

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, February 24, 2016

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

PURPOSE OF REPORT

To present for State Allocation Board (Board) approval RS Means' correction to the previously approved percentage increase to the School Facility Program (SFP) grants from 0.27 percent to 2.79 percent.

DESCRIPTION

On January 27, 2016, the Board adopted an increase of 0.27 percent for the annual adjustment to SFP grants based on the RS Means Class B Construction Cost Index. Following the Board adoption, the Office of Public School Construction (OPSC) received corrected source data from RS Means that results in a corrected annual adjustment of a 2.79 percent increase from 2015 to 2016. Therefore, Staff is presenting the corrected adjustment for the Board's approval.

AUTHORITY

See Attachment A.

STAFF ANALYSIS/STATEMENTS

At the January 27, 2016 meeting, the Board adopted an increase to the School Facility Program (SFP) grants in the amount of 0.27 percent using the RS Means Construction Cost Index (CCI) as the statewide cost index for class B construction. Once the adoption was made by the Board, RS Means provided corrected source data to OPSC. After reviewing the new data, Staff determined that the 2016 SFP Pupil Grants need to be amended to reflect the corrected amounts.

The current, and correct, rate of change between 2015 and 2016 for the updated RS Means Class B CCI is 2.79 percent. The chart below reflects the amount previously adopted compared to the corrected amount for the new construction base grants.

Grade Level	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-15	Resulting Base Grants	
			RS Means Prior 0.27%	RS Means Corrected 2.79%
Elementary	1859.78	\$10,345	Previously Adopted \$10,373	Potential Grant Per Pupil Effective 1-1-16 \$10,634
Middle	1859.78	\$10,942	\$10,972	\$11,247
High	1859.78	\$13,923	\$13,961	\$14,311
Special Day Class – Severe	1859.78.3	\$29,070	\$29,148	\$29,881
Special Day Class – Non-Severe	1859.78.3	\$19,442	\$19,494	\$19,984

(Continued on Page Two)

STAFF ANALYSIS/STATEMENTS (cont.)

The following chart shows the amount previously adopted compared to the corrected amount for the modernization base grants.

Grade Level	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-15	Resulting Base Grants	
			RS Means Prior 0.27%	RS Means Corrected 2.79%
Elementary	1859.71	\$3,939	Previously Adopted \$3,950	Potential Grant Per Pupil Effective 1-1-16 \$4,049
Middle	1859.71	\$4,167	\$4,178	\$4,283
High	1859.71	\$5,455	\$5,470	\$5,607
Special Day Class – Severe	1859.71.1	\$12,555	\$12,589	\$12,905
Special Day Class – Non-Severe	1859.71.1	\$8,399	\$8,422	\$8,633

In addition, the corrected CCI adjustment would increase the threshold amount for Government Code Section 66452.6(a)(2) for the period of one year commencing March 1, 2016. The following chart shows the amount previously adopted compared to the resulting threshold amount, upon approval of the corrected CCI adjustment:

	RS Means Prior 0.27%	RS Means Corrected 2.79%
Resulting Amount	\$261,173	\$267,737

RECOMMENDATION

Adopt the corrected increase of 2.79 percent for the 2016 SFP grants based on the RS Means Construction Cost Index as shown on Attachment B.

ATTACHMENT A - AUTHORITY

For the New Construction grant, EC Section 17072.10(b) states, "The board annually shall 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."

Government Code Section 66452.6 states:

(a)(1) An approved or conditionally approved tentative map shall expire 24 months after its approval or conditional approval, or after any additional period of time as may be prescribed by local ordinance, not to exceed an additional 12 months. However, if the subdivider is required to expend two hundred thirty-six thousand seven hundred ninety dollars (\$236,790) or more to construct, improve, or finance the construction or improvement of public improvements outside the property boundaries of the tentative map, excluding improvements of public rights-of-way which abut the boundary of the property to be subdivided and which are reasonably related to the development of that property, each filing of a final map authorized by Section 66456.1 shall extend the expiration of the approved or conditionally approved tentative map by 36 months from the date of its expiration, as provided in this section, or the date of the previously filed final map, whichever is later. The extensions shall not extend the tentative map more than 10 years from its approval or conditional approval. . . .

(2) Commencing January 1, 2012, and each calendar year thereafter, the amount of two hundred thirty-six thousand seven hundred ninety dollars (\$236,790) shall be annually increased by operation of law according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting. The effective date of each annual adjustment shall be March 1. The adjusted amount shall apply to tentative and vesting tentative maps whose applications were received after the effective date of the adjustment.

SFP Regulation 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 base Class B Construction Cost Index shall be 1.30 and the first adjustment shall be January, 1999.

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 (Revised 05/10) which shall be submitted with the Forms SAB 50-05 and 50-06 and as approved by the Board.

SFP Regulation Section 1859.2 Definitions states, "Class B Construction Cost Index" is a construction factor index for structures made of reinforced concrete or steel frames, concrete floors, and roofs, and accepted and used by the Board.

SFP Regulation 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."

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS
State Allocation Board Meeting, February 24, 2016

Grant Amount Adjustments

		Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-15	Current Adjusted Grant Per Pupil Effective 1-1-16
New Construction	Elementary	1859.71	\$10,345	\$10,634
	Middle	1859.71	\$10,942	\$11,247
	High	1859.71	\$13,923	\$14,311
	Special Day Class – Severe	1859.71.1	\$29,070	\$29,881
	Special Day Class – Non-Severe	1859.71.1	\$19,442	\$19,984
	Automatic Fire Detection/Alarm System – Elementary	1859.71.2	\$12	\$12
	Automatic Fire Detection/Alarm System – Middle	1859.71.2	\$17	\$17
	Automatic Fire Detection/Alarm System – High	1859.71.2	\$28	\$29
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	\$53	\$54
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	\$36	\$37
	Automatic Sprinkler System – Elementary	1859.71.2	\$173	\$178
	Automatic Sprinkler System – Middle	1859.71.2	\$206	\$212
	Automatic Sprinkler System – High	1859.71.2	\$214	\$220
	Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	\$548	\$563
	Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	\$368	\$378
	Modernization	Elementary	1859.78	\$3,939
Middle		1859.78	\$4,167	\$4,283
High		1859.78	\$5,455	\$5,607
Special Day Class - Severe		1859.78.3	\$12,555	\$12,905
Special Day Class – Non-Severe		1859.78.3	\$8,399	\$8,633
State Special School – Severe		1859.78	\$20,925	\$21,509
Automatic Fire Detection/Alarm System – Elementary		1859.78.4	\$127	\$131
Automatic Fire Detection/Alarm System – Middle		1859.78.4	\$127	\$131
Automatic Fire Detection/Alarm System – High		1859.78.4	\$127	\$131
Automatic Fire Detection/Alarm System – Special Day Class – Severe		1859.78.4	\$352	\$362
Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe		1859.78.4	\$235	\$242
Over 50 Years Old – Elementary		1859.78.6	\$5,472	\$5,625
Over 50 Years Old – Middle		1859.78.6	\$5,788	\$5,949
Over 50 Years Old – High		1859.78.6	\$7,577	\$7,788
Over 50 Years Old – Special Day Class – Severe		1859.78.6	\$17,442	\$17,929
Over 50 Years Old – Special Day Class – Non-Severe		1859.78.6	\$11,664	\$11,989
Over 50 Years Old – State Special School – Severe		1859.78.6	\$29,069	\$29,880

(Continued on Page Two)

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS
February 2016

Grant Amount Adjustments

New Construction / Modernization / Joint-Use	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-15	Current Adjusted Grant Per Pupil Effective 1-1-16
Therapy/Multipurpose Room/Other (per square foot)	1859.72 1859.73.2 1859.77.3 1859.82 1859.125 1859.125.1	\$169	\$174
Toilet Facilities (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	\$304	\$312
New Construction Only			
Parking Spaces	1859.76	\$13,155	\$13,522
General Site Grant (per acre for additional acreage being acquired)	1859.76	\$16,838	\$17,308
Project Assistance (for school district with less than 2,500 pupils)	1859.73.1	\$6,327	\$6,504
Modernization Only			
Two-stop Elevator	1859.83	\$105,240	\$108,176
Additional Stop	1859.83	\$18,943	\$19,472
Project Assistance (for school district with less than 2,500 pupils)	1859.78.2	\$3,374	\$3,468
Facility Hardship / Rehabilitation			
Current Replacement Cost - Other (per square foot)	1859.2	\$338	\$347
Current Replacement Cost - Toilets (per square foot)	1859.2	\$608	\$625
Interim Housing – Financial Hardship (per classroom)	1859.81	\$34,687	\$35,655
Charter School Facilities Program - Preliminary Apportionment Amounts			
Charter School Elementary	1859.163.1	\$10,399	\$10,689
Charter School Middle	1859.163.1	\$11,009	\$11,316
Charter School High	1859.163.1	\$13,972	\$14,362
Charter School Special Day Class - Severe	1859.163.1	\$29,209	\$30,024
Charter School Special Day Class - Non-Severe	1859.163.1	\$19,534	\$20,079
Charter School Two-stop Elevator	1859.163.5	\$87,700	\$90,147
Charter School Additional Stop	1859.163.5	\$15,786	\$16,226

(Continued on Page Three)

ATTACHMENT B

February 2016

New School Adjustments (Regulation Section 1859.83)

Classrooms in Project	Elementary School Adjusted Grant	Elementary School Adjusted Grant	Middle School Adjusted Grant	Middle School Adjusted Grant	High School Adjusted Grant	High School Adjusted Grant	Alternative Education New School	Alternative Education New School
	Effective 1-1-15	Effective 1-1-16	Effective 1-1-15	Effective 1-1-16	Effective 1-1-15	Effective 1-1-16	Effective 1-1-15	Effective 1-1-16
1	\$280,641	\$288,471	\$1,182,198	\$1,215,181	\$2,571,369	\$2,643,110	\$762,465	\$783,738
2	\$661,259	\$679,708	\$1,326,027	\$1,363,023	\$2,674,855	\$2,749,483	\$925,061	\$950,870
3	\$992,766	\$1,020,464	\$1,473,363	\$1,514,470	\$3,306,296	\$3,398,542	\$1,617,121	\$1,662,239
4	\$1,257,620	\$1,292,708	\$1,634,731	\$1,680,340	\$3,867,578	\$3,975,483	\$1,819,340	\$1,870,100
5	\$1,476,871	\$1,518,076	\$1,803,116	\$1,853,423	\$4,258,720	\$4,377,538	\$2,021,559	\$2,077,960
6	\$1,790,837	\$1,840,801	\$1,973,254	\$2,028,308	\$4,649,863	\$4,779,594	\$2,223,778	\$2,285,821
7	\$2,108,312	\$2,167,134	\$2,143,392	\$2,203,193	\$5,041,006	\$5,181,650	\$2,425,997	\$2,493,682
8	\$2,352,119	\$2,417,743	\$2,329,317	\$2,394,305	\$5,342,694	\$5,491,755	\$2,638,319	\$2,711,928
9	\$2,352,119	\$2,417,743	\$2,525,765	\$2,596,234	\$5,584,747	\$5,740,561	\$2,857,587	\$2,937,314
10	\$2,766,063	\$2,843,236	\$2,723,967	\$2,799,966	\$5,825,045	\$5,987,564	\$3,076,855	\$3,162,699
11	\$2,766,063	\$2,843,236	\$2,922,170	\$3,003,699	\$6,067,098	\$6,236,370	\$3,927,722	\$4,037,305
12	\$2,911,646	\$2,992,881			\$6,288,102	\$6,463,540	\$4,146,990	\$4,262,691
13					\$6,505,599	\$6,687,105	\$4,366,258	\$4,488,077
14					\$6,723,095	\$6,910,669	\$4,585,526	\$4,713,462
15					\$6,942,346	\$7,136,037	\$4,804,794	\$4,938,848
16					\$7,159,842	\$7,359,602	\$5,024,062	\$5,164,233
17					\$7,379,092	\$7,584,969	\$5,243,330	\$5,389,619
18					\$7,596,589	\$7,808,534	\$5,462,598	\$5,615,004
19					\$7,814,085	\$8,032,098	\$5,681,866	\$5,840,390
20					\$8,033,336	\$8,257,466	\$5,901,134	\$6,065,776
21					\$8,250,832	\$8,481,030	\$6,120,560	\$6,291,324
22					\$8,468,329	\$8,704,595	\$6,339,828	\$6,516,709
23							\$6,559,096	\$6,742,095
24							\$6,778,364	\$6,967,480
25							\$6,997,632	\$7,192,866
26							\$7,216,900	\$7,418,252
27							\$7,436,168	\$7,643,637