

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, May 24, 2006

MULTISTORY REPLACEMENT OF SINGLE-STORY FACILITIES

PURPOSE OF REPORT

To request:

1. Adoption of amendments to the School Facility Program (SFP) Regulation Section 1859.73.2, *New Construction Additional Grant for Replaced Facilities*.
2. Authorization to file the proposed amendments with the Office of Administrative Law (OAL).

BACKGROUND

At the January 2006 meeting of the State Allocation Board (SAB), Staff was directed to examine why there have been minimal requests for the New Construction Additional Grant for Replaced Facilities. This additional grant is intended to provide supplemental funding for districts desiring to replace single-story buildings with multistory buildings thereby creating more open space while increasing classroom capacity. Currently an applicant school district must increase the classroom capacity by constructing the *greater* of eight classrooms (200 pupils), or classrooms commensurate with 20 percent of the existing pupil capacity of the site based upon State loading standards, and provide a cost benefit analysis which determines that the cost of demolition and construction of a new multistory building on the same site is less than the total cost of providing a new school facility, including land on a new site for the additional number of pupils housed.

Board members expressed their concerns about the current calculation for determining the pupil capacity increase which requires the greater of 200 pupils or 20 percent of the existing pupil capacity, having cited this as a possible reason for the current lack of participation for this additional grant. The Board also expressed interest in districts being able to reclaim portions of an existing site for play area or physical education activities.

STAFF COMMENTS

Staff examined Regulation Section 1859.73.2(a)(2)(A) which requires 20 percent of the gross classroom capacity at the appropriate State loading standard. Districts have indicated that this requirement results in an excessive increase in classroom capacity on an already impacted site. Staff believes this requirement may be one of the reasons for such limited participation in this additional grant. Through examination of several random school sites, Staff concluded that the 20 percent calculation should be revised to use only the classroom capacity in single-story permanent buildings. This revision should provide a more manageable required increase in capacity, thereby facilitating increased participation in this additional grant. Staff recommends that the required minimum threshold of 200 pupils or eight classrooms be maintained, ensuring that the financial interests of the State are protected. Projects smaller than the required minimum are more appropriately funded through the existing SFP new construction program.

Although the law requires districts to maximize the increase in the pupil capacity of the site, the intent of this regulation was not to necessarily require an increase in the enrollment, but to adequately and efficiently house the pupils currently enrolled on a site that is already overcrowded. The replacement of single-story facilities with a multistory facility may allow school districts to relieve this overcrowding and reclaim portions of a site for play area or physical education activities.

STAFF COMMENTS (cont.)

The proposed regulatory changes were agreed upon at the May 5, 2006 meeting of the SAB Implementation Committee.

RECOMMENDATIONS

1. Adopt the proposed amendments to Regulation Section 1859.73.2(a)(2)(A) as shown in the Attachment.
2. Authorize the Office of Public School Construction to file these regulations with the OAL.

BOARD ACTION

In considering this item, the Board approved staff's recommendations. In addition, the Board requested clarifying language to Regulation Section 1859.73.2(a)(5) to allow portables included in the existing building capacity to be replaced within this program.

ATTACHMENT

PROPOSED AMENDMENTS TO THE SCHOOL FACILITY PROGRAM REGULATIONS State Allocation Board Meeting, May 24, 2006

Amend Section 1859.73.2. as follows:

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 Cost Publication.
 - (B) Multiply the total square footage of the proposed multistory replacement building(s) by the Current Replacement Cost.
 - (C) Multiply the pupil capacity as determined in (a)(2) by .01775 for K-6, .021 for 7-8 and .02472 for 9-12. For purposes of this calculation, assign Severely Disabled Individuals with Exceptional Needs and Non-Severely Disabled Individuals with Exceptional Needs pupil grants requested on Form SAB 50-04 as either K-6, 7-8 or 9-12 based on the type of project selected by the district on Form SAB 50-04.
 - (D) Determine the average value of land per acre as follows:
 1. Previous actual site acquisition costs within the district's boundaries. If unable to reference prior OPSC-reviewed and approved projects at the time of application submittal, the district should submit documentation for review that complies with Section 1859.74.
 2. Applications submitted with a separate certification letter, signed by the authorized district representative, certifying there are no site acquisitions as required in 1. above, must use one of the following calculation methods:
 - a. A complete appraisal or a preliminary appraisal of property in the General Location of the school site made or updated within six months from the Approved Application submittal date to the OPSC, using the guidelines outlined in Section 1859.74.1. The preliminary appraisal may be made without access to the property.
 - b. The Median Cost of an acre of land in the General Location of the school site using historical information from the General Location. Historical information that may be considered to determine land cost shall include prior real estate sales consummated and documented by the county recorder or pending real estate sales documented by a title insurance company's escrow instructions. For purposes of historical information, include all real estate sales consummated and documented by the county recorder for a minimum of six months and a maximum of up to two years prior to the date the Approved Application was submitted to the OPSC. Relocation expenses, for this method, will be calculated based upon OPSC historical data.
 - (E) Multiply the sums of the products determined in (C) above by the average value of land per acre determined in (D) above.
 - (F) Multiply the square footage of the single-story building(s) to be replaced by the Current Replacement Cost, then subtract this product from the amount determined in (a)(3)(B) above.
 - (4) The CDE has determined that the replacement of the single-story building(s) on the existing site with multistory building(s) would be the best available alternative and will not create a school with an inappropriate number of pupils in relation to the size of the site.

- (5) The single-story building(s) to be replaced on the existing site may not be leased facilities and/or classrooms excluded pursuant to Education Code Section 17071.30(b). Portable classrooms that were included in the classroom capacity as identified on Line 1, Part III, of the Form SAB 50-02, may be replaced.
- (6) With the exception of portables acquired with Class Size Reduction funds, the single-story building(s) to be replaced on the site may not have been funded for either new construction or modernization with funds from Proposition 1A or subsequent SFP bonds.
- (b) If the criteria in (a) are met, the additional funding is determined by multiplying \$173.30 per square foot for Toilet Facilities and by \$96.30 per square foot for all other facilities included in the single-story building(s) to be replaced adjusted for the following:
 - (1) The amounts shall be adjusted in the manner prescribed in Section 1859.71.
 - (2) The amounts shall be increased by the percentage authorized in Section 1859.73, as appropriate.

The district is eligible for site development in accordance with Section 1859.76 including the demolition of the replacement structures as part of the SFP project.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17071.46 and 17074.56, Education Code.