

2003 Advisory Actions

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Issue Number 10: Information from the State Allocation Board meeting held on October 22, 2003

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School Facility Reflections



from the desk of the executive officer

Looking over the past year, I am captivated by the successful work we have accomplished together for California's children, and by our journey from the past, where we stand today, and to our future that lies ahead.

Districts are keenly aware that having a construction project completed and being prepared for the children to arrive on your doorstep requires years of careful planning and budgeting. In the past, school facilities construction was interrupted by months or even years without State funding. Districts had construction plans approved and ready to go but lacked the necessary State funding to proceed. The children were arriving but some districts could not go forward absent the State's share.

The success of the 2002 State Bonds Proposition 47 and 1998 State Bonds Proposition 1A paves the way to show what our skilled and collaborative work together can accomplish. Under Proposition 47, nearly \$10 billion was apportioned in 11 months. Over \$5.3 billion of those apportioned funds are already released to the school districts for construction contracts underway making a difference in your communities. Under Proposition 1A approved in 1998, \$6.7 billion has been apportioned and essentially all has been released. These accomplishments, however unprecedented, are not enough.

As of the October 2003, the State Allocation Board (SAB) has approved School Facility Program (SFP) eligibility, for projects that have not yet filed a funding application, in excess of \$15.9 billion representing over \$12.5 billion in new construction and over \$3.4 billion in modernization projects. This information will call many school districts into action in view of the proposed 2004 State Bonds for K-12 education summarized as follows:

PROGRAM	BOND 2004
New Construction	\$ 5,260,000,000*
Modernization	2,250,000,000
Critically Overcrowded Schools	2,440,000,000
Joint-Use	50,000,000
Total K-12	\$10,000,000,000

*Up to \$300 million specified for charter school applications.

These statistics and other important information are readily available in the *School Facility Program Statistical and Fiscal Data* report which is updated monthly after each SAB meeting. I encourage you to frequently review and share with your district and school board members this useful and informative OPSC resource. The report can be located at www.opsc.dgs.ca.gov on the "OPSC Home Page". In the report, you will find up-to-date apportionment amounts, average values per pupil, totals for applications received awaiting funding, and the number of pupils and cost for eligibility applications approved by the SAB.

It is imperative that we keep up the positive momentum to enable a continuous flow of funding for school facilities construction and modernization. We encourage you to file your new construction and modernization SFP applications now. *We are committed to helping you be prepared for future funding opportunities*

Luisa M. Park, Executive Officer

OPSC Reminders...

- ▶ **State Allocation Board Meetings***
Wednesday, December 10, 2003
Wednesday, January 28, 2004
- ▶ **Implementation Committee Meetings***
Friday, December 5, 2003
Thursday, January 8, 2004
- ▶ **SFP Joint Use Funding Cycle**
The filing dates for the SFP Joint Use Program are June 1, 2003 through May 31, 2004 to be apportioned July 2004.
- ▶ **LPP Joint Use Funding Cycle**
The filing dates for the LPP Joint Use Program (SB 1795) have been extended for another year and are June 1, 2003 through May 31, 2004 to be apportioned July 2004.
- ▶ **Interest Earned Report (Form SAB 180)**
Due quarterly (March 31, June 30, September 30 and December 31) from each county for all districts which have earned interest from the Leroy F. Greene Lease-Purchase Fund.

*For the latest meeting dates, times and locations, check the OPSC Web site at www.opsc.dgs.ca.gov.

Important Information on...

Deferred Maintenance Program Funding

By Erin Moore, OPSC Project Manager

New legislation, effective January 1, 2003, changed the date for the annual apportionment of the Deferred Maintenance Program (DMP) funding from October to after December 1st of each fiscal year. This year, the annual DM funding item will be presented to the SAB for approval at the January 28th meeting. Districts participating in the DMP will receive their Basic and/or Extreme Hardship apportionments at that time.

If you have any questions about the Deferred Maintenance Program, please feel free to contact Erin Moore, Project Manager, at erin.moore@dgs.ca.gov or 916.445.2704 or Rachel Wong, Project Manager, at rachel.wong@dgs.ca.gov or 916.445.7880.

Alert!

Federal Renovation Program

By Lindsay Ross, OPSC Project Manager

The last date to sign contracts for services or work on Federal Renovation Program (FRP) projects and the final date to expend funds and request reimbursement have passed.

Next Steps

Once 100 percent of the grant has been released, districts must meet specific expenditure reporting requirements. Please view Issue 09 of the Office of Public School Construction *Advisory Actions 2003* for important details.

Questions?

Should you have any questions regarding the FRP, we are happy to assist you. Please contact either Lindsay Ross at 916.323.7938, or Chris De Long at 916.322.5263. For questions regarding expenditure reports, please contact Estella Gomez at 916.324.4567.

Important SFP Joint Use Program Update...

Don't Hold On To Those Plans!

By Aneida Ramirez, OPSC Project Manager

The New Year is quickly approaching and so are the changes to the School Facility Joint Use Program. If you are planning to submit a joint use funding application for pupil academic achievement, you will need to be aware of and meet grandfathering provisions in order to qualify for funding. Chapter 587, Statutes of 2003, Senate Bill 15 (Alpert) provides for a pupil academic achievement facility only if the plans for the facility have been accepted by the Division of the State Architect (DSA) prior to January 1, 2004.

Remember, all application types for SFP joint use funding can be submitted through May 31, 2003 for the July 2004 funding cycle. If your joint use project is for academic achievement, don't let the ball at Times Square fall before those academic achievement construction plans have been submitted to and accepted by the DSA!

Have questions? Please contact your OPSC Project Manager for further information regarding the School Facility Joint Use Program.

Don't miss out...

Energy Efficiency Funds Available

By Jordan Monath, OPSC Project Manager

Planning a School Facility Program (SFP) new construction project? Concerned with increasing utility costs? Unsure if an energy efficient school will alleviate the increase? What type of assistance is available for the project? These are important questions that require accurate answers. If you are planning a SFP new construction project, you may consider applying for an additional grant for energy efficiency. The passage of Proposition 47 made funding available for Energy Allowance grants. As of the October 2003 State Allocation Board meeting, \$13.5 million remain available for these new construction additional grants.

For the districts' requests of these funds, the OPSC will be looking for the Division of the State Architect's (DSA) concurrence with the percentage of the energy efficiency that exceeds the nonresidential building energy efficiency standards. To learn more about obtaining DSA's concurrence on your energy funds request, please view these DSA Web links:

- ▶ DSA Bulletin on Proposition 47 Energy Allowance Grant Projects and the DSA's verification of energy efficiency compliance—
www.documents.dgs.ca.gov/dsa/bulletins/bulletinProp47_rev9-15-03.pdf
- ▶ DSA Energy Allowance Request Form—
www.documents.dgs.ca.gov/dsa/forms/energy_review_request_form.pdf
- ▶ DSA Application for Approval of Plans and Specifications—
www.documents.dgs.ca.gov/dsa/forms/dsa-1.pdf

There is still time!! Funding is available for energy efficient projects and the OPSC strongly encourages districts take advantage of this opportunity. For further information on the SFP project grant amounts, please view the SFP Regulation Sections 1859.71.3 and 1859.78.5 located on the OPSC Web site at www.opsc.dgs.ca.gov. If you have questions and would like additional information regarding energy efficiency, please contact your OPSC Project Manager.

Requesting Fund Releases

By Wan Wong, Accounting Administrator

We would 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 from the date of apportionment. 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 this time period.

While the 18-month clock is ticking, 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 follow up with the district regarding its fund release request.

Should you have questions regarding the SFP requirements, please contact your OPSC Project 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 or laurie.stetson@dgs.ca.gov. A copy of Form SAB 50-05 can be located on the OPSC Web site at www.opsc.dgs.ca.gov.

Alert!

Reimbursements and Bond Proceeds

By Dave Zian, Fiscal Services Manager

Some school districts are currently considering investing the proceeds of reimbursement bonds in long term investments. Prior to doing so, please be aware that there are specific Federal requirements contained in Treasury Regulation Section 1.150-2 governing the use of these reimbursement bonds that have to be followed in order to not violate arbitrage restrictions contained in Internal Revenue Code. For more information, please consult the California Debt and Investment Advisory Commission Web site at www.treasurer.ca.gov/cdiac or call 916.653.3269.

Inclusive of the October 22 SAB Agenda

Proposition 47... Funds Put to Work

PROGRAM	BOND ALLOCATION	FUNDS APPORTIONED	FUNDS RELEASED/CONTRACTED	FUNDS TO BE RELEASED
New Construction	\$ 6,235,800,000	\$ 4,395,360,501	\$ 3,476,274,476	\$ 919,086,025
Modernization	3,294,200,000	3,293,280,744	1,852,270,501	1,441,010,243
Charter School	100,000,000	97,034,156	0	97,034,156
Energy	20,000,000	2,094,824	1,592,265	502,559
Critically Overcrowded Schools	1,700,000,000	1,697,872,847	0	1,697,872,847
Joint Use	50,000,000	16,186,513	2,545,149	13,641,364
TOTAL	\$11,400,000,000	\$ 9,501,829,585	\$ 5,332,682,390	\$ 4,169,147,195

You'll Want to Know This...

Your Ineligible Project Could Receive Funding— Revised “180-Day” Regulations

By Elizabeth Dearstyne, OPSC Project Manager

A Little History

At a previous meeting, the State Allocation Board (SAB) requested the Office of Public School Construction (OPSC) to review the current regulation for including district funded facilities that have been provided in a district's existing classroom capacity. Regulation amendments have been approved that change the definition of when a classroom is provided with local funds, often referred to as the “180-day rule”. Previously, a district's new construction baseline would be reduced by any classrooms provided that were not included in a funding application submitted to the OPSC within 180-days of signing the project's construction contract.

The OPSC developed proposed amendments with the assistance of the SAB Implementation Committee, and the SAB adopted the revisions at its August 2003 meeting. It is anticipated that the regulations will be in effect in January 2004. The regulations also included “grandfathering” provisions for projects that were ineligible based on the current regulation.

What's New

The regulations, once in effect, will permit a district to submit a complete funding application to the OPSC up until the point that the classrooms included in the construction contract are occupied, as opposed to up to 180-days of signing a construction contract under current regulation. After the date of occupancy of any classrooms in the construction contract:

- ▶ the district will be ineligible to seek new construction funding; and,
- ▶ the pupil capacity of the classrooms will be reduced from the district's available new construction eligibility.

Grandfathering Provisions

The SAB adopted regulations that provide “grandfathering” provisions for projects that were previously affected by the “180-day rule”. These provisions contemplate three different scenarios that a district could request either an eligibility adjustment or funding due to the existing regulations, as follows:

Eligibility Adjustments:

The regulations provide for the following adjustments:

If...

the project exceeded the 180-day rule but the district took a second reduction in their eligibility to receive State funding...

Then...

the district may request an increase to the new construction baseline eligibility by the number of pupils received in the second reduction.

If...

the project has not received State funding and the district will be requesting funding under the provisions listed below and the pupils in the construction contract were previously reduced from the district's eligibility...

Then...

the district new construction baseline eligibility will be increased by the number of pupils previously reduced.

Funding Provisions:

A district may request new construction funding for a project that was previously ineligible for State funding because the construction contract was signed more than 180 days of submitting a funding request to the OPSC, if all the following conditions are met:

- ▶ the Approved Application meets all requirements of Chapter 12.5; and,
- ▶ the contract for the lease, lease-purchase, purchase or construction has been signed on or after January 1, 2000; and,
- ▶ the grants will be limited to actual eligible expenditures and the funding provided will be calculated based on the grant amounts at the time the construction contract was signed. The project will not be eligible to receive project savings; and,
- ▶ the district has new construction eligibility for the project. If the capacity of the project is included in the district's baseline, the district may exclude the capacity from its existing school building capacity for purposes of determining eligibility for this project; and,
- ▶ all project approvals required for a new construction funding application were obtained prior to the construction contract date.

If the application meets all criteria except the last one listed above, the district may request a case-by-case approval from the SAB.

To take advantage of these provisions, it is important that you submit either a request for an eligibility adjustment in writing to the OPSC or a funding application *within 120 days of the regulation changes becoming effective*. *If these provisions apply to your district, you will want to keep close tabs on when these regulations become effective.*

Who Do I Call If I Have Questions?

As always, questions regarding SFP New Construction projects may be referred to your OPSC Project Manager. More details are also available in the SFP Regulations located on the OPSC Web site at www.opsc.dgs.ca.gov.

Get To Know....

OPSC's Accounting Team

By Gretchen Winczner, Project Manager Assistant

Money...money...money... Our informational age would not function without it. Money is associated with many different aspects of life, but at the Office of Public School Construction (OPSC) it means funding for school districts. Have you ever stopped and wondered who is it that handles the billions of dollars distributed through the State Allocation Board (SAB) programs. Well, meet our accountants! The Accounting Team at the OPSC maintains the accounting records and prepares the financial statements of the entire funding for the programs administered by the SAB and OPSC.

The accountants in the OPSC handle many different functions. Disbursing funds to districts to build their facilities; collecting funds from the leases in the State Relocatable Program; determining the funding source for items presented to the SAB for all the different programs administered by the OPSC; and forecasting and managing cash flow for the program expenditures are all in their job description. They are the folks that work with the State Treasurer's office to ensure the funds are available to meet the demand of fund release requests we receive from you. They are already hard at work planning and arranging for the critical events and essential meetings that are necessary with a successful 2004 State Bond.

Their recent successful work in this arena can be appreciated when you consider that in excess of \$5.4 billion was apportioned by the SAB at its December 2002 meeting within six weeks of the November 2002 State Bond election when Proposition 47 passed. In the eleven short months since the passage of Proposition 47, the OPSC Accounting Team has processed the apportionments for nearly \$10 billion and has released over \$5 billion to districts in Proposition 47 funds alone; not to mention all the work they process for the finalization of Proposition 1A and prior bond funds.

In striving to continually assist districts, the OPSC Accounting Team recently worked with our Information Systems Team to enhance the Project Tracking system on the OPSC Web site. Our Project Tracking not only includes the date OPSC issues the Claim Schedule but also now includes the date the State Controller's Office issued the actual warrant which indicates to the districts that the warrant was sent to their County Treasurer. With all that said, allow me to introduce you to who these number crunchers actually are, and next time you are in the office, please stop by and say "hi".

Laurie Stetson (Supervisor)—Laurie has been with the State for 29 years and has been with the OPSC 17 years. She graduated from Sacramento State University (CSUS) with a degree in Accounting. Since the age of seven her life consisted of horses. She was in Hunters and Jumpers and horse shows. But alas, one day after one too many falls, her doctor said that it was time to change professions. She has always been one to like numbers and pursued a profession in Accounting. Laurie and her husband have other animals as well and love keeping all of them happy.



The OPSC Accounting Team (left to right): Michael Kwan, Barbara Terry, Wan Wong, Vickie Casino, Laurie Stetson (Supervisor), and Christina Fraiser.

Vickie Casino—Claiming to be the oldest of the group and a Lakers fan, Vickie came to the United States from the Philippines in 1977 and attended UCLA where she started taking accounting classes. Shortly after, she made her way up to Sacramento and earned her degree in Accounting from CSUS. She started working for the State in 1989 and says that she loves working at the OPSC and with her wonderful team. She is the mother of five children, four of who she adopted. She loves being with her children and her dogs which she dresses up in designer clothes! One of her hobbies is participating in the LA marathon, which she has been doing since 1995.

Christina Fraiser—Christina attended Evergreen College in San Jose for business administration and then moved on to Sacramento City College where she earned her Accounting certificate. She has been with the State for 18 years and with OPSC for three years. Prior to working for the State, she was a group home mother in San Jose until she moved to Sacramento to be closer to her family. She loves her co-workers and finds her work to be very interesting. She loves spending time with her grandkids and cannot wait to retire.

Michael Kwan—Michael came to the United States from Hong Kong in 1989. He attended CSUS and earned a degree in Accounting. His first State job was in Salinas where he was for six years until a year and a half ago when he came to the OPSC. He really likes what he is doing and finds the work here to be very professional. In his spare time, he is an avid fisher and loves the Kings! He and his wife of nine years purchased a house that they enjoy working on.

Barbara Terry—The quiet one of the group, Barbara has been with the State for 20 years and came to the OPSC in 1987 for an Accounting position. She attended Sacramento City College and earned her AA degree in Accounting. She loves to read, garden and to travel. She lives with her husband and their cats and large dogs. Her husband is in a Skiffle Jazz Band for which they travel quite a lot; Barbara finds great enjoyment in being a part of that.

Wan Wong—The comedian of the group, Wan has been with the State for 22 years and has been with the OPSC for 14 of those years. He loves his job and the fact that he gets to spend other people's money for a great reason; building schools. He admits he is a permanent couch potato and loves his wife's cooking, the TV and the Lakers. Wan's appreciation for the Lakers is quite the subject at home; his wife of 14 years is a Kings fan.

2003 Legislative Cycle Summary

By Dawn Barnhisel, OPSC Project Manager

The 2003 legislative cycle brought us numerous bills related to school facilities. Addressing the needs of diverse constituencies, these bills represent a range as varied as the interests of the legislators who authored them.

The following table overviews pertinent sections of the most significant chaptered bills which affect the School Facility Program (SFP). It is by no means a

comprehensive study of their ramifications and implications to the SFP. Deeper scrutiny and program-specific evaluation is in process. As information develops, we will communicate the various ways in which the following legislation may affect your district with regard to the Office of Public School Construction (OPSC) programs.

2003 Legislative Overview

BILL	SUMMARY	PRELIMINARY COMMENTS
AB 264 (Mullin) Chapter 891	Use Proceeds from Surplus School Property: Allows a school district, under prescribed conditions, to transfer up to 25 percent of the proceeds of the sale of surplus school real property into the school district general fund for a one-time limited expenditure. The bill precludes this transfer from disqualifying the district for prescribed State facilities funding, but requires that apportionments be reduced by the amount of surplus used for the one-time expenditure. The district's determination of surplus property is subject to State Allocation Board (SAB) review when any of the surplus proceeds are used for purposes other than capital outlay or maintenance costs.	This bill specifically addresses the needs of small districts with declining enrollment.
AB 296 (Oropeza) Chapter 757	Budget Trailer Bill, State and Local Government – Reduction in Debt Costs: This bill designates the SAB as one of several entities required to work with the Director of Finance to achieve a combined savings of no less than \$50,000,000 in General Fund debt service costs in the 2003–2004 and 2004–2005 fiscal years.	Potential impact to the SFP, if any, is currently under review.
AB 324 (Diaz) Chapter 834	Public Works: Labor Compliance Program (LCP) – Adjusted Parameters for LCP Grant: Clarifies how LCP's are defined. Removed the requirement that the Labor Compliance Program grant adjustment be on a per-pupil basis, and repealed requirement that the increased grant amounts occur no later than July 1, 2003.	Essentially this bill eased the restrictions regarding the allocation of grant adjustments for LCP's, and clarifies that the Department of Industrial Relations' approval is required for K–12 LCP's.
AB 1008 (Dutton) Chapter 570	Public School Facilities Funding, Hazardous Waste Evaluation and Removal: Allows for an additional adjustment to the State new construction grant, for a project that has incurred additional allowable hazardous waste response action costs as a result of additional requirements imposed by the Department of Toxic Substances Control.	Under certain circumstances, the current SFP regulations allow for this. This bill clarifies those circumstances. The additional adjustment cannot exceed the limits of existing law, and can occur after full and final apportionment (during the audit process).
AB 1124 (Nunez) Chapter 358	School Facilities Maintenance and Repair: Requires that the consideration of the condition of school restrooms (i.e., whether or not restroom facilities are functional and meet local hygiene standards) be a determining factor when prioritizing expenditures from a district's Deferred Maintenance account.	This bill does not require intervention by the SAB, and does not affect a district's eligibility for Deferred Maintenance funds.
AB 1244 (Chu) Chapter 572	School Facilities Funding – Modernization: Deletes the eligibility requirement that a school building not have been previously modernized with State funds. Allows for subsequent apportionments to be made for the modernization of permanent school facilities every 25 years following the date of the previous apportionment and, in the case of portable classrooms, every 20 years after the previous apportionment. Requires the replacement of portables receiving funds for a subsequent modernization.	This bill precipitates the need for changes to the SFP regulations. School district eligibility cannot be adjusted for the portables replaced with second modernization funding.
AB 1309 (Goldberg) Chapter 574	Eminent Domain – Displaced Residential Development: This bill would authorize the local governing agency, as defined, to acquire property to replace existing dwelling units displaced by school construction if certain conditions are met and would require that displaced persons be given a right of first refusal to purchase or rent the replacement dwelling units.	This bill should alleviate the pressure on school districts to pay the high relocation costs associated with replacement housing.

BILL	SUMMARY	PRELIMINARY COMMENTS
AB 1631 (Salinas) Chapter 904	School Facilities Funding – Replacement Buildings: Deletes the requirement that a school district must be operating on a multitrack-year round schedule in order to qualify for a supplemental grant for replaced facilities. Provides a method for estimating site acquisition cost savings.	This bill precipitates the need for changes to the SFP regulations [1859.73.2]. The SAB is authorized to establish additional requisites if deemed necessary for the protection of State economic/ educational interests.
AB 1754 (Budget Committee) Chapter 227	Education Finance – Restricted Maintenance Deposit and Annual Deferred Maintenance Report: Reduces the amount required to deposit into a restricted maintenance account from 3 percent to 2 percent for the 2003–2004 Fiscal Year, which is required in order to participate in the SFP. Also, waives the requirement for districts to submit a report to the Legislature, in any year in which a school district does not deposit its Deferred Maintenance Program match, for the current 2003–2004 Fiscal Year.	This bill provides some relief to districts during a particularly difficult budget year.
SB 15 (Alpert) Chapter 587	School Facilities – Modernization, Joint Use, Charter: This bill 1) allows subsequent apportionments to be made for the modernization of permanent school facilities every 25 years following the date of the previous apportionment and, in the case of portable classrooms, every 20 years after the previous apportionment is made; 2) eases the limitations regarding joint use, including partner requisites and contribution amount, and adds an allowance for reconfiguring an existing school; 3) contains recommendation for provision changes to AB 16 Charter Program.	This bill will make various aspects of the SFP more accessible; it precipitates the need for changes to the SFP regulations.
SBX1 18 (Chesbro) Chapter 4	Education Finance: For the 2002–2003 Fiscal Year only, provided a district may use, as prescribed, up to 50 percent of its reserves and up to 50 percent of restricted accounts in its General Fund, with certain exclusions, in order to provide local budgeting flexibility as a result of midyear budget reductions. Waives the districts’ match requirement for the State Deferred Maintenance maximum basic grant for the 2002–2003 Fiscal Year.	This bill provides some relief to districts during a particularly difficult budget year. Certification of Deposits will not be required by the OPSC for projects funded for the Fiscal Year 2002–2003.
SB 303 (Torlakson) Chapter 55	Local Agency Facilities: Restricts the type of debt that is recognized in meeting the 60 percent of the district’s total bonding capacity requirement to only debt that is issued for the purpose of constructing school facilities. Specifies the methodology by which a school district’s bonded indebtedness is calculated in order to qualify for financial hardship status. Provides that a special tax that was lawfully levied in or before the final tax year and remains delinquent may be collected in subsequent years.	Based on this change, school districts will no longer be able to utilize non-school facility debt in meeting the 60 percent reasonable effort requirement for SFP financial hardship requests. This issue was discussed at the November SAB Implementation Committee and proposed regulation changes will be presented to a future SAB meeting.
SB 352 (Escutia) Chapter 668	School Sites – Sources of Pollution: Prohibits the acquisition of a school site that lies within a 500 foot corridor of busy roadway or within ¼ mile from another possible source of pollution unless: 1) it is determined that the site poses no pollution health risk; 2) it is determined that any source of pollution on the site can be mitigated; 3) it is determined that an alternative site is unavailable.	Though this does not specifically impact OPSC programs, this could make school site acquisition more challenging.
SB 892 (Murray) Chapter 909	School Restrooms: Prohibits the allocation of State school facilities Deferred Maintenance matching funds to a district if, after a 30-day notice and a reasonable period of time to correct a violation, one of the district’s public schools in non-compliance with the restroom maintenance standards set forth in this bill.	This bill names the SAB as an enforcement component, and requires the SAB to make the determination of compliance (and thereby the determination as to whether or not Deferred Maintenance funds can be allocated to a district in question).

Please stay tuned! We would like to encourage you to take an active role in the changes being made to the various school facility programs administered by our office. The most effective way would be to attend the SAB Implementation Committee meetings that are held monthly in Sacramento and are open to the public. The committee is an informal body comprised of various State agencies and school facility organizations that discuss and assist our office with drafting regulations to present to the SAB as a result of legislative and administrative changes. Input from the audience also plays a very important role on the policy recommendations that are presented to the SAB.

Visit our Web site at www.opsc.dgs.ca.gov for information on upcoming agenda items, meeting dates and locations. All the meetings are located fairly close to our office, so coming to Sacramento for an Implementation Committee meeting would be a great opportunity to visit your OPSC Project Manager to discuss current or future projects or to just drop by and say “hi”.

Congratulations!

New School Openings and Groundbreakings

By Dawn Barnhisel, OPSC Project Manager

A new school is the product of the collaborative efforts of several key entities, including the districts, architects, contractors, the Office of Public School Construction (OPSC), the Division of the State Architect and the California Department of Education. We know only too well that it doesn't happen overnight, and that every phase of a new school project—from inception to completion—is important.

For those of us involved in the effort of making new schools happen, ground-breaking ceremonies serve as the ritual to symbolize the good things to come. The new schools themselves are tangible reminders that those seemingly endless reports, letters, special projects, and meetings have a collective meaning far and beyond their momentary importance.

Best wishes go out to these districts who have recently celebrated groundbreakings:

SCHOOL DISTRICT	COUNTY	SCHOOL NAME	GROUNDBREAKING DATE
Beaumont USD	Riverside	New Beaumont High School	October 22, 2003
Beaumont USD	Riverside	Sundance Elementary School	September 17, 2003
Elk Grove USD	Sacramento	Pleasant Grove High School	October 24, 2003
Elk Grove USD	Sacramento	Katherine L. Albiani Middle School	October 24, 2003
Los Angeles USD	Los Angeles	North Hollywood New Primary Center #4	September 25, 2003
Los Angeles USD	Los Angeles	East Valley New High School #3	October 9, 2003
San Bernardino City USD	San Bernardino	Juanita Blakely Jones Elementary School	October 17, 2003

Heartfelt congratulations are extended to the following districts and their newly opened schools:

SCHOOL DISTRICT	COUNTY	SCHOOL NAME	DEDICATION DATE
Capistrano USD	Orange	Newhart Middle School	October 24, 2003
Capistrano USD	Orange	Vista del Mar School [K-8]	October 18, 2003
Capistrano USD	Orange	Ladera Ranch School	October 23, 2003
Escondido Union HSD	San Diego	Valley Continuation High School	October 16, 2003
Glendale USD	Los Angeles	Edison School-Pacific Park Project	September 20, 2003
Hemet USD	Riverside	Cawston Elementary School	October 10, 2003
Hemet USD	Riverside	Harmony Elementary School	October 24, 2003
Los Angeles USD	Los Angeles	Richard Riordan Primary Center	October 16, 2003
Temecula Valley USD	Riverside	Erle Stanley Gardner Middle School	October 1, 2003
Woodland Joint USD	Yolo	Pioneer High School	October 18, 2003

We would be delighted to highlight your school opening, dedication, or ground-breaking in our *Advisory Actions*. To help us in this endeavor to highlight your celebrations, please reference the adjacent table for the data necessary, and submit it along with your project's School Facility Program application number to:

Office of Public School Construction
 Attn: New School Openings and Dedications
 1130 K Street, Suite 400
 Sacramento, CA 95814

If you would like us to feature your new school opening or groundbreaking ceremony in a future *Advisory Actions*, please e-mail electronic photos (with a brief project summary) to your OPSC Project Manager, or Dawn Barnhisel at 916.323.4936, dawn.barnhisel@dgs.ca.gov. Thank you for taking the time to enable us to share this exciting information.



Fund Release Authorization—Form SAB 50-05

By Lien Hoang, OPSC Audit Supervisor

School districts are reminded to exercise caution when completing the Form SAB 50-05 for fund release purposes and to be attentive to the information that they are certifying.

Once the State Allocation Board (SAB) approves a School Facility Program (SFP) grant for a new construction or modernization project, the district has 18 months to submit a Form SAB 50-05 to initiate a fund release of the State apportionment (reference SFP Regulation Section 1859.90). In order to receive the State fund release for construction, a district must certify the following items on the Form SAB 50-05:

1. The district's applicable matching share has either:
 - been deposited in the County School Facility Fund, or
 - already been expended by the district for the project, or
 - will be expended prior to the filing of the Notice of Completion.
2. The district has entered into a binding contract(s) for at least 50 percent of the construction as shown on the plans previously approved for the project, and has issued the Notice to Proceed for that contract.

During its expenditure audit, the OPSC has discovered that some districts have submitted the Form SAB 50-05 prematurely. In other words, the construction contracts were executed after, instead of before, the Form SAB 50-05 submittal date. This could lead to a finding by the SAB of a potential material inaccuracy. As a result, the district potentially could be required to repay the State funding it received including any interest earned from the premature fund release. In addition, the district may be subject to penalty provisions as specified in the SFP Regulation Section 1859.104.1.

For specific questions regarding the fund release process and the Form SAB 50-05, please feel free to contact Laurie Stetson, Accounting Supervisor, at 916.322.0140. You may refer your SFP audit process questions to Noé Valadez, Audit Supervisor, at 916.322.7628, or Lien Hoang, Audit Supervisor, at 916.322.0315.

We would like to hear from you about the...

Improved Fund Release Process

By Laurie Stetson, OPSC Accounting Supervisor

Earlier in 2003 we announced an improved fund release process. The improvements were developed after 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 every case we had processed the fund release request, and the funds had already been sent to the districts' county treasurer, in some cases two months prior. We realized how important those funds are to you, so we modified our previous notification process to the districts and county treasurers.

Where's my money?...You can find out with ease!

Not only can you see if your fund release request has been processed, but you can view the exact date the warrant was issued. The Office of Public School Construction (OPSC) Project Tracking System has "up to the moment" project and district wide fund release status information. Please visit the OPSC Web site at www.opsc.dgs.ca.gov under Project Tracking, and we will "Show You the Money!!"

What's the process?

The fund release process is a collaborative effort between the OPSC and the State Controller's Office (SCO). The OPSC is responsible for maintaining detailed project and account information, and submitting fund release documentation

to the SCO. The SCO is responsible for issuing the fund release warrants. This process takes *approximately* three weeks.

The OPSC processes the *Fund Release Authorizations* on a daily basis and generates a School Facility Program (SFP) Fund Release. All SFP Fund Releases generated during the week are assembled together in a Claim Schedule. The Claim Schedule Number is included on each SFP Fund Release, which we distribute to the District Superintendent, District Representative and County Office of Education. The Claim Schedule is submitted to the SCO on a weekly basis and requests the issuance of warrants to the County Treasurer listed for the amounts specified. Mailed with the warrant to the County Treasurer is a Remittance Advice which details the district, application numbers and amounts for which the warrant is designed. The OPSC Project Tracking located on our Web site will indicate the date OPSC issues the Claim Schedule and the date the SCO issues the actual warrant. At that point, you know the warrant has been forwarded to your County Treasurer's office.

How has it been working for you?

The OPSC Accounting Team would like to hear from you on how the improvements are working for you. Your comments or further suggestions are appreciated to further our quality service commitments. In the meantime should you have any questions regarding your fund release, please feel free to contact Laurie Stetson, Accounting Supervisor, at 916.322.0140 or laurie.stetson@dgs.ca.gov.



Unlocking the Mysteries to School Construction Costs

By Beatriz Sandoval, OPSC Project Manager

WOW! Wouldn't it be great if there were a centralized point where a school district could find information about building the best school in the most cost efficient way? Imagine a warehouse or a one-stop shop full of information and resources at your fingertips. If this sounds like something useful for you and your district, then you need only to visit the Office of Public School Construction's (OPSC) Web site and access the *Public School Construction Cost Reduction Guidelines*. The State Allocation Board, acting through the OPSC, was charged with the responsibility to produce these guidelines under Senate Bill 50 passed by the Legislature in 1998 in order to set forth "measurable reductions in the cost of construction of public facilities" in California. The guidelines were released in 2000 and are every bit as valuable today!

The guidelines are a comprehensive document setting forth the best practices and strategies for new construction or modernization of existing facilities. The document was developed through a series of constituency workshops. It is not intended to be a treatise on how to build schools; rather, it is an identification of some of the key issues and processes that inflate the cost of construction, and suggestions on how to avoid them. In it you will find a cornucopia of information outlining topics such as District Responsibilities, Joint Use Facilities, Site Issues, Professional Consultants, Contractors, Agencies, Types of Construction, Prototypes, Project Delivery, and Project Budgeting, as well as a list of very helpful references.

Introducing a New Feature Article in the OPSC Advisory Actions

The findings and information shared in the Guidelines are extremely useful, and we continue to look for ways to share this wealth of information with everyone. Beginning with this issue of the *OPSC Advisory Actions*, each month we will feature key aspects of the *Public School Construction Cost Reduction Guidelines*. Our first key points are on District Responsibilities:

District Leadership

- ▶ **Manage your future.** Good planning, good management, and a good district representative are essential ingredients in a successful project.
- ▶ **Keep the district board and community informed** of all major decisions and milestones in the process. A good working relationship will enable a project to be completed on schedule.
- ▶ **Learn from others.** Start by talking with your colleagues from other districts and meet with the State agencies to familiarize the district with the current processes and requirements.
- ▶ **Develop good educational specifications.** There is a direct increase in the cost of design and other fees due to lack of definitive and complete educational specifications.
- ▶ **Understand the cost impact of project timing and schedules:**
 1. Stay abreast of what is going on with the project.
 2. Consult with design and construction people and colleagues to better understand the issues.
 3. Ensure that your design consultant keeps the project on schedule.

These key points may indeed seem to be common sense but explored in the Guidelines are the "Why's" and "How's" all listed together for your handy use. These details and more can be found on the OPSC's user-friendly Web site located at www.opsc.dgs.ca.gov. The *Public School Construction Cost Reduction Guidelines* can also be found as part of the *Best Practices Report* on the OPSC Web site. If you have questions, please be sure to contact your OPSC Project Manager.

Newsflash...

Reminder! CBEDS Enrollment Updates Due

By Jan Moss, OPSC Project Manager

Districts recently gathered the enrollment data required for yearly California Basic Educational Data System (CBEDS) reports to submit to the California Department of Education in October. If your district participates in the School Facility Program (SFP), this is also the perfect time for districts to submit their updated CBEDS enrollment information to the Office of Public School Construction (OPSC).

What is the process?

The process is a simple matter of completing a Form SAB 50-01, *Enrollment Certification/Projection*, utilizing the latest CBEDS enrollment information for the current fiscal year. By doing so, districts pave the way for future new construction funding projects. The current CBEDS information, as well as the

districts' Special Day Class (SDC) enrollment and classroom distribution, is required prior to processing of any funding applications. So, be ahead of the game! Please submit your updated Form SAB 50-01 to the OPSC now, and we will process your district's current CBEDS information into our Eligibility Program database. Your future projects depend on it!

What if I am a Small School District?

Small school districts experiencing a decline in enrollment would be eligible for a three-year exemption to the CBEDS reporting requirement. Those districts would be required to report the distribution of its SDC enrollment and classrooms, if they had not previously submitted this information.

Need assistance?

If you need assistance completing the Form SAB 50-01 or have questions regarding your SFP eligibility, please contact your OPSC Project Manager.

OPSC Wants You!

By Tasha Adame-Brennan, OPSC Project Manager

Over the past several months, you have either heard from us or perhaps read about our School Outreach Program in our *Advisory Actions* newsletter. Our outreach is available for all districts across the State of California to assist you and inform you of all the program and funding possibilities available. Our mission is to make sure that no school district is being left behind in taking advantage of the various State programs our office provides. In the past three months, the OPSC has visited over 95 schools through out the State. This has been an extremely positive experience not just for the districts, but for the OPSC Project Managers too!

In this issue, we would like to mention several programs and additional funding sources that your school district may be eligible for as follows:

- ▶ 50 year old buildings
- ▶ School Facility Program Joint Use
- ▶ Charter Schools
- ▶ Critically Overcrowded Schools (COS)
- ▶ Deferred Maintenance Program; Extreme Hardship
- ▶ Energy Efficiency

- ▶ Facility Hardship
- ▶ Financial Hardship
- ▶ Lease Purchase Joint Use
- ▶ State Relocatable

Do you want to know if you are eligible to receive funds listed for the above programs? No problem, contact your OPSC Project Manager to schedule a meeting. We will personally assist you in reviewing each program administered by the OPSC to find the options that best meet your needs. We are available to meet with District Representatives, Superintendents, Facility Managers, or participate in Facility/Superintendent meetings, and County of Education meetings; just let us know which one you would prefer. In addition, our satellite office in Redding is available each month for meetings. To schedule an appointment in the Redding satellite office, please contact Toni Maldonado at 916.445.9329.

For current information on our various programs, please also feel free to visit our Web site at www.opsc.dgs.ca.gov/Programs/Default.htm. The Web site provides updates on current regulation and form changes. So keep your eyes open for these new revisions!

Please do not hesitate to contact your OPSC Project Manager to visit your school district. The OPSC takes pleasure in assisting all districts no matter the district size or location in California. So if per chance we have not yet called you, please feel free to contact us immediately.

Newsflash!

Charter School Facility Program Amended Application Filing Period

By Lisa Constancio, OPSC Programs Supervisor

Due to the recent passage of Senate Bill (SB) 15 (Alpert), the Office of Public School Construction (OPSC) is working once again on the Charter School Facility Program. The program revisions as a result of this legislation are currently under discussion at the State Allocation Board (SAB) Implementation Committee meetings. Interested parties are encouraged to attend these public meetings. Meeting details can be located on the OPSC Web site at www.opsc.dgs.ca.gov.

At a previous Committee meeting, the appropriate filing period was discussed for acceptance of the Charter School Facility Program applications for the 2004 funding cycle. As a result, the filing period has been revised.

At the October 2003 SAB meeting, the Board approved amendments to the regulations on an emergency basis which changed the filing period for a period of 120 calendar days beginning 10 days after the election authorizing additional funding. With the successful March 2004 State Bond, this means the OPSC will begin accepting Charter School Facility applications for the 2004 funding cycle from March 12, 2004 to July 12, 2004. If you need assistance or have questions regarding this program, please contact Lisa Constancio at 916.322.0317 or Juan Mireles at 916.323.4470.

Please stay tuned for future *Advisory Actions* articles on other changes to the Charter School Facility Program as a result of SB 15.

High Performance Schools

By Liz Yokoyama, OPSC Project Manager

Did you know that there is an organization that promotes the design of energy efficient school facilities that incorporate environmentally friendly construction practices? Are you aware that these “high performance” (HP) schools utilize features such as natural lighting, geothermal heating and cooling, are constructed with recycled materials and use low-flow water fixtures. The benefit from all of this—reducing operating costs on a long term basis.

Here is another little known fact, HP schools foster learning by improving attendance and test grades. This is all possible without compromising comfort and safety. Sound too good to be true? Check out the Collaborative for High Performance Schools Web site at www.chps.net for more information. While you are there, check out the link entitled “The Costs and Financial Benefits of Green Building” for even more information regarding environmentally friendly building.

By the way, if you are thinking about the cost of incorporating HP practices, you might consider reading the “Sustainability, Creativity and Cost Savings” article in the Fall 2003 issue of *Breaking Ground*. This informative article discusses misconceptions about the cost of HP buildings and will assist your district in making an informed decision about setting a course towards HP construction.

While you are considering your options, don’t miss the opportunity of taking advantage of the additional grant available for energy efficiency under the School Facility Program (SFP). It is a great way to receive additional funding for your HP project. *So why not let us help you save!* Refer to the article entitled “Energy Efficiency Funds Available” in this *Advisory Actions* issue for more details. For questions on your SFP project, please contact your OPSC Project Manager.

Status of Funds

PROGRAM	BALANCE AVAILABLE AS OF OCTOBER 22, 2003
PROPOSITION 47	
New Construction	
New Construction	\$ 1,811.0
Charter School	0.5
Energy	13.5
Modernization	
Modernization	0.8
Energy	4.5
Critically Overcrowded Schools	2.1
Joint Use	33.8
	\$ 1,866.2
TOTAL PROPOSITION 47	
PRIOR BOND FUNDS	
Contingency Reserve	28.7
	\$ 28.7
Prior Bond Funds Subtotal	
	\$ 28.7
TOTAL PROPOSITION 47 AND PRIOR BOND FUNDS	
	\$ 1,894.9

Notes: Amounts shown above are in millions of dollars.
The SAB funded \$1,368,887.78 for the Deferred Maintenance Program.

October 2003

LPP Projects—Construction Cost Indices

INDEX	RATE
Class "B" Buildings	1.48
Class "D" Buildings	1.49
Furniture and Equipment	1.43
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.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at <http://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.

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