

2003 Advisory Actions

state . allocation . board

Issue Number 01: Information from the State Allocation Board meetings held on November 27, 2002, December 18, 2002 and January 22, 2003

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Historic Day...

from the desk of the executive officer



It is with much pride and appreciation for everyone's hard work that I announce the State Allocation Board (SAB) apportioned an unprecedented amount in excess of \$5.4 billion in new construction and modernization funds at the December 2002 SAB meeting.

Within six weeks from the November 5th 2002 election in which the State's voters passed the largest State bond in the Nation's history, Proposition 47, the SAB apportioned much needed school facilities funds to immediately respond to the needs of California's children and to provide reimbursement to districts that advanced funded their projects with limited local resources. Nearly \$3.4 billion was apportioned for the construction of new school facilities and \$2.07 billion was provided for the modernization of existing school facilities.

Prior to the November 5th election certification, the Office of Public School Construction (OPSC) proceeded with careful planning and arrangements for the various critical events and meetings relating to the Bond to enable the SAB to act swiftly and prudently to administer the Proposition 47 funds for the benefit of California's children. As a result, the OPSC is ready to immediately respond to the districts when they say to us, "Show me the money!" In fact, the OPSC staff began processing \$2.6 billion in fund releases to the districts before the end of 2002. These funds not only provided immediate relief to the local school districts for the construction of new facilities

and modernization of existing facilities for our children, these funds will provide a much-needed boost to the overall economy of California; in effect providing a regeneration of these public funds back to all the local communities of California.

All that being said, the OPSC and SAB will not rest on our laurels. The OPSC and SAB processes are well-oiled and in place to swiftly and efficiently process the \$6 billion remaining of the "K-12" portion of the Proposition 47 Bond funds. We all need to work together; there is much to accomplish before March 2004. The OPSC is ready to assist districts with their current and future facilities needs and to help them prepare your eligibility and funding applications, fund release requests, reporting requirements and project audits. You can learn more about these services in this issue, or as always, please feel free to call your OPSC Project Manager, who will assist you with your school facility needs.

Congratulations to everyone! Now let's build and modernize some schools...

Luisa M. Park, Executive Officer

Important Changes to Enrollment Reporting

By Juan Mireles, OPSC Project Manager

The recent passage of AB 14, AB 1994, and Proposition 39 has prompted changes to the SFP Regulations that revise our Enrollment Certification/Projection (Form SAB 50-01). Previous enrollment instructions allowed school districts to include, "students attending charter schools that are part of the district's enrollment and the student occupies space in a classroom. . . ." on the Form SAB 50-01. In other words, school districts were allowed to include pupils receiving classroom-based instruction in charter schools that were physically located outside of the district boundaries. As a result of the new legislation, school districts will no longer be able to report pupils receiving classroom-based instruction in charter schools located outside its district boundaries. Conversely, school districts will now be able to report pupils receiving classroom-based instruction in charter schools that are located within its district boundaries regardless if they chartered the school.

Q. *Who is affected by these changes?*

Any district submitting a new construction funding application is required to adjust its new construction baseline eligibility for the latest CBEDS information. Any district updating its new construction baseline eligibility for new CBEDS will be subject to the new criteria.

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OPSC Reminders...

- ▶ **State Allocation Board Meetings***
 Wednesday, March 26, 2003
 Wednesday, April 23, 2003
 Wednesday, May 28, 2003
- ▶ **Implementation Committee Meetings***
 Friday, March 7, 2003
 Friday, April 4, 2003
 Friday, May 2, 2003
- ▶ **Joint Use Funding Cycle**
 The final funding cycle will end May 31, 2003 for districts eligible to participate in the Lease-Purchase Program funding of Joint Use projects for gymnasiums, multipurpose rooms and libraries (SB 1795).
- ▶ **Interest Earned Report (Form SAB 180)**
 Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts which have earned interest from the Leroy F. Greene Lease-Purchase Fund.
- ▶ Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at www.opsc.dgs.ca.gov. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.

* Meeting dates subject to change. Check the OPSC Web site at <http://www.dgs.ca.gov/opsc> for latest dates and times.

Introducing Charter School Facility Funding

On January 22, 2003, the State Allocation Board (SAB) approved amendments to the School Facility Program (SFP) regulations to incorporate changes initiated by Assembly Bill (AB) 14. AB 14 creates a new pilot program that will allow \$100 million in Proposition 47 funding for the construction of charter schools. This program allows charter schools for the first time to access State facility funding directly or through the school district where the charter school is physically located and to acquire a preliminary apportionment. Another aspect of the program is that the Office of Public School Construction (OPSC) will work with the California School Finance Authority (CSFA) in the approval process of an application. The SAB and OPSC role in the charter school application and approval process will be essentially the same as it is currently in the SFP. The CSFA will be responsible for determining if a charter school is financially sound and if the local matching share payment will be either lease payments or a cash contribution.

A charter school or school district filing on behalf of a charter school under this program may request a

reservation of funding, by submitting an Application for Charter School Preliminary Apportionment, Form SAB 50-09, while going through the process of receiving the necessary approvals from other State entities (California Department of Education, Division of the State Architect, and Department of Toxic Substance Control). The charter school will then have four years to convert the preliminary apportionment into a final apportionment SFP.

The OPSC will begin accepting applications February 13, 2003 through March 31, 2003. The OPSC and CSFA are in the process of planning joint workshops throughout the State to inform school districts and charter schools on program eligibility and requirements. Please stay tuned to OPSC's Web site for specifics on locations and dates. For further details on the availability of funding and application submittal guidelines for this program, please contact either Lisa Constancio at 916.322.0317 or Elizabeth Dearstyne at 916.323.0073.

Annual Adjustment to School Facility Program Grants

The State Allocation Board approved an adjustment in the School Facility Program (SFP) grants as provided by law, based on the change in the Class B Construction Cost Index from January 2002 to January 2003. The change represented an increase in the grant amounts of 2.10 percent and shall apply to all SFP applications approved for funding on or after January 1, 2003. All applications presented for funding approval at the January 22, 2003 included this adjustment.

	PREVIOUS GRANT EFFECTIVE JANUARY 1, 2002	ADJUSTED GRANT EFFECTIVE JANUARY 1, 2003	
New Construction			Education Code Sections 17072.10 and 17074.10 authorize the SAB to adjust the per unhoused-pupil grant for new construction and modernization. The SFP Regulation sections that provide for these adjustments are Sections 1859.71 and 1859.78.
Elementary	\$5,720	\$5,840	
Middle	\$6,050	\$6,177	
High	\$7,920	\$8,086	
Modernization			
Elementary	\$2,471	\$2,523	
Middle	\$2,614	\$2,669	
High	\$3,422	\$3,494	

Additional amounts were also adjusted as specified in law. For a complete listing of the annual adjustments, please refer to the OPSC Web page at www.dgs.ca.gov/opsc. Please feel free to give your OPSC Project Manager a call if you have any questions regarding the annual adjustments and your SFP projects.

State Allocation Board Membership

By Lisa Jones, Regulation Administrator

A regulation pertaining to our very own State Allocation Board (SAB) is currently progressing through the regulatory process. The regulation modifies the operating procedures of the SAB based on a provision contained in Assembly Bill 16. That provision, specifically Government Code Section 15490, changes the membership of the SAB from seven members to ten members. The three additional members include one member from each house, Senate and Assembly, and an appointee from the Governor's Office. The proposed amendments to Regulation Section 1555, which is the administrative function of the SAB, changes the number of members representing a quorum and the number of votes representing a consensus from four to six.

At the January 2003 SAB meeting, the membership of the Board was complete and the proposed regulatory amendments to this regulation section were adopted on an emergency basis. The current SAB members are as follows:

- ▶ Mr. David Takashima, Chief Deputy at Department of Finance, Chair designee by Mr. Steve Peace, Director of Finance (Chair)
- ▶ Ms. Clothilde V. Hewlett, Interim Director of General Services
- ▶ Mr. David Sickler, State Building and Construction Trades Council of California
- ▶ Mr. Jack O'Connell, State Superintendent of Public Instruction
- ▶ The Honorable Dede Alpert, Senator
- ▶ The Honorable Bob Margett, Senator
- ▶ The Honorable Tom Torlakson, Senator
- ▶ The Honorable Marco Firebaugh, Assembly Member
- ▶ The Honorable John Dutra, Assembly Member
- ▶ The Honorable Tony Strickland, Assembly Member

The Office of Public School Construction looks forward to continuing its close work with the SAB on all issues impacting school facilities construction.

New Effective Date for 60/40 Modernization Projects

By Lisa Jones, Regulation Administrator

One of the major provisions of Assembly Bill 16 (Chapter 33/2002) changed the funding for modernization projects from 80 percent State funding / 20 percent district funding to 60 percent State funding / 40 percent district funding. At that time, the date for modernization projects to be considered 60/40 projects was after March 15, 2002. With the passage of Assembly Bill 14 (Chapter 935/2002) the date changed from March 15, 2002 to April 29, 2002. This new date signifies that modernization projects filed after April 29, 2002 are considered 60/40 projects. At the January 22, 2003 State Allocation Board meeting, the Board adopted proposed regulations on an emergency basis reflecting the date change to April 29, 2002.

Questions regarding this issue may be referred to your OPSC Project Manager.

Is Your Project in an Urban Location?

By Lori Morgan, OPSC Manager

Emergency regulations were adopted by the State Allocation Board at its January 2003 meeting that revise the criteria and calculation of the supplemental grant for Urban Locations, Security Requirements and Impacted Sites, commonly referred to as the "urban adjustment". As a result, some may ask...

Q. *Why were the regulations changed?*

Assembly Bill 16 directed the SAB to review the increased costs that may be uniquely associated with "urban construction" and to adjust the grant adjustment, as appropriate. Through input and in-depth discussion at several SAB Implementation Committee meetings, consensus was achieved resulting in the regulations presented to and adopted by the SAB.

Q. *What's the change to the criteria?*

For SFP New Construction

Districts may request a supplemental grant if all of the following conditions are met:

- The useable site acreage for the project is 60 percent or less of the site size recommended by the California Department of Education (CDE) for the net school building capacity for the project plus any existing enrollment at the site, if any.
- At least 60 percent of the classrooms in the project construction plans are in multistory facilities.
- For new construction of a new school site, the value of the site being acquired is at least \$750,000 per useable acre. This condition does not apply to new construction additions to existing school sites.

For SFP Joint-Use Projects

Districts may request a supplemental grant if the Type I or II Joint-Use project's Qualifying SFP New Construction Project qualifies for an urban adjustment.

Districts may request a supplemental grant if the useable site acreage at the existing school site where the Type III Joint-Use project is to be constructed is 60 percent or less of the site size recommended by the CDE based on existing enrollment at the site.

For SFP Modernization

Districts may request a supplemental grant if the useable site acreage for the project is 60 percent or less of the site size recommended by the CDE based on current CBEDS Report at the site at the time of the CDE final plan approval for the modernization project.

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Important Changes to Enrollment Reporting... *continued from front page*

Q. *What if I've already updated for the 2002/2003 CBEDS? Will I have to resubmit another Form SAB 50-01?*

Districts that have already submitted a Form SAB 50-01 for the 2002/2003 CBEDS will not have to resubmit another Form in order to adhere to the new changes if all of the following are met:

- The district does not have any charter school pupils chartered by another school district located within the district boundaries.
- The district did not charter any schools located outside district boundaries.
- If the district meets these criteria, then the district may submit a letter stating that neither of the criteria mentioned above apply to the district.
- If the district meets any of the first two scenarios above, then the district would have to resubmit an updated Form SAB 50-01 (Rev. 01/03) to update its new construction baseline eligibility for the new regulations before its funding application can be processed to the SAB.

Q. *What if my eligibility is in a 3-year lock-in period for small school districts? Would I still have to update my eligibility?*

Small school districts that are in a 3-year eligibility lock would not have to update its eligibility for these changes. However, the school district would be subject to these changes once the 3-year period is over.

Q. *What if I'm an elementary school district with a charter school that serves grades K–12 within my district boundaries? Do I report all of the K–12 students?*

Districts that have charter schools located within its district boundaries would be required to report the pupils receiving classroom-based instruction in charter schools that serve the same grade levels as the district. For example, the elementary school district serving grades K–6 would only be able to report the K–6 enrollment from the K–12 charter school. The corresponding high school district would be able to report the remaining 7–12 pupils. High school districts will be an exception, and would be allowed to report 9–12 as well as feeder school enrollment.

Q. *What if I'm a county office of education (COE) and I chartered a school? Would I report the pupils from the charter school or would the school district where the charter school is physically located?*

The COE would be able to report the pupils receiving classroom-based instruction in the charter school if they are of the same grade level or type served by COE. In the cases where the grade levels or type of students from the charter school are different from what the COE serves, then the corresponding school district where the charter school is physically located would be able to report the pupils.

Q. *Will reporting a charter school located within my boundaries but chartered by another school district affect my 5-year projections?*

Districts that have a charter school located within its boundaries but were chartered by another school district will report the enrollment for the current year as well as the previous three years. If the information for the previous years is not available, the OPSC will adjust the previous year's enrollment data based on a prorated basis of the rate of growth or decline of the previous year's enrollment. Please contact your Project Manager for further direction if you have this situation. However, the district is responsible to research the current year's information if it wishes to take advantage of reporting the additional charter school pupils.

Q. *If I can no longer report pupils from schools that I chartered outside my district boundaries, how is this going to affect my eligibility?*

As required by the new regulations, districts will no longer be able to report pupils attending charter schools that are located outside their district boundaries. By omitting the charter school enrollment on the current year alone, an exaggerated decrease in 5-year projected enrollment will occur. Districts may also omit the charter school enrollment for the three previous years to offset this sharp decline. If the information for the previous years is not available, the OPSC will adjust the previous year's enrollment data based on a prorated basis of the rate of growth or decline of the previous year's enrollment. Please contact your Project Manager for further direction if you have this situation.

Q. *What if I don't know if there are schools within my boundaries chartered by another district?*

The California Department of Education has a link on its Web site to locate charter school information. Districts are able to locate charter schools based on school number, school name, chartering district, or County (see www.cde.ca.gov/charter) and the K–12 grade level breakdown (see www.cde.ca.gov/facilities, click on "Field Services" and then "Charter Schools Facilities Program"). You may contact John Dominguez for more information on this site at 916.323.0575. The K–12 grade level information can also be located through Data Quest on the CDE's Web site (see www.cde.ca.gov/dataquest).

The revised Form SAB 50-01 (Rev. 01/03) is available in the PDF format on our Web site. The Excel version of the 50-01 enrollment reporting form is currently being revised to accommodate this situation where the previous years CBEDS information is not available. The OPSC will contact you when your new enrollment projection is complete. Further, as soon as the changes are made, the revised spreadsheet will be posted on our Web site.

As always, any questions regarding SFP New Construction and Modernization projects may be referred to your OPSC Project Manager. Questions regarding the enrollment changes may be directed to Juan Mireles at 916.323.4470. Questions regarding the Charter Schools Facilities Program may be directed to Elizabeth Dearstyne at 916.323.0073.

Important Information about Labor Compliance Programs

Have You Heard About AB 1506?

By Lori Morgan, OPSC Manager

Significant Labor Code changes have occurred that impact the School Facility Program. Assembly Bill 1506 added Section 1771.7 to the Labor Code that requires a district to make a certification that a labor compliance program (LCP), that has been approved by the Department of Industrial Relations (DIR), for the project apportioned under the SFP has been initiated and enforced if both of the following conditions exist:

- ▶ The district has a project which received an apportionment from the funding provided in Proposition 47 or from the potential 2004 State bonds; and,
- ▶ The construction phase of the project commences on or after April 1, 2003, as signified by the date of the Notice to Proceed.

At its January 2003 meeting, the State Allocation Board adopted emergency regulations that add the AB 1506 certification to the SFP application forms and most significantly, to the Form SAB 50-05, Fund Release Authorization. These forms are adopted into the SAB's regulations by reference and are available on our OPSC Web site at

www.dgs.ca.gov/opsc; look under "SAB Forms" on the left-hand side navigation bar.

Districts with projects that are subject to AB 1506 are required to make this certification prior to receiving its SFP fund release for its impacted project(s). If your district's SFP project was funded at the December 2002 or January 2003 SAB meetings and the district requested its fund release before the revised Form SAB 50-05 was available but then later issues its Notice to Proceed on or after April 1, 2003, it is important to note that the district is still subject to the requirements of this law.

The SAB is committed to the fact that no process be created for the implementation of AB 1506 that would delay project construction. The SAB requested that a workgroup be established to assist with the implementation of AB 1506. This workgroup met on several occasions to develop a draft model LCP and a companion guidebook for use by applicant school districts. The guidebook and model LCP's are available for viewing on the DIR Web site at www.dir.ca.gov.

AB 1506 also requires the SAB to increase the per pupil grant amounts to accommodate the State's share of the increased cost of new construction and modernization projects due to the initiation and enforcement of a LCP. The OPSC welcomes interested parties with knowledge in these LCP costs to contact us and encourages your attendance at the SAB Implementation Committee meetings. The OPSC anticipates presenting the grant increase proposal to the February and March Implementation Committee meetings, and to the SAB at its March 2003 meeting. If your district receives its apportionment before the increase is in effect, there is no need to be concerned. The law allows that full and final apportionments can later receive the grant increase provided the project was subject to the AB 1506 requirements.

Questions regarding the Labor Code, LCP's, DIR approval of LCP's and the guidebook may be directed to the DIR at 415.703.4810. As always, questions regarding SFP New Construction and Modernization projects may be referred to your OPSC Project Manager.

Is Your Project in an Urban Location?... *continued from page 3*

Q. *How will the urban adjustment be calculated?*

The urban adjustment allows for increased percentages on a sliding scale basis for projects on sites that are 60 percent or less of the CDE recommended site size for the actual project. The urban adjustment starts at 15 percent and increases proportionately based on the each percentage decrease in the CDE recommended site size below 60 percent. The sliding scale varies for new construction and modernization projects.

For new construction of new school site, the urban adjustment cannot exceed 50 percent of the cost avoided with the purchase of site smaller than the CDE recommended site size for the number of pupil grants requested in the application. This limit does not apply to new construction additions to existing school sites or modernization projects.

Q. *Will the preliminary apportionments for the Critically Overcrowded Schools (COS) and Charter School Facilities Programs be impacted by the changes to the urban adjustment?*

Yes. If qualifying districts or charter schools request an "Urban Allowance" in its application for preliminary apportionment, an additional amount may be included if the project meets criteria that is similar to the urban adjustment for new construction projects.

Q. *When will the regulation change take effect?*

The OPSC anticipates approval of the emergency regulations from the Office of Administrative Law mid-February 2003, and the regulations become effective as of that date. Please look for further notification about the regulation effective date on our OPSC Web site at www.dgs.ca.gov/opsc under "What's New".

Q. *Who do I call if I have any questions about the urban adjustment?*

As always, questions regarding SFP New Construction and Modernization projects may be referred to your OPSC Project Manager. In addition to your OPSC Project Manager, Joint-Use project questions may be referred to Katrina Valentine at 916.322.0331 and COS Program questions to T.J. Rapozo at 916.324.2557. Questions regarding the Charter Schools Facilities Program may be directed to Elizabeth Dearstyne at 916.323.0073.

Increased Funding for Toxics Clean-Up

By Lisa Jones, Regulation Administrator

Existing law authorized State funding for up to 50 percent of the school district's cost of the site plus the response action costs associated with hazardous substances not to exceed the appraised value of the site. With the implementation of Assembly Bill 14 (Chapter 935/2002) provisions allow for increased site funding for toxic remediation up to 50 percent of one and one-half times the appraised site value when specified conditions have been met, as well as additional funding for the evaluation and response action in connection with hazardous substances at an existing school site in advance of submittal of Division of State Architect approved plans. This formula for funding not only affects regular School Facility Program applications, but it also affects applications submitted under the Critically Overcrowded Schools and Charter Schools Programs.

Please feel free to contact your OPSC Project Manager if you have any questions.

Funding for Special Schools

By Lisa Jones, Regulation Administrator

Assembly Bill 14 (Chapter 935/ 2002) adds new features to the modernization program under the School Facility Program. Education Code Section 17073.25 allows the California Department of Education (CDE) to file modernization applications on behalf of the California Schools for the Deaf and Blind. The Superintendent of Public Instruction shall identify a CDE designee to work closely with the Office of Public School Construction staff when filing eligibility and funding applications. This is the first time these special schools have had the opportunity to participate in a State-funded program designed to modernize existing school facilities. Another unique feature is that the projects will be 100 percent State funded rather than the standard 60/40 funding ratio. There are three special schools; two schools located in Fremont and one school located in Riverside.

On January 22, 2003, the State Allocation Board adopted proposed regulations pertaining to the special schools on an emergency basis, which will enable the CDE to file modernization applications quickly for purposes of establishing eligibility and to receive funding.

Need a Helping Hand? OPSC to the Rescue...

Facility Planners Outreach

By Christine Sanchez, Programs Manager Assistant

In order to provide the highest level of customer service to school districts and County Offices of Education (COE), the Office of Public School Construction (OPSC) would like to offer its assistance.

The OPSC representatives are available to assist with calculating eligibility, filling out applications, interpreting regulations and answering questions regarding the School Facility Program, as well as other programs administered by our office, such as the Deferred Maintenance and the State Relocatable Classroom Programs. Our goal is to be available to assist school districts and COE's on a regular basis. If you are interested in an OPSC representative participating in a future facility planners meeting, please provide us with a schedule of upcoming meet-

ings with your request. If a facility planners meeting is not convenient, contact your OPSC representative to set up a meeting at your convenience either in our office, at your district or the COE.

If you have any questions, please contact your OPSC Project Manager or Christine Sanchez at chsanche@dgs.ca.gov or 916.322.0328.

Federal Renovation Program Check-Up

By Lindsay Ross and Chris DeLong

The Federal Renovation Program (FRP) has been a great success. A total of \$103,617,782 was apportioned to Local Education Agencies (LEAs) last spring, and we are looking forward to releasing the funds.

As you may know, the May 21, 2003 time limit for the first fund release is approaching quickly. A letter advising grant recipients of the upcoming deadline was sent out in November and many LEAs have already requested the first 50 percent of their grant by submitting a Fund Release Authorization (Form SAB 60-02). An attachment has been added to the Form SAB 60-02 and is now available on our website at www.opsc.dgs.ca.gov. This form was developed to collect information requested by the U.S. Department of Education about projects completed using FRP funds. Please be sure to include this attachment when submitting a Form SAB 60-02.

Should you have any questions, please contact Lindsay Ross at lindsay.ross@dgs.ca.gov or by phone at 916.323.7938, or Chris DeLong at chris.delong@dgs.ca.gov or by phone at 916.322.5263.

We're Ready When You Say...

"Show Me the Money!"

By Barbara Terry, OPSC Accounting

If your district has a project that received funding at any State Allocation Board meeting that meets the criteria for fund release, the Office of Public School Construction (OPSC) is ready to show you the money! The OPSC stands ready to immediately process your fund release requests as soon as the district is able to submit the *Fund Release Authorization*, Form SAB 50-05. Submittal of the 50-05 signifies the district has entered into a contract for at least 50 percent of the work in the plans and that the districts funding share either has or will be expended by project completion.

All fund release requests received by the OPSC will be processed in date order, so you may wish to submit the request as soon as you meet the criteria indicated on the form.

As always, contact your Project Manager if you have any questions regarding School Facility Program requirements. For assistance in completing the *Fund Release Authorization*, Form SAB 50-05, please contact Laurie Stetson, Accounting Supervisor, at 916.322.0140 or lstetson@dgs.ca.gov. The Form SAB 50-05 can be found on the OPSC Web site at www.dgs.ca.gov/opsc.

Power Authority Offers New “PULSE” Financing Program to Promote Clean Energy and Energy Efficiency

The California Power Authority is launching a new public agency loan program to deliver conservation and clean energy solutions to all public agencies. The PUblic Leadership Solutions for Energy (PULSE) program helps public agencies manage energy needs and costs by providing flexible loan terms. A broad range of technologies are eligible, such as installing energy efficiency solutions, advanced metering and controls, as well as renewable and clean on-site generation.

The lending features include:

- ▶ Low short term or variable tax-exempt rates (as low as 3%)
- ▶ Low longer term tax-exempt rates, with repayment up to each project’s useful life
- ▶ Targeting larger loan sizes: 2 million or more per issuance
- ▶ Unlimited maximum loan amounts
- ▶ Multiple bond issues annually
- ▶ Reduced bond issuance costs via Power Authority financing

This fund will help government leaders implement clean energy projects with cost-effective paybacks on energy improvements, while simultaneously enabling local control of energy choices and spending decisions. Participants expressing initial interest include cities, counties, school districts, special districts and universities.

For more information on the PULSE program go to the California Power Authority’s Web site at www.cpowerauthority.ca.gov/financing/PULSE.htm, or send an e-mail to cpapublicloans@dgs.ca.gov, or you may call 916.651.9750.

Minimal State Funding for Deferred Maintenance?

By Roxana Saravia

The upcoming 2003-04 Fiscal Year Budget Act currently does not contain an allocation for the Deferred Maintenance Program. Historically, there have been three funding sources for the Deferred Maintenance Program: Excess Repayments from the State School Building Aid Program, the State School Site Utilization and the Budget Act. The first two sources continue to dwindle each year; therefore, the primary source for deferred maintenance funding the past several years has been through the Budget Act.

The Budget Act currently being considered by the Legislature does not include funds for the Deferred Maintenance Program. Please be aware that there may be a minimal amount of funds available for both Basic and Extreme Hardship Grants to school districts this coming fiscal year and districts should plan accordingly. As an alternative, please contact your School Facility Program (SFP) Project Manager for assistance with fulfilling facility needs through SFP modernization funding.

For further questions regarding the Deferred Maintenance Program, please contact Roxana Saravia at 916.323.3871 or rsaravia@dgs.ca.gov.

Status of Funds

PROGRAM	BALANCE AVAILABLE AS OF JANUARY 22, 2003 (AMOUNTS ARE IN MILLIONS OF DOLLARS)
PROPOSITION 47	
New Construction	
New Construction	2,789.3
Charter School	97.5
Energy	14.2
Modernization	
Modernization	1,158.6
Energy	5.8
Critically Overcrowded Schools	1,700.0
Joint Use	50.0
TOTAL PROPOSITION 47	5,815.4
PROPOSITION 1A	
New Construction	0.4
Modernization	0.0
Hardship	2.6
Proposition 1A Subtotal	3.0
PRIOR BOND FUNDS	
Contingency Reserve	19.8
AB 191	0.2
Prior Bond Funds Subtotal	20.0
TOTAL PROPOSITION 1A AND PRIOR BOND FUNDS	23.0

January 22, 2003

Construction Cost Indices

INDEX	RATE
Class "B" Buildings	1.46
Class "D" Buildings	1.47
Furniture and Equipment	1.41
Historical Savings Index	8.25

Index Definitions

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.