

STATE ALLOCATION BOARD

1130 K Street, Suite 400
Sacramento, CA 95814
<http://www.dgs.ca.gov/opsc>



Date: August 9, 2007

To: Interested Parties

**Subject: NOTICE OF THE STATE ALLOCATION BOARD
SPECIALLY SET REGULAR IMPLEMENTATION COMMITTEE MEETING**

Notice is hereby provided that the State Allocation Board Implementation Committee will hold a Specially Set Regular meeting on **Monday**, August 20, 2007 at 10:00a.m. The location for this meeting has not yet been confirmed. Once a location has been confirmed, it will be posted on the internet.

The Implementation Committee's proposed agenda is as follows:

1. Convene Meeting
2. Grant Adequacy Worksheets

Any interested person may present public testimony or comments at this meeting regarding the issues scheduled for discussion. Any public input regarding unscheduled issues should be presented in writing, which may then be scheduled for a future meeting. For additional information, please contact Carrie Richter at (916) 445-3159.

A handwritten signature in black ink that reads "Maivonne Garrity".

MAVONNE GARRITY, Chairperson
State Allocation Board Implementation Committee

MG:cr

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE MEETING
August 20, 2007

ASSEMBLY BILL 127
GRANT INCREASE - PROJECT INFORMATION WORKSHEET

PURPOSE OF REPORT

To present the proposed Project Information Worksheet (Attachment) that will be used to gather data for determining the annual adjustment to the School Facility Program new construction base grant pursuant to Education Code (EC) Section 17072.11.

BACKGROUND

A report was presented at the July 7, August 4, and September 7, 2006 Implementation Committee meetings to address the implementation of EC Section 17072.11, added pursuant to Assembly Bill 127, Chapter 35, Statutes of 2006 (AB 127). EC Section 17072.11 provides the State Allocation Board (SAB), beginning January 1, 2008, the authority to increase the per pupil base grant up to six percent or decrease it, by an amount determined every fiscal year based on the current construction costs. At the previously mentioned Committee meetings, there was discussion on the best way to capture current costs to build schools so that Staff can make recommendations to the SAB regarding the amount the per pupil base grant should be adjusted. The original proposal presented to the Committee included amendments to the *Fund Release Authorization* (Form SAB 50-05) and the *Expenditure Report* (Form SAB 50-06); however, the proposal was modified to have detailed project information be obtained on a separate worksheet that would be submitted along with these forms. Based on the Staff's proposal correlating the annual recommended change in the new construction base grant with the Construction Cost Index increase, the Committee requested the regulations clarify the SAB's flexibility when adjusting the new construction base grant.

The regulations developed from these discussions were approved by the SAB at its September 2006 meeting. However, the adopted regulations were later withdrawn from the Office of Administrative Law, pending re-submittal, until a method to capture the current costs to build schools is approved by the SAB. The Project Information Worksheet (PIW) was presented at the July 2007 SAB meeting; however, the Board requested that Staff meet with stakeholders and further vet the worksheet prior to the next SAB meeting.

AUTHORITY

EC Section 17072.11(a)(3) states "the board shall conduct an analysis of the relationship between the per-unhoused-pupil grant eligibility....and the per-pupil cost of new school construction..."

EC Section 17072.11(b) states, "On or after January 1, 2008, the board shall increase or decrease the per-unhoused-pupil grant eligibility by an amount it deems necessary to cause the grants to correspond to costs of new school construction"

DISCUSSION

Staff, with input from the various stakeholders has developed a revised worksheet. The PIW will be completed and submitted to the Office of Public School Construction (OPSC) at the time of the request for fund release for all new construction projects that received an adjusted grant apportionment, and updated when submitting its annual expenditure report. The worksheet requests actual project information including but not limited to, bid information, type of buildings being constructed, square footage, whether the project included value engineering or a re-use of plans. Please see the Attachment for complete details.

In order to determine if the new construction base grant should be adjusted and by how much each year, the OPSC will analyze the information submitted and determine the cost per square foot in the project. The cost per square foot will then be compared to prior year cost per square foot data in order to determine if the new construction base grant should be increased or decreased.

Staff wishes to emphasize the purpose of gathering this data is to determine the appropriate recommendations to the Board for possible annual grant adjustments.

RECOMMENDATION

Present the attached proposed Project Information Worksheet to the State Allocation Board for approval.

DRAFT

INFORMATION

This worksheet will be used to help complete the analysis to determine the yearly increase/decrease in the new construction base grant based on the current costs to construct schools as required by Education Code 17072.11(b).

This worksheet will also be used to gather information on State funded projects that is required for inclusion in the Governor's bond accountability report.

INSTRUCTIONS

Summary of Actual and Estimated Costs for New Construction:

School District: Insert name of school district where project is located.

County: Insert name of county where project is located.

School Project Name: Insert name of project (ex. – ABC Elementary School)

Application #: Insert application number supplied by the Office of Public School Construction (OPSC)

Financial Information

Check yes or no if this is a financial hardship project.

1. Funds available

- Enter the amount of the State Apportionment for this project. Do not include site acquisition funding.
- Enter the amount of any interest earned on State funds for this project (actual or estimated.)
- Enter the amount of the District Match for this project. Do not include site acquisition funding.
- Enter the amount of any additional local (district) funds that were necessary to complete this State funded project. (Do not include any additional local funds used for site acquisition costs).

Enter the total cost for site acquisition, including State share, district share, and any additional local funds necessary.

2. Bid/Contract Data

- a. Enter the accepted base bid amount prior to any accepted additive/deductive alternates for all contracts. If there is more than one contract signed (e.g. multi-prime, etc.) please enter the total of all base bids.
- b. Enter the amount of all accepted additive/deductive alternates for all contracts.
- c. Enter the amount of the total construction contract. Include the amount of any change orders.
 1. Enter the amount of the building cost in the contract(s).
 2. Enter the amount of the site development work, including service site, offsite, utilities, and general site, included in the contracts.
 - a. Enter the amount of the OPSC allowance for the project.
 - b. Enter the amount of the District match for this project and any other know district contribution.
 3. Enter the amount of any other construction fees (as applicable). If using a general contractor enter the amount for general conditions. If using construction management, enter any general condition fees in 4 below. (*Do not include any costs listed in 4 below.*)
3. Enter the amount of the estimated remaining project cost not yet contracted, invoice or obligated (e.g. furniture and equipment, portions of work not yet bid, etc.) that are necessary for the completion of this project. *Do not include any costs reported in 5 below.*
4. Enter the amount of Construction Management Fees. If the project is being bid as multiple-prime include costs for general conditions, etc. *Do not include any costs listed in 2(c)(3) above.*
5. Enter the amount of actual and estimated (not yet contracted, invoiced or obligate) soft costs for the project (e.g. tests and inspections, architect fees). *Do not include any costs reported in 3 above.*
6. Enter the amount of the total project cost. This amount should be equal to the sum of 2c, 3, 4, and 5 above.

Additional Bid Data

- Enter the number of bidders who bid this project. If more than one contract was signed for this project (i.e. Multiple-Prime) enter the average number of bidders per trade.
- Enter the date(s) the bid(s) opened. If more than one bid date, enter the opening bid date of the first bid package.
- Enter the number of times the project was re-bid.
- Describe the additive/deductive alternates. Indicate whether they included facilities or building elements. If the additive/deductive alternate included buildings, please indicate the square footage.

Project Information

- Choose from the drop down menu the type of project that is being built.
- Choose from the drop down menu the type of school that best describes this project.
- Enter the capacity of the project based on single-track use (disregard multi-track year round loading) and local district loading standards. Based on teacher contracts and/or local loading standards this number **may be** different from the number of pupils requested on the *Application for Funding* (Form SAB 50-04).
- Enter the total net usable site acreage of project.

Component Types

- From the pull down menu, choose all components that are included in the project. Include the number of each type of classroom. (i.e. 12 standard classrooms, 4 labs)
- From the pull down menu, choose the type of construction for each of the buildings in the project. (i.e. permanent, portable, modular)
- Enter the square footage of each component that was in the plans at the time the project was apportioned by the State Allocation Board.
- Enter the square footage of each component that is in the project when the district submitted its *Fund Release Authorization*.
- Enter the estimated percentage of the project completed and the square footage for each component that is in the project for each annual reporting period as applicable. The estimated percentage completed shall be the same as that which is reported on the *Expenditure Report*.

Total # of Classrooms

Enter the total number of classrooms in the project.

- From the total number of classrooms entered above, enter the number of classrooms that are considered permanent.
- From the total number of classrooms entered above, enter the number of classrooms that are considered portable pursuant to Education Code Section 17070.15(j).
- From the total number of classrooms entered above, enter the number of classrooms that are considered permanent modular.

Total Square Feet (all facilities)

Enter the total building square footage for all facilities in the project. When calculating the square footage, include the total enclosed exterior square footage of the school building(s) pursuant to Regulation Section 1859.2. Do not include un-enclosed corridor area.

- From the total square footage entered above, enter the amount of square footage that is considered permanent.
- From the total square footage entered above, enter the amount of square footage that is considered portable pursuant to Education Code Section 17070.15(j).
- From the total square footage entered above, enter the amount of square footage that is considered permanent modular.

Total Project Cost (per square foot)

Enter the cost per square foot. To determine the cost per square foot, divide the total building cost, excluding site development (service site, offsite, utilities, and general site) costs by the total building square footage as reported.

Joint-Use Information

- Check yes or no to indicate whether the project includes a joint-use partner, even if the joint-use project does not include State funding.
- Enter the OPSC application number if applicable.
- Check the appropriate box to indicate what type of joint-use partner is included in the joint-use project.
- Check yes or no to indicate whether the joint-use partner is contributing capital funding towards this project. If applicable, enter the dollar amount the joint-use partner is contributing.
- Choose from the pull down menu which facility(ies) are part of the joint-use project. If other is chosen, please explain the type of joint-use project.

Additional Information

- Indicate whether the bid includes any facilities that have not yet identified. If yes, please explain.
- Indicate what facilities, if any, that were included in the State Allocation Board approved project that were not built. Provide a brief explanation as to why they were not built. Please ensure that you contact the CDE, the DSA, and the OPSC for assistance.
- Indicate if the facilities are considered being deferred to a later day. If yes, please explain.
- Indicate whether the project was valued-engineered. If, yes explain briefly what measures were taken. i.e. from permanent classrooms to portable or if the project was reduced in scope.
- Check yes or no to indicate whether any change in the project's scope was discussed with the CDE, the DSA, and the OPSC.
- Check yes or no to indicate whether or not there were any local requirements or ordinances the district had to meet that are not typically eligible for the grant. I.e. road or street improvements, utilities, snow load, seismic.
- Check yes or not to indicate whether or not these costs were included in the construction contract.
- If yes, describe the local requirement and the associated costs.
- Check yes or no to indicate whether or not you utilized existing architectural plans from another project.
- If yes, indicate how many times the plans have been re-used. Indicate the name of the project(s) and the name of the school district(s) if other than your own.
- Enter the building cost of the original project. Enter the Site Development cost (service site, offsite, utilities, general site) of the original project.
- Enter the notice of completion date for the original project.

Comments/Additional Information

Please provide any additional information about this project that you think will be helpful in completing the analysis.

School District: Insert name of school district where project is located.

County: Insert name of county where project is located.

School Project Name: Insert name of project (ex. – ABC Elementary School)

Application #: Insert application number supplied by the Office of Public School Construction (OPSC)

Project Tracking #: Insert project tracking number supplied by the OPSC

Please provide actual expenditures when available. Please provide estimates as necessary.

A. Site: List all site related costs and indicate if these are actual or estimated expenditures. (ex. – purchase price of

property, appraisal fees, escrow fees, surveys, site support, relocation expenses, other, etc.)

B. Plans: List all plan related costs and indicate if these are actual or estimated expenditures.

(ex. – architect’s fees

for plans, the DSA plan check fee, the CDE plan check fee, energy analysis fee, preliminary tests, bidding and reimbursables, and miscellaneous costs). Include Project management related to planning.

C. Construction:

1. List the construction bids for actual costs and estimated work to be performed but not yet bid.

2. List the bids for actual costs and the estimated cost for work to be performed but not yet bid for site development, including service site, offsite, utilities, and general site costs.

3. List the bids for actual costs and the estimated cost for work to be performed but not yet bid for any additional environmental work that was not included in site acquisition costs.

Enter the subtotal of one, two, and three.

Construction Contingency: Indicate what percentage of the project was set aside for cost overruns.

Construction Management Fees: Indicate amount paid. Include Project/Construction management related to construction.

Enter the total construction costs including Construction Management Fees and Contingency.

D. Tests (Construction): Indicate actual amount paid or the estimated amount if actual is not yet known.

E. Inspection: Indicate actual amount paid or the estimated amount if actual is not yet known.

F. Furniture and Equipment: Indicate amount estimated for furniture and equipment.

G. Project Contingency: Indicate actual amount paid or the estimated amount if actual is not yet known.

H. Total Actual Expenditures and Estimated Cost This is the total aggregate cost of items A through F.