2,413,149
10	\$2,504,675	\$2,335,860	\$2,466,558	\$2,300,312	\$5,274,591	\$4,919,084	\$2,786,097	\$2,598,314
11	\$2,504,675	\$2,335,860	\$2,646,030	\$2,467,688	\$5,493,767	\$5,123,487	\$3,556,560	\$3,316,848
12	\$2,636,500	\$2,458,800			\$5,693,889	\$5,310,121	\$3,755,106	\$3,502,012
13					\$5,890,830	\$5,493,788	\$3,953,655	\$3,687,179
14					\$6,087,775	\$5,677,459	\$4,152,203	\$3,872,345
15					\$6,286,309	\$5,862,612	\$4,350,750	\$4,057,509
16					\$6,483,249	\$6,046,278	\$4,549,298	\$4,242,675
17					\$6,681,783	\$6,231,431	\$4,747,845	\$4,427,840
18					\$6,878,726	\$6,415,100	\$4,946,393	\$4,613,006
19					\$7,075,669	\$6,598,769	\$5,144,940	\$4,798,171
20					\$7,274,199	\$6,783,918	\$5,343,487	\$4,983,336
21					\$7,471,146	\$6,967,591	\$5,542,178	\$5,168,635
22					\$7,668,088	\$7,151,259	\$5,740,726	\$5,353,801
23							\$5,939,274	\$5,538,967
24							\$6,137,821	\$5,724,132
25							\$6,336,366	\$5,909,295
26							\$6,534,918	\$6,094,465
27							\$6,733,464	\$6,279,629

**ATTACHMENT B**

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS  
State Allocation Board Meeting, January 27, 2010

**Grant Amount Adjustments**

		Regulation Section	Current Grant Per Pupil Effective 1-1-09*	Adjusted Grant Per Pupil Effective 1-1-10
<b>New Construction</b>	Elementary	1859.71	\$9,369	\$8,786
	Middle	1859.71	\$9,909	\$9,293
	High	1859.71	\$12,607	\$11,823
	Special Day Class – Severe	1859.71.1	\$26,324	\$24,687
	Special Day Class – Non-Severe	1859.71.1	\$17,605	\$16,510
	Automatic Fire Detection/Alarm System – Elementary	1859.71.2	\$11	\$10
	Automatic Fire Detection/Alarm System – Middle	1859.71.2	\$15	\$14
	Automatic Fire Detection/Alarm System – High	1859.71.2	\$25	\$23
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	\$48	\$45
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	\$33	\$31
	Automatic Sprinkler System – Elementary	1859.71.2	\$158	\$148
	Automatic Sprinkler System – Middle	1859.71.2	\$188	\$176
	Automatic Sprinkler System – High	1859.71.2	\$194	\$182
	Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	\$497	\$466
	Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	\$334	\$313
<b>Modernization</b>	Elementary	1859.78	\$3,568	\$3,346
	Middle	1859.78	\$3,774	\$3,539
	High	1859.78	\$4,940	\$4,633
	Special Day Class - Severe	1859.78.3	\$11,366	\$10,659
	Special Day Class – Non-Severe	1859.78.3	\$7,605	\$7,132
	State Special School – Severe	1859.78	\$18,950	\$17,771
	Automatic Fire Detection/Alarm System – Elementary	1859.78.4	\$114	\$107
	Automatic Fire Detection/Alarm System – Middle	1859.78.4	\$114	\$107
	Automatic Fire Detection/Alarm System – High	1859.78.4	\$114	\$107
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.78.4	\$318	\$298
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.78.4	\$213	\$200
	Over 50 Years Old – Elementary	1859.78.6	\$4,955	\$4,647
	Over 50 Years Old – Middle	1859.78.6	\$5,242	\$4,916
	Over 50 Years Old – High	1859.78.6	\$6,863	\$6,436
	Over 50 Years Old – Special Day Class – Severe	1859.78.6	\$15,795	\$14,813
	Over 50 Years Old – Special Day Class – Non-Severe	1859.78.6	\$10,562	\$9,905
	Over 50 Years Old – State Special School – Severe	1859.78.6	\$26,324	\$24,686

\*New Construction Elementary, Middle, and High amounts shown are as of adjustment approved February 25, 2009

(Continued on Page Two)

**ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS**

**Grant Amount Adjustments**

New Construction / Modernization / Joint-Use	Regulation Section	Current Grant Per Pupil Effective 1-1-09	Adjusted Grant Per Pupil Effective 1-1-10
Therapy/Multipurpose Room/Other (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	\$152	\$143
Toilet Facilities (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	\$276	\$259
<b>New Construction Only</b>			
Parking Spaces	1859.76	\$11,913	\$11,172
General Site Grant (per acre for additional acreage being acquired)	1859.76	\$15,226	\$14,279
Project Assistance (for school district with less than 2,500 pupils)	1859.73.1	\$5,653	\$5,301
<b>Modernization Only</b>			
Two-stop Elevator	1859.83	\$95,294	\$89,367
Additional Stop	1859.83	\$17,151	\$16,084
Project Assistance (for school district with less than 2,500 pupils)	1859.78.2	\$3,013	\$2,826
<b>Facility Hardship / Rehabilitation</b>			
Current Replacement Cost - Other (per square foot)	1859.2	\$305	\$286
Current Replacement Cost - Toilets (per square foot)	1859.2	\$550	\$516
Interim Housing – Financial Hardship (per classroom)	1859.81	\$31,402	\$29,449
<b>Charter School Facilities Program - Preliminary Apportionment Amounts</b>			
Charter School Elementary	1859.163.1	\$8,882	\$8,330
Charter School Middle	1859.163.1	\$9,404	\$8,819
Charter School High	1859.163.1	\$12,282	\$11,518
Charter School Special Day Class - Severe	1859.163.1	\$28,301	\$26,541
Charter School Special Day Class - Non-Severe	1859.163.1	\$18,927	\$17,750

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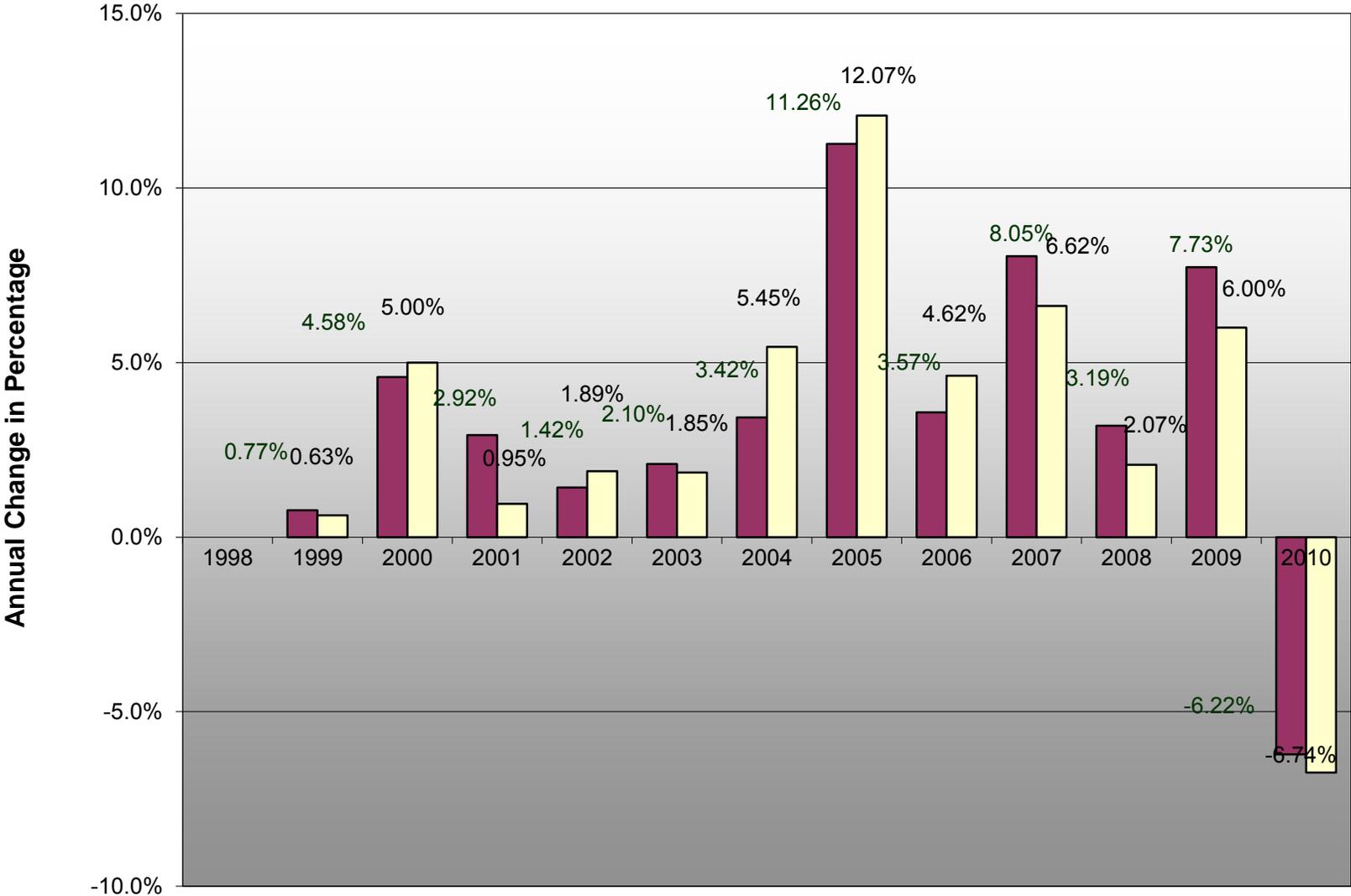
ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

New School Adjustments (Regulation Section 1859.83)

Class-rooms in Project	Elementary School Adjusted Grant Effective 1-1-09	Elementary School Adjusted Grant Effective 1-1-10	Middle School Adjusted Grant Effective 1-1-09	Middle School Adjusted Grant Effective 1-1-10	High School Adjusted Grant Effective 1-1-09	High School Adjusted Grant Effective 1-1-10	Alternative Education New School Effective 1-1-09	Alternative Education New School Effective 1-1-10
1	\$254,120	\$238,314	\$1,070,484	\$1,003,900	\$2,328,378	\$2,183,553	\$690,414	\$647,470
2	\$598,772	\$561,528	\$1,200,719	\$1,126,034	\$2,422,088	\$2,271,434	\$837,644	\$785,543
3	\$898,950	\$843,035	\$1,334,133	\$1,251,150	\$2,993,860	\$2,807,642	\$1,464,306	\$1,373,226
4	\$1,138,779	\$1,067,947	\$1,480,252	\$1,388,180	\$3,502,098	\$3,284,268	\$1,647,416	\$1,544,947
5	\$1,337,308	\$1,254,127	\$1,632,724	\$1,531,169	\$3,856,280	\$3,616,419	\$1,830,527	\$1,716,668
6	\$1,621,609	\$1,520,745	\$1,786,786	\$1,675,648	\$4,210,460	\$3,948,569	\$2,013,637	\$1,888,389
7	\$1,909,082	\$1,790,337	\$1,940,846	\$1,820,125	\$4,564,640	\$4,280,719	\$2,196,745	\$2,060,107
8	\$2,129,849	\$1,997,372	\$2,109,203	\$1,978,011	\$4,837,820	\$4,536,908	\$2,389,002	\$2,240,406
9	\$2,129,849	\$1,997,372	\$2,287,085	\$2,144,828	\$5,056,997	\$4,742,452	\$2,587,550	\$2,426,604
10	\$2,504,675	\$2,348,884	\$2,466,558	\$2,313,138	\$5,274,591	\$4,946,511	\$2,786,097	\$2,612,802
11	\$2,504,675	\$2,348,884	\$2,646,030	\$2,481,447	\$5,493,767	\$5,152,055	\$3,556,560	\$3,335,342
12	\$2,636,500	\$2,472,510			\$5,693,889	\$5,339,729	\$3,755,106	\$3,521,538
13					\$5,890,830	\$5,524,420	\$3,953,655	\$3,707,738
14					\$6,087,775	\$5,709,115	\$4,152,203	\$3,893,936
15					\$6,286,309	\$5,895,301	\$4,350,750	\$4,080,133
16					\$6,483,249	\$6,079,991	\$4,549,298	\$4,266,332
17					\$6,681,783	\$6,266,176	\$4,747,845	\$4,452,529
18					\$6,878,726	\$6,450,869	\$4,946,393	\$4,638,727
19					\$7,075,669	\$6,635,562	\$5,144,940	\$4,824,925
20					\$7,274,199	\$6,821,744	\$5,343,487	\$5,011,122
21					\$7,471,146	\$7,006,441	\$5,542,178	\$5,197,455
22					\$7,668,088	\$7,191,133	\$5,740,726	\$5,383,653
23							\$5,939,274	\$5,569,851
24							\$6,137,821	\$5,756,049
25							\$6,336,366	\$5,942,244
26							\$6,534,918	\$6,128,446
27							\$6,733,464	\$6,314,643

Attachment C  
 State Allocation Board Meeting, January 27, 2010

ANNUAL CONSTRUCTION COST INDEXES



	Jan-98	Jan-99	Jan-00	Jan-01	Jan-02	Jan-03	Jan-04	Jan-05	Jan-06	Jan-07	Jan-08	Jan-09	Jan-10
■ M&S CCI % 10 W. STATES CLASS B	0.0%	0.77%	4.58%	2.92%	1.42%	2.10%	3.42%	11.26%	3.57%	8.05%	3.19%	7.73%	-6.22%
□ M&S CCI % 8 CAL. CITIES CLASS B	0.00%	0.63%	5.00%	0.95%	1.89%	1.85%	5.45%	12.07%	4.62%	6.62%	2.07%	6.00%	-6.74%