

ADVISORY ACTIONS

ISSUE NO. 01

from the
 State Allocation Board
 meeting held on
 January 28 and
 February 25

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OPSC REMINDERS...

- ▶ **State Allocation Board Meetings***
 Wednesday, April 28, 2004
 Wednesday, May 26, 2004
- ▶ **Implementation Committee Meetings***
 Thursday, April 1, 2004
 Friday, May 7, 2004
- ▶ **SFP Regulation Status**
 The current status of the SFP Regulations as a result of Executive Order S-2-03 can be viewed under the "What's New" section of the OPSC Web site.
- ▶ **SFP Joint Use Funding Cycle**
 The filing dates for the SFP Joint Use Program are June 1, 2003 through May 31, 2004 to be apportioned July 2004.
- ▶ **LPP Joint Use Funding Cycle**
 The filing dates for the LPP Joint Use Program (SB 1795) have been extended for another year and are June 1, 2003 through May 31, 2004 to be apportioned July 2004.
- ▶ **Interest Earned Report (Form SAB 180)**
 Due quarterly (March 31, June 30, September 30 and December 31) from each county for all districts which have earned interest from the Leroy F. Greene Lease-Purchase Fund.

*For the latest meeting dates, times and locations, check the OPSC Web site.



from the desk of Luisa Park, Executive Officer

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

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

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

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

PROGRAM	BOND 2004
New Construction	\$ 5,260,000,000 ^{1,2}
Modernization	2,250,000,000 ²
Critically Overcrowded Schools	2,440,000,000
Joint Use	50,000,000
TOTAL K-12	\$ 10,000,000,000

¹ Up to \$300 million specified for charter school applications.

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

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

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

UPDATE...

Lease Lease-Back Arrangements Within The School Facility Program

BY ELIZABETH DEARSTYNE, OPSC PROJECT MANAGER

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

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

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

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

Deferred Maintenance Annual Apportionment

BY ERIN MOORE, OPSC PROJECT MANAGER

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

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

How does the district receive the basic apportionment funds?

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

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

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

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

How does the district receive the extreme hardship funds?

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

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

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

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

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

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

WHAT YOU NEED TO KNOW ABOUT THE...

Three Percent Routine Restricted Maintenance Requirement

BY SUZANNE REESE, OPSC MANAGER

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

The law¹ requires all district receiving State funds under the School Facility Program to establish a restricted account within the district's General Fund for the exclusive purpose of providing funds for ongoing and major maintenance of school buildings. Recently, there have been different interpretations of this law and questions as to the methodology in determining the three percent amount. Based on these differences, the Legislative Counsel of California reviewed the law and has opined that the three percent calculation should be based on the entire General Fund budget.

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

¹Education Code Section 17070.25

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

BY MICHAEL KWAN, OPSC ACCOUNTANT

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

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

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

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

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

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

The State Allocation Board Meets Senate Bill 892

BY DAWN BARNHEISEL, OPSC PROJECT MANAGER

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

SB 892 Basics...

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

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

Measures in Place...

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

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

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

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

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

What's New on the OPSC Web Site?

BY ALICIA JOHNSON, INFORMATION SYSTEM TEAM

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

Benefits

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

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

How to Use

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

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

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

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

Bond Accountability

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

Congratulations on Your New School Openings!

BY DAWN BARNHISEL, OPSC PROJECT MANAGER

Congratulations to the following districts and their newly opened schools:

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

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

INCLUSIVE OF THE FEBRUARY 25, 2004 SAB AGENDA

Proposition 47... Funds Put to Work

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

Status of Funds

BALANCE AVAILABLE AS
OF FEBRUARY 25, 2004

PROGRAM

Proposition 47

New Construction

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

Modernization

1.3

Critically Overcrowded Schools

2.1

Joint Use

33.8

Total Proposition 47

\$1,415.1

NOTE: Amounts shown above are in millions of dollars.



STATE ALLOCATION BOARD'S

Implementation Committee

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

IT MAY BE HARD TO BELIEVE, but the State Allocation Board's Implementation Committee has been around in one form or another for nearly 20 years. When the legislature passed sweeping changes to the state facility program, in mid-1985, the Office of Local Assistance, as OPSC was known then, faced the daunting task of preparing a new program almost from the ground up. To make it even more of a challenge, the legislation involved new areas of school business, developer fees, and for the first time, a local match. The Office went outside for help. Experts in school district facilities and finance issues were called together on a volunteer basis to meet with state agencies involved in school facilities. That early group had no formal structure, no chair, and no name, but, to paraphrase Rick in Casablanca, it was the beginning of a beautiful friendship, Louie.

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

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

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

At the next meeting. . .

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

The Implementation Committee's proposed agenda is as follows:

- ▶ **Clean School Restrooms (SB 892 Murray and AB 1124 Nunez)**
Discussion of the complaint process relating to the sufficiency and availability of restroom facilities in all K-12 public schools, and presentation of the proposed amendments to the Deferred Maintenance Program regulations, as well as certifications pursuant to AB 1124.
- ▶ **School Facility Program Modernization (SB 15 Alpert and AB 1244 Chu)**
Discussion of proposed regulatory amendments to permit an additional apportionment for the modernization of permanent facilities every 25 years or portable classrooms every 20 years.

REGULATIONS UPDATE

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

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

EMERGENCY

Achieving Higher Participation in the School Facility Joint-Use Program

BY ANEIDA RAMIREZ, OPSC PROJECT MANAGER

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

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

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

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

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

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

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

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

NON-EMERGENCY

Critically Overcrowded Schools Program Update

BY JESSICA PARR, OPSC PROJECT MANAGER

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

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

NON-EMERGENCY

Financial Hardship Regulation Changes

BY JULIE ENNIS, OPSC AUDIT SUPERVISOR

At its January 2004 meeting, the State Allocation Board approved amendments to the financial hardship section¹ of the School Facility Program Regulations. Senate Bill 303, Chapter 55, Statutes of 2003 restricts the type of debt that is recognized in meeting the 60 percent of the district's total bonding capacity requirement to only that debt that is issued for the purpose of constructing school facilities for the district for both new construction and modernization. ■

¹Regulation Section 1859.81 (c)(1)

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

EMERGENCY

Amendments to the Charter School Facility Program

BY ELIZABETH DEARSTYNE, OPSC PROJECT MANAGER

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

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

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

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

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

NON-EMERGENCY

Bond Accountability

BY NOÉ VALADEZ, OPSC AUDIT SUPERVISOR

At its February 2004 meeting, the State Allocation Board adopted a regulation¹ to specify the appropriate use of State bond funds received by school districts participating in the School Facility Program. The bond accountability regulations specify appropriate uses of State bond funds when a district reimburses local bond funds. State bond funds must be used to retire local facility bonds, towards appropriate work permitted by the local facility bonds, and/or appropriate high priority capital outlay expenditures.

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

¹SFP Regulation Section 1859.90.1

NON-EMERGENCY

More Flexibility with Hazardous Waste Costs

BY KELLY LONG, PROJECT MANAGER

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

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

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

To view additional information regarding these regulatory amendments, please view the OPSC Web site at www.opsc.dgs.ca.gov.

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

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

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

ADVISORY ACTIONS

ISSUE NO. 02
from the
State Allocation Board
meeting held on
March 24 and April 28

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OPSC REMINDERS...

► State Allocation Board Meetings*

Wednesday, May 26, 2004
Wednesday, June 23, 2004

► Implementation Committee Meetings*

Friday, June 4, 2004
Friday, July 9, 2004

► Program Filing Periods

- **LPP/SFP Joint-Use**
Application Submittal: Jun 1, 2003—May 31, 2004
SAB Date: July 28, 2004
- **Critically Overcrowded School Facilities**
Application Submittal: Jan 2, 2004—Jun 30, 2004
SAB Date: Oct. 2004
- **Charter School Facilities**
Application Submittal: Apr 1, 2004—Jul 29, 2004
SAB Date: December 2004
- **Deferred Maintenance**
Application Submittal: June 30, 2004
SAB Date: December 2004

► SFP Regulation Status

The current status of the SFP Regulations as a result of Executive Order S-2-03 can be viewed under the "What's New" section of the OPSC Web site.

► Interest Earned Report (Form SAB 180)

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

*For the latest meeting dates, times and locations, check the OPSC Web site.



from the desk of Luisa Park, Executive Officer

Opportunity for Modernization Funds

Prior to the March 2nd election certification, the Office of Public School Construction (OPSC) proceeded with careful planning of the various critical events and meetings relating to the Bond to enable the State Allocation Board (SAB) to act swiftly and prudently to administer the Proposition 55 funds for the benefit of California's children. As a result, I am pleased to announce that the SAB approved, at its April 2004 meeting, over \$351 million in modernization projects that had been previously placed on the unfunded list, plus \$21 million in additional modernization projects. Within eight weeks of the passage of Proposition 55 the OPSC is in a position to begin processing fund releases.

Being aware of the \$372 million in modernization funding approved at the April SAB, some districts are looking ahead and are making inquiries regarding the Proposition 55 projections. OPSC encourages districts to proceed with the filing of their applications for their modernization projects. After considering April's approvals and our current workload, approximately \$1.8 billion remains in modernization funding. Based on preliminary data, we project the current modernization funds may last approximately 12 to 18 months. Remember, processing is based on the date an acceptable application is received. You can read in this issue about what constitutes a complete funding application.

Congratulations on the successful passage of Proposition 55! This represents an extraordinary triumph for the children of California.

SFP JOINT-USE PROGRAM

Reconfiguration

BY ANEIDA RAMIREZ, OPSC PROJECT MANAGER

The reconfiguration of an existing school building for a joint-use facility is now a viable option under the School Facility Joint-Use Program as a result of Senate Bill (SB) 15. Is your district interested? You don't need to wait until the new Application For Joint-Use Funding (Form SAB 50-07) is available on the OPSC Web site. For assistance with your application, please contact Aneida Ramirez at 916.324.5703.

To learn more about other changes to the Joint-Use Program as a result of SB 15, please refer to the article entitled "Achieving Higher Participation in the School Facility Joint-Use Program" which was featured in last month's OPSC's *Advisory Actions 2004* (Issue Number 01). ■

What Constitutes A Complete Funding Application?

BY JAN MOSS, OPSC PROJECT MANAGER

The Office of Public School Construction is often asked by districts, "What do I need to submit for a complete funding application?" We recommend you begin by viewing the current *School Facility Program Guidebook* which includes complete instructions on what to submit for each type of project. It is important to use the current versions of the School Facility Program (SFP) forms. We also highly recommend that you take advantage of our checklist for Application Submittal Requirements.

If your district requires *financial hardship* assistance, pre-approval is required by the Fiscal Section before submitting your complete funding application. For projects being filed for a *facility hardship* request, please contact the OPSC Policy and Specials Team for specific details and assistance.

Districts requesting additional funding for energy compliance should be aware of both OPSC and DSA requirements for approval and funding of their energy conservation design measures. The SFP guidebook will assist you in determining when documents should be filed and which agency approvals are required prior to filing a funding application.

Our current guidebooks, forms, and worksheets are available on our Web site for your convenience. As always, your OPSC Project Manager will be happy to assist you if you should have any questions, or would like help with your applications. ■



UNLOCKING THE MYSTERIES TO SCHOOL CONSTRUCTION COSTS:

Site Issues

BY TASHA ADAME-BRENNAN, OPSC PROJECT MANAGER

In the previous issues of the *Advisory Actions*, we have featured articles from the *Public School Construction Cost Reduction Guidelines* (CRG) which touched on district responsibilities as well as joint use facilities. This month's feature article addresses site issues and effective cost saving tips related to property acquisition and improvement costs! Here is just a sample of the key points found in the Site Issues section of the CRG:

▶ Districts are required to have the California Department of Education's (CDE) approval of the site. Consult with the CDE on any site considerations and obtain approval prior to acquisition. This will solve the district's initial question of whether or not a selected site will be approved by the State. So contact the CDE first to get site pre-approval! In addition, it might be a good idea to work closely with state and local agencies prior to forging ahead to the next phase! This may avoid delays and extra costs to the district.

▶ Keep in mind, there are no "perfect" sites. Select sites carefully and recognize potential development costs when acquiring a site, included but not limited to size, shape, slope, availability of infrastructure and environmental issues. Each of these areas can make construction more difficult and expensive. Conduct proper research on the purchased or donated site, prior to acquisition. Consider all aspects of the site because they can affect the overall development costs. Be involved in local planning and most of all, plan ahead!

▶ All too often site design is not given adequate consideration. Careful site design, specific to the site being considered is essential. Educational specifications tend to focus on the building needs, and less on the site needs. As a result, the site is often purchased and/or developed improperly at added costs. Some simple, but all-too-often overlooked, tips are to: use existing school facilities expertise available at county offices and/or state resources; learn from past experiences from other sites; consider using a peer review process in evolving the site design; and select the design consultant for their qualifications in site design as well as their building design.

Potential funding is always important. We have provided a summary of helpful information for districts when they apply to the State Allocation Board/Office of Public School Construction (OPSC) for site acquisition funding as follows:

50/50 APPLICATIONS (Non-Financial Hardship)

With its full construction funding application, the district submits:

- ▶ CDE Site Approval Letter
- ▶ Current Appraisal of the Proposed School Site
- ▶ Escrow Opening or Closing Statement
- ▶ DTSC Fees
- ▶ Court Order of Possession*
- ▶ Relocation Costs*
- ▶ Hazardous Waste/Removal Costs*

*If applicable.

Under certain circumstances, qualifying districts may also apply for advance site funding with environmental hardship conditions. For more detailed information regarding this opportunity and other site issues, please refer to the OPSC's Web site located at www.opsc.dgs.ca.gov. We encourage you to frequently view the *Public School Construction Cost Reduction Guidelines* that can be located separately or within the *Best Practices Report* on the OPSC Web site. If you have questions, please be sure to contact your OPSC Project Manager. ■

FINANCIAL HARDSHIP APPLICATIONS

If the district qualifies for financial hardship, it may file for site acquisition funds in advance of filing for full construction by submittal of:

- ▶ Application for Funding, Form SAB 50-04 (for a Separate Apportionment for Site Only)
- ▶ A copy of the current financial hardship approval
- ▶ CDE Contingent Site Approval
- ▶ Preliminary Appraisal
- ▶ DTSC Fees
- ▶ Relocation Costs*
- ▶ Hazardous Waste/Removal Costs*

WHAT YOU NEED TO KNOW ABOUT...

Routine Restricted Maintenance Requirement (Three Percent)

BY BRYAN BREAKS, OPSC AUDIT SUPERVISOR

In February 2004, the Office of Public School Construction staff informed the State Allocation Board that the Legislative Counsel of California had issued an opinion regarding the Routine Restricted Maintenance Requirement (Three Percent).

The Law (Education Code Section 17070.25) requires all school districts receiving State funds under the School Facility Program to establish a restricted account within the district's General Fund for the exclusive purpose of providing funds for ongoing and major maintenance of school buildings. Recently, there have been different interpretations of this law and questions as to the methodology in determining the three percent amount. Based on these differences, the Legislative Counsel of California reviewed the law and has opined that the three percent calculation should be based on the entire General Fund budget.

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

Teacher's Guide to the State Relocatable Classroom

BY RICHARD SHEFFIELD, OPSC PROGRAM SUPERVISOR

The Office of Public School Construction (OPSC) has made available a *Teacher's Guide to the State Relocatable Classroom* and the OPSC staff is in the process of posting the guide to the interior of all State-owned classrooms. The guide includes information that will assist teacher to ensure optimum classroom performance. The intent of the guide is to create awareness in order to identify and report any problems to district maintenance staff, so that repairs can be made in a timely manner. By reporting problems, it will ensure that the classrooms' health and safety issues can be addressed and are well maintained.

The school district, when accepting/leasing a State relocatable from the OPSC, has agreed to undertake all necessary maintenance, repairs, renewal, and replacement to ensure that the classrooms are kept in good repair and good working order at all times. All costs incurred for this purpose are borne by the school district. As a reminder, Deferred Maintenance funds may be utilized to assist districts with repair costs as long as the project has been placed on the district's approved Five-Year Plan (Form SAB 40-20).

In addition to teachers, any school district staff should identify and report the following conditions that are of urgent concern in order to maintain proper building maintenance and safety:

- Water leaks.
- Entry ramp non-skid that is worn, peeling, or missing.
- Entry ramp wood paneling or skirting damage.
- Entry door handle or door closure damage.
- Weather stripping that is worn, peeling, or missing.
- Light cover that is damaged or missing.
- HVAC when it is not functioning properly.
- HVAC registers when dirty.
- Carpet spills.
- Electrical outlet cover plates when damaged or missing.
- Fire extinguisher if missing or not mounted within 24" from the door, four feet from the floor.
- Thermostat's cover when damaged or missing.
- Light fixture lens or tubes when damaged or missing.

The following are some helpful hints for building maintenance and safety:

- Fire extinguishers must always be mounted on the wall within 24" from the door, four feet from the floor.
- Windows are located in the classroom to provide day lighting, ventilation, and emergency exits. The front of each window must be free from all obstructions including teacher and student desks. Window tracks must not be bolted, screwed, or nailed in a manner that restricts the ability to slide the window open. Exterior window guards must have a one step Cal-OSHA and State Fire Marshall approved inside safety release. Do not tape anything to the window trim.
- Check CO2 Sensor annually. Replace if not working properly.
- The electrical panel box must have a 36" clearance in front per OSHA/NEC regulations.
- The HVAC filter should be changed every 30 days to maintain indoor air quality.
- To ensure proper ventilation for acceptable indoor air quality the occupancy of the classroom should be limited to 32.
- Do not block HVAC registers or air intake. Do not hang anything from the ceiling grid.
- Check Intrusion Alarm Detector annually. Replace if not working properly.

If you have any questions, please contact Liz Cheyne, Project Manager, at 916.323.2636, or Freda Stathopoulos, Project Manager, at 916.322.5766. ■

Time Limit On Fund Releases

BY JAN MOSS, OPSC PROJECT MANAGER

The time limit on fund releases for projects that received State Allocation Board (SAB) funding approval at the December 2002 SAB meeting is coming up in June 2004. Districts are reminded that the law requires districts to submit the Fund Release Authorization, Form SAB 50-05 within 18 months of the apportionment date or the apportionment will be rescinded. There is no extension to this time period.

As a courtesy to districts, the OPSC Audits team sends a series of reminder letters to the districts during the 18 month period. The third reminder letter will require that a copy of the signed construction contract be included with the fund release request. Districts will also be contacted by telephone as a follow up to assist with their fund release request. The Fund Release Authorization, Form SAB 50-05, can be found on the OPSC Web site at www.opsc.dgs.ca.gov.

Districts are encouraged to sign construction contracts prior to June 2004, in order to be prepared to submit the Form SAB 50-05 and a copy of the signed construction contract within the 18 month time period.

If you have questions regarding the SFP requirements, please contact your OPSC Project Manager. If you require assistance completing the Fund Release Authorization, Form SAB 50-05, or for contract clarification, please contact Laurie Stetson, Accounting Supervisor, at 916.322.0140, or laurie.stetson@dgs.ca.gov. ■

THINGS TO CONSIDER...

Transferring Special Education Programs

BY SARAH STATON, OPSC PROJECT MANAGER

If your county office of education or school district is currently planning the transfer of special education programs from an existing special education local plan area (SELPA) agreement, remember to consider the impact that these pupils or facilities may have on your School Facility Program (SFP) new construction and modernization eligibility. Participants should carefully consider the facilities implications of any SELPA program transfers, since pupils may have been part of a SFP application and therefore already adequately housed.

The Office of Public School Construction would like to hear from you if you have successfully completed or are planning an educational program and/or facility transfer. What integration impacts and issues have you encountered? We encourage you to assist in the development of this issue by contacting either Eric Bakke, OPSC Project Manager, at 916.323.0187, or Elizabeth Dearstyne, OPSC Project Manager, at 916.323.0073. Interested districts are also invited to share their experiences by participating in a discussion of this topic as it relates to the SFP at an upcoming State Allocation Board (SAB) Implementation Committee meeting. Please check the OPSC website at www.opsc.dgs.ca.gov or contact your OPSC Project Manager for the SAB Implementation Committee scheduled agenda information. ■

Recently Celebrated Groundbreakings!

Congratulations to the following districts on their recently celebrated groundbreakings:

DISTRICT	COUNTY	SCHOOL	GROUNDBREAKING
Allensworth Elementary	Tulare	Allensworth Elementary School	February 2004
Los Angeles Unified	Los Angeles	Monroe New Elementary School #2	February 2004
Lynwood Unified	Los Angeles	Lynwood New High School	February 2004
Los Angeles Unified	Los Angeles	Ramona New Elementary School	March 2004
Tulare COE	Tulare	El Diamante High School	March 2004
Los Angeles Unified	Los Angeles	East Valley New High School #1B	April 2004
Los Angeles Unified	Los Angeles	Mt. Washington Elementary (Addition)	April 2004

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

INCLUSIVE OF THE APRIL 28, 2004 SAB AGENDA

Proposition 47... Funds Put to Work

PROGRAM	BOND ALLOCATION	APPORTIONED	RELEASED/ CONTRACTED
New Construction	\$ 6,250,000,000 *	\$ 4,982,285,681	\$ 4,402,247,080
Modernization	3,300,000,000 †	3,298,528,424	2,257,969,135
Charter School	100,000,000	97,034,156	0
Critically Overcrowded Schools	1,700,000,000	1,697,872,847	0
Joint Use	50,000,000	16,186,513	4,045,149
TOTAL	\$11,400,000,000	\$10,091,907,621	\$ 6,664,261,364

* Includes \$14.2 million in energy funds.

† Includes \$2.3 million in energy funds.

Status of Funds

PROGRAM	BALANCE AVAILABLE AS OF APRIL 28, 2004
Proposition 55	
New Construction	
New Construction	\$ 4,960.0
Charter School	300.0
Modernization	1,877.9
Critically Overcrowded Schools	2,440.0
Joint Use	50.0
Total Proposition 55	\$ 9,627.9
Proposition 47	
New Construction	
New Construction	\$ 1,154.6
Charter School	0.5
Energy	11.6
Modernization / Energy	1.3
Critically Overcrowded Schools	2.1
Joint Use	33.8
Total Proposition 47	\$ 1,203.9
Grand Total	\$10,831.8

NOTE: Amounts shown above are in millions of dollars.



STATE ALLOCATION BOARD'S

Implementation Committee

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

At the previous meeting...

The following topics were discussed at the April 1 meeting of the State Allocation Board (SAB) Implementation Committee.

CLEAN SCHOOL RESTROOMS—SENATE BILL (SB) 892 MURRAY AND ASSEMBLY BILL (AB) 1124 NUNEZ

The Committee continued its discussion on the complaint process related to school restroom maintenance, and reviewed additional revisions to the complaint process that would further encourage local level resolution. Final revisions to the Office of Public School Construction (OPSC) Web site and complaint form directions now include language that more strongly encourages complainants to first communicate restroom maintenance issues at the local level.

The Committee finalized proposed amendments to the Deferred Maintenance (DM) regulations. The proposed regulations described the timeframe in which complaints would be presented to the SAB, and the DM funds withholding process. The proposed amendments provide for an annual presentation to the SAB for the purposes of determining violations of EC 35292.5. The Committee agreed to proceed with the proposal with the stipulation to reassess its viability after a trial period of 9–12 months.

Recently chaptered AB 1124 requires that the use of restricted maintenance and deferred maintenance funds should be prioritized to ensure restroom facilities are functional and meet local hygiene standards. As a means to demonstrate compliance with the law, the Committee agreed that districts would self-certify on the funding application.

The proposed regulations pertaining to SB 892 and AB 1124 were presented to the April 28, 2004 meeting of the SAB.

SCHOOL FACILITY PROGRAM (SFP) MODERNIZATION—SB 15 ALPERT AND AB 1244 CHU

SB 15 and AB 1244 provide additional modernization apportionments for permanent school buildings every 25 years, and portable classrooms every 20 years. The Committee reviewed proposed modifications to the SFP Regulations which would allow school districts to become eligible to receive this additional modernization funding. The law requires a school district to use the second-round modernization funds to replace the eligible portable classroom, and to certify that the replaced portable will be removed from any classroom use. The law includes accommodations for the second modernization of the portable only if the district can document that modernizing the portable classroom is a better use of public resources. The Committee also discussed several options regarding the documentation requirement and will review additional options at the next meeting. At that time, the Committee will continue its review of the requirements that will accommodate Lease Purchase Program projects requesting second-round modernization.

Watch for...

The following items are pending review at a future Committee meeting. You may log onto the OPSC Web site at www.opsc.dgs.ca.gov/SAB/Imp_Calendar.htm to see the agenda for the next Committee meeting and determine if items of interest for you are scheduled.

SFP MODERNIZATION—SB 15 ALPERT AND AB 1244 CHU

Continued discussion on the proposed regulatory amendments that will permit an additional apportionment for the modernization of permanent facilities every 25 years and portable classrooms every 20 years.

MODERNIZATION OF 50-YEAR OLD SCHOOL BUILDINGS

Discussion of proposed amendments to Regulation Section 1859.78.6 which provides additional funding for the modernization of permanent buildings at least 50 years old. The amendments would address changes in the way the grant is calculated and applied.

SCHOOL FACILITY PROGRAM (SFP)—PROJECT RESCISSION

Discussion on proposed amendments to Regulation Section 1859.107 that will clarify the parameters for project rescission.

NEW CONSTRUCTION ADDITIONAL GRANT FOR REPLACED FACILITIES

Discussion on proposed revisions of the criteria used to determine the eligibility for the supplemental grant to replace a single-story with a multi-story structure on the same site.

TRANSFERRING SPECIAL EDUCATION PROGRAMS

Discussion of the potential impacts to School Facility Program new construction and modernization eligibility when county offices of education or school districts transfer special education programs from an existing special education local plan area (SELPA) agreement.

CRITICALLY OVERCROWDED SCHOOLS (COS) PROGRAM

Discussion of alternatives for final COS Program eligibility requirements for existing projects.

The next meeting...

The SAB Implementation Committee meeting will be held on Friday, June 4, 2004 (9:30 a.m. to 3:30 p.m.) at 1500 Capitol Avenue, Rooms 72.149B and 72.151A, Sacramento, California.

REGULATIONS UPDATE

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

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

NON-EMERGENCY

Alternative Education School Funding

BY LINDSAY ROSS, OPSC PROJECT MANAGER

The State Allocation Board approved changes to the School Facility Program regulations to better accommodate the unique needs of pupils attending continuation high, community day, county community and county community day schools, commonly referred to as alternative education schools.

What's New?

- ▶ A separate new school allowance has been created for the specific minimum essential facility needs of alternative education schools.
- ▶ Additional funding under the new school allowance as the district files subsequent applications for the same site with an offset provision to account for previous funding received for support facilities.
- ▶ A grandfathering provision for those projects for which the final plans and specifications for the project were accepted by the Division of State Architect (DSA) by to March 24, 2004.
- ▶ Revisions to the Use of New Construction Grants regulations to accommodate the following Alternative Education support facilities:
 - Multipurpose or Gymnasium
 - Library
 - Counseling Offices and/or Conference Rooms

What Does This Mean?

- ▶ Districts will have the option to choose between the regular New School grant and the Alternative Education New School grant if the final plans and specifications for the new alternative education school were accepted by the DSA on or before March 24, 2004.
- ▶ The new Alternative Education New School grant provides funding at a more appropriate level that may enable districts to qualify for an augmentation to help build necessary support facilities.
- ▶ As the alternative education school expands to serve more pupils, districts will have an opportunity to receive additional funding to furnish support facilities for those additional pupils. ■

NON-EMERGENCY

NEW CONSTRUCTION

Additional Grant For Replaced Facilities

BY ANDREW NAVE, OPSC PROJECT MANAGER

Assembly Bill 1631 clarified the criteria used in determining qualification for the supplemental grant provided when a single-story structure is being demolished, and replaced with a multi-story structure on the same school site. The intent of the changes was to encourage greater participation, without affect-

ing the funding calculations. In addition, the law removed the Multi-Track Year Round Education requirement.

Regulations approved by the State Allocation Board contain the following changes:

- ▶ Replacement expenses now include the cost of demolishing the single-story building and the construction expenses for the entire multi-story replacement building;
- ▶ Site acquisition costs savings are to be demonstrated by a cost benefit analysis comparing:
 - The costs of demolishing and replacing the single-story structure, plus the costs associated with the additional capacity created in the multi-story level.
 - The site acquisition and classroom construction expenses for the number of pupils to be housed by the additional capacity in the multi-story project. ■

SFP Regulation Section 1859.73.2

NON-EMERGENCY

Pathways to Energy Conservation Dollars

BY LIZ YOKOYAMA, OPSC PROJECT MANAGER

Has your district been hesitant in taking advantage of the energy conservation funding? We encourage you to take another look at this opportunity in light of some improvements that have been made as follows:

- ▶ At its March 2004 meeting, the State Allocation Board approved a regulation amendment that changes the method in which the energy grant is calculated. The new grant calculation more appropriately compensates the project according to its level of energy efficiency.
- ▶ The Division of State Architect (DSA) eased the requirement a project must meet in order to qualify for additional energy funds. Initially, in order for a project to be eligible, every building within the project was required to surpass the energy threshold. The requirement was amended to calculate the weighted average of the energy savings of all buildings in the project.
- ▶ A new DSA checklist to expedite the plan review process.

To learn more about obtaining DSA's concurrence on your energy funds request, please view these DSA Web links:

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

continued next column

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

NON-EMERGENCY

DEFERRED MAINTENANCE PROGRAM

Clean School Restroom Legislation

BY ERIN MOORE, OPSC PROJECT MANAGER

In January 2004, Senate Bill (SB) 892 was effective and requires districts to maintain specific standards regarding the sufficiency and availability of public school restrooms, such as, to ensure that restrooms are maintained, and cleaned regularly. The law also requires the State Allocation Board (SAB) to determine districts ineligible for State Deferred Maintenance matching apportionments (the Basic Grant) if the district does not comply with the requirements set forth in SB 892. In order to comply with this new law the Office of Public School Construction implemented a complaint procedure to receive complaints regarding possible violations of SB 892.

What's New?

At the April 2004 meeting, the SAB approved changes to the Deferred Maintenance Program (DMP) regulations to implement the requirements of SB 892. The new DMP regulations describe the following:

- ▶ the process by which unresolved complaints will be presented to the SAB;
- ▶ the provision for a 30 day notice period where the district may correct the violation before they are found ineligible for DMP funds.

These new regulations are intended to create a procedure by which the requirements of the law may be met. For more information on Restroom Maintenance, including the complaint form, SB 892 text, please visit our Web site at www.opsc.dgs.ca.gov. ■

NON-EMERGENCY

SCHOOL FACILITY AND DEFERRED MAINTENANCE PROGRAMS

Priority Use of Maintenance Funds

BY ERIN MOORE, OPSC PROJECT MANAGER

Assembly Bill (AB) 1124 added Sections 17070.755 and 17584.3 to the Education Code. The bill requires a priority for the use of restricted maintenance and deferred maintenance funds to be used to ensure facilities (not limited to restrooms) are functional and meet local hygiene standards generally applicable to public facilities. Accordingly, the State Allocation Board approved regulatory amendments by adding the appropriate certification language to the following:

- ▶ Application for Funding, Form SAB 50-04, for the School Facility Program relating to the priority use of the funds in the restricted maintenance account.
- ▶ Certification of Deposits, Form SAB 40-21, for the Deferred Maintenance Program relating to the priority use of the deferred maintenance basic grant.

We encourage you to view the statute to learn more about certain fund use restrictions as it relates to regular operational and maintenance costs. ■

To view additional information regarding these regulatory amendments, please view the OPSC Web site at www.opsc.dgs.ca.gov.

For questions regarding SB 892 or the Deferred Maintenance Program, please contact Erin Moore at 916.445.2704 or Bill Johnstone at 916.323.8176.

For all other questions, please contact your OPSC Project Manager.

ADVISORY ACTIONS

ISSUE NO. 03
 from the
 State Allocation Board
 meetings held on
 May 26 and June 23, 2004

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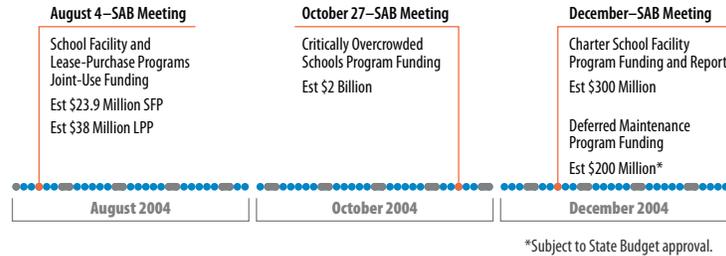
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from the desk of Luisa Park, Executive Officer

What's on the Horizon...

As a new fiscal year begins, one might ask, "What's on the horizon for the Prop 55 apportionments?" The answer is a full list of events for which staff has been preparing. Filing periods have recently ended for the School Facility Joint Use, Lease-Purchase Joint Use, Critically Overcrowded Schools and the Deferred Maintenance Programs. The Charter School Facility Program final filing date is almost here concluding on July 29, 2004. In addition to apportionments that the State Allocation Board makes each month for modernization and new construction for the School Facility Program, the timeline below reflects an overview of what we have planned next for our programs and Propositions 47 and 55 through the end of the year.



While our focus is on the future, we also reflect on our recent success with the Federal Renovation Program (FRP) that provided \$103 million from the United States Department of Education. The FRP demonstrates what can be accomplished in record time with the spirit of cooperation. A total of 412 California school districts across the State benefited from this federally funded program helping to meet a gap in this critical area of public school facilities funding. Please read the article in this issue of the *OPSC Advisory Actions* to learn more about the FRP accomplishments.

We encourage districts to plan ahead and submit modernization and new construction applications as soon as possible. This office is ready to assist you. Please feel free to call upon your OPSC Project Manager for assistance or to arrange an outreach visit.

As you may have heard by now, I have decided to resign from my position as the Executive Officer of the State Allocation Board and Office of Public School Construction. These last 23 years have been an extraordinary and enjoyable journey. Our accomplishments together have been unparalleled providing a monumental and positive impact for the benefit of our children of California. I want each of you to know just how much I have appreciated your help through the years and that I have enjoyed working with you. These are memories I will always cherish.

Luisa M. Park

Reporting Dwelling Units

BY MELISSA LEY, OPSC PROJECT MANAGER

When determining program eligibility, the School Facility Program (SFP) has always provided for an augmentation to the five-year projection based on the number of pupils that will reside in dwelling units included in an approved and valid tentative or final subdivision map. Essentially, districts that are experiencing unusual residential growth can factor in these additional students into the enrollment projection. During the month of June, the Office of Public School Construction (OPSC) staff visited San Diego, Orange, Los Angeles, San Bernardino/Riverside, Sacramento, Fresno, and Imperial counties providing educational workshops on dwelling unit reporting requirements. Provided below are the highlights of the information shared.

What's New About The Submittal Requirements?

In short, just the submittal sequencing. Previously, any request to include dwelling units on the *Enrollment Certification/Projection* (Form SAB 50-01) required district certification that the local planning commission or approval authority had approved the tentative or final subdivision maps. This certification also required that the tentative or final subdivision maps used to support the request are available at the district for OPSC verification. Currently, the OPSC is now requiring that districts submit the supporting documentation to validate the reported dwelling units at the time the district submits its Form SAB 50-01.

Continue on page 5

OPSC REMINDERS...

► **State Allocation Board Meetings***

The July 28 meeting has been rescheduled to Wednesday, August 4, 2004.

Wednesday, August 25, 2004
 Wednesday, September 22, 2004

► **Implementation Committee Meetings***

The August 6 meeting has been rescheduled to Thursday, August 5, 2004, at 10:00 a.m..

Friday, September 2, 2004
 Friday, October 1, 2004

► **Charter School Facility Program Filing Period**

Application Submittal: Apr 1, 2004–Jul 29, 2004
 SAB Date: December 2004

► **Interest Earned Report (Form SAB 180)**

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

*For the latest meeting dates, times and locations, check the OPSC Web site.

HUGE SUCCESS!!!

Federal Renovation Program \$103 Million Dollars and Over 412 Schools Benefited!

BY DARLENE J. NEWMAN, OPSC PROJECT MANAGER

The Federal Renovation Program (FRP) was established in 2002 when \$103 million was provided to the State of California by the United States Department of Education.

The Office of Public School Construction's (OPSC) responsibility was to establish and implement a program that would provide a vehicle to disperse those federal funds. The FRP program achieved this and was an enormous success, providing improved facilities addressing health and safety needs at many of California's schools.

What Was The FRP All About?

The FRP's primary focus was to address construction improvements for individual pupils that have special needs under the American Disability Act (ADA) and attending to the provision of a healthier and safer environment. The construction improvements would include various aspects of replacement, repair, renovation or acquisition of items to address roofing, electrical wiring, plumbing, heating, ventilation, air conditioning, and various needs for fire code compliance.

With this in mind, the FRP was established and was accomplished in record time maintaining compliance with the Federal government's requirements. The OPSC quickly developed comprehensive, user-friendly FRP regulations and obtained the State Allocation Board's (SAB) approval in January 2002. The California FRP regulations were used by the federal government as a model for other states. The FRP application

filing period concluded on April 15, 2002, and the SAB apportioned the federal funds at the May and June 2002 SAB meetings.

Who Benefited?

A total of 412 California school districts, many with multiple projects received grants from the federally funded program. The variety of critical needs resulted in a multitude of improvements statewide. The school districts represent urban, suburban and rural areas and serve a wide variety of student populations.

Green Point Elementary School

Small, rural school districts face significant funding challenges to address even the fundamentals such as health and safety issues and universal access for all students. Green Point Elementary School in Blue Lake, Humboldt County is one such school that benefited from the federal funds. The district's enthusiasm and genuine appreciation over the end product for the wellbeing of their children are what makes these endeavors so rewarding. The school district took advantage of the FRP and used the funds for health and safety projects at the school site as well as ADA provisions.

Green Point is nestled in the mountain forests of Northern California where they are inhabited by mountain lions. The school was in dire need to offer safety for the children while outdoors. The school's perimeter is now surrounded with fencing to keep the wildlife out and the children protected while at play. The project included paving for what had been a gravel playground and a paved emergency access road. The school had been powered by a generator system that produced both highly noxious fumes and unacceptably high noise levels. With the federal funding, the system was replaced with the installation of a clean and self sufficient hydro-electrical system which not only addressed the hazardous air quality and noise pollution, but also produces ample energy to operate the entire school.

The FRP provided critical funding to help meet vital needs for the facilities of the public school education system. The FRP demonstrates what can be accomplished in record time with the spirit of cooperation between the federal and state government, as well as the public school districts served. The OPSC wishes to take this opportunity to express our appreciation to the Federal Government for the joint effort in aiding with the critical facilities needs for California's public school children. ■



PHOTOGRAPHS COURTESY OF NICKOLAS S. SANCHEZ



Critically Overcrowded School Facilities Program Report

BY JESSICA PARR, OPSC PROJECT MANAGER

A report was presented to the State Allocation Board (SAB) on June 23, 2004, regarding the feasibility of changes to the eligibility requirements in the Critically Overcrowded School (COS) Facilities Program. The report was previously discussed at the June Implementation Committee meeting.

What is the COS Program?

The COS program was established in 2002 and provides a preliminary apportionment to secure a reservation of funds in advance of the site selection, hazardous waste clean-up and agency approvals for schools in critically overcrowded areas in order to relieve overcrowding. Currently, to convert to a final apportionment, the district must meet all new construction requirements of the School Facility Program (SFP), including having sufficient SFP eligibility for the project at the time of the preliminary apportionment and at project conversion.

Report Issue

Several school districts have voiced concerns stating that due to declining enrollment or reporting enrollment of attendance, the district may be unable to substantiate the project(s) at conversion, as required by law. School districts suggested allowing a project to be verified by residence rather than enrollment location.

Several alternatives were presented in the report; however, staff also reported that the SAB has no authority to eliminate or modify the second check of new construction eligibility upon conversion of a COS project without a legislative remedy. The SAB members discussed the current legislation, Assembly Bill 2950, authored by Assembly Member Goldberg containing language similar to alternatives suggested in the report and concluded the proposed legislation will be monitored.

If you have any COS Program questions, please contact your OPSC Project Manager. ■

Wondering What Happened to the LCP Grant? Read On!

BY LINDSAY ROSS, OPSC PROJECT MANAGER

Beginning with the January 2004 State Allocation Board (SAB) meeting, the SAB has been unable to apportion funds for costs related to Labor Compliance Programs (LCP) required by Labor Code Section 1771.7. This was due to the expiration of the School Facility Program emergency regulations supporting the LCP grant. A report of the status of those regulations was presented at the June 2004 SAB meeting. Staff will return the item to the "July" meeting, which has been rescheduled to occur on August 4, 2004, along with the previously approved regulations for the Board's consideration.

For additional information about the LCP grant, please contact your OPSC Project Manager ■.

Recently Celebrated Groundbreakings!

BY CHRISTINE SANCHEZ, OPSC PROJECT MANAGER

The Office of Public School Construction (OPSC) would like to thank the school districts for keeping us informed on your groundbreaking events! We look forward to sharing in your excitement. Congratulations to the following districts on their recently celebrated groundbreakings:

DISTRICT	COUNTY	SCHOOL	GROUNDBREAKING
Los Angeles USD	Los Angeles	Maywood Elementary School #5	April 2004
Center USD	Sacramento	Wilson C. Riles Junior High School	May 2004
River Delta USD	Sacramento	D.H. White Elementary (Cliff Tapella Performing Arts Building)	May 2004
San Luis Obispo COE	San Luis Obispo	Meadowlark Addition	June 2004
San Luis Obispo COE	San Luis Obispo	Morro Road Education Center	June 2004
San Luis Obispo COE	San Luis Obispo	Atascadero High School	June 2004

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

OPSC Welcomes A New Face...



JACQUELINE R. WILSON
DEPUTY EXECUTIVE OFFICER

The Office of Public School Construction (OPSC) is pleased to announce the appointment of Jacqueline R. Wilson as the new Deputy Executive Officer. Ms. Wilson has over 29 years of State service in various positions.

Most recently she served as the Deputy Director for the Department of General Services (DGS). In that capacity she represented the Director of DGS on the State Allocation Board and California Victim Compensation and Government Claims Board. In addition she was responsible for the Interagency Support Division (ISD) including the Office of State Publishing charged with publishing legislative bills, publications, voter pamphlets, and tax forms, etc.; Fleet Administration, responsible for transportation services, such as managing the Statewide Travel Program for all State and local government employees, providing State vehicles for use by State employees, etc.; and the OPSC. Under Ms. Wilson's leadership, the ISD continued to ensure quality, cost-conscious, and timely support and administrative services to state and public agencies that deliver needed services to the State of California.

Prior to joining DGS, Ms. Wilson served as the Legislative Director for the Department of Information Technology and Department of Housing and Community Development. Ms. Wilson has been involved in various local community activities in the City of Sacramento. Formerly served on the Board of Directors for the Sacramento Women's Program, President of Black Advocates in State Service and as a member of Women In Government. Ms. Wilson holds a Bachelor of Science degree in Business Administration. Ms. Wilson's experience will be an asset to our office and we are please she has joined us. ■

Bidding Climate Report

BY HEATHER DOHERTY, OPSC PROJECT MANAGER

Some school districts and design professionals engaged in the construction and modernization of facilities funded by the State report significant difficulties in receiving competitive bids on projects. In April 2004, the State Allocation Board (SAB) requested staff to look into the matter and provide information on what Office of Public School Construction (OPSC) could do administratively to help districts deal with the high bid climate. At the June 2004 SAB meeting, the OPSC presented a bidding climate report that included information on the following topics:

Construction Cost Index

In summary, the report indicated that recent cost indexes show an increase in construction costs statewide since the beginning of this year. The nearly \$18 billion in funding allocated by the SAB since 1999 may have had an adverse reaction on the bidding climate. With bonding requirements for public works contracts and the special nature of the Field Act, it may be difficult for small contractors and subcontractors to meet these requirements. Therefore, a limited number of "qualified" contractors are available. Districts in some areas are experiencing difficulties receiving competitive bids due to the saturation of the industry from booming home and school construction. Subsequently, the limited number of contractors and anticipated rise in the price of materials has led to a possible disparate increase in bids to districts.

18-month Time Limit On Fund Release

In reviewing the 18-month time requirement to request a fund release, it should be noted that districts' requests for a fund release authorization, on average, are 101 days for new construction and 163 days for modernization. Therefore, any extension to the 18-month timeline would only exacerbate the problem of competitive bidding by making the construction cost index more out of date. While more data is required to determine the best solution, one suggestion provided at the June SAB meeting was to stagger future apportionments when faced with funding requests for large numbers of projects to help alleviate this problem.

Per Pupil Base Grant

The issue of the adequacy of the grants was deemed too large to be addressed in the brief report. School district organizations are looking into the matter, and the OPSC and SAB have representatives in those discussions.

The SAB requested Staff to discuss the report at a future Implementation Committee meeting and report back to the Board. Please view the OPSC Web site for Committee meeting notifications, as well as access to the Bidding Climate Report. ■

CHARTER SCHOOL FACILITIES PROGRAM...

Time is Running Out!

BY JUAN MIRELES, OPSC PROJECT MANAGER

We are fast approaching the end of the filing period to apply for a preliminary charter school apportionment under the Charter School Facilities Program (CSFP). Proposition 55 provided \$300 million for the new construction of facilities for charter schools. This program allows charter schools that provide site based instruction to access State facility funding directly or through the school district where the charter school is physically located and to acquire a preliminary apportionment. School districts and charter schools are encouraged to take advantage of this great opportunity to participate in this unique program. The following are important facts to remember:

- Final filing date is July 29, 2004
- Senate Bill 15 revised the CSFP established under Assembly Bill 14 to maximize the number of projects funded
- The preliminary charter school apportionment is 50 percent State funded and 50 percent local match
- Local matching share can be satisfied by partial or total "lump sum payment", or through a lease agreement

The following items are necessary for a Charter School application package to be deemed complete by the Office of Public School Construction (OPSC) and the California School Finance Authority (CSFA):

OPSC Documents

- Completed Form: Application for Charter School Preliminary Apportionment, Form SAB 50-09 (with all supporting documentation)
- Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 for SFP New Construction Eligibility (if not previously submitted by the school district)
- A copy of the Chartering Agreement

CSFA Documents (2 Copies)

- Completed Form: Charter School Facilities Program Application, Form CSFA 03-01
- All supporting financial documentation (i.e., organization and financial information, all material contracts, and legal status questionnaire)

For more information on the CSFP, please contact Juan Mireles at 916.323.4470 or Barbara Kampmeiner at 916.323.2282 at the OPSC. For information regarding CSFA's application and review, please contact Katrina Johantgen, Executive Director, at 213.620.4467. ■

Reporting Dwelling Units...

What Are The Submittal Requirements?

The OPSC requires *one* of the following pieces of documentation for each subdivision when requesting dwelling units:

- A tentative or final subdivision map with the local planning commission or approval authority stamp approving the map; or,
- A tentative or final subdivision map with *appropriate supporting documentation*; or,
- A spreadsheet listing of all the subdivisions reported on the Form SAB 50-01 with *appropriate supporting documentation*. If you do not already have a spreadsheet listing of your tract maps, you can use the dwelling unit worksheet provided on the OPSC Web site.

What Is Appropriate Supporting Documentation?

Appropriate supporting documentation can be any *one* of the following:

- Local planning commission or approval authority meeting minutes detailing the approval of the map.
- A letter from the local planning commission or approval authority indicating that the tract map is approved and currently valid.
- A detailed report from the planning commission that identifies the particular tract and its current status. In some cases, this report is called a "Residential Development Summary Report".
- Any other reasonable documentation from the local planning commission or approval authority that indicates the tract map is approved and currently valid.

Helpful Hints

- Make sure the maps being used are approved and valid tentative or final subdivision maps or parcel maps (parcel maps can be used only for either apartment or condominium projects).
- Work closely with your local planning commission to ensure the maps are approved and currently valid.
- When reporting dwelling units on the Form SAB 50-01, be sure to reduce the number of proposed dwelling units by the number of permits pulled for construction within each subdivision.
- Use the dwelling unit worksheet provided on the OPSC Web site to ensure timely processing of the district's application.
- Check out the brochure located on the OPSC Web site which provides more detailed information on the dwelling unit augmentation process, submittal requirements, and frequently asked questions.

Remember, we encourage you to call your OPSC Project Manager if you have any questions regarding this subject. The dwelling unit brochure and dwelling unit worksheet are located on the OPSC Web site. ■

New Online Eligibility Application for the SFP

BY ALICIA JOHNSON AND RASHID MIR, INFORMATION SYSTEM TEAM

The Office of Public School Construction (OPSC) is always looking for innovative solutions to make the application process easier for school districts. We believe that our new Online Eligibility Application for the School Facility Program accomplishes just that. It is up and running, and we encourage you to use it.

Why Do I Need to Know?

Foremost, we have designed this easy-to-use Web site to benefit our customers. The Online Eligibility Application replaces the current Excel spreadsheet which will be phased out in the future.

Benefits

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

input data and return to the Web site to make changes later. The online program will ensure that you are always using the most current forms and calculations, eliminating the previous need to download the Excel version. Districts without Excel software will be able to calculate eligibility electronically.

How to Use

Follow the links from our Web site or go directly to the application at <http://www.applications.opsc.dgs.ca.gov/sab50/sab50main.asp>. To log in, use your CDE district code and Project Tracking Number Generator password. New construction eligibility forms must be submitted in order starting with the SAB 50-01, then the 50-02, and finally the 50-03. Modernization eligibility only requires submittal of the SAB 50-03.

For more information, be sure to view the posted instructions for each form accessible on the Web site. If you have any problems or suggestions, please feel free to contact your OPSC Project Manager. Log in today! We look forward to your feedback! ■

INCLUSIVE OF THE JUNE 23, 2004 SAB AGENDA

Proposition Funds Put to Work

PROGRAM	BOND ALLOCATION	APPORTIONED	RELEASED/CONTRACTED
Proposition 55			
New Construction	\$ 4,960,000,000	\$ 0	\$ 0
Modernization	2,250,000,000	431,907,498	143,353,446
Charter School	300,000,000	0	0
Critically Overcrowded Schools	2,440,000,000	0	0
Joint Use	50,000,000	0	0
Total Proposition 55	\$10,000,000,000	\$ 431,907,498	\$ 143,353,446
Proposition 47			
New Construction	\$ 6,250,000,000	\$ 5,186,299,704	\$ 4,803,163,400
Modernization	3,300,000,000	3,295,720,711	2,930,108,421
Charter School	100,000,000	97,034,156	0
Critically Overcrowded Schools	1,700,000,000	1,697,872,847	0
Joint Use	50,000,000	16,186,513	7,238,393
Total Proposition 47	\$11,400,000,000	\$10,293,113,931	\$ 7,740,510,214
Grand Total	\$21,400,000,000	\$10,725,021,429	\$ 7,883,863,660

Status of Funds

PROGRAM	BALANCE AVAILABLE AS OF JUNE 23, 2004
Proposition 55	
New Construction	\$ 4,960.0
Charter School	300.0
Energy	14.0
Modernization	1,810.9
Energy	6.0
Critically Overcrowded Schools	2,440.0
Joint Use	50.0
Total Proposition 55	\$ 9,566.9
Proposition 47	
New Construction	\$ 1,008.4
Charter School	0.5
Energy	10.9
Modernization	0.0
Energy	4.3
Critically Overcrowded Schools	2.1
Joint Use	33.8
Total Proposition 47	\$ 1,060.0
Grand Total	\$10,626.9

NOTE: Amounts shown above are in millions of dollars.
The SAB funded \$24,521.52 for the Deferred Maintenance Program.



STATE ALLOCATION BOARD'S

Implementation Committee

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

At the previous meeting...

The following topics were discussed at the June 4, 2004 meeting of the State Allocation Board (SAB) Implementation Committee.

CRITICALLY OVERCROWDED SCHOOLS PROGRAM

An extensive discussion regarding the Critically Overcrowded Schools (COS) Program was held. Staff had been requested by the SAB to review the current eligibility requirements for the conversion of COS projects. The Committee discussed the feasibility of possible alternatives regarding a district's projected eligibility based on declining CBEDS, which disallows the conversion of a COS project. Various alternatives and suggestions were presented by staff, Committee members and participants in the Program. For more information regarding this issue, refer to the "Critically Overcrowded Schools Program Report" article in this edition of the OPSC *Advisory Actions* newsletter.

SCHOOL FACILITY PROGRAM MODERNIZATION—SB 15 ALPERT AND AB 1244 CHU

SB 15 (Chapter 587, Statutes 2003) and AB 1244 (Chapter 572, Statutes 2003) provide additional modernization apportionments for permanent school buildings every 25 years, and portable classrooms every 20 years. The Committee concluded its review of proposed modifications to the School Facility Program (SFP) Regulations and applicable forms which would allow school districts to become eligible to receive this additional modernization funding. For specific details, refer to the Regulations Update in this edition of the OPSC *Advisory Actions* newsletter.

MODERNIZATION GRANT FOR 50 YEAR OR OLDER PERMANENT BUILDINGS

Staff concluded its presentation of proposed SFP Regulations amendments that clarify the appropriate reporting of classroom or square footage data on the Application for Funding used to determine 50 year old modernization grants for permanent school buildings that are 50 years old or older. For specific details, refer to the Regulations Update in this edition of the OPSC *Advisory Actions* newsletter.

Watch for...

The following items are pending review at a future Committee meeting. You may log onto the OPSC Web site at www.opsc.dgs.ca.gov/SAB/Imp_Calendar.htm to view the agenda for the next Committee meeting and determine if items of interest are scheduled.

BIDDING CLIMATE REPORT

Discuss the report presented at the June 2004 SAB meeting and address outlined items. Presentation of this issue began at the July 9th Committee meeting and will continue at future meeting(s).

SFP ENROLLMENT AUGMENTATION; DWELLING UNITS AND STUDENT YIELD FACTOR

Discussion on proposed amendments to clarify the process for reporting dwelling units to augment SFP enrollment, as well as clarify the Student Yield Factor report guidelines. Presentation of this issue began at the July 9th Committee meeting and will continue at future meeting(s).

PURCHASE AND CONVERSION OF NON-CONFORMING BUILDINGS FOR SCHOOL USE

To seek input from districts and design professionals regarding the costs of purchasing and retrofitting non-conforming buildings for school use. Presentation of this issue began at the July 9th Committee meeting and will continue at future meeting(s).

NEW CONSTRUCTION ADDITIONAL GRANT FOR REPLACED FACILITIES

Discussion on proposed revisions of the criteria used to determine the eligibility for the supplemental grant to replace a single-story with a multi-story structure on the same site.

The next meeting...

Of the SAB Implementation Committee meeting will be held on Thursday, August 5, 2004 (10:00 a.m. to 3:30 p.m.) in Sacramento. Please access the OPSC Web site to verify the meeting's location.

REGULATIONS UPDATE

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

The following regulation amendments were approved at the May 26, 2004 State Allocation Board meeting.

EMERGENCY

On Your Mark, Get Set, Go! Revised “180 Day” Regulations Now in Effect

BY LINDSAY ROSS, OPSC PROJECT MANAGER

As you may recall, the State Allocation Board approved regulatory amendments on August 27, 2003 entitled “District Funded Facilities Included in Existing School Building Capacity” to provide districts with more time to file a complete funding application. Unfortunately, those regulations inadvertently removed some important protections regarding the reporting of locally funded facilities where there is no intent to seek reimbursement for the expenditure. The Board rescinded its August 2003 action and approved a modified version of those regulations on May 25, 2004. The regulations are now in effect and the clock is ticking on the 120-day grandfathering period.

What’s new, what’s not?

As before, the purpose of the new regulations is to extend the period of time a district has to file an application for new construction funding up to the point at which any classroom in the contract has been occupied. The regulations continue to include grandfathering provisions which allow previously ineligible projects that meet certain criteria to receive funding. However, the recently approved amendments do not contain any changes to the definition of when a classroom has been provided.

When am I required to report additional pupil capacity added to my district?

A classroom is considered provided upon signing construction contracts, and any classroom capacity added to the district must be reported on the next Application for Funding (Form SAB 50-04) filed with the OPSC. If the next new

construction funding application is not for the funding of those classrooms, then they should be reported in the appropriate section of the Form SAB 50-04 and the new construction eligibility baseline shall be reduced accordingly. If the district has not received State funding for those classrooms and elects to seek reimbursement prior to occupancy of any classrooms in the construction contract, as stipulated by the new regulations, then the original eligibility reduction shall be reversed and reassessed as part of the funding application.

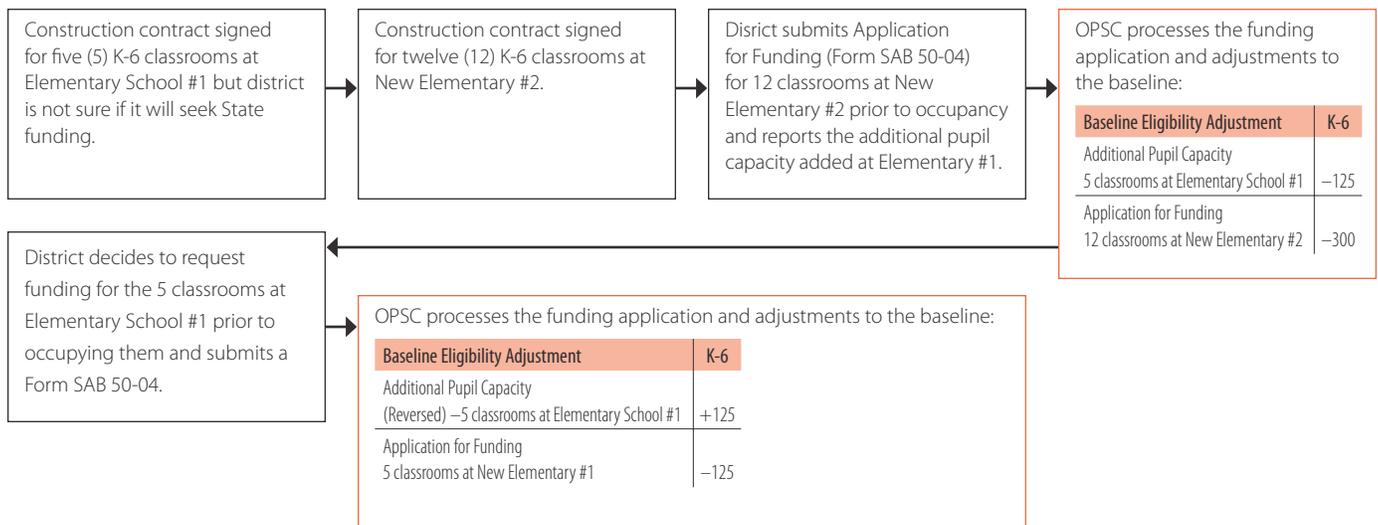
Grandfathering Provisions...

Districts have until November 19, 2004 to submit an Approved Application for projects that were previously considered ineligible for School Facility Program new construction funding due to the construction contract exceeding 180 days from filing an Approved Application with the OPSC.

Need a refresher course?

The Advisory Actions 2003, Issue Number 08, contains valuable information about the grandfathering provisions and time limits on filing an application for new construction funding, which remain unchanged in this modified version of the regulations.

Example: XYZ Unified School District



The following regulation amendments were approved at the June 23, 2004 State Allocation Board meeting.

NON-EMERGENCY

Second Round Modernization

BY ERIC BAKKE, OPSC PROJECT MANAGER

As school facilities continue to age, another mechanism allowing school districts to expand the useful life of their schools was introduced through Assembly Bill 1244 (Chapter 572, Statutes 2003) and Senate Bill 15 (Chapter 587, Statutes 2003). The State Allocation Board's (SAB) approval on June 23, 2004 permits changes to the School Facility Program that enable districts to receive an additional apportionment for the modernization of permanent school buildings every 25 years, or portable classrooms every 20 years, after the date of any previous State apportionment. The regulatory changes include the following:

- Requires that a portable classroom that is eligible for a second modernization be replaced, and to certify that the existing portable classroom will be removed from any classroom use.
- A district may modernize a portable for the second time if the district can document that modernizing the portable is a better use of public resources.
- Documentation justifying the modernization of a portable for a second modernization can be any of the following:
 - A cost benefit analysis prepared by a licensed design professional
 - A narrative that provides the rationale to substantiate the modernization of the portable
 - A copy of the school board minutes that indicates that the board and community have discussed and agreed that modernizing the portable classroom is better use of public resources
 - Any other evidence that would be satisfactory to the SAB.

To accommodate those projects previously modernized under the Lease Purchase Program, the OPSC is permitting school districts to switch options on the Eligibility Determination, Form SAB 50-03, regardless if a funding application was submitted. What does this mean for a school district? When eligible square footage or classroom space comes of age for a second modernization apportionment, school districts can report the eligible space either under Option A or Option B depending on which option provides the school site more eligibility. This will translate into school districts being able to maintain the usefulness on their sites in the face of growing enrollment.

NON-EMERGENCY

"50-Year Old" Modernization Pupil Grants

BY KAREN SIMS AND LIZ YOKOYAMA, OPSC PROJECT MANAGERS

The State Allocation Board approved changes to the School Facility Program regulations that clarified the appropriate reporting of classroom or square footage data on the Application for Funding used to determine 50 year old modernization grants for permanent school buildings that are 50 years old or older.

What's Been Clarified?

- The meaning of the word "project" for purposes of reporting the 50 year or older classrooms and square footages to determine the appropriate grants based on the eligibility at the site as opposed to the work shown in the construction plans.
- How the 50 year old pupil grants are calculated by either classroom count or square footage in proportion to the modernization eligibility on the school site.

When applying for 50 year old modernization grants, the calculation used to determine the ratio to establish the eligible grants is simply:

$$\% \text{ Ratio of Eligible 50-yr old Grant Amt} = \frac{\text{Sum of all permanent classrooms/sq ft} \cdot 50 \text{ yrs old}}{\text{Total no. of classrooms/sq ft Eligible for Modernization at the Site}}$$

Once the ratio is determined, it is applied to a district's most current modernization eligibility determination on Form SAB 50-03. The result is the maximum number of 50 year old modernization grants that a district can request of its modernization eligibility.

- The Application for Funding (Form SAB 50-04) has been revised to more easily allow districts to enter the information necessary.

To view additional information regarding these regulatory amendments, please view the OPSC Web site at www.opsc.dgs.ca.gov.

For any of your questions, please contact your OPSC Project Manager.

ADVISORY ACTIONS

ISSUE NO. 04

from the
State Allocation Board
meetings held on
August 4 and 25, and
September 22, 2004

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REGULATIONS UPDATE

Labor Compliance Program (LCP) Grant – Returns Reporting Dwelling Units in CBEDS

OPSC REMINDERS...

► State Allocation Board Meetings*

Wednesday, October 27, 2004
November – No Meeting Scheduled
Wednesday, December 8, 2004

► Implementation Committee Meetings*

Friday, November 5, 2004
Friday, December 3, 2004

► Interest Earned Report (Form SAB 180)

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

*For the latest meeting dates, times and locations, check the OPSC Web site.



from the desk of
Jacqueline R. Wilson
Deputy Executive Officer

Williams Lawsuit Settled

On September 29, 2004 Governor Schwarzenegger signed several laws to carry out the settlement reached in the *Williams vs. California* lawsuit, also known as the "Williams case." The governor stated that the reforms will mean significant strides in ensuring that California's children have access to a quality education, qualified teachers, and have the tools they need to succeed in school.

The Office of Public School Construction, in cooperation with the California Department of Education, is developing an implementation plan for the new laws. Below is a brief summary of the legislation OPSC is focusing on:

- **Senate Bill 6** – Provides up to \$800 million beginning with the 2005–2006 fiscal year for districts to address emergency facility repair projects. Additionally, provides approximately \$25 million to assess the condition of school facilities in the bottom three deciles of the Academic Performance Index, commencing in 2004–2005.
- **Senate Bill 550** – Establishes minimum thresholds regarding school facilities, and an accountability structure to enforce these thresholds through the development of an interim evaluation instrument to measure if a facility is in good repair.
- **Assembly Bill 1550** – Puts an end to the shortened school-year calendar for some of the most over crowded schools, by putting an end to the year-round (Concept 6) academic schedule by July 1, 2012.

OPSC's action plan will be presented at the November 5, 2004 meeting of the State Allocation Board's Implementation Committee. Be sure to check the OPSC Web site at www.opsc.dgs.ca.gov to see our timeline for implementation.

NEW SUPERINTENDENT?

NEW DISTRICT REPRESENTATIVE?

May We Help You?

BY DARLENE J. NEWMAN, OPSC PROJECT MANAGER

You walk into your newly appointed position, roll up your sleeves, and are ready to dive into the district's school construction projects.

What's next?

That is where the Office of Public School Construction (OPSC) comes in. We administer the School Facility Program along with the deferred maintenance and state relocatable programs. This is a program that helps school districts receive funding for their school construction projects. We are here to assist you and walk you through the entire process! We will show you how to determine your eligibility and receive funding from the various programs for which you may be eligible. If you are new to a district, and have the responsibility of overseeing your district's ongoing facility needs, the transition can be challenging. Our goal is to provide you with the information and tools needed to make that transition a little smoother.

So, now what?

To get started, all that you need to do is contact the OPSC at 916.445.3160. A friendly and helpful staff member can connect you to the Project Manager (PM) assigned to your district. The goal of each PM is to build a professional and personalized working relationship while providing quality service in order to facilitate your projects. Your PM realizes the challenges that new school district

Continue on page 5

Escondido Union's New Valley Continuation High School Approaches Its One Year Anniversary!

BY DAWN BARNHEISEL, OSPC PROJECT MANAGER

In the Fall of 2003, the Escondido Union High School District celebrated the dedication of the new Valley Continuation High School. Senator Bill Morrow, Escondido Mayor Lori Holt-Philer, City Council members, and countless other guests attended the event. After several guest speakers, much student participation, numerous presentations, and a ceremonial ribbon cutting, guests were invited to walk around the gleaming new campus. Student Ambassadors, wearing gold t-shirts emblazoned with the Mighty Grizzly Bear—the school mascot—gave tours and spread the word about the school's rules.

The new school is located at 410 Hidden Trails Road in Escondido. If the address conjures up positive images for you, that's quite appropriate: it's a beautiful campus. However, the Valley High School community has paid its dues for this just reward, with students and teachers spending almost thirty years in portables before moving onto their new campus in August of 2003. The move occurred only 10 months after breaking ground in October of 2002. Jan Boedecker, Valley High's Principal, believes that reusing the plans from Carlsbad School District's Carillo Middle School (with only minor modifications) and plenty of preparation—physical and mental—minimized problems and saved the project time and money.

While still residing at the old site at Bear Valley, Ms. Boedecker says they used their time well, generally preparing and "getting psyched for the great things to come." All members of this school community had a voice in the creation of their new campus. By democratic process, it was agreed that earth tones and the school colors of black and gold should paint the campus' interior palette. Teachers chose between desks and tables in accordance with their teaching style and curriculum. Students, given the choice of type and color for classroom chairs, made the pragmatic choice of sturdy plastic black in order to deter graffiti artists.



ENTRANCE TO VALLEY CONTINUATION HIGH SCHOOL



THE QUAD

The importance of symbolism is clearly valued on this campus. When they moved from the original Bear Valley site, students, teachers and administrators followed a modern day "pied piper" off campus en route to their interim home at East Valley Parkway. The enduring strength symbolized by the school's grizzly bear mascot can be seen throughout the campus. Thomas D. Mangelson's giant photographic prints depict bears in scenes in various campus locations. For instance, the counselors office contains an image of a mother grizzly guiding her cubs, while a print of a grizzly standing cautiously behind a highway sign that issues the warning "slow, curve" marks the entrance to the dean's office. In addition, computer mouse-pads throughout the school proclaim a message that the students and staff of Valley High know all too well: "Life's a Bear."

Set within view of the surrounding foothills, the new campus is essentially comprised of four buildings surrounding a central courtyard: the English and Social Science wing; the Science and Math wing, which also houses the woodshop and art program; the Gym which can accommodate the whole school and then some, and sponsors a classroom intramural program during lunchtime; and the Administration building. The campus consists of sixteen classrooms, five resource rooms and three computer labs, and boasts the highest level of technology in the district. It is home to two winners of the "District Teacher of the Year" award, and, of the 600 continuation schools in California, Valley High is one of only fourteen continuation schools to have earned the designation as a "model school."

The school's external surroundings correspond with the internal proficiency and creativity that earned the campus its many awards. The students and staff of



INTERIOR COURTYARD

Valley Continuation High School are truly infused with enthusiasm for their new learning environment. Upon entering the campus for the first time, one student was heard to say, "I've never been in a place this nice." Principal Boedecker believes that the school philosophy of "clean inside, clean outside" works both ways, and this campus is a prime example of the marked effect that the outside has on the inside. The widespread sense of appreciation has fostered an atmosphere of mutual respect, a place where learning issues can be nipped in the bud before they grow to unmanageable proportions. She believes that the renewed sense of pride in the enhanced aesthetics and superior functionality of their new home, coupled with room to grow and to be creative, has contributed to a vast improvement of the quality and efficacy of instruction. But there is an innate pragmatism woven into Valley High's sense of appreciation for their new school, best expressed by the school's Ambassadors when they say to their fellow students: "Hey, we're not gonna get another one!"



UNLOCKING THE MYSTERIES TO SCHOOL CONSTRUCTION COSTS

What Districts Should Know About State And Local Agencies

BY ANNE LYNCH, OPSC AUDITOR

This issue's feature article on the *Public School Construction Cost Reduction Guidelines* provides tips on the state and local agencies that a school district must work

with in the planning, design, and construction of a school. The Division of the State Architect (DSA), Office of Public School Construction (OPSC), and California Department of Education (CDE) are the main state agencies involved with building or modernizing a school. But there are other state players, such as the State Allocation Board, and the Department of Toxic Substance Control (DTSC) among others. Local agencies, such as city and/or county planning, fire, utility, and health departments can also affect the cost of a project from initial site selection and utilization, to final approval of a fire hydrant.

Below is an overview of what districts should keep in mind when teaming with the state and local agencies. Following the guidelines below can speed the application process tremendously and ensure the project flows smoothly.

Office of Public School Construction

Familiarize yourself with OPSC staff and processes. Stay abreast of what's going on—become involved in those associations such as the Coalition for Adequate School Housing (CASH) that deal with the funding issues, attend the OPSC workshops, visit the OPSC Web site on a weekly basis, and meet with OPSC's project managers on a regular basis.

Provide complete documentation. Learn the rules for yourself, understand the purpose and process, and make sure your consultants provide complete documentation.

Meet directly with OPSC staff managing your project. The key is to work with the OPSC staff. Meet with them at the outset, and get their input, keep them apprised of the progress on a regular basis (even if the project has not progressed much), ask questions as often as needed, and contact the supervisory personnel when needed.

Division of the State Architect

Familiarize yourself with DSA staff and processes. Stay abreast of what's going on—become involved in those associations that deal with the plan approval issues, attend the DSA workshops, visit the DSA Web site on a monthly basis, and meet with DSA's upper management on an annual basis.

Utilize design consultants familiar with DSA. Selection of consultants is addressed in the section on Professional Consultants; the key here is to ensure that the selection criteria includes DSA experience.

Establish a schedule with DSA for submittal and review dates. Meet with DSA senior staff to overview the project, and establish a schedule for submittal, and review what is workable for the district, their consultant, and DSA.

Submit only 100 percent complete drawings to DSA. Learn the DSA processes, and make sure your consultants provide complete documentation.

Ensure contact with DSA is by experienced, top level consultant staff. Insist that the district's design consultant uses top level, responsible staff to meet with DSA at all points of contact, including the "back-check."

Stay in the loop; meet with DSA at all milestones. Set up the schedule, stay on top of progress, and attend all milestone meetings with DSA.

Utilize preliminary process to ensure compliance with code. Set up the preliminary review process (or the concurrent review) with the DSA area manager, establish the schedule, and attend the meeting(s).

Utilize incremental reviews. Set up the incremental review process with the DSA area manager, establish the schedule, and stick to it.

California Department of Education

Familiarize yourself with CDE staff and processes. Stay abreast of what's going on—become involved in those associations that deal with the educational issues, attend the CDE workshops, visit the CDE Web site on a monthly basis, and meet with CDE's regional consultants regularly.

Provide complete documentation. Learn the rules for yourself, and make sure you and your consultants provide complete documentation.

Work with CDE at the initial stage of the project; use them as a resource. Set up the initial meetings at the earliest point in the planning process.

Department of Toxic Substance Control

Evaluate the environmental considerations carefully. The DTSC has published procedures for investigation and mitigation of potentially hazardous sites. Keep current with or learn of the most current environmental criteria, utilize a qualified consultant to investigate the site, and avoid sites with high mitigation costs.

Do environmental investigation prior to buying. Follow DTSC recommendations and requirements. This involves spending money up front, but will greatly reduce the risk of spending unanticipated and inflated dollars later for undiscovered problems.

Get seller's approval for geological investigation. The district can protect against significant costs of development if it properly investigates the site prior to purchase. The district should not buy a site that has not been thoroughly investigated, and should not do any destructive testing without the seller's permission.

Local Planning Agencies

Be familiar with, and involved in, your community planning issues. Become involved as an active participant in the process. This should be a continuing commitment on behalf of the district.

Work with the planning staff to resolve issues early in the planning process. Meet with the local planning agency at the outset of a project, and determine all the requirements with which the project must comply.

Utilize capable planning consultants with good relationships with agency. Selection of consultants is addressed in the section on Professional Consultants; the key here is to ensure that the planning consultant has good working relationships with the local jurisdictions involved.

Minimize development "hold-ups" on state funded schools. Stay alert to the possibility that delays can occur, be involved in the process, and use experienced consultants if necessary.

Continue on page 5

RECENT CHANGES

Routine Restricted Maintenance Account

BY BRYAN BREAKS, OPSC AUDIT SUPERVISOR

School districts and County Offices of Education need to be aware that Senate Bill 409 (Chapter 195) was signed by the Governor on July 27, 2004.

The new law requires that, for Fiscal Year 2004–05 only, school districts participating in the School Facility Program must deposit into the Routine Restricted Maintenance Account an amount not less than 2 percent of the district's Total General Fund Expenditure Budget. Senate Bill 409 further provides that for the fiscal year 2004–05 only, any amount deposited into the Routine Restricted account in excess of 1½ percent of the district's general fund budget may be counted towards the district's matching share for the basic grant under the School Deferred Maintenance program. Should you have any questions concerning this matter, please contact Bryan Breaks, Audit Supervisor at bryan.breaks@dgs.ca.gov or 916.445.3156.

FUND RELEASE AUTHORIZATION

Certifications and Rescissions

BY WAN WONG, OPSC ACCOUNTANT

When school districts file a Fund Release Authorization (Form SAB 50-05), they are certifying that their applicable matching share (50 percent for a new construction grant and 40 percent for a modernization grant) has either:

- been deposited in a County School Facility Fund
- has already been expended for the project(s)
- will be expended prior to the Notice of Completion for the project(s)

The law requires a school district to submit the Fund Release Authorization (Form SAB 50-05) within 18 months of its School Facility Program apportionment for the project(s) or their apportionment for the projects(s) will be rescinded by the State Allocation Board.

A school district may refile a new application for the project(s) subject to district eligibility and the date order at the time of resubmittal. However, if a district decides to refile the new application for the projects(s) as a financial hardship project, a more in-depth financial hardship review will be performed to determine the district's ability to meet its matching share requirements.

SFP Online Grant Calculator

BY RASHID MIR, INFORMATION SYSTEMS SUPERVISOR

The Office of Public School Construction is pleased to announce the release of the School Facility Program Online Grant Calculator. The SFP Grant Calculator is a Web-based tool designed to assist districts with the financial planning of typical new construction and modernization projects. The SFP Grant Calculator can determine additional grants which a school district may be eligible to receive based on basic proposed project information. In addition, the Grant Calculator will allow the district to enter actual values and instantly receive estimated grant amounts based on the SFP Regulations currently in effect. While the SFP Grant Calculator will not actually submit a funding application, school districts are encouraged to use it in the planning and feasibility stages of a project. We hope this tool will provide school districts with a better insight into our funding calculations and simplify the funding application process.

LEASE PURCHASE JOINT-USE PROGRAM CONCLUDES WITH SUCCESS

Appropriate Ending

BY RACHEL WONG, OPSC PROJECT MANAGER

At the July 2003 State Allocation Board (SAB) meeting, action was taken to extend the LPP Joint-Use Program for one additional year due to availability of funds in the prior bond fund. Many districts took advantage of this opportunity.

As of the October 27, 2004 SAB meeting, funds were apportioned for all 37 qualified projects.

Since the funding source for this program is currently exhausted, *the SAB also authorized the Office of Public School Construction to advise school districts that it would not be accepting any more applications.*

In order to assure a timely fund release it is important to submit the following SAB forms on or before August 4, 2005:

- Agreement – Joint Use EC 10752 (Form SAB 518 JU)
- Construction Contract Certification for Joint Use – EC 17052 (Form SAB 599 JU)

For more information regarding the LPP Joint-Use Program, please visit the OPSC Web site at www.opsc.dgs.ca.gov. As always, please feel free to contact your OPSC Project Manager, or contact Brian LaPask at 916.327.0298 or via email blapask@dgs.ca.gov.

READY, SET, GO AND THERE'S MORE!

Autumn Is Here With Hot August Results

BY RACHEL WONG, OPSC PROJECT MANAGER

The State Allocation Board (SAB) funded 12 school districts and 21 joint-use projects at the August 2004 (SAB) meeting. The SAB approved the apportionment of \$21,364,565. Although this is great news for those districts that received funding, this action also leaves more than \$62 million dollars in the Joint-Use Program funding for qualified projects at the July 2005 SAB meeting!

What does that mean for you? The modifications to the Joint-Use Program (SB 15) regulations allowed more flexibility for the qualification criteria, so if your district wants to participate in this program, money is available. The current filing period for the next funding cycle is now through May 31, 2005. So now is the time to look into the possibilities! Need a new gym? Need a larger multi-purpose facility? Have a joint-use partner in mind? Give the Joint-Use Program a try.

In order to ensure a timely fund release, the following deadlines are important to remember:

- If the district has received construction funding, it has 18 months from the August 4, 2004 SAB date to submit a Fund Release Authorization (Form SAB 50-05), or the funding will be rescinded.
- If the district has received preliminary planning funding, the district has 12 months to submit DSA final approved plans to the OPSC.

For more information regarding the SFP Joint-Use Program, please visit the OPSC Web site at www.opsc.dgs.ca.gov. As always, please feel free to contact your OPSC Project Manager, or contact Rachel Wong at 916.445.7880 or via e-mail rachel.wong@dgs.ca.gov or Aneida Ramirez at 916.324.5703 or via e-mail aneida.ramirez@dgs.ca.gov.

Aurora Modular Industries Declares Bankruptcy

BY LIZ CHEYNE, OPSC PROJECT MANAGER

The Office of Public School Construction (OPSC) was recently made aware that Aurora Modular Industries, one of the state's largest portable classroom manufacturers, has declared bankruptcy. This development has the potential to leave some districts unable to house students. However, a number of districts were able to take delivery of the portable classrooms that had been completed by Aurora while others have had to purchase classrooms from other manufacturers. The OPSC is working with the Division of the State Architect (DSA) to provide information on the process for continuing with a project if it includes Aurora classrooms. The following directions will assist you with the process:

1. If the district has submitted an SAB 50-05 Fund Release Authorization based on a contract with Aurora, the 18-month time limit on apportionments will not be in jeopardy. The district will be required to obtain a DSA approved revision of plans using another manufacturer; no change of scope will be accepted.
2. If the district currently has plans that have been submitted to the DSA, which have not been stamped, the DSA will return the plans, direct the district to revise the plans accordingly, and resubmit to DSA.
3. If the plans have been "stamped out" and approved by the DSA and the project has not received State Allocation Board approval, the district must obtain a revision from DSA. Provided that all revisions are directly related to substitution for an Aurora product, the DSA will not require a re-submittal.

Please note that a revision to plans will take less time to process through DSA than a re-submittal. Also, please be advised that the DSA may have concerns regarding scope change on revisions to plans. Changes not limited to substitution "in kind" for Aurora product may require re-submittal.

If your district currently has a School Facility Program project that has been impacted by the Aurora bankruptcy, please contact your OPSC Project Manager.

If the plans for your project have been submitted to the DSA and have not yet been approved, please also contact your DSA Regional Office.

May We Help You?... from front page

personnel may face: picking up where your predecessor left off... apprising yourself of what construction projects were already in the works prior to your arrival... finding out the status of applications on file at the OPSC... or just knowing what to do next.

The OPSC Web Site

The OPSC Web site offers an abundance of information that can help you in your transition. The OPSC Web site address is www.opsc.dgs.ca.gov. Here you can find information on funding programs for constructing new schools, building additional classrooms to existing campuses, modernizing those older facilities, deferred maintenance, and joint-venture projects developed for school and community use. The Web site also provides electronic forms, upcoming meeting schedules, up-to-date publications and much more.

Give Us A Call!!

We look forward to hearing from you and having the opportunity to assist you with your facility needs. We are here to help!

What Districts Should Know... from page 3

Local Permitting Agencies

Ensure that design consultant complies with local requirements. Become familiar with all local requirements, ensure that the design consultant(s) meet with the local agencies and includes their requirements in the design, and apply for, and receive approval, where necessary.

Consider paying fees to local fire marshal for their review of the plans. The local fire marshal can review plans for violations of local codes or permits in addition to the normal DSA review. This can prevent costly delays and modifications if violations are found after construction has begun.

For more detailed explanations of these agencies, including the "Why's" and "How's," please consult the *Public School Construction Cost Reduction Guidelines*, part of the *Best Practices Report*, on the OPSC Web site located at www.opsc.dgs.ca.gov. If you have questions, be sure to contact your OPSC Project Manager.

Congratulations on Your New School Openings

BY CHRISTINE SANCHEZ, OPSC PROJECT MANAGER

A new school is a symbol of the "can-do" efforts of all who participate in its creation. Through local community support, district contributions, and the various state agencies involved, one common goal was met... a safe, new school for the children.

The Office of Public School Construction would like to congratulate the following schools on their recent ribbon cutting ceremonies:

DISTRICT	COUNTY	SCHOOL NAME	DEDICATION
NORTH TAHOE MIDDLE SCHOOL	PLACER	NORTH TAHOE MIDDLE SCHOOL GYMNASIUM	MARCH 2004
ESCONDIDO UNION SCHOOL DISTRICT	SAN DIEGO	BEAR VALLEY MIDDLE SCHOOL	AUGUST 2004
ESCONDIDO UNION SCHOOL DISTRICT	SAN DIEGO	FARR AVENUE SCHOOL	AUGUST 2004
DAVIS JOINT UNIFIED SCHOOL DISTRICT	YOLO	FRANCES ELLEN WATKINS HARPER JUNIOR HIGH SCHOOL	AUGUST 2004
SAN LUIS OBISPO COE	SAN LUIS OBISPO	CHALK MOUNTAIN COMMUNITY SCHOOL	SEPTEMBER 2004
FAIRFAX SCHOOL DISTRICT	KERN	SHIRLEY LANE ELEMENTARY SCHOOL	SEPTEMBER 2004

AS OF SEPTEMBER 22, 2004

Proposition Funds Put to Work

PROGRAM	BOND ALLOCATION	APPORTIONED	RELEASED/ CONTRACTED
Proposition 55			
New Construction	\$ 4,960,000,000	\$ 0	\$ 0
Modernization	2,250,000,000	563,280,238	276,384,577
Charter School	300,000,000	0	0
Critically Overcrowded Schools	2,440,000,000	0	0
Joint Use	50,000,000	0	0
Total Proposition 55	\$10,000,000,000	\$ 563,280,238	\$ 276,384,577
Proposition 47			
New Construction	\$ 6,250,000,000	\$ 5,415,195,218	\$ 5,064,863,108
Modernization	3,300,000,000	3,282,819,222	3,097,915,025
Charter School	100,000,000	97,034,156	0
Critically Overcrowded Schools	1,700,000,000	1,681,356,272	0
Joint Use	50,000,000	37,143,766	8,170,942,975
Total Proposition 47	\$11,400,000,000	\$10,513,548,633	\$ 8,170,942,975
Grand Total	\$21,400,000,000	\$11,076,828,871	\$ 8,447,327,552

Status of Funds

PROGRAM	BALANCE AVAILABLE AS OF SEPTEMBER 22, 2004
Proposition 55	
New Construction	\$ 4,946.0
Charter School	300.0
Energy	14.0
Modernization	1,678.9
Energy	5.8
Critically Overcrowded Schools	2,440.0
Joint Use	50.0
Total Proposition 55	\$ 9,434.7
Proposition 47	
New Construction	\$ 764.3
Charter School	0.5
Energy	10.3
Modernization	13.3
Energy	3.9
Critically Overcrowded Schools	18.6
Joint Use	12.8
Total Proposition 47	\$ 823.7
Grand Total	\$ 10,285.4

NOTE: Amounts shown above are in millions of dollars.
The SAB funded \$1,020,153.42 for the Deferred Maintenance Program.

REGULATIONS UPDATE

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

The following regulation amendment was approved at the September 22, 2004 State Allocation Board meeting.

EMERGENCY

Labor Compliance Program (LCP) Grant – Returns

BY TASHA ADAME-BRENNAN, OPSC PROJECT MANAGER

As many school district may already know, California Labor Code Section 1771.7, enacted in early 2003, requires school districts that are building or modernizing school projects with 2002 and 2004 state bond funds to initiate a specified labor compliance program (LCP). This requirement resulted in some additional costs to districts.

The Office of Public School Construction (OPSC) presented proposed regulations at the July 2003 State Allocation Board (SAB) meeting to provide districts a per pupil grant increase to accommodate the states' share of the increased costs of new construction or modernization project due to the initiation and of enforcement of the LCP. This was accepted by the board and a grant adjustment for the LCP took effect. However, due to the expiration late last year of School Facility Program regulations supporting the LCP grant, the SAB was unable, as of January 2004, to apportion funds for costs related to LCP.

At the June 2004 SAB meeting, the OPSC presented a report on the status of the LCP regulations. The Board accepted the report and directed staff to return with a recommendation to re-file the regulations on an emergency basis. The Board also requested that staff address the projects that did not receive LCP funding because those projects were apportioned during the time period that the LCP regulations were not in effect.

What's New and What's the Same:

At the September 22, 2004 SAB meeting, the Board approved the SFP Regulation changes that specify the LCP increase to the per-pupil grant funded with either Proposition 47 or Proposition 55 funds. These new regulations contain the exact language previously approved by the Board with the exception of two minor, non-substantive changes:

- Reference to Proposition 55, which did not exist at the time the original regulatory amendments for LCP were approved, has been added to the certification language on the forms.
- Language has been added to the regulation section for charter school facilities in order to provide additional funding for LCP costs to those projects.

Otherwise, the LCP regulations remain the same. The OPSC expects the newly approved regulations to become law by next month and the LCP grant will be in effect by December 2004 or January 2005. The regulations will provide direction related to pupil grant increases for the LCP.

Additionally, OPSC staff confirmed that an exception to Education Code 17070.63—*state's full and final contribution*—is provided in statute for the purposes of granting the LCP funds pursuant to the LC 1771.7 for eligible projects from the effective date of that statute.

When approving the re-filing of the emergency regulations that increase the per pupil grant award to cover the cost of labor compliance programs, SAB members cautioned school districts that the Department of Industrial Relations (DIR) has not finalized its amended regulations for the LCP. Therefore, school districts should exercise judgment when implementing a LCP that complies with current law without incurring unnecessary program costs.

What to Expect

The OPSC anticipates districts that received School Facility Program (SFP) funds after January 28, 2004 may receive an augmentation for some of the cost increases due to labor compliance programs.

In anticipation of Office of Administrative Law approval of the emergency regulations, the OPSC is sending a mass mailer informing impacted districts of the important timeframes and additional specifics in submitting a certification form (generated by OPSC) to receive the LCP grant.

Furthermore, districts should ensure their projects have labor compliance approval by the DIR. For additional information on approval for a labor compliance program as described in Labor Code section 1771.7, refer to the DIR's Web site, www.dir.ca.gov/lcp.asp. Please contact your project manager for further assistance.

The following regulation amendment was approved at the September 22, 2004 State Allocation Board meeting.

NON-EMERGENCY

Reporting Dwelling Units in CBEDS

BY HEATHER DOHERTY, OPSC POLICY AND SPECIALS ANALYST

It's that time of year again for school districts to gather enrollment data required for yearly California Basic Educational Data System (CBEDS) reports to submit to the California Department of Education. Districts can also submit updated CBEDS enrollment information to the Office of Public School Construction (OPSC) for the School Facility Program.

When updating their CBEDS enrollment information, districts should note a change in the reporting of dwelling unit augmentations. At the September 2004 State Allocation Board (SAB) meeting, the SAB approved the following options for districts to select from when reporting dwelling units:

- The point in time permits are pulled, plus 12 months
- The point in time the dwelling unit is occupied

Districts are required to pick one option for all tract map submittals and supply supporting documentation to justify their request. This means a district uses either the date of occupancy or permits pulled, plus 12 months as the stopping point for all of the tract maps. Districts may select the alternate option the following submittal year if desired.

If you have any questions regarding this subject, we encourage you to call your OPSC Project Manager. In addition, the dwelling unit brochure and dwelling unit worksheet are located on the OPSC Web site at www.opsc.dgs.ca.gov.

To view additional information regarding these regulatory amendments, please view the OPSC Web site at www.opsc.dgs.ca.gov.

For any of your questions, please contact your OPSC Project Manager.

ADVISORY ACTIONS

ISSUE NO. 05
from the
State Allocation
Board meetings held
on October 27 and
December 8, 2004

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REGULATIONS UPDATE

Construction Cost Index Update

STATE ALLOCATION BOARD IMPLEMENTATION COMMITTEE

OPSC REMINDERS...

► State Allocation Board Meetings*

Wednesday, January 26, 2005
Wednesday, February 23, 2005

► Implementation Committee Meetings*

Thursday, January 6, 2005
Friday, February 4, 2005

► Interest Earned Report (Form SAB 180)

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

► Deferred Maintenance Basic Apportionments Certification of Deposit

Your County Office of Education must certify to OPSC by February 6, 2005 that the school districts within your county, and the County Office of Education, have deposited the required funds to their District Deferred Maintenance Fund. If the district's deposit is less than the required amount, the district will need to submit a report to the Legislature by March 1, 2005. Please refer to Education Code Section 17584.1 for the requirements of the report.

*For the latest meeting dates, times and locations, check the OPSC Web site.



from the desk of
Jacqueline R. Wilson
Deputy Executive Officer

2004: A Fantastic Year for Schools!

As we close out 2004, I'd like to take a moment to reflect on the significant accomplishments achieved during the year gone by that have benefited so many school districts throughout California.

Here are some of the highlights:

- California voters approved Proposition 55 in March resulting in \$10 billion worth of funding for new school construction, modernization, critically overcrowded schools and joint-use projects. For the first time in more than 20 years, school districts are benefiting from continuous state school facility funding.
- In November, voters approved nearly 50 local bond measures that the California Department of Education estimates will provide \$2 billion worth of local school construction matching funds.
- As of the December 8th State Allocation Board meeting, \$1.74 billion from both the Proposition 55 and Proposition 47 bond funds have been allocated for new school construction and modernization in 2004. That translates to 256,428 pupils housed, and 671 total projects.
- Governor Schwarzenegger signed several bills to carry out the settlement reached in the *Williams vs. California* lawsuit. As the governor stated, the reforms will lead to significant strides to ensure that California's children have access to a quality education. The OPSC is hard at work developing plans to implement the two bills directly impacting this office: Senate Bill 6 and Senate Bill 550. Discussions will continue at the State Allocation Board (SAB) Implementation Committee through January and final proposals will be presented to the SAB for adoption at the January 26, 2005 meeting.
- More than 400 school districts benefited from the Federal Renovation Program that provided \$103 million in federal funding to help fill a gap in a critical area of school facilities funding.

These milestones and many others have made for a fantastic year for our schools. I would like to personally thank everyone who worked so hard to make it all happen, and look forward to even greater accomplishments in the year ahead.

Congratulations! Let's keep up the good work and build those schools...

Williams Lawsuit Settlement Legislation Update

BY BEATRIZ SANDOVAL, OPSC PROJECT MANAGER

As you recall, the last issue of the Office of Public School Construction (OPSC) *Advisory Actions* contained information on the *Williams vs. California* lawsuit settlement, and the bills signed into law by Governor Schwarzenegger in September 2004 that were part of that settlement.

Beginning with this edition of the OPSC *Advisory Actions*, we will provide more details on the two bills that impact the OPSC, and the progress made in implementing Senate Bill 6 and Senate Bill 550.

Summary of Senate Bill 6

Senate Bill 6, Chapter 899, Statutes of 2004, established the School Facilities Needs Assessment Grant Program and the Emergency Repair Program. The funding is available to schools that are ranked in deciles one, two, or three based on the 2003 Academic Performance Index, and that were newly constructed prior to January 1, 2000. The list has been published by the California Department of Education and is available on the CDE Web site at www.cde.ca.gov.

Under the provisions of the School Facilities Needs Assessment Grant Program, each eligible school will be provided with a minimum grant amount of \$7,500 or \$10 per pupil to complete a one-time assessment of facilities. In addition, up to \$800 million dollars will be made available for the Emergency Repair Program. This program provides reimbursement of eligible costs for emergency repairs to mitigate specific conditions at facilities that pose a threat to the health and safety of pupils and staff.

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Bessie Carmichael Elementary School Dedication

BY KAREN SIMS, OPSC PROJECT MANAGER

Amid the deafening cheers from students, parents, and the community, the San Francisco Unified School District dedicated the long-awaited Bessie Carmichael Elementary School on November 10, 2004, fulfilling its promise of a new school for the city's South of Market neighborhood.

Originally approved for abandonment and replacement under the Lease-Purchase Program in 1996, the project was converted to a School Facility Program facility hardship project and, in 2003, was awarded approximately six million dollars in state funds.

The new school is located across the street from the old Bessie Carmichael Elementary School. This is the third site in the history of the school—the original site was located under what is now the 101 freeway. The site that was just abandoned started out as a city park. Through a joint-use agreement with the city, the site will be turned back into a park where the students can play.



THE NEW ENTRANCE – PHOTO BY KAREN SIMS



THE "OLD" BESSIE CARMICHAEL – PHOTO BY LORI MORGAN



NEW PLAYGROUND AND CLASSROOMS – PHOTO BY KAREN SIMS

Clean School Restrooms Update

BY ERIN MOORE, OPSC PROJECT MANAGER

In January 2004, Senate Bill 892 took effect requiring school districts to keep restrooms clean, maintained and stocked at all times.

The Office of Public School Construction (OPSC) has developed a procedure for concerned parties to file complaints regarding the condition of public school restrooms. A Restroom Maintenance Complaint form (Form SAB 892) can be found on our Web site at www.opsc.dgs.ca.gov/SAB+Forms/Default.htm, or can be requested by calling our toll free hotline at 866.869.5063.

Concerned parties are being encouraged to share the details of restroom deficiencies with the school's principal, the school district, and the school board before filing a complaint with the OPSC. We are also encouraging districts to inform parents of internal complaint procedures that parents can use at the school or district level. In addition, districts are strongly encouraged to share information about OPSC's restroom maintenance complaint process and complaint form with parents and staff.

For additional information, please contact Bill Johnstone, OPSC Project Manager, at bill.johnstone@dgs.ca.gov or 916.323.8176.

Williams Lawsuit Settlement... *from front page*

Summary of Senate Bill 550

Another part of the Williams settlement legislation is Senate Bill 550, Chapter 900, Statutes 2004, which introduces the Interim Evaluation Instrument to be developed by the OPSC. This tool will be available for all schools and will measure whether a facility is in "good repair" as defined by clean, safe, and functional.

The OPSC is continuing to work on the development of these programs and will also be presenting the items for discussion at the January 6, 2005 State Allocation Board (SAB) Implementation Committee meeting. The SAB will be adopting the regulations for the Needs Assessment Grant Program and Emergency Repair Program, as well as approving the Interim Evaluation Instrument, at its January 26, 2005 meeting.

For more information on the Williams lawsuit settlement legislation, please refer to the SAB Implementation Committee section of the OPSC Web site where discussion items and minutes are posted under Agenda History. You may also wish to view the Implementation Committee insert in this edition of the OPSC *Advisory Actions*.

2004 Legislation Update

BY ELIZABETH DEARSTYNE, OPSC PROJECT MANAGER

The 2004 legislative cycle brought us numerous bills related to school facilities.

The following table summarizes pertinent sections of the most significant chaptered bills that impact the programs administered by the State Allocation Board. It is by no means a comprehensive study of their ramifications and program implications. Deeper scrutiny and program-specific evaluation is underway.

As information develops, we will communicate the various ways in which the following legislation may affect your school district with regard to the State Allocation Board's (SAB) and Office of Public School Construction's (OPSC) programs.

2004 Legislative Overview

ASSEMBLY BILL NUMBER SUMMARY

**AB 1465 (Chan)
Chapter 894**

Small High School Pilot Program
Creates a new program within the School Facility Program, and allocates \$20 million of new construction funding and \$5 million of modernization funding, for the purpose of promoting small high schools. The program will be operational from January 1, 2006 until January 1, 2008. The new construction grant will be adjusted for small high schools—the definition of which is contained in the bill—to be 120 percent of the regular new construction grant. The new construction local district match has also been modified. For purposes of modernization, the bill will allow a high school with enrollment of 1,000 or more pupils to receive additional modernization funding to reconfigure into two or more small high schools.

**AB 1550 (Daucher)
Chapter 901**

Williams Settlement: Concept 6
The bill requires school districts that are operating on a Concept 6 multi-track year-round schedule to develop a plan to remove themselves from the Concept 6 calendar by July 1, 2012. Requires the OPSC to provide assistance to the California Department of Education and State Board of Education to meet this goal.

**AB 2727 (Daucher)
Chapter 903**

Williams Settlement: Uniform Complaint Process
The bill requires the implementation of a Uniform Complaint Process to be instituted at the local level for students, parents or teachers to use as a means to address several items, including the condition of school facilities.

**AB 2950 (Goldberg)
Chapter 898**

Critically Overcrowded School Final Apportionment Eligibility
Develops alternative methods for an applicant in the Critically Overcrowded Schools Program to calculate enrollment for purposes of determining eligibility for the final apportionment. The applicant may use one of the following methods as an alternative:

- Current year enrollment for the year in which the application for final apportionment was submitted; or
- If the preliminary apportionment was calculated on a high school attendance area (HSAA) basis, the current year or five-year projected enrollment that uses pupil residence in the HSAA.

SENATE BILL NUMBER SUMMARY

**SB 6 (Alpert)
Chapter 899**

Williams Settlement: Establishes the Needs Assessment Grant Program and Emergency Repair Account
Provides funding to schools that are ranked in deciles one, two, or three based on the 2003 Academic Performance Index, and that were newly constructed prior to January 1, 2000. Under the provisions of the School Facilities Needs Assessment Grant Program, each eligible school will be provided with a minimum grant amount of \$7,500 or \$10 per pupil to complete a one time assessment of facilities. In addition, up to \$800 million dollars will be made available for the School Facilities Emergency Repair Program. This program provides reimbursement of eligible costs for emergency repairs to mitigate specific conditions of facilities that pose a threat to the health and safety of pupils and staff.

**SB 409 (Hollingsworth)
Chapter 195**

Routine Restricted Maintenance Account Deposit
For the 2004/05 Fiscal Year only, reduces the amount required to be deposited into the restricted account to two percent of a district's general fund expenditures, including other financing uses. The bill would provide that for that fiscal year, the annual deposit into the restricted account in excess of 1½ percent of the district's general fund budget may count towards the amount that a school district is required to contribute in order to receive an apportionment from the State School Deferred Maintenance Fund.

**SB 550 (Vasconcellos)
Chapter 900**

Williams Settlement: Standards of Good Repair
Requires the OPSC to develop an Interim Evaluation Instrument. This tool will be available for all schools and will measure whether a facility is in "good repair" as defined by clean, safe, and functional.

Please stay tuned! We would like to encourage you to take an active role in the changes being made to the various programs administered by our office. The most effective way would be to attend the SAB Implementation Committee meetings that are held monthly in Sacramento and are open to the public. Visit our Web site at www.opsc.dgs.ca.gov for information on upcoming agenda items, meeting dates and locations.



UNLOCKING THE MYSTERIES TO SCHOOL CONSTRUCTION COSTS

Type of Construction

BY KAREN SIMS, OPSC PROJECT MANAGER

This issue's feature article on the *Public School Cost Reduction Guidelines* features information on the types of construction and considerations that school districts must think of while they are planning their new construction or modernization projects.

Some important issues a school district should take into consideration include: the configuration of the buildings, the project's life expectancy, the methods and materials to be used, how much time a district has to complete the project, and whether or not to use standardized components and features.

Configuration: A building's shape and its components directly impact the cost of a project, as does "over-designing" the project to make the buildings unique.

Life Expectancy: Buildings need to be able to meet the long range needs of the school district. One question you must answer is where and when do you want to spend construction funding? If you paid a little more up front, is it going to save you more money over time, or do you spend less money now knowing you may have to replace or repair in the future. Value engineering—an independent, professional analysis of the initial and long term costs of maintaining and operating a structure along with the costs of a building's function, and the aesthetics of the proposed design—may be one way to determine what would work best for your school district.

Methods and Materials: Most of the time the construction method used is determined by the contractor but is dependent on the design. Using County Office of Education standards or regional standards may provide significant cost-savings.

Time: As the old saying goes, "Time is money," and it especially applies to school construction. A school district must be able to balance between taking the time to do the project correctly, but not taking so much time that dollars are wasted. Some tips include: Establish a reasonable project master schedule with key milestones clearly identified; work closely with the designer and contractor to ensure compliance; use repetitive elements of the building (i.e., building components, classroom clusters, or complete buildings); and begin site work in the spring and have the work completed by fall.

Field-Built Standardization: Everything from the light fixtures to a whole building can be standardized. Standardization, as opposed to customizing, will reduce costs. For example, the use of fewer different types of materials gains economies of scale and saves money. Standardization also provides a consistency throughout a project, as well as ease of ongoing maintenance, repair, and replacement when necessary.

For valuable details and more suggestions on the various types of construction available to school districts, please refer to the *Public School Construction Cost Reductions Guidelines* as part of the *Best Practices Report* on the OPSC's Web site located at www.documents.dgs.ca.gov/opsc/pdf-handbooks/Cost_Rdt.pdf.

If you have any questions, please be sure to contact your OPSC Project Manager.

COMING SOON:

New and Improved OPSC Web Site

BY ANDREW NAVE, OPSC PROJECT MANAGER

In a continuing effort to provide our customers with the best service possible, the Office of Public School Construction is redesigning our existing Web site.

In the near future you will see several improvements including the following:

- Conversion to a more uniform and consistent layout
- Reorganization of information for ease of access by specific programs
- Updating date-sensitive information for all programs
- More detailed descriptions of programs, resources and forms

Please check our current Web site's "What's New" section, as well as future editions of *Advisory Actions*, for updates on when our "new and improved" site will be going online.

In addition, be aware that once the revised Web site is released, you will need to revise your bookmarks and "favorite site" links for specific pages or documents.

As always, should you have any questions regarding the OPSC, or any of the programs it administers, please do not hesitate to contact your project manager.

School District Outreach Survey

BY VALERIE LANE, OPSC PROJECT MANAGER

How can the Office of Public School Construction better assist school districts with the School Facility Program funding application process?

That's the question the OPSC posed in a short survey recently mailed to all school districts with available New Construction or Modernization eligibility.

Based upon the responses we receive from the survey, the OPSC anticipates holding several workshops throughout the state in spring of 2005. These workshops will be tailored to meet districts' specific needs, as well as offer up-to-date information regarding various school facilities funding programs and regulations.

In addition to the workshops that will be scheduled, you currently have many other resources at your disposal, such as your friendly OPSC project manager to help with questions or provide personal "one-on-one" assistance.

The names and telephone numbers of your project manager are listed, by county, on our Web site at <http://www.applications.dgs.ca.gov/OPSC/Employee/PMAssign.asp>.

If you haven't yet returned your survey, please do so as soon as possible so that we can obtain as much input as possible.

Deferred Maintenance Annual Apportionment Approved

BY ERIN MOORE, OPSC PROJECT MANAGER

On December 8, 2004, the State Allocation Board (SAB) approved the 2003–2004 Fiscal Year funding for the Deferred Maintenance Program (DMP).

More than 1,000 school districts shared approximately \$267 million in available state DMP funding, provided primarily by the Governor’s Budget and other funding sources, to perform maintenance work on school facilities. Of the \$267 million available for the DMP, the SAB set aside \$10 million for extreme hardship projects.

Non-extreme hardship districts received a pro-rated basic apportionment of 97.97 percent of the maximum basic apportionment allowed. There were 27 school districts that received a maximum basic apportionment along with their extreme hardship apportionment.

How does the district receive its basic apportionment funds?

Your County Office of Education must certify to the Office of Public School Construction (OPSC) by February 6, 2005 that the school districts within your county, and the County Office of Education, have deposited the required funds to their District Deferred Maintenance Fund (DDMF). The Certification of Deposits, Form SAB 40-21, should be mailed to the following address:

Office of Public School Construction
 Attention: Accounting Unit
 1130 K Street, Suite 400
 Sacramento, CA 95814

What happens if our district does not deposit the required amount?

If the district does not deposit any matching funds in the DDMF, or if the Certification of Deposits is not received by the required timeline, the basic grant will be rescinded. If the district’s deposit is less than the state’s apportionment, the state will reduce its apportionment to match the district’s contribution, and the district is required to submit a report to the Legislature by March 1, 2005. Please refer to Education Code Section 17584.1 for the requirements of the report.

How does the district receive the extreme hardship funds?

The district has up to one year from the date of apportionment to complete the project and request a fund release. However, if the district has not requested a fund release within six months of the date of apportionment, the district is required to submit a progress report to the OPSC. To request a fund release, complete the Fund Release Authorization, Form SAB 40-23, and attach the supporting documentation listed on the form. The OPSC must receive the districts’ Fund Release Authorization by December 9, 2005.

Our district received an extreme hardship apportionment, what’s next?

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

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

For additional information about the DMP, please contact Bill Johnstone, Project Manager, at 916.323.8176. For information regarding the fiscal requirements, please contact Lien Hoang, Fiscal Services Supervisor, at 916.322.0315.

The following chart provides a summary of available state funding:

DEFERRED MAINTENANCE PROGRAM FUNDS

TYPE OF REQUEST	VALUE OF REQUESTS	STATE FUNDS AVAILABLE	STATE APPORTIONMENT
Basic	\$ 262,521,749	\$ 257,224,199	\$ 257,218,412
Extreme Hardship	4,991,327	10,000,000	4,991,327
TOTAL	\$ 267,513,076	\$ 267,224,199	\$ 262,209,739

Updated Facilities Program Handbook Now Available

The most recent version of OPSC’s School Facility Program Handbook is now available online. The guidebook includes updated information on several items including:

- Adjustment to the New Construction Grant for Hazardous Waste Removal
- Charter School Facility Program Regulation Amendments
- Senate Bill 15 Amendments

This valuable resource is available to you at a click of your computer mouse. For more information, please visit the OPSC Web site at: www.documents.dgs.ca.gov/opsc/PDF-Handbooks/SFP_Hdbk.pdf.

“Piggyback Contracts” and Modular School Facilities

BY REGINA BILLS-DACONG, OPSC PROJECT MANAGER

Office of Public School Construction (OPSC) staff presented a report at the December 2004 State Allocation Board (SAB) meeting regarding “piggyback” contracts and California Building Code compliance related to modular school facilities.

The report was presented in response to concerns recently expressed by the Board regarding the legality of “piggyback” contracts used by some school districts to acquire and install factory-built modular building components that result in state-funded permanent schools and that bypass the competitive bidding requirements of the Public Contract Code (PCC). The SAB had also expressed concern with the quality of the modular school facilities, as well as concern that the facilities may lack Division of the State Architect (DSA) inspection.

The report detailed some districts’ use of this delivery method and included varying legal opinions. The report concluded that, although there was no current case law that in-

terpreted the use of piggyback contracts to acquire permanent modular school facilities, district contracts that are relying on an interpretation of law that would result in the “construction” of entire school facilities without further competitive bidding may be subject to challenge for violating the competitive bidding requirements of the PCC for public works projects.

On the question of structural quality, the DSA confirmed that inspections are required by law, and that those inspections occur for both off-site and on-site construction, and for installation of factory-built modular building components.

After hearing testimony, the SAB requested additional information from the DSA and OPSC to be presented at a future SAB meeting.

To learn more about this report, please view the December 2004 SAB report and watch for additional information presented to the Board.

Advisory Actions Online

Just a quick reminder that past editions of our *Advisory Actions* newsletter are available on OPSC’s Web site. You can find them on the “Resource Information” page.

In order to get the latest State Allocation Board news to you in the timeliest manner possible, as well as to maximize the use of state resources, the OPSC publishes *Advisory Actions* in electronic form.

You can access the most recent and archived copies by accessing our Web site at www.opsc.dgs.ca.gov/ResourceInformation/Advisory_Actions.htm.

School Openings and Groundbreakings

BY CHRISTINE SANCHEZ, OPSC PROJECT MANAGER

A safe new school contributes to the academic success of today’s youth. Due to the hard work and support of everyone involved, one common goal was achieved: a safe new facility for the students.

The Office of Public School Construction would like to congratulate the following districts on their new school openings and groundbreakings.

SCHOOL DISTRICT	COUNTY	PROJECT	GROUNDBREAKING
Cajon Valley Union School District	San Diego	Cajon Valley Middle School: Joint-Use Gymnasium	October 2004
Cajon Valley Union School District	San Diego	Los Coches Creek Middle School	November 2004
Los Angeles Unified	Los Angeles	East Valley Middle School #1	November 2004
Ontario-Montclair	San Bernardino	Montera Elementary	November 2004

SCHOOL DISTRICT	COUNTY	PROJECT	DEDICATION DATE
Lammersville Elementary	San Joaquin	Wickland Elementary School	August 2004
Los Angeles Unified	Los Angeles	Bell/Cudahy Elementary School #3 Middle School Addition	August 2004
Los Angeles Unified	Los Angeles	Valley New High School #1 (CSUN)	October 2004
Wheatland Elementary	Yuba	Bear River Middle School	October 2004
Sundance Elementary School	Riverside	Sundance Elementary School	October 2004
Los Angeles Unified	Los Angeles	Tweedy Elementary School (South Gate New Elementary School #7)	November 2004
Hemet Unified	Riverside	Cawston Elementary School	November 2004
Los Angeles Unified	Los Angeles	Aragon Elementary School Addition	November 2004
San Francisco Unified	San Francisco	Bessie Carmichael Elementary School	November 2004
Lodi Unified	San Joaquin	Millswood Middle School	November 2004
Los Angeles Unified	Los Angeles	Camellia Elementary	December 2004

To help us highlight your celebrations, please reference the above table for the necessary data, and submit the information with your project’s School Facility Program

application number to the Office of Public School Construction, attention: New School Dedications and Groundbreakings.

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AS OF DECEMBER 8, 2004

Proposition Funds Put to Work

PROGRAM	BOND ALLOCATION	APPORTIONED	RELEASED/ CONTRACTED
Proposition 55			
New Construction	\$ 4,960,000,000	\$ 0	\$ 0
Modernization	2,250,000,000	647,178,765	326,069,184
Charter School	300,000,000	0	0
Critically Overcrowded Schools	2,440,000,000	1,887,970,777	0
Joint Use	50,000,000	0	0
Total Proposition 55	\$10,000,000,000	\$ 2,535,149,542	\$ 326,069,184
Proposition 47			
New Construction	\$ 6,250,000,000	\$ 5,592,709,570	\$ 5,211,504,927
Modernization	3,300,000,000	3,279,543,704	3,198,510,016
Charter School	100,000,000	97,034,156	0
Critically Overcrowded Schools	1,700,000,000	1,681,356,272	16,324,182
Joint Use	50,000,000	37,694,166	12,847,331
Total Proposition 47	\$11,400,000,000	\$10,688,337,868	\$ 8,439,186,456
Grand Total	\$21,400,000,000	\$13,223,487,410	\$ 8,765,255,640

Status of Funds

PROGRAM	BALANCE AVAILABLE AS OF DECEMBER 8, 2004
Proposition 55	
New Construction	\$ 4,946.0
Charter School	300.0
Energy	14.0
Modernization	1,595.1
Energy	5.8
Critically Overcrowded Schools	552.0
Joint Use	50.0
Total Proposition 55	\$ 7,462.9
Proposition 47	
New Construction	\$ 587.8
Charter School	0.5
Energy	9.3
Modernization	16.6
Energy	3.9
Critically Overcrowded Schools	18.6
Joint Use	12.2
Total Proposition 47	\$ 648.9
Grand Total	\$ 8,111.8

NOTE: Amounts shown above are in millions of dollars.

REGULATIONS UPDATE

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

The following regulation amendment was approved at the October 27, 2004 State Allocation Board meeting.

EMERGENCY

Construction Cost Index Update

BY HEATHER DOHERTY, OPSC PROJECT MANAGER

A study was recently completed on the Construction Cost Index (CCI) to determine if a change to the CCI for school construction is appropriate for the purposes of the annual adjustment in 2005.

The report's findings were presented to the State Allocation Board (SAB) in June 2004. Several options for adjusting for construction cost fluctuations were discussed at that meeting.

At several past SAB Implementation Committee meetings, the Office of Public School Construction (OPSC) looked at a number of ways to administratively assist districts experiencing a "high bid" climate. One option discussed was to evaluate the current Class B index. The OPSC staff reviewed several Class B construction cost indices and the current methodology for annually adjusting the per unhoused pupil apportionment.

Based on these meetings, staff presented an item at the October 2004 SAB to modify current regulations by deleting reference to a specific Class B Construction Cost Index. By approving this item on an emergency basis, the SAB is given the most flexibility in selecting the appropriate Class B index.

The OPSC will present an item to a future SAB meeting for the Board's consideration of several Class B Index options.

To view additional information regarding this regulatory amendments, please view the OPSC Web site at www.opsc.dgs.ca.gov.

For any of your questions, please contact your OPSC Project Manager.



STATE ALLOCATION BOARD'S

Implementation Committee

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

At the previous meetings...

The following topics were discussed at the November 5th and/or December 3rd meetings of the State Allocation Board (SAB) Implementation Committee.

BIDDING CLIMATE REPORT

A report prepared by the Division of the State Architect and a representative from the Council of Educational Facility Planners, International was distributed at the November 5th Implementation Committee meeting. The report provided information on project cost increases due to code change requirements as it relates to the Americans with Disabilities Act and technology advancements. A future discussion item may be scheduled.

WILLIAMS LAWSUIT SETTLEMENT LEGISLATION

The Office of Public School Construction (OPSC) presented draft regulations addressing the Williams lawsuit settlement legislation at the November 5th and December 3rd meetings of the Implementation Committee. There was extensive discussion about the eligible school list and the possibility that the \$25 million allocated in Senate Bill (SB) 6 may not provide sufficient funding to award grants to all eligible schools to perform the needs assessment.

The OPSC stated that the number of eligible schools has not been finalized and that the list is still under review. Other discussion items related to the implementation of SB 6 included the proposed on-line assessment submittals, the qualifications of the inspectors performing the needs assessment, the OPSC's proposed auditing process, and the types of projects eligible for the Emergency Repair Program funding.

Other items discussed included the use, and the purpose of, the Interim Evaluation Instrument as provided for in SB 550.

For more information on the Williams lawsuit settlement legislation, please view the "Williams Lawsuit Settlement Legislation Update" article on the front page of this edition of the OPSC *Advisory Actions* newsletter. You may also refer to the Implementation Committee section of the OPSC Web site where the committee discussion items and minutes are posted under Agenda History.

2005 SAB IMPLEMENTATION COMMITTEE MEETING SCHEDULE

At the December 3rd meeting, the proposed committee meeting schedule for 2005 was set as follows:

Thursday, January 6	Friday, July 8
Friday, February 4	Friday, August 5
Friday, March 4	Friday, September 9
Friday, April 8	Friday, October 7
Friday, May 6	Friday, November 4
Friday, June 3	Friday, December 2

The meetings will be held in Sacramento and are typically located at either the East End Complex at 1500 Capitol Avenue in Rooms 72.149B and 72.151A or the Legislative Office Building at 1020 N Street in Room 100. To verify the latest meeting dates, times and locations, please check the OPSC Web site.

Watch for...

The following items are pending review at a future Implementation Committee meeting. You may log onto the OPSC Web site at www.opsc.dgs.ca.gov/SAB/Imp_Calendar.htm to view the agenda for the next committee meeting and determine if items of interest are scheduled.

WILLIAMS LAWSUIT SETTLEMENT LEGISLATION

Final Implementation Committee presentation of the SAB regulations and Interim Evaluation Instrument necessary to implement SB 6 and SB 550. The SAB will be adopting the regulations for the Needs Assessment Grant Program and Emergency Repair Program, as well as approving the Interim Evaluation Instrument, at its January 26, 2005 meeting.

CRITICALLY OVERCROWDED SCHOOLS FINAL APPORTIONMENT ELIGIBILITY

Discussion on the proposed regulatory amendments necessary to implement Assembly Bill (AB) 2950 (Goldberg), Chapter 898, Statutes of 2004. For more information on this bill, please refer to the "2004 Legislation Update" article on page 3 in this edition of the OPSC *Advisory Actions* newsletter.

SMALL HIGH SCHOOL PILOT PROGRAM

Discussion on the proposed regulations necessary to implement AB 1465 (Chan), Chapter 894, Statutes of 2004. For more information on this new law, please refer to the "2004 Legislation Update" article on page 3 in this edition of the OPSC *Advisory Actions* newsletter.

SCHOOL FACILITY PROGRAM – PROJECT RESCISSION

Discussion on proposed amendments to Regulation Section 1859.107 that will clarify the parameters for project rescission.

The next meeting...

The SAB Implementation Committee meeting will be held on Thursday, January 6, 2005 (9:30 a.m. to 3:30 p.m.) at the Legislative Office Building, 1020 N Street, Room 100, Sacramento.