



# Advisory Actions 2002

Department of General Services  
Office of Public School Construction

State Allocation Board Meeting: May 22, 2002  
Issue Number 04

## Executive Corner



For those districts that are filing funding applications in the last days leading up to June 26, it is important that District Representatives be reachable in the first week of July by OPSC staff in case all elements of an application are not present.

Please refer to other important processing information within this issue.

I also want to commend school districts, OPSC staff and all others involved in the successful allocation of \$103 million in Federal Renovation Program (FRP) funds. Seventy-five percent of the Local Educational Agencies filed an application and 39 percent of the applications were filed online. You can find more information on the FRP apportionments and important school district timelines in this advisory.

We look forward to offering the availability of online applications. The OPSC has developed an online program that will enable school districts to calculate and file new construction and modernization eligibility via the Internet. It is currently in its testing stage. Please refer to the article included in this advisory for more information on how you can participate in the testing process. The OPSC hopes to develop other online tools to help the school districts in the various OPSC application processes.

The State Allocation Board (SAB) Implementation Committee met on June 6 and 7 regarding changes brought about by Assembly Bill 16. Proposed regulation amendments regarding the 60/40 modernization will be presented to the July meeting of the SAB for approval. Upcoming Implementation meetings are listed within this issue and the agendas will be posted on our web site. You are welcome and encouraged to attend.

Sincerely,

Luisa M. Park, Executive Officer  
Office of Public School Construction

### Alert!

## Shortened Review Period

Districts filing new construction funding applications on or prior to June 26, 2002 for consideration of funding at the August 28, 2002 State Allocation Board (SAB) meeting will be subject to a shortened review period. As a result, the following shall be necessary:

- The 15-day letter will be revised to permit districts only 7 days to submit the required information.
- This reduced processing timeline is only for this final quarter. The OPSC will return to the 15-day letter process after this quarter's processing period.
- District Representatives need to be reachable the first week of July in case all elements of an application are not present.
- Please respond promptly to the request to ensure your application is ready to compete for funding at the August SAB meeting.
- Incomplete applications will be returned to the District.

If you have any questions regarding these changes, please contact Gloria Martinez, Application Review Team Supervisor, at (916) 445-0529.

## Assembly Bill 16

Assembly Bill (AB) 16 provides for two of the largest School Facility Bonds in California's history as well as the nation. The first bond measure will be placed on the ballot in November 2002 for \$13.5 billion of which \$11.4 billion will be for K-12 and a second bond measure in March 2004 for \$12.3 billion of which \$10 billion will be for K-12.

AB 16 adds several provisions to the existing School Facility Program. It establishes a joint-use program with \$50 million in each bond and a new program for Critically Overcrowded Schools. It will also provide supplemental assistance for energy efficiency and additional modernization allowances for schools that are over 50 years old.

The Office of Public School Construction (OPSC) has established an accelerated implementation plan to develop emergency regulations prior to the November 5, 2002 election. The OPSC is holding a series of two day meetings of the State Allocation Board's Implementation Committee to present proposed regulation language resulting from AB 16. The schedule and agenda for these meetings can be found on our Web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc).

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## OPSC Reminders. . .

### ► State Allocation Board Meetings on Wednesday:

June 26, 2002  
 July 24, 2002  
 August 28, 2002  
 September 25, 2002  
 October 23, 2002

### ► State Allocation Board Implementation Committee Meetings for 2002\*

Tuesday, July 9 -- 1:00 pm - 6:00 pm  
 Wednesday, July 10 -- 8:00 am - 2:30 pm  
 Lake Tahoe Unified School District Board Room,  
 1021 Al Tahoe Blvd., South Lake Tahoe

Thursday, August 1 -- 10:00 am - 4:00 pm  
 Friday, August 2 -- 8:00 am - 2:30 pm  
 Sacramento - Location TBA

Thursday, September 5 -- 10:00 am - 4:00 pm  
 Friday, September 6 -- 8:00 am - 2:30 pm  
 Ontario - Location TBA

Friday, October 4, Sacramento - Location TBA  
 Friday, November 1, Ontario - Location TBA  
 Wednesday, December 4, Sacramento - Location TBA

### ► School Facility Program - New Construction Application Timelines

Applications accepted by the OPSC after March 29, 2002 and on or prior to June 26, 2002 will be processed for consideration at the August 28, 2002 SAB meeting for the final allocation of Proposition 1A funding.

### ► Interest Earned Report , Form SAB 180, is due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.

\* Meeting dates subject to change. Check the OPSC Web site at: [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov) for latest dates and times.

## Federal School Repair And Renovation Program Apportionments

The Office of Public School Construction received 783 Federal Renovation Program (FRP) applications totaling \$162,101,090 by the final filing date of April 15, 2002. The State Allocation Board (SAB) apportioned 410 of these applications worth \$103,617,782 at its May 2002 meeting.

The applications were approved and apportioned by the SAB in descending order of priority points, for each category, per the FRP Regulations as follows:

Funding for Category A (186 projects High Poverty/High Poverty & Rural)	\$ 57,974,385
Funding for Category B (79 projects Rural Only)	\$ 7,093,251
Funding Remaining for Category C (145 projects Non-High Poverty or Rural)	\$ 38,550,146
Total FRP Apportionments	<u>\$ 103,617,782</u>

It is critical for applicants to know that the Federal law requires that grant recipients sign contracts for services and work no later than September 30, 2003, in order to retain these grant funds. There is no provision to extend this timeline. Grant recipients must also be aware of the following required timelines:

- May 21, 2003 Last day to submit first fund release for 50% of grant funds
- September 30, 2003 Last day to sign contracts for services or work
- November 16, 2003 Last day to submit final fund release for remaining grant funds

As part of the Regulations, the *Application for Federal Grant*, Form SAB 60-01, requires that the Local Educational Agency make a certification that it "will comply with all laws pertaining to the repair and/or renovation of its school facilities." The Federal Government requires that some specific assurances also be made. The assurances were recently mailed to the FRP grant recipients and can also be located on our Web site at: [www.documents.dgs.ca.gov/OPSC/PDF-OnGoing%20Updates/FRPAssurances\\_Req\\_6-20-02.pdf](http://www.documents.dgs.ca.gov/OPSC/PDF-OnGoing%20Updates/FRPAssurances_Req_6-20-02.pdf).

Should you have any questions, please contact Chris DeLong at [chris.delong@dgs.ca.gov](mailto:chris.delong@dgs.ca.gov) / 916.322.5263 or Tasha Adame at [tasha.adame@dgs.ca.gov](mailto:tasha.adame@dgs.ca.gov) / 916.322.0334.

## “Show Me The Money!!!”

We’d like to remind districts to keep a close eye on requesting release of its money. School districts with School Facility Program (SFP) apportionments will want to be certain to request a fund release prior to the 18-month timeline. The law requires a district to submit its *Fund Release Authorization*, Form SAB 50-05, within the 18 months of its apportionment date or its apportionment will be rescinded. The law does not provide for any extensions to the 18-month time period.

Be on the look out for a series of three reminder letters sent to the districts as a service from Office of Public School Construction (OPSC). After the third reminder letter, the OPSC will require that a copy of the signed construction contract be included with the fund release request. Also, following the third reminder letter, the OPSC will contact the district by telephone to remind the district to submit its fund release request.

Should you have questions regarding the SFP requirements, please contact your Program Manager. Should you require assistance in completing the *Fund Release Authorization*, Form SAB 50-05, or for contract clarification, please contact Laurie Stetson, Accounting Supervisor, at 916.322.0140/lstetson@dgs.ca.gov. A copy of Form SAB 50-05 can be located on the OPSC Web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc)

## New Online Eligibility Application for the School Facility Program

The Office of Public School Construction (OPSC) recently developed and is looking forward to releasing an online application for the School Facility Program’s eligibility determination process. This new web application automates the *Enrollment Certification/Projection*, Form SAB 50-01, *Existing School Building Capacity*, Form SAB 50-02, and *Eligibility Determination*, Form SAB 50-03. This online application does everything the Excel version does, which we plan to eventually phase-out. After the district inputs its data, the application instantly calculates the district’s eligibility for both new construction and/or modernization. It also transmits the data to the OPSC’s database and populates an Adobe PDF version of the forms for printing and signature by the district. The application also allows the district to input and access its eligibility information online at any time as well as make changes.

Filing eligibility online will eliminate the use of outdated forms from previous downloads. It is also anticipated that using the online application will reduce the OPSC processing time of the district’s application. We anticipate going live with the online eligibility program soon. Districts that are interested in participating in preliminary testing may contact Todd Hoig at: [916.322.4205/todd.hoig@dgs.ca.gov](mailto:916.322.4205/todd.hoig@dgs.ca.gov).

## Status of Funds

Includes apportionment and adjustments of the May 22, 2002 State Allocation Board Meeting.

PROGRAM	Funds Available as of: 4/24/02	Apportionments and Adjustments	Balance Available as of: 05/22/02
<b>Proposition 1A</b>			
New Construction	569.2	(2.7)	566.5
Modernization	2.5	0.0	2.5
Facility Hardship (Reserved)	\$17.2	1.6	18.8
<b>Subtotal</b>	<b>588.9</b>	<b>(1.1)</b>	<b>587.8</b>
<b>Prior Bond Funds</b>			
Contingency Reserves	37.7	3.9	41.6
AB 191	3.2	0.0	3.2
<b>Subtotal</b>	<b>40.9</b>	<b>3.9</b>	<b>44.8</b>
<b>Grand Total</b>	<b>629.8</b>	<b>2.8</b>	<b>632.6</b>

Note: Amounts are in millions of dollars. Amounts within parentheses ( ) are negative amounts.

## Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for:  
**May 2002**

<b>Class “B” Buildings</b>	<b>1.43</b>
<b>Class “D” Buildings</b>	<b>1.43</b>
<b>Furniture and Equipment</b>	<b>1.39</b>
<b>Historical Savings Index</b>	<b>9.07</b>

**Class “B” Buildings:** Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

**Class “D” Buildings:** Constructed primarily of wood.

**Furniture and Equipment:** An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.

**Historical Savings Index:** An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

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Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc). Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



## *Advisory Actions 2002*

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