

At the March 25, 2009 State Allocation Board meeting, the Board approved a transfer of \$700 million from the 2002 unrestricted Critically Overcrowded Schools (COS) Facilities Fund to the School Facility Program New Construction Fund. Since January 2007, new construction projects have been funded from Proposition 1D. Currently, the Office of Public School Construction (OPSC) has received enough projects to exhaust all of the remaining Proposition 1D new construction funds. As you may be aware, Labor Compliance Program (LCP) requirements did not extend to those projects funded from Proposition 1D.

However, when new construction projects are subsequently apportioned with transferred 2002 COS funds (Public Education Bond Act of 2002, Proposition 47), districts will be subject to LCP requirements pursuant to Labor Code Section 1771.7(a)(1). Districts submitting new construction projects received by the OPSC from this point forward are encouraged to take all necessary steps to ensure compliance with LCP requirements as they will most likely be funded from the transferred funds mentioned above.

Additionally, recently enacted legislation may impact how a school district proceeds with the initiation of an LCP. Specifically, Chapter 7, Statutes of 2009, (SBX2 9-Padilla) require the Department of Industrial Relations (DIR) to provide enhanced labor compliance monitoring and enforcement on bond funded and other specified projects. The bill further requires the DIR to collect a fee for this work. Under the new law, awarding bodies with their own approved LCPs that wish to continue performing their own labor compliance monitoring and enforcement, may be eligible to have this fee waived. However, the fee waiver will *not* be available to awarding bodies that contract their LCP responsibilities out to third party programs. Also, there will no longer be an exception to these requirements for awarding bodies that enter into project labor agreements. The provisions of this bill become effective upon the establishment of the fee and the regulations by the DIR. The OPSC will work closely with the DIR to provide School Facility Program information useful in assisting them with the development of the regulations.

Please see the DIR website for more information regarding this issue at www.dir.ca.gov. The information is located at the bottom of the home page under “what’s new”.

If you have any questions about how this fund transfer will impact your project, please contact your OPSC project manager.