

# ADVISORY ACTIONS

**ISSUE NO. 01**  
 from the  
 State Allocation Board  
 meeting held on  
 January 28 and  
 February 25

**INSIDE...**

Deferred Maintenance Annual Apportionment.....2  
 Adjustments to the School Facility Program Grants  
 and the Assessment for Development.....2  
 Three Percent Routine Restricted Maintenance  
 Requirement .....2  
 The State Allocation Board Meets Senate Bill 892....3  
 What's New on the OPSC Web Site?.....3  
 Bond Accountability .....3  
 Congratulations on Your New School Openings! .....4  
 Status of Funds.....4  
 Proposition 47... Funds Put to Work .....4

**OPSC REMINDERS...**

- ▶ **State Allocation Board Meetings\***  
 Wednesday, April 28, 2004  
 Wednesday, May 26, 2004
- ▶ **Implementation Committee Meetings\***  
 Thursday, April 1, 2004  
 Friday, May 7, 2004
- ▶ **SFP Regulation Status**  
 The current status of the SFP Regulations as a  
 result of Executive Order S-2-03 can be viewed  
 under the "What's New" section of the OPSC  
 Web site.
- ▶ **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.



from the desk of Luisa Park, Executive Officer

## Proposition 55... Build for Tomorrow's Leaders Today

Congratulations on the successful passage of Proposition 55! This represents an extraordinary triumph for the children of California. With the success of the March 2004 State Bond, this is the first time, over the last 22 years of my tenure with the Office of Public School Construction (OPSC), that California school districts will benefit from continuous State school facility funding.

As school districts, your jobs consist of balancing many responsibilities including education—"building tomorrow's leader today"—and facilities—"build for tomorrow's leaders today." With the new bond and the recent program changes, we are working to bring you updated and useful information about funding opportunities so we can build for tomorrow's leaders.

To begin, here is a summary of the K-12 funds Proposition 55 provides:

PROGRAM	BOND 2004
New Construction	\$ 5,260,000,000 <sup>1,2</sup>
Modernization	2,250,000,000 <sup>2</sup>
Critically Overcrowded Schools	2,440,000,000
Joint Use	50,000,000
<b>TOTAL K-12</b>	<b>\$ 10,000,000,000</b>

<sup>1</sup> Up to \$300 million specified for charter school applications.

<sup>2</sup> Includes a total of up to \$20 million that may be used to increase the grants for projects with qualifying energy efficiency provisions for both new construction and modernization.

Staff will be seeking the Board's direction at its March meeting on critical processing timelines for Proposition 55 and will be prepared to take the previously unfunded modernization approvals for funding to the first available State Allocation Board (SAB) meeting.

The discussions about the final 2003 legislative changes are wrapping up at the SAB Implementation Committee meetings and most regulatory changes have already been addressed by the SAB. Staff will be highlighting the updated opportunities for you throughout the State in the coming months. Please be sure to contact your OPSC Project Manager to learn more out the nearest workshop, or if your county office would like to sponsor a workshop.

**UPDATE...**

## Lease Lease-Back Arrangements Within The School Facility Program

BY ELIZABETH DEARSTYNE, OPSC PROJECT MANAGER

At the January State Allocation Board (SAB) meeting, the Office of Public School Construction (OPSC) presented a report on the use of lease lease-back (LLB) agreements. The primary purpose of the report was to advise the SAB of the increasing use of LLB as a project delivery method for facilities funded through the School Facility Program (SFP) and that the current interpretation that Education Code (EC) Section 17406 allows the award of a public works project without using competitive bid. In response to the report, SAB members expressed concern and requested that the OPSC:

- ▶ Develop a mechanism to determine the frequency of the use of LLB as a project delivery method for SFP projects.
- ▶ Send a precautionary advisory letter to the districts on this matter.

Current law or SFP regulations do not preclude a school district from using LLB or any valid construction contracting procedure as a means of project delivery. However, neither the SAB nor the OPSC take a position on the legality of individual interpretations and applications of the law as it relates to any specific project. Nonetheless, the SAB is concerned about the use of public funds without a competitive and open selection process and wishes to caution districts that they may be open to potential litigation. Districts using LLB as a project delivery method for a SFP project should proceed cautiously and with the assistance of their legal counsel.

If you have any questions regarding your SFP project, please feel free to contact your OPSC Project Manager. ■

## Deferred Maintenance Annual Apportionment

BY ERIN MOORE, OPSC PROJECT MANAGER

On January 28, 2004, the State Allocation Board (SAB) approved the 2002–2003 fiscal year funding for the Deferred Maintenance Program (DMP).

Over 1000 school districts applied for the \$100 million in available State DMP funding, provided by the Governor's Budget and other funding sources, to perform maintenance work on school facilities. Non-extreme hardship districts received a prorated basic apportionment of 30.84 percent of the maximum basic apportionment allowed.

### How does the district receive the basic apportionment funds?

For districts that received the basic apportionment only, the district's matching share requirement is waived for this funding cycle, and the certification of deposit from the district's County Offices of Education is not required to receive a fund release of the basic apportionment. The Office of Public School Construction (OPSC) will process these fund releases accordingly.

Please remember the requirement for districts to deposit the matching share for participation in the DMP has been waived for the 2002–2003 fiscal year only. This waiver applies only to those districts that did not have an extreme hardship project in 2002–2003 and received a basic apportionment from the SAB on January 28, 2004.

### What about the typical report requirement to the Legislature if my district does not deposit its match?

The requirement for districts to submit a report to the Legislature, in any year in which a school district does not set aside its match, has been waived for the current fiscal year only for the funds apportioned at the January 2004 SAB meeting.

### How does the district receive the extreme hardship funds?

For districts that received an extreme hardship apportionment, the County Offices of Education must certify to the OPSC by March 28, 2004, that the districts have deposited the required maximum basic matching funds to their District Deferred Maintenance Fund. The *Certification of Deposits*, Form SAB 40-21, can be mailed to the OPSC to the attention of the Accounting Team.

Districts have up to one year from the date of apportionment to complete the project and request a fund release. However, the *Fund Release Authorization*, Form SAB 40-23 and all supporting documentation, as listed on the form, is due to the OPSC within six months after the SAB apportionment date. If the fund release documents are not received within the six months, the district is required to submit a progress report to the OPSC. The final date to request a fund release is January 28, 2005.

### Our district received an extreme hardship apportionment. What's next?

The district is encouraged to proceed with the project immediately in order to ensure the health and safety of students and staff, and to prevent further damage to the facilities. Please keep in mind that the project must comply with all applicable laws, and all work must be contracted in accordance with the Public Contract Code (PCC). Additionally, all contracts must comply with the related Education Codes, Government Codes, California Code of Regulations (Title 24), and any local legal requirements.

If the district is considering an "emergency" contract, written approval must be obtained by a unanimous vote of the district's governing board, and from the County Superintendent of Schools. The district should also obtain a written opinion from the district's legal counsel on all proposals. Emergency contracts are subject to the provisions of the PCC Section 20113.

For additional information, please contact Erin Moore, Project Manager, at 916.445.2704 or Bill Johnstone, Project Manager, at 916.323.8176. For information regarding the fiscal requirements, please contact Lien Hoang, Audit Supervisor, at 916.322.0315. ■

### WHAT YOU NEED TO KNOW ABOUT THE...

## Three Percent Routine Restricted Maintenance Requirement

BY SUZANNE REESE, OPSC MANAGER

On February 25, 2004, the Office of Public School Construction staff informed the State Allocation Board that the Legislative Counsel of California had issued an opinion regarding the three percent routine restricted maintenance requirement.

The law<sup>1</sup> requires all district receiving State funds under the School Facility Program 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. Recently, there have been different interpretations of this law and questions as to the methodology in determining the three percent amount. Based on these differences, the Legislative Counsel of California reviewed the law and has opined that the three percent calculation should be based on the entire General Fund budget.

What does this mean to school districts? Districts will no longer be able to calculate the three percent on the entire General Fund less any restricted accounts. This change is anticipated to take effect July 1, 2004. ■

<sup>1</sup>Education Code Section 17070.25

## Adjustments to the School Facility Program Grants and the Assessment for Development

BY MICHAEL KWAN, OPSC ACCOUNTANT

At its January meeting, the State Allocation Board (SAB) approved a report that impacts the School Facility Program (SFP) grants and accepted a report that impacts the statutory (Level One) assessment for development.

The SAB approved an adjustment in the SFP grants as provided by law, based on the change in the Class B Construction Cost Index from January 2003 to January 2004. All applications presented for funding approval at the January 28, 2004 included this adjustment.

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

Additionally, the SAB accepted a report which indicated an increased index adjustment to the statutory (Level One) assessment for development to \$2.24 per square foot for residential construction and \$0.36 per square foot for commercial/industrial construction. School districts wishing to meet the financial hardship criteria of levying the maximum assessment for development allowed by law have six months to implement the new assessment fee.

For further questions regarding the assessment for development, please contact Julie Ennis, Audit Supervisor, at 916.445.0019. ■

**IMPORTANT:** Financial hardship applications submitted to the OPSC after June 28, 2004 that do not indicate the new assessment fee will be returned to the district.

# The State Allocation Board Meets Senate Bill 892

BY DAWN BARNHEISEL, OPSC PROJECT MANAGER

At the January meeting of the State Allocation Board (SAB), the Office of Public School Construction (OPSC) reported on the basic provisions of Senate Bill (SB) 892, and outlined the measures which are currently in place to implement the bill's requirements.

## SB 892 Basics...

In essence, SB 892 requires that school districts follow specific maintenance standards relating to the sufficiency and availability of public school restrooms. (Please reference Issue Number 11 of the SAB Advisory Actions; also, the complete text of SB 892 can be referenced under the "What's New" section of the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).) The law requires that the SAB play a role in the bill's implementation. Most significantly, if the SAB determines that a district is not in compliance with the requirements set forth in SB 892 the

district would be ineligible for State deferred maintenance fund matching apportionments.

## Measures in Place...

SB 892's effective date of January 1, 2004 was the impetus to quickly educate the public regarding OPSC's role, and to establish a process by which concerned parties could submit complaints. To date, that public process includes:

- ▶ A toll free number to assist in the filing of a formal complaint regarding the condition of a public school restroom (1-866-869-5063).
- ▶ A "Restroom Maintenance Complaint" form which can be accessed from OPSC's Web site or requested by calling the toll free number.

- ▶ A narrative on the Web site summarizing the provisions of SB 892.
- ▶ A link on the Web site to the California Law legislative information site for complete information regarding SB 892.

In efforts to further develop a suitable process by which to comply with the requirements of SB 892, the OPSC presented its existing complaint process at the February and March SAB Implementation Committee meetings. The input from these meetings has been invaluable as staff continues to define and improve the complaint response and notification processes. For details on the concerns discussed, the minutes of the Implementation Committee's SB 892 discussions can be accessed from the OPSC Web site.

Please feel free to contact Rich Sheffield, Deferred Maintenance Supervisor, at 916.322.0329 or Erin Moore, Deferred Maintenance Project Manager, at 916.445.2704 with any questions or concerns relating to SB 892. ■

## What's New on the OPSC Web Site?

BY ALICIA JOHNSON, INFORMATION SYSTEM TEAM

The OPSC is always looking for innovative solutions to make the application process easier for school districts. We believe that our new Online Eligibility Application for the School Facility Program accomplishes just that.

## Benefits

- ▶ The Online Eligibility Application allows input of district SAB 50-01, 50-02, and 50-03 data.
- ▶ New construction and modernization eligibility is instantly calculated and the forms are generated for you, ready to print and send to OPSC with your supporting documentation.
- ▶ When you enter eligibility data into our Web site, it is saved in our database.

- ▶ You also have the option to finalize your forms for submittal or save the input data and return to the Web site to make changes later.
- ▶ The online program will ensure that you are always using the most current forms and calculations, eliminating the previous need to download the Excel version.

## How to Use

- ▶ Follow the links from our Web site or go directly to the application at [www.applications.opsc.dgs.ca.gov/sab50/sab50main.asp](http://www.applications.opsc.dgs.ca.gov/sab50/sab50main.asp).
- ▶ To log in, use your CDE district code and Project Tracking Number Generator password.

- ▶ New construction eligibility forms must be submitted in order starting with the SAB 50-01, then the 50-02, and finally the 50-03. Modernization eligibility only requires submittal of the SAB 50-03.

For more information, be sure to view the posted instructions for each form accessible on the Web site.

If you have any problems or suggestions, please feel free to contact your OPSC Project Manager. Log in today! We look forward to your feedback! ■

## Bond Accountability

In our Regulations Update included with this issue of the *OPSC Advisory Actions*, please refer to the information on bond accountability. Although new regulations were approved, the regulations clarify accounting roles and reinforce the oversight of the district's use of State bond funds by the county office of education. The provisions in these regulations represent current law. ■

## Congratulations on Your New School Openings!

BY DAWN BARNHISEL, OPSC PROJECT MANAGER

Congratulations to the following districts and their newly opened schools:

DISTRICT	COUNTY	SCHOOL NAME	DEDICATION
Kings COE	Kings	Kings Community School	Jan 2004
Briggs Elementary	Ventura	Olivelands Elem. School	Jan 2004
San Luis Obispo COE	San Luis Obispo	Paso Robles High School	Feb 2004
San Luis Obispo COE	San Luis Obispo	Daniel Lewis Mid. School	Feb 2004
Los Angeles Unified	Los Angeles	Jefferson New Elem. Sch. #2	Feb 2004

To help us highlight your celebrations, please reference the table above for the data necessary, and submit the information with your project's School Facility Program application number to the OPSC to the attention of New School Dedications and Groundbreakings. ■

INCLUSIVE OF THE FEBRUARY 25, 2004 SAB AGENDA

## Proposition 47... Funds Put to Work

PROGRAM	BOND ALLOCATION	APPORTIONED	RELEASED/CONTRACTED
New Construction	\$ 6,235,800,000	\$ 4,765,588,513	\$ 4,150,891,607
Modernization	\$ 3,294,200,000	\$ 3,297,259,100	\$ 2,079,579,872
Charter School	\$ 100,000,000	\$ 97,034,156	—
Energy	\$ 20,000,000	\$ 2,307,316	\$ 1,894,330
Critically Overcrowded Schools	\$ 1,700,000,000	\$ 1,697,872,847	—
Joint Use	\$ 50,000,000	\$ 16,186,513	\$ 2,545,149
<b>TOTAL</b>	<b>\$11,400,000,000</b>	<b>\$ 9,876,248,445</b>	<b>\$ 6,234,910,958</b>

## Status of Funds

BALANCE AVAILABLE AS  
OF FEBRUARY 25, 2004

PROGRAM

### Proposition 47

#### New Construction

New Construction	\$1,364.1
Charter School	0.5
Energy	13.3

#### Modernization

1.3

#### Critically Overcrowded Schools

2.1

#### Joint Use

33.8

### Total Proposition 47

**\$1,415.1**

NOTE: Amounts shown above are in millions of dollars.



STATE ALLOCATION BOARD'S

# Implementation Committee

BRUCE B. HANCOCK, ASSISTANT EXECUTIVE OFFICER, STATE ALLOCATION BOARD

**I**T MAY BE HARD TO BELIEVE, but the State Allocation Board's Implementation Committee has been around in one form or another for nearly 20 years. When the legislature passed sweeping changes to the state facility program, in mid-1985, the Office of Local Assistance, as OPSC was known then, faced the daunting task of preparing a new program almost from the ground up. To make it even more of a challenge, the legislation involved new areas of school business, developer fees, and for the first time, a local match. The Office went outside for help. Experts in school district facilities and finance issues were called together on a volunteer basis to meet with state agencies involved in school facilities. That early group had no formal structure, no chair, and no name, but, to paraphrase Rick in Casablanca, it was the beginning of a beautiful friendship, Louie.

Well, "beautiful friendship" might be overstating it a bit, but there is no doubt about the success of the group that eventually became the Implementation Committee. By the time the changes to the Lease Purchase Law became effective on January 1, 1986, a complete package of policies was already approved by the Board and the office was ready to receive applications. Weeks of intense meetings of the informal group had resulted in proposals to the Board that were accepted almost without change. A new era had begun.

Today the many hours of work each month by the Committee as a whole and by the members individually might be taken for granted by most of us. It seems natural that important program policy and regulation proposals should be set down in writing, distributed in advance and then discussed thoroughly in an open, public forum before ever being presented to the State Allocation Board. And that's as it should be. . . it is a natural and proper way to do public business. But it never hurts to reflect on the paradigm change that occurred nearly twenty years ago.

The work of the Implementation Committee is an essential part of the state school facility program now. Without the volunteer work of the 16 members who make up the Committee membership, the successes that have marked the program over all these years might not have been possible. Certainly, it would have been a much more difficult road. In recognition of the importance of the Committee's continuing work, the OPSC is beginning a regular feature in the *Advisory Actions* newsletter on the Implementation Committee. The new column will update you on actions taken by the Committee, issues currently before the Committee and items that are pending. I hope you will look to see what discussions you would like to be a part of and join us when you can. As those first volunteers proved a long time ago, you can make a difference.

## At the next meeting. . .

The next State Allocation Board Implementation Committee meeting will be held on Thursday, April 1, 2004 (9:30 a.m.—3:30 p.m.) at 1020 N Street, (Legislative Office Building) in Conference Room 100, in Sacramento.

The Implementation Committee's proposed agenda is as follows:

▶ **Clean School Restrooms (SB 892 Murray and AB 1124 Nunez)**

Discussion of the complaint process relating to the sufficiency and availability of restroom facilities in all K-12 public schools, and presentation of the proposed amendments to the Deferred Maintenance Program regulations, as well as certifications pursuant to AB 1124.

▶ **School Facility Program Modernization (SB 15 Alpert and AB 1244 Chu)**

Discussion of proposed regulatory amendments to permit an additional apportionment for the modernization of permanent facilities every 25 years or portable classrooms every 20 years.

# REGULATIONS UPDATE

Typically, emergency regulatory tracts take approximately 30–45 days to become an effective emergency regulation after they are approved by the State Allocation Board (SAB) and prior to filing with the Office of Administrative Law. Non-emergency regulatory tracts take 120–180 days from the date the SAB approves the agenda item until the regulation(s) become effective.

The following regulation amendments were approved at the January 2004 State Allocation Board meeting.

## EMERGENCY

### Achieving Higher Participation in the School Facility Joint-Use Program

BY ANEIDA RAMIREZ, OPSC PROJECT MANAGER

The new and improved School Facility Joint-Use Program gained the State Allocation Board's (SAB) support with approval of the amended regulations at the January SAB meeting. The changes are a product of Senate Bill (SB) 15 and are aimed at achieving higher participation in this valuable program. By sharing the cost and the use of a facility with another entity, such as a community college or a local city government, school districts may attain better facilities, save money and provide a community benefit. The improvements to the Joint-Use Program are described below.

#### There are now two categories of projects that may be considered for matching share state funding.

- ▶ Type I applies to a project that increases size, creates excess cost, or does both beyond that necessary for school use of a qualifying facility as part of a new construction project.
- ▶ Type II allows for construction of a new facility or reconfiguration of an existing facility.

Facilities that may be constructed under both types include gymnasiums, libraries, multipurpose rooms, childcare or teacher education facilities. Projects that provide for pupil academic achievement are ineligible under the new regulations but may be grandfathered in if the plans and specifications for the project were accepted by the Division of the State Architect for review and approval prior to January 1, 2004.

#### Reconfiguration of existing buildings for joint-use facilities is now a viable option.

The Joint-Use Program will now allow projects that involve remodeling or expansion of an existing school building. Districts should keep in mind that any classrooms or other minimum essential facilities displaced as a result of the project must be concurrently replaced with adequate facilities.

#### Joint-use partner contribution has been reduced to a minimum of 25 percent.

The program still requires a 50 percent state and 50 percent local contribution. With SB 15, the joint-use partner contribution has been reduced to a minimum of 25 percent. The remaining local contribution may come from any other source available to the school district. In the case of a local bond that specifies that the bond funds are to be used specifically for the purposes of the joint-use project, the district may opt to pay up to the full 50 percent local share for the project. Financial hardship assistance is not available to pay any part of the local share for joint-use projects. ■

## NON-EMERGENCY

### Critically Overcrowded Schools Program Update

BY JESSICA PARR, OPSC PROJECT MANAGER

The Critically Overcrowded Schools (COS) Program provides a preliminary apportionment or "reservation of funds" for anticipated future construction grant funding for qualifying school projects prior to submitting an adjusted grant funding application under the provisions of the School Facility Program.

**What's new?** In January, the State Allocation Board approved several changes to the COS program, based upon input from school districts and staff. Most significantly, a change was approved that helps districts with projects on an existing school with an increased preliminary apportionment for eligible hazardous waste material removal cost. With the successful passage of Proposition 55, the OPSC is currently accepting COS applications. ■

## NON-EMERGENCY

### Financial Hardship Regulation Changes

BY JULIE ENNIS, OPSC AUDIT SUPERVISOR

At its January 2004 meeting, the State Allocation Board approved amendments to the financial hardship section<sup>1</sup> of the School Facility Program Regulations. Senate Bill 303, Chapter 55, Statutes of 2003 restricts the type of debt that is recognized in meeting the 60 percent of the district's total bonding capacity requirement to only that debt that is issued for the purpose of constructing school facilities for the district for both new construction and modernization. ■

<sup>1</sup>Regulation Section 1859.81 (c)(1)

The following regulation amendments were approved at the February 2004 State Allocation Board meeting.

## EMERGENCY

## Amendments to the Charter School Facility Program

BY ELIZABETH DEARSTYNE, OPSC PROJECT MANAGER

At the February 2004 meeting, the State Allocation Board (SAB) approved amendments to the School Facility Program (SFP) regulations impacting the Charter School Facility Program resulting from Senate Bill 15, Chapter 587, Statutes 2003 (Alpert). Major changes or amendments are summarized as follows:

**Project Funding Caps.** By law the SAB is mandated to limit or “cap” the amount any one project can receive to further leverage program dollars, and provide some level of funding to a greater number of charter schools. In an effort to maximize the number of projects that are approved by the SAB, project funding caps and limits on the number of pupils that may be requested have been established for the next round of applicants.

**Eligibility Requirements.** Prior to submitting an application, the charter school’s chartering agreement must have been approved or amended by the appropriate chartering entity for the proposed project.

**Advance Funding.** After a charter school receives a Preliminary Charter School Apportionment a request for advance funding to assist in planning and designing the project and/or site acquisition funding to purchase land may be submitted.

Proposition 55 allocates \$300 million for this program and the application filing period will begin April 1, 2004. In anticipation of accepting applications, the OPSC plans on doing workshops throughout the State detailing the program requirements and highlighting the new changes. ■

## NON-EMERGENCY

## Bond Accountability

BY NOÉ VALADEZ, OPSC AUDIT SUPERVISOR

At its February 2004 meeting, the State Allocation Board adopted a regulation<sup>1</sup> to specify the appropriate use of State bond funds received by school districts participating in the School Facility Program. The bond accountability regulations specify appropriate uses of State bond funds when a district reimburses local bond funds. State bond funds must be used to retire local facility bonds, towards appropriate work permitted by the local facility bonds, and/or appropriate high priority capital outlay expenditures.

The new regulations are intended to clarify accounting roles and reinforce the oversight of the district’s use of State bond funds by the county office of education as required under current law. ■

<sup>1</sup>SFP Regulation Section 1859.90.1

## NON-EMERGENCY

## More Flexibility with Hazardous Waste Costs

BY KELLY LONG, PROJECT MANAGER

Proposed regulations were approved by the State Allocation Board at the February meeting that will allow school districts to receive additional funding for changes in hazardous waste/material removal costs required by the Department of Toxic Substance Control (DTSC). A number of scenarios may result in these additional costs, including:

- ▶ New DTSC regulations or changes to existing DTSC regulations;
- ▶ Discovery of hazardous waste/materials at a school site previously determined to be clean;
- ▶ An increase in the magnitude and associated costs of the hazardous waste/materials cleanup originally projected for the school site.

Assembly Bill 1008, which precipitated these regulatory changes, allows for increased funding of these costs even if the district did not request DTSC or cleanup expenses on the original SFP application! Any adjustment to DTSC or hazardous waste/material removal costs will still be subject to limits imposed by law. These changes will apply to new construction applications received after January 1, 2004. ■

To view additional information regarding these regulatory amendments, please view the OPSC Web site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).

For your questions regarding the following OPSC subject matter areas, please contact:

- ▶ **Financial Hardship** regulation changes—Julie Ennis at 916.445.0019
- ▶ **Joint-Use Program**—Aneida Ramirez at 916.324.5703
- ▶ **Critically Overcrowded Schools Program**—Jessica Parr at 916.327.1448
- ▶ **Charter School Program**—Juan Mireles at 916.323.4470

For all other questions, please contact your OPSC project manager.