

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, May 28, 2014

SCHOOL FACILITY PROGRAM REGULATORY AMENDMENTS: CONSTRUCTION COST PUBLICATION

PURPOSE OF REPORT

To request State Allocation Board (Board) approval of regulatory amendments to continue the use of specific construction cost publications currently used for calculating certain grants in the School Facility Program (SFP).

DESCRIPTION

Staff is presenting technical amendments to the SFP regulations due to the change in titles of the construction cost publications *Saylor Current Construction Costs* and *Saylor Current Construction Costs Remodeling/Repair* currently used for calculating certain grants. Effective January 1, 2015, the titles will be *Current Construction Costs and Repair Remodeling Construction Costs* and will continue to be published by Sierra West Group, without reference to the "Saylor" trademark.

AUTHORITY

Education Code Section 17070.35 states in part:

- (a) In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following:
 - (1) Adopt rules and regulations, pursuant to the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, for the administration of this chapter....
 - (2) Establish and publish any procedures and policies in connection with the administration of this chapter as it deems necessary.

BACKGROUND

The SFP regulations state that the construction cost publications *Saylor Current Construction Costs* and *Saylor Current Construction Costs Remodeling/Repair* are to be used to calculate certain SFP grants based on cost estimates, including site development (off-site, service-site and utility work) for new construction, demolition costs for replaced facilities, utility costs for permanent buildings 50 years or older in a modernization project, and Facility Hardship.

The *Saylor Current Construction Costs* and *Saylor Current Construction Costs Remodeling/Repair* manuals are published by Saylor Publications, Inc., which was purchased in 2011 by Sierra West Group. As a result of the ownership change, the titles of these publications will change to *Current Construction Costs* and *Repair Remodeling Construction Costs* and will continue to be published by the Sierra West Group, without reference to the "Saylor" trademark, as of January 1, 2015.

STAFF ANALYSIS/STATEMENTS

It is necessary to update the SFP regulations to reflect the changes to the titles of these publications in order to maintain consistency in the publications used in the SFP.

Continued on Page Two

STAFF ANALYSIS/STATEMENTS (cont.)

Staff has used these construction cost manuals since the inception of the SFP to calculate the specific grants named in the background section above, which are not related to the annual adjustment to the SFP grants for changes in the Class B construction cost index (CCI) that the Board typically adopts at its January meeting.

The proposed regulatory amendments in the Attachment do not affect the per-pupil grants for new construction and modernization and other grants that are adjusted annually for CCI changes.

RECOMMENDATIONS

1. Adopt the proposed regulations as shown in the Attachment.
2. Authorize the Executive Officer to file the proposed regulations with the Office of Administrative Law.

This Item was approved by the State Allocation Board on May 28, 2014.

ATTACHMENT

Section 1859.73.2. New Construction Additional Grant for Replaced Facilities.

- (a) In addition to any other funding authorized by these Regulations, the Board shall provide funding for the amount(s) in (b) below for the replacement cost of single-story building(s) that are demolished at a school and replaced with multistory building(s) in order to increase pupil capacity of that school if all the following conditions are met:
 - (1) The site size as determined by the CDE for the existing capacity of the school is less than 75 percent of the recommended CDE site size.
 - (2) The pupil capacity of the school must be increased by at least the greater of (A) or (B) below:
 - (A) Twenty percent of the existing permanent single-story pupil capacity (before replacement) of the school. Existing permanent single-story pupil capacity shall be determined by multiplying classrooms contained within single-story permanent buildings intended for grades kindergarten through six by 25, classrooms intended for grades seven through 12 by 27, classrooms intended for Non-Severely Disabled Individuals with Exceptional Needs by 13 and classrooms intended for Severely Disabled Individuals with Exceptional Needs by nine. Classrooms shall not include any classrooms reduced from the Gross Classroom Inventory pursuant to Section 1859.32.
 - (B) 200 pupils.
 - (3) The sum of (A) and (B) below is less than the sum of (E) and (F) below:
 - (A) Determine the estimated cost of demolition of the single-story building(s) to be replaced. The cost estimate shall be subject to review by the OPSC for conformance with the ~~Saylor~~ Current [Construction Costs](#) ~~P~~publication by [the Sierra West Group](#).

....

Section 1859.76. New Construction Additional Grant for Site Development Costs.

In addition to any other funding authorized by these Regulations, the Board shall provide funding equal to 50 percent of the following approved site development and applicable design costs:

....

Subsection (d) of this section shall be suspended no later than January 1, 2015, unless otherwise extended by amendments as adopted by the Board.

The district must submit a detailed cost estimate for all requests for site development work, with the exception of General Site Development, and any justification documents that will support the work with the Form SAB 50-04.

The Board will approve reasonable and appropriate site development work which meets common engineering practices and industry standards that are consistent with the specific site conditions if the site development costs are consistent with the most current edition of the ~~Saylor~~ Current [Construction Costs](#) ~~P~~publication by [the Sierra West Group](#). The design professional must certify to the district that the site development work does not exceed the minimum requirements to develop the site to meet educational needs and/or standards.

....

ATTACHMENT

Section 1859.78.7. Modernization Additional Grant for Site Development Necessary for 50 Years or Older Permanent Buildings.

In addition to any other funding authorized by these Regulations, the Board shall provide funding for upgrading existing site development (utilities) work as necessary for the modernization of 50 years or older permanent buildings equal to the lesser of (a) or (b):

....

The Board will approve reasonable and appropriate site development (utilities) work that meets common engineering practices and industry standards and are consistent with the specific site conditions, if the site development costs are consistent with the most current edition of the ~~Saylor~~ Remodeling/Repair Construction Costs [publication by the Sierra West Group](#). The design professional must certify that the site development (utilities) work does not exceed the minimum requirements to develop the site to meet educational needs and/or standards.

....

Section 1859.82. Facility Hardship.

A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils. A facility hardship is available for:

- (a) New classrooms and/or subsidiary facilities (corridors, toilets, kitchens and other non-classroom space) or replacement facilities if either (1) or (2) are met:
 - (1) The facilities are needed to ensure the health and safety of the pupils if the district can demonstrate to the satisfaction of the Board that the health and safety of the pupils is at risk. Factors to be considered by the Board shall include the close proximity to a major freeway, airport, electrical facility, high power transmission lines, dam, pipeline, industrial facility, adverse air quality emission or other health and safety risks, including structural deficiencies required by the DSA to be repaired, seismic mitigation of the Most Vulnerable Category 2 Buildings as verified by the DSA, traffic safety or because the pupils reside in remote areas of the district and transportation to existing facilities is not possible or poses a health and safety risk. The total available funding for seismic mitigation related and ancillary costs for the Most Vulnerable Category 2 Buildings is \$199.5 million.
- (A) If the request is for replacement facilities, a cost/benefit analysis must be prepared by the district and submitted to the OPSC that indicates the total costs to remain in the classroom or related facility and mitigate the problem is at least 50 percent of the Current Replacement Cost of the classroom or related facility. The cost/benefit analysis may include applicable site development costs as outlined in Section 1859.76. The cost/benefit analysis shall not include increased costs associated with high performance related costs or components, with the exception of those high performance components that were pre-existing in the classroom or related facility. If the cost to remain in the classroom or related facility is less than 50 percent of the Current Replacement Cost, the district may qualify for either grant below, as applicable:
 1. Modernization Excessive Cost Hardship Grant for Rehabilitation Costs pursuant to Section 1859.83(e), or
 2. A grant not to exceed 50 percent of the cost estimate that has been reviewed and approved by the OPSC and approved by the board for seismic rehabilitation.
- (B) If the request is for replacement facilities that included structural and/or seismic deficiencies, the cost/benefit analysis must also include a report from a licensed design professional identifying the minimum work necessary to obtain DSA approval. The report must contain a detailed cost estimate of the repairs. The cost/benefit analysis shall not include increased costs associated with high performance related costs or components, with the exception of those high performance components that were pre-existing in the classroom or related facility. The report and cost estimate shall be subject to review by the OPSC for conformance with the ~~Saylor~~ Current Construction Cost Publication [by the Sierra West Group](#) and, at the OPSC's discretion, the DSA. For seismic deficiencies of the Most Vulnerable Category 2 Buildings, the report and the cost estimate for the minimum work necessary must be reviewed by the DSA.

....