

2003 Advisory Actions

S T A T E • A L L O C A T I O N • B O A R D
O F F I C E • O F • P U B L I C • S C H O O L • C O N S T R U C T I O N

Issue Number 03: Information from the State Allocation Board meeting held on March 26, 2003

what's inside...

<i>Labor Code Changes That Impact the SFP</i>	2
<i>Best Practices Report</i>	3
<i>Prop 47 Questionnaire</i>	3
<i>Community Day and Continuation High School Report Released</i>	4
<i>Critically Overcrowded Schools Program</i>	4
<i>Expenditure Audit Reporting Requirements</i>	4
<i>Expenditure Report Submittal</i>	5
<i>To Bid or Not To Bid?</i>	5
<i>What are Dwelling Units?</i>	5
<i>Funds Released from Proposition 47</i>	6
<i>180 Days for SFP New Construction Reimbursement</i>	7
<i>Ongoing and Major Maintenance of School Buildings</i>	7

Access to Funding...

from the desk of the executive officer



We are committed to you, the success of your district, and the facility needs of our children. Our inspiration is consistent; our children. In these challenging times, our office is concentrating its service efforts in an area of importance for your district... access to funding.

An incredible and unprecedented amount of funds have been apportioned and released to the districts. We are all working together to address the formidable task of meeting the school facility needs of this State. Within four months of the voters passing the \$11.4 billion in K-12 Proposition 47 State Bonds, over half of that amount has been apportioned to the districts totaling \$6.2 billion. Of those apportioned funds, over half has already been released to the school districts totaling \$3.2 billion. In these few months, our collaborative efforts have resulted in apportionments that essentially match the total amount of funds apportioned under the entire Proposition 1A over the last four years. Taken in context that the \$6.7 billion in Proposition 1A was over three-times that amount of the previous State Proposition 203 Bonds in 1996, these accomplishments are staggering.

As we take action to create new service possibilities for you and our State partnerships, we want to ensure that we address one of your primary needs; funding and fund releases. For example, we received a few phone calls from districts that

submitted Fund Release Authorizations and were concerned that the funds had not yet been received. We learned that in all of these cases we had processed the fund release request immediately, and the funds had already been mailed to the districts' county treasurer, in some cases as much as two months prior. We realize how important those funds are to you, so we have modified our existing notification process to the districts and county treasurers. We are sure you will be on the lookout for your funds, so here's what to expect. You can count on this office to immediately process your fund release request. We work very closely with the State Controller's Office (SCO) to ensure that the funds are released without delay and that the SCO consistently mails the actual warrants to the county offices within three weeks from the date we process the release. In our written notification to your district and county treasurer regarding the processing of your fund release, we are now including an anticipated date to expect the funds to reach your county treasurer, as well as where to locate on the OPSC Web site a report that you can monitor to learn the date the SCO sent the actual funds.

In other areas of service and funding, we hope you find the information we share in this issue valuable on topics such as:

- ▶ Increased SFP grants to accommodate your labor compliance programs.

- ▶ Cost saving ideas on a variety of methods and best practices of school facility construction.
- ▶ Service partnerships to enhance our service to you and your ability to access Proposition 47 funds.
- ▶ Guidance with qualifications for SFP Financial Hardship.
- ▶ Funding methods and lower classroom loading to meet your alternative education needs.
- ▶ Guidance on SFP reimbursement.
- ▶ Guidance to retain funds by meeting important reporting and bidding requirements.

In last month's Advisory Actions, I emphasized that it is time to act now while we have a window of opportunity, and that there was much to accomplish to ready ourselves for March 2004. *In that effort, you have my commitment that this office stands ready to assist you.*

Luisa M. Park, Executive Officer

OPSC Reminders...

- ▶ **State Allocation Board Meetings***
 Wednesday, April 23, 2003
 Wednesday, May 28, 2003
 Wednesday, June 25, 2003
- ▶ **Implementation Committee Meetings***
 Friday, May 2, 2003
 Friday, June 6, 2003
 Wednesday, July 2, 2003
- ▶ **Regional Occupational Center Facilities Report, SAB Form 406R**
 Due triennially (September 1, 2003) districts must report on the facilities utilized for the operation of a regional occupational center or program per Education Code Section 17285(d).
- ▶ **Critically Overcrowded Schools**
 To apply for funding with the OPSC, SAB 50-08 applications must be submitted by May 1, 2003.
- ▶ **LPP 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). The LPP Joint Use Funding will sunset after May 31, 2003.
- ▶ **SFP Joint Use Funding Cycle**
 The filing dates for the AB 16 Joint Use Program are November 5, 2002 through May 31, 2003 to be apportioned July 2003. The next filing period runs June 1, 2003 through May 31, 2004 to be apportioned July 2004 or July 2005.
- ▶ **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.

* Meeting dates, times and locations are subject to change. For the latest meeting information, check the OPSC Web site at www.opsc.dgs.ca.gov.

AB 1506 Update

Labor Code Changes That Impact the SFP

By Lori Morgan, OPSC Manager

As many of you have learned from our advisories or the discussions at the State Allocation Board (SAB) meetings, significant changes have occurred related to labor compliance that impact the School Facility Program. As a result, some may have questions such as...

Q. *What brought about this change?*

Assembly Bill 1506 added Section 1771.7 to the Labor Code that requires a district to make a certification for certain School Facility Program (SFP) projects that a Labor Compliance Program (LCP), that has been approved by the Department of Industrial Relations (DIR), has been initiated and enforced.

Q. *Who is affected by this change?*

Districts with projects apportioned under the SFP are affected 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.

Q. *Will this new process slow project construction?*

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, which was provided to the DIR for their implementation. The SAB requested that the DIR report monthly on the LCP approval process status, which has occurred with specific LCP review and approval data.

Q. *How do I find out about LCPs?*

The LCP guidebook and model LCPs are available for viewing on the DIR Web site at www.dir.ca.gov. Questions regarding the Labor Code, LCPs, DIR approval of LCPs and the guidebook may be directed to the DIR at 415.703.4810. Specific DIR contacts, telephone numbers and resources are listed in the LCP guidebook.

Q. *Will the SFP grants be increased to accommodate the cost of a LCP?*

Yes. AB 1506 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. We have discussed the proposed AB 1506 grant increase at the SAB Implementation Committee meetings over the last several months. The increase is anticipated to be on a scale dependent on the total project cost and was developed with input from districts with LCP experience. The draft proposal and updates are available for viewing on the Office of Public School Construction (OPSC) Web site. We anticipate the grant increase proposal will be presented to the SAB at its April 2003 meeting.

Q. *What if our district already received its SFP apportionment for a project that is subject to AB 1506?*

There is no need to be concerned if your district receives its apportionment before the increase is in effect. The law allows that full and final apportionments can later receive the grant increase provided the project was subject to the AB 1506 requirements. Additional information will be made available as we prepare to process the increases for projects that the districts were required to initiate and enforce a DIR approved LCP.

Continue on page 6

Best Practices Report

By Audrey L. Edwards, OPSC Manager

The Office of Public School Construction (OPSC), in response to the State Allocation Board's (SAB) request, presented a report at the March SAB meeting regarding a variety of methods and best practices of school facility construction. The OPSC produces and frequently updates many comprehensive sources of information to support and guide school districts and other stakeholders as they build and retrofit schools. These OPSC resources contain the fundamentals as well as detailed information for the skilled practitioner. Our user-friendly resources range from the basic overview and introductory information for small school districts and first-time applicants to the hands-on instructions for every aspect of planning, site selection, design, plan approval, program funding, school construction, and reporting requirements.

The report included a sampling of resources that address various strategies and best practices for school facility construction.

Public School Construction Cost Reduction Guidelines — Various strategies and best practices for construction of new, or modernization of existing facilities.

Cookbook for Energy Conservation Measures — General energy efficiency techniques and methodologies for new construction or modernization and has an immediate effect on energy savings and costs.

School Facility Program Guidebook — Information that assists school districts in applying for and obtaining "grant" funds for the new construction and modernization of schools.

Breaking Ground Excerpts — Three feature projects, complete with photographs, site diagrams and project data, that illustrate the latest school facility planning ideas and design solutions from the OPSC/DSA joint newsletter *Breaking Ground*.

Prototype School Designs — From the OPSC Web site, various plans for elementary, middle and high schools that includes:

- ▶ Architect Contacts
- ▶ Construction Data
- ▶ Database Search
- ▶ Floor Plans
- ▶ Photographs
- ▶ Plan Abstracts
- ▶ Program Data
- ▶ School Contacts
- ▶ Site Plans

Plan Reuse Examples — Photographs and facts from three districts related to multiple schools built with the same architectural plans.

Developer Built Schools — Information about and examples of projects utilizing this delivery method.

Design-Build Schools — Information about a procurement process in which both the design and construction of a project are procured from a single entity that includes excerpts from the California Department of Education's *Design-Build Projects Guidelines*.

In addition, the report included the results of a survey of school districts and county offices of education that received Proposition 1A State Bond funding for more than one project at the same grade level to determine if they reused plans or used other methods to expedite their applications for funding. The findings from this survey may be viewed on the OPSC Web site in the **What's New** section.

You can locate the above-mentioned resources the OPSC Web site at www.opsc.dgs.ca.gov.

State Service Partnerships

Prop 47 Questionnaire

By Lori Morgan, OPSC Manager

As we ready ourselves for March 2004 and face these times of fiscal crisis, we continue working closely with our partner State agencies to improve our services to provide guidance and assistance to you. Our recent coordination efforts include working with the Division of the State Architect (DSA) to learn when your plans have been DSA approved and contacting those districts to survey their intentions to apply for Proposition 47 funds. Included in the survey, we asked those districts questions such as:

- ▶ **What is the anticipated timeline for filing for State Funding?**
- ▶ **Has the district received its Department of Toxic Substances Control (DTSC) and California Department of Education (CDE) projects approvals, including anticipated timelines?**
- ▶ **Does the district want assistance with filing for SFP funding and/or qualifications for SFP Financial Hardship?**

Are we more than just interested? Yes, of course. As we compile your responses to forecast and plan our operations around your needs, we are identifying and taking action on the areas where you need assistance. We are arranging for specialized one-on-one services where interest was expressed, such as guidance with the SFP Regulations, project budget estimates, and completion of funding and/or financial hardship applications. We are sharing our findings about the projects with DTSC and CDE to aid in their processing and enable further service outreach.

The OPSC wishes to thank those that have submitted their funding questionnaire. If you have not yet responded, we want to hear from you. Please take a moment to complete and return the questionnaire. If you did not receive our questionnaire letter and would like assistance, please just call your OPSC Project Manager. We are committed to the success of your district and our service to you.

Expenditure Audit Reporting Requirements

By Noé Valadez, OPSC Audit Supervisor

Please do not wait until your School Facility Program (SFP) project closeout audit and possibly find your district in a financial predicament. Let us help you along the way.

Meeting your annual reporting requirements will enable the Office of Public School Construction (OPSC) audit staff to identify possible problem areas and work with the district to correct them before the closeout audit. Another benefit of meeting the SFP Regulatory annual reporting requirements is the districts' ability to monitor the expenditures for their project budgetary purposes.

Districts agree to timely submittal of annual expenditure reports when participating in the program. The districts are required to submit the expenditure reports annually, beginning one year from the date any funds were released. The requirement continues until the project is complete as established by the Notice of Completion for the construction portion of the project, or as established by the regulations. Regulation Section 1859.104 provides that a project is considered complete when three years elapse from the final fund release date for elementary school projects, or four years elapse from the final fund release date for a middle or high school project.

Further details about these requirements can be located in the School Facility Program's *Progress and Expenditure Reporting Guide* on the OPSC Web site at www.opsc.dgs.ca.gov; click on **Resource Information** on the left-hand side navigation bar, select "Handbooks", and then select that particular guide. Any questions may be directed to the OPSC SFP Audit Supervisors, Noé Valadez at 916.322.7628, or Lien Hoang at 916.322.0315.

Community Day and Continuation High School Report Released

By Janna Shaffer, OPSC Project Manager

The results of the study of the funding methodologies for Community Day, County Community, County Community Day, and Continuation High Schools has been released by the Office of Public School Construction (OPSC) on behalf of the Department of General Services (DGS). This report titled *Review of the Funding Methods for Continuation High, Community Day and County Community Schools* was mailed to all school districts and superintendents of schools in late March 2003.

This report was in response to Assembly Bill 695, Education Code Section 17072.17, which directed the DGS, in conjunction with the California Department of Education, and other State agencies to review the method of funding the construction and modernization of school facilities for the following alternative education programs:

- ▶ Continuation High Schools
- ▶ Community Day Schools
- ▶ County Community Schools
- ▶ County Community Day Schools

The report contains recommendations from the DGS regarding classroom loading and funding methodologies for these alternative education schools. This report will be presented at the State Allocation Board Implementation Committee meeting in April and May 2003 to consider the report's findings.

To obtain a copy of this report, *Review of the Funding Methods for Continuation High, Continuation High, Community day, and County Community Day Schools*, please visit the OPSC Web site at www.opsc.dgs.ca.gov. The report is located on the home page under **What's New**. Please watch for proposal information by clicking on "more..." under **Implementation Committee Meeting** on the OPSC home page.

News Flash

Critically Overcrowded Schools Program

By T.J. Rapozo, OPSC Project Manager

What's New?...

In the January and February 2003 SAB Advisory Actions, it was announced that the preliminary site apportionment now includes an amount equal to one-half the estimated property value for future potential hazardous substances/toxic remediation cost. For some districts, this might be more than what is needed. If this is true for your district, let the OPSC know and an alternative lesser amount can be reserved for your future project. To make this request with the district's preliminary application package, simply include a letter indicating the anticipated amount necessary for potential hazardous substances/toxic remediation cost.

Don't Forget the COS Filing Timeline!...

Complete COS Preliminary Applications to the OPSC by May 1, 2003.

Who Do I Contact for Questions?

For information regarding the CDE Source School List, contact Fred Yeager at 916.327.7148 or visit the CDE Web site at www.cde.ca.gov.

For assistance or additional information regarding the COS Program, please contact your OPSC Project Manager.

Public Contract Code Compliance To Bid or Not To Bid?

By Rachel Wong and Roxana Saravia, Deferred Maintenance Project Managers

We want to help guide you on the front end, so you will not find your district in a difficult financial situation after your district's Deferred Maintenance Program project is audited. It is important that all districts be reminded that all contracts awarded for Deferred Maintenance Program projects must comply with the Education Code, Government Code, Public Contract Code (PCC), California Code of Regulation (Title 24), and other legal requirements. Per PCC Section 20111(b), "The governing board shall let any contract for a public project. . . involving an expenditure of fifteen thousand dollars (\$15,000) or more, to the lowest responsible bidder . . . or else reject all bids."

However, if the project meets the requirements under the provisions of PCC Section 20113, an emergency contract may be awarded. In this case districts must obtain all of the following approvals:

- ▶ School governing board, by unanimous vote.
- ▶ The County Superintendent of Schools.
- ▶ Obtain contract approval from its legal counsel.

As part of its normal audit review, the Office of Public School Construction (OPSC) will be coordinating with the County Office of Education and verifying that the requirements in law for such contracts have been met. Since non-compliance to any applicable laws, regulations and/or policies jeopardizes State funding, the OPSC strongly encourages districts to seek advice from their legal counsel before entering a contract. If you would like additional information, please feel free to contact Rachel Wong at 916.445.7880, or Roxana Saravia at 916.323.3871.

Did your district receive a grant under the Federal Renovation Program? Expenditure Report Submittal

By Bryan Breaks, OPSC Audit Supervisor

If so, this is a reminder that the Federal Renovation Program (FRP) regulations require you to submit an *Expenditure Report* (Form SAB 60-03 and a listing of project expenditures) within 270 calendar days of your application's first fund release. This is true whether the first funds released represented 50 percent or 100 percent of the grant amount. Your district will be receiving reminder letters as the 270-day deadline approaches.

As you are reporting the FRP project costs, keep in mind that the regulations limit the types of expenditures which are allowable under the program. Examples of ineligible expenditures include maintenance work and costs associated with the construction of new facilities (except for Impacted LEAs). For more details regarding permissible and impermissible expenditures, the program regulations can be viewed on-line at our Web site at www.opsc.dgs.ca.gov. Click on the **Programs** link in the menu on the left hand side of our home page. There you'll find much more information regarding the FRP including the text of the regulations.

For more information regarding the FRP reporting requirements, please feel free to contact Bryan Breaks at 916.445.3156, or Tom Flaman at 916.322.0172.

What are Dwelling Units?

By Eric Bakke, OPSC Project Manager

Each year when a school district submits a new construction funding application, a district is required to submit an updated Form SAB 50-01 for the current enrollment year. There are several factors that effect the 5-year enrollment projections: Current Enrollment, Student Yield Factor and Dwelling Units. Each of these combined or individually has a major impact in the outcome of the 5-year enrollment projection. A dwelling unit is a plot of land or lot identified in approved *tentative subdivision maps* on which a developer will construct a future home. A district may augment their enrollment projections based on the number of these new dwelling units.

So, which lots can the district include in the dwelling unit totals to augment their enrollment projections? Only those lots identified in tentative or final subdivision maps and that have received local planning authority approval, are valid (*i.e.*,

the approval from the planning authority has not expired) and the district has identified the dwelling units in that subdivision map to be constructed. As part of the Form SAB 50-01, the district must certify that the local planning authority has approved the tentative subdivision maps used to calculate the dwelling units reported.

As you may know, the status of some development projects is constantly changing. The number of dwelling units may change, a development may simply withdraw the project, or the city or county may simply re-zone the land. For these and many other reasons, the Office of Public School Construction strongly encourages districts to work closely with their local planning authority to keep informed of any new changes with the local developments. If you are unsure which maps should be included in the dwelling unit totals when preparing the Form SAB 50-01, please contact your Project Manager for further assistance.

Labor Code Changes That Impact the SFP... *continued from page 2*

Q. *What steps do I take to receive my SFP fund release once we have our DIR approved LCP for the project?*

Nothing has changed in the SAB/OPSC fund release process. The district would submit its Form SAB 50-05, *Fund Release Authorization*, to the OPSC once the district meets the criteria for fund release as outlined on the form and its certifications. The Form SAB 50-05 includes certification language for the initiation and enforcement of a DIR approved LCP. The form is available on our OPSC Web site at www.opsc.dgs.ca.gov; look under “SAB Forms” on the left-hand side navigation bar.

Q. *Is our district required to hire a third-party provider to handle the LCP?*

No. Hiring a third-party provider is an option, not a requirement. This is a local decision. If the district elects to have its employees handle the various tasks related to the LCP, the grants could be used for district costs related to the LCP.

Q. *How do I prepare for the SFP reporting requirements?*

For SFP projects subject to AB 1506, the district must submit at the time of the OPSC’s audit the following:

- Copy of the DIR approved LCP to which the project(s) conformed.
- Copy of the “third party provider” contract, if applicable.

The district must also be prepared to submit upon OPSC request, the following:

- All bid invitation and contracts that must contain language alluding to Labor Code Section 1770 through 1780 compliance and verification.
- Evidence that a pre-job conference was conducted with the contractor and subcontractor and that the district enforced the requirements as set in Labor Code Section 1770 through 1780.
- Evidence of weekly submittals of certified copies of payroll for all contractors and subcontractors.

Labor Code Section 1771.7 provides that a district may elect to contract with an outside entity, or use its own employees to implement and administer the LCP. If the district intends to use its employees, it must meet the requirements as detailed in the Public Contract Code and account for, in the SFP audit, the following:

- The name of the district employee performing the LCP duties.
- The salary and benefits of the employee, including transportation costs associated with the LCP.
- A specific breakdown of hours spent by project subject to the LCP requirements.

Q. *Who do I call if I have additional questions?*

Questions regarding the Labor Code, LCPs, DIR approval of LCPs 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.

March 26, 2003 Agenda

Funds Released from Proposition 47

PROGRAM	APPORTIONED	RELEASED/CONTRACTED	APPORTIONMENT BALANCE
New Construction	\$3,509,551,984	\$2,149,140,910	\$1,360,411,074
Modernization	2,374,419,459	766,952,039	1,607,467,420
Charter School	0	0	0
Energy	0	0	0
Critically Overcrowded Schools	0	0	0
Joint Use	0	0	0
Total	\$5,883,971,443	\$2,916,092,949	\$2,967,878,494

Fact and Fiction

180 Days for School Facility Program New Construction Reimbursement

By Janna Shaffer, OPSC Project Manager

If you intend on filing for State funding, it is important that certain funding application filing timelines be met to protect your ability to obtain reimbursement for new construction under the School Facility Program (SFP). As many of you know, changes to the law effective in January 2000 provided that pupils housed in classrooms constructed with local funds are considered adequately housed under the SFP. As districts move ahead with new construction, we wanted to remind you of this law in the event your district was planning to proceed with local funding in anticipation of filing for State funding.

Have a little fun and read on to test your understanding. Below you will find a series of statements that are both fact and fiction followed with the appropriate responses to provide clarification.

Statement — *A district signed a construction contract to build 10 classrooms on January 17, 2002. The district submits an application to the Office of Public School Construction (OPSC) for the 10-classroom project on August 25, 2002. The OPSC will process and reimburse the district for the project.*

Fiction — No; the OPSC will be unable to process the district's request for reimbursement for the new construction project in accordance with the law. Assembly Bill 695, Statutes of 1999, make changes to Education Code Section 17071.75 that became effective in January 2000. The law provides that pupils

housed in classrooms constructed with local funds are considered adequately housed under the SFP. The deduction of a district's eligibility for a project it signed construction contracts for is mandated in law. It was the SAB and the OPSC that placed the 180-day period in regulation to provide a grace period for the districts to file an application and to apply for reimbursement. That grace period is the source of Regulation Section 1859.51(i)(5) which only excludes adjustments to the district's new construction baseline if "...the contract for the lease, lease-purchase, purchase, or construction was made no more than 180 days before the Approved Application date for funding of the classrooms included in the contract." A district that intends to file for State funding must submit a complete funding application to the OPSC within the 180-days to protect the district's ability to obtain reimbursement.

Statement — *The district has enough eligibility to take a "double hit" for a project with a construction contract signed over 180 days. The OPSC will allow the district reimbursement for the classrooms included in the contract.*

Fiction — No; the law became effective January 2000 that provides funding only for pupils that have not been housed. If a facility has been constructed with State or local funding, the OPSC is required by law to consider those pupils adequately housed. The OPSC is unable to process the district's reimbursement request for the new construction project for which the construction contract signature exceeds 180 days.

Statement — *The district signed a construction contract for an addition it funded to a school 180 or more days before submitting a funding application to the OPSC for that project or even a different project; those classrooms included in the locally funded contract must be reported to the OPSC.*

Fact — Yes; the district must report those classrooms as an increase to the district's capacity in Box 13a of the Form SAB 50-04, Application for Funding. As provided for in law, the district's new construction baseline will be reduced as specified in Regulation 1859.51 that states "...reduced by the number of pupils housed. . . in any classroom provided after the baseline eligibility was determined by the Board. . ."

Statement — *The district has submitted a funding application to the OPSC. The district may sign the construction contract since the application was received by the OPSC before the 180 days.*

Fact — Yes; only if the OPSC has deemed the application complete and placed the application on the OPSC workload list. The district has the option to proceed and is not required to wait for its application to be approved by the State Allocation Board to sign a construction contract. However, if the district's application is deemed incomplete or the district withdraws or rescinds the application, the application will be subject to the 180-day time frame.

Here's a fact you can always count on. . . If you have any other questions or need some help, please feel free to contact your OPSC Project Manager.

Ongoing and Major Maintenance of School Buildings

By Bryan Breaks, Audit Supervisor

Education Code Section 17070.75 requires all school districts receiving State funds under Lease-Purchase Program (LPP) and/or the School Facilities Program (SFP), to establish a restricted account within the district's general fund for the exclusive purpose of providing funds for ongoing and major maintenance of school buildings. The minimum amount

designated for this purpose must be three percent of the applicant school district's total general fund expenditure budget. Since a portion of districts' general fund expenditure budget is restricted and would not be available for maintenance purposes, the 3 percent amount need only be applied to the general fund unrestricted expenditure budget.

If you have any questions, please contact Bryan Breaks, Audit Supervisor at bbreaks@dgs.ca.gov or 916.445.3156.

Status of Funds

PROGRAM	BALANCE AVAILABLE AS OF MARCH 26, 2003 (AMOUNTS ARE IN MILLIONS OF DOLLARS)
PROPOSITION 47	
New Construction	
New Construction	2,553.5
Charter School	97.5
Energy	14.2
Modernization	
Modernization	788.6
Energy	5.8
Critically Overcrowded Schools	1,700.0
Joint Use	50.0
TOTAL PROPOSITION 47	5,209.6
PROPOSITION 1A	
New Construction	0.3
Modernization	0.0
Hardship	0.3
Proposition 1A Subtotal	0.6
PRIOR BOND FUNDS	
Contingency Reserve	22.2
AB 191	0.2
Prior Bond Funds Subtotal	22.4
TOTAL PROPOSITION 1A AND PRIOR BOND FUNDS	23.0

March 26, 2003

Construction Cost Indices

INDEX	RATE
Class "B" Buildings	1.46
Class "D" Buildings	1.46
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.