



Advisory Actions 2001

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: January 24, 2001
Issue Number 01

Executive Corner



*Arriving
to you this
Spring...*

The Office of
Public School
Construction

(OPSC) is looking forward to contributing towards a new publication that is anticipated to be of great value to our clients. The OPSC and the Division of the State Architect are pooling their time and resources to serve California schools more effectively. One immediate benefit resulting from this cooperative effort will be a quarterly newsletter which will include useful "how to" information among its many features. Please look for the first issue to arrive this Spring.

Sincerely,

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

Energy Conservation



The energy challenge facing California is real. California continues to experience electrical shortages and rolling blackouts throughout the State. To reduce the risks of power outages, the most significant action we all can take in the short term is to reduce our demand for electricity and use energy more efficiently overall. Energy bills are a large part of a school district's annual operating expenses. There are simple but effective steps that can be taken immediately to reduce demand and cut those utility related expenses:

- ◆ Turn thermostats down to 68 degrees or below. Reduce settings to 55 degrees at the end of the day. (For each one degree, you will realize savings of up to 5 percent on your heating costs).
- ◆ Turn off all unnecessary lights, especially in unused offices and conference rooms and turn down remaining lighting levels where possible.
- ◆ Set computers, monitors, printers, copiers and other business equipment to their energy saving feature, and turn them off at the end of the day.

- ◆ Minimize energy usage during peak demand hours from 5:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m.

In addition, when you are planning future new construction projects, consider incorporating energy efficient products, such as Energy Star appliances and lighting into the design of the new facilities. Schools constructed with energy-efficient design will cost significantly less to operate and ensure continuous savings. In addition to conserving operating capital, eligible energy-saving designs could garner a district additional priority points under the School Facility Program. The current priority point regulations allow for an additional 20 points for a project that meets or exceeds 20 percent greater energy efficiency than the baseline established by the California Energy Code, found in part six of the California Code of Regulations, Title 24, also referred to as the California Building Standards Code.

Although we have recommended short-term steps, it is very important to recognize that efficient use of energy is a long-term responsibility. A new Department of General Services Energy Web site has been developed which can provide up-to-the-minute information on energy conservation as well as information alerts. This Web site can be located at <http://www.energy.dgs.ca.gov/>. Additional information pertinent to energy conservation in public schools can also be found on the California Department of Education Web site at <http://www.cde.ca.gov/facilities/energyefficiency>.

Proposition 39

Districts needing a resource for their 50 percent or 20 percent share of their School Facility Program project may find local bond funds more readily accessible. Due to the successful outcome of Proposition 39, approved by voters on November 7, 2000, the school bond vote requirement has been reduced from two-thirds to a 55 percent majority. Included in this initiative is the establishment of strict accountability standards for the spending and overseeing of local bond money.

Priority Points Listed On The Web

It is the Office of Public School Construction's (OPSC) intent to post the estimated priority points in conjunction with the School Facility Program new construction workload list for those projects that will be considered for funding in each upcoming quarterly allotment. To locate this information and for complete details pertaining to the priority point calculation method, please visit the OPSC web page at <http://www.opsc.dgs.ca.gov>.

Use of New Construction Grants

Districts must exercise caution when proceeding with a construction plan that involves "use of grants". "Use of new construction grants" is a specific district request under the provision of the School Facility Program Regulation Section 1859.77.2. These requests are for pupil grants in excess of the project capacity and/or to utilize new construction grant eligibility determined at a different grade level than the proposed project.

The Office of Public School Construction (OPSC) has completed a careful re-examination of the "use of grants" regulation as directed by the State Allocation Board (SAB). The SAB also requested that this issue be referred to the SAB Implementation Committee for input on possible regulation changes. Districts are advised to be especially cautious if proceeding with a project where any of the circumstances listed below apply.

- ◆ Utilization of excluded portable classrooms (Education Code 17071.30) in the district's "housing plan".
- ◆ "Use of grants" requests for pupil grants that exceed 150 percent of the pupil capacity of the project while priority points are in effect.
- ◆ "Use of grants" request by a district approved for financial hardship status when its "housing plan" contains a method of housing pupils which utilizes funds available to the district for contribution to the current project.

In the interim, all requests for "use of grants" will be handled on a case-by-case basis. Districts are advised that "use of grants" approvals are NOT a guarantee, and districts are encouraged to proceed with caution when planning projects.

For more information regarding "use of grants" funding requests, please contact your OPSC Project Manager. Questions regarding "use of grants" appeal requests may be directed to Mike Salyer, Appeals Analyst, at 916.445.2615.

Annual Adjustment To School Facility Program Grants

The State Allocation Board (SAB) approved an adjustment in the School Facility Program (SFP) grants as provided by law, based on the change in the Class B Construction Cost Index from January 2000 to January 2001. The change represented an increase in the grant amounts of 2.92 percent and shall apply to all SFP applications approved for funding on or after January 1, 2001. All applications presented for funding approval at the January 3, 2001 and January 24, 2001 SAB meeting included this adjustment. The Office of Public School Construction (OPSC) is in the process of adjusting the "unfunded" list for modernization projects.

	<i>Regulation Section</i>	<i>Previous Grant Effective January.01.2000</i>	<i>Adjusted Grant Effective January.01.2001</i>
New Construction			
Elementary	1859.71	\$5,480	\$5,640
Middle	1859.71	\$5,796	\$5,965
High	1859.71	\$7,587	\$7,809
Modernization			
Elementary	1859.78	\$2,367	\$2,436
Middle	1859.78	\$2,504	\$2,577
High	1859.78	\$3,278	\$3,374

Additional amounts were also adjusted as specified in law. For a complete listing of the annual adjustments, please refer to the OPSC web page at <http://www.opsc.dgs.ca.gov>.

Multipurpose, Gymnasium and Library Funding/SB 1795

On January 1, 2001, Senate Bill (SB) 1795, Chapter 753 came into effect. SB 1795 is designed to provide a source of funding for joint-use projects utilizing various residual funds from the Lease-Purchase Program. Facilities that may be deemed eligible are libraries, gymnasiums or multipurpose rooms. The specifics on how to apply for these funds are currently being established through the combined efforts of the Office of Public School Construction and the State Allocation Board (SAB) Implementation Committee. It is anticipated

that due to the limited funds available for this program and the concern for equitable participation, a lottery-style selection process may be utilized. Once a policy is established and a procedure is in place, notification will be made statewide and in a manner that will ensure equal opportunity.

Additionally, as a result of action taken by the SAB at its January 24, 2001 meeting, it is anticipated that funding priority in the implementation of SB 1795 will be provided for certain dis-

tricts which were not funded under the recent gymnasium and multipurpose funding provided under Assembly Bill 191. An opportunity for this funding priority could only be realized if the applicants otherwise met all the eligibility requirements of SB 1795.

Application Submittal (Form SAB 50-04)

With priority points now in effect, it is even more important that a complete and accurate application be submitted. Districts are strongly encouraged to work with their project manager to ensure the accuracy and completeness of the application prior to submittal to the Office of Public School Construction (OPSC). The following documents are required for a new construction funding application to be deemed complete:

- ◆ New construction eligibility must be established prior to a request for funding.
- ◆ A completed Form SAB 50-04, *Application for Funding*, signed by the authorized District Representative. This also requires the Architect Certification signature and Division of the State Architect (DSA) approval date (page 5 of 6).
- ◆ California Department of Education (CDE) plan approval letter.
- ◆ CDE site approval letter, if requesting site acquisition.
- ◆ A detailed cost estimate, if including a request for supplemental site development funding on the Form SAB 50-04. (Please be careful to check the appropriate line item box in addition to recording the amount of the request.)
- ◆ DSA approved plans and specifications. Either a hard copy or CD-ROM submittal is acceptable. If submitting plans and specifications on CD-ROM, an index and hard copy of the DSA approval stamp are required.
- ◆ A current appraisal of the property to be acquired, if requesting site acquisition. If acquiring through condemnation, a court order is acceptable.
- ◆ If requesting financial hardship, the district must have received OPSC financial hardship approval for the specific project prior to applying for funding.

Questions regarding funding application submittal may be directed to your OPSC project manager or to Selina Mulligan, Eligibility Team Supervisor, at 916.322.0290.

Facility Hardship/ Rehabilitation Funding Applications

It is important for districts to be aware that hardship funding is limited for Facility Hardship or Rehabilitation projects. Initial State Allocation Board (SAB) approval of a Facility Hardship or Rehabilitation is conceptual and is not to be construed as a guarantee of funding. Although a district is allowed up to 18 to 24 months from the date of its initial SAB approval to complete Division of the State Architect approval and to submit a funding application, it is in its best interest to submit its funding application to the Office of Public School Construction as soon as possible.

Districts are also reminded that funding applications for approved Facility Hardship projects will be exempt from priority points. These projects receive an additional advantage since they are presented to the next available SAB monthly meeting and are not subject to the quarterly funding cycle. Districts are strongly encouraged to work closely with their design professionals to ensure their projects advance as quickly as possible. If a district wishes to also utilize new construction baseline eligibility when building the replacement project, it must submit separate funding applications. The “regular” new construction funding application shall be subject to priority points at the quarterly SAB meetings.

Status of Funds

Per the January 24, 2001 State Allocation Board Meeting

<i>Program</i>	<i>Funds Available as of 01.03.01</i>	<i>Apportionments and Adjustments</i>	<i>Balance Available as of 01.24.01</i>
Proposition 1A			
New Construction	1,316.9	(117.0)	1,199.9
Modernization	0	0.1	0.1
Hardship	218.6	(53.4)	165.2
Facility Hardship (Reserved)	24.7	0	24.7
Class Size Reduction Committed	29.2	0	29.2
Subtotal	\$1,589.4	(\$170.3)	\$1,419.1
Prior Bond Funds			
Contingency Reserves	37.8	0	37.8
AB191	3.7	0	3.7
Subtotal	\$41.5	0	\$41.5
Grand Total	\$1,630.9	(\$170.3)	\$1,460.6

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.
The State Allocation Board funded approximately \$396,285 from the Deferred Maintenance Fund for Deferred Maintenance projects.

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for January 2001

Class "B" Buildings	1.41
Class "D" Buildings	1.40
Furniture and Equipment	1.39
Historical Savings Index	6.45

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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Advisory Actions 2001

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: February 28, 2001
Issue Number 02

Executive Corner



*We've
Been
Busy!*

The Office of Public School Construction (OPSC) has been working hard for you. In this issue, districts will find that a number of program changes and funding options are coming their way. Don't miss reading up on:

- ◆ Joint Use Projects: Funding for Multipurpose, Gymnasium and Libraries (SB 1795)
- ◆ New Allowance for Construction Projects That Create Increased Pupil Capacity (AB 801)
- ◆ Provision for School Facility Program Construction on Leased Land (AB 2408)

Also, take advantage of important information on:

- ◆ "Use of Grants"
- ◆ Change in CBEDS Reporting
- ◆ Funds needed for Facility Hardship and Rehabilitation Projects
- ◆ The term "In Escrow"
- ◆ Your next funding application submittal
- ◆ Energy Conservation... *Cookbook For Energy Conservation Measures.*

Sincerely,

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

Energy Conservation



California's energy crisis has made energy conservation more important than ever. The State Allocation Board (SAB) and the Office of Public School Construction (OPSC) are continually striving to provide districts with effective, energy efficient alternatives. Most recently, the OPSC began a research project focused on determining the latest and most effective energy saving methods and products pertinent to the needs of school districts throughout the State. Through various sources, including the California Energy Commission (CEC), the OPSC has condensed its research into a convenient booklet entitled *Cookbook For Energy Conservation Measures*. This compilation of energy saving recipes is now available on the OPSC Web site. Please utilize this valuable resource early in the design phase of your modernization or new school construction projects and incorporate as many of the appropriate conservation measures as possible. The "cookbook" also includes effective steps that can be taken immediately to reduce demand and cut utility related expenses.

Other energy conservation incentives:

- ◆ The SAB provides 20 additional bonus points assigned to School Facility Program new construction priority point calculations for districts that implement certain energy conservation measures in their project.
- ◆ The California Energy Security and Reliability Act of 2000, Assembly Bill 970 provides a directive for building standards to incorporate cost effective energy efficiency measures to reduce electricity demand. The Division of the State Architect will monitor all district plans and specifications to ensure the energy standards are met.

In addition, a new Department of General Services Energy Web site is available that provides up-to-the-minute information on energy conservation as well as information alerts. See:

<http://www.energy.dgs.ca.gov/>.

Additional information pertinent to energy conservation in public schools can also be found on the California Department of Education Web site at:

<http://www.cde.ca.gov/facilities/energyefficiency>.

These sites are also accessible via links provided on the OPSC Web site:

<http://www.opsc.dgs.ca.gov>.

Priority Points Listed on the Web

The Office of Public School Construction (OPSC) has begun posting the projected priority points assigned to the School Facility Program new construction workload list for those projects that will be considered for funding in the next

quarterly allotment. To locate this information and for complete details pertaining to the priority point calculation method, please visit the OPSC Web site at <http://www.opsc.dgs.ca.gov>.

AB 2408: Use of SFP Grants on Leased Land

The State Allocation Board (SAB) has adopted regulations in response to Assembly Bill 2408 (Firebaugh) and has initiated the regulatory process to formalize this new law. Implementation of these regulations will provide for School Facility Program (SFP) grants to be used for the construction or modernization of facilities that are, or will be located, on leased land, not owned by the district, under the following conditions:

- ◆ The land and/or facilities are leased from another governmental agency.
- ◆ The term of the lease from a non-federal governmental agency is for at least 40 years after the SFP project is approved by the SAB. A lesser term of not less than 30 years may be approved if the SAB determines it is in the State's best interest to allow the lesser period.
- ◆ The term of the lease from a federal governmental agency is for at least 25 years after the SFP project is approved by the SAB.
- ◆ The cost of the lease is not eligible for site acquisition funding under the SFP.

Although the cost of the lease is ineligible, SFP grants may be made available for incidental site and hazardous waste removal on leased sites. Please view the proposed regulations on the Office of Public School Construction (OPSC) Web site: <http://www.opsc.dgs.ca.gov>.

CBEDS Enrollment Reporting: Change in Reporting Timelines

Enrollment reporting for purposes of establishing eligibility in the School Facility Program (SFP) is based on the latest California Basic Educational Data System (CBEDS) information. Historically, the Office of Public School Construction (OPSC) has allowed eligibility to be determined based on this source of enrollment received as late as December 31st of each year. During this "grace period", districts were permitted to submit applications based on either the latest or the prior year CBEDS. Districts submitting applications after

When to Apply:

Districts are advised that since this law is now in effect, a district may apply immediately for SFP grants on leased property, as long as it has a lease agreement for the site for at least 40 years with a non-Federal governmental agency, and for at least 25 years with a Federal agency. In either instance, a district may be required to submit a copy of the lease agreement to the OPSC.

When a district is planning to utilize land leased from a non-federal governmental agency for a term of at least 30 years but less than 40 years, or wishes to request funding for incidental site and hazardous waste removal on leased sites, districts are reminded that applications which involve these types of requests may only be filed after the regulatory process has been completed. This process takes approximately four months, and the districts will be advised when the regulations are effective.

To keep apprised of current information and the regulation approval process, please view the OPSC Web site: <http://www.opsc.dgs.ca.gov>. In the meantime, if you have questions that are not answered by the information posted on the Web, please contact your OPSC Project Manager, their Regional Supervisor, or Ms. Lisa Jones, Regulations Coordinator. An employee directory is available on the OPSC Web site to assist you.

December 31st were required to submit "updated" enrollment based on the latest CBEDS report.

The SFP regulations do not provide for this "grace period" and accordingly, the OPSC will no longer accept SFP application submittals based on the prior year CBEDS up to December 31st. Once a district has submitted its October 15th CBEDS information to its County Office of Education, it must utilize this enrollment data to update its eligibility prior to submittal of a SFP application.

AB 801: Allowance for Increased Pupil Capacity

The State Allocation Board (SAB) has adopted regulations in response to Assembly Bill 801 (Firebaugh) and has initiated the regulatory process to formalize these in law. Implementation of these regulations will allow a district, as part of a School Facility Program new construction project, to demolish a single story facility and replace it with a multi-story facility on the same site. In addition to the new construction grant allowance, the SAB will provide a supplemental grant to fund 50 percent of the replacement cost of the single story facility(s) to be replaced if the following conditions are met:

- ◆ The school must be on a multi-track year-round education schedule.
- ◆ The cost of the demolition and replacement must be less than the cost of providing a new school facility, including land, on a new site for the additional number of pupils housed as a result of the replacement facility(s), as determined by the SAB.
- ◆ The district will increase the pupil capacity on the site when it builds the replacement facility(s).
- ◆ The California Department of Education has determined that this action would be the best available alternative and will not create a school with an inappropriate number of pupils in relation to the size of the site.

When to Apply

Districts are reminded that it can only file an application based on these regulation amendments after they are finalized and become effective. Applications that include a request for this additional allowance prior to the date the regulations are effective shall be deemed incomplete and returned to the districts. To keep apprised of current information and the regulation approval process, please view the OPSC Web site at <http://www.opsc.dgs.ca.gov>. In the meantime, if you have questions that are not answered by the information posted on the Web, please contact your OPSC Project Manager, their Regional Supervisor, or Ms. Lisa Jones, Regulations Coordinator. An employee directory is available on the OPSC Web site to assist you.

SB 1795: Gymnasium, Multipurpose and Library Funding

At its February 28, 2001 meeting, the State Allocation Board (SAB) approved a proposed policy for funding Joint Use Projects under the provisions of Senate Bill 1795 (Alpert), which became law on January 01, 2001. This policy provides funding for gymnasiums, multipurpose rooms and libraries on existing sites that meet the following criteria:

- ◆ The school does not have the type of facility for which the district is seeking joint use funding.
- ◆ The district agrees to pay 50 percent of the eligible cost of the project and 100 percent of all cost of the project that exceeds State standards.
- ◆ The plans and specifications for the joint use facility have been approved by the Division of the State Architect and the California Department of Education.
- ◆ The district has entered into an appropriate joint use agreement with the joint use partner.
- ◆ The district has demonstrated that the joint use facility will be used to the maximum

extent possible by the district and the joint use partner after regular school hours.

The SAB has directed that applications for the first Joint Use funding cycle will be accepted by the Office of Public School Construction (OPSC) through June 30, 2001. If the total dollar amount of applications received during this time period exceed the funds set aside for this purpose, the SAB developed funding priorities to allocate the available funds.

The policy also provides for the State's maximum share as follows:

- ◆ \$1 million, for elementary (K-6)
- ◆ \$1.5 million, for middle (7-8)
- ◆ \$2 million, for high schools (9-12)

The SAB will apportion funds for the first funding cycle at its regular meeting on July 25, 2001. The following documents must be submitted by June 30, 2001 or by June 30th of each year thereafter, in order to be accepted for processing to the July Board by the OPSC:

- ◆ Form 506 JU (New 02/01), Application for Joint Use Apportionment.
- ◆ Hard Copy of the Division of the State Architect (DSA) Approved Plans and Specifications of the future library, gymnasium, or multi-purpose room.
- ◆ CDE Final Plan Approval letter or Form 4.09 for the proposed Joint Use facility.
- ◆ Joint Use Agreement with the required five elements specified in Board Policy and Education Code Section 17052.

When To Apply:

Districts may file immediately. Other important policy features and requirements, as well as the most current information regarding this program can be located on the OPSC Web site at <http://www.opsc.dgs.ca.gov>. Questions may be directed to Mr. Stevan Wood at 916.323.7109, or contact him via e-mail at stwood@dgs.ca.gov.

Use of New Construction Grants

A Use of Grants is a specific district request, under the provision of the School Facility Program Regulation Section 1859.77.2, where pupil grants are used in excess of the project capacity and/or there is utilization of new construction grant eligibility determined at a different grade level than the proposed project.

There were multiple district requests for Use of Grants submitted for approval at the February 28, 2001 State Allocation Board (SAB) meeting. However, due to concerns from various SAB members regarding the existing Use of Grants regulation, the SAB took no action regarding these requests pending a review of the regulation by the SAB Implementation Committee.

The SAB and the Office of Public School Construction (OPSC) have completed a re-examination of the Use of Grants regulation. The SAB Implementation Committee discussed these issues on March 2, 2001 and a number of recommendations will be presented by the OPSC at the March

28, 2001 SAB meeting. It is anticipated that these recommendations will be formalized in regulation, to include the following proposed changes:

- ◆ A provision for "grandfathering" Use of Grants requests under the current regulations as long as the plans and specifications for the project are submitted to the Division of the State Architect no later than April 30, 2001.
- ◆ Regardless of whether priority points are in effect, districts may request:
 - A transfer of grants from a different grade level.
 - Grants that do NOT exceed 135 percent of the proposed project's capacity.
- ◆ When priority points are NOT in effect, districts may also request grants that exceed 135 percent of the proposed project's capacity, as long as the project cost estimate represents at least 60 percent of the grant amount requested.

- ◆ Districts will be required to certify that its school board has passed a resolution which includes certain acknowledgment statements and a "Housing Plan" that the district has or will adequately house the excess pupils. The "Housing Plan" shall NOT include:
 - Excluded portables under the provisions of Education Code Section 17071.30.
 - Use of district funds for the construction of alternative housing facilities when the district is a financial hardship district.
- ◆ The SAB will not approve conceptual Use of Grants requests.

For more information regarding Use of Grants funding requests, please contact your OPSC Project Manager or their Regional Supervisor. An employee directory is available on the OPSC Web site to assist you: <http://www.opsc.dgs.ca.gov>.

California Department of Education Class Size Reduction Program

Proposition 1A provided that up to \$700 million may be used to assist districts with costs associated with the Class Size Reduction (CSR) Program. At the July 5, 2000 meeting, the State Allocation Board (SAB) committed \$501 million to that purpose. To date, the California Depart-

ment of Education (CDE) has certified the need of \$472.9 million of the \$501 million, which has been transferred to the CDE by the SAB. A balance of \$28.1 million remains committed but not transferred to the CDE.

LINKS by the Office of Public School Construction...

Did you know...???

The OPSC Web site, <http://www.opsc.dgs.ca.gov>, contains a number of useful links for your convenience, including:

- ◆ **DSA** (Division of the State Architect)
- ◆ **DTSC** (Department of Toxic Substance Control)
- ◆ **CDE** (California Department of Education, School Facilities Planning)
- ◆ **“Flex Your Power”** Energy Saving Tips

Important to Know for... Your Next Application Submittal (Form SAB 50-04)

With priority points now in effect, it is even more important that a complete and accurate application be submitted. Districts are strongly encouraged to work with their project manager to ensure the accuracy and completeness of the application prior to submittal to the Office of Public School Construction (OPSC). The following documents are required for a new construction funding application to be deemed complete:

- ◆ New construction eligibility must be established prior to a request for funding.
- ◆ A completed Form SAB 50-04, Application for Funding, signed by the authorized District Representative. This also requires the Architect Certification signature and Division of the State Architect (DSA) approval date (page 5 of 6).
- ◆ California Department of Education (CDE) plan approval letter.
- ◆ CDE site approval letter, if requesting site acquisition.
- ◆ A detailed cost estimate of site development, if including a request for supplemental site development funding on the Form SAB 50-04. (Please be careful to check the appropriate line item box in addition to recording the amount of the request.)

- ◆ DSA approved plans and specifications. Either a hard copy or CD-ROM submittal is acceptable. If submitting plans and specifications on CD-ROM, an index and hard copy of the DSA approval stamp are required.
- ◆ A current appraisal of the property to be acquired, if requesting site acquisition. If acquiring through condemnation, a court order is acceptable.
- ◆ If requesting financial hardship, the district must have received OPSC financial hardship approval for the specific project prior to applying for funding.

Questions regarding funding application submittal may be directed to your OPSC Project Manager or to Ms. Selina Mulligan, Eligibility Team Supervisor, at 916.322.0290, or contact her via e-mail at selina.mulligan@dgs.ca.gov.

Funding Need for Facility Hardship and Rehabilitation Projects

The Office of Public School Construction (OPSC) presented a report to the State Allocation Board (SAB) on the projected hardship category funds needed through March 2002 for health and safety facility hardship and rehabilitation projects. There are currently \$59 million in health and safety projects that have received conceptual approval without funding. An additional estimated \$22 million will also be needed for financial hardship districts, for a total estimated need of \$81 million.

Additional health and safety projects are likely to be approved between March 2001 and March 2002. However, it is anticipated that these projects will not require funding until after March 2002, since

most of these projects have not yet been designed or approved by the appropriate State agencies.

A listing of the projects that have received conceptual approval without funding is included in the Information Section of each monthly SAB agenda. The SAB requested that the OPSC prepare a report for the March meeting regarding the availability of funds that could be used for allocation to these facility hardship requests.

Questions regarding facility hardship or rehabilitation projects may be directed to your OPSC Project Manager, or to Ms. Lori Morgan, Appeals Team Supervisor, at 916.322.0330.

“In Escrow” Means...

Financial hardship districts do not have local funds to deposit in escrow when moving forward to acquire a site in anticipation of filing a School Facility Program (SFP) new construction application. The law only requires districts to “enter escrow” on the proposed site as a prerequisite to receiving State funds. During the development of the SFP regulations, the term “in escrow” had not been defined. It has become necessary to define this term in order to determine the appropriate funding for the site acquisition. The State Allocation Board approved an amendment to Regulation Section 1859.2 to include the definitions of “In Escrow” as follows:

- ◆ “In Escrow, Non-Governmental Entities” means the deposit of signed instrument(s) and/or funds with instructions with a title company or escrow agent to carry out the provisions of an agreement or contract to acquire a specified school parcel or site for a determinable sum, and for a determinable date of acquisition which may be based on the district’s receipt of funding from the state.
- ◆ “In Escrow, Governmental Entities” means the approval and signature of instrument(s) that will convey a specified school parcel or site from the public/government entity including the federal government for a determinable sum, and for a determinable date of acquisition which may be based on the district’s receipt of funding from the state.
- ◆ “Instrument” means a written, legally enforceable agreement, approved and signed by all parties to the escrow, for the conveyance to the district of real estate for a specified parcel or site, that includes a compensation clause and either a purchase option agreement, a purchase agreement, promissory note, lease agreement, installment sales contract, gift, or other real estate conveyance valid in the State of California for property conveyed from a public/government entity, including the federal government.

Status of Funds

Per the January 24, 2001 State Allocation Board Meeting

<i>Program</i>	<i>Funds Available as of 01.24.01</i>	<i>Apportionments and Adjustments</i>	<i>Balance Available as of 02.28.01</i>
Proposition 1A			
New Construction	1,199.9	(3.1)	1,196.8
Modernization	0.1	0	0.1
Hardship	165.2	(5.2)	160.0
Facility Hardship (Reserved)	24.7	0	24.7
Class Size Reduction Committed	29.2	(1.1)	28.1
Subtotal	\$1,419.1	(\$9.4)	\$1,409.7
Prior Bond Funds			
Contingency Reserves	37.5	1.9	39.4
AB191	3.7	0	3.7
Subtotal	\$41.2	1.9	\$43.1
Grand Total	\$1,460.3	(\$7.5)	\$1,452.8

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.
The State Allocation Board funded approximately \$613,814 for the Deferred Maintenance Program.

Construction Cost Indices

Lease-Purchase Program

Construction Cost Indices for February 2001

Class "B" Buildings	1.40
Class "D" Buildings	1.40
Furniture and Equipment	1.39
Historical Savings Index	6.5

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.



Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814



Advisory Actions 2001

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: March 28, 2001
Issue Number 03

Executive Corner



It's Time!

Annual Deferred Maintenance Submittals

Is your district participating in the basic "match" Deferred Maintenance (DM) Program? An ounce of prevention is still worth a pound of cure and the State Allocation Board backs this tried-and-true philosophy with its successful DM Program. Maintaining our school facilities in peak condition is not only a practical and economically sound practice but it sends an important message to our students that they are special and valuable.

Yes, it is time for the annual DM funding cycle. Please be sure to read the DM article included in this issue to help you prepare your annual submittals due at the end of May, and "Thank You" for taking excellent care of our public school facilities.

Sincerely,

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

Now Available

The Updated Architect's Submittal Guidelines



Are you in the process of selecting an architect? If so, we highly recommend that our publication, the *Architect's Submittal Guidelines*, be incorporated into the district's Request for Qualifications or Proposals and included in your selected architect's contract. The guidelines are available on OPSC's web site: <http://www.opsc.dgs.ca.gov>, in the "Programs" section, under the School Facility Program (SFP) select "Construction Verification and Cost Analysis".

Please remember that the selection of an architect for purposes of your SFP project must be obtained pursuant to a competitive process consistent with the requirements of Chapter 10 (commencing with Section 4525 of Division 5, of Title 1, of the Government Code).

SAB Welcomes New Member

The State Allocation Board is pleased to announce the recent appointment by Assembly Speaker Robert Hertzberg of Assembly Member John Dutra to the State Allocation Board. Mr. Dutra replaces Assembly Member Darrell Steinberg.

From very challenging and humble beginnings to a successful real estate business, John Dutra's career took a turn toward public service. In 1980 Mr. Dutra was appointed to the Fremont Planning Commission. Then, in 1986, Mr. Dutra was elected to the Fremont City Council, where he served for 10 and a half years. He became well known as a straight-talking guardian of the public finances. In 1998, Mr. Dutra was elected to the State Assembly, representing Alameda and Santa Clara counties. In his first two-year term, he saw more of his bills signed into law than any other rookie assembly member did that session.

In November 2000, Mr. Dutra was elected to his second term in the State Assembly. He currently serves as chair of the Transportation Committee. Mr. Dutra and his wife of 43 years, Bernadine, have five children, 14 grandchildren and one great grandson.

Bridge Financing

A proposed "bridge financing" regulation was presented, but not approved, at the March State Allocation Board (SAB) meeting. The Board voiced its concern about establishing a regulation that might entice a district, financial hardship or otherwise, into borrowing funds in anticipation of future reimbursement from the State.

The SAB does not encourage borrowing; however, the Board recognizes the problem some districts face in light of limited State resources. As a result, the SAB requested the Office of Public School Construction to administratively address this issue through its financial hardship review process in accordance with existing regulations. If a district chooses to secure financing for a project eligible under the School Facility Program, these borrowed funds will not be considered available for the district's project contribution. Details are forthcoming regarding the OPSC processing and the funds that will not be recognized as a district contribution.

Board Direction On Date Change Requests

The issue of whether or not a district participating in the School Facility Program (SFP) can be approved for a “date change” request was heard by the State Allocation Board (SAB) at its March 28, 2001 meeting. The Board requested that the OPSC bring back to the May Board “date change” regulation language that provides for:

- ◆ Limited parameters, and
- ◆ A case-by-case Board consideration, but only when one of the four major school facility related State agencies provides substantiation of errors it made when processing an applica-

tion that caused a district to be disadvantaged in relationship to all other districts.

It is anticipated that the proposed “date change” regulations will be discussed at the April 26, 2001 SAB Implementation Committee meeting. The SAB Implementation Committee meetings are open to the public and your participation is encouraged. For further information about this committee and its meetings, please view “Implementation Committee” under the SAB on the OPSC Web site at <http://www.opsc.dgs.ca.gov> or contact Ms. Christine Sanchez at 916.323.4355.

Hardship Funding Status Report

At several previous State Allocation Board (SAB) meetings, the Office of Public School Construction reported that funding available for hardships was becoming dangerously low. Prior to the

actions taken at the March 28th SAB meeting, there was \$184.7 million available in hardship funds, which includes \$24.7 million for facility hardships, that could be used for the following purposes:

Hardship Funding Type	Hardship Funding Description	Projected Need (In Millions)
Excessive Cost Grants	Funding for items such as geographic location, small school allowances, new school allowances, access compliance, elevators and urban/security allowances.	\$48*
Facility Hardship Projects	Health and safety projects approved by the SAB for facility hardship.	\$81†
Financial Hardship Projects	Financial hardship funding amounts currently represent approximately 38 percent of the total New Construction (NC) projects.	\$455*

*Projected Hardship Need for Remaining NC Funds
 †Projected need through March 2002.

The SAB discussed all these important district needs at its March meeting. Ultimately, the concern for imminent health and safety issues resulted in the Board approving the transfer of \$28.1 million available in Class Size Reduction funding to the hardship fund specifically for facility hardship projects. Considering the funds remaining for facility hardships of \$24.7 million together with the \$28.1 million transferred on March 28, 2001, \$52.8 million is set aside for facility hardship projects through March 2002.

At a past meeting, the Board authorized staff to redirect up to \$59.5 million of modernization projects to the hardship fund where those projects have apportionments rescinded due to the inability of some school districts to meet the School Facility Project time limits on fund release or substantial progress requirements.

School Construction Web Portal

Recently, a new web site was established to provide one Internet portal to public school construction related information. While the key State agencies are linked in this Web site, the purpose of the site is to provide resources to school districts and other interested parties that are beyond the program and process information relative to each individual State agency. Currently the site is a work-in-progress; new information will be posted, as it becomes available.

The California K-12 Public School Construction site can be found at:

<http://www.schoolconstruction.dgs.ca.gov>.

If you have comments or suggestions, they can be submitted from the contact section at the site.

Limited Hardship Funds

The Office of Public School Construction (OPSC) is aware of the declining Proposition 1A hardship funds and is concerned with meeting the funding needs of School Facility Program (SFP) projects. To address this concern the OPSC presented proposed regulation changes to the State Allocation Board that will allow districts to accept a partial apportionment for the project based on the availability of hardship funding, and have the balance of the project placed on the “unfunded” list for funding at a later date. The Board approved these recommendations at the March 28, 2001 meeting and directed staff to begin the regulatory process.

When hardship funds become available, the remaining portion of the project included on the “unfunded” list will be recommended for funding based on the priority points (PP) regulations. If PP are not in effect, the remaining portion of the project will be recommended for funding based on the date it was originally placed on the “unfunded” list. To locate the proposed regulation text on the OPSC Web site, select “Regulations” from the left-hand menu on the Home Page and then select “Proposed Regulations”.

SAB Action On "Use of Grants"

In recent months, regulations regarding the use of new construction grants have been carefully reevaluated at the request of the State Allocation Board (SAB). The Office of Public School Construction (OPSC) presented specific recommendations to modify these regulations at the March 28, 2001 SAB meeting. The Board has approved these recommendations which will now be formalized in regulation, to include the following changes:

- ◆ A provision for "grandfathering" Use of Grants requests under the current regulations as long as the plans and specifications for the project are accepted for processing by the Division of the State Architect no later than April 30, 2001.
- ◆ Regardless of whether priority points are in effect, districts may request:
 - ◆ A transfer of grants from a different grade level that do NOT exceed 135 percent of the capacity of the project.
 - ◆ Grants that do NOT exceed 135 percent of the proposed project's capacity.
- ◆ When priority points are NOT in effect, districts may request grants that exceed 135 percent of the proposed project's capacity.
- ◆ In every instance, the districts will be required to certify that its school board has passed a

resolution which includes certain acknowledgment statements and a "Housing Plan" that the district has or will adequately house the excess pupils. The "Housing Plan" may NOT include:

- ◆ Excluded portables under the provisions of Education Code Section 17071.30.
- ◆ Use of district funds for the construction of alternative housing facilities when the district is a financial hardship district.
- ◆ The SAB will not approve conceptual Use of Grants requests.

These amended regulations address the Board's recent concerns over the appropriate use of grants. It is anticipated that until these regulations are in effect, the Board will maintain the option of requiring a "Housing Plan" that meets with the intent of the proposed regulations. To locate the proposed regulation text on the OPSC Web site select "Regulations" from the left-hand menu on the Home Page and then select "Proposed Regulations".

For more information regarding Use of Grants funding requests, please contact your OPSC Project Manager or their Regional Supervisor. An employee directory is available on the OPSC Web site to assist you: <http://www.opsc.dgs.ca.gov>.

scheduled monthly Board meetings for projects that are exempt from priority points.

While considering this item, a district requested that the Board allow it to be evaluated for eligibility based on a high school attendance area (HSAA) rather than district-wide. Although regulations do not appear to prohibit a district from changing its eligibility status from district-wide to a HSAA, the Office of Public School Construction (OPSC) has concerns about districts making this change without a formal processing mechanism. Consequently, the Board directed the OPSC to develop processing guidelines that will address a change in filing status.

Deferred Maintenance Reminder

The end of this fiscal year is fast approaching along with the Deferred Maintenance deadlines for 2000/2001 Fiscal Year funding. Revisions to the Five Year Plan for the 2000/2001 Fiscal Year are due to the Office of Public School Construction (OPSC) by May 30, 2001. School districts are required to use the most current version of the *Deferred Maintenance Five Year Plan*, (Form SAB 40-1, Rev. 10/00) that is available on the OPSC's Web site at <http://www.opsc.dgs.ca.gov>.

Critical Hardship applications are also due no later than May 30, 2001, in order to be considered for funding available for the 2000/2001 Fiscal Year. For application submittal requirements, please refer to the March 2001 revision of the *Deferred Maintenance Handbook* available on the OPSC Web site.

Public Comment Period

The following issues have entered a 45-day public comment period.

- ◆ AB 2408: Leased Land (new Sections 1859.22 and 1859.74.3)
- ◆ AB 801: Multistory Construction (new Section 1859.73.2)
- ◆ Definition of "In Escrow" (amending existing Section 1859.2)

The public comment period, which commenced April 6, 2001, ends May 21, 2001 at 5:00 p.m. The Notice of Proposed Regulatory Action, the Initial Statement of Reasons, and the regulatory text are available on our Web site.

Second Quarter Funding

The quarterly funding mechanism for new construction (NC) projects was initiated on December 13, 2000. The first quarter, October 1, 2000 through December 31, 2000, allowed for NC projects, in order of priority, to be funded or placed on the "unfunded" list. The March 28th Board was highlighted by the second quarterly funding cycle (January 1, 2001 through March 31, 2001) which provided funding for qualifying projects that were received prior to January 1, 2001. The second quarterly allotment provided apportionments for 48 projects totaling \$105.6 million at the March 28th meeting. Funds available for each of the five remaining quarterly allotments are estimated to be approximately \$124,396,355. Some funding activity will continue at regularly

Status of Funds

Per the March 28, 2001 State Allocation Board Meeting

<i>Program</i>	<i>Funds Available as of 02.28.01</i>	<i>Apportionments and Adjustments</i>	<i>Balance Available as of 03.28.01</i>
Proposition 1A			
New Construction	1,196.8	(108.0)	1,088.8
Modernization	0.1	0	0.1
Hardship	160.0	(53.2)	106.8
Facility Hardship (Reserved)	24.7	25.2	49.9
Class Size Reduction Committed	28.1	(28.1)	0
Subtotal	\$1,409.7	(\$164.1)	\$1,245.6
Prior Bond Funds			
Contingency Reserves	39.4	4.3	43.7
AB 191	3.7	0	3.7
Subtotal	\$43.1	4.3	\$47.4
Grand Total	\$1,452.8	(\$159.8)	\$1,293.0

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.
The State Allocation Board funded approximately \$40,340 for the Deferred Maintenance Program.

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for March 2001

Class "B" Buildings	1.40
Class "D" Buildings	1.40
Furniture and Equipment	1.39
Historical Savings Index	6.5

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.



Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814



Advisory Actions 2001

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: April 25, 2001
Issue Number 04

Executive Corner



“Breaking Ground”

We are very pleased to announce the premier issue (Spring, 2001) of *Breaking Ground*, the new quarterly publication jointly prepared by the Office of Public School Construction (OPSC) and the Division of the State Architect. This combined effort is the result of months of planning and synergistic activity with the intent of improved communication between our two agencies and for the expressed benefit of our clients statewide. Please avail yourself of this insightful and informative newsletter. *Breaking Ground* will be regularly distributed to school districts, legislators and design professionals; it can also be viewed on the OPSC Web site at www.dgs.ca.gov/opsc. Comments and suggestions, as well as requests for additional copies may be sent via e-mail to breaking.ground@dgs.ca.gov.

Sincerely,

A handwritten signature in purple ink that reads "Luisa M. Park".

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

Annual Deferred Maintenance Submittals

The end of this fiscal year is fast approaching along with the Deferred Maintenance deadlines for 2000/2001 Fiscal Year funding. Revisions to the Five Year Plan for the 2000/2001 Fiscal Year are due to the Office of Public School Construction (OPSC) by May 30, 2001. School districts are required to use the most current version of the *Deferred Maintenance Five Year Plan*, (Form SAB 40-1, Rev. 10/00) that is available on the OPSC's Web site at www.dgs.ca.gov/opsc.

Deferred Maintenance Hardship applications are also due no later than May 30, 2001, in order to be considered for funding available for the 2000/2001 Fiscal Year. For application submittal requirements, please refer to the March 2001 revision of the *Deferred Maintenance Handbook* available on the OPSC Web site.

SAB “Date Change” Update

As directed by the State Allocation Board (SAB) at previous meetings, the Office of Public School Construction (OPSC) is preparing proposed regulatory language that would allow the Board to make an exception to filing and approval dates, when circumstances warranted.

The OPSC finds that these requests are typically twofold and are characterized by both a request for a date-change and a request for an apportionment effective prior to the priority point requirement.

- ◆ **Date-change:** Per the Board's direction at the March meeting, the OPSC is currently developing regulations to address exceptions to the SAB's filing and approval requirements.
- ◆ **Funding a Project with a Revised Date that Precedes Priority Points:** Pursuant to the Attorney General and the SAB Legal Counsel's opinions, the Board is required to make all new construction apportionments under the priority point mechanism now that priority points have been triggered, regardless of when the application was accepted for processing by the OPSC.

Finalization of this issue will be discussed at the June 1, 2001 SAB Implementation Committee meeting.

Special Day Class Enrollment Reporting

A proposed regulation change was presented and approved by the State Allocation Board (SAB) at its April meeting that revised the Form SAB 50-01, *Enrollment Certification/Projection*. The School Facility Program regulations formerly required applicant districts to report Special Day Class (SDC) enrollment based on the enrollment reported to the California Department of Education (CDE) in April prior to the latest California Basic Education Data Systems "CBEDS" report. The CDE has recently changed the SDC enrollment-reporting requirement from April to December to be in alignment with recent Federal reporting requirements, and the regulations have been amended accordingly.

Outstanding Lien Releases

There are 244 school districts that continue to have a lien on its property from participation in the old State School Building Program. The good news is that Chapter 407/98 (Senate Bill 50) allowed for the release of these liens, which had been a requirement for participation in the former Lease-Purchase Program. The Office of Public School Construction has been unable to release the liens of the districts noted above, as these districts have not taken the appropriate action. Please take advantage of the acknowledgement of the release of the lien that was sent to each district involved. Districts must simply present the original lien release document to the county recorder in order to remove the State lien from the district's property.

If you do not know whether or not you have filed such a lien release or you need more information concerning lien releases, please contact Mr. Bryan Breaks, Audit Supervisor, at bbreaks@dgs.ca.gov or 916.445.3156.

CBEDS Enrollment Reporting: Change in Reporting Timelines

Enrollment reporting for purposes of establishing eligibility in the School Facility Program (SFP) is based on the latest California Basic Educational Data System (CBEDS) information. Historically, the Office of Public School Construction (OPSC) has allowed eligibility to be determined based on this source of enrollment received as late as December 31st of each year. During this "grace period", districts were permitted to submit applications based on either the latest or the prior year CBEDS. Districts submitting applications after December 31st were required to submit "updated" enrollment based on the latest CBEDS report.

The SFP regulations do not provide for this "grace period" and accordingly, the OPSC will no longer accept SFP application submittals based on the prior year CBEDS up to December 31st. Once a district submits its October 15th CBEDS information to its county office of education, this data must be utilized to update its eligibility prior to submittal of a SFP application, pursuant to Regulation Sections 1859.51 and 1859.61.

Pending Issues: SAB Implementation Committee

The next scheduled meeting of the SAB Implementation Committee is Friday, June 1, 2001. This public meeting will be held at the U.S. Bank Plaza Building, 980 9th Street, Conference Rooms A, B & C in Sacramento. Input from our constituency is strongly encouraged and welcomed. Issues pending before the committee, which may be addressed at this meeting, include the following:

◆ Financial Hardship Criteria

The financial hardship approval process is to undergo a review, in part as a result of Proposition 39 and as a result of the number and amount of financial hardship approvals that have been made under the existing regulations. Consideration will be given to possible amendments to the regulations, especially in regard to the qualification criteria.

◆ High School Attendance Area Filing

The regulations regarding the conversion of a district's filing basis from districtwide to a high school attendance area will be reviewed.

◆ Material Inaccuracies

Senate Bill 2066 (O'Connell) calls for certain penalties where applications are submitted with material inaccuracies. This bill also authorizes the SAB to transfer certain

funds from the State School Building Aid Fund to the School Facility Program (SFP) or to the Deferred Maintenance Program.

◆ Hazardous Material Response Costs

Response costs to districts for the removal of hazardous materials may be provided for under the SFP, per Assembly Bill 2644 (Calderon).

◆ Consolidated Application (Form SAB 50-07)

The Office of Public School Construction and the Division of the State Architect are collaborating on the revision of this cost data form for the purpose of consolidating application submittal information by both agencies.

◆ Application Date Change

Please refer to the separate article on this topic in this issue.

Regulations

Status of Regulatory Activity

Topic	SAB Adopted	Status at the Office of Administrative Law (OAL)	Anticipated OAL Approval
Special Day Class Enrollment	04/25/01	In Process	In Process
Use of Grants	03/28/01	45-Day Public Comment Period Began 05/04/01	08/2001
Hardship Funding	03/28/01	45-Day Public Comment Period Began 05/04/01	08/2001
Leased Land (AB 2408)	02/28/01	45-Day Public Comment Period Ends 05/21/01	07/2001
Multistory Construction (AB 801)	02/28/01	45-Day Public Comment Period Ends 05/21/01	07/2001
"In Escrow" Defined	02/28/01	45-Day Public Comment Period Ends 05/21/01	07/2001
SAB 50-07, Consolidated Cost Estimate	08/23/00	* This form is currently being revised to address concerns of other State agencies and the school district community.	

Outstanding Regulatory Activity

The Priority Point emergency regulations approved January 2, 2001, were submitted on May 1, 2001 for permanent adoption by the Office of Administrative Law (OAL). The Office of Public School Construction anticipates OAL approval about mid-June, 2001.

Recent Program Changes

- ◆ Regulation Section 1859.83, Excessive Cost Hardship Grant, was amended and approved by the OAL with an effective date of April 5, 2001. The change affected subsection (c), new school allowance, and provides a formula for offsetting an excessive cost grant against future grant requests to complete the starter school.
- ◆ The Special Day Class loading and funding emergency regulations, approved July 17, 2000 by the OAL, have become permanent regulations with an effective date of December 27, 2000.
- ◆ Regulation Section 1859.79.3, Minimal Requests for Modernization Grant Funds, was approved by the OAL with an effective date of September 12, 2000.
- ◆ Regulation Section 1859.81.1 was amended for purposes of increasing the design funds for new construction financial hardship projects. This amendment was effective September 12, 2000.

School Facility Program Expenditure Reports

Under Regulation Section 1859.104, school districts are required to submit an Expenditure Report (Form SAB 50-06), with a supporting detailed listing for each project expenditure on an annual basis, with the first report due one year following the first release of funds. A suggested format can be located on the Office of Public School Construction Web site at www.dgs.ca.gov/opsc. To help expedite and facilitate the process, please be sure to submit the Expenditure Report directly to:

**Department of General Services
Office of Public School Construction
Attn: Darlene Ramos, Audit Team
1130 K Street, Suite 400
Sacramento, CA 95814**

For specific information regarding the Expenditure Report, please contact Darlene Ramos, Audit Team, at darlene.ramos@dgs.ca.gov or 916.445.8041.

OPSC Reminders...

- ▶ **State Allocation Board Meetings***
May 23, 2001 July 25, 2001
June 27, 2001 August 22, 2001
- ▶ **State Allocation Board Implementation Committee Meetings***
June 1, 2001 August 3, 2001
July 6, 2001 August 31, 2001
- ▶ **Five Year Plan of Maintenance Needs**
Form SAB 40-1 Due by May 30, 2001
- ▶ **Critical Hardship Applications**
Form SAB 40-5 Due by May 30, 2001 (to be considered for funding Aug/Sep 2001)
- ▶ **Deferred Maintenance Certification of Deposits**
Oct – Nov: Due annually from the Districts
- ▶ **Annual Certification of Unused Sites**
Due by June 30, 2001
- ▶ **Joint Use Funding Cycle**
July 1, 2001 – June 30, 2002: Period for Districts eligible to participate in the Lease-Purchase Program funding of Joint Use projects for gymnasiums, multipurpose rooms and libraries (SB 1795).
- ▶ **Interest Earned Report (Form SAB 180)**
Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts which have earned interest from the Leroy F. Greene Lease-Purchase Fund.

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

Status of Funds

Per the March 28, 2001 State Allocation Board Meeting

<i>Program</i>	<i>Funds Available as of 03.28.01</i>	<i>Apportionments and Adjustments</i>	<i>Balance Available as of 04.25.01</i>
Proposition 1A			
New Construction	1,088.8	(0.7)	1,088.1
Modernization	0.1	0	0.1
Hardship	106.8	(7.0)	99.8
Facility Hardship (Reserved)	49.9	(0.8)	49.1
Subtotal	\$1,245.6	(\$8.5)	\$1,237.1
Prior Bond Funds			
Contingency Reserves	43.7	1.3	45.0
AB 191	3.7	0	3.7
Subtotal	\$47.4	1.3	\$48.7
Grand Total	\$1,293.0	(\$7.2)	\$1,285.8

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.
The State Allocation Board funded approximately \$321,327 for the Deferred Maintenance Program.

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for April 2001

Class "B" Buildings	1.40
Class "D" Buildings	1.40
Furniture and Equipment	1.39
Historical Savings Index	6.45

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

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Sacramento, CA 95814



Advisory Actions 2001

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: May 23, 2001
Issue Number 05

Executive Corner



“Good News for Joint-Use Ventures”

An important degree of flexibility has been achieved that will enhance negotiations for multi-purpose, gymnasium and library joint-use ventures. A recent policy change now allows a district participating in a Senate Bill (SB) 1795 joint-use project the option of paying for certain costs associated with additional area of the joint-use project that exceeds 130 percent of the eligible square footage. Please be sure to read up on the policy revisions outlined in the SB 1795 article in this issue.

Sincerely,

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



Energy Crisis...

Heating Up in Summer

Need tips, both immediate and long term, on methods to conserve energy and save money on your operational budgets?

Please remember to utilize the Office of Public School Construction’s *Cookbook For Energy Conservation Measures*. This compilation of energy saving recipes is available on the OPSC Web site at www.dgs.ca.gov/opsc.



Deferred Maintenance Funding News

The State budget provides a line item for the Deferred Maintenance Program, which is its primary source of funding. The Governor’s May 2001 revision to the State Budget includes approximately \$176 million to be allocated for Deferred Maintenance projects. This figure is an estimate and may fluctuate between now and the passage of the final budget. In addition to the State Budget, sup-

plemental funding is also anticipated from the Site Utilization Fund and excess repayment from the old State School Building Aid Program. Final figures on the availability of Deferred Maintenance funding will be known at the end of the fiscal year when the State Allocation Board allocates funds for both Basic and Hardship projects.

OPSC Reminders...

- ▶ **State Allocation Board Meetings***
June 27, 2001 July 25, 2001
- ▶ **State Allocation Board Implementation Committee Meetings***
July 6, 2001 August 3, 2001
- ▶ **Annual Certification of Unused Sites**
Due by June 30, 2001
- ▶ **Joint Use Funding Cycle**
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* Meeting dates subject to change. Check the OPSC Web site at <http://www.dgs.ca.gov/opsc> for latest dates and times.

School Facility Program Expenditure Reports

Under Regulation Section 1859.104, school districts are required to submit Form SAB 50-06 (Rev. 01/00), *Expenditure Report*, with a supporting detailed listing for each project expenditure on an annual basis, with the first report due one year following the first release of funds. A suggested expenditure report and detail listing format can be located on the Office of Public School Construction Web site at www.dgs.ca.gov/opsc.

To help expedite and facilitate the process, please be sure to submit the *Expenditure Report* forms directly to:

Department of General Services
Office of Public School Construction
Attn: Darlene Ramos, Audit Team
1130 K Street, Suite 400
Sacramento, CA 95814

For specific information regarding the *Expenditure Report*, please contact Darlene Ramos, Audit Team, at darlene.ramos@dgs.ca.gov or 916.445.8041.

Proposed Regulations: Date Change, Financial Hardship and High School Attendance Area Filing

Date Change

As directed by the State Allocation Board (SAB) at previous meetings, the Office of Public School Construction (OPSC) is preparing proposed regulatory language that would allow the Board to make an exception to filing and approval dates, when certain circumstances warrant the change.

The SAB Implementation Committee met on June 1st to discuss the proposed "date change" regulation language that will serve as a basis for evaluating these appeal requests. The amended date change regulations will provide for:

- ◆ Limited parameters.
- ◆ Case-by-case Board consideration only when one of the four major school facility related State agencies certify in writing that errors caused districts to be disadvantaged in relationship to all other districts.

Until the SAB has established a new regulation with respect to date changes, it will not be able to make a decision on date change appeals.

Financial Hardship

Amendments are also being proposed for the financial hardship regulations that will be presented to the SAB at its June meeting:

- ◆ A requirement that school districts demonstrate a certain level of indebtedness, i.e., 60 percent indebtedness or maximum allowed under Proposition 39, prior to applying for financial hardship approval.
- ◆ Clarifications relative to eligible uses of developer fees for certain interim housing costs.
- ◆ A requirement for school districts to have at least attempted to pass a local bond under the auspices of Proposition 39, prior to applying for financial hardship approval on a "case-by-case" basis.

High School Attendance Area Filing

Another regulation change relates to the manner in which a district can change its eligibility filing basis between either district-wide or a high school attendance area. The current regulation allows a school district to file on either a districtwide or high school attendance area basis but does not provide clear direction relative to a district changing its filing basis subsequent to its initial eligibility determination. These regulations will provide direction to a school district seeking to change its filing status.

Questions regarding the above proposed regulation changes may be directed to your OPSC Project Manager, or the OPSC Appeals Team. An employee directory is available to assist you on the OPSC Web site at www.dgs.ca.gov/opsc.

SB 1795: Gymnasium, Multipurpose and Library Funding

At its May meeting, the State Allocation Board (SAB) approved an amendment to its policy for funding joint-use projects under provisions of Senate Bill (SB) 1795 (Alpert). The Form SAB 506 JU (Rev. 05/01), *Application for Joint Use Apportionment*, was also amended to conform to the revised policy changes. The policy, as amended, now allows a school district requesting funding priority "b" to pay the costs associated with additional area of the joint-use project that exceeds 130 percent of the eligible square footage. This amendment will allow districts more flexibility in the negotiation of the funding provisions with its joint-use partner.

The first funding cycle will occur at the July 25, 2001 SAB meeting. The following documents must be submitted by June 30, 2001 in order to be accepted for processing to the July Board for possible funding:

- ◆ Form SAB 506 JU (Rev. 05/01).
- ◆ A hard copy of the Division of the State Architect approved plans and specifications for the Joint-Use Facility.
- ◆ A Joint-Use Agreement with the five elements specified in the Board Policy and in Education Code Section 17052.
- ◆ A California Department of Education (CDE) final plan approval letter and CDE certification of the SB 1975 Joint-Use project's eligible square footage.

Districts may obtain a copy of the revised policy and forms on the OPSC Web site at www.dgs.ca.gov/opsc. Questions may be directed to Mr. Stevan Wood at 916.323.7109, or you may contact him via e-mail at stwood@dgs.ca.gov.

Pending Issues: SAB Implementation Committee

The Office of Public School Construction (OPSC) is working on a number of important issues with discussion with the State Allocation Board (SAB) Implementation Committee. These issues include the following:

- ◆ SB 2066: Material Inaccuracies
- ◆ Seismic Retrofit Policy
- ◆ AB 2644: Hazardous Material Response Costs
- ◆ Site Mitigation Process
- ◆ State Bond Issues
- ◆ Form SAB 50-07, *Consolidated Cost Estimate*

The OPSC would like to hear from you! Issues such as these are often discussed by the OPSC and SAB Implementation Committee prior to presentation to the Board. The SAB Implementation Committee meetings are

open to the public and your participation is strongly encouraged. Input from our constituency is important and welcomed. For specific information on meeting dates, times and locations as well as a complete member list, please view "Implementation Committee" under the SAB on the OPSC Web site at www.dgs.ca.gov/opsc. If certain topics are of interest to you but you are unable to attend the meeting, you can send your comments directly to:

Mr. Bruce B. Hancock, Chair
SAB Implementation Committee
1130 K Street, Suite 400
Sacramento, CA 95814

Mr. Hancock may also be contacted at bhancock@dgs.ca.gov, or 916.445.3159.

48-Hour Notice

As directed by the State Allocation Board (SAB) at the July 26, 2000 meeting, the Office of Public School Construction (OPSC) is verifying that all work proposed in the plans has been reviewed and approved by the Division of State Architect (DSA). To accomplish this, the OPSC compares the cost estimate of the work submitted to the DSA for approval to the estimated funding requested on the Form SAB 50-04, *Application for Funding*. In order for the OPSC to accept the application for processing, at least 60 percent of the State and district grant total must be designated for construction costs. If the cost estimate submitted to the DSA represents less than 60 percent of the State and district grant, the district will be alerted by a 48-hour notice. This notice will provide the district opportunity to submit a revised cost estimate to the DSA or reduce the pupil grants requested on the Form SAB 50-04. If a revised cost estimate is submitted to the DSA, the district must submit to the OPSC a receipt from the DSA demonstrating that it has accepted the revised cost estimate.

Please refer to the OPSC Web site at www.dgs.ca.gov/opsc for complete application submittal requirements. If you need additional information, please contact Selina Mulligan, Eligibility Team Supervisor, at selina.mulligan@dgs.ca.gov or 916.322.0290.

Annual Customer Satisfaction Survey

The OPSC sent out its annual Customer Satisfaction Survey to all school districts on June 8, 2001. This survey is used to determine the districts' current level of satisfaction with our organization and to assist us in providing quality service to you, our customers. Your comments or suggestions will be held in strict confidence with the OPSC executive management. The survey can be mailed, faxed, and is available on our Web site this year at www.dgs.ca.gov/opsc. Please take a few minutes to complete the survey and return it by June 22, 2001.

Status of Funds

Per the May 23, 2001 State Allocation Board Meeting

Program	Funds Available as of 04.25.01	Apportionments and Adjustments	Balance Available as of 05.23.01
Proposition 1A			
New Construction	1,088.1	(11.4)	1,076.7
Modernization	0.1	0	0.1
Hardship	99.8	(23.4)	76.4
Facility Hardship (Reserved)	49.1	(0.9)	48.2
Subtotal	\$1,237.1	(\$35.7)	\$1,201.4
Prior Bond Funds			
Contingency Reserves	45.0	1.0	46.0
AB 191	3.7	0	3.7
Subtotal	\$48.7	1.0	\$49.7
Grand Total	\$1,285.8	(\$34.7)	\$1,251.1

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.
The State Allocation Board funded approximately \$200,279 for the Deferred Maintenance Program.

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for May 2001

Class "B" Buildings	1.40
Class "D" Buildings	1.40
Furniture and Equipment	1.39
Historical Savings Index	6.45

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.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814



Advisory Actions 2001

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: Jun 27 & Jul 26 2001
Issue Number 06

Executive Corner



A New Plan Verification Procedure to Assist You

Districts and their design teams will be pleased to know of an important new procedure regarding the verification of plans. Most significantly, districts will be provided an opportunity to meet with the Supervisor of the Plan Verification Team in any instance where the verification of estimated costs requires additional information. For more information, please see the article on this topic included in this issue.

Sincerely,

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

Change to Plan Verification Team and 15-Day Letter Process

We acknowledge the need for districts to have better access to the Plan Verification Team (PVT) in the course of its verification of additional grants for site development costs. To improve this process, the Office of Public School Construction (OPSC) has added a new feature to better serve the needs of its customers. Currently, upon completion of the plan verification, the OPSC sends out a "15-Day" letter to inform the district of the findings. Prior to now the district had three options: 1) it must either acknowledge in writing, within the 15-day timeline, its agreement with the findings (by signing and

Continued on next page ▶

Concerned That Your Project Costs Will Run High?

Would you like access to realistic and insightful ideas in achieving measurable reductions in the cost of school facilities construction?

Please remember to utilize the *Public School Construction Cost Reduction Guidelines*. It's been a year now since the State Allocation Board approved the guidelines for the districts' use, and the information is just as useful and necessary

as ever. Suggestions contained in the guidelines emphasize efficiency, better processes, and innovative ideas that produce schools we can take pride in, while making the most of resources available to us. We encourage districts to access the guidelines by selecting "Resource Information" on the OPSC's Web site at www.dgs.ca.gov/opsc, or on your copy of *The OPSC Greatest Bytes Volume I or Volume II* that was mailed to you.

Is it a Deferred Maintenance Hardship Project?

If someone tells you they can get your roofing, HVAC, or other major maintenance project funded as a hardship project through the Deferred Maintenance Program (DMP), it is untrue, unless the district can demonstrate the specific project meets the critical hardship criteria. It is mandatory that the Office of Public School Construction (OPSC) verify that the district's project(s) meets the DMP's criteria prior to the beginning of construction.

The DMP's major source of funding is the State's General Fund. Even in the best of funding years there is a finite amount of money available for deferred maintenance and it rarely covers the enormous maintenance needs of California's K-12 schools. It is the OPSC's responsibility to ensure that projects that have the greatest impact to the health and safety of the students receive funding. The criteria for a hardship project are outlined in law, regu-

lation, policy, and in the *Deferred Maintenance Handbook* (available on our Web site). A district that enters into a contract and begins construction prior to receiving approval or a site visit by the OPSC, shall put the project(s) in jeopardy of not receiving State funding. The OPSC cannot recommend funding for unverified hardship projects. This leaves the district without eligibility for reimbursement.

Districts are encouraged to read the *Deferred Maintenance Handbook* for information on sending in a complete Deferred Maintenance Hardship Application Package. The OPSC will provide written acknowledgement regarding its receipt of the Hardship package. The district should not proceed on the proposed hardship project until it has received verification of the project's eligibility. For additional information contact Ms. Rachel Wong at 916.445.7880 or Ms. Lisa Constancio at 916.322.0317.

Eligibility Team... New Name/New Supervisor

The Eligibility Team has been renamed and is now more appropriately known as the Application Review Team (ART). At the same time, we are pleased to announce that a new supervisor has been appointed to this team. Gloria Martinez, an employee of the Department of General Services for over 15 years, has taken on the role of the ART Supervisor at the Office of Public School Construction (OPSC).

If you have questions for Gloria, you can reach her at gloria.martin@dgs.ca.gov or by phone at 916.445.0529. Selina Mulligan, most recently serving in this capacity, has a new team assignment within Program Services. However, Selina will be assisting Gloria during the transition and is still available for questions. Please join us in welcoming Gloria to OPSC.

OPSC Reminders...

▶ State Allocation Board Meetings*

August 22, 2001
September 26, 2001

▶ State Allocation Board Implementation Committee Meetings*

August 31, 2001
October 5, 2001

▶ Joint Use Funding Cycle

July 1, 2001 – May 31, 2002: Period for Districts eligible to participate in the Lease-Purchase Program funding of Joint Use projects for gymnasiums, multipurpose rooms and libraries (SB 1795).

▶ Interest Earned Report (Form SAB 180)

Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.

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

Status of “Date Change” Discussions

Discussions and activity continues as it relates to requests for an application date change. At the June State Allocation Board (SAB) meeting, testimony was presented to the SAB expressing concern regarding the proposed application date change regulations. As a result, the SAB moved to hold the item over and requested staff to further review the proposed regulations.

Additionally, the SAB requested the Office of Public School Construction to seek a determination as to whether the Board has the authority to approve date change requests absent a regulatory provision and to work with districts, through the SAB Implementation Committee meetings, to reconsider the impacts of the proposed regulatory changes and the possibility of revisions.

Change to Plan Verification Team and 15-Day Letter Process – *continued from front page*

dating the Form SAB 50-04 and returning the form to the OPSC); 2) provide satisfactory evidence to substantiate the district’s request if it disagrees with the findings; or 3) it has the option of withdrawing the application to resubmit at a later date.

A fourth option has now been added which will allow the district to meet with the Supervisor of the PVT to resolve issues related to its findings. To utilize this option, the district must contact the

OPSC within ten calendar days from the date of the letter to request an immediate meeting. These meetings may be scheduled on a Monday, Wednesday, or Friday during regular business hours (8 A.M. to 5 P.M.). If you have additional questions concerning the plan verification process, you may contact Ms. Gretchen Winczner at 916.323.4455. Ms. Winczner will also serve as the contact for the scheduling of appointments with PVT members.

Withdrawal and Resubmittal of Applications

The process for the withdrawal and resubmittal of a School Facility Program (SFP) application was established at the request of the State Allocation Board (SAB) in October 1999 to assure that all districts are treated fairly. The Office of Public School Construction (OPSC) developed the following processing guidelines, which are now formalized in Regulation, that allow districts, under certain circumstances, to withdraw and resubmit its application request. The procedure is as follows:

The resubmitted application will be treated as a completely new application, and shall not receive priority for processing by the OPSC.

Applications In Process, But Not Approved

1. A SFP application submitted but not yet funded or placed on an “unfunded” list shall continue to be processed and funded under the provisions of the laws and regulations in effect at the time of the original application submission. The application will not be adjusted to reflect changes in law or regulations that occur prior to SAB approval.
2. A SFP application submitted but not yet funded or placed on an “unfunded” list may be withdrawn and resubmitted to receive the benefits of changes in law or administrative regulations. The district must first request that the application be withdrawn and removed from the OPSC workload list. The district may then resubmit the application under the provisions of the regulations in effect at the time of the resubmittal. The resubmitted application will be treated as a completely new application, receive a new application receipt date and will not receive priority for processing by the OPSC.
3. A SFP application for eligibility determination may be amended at any time to receive the benefits of changes in law or administrative regulations. The application for eligibility shall retain its OPSC processing date as long as the request and required amended documentation are received prior to when the OPSC processes the original application. If the application has been approved or the review has been completed, the amended application will be given a new processing date, once received by the OPSC.

Should you have questions or need any additional information regarding this procedure, please contact your Project Manager.

Applications Already Funded

1. A SFP application that received full grant funding will not receive subsequent grant adjustments to reflect changes in law or administrative regulations.
2. A SFP application that received full grant funding may not be rescinded and re-approved in order to receive benefits brought about by changes in law or administrative regulations.

Applications Approved, But Not Yet Funded

1. A SFP application that has been placed on an “unfunded” list in lieu of an apportionment shall not receive subsequent grant adjustments, except as outlined in No. 2 immediately below, to reflect changes in law or administrative regulations. However, the grant shall be adjusted by the construction cost index in effect at the time the full funding apportionment is made.
2. A SFP application that has been placed on an “unfunded” list in lieu of an apportionment may be withdrawn and resubmitted for SAB approval to receive the benefits of changes in law or administrative regulations. The district must first request that the application be withdrawn and removed from the SAB approved “unfunded” list. The district may then resubmit the application under the provisions of the regulations in effect at the time of the resubmittal.

SB 1795 – LPP Joint Use Funding for all Priorities

The State Allocation Board (SAB), at its July 25, 2001 meeting, approved \$18 million for the funding of 22 projects under the provisions of the Lease-Purchase Program (LPP) Senate Bill (SB) 1795 Policy for Joint Use facilities, which include gymnasiums, libraries and multi-purpose rooms. Based on the results of a recent study requested by the SAB, the Board also approved an increase in the base allowances for SB 1795 projects as follows:

- ◆ \$170 for toilet and food service area in the Joint Use project.
- ◆ \$93 for all other eligible area in the Joint Use project.

These amounts are adjusted for the construction cost, geographic and urban indices.

If you are planning on filing an application for this program in the future, please make note of this important change that was also approved by the SAB:

To allow adequate time for the OPSC processing of the future SB 1795 applications, the SAB approved a recommendation that provided for the application acceptance date to be moved back to no later than May 30th in order for the application to be considered for the second funding cycle at the July 2002 SAB meeting.

Questions about this program may be directed to Mr. Stevan Wood at 916.323.7109, or contact him via e-mail at stwood@dgs.ca.gov. You may also contact your OPSC Project Manager.

AB 2408 – Regulations Effective for Use of Leased Land

The regulations implementing Assembly Bill (AB) 2408 became effective on July 25, 2001. AB 2408 established criteria under which districts can utilize leased sites for certain specified periods of time with governmental agencies (Regulation Section 1859.22), and established criteria for districts seeking to provide new facilities on leased sites that will require hazardous waste removal (Regulation Section 1859.74.3). It is important to note that

the lease payments are not eligible costs under the School Facility Program.

In addition, the Form SAB 50-04, *Application for Funding*, (Revised 02/01) was amended to include an additional certification relating to leased land. The regulations and forms can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Questions may be directed to your OPSC Project Manager.

AB 2644 – Hazardous Materials Waste Removal

Help is on the way for districts with hazardous material waste removal costs associated with School Facility Program (SFP) additions to existing sites. Until now, districts constructing a project on an existing site with hazardous materials removal costs did not have the benefit of SFP funding provisions for those removal costs, as it would have for projects on newly acquired sites. With enactment of Assembly Bill 2644 and the State Allocation Board's approval of proposed regulations, funding opportunities will soon be available for these costs for an existing school site under the following criteria:

- ◆ The proposed SFP request is limited to new construction grants for an addition to an existing school site.
- ◆ The proposed SFP project does not include a request for initial site acquisition costs pursuant to Regulation Sections 1859.74 or 1859.74.2. The project may include site acqui-

sition costs for additional acreage added to an existing school site.

- ◆ The existing school site must have a functioning school on the site, or the existing site must have had school facilities that will again be used as a functioning school.
- ◆ The Department of Toxic Substances Control has determined that the hazardous material waste removal is necessary.

Finalization of this regulatory process is anticipated in approximately four months. Districts are reminded that it can only file an application based on these regulation amendments after they are finalized and become effective. To keep apprised of current information and the regulation approval process, please view the OPSC Web site at www.dgs.ca.gov/opsc, or you may contact Ms. Lisa Jones, Regulations Coordinator, at 916.322.1043.

Attorney General Opinion... Regarding Notification to the Legislature

At its July 2001 meeting, the State Allocation Board (SAB) voted to request a formal opinion on an expedited basis from the Office of Attorney General (OAG) regarding Government Code Section 65995.7. This section provides that the SAB must notify the legislature when, due to a lack of funds available for new construction, the SAB is no longer approving new construction apportionments. The Office of Public School Construction (OPSC) was directed to submit the following question to the OAG on behalf of the SAB:

"Is the notice requirement of Government Code Section 65995.7 triggered when the New Construction Grant requests that are ready for apportionment exceed the total bond funds available for new construction?"

The process to request a formal OAG opinion includes providing relevant background information and a contact list that contains those parties that have expressed interest regarding this issue to the OPSC or the SAB. The OAG has indicated that it will be soliciting input from those included on this list. Questions may be directed to the OAG's Public Inquiry Unit at 916.322.3360, or within California by calling 800.952.5225. If you would be interested in providing input to the OAG on this matter, you may send your comments to:

Attorney General of California
Opinion Unit
P.O. Box 944255
Sacramento, CA 94244-2550

For more information on the legal opinions of the Attorney General go to the Office of the Attorney General's Web site at www.caag.state.ca.us/opinions.

Although the SAB requested that the opinion be processed on an expedited basis, it is anticipated that the formal opinion will be provided to the SAB in approximately four months. It is an involved process that allows adequate time for the OAG to make its contacts, thoroughly review the issues, and render its formal opinion.

Congrats to these Districts!

Yes, it is possible to “get it right the first time”, as illustrated by the following districts which deserve special recognition for *perfect first-time submittals* of School Facility Program (SFP) applications. Of the recent group of modernization and new construction applications received, these districts represent *43 percent* of the total applications submitted.

A few words of encouragement: The Office of Public School Construction (OPSC) has many resources available to assist school districts, architects and consultants in the preparation and submittal of complete application packages. Three excellent resources available on the OPSC Web site are the *Guidebook to the School Facility Program* at www.opsc.dgs.ca.gov/PDF/SFP_Guidebook/SFP_Guidebook.pdf; the *SFP Application Submittal Checklist* at www.opsc.dgs.ca.gov/PDF/sfp_sb50/sfp-app-submittal.pdf; and the *Architect's Submittal Guidelines* at www.opsc.dgs.ca.gov/PDF/ArchitSubmtl.pdf. For that more personal touch, our Project Managers stand ready to assist your district in joining the elite group submitting complete applications; please don't hesitate to give them an opportunity to help.

County	School District	Number of Applications
Alameda.....	Pleasanton Unified.....	1
Fresno	Clovis Unified	1
	Fresno Unified.....	1
	Kings Canyon Unified	1
	Kings Canyon Unified	1
	Parlier Unified	1
Los Angeles.....	Alhambra City Elementary	10
	Los Angeles COE.....	4
	Palmdale Elementary	1
	Westside Union Elem.	1
Madera.....	Madera Unified	1
Merced	Gustine Unified	1
Monterey	Santa Rita Elementary	1
	Washington Union Elem.	2
Orange	Huntington Beach City Elem.	1
	Saddleback Valley Unified.....	1
	Tustin Unified.....	2
Riverside	Beaumont Unified	3
	Corona-Norco Unified.....	1
	Lake Elsinore Unified	2
	Murrieta Valley Unified.....	1
Sacramento	Folsom-Cordova Unified	1
San Bernardino.....	Etiwanda Elementary	1
	Fontana Unified	1
	San Bernardino City Unified	2
San Joaquin	Lodi Unified.....	1
San Luis Obispo	San Luis Obispo COE	1
San Mateo.....	Sequoia Union HSD.....	2
Santa Clara.....	Los Altos Elementary.....	1
Tehama	Richfield Elementary.....	1
Ventura	Briggs Elementary	2
	Oxnard Elementary.....	1

Changing Eligibility Filing Status

The Office of Public School Construction (OPSC) recently expressed concerns to the State Allocation Board (SAB) regarding the issue of a district requesting to change its filing basis, which would impact the recalculation of the district's priority points. As a result, the SAB directed the OPSC to develop regulations that address a district's ability to change its eligibility filing status from either a high school attendance area (HSAA) basis or a district-wide basis.

At its July meeting, the SAB adopted amendments and additions to the Regulations that addressed a number of key issues as summarized in the staff's recommendations as follows:

- ◆ Before a district is allowed to file on a HSAA basis, it must demonstrate that at least one of its HSAA's has negative eligibility at any grade level.
- ◆ Districts that are already approved for eligibility on a HSAA basis will be allowed to continue under that filing status.
- ◆ Districts with eligibility requests “in house” but not yet approved, must demonstrate that at least one of its HSAA's has negative eligibility at any grade level prior to approval. The application will not lose its processing date.
- ◆ A district may file on a Super HSAA basis if the HSAA's are adjacent or contiguous to each other. Adjacent means the existing boundaries of all the HSAA's meet each other at some location. Contiguous means that each attendance area shares a common boundary with at least one or more of the other attendance areas that make up the Super HSAA.
- ◆ A district that initially files on a district-wide, HSAA or Super HSAA basis and receives any new construction grants after the amended regulations become final will not be eligible to re-file

on another basis for a period of five years from the date the last apportionment was received.

- ◆ A district that initially files on a district-wide, HSAA or Super HSAA basis, but received no new construction grants, may request to re-file on another basis, but it must withdraw all its new construction funding applications, including those on an “unfunded” list.
- ◆ If a district elects to re-file on another basis, the district's existing school building capacity will be recalculated at the time of re-filing based on available classrooms at the time the original baseline eligibility was determined, adjusted for additional classrooms constructed or funded under the SFP.
- ◆ When filing on a HSAA or Super HSAA basis, determination of eligibility must be made on the existing HSAA or Super HSAA boundaries and the HSAA(s) must have an active high school in that boundary.
- ◆ Continuation high schools may not be used to represent a HSAA.
- ◆ Do not allow a district to change the boundaries of a HSAA or Super HSAA for purposes of eligibility after the eligibility request is submitted to the OPSC.

Finalization of this regulatory process is anticipated in approximately four months. Districts are reminded that it can only file an application based on these regulation amendments after they are finalized and become effective. To keep apprised of current information and the regulation approval process, please view the OPSC Web site at www.dgs.ca.gov/opsc, or you may contact Ms. Lisa Jones, Regulations Coordinator, at 916.322.1043.

Some Outstanding Lien Releases Remain

Thank you to many of the districts that responded to our recent alert regarding the need for removal of a lien on district properties, a carryover from participation in the old State School Building Program. There still remain a number of districts that have not cleared these liens. Chapter 407, Statutes of 1998 (Senate Bill 50) allows for the release of these liens, which had been a requirement for participation in the former Lease-Purchase Program. The Office of Public School Construction wishes to release the remaining liens, but is prevented from doing so until each district

takes the appropriate action. Please take advantage of the acknowledgement of the release of the lien that was sent to each district involved. Districts must simply present the original lien release document to the county recorder in order to remove the State lien from the district's property.

If you do not know whether or not you have filed such a lien release or you need more information concerning lien releases, please contact Mr. Bryan Breaks, Audit Supervisor, at bbreaks@dgs.ca.gov or 916.445.3156.

Financial Hardship Funding

Hardship funds were exhausted at the June State Allocation Board (SAB) meeting. To completely fund eligible New Construction applications, resources were transferred from other funding categories. This action by the SAB included a transfer of an additional \$13.7 million from those funds previously set aside for Facility Hardships. The SAB directed the Office of Public School Construction (OPSC) staff to present a report on proposed methods of replenishing the Facility Hardship category to a future Board meeting. It is anticipated that this will occur at the August 2001 SAB meeting.

In the absence of Hardship funding, the only options currently available to qualifying districts and County Office of Education's are: 1) to accept "full and final" funding for the project based upon the new construction adjusted grant, *less any hardship funding*; or 2) have the entire project placed on the "unfunded" list.

Regulation amendments regarding the revised Hardship funding process are anticipated to become effective in the middle of August. These amendments will allow the district to accept the funding for the project, less financial hardship and excessive cost grants and have the amounts not apportionment and have the "hardship" portion of the project placed on the "unfunded" list. Once a partial apportionment is made, time limits will be initiated that the district must comply with such as:

- ◆ The District must meet the criteria to have those funds released within 18 months for Separate Design apportionments. Please see the information contained on Form SAB 50-05, *Fund Release Authorization*, and SFP Regulations Section 1859.90 for further information.
- ◆ Districts must meet the substantial progress requirements pursuant to SFP Regulation Section 1859.105. Additionally, districts that receive a fund release for Separate Design are advised to take special note of Section 1859.105(c).

For those district that elected to have its entire project "unfunded" for the July SAB, the OPSC will be contacting you to determine what your declaration will be for the August SAB meeting under the new regulations. It is important to note that districts must declare its projects' funding option one month prior to presentation to the SAB. Questions may be directed to your OPSC Project Manager.

AB 801 – Multi-Story Construction Funding Regulations Now Effective

The regulations in response to Assembly Bill 801 (Cardenas) became effective on July 25, 2001. Regulation Section 1859.73.2 allows a district, as part of a School Facility Program new construction project, to demolish a single story facility and replace it with a multi-story facility on the same site. In addition to the new construction grant allowance, the SAB will provide a supplemental grant to fund 50 percent of the replacement cost of the single story facility(s) to be replaced if the following conditions are met:

- ◆ The school must be on a multi-track year-round education schedule.
- ◆ The cost of the demolition and replacement must be less than the cost of providing a new school facility, including land, on a new site for the additional number of pupils housed

as a result of the replacement facility(s), as determined by the SAB.

- ◆ The district will increase the pupil capacity on the site when it builds the replacement plus new facility area.
- ◆ The California Department of Education has determined that this action would be the best available alternative and will not create a school with an inappropriate number of pupils in relation to the size of the site.

The regulations can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Questions about this program can be directed to Mr. T. J. Rapozo at 916.324.2557 or Ms. Lina Lessa at 916.322.0260.

Changes to Financial Hardship Application Criteria

The State Allocation Board accepted the recommendations presented by the Office of Public School Construction (OPSC) with the exception of one modification and approved the proposed amendments to the Financial Hardship regulations. These amendments came about in response to the Board's concerns over the disproportionately high number of districts making applications as Financial Hardship districts without making any contribution to their projects. The goal of these recommendations is to provide greater equity in the distribution of the limited hardship funds. The process of amending these regulations will bring about the following changes:

- ◆ To show reasonable effort, districts will be required to substantiate indebtedness at 60 percent of the district's total bonding capacity, or the district has passed a local bond for at least the maximum allowed under Proposition 39.
- ◆ A retention amount, per classroom, will be allowed for interim housing of the current unhoused pupils of the district and this amount will not be deemed available as a matching contribution. A similar provision will also be made for necessary interim toilet facilities.
- ◆ A provision, under specified conditions, for a district that has been denied financial hardship status to potentially receive State Relocatable classrooms at \$2,000 per year.
- ◆ Clarifying language is added to the regulation with regard to the financial hardship process after the initial approval.
- ◆ A provision is added that essentially grandfather any previous financial hardship approvals under the old regulation guidelines, but only for that phase of the project.

For complete details on these and additional proposed regulatory changes, please access the OPSC Web site at www.dgs.ca.gov/opsc.

Status of Funds

Per the June 27 and July 25, 2001 State Allocation Board Meeting

Program	Funds Available as of 05.23.01	Fund Transfer	Apportionments and Adjustments	Balance Available as of 06.27.01	Apportionments and Adjustments	Balance Available as of 07.25.01
Proposition 1A						
New Construction	1,076.7	0	(125.1)	951.6	0.2	951.8
Modernization	0.1	0	0	0.1	0.2	0.6
Hardship	76.4	13.7	(90.1)	0	0	0
Facility Hardship (Reserved)	48.2	(13.7)	(5.8)	28.7	0.1	28.8
Subtotal	\$1,201.4	0	(\$221.0)	\$980.4	\$0.5	\$980.9
Prior Bond Funds						
Contingency Reserves	46.0	0	2.6	48.6	(13.9)	34.7
AB 191	3.7	0	0	3.7	0	3.7
Subtotal	\$49.7	0	\$2.6	\$52.3	(\$13.9)	\$38.4
Grand Total	\$1,251.1	0	(\$218.4)	\$1,032.7	(\$13.4)	\$1,019.3

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.
The State Allocation Board funded approximately \$28,033 for the Deferred Maintenance Program in June and \$276,661 in July.

Construction Cost Indices

Lease-Purchase Program

	June 2001	July 2001
Class "B" Buildings	1.41	1.41
Class "D" Buildings	1.40	1.40
Furniture and Equipment	1.39	1.39
Historical Savings Index	6.45	8.20

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.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814



Advisory Actions 2001

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: August 22, 2001
Issue Number 07

Executive Corner

Facility Hardship Reserve Replenished

When Hardship reserves were recently exhausted, the State Allocation Board (SAB) chose to completely fund eligible New Construction applications by transferring funds from other funding categories. This action included a transfer of an additional \$13.7 million from those funds previously set aside for Facility Hardships. At its August meeting, the SAB moved to replenish these Facility Hardship funds. Please see the article included in this issue for more details on this topic.

Sincerely,

Luisa M. Park
Executive Officer
Office of Public School Construction



*Luisa Park, appointed as OPSC's
Executive Officer by Governor Gray Davis*

Governor Appoints Luisa Park As OPSC Executive Officer

The Office of Public School Construction (OPSC) is very pleased to announce the recent appointment by Governor Gray Davis of Luisa Park to the position of Executive Officer. Ms. Park has been serving in the capacity of Interim Executive Officer for the OPSC for the past two years. She has proven herself an especially capable manager in guiding the organization in the challenging transition from the Lease-Purchase Program to the School Facility Program. Ms. Park states that she is honored by the Governor's confidence placed in her as evidenced by the appointment.

The Department of General Services has also expressed its delight in the appointment: Barry Keene, Director, writes: "During her tenure as Acting Executive Officer, she has demonstrated thoughtful, aggressive, and creative responses to the many challenges and controversies inherent in the construction of public schools throughout California." Karen McGagin, Deputy Director, adds: "It has been a pleasure to work with Luisa over the past four years. She has amazing skills in working with the various stakeholders involved in school facilities and is highly regarded."

Ms. Park has a distinguished history of public service and is an excellent example of a conscientious and talented individual that has risen through the ranks. She began her civil service career at the Public Employees Retirement System (PERS) in 1977, transferring from there to the Division of the State Architect (formerly known as the Office of State Architect), and finally joining the OPSC (formerly known as the Office of Local Assistance) in 1981, where she has spent the last 18 years in various management capacities. In 1995 Ms. Park was appointed Deputy Executive Officer, which ultimately led to the position of Interim Executive Officer. Serving now in her new capacity as Executive Officer, Ms. Park continues to play a pivotal role in the direction of this office, now with even greater responsibility; a challenging role she accepts confidently, seriously and with an attitude of service. We invite you to join us in congratulating Luisa Park on this notable achievement as we look forward to providing even greater service to California's public schools and its children under the solid leadership of its new Executive Officer.

Approval To Purchase Relocatables

The State Allocation Board has approved the purchase of up to 400 State relocatable classrooms. The Office of Public School Construction (OPSC) receives requests for approximately 73 relocatable classrooms per month, on average. Currently, the OPSC does not have any classrooms in inventory and has established a waiting list for districts to receive classrooms. The authorization to purchase 400 relocatable classrooms at this time will address some of the current year's need, and provide a small emergency inventory. Districts are encouraged to submit applications now for deliveries that will begin in late spring, 2002.

OPSC Reminders...

- ▶ **State Allocation Board Meetings***
September 26, 2001
October 24, 2001
- ▶ **State Allocation Board Implementation Committee Meetings***
October 5, 2001 – Sacramento
November 2, 2001 – Ontario
- ▶ **Joint Use Funding Cycle**
July 1, 2001 – May 30, 2002: Period for Districts eligible to participate in the Lease-Purchase Program funding of Joint Use projects for gymnasiums, multipurpose rooms and libraries (SB 1795).
- ▶ **SFP New Construction Application Timeline**
Applications accepted by the OPSC prior to September 28, 2001 will be processed for consideration at the December 2001 SAB Meeting.
- ▶ **Interest Earned Report (Form SAB 180)**
Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.

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

Deferred Maintenance Program... Program Improvements in the Works

Streamlining solutions, among other Deferred Maintenance Program (DMP) improvement topics, were discussed by the Board at its August meeting. The DMP is already a highly successful program and realizes a high percentage of school district participation statewide. With that said, there remains a concern that some districts are not maintaining facilities at acceptable levels and are, in fact, continuing to fall behind on needed maintenance work. This is understood to be primarily attributable to an aging facilities inventory and a corresponding lack of dedicated funding.

In the wake of the DMP regulation changes proposed earlier this year, the Office of Public School Construction (OPSC) presented a report at the August meeting of the State Allocation Board (SAB) which addressed a number of issues, including questions such as:

- ◆ What deferred maintenance guidelines are currently made available to districts?
- ◆ What accountability measures are in place regarding completion of projects included on five-year plans and what percentage of these are completed?

Material Inaccuracy

The State Allocation Board (SAB) has adopted regulations to implement Senate Bill 2066. This statute provides prescriptive remedies when falsely certified information is encountered; also described as "material inaccuracy".

The regulations contain the following major provisions:

- ◆ A material inaccuracy is any falsely certified information that allowed the district to receive a funding advantage.
- ◆ The SAB must find that a material inaccuracy occurred, prior to the imposition of any repayment or other remedy.
- ◆ When a material inaccuracy finding has been made, the district will be prohibited from further self-certification for a period of up to five years, and will be required to pay appropriate processing costs as a result of the additional verifications that must be made by the Office of Public School Construction.

- ◆ Are there standards for the timely completion of essential maintenance efforts?

The Board accepted the report and directed the OPSC to begin a thorough review of the SAB regulations on Deferred Maintenance, with an emphasis on:

- ◆ Application streamlining
- ◆ Local involvement in the five-year plan
- ◆ Assurances that Critical Hardship projects meet legal standards of eligibility
- ◆ Completion of Critical Hardship projects in a timely manner
- ◆ Efforts to ensure full district participation

The Board also directed the OPSC to make a determination as to the actual need for a Best Practices Manual for Deferred Maintenance and to complete a more detailed analysis of the possible cost of production.

Questions regarding the DMP may be directed to Ms. Rachel Wong at 916.445.7880 or Ms. Lisa Constancio at 916.322.0317.

- ◆ If an apportionment was made, it shall be reduced by the amount of the additional funding realized as a result of the material inaccuracy.
- ◆ If a fund release is made, the amount of the fund release resulting from the material inaccuracy shall be repaid within five years in a manner prescribed by the SAB.

It is anticipated that these regulations will be finalized through the regulatory process by early 2002.

Hardship Funding: Declarations

As of the June 2001 State Allocation Board (SAB) meeting, all School Facility Program (SFP) hardship category funds, which includes financial hardship and excessive cost grants, have been exhausted and the SAB is unable to make the full apportionment for these new construction projects that otherwise meet the SAB funding priority requirements. Excessive cost grants are frequently used to cover a portion of a new construction application to fund excessive costs that are not covered by the basic grant such as those associated with geographic location and small size projects (Regulation Section 1859.83).

On August 14, 2001, the Office of Public School Construction (OPSC) contacted all districts that have an application that is currently being processed by the OPSC or that has received an "unfunded approval" by the SAB, to request a declaration of its funding preference pursuant to Regulation Section 1859.94. This Section, regarding hardship funding, was approved by the Office of Administrative Law and filed with the Secretary of State, effective August 13, 2001 and allows districts to either accept or decline partial funding for the project. If a district accepted funding, it would receive a partial apportionment with the unfunded portion (financial or excessive cost hardship) of the project being placed on the "unfunded" list. If a district declined funding, the entire project would be placed on the "unfunded" list.

There are important time limit issues for a district to consider when electing the option to take a partial apportionment and have the "hardship" portion of the project placed on the "unfunded" list. Under law, once a partial apportionment is made, time limits will be initiated that the district must comply with such as:

Time Limit To Submit A Fund Release Request

A district must submit the Form SAB 50-05, *Fund Release Authorization*, within 18 months of receiving an apportionment for a separate site or adjusted grant. Please see the information contained on Form SAB 50-05. The SFP Regulation Section 1859.90 stipulates that this form must be submitted within 18 months of the apportionment of an SFP grant or the entire new construction or modernization grant will be rescinded without further Board action.

Time Limit To Demonstrate Substantial Progress

Once a fund release has occurred, a district has 18 months to demonstrate that substantial progress has been made on a project. Please refer to SFP Regulation Section 1859.105 for a list of the specific criteria for achieving substantial progress. Additionally, districts that receive the funds immediately released for Separate Design are advised to take special note of Section 1859.105(c), which requires that an acceptable funding application be submitted to the OPSC within 18 months in order to demonstrate substantial progress.

IMPORTANT NOTE: A district may change its declaration of funding option at any time. However, to insure that the project receives consideration under the priority point mechanism for quarterly funding at the September 26, 2001 SAB meeting, the revised declaration request must be signed by the authorized district representative and received by the OPSC no later than September 14, 2001.

Project Tracking Number Generator

A Web site is currently being developed that will allow school districts a point of entry in beginning a school facility project. This interactive Web-based application will generate a project tracking number each time a school district logs in a proposed school facility project. The benefit of the project tracking number system to school district representatives and other stakeholders will be the ability to access the status of a specific school district project through the Project Tracking Systems offered by the Division of the State Architect (DSA), the Office of Public School Construction (OPSC) and the California Department of Education, as the project progresses through the various approval processes. To obtain the project tracking number, a school district will

enter information about a proposed project, such as the name of the school, type of school, type of project, square footage, and other basic information. The project tracking number will be required on all application forms for the three State agencies.

This Web site will provide a summary of the basic information entered by the district on each school project assigned a project tracking number. This will assist school districts in managing their projects and avoid duplicate entries for the same project.

Some school districts will be asked to participate in the testing of the Web site. It is anticipated that this Web site called the "Project Tracking Number Generator" will be online October 1, 2001.

Application Processing Date Change... Regulations Adopted

The Office of Public School Construction (OPSC), after months of research, analysis and discussion on this issue, presented date change regulations that were adopted by the State Allocation Board at its August meeting. These regulations, when finalized through the regulatory process, will provide for consideration of a date change if a district has received a certification letter by either the OPSC, the California Department of Education, the Division of the State Architect or the Department of Toxic Substance Control, that the project was delayed in its processing. If the project were delayed, the amended regulations would provide that:

- ◆ The project may receive an earlier date on the "unfunded" list as a result of the delay.
- ◆ The project could receive funding in a subsequent quarter if the project would have received funding in an earlier quarter, had it not been disadvantaged by the State agency.

Other Regulation Updates

Use of Grants

Section 1859.77.2, Use of New Construction Grant Funds, was approved by the Office of Administrative Law (OAL) and filed with the Secretary of State, effective August 13, 2001. Section 1859.77.2 was simplified in order to allow the Office of Public School Construction to accept and process any use of grants request that did not exceed the threshold of 135 percent of capacity while priority points are in effect. When priority points are not in effect, the maximum threshold of 135 percent can be exceeded and will allow districts more flexibility to request projects with limited capacity.

SAB 50-04 (*Be Sure To Use The Latest Version*)

The Form SAB 50-04, *Application for Funding*, was amended with an effective revision date of 03/01. Districts should be advised that the 03/01 version is available on our web site and must be utilized when submitting applications. The Form SAB 50-04 was amended to include an additional certification relating to the use of new construction grants.

Please take note of the important information addressed in a separate article in this issue regarding the hardship funding declaration. For complete details on these and additional proposed regulatory changes, please access the OPSC Web site at www.dgs.ca.gov/opsc.

Status of Funds

Per the August 22, 2001 State Allocation Board Meeting

Program	Funds Available as of 07.25.01	Apportionments and Adjustments	Balance Available as of 08.22.01
Proposition 1A			
New Construction	951.8	(12.6)	939.2
Modernization	0.3	0	0.3
Hardship	0	0	0
Facility Hardship (Reserved)	28.8	14.3*	43.1
Subtotal	\$980.9	\$1.7	\$982.6
Prior Bond Funds			
Contingency Reserves	34.7	0.2	34.9
AB 191	3.7	0	3.7
Subtotal	\$38.4	\$0	\$38.6
Grand Total	\$1,019.3	\$1.9	\$1,021.2

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.
The State Allocation Board funded approximately \$42,498 for the Deferred Maintenance Program.

*Includes a \$13.7 million transfer of funds from the State Relocatable Program.

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for August 2001

Class "B" Buildings	1.41
Class "D" Buildings	1.40
Furniture and Equipment	1.39
Historical Savings Index	8.20

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.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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Advisory Actions 2001

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: September 26, 2001
Issue Number 08

Executive Corner



Luisa M. Park
Executive Officer

Progress Towards A Seamless School Facility Process!

The Office of Public School Construction, in cooperation with the Division of the State Architect and the California Department of Education, has developed a new Web site for the purpose of jointly tracking all school facility project applications. A Project Tracking Number is the key to a simpler, systematic tracking system that is as close as your Internet keyboard. We are on the threshold of a new era in serving our school facility construction clients with the development of this extremely useful Web site. Please be sure to read the article in this issue that explains how to “get on board” with your interactive Web-based application.

Sincerely,

Luisa M. Park
Executive Officer
Office of Public School Construction

Important New Web Site... Project Tracking Number Generator

To introduce the Project Tracking Number (PTN) Generator Web site we have mailed letters with detailed information to all school districts, statewide, and to numerous other school facility stakeholders. Why is this so important? Beginning October 1, 2001, all newly proposed school facility projects will be established through this Web site. With this new system, a district will be able to have each new project identified by a number recognized equally by the Office of Public School Construction (OPSC), the Division of the State Architect (DSA) and the California Department of Education (CDE). The tracking number does not represent a project application number but rather, provides the means for continuity of project data between the three offices. As projects progress, the PTN's will provide means for status updates quickly and conveniently for all interested parties.



Project Tracking Number Generator Home Page

To effectively implement this system and to ensure consistency and quality, the above agencies must require that a PTN be first established and included on the following forms in order for them to be accepted:

- ◆ Form 4.02, School Site Report (filed with the CDE)
- ◆ Form 4.03, School Site Certification (filed with the CDE)
- ◆ Form 4.07, Plan Submittals for New Construction Projects (filed with the CDE)
- ◆ Form 4.08, Summary of Modernization Specifications (filed with the CDE)
- ◆ Form SAB 50-04, Application for Funding (filed with the OPSC)
- ◆ Form ORS-1, Application for Approval of Plans and Specifications (filed with the DSA)

If a form is being submitted that does not yet have a place for the PTN, please write the assigned PTN at the top right hand corner of the application form, example: **PTN: 12345-1**.

NOTE: A PTN will *not* be required for projects filed with the OPSC that already have a School Facility Program or Lease-Purchase project application number assigned.

To assure a user-friendly product some school districts participated in the testing of the Web site and their suggestions have been incorporated. The “Project Tracking Number Generator” Web site is now online at: http://www.opsc.dgs.ca.gov/projnumgen/proj_track_home.asp.

OPSC Reminders...

- ▶ **State Allocation Board Meetings***
October 24, 2001
Combined November/December 2001 – TBA
- ▶ **State Allocation Board Implementation Committee Meetings***
November 2, 2001 – Ontario
December 14, 2001 – Sacramento
- ▶ **SFP New Construction Application Timeline**
Applications accepted by the OPSC on or prior to December 31, 2001 will be processed for consideration at the March 2002 SAB Meeting.
- ▶ **Deferred Maintenance Program**
Five Year Plan and Critical Hardship applications for this fiscal year are due May 30, 2002.
- ▶ **Joint Use Funding Cycle**
July 1, 2001 – May 30, 2002: Period for Districts eligible to participate in the Lease-Purchase Program funding of Joint Use projects for gymnasiums, multipurpose rooms and libraries (SB 1795).
- ▶ **Interest Earned Report (Form SAB 180)**
Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.
- ▶ **Project Tracking Number**
Project Tracking Number (PTN) required on specified forms effective October 1, 2001.

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

Assembly Bill 1558 Amended Regulation Adopted... SFP Major Maintenance Requirements

The State Allocation Board (SAB) has adopted amendments to the School Facility Program (SFP) Regulations which will implement Assembly Bill (AB) 1558, now Education Code (EC) Section 17070.77, pertaining to the annual certification of major maintenance plans.

Districts may ask, "What's new about an annual major maintenance plan?" School districts have long been required to complete a publicly approved ongoing and major maintenance plan for its existing facilities under EC Section 17070.75(3). The answer to this question is that AB 1558 places additional requirements specific to the maintenance needs for those specific facilities in any project funded through the SFP after January 1, 2002.

For those districts that receive SFP project funding after January 1, 2002, EC Section 17070.77 provides that the SAB must require the district's governing board to annually certify that the plan includes and is being implemented with all of the following components:

- ◆ Identification of the major maintenance needs of the SFP project.
- ◆ A schedule for completing the major maintenance needs.
- ◆ A current cost estimate of the major maintenance needs.
- ◆ A schedule for funding a reserve for the major maintenance needs.
- ◆ Annual review of the plan approved pursuant to EC Section 17070.75(3) as part of the district's annual budget process to update for:
 - *Revised major maintenance needs identified in the SFP project.*
 - *Revised costs, if necessary, for the major maintenance needs identified in the SFP project.*
 - *Adjustments in funding the reserve, if necessary, for the major maintenance needs identified in the SFP project.*
- ◆ Availability of the plan for public inspection.
- ◆ A provision in the district's annual budget for a reserve to address the total estimated cost of the major maintenance needs specified in the updated plan, and an explanation if the reserve is less than the estimated cost of the major maintenance needs in the plan.

After the first of the year, the certification is required as a condition of receiving an SFP apportionment. Once the regulatory amendments are final, a revised Form SAB 50-04, *Application for Funding*, will contain the specific initial certification language. Because the regulatory changes to this form will not become administrative law until after the first of the year, the OPSC will accept, as evidence of compliance, the certification currently required by all applicants which states that the district is "complying with all applicable laws". Compliance with the annual certification will be part of the district's *Deferred Maintenance Five Year Plan*, Form SAB 40-1, which will now be required on an annual basis for those districts funded under the SFP after January 1, 2002.

It is important for districts to be aware that compliance with this law is the sole responsibility of the applicant school district, and that the legislation defines major maintenance as "... all actions necessary to keep roofing, siding, painting, floor and window coverings, fixtures, cabinets, heating and cooling systems, landscaping, fences, and other items designated by the governing board of the school district. . ."

State Allocation Board Executive Officer Appointed

The State Allocation Board, at its September meeting, adopted the formal resolution appointing Luisa Park as the Executive Officer of the State Allocation Board. This action followed the recent appointment by Governor Gray Davis of Ms. Park as the Office of Public School Construction Executive Officer.

You can read more on Ms. Park's appointment by the Governor in last month's issue of *The OPSC Advisory Actions 2001* that can be located on the OPSC Web site at www.dgs.ca.gov/opsc.

Phil Shearer Retires A Legacy of Lasting Contributions and Service “For the kids”...

After nearly 28 years of dedicated State service, Mr. Phil Shearer has retired as Chief of Operations from the Office of Public School Construction (OPSC), and begins an exciting new phase of his life beside his wife of 33 years, Peggy, and his family. Phil is known for his commitment to the children of California. A phrase often heard from Phil is, “It’s for the kids!” A phrase and attitude of service that Phil leaves deeply embedded into the hearts and minds of the OPSC staff.

Phil began his career at the OPSC, known at that time as the Office of Local Assistance, in March 1974 as an auditor in the Accounting Unit. He worked as an auditor until March 1979. Following an organizational downsizing (the time he likes to jokingly refer to as when he was fired), Phil transferred to the California Department of Education in April 1979 only to return to the OPSC as a Field Representative in January 1981. His vast program knowledge, skill, leadership and hard work earned him a number of well-deserved promotions to his eventual current position as Chief of Operations. Among his immeasurable accomplishments, Phil has led a professional staff that has apportioned more than \$14 billion to California school districts during his tenure.

At the September 26th State Allocation Board (SAB) meeting, the Board honored Phil for his years of unwavering integrity and invaluable con-

tributions in shaping California’s public school construction process, with the presentation of a Board resolution as a token of gratitude for his faithful service to the SAB and the OPSC. Phil’s family was in attendance at the SAB meeting and looked on with pride.

Phil and his wife have future travel plans and enjoy home projects between trips. Phil also enjoys cycling; *you might have caught him riding his bike at his retirement party!* Most importantly, Phil and Peggy enjoy spending time with their beloved family, especially their four grandchildren. Who knows; Phil may even be seen around the halls of OPSC a day or two a week, to continue some work for the OPSC... after all, “It’s for the kids!”



Jim Bush watches and applauds as Assembly Member Marco Firebaugh congratulates Phil Shearer after receiving a resolution from the State Allocation Board honoring him for 27 years and 8 months of dedicated State service.



Rosamond Bolden congratulating Phil Shearer as Annette Porini and Duwayne Brooks applaud.

CBEDS Enrollment Reporting... Change in Reporting Timelines

Enrollment reporting for purposes of establishing eligibility in the School Facility Program (SFP) is based on the latest California Basic Educational Data System (CBEDS) information. Historically, the Office of Public School Construction (OPSC) has allowed eligibility to be determined based on this source of enrollment received as late as December 31st of each year. During this “grace period”, districts were permitted to submit applications based on either the latest or the prior year CBEDS. Districts submitting applications after

December 31st were required to submit “updated” enrollment based on the latest CBEDS report.

The SFP Regulations do not provide for this “grace period” and accordingly, the OPSC is no longer accepting SFP application submittals based on the prior year CBEDS up to December 31st. Once a district submits its October 15th CBEDS information to its county office of education, this data must be utilized to update its eligibility prior to submittal of a SFP application, pursuant to Regulation Sections 1859.51 and 1859.61.

Reservation of Administration Expenditures: 2002/2003

At its August 2001 meeting, the State Allocation Board (SAB) approved the reservation of funds for on-going administrative expenditures for the 2001/2002 Fiscal Year with added direction to the Office of Public School Construction to bring back a recommendation to consider also reserving

administrative funds for fiscal year 2002/2003. The SAB at its September meeting approved the additional reservation of funds through June 2003, with a provision for use of prior bond funds for the remainder of the 2002/2003 Fiscal Year if needed.

Pacifica High School Dedication

Congratulations to the Oxnard Union High School District for the recent completion of its newest high school, Pacifica High. Among the many special guests attending the August 24, 2001 dedication ceremonies were Senator Jack O’Connell, Oxnard Mayor, Manuel Lopez and Ventura County Supervisor, Kathy Long. This \$47 million high school was funded as a 50/50 project through the Lease-Purchase Program with actual construction being accomplished within a two-year timeframe. Located on 53 acres, this 223,000 square foot facility contains 88 teaching stations with a pupil capacity of over 2,600 and, in addition to essential core facilities, boasts a Performing Arts Center that establishes Pacifica High as a Magnet school for the District’s Arts Program.



Plan Verification Team... Process Refinement

The Office of Public School Construction’s (OPSC) June/July issue of *The OPSC Advisory Actions 2001* introduced a helpful new alternative for responding to the Plan Verification Team’s (PVT) “15-Day” letter; specifically, the option to request a meeting to clarify a school district’s request for additional grants for site development costs. When this alternative procedure was established it allowed a school district ten calendar days from the date of the “15-Day” letter to contact the PVT when it chose the option of meeting with the PVT Supervisor to resolve issues related to its findings. The overwhelming response to this option has confirmed its value to our clients; however, the high volume of such requests has also made it necessary to further refine this process. A district will now have five calendar days from the date of the “15-Day” letter to contact the PVT. This adjustment, effective immediately, will enable the PVT to continue offering this important option and the high level of service it provides while assuring the necessary processing time to address these important cost issues.

These meetings may be scheduled on a Monday, Wednesday, or Friday during regular business hours (8 a.m. to 5 p.m.). Again, if you wish to take advantage of this option, please contact Ms. Gretchen Winczner at 916.323.4455 within 5 calendar days of receipt of a “15-Day” letter, to schedule an appointment with the PVT.

Fourth Quarter Funding

The September State Allocation Board meeting resulted in the approval of more new construction funding. The quarterly funding mechanism for new construction (NC) projects, which was initiated on December 13, 2000, has now progressed through its fourth quarter. The quarterly activity is summarized in the table.

Funds available for the remaining quarterly allotments are estimated to be approximately \$122,746,471 per quarter. Some funding activity may continue at regularly scheduled monthly Board meetings such as health and safety facility hardship projects that are exempt from priority points.

Quarter	Time Period	Qualifying Receipt Date	SAB Date *	Number of Projects Funded	NC Funds Apportioned †
First	10/01/00–12/31/00	09/29/00	01/03/01	68	\$5,775,668
			01/24/01 ‡	32	\$117,676,633
Second	01/01/01–03/31/01	12/29/00	02/28/01	24	\$3,150,385
			03/28/01	48	\$105,602,665
Third	04/01/01–06/30/01	03/30/01	04/25/01	7	\$4,283,482
			05/23/01	53	\$8,528,488
			06/27/01	71	\$125,109,305
Fourth	07/01/01–09/30/01	06/29/01	07/25/01	0	\$0
			08/22/01	1	\$0 †
			09/26/01	16	\$121,194,262

Total New Construction Category Funds Apportioned: \$491,320,888

* Monthly SAB Meetings, other than the Quarterly meeting, for “exempt projects” only.

† This total represents the New Construction Category funds only, excluding excessive and hardship funds.

‡ The first quarter funding for projects subject to priority points occurred at the January 24, 2001 SAB meeting, as directed by the Board on January 3, 2001.

Status of Funds

Per the September 26, 2001 State Allocation Board Meeting

Program	Funds Available as of 08.22.01	Apportionments and Adjustments	Balance Available as of 09.26.01
Proposition 1A			
New Construction	939.2	(126.3)	812.9
Modernization	0.3	0.5	0.8
Hardship	0	0	0
Facility Hardship (Reserved)	43.1	(3.0)	40.1
Subtotal	\$982.6	(\$128.8)	\$853.8
Prior Bond Funds			
Contingency Reserves	34.9	(3.9)	31.0
AB 191	3.7	(0.5)	3.2
Subtotal	\$38.6	(\$4.4)	\$34.2
Grand Total	\$1,021.2	(\$133.2)	\$888.0

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.
The State Allocation Board funded approximately \$482,335 for the Deferred Maintenance Program.

Construction Cost Indices

Lease-Purchase Program

Construction Cost Indices for September 2001	
Class "B" Buildings	1.41
Class "D" Buildings	1.40
Furniture and Equipment	1.39
Historical Savings Index	8.20

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.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814

Executive Corner



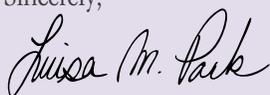
Fresh Start

As we ring in the new year, we have an opportunity to reflect on what has been accomplished over the past year and to look forward to what lies ahead in 2002.

We would like to say “thank you” to our clients and to all those we work with in the construction of school facilities. You have my commitment that we will continuously strive for effective cooperation and quality service in 2002.

In addition, I am very pleased to announce that Karen McGagin has been appointed as the Deputy Executive Officer of the Office of Public School Construction. Ms. McGagin brings over 11 years in state government experience to OPSC.

Sincerely,



Luisa M. Park
Executive Officer
Office of Public School Construction

Karen McGagin, New Deputy Executive Officer to OPSC

Luisa Park, OPSC Executive Officer, announced the appointment of Ms. Karen McGagin as Deputy Executive Officer of OPSC. Ms. McGagin had served since 1997 as Deputy Director, Interagency Support Division at the Department of General Services. She was responsible for the offices of State Publishing, Fleet Administration, the Office of Administrative Hearings, and the office of Public School Construction. In that role, she brought new perspectives to the division operations with a focus on customer service and performance measures. In addition, she represented the Director on the State Allocation Board, Board of Control and the Public Works Board.

From 1994 to 1997, Karen served as Chief Deputy Registrar of the Contractors State License Board in the Department of Consumer Affairs. Her accomplishments at the Contractors State



License Board included initiating an Earthquake Response Center to handle consumer complaints in rebuilding after the Northridge earthquake, overseeing a three-year increase in customer satisfaction at the Board, and reducing the backlog of consumer complaints against contractors.

Karen also served as liaison and principal contact for the Department of Consumer Affairs and the regulatory boards from 1991 to 1994.

Karen graduated from California State University, Sacramento with a BA in government. She and her husband, Bruce, have a son and two daughters.

New Financial Hardship Regulations are in Effect

The amendments to the Financial Hardship regulations, Section 1859.81, became effective December 21, 2001. A district may qualify as a financial hardship (FH) if it can demonstrate that it is unable to provide all or a portion of the district's matching funds required under the School Facility Program, and that it has made all “reasonable efforts” to raise local revenues for that purpose. A district may demonstrate that a “reasonable effort” has been made to pay its share of the project by levying the developer fee justified under law at the time of a FH request, and by meeting one of the following:

- ▶ The current outstanding bonded indebtedness of the district at the time of request for FH status is at least 60 percent of the district's total bonding capacity.

- ▶ The district had a successful registered voter bond election for at least the maximum amount allowed under Proposition 39 within the previous two years from the date of request for FH status.
- ▶ The applicant district is a County Superintendent of Schools.
- ▶ The district's total bonding capacity at the time of request for FH status is \$3 million or less.
- ▶ Other evidence of “reasonable effort” satisfactory to the Board (i.e., case-by-case).

Additionally, the FH amendments provide for interim housing allowances for the current unhoused pupils of a district, which may be excluded from “available” funds.

The complete regulation text can be found on the Office of Public School Construction Web site at: www.opsc.dgs.ca.gov. If you have any questions regarding qualification for financial hardship status, please contact Ms. Julie Ennis at 916.445.0019.

OPSC Reminders...

▶ State Allocation Board Meetings*

- Wednesday, January 23, 2002
- Wednesday, February 27, 2002
- Wednesday, March 27, 2002
- Wednesday, April 24, 2002
- Wednesday, May 22, 2002
- Wednesday, June 26, 2002

▶ State Allocation Board Implementation Committee Meetings for 2002*

- Friday, February 1, 2002 - Sacramento
- Friday, March 8, 2002 - Ontario
- Friday, April 5, 2002 - Sacramento
- Friday, May 10, 2002 - Sacramento
- Friday, June 7, 2002 - Ontario

▶ Joint Use Funding Cycle

July 1, 2001 – May 30, 2002: Period for Districts eligible to participate in the Lease-Purchase Program funding of Joint Use projects for gymnasiums, multipurpose rooms and libraries (SB 1795).

▶ SFP New Construction Application Timeline

Applications accepted by the OPSC on or prior to our next quarter date December 31, 2001 will be processed for consideration at the March 2002 SAB Meeting.

▶ Interest Earned Report (Form SAB 180)

Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.

▶ Project Tracking Number

Project Tracking Number (PTN) required on specified forms effective October 1, 2001.

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

New Construction Quarterly Funding

Quarter	Time Period	SAB Date	Number of Projects Funded	NC Funds Apportioned *
First	10/01/00-12/31/00	01/03/01	66	\$5,775,668
		01/24/01	34	\$117,951,633
Second	01/01/01-03/31/01	02/28/01	24	\$3,150,385
		03/28/01	52	\$107,971,435
Third	04/01/01-06/30/01	04/25/01	7	\$4,308,482
		05/23/01	57	\$12,033,072
		06/27/01	70	\$125,109,305
Fourth	07/01/01-09/30/01	07/25/01	0	\$0
		08/22/01	3	(\$970,700) †
		09/26/01	14	\$121,194,262
Fifth	10/01/01-12/31/01	10/24/01	0	\$0
		12/12/01	21	\$119,455,138

Total New Construction Category Funds Apportioned:

\$615,978,680

*This total represents the New Construction Category funds only, excluding excessive and hardship funds.

†This total represents rescinded projects returning to the New Construction category.

Deferred Maintenance Program Funding

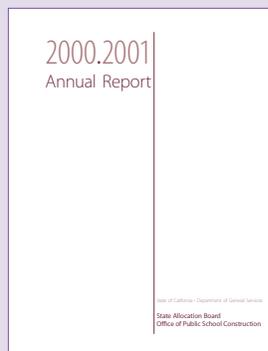
The State Allocation Board (SAB) approved funding for the Deferred Maintenance Program (DMP) on October 24, 2001. Specifically, the SAB approved the following:

- ▶ Requested the State Controller to transfer excess repayments to the DMP.
- ▶ Reserved \$19,603,688 and the unallocated carryover from last year of \$6,455,091 for Critical Hardship projects.
- ▶ Approved and apportioned the basic participation amounts and the critical hardship amounts totaling \$176,413,293. This amount consists of

\$172,512,447 for non-critical hardship districts and \$3,900,846 for critical hardship districts.

- ▶ Approved and apportioned the critical hardship amount of \$23,531,161 for Priority Two projects on the “unfunded list” through August 22, 2001.
- ▶ Approved an extension to November 30, 2001 for this year only, for county treasurers to certify that their school districts have deposited the required funds.

A list of Basic and Critical Hardship apportionments, as well as Critical Hardship “unfunded” approvals can be found on the Office of Public School Construction Web site at www.opsc.dgs.ca.gov. If you have any questions regarding the DMP, please contact Mr. Robert Young at 916.322.6211.



New program changes did not deter our success in reviewing and processing funding applications. These applications represent nearly \$2.7 billion in funding allocated by the SAB to school districts during this fiscal year. A complete application summary is contained in the 2000-2001 Annual Report.

2000-2001 Annual Report

The Office of Public School Construction's 2000-2001 Annual Report is available on our Web site at www.dgs.ca.gov/opsc under “Resource Information.”

Substantial Progress

The SFP law requires that a district show that substantial progress has been made on a project within 18 months of the fund release. Under Regulation Section 1859.105(b) and (c), the current criteria for substantial progress for separate design and/or site projects presents significant issues for many financial hardship districts. The criteria does not consider circumstances that may prevent a district from complying with the 18 month timeline. The issues associated with the current criteria include:

- ▶ Architectural design issues that may preclude timely submission of plans to the Division of State Architect.
- ▶ Site issues such as toxics, CEQA concerns, unwilling sellers and/or condemnation issues that can lead to delays in completion of the building plans since they require for design integrations to existing site conditions.
- ▶ Unknown site toxic issues encountered after the receipt of site funds that deter progress from being made.

Failure to demonstrate substantial progress results in a reduction of the apportionment for the project and a return of all uncommitted funds to the State.

The proposed amendments, adopted by the State Allocation Board on December 12, 2001, provide flexibility to school districts with projects that have received separate design approvals and allow for additional means of meeting or demonstrating that the project is progressing satisfactorily. These amendments will be applied to those separate design and/or site projects previously approved and apportioned that are due to be rescinded after December 26, 2001.

It is anticipated that the regulatory amendments will be filed with the Office of Administrative Law in May 2002. The proposed regulation text can be found on the Office of Public School Construction Web site at www.opsc.dgs.ca.gov. If you have questions regarding substantial progress, please contact Mr. Tom Flaman at 916.322.0172.

Use of the Project Tracking Number Generator

In the September 2001 Advisory Action and in a letter dated September 19, 2001 to all District Superintendents, the Office of Public School Construction (OPSC) introduced the Project Tracking Number (PTN) Generator Web site. As you may recall, beginning October 1, 2001, all newly proposed school facility projects would be recorded in the Web site. This new system allows a district to identify each new project by a simple number equally recognized by the OPSC, the Division of the State Architect, and the California Department of Education. The PTN does not represent a project application number; instead, it provides the means for continuity of project data linked between the three offices. As projects progress, the PTN will provide the means for status updates quickly and conveniently for all interested parties.

The OPSC has sent a follow-up letter dated January 3, 2002 to all school districts and county superintendents of schools concerning the PTN Generator Web site. If you are authorized to file applications on behalf of a district, please contact your District Superintendent for a copy of the current letter that provides the password vital to assigning projects a PTN.

The PTN Generator Web site can be found at http://www.opsc.dgs.ca.gov/projnumgen/proj_track_home.asp.

48-Hour Notice... Reminder!

As you may recall, at the July 26, 2000 State Allocation Board meeting, the Board directed the Office of Public School Construction (OPSC) to verify that all work proposed in the plans be reviewed and, when appropriate, approved by the Division of State Architect (DSA). In order to accomplish this task, the OPSC compares the cost estimate of the work submitted to the DSA to the estimated funding requested on the Form SAB 50-04, *Application for Funding*. The applications are accepted for processing when at least 60 percent of the State and district grant total is designated for construction costs. If the cost estimate submitted to the DSA represents less than 60 percent of the State and district grant, the district will be alerted by a 48-hour notice. This notice will provide the district an opportunity to submit a revised cost estimate to the DSA

or reduce the number of pupil grants requested on the Form SAB 50-04. If a revised cost estimate is submitted to the DSA, the district must submit to the OPSC a receipt from the DSA demonstrating that it has accepted the revised cost estimate.

For complete application submittal requirements, please refer to the OPSC Web site at www.dgs.ca.gov/opsc. If you need additional information, please contact Gloria Martinez, Application Review Team Supervisor, at gloria.martinez@dgs.ca.gov or 916.445.0529.

Status of Funds

Per the October 24 and December 12, 2001 State Allocation Board Meetings

<i>Program</i>	<i>Funds Available as of 09/26/01</i>	<i>Fund Transfers</i>	<i>Apportionments and Adjustments</i>	<i>Balance Available as of 10/24/01</i>	<i>Apportionments and Adjustments</i>	<i>Balance Available as of 12/12/01</i>
Proposition 1A						
New Construction	812.9	0.0	0.0	812.9	(119.1)	693.8
Modernization	0.8	0.0	0.0	0.8	0.0	0.8
Hardship	0.0	0.0	0.0	0.0	0.2	0.2
Facility Hardship (Reserved)	40.1*	0.0	(3.9)	36.2	0.0	36.2
Subtotal	853.8	0.0	(3.9)	849.9	(118.9)	731.0
Prior Bond Funds						
Contingency Reserves	31.0	(0.6)	1.9	32.3	0.4	32.7
AB 191	3.2	0.0	0.0	3.2	0.0	3.2
Northridge Earthquake	0.0	0.6	(0.6)	0.0	0.0	0.0
Subtotal	34.2	0.0	1.3	35.5	0.4	35.9
Grand Total	888.0	0.0	(2.6)	885.4	(118.5)	766.9

*Includes a \$13.7 million transfer of funds from the State Relocatable Program.

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

Senate Bill 1795 Lease-Purchase Program Funding for Joint Use Projects

At the October 24, 2001 State Allocation Board (SAB) meeting, the Board adopted additional funding for certain previously approved and funded Joint Use projects (i.e., multipurpose, gymnasium, or library). These increases were necessary to provide eligible project costs which could not be verified before the applications were presented to the Board in July 2001. To prevent this from reoccurring, the time allowed to process future applications was amended at the July 2001 SAB to allow an additional 30 days, which make due to time constraints the new deadline date, May 30, 2002.

If you have any questions regarding SB 1795 Joint Use Projects, please contact Mr. Stevan Wood at 916.323.7109.

Additional Cost Grants for Facility Hardship Projects

Currently, existing Regulation Section 1859.82 provides that a replacement facility may receive grants based on a specified dollar amount per square foot or by a per pupil dollar amount, based on the circumstances of the project. This Section also provides that a district may receive additional grants for site development (Section 1859.76) and excessive cost grants (Section 1859.83). It does not, however, provide for the additional costs for students with exceptional needs, multilevel construction, or project assistance. The Board's December 12th approval will provide for these additional costs in the facility hardship replacement projects, when appropriate. On December 12, 2001, the State Allocation Board adopted the proposed regulatory amendments in order to enhance a school district's ability to maximize its funding opportunities when approved for a "health and safety" facility hardship replacement project.

Request for Project Rescission

Until now the Office of Public School Construction's (OPSC) has taken the position that a School Facility Program apportionment may not be rescinded prior to the 18-month "release of funds" timeline expiration. However, based on a recent legal opinion, if a district requests rescission of a project apportionment before the 18-months expires, the OPSC will honor the request and rescind the apportionment at that time. This approach allows the apportionment to be available to other projects for the next funding cycle. If the rescinded project was not a financial hardship and the district subsequently submits a financial hardship request for the same project or another project, the 50 percent district match originally certified as available on the rescinded project will be considered as an available district contribution on the new projects. If you have questions regarding project rescission requests, please contact your Project Manager.

State Relocatable Classroom Program Activity

The State Allocation Board approved the immediate purchase of 200 relocatable classrooms on August 22, 2001. These classrooms will be available and ready for delivery in Spring/Summer 2002. In addition, a \$9,450 allowance is available for reimbursement of eligible costs associated with the site preparation, electrical and fire alarm hook-ups, Division of State Architect plan check, and furniture. Interested districts should submit applications as soon as possible in order to receive the buildings in a timely manner.

If you have questions regarding relocatable classrooms, please contact Ms. Olivia Campos-Mulligan at 916.323.2282 or Ms. Kathleen Hartman at 916.323.7794.

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for:
October, November and December 2001

	Oct. 2001	Nov. 2001	Dec. 2001
Class "B" Buildings	1.42	1.42	1.43
Class "D" Buildings	1.42	1.42	1.43
Furniture and Equipment	1.39	1.39	1.39
Historical Savings Index	9.07	9.07	9.07

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.

Federal School Renovation Grant Program

The United States Department of Education has set aside approximately \$103 million for the renovation and repair of schools in California. These funds will be made available through the Federal Renovation Program administered by the SAB/OPSC. The regulations to implement this new program will be brought to the SAB at the January 23rd meeting. Upon approval, the OPSC will be conducting outreach presentations at various locations throughout the State. Please check the OPSC Web site for dates and locations.



Advisory Actions 2001

Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814